



# Mid-term evaluation of the Customs 2020 programme

Final report



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## Abbreviations and acronyms

<b>AEO</b>	Authorised Economic Operator
<b>AEO-NW</b>	Authorised Economic Operator Network Group
<b>AEOS</b>	Authorised Economic Operator for Customs Simplifications
<b>AEOF</b>	Authorised Economic Operator for Security and Safety
<b>AES</b>	Automated Export System
<b>AFF</b>	Action Follow-up Form
<b>ART</b>	Activity Reporting Tool
<b>AWP</b>	Annual Work Programme
<b>BOI</b>	Binding Origin Information
<b>BPM</b>	Business Process Models
<b>BTI</b>	Binding Tariff Information
<b>CCC</b>	Community Customs Code
<b>CCI</b>	Centralised Clearance for Import
<b>CCN/CSI</b>	Common Communication Network/Common Systems Interface
<b>CCU</b>	Customs Control Unit
<b>CDMS</b>	Customs Decisions Management System
<b>CDS</b>	Customs Decision System
<b>CEIS</b>	Customs European Information Systems
<b>CELBET</b>	Customs Eastern and South-Eastern Land Border Expert Team
<b>CEPOL</b>	European Union Agency for Law Enforcement Training
<b>CFW</b>	Competency Framework
<b>CIRCABC</b>	Communication and Information Resource Centre
<b>CLEN</b>	Customs Laboratories European Network
<b>CLEP</b>	Common Learning Events Programme
<b>CLET</b>	Customs Laboratories Expert Team
<b>COPIS</b>	anti-Counterfeit and anti-Piracy Information System
<b>CN</b>	Combined Nomenclature
<b>CPG</b>	Customs Policy Group
<b>CPMT</b>	Commission Programme Management Team
<b>CRC</b>	Common Risk Criteria
<b>CRMF</b>	Common Risk Management Framework
<b>CRMS</b>	Customs Risk Management System
<b>CRS</b>	Customer Reference Services
<b>CS/MIS</b>	Central Services/Management Information System
<b>CS/RD</b>	Central Services / Reference Data
<b>CUP-MIS</b>	Customs Union Performance Management Information System
<b>CUST</b>	Customs
<b>DG TAXUD</b>	Directorate General for Taxation and Customs Union
<b>EBTI</b>	European Binding Tariff Information
<b>EC</b>	European Commission
<b>ECCG</b>	Electronic Customs Coordination Group
<b>ECICS</b>	European Customs Inventory of Chemical Substances
<b>ECNtc</b>	External Communication Network tax and customs
<b>ECS</b>	Export Control System
<b>EIS</b>	European Information Systems
<b>EO</b>	Economic Operators
<b>EOS</b>	Economic Operators System
<b>EORI</b>	Economic Operator Identification and Registration
<b>EQ</b>	Evaluation Question
<b>EU</b>	European Union
<b>eu-LISA</b>	European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice
<b>FISC</b>	Fiscalis
<b>GDP</b>	Gross Domestic Product

<b>GSP</b>	Generalised System of Preference
<b>GUM</b>	Guarantee Management
<b>HR</b>	Human Resources
<b>ICS</b>	Import Control System
<b>INF</b>	Information for Special Procedures
<b>IOTA</b>	Intra-European Organisation of Tax Administrations
<b>IPR</b>	Intellectual Property Rights
<b>IT</b>	Information Technology
<b>LCP</b>	Local Clearance Procedures
<b>MASP</b>	Multiannual Strategic Plan
<b>MIS</b>	Management Information System
<b>MFF</b>	Multiannual Financial Framework
<b>MRA</b>	Mutual Recognition Agreements
<b>MRN</b>	Main Reference Number
<b>MS</b>	Member States
<b>NCTS</b>	New Computerised Transit System
<b>OLAF</b>	European Anti-Fraud Office
<b>OPC</b>	Open Public Consultation
<b>PARCS</b>	Prohibitions and Restrictions Customs Controls Strategy
<b>PC</b>	Programme Committee
<b>PCG</b>	Programme Coordination Group
<b>PG</b>	Policy Group
<b>PICS</b>	Programme Information and Collaboration Space
<b>PMF</b>	Performance Measurement Framework
<b>PoUS</b>	Proof of Union Status
<b>QUOTA</b>	Electronic system for quota management / allocation
<b>RD</b>	Reference Data
<b>REACH</b>	Registration, Evaluation, Authorisation and Restriction of Chemicals
<b>REX</b>	Registered Exporter
<b>RIF</b>	Risk Information System
<b>RIMSCO</b>	Risk Management Strategy Implementation Coordination Group
<b>RMS</b>	Risk Management Strategy
<b>SASP</b>	Single Authorisation for Simplified Procedures
<b>SDP</b>	Simplified Declaration Procedure
<b>SP</b>	Simplified Procedure
<b>SMS</b>	Specimen Management System
<b>SOC</b>	Security Operations Centre
<b>SRSP</b>	Structural Reform Support Programme
<b>SRSS</b>	Structural Reform Support Service
<b>SSTL</b>	Smart and Secure Trade Lanes
<b>STTA</b>	Standard Transit Test Application
<b>SW – CVED</b>	Single Window - Common Veterinary Entry Document
<b>TARIC</b>	Tarif Intégré des Communautés européennes
<b>TCG</b>	Trade Contact Group
<b>TOR</b>	Terms of Reference
<b>TTA</b>	Transit Testing Application
<b>TSG</b>	Training Support Group
<b>UCC</b>	Union Customs Code
<b>USA</b>	United States of America
<b>UUM&amp;DS</b>	Uniform User Management & Digital Signature
<b>VAT</b>	Value Added Tax
<b>WCO</b>	World Customs Organisation
<b>WP</b>	Work Programme
<b>WV</b>	Working Visit

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## EXECUTIVE SUMMARY

### *The programme*

The Customs 2020 programme, governed by Regulation (EU) No 1294/2013<sup>1</sup>, is the EU's **on-going cooperation programme in the field of customs**. It runs from 1 January 2014 until 31 December 2020 and enables national customs administrations to cooperate and exchange information and expertise. Ultimately, it aims to support the functioning and modernisation of the Customs Union (particularly regarding implementation of the Union Customs Code), and thereby to strengthen the single market. There are currently 34 countries that participate in the programme (the 28 EU Member States and six candidate and potential candidate countries). The programme has a budget of about EUR 523 million for the 2014-2020 period and supports three types of eligible activities to achieve these aims, namely:

- (a) **Joint actions (12.8% of funding so far)**: meetings of customs officials and other stakeholders in various formats to enhance the exchange of knowledge and experiences between customs authorities and officials of the participating countries;
- (b) **Customs European Information Systems (84.6% of funding so far)**: IT systems to facilitate the exchange of information and access to common data; and
- (c) **Common training activities (2.6% of funding so far)**: eLearning modules and other training to support the necessary professional skills and knowledge relating to customs.

National **customs administrations are the programme's main beneficiaries**. Economic operators benefit from the programme mostly indirectly thanks to more efficient customs procedures, but can also participate in the joint actions and routinely use some of the Customs European Information Systems supported by the programme.

The **Commission manages Customs 2020 centrally**, with the assistance of the Customs 2020 Committee, composed of delegates from each Member State. Programme coordinators in each country help manage the involvement of their officials and carry out other organisational functions. Annual Work Programmes define priorities and implementing measures for each year, as well as thematically linked sets of activities called 'projects'.

### *The evaluation*

The mid-term evaluation of the programme was carried out in 2017-2018. As defined in the Regulation, the purpose of the evaluation was to **assess the programme's performance so far** in terms of its relevance, effectiveness, efficiency, coherence and EU added value, and to **make recommendations** for future improvement. In this way, the evaluation served both accountability and learning purposes.

The breadth of the programme's activities posed an important methodological challenge, in that it would not have been possible, within the available resources and timeframe, to cover all activities in the detail needed to draw robust conclusions. Moreover, as much of the programme's support plays a contributing role alongside other factors (such as the actions of national administrations), it is difficult to assess without in-depth

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<sup>1</sup> Regulation (EU) No 1294/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC (Customs 2013).

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qualitative research. For these reasons, the evaluation was split into three complementary elements:

- A **programme assessment** that covered the entire programme to the extent possible, based on an in-depth review of monitoring data (which covered financial, implementation and performance aspects) and other documentary sources, written questionnaires for national customs authorities and interviews with managers and users of the programme from the Commission and national administrations.
- **Thematic case studies** that examined in much more detail seven of the projects defined as priority areas in the Annual Work Programmes. These helped the evaluation understand whether and how Customs 2020 is contributing to increased collaboration, the work of national administrations and the development and implementation of new processes, procedures and policies. The case studies were based mainly on interviews in seven participating countries with customs and other officials, in addition to a review of relevant documentation and scoping interviews with DG TAXUD. The fieldwork sample included Austria, the Czech Republic, Estonia, the Netherlands, Portugal, Serbia and Sweden.
- A **survey of economic operators** that sought to gather, among other things, their views as users of the publicly available IT systems and eLearning modules.

Overall the evaluation was able to collect extensive and meaningful data that allow for confidence in the results. However, it also encountered some challenges. These were mitigated to the extent possible, with remaining limitations given due consideration.

### ***Key findings and conclusions***

#### Relevance

At root, relevance refers to the *need* for an initiative. The evaluation explored this in terms of the needs of national customs administrations, economic operators and European citizens.

At a general level, the findings **validate the relevance of the Customs 2020 specific objective<sup>2</sup>** by identifying clear needs for the secure and rapid exchange of information, cooperation between customs administrations and enhancement of administrative capacity. These needs stem from the growing scope of EU customs law, cross-border issues related to customs, e.g. once goods are cleared for free circulation in one Member State they can move without checks throughout the EU, and need for more convergence between countries in line with the provisions of the Union Customs Code. There has been universal agreement among stakeholders that the programme is needed to facilitate this exchange and cooperation, and that ambitious policies would be difficult to agree or implement without such support. Thus, the programme's role in fostering convergence of approaches, administrative procedures and application of rules is highly relevant.

The programme successfully addresses also the perceived direct needs of **national administrations** in participating countries. In particular, networking and exchange of

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<sup>2</sup> The specific objective of the Customs 2020 programme is related to protecting the financial and economic interests of the Union (including combating fraud and protecting intellectual property rights), increasing safety and security, protecting citizens and environment, improving the administrative capacity of customs administrations, and strengthening competitiveness of businesses.

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ideas are seen as important aspects of all programme activities. The need for and relevance of the Customs European Information Systems is self-evident, as they in many cases define the possibility for the exchange of information required by EU law. Supporting activities like training sessions on IT are also universally appreciated. Demand among participating countries for the eLearning modules is also high, in particular to support the uniform application of EU law, most importantly the Union Customs Code.

Regarding **economic operators**, the aims and activities of the programme are consistent with needs to minimise administrative burdens and maximise legal certainty. Much of this is indirect, since making national customs administrations work and share information better benefit economic operators in the form of more efficient customs processes. Similarly, the eLearning modules support a harmonised application of EU law. More directly (as explained in more detail under effectiveness below), economic operators can use certain Customs Information Systems as part of simplified and standardised customs procedures, take part in some joint actions and participate in certain eLearning modules.

Although the programme does not involve **European citizens** directly, it addresses issues related to safety and security and trade facilitation that are important to them, such as fighting smuggling and fraud and protecting citizens from security threats.

### Effectiveness

Effectiveness in evaluation terms considers the performance of an intervention in terms of its objectives and the factors that play a role in that. For the Customs 2020 programme, we examined effectiveness from three perspectives. Firstly, we assessed the ability of programme activities to reinforce cooperation and information-sharing between customs authorities. Secondly, we considered the involvement and participation of economic operators in the programme. Thirdly, we analysed the programme's contribution to its overall objective, which is to protect the financial and economic interests of the Union (including combating fraud and protecting intellectual property rights), increase safety and security, protect citizens and the environment, improve the administrative capacity of customs administrations, and strengthen the competitiveness of businesses.

By providing a framework and the technological means needed to work together, the **Customs 2020 programme has played an important role in reinforcing cooperation** between customs authorities. The different types of joint actions have met participants' expectations and achieved their intended results. In particular, they have helped administrations to identify, disseminate and implement best practices, leading in turn to the practical uptake of working methods in customs administrations and a more harmonised approach to the application of EU customs law.

**Customs European Information Systems help Member States to communicate with each other securely and efficiently and increase collaboration.** More specifically, the IT architecture, namely the Common Communication Network/Common Systems Interface (CCN/CSI), was found to be an essential platform for secure customs information- and data-sharing. The central systems managed and operated by the Commission<sup>3</sup> were considered similarly useful by national customs administrations. Having been in operation for a long time, these IT systems underpin core customs functions such as goods classification and tariff management. Views were also very

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<sup>3</sup> The centrally operated systems include the TARIC database for integrated Tariff in the European Union, the EBTI-3 data base for European Binding Tariff Information, the EORI system for Economic Operators Registration and Identification Number, the Customs Risk Management System CRMS or the COPIS system for anti-Counterfeit and anti-Piracy Information.

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positive about most of the systems for EU movement control, such as the New Computerised Transit System NCTS and Export Control System ECTS.<sup>4</sup> Other systems are aimed at a more limited audience but are deemed indispensable to the specialised customs departments who use them<sup>5</sup>.

Although the proportion of the programme budget dedicated to training is small, it has an important and unique role, complementing the joint actions and IT systems. In particular, national customs administrations saw value in the way training helps administrations to use given Customs European Information Systems. The eLearning also helps officials to apply EU customs law more uniformly, by teaching about legal provisions and terminology in a harmonised way. The training also provides individual benefits such as increased knowledge and understanding.

**Economic operators benefit indirectly but significantly** as participants in some joint actions, where their input can help ensure that their views are taken into account for new initiatives. They are also users of eLearning modules, mostly the Union Customs Code courses. These were downloaded from the EUROPA site over 11 800 times in 2017, showing a high level of use.

Still, the main benefits for economic operators come from the use of IT systems, which were praised for helping them to reduce some administrative burdens and simplifying procedures. In particular, economic operators benefit from IT databases that provide various types of information not available elsewhere, including the EU Customs Tariff (TARIC) database and the European Binding Tariff Information (EBTI) database.

With regard to the achievement of the programme's higher-level objectives, the evidence confirmed **adequate progress in relation to different aspects of the specific objective**. Programme actions have been most effective in contributing to protecting the financial and economic interests of the Union and of the Member States, including combating fraud, protecting intellectual property rights and ensuring fair trade and the proper functioning of preferential arrangements. Supported activities were successful at standardising, facilitating and simplifying processes and procedures, pooling expertise, speeding up exchange of vital customs risk-related information and ensuring respect of the EU rules. These achievements in turn contributed to better customs risk management, improved safety and security and the better protection of citizens and the environment.

Programme actions have also succeeded in improving the administrative capacity of customs authorities, in particular in relation to the preparation and facilitation for the formal adoption of the Union Customs Code (including the identification of training needs) and supporting the work of European Customs Laboratories.

There are some areas where the programme's contribution has been less evident. For example, efforts to implement the EU Competency Framework for Customs<sup>6</sup> have met with problems in getting buy-in from senior leadership in customs administrations when the framework was launched, and limited resources to put the framework in place and

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<sup>4</sup> While opinions were mixed on the Import Control System ICS, it should be noted that this system is outdated. Intensive work is taking place on a successor system (ICS2), which will be launched during the next programming period.

<sup>5</sup> Examples include the NCTS-TIR-Russia, European Customs Inventory of Chemical Substances ECICS or Suspensions or Customer Reference System CRS.

<sup>6</sup> The EU Customs Competency Framework was developed by DG TAXUD in collaboration with public and private experts from EU Member States, the World Customs Organisation (WCO) and other international sources. The framework, which was finalised in 2014, is composed of a set of methodologies and tools to map and adapt EU Customs competencies and role descriptions for national administrations and businesses with different organisational and structural customs realities.

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adjust it to national contexts. Activities and priorities aimed at strengthening the competitiveness of European businesses have also met with difficulties. This has been partly the consequence of internal delays in specific projects (e.g. in the area of Customs Union Performance Measurement). However, external challenges, such as the lack of support from national customs administrations and economic operators, also held back programme actions in the areas of simplified procedures, authorised economic operators and international co-operation.

### Efficiency

Efficiency was assessed in terms of how the programme is structured, its operations and management. The evaluation also considered whether the costs are proportionate to the benefits that the programme has provided to customs administrations and the Customs Union. Regarding the programme's structure, the Customs 2020 programme strikes a good balance between the extent of consultation with national administrations for the programme implementation and a centralised management that coordinates the implementation of the Annual Work Programmes. The involvement of national administrations in the setting of priorities and the decision-making process is instrumental to the functioning of the programme, as it enhances the feeling of ownership among participating countries. For the current period, new features have allowed the programme to operate with a high degree of efficiency. Key changes have included the structuring of annual priorities into thematically linked 'projects', the development of a new system for monitoring progress of programme activities, and the streamlining of platforms for sharing documents and facilitating communications.

Criticism was minor and mainly related to efforts for continuous improvement. For example, the new monitoring system was a big step forward, but was considered too complicated and burdensome to function as an aid to decision-making. Similarly, some concerns were raised in relation to the limited human resources available to adequately respond to programme's requirements, while tools for reporting and sharing information between joint action participants were found not user-friendly enough.

Regarding the ratio of benefits to costs, comparing the findings on effectiveness to spending data and the positive findings on operational efficiency makes a **strong case that the programme overall is effective and efficient**, despite it not being possible to monetise the benefits of each component of the programme. In their different ways, the joint actions, Customs European Information Systems and training activities clearly generate value for the EU and national customs administrations, by helping them to pool resources (and thereby generate economies of scale), enforce EU customs legislation and function more effectively through the sharing of best practices and solutions.

These **benefits are also commensurate with the proportion of the budget allocated** to each aspect of the programme. At 84.6%, this is by far the largest for the Customs European Information Systems. This significant financial cost can be justified not only because the systems have generally been assessed as effective, but also because the systems address clear policy needs. If such systems were not funded through the programme, the Member States would in many cases need to duplicate efforts to produce their own systems at much greater cost. Spending on joint actions represents 12.8% of the budget and consists mainly of travel and subsistence costs for participants. This is relatively minor compared to the substantial and diverse benefits achieved across the spectrum of customs policy and operations. Common training has also achieved major benefits, notably from the eLearning programme to support implementation of the Union Customs Code, despite receiving the smallest budget share (2.6%).

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## Coherence

Coherence has both an internal dimension, related to how well the programme's many parts fit together, and an external dimension, related to its alignment with other EU policies and programmes. Both were judged positively. **Internal coherence** is ensured by annual programming processes that are objective-driven, with yearly priorities that are aligned with higher-level general, specific and operational objectives of the programme. Its management arrangements have also enhanced synergies and avoided duplications. The Programme Management Team acts as a central coordinator of the Customs 2020 programme, while several complementary fora, including the Customs Policy Group, the programme's comitology committee, expert groups and the programme's project groups with a coordination function, ensure the participation of national customs administrations and Commission stakeholders. The continuous nature of the programme has also acted as a success factor, by allowing it to consolidate successful features and to gradually improve over time. Effective internal communication and information-sharing features have reinforced the dissemination of programme messages and the use of available communication tools and channels, contributing to increasing synergies and internal coherence.

**External coherence** of Customs 2020 with the objectives of the Europe 2020 Strategy is supported through the programme's contribution to the improvement of the competitiveness and productivity of the European Union. For example, by supporting the implementation of the Union Customs Code, the programme contributes to simplification of existing procedures that have the potential to facilitate trade and reduce costs for businesses. Through support given to the implementation of the Authorised Economic Operator programme, the Customs 2020 programme facilitates legitimate trade and increases productivity and competitiveness of some businesses. By supporting the implementation of the Action Plan on intellectual property rights, the programme fights against the increasing volume of trade in goods infringing intellectual property rights that threatens jobs, growth, innovation and competitiveness.

The evaluation also found that **the programme is complementary to other EU initiatives**, including Horizon 2020, EU Structural and Investment Funds and Connecting Europe Facility Fund. In addition, relevant links and synergies were also identified with the Single Market Programme, the EU Internal Security Fund and Instrument for Border Management and Visa, the Structural Reform Support Programme, and the Hercule Programme. However, in the eyes of the national authorities, there is room for more dialogue and coordination within other Commission services and EU institutions and underexploited possibilities for cooperation. There seem to be room as well for raising the visibility of the programme and for providing more information on the complementary funding instruments to national customs authorities and economic operators, in particular in relation to the IT systems.

Participation of and cooperation with third countries have expanded in the first three years of the current programming period, with Performance Measurement Framework indicators confirming an increase in the number of third countries participating in or cooperating within the programme's activities.

## EU added value

The concept of EU added value refers to the **extent to which an initiative generates benefits over and above what would have resulted** from interventions at local, regional or national level. In the case of the Customs 2020 programme, this was considered in terms of contributions to policy objectives, creating economies of scale, complementing the activities and policies of the Member States and supporting achievements that are sustainable (i.e. long-lasting and not dependent on future EU support).

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The Customs 2020 programme has been **effective in providing solutions for problems with a clear EU dimension**. This is anchored in its role as facilitator of cooperation between participating countries, including their national administrations and economic operators. Many of the joint actions were directly supporting implementation of a policy or a plan. By providing mechanisms for discussions, exchange of information, networking between participating countries, Customs European Information Systems and common training, the programme ensures a harmonised approach to the implementation of customs legislation, procedures and rules.

**Efficiency gains and costs savings** are among the key elements of EU added value when it comes to the IT systems. The evaluation found them to help the national administrations save time and resources, particularly for participating countries with smaller customs administrations and fewer resources. The interoperability and interconnectivity provided through the central systems would be highly impractical and costly to produce through other means. Thanks to the programme, these results have been achieved more effectively and efficiently, saving significant resources for national administrations. The same is true for the common training activities, which provide access to standardised and comprehensive information on the various aspects of the functioning of the Customs Union. Ultimately, the Customs 2020 programme approximates national approaches, establishes trust and creates a single narrative and a shared vision among national customs administrations, all of which are needed for to implement the Union Customs Code.

The IT systems, joint actions and training also have a **tangible value for the economic operators**. The EU added value in this sense is analogous to the utility the economic operators see in the various systems. For example, the TARIC and EBTI databases stood out as sources of information that is difficult to find elsewhere and provided at no extra cost, which is particularly useful when a Member State does not provide much information or for non-EU operators to access customs information.

The added value of the Customs 2020 programme also lies in providing a valuable service to beneficiaries who would otherwise be unable to produce the same results with the same level of quality and consistency. Even though the outputs and results achieved are likely to outlast the current programming period, **reduced or discontinued funding would have negative impacts in the medium-term**, such as the gradual obsolescence and disuse of Customs European Information Systems. The existence of the IT systems and their timely funding are in turn indispensable for many policy areas to function well, allowing information to be exchanged rapidly, in a secured way and in a common format. Other achievements attained in successive periods would also be put at risk as the trust and working relationships formed through the programme fade away.

Given the scale of Customs 2020 operations in terms of the sheer number of joint actions, breadth of topics covered, and their European dimension / pan-European participation in actions and training, it is difficult to assume that similar activities would have been organised at any other level. Without a forum for collaboration and sharing experiences, or a spending programme able to fund common IT systems, it is difficult to imagine the Member States passing legislation that requires such level of harmonisation in the quickly evolving customs environment. Among other things, implementing such legislation without a programme would require substantially higher costs due to the duplication of efforts.

### ***Recommendations***

It follows from the above that **the Customs 2020 programme should be continued** in order to consolidate the achievements made so far and to address established needs. The recommendations below offer some ideas that could be used to improve the programme in the future, both during the current funding period and later on and for stakeholders at different levels.

No	Recommendation	Responsible	Timeframe
<b>Programming and design</b>			
1	Make more practical use of the Annual Work Programme projects and consider multi-annual programming. In the short term this could mean more discussion of the projects, while in the longer-term (as is already proposed for the next funding period) multi-annual programming would help increase coordination.	European Commission	Short-term and next funding period
2	Designate long-term, platform-like joint actions as such, so that appropriate criteria can be defined for funding applications and monitoring of such actions.	European Commission	Next funding period
3	Refine strategy for development and promotion of eLearning modules, so that the training programme addresses identified needs.	European Commission and national administrations	Short-term and next funding period
4	Investigate ways to improve the technological platform for the delivery of eLearning modules, based both on solutions on the market and best practices and synergies from other Commission services and initiatives.	European Commission and national administrations	Short-term and next funding period
5	Improve the procedures for the translation, localisation and updates to eLearning modules. This could lead to quicker localisations and updates, and solutions that are more tailored to the needs of individual countries.	European Commission and national administrations	Short-term and next funding period
<b>Implementation</b>			
6	Increase coordination with other EU programmes, both in terms of operational coordination with the Fiscalis programme and establishing a forum for working with other Commission Directorates-General	European Commission	Short-term and next funding period
7	Optimise the procedures and resources for the implementation of joint actions, so that the workload for available human resources and administrative burdens on different actors are appropriate.	European Commission and national administrations	Short-term and next funding period
<b>Monitoring and reporting</b>			
8	Streamline the monitoring system so it meets actual needs while reducing administrative burdens. This could include both quick fixes like simplified forms and a study to refine and reduce the number of monitoring indicators.	European Commission	Short-term and next funding period
9	Develop a more coherent approach to assessing programme performance to reduce burdens and lead to more purposeful reports.	European Commission	Next funding period
10	Improve reporting and information-sharing tools, so that these can be made more user-friendly while still meeting demands for security and functionality.	European Commission	Next funding period
<b>Communication</b>			
11	Increase senior-level buy-in and political will among national administrations to boost participation and engagement.	National administrations	Short-term and next funding period
12	Communicate more actively about the possibilities of the programme, with national coordinators and other officials taking a more active role in finding out about and spreading awareness of the programme.	National administrations	Short-term and next funding period

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<b>No</b>	<b>Recommendation</b>	<b>Responsible</b>	<b>Timeframe</b>
13	Review strategy for dealing with economic operators and citizens, with a view to arriving at a common understanding of whether and to what extent actors beyond administrations should be targeted.	European Commission and national administrations	Short-term and next funding period

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## **1. INTRODUCTION AND READING GUIDE**

This final report is the last of four main deliverables to be submitted to the Directorate-General for Taxation and Customs Union of the European Commission (DG TAXUD) by Oxford Research, Coffey, Economisti Associati and wedoIT as part of the mid-term evaluation of the Customs 2020 programme.

The purpose of the report is to present the results of the evaluation, most importantly answers to a series of evaluation questions, conclusions and recommendations for the future.

Aside from this introduction, the report has three main chapters:

- Chapter 2 presents the background to the evaluation, including an overview of the Customs programme, purpose and scope of the evaluation and approach followed;
- Chapters 3 to 10 present the evaluation findings in the form of answers to eight evaluation questions spread across the criteria of relevance, effectiveness, efficiency, coherence and EU added value;
- Chapter 11 ties the report together with overall conclusions and recommendations for the future.

The main chapters are then followed by a set of annexes with detailed case study reports and findings from the other surveys and questionnaires that have been employed.

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## 2. BACKGROUND

This chapter provides a brief overview of the Customs 2020 programme, summarises the purpose and scope of the evaluation and presents the approach and methodology followed. It also includes a discussion on the validity and limitations of the findings.

### **2.1. Overview of the Customs 2020 programme**

The Customs 2020 programme was launched 1 January 2014 as the current EU customs cooperation programme and runs until 31 December 2020. The programme is governed by the framework of Regulation (EU) No 1294/2013<sup>7</sup> with the aim to **support the functioning and modernisation of the Customs Union** (particularly regarding implementation of the Union Customs Code), and thereby to strengthen the internal market by fostering cooperation between participating countries, their customs authorities and officials.

The programme provides the means for national customs administrations to create and exchange information and expertise, work together and develop and implement common practices and procedures. Activities centre on developing and operating major trans-European IT systems for sharing information between authorities and fostering collaboration between national customs officials from across Europe. The financial envelope for the programme is EUR 522 943 000. The participating countries are the 28 EU Member States and six countries candidate or potential candidate countries, including the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey, Albania and Bosnia and Herzegovina (since 2015)<sup>8</sup>.

The Customs 2020 programme builds upon five prior customs initiatives – namely, Matthaeus (a training and exchange programme for customs officials adopted in 1991), Customs 2000, Customs 2002, Customs 2007 and, most recently, Customs 2013.

#### **2.1.1. A changing policy landscape**

The EU Customs Union has been an important underpinning of the European Community and, subsequently, the EU's Single Market in 1993. The original EU Customs Union dates to 1968 (with the intention of establishing a common market with common tariffs and no custom duties at internal borders) and then developed into the Community Customs Code (CCC) in 1992, which consolidated each EU Member State's customs regulations into one legislative framework at EU level.

In 1993, the customs checkpoints between EU countries were completely removed and the Customs Union was central to the Single Market, since the latter can only function properly when rules and procedures are harmonised, particularly with regards to: managing customs duties; applying common tariffs and other common rules extending to all aspects of policy and border controls; and ensuring the application of necessary controls to guarantee the financial interests of the Union and security and safety of citizens.

Since the turn of the twenty-first century, the EU's customs policy landscape has witnessed significant changes in its customs strategy and measures considering an

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<sup>7</sup> Regulation (EU) No 1294/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC (Customs 2013).

<sup>8</sup> The Customs 2020 Programme: [https://ec.europa.eu/taxation\\_customs/business/customs-cooperation-programmes/customs-2020-programme\\_en](https://ec.europa.eu/taxation_customs/business/customs-cooperation-programmes/customs-2020-programme_en)

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increase in the volume and speed of international trade and, crucially, the need to strike a correct balance between facilitating trade and providing safety and security.

The Customs Strategy in 2001<sup>9</sup> highlighted challenges related to the increasing range and number of Community controls and the Customs Package of 2003<sup>10</sup> detailed a vision for EU customs policy to prevent threats from potential increases in fraud, organised crime and terrorism. The 2003 Customs Package included calling for simplifying administration, strengthening security at the EU's external borders, improving cooperation and exchange of information, establishing a strategy for the simplification and rationalisation of customs regulations and procedures, and maximising the use of information technology. The measures covered the role of customs for the integrated management of the external borders, a paperless environment for customs and trade, and proposals for amending the Community Customs Code.

In this vein, the Strategy for the evolution of the Customs Union<sup>11</sup> was agreed in 2008 in order to modernise the legal environment through the adoption of a customs code and at building a robust communication chain between all customs offices in the Community, between customs and other public authorities operating at the border, and between public authorities and traders through the creation of a pan-European electronic customs system that brings a paperless environment for customs and trade. The most significant development since has been the 2016 Union Customs Code (UCC)<sup>12</sup>, prepared under the 2008 Strategy.

The Union Customs Code aims to improve simplicity, service and speed and to put in place a fully modern framework for customs and trade. It does this by packaging all customs legislation in one code and by streamlining customs processes, procedures and electronic data processing techniques across the EU.<sup>13</sup> It puts emphasis on fully electronic communication between customs administrations and with trade, which is seen as a prerequisite for the establishment of a fully interoperable customs environment in Europe. This has the dual objective of enhancing the competitiveness of European businesses and protecting the flow of goods in and out of the EU to contribute to the safeguarding of the financial and economic interests as well as safety and security requirements of the Union and its citizens. The implementation of the Union Customs Code is still in a transition period lasting up until 31 December 2020 due to the need to develop and implement new IT systems or upgrade old ones<sup>14</sup>. Although the deadlines for some of these systems may be postponed to 2025, when completed, the Union

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<sup>9</sup> Communication from the European Commission to the Council, the European Parliament and the Economic and Social Committee concerning a strategy for the Customs Union (COM(2001) 51 final): <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2001:0051:FIN:EN:PDF>

<sup>10</sup> Communication from the European Commission to the Council, the European Parliament and the Economic and Social Committee on a simple and paperless environment for Customs and Trade; Communication from the European Commission to the Council, the European Parliament and the Economic and Social Committee on the role of customs in the integrated management of external borders; Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EEC) No 2913/92 establishing the Community Customs Code, COM(2003) 452 final, 24/07/2003.

<sup>11</sup> Communication from the European Commission to the Council, the European Parliament and the Economic and Social Committee concerning a Strategy for the evolution of the Customs Union (COM(2008) 169 final): <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0169:FIN:EN:PDF>

<sup>12</sup> Regulation (EC) No 952/2013

<sup>13</sup> UCC Introduction: [https://ec.europa.eu/taxation\\_customs/business/union-customs-code/ucc-introduction\\_en](https://ec.europa.eu/taxation_customs/business/union-customs-code/ucc-introduction_en)

<sup>14</sup> The UCC Work Programme is managing the governance of customs during the transitional period as well as managing the development and implementation of electronic systems. Among these systems are, for example, the Registered Exporter System (REX) which aims to make available up-to-date information on registered exporters established in GSP countries exporting goods to the Union, and the Automated Export System (AES) which aims to enable the full automation of export procedures and exit formalities by providing a harmonised interface between multiple systems. There are currently **17** individual projects underway under the framework of the UCC Work Programme.

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Customs Code work programme will shift customs to a complete use of electronic systems for interactions between economic operators and customs authorities.

### 2.1.2. The previous customs cooperation programmes

As aforementioned, the Customs 2020 programme is the **sixth Community action programme for customs** in that it succeeds five prior customs programmes. The evolution shows an expansion of the scope in order to fulfil the needs of the EU Single Market and adapt to the shifting customs environment.

- *The Matheus programme* (1991): A vocational training programme for customs officials, implemented to assure that the abolition of internal borders associated with the implementation of the Community Customs Code and the later establishment of the Single Market would not give rise to a non-uniform application of Community regulations at the external borders;
- *Customs 2000*<sup>15</sup> (1996): To complement the EU's efforts in vocational training, this aimed to tighten up customs checks and procedures at the EU's external borders and to ensure optimal management of the internal market through the development of: uniform customs clearance procedures within the customs area; new procedures and communication links between customs administrations and businesses; and compatible IT systems to enhance information exchange and dialog between stakeholders;
- *Customs 2007 and 2013*: Both contributed to facilitating and enhancing cooperation between customs officials within the EU,<sup>16</sup> taking into account that cooperation programmes at EU level have been proven to be more cost efficient than if Member States were to set up individual frameworks on a bilateral or multilateral level.<sup>17</sup>

### 2.1.3. Customs 2020 Programme: objectives, activities and management

Culminating in the Customs 2020 Programme, the **general objective** of the programme is "to support the functioning and modernisation of the Customs Union to strengthen the internal market by means of cooperation between participating countries, their customs authorities and their officials."<sup>18</sup> More specifically, the general objective should be achieved by providing support to:

- protecting the financial and economic interests of the Union and its Member States;
- fighting fraud;
- protecting intellectual property rights;
- increasing safety and security;
- protecting citizens and the environment;
- improving the administrative capacity; and to,
- strengthening the competitiveness of European businesses.

These **specific objectives** are to be achieved in particular through computerisation, by ensuring modern and harmonised approaches to customs procedures and control, by

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<sup>15</sup> Decision No 210/97/EC

<sup>16</sup> Decision No 253/2003/EC; Regulation (EU) No 1294/2013

<sup>17</sup> Regulation (EU) No 1294/2013

<sup>18</sup> Regulation (EU) No 1294/2013

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facilitating legitimate trade and reducing compliance costs and administrative burden and through enhancing the functioning of the customs authorities.

The **operational objectives** of Customs 2020 are to:

1. support the preparation, coherent application and effective implementation of Union law and policy in the field of customs;
2. develop, improve, operate and support the Customs European Information Systems;
3. identify, develop, share and apply best working practices and administrative procedures, further to benchmarking activities;
4. reinforce the skills and competences of customs officials; and,
5. improve cooperation between customs authorities and international organisations, third countries, other governmental authorities, including Union and national market surveillance authorities, as well as economic operators and organisations representing economic operators.

Related to the general, specific and operational objectives, financial support is provided to three types of activities:

- **Customs European Information Systems (CEIS, at least 75% of the budget):** these relate to a wide range of information-sharing platforms and databases, defined in the Regulation and aimed at supporting a myriad of customs policies. The programme covers the development, maintenance, operation and quality control of Union components of the European Information Systems and new European Information Systems established under Union law. The new European Information Systems are listed in the Electronic Customs Multi-Annual Strategic Plan (MASP), a management and planning tool drawn up by the Commission in partnership with Member States, which sets out a strategic framework and milestones for the management of new IT projects in the area of customs;
- **Joint actions (up to 20% of the budget):** these bring together officials from participating countries for a variety of purposes related to collaboration, information-sharing and the convergence of working practices. The programme Regulation sets the following types of joint actions: seminars and workshops, project groups, working visits, monitoring activities, expert teams, capacity building actions, studies and jointly developed communication actions, and any other activity serving the programme objectives;
- **Human competency building (up to 5% of the budget):** these activities relate to the human competency part of the Customs Union and include the development costs of common training materials, including electronic modules, and the organisation of training events.

The table below presents committed programme expenses per year and main action categories<sup>19</sup>:

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<sup>19</sup> The analysis of committed expenses is developed in detail as part of the Efficiency criterion, in the answer to Evaluation Question 6.

**Table 1: Committed expenses per year and by main action categories (2014-2017)**

Action category	2014	2015	2016	2017	Total 2014-2017
Joint actions (Grants)	€ 5 993 000	€ 5 500 000	€ 5 400 000	€ 5 350 000	€ 22 243 000 (7.7 %)
Joint actions (Reimbursements)	€ 200 000	€ 200 000	€ 120 000	€ 170 000	€ 690 000 (0.2 %)
Expert teams (Grants)	-	€ 1 500 000	€ 1 960 000	-	€ 3 460 000 (1.2 %)
Studies (Procurement)	€ 2 300 000	€ 2 000 000	€ 3 445 000	€ 2 830 000	€ 10 575 000 (3.7 %)
IT (Procurement)	€ 56 300 000	€ 58 001 000	€ 58 146 000	€ 71 800 000	€ 244 247 000 (84.6 %)
Training (Procurement)	€ 1 500 000	€ 1 600 000	€ 2 662 000	€ 1 745 000	€ 7 507 000 (2.6 %)
<b>Total</b>	<b>€ 66 289 000</b>	<b>€ 68 801 000</b>	<b>€ 71 733 000</b>	<b>€ 81 895 000</b>	<b>€ 288 722 000 (100 %)</b>

Source: Customs 2020 Work Programmes 2014-2017, figures rearranged into the main spending categories

In terms of the management of the programme, the Commission manages the Customs programme centrally with assistance from the Customs 2020 Committee, which is composed of delegates from each Member State. The Customs Policy Group (CPG) is an expert group, composed of the Directors General of the national customs administrations and Commission representatives. The group establishes and reviews the common approach regarding customs policy, and in this role it regularly informs about and is involved in the programme's implementation.

Customs 2020 has been running for four full years – 2014, 2015, 2016 and 2017, and progress reports are available for 2014, 2015 and 2016. The progress report from 2016 provides a positive picture of the programme's progress, according to plan and with encouraging results. Key highlights include a stable and strong demand for programme support, and high levels of achievement of the programme in relation to the three types of activities. However, the 2016 progress report also highlights delays in relation to 11 systems<sup>20</sup> (out of a total of 28) linked to new developments in several customs policy areas. Most of these projects were not yet scheduled to start in 2016 and a smaller number were delayed as a result of additional legal or business clarifications needed.

## **2.2. Purpose and scope of the evaluation**

The purpose of the mid-term evaluation is rooted in the Regulation establishing the programme and described in the Terms of Reference as having several elements. These are to assess:

- how well the programme has performed since its start in 2014 and whether its existence continues to be justified;
- the strengths and weaknesses of the different activities supported, and put these in the context of the resources deployed;
- the continued relevance of the problems identified in the impact assessment carried out prior to the programme's establishment;
- the programme's efficiency and value for money, especially in light of the IT systems that constitute around 75% of the programme budget;
- the Performance Measurement Framework (PMF) that was put in place to monitor the programme in 2014;
- any unintended / unexpected effects of the programme and its activities;

<sup>20</sup> The following IT projects were flagged in Amber in the MASP: UCC BTI Phase 1, UCC BTI Phase 2, COPIS-AFIS, COPIS e-AFA, UCC GUM, UCC ICS2.0, CUP-MIS, UCC PoUS, CCN2, eATA Carnet, SSTL.

- the implementation and follow-up of recommendations made for previous evaluations.

The evaluation is also intended to make recommendations for future improvement. In this way, the evaluation should serve both accountability and learning purposes.

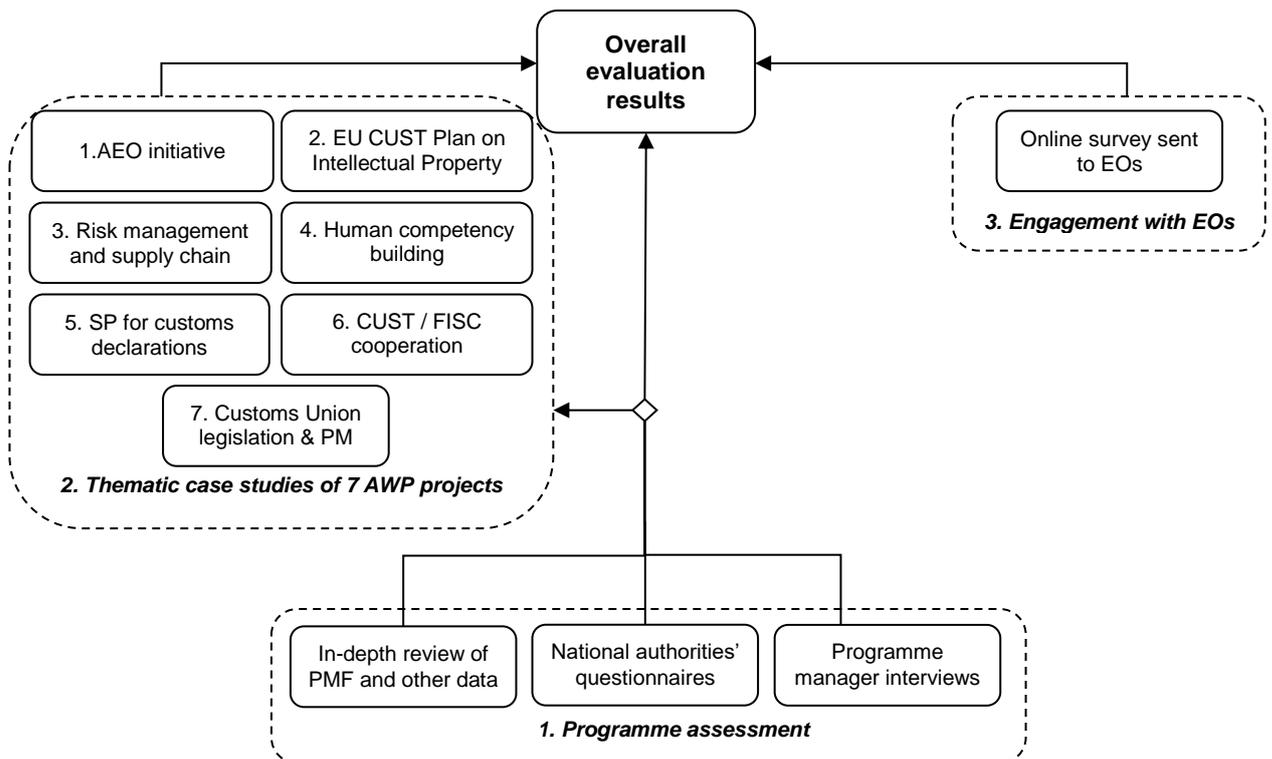
The scope of the evaluation is broad. It should take into account the programme’s full range of funded and management activities, stakeholders (including the Commission services, Member States administrations, economic operators and citizens as a whole) and participating countries (including candidate and potential candidate countries). Since it would have been impossible to cover all aspects of the programme in the amount of detail needed to make meaningful inferences, we were invited to propose a methodology focusing to some extent on samples. The temporal scope of the evaluation runs from the programme’s establishment in 2014 until early 2018 (taking account the availability of relevant data).

Finally, given the aligned management and similar activities between the Customs and Fiscalis 2020 programmes, the evaluation team (which was responsible for both evaluations) was asked to pursue common approaches where possible, exploit synergies and avoid overlaps.

### 2.3. Approach and methodology

In order to respond to the requirements outlined above and provide a useful contribution to evidence-based policy-making, the evaluation used a methodology comprised of three distinct pillars. Taken together, these allowed us to examine the Customs 2020 programme from different angles and levels of detail, as well as engaging with different groups of stakeholders. The pillars have been sequenced so that the earlier parts could shape, inform and validate the later data collection and analysis. The diagram below depicts these pillars and how they fit together, and is followed by a brief summary of the research methods they entailed.

**Figure 1 : Approach to the evaluation**



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1. The **programme assessment** served to collect and analyse data on the programme as a whole. This focused on what the programme is doing in terms of both implementation and performance towards objectives and themes, in addition to identifying issues that helped refine the methodology for the case studies that took place later. This assessment was comprised of three main methods.
    - a. **In-depth review of Performance Measurement Framework and other data:** wherever possible we informed the evaluation using documentary sources including programming documentation, studies, reports and evaluations, and, most importantly, data from the Performance Measurement Framework. This represents a major effort for the programme's managers to address previous criticism about the scarcity of reliable and comparable monitoring data. For the first time, the Performance Measurement Framework put in place a set of standardised indicators and defined tools for reporting on them that has made it easier to gauge progress at all levels of the causal chain. It also provides for a yearly overview of progress in relation to the Annual Work Programmes. This allowed us to maximise the use of documentary evidence and devote more time-consuming primary data collection to exploring issues higher up the causal chain, where the use of such standardised tools provides less meaningful insight about the contribution of the programmes. Given the newness of the framework, we also examined its own performance so far, in terms of such issues as robustness, completeness of data and usefulness.
    - b. **National authorities' questionnaire** (see Annex A, sections 3 and 4): two written questionnaires (one general questionnaire on joint actions, training and programme management, the other on IT systems) were distributed to the relevant authorities from participating countries in order to gather quantitative and qualitative information that is available neither from the Performance Measurement Framework and tools used to feed into it nor other evaluation methods. The questionnaires were sent to national coordinators, who were asked to elicit feedback from their administrations and provide a single response for each questionnaire and country. Response rates for the general questionnaire were very good, with completed questionnaires returned by 28 of 34 participating countries. Likely owing to consultation fatigue, we received 21 of a possible 34 responses to the IT-focused questionnaire. Mitigating measures taken by the evaluation team proved successful to increase response rates to the IT questionnaire. These included extending the deadline for submission of responses and following up with national coordinators on an individual basis.
    - c. **Programme manager interviews:** a set of 24 interviews with managers from the Commission and national administrations allowed us to collect experiences, opinions, perceptions and suggestions regarding a range of issues that would be difficult to obtain using other means. These included matters such as responsiveness of the programmes to emerging needs and priorities, organisational and governance structures and processes, the implementation of the PMF, and such issues as change in programme performance over time, and barriers to the success of the programmes. There was also a special focus on the IT systems used for programme and financial management, and to exchange information related to funded activities (i.e. ART and PICS).
  2. **Thematic case studies of Annual Work Programme projects** (see Annex B): since the programme in large part supports administrations in carrying out functions required by EU and national legislation and boosting capacity, its benefits are hard to quantify. This means that mere counting was not enough, or not suitable, to understand whether and how the programme is contributing to the

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work of national administrations, and the development and implementation of new processes, procedures and policies. For this, we conducted in-depth qualitative research in the form of seven case studies, each focused on a theme linked to the AWP projects that were defined as priorities in given years. This builds on previous evaluations, which did not examine in detail how the annual process for setting priorities or given programme outputs (such as the recommendations and guidelines produced in joint actions, or availability of specific IT systems) actually benefit administrations and other stakeholders. Based on a review of Annual Work Programme projects, we selected a set of particularly salient themes that are listed in the diagram above. For each theme we looked in detail at the actions involved, with a specific focus on seven countries (namely Austria, the Czech Republic, Estonia, the Netherlands, Portugal, Serbia and Sweden). The research drew on a review of relevant documentation and face-to-face interviews with relevant stakeholders within national administrations in the selected countries. This led to mini theory-based evaluation reports exploring what makes given aspects of the programme more and less useful, given the resources concerned.

3. **Engagement with economic operators** (see Annex A, section 5): while economic operators are not the programme's main beneficiaries, their views are important as taxpayers and users of certain IT systems and e-learning modules. A Public Consultation was initially foreseen to gather the opinions from economic operators and citizens more broadly. However, a decision was taken within the Commission to group together into a single Public Consultation questions relating to a wide range of spending programmes. Since this did not include any questions related to the Customs 2020 programme specifically, we instead carried out a short online survey of economic operators for this purpose. The survey included a range of questions on the relevance of the programme's objectives and activities and respondents' experiences with several publicly available IT systems and e-learning modules. The survey was promoted through DG TAXUD's newsletter and direct mailings to trade organisations in all Member States. However, it was not possible to post links to the survey directly on the websites of the services that were being asked about. The survey received 108 responses, providing some useful insight from an otherwise difficult-to-reach group.

### 2.3.1. Validity and limitations

The evaluation encountered several challenges which led us to take certain decisions regarding the approach and posed some limitations on the results. The following points describe the challenges, mitigating action taken and impacts on the evaluation:

- **Nature of the programme:** the programme supports a range of (policy, legislative, operational and IT) processes and systems. These in turn contribute to objectives at various levels, but often in indirect ways, alongside other factors such as the administrative capacity and priorities of national administrations, and prevailing economic and trading conditions. This made it difficult at outcome level and close to impossible at impact levels to attribute change to the programme's functioning, especially in any quantifiable way. In-depth qualitative research, especially from the case studies, allowed us to mitigate this to a certain extent by examining the likely contribution of the programme's activities across a wide range of areas.
- **Data availability and timing:** the Performance Measurement Framework helped to alleviate some of the monitoring weaknesses identified during previous evaluations, providing more and better data to assess programme implementation and performance (especially at activity and output levels). However, this data was also patchy in places, and was of limited usefulness at results and impact levels. The timing of the evaluation was such that at the time of writing annual reports were only available for the first three years of the programmes' implementation, making it difficult to establish and examine

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trends. We made some changes to the indicators and sources to deal with this, which are explained in the introduction sections that precede the answer to each evaluation question.

- **Reliance on samples:** the large number of funded activities, the timeframe and limited resources meant we could not cover every aspect of the programme in detail. Instead, we had to rely on a relatively high-level assessment of the programme's general features and achievements, combined with more in-depth examination of samples of Annual Work Programme projects, funded actions and stakeholders. By conducting fieldwork in a fairly large and diverse sample of countries and triangulating from several research methods, we were able to broaden the evidence base enough to make generalisable inferences with confidence. Nonetheless, we cannot be certain that the findings are fully generalisable.
- **Stakeholder response rates:** much of the methodology depended on stakeholder feedback, including questionnaires, surveys, and interviews. Overall response rates for the questionnaire for national authorities, economic operator survey and interview requests in most fieldwork countries were very good, though the IT-focused questionnaire elicited less responses. We had difficulties setting up interviews in some of the case study countries to discuss cooperation between customs administrations and customs authorities (the subject of case study 6). We also had trouble arranging interviews with several Commission stakeholders. This owes mostly to other ongoing studies with similar scope and timeframe, such as an Impact Assessment for the next funding period. To mitigate the effects, we spent a lot of time on promotion to boost response rates. We also attempted to use the results of these other studies when available and focus our data collection on different groups and individuals. This strategy was largely successful, but we nonetheless miss the insight that would have come from better response rates and suffered from some delays during the evaluation.
- **Stakeholder and researcher bias:** similarly, the stakeholders who engaged with the evaluation all had their own priorities, leading to potential biases in the opinions and views. In-depth stakeholder analyses early in the evaluation process, a diverse evaluation team (including an expert board and with a leadership split across two companies) and a robust process for triangulating the findings served to identify such biases early in the research process and mitigate their risks.

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### 3. EVALUATION QUESTION 1: RELEVANCE

**EQ 1: Do the different objectives of the programme (in the Regulation and in its work programmes) correspond to the needs of the national customs administrations, economic operators and citizens?**

#### **3.1. Introduction**

At root, relevance refers to the *need* for an initiative, more specifically the extent to which its objectives and activities correspond to the needs of stakeholders and broader goals. In the case of the Customs 2020 programme, the broader goals relate to the Customs Union, an area of exclusive Union competence which defines the policy and legal context. Responsibility for implementing the Customs Union is shared between the Union and Member States. The Customs programme was established to support the implementation of the Customs Union, mainly through activities aimed at addressing the needs of national customs administrations. Secondary target audiences whose needs should be considered are also economic operators and citizens as a whole.

As a starting point, we recognise that assessing the underlying need for the Customs programme is inherently difficult, since the programme (in its several iterations) has been around too long (approximately 25 years) for most stakeholders to meaningfully consider the problems faced before it was there. Moreover, the objectives, priorities and individual activities have evolved along with changes to EU customs policy, practice and technological change (e.g. the opportunities of increasing digitisation). This makes it hard to separate the relevance of the programme from the policies it supports, and means that in theory these should be well aligned. This has been noted in previous evaluations, most recently the final evaluation of the Customs 2013 programme.

To test whether the assumption that the programme does correspond to various needs, we investigated these issues using interviews, monitoring data and programme reporting, the questionnaires for programme coordinators and economic operators, as well as secondary sources for evidence of continued problems in the areas addressed by the programme. The analysis is divided into three sub-questions, each one for national administrations, economic operators and citizens as a whole.

The majority of our efforts under relevance are devoted to validating needs among national administrations related to the exchange of information, other forms of administrative cooperation and administrative capacity. The question also aims to explore underlying needs of administrations linked to the higher-level goals of a well-functioning and modern Customs Union and a strong internal market, with a view to understanding ways in which the programme addresses those needs, including:

- the need to process growing volumes of trade, declarations and transactions;
- the need to address gaps in skills, competencies, resources, experience and best working practices of customs authorities;
- the need to tackle the incoherent and inefficient application of EU policies in the context of safety and security;
- the need to address shortcomings in the harmonised implementation and application of EU customs law by national customs authorities;
- the need to tackle difficulties linked to the harmonised implementation of interconnected and interoperating IT systems and technologies;
- the need to address administrative burden for some EU customs authorities to apply policies in the interest of the Union.

Due to the broad scope of the programme objectives, as well as the above-mentioned inter-linkages between the evolution of customs policy and the Customs programme

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itself, the relevance of the programme objectives is difficult to assess directly except at a high level of abstraction. Following this, and the structure of the evaluation as laid out in the evaluation questions (see Annex A) the analysis is based on triangulation of several related indicators of relevance.

For **national administrations**, these include (1) the perceived general need for EU intervention in issues within the scope of the programme, (2) the relevance of the Annual Work Programmes vis-à-vis the needs of administrations, (3) the relevance of programme activities, (4) evidence of any unaddressed needs for national administrations, and (5) administrations' awareness of and interest in participating in the programme.

For **economic operators and citizens as a whole**, we took a similar conceptual approach but limited the analysis to the aspects of the programme that relate to them directly. This means looking at needs related to the costs of complying with EU customs legislation and doing business in the internal market and comparing them to the issues dealt with in the IT systems and training modules on offer to the public. Monitoring data, second-hand evidence from interviews (e.g. with national officials responsible for the IT systems used by economic operators) and existing documentation were the main ways of collecting evidence on these groups. A targeted survey implemented by the evaluation team also engaged with economic operators directly.

Thus, the evaluation focused on validating the underlying need for the programme by collecting evidence on several indicators and proxies for relevance. These are mainly related to the practical support and efforts of the programme, and to what degree those efforts correspond to perceived needs in the target group as well as underlying needs in the wider EU customs policy context. This validating approach was adopted rather than trying to postulate a priori needs in order to compare these with the orientation, objectives and efforts of programme. Such an approach, while theoretically appealing, would encounter problems both in identifying needs which are at the same time within the scope of the programme to address but independent of the programme and its previous impact, as well as in assessing the relevance of actual programme efforts in a wider customs policy context.

### ***3.2. Correspondence of the objectives of the programme with needs of national customs administrations***

#### **3.2.1. Perceived needs of national customs authorities**

The Impact Assessment supporting the current Customs 2020 programme<sup>21</sup> noted that support was essential to ensure efficient cooperation between administrations of participating countries and uniform and effective application of EU customs legislation. It also identified several drivers and related problems related to this which could be addressed by an action programme such as Fiscalis. These are presented in Table 2.

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<sup>21</sup> Impact Assessment establishing an action programme for customs and taxation in the European Union for the period 2014 – 2020, Commission staff working paper, SEC (2011) 1317 Final

**Table 2: Underlying drivers and problems faced by the Customs Union**

Drivers	Problems
1) Growth in trade, increased globalisation and changes in trade patterns	1) Pressure on customs authorities to process growing volumes of trade, declarations and transactions, and difficulty applying measures to balance facilitation and control
2) EU requirements in the area of safety and security	2) Gap in skills, competencies, resources, experience and best working practices of customs authorities to ensure non-fiscal protection
	3) Incoherent and inefficient application of EU policies in the context of safety and security
3) Structural set-up with 28 administrations	4) Shortcomings in the harmonised implementation and application of EU customs law by the 28 EU customs authorities
	5) Difficulties in harmonised implementation of interconnected and interoperating IT systems and technologies
4) Uneven distribution of burden	6) Heavier and increasingly unsustainable burden for some EU customs authorities to apply policies in the interest of the Union

Source: *Impact Assessment establishing an action programme for customs and taxation in the European Union for the period 2014 – 2020, Commission staff working paper, SEC (2011) 1317 Final*

While these are ongoing problems that the programme would not have been expected to simply 'solve', overall there was consensus among national administrations that the programme has so far been successful at addressing the needs related to them.

More specifically, most customs officials interviewed for the evaluation also agreed that these problems created a need for better cooperation and the exchange of information between administrations as well as harmonisation of approaches, administrative procedures and rules.

The findings of the evaluation largely confirm the analysis from the impact assessment and show that, at the general level, the programme is both necessary and relevant. There is a consensus among national administrations that the programme corresponds to real needs related to the application of customs legislation, and desired convergence in areas such as the Union Customs Code, trade facilitation and security and safety measures, risk management, and intellectual property rights. The major issues dealt with within the scope of the programme reflect the work and priorities of participating countries. In fact, consistently reported feedback is that the programme is (in some areas) so deeply integrated with working practices that imagining a "world without Customs" is very difficult.

The needs addressed reflect those identified within the initial Impact Assessment. For example, regarding Problem 1, the need to process growing volumes of trade, it is hard for many respondents to consider an alternate scenario where Customs 2020 did not support this, as programme and national efforts are closely interwoven within several fields to protect the financial and economic interests of the Union and its Member States, and strengthening the competitiveness of business.

Problems 2, 3 and 4 are linked to gaps in skills, competencies, resources, experience and best working practices of customs authorities, incoherent and inefficient application of EU policies in the context of safety and security, and shortcomings in the harmonised implementation of EU law. Most interview respondents – with experience across the range of programme action – point out that Customs 2020 corresponds to current issues within customs and helps them keep up to date and informed of European

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developments. This corresponds to underlying drivers and needs of promoting a more uniform application of EU law, as well as modernising working methods. Exchange of experience on a wide variety of working practices, as well as EU common training and the development of the EU Competency Framework for Customs are seen as essential to address the gaps in skills and competencies and to enhance a uniform understanding and implementation of EU policies and EU law.

Regarding Problem 5, linked to difficulties in the harmonised implementation of interconnected and interoperating IT systems and technologies, the information exchange architecture provided by Customs underpins the specific European Information Systems and allows secure exchange within a wide variety of customs areas. Without the programme, which has enabled major channels for exchange of information including the Customs European Information Systems, there would most certainly be a need to find corresponding solutions to address these needs and problems. Further, it is uncertain if such systems could in fact be implemented without a common arena for coordination, as well as a source of funding, like the Customs programme.

The Customs European Information Systems supported by the programme also address the need to create systems which reduce the resources required by administrations and the administrative burden on taxpayers. These correspond to Problem 6 identified in the Impact Assessment. Case study interviews point out that various databases and information services supported by the programme, and accessible to administrations, support this goal.

More specifically, most customs officials interviewed for the evaluation also agreed that these underlying problems and needs created a need for better cooperation and the exchange of information between administrations as well as harmonisation of approaches, administrative procedures and rules.

- **Cooperation and exchange of information:** Participating countries were highly supportive of the extent to (and ways in) which the programme fosters cooperation between national customs administrations. The exchange of ideas, information and best practices were highlighted to take place at various levels of the programme, in relation to more strategic topics as well as operational issues. One example cited was the regular work of project groups, such as for example on authorised economic operators, training, risk management, which enables participating countries and stakeholders to learn about programme priorities. The programme is also perceived to provide opportunities to understand the practicalities of broader issues. The evaluation case studies identified several examples of this, such as how the programme generates concrete opportunities for cooperation between customs and other authorities on intellectual property rights' infringements; or in relation to key priorities linked to the achievement of an EU-wide customs risk management through the implementation of the EU Risk Management Strategy and Action Plan. The programme is also perceived by national programme coordinators as a relevant forum for exchanging best practices, hosting discussions and facilitating reflection on experiences;
- **Harmonisation of approaches and rules:** National administrations consulted agreed that the programme has been instrumental in fostering convergence not only at a more strategic level, but also regarding approaches, administrative procedures and rules among participating countries. In particular, national programme coordinators interviewed agreed that programme support has been especially important in relation to the needs behind harmonised implementation of interconnected and interoperating IT systems and technologies. By providing participating countries with specifications, guidelines and tools for implementing the systems at national level, the Customs 2020 programme was best placed to meet that need thanks particularly to coordinated, phased approach and support. Enhanced rules and procedures were perceived to have in turn eased t he

shortcomings in the harmonised implementation and application of EU customs law by the 28 EU customs authorities and, indirectly, to guaranteeing more effective and efficient customs controls.

### 3.2.2. Relevance of Annual Work Programmes (AWPs) priorities

As highlighted in the Annual Work Programmes, the Customs 2020 programme focuses on actions to strengthen coordination between participating countries to improve and modernise the customs environment with a view to a more robust and unified Customs Union. Key priorities or focus areas during the first four years of the Customs 2020 programme are presented in Table 3 below.

**Table 3: Customs 2020 Annual Work Programmes' priorities**

AWP 2014	AWP 2015	AWP 2016	AWP2017
Union Customs Code	Union Customs Code	Union Customs Code	Union Customs Code
Multi-annual Strategic Plan	Multi-annual Strategic Plan	Multi-annual Strategic Plan	
Trade facilitation and security and safety measures	Trade facilitation and security and safety measures	Trade facilitation and security and safety measures	Trade facilitation and security and safety measures
Commission Communications on the state of the Customs Union and on risk management and supply chain security	-	-	-
-	-	-	European Union external borders
	Risk Management Strategy and Action Plan	Risk Management Strategy and Action Plan	Risk Management Strategy and Action Plan
Customs infringements and sanctions	-	-	-
	The Future Customs Initiative	The Future Customs Initiative	-
Intellectual property rights	Intellectual property rights	Intellectual property rights	-
	Protection of health, safety and the environment	Protection of health, safety and the environment	-
-	-	-	Collaborate with third countries and international organisations
-	-	-	Implement the Customs Union Performance (CUP)
-	-	-	Implement a human competency building framework for customs

Source: Customs 2020 programme AWP for 2014, 2015, 2016 and 2017

Considering the actual projects and their structure, earlier years (2014 and 2015) had more projects in total (more than 50 each year), and more projects specifically addressing concrete issues, while the projects in 2016 and 2017 were fewer (19 each year) and usually covered themes rather than specific interventions. Content-wise, however, the projects are usually multi-annual rather than annual, as the actions and processes they cover stretch over more than one year. This is reflected in recurring

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projects year to year, and the narrower projects in earlier years being subsumed in the broader themes of later programmes.

**The evaluation found that the Annual Work Programmes do indeed cover the needs of national customs administrations** and allow them to engage in relevant objectives and activities. They correspond to the underlying issues the programme seeks to address, and the problems faced as identified in the Impact Assessment (detailed above), by covering a wide range of activities and interventions. Reviewing data from the activity reporting tool shows that actions often have secondary projects (that is, they are considered to belong to more than one project), and it should be noted that sometimes similar actions are grouped under different projects.

At the same time, interviews show that the broad scope and flexibility of the Annual Work Programmes allows administrations to fit the priorities and activities which they consider needful into the programme. Following this, the interviewees were positive of the Annual Work Programmes and programme priorities. In fact, it is noteworthy that it is not the setting of correct priorities per se, but the possibility to pick and choose within the framework of the Annual Work Programmes, based on more specific national needs, which is highlighted as a strength by several national administrations. Most of the Annual Work Programme priorities were considered to be of particular importance, including the Union Customs Code, trade facilitation and security and safety measures, Risk Management Strategy and Action Plan, and intellectual property rights.

Despite the positive views on the programme's flexibility, some administrations interviewed as part of the case studies (i.e. Sweden, Austria) held a more critical view on the relevance of Annual Work Programme priorities, arguing that the ambitions of the programme are too wide. In their view, the risk of encompassing too many priorities demonstrates a lack of focus on the most relevant issues. Prioritisation was therefore considered to be a key element of the programme.

Considering the process for setting the Annual Work Programme priorities, national administrations are integrated and given the opportunity to make their voices heard. In particular, the written consultations on the draft Work Programmes were mentioned as a means for administrations to ensure that their needs are considered. A strong majority of administrations which responded to the national administrations' questionnaire (22 out of 28) agreed that the process for defining the programme's priorities takes into account their administration's needs. However, feedback available from the National Coordinators Network in relation to the Annual Work Programme process in 2015 highlighted that the informal consultation with Member States was not used at its full potential. Despite fairly extensive consultation with the national customs administrations, including approximately 1.5 months for written comments, a dedicated part of a workshop and a comitology committee consultation and opinion, administrations consulted highlighted that this was not enough for them to provide sufficient feedback reflecting their national needs in the customs area. On the other hand, national coordinators also noted that the input provided in the consultation and integrated in the draft Annual Work Programmes was not followed up by concrete initiatives of the respective participating countries, mainly due to lack of time or resources to translate needs into specific requests.

### **3.2.3. Relevance of programme activities**

As stated in the introduction (see section 3.1), validating the relevance of programme activities is one component of the evaluation of the programme relevance as a whole. The evaluation has therefore explored the relevance of programme activities within the three major types funded, being joint actions, Customs European Information Systems, and training. This draws in particular on the case studies of specific themes, to allow for more in-depth analysis of particular activities.

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The different types of activities are all potentially relevant depending on the circumstances and needs in particular cases. This sub-question has tried to view activities both from the perspective of which wider problems they seek to address (e.g. if an information system is indeed necessary and relevant for the programme to implement or support, including related activities to enable such a system), and the relevance of concrete activities in terms of perceived necessity and value of that particular activity.

Overall, the **relevance of programme activities is high**, and it is evident that activities have developed in tandem with participating countries' priorities and over a series of iterations of the programme.

The questionnaire to national administrations shows that, in general, actions for networking and exchange of ideas were valued highly for providing opportunities to meet, discuss, learn from each other, and exchange ideas on concrete problems. This is further supported by an over-arching theme in all interviews (with programme managers and coordinators, customs officials, and others) of such interactions being of either primary importance, or an important secondary aspect, of virtually all actions and interventions, across all three main activity types (joint actions, Customs European Information Systems, and training).

Firstly, as for joint actions, the case studies give evidence of the differing needs these address, and the variety of intervention mechanisms. A general point from many sources is the importance of common problems among participating countries, focused exchanges on concrete practices and solutions, and the active participation of expert officials, in order for joint actions to be relevant and provide value. The different joint action types mainly explored in the case studies illustrate this point.

Seminars and workshops, and working visits, were considered by national authorities as the most relevant types of programme joint actions. The perceived relevance of seminars and workshops was related to the ways in which they facilitate exchange of information and experience, allowing participating countries to reassess their own performance while considering practices of other states. They were also described as useful triggers for further cooperation and networking between countries beyond the objectives of the specific activities. Working visits were positively valued as opportunities to gain practical experience by engaging in real working situations, and to disseminate the knowledge gained with colleagues at national administrations.

Project groups were also highly valued by national authorities as a relevant type of joint action, though views were slightly less positive than for seminars and workshops, and working visits. Project groups were considered to provide a forum for collaboration between experts and the Commission, and to enable a better understanding of the EU policy context and practices, as well as of the interpretation of EU legislation.

There were less firm views among respondents regarding the relevance of capacity building activities, expert teams (the first expert teams started their activities in the Autumn of 2016), and jointly developed communication actions, with several respondents indicating they were not able to say whether these joint actions were relevant to meet their needs or not. Capacity building activities were judged to be relevant to enhance customs officials' skills and competences and to improve the performance of national administrations. Although only the first experience with expert teams is being made, they were said to enable a more practical collaboration between Member States, with a positive impact on harmonisation of approaches and activities. Communication actions were perceived to lead to an enhanced visibility of the work of customs administrations, and to reinforcing common messages.

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National authorities were least vocal about the relevance of monitoring actions and studies. However, it was said that they help to identify gaps in terms of programme implementation and lead to recommendations and solutions for improvement.

Secondly, regarding the work to develop and manage the Customs European Information Systems, these are considered core to the Customs programme among key interview respondents such as national coordinators and case study interviewees. Their relevance is often self-evident, as they usually provide a new solution to a perceived problem otherwise inadequately addressed.

The relevance of the problems addressed by the information systems is high within all systems explored. These are necessary to provide adequate possibilities for efficient exchange of information on, for example, goods classification, tariff management and control of the movement of goods. They also (as is the case for new systems linked to the Union Customs Code) support EU law and enable / ease the implementation while reducing the administrative burden of new legislation. In addition, most interviewees have seen little or no overlap / redundancy between efforts to develop Customs European Information Systems, and existing systems. While major new systems have replaced pre-existing systems and functions, they have done so in order to also add new functionalities. This also justifies and validates the relevance of core activities related to the setting up and / or continued operation of the systems, such as the development of specifications, IT development and update activities, and the maintenance of architecture and infrastructure required for central components and the safe exchange of information.

Concerning supporting / implementing activities for the Customs European Information Systems, such as coordination meetings, training, exchange of best practices for implementation, etc., these are all considered highly necessary. A contributing factor to their relevance is the fact that they most often gather participants with similar experience and areas of responsibility, thus enabling fruitful exchanges.

Training activities, the third major activity type, are highly relevant to participating countries. Monitoring eLearning reports show that eLearning courses were on balance considered to be highly relevant (average score of 75) by respondents in the 2016 and 2017 eLearning surveys. However, the averages hide significant variability when comparing across years. For instance, the lowest scoring modules in 2017 in terms of relevance were those related to the Customs Risk Management System CRMS (43), the Economic Operators System EOS (43.8) and intellectual property rights (61.6). The previous year, the same courses received significantly higher relevance scores, namely CRMS (86.5), EOS (76.6) and intellectual property rights (65.4). One explanation to the large variability in scoring can be found in the low response rates observed, with only 11 respondents in 2016 and 24 in 2017 participating in the satisfaction surveys for these modules.

As to the wider relevance of training activities, it is evident that several countries lack training material on the issues addressed by developed eLearning modules. National coordinators have also expressed the need for the programme in general to help ensure uniform application of EU law and boost understanding of both legal and practical issues for some participating countries. This indicates that an underlying need exists for strengthening the understanding of EU law and supporting administrative capacity through human competency development in general. The uptake of, and coordination with, participating countries' needs and priorities may be an area for improvement for the training activities in general.

#### **3.2.4. Perceived needs not addressed**

Overall, **national administrations agreed that the programme covers their needs in general terms**, and that the objectives, priorities and activities are relevant in

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relation to their requirements. As already stated above, in view of customs officials in some administrations, the scope of action of the programme should remain restricted to key priorities as opposed to attempting to cover a broader menu of issues. Many agreed that it was reasonable not to expect the programme to cover all the needs and challenges faced by national administrations. Moreover, some of these needs are already covered by other EU instruments (including Horizon 2020, EU Structural and Investment Funds, EU Internal Security Fund, Connecting Europe Facility Fund, etc.) or by national authorities. However, it was suggested that there should be a better coordination with other Commission services with the aim of enhancing areas of common work and identifying alternative sources of funding.

More than two thirds of survey respondents were also satisfied with the current mix of financial instruments available under the programme. However, some respondents made suggestions for types of financial support that are not currently available, namely:

- equipment for border customs officers;
- equipment for European customs laboratories in the Member States;
- implementing parts of the mandatory IT systems;
- cooperation with third countries, and
- localisation and translation of EU training modules developed (though it should be noted that the programme now provides support for these two important aspects).

### **3.2.5. Levels of participation and interest from national customs administrations**

The main Performance Measurement Framework impact indicator concerning participation, the ratio of the number of tax officials participating in the programme relative to the total number of tax officials (by Member State), has not been available to the evaluation team.<sup>22</sup> However, we do have elements to analyse the evolution of total participation in the programme's joint actions.

If we were to assume that the relevance of the programme is reflected, among other things, in the participation of customs officials in various joint actions, we would see that the programme is broadly needed. In particular, the **will and interest to actively participate in the programme is by all accounts high**, looking both to qualitative and quantitative data. The relevance of the programme activities thus seems satisfactory from an interest and participation perspective. As developed in detailed below, lack of knowledge and / or engagement for the most part indicate room for further reaching out to potential beneficiaries.

Detailed participation data gives an overall positive view of participation in joint actions (please see extended analysis of joint action participation under section 3.2.2). Looking to registered participation in programme actions over the years, for the joint actions these show a generally upward trend. A total of 5 367 instances of participation were registered in 2016, which is slightly higher than for 2015 (5 274), and for 2014 (4 286). 2017 has seen slightly fewer instances of participation registered in the latest data, but this seems due more to the stage in the policy cycle than lessening interest in the programme as such.

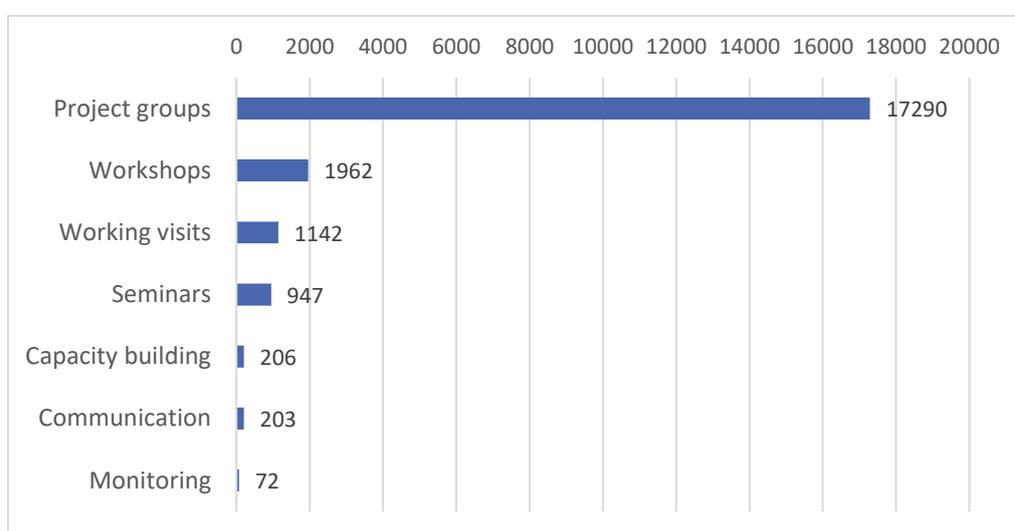
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<sup>22</sup> Designated as Performance Measurement Framework indicator "6.3" in the evaluation inception report. This indicator, together with several of the other impact indicators in the Performance Measurement Framework, has not been available to the evaluation. See further discussion under section 7.3.

National administrations also report making efforts to identify and engage relevant participants for invitations and events, and there is little evidence from interviews or other sources that the administrations are skipping activities or limiting their engagement at the general level.

Project groups represent by far the largest participation of customs officials in the Customs 2020 programme. This is mainly due to the repeated nature of these types of joint actions, where individuals who participate often attend several meetings over time, sometimes lasting the whole funding period. In addition, project groups can involve more subgroups than other actions, which is another factor contributing to high participation. For instance, the largest project group (in terms of participation) is the Electronic Customs Coordination Group (ECCG) which had 1 400 participations by end of 2017. Since the functions of the group are so wide-reaching, it has many sub-groups, many meetings and requires broad participation to achieve the needed expertise. A number of other project groups also show high participation rates.<sup>23</sup> In comparison, the nature of other joint actions, such as working visits, is that they typically involve just a few officials.

**Figure 2: Total participation<sup>24</sup> in joint actions 2014-2017**



Source: Customs 2020 programme management (from 'actual costs per action data excel file')

NOTE: no data on participation in expert teams was available. Participation per event is likely to be relatively high given that these joint actions tend to involve several participating countries and often have quite intensive collaboration. However, overall participation should be low given that there haven't been many expert teams implemented yet.<sup>25</sup>

Concerning training, the high level of engagement in eLearning training modules by participating countries and the increased levels of customs officials trained in IT training confirm this aspect of the programme is relevant to the needs of customs administrations. In 2017, the combined number of the various eLearning courses used by the participating countries was 271 (in comparison to 305 in 2016, and up from 183 in 2015 and 174 in 2014). This indicator is obtained by adding together the number of

<sup>23</sup> The Customs Union Performance and Customs Business project groups had more than 800 participants by end of 2017. Other project groups with high attendance include Authorised Economic Operator Network Group (679), Land Frontier Contact Group (520) and IT Technology and Infrastructure project (511).

<sup>24</sup> The figure reflects total instances of participation, namely each time someone from a participating country participated in an action.

<sup>25</sup> For instance, the 18-month expert team CELBET (Customs Eastern and South-Eastern Land Border Expert Team) involves the cooperation of 11 Member States, with a budget of €850 000.

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modules which each participating country chose to use. As for the IT-related training, the number of customs officials trained increased from 124 in 2014, 293 in 2015 to 374 in 2016<sup>26</sup>. According to the Performance Measurement Framework data, these sessions received very positive feedback from participants in terms of their relevance and meeting participants' expectations.

The overall number of customs officials trained by using EU common training material is another way to look at the programme's relevance. Growing numbers of trained officials, in particular in relation to the 16 Union Customs Code eLearning courses which were released in 2016 and 2017 to support the entry into force of the Union Customs Code in May 2016, show evidently where the programme was needed.

Available statistics for all Customs modules available show a total of 23 685 customs officials trained using EU common training material in 2016 and 34 214 in 2017, which is approximately eight to ten times more than the number of officials trained in 2015 (3 092) and in 2014 (4 776). That increase is explained mostly by the fact that the majority of participating countries did not produce their own training material but used the EU Union Customs Code eLearning modules for national staff training on the Union Customs Code. Available projections for 2018 estimate more than 40 000 trainees in national administrations.<sup>27</sup>

### ***3.3. Correspondence of the objectives of the programme with needs of economic operators***

As equal and predictable application of EU law, as well as simplified procedures, can be assumed to be important for economic operators (in addition to customs administrations), there are many activities within the programme which address their underlying needs. In this broader sense, the needs of economic operators converge with the needs of national administrations, in areas such as protecting the financial and economic interests of the Union and its Member States, fighting fraud, protecting intellectual property rights and strengthening the competitiveness of European businesses. Exploring the needs of economic operators in this broader sense lies outside the scope and methodology of the evaluation, as it would constitute a study of economic and societal needs in the area of customs in itself, shifting focus from the programme's support to customs administrations and the application of EU customs law.

However, in addition to the national administrations who are the main beneficiaries of the Customs programme, many economic operators are also directly involved as users of some IT systems and training modules, and sometimes as participants in specific joint actions. This section thus focuses on the relevance of aspects of Customs 2020 which more directly engages economic operators, and validating the necessity of these, while also touching upon the underlying needs of economic operators relating to the programme as a whole.

#### **3.3.1. Perceived needs related to aspects of the programme focused on economic operators**

There was a shared perception by some economic operators that the programme's activities are designed to respond to the needs of customs authorities, and are less relevant for businesses and broader audiences. That is not surprising as the national administrations are the main beneficiaries of the Customs programme. However, many economic operators are also involved as participants in specific joint actions and users of some IT systems and training modules. In particular, thousands of economic operators interact with the EU IT systems on a regular basis, either through a legal obligation to do so (e.g. registration in the Economic Operator Registration and

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<sup>26</sup> Data for 2017 was not made available to the evaluation team.

<sup>27</sup> Figures for 2017 and 2018 are available in the EU eLearning Survey Report 2017.

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Identification (EORI) system) or to find required information (through for e.g. the EU Customs Tariff (TARIC) database). Many of the systems are accessed through national-level front-end interfaces, which means that users are not necessarily aware that the systems are developed and maintained by the Commission. The evaluation question on the utility and benefits of the Customs 2020 programme to economic operators provides more detailed analysis of the programme's value to businesses. Under this section we discuss the programme vis-à-vis the economic operators' underlying needs as such.

Looking to actions directed partly or fully at addressing the needs of economic operators, the main direct mechanism through which the programme addresses such needs (i.e. where economic operators are themselves a target group for intervention) is through the participation of economic operators in Customs European Information Systems supported by the programme.

Second-hand information from interviews with customs officials also relate the interest of businesses and business associations in increasing convergence in administrative practices and creating tools and procedures which reduce compliance costs and administrative complexity. At the same time, case study interviewees, as well as other interviewees and documentary sources, have revealed little structured evidence (e.g. from monitoring) on the direct engagement and views of economic operators in relation to Customs 2020 and its activities. This shows a possible need to engage further with businesses, and in more structured ways, in order to explore and validate needs, relevance and priorities.

The relevance of the programme for economic operators was also considered through a survey of such operators conducted. Looking to those results in general terms there was consensus among respondents regarding the relevance of issues addressed by the Customs 2020 programme. The fight against fraud was the most important objective for economic operators consulted (70% of those consulted agreed to a large extent on the importance of this objective). The reduction in red-tape for economic operators and citizens in customs transactions (57%) and the increase in the safety and security of goods (56%) were also important objectives for most respondents. The protection of intellectual property rights (52%), and the protection of citizens (50%) and the environment (43%) were perceived to be slightly less relevant areas of priority for economic operators.

In terms of the perceived relevance of EU IT systems for economic operators, the EU Customs Tariff (TARIC) database and the European Binding Tariff Information (EBTI) database were considered to adequately meet businesses' information needs. TARIC is a multilingual database integrating all measures relating to EU customs tariff, commercial and agricultural legislation. Daily updates of TARIC data gives the economic operators correct and up-to-date information they need to clear their goods for customs. Similarly, thanks to the publicly available information included in the EBTI database, the economic operators have instant information on the given binding tariff information, including the issuing Member State, the start and validity dates, description of the goods they apply to (sometimes with photographs) and justification for classification. Both systems were praised for providing information that is difficult to find elsewhere.

The Customs Offices list, Economic Operators Registration and Identification (EORI) and Authorised Economic Operator (AEO) databases were also considered relevant by more than half of economic operators who responded to the survey. EORI is a single registration number for economic operators that engage in customs activities, which has been mandatory since July 2009. For economic operators EORI reduces the administrative burden and simplifies procedures, and for customs officers it facilitates the identification of security risks and streamlines procedures. The EU Authorised Economic Operator database provides access to registered authorised economic operators, including name, issuing country and authorisation type.

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Economic operators were least familiar with the Surveillance database and the European Customs Inventory of Chemical Substances (ECICS), most likely because they are specialised systems targeting a specific niche of users. The Surveillance database displays the volumes of specific products imported into the EU. The information is updated at the end of each working day based on the daily operations which have taken place. The ECICS database lists the most important chemicals controlled by legislation from a trade and customs point of view. The information provided by ECICS aims to facilitate the import and export of chemicals and the work of customs officials that process declarations.

Results from the ECICS evaluation<sup>28</sup> showed that ECICS meets the specific needs of its respective stakeholders, including customs authorities, customs laboratories and economic operators, and that it contributes substantially to the work of its core users. Audiences consulted praised it for several reasons, including the accuracy / reliability of the data, speed, content, coverage and user interface. Most importantly for economic operators and customs authorities, ECICS saves time in terms of chemical and tariff classification tasks.

The perceived relevance of eLearning courses for economic operators consulted is difficult to assess due to the small sample of surveyed economic operators most of who were not familiar with the modules. Among those who were familiar with the training courses, the Union Customs Code eLearning programme and the eLearning course on Authorised Economic Operators were rated as the most relevant.

Looking from another angle, richer data from the EU eLearning Monitoring Report for 2017 demonstrate that the Union Customs Code EU eLearning courses have been downloaded almost 12 000 times in total via EUROPA in 2017 covering nearly 550 000 trainees as reported by those who downloaded the courses. Most of those who make use of this opportunity are professional associations or multinationals who then make the eLearning available to their members or staff.

### **3.3.2. Perceived needs not addressed by the programme**

Overall, **programme objectives and priorities were deemed relevant by economic operators** and there were no additional needs identified that these did not already address. When consulted about customs-related information that the EU should provide, business representatives generally highlighted the need to access consolidated and updated information on relevant legislation related to trade. Comments also pointed to the need for centralised information at EU level in cases where it is only available at national level (e.g. in relation to binding tariff information processes). Regarding eLearning modules, businesses wished the courses were available in a broader menu of languages.

### **3.3.3. Level of interest of economic operators in programme activities**

The targeted survey with economic operators and the case study interviews conducted revealed **relatively high levels of interest of economic operators in programme activities**, while bearing in mind that they are not the programme's main beneficiaries. Available programme statistics point out that a total of 404 external participants (mainly economic operators) have taken part in joint actions supported by the programme so far.

An example of a successful Customs priority touching upon the needs of economic operators is the support provided to the Authorised Economic Operators (AEO)

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<sup>28</sup> Evaluation of the European customs inventory of chemical substances (ECICS) Final report, August 2017, developed by Coffey International Development Limited, Oxford Research AB, Economisti Associati, wedoIT and the Reach Centre.

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programme, which was launched in the predecessor Customs 2013 programme and continues under the current programme, with a greater focus on supporting Mutual Recognition Agreements and creating synergies with other government bodies. As developed in more detail in evaluation question 2 on effectiveness, Customs supports the implementation of the Authorised Economic Operators programme through different types of activities, including joint actions (e.g. the Authorised Economic Operator network), Customs European Information Systems (e.g. the Authorised Economic Operator database) and common training modules.

The survey with economic operators also pointed to low levels of awareness of business stakeholders regarding broadly understood services and eLearning modules developed and offered by the Customs 2020 programme. Virtual absence of Performance Measurement Framework indicators on economic operators' participation in the programme is nevertheless but a confirmation that the principal focus of the programme is on national customs administrations.

### **3.4. Needs of citizens as a whole**

Citizens are not a primary target audience of the Customs programme. Although not direct beneficiaries, the programme addresses issues of general concern, such as ensured application of controls to guarantee the protection of the financial interests of the Union and the safety and security of its citizens.

The respective specific objectives of the programme have increased in general relevance as organised crime, terrorism and fraud have become greater public concerns, altering the environment in which customs operates. Against the backdrop of ever-increasing volumes of world trade, the customs authorities are tasked with protecting citizens against international trafficking and smuggling of illicit goods, as well as with protecting consumers against goods which pose a risk to their safety or their health.

The results from a Special Eurobarometer Report on EU citizens' awareness, perceptions and needs related to EU customs conducted in October 2015<sup>29</sup> shows that European citizens wish EU customs would focus more on activities related to safety and security, rather than on those related to regulation and facilitation. In particular, fighting smuggling and fraud and protecting citizens from security threats were seen as the most important activities that citizens need from customs authorities in the EU. Ensuring the safety of citizens, protecting businesses from illegal or unfair trade, and the protection of the environment were also considered to be important objectives to be undertaken by EU customs.

Overall, there is limited knowledge among the general public regarding the key elements of the Customs Union, and that most Europeans do not feel well informed about the activities of EU customs.

The main elements spontaneously associated by citizens with EU customs authorities were related to border controls or declaration of goods and to fighting smuggling or customs fraud. Respondents also mentioned elements related to passport and immigration control, illegal immigration or refugees. To a lesser extent, EU customs authorities were associated with the collection of customs duties and with the seizing of fake, counterfeit or pirate goods, or good infringing intellectual property rights.

The public consultation on "EU funds in the area of investment, research & innovation, SMEs and single market" launched in the context of preparations for the new EU funding framework seems to confirm the broad detachment of the public with the customs-related issues. While 4 052 respondents contributed to the consultation, only 13 of them

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<sup>29</sup> Special Eurobarometer 439 Report, Awareness and perceptions of Europeans about EU customs, TNS Opinion & Social, published in March 2016.

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reported to have had experience with the Customs 2020 programme, representing 0.32 % of the total number of respondents while only 7 comments referred to customs aspects in general. While this very limited number of instances relating to customs provides an indication of the limited overall interest of the public at large, the results of the public consultation should be read with caution in view of the diversity of topics covered by the exercise, and the limited visibility of customs-related topics as part of the consultation.

In response to the low levels of awareness registered among citizens, the current communication strategy for the Customs 2020 programme highlights that one of the main communication objectives of the programme is to show its value and relevance to the general public in a clear and understandable way. In particular, the contributions made by the programme to the daily lives of citizens should be communicated on the EUROPA website and through national administrations' channels.

### ***3.5. Summary of findings and conclusions***

#### **3.5.1. Needs of national customs administrations**

**The Customs 2020 programme is, at a general level, both necessary and relevant to national administrations**, and there is consensus among officials that the programme corresponds to real needs and concerns.

The programme corresponds well to the general underlying drivers and problems identified in the preparatory impact assessment, and these in turn are validated as corresponding to the needs of national administrations at the general level.

Awareness of the programme can be improved through further outreach, but interest and the will to participate are high. In addition, the Annual Work Programme provides a framework for prioritising the most pressing issues without sacrificing the flexibility to tailor actions to national administrations' demands. It is however unclear whether the project structure of the Annual Work Programmes contributes to focusing and strategically prioritising actions.

The actions of the programme are appreciated and generally correspond to the demands of national administrations. In particular, networking and exchange of ideas are highly valued and seen as important aspects of all programme activities. The need for and relevance of the Customs European Information Systems is self-evident, as they in many cases define the possibility for the exchange of information required by EU law. Supporting activities like training sessions on IT are also universally appreciated. The need among participating countries for the eLearning modules is also high, in particular to support the uniform application of EU law with the entry into force of the Union Customs Code.

The evaluation only found minor instances of needs the programme is not fully meeting. For example, some stakeholders engaged in the evaluation mentioned that more high-level meetings could increase buy-in within the senior leadership of national administrations. Others wish for expansion and additional development of the Customs European Information Systems, and ways of including candidate countries more in the programme.

#### **3.5.2. Needs of economic operators**

**Overall, the Customs 2020 programme is relevant for economic operators**, as its priorities and activities match the underlying needs of businesses and address the concrete problems they face.

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Importantly, this is because the programme addresses some of the issues economic operators face related to cross-border trade, in terms of the need for smooth and efficient systems for exchange and relay of information, clear and accessible information on regulations etc., and administrative procedures and processes which do not result in unnecessary compliance costs due to complexity or lack of coordination.

Economic operators have in turn shown interest in the tools, solutions and services supported by the programme, especially the Customs European Information Systems, which are the natural conduit through which programme efforts come to benefit businesses.

The main channel to further address the needs of economic operators thus seems to be the continued expansion and refinement of coordinated customs schemes and systems for the exchange of information.

### **3.5.3. Needs of citizens as a whole**

**For citizens as a whole, the fight against smuggling and fraud and the protection of citizens from security threats** are the main priorities, evidencing an underlying need for programme actions related to safety and security.

Although the indirect effect of the programme on citizens makes relevance hard to gauge from the perspective of actions and interventions, and direct feedback is scarce, the problems the programme addresses corresponds well to perceived needs among citizens.

### **3.5.4. Conclusions**

At the general level, the findings **validate the relevance of the Customs specific objective** by identifying clear needs for secure and rapid exchange of information, cooperation between customs administrations, and enhancement of administrative capacity. In line with the problems and societal drivers identified in the programme's preparatory Impact Assessment, these needs stem from the growing scope of EU customs law and initiatives, cross-border nature of problems and persistent need for convergence between countries. There has been universal agreement among stakeholders that the programme is needed to facilitate this exchange and cooperation, and that ambitious policies would not be possible without such support. Thus, the programme's role in fostering convergence of approaches, administrative procedures and rules is highly relevant.

The programme also successfully addresses the perceived needs of national administrations in participating countries. There is overall alignment between programme activities and the national administrations' needs, but some evidence that Annual Work Programme priorities and projects would need to be more focused and limited if they are to serve as strategic guidance for Customs 2020. The mix of instruments (including newly introduced ones) all have relevant applications and address a broad scope of underlying needs. They are thus all relevant in the right circumstances.

**The programme is also addressing the needs of secondary target audiences**, namely certain economic operators and citizens as a whole, but more efforts could possibly be made to raise awareness and involve these, especially economic operators directly benefiting from programme activities. There is limited awareness among economic operators consulted, though this may be due to the niche nature of many of the services provided. Judging by the total evidence base, programme interventions address relevant issues for economic operators from both a perspective of underlying needs (closely aligned with the needs of the national administrations) and in terms of concrete actions where businesses are a target group.

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Among the general public, there is little evidence on the direct awareness or impact of the programme. Indirectly, the programme addresses problems which are highly relevant to citizens, and where EU action is considered necessary.

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## 4. EVALUATION QUESTION 2: EFFECTIVENESS - COOPERATION AND INFORMATION SHARING

**EQ 2: To what extent has the programme reinforced cooperation and improved information-sharing between customs authorities of participating countries?**

### 4.1. Introduction

The Customs programme is essentially 'about' making it easier for customs authorities in participating countries to work together and share information with each other. This is clear from the programme's intervention logic (see Annex A), which shows improved collaboration between customs authorities as a key element of all five operational objectives. These should in turn contribute to policy-level objectives related to protecting the financial and economic interests of the Union and Member States, the fight against fraud, safety and security, competitiveness of European businesses and enhanced administrative capacity.

The purpose of this section is to assess whether the first part of the logic holds true across the different supported actions, and to identify factors and conditions that make it more or less likely. The ensuing pages look separately at the programme's main types of activities, namely joint actions, Customs European Information Systems and human competency building activities. For each of these, we use findings from the programme assessment (based on monitoring data, questionnaires and interviews) to get a general sense of performance. The in-depth case studies then provide more insight about what this really means in practice.

### 4.2. Joint actions

#### 4.2.1. Introduction

Joint actions provide national customs administrations with a platform and funding for physical meetings on issues of common interest and are thus at their core about fostering collaboration. It follows that the success of joint actions relies on their ability to do this, regardless of the form or content of specific actions.<sup>30</sup> Having established in the previous chapter (on relevance) that there is a lot of interest and participation in joint actions (especially project groups, workshops and working visits), this section examines the actions in terms of general perceptions and, more importantly, what they have led to in practical terms. Since the actions are so diverse, we have categorised them where possible, and used instructive examples from the national authorities' questionnaire, programme management interviews, case studies as well as data provided by DG TAXUD.

The monitoring data (programme poll, action follow-up forms and event assessment forms) gave us a start and was particularly useful for gauging the overall level of participation and satisfaction of the different actions. Other indicators, mainly regarding the production and use of various programme outputs, have also been collected. However, they are of limited use given the diversity of the actions which makes comparisons difficult and lack of context which further complicated interpretation of the

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<sup>30</sup> Indeed, while we note that only one of the programme's operational objectives (improve cooperation between customs authorities and international organisations and other stakeholders, which accounts for 10% of joint actions), explicitly refers to cooperation, all joint actions, by definition, involve national customs officials working together. The operational objective on sharing and applying best working practices and administrative procedures is included as a primary objective by 45% of all joint actions (as of late 2017). As a result, we have not used the stated operational objective to structure this part of the analysis.

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figures. To shed light on these issues, we have relied more on analyses based on feedback (via interviews and survey results) from participants and other stakeholders, and the in-depth case studies. These methods also helped us understand better whether and to what extent the joint actions have made it easier for administrations to collaborate, and to unearth any unexpected results.

#### **4.2.2. Levels of participation and use of joint actions**

Before drawing any wider conclusions about the contribution of joint actions to cooperation between customs authorities, it is useful to have an understanding of the extent to which participating countries use each of them.

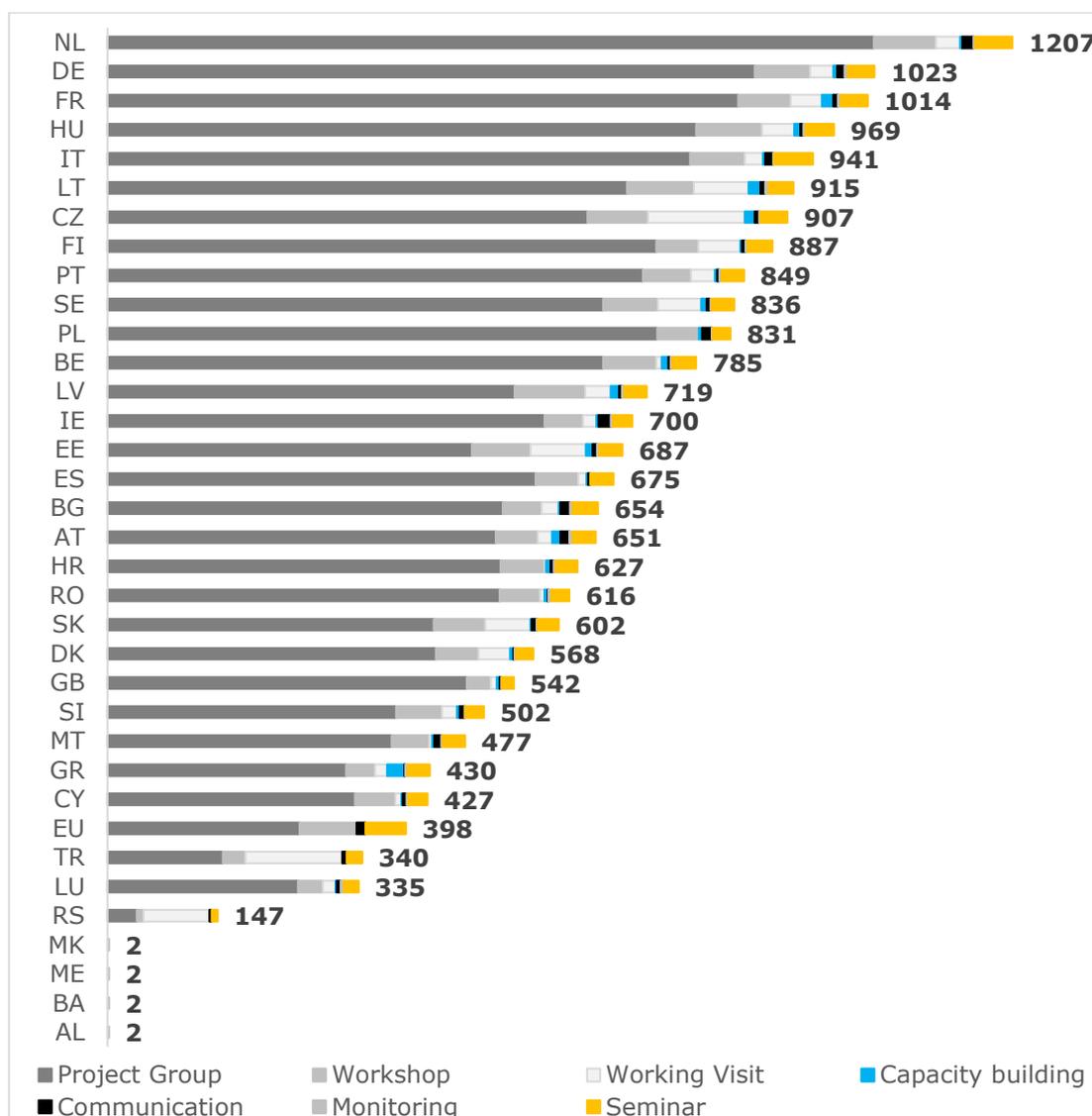
Figure 3 overleaf, which provides an overview of country participation by action type<sup>31</sup>, shows that **joint actions examined for the evaluation are used by almost all participating countries, including all EU Member States**. Of the candidate and potential candidate countries, Serbia (RS) and Turkey (TR) have been especially active participants, particularly in relation to working visits. This can be partly explained because Turkey and Serbia have larger customs administrations compared to other candidate countries. Turkey for instance has a similar sized customs administration to France, the second largest customs administration in terms of officials in the EU. The remaining non-EU countries, Macedonia (MT), Bosnia and Herzegovina (BA), Montenegro (ME), and Albania (AL) show low levels of participation in the Customs 2020 programme.<sup>32</sup> While no specific explanation for the low involvement was uncovered to the evaluation team directly from the countries in question, interviewees from other countries suggested that it was most likely a combination of factors including lack of administrative capacity, language skills and low awareness about the benefits the programme could bring their administration. In addition, there are numerous joint actions that apply to policies that non-EU countries aren't involved in.<sup>33</sup>

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<sup>31</sup> Note that the figure measures all instances of participation in activities and allows for the same people to participate in multiple activities.

<sup>32</sup> Macedonia and Bosnia and Herzegovina for instance were noted by interviewees to have trouble finding suitable experts to participate in joint actions. In general, Bosnia and Herzegovina, Macedonia, Montenegro and Albania also have small administrations and officials cover many different areas, which makes it difficult to dedicate time to customs actions within the programme. In Albania for instance a new Customs Code (2017) came into force and the restructuring of the customs administration took place in recent years. In Bosnia and Herzegovina, new customs legislation was adopted in 2015 but has not yet been implemented.

**Figure 3: Participation per action type and country in the Customs 2020 programme<sup>34</sup>**



Source: DG TAXUD, ART2 data

Below we provide an overview of the relative involvement of different countries in the Customs 2020 programme. Despite the many factors which play into the differences in participation, some interesting patterns emerge which are discussed as part of the analysis.

As shown in the above Figure 3, the Netherlands, Germany and France have the largest share of participants in the programme. Compared to the previous programme, the top participating countries remain largely the same. In the case of Germany and France, they are also among the most populous EU countries and have large customs administrations.<sup>35</sup> Interestingly, smaller Member States such as Lithuania and Finland are also frequent users of the programme. As one of the least populous states in the EU, Lithuania has sixteen times fewer customs officials compared to Germany but shows quite remarkable participation given its relative size.

<sup>34</sup> NOTE: The participants marked as "EU" are external experts not representing national administrations, who are invited to contribute to selected activities organised it helps to achieve programme objectives.

<sup>35</sup> World Customs Organisation 2016-2017 Annual Report lists Germany as having approximately 35 000; France 16 000 and the Netherlands 4 000 customs staff.

When looking at the ratio between participation and administration size, the trend of smaller countries making relatively high use of the programme becomes even more pronounced. As seen in Figure 4 below, the smallest countries (in terms of administration size) demonstrate the highest ratios of participation per customs official.

**Figure 4: Participation as a proportion to the size of customs administrations<sup>36</sup>**

Member State	No. of custom officials (2017)	Participation 2014-2017	Participation / administration size
Germany	35 222	1023	3%
France	16 700	1014	6%
Poland	15 140	831	5%
Italy	8 749	941	11%
Czech Republic	5 895	907	15%
United Kingdom	5 000	542	11%
Netherlands	4 230	1207	28%
Hungary	4 018	969	24%
Spain	3 698	675	18%
Bulgaria	3 362	654	19%
Belgium	3 330	785	24%
Slovakia	3 015	602	20%
Croatia	2 896	627	22%
Romania	2 301	616	27%
Lithuania	2 193	915	42%
Finland	2 191	887	40%
Greece	2 065	430	21%
Sweden	2 032	836	41%
Austria	1 665	651	39%
Portugal	1 138	849	75%
Latvia	1 097	719	66%
Ireland	663	700	106%
Estonia	583	687	118%
Slovenia	507	502	99%
Denmark	500	568	114%
Cyprus	443	427	96%
Luxembourg	429	335	78%
Malta	358	477	133%
<b>Candidate and potential candidate countries</b>			
Albania	1 052	2	0.2%
Bosnia and Herzegovina	1 315	2	0.2%
Macedonia	1 132	2	0.2%
Montenegro	506	2	0.4%
Serbia	2 407	147	6%
Turkey	16 335	340	2%

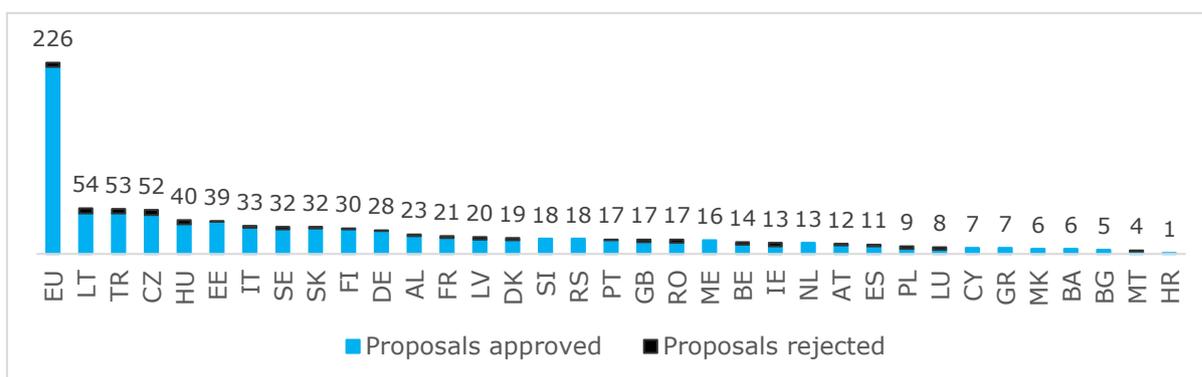
Source: World Customs Organisation Annual Report 2016-2017, ART2 data supplied by Commission.

Note: Total participation refers to unique participants but can be the same official participating in multiple activities.

A proxy indicator of engagement (and need) of participating countries in the programme is the number of initiated joint action proposals. Figure 5 below shows that DG TAXUD (represented as EU in the figure) is the main initiator of joint actions taken altogether. In terms of participating countries initiating joint actions, Lithuania, Turkey (a candidate country) and Czech Republic have each initiated over 50 joint actions. Looking at these proposals in more detail shows that the majority relate to working visits or workshops. For instance, all of Turkey's initiated actions were working visits and in Lithuania all but three were working visits or workshops. Although definitive reasons for these patterns were not uncovered by the evaluation, it is reasonable to expect that those countries which have more to gain from sharing expertise and capacity with other countries are more likely to initiate actions.

<sup>36</sup> When the participation as proportion to the administration size measure exceeds 100 %, this means that the number of instances an official (can be the same official multiple times) has participated in a programme activity is larger than the total administration size. It does not mean that everyone in said administration has participated in programme activities.

**Figure 5: Approved and rejected joint action proposals per initiating country<sup>37</sup>**



Source: ART data, DG TAXUD. NOTE: Actions labelled EU in the figure are proposals initiated by DG TAXUD units.

A closer look at the pattern for approved project groups shows a slightly more accentuated trend compared to the overall picture for joint actions: only 16 project groups were initiated by participating countries compared to the Commission’s 155. The frequency of the Commission as a key initiator to joint actions is in line with the Commission’s strategic overseeing role of where project groups are required.

No clear pattern was easily discernible when it came to reasons why a country would initiate joint actions (other than working visits). When removing working visits from the proposal data, Estonia, Germany, Lithuania and Poland are the most active initiators, with between seven and eight proposed joint actions each. Estonia, which had most joint actions (excluding working visits) approved of all countries, organised several follow-on actions supporting the Customs Eastern & South-Eastern Land Board Experts Team (CELBET). There was no clear thematic focus for Germany, the second most successful country in terms of approved joint actions (excluding working visits), nor for Lithuania or Poland. A range of different workshops, project groups and seminars were proposed by countries without a common denominator. The only fairly self-evident conclusion is that the joint actions correspond closely with national priorities. Estonia for instance had, apart from the joint actions related to the expert team, two proposed actions in relation to regional workshops (postal consignments and market surveillance). Germany, given its importance as a chemical producer and exporter, hosted two seminars on chemical analytics for customs laboratories in 2014 and 2017.

#### 4.2.3. General perceptions of joint actions

The monitoring data collected on the basis of action follow-up forms and event assessment forms as well as the national authorities’ questionnaire indicate that **perceptions of the joint actions are generally very favourable** among participants. Regardless of the type of joint action and operational objective, actions’ participants overwhelmingly agreed that actions met their expectations, achieved intended results and were useful.

In the action follow-up forms, when action managers (DG TAXUD policy experts) were asked to rate to what extent joint actions<sup>38</sup> which sought to enhance collaboration between customs officials had achieved their intended results, the majority agreed they had succeeded to a large extent or fully. More specifically, for the years 2014 to 2016, the proportion of respondents who selected “to a large extent” or “fully” when asked to score their satisfaction with achievement of intended results were between 74% and 78%, and this satisfaction was notable across all objectives. Action follow-up forms for

<sup>37</sup> Data relates to proposals between 2014-2018.

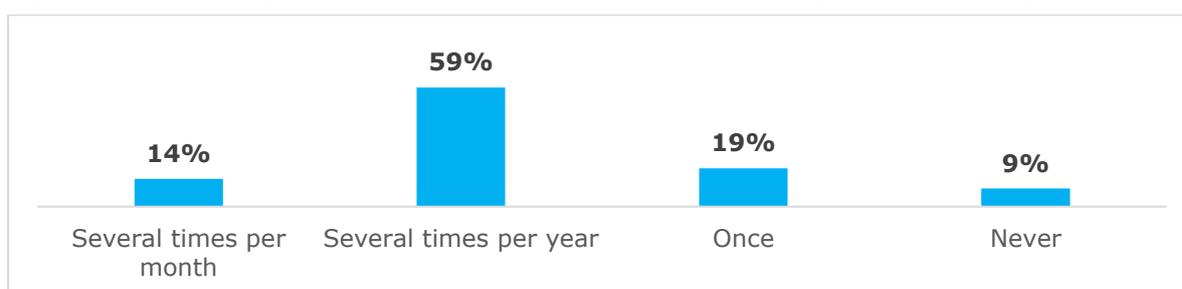
<sup>38</sup> (except working visits)

working visits evidenced even stronger levels of satisfaction with achieving intended results, with three out of four national customs officials rating the results with the highest score of “fully achieved” for the years 2014 to 2016.

Performance Measurement Framework data (programme poll and event assessment forms) reported high degrees of networking generated as a result of joint actions. There was almost unilateral agreement (95-97%) among participants filling in the event assessments forms that joint actions provide a good opportunity to expand networks and contacts. Case study interviewees and survey respondents echoed this sentiment. For instance, networks developed allow for increased formal multi-lateral cooperation through programme actions. Case study interviewees noted that they intended to use their networks developed through participating in actions to solve day-to-day problems by consulting counterparts in other administrations.

A tangible measure on the value of the networks created through the programme can be found in the programme poll as seen in the figure below.<sup>39</sup> In 2017, the poll showed that a majority of Customs 2020 programme participants (72 %) reported frequent contacts, either several times per month (14 %) or several times per year (59 %), with colleagues met through the programme’s joint actions. The results point to officials maintaining the professional contacts developed through the programme and suggest strong collaboration as a result of it.

**Figure 6: Frequency of contact with officials met during programme activity**



*n* = 946, source: DG TAXUD, Programme Poll 2017

The responses to the questionnaire and the interviews with national authorities support the monitoring data in that the **joint actions met the participants’ expectations and were thought of as useful**. Respondents were particularly satisfied with seminars and workshops, working visits and project groups, with over 90% indicating that they were “very useful” to the work of their administrations. The following specific examples emerged:

- a working visit on detection equipment provided the opportunity for the visiting country to examine and test new equipment before deciding whether to buy it or not for their own national administration;
- the Authorised Economic Operator (AEO) Network has enabled an exchange of information and discussion between the Commission and EU Member States on practical questions regarding the implementation of the Authorised Economic Operator programme across the EU, and potential implications;
- Common Learning Events Programme (CLEP) workshops were mentioned as good examples of how joint actions reinforce customs officials’ skills and competences on critical topics and share best practice. There were nine national CLEP events organised between 2014 and 2016. Networking was indicated as a

<sup>39</sup> The programme poll is part of the Performance Measurement Framework and is launched every 18 months and is distributed among both participants and non-participants since it also measures general awareness of the Customs 2020 programme. The last poll took place in January 2017.

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key benefit since these events often relied on active participation and the mutual sharing of knowledge;

- the cross-programme project group on coordination of excise and customs procedures helped bring together customs and taxation experts (excise) and contributed to the awareness of both customs and excise authorities regarding common problems encountered by administrations and traders.

There was less use, and thus experience and awareness, among national administrations regarding the newer joint actions such as capacity building, expert teams and jointly developed communication actions. Consequently, and unsurprisingly, many respondents were simply not able to judge the usefulness of these and the evaluation did not have enough material to assess anything firmly.

Given that capacity building actions are initiated by the participating countries, DG TAXUD could have played a stronger promoting role, raising awareness of the tool and the technical assistance provided through this type of action. Customs officials also had trouble to distinguish the jointly organised communication actions from the project groups, for example, with no clear and distinct benefits against the burdens of organising these.

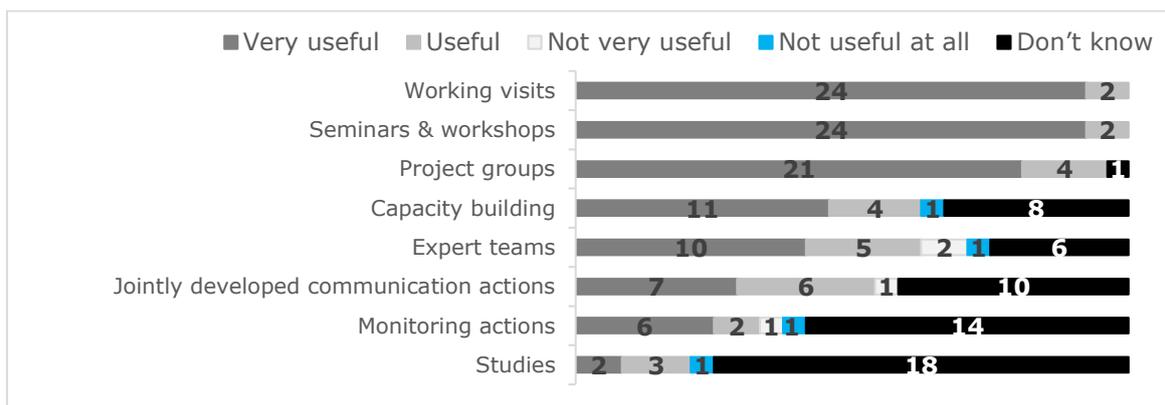
As for the expert teams, only three of them took place since their launch in 2016 and the teething problems linked to their organisation (e.g. unclear guidelines, burdensome procedures, etc.) are manifest. Despite the challenges, the Customs Eastern and South-Eastern Land Border Expert Team (CELBET) was mentioned by several respondents as a successful example of this new type of joint action. This expert team enabled sharing of experience and good practice on coordinated management of external EU borders. The expert team aimed to find ways of ensuring equivalent customs protection across the EU Member States, as well as improving national practice. A further extension of the joint action is under consideration.

The monitoring data behind these types of actions show that despite their low uptake and some issues to be solved, on balance these actions were rated by the majority of participants to have been successful.

Respondents felt the least able to comment on the utility of monitoring actions and studies. These joint actions were indeed organised only a handful of times and attended by substantially fewer participants. As of end 2017, only 11 monitoring actions had been undertaken. Two actions took place in 2014 with the purpose of improving national systems and working methods in regard to TARIC integration, tariff quotas and surveillance of goods and the remaining nine took place in 2017 and involved visits to third countries (such as India, Cambodia and Indonesia) to monitor rules of origin. The available monitoring data does not shed much light on these monitoring actions. We know from the action follow-up forms that the two actions that monitored the use of TARIC and tariff quotas resulted in recommendations to change national administrative arrangements, legislation as well as suggestions to improve the customs IT systems Quota2 and Surveillance2 but the data does not tell us much about the utility or effectiveness of these actions. This was also noticeable in the national authorities' questionnaire, with the majority (18 out of 24) of respondents not having any direct experience of monitoring actions. As above, this fact alone does not allow us to state that these actions were not useful. There is simply not enough experience or data permitting any firm judgments and conclusions.

Since studies are typically procured and carried out to address needs identified by DG TAXUD, these affect national administrations only indirectly. It is therefore unsurprising that the officials engaged for the evaluation were seldom aware of them.

**Figure 7: National authorities' views on joint actions**



Source: National authorities questionnaire – part 1. The number of responses varied between n=24 and n=26

Through the national authorities' questionnaire, national customs coordinators had the opportunity to provide further comments. As demonstrated in previous evaluations, several less tangible benefits that cut across joint actions can be identified. Some key examples illustrate **areas of meaningful achievement that contribute to cooperation**, in many cases building on foundations laid in previous funding periods. These include:

- the Customs 2020 programme has supported the identification, dissemination and take up of best practices. The identification of best practices was seen as leading to the practical uptake of working methods among customs administrations in many different areas, including for example in the fields of risk management, intellectual property rights, Authorised Economic Operators, and EU common training. For example, in the field of common training, the Training Support Group has contributed to a more harmonised approach to the implementation of training activities across Member States. The project group acts as a sounding board to discuss common training activities and plays an active role in the sharing of information and best practice across participating countries. The development of the EU Customs Competency Framework was an iterative process using training materials, existing competency frameworks and best practice documents from various national administrations, as well as international resources;
- the programme also helps with increasing trust. 27 out of 28 respondents to the national authorities questionnaire agreed to a "great extent" or to "some extent" that the Customs 2020 programme had been instrumental for building trust. This happens on several levels, between participating countries and the Commission but also by increasing understanding between the EU on the one hand, and other organisations such as the World Customs Organisation and third countries through, for instance, Mutual Recognition negotiations on the other hand. Almost all interviewees noted that the mutual trust that comes with face to face interactions enhanced the cooperation between countries. The idea of trust stretches further than that. For instance, case study interviewees in Serbia noted that thanks to the Authorised Economic Operators programme, the administration's culture was changing. In particular, the relationship between customs and business was shifting away from a more interventionist approach to a relationship built around mutual trust and partnership;
- the programme joint actions provide a strong platform for collaboration between Member States, participating countries and the Commission, both on a formal and informal level. The DG TAXUD programme management team was seen as highly responsive and committed, and its work was appreciated by national coordinators, factors which were considered key to the smooth running of the programme;

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- flexibility in terms of programme tools was especially seen as a strength that allowed participating countries to choose to participate in or initiate actions that suited them best. The range of different joint actions cater for different needs and complement each other.

Participants see the above benefits as invaluable in achieving the higher-level aims (as explained in more detail below in the section on outputs and results). Coordinators also pointed to several general areas for improvement. Some of these related to organisational issues and are discussed in section 7 on efficiency. Others dealt more with substance of the actions and are worth mentioning here. For example, the lack of published outputs and deliverables was seen to let some actions peter out instead of gaining momentum for follow-up developments. The scope of some actions was considered too broad for the time available, leading to superficial discussions and / or outputs of insufficient quality. Given the urgency of emerging customs issues, one coordinator wondered if tweaks were possible that would allow the development of actions, that could be quickly mobilised in response to emerging customs related issues. An 'expert team *light*', as a type of action that could act as a rapid-response ad-hoc action addressing for instance health crisis or migration issues, was also suggested.

Table 4 overleaf presents an overview of key features of the different types of joint actions under the Customs 2020 programme, including strengths and areas for improvement.

**Table 4: Key features of Customs 2020 programme joint actions**

Action type	Strengths	Areas for improvement
Seminars and workshops	<ul style="list-style-type: none"> <li>● Create unique opportunities for exchange in a group setting and compare strategies and methodologies between countries</li> <li>● Provide space for networking, building contacts and reinforcing relationships with other national administrations</li> <li>● Gather more expertise (including from external stakeholders such as the World Customs Organisation) than would be possible in a national setting</li> <li>● Ensure common understanding and interpretation of EU legislation</li> </ul>	<ul style="list-style-type: none"> <li>● Workshops on more theoretical or general matters were not viewed as favourably as ones with concrete, practical themes</li> <li>● Candidate countries consistently asked to be invited to more seminars and workshops</li> </ul>
Project groups	<ul style="list-style-type: none"> <li>● Allow for in-depth and recurrent group work on specific issues and policy areas</li> <li>● Develop concrete solutions to common problems across range of policies and practical areas</li> <li>● Strengthen networks and working relationships through continuous communication</li> <li>● Pool knowledge and experience between and within participating countries as well as with the Commission</li> </ul>	<ul style="list-style-type: none"> <li>● The usefulness of project groups relies on the expertise and engagement of participants. Some project groups were undermined because participating countries did not send the most appropriate officials, or allow for enough time to engage outside of official meetings</li> <li>● A small number of interviewees mentioned how in some case national representatives did not speak English and could not engage in meaningful discussion</li> <li>● Short summary reports and action points at the end of project group meetings could avoid the risk of knowledge getting lost</li> </ul>
Monitoring actions	<ul style="list-style-type: none"> <li>● Identify gaps and lead to recommendations/solutions for improvement</li> <li>● Provide the possibility for exchange of experiences and working methods between and within participating countries as well as with the Commission and third countries</li> <li>● Provide opportunities for joint monitoring visits involving Member States and Commission participants</li> </ul>	<ul style="list-style-type: none"> <li>● Monitoring visits can in some cases cause friction, as national customs administrations perceive that the Commission is 'checking-up' on their implementation</li> </ul>
Working visits	<ul style="list-style-type: none"> <li>● Provide opportunity for focused in-depth exploration of (ideally narrowly defined) topics of mutual interest</li> <li>● Gain inspiration from host country which is adapted to national circumstances</li> <li>● Useful for candidate countries to learn about EU legislation, national implementation and Member States working practices</li> </ul>	<ul style="list-style-type: none"> <li>● The usefulness of visits was related to the level of effort put into defining a topic and engaging with the work. Some visits were seen as too unfocussed, thereby failing to add much value</li> </ul>

Action type	Strengths	Areas for improvement
		<ul style="list-style-type: none"> <li>• In a couple of cases participants reported trouble 'matching' with the equivalent counterpart due to for instance scheduling difficulties</li> <li>• Language issues (particularly low level of English) were seen as a barrier for some officials to conducting and hosting working visits beyond neighbouring countries where links are already strong. Some matching (meeting the right people) and capacity issues with hosting administrations were also noted by interviewees</li> </ul>
<b>New actions for Customs 2020 compared to previous funding period</b>		
Customs administration capacity building and supporting actions	<ul style="list-style-type: none"> <li>• Action is used to provide technical assistance which targets specific capacity needs and fills an administrative gap, given that different countries participating in the customs programme does not have the same administrative capacities</li> <li>• Can Exploit synergies with the Structural Reform Support Service (which provides technical support to administrations with the assistance of DG TAXUD in the field of Customs/Taxes)</li> </ul>	<ul style="list-style-type: none"> <li>• Currently underutilised (only six actions implemented by late 2017) and limited data exists on the experience and results from actions</li> <li>• TAXUD not actively providing technical assistance or identifying areas for technical assistance for the action</li> <li>• Little awareness of support that can be provided which results in low participation since action is initiated on requests from participating countries</li> </ul>
Jointly developed communication actions	<ul style="list-style-type: none"> <li>• Raise awareness about specific topics among customs administrations within and outside the Customs Union, initiated directly by the Commission. Supports the development of a communication policy towards national stakeholders and for the programme in general</li> <li>• Actions under the European Communication Network for Taxation and Customs help with coordinating communication and serve as structured thinking around future communication needs</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate use of the action so far</li> <li>• Unclear what benefits the action type offers compared to project groups</li> </ul>
Expert teams	<ul style="list-style-type: none"> <li>• Structured form of operational collaboration on topics of mutual interest driven by participating countries</li> <li>• Provide a strong mandate (and budget) to tackle a specific challenge</li> <li>• Intense collaboration mechanism that results in enhanced cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Number of expert teams limited so far (three as of 2017) although almost all Customs 2020 programme countries have participated. Time is still needed for the new model to gain traction and settle</li> <li>• Co-funding model and format are still new, leading to some teething problems that have undermined performance so far</li> </ul>

Action type	Strengths	Areas for improvement
	<ul style="list-style-type: none"> <li>• Flexible type of action, suggested as a tool that could be used for collaborations that respond to common needs (such as shared IT applications)</li> </ul>	<ul style="list-style-type: none"> <li>• Expert team guidelines left room for interpretation. In particular, interviewees noted it was not always clear what rules should be followed and in some cases (such as Austria) national financial rules clashed with EU guidelines which resulted in complicated accounting exercises</li> <li>• The organisational set-up was reported by several interviewees as leading to high administrative burden for grant coordinators. The activity reporting tool used for most joint actions does not support financial reporting of expert teams. This resulted in time-consuming collection and manual calculation of financial data such as per diems, costs for flights in different currencies etc. The administrative burden caused by financial reporting would be substantially reduced if financial reporting support for expert teams were available</li> </ul>
Studies	<ul style="list-style-type: none"> <li>• Useful as a different type of joint action which is commissioned directly by the Commission to examine specific issues / areas of interest in depth (for example evaluations, impact assessments, economic analysis, provide accountability, or other research knowledge and insights into specific areas)</li> <li>• Provides a flexible tool for the Commission to target efforts in areas where further investigation is deemed necessary or where outside expertise may be needed</li> </ul>	

To sum up, the evaluation found that joint actions contribute to the Customs 2020 programme’s objectives reinforcing cooperation and improving information-sharing between customs authorities of participating countries in a wide variety of ways, and that notable achievements are already being made and / or are evidently likely. Joint actions are highly appreciated and well used tools that offer a good mix of actions that can be chosen in function of the participating countries’ needs. However, these generally positive statements tell us little about the practical difference that the actions really make to administrations. The next section attempts to shed some light on the bigger picture, based mainly on examples from the in-depth case studies.

#### 4.2.4. Outputs and results

Moving higher up the causal chain, **the joint actions’ diversity has traditionally made them difficult to evaluate systematically**. By defining a short list of output types that would be recorded for all actions, the Performance Measurement Framework was meant to address this problem. Regular monitoring forms are used to record data on the outputs generated in given joint actions. The outputs listed include guidelines, recommendations, studies and best practices / administrative procedures, as well as an ‘other’ choice, with a target that each action should lead to at least one ‘output’.

The Performance Measurement Framework usefully captures data on outputs and their dissemination. The responses suggest (as seen in Table 5) that these are widely *shared* with 95% of respondents on average confirming that outputs were shared within national administrations. Joint action outputs were also *used* in national administrations with the stated four out of five surveyed participants actively making use of action outputs in their day-to-day work.

**Table 5: Programme indicators on sharing action outputs and learnings**

	2014	2015	2016	Target	Average
Extent to which outputs of the joint action are shared in national administrations	81 %	71 %	81 %	> 80 %	78%
Percentage of participants sharing learning from joint actions among colleagues	96%	93.5%	95.3%	>90%	95%

Source: Customs 2020 programme Progress Reports for 2014, 2015 and 2016

Given the huge variety in joint action outputs, the interviews in the case studies and the national authorities’ questionnaire did not reveal any trends or perceptions on the overall use of outputs.

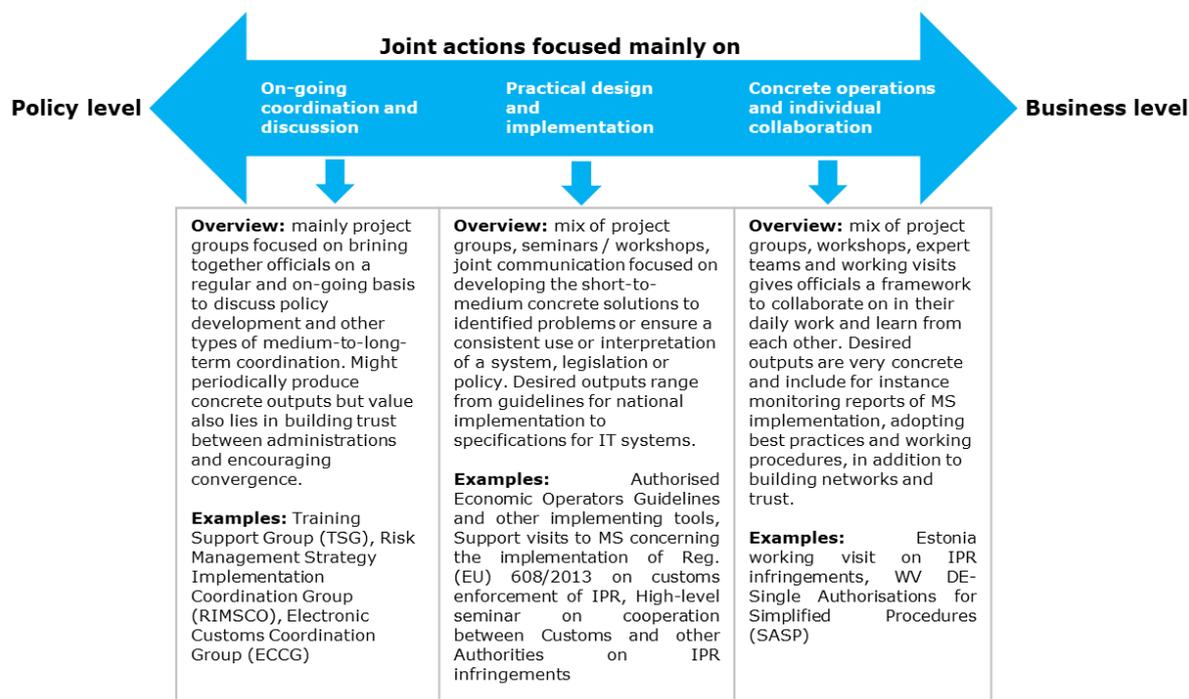
Moreover, the data generated are not extremely meaningful for two reasons.<sup>40</sup> Firstly, the categories of outputs are open to interpretation and there are big differences in what a given ‘output’ means in practice depending on the circumstances. Secondly, nearly all actions would in theory involve some sharing of best practices but arguably important outputs, such as monitoring reports or the long-term coordination work of project groups, are not easily captured in the system.

Leading from this, we have instead tried to analyse the joint actions by splitting them into categories related to their underlying purpose, then using examples (mainly) from the case studies to assess their typical project cycle and define factors of success. The actions can be thought of as falling into three broad categories along a kind of spectrum, as depicted in the diagram below. This obviously simplifies reality to a certain extent,

<sup>40</sup> See full discussion of the PMF in section 3.1.1.

and some actions would certainly spill across categories. Nonetheless, it provides a useful model for the examination of each category that follows the diagram.

**Figure 8: Joint action categories**



Source: evaluation team

The case studies allowed us to identify several success factors that applied across the different action categories. These can be broadly defined as *good project management practices* and include such factors as clear links to EU customs policy, feasibility of progress (given the political context), clearly defined scope and objectives, involvement and buy-in from of the right people, strong project management and constructive engagement from the DG TAXUD and participating countries. The presence (or absence) of these factors was found to influence given actions accordingly. However, looking at the action categories in more detail shows that certain factors seem more important, or harder to foster, in certain circumstances. The ensuing paragraphs discuss each of the categories in turn, using examples from the case studies to highlight the most important success factors.

#### Actions comprised of ongoing coordination and discussion platforms

Project groups are perhaps the main collaborative mechanism for achieving ongoing coordination and discussion across national administrations. They comprise the largest number of participants, representing just about 80% of customs administrations' participation in the programme's joint actions overall.

Rather than working on a specific 'project', many project groups are quasi-permanent and serve as standing platforms for coordination at various levels. Analysis of programme data indicates that there are around 25 such groups, each of them dealing with specific aspects of customs policy or collaboration and meeting regularly on an ongoing basis.<sup>41</sup> Several of the case study themes involved such project groups, and while they sometimes generated important tangible outputs and results (e.g. guidelines

<sup>41</sup> Since data on platforms are not recorded separately from other project groups, we estimated their number by filtering out all project groups that had convened nine or more meetings between the 2014 and end 2016, then screened the remaining groups by title.

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for Authorised Economic Operators), many of their achievements are not readily captured in the Performance Measurement Framework. This is partly because many such achievements relate to networking, which is hard to record and measure systematically. It is also because these platforms often act as catalysts, creating the conditions for the generation of more concrete outputs in other fora (such as dedicated project groups).

The case studies' responses made clear that project groups were particularly effective in facilitating networks and enhancing collaboration. Project groups, such as the Electronic Customs Coordination Group, the Training Support Group, the Authorised Economic Operator Network and the Risk Management Strategy Implementation Coordination Group, that are normally regularly convened, were considered as highly important in driving continued action under their respective thematic areas. The case studies provide examples both of successful and less successful actions in this category:

- **Training Support Group** (case study on human competency building): the joint Training Support Group for Customs and Fiscalis supports the development and implementation of the EU common training programmes. The work of the Training Support Group contributes to longer term, less quantifiable outcomes, including attitudinal changes and increased cohesion among national administrations in relation to common training needs. The project group was seen by interviewees to have a big potential to harmonise training practices and tools in the EU with a view to achieving a positive impact on customs performance. However, the project group was considered to be more useful for countries with less developed training systems and resources at national level, as it provides them with the opportunity to receive training material and share experiences with other more advanced countries.
- The **Electronic Customs Coordination Group** (case study on enforcement of Customs Union legislation and programme management): the Electronic Customs Coordination manages the monitoring and planning of increasingly complex and diversified IT projects resulting from the Union Customs Code and coordinates the implementation of the Multi-Annual Strategic Plans. Interviewees explained how the project group plays an important coordinating function, deciding on the direction of reporting sub-groups<sup>42</sup>, and allows participating countries to develop a collective understanding of progress in the implementation of the Multi-Annual Strategic Plans. Without the Electronic Customs Coordination Group, interviewees suggested it would be very difficult to align different IT projects, their timing and planning. The project group also helps with decision making at the national level by providing a forum to discuss areas of future IT harmonisation, ensuring that opinions of all administrations are considered, and providing relevant information about next steps longer-term sequencing of IT projects. As such, the direct benefits of the project group are less tangible (for example coordination and consultation efforts are not easily quantifiable) and represent a more gradual output which is difficult to measure at a given point in time.
- The **Authorised Economic Operator Network** (case study on Authorised Economic Operators): the uniform roll-out and monitoring of the Authorised Economic Operator concept in all Member States is supported by regular Authorised Economic Operator network meetings. Interviewees explained how the network provides guidance to guarantee Authorised Economic Operator procedures are applied consistently throughout the EU. The network also plays an important role in ensuring coherence and coordination of the different ad-hoc actions that are created to deal with specific issues involving Authorised Economic Operators. Finally, the exchange through the network serves as platform for learning and was especially useful as a forum for problem solving

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<sup>42</sup> These include Customs Business Expert Group, the Customs European Information Systems Operations Group, the IT Systems Development Group(s) and the IT technical infrastructure group.

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and achieving consensus around problematic areas, creating a harmonised approach to Authorised Economic Operator implementation and continuously improving the concept. For instance, significant efforts have been made in the guidelines to increase Authorised Economic Operator authorisations among small and medium sized enterprises.

- **Risk Management Strategy Implementation Coordination Group** (case study on customs risk management and supply chain security): dedicated project group to support and monitor the coordinated and timely implementation of the EU Risk Management Strategy and Action Plan. Interviewees explained how the group functions as a forum that meets regularly, providing an appropriate framework for making strategic decisions on the implementation of activities for the action plan. Interviewees agreed that the group plays an important 'unifying role', coordinating complex work streams that affect the implementation and running of IT systems in the risk management domain, which would not have been possible without the project group.

The above examples illustrate the broad spectrum of how project group outputs are used and contribute to reinforcing collaboration between customs authorities. The case studies made clear that, as a result of recurrent and often informal working in project groups, they were effective in developing collaborative relationships. Interviewees in all countries provided examples of project groups that enabled them to build relationships with their counterparts from other participating countries and thereby increase trust as described earlier on. For instance, the project group on Coordination of Excise and Customs Procedures brought together stakeholders from both customs and tax administrations (as a cross-programme action) which was perceived as a valuable way to build relationships, and increase understanding between taxation and customs colleagues, both within and between national administrations.

The positive and negative aspects of these examples serve to highlight several factors that are especially important. These include the need for clear EU policy links, which in turn help foster senior-level buy in and getting the right people in the room. For example, the legal framework for collaboration helped bolster engagement in the Multilateral Controls platform. Similarly, the mutual need for collaboration in the field of excise led to very positive engagement in the platform for coordination of excise and customs procedures in relation to the Excise Movement and Control System.

However, the platform on compliance risk management suffered because, in the absence of an existing or likely EU policy, key Member States saw little need to engage with the process. This stemmed from the perception that measures at national level were sufficient, and hence further discouraging engagement making a move towards more intense collaboration in the near-term implausible. The situation was similar for the training support group, where certain Member States did not see a need to supplement their own training programmes.

On the more practical side, the case studies show that there is a delicate balance to be struck between including as many Member States and as much expertise as possible on the one hand, and facilitating good interactions on the other. This balance was not always found in the actions under review. As an example, the training support group, which meets around once per year and includes two representatives from each Member State (one from tax, one from customs) was criticised for being too big for constructive discussions. This led to a vicious cycle, whereby some Member States gradually disengaged, making it less likely that decisions on new modules would consider their needs, and thereby undermining uptake of the modules.

A related factor was the frequency of meetings. While officials understandably have busy schedules and cannot afford to be overburdened, many interviewees considered annual meetings too rare in a platform ostensibly for debate and decision-making. These rather seemed like informational meetings for the Commission to give updates on progress.

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While valuable, such conditions led certain officials to disengage and / or send less senior colleagues to attend.

Following up on the identified factors determining the success of the different action categories, the case studies highlighted a few of them that seemed crucial for determining the success of project groups:

- a. **need for clear EU policy links, which in turn help foster senior-level buy-in:** this was particularly the case for centrally operated systems such as TARIC, EBTI-3, EORI and NCTS which correspond to demonstrable needs. (i.e. goods classification, tariff management and control of the movement of goods). In other areas Member States saw little need to engage with EU-level processes, mainly because measures at national level were perceived to be sufficient. For instance, some Member States in the Training Support Group did not see a need to supplement their own training programmes with EU-level tools;
- b. **participation of the right people:** perhaps self-evident, in several cases interviewees noted a mismatch between participants' knowledge and practical experience, as well as in language capacity, which reduced the usefulness of some meetings and discussions. In some, instances working visits were not able to target the right people in the host administrations which resulted in a mismatch in terms competencies and interests of visiting officials. Monitoring data (programme poll) confirm the notion of language capacity as a barrier; around one in four (26 %) participants report that they "sometimes" experience difficulties communicating with officials abroad. A significantly smaller share of participants reports that this happens often (4 %) and always (1 %);
- c. **the size and number of the project groups:** both an advantage and a disadvantage, many participating countries use project groups as a valuable forum for exchange and allow for the inclusion of different voices. However, there is a delicate balance to be struck between including as many countries and as much expertise as possible on the one hand, and facilitating good interactions on the other. This balance was not always found in the actions under review. As an example, the Training Support Group, which meets around once per year and includes two representatives from each participating country (one from tax, one from customs) was criticised for being too big for constructive discussions. This led to a vicious cycle, whereby some countries gradually disengaged, making it less likely that decisions on new modules would consider their needs, and thereby undermining uptake of the modules. In other situations, participating countries, who are already more advanced in an area, are left with little added value from the discussions. In this case, smaller sub-groups were seen as a useful way of focusing the activities and getting tangible outputs. Similarly, some smaller participating countries felt overwhelmed over the sheer number of project groups which, given their limited resources compared to larger countries, is understandable. For the same reasons, smaller participating countries perceived it more difficult to spare officials since it is difficult in small administrations to cover their national duties when officials are out of office or are participating in action related work;
- d. **format and frequency of meetings:** some project groups were too constrained in terms of time available for discussion, which did not allow for enough time to focus on solving problems and to discuss common issues. Instead, the project groups took the shape of information sharing sessions on behalf of the Commission rather than interactive participation. In the case of the Training Support Group, this was also a result of infrequent meetings (once a year), which resulted in a busy agenda with little time for discussions. These less than frequent meetings also resulted in less engagement from participants. Moreover, they were often not organised in a format encouraging intense

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collaboration. Interviewed participants suggested that more informational meetings could have been made available through webinars or shared through the collaboration space whereas more collaboration and discussion-oriented meetings be reserved for face-to-face meetings;

- e. **horizontal coordination between project groups:** for project groups that have broad agendas and cover a wide variety of topics, interviewees suggested there was a need to coordinate more. Given the often complex areas, better linking with work of other project groups could avoid duplication and improve coordination with similar activities that aim to achieve comparable goals (i.e. EU Risk Management Plan). For instance, as evidenced in case study 6 on cooperation between customs administrations and tax authorities, if technical cooperation had taken place at an earlier stage (before legislation and IT system building), some of the difficulties with coordination of excise and customs procedures could have been avoided;
- f. **ownership and engagement:** interviewees explained how a change in the style of chairing the meetings on the Commission's side resulted in an improved format and greater engagement of Member States in the Authorised Economic Operators network. By taking a more facilitating rather than informing role, the Commission improved the ownership of Authorised Economic Operator-issues among Member States, which in turn resulted in a more solutions-based approach and meeting engagement.

#### Actions focused on practical design and implementation

Many joint actions occupy a middle ground, focused on developing and implementing initiatives as kind of 'sub-activities' for those in the category above. Project groups in this category were often launched based on decisions taken in the above-described groups, and correspond to 'projects' in the traditional sense. They typically bring together a limited number of officials over the short- to medium-term to come up with a solution to an identified problem. Such 'problems' ranged from need for specific guidelines on how an initiative should be implemented, preparation of the eLearning modules, to seminars on technical subjects. Expert teams play a similar role, albeit with the participating countries taking a stronger leadership (and financial input). Workshops and seminars typically came slightly later in the process, as a way to introduce the finished solutions among a bigger audience and share policy developments.

These actions are by definition focused on more tangible outputs than the category described above, as a few examples from the case studies illustrate:

- **Authorised Economic Operators guidelines and other implementing tools project group** (case study on Authorised Economic Operators): in contrast to the much larger, and quite complex organisation of the Electronic Customs Coordination Group, smaller project groups such as the one on Authorised Economic Operators guidelines, serve an important supporting role in providing concrete outputs that are directly usable. Interviewees suggested that the work was managed in an effective way, with frequent meetings and a small number of highly committed officials. Through the focused collaboration between Member States and the Commission, the efforts of this project group directly supported the uniform application of the Authorised Economic Operator concept across participating Member States through the development or updating of the guidelines;
- **High-level seminar on cooperation between customs and other authorities on intellectual property rights infringements** (case study on Customs Action Plan on intellectual property rights): the seminar aimed to reinforce cooperation between the different authorities intervening in the fight against intellectual property rights infringements and, on a more practical level,

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assist in building capacity on how to execute intellectual property rights related controls. The action provided a platform for diverse actors such as customs officials, police, judicial authorities and other stakeholders (e.g. Chinese authorities) to discuss how to exchange information and intelligence between the enforcement authorities, and what the obstacles and challenges faced by each authority were at a practical level. Still, although participants found it very useful to meet with colleagues, there was a perceived lack of outputs after the seminar which some interviewees viewed as a missed opportunity to capitalise on the seminar;

- **High-level Seminar on the Strengthening of Cooperation between Customs and Tax Authorities**<sup>43</sup> (case study on cooperation between customs administrations and tax authorities): The seminar had quite broad aims of bringing customs and tax cooperation closer, identifying common problems and reinforcing relationships between tax and customs counterparts. One of the ambitions was to produce a high-level statement. This proved challenging since Member States had different perspectives when it came to the interaction between customs and tax authorities. Though the seminar was considered relevant, participants expressed disappointment that there was little concrete follow-up. The final conclusions of the seminar were considered vague and did not encourage targeted action. Although some of the discussions held during the seminar were reflected in the modernising of the VAT rules in regard to cross-border e-commerce, the lack of outcomes given the presence of high-level decision-makers was seen as a lost opportunity.

As is clear from the selected actions, a crucial success factor for actions in this category is their perceived relevance by prospective participants. When this is clear, as with the Authorised Economic Operator guidelines workshops, interest and engagement is high and other aspects tend to fall into place. More general seminars planned for all participating countries, which generally had a broader scope, resulted in less direct interest from participants which undermined the suitability of the final output and its uptake by potential users in the participating countries. As seen in the high-level seminar in Malta, the absence of concrete follow-up also reduced the usefulness of the exercise in the eyes of the participants.

#### Actions focused on concrete operations and individual collaboration

Actions in this category relate to the concrete operations and individual collaboration and would thus be expected to generate the most immediate and tangible results. Depending on the extent to which practical focused elements can be found in given joint actions, working visits, workshops, project groups and expert teams all fit in this category. Working visits however, serve as the best example to illustrate it.

Working visits are the only type of joint action mainly focused on individual exchange between participating countries. Equivalent of around 7% of the expenditure of joint actions, working visits aim at facilitating bilateral exchange of knowledge and shared learning, identification of good administrative and organisational practices, working methods and approaches, often tackling an operational issue.<sup>44</sup> Often, working visits take place on a business level. Interviewees explained how working visits were used to solve a specific roadblock or challenge through, for example, comparing and contrasting specific customs procedures, with the main benefit lying in their impact on hands-on decision-making and operational working practices. During their visits, officials learnt about practices that could be adapted to their national circumstances, as well as fostering networks and relationships.

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<sup>43</sup> The seminar took place in Malta in 2017, with around 100 participants from all Member States (in most cases represented by Directors-General).

<sup>44</sup> Based on calculations of ART2 data provided by DG TAXUD.

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Universally lauded, a crucial success factor is that these actions are in a sense self-regulating. In other words, officials would be unlikely to organise or agree to participate in a specific working visit without a clear rationale or envisaged benefit for doing so. Similarly, practical management of these actions is straightforward due to the small number of participants in each case.

Yet, the number of working visits organised over the past decade are generally decreasing. This is in part due to stricter application and reporting requirements. While these have reinforced control, and improved coordination and alignment with the programme objectives or the Annual Work Programme priorities, they have also dampened demand. Under the previous programme, working visits were initiated and implemented solely within the responsibility and competence of the participating countries, potentially reaching outside the scope of the programme or without sound justification or well-established objectives.

Consulted national administrations were of the opinion that this had increased administrative burden compared to the previous working procedure. Especially, in countries where customs staff lack English-language skills and / or experience in proposal writing, this was noted to have increased the burden on national coordinators who needed to develop the proposals themselves. There existed nevertheless an understanding that the working visits need to be justified and relevant, warranting the Commission's approach. According to DG TAXUD's programme management team, the new procedures have helped to inform the Commission about working visits organised and ensure they are justified and have clear objectives. In terms of simplifying the process, the programme management team were open to finding a middle-ground between streamlining the application process and keeping reasonable oversight.

Despite these issues with the application and reporting procedures, we observed high levels of enthusiasm for the type of action itself. For example, Serbian officials praised the working visit tool, and described it as indispensable to develop their understanding of customs procedures, especially since they were harmonising their working procedures in view of a future accession. Some examples from the case studies illustrate it best:

- **Working visit on Single Authorisations for Simplified Procedures** (case study on simplified procedures for customs declarations): the working visit between Germany and Czech Republic was set-up to facilitate a common business model for single authorisations for simplified procedures, as well as to elaborate a common control plan to ensure appropriate control measures. Since the electronic interface for exchanging information through centralised clearing is not in place yet, there was an urgent need for coordinated action between relevant customs offices to facilitate movement of goods. Feedback indicated that the working visit helped the two countries to better organise and arrange the exchange of information, as well as achieve better understanding of national conditions that are present at customs offices. Interviewees also explained how it helped with fostering the common understanding and uniform application of single authorisations for simplified procedures to ensure equal access and use by European Union exporters and importers;
- **Working visit on intellectual property rights infringements** (case study on Customs Action Plan on intellectual property rights): the working visit involved a visit from Estonia to Finland, with the aim of sharing best practices in the fight against intellectual property rights infringements. Feedback indicated that the working visit was largely successful, and helped Estonian authorities with tangible advice on how to best implement the intellectual property rights Regulation in their working practices. It also provided an important opportunity to compare how the two administrations' approach to intellectual property rights infringements. As a result of the working visit, closer cooperation between the two authorities is now the norm. For instance, Estonia now sometimes provides

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technical assistance to Finnish authorities when it comes to manually checking problematic goods containers.

Looking more closely at the monitoring data, participation is rather uneven for working visits with candidate countries such as Serbia and Turkey among the top three countries with the highest number of working visit participants. While all participating countries had initiated working visits so far in the programme, only six participating countries were responsible for half of them (Turkey, Czech Republic, Serbia, Estonia, Lithuania and Slovakia). Interviewees explained how candidate countries saw the actions as particularly useful, reflecting their greater needs for direct assistance with aligning operational procedures. As for the remaining countries, Estonia and Lithuania are generally active when it comes to initiating joint actions which suggests that they value international collaboration (and have active national customs coordinators). Although definitive reasons for why these countries used working visits extensively was not uncovered, it is reasonable to expect that they see more to benefit from peer learning and sharing expertise with other countries.

In general, working visit participants consistently pointed to the value that the visits brought directly for them, in particular the direct input into working practices these actions led to. Officials explained that the funding smoothed the process and helped convince administrative hierarchies that cases were worth pursuing. As such, the Customs 2020 programme acted as an enabler for facilitating exchange which would otherwise not have taken place.

Working visits represent one the most appreciated joint actions as evidenced in the national authorities' questionnaire (as seen under the sub-heading on "General perceptions") and case study interviews. Performance Measurement Framework indicators also show that participants are highly satisfied with the usefulness of working visits, with a large majority agreeing that they fully achieve their intended results, more so compared to any other joint action type (as explained in the paragraphs above).

Workshops were also emphasised as an effective type of action. The focus among participants that share both historical and geographical links, and face similar challenges, is particularly positive. For example, the Regional workshop on Single Authorisations for Simplified Procedures (SASP) and export related issues provides a good example of this type of joint action. The idea behind the workshop was for the Finnish customs administration to share the experiences accumulated in the area of single authorisations for simplified procedures in order to prepare for their application in the Baltic States. Highly appreciative, interviewees agreed that relevant practical information was shared, which helped administrations prepare for the application of single authorisations for simplified procedures in the Baltic States, and to adjust certain local business practices. The regional format of the workshop was also highly praised and appears to have been conducive in driving meaningful, contextual exchange, which made grounds for active and lively discussions.

Expert teams were considered an important addition to the tools available through the Customs 2020 programme. By focusing on operational cooperation driven and implemented by participating countries and with a dedicated budget, interviewees saw these as an important way of achieving significant progress in specific areas. For example, the Customs Eastern and South-Eastern Land Border Expert Team (CELBET) was mentioned by questionnaire respondents and interviewees as an especially good example of how Member States can engage in enhanced operational cooperation. Led by the Estonian Customs and Tax authority, the expert team aimed to ensure that customs controls performed at the EU Eastern and South-Eastern land border were more efficient and uniform by creating border control standards, common performance

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indicators and recommendations on improvements of control equipment and working methods.<sup>45</sup>

It should be recalled here that expert teams are a new type of joint action introduced in 2016, and as a result have experienced typical teething problems around their organisation. Therefore, despite the overall positive views, interviewees argued that the administrative burden was a barrier to wider uptake. To give an example, manual financial reporting was considered overly onerous, but was necessary since given the impossibility to get support from the Activity Reporting Tool for this purpose (despite it being used to account for other joint actions). Anecdotal evidence suggests that some countries even avoid participation in expert teams given the perceived high administrative burden. That said, interviewees agreed that expert teams will likely play a larger role in the programme in the future, especially in relation to IT collaboration that could lead to reduced development costs for all involved. Evidence from the national authorities' questionnaire also points to expert teams as particularly suited for building platforms for joint collaboration that respond to common needs (such as IT applications).

### **4.3. Customs European Information Systems**

#### **4.3.1. Introduction**

To operate effectively within the internal market, national customs administrations need to be able to work together, and to work together they need to be able to communicate with each other efficiently and securely. A key assumption of the Customs 2020 programme intervention logic is that such communication depends to a large extent on the availability, functionality and use of Customs European Information Systems. It is the core objective of the Union Customs Code, "to create seamless and efficient customs processes across the Union based on harnessing the power of digital tools". This section looks at whether and how the systems funded by the programme are in fact being used and enhancing collaboration between administrations.

**A sophisticated IT ecosystem has been developed over the years** that covers a range of cross-border issues relating to customs, as well as supporting architecture (such as the Common Communication Network/Common Systems Interface CCN/CSI). The systems have typically followed policy developments, either being set up to fit the needs of specific EU policies and regulations (such as enforcement of intellectual property rights) or to facilitate information-sharing in areas where this is deemed useful (e.g. risk management). The current customs IT policy is based on the e-Customs Decision of 2008<sup>46</sup> as well as on the provisions contained in the Union Customs Code. The e-Customs Decision sets out the basic principles under which the Commission and Member States work together for the development, maintenance and operation of systems needed for the Customs Union.

One of the core concepts in relation to the various IT elements is that they are divided into Union and national components. Agreed Union components are the IT assets and services which concern some or all of the Member States and are owned or acquired by the Commission. These are developed by the Commission and are funded by the Customs programme. National components in turn, are developed, installed and operated by Member States with national funding.

One of the central outcomes as well as challenges of the Customs programme involves the complex process of introducing, upgrading and operating of the Customs European

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<sup>45</sup> Participating countries include Finland, Estonia, Latvia, Lithuania, Poland, Hungary, Slovakia, Croatia, Romania, Bulgaria, Greece.

<sup>46</sup> Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade

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Information Systems. These IT systems create the conditions for enabling a more modern and paper-less customs environment. Significant efforts are put into upgrading Member States IT systems, which will be impacted by the changes introduced by the Union Customs Code. In addition, the approach to the Customs IT systems has to be aligned to allow for interoperability. Over 80 % of the Customs 2020 programme's total budget is spent on the operation, maintenance and development of the Union components of Customs systems and represents by far the largest single programme expenditure.

Currently over 40 different Customs European Information Systems and applications are in operation, with 17 electronic systems in need to be upgraded or developed by 2020.<sup>47</sup> Although the deadlines for some of these systems are now to be postponed to 2025, the Union Customs Code work programme which draws up the planning for the 17 electronic systems, is a very ambitious project. When completed, it will shift customs to a complete use of electronic systems for interactions between economic operators and customs authorities.

It is worth noting that there are many technical differences between the IT systems in terms of e.g. their complexity, their purpose and how they are hosted and governed. The Customs programme supports different operation modalities of the IT systems:

- **distributed operation:** the Commission operates and supports parts of the system and maintains common specifications. Member States in turn, construct, maintain and manage the national components, implementing the core common functionalities of the systems, such as the New Computerised Transit System (NCTS);
- **central operation:** when only a central system (often a database) is developed, it is managed and operated by the Commission. Example of such systems include the Electronic Binding Tariff Information database (EBTI) and the Integrated Tariff of the European Union database (TARIC);
- **national operation:** the system is solely operated (constructed, maintained and managed) by Member State administrations, e.g. the Import Clearance System (ICS);
- **hybrid operation:** central components coexist with national components operating in some or all Member States. Example systems include the Economic Operators' System (EOS) and the Customs Decision System (CDS).

Where Member States operate their own national customs IT systems, these need to be interoperable and comply with common specifications. For such trans-European systems (such as the New Computerised Transit System or the Export Control System), the Customs programme supports the production of common system specifications, co-ordination of the deployment, conformance testing, monitoring of service quality, etc. As noted above however, this only applies to Union components while the national components are outside the programme and fully financed from national budgets. Stakeholders (often users of given systems rather than IT experts) often struggled to make the distinction between Union and national components when discussing IT systems. This posed a problem in the analysis when discussing IT systems, as systems would be referred to as one entity not distinguishing between the different types.

Evaluating the contribution of the IT systems to the programme's objectives is further complicated by several factors. Firstly, IT is by its nature embedded within the diverging national IT infrastructures. Secondly, the use of IT systems is often required by the legislation and this mandatory nature makes it difficult to compare against a counterfactual. Thirdly, there are numerous factors related to national administrative

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<sup>47</sup> A list of the various systems and applications can be found in Annex C.

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and technological capacity, such as the level of IT capability of the customs administration or national budget and resource availability. This interplay makes it often difficult to attribute some aspects of the functioning of a given IT system to the performance of a specific Union component, the programme itself or the national IT capacity and architecture. Interviewees also had difficulties disentangling the experience of specific Union components compared to the national components, often focusing on the overall functionality of European IT systems and links with national systems.

In assessing the contribution of the Customs IT systems to improved collaboration and information sharing, we have attempted not to dwell on these technical aspects, but rather on the perceived and demonstrated usefulness of the systems and reasons behind. The approach has three steps. Firstly, we used monitoring data to provide some basic information on the existence and functioning of the systems compared to initial expectations. Secondly, we used the feedback gathered from the programme manager interviews and IT-focused questionnaire for national authorities (see full report in Annex A.4) to gauge the perceived usefulness of the systems. Thirdly, thanks to the in-depth case studies we were able to look closer at some of the systems in their working context.

We refer to technical issues where relevant, but mainly from the angle of the user experience and the functionalities behind collaboration and exchange of information. It should nevertheless be noted that it is not the purpose of this assignment to evaluate the performance of the IT system as such. Their functioning is therefore considered in this study purely within the context of the programme, its operations and objectives.

This approach offers a pragmatic way of examining the systems in terms of their functions as the primary criterion. However, it also has some limitations that should be borne in mind. The monitoring data alone merely tells us that the systems exist and are functioning, that they are available and how much they are used rather than giving insight as to their success. The Commission often lacks access to the data exchanged and does not monitor how and to what effect this data is used at the national level. To gather this information, we relied on the contributions from the best informed stakeholders, the national administrations. However, owing to the above mentioned conceptual difficulties in singling out the IT systems, consultation fatigue linked to similar assignments run at the same time and the difficulty in channelling our questions to the suitably specialised officials (especially in countries where the relevant responsibilities were spread across administrations), it has been difficult to make generalisable findings.

#### **4.3.2. Existence and functioning of the systems**

The monitoring data and the IT-focused questionnaire which were corroborated by interviews with national customs officials and Commission officials all paint a positive, if necessarily superficial, picture of the systems' performance and contribution to enhanced collaboration between administrations. The questionnaire responses indicated an overall satisfaction with the IT systems supported by the Customs 2020 programme, their usefulness and appropriateness for the work of national customs administrations. Very few respondents expressed a lack of satisfaction with the IT systems, while there were some systems that respondents were less familiar with, such as NCTS-TIR-RU, Suspensions and CRS.<sup>48</sup> National administrations were particularly satisfied with the possibility to easily access and obtain different data, as well as with the electronic

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<sup>48</sup> In the case of NCTS-TIR-RU the most recent information (2015) shows that only 14 Member States use this secured exchange of messages between the Commission and Russia, which explains the lack of awareness among national customs administrations that do not make use of the system. Similarly, Suspensions is mainly an internal tool for Commission staff, as it allows the creation of a dossier on the suspension of import duties for certain goods and constitutes a back-up to the publication in the official journal. CRS is another sub-system that makes information available by acting as a layer between systems generating and managing information (e.g. EOS, REX) and systems consuming information (e.g. NCTS, ECS, ICS).

lodgement of customs declarations and automatic supervision of customs operations enabled by the systems.

Monitoring data shows good performance across indicators relating to the number of systems, number of messages and amount of data exchanged, and issues related to technical performance and support. All major centralised IT systems, specific Union components of key systems such as the NCTS, ECS and ICS as well as the underlying infrastructure (CCN/CSI) – developed, managed and maintained by the Commission – were available as scheduled, 99% of the time during working hours, exceeding the expected targets. The service desk which is available to provide support on Union components of the systems was available at all times, with the percentage of calls answered according to time targets reaching over 99%.

**Table 6: Availability and activity indicators for centralised IT customs applications**

Indicator	2014	2015	2016	2017	Average	Target	Target diff. (avg – target)
Availability of CCN overall (%)	99%	99.97%	99.98%	99.43%	99.60 %	98%	+1.65%
Number of CCN messages	2.7 billion	3.2 billion	4.5 billion	4.8 billion	n/a	Grow or stable	+59%
Volume of CCN messages	4.3 TB	4.7 TB	5.54 TB	6.56 TB	5.28	Grow or stable	+29%
Availability of IT customs applications (CIS) <sup>49</sup>	99%	98.95%	98.37%	N/A	98.8%	97%	+1.77%
Availability of NCTS, ECS & ICS	99%	99%	99.23%	N/A	99.08%	99%	+0.08%

Source: DG TAXUD, Customs 2020 Programme Progress report 2016 and 2016 E-Customs Progress Report.

As seen in table above, there has also been a steady increase in the number of messages exchanged across the CCN interface. The CCN is a secure dedicated communication network that has formed the IT backbone of customs cooperation and IT architecture for over 15 years and allows national administrations to connect to Customs European Information Systems and with each other. Over 4.8 billion messages of 6.56 TB of total volume were exchanged over the CCN network in one year alone and the trend is soaring (nearly 80% in number of messages and more than 50% in volume increase between 2014 and 2017).

High availability and reliability of CCN is paramount, not only for the seamless operation of customs procedures that customs administrations rely on but ultimately for the functioning of the internal market. Without the secure network that CCN provides, the smooth flow of cross-border trade and goods would be impeded.

#### **4.3.3. Perceived usefulness**

The headline figures of the IT-focused questionnaire show two emerging converging trends. Firstly, the IT systems were generally positively assessed. Secondly, use and appreciation were especially high for the supporting architecture and the management

<sup>49</sup> CIS is the specific Union component of the European Information Systems.

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of reference data (especially CCN/CSI and Common Services/Reference Data CS/RD) and centrally operated systems that have been in operation for a long time. TARIC, EBTI-3, EORI and NCTS represent key systems of the customs IT ecosystem that all correspond to demonstrable needs. Seen from a different perspective, the systems that match most closely the traditional role of customs (i.e. goods classification, tariff management and control of the movement of goods) all are scored as highly useful. For instance, all measures that are related to the Common Customs Tariff are integrated in one IT system, the Integrated Tariff of the European Union (TARIC). It serves a vital role to safeguard the internal market, allowing for customs clearance and helping traders understand duty rates. Thanks to the EORI central electronic database, customs administrations have easy and reliable access to registration and identification data for economic operators. Similarly, the EBTI-3 system provides a platform for Member States to upload accepted applications for binding tariff information, playing a crucial role in the issuing and control of binding tariff information across the EU<sup>50</sup>. Designated officials in all Member States as well as Commission officials have access to all relevant information concerning the case, making it easier for them to monitor tariff developments. By uploading an application in the database, it becomes available to all administrations, thus facilitating the uniform classification of goods across the EU.<sup>51</sup> Furthermore, the database also allows customs authorities to ascertain whether an applicant already holds a valid binding tariff information for specific goods, thereby decreasing the risk of duplication. Figure 9 overleaf shows the usefulness the most important customs IT systems.

Interviews with programme managers helped explain the favourability towards CCN in particular. As one interviewee noted, many Member States and traders are hesitant to sharing sensitive data with other countries. According to national coordinators, CCN has helped to alleviate such concerns, allowing Member State officials to communicate more freely and quickly with each other.

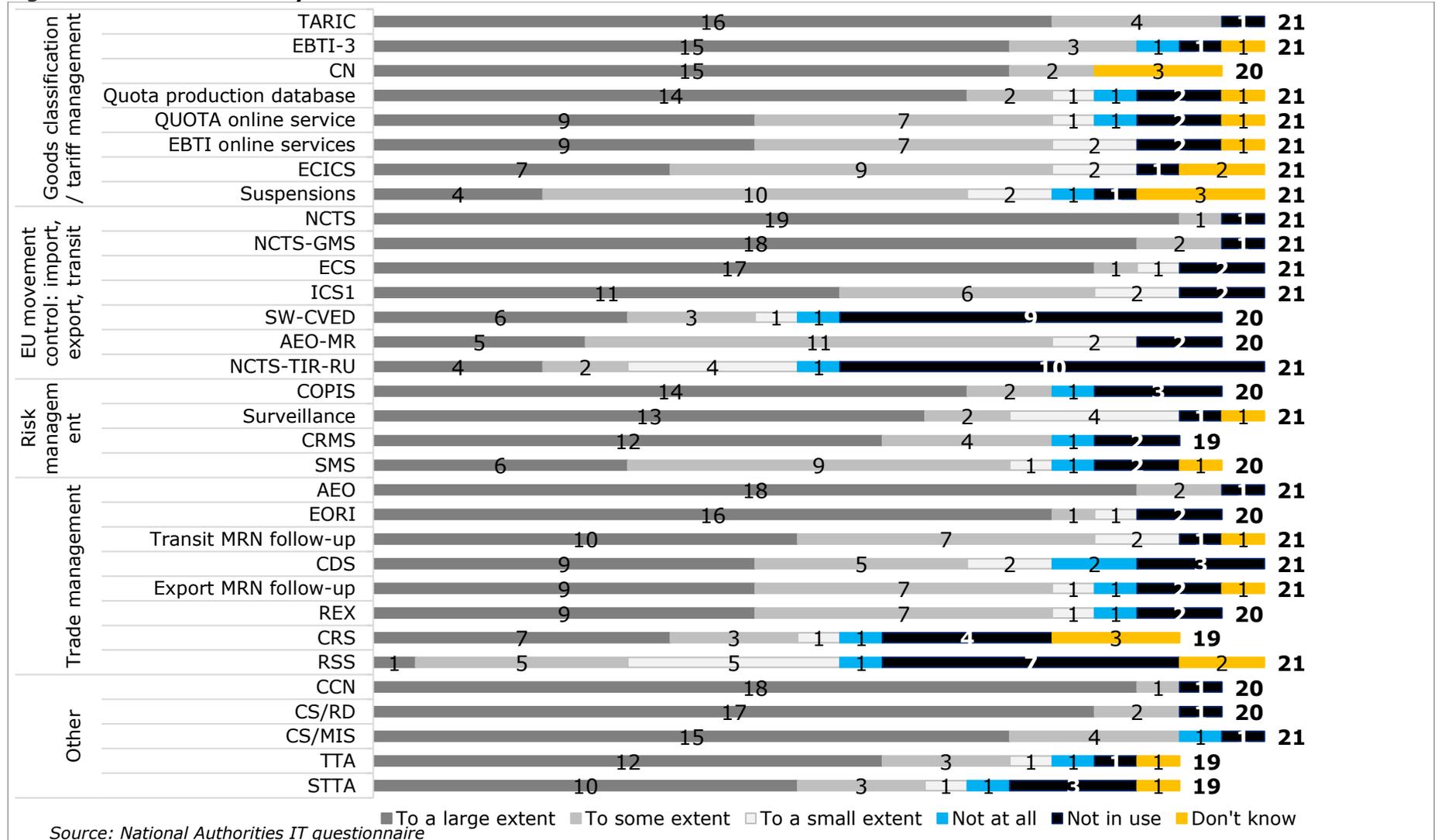
Criticism pointed to areas where refinement is possible rather than fundamental flaws. These included improving interoperability and standardisation, taking more into account Member States preferences when developing new systems, simplifying manuals and training material. A couple of interviewees also raised concerns about the emphasis on speed of development of customs IT systems (given the Union Customs Code deadlines), fearing that this would result in systems that were not fully fit for purpose. At the same time, the need for deadlines was also seen as a useful impetus to drive action and encourage participating countries to dedicate resources to IT. These considerations are, however, not directly linked to the Customs 2020 programme, which, as far as the IT systems are concerned, supports implementation of what has been decided elsewhere.

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<sup>50</sup> The EBTI-3 system should not be confused with the public database where only the non-confidential information of all valid binding tariff information can be consulted by the public.

<sup>51</sup> European Commission, Directorate-General Taxation and Customs Union. 2012. Report of the first phase of the exercise to monitor the issuing of BTI and the application of the relevant Community legal provisions in the Member States 2007 and 2008.

**Figure 9: Usefulness of IT systems**



Source: National Authorities IT questionnaire

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On a more fundamental level, **not all Member States share a joint vision of how and when to use common IT systems**. Depending on legacy systems and country context, some prefer a more blended model where countries can opt in to shared EU services or maintain national solutions. As one interviewee said: *"everyone wants to harmonise if there is something in it for themselves"*. Countries with fewer legacy customs systems are generally in favour of a more centralised approach. Similarly, interviewees suggested that Member States with smaller flows of goods might not see the business value for more advanced functionalities compared to larger Member States who might have more wide-ranging needs. Given that nearly 80% of import declarations are made in only three Member States, it is not surprising that there would be diverging opinions around the need for and feasibility of a given IT system.<sup>52</sup>

At present, the Multi-Annual Strategic Plan coordinates the extremely complex development and implementation of the new customs IT systems under the Union Customs Code. The complexity stems from several factors, including the need for business continuity of the upgraded systems, the fact that projects are often interdependent and the challenging implementation time scales of the Union Customs Code. The coordination needed to develop centralised systems is sometimes difficult to put in practice even though there is a clear business rationale. For instance, in the case of the Customs Decision System (CDS)<sup>53</sup>, as one of the largest and earliest Union Customs Code IT projects, savings of 40-50 Million € in the EU were projected had the Commission developed a purely centralised architecture that would interface with national systems.<sup>54</sup> Although this would have increased the development costs for the Commission, the Member States would have reaped the benefits of such a solution. This was however not feasible in the end, with most Member States opting for hybrid solutions which both supported their own national developments and others opting for a central solution.<sup>55</sup> Although the implementation of the CDS was launched as planned, case study interviewees suggested that the start of operations of the system faced expected challenges, such as for example training materials not available in time and technical user guides only available in English. Some case study interviewees also reported continued problems with error messages being returned and corrections needed. Considerable efforts have taken place and are underway to address these issues.

The development and implementation of new Customs European Information Systems usually involve difficult negotiations, often under time pressure, aiming to satisfy diverse interests and at the same time considering national preferences, requirements and constraints. From an efficiency point of view, a purely centralised system would have been preferable in the case of the Customs Decision System. In this respect, the compromise on efficiency to satisfy national interests was the most pragmatic solution although from a Customs Union perspective not ideal. This shows the complexity and challenge, increased by the fact that the resulting systems are a mix of centrally developed, centrally operated and national components. To this extent, the programme facilitates the intense operational cooperation between customs administrations of the

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<sup>52</sup> Report from the Commission to the European Parliament and the Council on the IT strategy for customs, COM (2018) 178 final. Brussels, 11.4.2018

<sup>53</sup> CDS offers a uniform approach to the application and decision-making process and allows for decisions (authorisations) being recognised in several or all Member States at the same time. The CDS is a hybrid system, composed of a central IT system and optional national IT systems. The technical systems involved include the central Customs Decisions Management System (CDMS) which allows communication between the central system and one or more national systems; the Customs Customer Reference Services (CRS), a repository that stores all taken decisions; and the EU Trader Portal which gives traders access so they can manage custom decisions needed for their activities.

<sup>54</sup> DG TAXUD, p.23 Electronic Customs Multi-Annual Strategic Plan, 2017 Revision. MASP Rev. 2017, Version 1.4.

<sup>55</sup> The final compromise resulted in Member States being able to choose the solution they preferred for portal access: central only (BE, BU, CY, DK, HU, IE, IT, LV, LT, LU, MT, NL, PT, RO, SI, SE), central for multi Member State decisions and national for single decisions (AT, HR, CZ, FI, FR, DE, GR, PL, SK, UK) and hybrid; multi Member State decisions either central or national access, and for single decisions only national portal (ES).

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Member States and other stakeholders needed to negotiate the unprecedented complexity and scale of the IT projects envisioned in the Union Customs Code.

The table below sums up strengths and areas for improvement related to specific categories of Customs European Information Systems, as observed from the questionnaire and interviews with programme managers.

**Table 7: Key features of the Customs European Information Systems<sup>56</sup>**

Strengths	Areas for improvement
<b>Trader management</b>	
<ul style="list-style-type: none"> <li>• EORI, AEO and CRS offer consultation in real time for non-national EORI numbers</li> <li>• CRS, CDS and REX are useful for identifying different data about traders</li> <li>• REX complements national import customs declaration systems, resulting in cost savings</li> <li>• REX avoids Member States to develop similar systems</li> </ul>	<ul style="list-style-type: none"> <li>• REX could be improved to further satisfy national needs (such as amending registration information) and overall vision (especially movement status and follow-up) of enhanced actions</li> <li>• Some Member States reported experiencing 'bugs' in the implementation of the Customs Decision System with reduced functionality as a consequence</li> <li>• Economic operators also reported difficulties with the Trader Portal related to the Customs Decision System. System implementation was not seen as uniform across Member States, in some cases needing additional paper forms. Technical and complicated support material, often not available in native language</li> </ul>
<b>Goods classification and tariff management</b>	
<ul style="list-style-type: none"> <li>• TARIC is one of the most useful systems for the daily work of customs offices, enabling the real-time application of the Common Customs Tariff in a uniform manner across the EU Member States</li> <li>• EBTI-3 is essential for issuing decisions related to Binding Tariff Information</li> <li>• Quota online service enables a real-time overview of community tariff quotas and helps track the overall EU usage of import quotas by all Member States</li> <li>• Without ECICS, administrations would have to use expensive on-line systems to retrieve information on chemical classification</li> </ul>	<ul style="list-style-type: none"> <li>• Some duplication with national systems identified in the cases of TARIC, Quota and EBTI in for e.g. Hungary, Ireland, Lithuania, Poland</li> </ul>
<b>EU movement control: import, export, transit</b>	
<ul style="list-style-type: none"> <li>• Operational systems, like ECS, ICS, NCTS and NCTS-GMS allow for fully electronic lodgement of customs declarations and automatic supervision</li> <li>• IT export systems were useful as they allow for a paperless environment in customs operations</li> <li>• With the Single Window – Common Veterinary Entry Document (SW-CVED), the validation of documents can be automatically checked before accepting the import declaration</li> </ul>	<ul style="list-style-type: none"> <li>• All systems with common specifications, such as NCTS and ICS2, were suggested by some administrations to be developed as central systems by the Commission instead of duplicating the system at national level</li> </ul>
<b>Risk management</b>	

<sup>56</sup> Findings for this table correspond to the date of submission of the report. Further developments may have taken place in the meantime following measures taken by DG TAXUD, in particular in the case of REX, CDS and Trader Portal.

Strengths	Areas for improvement
<ul style="list-style-type: none"> <li>CRMS is used daily for risk management, and was identified as a main tool for receiving and sharing risk relevant data with Member States and the Commission. Ensures a swift exchange of information</li> <li>The Specimen Management System (SMS) was positively assessed as helping customs authorities to verify documents, stamps, and signatures during, and after, customs clearance</li> </ul>	<ul style="list-style-type: none"> <li>Surveillance does not support the possibility of accessing data of other Member States regarding customs values. Such a feature could provide guidance for Member States in the determination of customs value by secondary methods</li> </ul>
<b>Other</b>	
<ul style="list-style-type: none"> <li>CCN and CS/RD are central for all IT operations. The CCN network was defined as an indispensable component of all customs systems, and was positively assessed for allowing the exchange of information for trans-European systems</li> </ul>	<ul style="list-style-type: none"> <li>Increased complexity and administration regarding CCN. As there are two versions of CCN, users need to have different accounts which creates some additional administrative burden</li> </ul>

#### 4.3.4. Outputs and results

The case studies on risk management, simplified procedures and intellectual property rights allowed us to look in more depth at three of the IT systems and thereby shed more light on **success factors and ways in which they can increase collaboration and information sharing between the Member States**. The first two of these (risk management and simplified procedures) must invariably be judged as success stories. They started with clear needs rooted in EU law and obvious benefits from increased collaboration.

Given increased safety and security threats, customs administrations have been given an increased role in border security and the control of movement of goods through the EU's external borders. Open borders between Member States also mean that to prevent security threats, administrations need to communicate with each other about the movements and status of goods. As the case study on risk management shows, there exist numerous activities supporting risk management measures, particularly because this priority area requires information exchange and cooperation between customs administrations.

One of the key tools that aim to improve customs risk management is the common risk criteria and standards, which are to be applied in the Member States' risk analysis IT systems. In our case study (see Annex B, case study 3), the Customs Risk Management System (CRMS) was considered as an integral element in the development of the EU's risk management framework by allowing administrations to monitor electronically, in real-time, emerging risks and trends, which would not be easily done within any sole national administration. The current CRMS allows for systematic and swift exchange of risk information for all modes of transport (land, air, sea) with all 28 Member States and with the Commission via the electronic system. Interviewees explained how CRMS is critical for daily risk management. Its ultimate goals are to increase EU safety and security and to prevent fraud without compromising legitimate trade.

The Risk Information Form (RIF) is one of the key elements of the CRMS. Once filled on-line, the information is instantly made available to all customs offices connected. As such, it helps to ensure that all customs administrations access the shared customs risk-related information, which in turn helps to take immediate measures in the short-time and apply consistent levels of customs control at the EU's external border on newly identified threats in general. The IT system guarantees a level-playing field for economic operators and provides risk related information that can be included in the national risk management systems and improve further risk analysis among competent authorities.

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Access to CRMS is also granted to Commission services such as the European Anti-Fraud Office (OLAF), DG Health and Food Safety and DG Agriculture and Rural Development to share identified new risks. However, interviewees warned that there was a risk of “information overload”, if too much (or not relevant) information is shared through RIFs. To address this potential challenge, further integration with national systems was suggested, especially when it comes to the identification of financial risks. The next generation of CRMS (CRMS2) will be better adapted to identified needs and includes better interoperability with other systems.

It is also worth underlying the mutually-reinforcing role of the Customs 2020 programme’s activities. Given the complexity and importance of the risk management work in the customs administrations involving a number of departments in each administration working on security and safety related issues, joint actions such as the Risk Management Strategy Implementation Coordination Group – analysed in detail under the joint actions – play an important role in coordinating complex work streams that affect the implementation and running of IT systems in the risk management domain (e.g. ICS and the Customs Risk Management System). The activities that we looked at as part of the case study related to simplified procedures (see Annex B, case study 5) did not directly relate to a specific IT system. Instead, we looked at actions with a focus on operationalising them, for example by fostering common understanding and the uniform application of the single authorisation for simplified procedures and its potential to facilitate trade and bring benefits to economic operators. Currently there does not exist a dedicated IT system to handle this procedure, which poses an increased burden to processing single authorisation requests for Member States without national IT systems supporting the procedure. This in part explains why ‘centralised clearance’ (which is mandated in the Union Customs Code and means all incoming goods would be cleared where a given trader is established), originally foreseen for 2020, is likely to be delayed until at least 2022.

Similarly, as shown in the case study on Authorised Economic Operators (see Annex B, case study 1), the absence of a fully operational centralised clearance nullified some of the potential simplified customs procedures for authorised businesses. This limited the value of the Authorised Economic Operator concept in general in the eyes of some economic operators. Case study interviewees in Sweden and Serbia noted that even though additional benefits (in particular for SMEs) were provided for in the latest Authorised Economic Operator related legislation, business still remained sceptical about the benefits not materialising quickly or on a sufficient scale to justify the burden of the authorising procedure. The upfront compliance investment was simply seen as difficult to justify compared to the less tangible benefits down the road. Centralised clearance was however considered to have a substantial impact on business operations. Once implemented, economic operators would only need one single point of contact, as opposed to having to submit a declaration in each individual Member State, and the internal work handling declarations would be done by the customs authority. This would have important tangible results such as reduced transit times and costs, and improved communication for economic operators with customs administrations.

In the case of intellectual property rights (Annex B, case study 2), the Union efforts aim to provide rights owners protection against intellectual property rights infringements. Combating counterfeiting and other types of intellectual property rights infringements helps companies operating within the EU to protect their intellectual property and secure return on investment and to guarantee a level playing field for economic activity. Databases that aid customs authorities, such as the Anti-Counterfeit and Anti-Piracy System (COPIS) supported by the Customs programme, were considered to have been useful, particularly after substantial improvements since their introduction. COPIS has allowed for instant notification of alleged violations of rights holders across all Member States and works as a single information system for the applications for action by rights holders and is accessible to all Member States. It has simplified and reduced the workload of rights holders, customs administrations and the Commission but its biggest

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benefits stem from improved cooperation in the protection of intellectual property rights, particularly in times of intensified trade.

For example, from 2010 to 2015 the number of applications from rights holders have risen almost two-fold, from 18 000 to 32 000, signalling that the scale of the problem is growing.<sup>57</sup> In 2016, more than 41 million fake and counterfeit products were detained at the EU's external border to an estimated value of over 670 million euro in domestic retail value.<sup>58</sup> Interviewees did however note that COPIS still suffered from slow performance and complicated interface. Some overlap of COPIS with national systems was also an issue and had led to duplication in the past but this was only reported by a minority of Member States. In sum, COPIS was considered a successful start to addressing the problem of cross-border issues related to intellectual property rights.

The above-mentioned examples and experiences gathered during the case study on enforcement of Customs Union legislation (see Annex B, case study 7) show how the complex Union Customs Code-related requirements have resulted in increased pressure on Member States to implement a number of new IT systems. The Customs 2020 programme has supported the development of the electronic systems envisioned by the Union Customs Code. These have brought significant challenges and opportunities for customs authorities. National systems' distinct approaches to data, strict deadlines imposed and the costs involved in developing these IT systems were among the key challenges mentioned, which resulted in difficulties for developing common interoperable systems. These challenges call for the need to work more closely between stakeholder groups to more effectively tackle common IT issues at an EU level. The Customs programme plays an important role in bridging the gaps and allowing participating countries to develop shared solutions. Ultimately, it is difficult to see how the relevant provisions of the Union Customs Code would have been feasible without programme support for implementation, which will result in opportunities for increased cooperation, better exchange of information and a paperless environment facilitating customs administrations' day-to-day work.

#### **4.4. Human competency building**

##### **4.4.1. Introduction**

One of the main reasons for the adoption of the original Customs programme (called the Matthaueus programme, adopted in 1991) was to allow training and exchanges to take place among national customs officials in the EU Member States. With the advent of the Single Market in 1993, the need to develop relevant knowledge and competencies of customs officials has been at the heart of the discussions as a factor contributing to the effective functioning of the Customs Union and the Internal Market.

In addition to the joint actions and the Customs European Information Systems which comprise the vast majority of programme spending, the programme also supports common training activities. These include most importantly eLearning modules that are aimed at developing and aligning the competencies of EU customs officials and promoting a common interpretation of EU customs law and its related procedures.<sup>59</sup> DG TAXUD's Unit E3 designs and publishes the eLearning courses and the programme covers development costs for the modules and is increasingly sharing responsibility for adapting them to national languages and circumstances. Most of these are publicly available on the Europa website and are disseminated through PICS and national intranets (learning management systems). The programme also provides IT training

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<sup>57</sup> DG TAXUD, Annex 2 of the Multi-Annual Strategic Plan, Rev. 2017, 1.4

<sup>58</sup> DG TAXUD, Report on EU customs enforcement of intellectual property rights, results at the EU border 2016.

<sup>59</sup> The modules are also to some extent aimed at helping economic operators comply with EU legislation and navigate various systems and processes. This aspect is discussed separately in section 3.2.8.

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courses, which consist of face-to-face sessions to help Member State officials to use the Customs European Information Systems developed through the programme.

To assess the effectiveness of the training activities we used monitoring data collected by DG TAXUD to provide an overview of general perceptions on this component of the programme. Responses to the questionnaire for national authorities and the case study on human competency building allowed us to explain in more detail the factors behind the decisions of national customs administrations to use the eLearning modules in particular and what this use actually consists of in practical terms.

The human competency building component of the programme mainly contributes to the operational objective 4, to reinforce the skills and competences of customs officials. Here we look at the different types of training and human competency building provided within the programme. These include the eLearning modules available to national customs administrations and economic operators, the common training materials and IT training for European customs IT systems. There are other actions organised under the programme that include a strong learning component, namely workshops, seminars and working visits (assessed in detail in section 4.1.2).

When reading this section, the **relatively small proportion of the programme budget (3-5%) dedicated to the training activities** should be borne in mind. While the amount of resources at stake are not insignificant, the training activities would not be expected to generate as wide-reaching and profound benefits as the joint actions and Customs European Information Systems described in the foregoing sections. Given the limited resources, we took a proportionate approach to the analysis and chose to focus on a limited number of modules to identify success factors and other dynamics.

#### **4.4.2. Contribution of eLearning modules to the development of knowledge and capacity building**

Table 8 overleaf presents a series of indicators related to the offer, uptake and levels of satisfaction of customs officials with Customs eLearning modules. As evidenced, 2016 and 2017 marked a significant difference with the first two years of the programme with the number of customs officials trained in 2017 using EU eLearning modules more than five times higher in comparison to the previous years. This corresponded to an almost doubling of the available eLearning modules (from 15 in 2014 and 2015 to 30 in 2016 and 31 in 2017), and the novelty of the Union Customs Code training material introduced in 2016. In line with the above statistics, the number of eLearning modules used by participating countries also increased from 183 in 2015 to 305 in 2016; however, a slight decrease was recorded in 2017. No clear explanation to this decrease was apparent to the evaluation but new learning management systems and nationally developed replacement modules may account for the difference.

With the Union Customs Code entering into force in 2016, an extensive Union Customs Code eLearning programme, which at its start had 15 modules containing 17.5 hours of learning material, was developed. The timely launch of the Union Customs Code modules was highly appreciated as it helped customs officers to understand the changes to the legislation, in a context of lack of clarity around the changes that the Union Customs Code would bring. Although some interviewees argued that the Union Customs Code modules did not provide sufficient in-depth information on all the intricacies surrounding the implementation of the Union Customs Code, they agreed it helped to build a platform of shared understanding among participating countries more quickly than would have been possible without the programme. The Union Customs Code eLearning programme has since its start been further extended with the first IT related eLearning course in 2017, associated to the Registered Exporter System, a module on the Customs Decisions System (published in October 2017) and most recently a module on EBTI-3 (published in 2018).

Supplementary figures available on the evolution of usage of EU eLearning courses on customs for the current programming period evidence **a substantial increase in the number of trainees and downloads from the EUROPA website**, most of these corresponding to economic operators (professional associations or multinationals that make the modules available to their staff). Increases in the number of trainees, which are based on estimates reported by those who downloaded the courses on the Europa website, climbed from 37 000 estimated trainees in 2014 and 2015 to nearly 550 000 estimated trainees in 2016, corresponding to the launch of 16 Union Customs Code modules, and a decrease to nearly 205 000 in 2017. Most of the training downloaded corresponded to the Union Customs Code eLearning modules.

As it was already described under the relevance question, results from the survey with economic operators provide a different picture, reflecting low levels of awareness of the eLearning courses among survey respondents. There were a few voices that questioned the lack of information on available EU eLearning modules on the national customs administrations' websites and other who asked for official certifications providing evidence of completion of the eLearning modules. However, the usefulness of the modules was positively rated among those who had participated in the courses, with two thirds of respondents who agreed to a great extent or to some extent that the modules provided information that was difficult to find elsewhere.

**Table 8: Programme indicators related to eLearning modules**

	2014	2015	2016	2017
Number of EU eLearning modules developed	15	15	30	31
Number of EU eLearning modules used by participating countries <sup>60</sup>	174	183	305	271
Number of customs officials trained using the eLearning Customs courses	4 623	6 108	23 970	34 214
Number of downloads from Europa <sup>61</sup>	3 875	3 057	12 887	11 807
Number of reported trainees from modules downloaded from Europa	37 188	37 515	548 592	204 711
Average level of satisfaction of training courses by customs officials (scale of 100) <sup>62</sup>	73.3	70.3	74.3	73.1

Source: Customs 2020 programme Progress Reports for 2014, 2015 and 2016, EU eLearning Survey Report 2017

#### 4.4.3. Outputs and results

As evidenced in Figure 10, most respondents to the questionnaire with national authorities were positive about the contribution of EU eLearning modules to national customs administrations. In particular, respondents saw value in the way modules help administrations to benefit from Customs European Information Systems and to apply EU customs law more uniformly. For instance, respondents remarked that sharing the same training content allowed officials to develop a uniform understanding of the legal provisions and how to use customs IT systems. At the same time, national officials in only three surveyed countries, Belgium, Romania and Slovenia, stated that they used eLearning modules to a "great extent". Officials in the majority of countries (25 out of 28) either used them to some extent (15) or to a little extent (10). Respondents saw eLearning contributing the least to enhanced cooperation and sharing of good practice.

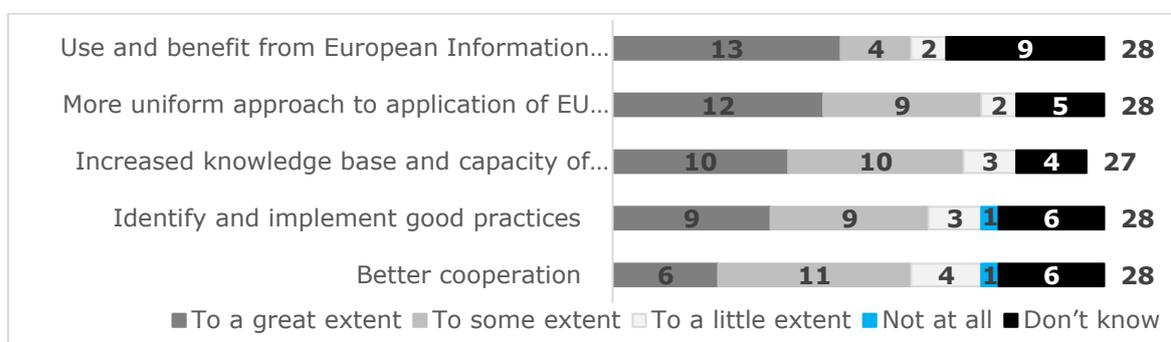
<sup>60</sup> Note that 24 of the total of 33 countries using eLearning courses participated actively from surveys collecting user information in their national administrations. While some participating countries confirmed the use of the courses, the lack of data on the exact number of modules or trainees is not available.

<sup>61</sup> According to the DG TAXUD eLearning report the public users (i.e. those who download the courses) are mostly professional associations or multinationals that make the modules available to their staff.

<sup>62</sup> This measure is based on the Kirkpatrick training scale, with 75 standing for 'very good' and 50 for 'fairly'. For more information see: <https://www.kirkpatrickpartners.com/Our-Philosophy/The-Kirkpatrick-Model>

However, the nature of training is user-oriented and brings individual benefit rather than bringing direct opportunities for cooperation and networking. This is especially true of eLearning since there is no class-room discussion.

**Figure 10: EU eLearning modules and perceived benefits to national administrations**



Source: National authorities' questionnaire (see Annex A)

The uptake of the new Union Customs Code modules was high among participating countries and represents almost 90 % of the total use of eLearning courses in 2016 (Table 9). The localisation of the Union Customs Code modules, i.e. their availability in national languages, was one of the reasons explaining the widespread participation, although interviewees noted that translations of Union Customs Code modules were in many cases financed by national administrations which delayed the roll-out of the training. Member States were however only in charge of 'text' translation, with the Customs 2020 programme financing the remaining aspects (voice recordings, technical development of national courses, management of national localisation processes). The translation of modules was repeatedly brought up in questionnaire responses and interviews as a challenging aspect, given the specialised area and effort required by administrations to assure the quality and fund the translations. Language barriers were also considered to be a barrier for some national administrations, and interviewees highlighted that programme support for translation would be highly beneficial.

The life cycles of eLearning modules follow a common pattern, with peaks in usage during the first year or two, followed by a decline over the following years. The decrease in use can be due to several causes, including administrations becoming more familiar with the content, modules becoming outdated or covered by national training programmes. The Authorised Economic Operator II module, for instance, is now relatively obsolete given the new legislation in the area and has been partly replaced by the new Union Customs Code module on Authorised Economic Operators. Similarly, modules on EORI and EOS have seen a downward trend in usage over time. In the case of the CRMS and SP SASP modules, the majority of participating countries note that usage has decreased because the modules are covered by the national training programmes.

Newer modules score better across almost all quality dimensions.<sup>63</sup> This goes in line with the expected life cycle and the overall utility of new products in relation to emerging needs. At the same time a large majority of the Union Customs Code eLearning modules were produced in a short time frame. This suggests that the programme management

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team has managed to keep development speed up the development but at the same time maintain and increase the quality of the modules produced.

One of the main reasons for eLearning modules not being deployed by national administrations was that the subject was already covered at national level (we discuss it at length in the next section on usefulness of the training). However, monitoring data also show that lack of availability of training material in the required local language was cited more generally as the main reason for not deploying a specific eLearning module.<sup>64</sup> This was especially true for the Union Customs Code modules: despite the courses being in line with the needs of national administrations and complementing their available training activities, the lack of localisation resulted in lower uptake levels.

When examining usage and satisfaction levels of participants trained, **most national administrations were highly satisfied with the eLearning modules** made available with an average score of 73 equivalent to “very good”. However, response rates registered for many of the modules are low, therefore conclusions about average scores should be drawn with caution.

Considering the above-mentioned limitations, usage and reported satisfaction with the courses appear to be the most adequate indicator of the utility of these modules, both of which are detailed in Table 9 below.

The most appreciated pre-Union Customs Code modules include 'Container Examination' and 'Car Search', with high scores of 78.7 and 75.2 (in 2016) and even higher scores in 2017 (79.5 and 79.8 respectively). These modules were the first to be developed and, although considered slightly dated by some respondents, they were highly appreciated and register the highest uptake among participating countries (22 in total). Some respondents even asked for further 'search' modules for other areas such as buses and trucks.

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<sup>64</sup> DG TAXUD, eLearning report 2017

**Table 9: Number of trainees and satisfaction by module (2014 – 2017)<sup>65</sup>**

	Implementation					Satisfaction (2017)				
	Number of trainees					Not at all	Partially	Completely	Avg. qual score <sup>66</sup>	Responses
	Total	2014	2015	2016	2017					
AEO II	1 010	404	402	130	74	-	2	2	72.6	84
BPM	14	6	6	1	1	-	-	-	81.0	1
Car Search	2 837	566	851	696	724	1	2	7	79.8	19
Container Examination	1 566	521	637	174	234	-	2	5	79.5	23
CRMS	194	38	106	-	50	-	2	2	38.9	2
DPC – C	1 542	535	761	120	126	-	1	3	54.9	6
DPC – EO	48	16	12	3	17	-	1	2	-	-
EORI	2 179	1 479	638	30	32	-	1	5	46.3	30
EOS	117	38	66	10	3	-	-	1	61.6	4
Intellectual Property Rights	1 992	703	590	231	468	-	1	4	78.6	5
SAMANCTA	2 424	199	781	805	639	-	3	4	71.1	20
SASP	107	35	50	1	21	-	-	3	-	-
SP SASP	1 453	83	1 208	162	156	-	1	2	72.6	60
Union Customs Code (00) Overview	14 700	-	-	8 873	5 827	-	1	9	71	233
Union Customs Code (01) Customs Procedures and Customs Declarations	3 196	-	-	1 002	2 194	-	-	7	74.8	125
Union Customs Code (02) Entry of Goods and Temporary Storage	3 024	-	-	866	2 158	-	1	6	74.3	24
Union Customs Code - 03- Release for Free Circulation	2 948	-	-	853	2 095	-	-	6	74.6	20
Union Customs Code - 04- Binding Tariff Information	2 468	-	-	860	1 608	-	1	6	75.3	21
Union Customs Code - 05- Origin of Goods	2 461	-	-	860	1 601	-	-	6	75.4	30
Union Customs Code - 06- Customs Valuation	2 602	-	-	900	1 702	1	1	6	73.7	20
Union Customs Code - 07- Customs Status of Goods	2 908	-	-	862	2 046	-	-	6	73.9	16
Union Customs Code - 08- Customs Debt	3 009	-	-	881	2 128	-	2	6	69.1	23
Union Customs Code - 09- Guarantee	2 046	-	-	865	1 181	-	-	6	81.0	19
Union Customs Code - 10- Special Procedures other than Transit	2 209	-	-	906	1 303	-	1	5	76.6	14
Union Customs Code - 11- Customs Transit	2 439	-	-	850	1 589	-	1	6	69.0	19
Union Customs Code - 12- Export	2 446	-	-	868	1 578	-	1	6	71.7	19
Union Customs Code - 13- Customs Decisions	2 974	-	-	1 223	1 751	-	1	6	73.6	47
Union Customs Code - 14- Authorised Economic Operator	3 095	-	-	938	2 157	-	2	6	68.0	21
Union Customs Code - 15 – REX	452	-	-	-	452	-	3	6	77.4	36
Union Customs Code – 16 – CDS	299	-	-	-	299	-	1	5	65.9	2
<b>Total</b>	<b>68 915</b>	<b>4 623</b>	<b>6 108</b>	<b>23 970</b>	<b>34 214</b>	<b>3</b>	<b>3/2</b>	<b>144</b>	<b>73.6</b>	<b>1 279</b>

Source: DG TAXUD eLearning statistics, 2014 – 2017.

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#### **4.4.4. Usefulness of given eLearning modules in relation to possible alternatives**

Interviews with national administrations reflected varied views on the usefulness of EU eLearning modules in comparison with other tools. A couple of respondents saw eLearning as more linear compared to the more dynamic learning environment of face-to-face exchanges available through working visits and CLEP events, which by their nature are more adequate for exchanging best practices. In this respect, case study interviewees in Sweden and the Czech Republic questioned the programme's strong focus on eLearning and argued that although they provide a common reference point, certain topics cannot be adapted to eLearning because they need to be taught in person and embedded in a national context. Other interviewees suggested that learning outcomes from eLearning modules should not compete with traditional teaching methods. Rather, it should be used as an additional tool (among many) that complements existing national training curricula.

To some extent, the more sceptical views came from countries with more advanced national training programmes for customs officials. For instance, Sweden has a flexible, module-based customs training programme with eLearning elements and only uses three of the pre-Union Customs Code eLearning modules to complement their offer. Likewise, the Czech Republic has its own training centre that covers many of the eLearning topics, which might explain the perceived limited use of the modules. Usage numbers for most modules in the Czech Republic were low (around 10 or less in 2016), except for Samancta, which had 330 trainees. This suggests that despite the general limited use of modules, the Czech Republic and Sweden still get some value out of some of the courses offered. Similarly, in other countries such as the United Kingdom, even though certain modules are not in use, they have still provided value by acting as reference material when developing national training modules. As a tool, eLearning offers participating countries an opportunity to choose the modules depending on needs and perceived usefulness to national administrations.

Leading from this, the available monitoring data and national administration questionnaires show that decisions to use the modules relate not to their quality, which was universally reviewed positively, but rather to perceived needs (or lack thereof) and the fit of the modules alongside existing material.

Case study interviewees also suggested that eLearning and more formalised learning events represent only a small part of the work-related knowledge customs officials acquire. Most of the learning is achieved through job-related experiences and interactions with colleagues. As such, the weight of the eLearning 'niche', in terms of how customs officials gather the knowledge needed to conduct their job, is relatively limited. Centralised eLearning modules are designed as 'stand-alone' independent learning tools and are also suited to play a role in the so-called blended learning concepts which combine computer-mediated learning with traditional classroom methods and some element of student control. In some countries this would however require a different way of distributing learning content, with systems that allowed more control over how to measure progress and achievement of learning objectives. This approach is already an option, in particular as EU e Learning courses are made available in Sharable Content Object Reference Model (SCORM) version formats. These allow uploading onto national Learning Management Systems (LMS) via which Member States can follow progress and achievements of their national learners.

The development of new modules was also put into question in a context of rapid changes that require flexibility and timeliness to adapt the training materials to new needs. For instance, one Swedish case study interviewee described how a small national training module was developed to fill a training gap for customs officials related to the large volumes of postal packages coming from China. In this respect, interviewees argued there needed to be more agility and quicker response to emerging needs.

#### 4.4.5. Extent to which IT training courses enabled officials to benefit from given IT systems

The human competency building component of the Customs programme includes IT training courses run by the Commission, which contribute to reinforce the skills and competences of customs officials on how to use the various Customs European Information Systems.

Table 10<sup>67</sup> below presents a series of indicators related to the offer, uptake and levels of satisfaction of customs officials with Customs IT training courses. These IT training courses delivered by the Commission include sessions on conformance testing, various technical components and customs systems such as EBTI, business monitoring (including CS/MIS and CS/RD), ECICS and CRMS RIF.

The number of IT sessions organised by DG TAXUD for national customs officials registered an upward trend between 2014 and 2016, with 22 sessions organised in 2014, 45 sessions that took place in 2015, and 58 training sessions conducted in 2016. In line with the more numerous offer of IT training, the number of customs officials trained in these sessions has significantly increased during the first three years of implementation of the programme, from 124 officials trained in 2014, to 293 trained in 2015 and 374 trained in 2016. Feedback from participants to the IT training sessions has been very positive, both in terms of the usefulness of the sessions and meeting the participants' expectations.

However, the percentage of national customs officials who found that the IT training had met their expectations has slightly decreased over the years, with an average of 95% of officials trained during 2014 who considered that their expectations had been met, to 92% in 2015 and 87% in 2016. One reason for the decreasing trend is that a new format for the satisfaction survey was launched towards the end of 2014, which makes it difficult to compare across years. When only looking at the last two years, the decrease is smaller. The increased number of IT training sessions organised by DG TAXUD is related to the implementation of new Union Customs Code related IT systems and the associated training required.

**Table 10: Programme indicators related to IT training courses<sup>67</sup>**

	2014	2015	2016
Number of IT training sessions organised for given systems / components	22	45	58
Number of customs officials trained in IT training	124	293	374
Percentage of officials that found that the IT training met their expectations (those who replied 'fully' or 'to large extent')	95%	92%	87%
Percentage of officials that found the IT training to be useful (those who replied 'very useful' or 'useful')	99%	98%	97%

Source: Customs 2020 programme Progress Reports for 2014, 2015 and 2016

As reflected in Figure 10 above, national administrations agreed that training on IT systems was crucial for the successful implementation of the new Customs European Information Systems. Surveyed administrations saw the largest value of training in increasing the use and benefit from Customs European Information Systems. Examples

<sup>67</sup> Data was not available for 2017.

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of IT training that were considered to have been useful to national customs administrations included modules on CDMS (Customs Decisions Management System), CRMS (Customs Risks Management System), AEO (Authorised Economic Operator), UUM&DS (Uniform User Management & Digital Signature) IT training, EBTI (European Binding Tariff Information), ECICS2 (European Customs Inventory of Chemical Substances) IT training, CS/MIS (Central Services/Management Information System) and CS/RD (Central Services/Reference Data) training.

#### **4.4.6. Unexpected results from eLearning and IT training**

In terms of unexpected results from eLearning and IT training, national customs administrations interviewed indicated that eLearning and IT training can help in building a standardised terminology across administrations that facilitates mutual understanding between customs officials. To some extent this benefit can also materialise as a result of joint actions, but having documented standardised learning content helped to develop a 'common language' among customs officials.

Common challenges were highlighted in relation to the technology through which the eLearning modules are distributed. Representatives from several participating countries reported difficulties implementing the modules in their own learning management systems. In some cases, the modules used Flash-technology, which will become obsolete with the next generation of internet browsers. While the new Union Customs Code modules are provided through HTML5, which is more future-proof. Interviewees and survey respondents suggested that other technical platforms such as Moodle could be employed to facilitate training delivery to better track progress and the 'learning journey' of trainees through the different modules.<sup>68</sup>

The case study fieldwork also brought the attention to a more structural issue with customs administrations in general. With the increased digitisation of customs there will be increased pressure on customs officials to adapt to new roles with different skill needs. The gains won through the efficiency of IT systems will inevitably lead to certain customs roles becoming obsolete. This will lead to increased pressure on the training function to increase internal mobility through retraining customs officials for future job requirements. This discussion is obviously more future orientated but was seen as an important driver of the future eLearning strategy.

Finally, perhaps not so much an issue with the training and eLearning themselves, but case study interviewees noted that when developing the Union Customs Code eLearning training programme, it was difficult to find the right balance of expertise from Member States. Many national officials involved in the development were often from national training departments, reflecting a stronger focus on training and limited customs expertise. More appropriate selection of participants could therefore have resulted in a more effective implementation of eLearning modules.

### **4.5. Summary of findings and conclusions**

#### **4.5.1. Joint actions**

The evaluation found that **the joint actions are supporting collaboration between participating authorities to a large extent**. Levels of participation in the joint actions are high, and they provide a menu of options which can be adapted to fit essentially any needs that require collaboration between customs administrations. This ranges across the policy cycle, from early brainstorming and reflection through practical

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<sup>68</sup> Moodle (modular object-oriented dynamic learning environment) is a free and open-source learning management system.

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implementation and concrete operations. This flexibility was consistently referred to as one of the programme's main strengths.

Key project groups such as the Electronic Customs Coordination Group, also include support for implementation and coordination of the IT systems that form a large part of the programme budget and are crucial for increasing collaboration between administrations. The different benefits that the actions generate, including both tangible and less tangible ones, are important in and of themselves but also self-reinforcing. The key benefits across actions include: identification and dissemination of concrete best practices and working methods, increasing trust between administrations and enhancing an integrated administrative culture in general. Almost all customs officials involved in joint actions agreed that the opportunity for networking via the programme was excellent. Many of them use newly-established contacts frequently in their daily work, and indeed administrations that have faith in each other's systems and processes are more likely to pursue ambitious new initiatives together.

While success factors varied, links to concrete policy initiatives, senior-level buy-in, adequate participation and good project organisation and management were important across the spectrum of actions. Points of criticism mainly concern details that if tweaked could make the system work better. In particular, the evaluation found examples of relatively low participation among some (particularly large) countries in areas where needs were less evident combined with limited engagement in areas where the connection to EU policy was weak. Given the importance of effects of networking (such as increased trust and building relationships across administrations), the case for collaboration in the areas where there is a perceived lack of connection to EU policy needs to be at the forefront of any initiative. Alongside efforts to secure enough buy-in from relevant officials and administrations, follow-up action needs to capitalise on outputs from joint actions. A lot of effort goes into organising and targeting seminars or workshops, however some participants felt that too little was done to follow-up on outputs. For the newer joint action types there is a need for better communication and promotion so that officials become aware of their existence, practicalities of organisation, support available from the Commission and, most importantly, their envisaged benefits. Although the available monitoring data is limited when it comes to these new actions, participant feedback show that they are for the most part seen as highly useful. With more participating countries having come in contact with these actions, understanding and awareness of their usefulness will likely spread.

#### **4.5.2. Customs European Information Systems**

Customs-related activities are increasingly taking place in a digital environment, with the related IT ecosystems growing larger and more complex, with costs for development and maintenance on the rise. With over 80 % of the Customs 2020 programme's total budget spent on the operation, maintenance and development of the Union components of Customs IT systems, this represents by far the largest single programme expenditure. The systems have typically followed policy developments, either being set up to fit the needs of specific EU policies and regulations (such as enforcement of intellectual property rights) or to facilitate information-sharing in areas where this is deemed useful (e.g. the Customs Risks Management System in the area of risk management, or EBTI-3 to monitor tariff developments).

The **Customs European Information Systems have played a crucial role in helping Member States communicate with each other** securely and efficiently on areas of mutual interest and thereby enhance collaboration between them. The evidence reveals not only growing use of the systems, but examples of how they facilitate administrations' day-to-day work. Engagement and enthusiasm were especially evident for the horizontal architecture (such as CCN/CSI and CS/RD) and universally used centrally operated systems that have been in operation (at least in some form) for a long time, such as Tariff Classification (TARIC), issuing of BTIs (EBTI-3), identification of traders (EORI) and transit declarations (NCTS) that were associated with key customs functions where the need to work together is strongest. However, even though the more

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specialised IT systems are less in use or familiar, these were also judged highly useful for the stakeholders who need them.

Overall users are satisfied with the IT systems developed by the programme, their usefulness and appropriateness for the work of national customs administrations. In general, voices of perceived lack of or small utility of the IT systems were sporadic amongst the administrations.

The wide-ranging and ambitious implementation of the IT systems envisioned in the Union Customs Code means that they are legally required, although they are still implemented exclusively by national customs administrations that vary considerably in structural terms. The development and implementation of new Customs European Information Systems usually involve difficult negotiations, often under time pressure, aiming to satisfy diverse interests and at the same time considering national preferences, requirements and constraints. In this context, the Customs 2020 programme facilitates the close operational cooperation between customs administrations in the Member States and other stakeholders needed to negotiate the unprecedented complexity and scale of the IT projects envisioned in the Union Customs Code.

#### **4.5.3. Human competency building**

From a Union perspective, the eLearning modules and common training developed and implemented with support from the Customs programme offer a level of uniformity in terms of learning content that helps to **reinforce a shared understanding of how to implement customs law and develop administrative capacity** across participating countries. They target a broad audience of national customs administrations as well as economic operators.

Participants perceive the primary usefulness of eLearning modules as helping with the use of Customs European Information Systems, applying EU law more uniformly and increasing individual knowledge and capacity. As such, eLearning does not have as a primary objective to increase cooperation and information sharing but rather improve the skills that makes that possible. In that sense, eLearning has a more indirect contribution to this objective.

Incorporating common training material across administrations with different cultures, priorities and existing curricula is inherently difficult. Given the varying starting points, EU eLearning modules and training courses cannot fit the needs of participants across all national customs administrations and business organisations. The available data confirms that a 'one size fits all' approach is not possible, which the variable usage of modules across participating countries demonstrates. Content focusing on 'macro' issues such as legislation (i.e. the Union Customs Code) that is highly salient and affects all participating countries was particularly well received and plays an important role in harmonising interpretation and understanding of new rules.

It is clear from usage and satisfaction statistics available that EU eLearning modules have contributed to the development of knowledge and capacity building among customs officials in particular for using Customs European Information Systems and the uniform application of Union law, and to a lesser extent reinforces cooperation and information sharing. eLearning cannot, nor is it intended, to replace national efforts to improve competency building among customs officials but can be used to complement existing courses and training. In addition, even if not directly used, eLearning modules can provide inspiration for the development of national training tools.

**Overall eLearning usage saw a dramatic increase in interest and usage** among both administrations and public users in 2016. This was mainly driven by the need of participating countries to refresh their knowledge and understand the implementation and legislation surrounding the Union Customs Code implementation.

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Even though the eLearning modules were positively rated by customs authorities, interviewees in national administrations also pointed that there was a need for flexibility and speed to adapt the training materials to new needs and developments. Language barriers were also considered to be a limiting factor for national administrations, and many interviewees highlighted that programme funding for translations would be highly beneficial. A de-centralised translation arrangement is currently in place between the Commission and participating countries but even with this framework some countries find it difficult to find the time and resources to participate.

IT training organised by DG TAXUD were also positively rated by national customs administrations, in particular for enabling officials to use and benefit from Customs European Information Systems. Statistics on the number of IT training sessions organised for specific systems and components and the number of customs officials trained in IT trainings also evidenced important increases during the first three years of the current programming period.

#### **4.5.4. Conclusions**

Through its three main types of activities (joint actions, Customs European Information Systems and common training), **Customs 2020 has played an integral role in reinforcing cooperation between customs authorities** in the EU Member States and other participating countries. The programme has provided the framework and technological means necessary to work together and share information in the service of supporting the functioning and modernisation of the Customs Union (particularly regarding implementation of the Union Customs Code), and thereby to strengthen the internal market.

The different types of **activities are not only effective on the whole, but also complementary**, with joint actions frequently being used to discuss and develop IT systems and training sessions and eLearning modules helping administrations to implement and use them. The increased trust and alignment of working methods engendered through the joint actions also gives administrations the confidence they need to pursue ambitious IT initiatives and use them to share sensitive customs information.

Each type of activity also contributed in unique ways to increased cooperation. The joint actions provide a menu of options which can be adapted to fit a wide range of collaboration needs, ranging across the policy cycle from early brainstorming and reflection through practical implementation and concrete operations, such as the carrying out of working visits, workshops and expert teams. The IT systems have played a crucial role in helping the Member States to communicate with each other securely and efficiently across many areas of mutual interest, facilitating the day-to-day work of administrations and contributing to increased safety and the fight against security threats. The eLearning modules have shown to contribute meaningfully to the knowledge base, especially in places with relatively limited resources.

Despite the diversity of the activities, the evaluation observed common success factors relating to links to concrete policy initiatives, senior-level buy-in and good project management. These were generally present in high degrees, but there were some exceptions that mainly related to perceived relevance. For example, some platform-like joint actions related mainly to voluntary cooperation lacked the senior-level buy-in needed to secure adequate participation. With regard to IT systems, engagement and enthusiasm was very high for supporting architecture and long-term centralised customs applications (e.g. TARIC, EBTI, EORI, NCTS). Despite their utility for national administrations in question, the eLearning modules received some minor criticisms in terms of tailoring (translations and content) to national situations. None of these criticisms posed major threats to the overall effectiveness of the programme activities, but rather highlighted details that could be refined to improve the system over time.

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## 5. EVALUATION QUESTION 3: EFFECTIVENESS - BENEFITS FOR ECONOMIC OPERATORS

**EQ 3: To what extent have economic operators used and benefited from the programme?**

### 5.1. Introduction

This evaluation question covers the indirect and direct relationship between the Customs programme and economic operators, in terms of the extent that economic operators *use* and *benefit* from programme activities. The short online survey with economic operators shows that 66% of questionnaire respondents in this group are aware of the Customs 2020 programme (prior to responding to the survey). While this is a positive amount, it illustrates that more work can be done to promote the programme and encourage use of its outputs among businesses.

The first sub-question discusses the perceived benefits of joint actions on economic operators. This is further discussed in the sub-questions below on economic operators' use and benefit from the programme's IT services and human competency building activities, namely the eLearning courses.

*NOTE: Answers to the sub-questions below should be read with the caveat that responses were collected from a reduced sample of economic operators who responded to an evaluation online survey. The survey was promoted through DG TAXUD's newsletter and direct mailings to trade organisations in all Member States and participating countries. However, it was not possible to post links to the survey directly on the websites of the services that were being asked about. The survey received 108 responses, with the profile of respondents characterised by:*

- *a broad majority (87%) working in the private sector, including businesses, trade / business / professional associations and professional service providers;*
- *more than half (61%) coming from large companies of over 250 employees, with fewer representatives from smaller companies;*
- *a large majority (80%)s working in organisations that were active in several countries, while only a small share operated in one country only.*

*Responses were collected from economic operators in all Member States as well as other participating countries, providing useful (though circumscribed) insight from an otherwise difficult-to-reach group.*

### 5.2. Indirect benefits of joint actions

As the programme's joint actions promote competition and trade by supporting more efficient and harmonised customs practices among participating countries, economic operators benefit indirectly but significantly from this programme component. Economic operators have participated in seminars, workshops and project groups, and can benefit directly through learning, but their involvement is primarily to provide their insight and perspective that will eventually benefit all economic operators. Joint actions related to the single authorisation (SASP) and Authorised Economic Operator programme, as well as to simplified procedures (SP), and the EU Single Window environment for customs are particularly geared towards benefiting economic operators, as they have specific objectives to make customs procedures easier and more efficient for importers and exporters.

Simplified procedures is a major instrument of trade facilitation in the EU and serves the purpose of fostering a common understanding and uniform application of the single authorisation for simplified procedures to ensure equal access and use by European

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Union importers and exporters. In particular, the single authorisation for simplified procedures (soon to be centralised clearance) enables economic operators to centralise the accounting and payment of customs duties for all transactions in the Member State where they are established, regardless of where the movement of goods occurs. It follows that joint actions that support this development are listed under the Annual Work Programme objective of 'customs procedures and competitiveness.' Examples of joint actions in this area have included:

- a project group on single authorisation for simplified procedures in view of centralised clearance;
- a regional workshop on single authorisation for simplified procedures and export-related issues;
- a working visit in Germany by Czech Republic on single authorisation for simplified procedures;
- the Electronic Customs Coordination Group.

Overall, these activities aim to identify, develop, share and apply best working practices and administrative procedures, benefitting economic operators through improved conditions and procedures for undertaking trade. Case study interviews with national coordinators confirmed that joint actions were indeed productive and led to a more common understanding of procedures as well as facilitated greater communication between authorities and economic operators:

- firstly, they found that the project group on single authorisation for simplified procedures in view of centralised clearance was successful, having ensured that economic operators were up to date with changes to legislation. It provided solutions for handling difficulties, and allowed for good networking opportunities;
- the regional workshop on single authorisation for simplified procedures and export-related issues organised between Finland and Estonia was also found to be useful and led to agreement on how information about single authorisation would be exchanged, given the current absence of a dedicated IT system. The practical solutions found to respond to local authorisation challenges were a step forward for the businesses who had requested the implementation of single authorisation for simplified procedures. This regional workshop also led to Estonia adopting single authorisation;
- similarly, but at a smaller scale, Germany hosted the Czech Republic under the working visit to work out a business model and practical scenarios for single authorisation for simplified procedures that could be used under the Union Customs Code's centralised clearance programme. The published outputs served to inform and support other Member States, providing more efficient and standardised customs procedures for businesses;
- a more direct involvement of economic operators took place within the Electronic Customs Coordination Group project group where business representatives were consulted and given the opportunity to voice practical concerns with new electronic customs systems. Ultimately, by successfully supporting the transitional period towards centralised clearance and ensuring the current state-of-play of single authorisation for simplified procedures, economic operators should benefit in terms of saving costs through reduced transit times and administrative exchanges. Improved communication with customs administrations should also lead to further efficiencies.

As for the Authorised Economic Operator programme, it aims to increase trade facilitation and improve competitiveness of European business. While Authorised Economic Operator as a concept originated elsewhere, the Customs programme supports its implementation.

Under the Authorised Economic Operator programme, businesses can be offered benefits including customs simplifications (reduced data set for summary declarations

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and fewer physical and document-based controls), priority treatment of consignments and mutual recognition of the status outside home administration. To ensure high level of protection, safety and security, authorised economic operators are obliged to meet certain strict criteria and undergo a comprehensive authorisation process.

While the Authorised Economic Operator programme primarily benefits registered economic operators, the greater efficiencies that customs authorities gain through this programme should also help speed up processes for those not registered. Furthermore, case study interviews with national administrations suggested that through this segmented approach they could now dedicate more resources to risk analysis of non-authorised economic operator traders.

The joint actions under the Customs programme play an important role in making sure these benefits to economic operators duly occur. For example, project groups and workshops provide the opportunity for participating countries to discuss practical implementation of the Authorised Economic Operator programme and explore issues and new needs for policy developments. Examples of benefits for economic operators resulting from some of these joint actions (e.g. the EU Authorised Economic Operator programme workshop and the project group on Authorised Economic Operator Guidelines and other implementing tools) are outlined below:

- the **EU Authorised Economic Operator programme workshop** was attended not only by representatives of customs administrations and international organisations, but also those involved in the private sector. It allowed for a structured exchange between economic operators (who experience customs procedures) and customs offices (who administer customs procedures). Through the workshop, the economic operators gained insight and information of the state of play of the Authorised Economic Operator programme across the EU as well as forward-looking perspectives of its future evolution. For the national customs administrations, the interviewed participants agreed that the involvement and dialogue with business representatives was highly useful to understand their needs, and to take them into account when discussing and agreeing next steps related to the future development of the Authorised Economic Operator concept. Concerns about the Authorised Economic Operator programme that were voiced by business organisations attending the workshop were reflected in the workshop conclusions;
- the **project group on Authorised Economic Operator Guidelines** – which are used by both national administrations and economic operators alike – and other implementing tools, resulted in the guidelines being re-written in a more understandable and concise way. National administrations interviewed confirmed that these updated guidelines provide greater uniformity in the implementation of the Authorised Economic Operator programme, especially considering the recent changes to the Authorised Economic Operator concept introduced by the Union Customs Code.

Given that some economic operators, particularly the small and medium ones, fail to capitalise fully on the benefits of the Authorised Economic Operator programme in light of the heavy upfront investment and smaller economies of scale, making the Authorised Economic Operator programme process work seamlessly is paramount. It is here that the supporting role of the Customs programme joint actions play an important role.

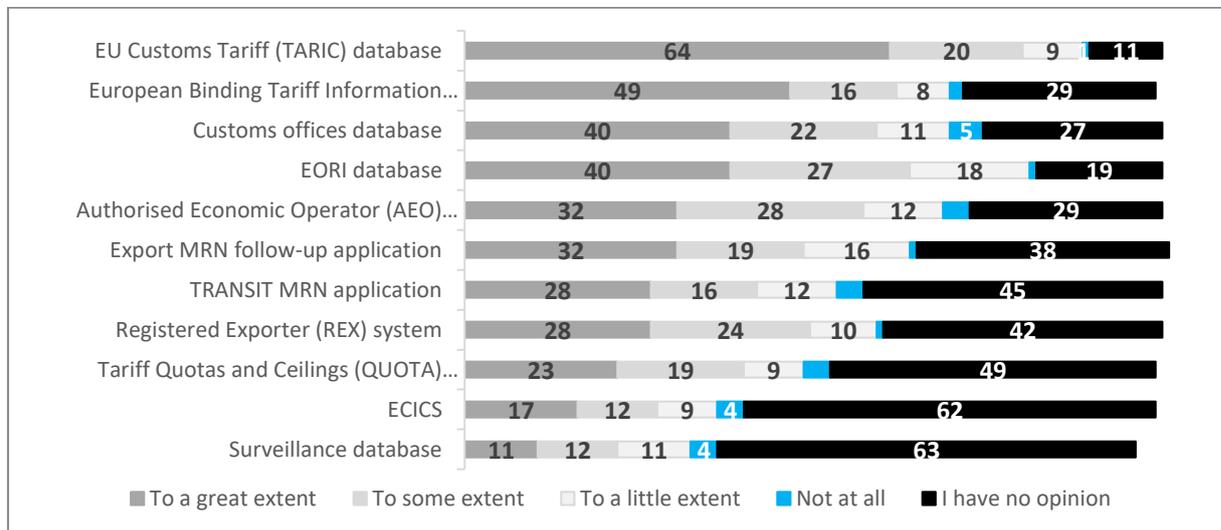
### **5.3. Use and benefits of Customs European Information Systems**

As much of the programme's development of IT systems works towards better communication and exchange of information among the participating countries' customs administrations, economic operators currently only benefit from the publicly available IT databases that provide various types of information. Given that it is too early to assess the benefits to economic operators, this section focuses primarily on perceptions of available IT databases using responses to the survey for economic operators.

The most used and highly rated IT services provided by the programme are the EU Customs Tariff (TARIC), the European Binding Tariff Information (EBTI), Customs Offices, the Economic Operators Identification and Registration number (EORI) and the Authorised Economic Operator (AEO) databases. Respondents were less familiar with the Surveillance database, the European Customs Inventory of Chemical Substances (ECICS), Tariff Quotas and Ceilings (QUOTA) database and TRANSIT MRN application for tracking goods in transit.

In terms of their perceived usefulness, 80% of economic operators surveyed found the TARIC database to be the most useful EU IT system. It was noted that it provides good support, consolidating information on most of the export and import measures. EORI (64%), EBTI (63%), Customs Offices (63%) and AEO (59%) were also rated positively by the majority of respondents, in particular for providing correct and up-to-date information that is not available or accessible elsewhere. This is discussed at length under the evaluation question on relevance of the Customs 2020 programme to economic operators.

**Figure 11: Usefulness of Customs 2020 IT services for economic operators**

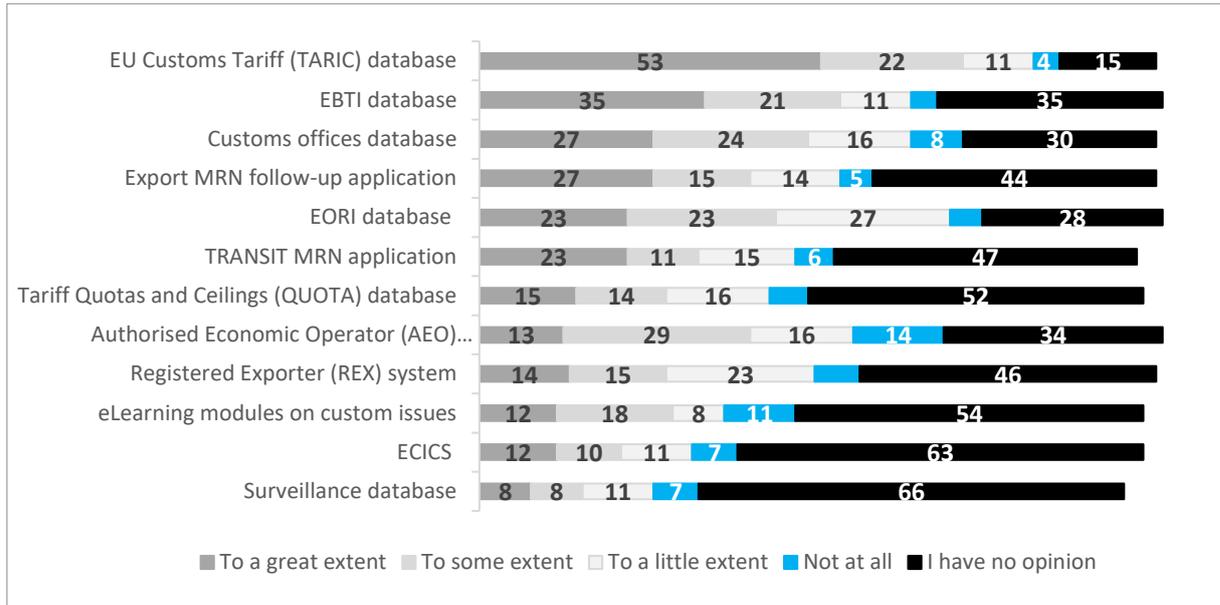


Source: Evaluation survey with economic operators

When asked if the programme’s IT services enabled the economic operators to save time, the TARIC database was mentioned as being the most time-saving EU IT system for users, with 71% finding that it saved time to some or to a great extent. The EORI and EBTI databases, the Customs Offices database and the export MRN follow-up application were also assessed positively in this regard. Respondents were less satisfied with the Authorised Economic Operator database<sup>69</sup>, although they did mention that ‘searching by entity name’ on this database did make it more efficient.

<sup>69</sup> It should be noted that only information for which Authorised Economic Operators have expressed specific consent for publication is made publicly available in the Authorised Economic Operator system.

**Figure 12: Time-saving enabled by Customs services (number of respondents)**



Source: Evaluation survey with economic operators

One of the new instruments rolled out by the Customs 2020 programme is the EU Trader Portal, a single electronic access point deployed at EU level for accessing the new Customs Decisions System. Since October 2017, economic operators have to introduce all new applications for customs decisions or authorisations electronically using this system. Given the newness of this system, it is understandable that only 7% of surveyed economic operators had used it at the time of responding the questionnaire. The experience of the few that had used the portal was generally negative, which is understandable given the number of versions normally required to make IT systems fully efficient and user-friendly. Overall, economic operators who were familiar with the portal found it difficult to understand the functionalities and the use of the applications, and were frustrated that some parts of the system were not properly functioning. Despite these setbacks, economic operators would clearly value a working system for centralised electronic customs decisions, as respondents who have not used or were not aware of the EU Trader Portal expressed interest in such a system. For example, participation by businesses in the Electronic Customs Coordination Group suggests that economic operators have invested and would benefit from a fully operational EU Trader Portal and Customs Decision System.

#### 5.4. Use and benefits of eLearning tools

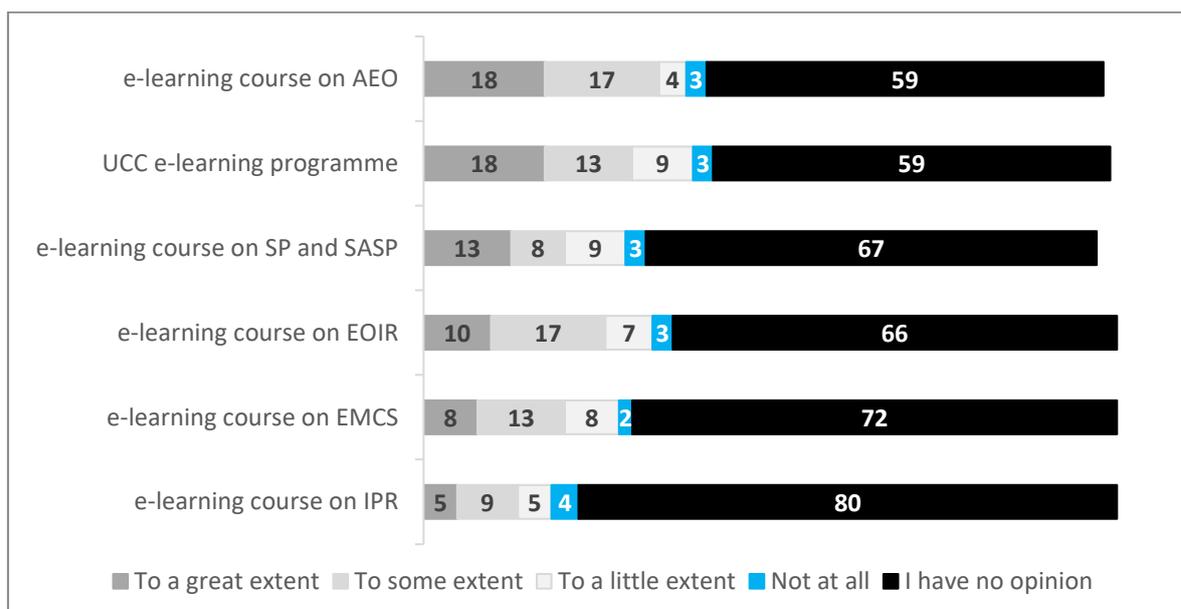
The analysis of the use and benefits of eLearning tools by economic operators confirms that Union Customs Code and Authorised Economic Operator modules are the most widely used. However, survey responses also suggest that the use of eLearning tools could be expanded through increased awareness of the modules. Evidence also shows that those using the modules are generally satisfied with the benefits provided by the courses.

The majority of economic operators surveyed did not have an opinion about eLearning modules, mainly because they did not use them much, as it was already described under the relevance question. For example, only 42% of respondents were able to comment on the use of the Authorised Economic Operator II and Union Customs Code eLearning courses. Nevertheless, the small groups of respondents that did use the courses generally found them to be beneficial. In particular, the eLearning modules on the Union Customs Code, Authorised Economic Operator and Economic Operators Registration and Identification number (EORI) were the most highly rated (see figure below). Available eLearning monitoring data on use of Union Customs Code eLearning modules contrasts with the survey responses. As developed in detail under the relevance question, these

figures provide a more positive picture in terms of download and participation of economic operators in Union Customs Code EU eLearning courses.

Available eLearning statistics for other specific modules show that the Authorised Economic Operator eLearning programme was downloaded 7 071 times between 2014 and 2017<sup>70</sup>. While in theory this represents a sizeable amount, the figure is equivalent to 45% of the 15 733 registered authorised economic operators, and would indicate the broad unawareness of the training offer. Indeed, nearly 60% of survey respondents had no opinion to share on this module.

**Figure 13: Use of Customs 2020 eLearning programme (number of respondents)**



Source: Evaluation survey with economic operators

While the usage of eLearning courses by economic operators is positive, the survey found that the reasons for those not using them are mostly linked to lack of awareness on the courses, but also to lack of time to prioritise the learning modules, and lack of incentives, especially as completing the courses did not result in a certificate. Some economic operators also identified technical issues and language barriers (in particular for smaller businesses based in countries where English is not predominantly spoken) that sometimes made it impossible to read the courses or pass the accompanying tests. In terms of the length, many of the courses were said to be too extensive, with some suggesting that individual modules could be shortened down to video clips of five minutes maximum.

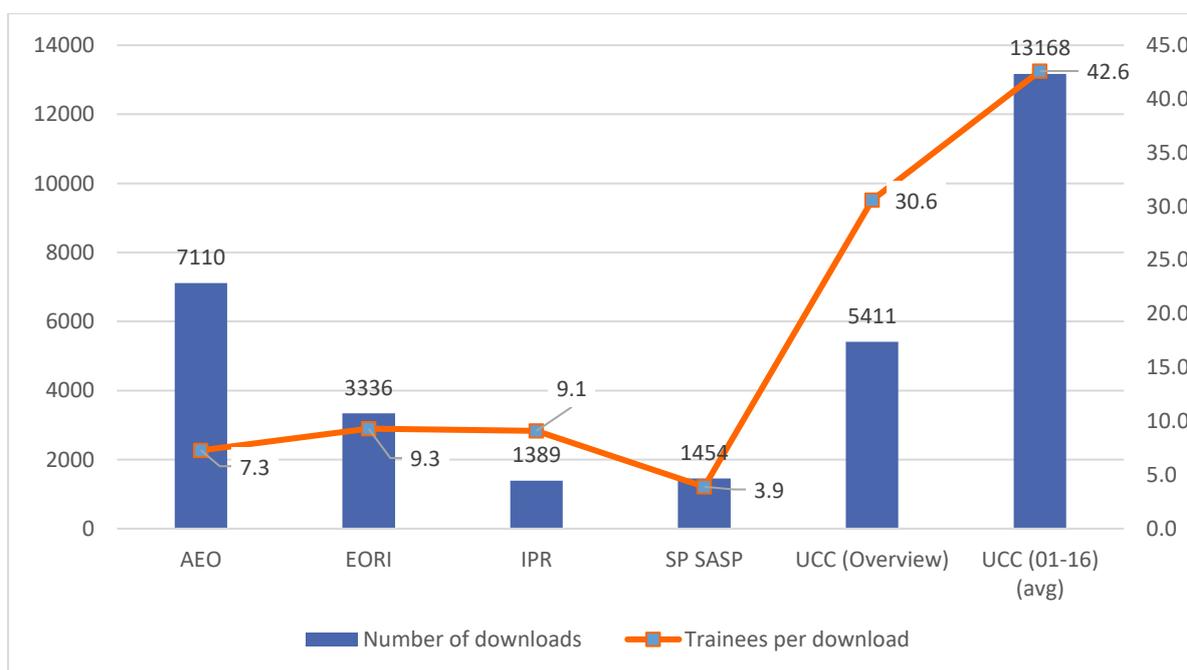
Data on the number of eLearning downloads from the Europa website, which would largely be members of the private sector, also provide an indication of modules that have been the most relevant to economic operators. In line with survey findings on use of eLearning modules (see figure above), the highest downloads from 2014-2017 were for the Authorised Economic Operator course with 7 110 downloads, followed by the Union Customs Code Overview course with 5 411, then Economic Operators Registration and Identification number (3 336), Union Customs Code - Level 2 - 01: Customs Procedures and Customs Declarations (1 813), Simplified Procedures and Single Authorisation for Simplified Procedures (1 454), and intellectual property rights (1 389). The average number of downloads for the 16 topic-specific Union Customs Code modules was 823. It should be noted, however, that the Union Customs Code modules only became available in 2016. Therefore, looking at 2016 and 2017 numbers, the Union

<sup>70</sup> Source: EU eLearning Monitoring Report 2017

Customs Code Overview module was the most used during these two years (5 411 downloads), even outranking Authorised Economic Operator courses (3 672 downloads).

Union Customs Code modules also reached the highest number of trainees. While each download for Authorised Economic Operator, Economic Operators Registration and Identification number, Intellectual Property Rights and Simplified Procedures and Single Authorisation for Simplified Procedures reached between 4 and 9 trainees per download, each Union Customs Code Overview download trained an average of 31 trainees. Furthermore, the average for the other 16 Union Customs Code modules was 43 trainees. The development of Union Customs Code modules is clearly the most beneficial for economic operators, especially as it provides the widest amount of information, while the other courses are more specialised, targeted for specific audiences.

**Figure 14: Trainees/downloads of C2020 eLearning programmes from Europa (2014-2017)**



Source: EU eLearning Monitoring Report 2017

## 5.5. Summary of findings and conclusions

### 5.5.1. Indirect benefits of joint actions

Evaluation evidence collected confirmed that economic operators benefit indirectly. The survey with economic operators showed **strong levels of perceived usefulness in relation to Customs European Information Systems and eLearning modules relevant to businesses**, although bearing in mind relatively low overall awareness. Regarding IT systems, respondents were most familiar with the EU Customs Tariff (TARIC), the European Binding Tariff Information (EBTI), Customs offices, EORI and Authorised Economic Operator databases, and generally agreed that the IT systems used were time-saving and useful as they provided correct and up-to-date consolidated information not available elsewhere. The few survey respondents who used the EU Trader Portal agreed that there is great potential for this new system to provide benefits to economic operators.

### 5.5.2. Use and benefits of eLearning tools

Available programme statistics confirms that the Union Customs Code EU eLearning courses and the Authorised Economic Operator modules have been the most downloaded and used by economic operators. Results from the survey with economic operators evidence proportionately low levels of awareness and usage of eLearning

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modules among economic operators consulted. Those who did take part in training activities were generally satisfied with the benefits provided by the modules. However, lack of information on the training opportunities, excessive length of the modules, lack of official certificates and language barriers were some of the limitations highlighted by economic operators which prevented them from benefiting more from Customs training modules.

### 5.5.3. Conclusions

In conclusion, many of the programme's activities target economic operators (often indirectly, as in the case of IT systems with national front-end interfaces) and the monitoring data and anecdotal evidence suggest these are having the desired effects. However, the evaluation also found **scope to increase the levels of awareness of tools and benefits and to encourage more direct participation** and use of programme instruments and outputs among sub-sets of this group.

Through the different tools and instruments, the programme has demonstrated that there is the potential to foster better communication between economic operators and national administrations, which is positive for stakeholders in both groups.

By contributing to more efficient and harmonised customs practices among participating countries, some of the programme's joint actions provide indirect benefits to economic operators. In particular, those related to the Authorised Economic Operator programme, Simplified Procedures and Single Authorisation for Simplified Procedures, and the EU Single Window are geared most to their benefit.

Case study and survey findings also show that economic operators use a number of IT systems, reducing their administrative burden by making it easier for them to find key information and deal with legal requirements from doing business across borders.

The eLearning modules have also been downloaded many times, with anecdotal evidence suggesting that they are seen as useful and beneficial and considered to be of high quality. Despite the positive assessment, the universe of participants who could benefit from the eLearning modules is so large that potential for further promotion seems substantial.

The benefits appear to be diverse and important, but there is limited data and indicators collected on participation of economic operators, and perceived benefits, mean that the strategies to deal with and communicate with this group need to be designed on case-by-case basis, with specific sub-sets of this group in mind.

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## 6. EVALUATION QUESTION 4: EFFECTIVENESS – CONTRIBUTION TO OBJECTIVES

**EQ 4: To what extent has the programme contributed to the achievement of its specific objective?**

### **6.1. Introduction**

The third evaluation question under effectiveness (EQ4) takes a broader view than the previous two questions, putting in context the contributions of different projects and activities of the programme to gauge its success in contributing to its specific objective related to protecting the financial and economic interests of the Union EU , increasing safety and security, protecting citizens and environment, improving the administrative capacity of customs administrations, and strengthening competitiveness of businesses.

The evaluation team met with a number of challenges in answering this question. The first challenge was to pin down the contribution of the programme as distinct from the numerous other interventions and contextual factors. These would be expected to drown out any measurable effects the programme might have on any higher-level trends related to e.g. protecting the financial and economic interests of the Union and of the Member States. The second challenge was to identify effective outcomes mid-way in the current programming cycle, in particular taking into account that the achievement of the different aspects of the programme’s specific objective can be a longer-term goal in many cases.

Keeping these challenges in mind while still trying to provide a meaningful answer, the answer to the evaluation question provides an outline of the projects expected to contribute to each aspect of the specific objective (as featured in the Annual Work Programmes for 2014, 2015 and 2016), and assesses progress reported for specific projects and priorities. The main sources of evidence used for tracking progress were the Annual Progress Reports (which report on a selection of projects under each specific objective), responses from the survey questionnaire with national administrations, and the in-depth evaluation case studies, which focus on seven of the projects defined in the Customs 2020 Annual Work Programmes, and were selected to cover new, substantially improved and / or previously underexplored aspects of the programme.

### **6.2. Protecting the financial and economic interests of the Union and of the Member States**

The Customs 2020 Annual Work Programmes for 2014, 2015 and 2016 list a set of **10 annual projects expected to contribute to protect the financial and economic interests of the Union and of the Member States**. The projects are focused on ensuring the collection of customs duties and related taxes, fighting against fraudulent activities and consignments and protecting intellectual property rights. Expected results and activities are developed for each of the projects, though the implementation of the activities is subject to availability of legal basis, budget and resources. Table 11 below provides an outline of the projects expected to contribute to this dimension of the programme.

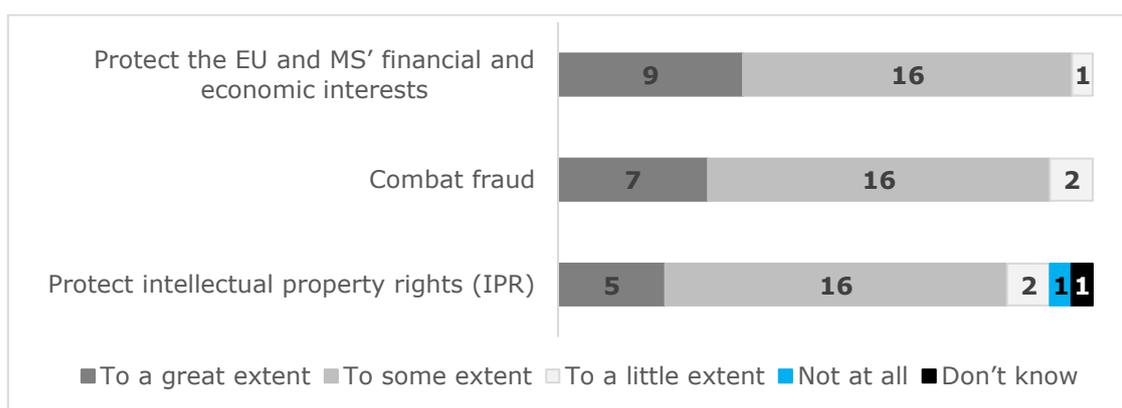
**Table 11: Projects contributing to protecting the financial and economic interests of the Union and MSs**

Year	Annual Work Programme	Progress reported?
2016	Determination and collection of customs duties and related taxes	-
2014, 2015	Implementation of legislation on customs debt	-
2014, 2015	Collection of Traditional Own Resources (TOR)	-
2014, 2015, 2016	Harmonised application of the European Union's provisions concerning the Integrated Tariff of the European Union (TARIC)	APR 2014
2014, 2015, 2016	Administrative guidelines on the European Binding Tariff Information system and its operation (EBTI)	APR 2016
2014, 2015, 2016	Correct implementation of the preferential rules of origin	APR 2014
2014, 2015, 2016	Implementation of customs valuation	-
2014, 2015	The EU Customs Action Plan on intellectual property rights	APR 2015 and CS2
2015, 2016	Customs transit and related issues (Union and Common Transit)	-
2014, 2015	Co-operation between customs administrations and tax authorities	APR 2015 and CS6

Source: Customs 2020 Annual Work Programmes for 2014, 2015 and 2016

In view of most national customs administrations who responded to the evaluation questionnaire, joint actions funded by the Customs 2020 programme have so far contributed to a great extent or to some extent to protecting the financial and economic interests of the EU and Member States. In particular, programme actions focusing on customs control, risk management cooperation and EU border management and protection were perceived to have strongly contributed to this objective. National administrations were also broadly in agreement that joint actions have contributed to combating fraud. However, there was slightly less consensus of their contribution to protecting intellectual property rights.

**Figure 15: Joint actions contribution to protecting EU and MS' financial and economic interests**



Source: Evaluation questionnaire with national authorities – Part 1

In their majority, Customs European Information Systems in the areas of goods classification and tariff management were positively rated by national customs administrations. Even though the evaluation questionnaire did not explicitly ask about the contribution of the IT systems to protecting the EU and Member States' financial and economic interests, the fact that they were considered useful and appropriate to the work of national administrations is a positive element supporting this dimension of the programme.

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The Annual Progress Reports provide an overview of progress on selected projects initiated to contribute to the protection of the financial and economic interests of the Union and of the Member States. The evaluation case studies have also attempted to gauge progress on selected priorities, with a focus on a sample of programme activities. Below we provide examples of progress for the sample of projects assessed:

- **Harmonised application of the European Union's provisions concerning the Integrated Tariff of the European Union (TARIC)** (progress assessed in 2014): actions in 2014 included two monitoring visits, one project group and one working visit. The results of the activities undertaken under this priority were all achieved, including the identification of problem areas and shortcomings in the implementation of the TARIC system and related legislation and measures, as well as the identification of training needs and the increased awareness on the importance of the uniform application of TARIC measures. Monitoring, training and awareness-raising activities under this project have contributed to identifying challenges related to the implementation of measures related to EU customs tariff, commercial and agricultural legislation. The identification of problematic areas has in turn facilitated the uniform application of TARIC-related measures by Member States. It has also provided economic operators a clear view of measures to be taken when importing goods into the EU or exporting goods from the EU, directly feeding in the protection of the financial and economic interests of the Union and its Member States. The TARIC system was rated as one of the most useful systems for the daily work of customs offices. In view of national customs administrations consulted, it enables the uniform application of the Common Customs Tariff across Member States. This in turn provides economic operators with a clear view of measures to be taken when importing goods into the EU or exporting goods from the EU;
- **Customs tariff and classification** (progress assessed in 2016): In line with the above project, this initiative is aimed at addressing specific problems in relation to the uniform tariff classification of products being imported into or exported from the Union. In 2016, seven projects groups provided support to the Customs Code Committee when dealing with technical issues. Work under this thematic area allowed, among other things, to speed up the resolution of classification divergences between the Member States and to analyse possible modernisation of the Common Nomenclature. An Expert Team was also launched to pilot a project for dealing with difficult classification cases. Interim Administrative Guidelines on the European Binding Tariff Information (EBTI) System were published by the Commission offering an overview to customs authorities and to traders of the Binding Tariff Information (BTI) process under the EBTI system. Activities under this project were successful at facilitating and simplifying procedures, pooling expertise, supporting the correct application of procedures, and reinforcing the monitoring and control of credibility checks, all of which are contributing to the fight against fraud;
- **Correct implementation of the preferential rules of origin** (progress assessed in 2014): two seminars, one workshop and one capacity building activity were initiated in 2014 under this project, which contributed to defining the scope of the different concepts as well as to the sharing of good practice. Most expected results were achieved to a large extent, including the identification of problem areas in the application of the rules of origin, the familiarisation of origin experts with the renewed concepts, and the preparation of Union positions in the revision of the rules of origin in the Pan-Euro-Mediterranean Convention. The planning of actions for further harmonisation was also facilitated through the activities funded by the project, while guidelines for the use of customs authorities with respect to rules of origin were still on-going when the results were reported. The aim of this initiative, and of the activities under it, was to contribute to ensuring fair trade and a proper functioning of preferential arrangements, through the monitoring of the application of underlying rules and

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principles, and through the identification and development of best working practice among Member States. Support under the Customs 2020 programme has proved instrumental for guaranteeing a level playing field throughout the EU, and for ensuring the respect of the rules by the EU's partners when EU goods are imported to these countries. The assessment forms completed by participants to the four actions assessed under this project registered high levels of satisfaction with the results of the activities, in particular the High-level seminar on the Regional Convention on preferential pan-Euro-Mediterranean rules of origin (CSM/001) and the Revision of the preferential rules of origin in the Pan-Euro-Med Convention (CSM/002);

- **The European Union Customs Action Plan on intellectual property rights** (progress assessed in 2015 and under case study 2 of the evaluation): The implementation of the Action Plan on intellectual property rights was a long-term project carried out between 2013 and 2017. In 2015, there were six actions initiated to support this priority, including one capacity building, two project groups and three working visits. The Annual Progress Report confirmed ongoing progress in relation to expected results, including support to Member States in understanding and interpreting legislation concerning customs enforcement of intellectual property rights, as well as cooperation and information exchange processes with third countries. However, there were also some results postponed, including the development of common approaches to risk management and the implementation of a mapping exercise on needs to assist candidate and neighbouring countries in the process.

The evidence collected as part of the case study on intellectual property rights confirmed that the activities assessed under this project contributed to the implementation of the Action Plan on intellectual property rights through the provision of support to Member States in the form of tools (e.g. relevant presentations from seminars and reports from support visits that were later used as guidelines), approaches (e.g. discussion of transferability of different approaches to intellectual property rights) and the sharing of best practice (through for e.g. the working visits and seminars). In the longer term, the effective implementation of the Action Plan on intellectual property rights has contributed to the specific objective of supporting customs authorities in protecting the financial and economic interests of the Union and of its Member States. It has done so by providing a framework for the effective implementation and monitoring of EU legislation on customs enforcement of intellectual property rights, and by reinforcing cooperation with national authorities, the European Union Intellectual Property Office (EUIPO) and with third countries. The sampled activities (including working visits and a high-level seminar) were all positively evaluated by national administrations consulted as they were considered to have enhanced the implementation of the Action Plan on intellectual property rights, and networking between participating countries.

- **Co-operation between customs administrations and tax authorities** (progress assessed in 2015 and under case study 6 of the evaluation): Co-operation between customs and tax authorities in areas of mutual concern is an important priority in the fight against tax fraud. In 2015, there were six actions financed by the Customs 2020 programme, including one project group and 5 working visits. According to the 2015 Annual Progress Report, the majority of expected results under this project were only partially achieved. These included the identification of fields for co-operation and of best practices, new trends of fraud in the field of VAT/Customs, and the development of proposals for enhancing co-operation between customs and tax authorities.

Evidence collected for the case study indicates that there continues to be room to enhance co-operation between customs and tax authorities in specific areas of mutual concern with the aim of fighting against tax fraud. Even though the

case study recognises as a positive feature that the Customs and Fiscalis 2020 programmes share IT infrastructure, as well as programme management and tools, challenges remain to find practical ways of harmonising and developing stronger connections between customs and tax administrations in matters of common interest. Having recognised this officially as a priority initiative under the current programming period has been a big step forward to support more structured exchanges. However, action in this area is still incipient and requires further efforts, in particular in relation to the identification of relevant field for cooperation, information exchange and the identification of best practices.

### 6.3. Increasing safety and security, protecting citizens and the environment

The Customs 2020 Annual Work Programmes for 2014, 2015 and 2016 list a set of **15 annual priorities and projects expected to contribute to increasing safety and security and protecting citizens and the environment** by preventing certain goods from entering or leaving the Customs Union territory (see Table 12 below).

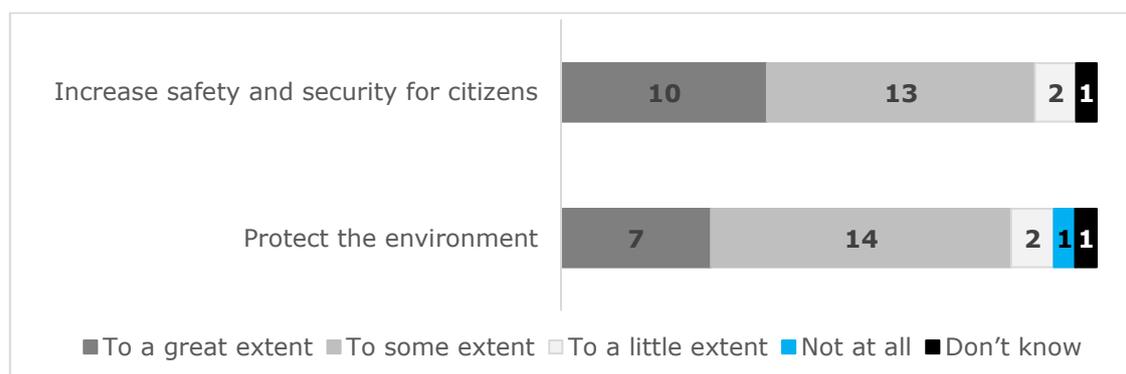
**Table 12: Projects contributing to increasing safety and security, protecting citizens and the environment**

Year	Annual Work Programme	Progress reported
2014, 2015	Action Plan on customs risk management and security of the supply chain	APR 2015 and CS3
2014, 2015	Security and safety common risk criteria and standards (CRC)	-
2014	Pooling of Entry Summary Declaration (ENS) data	-
2014, 2015	Air cargo security	-
2014, 2015	Common Priority Control Area actions (CPCA)	-
2014, 2015	Convergence of controls and audits	-
2014, 2015	Operational working methods at the external border and in-depth controls	APR 2014
2014, 2015	Coordination of legislation and controls in areas of security and safety	-
2014, 2015	Customs detection technology	APR 2015
2014, 2015	Harmonised implementation of the Cash Controls Regulation	
2014, 2015, 2016	Customs actions to protect health, cultural heritage, the environment and nature	APR 2014, 2016
2014	Customs control of drug precursors at the EU external border	-
2016	Competitiveness and trade facilitation	-
2016	Supply chain in the global context	-
2016	The EU Customs Action Plan on intellectual property rights	-

Source: Customs 2020 Annual Work Programmes for 2014, 2015 and 2016

The majority of national customs administrations who responded to the evaluation questionnaire agreed to a great extent or to some extent that joint actions funded by the Customs 2020 programme have so far contributed to increasing the safety and security of citizens. Agreement was slightly lower among national authorities that Customs joint actions have supported the objective of protecting the environment.

**Figure 16: Joint actions contribution to increased safety and security and protecting the environment**



Source: Evaluation questionnaire with national authorities – Part 1

In their majority, Customs European Information Systems in the area of risk management, in particular, COPIS<sup>71</sup>, Surveillance<sup>72</sup> and the Customs Risk Management System (CRMS), were positively rated by national customs administrations. Even though the evaluation questionnaire for national authorities did not explicitly ask about the contribution of the IT systems to increasing safety and security of citizens, the fact that they were considered useful and appropriate to the work of national administrations is a positive element supporting this dimension of the programme. The Customs Risk Management System was used on a daily basis and was identified as the main tool for receiving and sharing risk relevant data between Member States and the Commission.

The Annual Progress Reports provide an overview of progress on selected projects initiated to contribute to increasing safety and security and protecting citizens and the environment. The evaluation case studies have also attempted to gauge progress on selected priorities, with a focus on a sample of programme activities. The bullets below provide examples of progress for the sample of projects assessed:

- Action Plan on customs risk management and security of the supply chain** (progress assessed in 2015 and under case study 3 of the evaluation): Customs risk management is essential for providing security and safety to the EU and its citizens. The identification and determination of security threats is a daily operation that relies on the robust exchange of information between authorities, the identification of reliable operators and the possibility for them to have access to simplified procedures. With the EU Strategy and Action Plan for customs risk management rolled-out, the Customs 2020 programme has included numerous work programmes to support its goals including the proper functioning of the Common Risk Management Framework (CRMF).

In 2015, six actions were initiated (including one project group and five working visits) to support the Commission in the implementation of the Customs Risk Management Strategy and Action Plan. The Annual Progress Report confirmed ongoing or partially achieved outputs in the area, mostly related to the analysis of common data for risk management and risk assessment, as well as working methods and technologies.

The main contribution of the Customs 2020 programme to this priority has been the provision of ongoing support for the implementation of the EU Strategy and Action Plan for customs risk management. In particular, Customs action in this area (e.g. through the set-up and implementation of the Risk Management Strategy Implementation Coordination Group (RIMSCO) and the organisation of a number of working visits) has been instrumental for identifying common needs

<sup>71</sup> Anti-Counterfeit and anti-Piracy Information System.

<sup>72</sup> Database of specific products under 'surveillance' or monitoring imported into the EU customs territory.

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and approaches at Member State and Union level for the management of supply chain risks. This has led in turn to more effective and efficient control of risks in the supply chain.

The evidence collected as part of the case study confirmed that the risk management and supply chain security component of the Customs 2020 programme, and the specific actions financed under this area, contribute to reaching a high-quality, multi-layered approach to risk management which is effective and efficient. So far, timely progress has been made in implementing the Risk Management Strategy and Action Plan, which can be partially attributed to the effective running of the RIMSCO coordination group.

The Annual Work Programme project and actions have helped to communicate relevant information to all Member States, as well as exploring specific technical issues in more detail in dedicated working groups. This is particularly important considering that information exchange and cooperation between customs administrations are important elements under this priority area. By supporting this priority and activities under it, the Customs 2020 programme is ultimately contributing to provide security and safety to EU citizens.

- **Operational working methods at the external border and in-depth controls** (progress assessed in 2014): In 2014, 29 actions were initiated under this project, including 7 project groups, 1 workshop and 21 working visits. The aim was to support the achievement of a collective understanding of legal requirements and harmonised application of working methods stemming from the Union Customs Code and other legislative measures. As reported in the Annual Progress Report, all expected results were achieved, including the sharing of identified problems and good practices, the analysis of potential solutions, and the enhancement of cooperation between external border posts. These outputs have in turn contributed to reinforcing a common understanding of legal requirements and the harmonised application of working methods from the Union Customs Code and other legislative measures in the fight towards the protection of the EU external borders. The expected longer-term outcome of action in this area is to give rise to an equal level playing field among Member States' customs administrations at the external borders, reinforcing their control and protection.
- **Customs detection technology** (progress assessed in 2015): The use of technology and equipment has increased in importance to enhance the effectiveness and efficiency of customs controls, while at the same time facilitating legitimate trade, in modern customs administrations. The objective of this priority was to support the deployment of detection technology through the development of a network of customs detection technology experts who can share information and best practices. Eleven actions were initiated under this priority in 2015, including one workshop and 10 working visits. The expected results set out in the Annual Work Programme were fully achieved, including the effective operations of the network, the training of customs officials and the identification and sharing of best practices. The set-up of this network and the exchange of information and best practices that has been taking place through it, have in turn been conducive to improving detection capability and performance standards of customs administrations. However, the 2015 Annual Progress Report pointed out to the need to identify new and improved detection technology and related challenges, and highlighted that there was scope to enhance links with the Horizon 2020 security research programme to explore this specific element. In 2016, this expert group published a Guidance paper on standardised testing and evaluation of detection Technology protocols (TAXUD /B2/89/2016). This paper deals with the standardization of the evaluation of customs detection technology. It aims to convey a description of the current situation and of a desired future situation. Such a desired future situation may

constitute a basis for the actual development of standards for customs detection purposes.

- **Customs actions to protect health, cultural heritage, the environment and nature** (progress assessed in 2014 and 2016): Customs 2020 has an important enforcement role in the protection of health and safety of citizens, the environment and cultural heritage aspects. In 2014, 10 actions were initiated under this priority, including one capacity-building action, 4 project groups, 3 workshops and 2 working visits. In 2016, progress was further assessed on this area, with a total of 23 actions initiated (including two capacity-building actions, 11 project groups and 10 workshops). Progress in this area has been generally achieved, including the issuing of new guidelines or adjustments to existing ones, the establishment of common risk criteria, the creation of a toolbox of online services, and awareness raising activities addressed at the business community and the wider public. Action under this area of the programme has been triggered by increasing demands for stricter customs controls of non-fiscal aspects from consumers, civil society and national authorities. The outputs achieved are expected to lead to a more harmonised and coordinated approach to customs enforcement in areas related to the safety and security of citizens, the environment and cultural heritage.

#### **6.4. Improving the administrative capacity of customs authorities**

This specific objective of the Customs 2020 programme aims at **improving the administrative capacity of customs authorities**. Projects under this heading of the Annual Work Programmes (19 in total between 2014 and 2016) aim at ensuring that the European customs administrations perform efficiently and effectively supported by adequate administrative structures, procedures, skilled staff and modern technologies and concepts. Table 13 below provides an outline of the projects expected to contribute to this aspect of the programme.

**Table 13: Projects contributing to improving the administrative capacity of customs authorities**

<b>Year</b>	<b>Annual Work Programme</b>	<b>Progress reported</b>
2016	Effective and efficient customs administrations	-
2014, 2015	Customs governance reform	-
2015	Customs Union Performance Measurement	-
2015	Monitoring the application of European Union legislation	-
2014, 2015, 2016	Operational and organisational customs processes	APR 2014, 2016
2014, 2015	Union Customs Code (UCC)	APR 2015
2014, 2015	Management and implementation of the Multi-Annual Strategic Plan (MASP)	-

Year	Annual Work Programme	Progress reported
2014, 2015	Business analysis	-
2014, 2015	Specific classification and Combined Nomenclature issues	-
2014, 2015, 2016	European Customs Laboratories	APR 2014
2016	IT capacity building	-
2014	Pooling of transit expertise	-
2014	Preparation of new contracting parties to the Common Transit Convention	-
2014, 2015	European Union Customs Risk Management System (CRMS)	-
2014, 2015	Data integration and harmonisation	-
2014, 2015	Cooperation between customs administrations and border guards	-
2014, 2015	Customs cooperation with enlargement countries	-
2014, 2015, 2016	European Union Customs Competency Framework	APR 2015 and CS4
2014, 2015, 2016	Customs administration training capacity building	CS4

Source: Customs 2020 Annual Work Programmes for 2014, 2015 and 2016

The bullets below provide examples of progress for the sample of projects assessed:

- Operational and organisational customs processes** (progress assessed in 2014 and 2016): This project aims to support Member States to improve the performance of their customs administrations in the supply chain of goods, in light of the need for government services to become more effective and efficient. In 2014, fifteen actions were initiated, including one capacity-building action and 14 working visits. These were further complemented in 2016 by 18 actions, including 11 project groups and 7 workshops. Results were achieved to a large extent, in particular gaps and needs in terms of customs modernisation were identified, recommendations were formulated to increase the performance of customs administrations and an action plan was created to implement the suggested improvements. Increased cooperation and the identification of (and support to) training needs were also achieved. Actions implemented as part of this initiative aimed to support solutions to improve the structures in which customs business is performed. Programme action in this area is based on systematic cooperation, exchange of information and sharing of good practices among operational customs officials. In the longer term, the objective is to enhance the common understanding of legal requirements and to support the harmonised application of working methods in relation to procedures and customs control functions.
- Union Customs Code** (progress assessed in 2015): Programme activities under this priority were focused on supporting the preparation and facilitation for the formal adoption processes of the Union Customs Code. Eight activities were initiated in 2015, including one communication action, 5 project groups and 2 working visits. As evidenced in the Annual Progress Report, concrete outputs were achieved, including the facilitation of steps towards the implementation of the Union Customs Code, the information of developments to various target audiences, the identification of training needs and the design and launch of the Union Customs Code eLearning module, among others. Support under the Customs 2020 programme proved instrumental for supporting Member States to more effectively undergo the formal adoption of the Union Customs Code, and for informing trade experts through specific or joint actions.
- European Customs Laboratories** (progress assessed in 2014): European Customs Laboratories work together to coordinate their activities and share their

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expertise. Fifteen actions were initiated under this priority in 2014, including 6 project groups, 1 seminar, 3 workshops and 5 working visits. The actions have focused on networking between laboratories, benchmarking, updating of databases, cooperation with other stakeholders and information initiatives. All set outputs were achieved, including the maintenance of the Customs Laboratories European Network (CLEN), the exchange of best practices and networking between laboratories (both at EU level and worldwide), the provision of information to the wider public, and the involvement of third countries' customs laboratories in the work of the network. Available Performance Measurement Framework data on Customs Laboratories for the three first years of the programme evidence an increase in the number of joint actions funded under this initiative in 2015 and 2016, in parallel to an increase in the number of instances of participation of national administrations (from 223 in 2014, to 465 in 2015 and 413 in 2016).

- **European Union Customs Competency Framework** (progress assessed in 2015 and under case study 4): The implementation of the EU Competency Framework for customs, which kicked-off in 2014, aims to support more uniformity and increased efficiency of customs operations throughout the EU. Two working visits were initiated in 2015 to contribute to this project with some results achieved, such as implementation of the framework and awareness building in the public sector. Other results were only partially achieved, including the development of governance and maintenance measures for the framework.

Findings for case study 4 showed a mixed picture in terms of needs and alignment of national administrations with the Customs Competency Framework, with a majority of countries aligned with the project and a few Member States (namely those which already had similar frameworks in place) that opted out of it. Case study findings also identified challenges for national administrations participating in the framework, including difficulties to adjust the Competency Framework to the national contexts (for e.g. in Austria and Serbia), and limited resources available for the adequate implementation of the framework. On a positive note, leadership buy-in – which had been identified as a key challenge in previous years – was no longer perceived as a problem in the most recent monitoring conducted.

Evidence from the 2015 Annual Progress Report and the case study show that, while the initiative is on-going, and the longer-term outcomes are yet to materialise, Customs 2020 support has been positive. The programme has supported progress towards coherent and widespread equivalent competency frameworks across the EU and participating countries. The tools and training provided by the programme, as well as the opportunities to exchange information and experiences, have been positive developments in this area.

- **Customs administration training capacity building** (progress assessed under case study 4): Evaluation data collected as part of the case study confirms a widespread use of Customs training modules by national administrations. Usage figures related to eLearning modules have increased substantially in 2016 and 2017, including in relation to the number of training modules available and of customs officials trained. EU training was perceived to have led to a more uniform approach to the application of EU customs law and to have increased the knowledge base and capacity of officials in their customs administrations.

Other benefits of the EU common training included the identification and implementation of best practices from other countries, more effective use of Customs European Information Systems developed under the programme, and increased uniformity and efficiency of customs operations throughout the EU. Despite the clear benefits derived from EU common training activities, suggested improvements included the provision of more financial support for localisation and translation of training modules, the development and implementation of longer-term multi-annual training programmes, the need for regular updates to

the content of training modules, and a focus on increasing the networking component of training initiatives.

### 6.5. Strengthening the competitiveness of European businesses

The Customs 2020 Annual Work Programmes for 2014 and 2015 list a set of **25 annual priorities and projects expected to contribute to strengthening the competitiveness of European businesses** (see Table 14 for an outline of relevant projects).

**Table 14: Projects contributing to strengthening the competitiveness of European businesses**

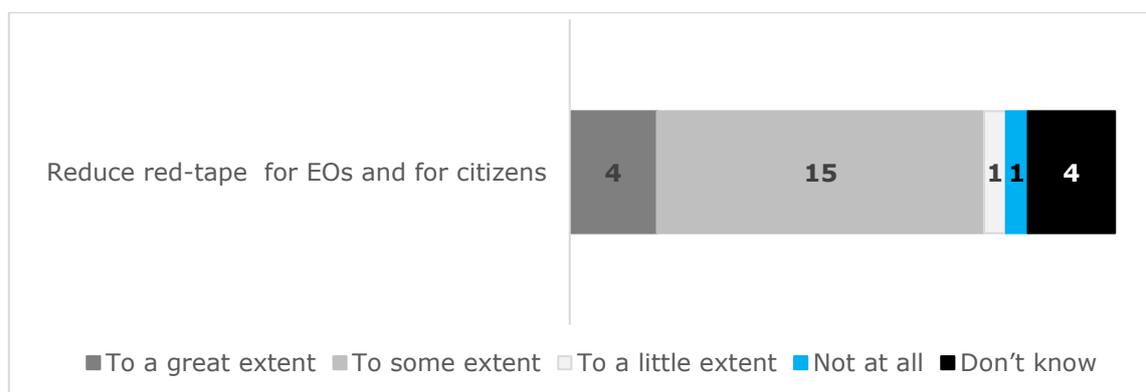
Year	Annual Work Programme	Progress reported
2014, 2015	Future Customs initiative	-
2014	Customs Union Performance Measurement	AWP 2014
2014	Monitoring the application of European Union legislation	-
2014, 2015	The future of the Decision No 70/2008/EC of the European Parliament and of the Council	-
2014, 2015	Customs infringements and sanctions	-
2014, 2015	Simplified procedures (SP) for customs declarations, including single authorisations for simplified procedures (SASP)	AWP 2015 and CS5
2014	Customs seals	-
2014	Transit related issues of the eManifest (status and simplified procedures)	-
2014, 2015	The Registered Exporters System (REX)	-
2014, 2015, 2016	Authorised Economic Operators (AEO)	AWP 2014 and CS1
2014	Operational supply chain risk management and analysis	-
2014, 2015	Smart and Secure Trade Lanes (SSTL)	-
2014, 2015	Development, operation and maintenance of the existing European Information Systems (EIS)	-
2015	"New ICS", Automated Export System (AES) and Transit System including NCTS	-
2014, 2015	Horizontal support to the EIS - Management of IT services supply	-
2014, 2015	Horizontal support to the EIS - Customs IT architecture, governance and benchmarking	-
2014, 2015	Horizontal support to the EIS - Collaboration methods for Union component	-
2014, 2015	IT development, operations, consultancy and technical assistance for the relation with 3rd countries and international organisations	-
2014, 2015	Customs cooperation with the eastern neighbours	-
2015	Support the cooperation at ASEM customs fora	-
2015	Customs cooperation with the World Customs Organisation Europe Region countries	AWP 2015
2016	Systems based approach (SBA)	-
2016	Single Window Concept	-
2016	Compliance	-
2016	Simplifications laid down in Title V of the Union Customs Code	-

Source: Customs 2020 Annual Work Programmes for 2014, 2015 and 2016

While most respondents agreed that the programme's joint actions contribute to reducing red-tape for economic operators and citizens, there were few respondents who

agreed to a great extent. Levels of awareness of the contribution of joint actions to reducing red-tape for businesses and citizens were lower than for other objectives.

**Figure 17: Joint actions contribution to reducing red-tape for EOs and citizens**



Source: Evaluation questionnaire with national authorities – Part 1

Economic operators surveyed by the evaluation were asked to rate their satisfaction with Customs European Information Systems expected to contribute to strengthen the competitiveness of European businesses. The Authorised Economic Operator database was positively rated by more than half of respondents (60 out of 105). However, respondents highlighted the excessive administrative procedures and costs linked to the system, which they found disproportionate to the advantages of the tool. Economic operators were less aware of the benefits of the Registered Exporter System, with 42 out of 105 who did not have an opinion on the system.

The bullets below provide examples of progress for the sample of projects assessed:

- Customs Union Performance Measurement** (progress assessed in 2014): This project featured the establishment and maintenance of a system of performance measurement for the Customs Union. The main goal of the Customs Union Performance Management Information System (CUP-MIS) is to measure and assess how customs activities and operations support the achievement of the EU Customs Union strategic objectives. Two activities were initiated in 2014, including a project group and a working visit. An initial set of indicators was developed and reported as part of the work of the Project Group on the Customs Union Performance. National administrations saw these reports as a useful benchmarking tool, which provided strategic direction. However, the status of the CUP-MIS initiative as per the 2016 and 2017 Electronic Customs Multi-Annual Strategic Plans was in need of further study and agreement, which means that the development of the system continues to be in research phase and the milestones and deadlines for release are not yet set. Once developed and in operations, the system is expected to represent an important management tool to enhance strategic decision making for the further development of the Customs Union and for raising awareness and showing the results of Customs work to main stakeholder groups.
- Simplified procedures (SP) for customs declarations, including single authorisations for simplified procedures (SASP)** (progress assessed in 2015 and under case study 5): The lodgement of customs declarations using simplified procedures is a major instrument of trade facilitation. Eight actions were initiated under the Customs 2020 programme in 2015 to support this project, including 2 project groups, 1 workshop and 5 working visits, with the aim of supporting a common understanding and uniform application of simplified procedures. Expected results, which featured the sharing of best practices for the application and enforcement of simplified procedures and the development of practical scenarios and Business Models, were still ongoing as reported by the Annual Progress Report 2015. The achievement of these results contributes to

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ensuring equal access and use by European Union exporters and importers and to guaranteeing adequate control and enforcement measures by customs authorities.

Evidence from the case study confirms the programme's potential to facilitate trade and bring benefits to economic operators through the support provided to the Single Authorisation for Simplified Procedures. Working visits and workshops reviewed as part of the case study on simplified procedures were overall successful in achieving their objectives, namely that of fostering the common understanding and uniform application of single authorisations for simplified procedures. In doing so, they played a key role in facilitating the exchange between Member States on issues under this priority. For instance, they have allowed for the creation of new connections and networks, which in turn facilitate communication and exchange amongst customs administrations. Businesses and national administrations alike adhere to the concept of simplified procedures for customs declarations and actively participate in the various fora that are put in place through the programme. This dialogue contributes towards aligning the programme between Member States, while factoring in the practical implications for businesses. The difficulties of the implementation process in national contexts of limited resources remain an issue, as well as the different degrees of experience of Member States with single authorisations for simplified procedures, which affects both the extent to which they can contribute to the meetings and their preparedness for centralised clearance.

Findings from the 2015 Annual Progress Report and the case study confirm that the Customs 2020 programme contributes to facilitating the sharing of best practices for a correct and uniform application and enforcement of simplified procedures. In the longer-term having a system of simplified procedures in place is expected to contribute to the competitiveness of European businesses in the global marketplace, and to improve compliance and risk management, which are key objectives of the Union Customs Code.

- **Authorised Economic Operators (AEO)** (progressed assessed in 2014 and under case study 1): Compared to its predecessors, the Customs 2020 programme has placed an increased importance on trade facilitation and security. In this framework, the programme provides support to the development and implementation of the Authorised Economic Operator concept in customs administrations. In the 2014 Customs 2020 Annual Work Programme, this priority aimed at supporting the regular monitoring of the Authorised Economic Operator initiative, in addition to the sharing of best practices and guidance and support to the conclusion of new Mutual Recognition Agreements between Member States and with third countries. Eight actions were initiated in 2014 in support of this priority, including 4 project groups and 4 working visits. Report on progress was positive, with outputs related to the practical implementation of the Authorised Economic Operator concept still ongoing at the time the Annual Progress Report was drafted, and outputs related to implementation of Mutual Recognition Agreements achieved. The Customs 2020 programme has supported the monitoring of the implementation and functioning of the Authorised Economic Operator concept, together with the sharing of best practices and guidance and assisting with the conclusion of new Mutual Recognition Agreements. These actions have in turn contributed to higher-level objectives such as increased trade facilitation, improved competitiveness of European businesses and more efficient risk management among customs administrations.

Findings for the case study on the implementation of the Authorised Economic Operator concept were in line with the positive assessment in the 2014 Annual Progress Report. Evidence from the case study confirms that despite the challenges in achieving a broad uptake of the Authorised Economic Operator concept among economic operators, the total number of import and export declarations has increased dramatically among certified businesses since 2009.

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The Authorised Economic Operator actions assessed (two project groups and a workshop) were considered highly useful to administrations and have resulted in a more harmonised approach to implementation across Member States. Especially the Authorised Economic Operator network plays a key role as a sounding board to discuss specific Authorised Economic Operator related issues encountered in Member States. It also functions as a platform for agreeing on steps to be taken forward to overcome these difficulties, helping to continuously improve the Authorised Economic Operator concept. Alignment with the concept in participating countries is still progressing, with national laws often creating difficulties in achieving a harmonised approach.

The Authorised Economic Operator database was positively rated by more than half of economic operators surveyed. However, around 40% of respondents did not have an opinion or were not satisfied on the benefits of the database. In particular, respondents pointed to the unavailability of information, and excessive administrative procedures and costs linked to the system.

Through the programme actions, and especially the Authorised Economic Operator network, administrations have a useful platform where they can agree on coherent interpretations and develop solutions to common problems with the longer-term aims of increasing supply chain security and facilitating legitimate trade.

- **Customs cooperation with the World Customs Organisation (WCO) Europe Region countries** (progress assessed in 2015): As the World Customs Organisation's vice-chair for the Europe region between July 2014 and June 2015, the EU was tasked with promoting greater involvement of members in World Customs Organisation's activities, and promoting co-operation between the members within the region. Two seminars were implemented in 2015 under this project with the aim of enhancing international customs co-operation and exchanging information with customs authorities from third countries. The expected results were still ongoing at the time of drafting the 2015 Annual Progress Report. Programme actions under this initiative aim at consolidating the Union's status within the World Customs Organisation and at increasing awareness of the EU's role in international customs co-operation and further promoting EU policies and priorities.

## **6.6. Summary of findings and conclusions**

### **6.6.1. Protecting the financial and economic interests of the Union and of the Member States**

Overall, the evaluation found good progress in relation to sampled projects and activities that contributed to protecting the financial and economic interests of the Union and of the Member States (including combating fraud and protecting intellectual property rights). For example, particular success stems from joint actions focused on customs controls, risk management cooperation and EU border management and protection.

The Customs European Information Systems in the areas of goods classification and tariff management also made important contributions, with the goals of the projects assessed either already achieved or ongoing. Programme support (in the form of pooling resources, facilitating the monitoring and control of measures and procedures, identification and development of best working practice, etc.) was considered to directly impact on broader outcomes, including for e.g. the uniform application of TARIC-related measures, ensuring fair trade and a proper functioning of preferential arrangements and the effective implementation of the Action Plan on intellectual property rights.

The main priority which indicated difficulties or delays in achieving its set outputs was co-operation between customs administrations and tax authorities. As confirmed by different sources of evidence, action in this area requires further efforts to identify

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relevant fields for cooperation, information exchange and the identification of best practice.

#### **6.6.2. Increased safety and security, and the protection of citizens and the environment**

Implementation was also successful for the numerous programme actions under the different priorities supporting **increased safety and security, and the protection of citizens and the environment**. As reflected in the Annual Progress Reports and relevant case studies, progress was achieved for the majority of results set in the Annual Work Programmes. Programme action has been most effective at providing ongoing support for the implementation of the EU Strategy and Action Plan for customs risk management and at reinforcing a common understanding of legal requirements and the harmonised application of working methods in the fight towards the protection of the EU external borders. Customs European Information Systems in the area of risk management (in particular, COPIS, Surveillance and CRMS) were also positively rated by national customs administrations.

#### **6.6.3. Improving the administrative capacity of customs authorities**

Smooth progress was evidenced for the majority of projects focused on **improving the administrative capacity of customs authorities**. Evidence from the Annual Progress Reports and case studies confirms that programme action has provided concrete achievements in relation to this aspect of the programme through supporting systematic cooperation, exchange of information and sharing of best practices. In particular, Customs 2020 support has proved instrumental for leading Member States to the formal adoption of the Union Customs Code, and has also been important in relation to European Customs Laboratories, by contributing to networking and benchmarking between laboratories. The one priority that experienced most difficulties was the implementation of the EU Competency Framework for Customs, including challenges to achieve buy-in from national administrations during the first years of implementation. While leadership buy-in ceased to be a problem, recent monitoring reports identified difficulties to adjust the Competency Framework to the national contexts and limited resources available for the adequate implementation of the framework.

#### **6.6.4. Strengthening the competitiveness of European businesses**

Activities and priorities contributing to **strengthening the competitiveness of European businesses** were still ongoing or registered delays, as reported in the respective Annual Progress Reports, in particular in the thematic areas of Customs Union Performance Measurement, simplified procedures, Authorised Economic Operators and international co-operation. In the case of the Customs Union Performance Measurement, delays were mostly internal, related to the need for further study and agreement in relation to the development of the system. However, the achievement of results in the case of simplified procedures and Authorised Economic Operators is closely linked to adherence from national customs administrations and economic operators.

#### **6.6.5. Conclusions**

The majority of Annual Work Programme projects and activities assessed between 2014 and 2016 have contributed to the achievement of the Customs 2020 programme's specific objective. However, with the programme mid-way through and considering its contributing nature to higher-level objectives, it is hard to measure how outputs translate into longer-term outcomes and impacts.

Evidence from the Annual Progress Reports, the questionnaire with national authorities and case studies confirmed **adequate progress of sampled projects and activities in relation to different aspects of the specific objective** of the programme. There were very few instances where expected results were partially or not achieved, though there were more cases where results continued to be ongoing at the time of reporting,

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and where the achievement of longer-term outcomes and impacts was harder to identify given the early stages of the current programming cycle. Programme actions have been most effective in contributing to protecting the financial and economic interests of the Union and of the Member States, in particular in relation to customs control, risk management cooperation and EU border management and protection and to increasing safety and security and protecting citizens and the environment, more specifically in the area of risk management and the protection of EU external borders. Customs 2020 actions have also been successful in improving the administrative capacity of customs authorities, in particular in relation to the preparation and facilitation for the formal adoption of the Union Customs Code (including the identification of training needs) and supporting the work of European Customs Laboratories. However, there have been challenges identified in implementing the EU Competency Framework for Customs, including in relation to leadership buy-in when the framework was launched, and more recently related to limited resources for implementation and adjustment to national contexts. Programme action has met with more difficulties in contributing to strengthening the competitiveness of European businesses, as a result of internal delays in specific projects (e.g. in the area of Customs Union Performance Measurement) but also of external challenges in relation to simplified procedures, authorised economic operators and international co-operation and the natural tension between trade facilitation and safety and security.

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## 7. EVALUATION QUESTION 5: EFFICIENCY – PROGRAMME MANAGEMENT

**EQ 5: To what extent have the design and management of the programme been conducive to achieving the desired results?**

### 7.1. Introduction

This evaluation question focuses on assessing how the programme is *structured* and how it *operates*, and whether this is efficient for achieving the programme's desired results. This is ultimately a reflection of the programme's design which is comprised of various programme components – governance structures, funding mechanisms and segmentation of activities.

The first sub-question looks at the decision-making process and how it relates to priority setting. It examines whether stakeholders (mainly the Commission and Member States) feel that the procedures for establishing the Annual Work Programmes and approving Joint Actions are timely and transparent and whether feedback is used appropriately. It also examines the amount of effort used to implement recommendations from the final evaluation of the Customs 2013 programme.

The second sub-question focuses primarily on the Performance Measurement Framework (PMF)<sup>73</sup>, mainly the usefulness, reliability and availability of the indicators and whether they have been used to improve the performance and responsiveness of the programme.

The final sub-question focuses on operational efficiency, assessing whether the administrative arrangements and amount of human and financial resources are appropriate for managing the programme. This includes examining cost-saving measures through management structures and existing communication channels. Finally, this sub-question discusses the potential synergies that could be created to maximise efficiency, particularly with the Fiscalis programme.

### 7.2. Process for taking decisions and setting priorities

This section focuses on the overall structure and governance processes of the programme. It seeks to figure out whether these are appropriate and identify areas for potential improvement. As a starting point, we note that the overall structure and processes for managing the programme have not recently changed substantially and have in previous evaluations been judged as broadly appropriate. For this reason, we did not make these a major focus of the evaluation. Instead, we performed a kind of 'check-up' on the overarching structure to ensure that it is still appropriate despite the evolving context. We then focus on aspects that have changed, namely through improvements following the recommendations of the previous evaluation; and through the re-organisation of the Annual Work Programmes into thematic 'projects' that group together activities on related topics.

Aside from an examination of documentation such as the Regulation establishing the programme, Annual Work Programmes and cost data, our main source of evidence is the stakeholders' feedback. This comes mostly in the form of responses to the questionnaire for national authorities and interviews with programme managers, both within DG TAXUD and among national coordinators from the participating countries.

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<sup>73</sup> The Performance Measurement Framework is a results-based monitoring and evaluation system first established in 2014 for the Customs 2020 programme. The data gathered through its various data collection tools forms the basis for the Annual Programme Progress Reports that provide a summary of performance in relation to programme outputs, objectives and results.

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Where relevant, findings from the case studies are also used to illustrate how the governance and structure affect the supported activities in practice. While we were generally able to obtain and use the sources initially foreseen, cost data is available in the Annual Work Programmes and actual spending reports only in relation to overall spending by instrument. This means it has not been possible to examine in detail whether and to what extent costs have corresponded to priorities at the level of the individual projects defined for each year or the needs of given stakeholders.

### **7.2.1. Overall structure and decision-making processes**

The Customs programme's governance structure operates under direct management by the Commission, a centralised approach whereby the decision-making power over the programme's objectives and activities is held by DG TAXUD. In order to implement the programme, Annual Work Programmes are adopted by the Commission by means of implementing acts after the positive opinion expressed under examination procedure by the Customs 2020 Committee, and are implemented financially on the basis of grant agreements with participating countries (for joint actions), procurements (for Customs European Information Systems, joint actions and human competency building) and direct payments to external experts (for joint actions).

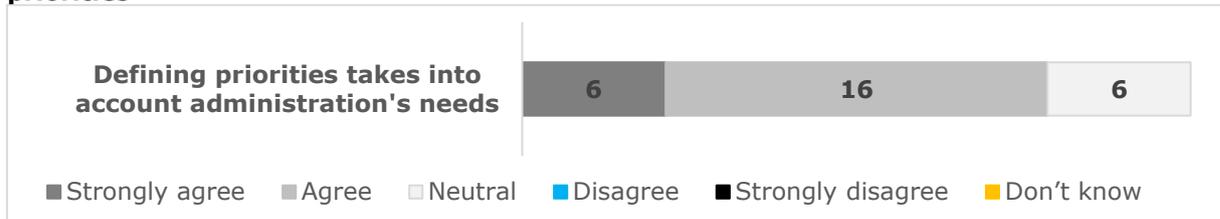
Member States are heavily involved by participating in various fora, including the Customs Policy Group – an expert group composed of the heads of customs administrations from the Member States or their representatives and the representatives of the Commission – and other expert groups, and through submitting proposals for joint actions. Stakeholders are overall satisfied with the review and acceptance cycle of proposals, although some Member States would prefer to have more time to consider 'last minute' proposals that need further negotiation for a satisfactory compromise across Member States or required consultation with other departments of national administrations.

Looking specifically at the Annual Work Programmes, the objectives are aligned with higher-level strategic documents, including the Europe 2020 Strategy and the DG TAXUD management plan. Furthermore, the Annual Work Programmes are required to be consistent with the Customs 2020 Regulation to ensure legality and consistency in implementation. Thus, programming and budget design are naturally centralised with Member State input.

Both DG TAXUD programme managers and national administrations confirm the importance of Member State involvement in setting priorities. DG TAXUD programme managers interviewed considered that involvement of national custom administrations in the decision-making process is integral to the functioning of the programme as it gives ownership which in turn leads to greater participation. For programme components that are developed at the EU level but only manifest at the national level, such as IT systems, communication with participating countries is especially important for developing appropriate and harmonised solutions.

A majority of national administrations responding to the evaluation questionnaire (22 out of 28) agreed that the process for defining the programme's priorities does take into account their administrations' needs, with 6 respondents expressing strong agreement with the statement. Many expressed interest in having even more opportunities to comment on the Annual Work Programme before it is adopted, while others highlighted that it would be especially beneficial to have more time to provide input, to properly consult the different departments of their administrations.

**Figure 18: Participation of customs administrations in the definition of programme priorities**

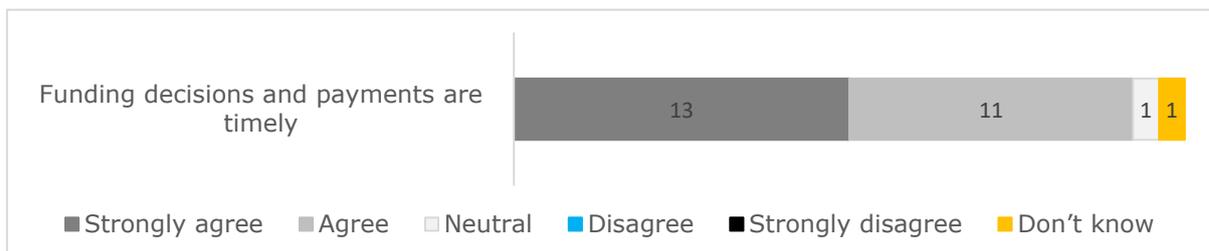


Source: Evaluation questionnaire with national authorities – part 1

As the Annual Work Programme is both a work programme and a financing decision, the budget is heavily aligned with the activities set for the year, with all activities and expected results for the given year included in this single document.

Joint actions are implemented through grant agreements and procurement. Through the grant agreements, departments of the Commission and participating countries can submit action proposals. The programme management team then checks if the proposal is aligned with the programme scope and objectives, with the Annual Work Programme, if the initiated action is relevant, and whether it provides good value for money. Every action has an action manager, often a DG TAXUD expert or less frequent a national official, who is responsible for carrying out the activity and reporting on it. The median time for processing joint action applications is 13 days for working visits and 39 days for other types of joint actions.<sup>74</sup> Interviewed programme coordinators generally viewed the approval process as efficient and appropriate. The questionnaire with national administrations also confirmed their satisfaction with almost all respondents (24 out of 26) agreeing that funding decisions are timely.

**Figure 19: Views of national administrations on funding decisions and payments**



Source: Evaluation questionnaire with national authorities – part 1

### 7.2.2. Changes for the current funding period

Several improvements to the structure and processes of the programme were brought in for the current funding period. Some of these relate to the previous evaluation. This was conducted in 2014 and concluded with several recommendations to improve the design of the current Customs 2020 programme.<sup>75</sup> The Commission broadly accepted the recommendations by setting up an Action Plan outlining the extent to and ways in which the recommendations would be implemented.<sup>76</sup>

In 2016, the Commission reported on progress in implementing the Action Plan and the recommendations stemming from it. Evidence presented in the report confirmed that a large majority of recommendations were achieved with the remaining actions – mainly

<sup>74</sup> Based on ART2 data provided by DG TAXUD.

<sup>75</sup> Final evaluation of the Customs 2013 Programme, Coffey International, 08-2015. Url: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/docs/body/customs\\_2013\\_final\\_evaluation\\_report.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/docs/body/customs_2013_final_evaluation_report.pdf)

<sup>76</sup> Action Follow-up Plan: Final Evaluation of Customs 2013, 2016-10-20, DG TAXUD

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IT related, which naturally demand more time– still under implementation. Main achievements related to programme design management included:<sup>77</sup>

- **Planning and monitoring:** Recommendations 1 and 2 referred to developing specific and measurable goals, and having a comprehensive monitoring framework to track progress. The Commission responded by structuring Annual Work Programme projects better, and by developing the Performance Measurement Framework. Both recommendations were marked as 'achieved' in November 2016, although evaluation findings indicate that more work needs to be done to finalise the Performance Measurement Framework (see next sub-question);
- **Knowledge management:** Recommendation 3 suggested streamlining the platforms for sharing documents and facilitating communication between the Commission and Member States. The Commission produced strategy plans to improve PICS and ART tools, however implementation is ongoing;
- **Joint actions:** Recommendations 5, 6 and 7 referred to improving the productivity of joint actions by making them more flexible and goal-oriented, developing a more systematic mechanism to monitoring and communicating outcomes more with national administrations. All three recommendations were marked as 'achieved'. However, findings for the current evaluation suggest that while the distribution and analysis of Action Follow-up Forms provide a more systematic mechanism to review joint actions, response rates of participants tend to be low, which undermines the validity of the feedback collected.<sup>78</sup> In terms of communicating outcomes of the programme to national authorities and other stakeholder groups, in 2016 the Commission drafted a communication strategy to improve communication with stakeholders.<sup>79</sup> This included the use of new communication tools and channels, as well as a joint effort between the EU and national programme teams to raise awareness since it has direct impact on the use of the programmes by their beneficiaries. To date, there is little evidence available to confirm exactly how far implementation has progressed but an early draft of the strategy shows an ambitious plan. Joint actions such as the External Communication Network tax and customs (ECNtc) are involved in driving action in communication. Outputs so far include improved web content, developing videos and communication tools for the communication campaign for 50 years of the Customs Union;
- **IT systems:** The last recommendations related to addressing technical issues of specific IT systems, enhancing the integration of EU and national IT systems, and promoting efficiency gains to encourage further harmonisation. Structured follow-up has taken place on a programme management level to ensure recommendations implemented, with seven out of ten recommendations completely or almost completely operationalised. The remaining three recommendations are also underway but appear to be more resource intensive

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<sup>77</sup> In addition to the recommendations listed, the Action Plan also mentioned recommendations in areas that are discussed in detail elsewhere in this report. Considerable action had been taken in all of these areas, which include performance measurement and monitoring (see section 3.3.3), PICS (see section 3.3.4), IT collaboration (see sections 3.2.1 and 3.2.2 and central applications (see section 3.2.2).

<sup>78</sup> For the two years data on response rates in the Annual Progress Reports were available, participants in joint actions (except working visit) went from 68 % to 55 %, while action manager response rates went from 54% to 62%.

<sup>79</sup> Communication Strategy for the Customs and Fiscalis 2020 programmes (draft), Version 1.4 – December 2016, DG TAXUD. Reasons cited for the need of a communication strategy include fulfilling the recommendations from the previous evaluation of the programme, falling awareness among officials about the programme and need to increase awareness in national administrations (especially senior management). Five objectives included in the strategy aim to: i) ensure usage of the programme by beneficiaries; ii) promote the sharing of outputs and knowledge produced in programme activities beyond direct beneficiaries; iii) ensure support of the relevant senior managers and decision-makers (such as EP and the Council); iv) facilitate effective implementation by providing support to users of the programme; and v) demonstrate value and relevance of the programmes to the general public.

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and systemic in nature, involving large-scale changes relating to integration, harmonisation and development of IT systems.

Another key change for the current programme relates to the structure of the Annual Work Programmes. Instead of simply listing activities under each specific objective, thematically linked activities are now grouped into a number of 'projects'. According to interviews with the programme management team, the purpose of the new structure was to bring more coherence to the programme despite the breadth of issues it addresses and diversity of specific activities. It also seeks to foster more practical connections between related activities, which was previously felt to be lacking.

This represents an important step forward in an attempt to break down silos between actors whose technical skills and concerns may differ (such as IT programmers versus policy officers), but whose concerted action is crucial to the programme's success. Our review of the projects found them to be coherently organised and well-structured. However, we also found that hardly anyone outside the programme management team in DG TAXUD was aware of the projects or used them to make practical decisions. This shows that it is still early days for the new structure, and that further effort will still be needed before the projects make a real difference to the programme's implementation.

### **7.3. The Performance Measurement Framework**

The Performance Measurement Framework was developed further to a recommendation of the final evaluation of the Customs 2013 programme and a study carried out for that purpose.<sup>80</sup> It represents an admirable effort to incorporate performance-based management principles into and thereby engender the continuous improvement of the programme.

In addition to facilitating performance management and ongoing improvement, the Performance Measurement Framework aims to increase transparency by making the achievements of the programme more visible and accessible to the public. It is based on an intervention logic which describes the linkages and connections between the wider problems addressed by the programme and the programme's objectives, inputs activities outputs, results and impacts. The Performance Measurement Framework uses both quantitative and qualitative evidence for recording the progress achieved.

There are two categories of quantitative indicators included in the Performance Measurement Framework:

- (a) **Output and Result indicators:** which refer to the first and second order effect that can be directly attributed to the programme and are achieved immediately following the implementation of an activity, and the mid-term effects following the outputs;
- (b) **Impact Indicators:** which refer to the long-term effects of the programme by measuring its contribution to the broader policy areas linked to the higher-level specific objectives.

For the Customs 2020 programme, there are a total of **85 Performance Measurement Framework indicators** of which 67 are output and result indicators and 18 are impact indicators. The Performance Measurement Framework follows the annual reporting cycle, leading to Annual Progress Reports summarising the main outputs and results and the overall progress achieved. Since the different programme activities are intended to work in concert, a selection of case studies in each report also attempts to shed light on performance against projects defined in each annual work programme.

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<sup>80</sup> For more information, see the Study on the Fiscalis 2020 and Customs 2020 Performance Measurement Framework, Coffey and Ramboll, 2014, url: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/docs/body/ramboll\\_c2020\\_f2020\\_pmf\\_final\\_study\\_report\\_28apr2014.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/docs/body/ramboll_c2020_f2020_pmf_final_study_report_28apr2014.pdf).

Data on the activities carried out under the programme as well as for the outputs and results indicators are collected using the tools outlined below. Practicalities regarding the impact-level indicators are left open in the Performance Measurement Framework, for examination during periodic evaluations such as the present exercise.

**Table 15: Performance Measurement Framework data collection tools**

Tool	Overview
Proposal form (as reported in Activity Reporting Tool (ART))	Form submitted as part of the proposal process for each joint action that contains a range of information on e.g. start and end dates, objectives, participants and financial data.
Action follow-up form (AFF)	Questionnaire completed each year by action managers on the outputs and expected results of actions.
Action follow-up form for working visits	Questionnaire completed by participants within three months of the end of working visits on outputs and expected results.
Event assessment form (EAF)	Questionnaire completed either yearly (for long-term actions) or three months after an event on perceptions and expected results.
Programme poll	Survey carried out every 18 months of all customs officials in participating countries to gather information on awareness, perceptions and experience of the programme.

*Source: Customs 2020 Annual Progress Reports*

This section examines the performance of the Performance Measurement Framework so far and whether it is fit for purpose in terms of the processes regarding the collection and availability of data, the reliability of that data and the actual usefulness of the system compared to the resources invested to maintain it. Sources include the evaluation team’s experience of drawing on the data for the purposes of this evaluation in addition to feedback from stakeholders in the Commission and Member States.

Before presenting the specific findings, it is important to note that the Performance Measurement Framework, as a comprehensive tool for monitoring programme performance, is a very positive development. This responds directly to previous criticism about difficulties in this area and allows for the systematic collection, collation and reporting on programme data that wholly breaks with the past and is a big step in the right direction. Thus, while some of the findings below are critical of specific aspects of the Performance Measurement Framework, these do not mean to call into question its existence, but rather seek to refine and improve it.

### **7.3.1. Data quality**

The progress reports present data at activity level and for the indicators at output and result levels. These cover the broad majority of expected issues and are vastly more comprehensive than any monitoring conducted of previous iterations of the programme. Further examination of the raw data confirms that at activity level the data is available and factually correct. This would be expected given the factual nature of such data and its link to financial accounting.

However, at output and result levels the Performance Measurement Framework relies mainly on self-reporting data from stakeholders, especially regarding the joint actions, and it is here that the data starts to look patchy. There are two main reasons for this. Firstly, the questionnaires that were put together to inform the Performance Measurement Framework can only provide meaningful data if they are well designed. Secondly, it is also important that respondents engage meaningfully with the questionnaires.

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The first aspect linked to design of the questionnaires is very difficult, since asking standardised questions about outputs and results of actions that are highly diverse in terms of timeframe, objectives, scope and other issues necessarily simplifies reality. Attempts to streamline these into a limited number of categories have been useful for the purposes of conceptualising the programme but have not helped generate data that is comparable between actions. To give an example mentioned in section 3.2.1 on joint actions, using the same tools to capture the achievements both of long-term, platform-like project groups and shorter-term, output-focused project groups has not yielded much useful information. Looking at specific types of feedback, the questions in two of the standardised questionnaires (the Action Follow-up Form and Event Assessment Form) relate mainly to subjective or soft issues that nearly all action managers / participants would tend to agree with. Such questions ask whether given actions helped increase understanding, provided good networking opportunities, or were considered useful, all of which have positive responses tending towards 100%. Responses to questions on more tangible outputs and results are more nuanced.

Regarding meaningful engagement from participants for joint actions, data from the questionnaire with national administrations, in addition to interviews with Commission officials, indicate that the frequency and length of the reporting exercises are turning stakeholders off and leading to diminishing returns. Interviewed national coordinators consistently complained about the effort required from officials to provide feedback. Event Assessment Forms for non-working visits were completed by less than 30% of participants during the first three years of programme implementation. In 2017, there was a substantial increase registered in response rates for Event Assessment Forms (from 23% in 2016 to 68%). The main reason for this increase was the deployment of the automatic notification system in early 2017. This notification is sent to all participants 60 days after the event finalisation and contains a link to the Event Assessment Forms. Even though response rates for Action Follow-up Forms in the case of other joint actions fluctuated between 48 to 65%, these are still low considering that they are meant to be filled out by action managers. Thus, the risks of response bias due to the self-selection of respondents, result in less reliable data. Similarly, a review of the data for the Action Follow-up Form and Event Assessment Form questionnaire shows that a substantial proportion of the questionnaires have been completed superficially, with many unanswered questions. As a major source of data for the Performance Measurement Framework, these problems undermine its potential usefulness for measuring the performance of and engagement of participants with joint actions.

The Performance Measurement Framework also includes a series of 18 impact indicators to gauge progress at the policy level. However, so many factors other than the programme affect the issues of interest that making real links between trends and programme performance is impossible.

Combined with practical difficulties to obtain the data, a majority of the indicators appear individually unsuitable for the following main reasons:

- Over half of the indicators are really results-level indicators (i.e. 6.3, 6.4, 7.1, 7.2, 7.3, 7.4, 7.5, 8.2, 9.2, 10.5), relating more to implementation or perceptions than observable, high-level changes. These are for the most part already captured in other parts of the Performance Measurement Framework;
- Another two indicators (6.1, 6.2) are highly relevant but not easily calculated;
- Indicators from external sources, such as the World Bank logistics performance / ease of doing business indexes (9.1, 10.1), should not be read as being directly caused by the programme. However, they can be important in understanding how the greater external landscape has changed to inform priorities and changes to objectives.

This leaves four indicators where DG TAXUD seems to perform the relevant analyses, but with uncertain timeframes (8.1, 10.2, 10.3, 10.4) and for which time-series data were unavailable for this report.

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This calls into question whether it is suitable to include such indicators as part of the Performance Measurement Framework. Instead, it might be more suitable to assess these issues through the monitoring and evaluation of relevant policies. While this is envisaged to be already happening, in practice there have been very few policy evaluations in the field of customs since the programme started restricting opportunities to assess the impact indicators. In the future, if the assessment of impact indicators was more effectively embedded as part of regular policy evaluations, the findings of these evaluations could then be used to frame the context in upcoming evaluations of the programme.

### **7.3.2. Processes for collecting and reporting on the data**

Operational efficiency in terms of the time required for various processes is discussed in section 7.4 below. As confirmed in interviews with national coordinators and the questionnaire for national authorities, this is in large part due to consultation fatigue and what are seen as overly onerous reporting obligations.

Within the DG TAXUD programme management team, significant time is also required to collect and collate the data and summarise it in Annual Progress Reports. Members of the programme management team were highly critical of the reporting process, describing it as time-consuming and distracting. Indeed, interviewees described a situation where officials focused so much on collecting data and producing reports that they had no time left to think about how to actually use them. While efficiency gains (e.g. more electronic / automated reporting) could potentially address part of the problem, further simplifying of the Performance Measurement Framework is probably also necessary.

### **7.3.3. Usefulness of the data generated**

In trying to assess the usefulness of the Performance Measurement Framework data, we first note the previously existing situation, where there was no systematic monitoring beyond the activity level. The establishment of the Performance Measurement Framework has added significant value by instilling a more evidence-based mindset in programme stakeholders and producing a considerable amount of useful data, especially at the activity level. It is extremely useful to have at the fingertips comprehensive information on e.g. how many joint actions of different types have been funded, which countries have participated in them, how many IT systems and eLearning modules are operational and in development, etc.

However, at the outputs and results levels, the problems described above have led to a problematic situation whereby little of the output or results data appears to feed into continuous improvement or decision-making. The impact indicators (which have for the most part not yet been collected or used), as described above, are too numerous, irregularly collected and disconnected from programme performance to be used for regular monitoring exercises, pointing to the need for a smaller set of indicators, potentially collected mainly through evaluation of relevant policies instead for the programme as such.

## **7.4. Operational efficiency**

This sub-question focuses on the management structures and administrative procedures as they relate to the efficient running of the programme. This includes the administrative burdens, the amount of resources needed to manage the programme, efficiency of communication and knowledge management systems, synergies with other programmes and the cost-saving measures that are implemented.

#### 7.4.1. Administrative arrangements and amount of human and financial resources needed to manage the programme

As a starting point, we note that 22 full-time equivalents within DG TAXUD are allocated to the management of both the Fiscalis 2020 and Customs 2020 programmes, with responsibilities defined as follows:

- **10 full-time equivalents in Unit E3** (Management of programmes and EU training), working on the overall management and training aspects;
- **10.35 full-time equivalents in Unit E1** (Finances and HR business), focusing on budget management and control tasks;
- **1.5 full-time equivalents in Unit E2** (Inter-institutional relations, coordination, communication and strategic planning), working on communication, inter-institutional relations, inter-services consultations, planning and legal;
- **0.1 full-time equivalents in IT Units** required for supporting and administering programme tools (PICS and ART).<sup>81</sup>

Given the substantially larger budget and number of joint actions supported by the Customs 2020 programme, we assume about 60% (i.e. 12 full-time equivalents) are devoted to this programme, whereas about nine are used for Fiscalis. We could not find examples of other Commission programmes with a comparable mix of administrative responsibilities due to its directly managed nature and substantial budget proportion devoted to IT systems. Nonetheless, it is possible to analyse the data in order to figure out how much the programme costs to run. As illustrated in the table below, using standard staff costs from DG Budget of EUR 143 000 for each full-time equivalent, we can estimate that the administrative cost to the Commission of running the programme is around EUR 1.7m per year. Dividing this by the average yearly budget for 2014-2017 shows that the cost of administering the programme is about 2.4% of the amount of funding. To put this in perspective, the figure is less than the 6% of the total EU budget dedicated to administration.<sup>82</sup>

**Table 16: Administrative costs for DG TAXUD**

Full-time equivalents	12
Standard annual cost per full-time equivalent	EUR 143 000
Cost per year of administering programme	EUR 1 716 000
Average programme budget (2014-2017)	72 180 500
Cost of administering the programme as proportion of spending	2.4%

Source: Financial and human resources data from DG TAXUD, standard cost from DG Budget

National administrations surveyed by the evaluation shared an overall positive view of the resources needed to coordinate and take part in the programme. Responses to the questionnaire show that nearly all participating countries (25 out of 27) agreed that taking part in an existing joint action is proportionate to the costs incurred in participating. A broad majority (21 out of 27) also considered that the process of applying to a joint action and that reporting obligations for joint actions are both proportionate (21 out of 28). Slightly fewer national administrations (19 out of 28) believed that administrative resources needed for joint actions do not impose a barrier to participation. Furthermore, looking at reimbursement times (perceptions reflected in Figure 19 above), almost all national administrations surveyed (24 out of 26) agreed

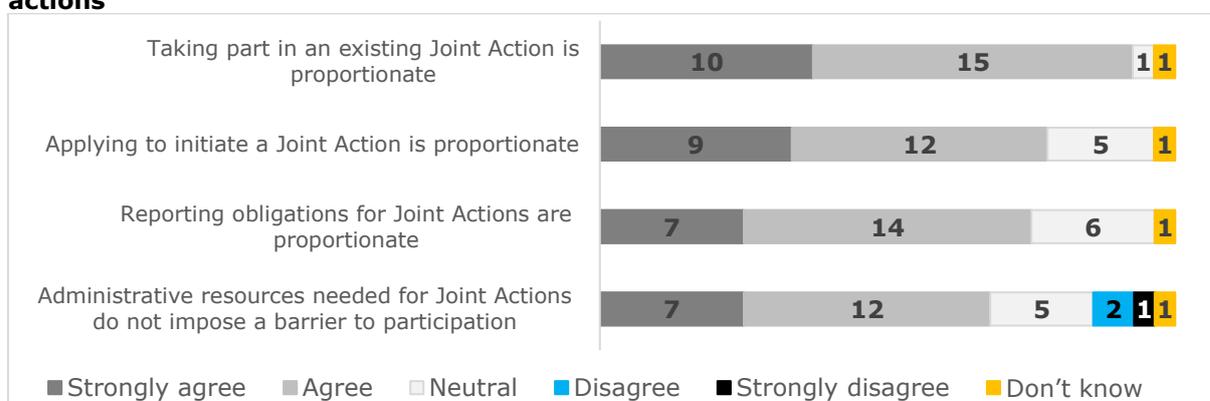
<sup>81</sup> IT units are Customs users, as such they are not in charge of administering the programme.

<sup>82</sup> For more information, see the Commission's budget overview page here: [http://ec.europa.eu/budget/explained/myths/myths\\_en.cfm](http://ec.europa.eu/budget/explained/myths/myths_en.cfm).

that funding payments were timely. Indeed, the Commission confirmed that payments to national administrations are distributed to each participating country through one pre-financing instalment, which is transferred at the beginning of the budgetary year as long as they have received the accession form to the grant agreement.

Interviewees from national customs administrations were satisfied with the role of the Commission Programme Management Team, in particular their competence and responsiveness, and the fact that the team makes a big effort to support the functioning of the programme. As an example, programme participants and coordinators highlighted how the Programme Management Team has adapted to an increased workload as a result of the entry into force of the Union Customs Code and its impact on the programme’s management resources. Despite work to ensure a smooth transition, the work required to support the implementation of the Union Customs Code has required additional human resources, in particular to support the development and implementation of the new Customs European Information systems.

**Figure 20: National administrations’ views on resources needed to take part in joint actions**



Source: Evaluation questionnaire with national authorities – part 1

Despite the positive overall perceptions, when asked to comment openly, there were nevertheless concerns in relation to the processes and amount of administrative paperwork required to join and initiate joint actions and the limited human resources at Commission and national level to adequately respond to requirements. For example, some respondents found that applying to initiate joint actions is difficult, as it requires significant workload, particularly for proposing expert teams and working visits.<sup>83</sup> This makes it especially problematic to apply for joint actions relating to more pressing issues, which require quicker timeframes. In terms of joining existing joint actions, national administrations found there was not enough time to nominate representatives and send out invitations, which would then put further capacity strains on available human and financial resources. However, in terms of completing the required monitoring reports, most national administrations consulted (20 out of 26 respondents to the questionnaire) felt very strongly that the Activity Reporting Tool (ART) is a user-friendly platform and an efficient system for monitoring participants’ expenses and providing general feedback on the joint actions. National coordinators interviewed were more critical about the follow-up forms that participants are requested to complete after taking part in events or other types of joint actions. In their view, the frequency and length of the reporting requests demand increased efforts to provide feedback.

<sup>83</sup> As developed in detail under evaluation question 2 on joint actions, national customs administrations argued that the administrative burden to apply for expert teams and working visits was hindering wider uptake. In the case of expert teams, the burden was linked to the need to account for manually on financial reporting as no Activity Reporting Tool support is available. In the case of working visits, the new requirement to submit proposals for this type of joint action for the Commission’s verification and approval has increased administrative requirements. Under the predecessor programme, working visits were initiated and implemented within the responsibility and competence of the participating countries.

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Other operational challenges linked to programme management that were mentioned by national authorities include:

- frequent changes in programme management teams at national level call for the need to organise more regular training on the programme and financial management for newcomers;
- timely communication of invitations to events and information sharing with participating countries is central to ensure sufficient time for administrations to carry out their internal procedures (i.e. selection and preparation of participants, and financial and logistical arrangements).

#### **7.4.2. Communication systems, knowledge management and cost-saving measures**

In terms of sharing information easily and quickly, the **Programme Information and Collaboration Space (PICS)** went live for all programme activities in March 2013, at the very end of the previous programming period. Its main aim is to improve the collaboration between Member States and DG TAXUD by providing online tools that complement and enhance the collaboration organised in the framework of programme activities (which mainly takes place through meetings, calls or e-mails). However, it is also useful to enhance internal collaboration and for sharing relevant expertise, experience and coordination between the Commission Programme Management Team, national programme coordinators and other stakeholders involved in the management of programme activities.

The results of an external study on PICS carried out in 2014 evidenced uneven levels of take-up and usage patterns across DG TAXUD and participating countries, and pointed to an underutilised potential for synergies between PICS groups<sup>84</sup>. Performance Measurement Framework data available for 2015 and 2016 confirms a substantial increase in the number of online collaboration groups (from 199 in 2014, to 261 in 2015 and 318 in 2016) and 1 100 new users who signed up to the platform in 2016 (data is presented in aggregate form for both the Customs and Fiscalis 2020 programmes)<sup>85</sup>.

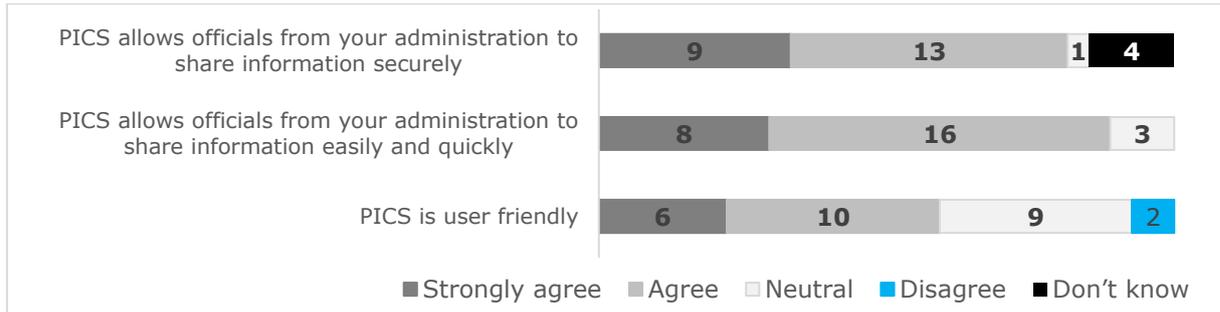
National customs administrations who responded to the evaluation questionnaire considered that PICS had improved over time, and facilitated collaboration between participating countries. In particular, there was consensus among most national administrations surveyed (24 out of 27) that PICS allows officials to share information easily and quickly. A slightly lower number of respondents (22 out of 27) agreed that PICS allows customs officials in their countries to share information securely. Views on the user-friendliness of the tool were more divided, with 16 out of 27 respondents expressing a positive view and 11 national administrations providing either neutral or negative views on this aspect of PICS.

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<sup>84</sup> Online Collaboration Strategy (PICS), Gartner Consulting, June 2014.

<sup>85</sup> Customs 2020 Programme Progress Report 2016.

**Figure 21: Views of national administrations on information sharing tools (PICS)**

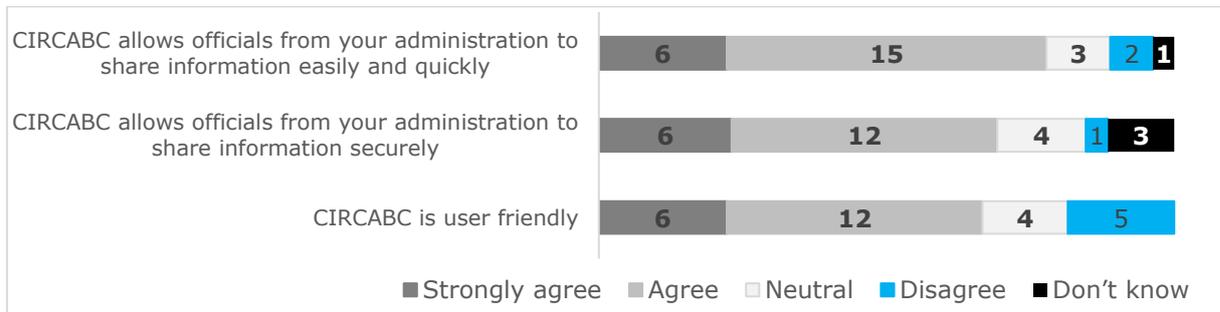


Source: Evaluation questionnaire with national authorities – part 1

Suggestions from users in national administrations included further efforts to promote the use of PICS as there continue to be officials who do not use the tool or are not familiar with it altogether. Ideas to improve the user-friendliness and navigation of PICS were also proposed, including in relation to the user interface, the visual identity, the search function and the information updates on the platform.

Customs administrations were less satisfied with the **Communication and Information Resource Centre (CIRCABC) platform**<sup>86</sup>, a document management system to exchange information between the Commission and national administrations, even though there continued to be an overall positive perception of the tool. The majority of respondents (21 out of 27) believed that CIRCABC allows for information to be shared easily and quickly. However, fewer national authorities (18 out of 26) agreed that CIRCABC allows for information to be shared secure, or that CIRCABC is a user-friendly tool (18 out of 27).

**Figure 22: Views of national administrations on information sharing tools (CIRCABC)**



Source: Evaluation questionnaire with national authorities – part 1

Open responses pointed that the system was old fashioned and some of the information was considered to be outdated. Furthermore, improvements in systemic placement of documents were suggested. In terms of the user-friendliness of the tool, respondents highlighted the difficulty of keeping an overview of all actions, that the interface is not satisfactory, and that the search function does not work correctly. It was also suggested that other features could be useful to add, such as a web-conference tool and wiki.

Looking at cost-saving measures at the programme management level, there have been different initiatives for simplification of administrative procedures benefiting both the Commission and participating countries. One example has been the introduction of the

<sup>86</sup> CIRCABC is a corporate tool developed jointly by the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Eurostat and the Directorate-General for Informatics (with funding from the Interoperable Delivery of European eGovernment Services to public Administrations, Business and Citizens Programme) using an open-source software.

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Unit cost for accommodation expenses, which has resulted in cost and time savings for both the Commission and participating countries.

#### **7.4.3. Potential synergies with other programmes (especially Fiscalis)<sup>87</sup>**

Fiscalis 2020 is the EU's on-going spending programme in the field of taxation and offers many opportunities for synergies with the Customs 2020 programme in terms of both administrative arrangements and joint working. While the policy area is different, it has a similar focus on enabling cooperation and exchange between administrations. Both programmes (Fiscalis and Customs 2020), managed by DG TAXUD, offer Member States and other participating countries a framework to cooperate, which is more cost-effective than if each country were to set up individual cooperation frameworks on a bilateral or multilateral basis.

Programme managers pointed to significant synergies between the two programmes, which stem in part from their similar design and structure. Both aim for harmonisation in procedures (for customs and tax) among Member States and participating countries, and are implemented via the same main instruments: joint actions, European Information Systems and training. There are opportunities for synergies between the two programmes at an operational level, including cross-fertilisation and joint funding of shared components such as IT systems and similar approaches for human capacity building and training.

In terms of the EU IT systems, programme managers noted coordination was taking place to ensure coherence and avoid duplication of efforts. One key system mentioned is the CCN/CSI network, which is the backbone for trans-European IT systems. By allowing users to log both customs and tax procedures, the programmes benefit from economies of scale. The CCN/CSI is paid for by both programmes. It is managed operationally by one TAXUD unit ensuring consistency for both customs and tax related use. Synergies between Customs and Fiscalis 2020 programmes will be further reinforced through using the Multi-Annual Strategic Plan for Customs European Information Systems as an example for the development and implementation of the Multi-Annual Strategic Plan for Taxation European Information Systems.

Besides IT systems that can operate in a more integrated fashion, there are opportunities for shared learning. Joint actions related to training have also been held with national customs and tax administrations. One such example is the Training Support Group, which operates under the Customs and Fiscalis 2020 programmes, and contributes to the development and implementation of the EU Common Training Programmes mandate using strategies from both sides.

Commission interviewees also suggested investigating ways to improve jointly the technological platform for the delivery of eLearning, in particular in terms of making it more accessible. In their view, there are too many participating countries which report difficulties in accessing modules due to technical issues and lack of compatibility with national management systems. Suggestions included investigating synergies with other Commission services such as the European Union Agency for Law Enforcement Training (CEPOL) or initiatives such as the World Customs Organisation Learning and Knowledge Community to assess opportunities for integrating or replacing existing DG TAXUD tools.

One negative development is that Commission interviewees found that in the past there was more flexibility to use funds from both programmes allowing for a lot of shared actions, but that this will no longer be a possibility in the future. This could reinforce siloed working and undermine some of the synergies described above if a practical solution is not found.

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<sup>87</sup> Synergies with other EU programmes and initiatives are covered in detail under the external coherence section, Evaluation Question 7.

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While most potential synergies were seen on a central programme management level or integrated IT systems, rather than relating to the content of the programmes, an exception was found in the excise area. According to interviewees, this stems in part from the different split responsibility for excise in different Member States, where it sometimes falls to customs and sometimes to tax authorities. To deal with this, considerable coordination was taking place through the two programmes, although some interviewees felt more could be done (such as developing common IT systems) to work together to avoid excise-related fraud.

Regarding other EU programmes, the DG TAXUD management plan outlines a series of initiatives that will be implemented to achieve increased IT synergies with other Commission DGs and Agencies, including DGs Informatics and Migration and Home Affairs, and the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA), particularly in the areas of IT infrastructure and network connectivity, internet connectivity, IT security operations centre (SOC) services and the reuse of software components.

## **7.5. Summary of findings and conclusions**

### **7.5.1. Programme's processes for taking decisions and setting priorities**

The programme's overall structure and processes for taking decisions and setting priorities are time-tested and broadly appropriate in the eyes of stakeholders both in DG TAXUD and participating country administrations. While DG TAXUD drives the process, national administrations appreciated and described benefiting from formal and informal consultation. Combined with the flexibility and breadth of the programme, this ensured that Annual Priorities matched perceived needs and allowed desired activities to be financed. The broadly positive findings under relevance and effectiveness also testify to the suitability of the overall programme design. The processes for joint action grants were also considered appropriate.

While there were some complaints (regarding the timing of consultation and overly broad nature of the programme), these were voiced only by a small minority and are likely inevitable given the diversity of national administrations. Moreover, the programme has shown an ability to improve over time. Several improvements have been made for the current funding period to facilitate coordination and communication between the Commission and participating countries, and structure annual priorities through thematically defined 'projects'. While we found that more effort is still needed to raise awareness of the projects, over time this new structure should help to break down silos and improve the coherence and effectiveness of the programme.

### **7.5.2. The Performance Measurement Framework**

The establishment of the Performance Measurement Framework has added significant value to the programme by making key information readily available and engendering a more evidence-based approach to programme management. This is especially evident at the activity level, where comprehensive data makes it much easier than in the past to gauge performance across the programme's many activity types and themes.

However, the new system has also led to major reporting and management obligations, using a lot of energy without feeding much into decision making. In part this is because it is not possible to design short, standardised questionnaires that are sophisticated enough to capture meaningful information on the outputs and results of such diverse activities. At impact level, the indicators are too numerous, irregularly collected and disconnected from programme performance to be of much use. This speaks to the need for a simplified version of the Performance Measurement Framework, with fewer, more meaningful indicators, while data on impact might be more usefully collected as part of evaluations of the policies they relate to. While in theory this is already envisaged, in practice there is limited implementation of this approach.

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### 7.5.3. Operational efficiency and synergies with other programmes

The programme has existed for a long time and clearly benefited from gradual refinements and improvements to the systems and processes used to run it. National authorities as well as users within DG TAXUD and the programme management team itself expressed positive views about these arrangements. The evaluation also noted several small but meaningful improvements to lighten the administrative burden and the exploitation of synergies with the Fiscalis 2020 programme through IT collaboration, shared joint actions and exchange of programme strategies. While such synergies could be developed further, they already brought benefits for both programmes. Additional synergies are also being explored with other programmes, especially but not only relating to IT, though these are still in the early stages.

Areas of concern related in part to the challenges of managing a programme with an increasingly large budget without corresponding increases in human resources. Despite acknowledging substantial commitment and efforts from DG TAXUD officials, some issues were raised in relation the limited human resources at both Commission and national levels to adequately respond to administrative requirements for joint actions.

Information-sharing tools such as PICS and CIRCABC were positively assessed by national administrations for facilitating collaboration between participating countries. Performance Measurement Framework data also evidenced a substantial increase in the number of PICS online collaboration groups and new users in 2015 and 2016. However, there continues to be scope to enhance their promotion, as well as to improve the user-friendliness and ease of navigation of these platforms.

Additional synergies also seemed possible with the Fiscalis 2020 programme. Given the closely aligned management of the programmes, areas for potential synergies and exchange of information were identified in relation to European Information Systems' programming, with the Multi-Annual Strategic Plan for Customs European Information Systems offering a baseline for the development and implementation of the Multi-Annual Strategic Plan for Taxation European Information Systems.

### 7.5.4. Conclusions

The Customs 2020 programme strikes a good balance between **a consultative and transparent programming process that takes place on an annual basis and a centralised management** that coordinates the implementation of the Annual Work Programmes. The involvement of national administrations in the setting of priorities and the decision-making process is instrumental to the effective functioning of the programme as it enhances ownership from participating countries. Several changes have been acted on in the current funding period and used to make notable improvements to the programme. In particular, changes have been made to facilitate coordination and communication between the Commission and national customs administrations, including a better structuring of Annual Work Programme projects, the development of the Performance Measurement Framework, and the streamlining of platforms for sharing documents and facilitating communications. Efforts have also been made to more closely align joint actions with programme objectives and priorities of the AWP by combining of activities into thematic projects.

National authorities expressed positive views on the administrative arrangements and the resources required to participate in the programme. However, some concerns were raised in relation to the limited human resources to adequately respond to programme's requirements, and suggestions were made to improve specific features of tools such as PICS, CIRCABC and ART.

The development and implementation of the Performance Measurement Framework have introduced an evidence-based approach to the programme. However, the new system has led to major reporting and management obligations, using a lot of energy without feeding much into decision making. This points to a need to review the current

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set of indicators with the aim of simplifying them and fitting them better to decision-making needs.

Significant positive synergies have been developed between Customs and Fiscalis 2020, mainly related to the similar design and structure of the two programmes, in particular at the levels of central programme management and integrated IT systems. These should continue to be exploited regularly, in parallel to additional IT synergies with other Commission Directorates-General and Agencies.

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## 8. EVALUATION QUESTION 6: EFFICIENCY – BENEFITS FOR COSTS

**EQ 6: To what extent have the programme's resources produced best possible results at the lowest possible costs?**

### 8.1. Introduction

Evaluation Question 6 refers to **whether the costs of the Customs 2020 programme are proportionate to the benefits** it has provided to customs administrations and the Customs Union. This will be examined in terms of separate sub-questions for each of the main types of programme activity, as well as for the programme overall. Conceptually, this would mainly involve holding up the benefits identified through the effectiveness questions in light of various costs and other possible ways of spending time and money.

However, in practice this is challenging because many of the benefits of the programme are not easily quantified, let alone monetised. To discuss this meaningfully we considered the following two main categories:

1. **Savings** as an effect of programme activities. This includes such benefits as savings through coordinated activities and economies of scale, more efficient customs administration due to European cooperation, better implementation of EU customs legislation, decreases in compliance costs or administrative burdens for economic operators, and more effective customs cooperation thanks to administrative collaboration and sharing of information. Evidence for this comes from both key stakeholders' assessments and reporting (in euros and cents) of e.g. results of auditing procedures enabled by programme activities;
2. **Long-term and/or intangible benefits of programme activities**, which are very important but not easily quantified. This includes capacity building in national customs administrations participating from the programme, strengthened networks between administrations and officials, sharing of best practices, but also long-term impact on EU competitiveness and trade.

The analysis relies mostly on the evidence already presented above in the evaluation questions on effectiveness, held up as appropriate and possible against several kinds of documentary sources, namely:

- Budgetary information for different action types, as presented in tables 16 to 18 in the sections below;
- Data from the Performance Measurement Framework on joint actions, IT systems, and common training;
- Monitoring statistics presented in the Annual Progress Reports.

Substantial efforts were needed to examine detailed budgetary data (itemised for specific activities), make comparisons, consider opportunity costs and tease meaning from them.

### 8.2. Joint actions

Between 2014 and 2017, the annual committed expenses for joint actions have been an average of 7.7% of the total programme budget. While this is a relatively small proportion compared to funding for IT services (86.3%), it is still the second largest programme component and plays a direct role in addressing all five of the Customs 2020 programme's operational objectives. In particular, joint actions are essential to operational objectives 1, 3 and 5 in supporting the coherent application and effective implementation of Union law, sharing best practices and administrative procedures and

improving co-operation between customs authorities and third parties. Capacity building, communication and monitoring activities refer to very specialised aims and make up 2.2% of the joint action budget, while the bulk of the funding goes towards the main activities: project groups, workshops, working visits and seminars. The following tables present the actual spending on joint actions from 2014 to 2017, and the numbers and costs per participant per type of joint action.

**Table 17: Actual expenses for joint action grants by year and joint action type (2014-2017)**

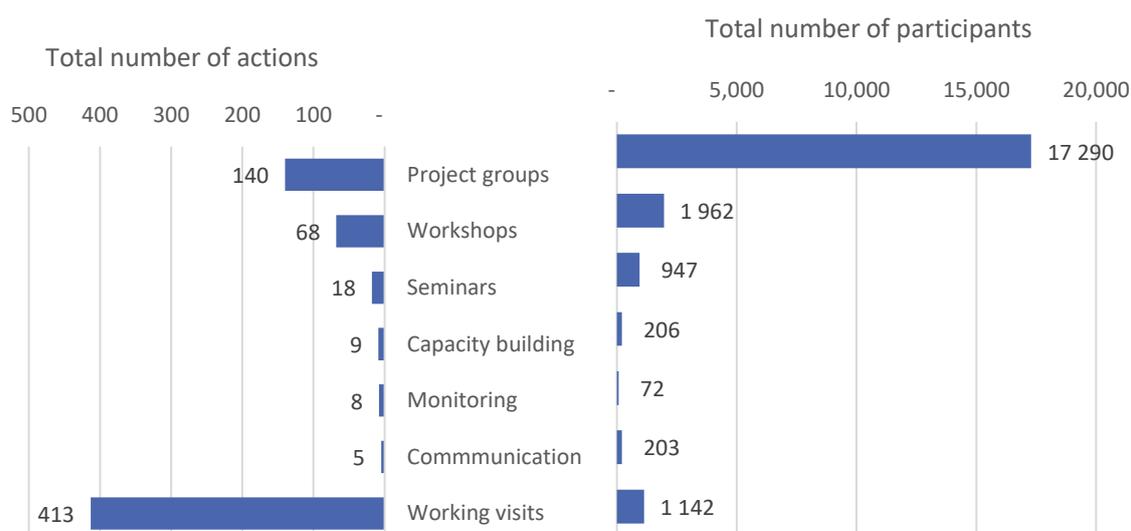
Joint action type <sup>88</sup>	2014	2015	2016	2017	Total 2014-2017
<b>Project group</b>	€ 3 053 862	€ 4 027 133	€ 3 770 623	€ 3 813 210	<b>€ 14 664 828 (74.7%)</b>
<b>Workshop</b>	€ 433 513	€ 403 926	€ 694 960	€ 546 048	<b>€ 2 078 447 (10.6%)</b>
<b>Seminar</b>	€ 398 165	€ 246 274	€ 308 472	€ 187 181	<b>€ 1 140 092 (5.8%)</b>
<b>Working visit</b>	€ 236 940	€ 366 754	€ 372 598	€ 310 639	<b>€ 1 286 931 (6.6%)</b>
<b>Capacity building</b>	€ 18 144	€ 68 420	€ 43 985	€ 64 868	<b>€ 195 417 (1.0%)</b>
<b>Communication</b>	€ 37 605	€ 9 761	€ 61 470	€ 56 870	<b>€ 165 706 (0.8%)</b>
<b>Monitoring</b>	€ 65 633	€ 10 125	€ 6 001	€ 21 609	<b>€ 103 368 (0.5%)</b>
<b>Actual expenses Total</b>	<b>€ 4 243 862</b>	<b>€ 5 132 393</b>	<b>€ 5 258 109</b>	<b>€ 5 258 109</b>	<b>€ 19 634 789 (100 %)</b>
<b>Committed expenses Total (from AWP)</b>	<b>€ 5 993 000</b>	<b>€ 5 500 000</b>	<b>€ 5 400 000</b>	<b>€ 5 350 000</b>	<b>€ 22 243 000 (7.7 % of 2014-2017 C2020 budget)</b>

Source: Customs 2020 programme management, Annual Work Programmes 2014-2017

The figures below show the total number of joint actions and participants by action type, as well as the average number of participants per type of action for the period 2014 through to 2017. Project groups are the type of joint action that hosted the highest number of participants (17 290 in total) between 2014 and 2017. On average, each project group has around 124 participants. Working visits are also popular with the largest number of events (413) but a substantially lower number of participants for the period under assessment (1 142), given that fewer participants are involved in each working visit. There were 18 seminars and 68 workshops supported by the programme in its first four years, with a total of almost 3 000 participants attending these two types of events (947 participants in the case of seminars and 1 962 participants in workshops).

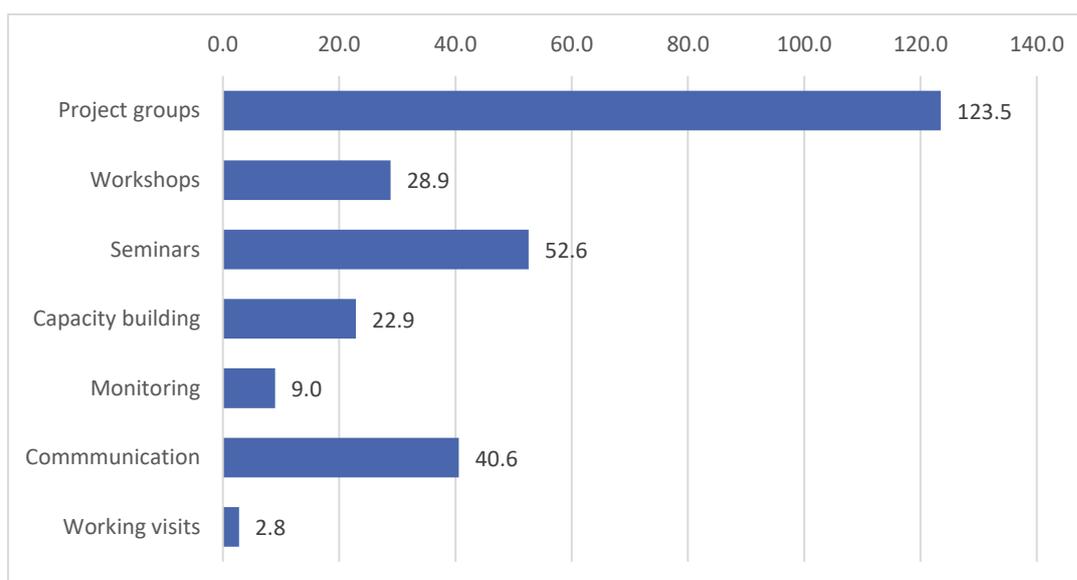
<sup>88</sup> Not including procurements.

**Figure 23: Total number of joint actions and participants by action type (2014 - 2017)**



Source: Customs 2020 programme management (from 'actual costs per action data excel file')

**Figure 24: Average number of participants per action (between 2014-2017)**



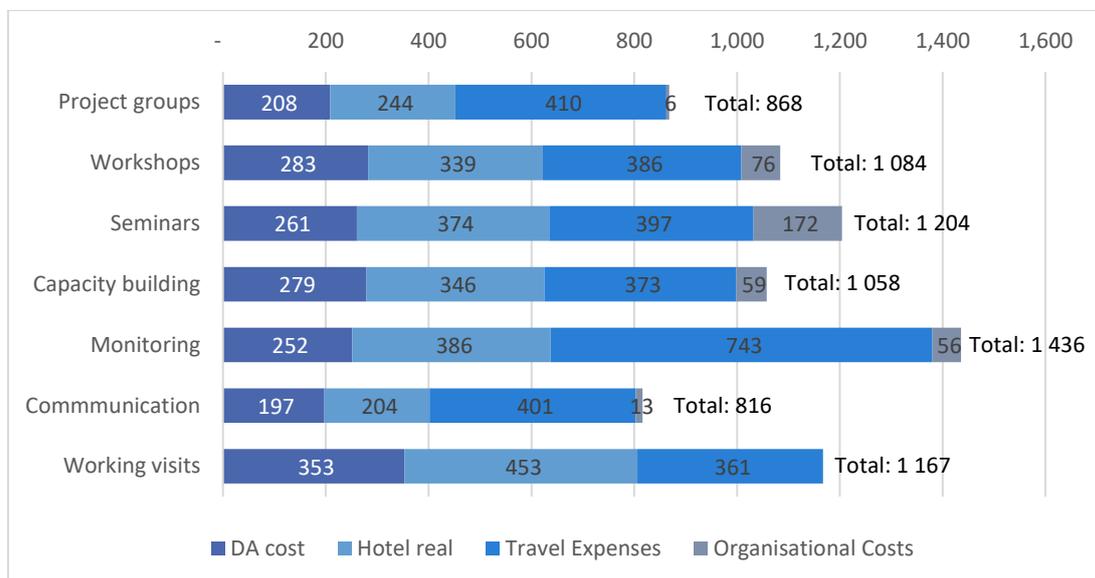
Source: Customs 2020 programme management (from 'actual costs per action data excel file')

Average costs per participant by action type are proportional to participation numbers as costs only include travel expenses (daily allowance, transport and hotel) as well as a lower amount for organisation. In general, the average cost per participant for joint actions is around € 921. Participant costs are lower for project groups (€ 868), partly because project groups bring together the same participants on a regular basis, reducing the perceived need for peripheral networking activities and resulting in fewer inefficiencies related to associated expenses.

Communication joint actions have the lowest average cost at € 816, while monitoring joint actions have the highest at € 1 436 per participant. The significantly higher costs for the monitoring actions does not stem from a permanently higher cost structure for this type of actions. In the reference period, the monitoring visits happened to be mostly to third countries, incurring higher travel costs. In terms of organisational costs, seminars have the most expenses. Seminars are one-off events, usually hosted in a specific location by the customs administration of a particular country, where factors other than cost and ease of access might appropriately be considered and where

networking activities among participants are of greater importance. Even though organisational costs for working visits are borne by national customs administrations involved in the joint action, the one-off nature of working visits also offers a part-explanation for their relatively high costs related to daily allowance, hotel and travel.

**Figure 25: Average cost per participant by type of joint action and by expense**



Source: Customs 2020 programme management (from 'actual costs per action data excel file')

Taking into account that joint actions make up a small portion of the programme's budget, their reported usefulness and the added value produced are very high when considering their contribution to the achievement of programme objectives (see: section 3.5 on the EU added value).

**Project groups** spending have made up the largest percentage of the joint action grants budget with an average of 74.7% across years 2014-2017. This is appropriate considering the large number of participants per activities. The average number of participants per project group action is 123.5 attendees, with 39 attendees on average per meeting. Most project groups have existed for over three years. According to the questionnaire with national authorities and Annual Progress Reports, project groups are perceived as effective and useful. The collaboration of experts from the participating countries and from the Commission provides a great opportunity to exchange ideas, new technological trends, business solutions and IT approaches, and offers a more common understanding of the EU context and practices. Project groups are considered among the most effective programme mechanism providing opportunities for this kind of broad and inclusive collaboration. Given that decision-making and priority-setting are centralised, this has the added function of getting Member States input for programme components and for informing legislation. Furthermore, there is the additional value of creating strong relationships among customs administrations as this facilitates future dialogue.

**Seminars and workshops** also have a similar cost-structure and effectiveness as project groups. Seminars have a per-participant cost of €1 204 and make up 5.8% of the joint action grants budget. Workshops cost an average of €1 084 per participant and make up 10.6% of the joint action grants budget. Each seminar topic has an average of 52.6 total participants (over an average of 1.6 events) and this ranges from 1 to 4 participants for more focused seminars to 167 participants for more popular ones. Each unique workshop topic had an average of 28.9 participants across an average of 1.2 events between 2014-2017. While these activities are similar to project groups in that they facilitate exchange of information and experience as well as develop relationships between participating countries, they provide a different kind of opportunity, as the actions and outputs are quicker and more specialised. Customs

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officials interviewed on specific case study themes particularly appreciated seminars and workshops for providing a quick and efficient platform for exploring difficult topics. Although the questionnaire with national authorities showed that seminars and workshops were perceived to lack clear conclusions, qualitative interviews showed that seminars can have unexpected positive outcomes. For example, a high-level seminar on cooperation between customs and other authorities on intellectual property rights infringements led to an increased importance of intellectual property rights' issues for customs authorities in Estonia, where it previously had not been considered an important component of their customs agenda. This also led to Estonian officials doing a working visit to Finland to learn about their intellectual property rights regulations and procedures. Thus, the benefits of seminars and workshops tend to go beyond the main objectives of sharing best practices, but can encourage major shifts in national policies.

**Working visits** are seen as highly valuable as they provide practical experiences through on-the-ground observation that might not be possible otherwise. This activity type is among the most highly rated for its usefulness even though it is one of the most expensive activity types with a per-participant cost of EUR 1 167. Working visits encourage bi-lateral cooperation that might be long-lasting. Because they tend to be very targeted focusing on narrowly set topics and have limited goals, national administrations see them as highly effective. Nevertheless, as mentioned previously when discussing operational efficiency, participants have found the process and requirements to apply for working visits extensive and labour intensive. Willingness and capacity to host working visits is another hindering factor that is also related to the resources required for hosting these visits.

Given the lower amount of **communication, capacity building and monitoring actions** funded by the programme, these reflect greater variation in levels of spending and participation rates which might not correspond to the true value of these types of actions. As mentioned, participant costs for monitoring actions are the highest at EUR 1 436, most likely due to additional travel costs linked to this type of action. Communication actions register the lowest average cost per participant (EUR 816). Average participant costs for capacity building actions stand at EUR 1 058. As these actions have a more cross-cutting nature rather than relating to specific topics, and, except for monitoring actions, have been introduced in the current programming period, they are lower in number and register less involvement from participating countries than the other joint actions assessed. Overall, the programme has so far supported a total of nine capacity building actions involving 67% of the participating countries, eight monitoring actions involving 41% of countries and five communication actions involving 58% of eligible countries. Despite the low levels of participation, these joint action types were perceived as valuable by national customs administrations consulted. For example, capacity building actions were positively rated for enhancing the skills and competences of national customs officers, through their support to eLearning activities and the Customs Competency Framework. They were also instrumental in providing guidelines and tools for improving job descriptions and classifications, thus contributing to human resources management. Communication actions provided value through supporting the development of uniform communication materials available for use to all participating countries, irrespective of their participation in the joint actions. These materials would not have been produced without programme support. Even though monitoring actions have not been numerous, national administrations noted that they help identify gaps and lead to recommendations for solutions of specific problems. They also provide good opportunities to exchange experiences and working methods.

**Expert teams** have been introduced as a new type of joint action in the current programming period and are budgeted separately. In total, EUR 1 million were committed in 2015 for expert groups, and EUR 2.037 million in 2016, which represents around half the budget of project groups. Even though there were no new expert teams launched in 2017, the expert teams launched in 2016 continued their operations during 2017. In a similar line as project groups, expert teams deal with specialised topics. However, they primarily involve participating countries sharing particular interests and

skills on the topics being covered, and are therefore seen as providing opportunities for more practical collaboration 'in the field' through visits. Table 18 below outlines committed expenses for expert teams for the period under evaluation.

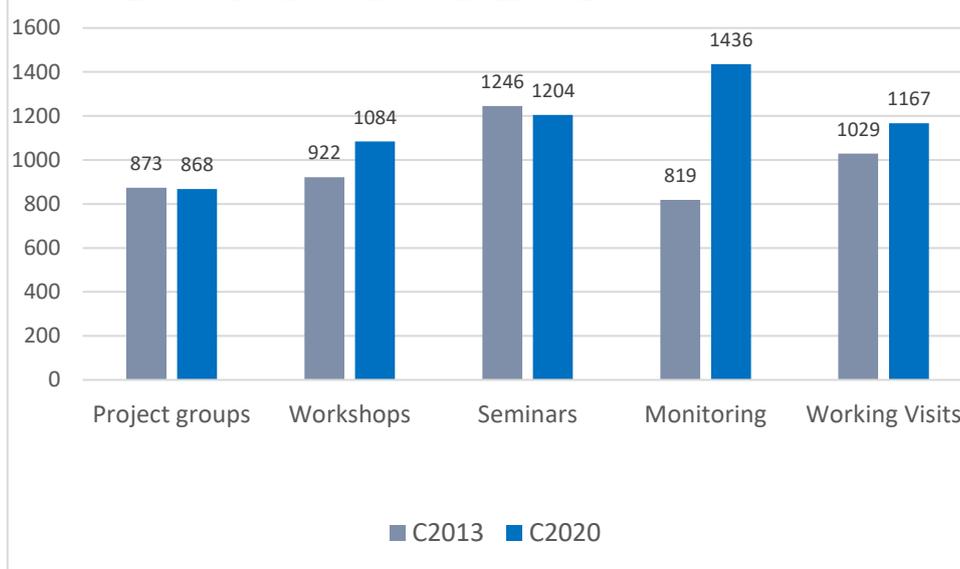
**Table 18: Committed expenses for expert teams (2014-2017)**

	2014	2015	2016	2017	Total (2014-2017)
New Import Control System ICS	-	1 000 000	-	-	1 000 000
Pooling expertise to resolve complex cases of divergent tariff classification	-	-	500 000	-	500 000
Pooling, sharing analytical expertise of Customs Laboratories at EU level	-	-	610 000	-	610 000
Customs Eastern and SE Land Border CELBET	-	-	927 000	-	927 000
<b>Total</b>	-	<b>1 000 000</b>	<b>2 037 000</b>	-	<b>3 037 000</b>

Source: Annual Work Programmes 2014-2017

Overall, joint actions have maintained stable costs per participant (according to standard accommodation and transport expenses) between 2014-2017 and often provide benefits additional to the programme's objectives. As reflected in Figure 26 below, average costs per participant per type of joint action are also comparable to average costs under the predecessor Customs 2013 programme. In particular, average participant costs for project groups are slightly lower under the current programme, whereas average participant costs for workshops, seminars and working visits were comparatively lower under Customs 2013. The main difference is in relation to monitoring actions, which register significantly higher average participant costs in the current programming period. However, as highlighted above, the limited number of monitoring actions that have been funded under the current programme suggests that this comparison should be read with the caveat that average participant costs may be inflated a small number of particularly expensive actions.

**Figure 26: Average cost per participant by type of joint action for C2013 and C2020**



Source: Customs 2013 Final Evaluation Report and Customs 2020 programme management (from 'actual costs per action data excel file')

### 8.3. Customs European Information Systems

The annual committed expenses for Customs European Information Systems during the first four years of the Customs 2020 programme amounted to 84.6% of the total programme budget (€ 56.3 million in 2014, € 58 million in 2015, € 58.1 million in 2016 and € 71.8 million in 2017). 17.9% of the total budget has been allocated to maintaining the CCN/CSI, the essential network that provides the platform for all trans-European IT systems. 40.0% goes towards supporting operational costs of customs systems, 8.7% is for quality control and 33.4% is for upgrading and developing new customs systems, which have included development and updates of CCI, REX, AEO, BTI, NCTS applications. The table below shows that, while expenditure on each of these aspects has varied, overall spending went up significantly in 2017, largely as a result of increased expenditure for the development and support of Customs European Information Systems related to implementation of the Union Customs Code.

**Table 19: Budget estimates per year and main IT action categories (2014-2017)**

IT action category	2014	2015	2016	2017	Cumulative 2014-2017
<b>CCN/CSI</b>	€ 10 400 000	€ 11 760 000	€ 9 500 000	€ 12 150 000	<b>€ 43 810 000 (17.9 %)</b>
<b>Development of Customs systems</b>	€ 19 517 000	€ 21 000 000	€ 17 500 000	€ 23 450 000	<b>€ 81 467 000 (33.4 %)</b>
<b>Support for Customs systems</b>	€ 21 183 000	€ 20 241 000	€ 25 500 000	€ 30 700 000	<b>€ 97 624 000 (40.0 %)</b>
<b>Quality control for Customs system</b>	€ 5 200 000	€ 5 000 000	€ 5 646 000	€ 5 500 000	<b>€ 21 346 000 (8.7 %)</b>
<b>Total</b>	<b>€ 56 300 000</b>	<b>€ 58 001 000</b>	<b>€ 58 146 000</b>	<b>€ 71 800 000</b>	<b>€ 244 247 000 (100 %)</b>

Source: Customs Annual Work Programmes 2014-2017

Overall, this is the largest spending component of the programme and should therefore provide the most value. However, it is difficult to gauge cost-effectiveness of IT systems. Making communication and information sharing easier, and allowing customs procedures to go paperless, are important benefits, but ultimately, in the context of

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Customs 2020, setting up appropriate IT systems directly targets most of the five operational objectives of the programme.

It is synonymous with Objective 2 (to implement, improve, operate and support Customs European Information Systems), and is a requirement for the effective implementation of the Union Customs Code (Objective 1), an example of best practice sharing (Objective 3), and improves co-operation between customs authorities and outside organisations (Objective 5). These examples of benefits on the operational objectives of the programme are hard to quantify. Nevertheless, given the fact that there is no other funding mechanism for a trans-European system and the importance of modernising customs through IT, it is clear that any expenses towards this goal would be justified. This is validated through interviews and surveys with programme managers and national administrators.

Unfortunately, the data do not allow us to distinguish between most of the different systems in order to compare costs with demonstrated effectiveness. The importance of and favourability towards the CCN/CSI network and efforts to ensure its continued relevance are noted in section 4.3 under evaluation question 2, justifying the considerable expenditure on it. It is also worth pointing out some key findings on perceived benefits of Customs European Information Systems.

Regarding Authorised Economic Operators, case study interviewees noted that the programme would not be able to function without the EORI database, which identifies and tracks all EU Authorised Economic Operators. As there are no other programmes to provide this trans-European network for this purpose, the Customs 2020 programme is invaluable in supporting this initiative, and therefore results in the added benefit of improved trade facilitation and increased security.

Similarly, the CRMS is essential for facilitating the exchange of information for risk management purposes in the pursuit of increased safety and security. Again, interviewees mentioned the difficulty of quantifying the benefits of more efficient risk management procedures but see that it would outweigh all associated costs

Another major feature of the amended Union Customs Code, the transition from single authorisation to central clearance required a robust IT system, which led to the development of the CCI and AES. While interviewees recognise the importance of modernising EU systems to facilitate central clearance and the long-term benefits, many have noted their worries about the increasing costs for developing and implementing these IT systems.<sup>89</sup> Some continue to see it as a hard sell for some Member States who have seen their budget shrink over the past years, especially those requiring full new systems that are only partially covered by Customs.

Despite concerns that costs for IT systems might become too high, interviewees for case study 7 on the enforcement of Customs Union legislation and programme management emphasised the long-term benefits outweighing the costs, namely the harmonisation of customs procedures, sharing of information and generating economies of scale. They also recognised that although it can be challenging, many IT-related joint actions have specific goals to support national administrations with lower IT capacity, for example the project group to examine the impact of Union Customs Code-related IT requirements on national systems.

One of the main perceived strengths of the various Customs European Information Systems is their interoperability and interconnectivity, the ways they communicate with and complement one another. The Multi-Annual Strategic Plans ensure the management and coordination of all activities and tasks related to eCustoms projects. As an overall

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<sup>89</sup> It should be noted, as explained in more detail under Evaluation Question 2, that the Customs programme only finances EU IT systems. National components fall outside of the programme as they are fully financed from national budgets. As such, it has been difficult to retrieve estimates from Member States.

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project management tool, the MASPs lay out the strategic framework and milestones for the implementation of the eCustoms initiative. It is an essential instrument for ensuring operational planning and implementation of all eCustoms IT projects. As developed in more detail under evaluation question 2, engagement and enthusiasm of stakeholders consulted by the evaluation were especially evident for the horizontal architecture (such as CCN/CSI and CS/RD) and universally used centrally operated systems that have been in operation for a long time, such as Tariff Classification (TARIC), issuing of BTIs (EBTI-3), identification of traders (EORI) and transit declarations (NCTS) that were associated with key customs functions where the need to work together is strongest.

Data from the IT survey with national authorities also confirmed the consensus that the immediate and future benefits of appropriate IT systems outweigh the substantial costs and logistical burdens. In terms of helping Member States to reduce costs and generate economies of scale, centralised systems were appreciated, particularly by smaller Member States that would not have had the resources to develop their own systems. However, others mentioned the additional costs required when implementing new systems or replacing existing ones, as well as additional training costs.

#### **8.4. Common customs training**

Between 2014 and 2017, the budget for common training activities was 2.6% of the total Customs 2020 committed funds equalling € 7 507 000 (€ 1 500 000 in 2014, € 1 600 000 in 2015, € 2 662 000 in 2016 and € 1 745 000 in 2017)). As this is a small percentage of the programme's budget, and because new developments continually increase their reach without incurring much further costs, human competency building projects can be seen as highly cost-effective. Indeed, the steady growth of national customs officials who participated in the trainings and downloads from the public show that there is strong potential in this programme component.

A great achievement for Customs 2020 is the development and deployment of an extensive Union Customs Code EU eLearning programme to support the implementation of the new Union Customs Code that entered into force in May 2016. This programme consists of one overview module and 16 customs domain specific modules. Available statistics in the EU eLearning Survey Report for 2017 show a total of 21 607 customs officials trained on the Union Customs Code eLearning programme modules and 31 669 officials trained in 2017, representing an increase of 47% in the number of trainees from one year to the next. Projections for 2018 estimate 39 000 trainees in national administrations. Respondents to the evaluation questionnaire found the Union Customs Code eLearning programme particularly useful because it supplements and deepens knowledge received through national training programmes. In particular, the Union Customs Code module on the Customs Decisions Management System (CDMS) provided a useful introduction to the system of customs decisions and to the Trader Portal.

Other eLearning courses that were strongly used between 2014 and 2017 include AEO II (1 010 trainees), Car Search (2 837), Container Examination (1 556), DPC-C (1 542), EORI (2 179), intellectual property rights (1 992), SAMANCTA (2 424) and SP SASP (1 609).

All national administrations that responded to the survey used at least one of the Customs 2020 training modules and the majority did find benefit in the modules. In particular, there was consensus among survey respondents that the courses have led to a more uniform approach to the application of EU customs, and have increased the knowledge base and capacity of officials in their administrations.

Ultimately, once eLearning modules are set up, the cost for each additional user will continue to decrease as more people participate in the training. Especially, as courses initially produced for national administrations can be offered to economic operators, more people and organisations can benefit without adding much to the costs. Nevertheless, aiming to incorporate some of the recommendations on the training

courses (e.g. pre-translated to a broader menu of languages, focused on broader issues, more regularly updated and tailored to national specificities) is likely to boost broader usage and to provide further benefits. Some of the potential benefits include greater cooperation, enhanced uniformity and harmonisation in implementation of programmes or IT systems, and sharing of good practices. Furthermore, as IT services start playing a larger role in achieving Customs objectives, eLearning can start complementing this change as well.

### **8.5. Committed expenses and actual spending across programme activities**

Between 2014 and 2017, the average annual committed expenses for the Customs 2020 programme were € 72 180 million totalling €288 722 million. As mentioned above, the largest expense was IT procurements at 84.6%, followed with a significant gap by joint actions at 7.7% (or 12.6% including expert teams and studies). Training represented 2.6% of the programme budget.

**Table 20: Committed expenses per year and by main action categories (2014-2017)**

Action category	2014	2015	2016	2017	Total 2014-2017
<b>Joint actions (Grants)</b>	€ 5 993 000	€ 5 500 000	€ 5 400 000	€ 5 350 000	<b>€ 22 243 000 (7.7 %)</b>
<b>Joint actions (Reimbursements)</b>	€ 200 000	€ 200 000	€ 120 000	€ 170 000	<b>€ 690 000 (0.2 %)</b>
<b>Expert teams (Grants)</b>	-	€ 1 500 000	€ 1 960 000	-	<b>€ 3 460 000 (1.2 %)</b>
<b>Studies (Procurement)</b>	€ 2 300 000	€ 2 000 000	€ 3 445 000	€ 2 830 000	<b>€ 10 575 000 (3.7 %)</b>
<b>IT (Procurement)</b>	€ 56 300 000	€ 58 001 000	€ 58 146 000	€ 71 800 000	<b>€ 244 247 000 (84.6 %)</b>
<b>Training (Procurement)</b>	€ 1 500 000	€ 1 600 000	€ 2 662 000	€ 1 745 000	<b>€ 7 507 000 (2.6 %)</b>
<b>Total</b>	<b>€ 66 289 000</b>	<b>€ 68 801 000</b>	<b>€ 71 733 000</b>	<b>€ 81 895 000</b>	<b>€ 288 722 000 (100 %)</b>

Source: Customs 2020 Annual Work Programmes 2014-2017, figures rearranged into the main spending categories

The questionnaire with national authorities showed that most customs administrations (68%) were satisfied with the current allocation of budget, while only 14% were not satisfied and 18% did not respond. Those not satisfied expected programme funding to better support the specific needs of individual national administrations, which were already analysed under the relevance question. For example, they mentioned the need for the Customs 2020 programme to cover equipment requirements for border customs officers and the IT systems deemed necessary by the Commission, which are difficult for national funds to cover. Others hoped to see more funding for expert teams and geared towards activities that support cooperation with third countries.

Actual spending figures for available data (see Table 21 below) also show that the allocation of budget has been appropriate and reflects the legal base of the programme. Overall, actual spending has been slightly but not significantly below committed figures. The proportion of spending in various categories, in particular in relation to IT systems, is similar when comparing committed expenses and actual spending. Comparisons need to be done with caution as actual spending data is not available for some actions categories for specific years (e.g. reimbursements for joint actions, grants for expert teams, and procurement for training – which is not available throughout the period under assessment).

**Table 21: Actual spending per year and by main activity categories (2014-2017)**

Activity category	2014	2015	2016	2017	Total 2014-2017
Joint actions (Grants)	€ 6 323 000	€ 5 500 000	€ 5 400 000	€ 5 815 000	€ 23 038 000 (8.5 %)
Joint actions (Reimbursements)	-	-	-	€ 170 000	€ 170 000 (0.1 %)
Expert teams (Grants)	-	-	€ 1 767 365	-	€ 1 767 365 (0.6 %)
Studies (Procurement)	€ 1 184 798	€ 543 246	€ 1 063 863	€ 1 503 452	€ 4 295 359 (1.6 %)
IT (Procurement)	€ 53 911 965	€ 58 003 364	€ 56 303 431	€ 74 195 366	€ 242 414 126 (89.0 %)
Publications / Seminar		€ 227 550	€ 430 000		€ 657 550 (0.3 %)
<b>Total</b>	<b>€ 61 419 763</b>	<b>€ 64 274 160</b>	<b>€ 64 964 659</b>	<b>€ 81 683 818</b>	<b>€ 272 342 400 (100 %)</b>

Source: DG TAXUD, data provided by Programme Management Unit

It should be emphasised that the achievement of the programme's objectives (many of them intangible and policy-oriented) are difficult to quantify. However, it is possible to suggest that the Customs 2020 programme has been cost-effective because (i) no other programme exists or can exist to achieve the same objectives and (ii) the programme provides an extensive amount of benefits beyond the basic outputs and what national customs administrations could achieve on their own.

## 8.6. Summary of findings and conclusions

The mix of actions provided by the programme has contributed to help the EU and participating countries to pool resources to support the functioning and modernisation of the Customs Union and to strengthen the internal market.

### 8.6.1. Joint actions

Spending on joint actions represents a low share of the programme's budget. However, they are effectively targeting the programme's operational objectives and provide good benefits beyond their immediate outputs. Overall, the different types of joint actions are valued for their flexibility and the ability to foster both tangible outputs (e.g. guidelines or reports) and softer benefits (e.g. fostering trust and networking). Project groups are considered among the most effective programme mechanism providing opportunities for broad and inclusive collaboration. Seminars, workshops and working visits have been delivered at higher average participant costs than project groups, but they have led to important benefits, such as building momentum for new initiatives at national level or encouraging the exchange of practical experiences.

### 8.6.2. Customs European Information Systems

In line with the costs of developing and maintaining complex IT infrastructure, Customs European Information Systems account for the vast majority (over 80%) of the programme budget. Despite the challenges of measuring the cost-effectiveness of the IT systems supported by the programme (due to limited data on individual systems as well as difficulties to quantify benefits), in most cases there is a policy need for their existence which a priori justifies the large expenditure. Moreover, the evaluation has found the systems in large part to be effective, contributing substantially to collaboration and information sharing among relevant actors and contributing strongly to the programme's specific objectives. Interoperability and interconnectivity are highlighted among the main strengths of the various Customs European Information Systems, increasing their cost-effectiveness. The Multi-Annual Strategic Plans have also

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streamlined development and implementation processes, further increasing efficiency. Overall, while IT collaboration offers the potential to generate significant economies of scale by reducing the need for Member States to develop systems individually, many interviewees expressed concerns about the increasing costs for developing and implementing the national components of some of the systems.

### **8.6.3. Common training**

Common training receives the smallest allocation of funds, because even though it requires some infrastructure to set up and to produce content, the costs are minimal in comparison to Customs European Information Systems and to joint actions. One of the key achievements of the current programme has been the development and deployment of an EU eLearning programme to support the implementation of the new Union Customs Code. The steady growth of national customs officials who participated in the trainings and downloads from the public, coupled with the low marginal costs for each additional user, show that there is strong potential in this programme component. Recommendations for improving the training courses include pre-translation to a broader menu of languages, focus on broader issues, more regular updates and further tailoring to meet national specificities.

### **8.6.4. Committed expenses and actual spending across programme activities**

Overall, national customs administrations consulted by the evaluation felt that the programme helped to implement EU legislation quicker by allowing for harmonised approaches, and that it supported the sharing of best practices and solutions, and mutual understanding of objectives. The communication (especially through expert networks and IT systems) between national customs administrations is 'invaluable' and beneficial for protecting EU borders. Comparing actual spending data with committed expenses shows that the planned allocation of the budget generally matched what is actually required to implement the programme, though actual spending data is not available for all action categories throughout the period under assessment.

Suggestions for further effectiveness include raising awareness and encouraging more participation out of all EU Member States and participating countries. Furthermore, national administrations stressed the importance of continuing the programme to tackle future challenges, to develop and modernise legislation, and especially to continue supporting and maintaining IT systems.

### **8.6.5. Conclusions**

In conclusion, while we cannot monetise the benefits of each component of the Customs 2020 programme, holding up the findings on effectiveness alongside cost figures and the positive findings on operational efficiency makes a strong case that the programme overall is providing value for the EU and national customs administrations. Each of the three programme components (joint actions, Customs European Information Systems and common training) provides tangible outputs and considerable benefit beyond what national customs administrations could achieve on their own.

The joint actions account for about 10% of the programme budget and mainly fund travel and accommodation costs for Member State officials to meet each other and the Commission, and at first glance this could appear less important than the Customs European Information Systems in terms of contribution. However, the two types of activities are highly complementary, and the research conducted for the evaluation demonstrates that the gains from one type would be impossible without the other. The IT systems funded through the programme are intended to lead to economies of scale and reductions in overall costs associated with customs IT in relation to what the Member States would spend to attain similar functionality in the absence of the Customs programme. Both of these issues entail reducing the duplication of efforts by the

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Commission and Member State administrations. Centralised databases such as AEO, EORI, TARIC, Quota, REX and ECICS have reduced time and costs for national administrations, as the Member States do not have to store and update all the same information separately.

The steady growth of national customs officials participating in Customs 2020 trainings and the increase in downloads from the public evidence that there is indeed a strong potential in this programme component.

The joint actions, Customs European Information Systems and common training activities help the EU and national administrations to pool resources, enforce Customs Union legislation and function more effectively. The programme's value resides in helping to implement EU legislation quicker by allowing for harmonised approaches and in complementing national initiatives through sharing of best practices and solutions. Further up the causal chain, by supporting the internal market the programme should also increase trade by making it easier to deal with for e.g. the harmonised application of customs legislation.

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## 9. EVALUATION QUESTION 7: COHERENCE

**EQ 7: To what extent does the programme demonstrate internal and external coherence?**

### 9.1. Introduction

Coherence has both an internal dimension, related to how well the programme's many parts fit together, and an external dimension, related to its alignment with other EU policies and programmes. We address each of these two dimensions in separate sub-questions.

The research mainly relied on a review of documentation for Customs 2020 and other initiatives, with the support of interviews and questionnaires with national customs administrations. Feedback from the case studies also contributed to answering this evaluation question, by looking at activities not individually but rather how they work together to achieve common ends.

### 9.2. Internal coherence

The assessment of internal coherence itself involves several levels. At the conceptual level, the evaluation considered the programme's intervention logic (see Annex A) to test the strength of the logical links between the various levels of the causal chain. More practically, the evaluation also assessed the Annual Work Programme priorities and specific activities to see how well they fit with each other and the objectives of the programme. Internal communication and information-sharing channels and tools were also analysed to understand whether these encourage synergies and avoid duplication.

#### 9.2.1. Consistency between intervention logic, programme objectives, Annual Work Programme priorities and projects

The evidence assessed – including programming and reporting documents, as well as interviews with Commission officials, consultations with national authorities and findings from the case studies – confirms that there is **consistency between the intervention logic, programme objectives, Annual Work Programme priorities and projects.**

The programme's design is objective-driven, which means that all actions under the programme must refer to the objectives outlined in Regulation (EU) No 1294/2013 and the resulting priorities and projects in the Annual Work Programmes. Article 14 of the Regulation establishes the process through which each Annual Work Programme shall implement the objectives of the programme. The programme actions are determined in accordance with the general, specific and operational objectives, and the most appropriate method of implementation.

Each Annual Work Programme (2014, 2015, 2016) describes several projects grouped in function of the specific objective area to which they are mainly expected to contribute. Activities under the programme are in turn organised to support the achievement of the objectives of these projects. This multi-layered structure, with interrelated levels mirroring the programme intervention logic, has been instrumental for guaranteeing consistency between the higher-level objectives and the Annual Work Programme priorities and projects.

Despite the adequacy of the programme's structure, the overview of annual priorities and projects expected to contribute to the different specific objectives of the programme (see answer to Evaluation Question 4) shows that there are a number of priorities and projects that have been allocated under different specific objectives from one year to another. For example, the EU Customs Action Plan on intellectual property rights was expected to contribute to protecting the financial and economic interests of the Union and its Member States in 2014 and 2015, and in 2016 was shifted to contribute to

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increasing safety and security, protecting citizens and the environment and strengthening the competitiveness of European businesses. While this feature points out the flexibility of the Annual Work Programmes, it also leads to a certain degree of confusion in those who do not master the policy content, and shows the challenges of aligning priorities and projects to only one dimension of the programme's specific objective.

The actual approval of an activity under the projects depends if the initiative meets the programme's scope determined by the legal basis, the objectives, availability of budget and resources. Activities must hook into the projects identified and demonstrate that their objectives reflect clearly identified need for action according to the Union's policy priorities in the field of customs. Despite this requirement, feedback collected on lessons learned from the implementation of the 2015 Annual Work Programme and from interviews with national programme coordinators confirms that there are challenges at the level of activities, as the proposals of participating countries for different types of joint actions are not always linked with the corresponding programme scope, objectives and projects in the Annual Work Programmes. Rather, they stem from specific national needs. For example, national coordinators consulted by the evaluation recognised having difficulties and limited resources for reviewing and adapting working visit applications developed by customs officials in their administrations to ensure that they match programme requirements.

### **9.2.2. Synergies / duplications at different levels of the programme**

Overall, there was consensus that the design, continuity and management features of the programme have been instrumental for creating synergies and avoiding duplications at different programme levels. Both Commission officials and national authorities consulted agreed that the projects and activities selected and implemented have clear and distinct goals, and fit together well. The different priorities and projects under the specific objectives of the programme are expected to contribute in the longer term to the general objective of an improved functioning and modernisation of the Customs Union in order to strengthen the internal market. This is reflected both in the programme's intervention logic and in the Annual Work Programmes for 2014, 2015 and 2016.

The continuity of the programme, in particular the fact that it is the sixth Community action programme for customs, is a crucial element to understand how its different components fit well together. The successive iterations of the programme, and the external evaluations that have been regularly conducted to assess its implementation and results, have provided solid ground to consolidate the strong features and to adjust particular aspects where there was room for improvement. An example of the value of the gradual refinement of the programme in terms of synergies and complementarity is the introduction of expert teams in the current programme. These are able to play a concentrated supporting role for a variety of projects, as evidenced by their relevance according to many interviewees, and flexibility to be used for collaborations that respond to common needs, such as shared IT applications.

The programme management, which is centrally coordinated by DG TAXUD through a Commission Programme Management Team, is another factor that ensures internal coherence. The Commission Programme Management Team is the unique contact point for all programme related issues in the Commission and acts as central coordinator of Customs 2020, which guarantees that all decisions are run through this team and avoids unnecessary duplications.

The Commission Programme Management Team is supported in its role by the following bodies:

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- **National programme coordinators** in the participating countries, who are responsible for the overall coordination of the programme in their administration. The participation of programme coordinators from national customs administrations in the management of the programme guarantees the smooth exchange of information and coordination at national level;
  - **Programme Coordination Group:** internal group within DG TAXUD with an advisory and supporting role for the programme, including in relation to programming, implementation and performance measurement. In particular, the role of this group is also instrumental to ensure internal coherence of the different levels of the programme by endorsing the final draft Annual Work Programmes before formal approval and the proposals for specific projects, and by advising and supporting the programme's monitoring and evaluation;
  - **DG TAXUD Board of Directors:** this group steers and takes important decisions on the programme, including the validation of the draft Annual Work Programmes and the identification of policy priorities for the Annual Work Programmes;
  - **Customs 2020 Committee:** this comitology committee assists the Commission when exercising its implementing powers for the implementation of the programme.

The work of the management and coordinating bodies is complemented by several coordinating activities and fora, including the Customs Policy Group, other comitology committees, expert groups and the programme's project groups with a coordination function. Their composition and roles are clearly set up in the Customs 2020 Programme Implementation Guidance.

Another example aimed at strengthening programme synergies and interlinks are the programme's activity schemes, which have been developed to support the transparency, management and coordination of the activities carried out under the programme. The schemes provide a visual overview of activities, with clear steering and reporting links to other fora. They are meant to provide both a snapshot of the overall EU customs activity at a given point in time, and on a regular basis through bi-annual updates.

Looking to other examples of synergies of different activity types (joint actions, IT systems, training) there are instances of clear cross-activity support and complementarity. As an example, the working visits are a type of joint action which – according to various interviews and review of ART data – can be used to support the implementation of a variety of different objectives and projects. This includes sharing of ideas and experience for the implementation of IT systems or carrying out processes developed through project groups. Interviewees mentioned the value of working visits to share concrete solutions and review best practices when implementing and making the most use of both established and emerging IT solutions. As another example, Union Customs Code Level 3 eLearning modules provide expert knowledge and practical applications on specific topics, including the use of IT systems.

As developed in detail in evaluation question 2, many project groups are quasi-permanent and serve as standing platforms for coordination at various levels. Relevant examples of project groups assessed as part of the case studies that contribute to guaranteeing internal synergies and complementarities within the programme, including between different joint activities, IT systems, training activities and participating countries, are highlighted below:

- **Risk Management Strategy Implementation Coordination Group (RIMSCO):** The idea behind setting up this group was to have a dedicated project group to support and monitor the coordinated and timely implementation of the EU Risk Management

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Strategy and Action Plan.<sup>90</sup> Feedback from members of the group indicated that RIMSCO plays a crucial role in implementing the EU Strategy for customs risk management. In particular, the group provides an appropriate framework for making strategic decisions on the implementation of activities for the action plan and has been crucial for keeping participating countries informed;

- **Electronic Customs Coordination Group (ECCG):** The ECCG was created to guide the development of IT capabilities connected to the full applicability of the Union Customs Code. The ECCG provides a platform that supports the development of consensus and helps to find common positions among participating countries and the Commission to support the implementation of e-Customs and IT systems defined in the Multi-Annual Strategic Plans. The ECCG enables national customs administrations to more efficiently implement e-Customs rules and tools. Discussions within the group gives participating countries the opportunity to benefit from experience sharing and best practices, and to discuss progress in relation to the Multi-Annual Strategic Plans, with a view to aligning national interpretation and implementation of the Union Customs Code. The work of the group ensures coherence between the customs legislation and the implementation of eCustoms. It also guarantees consistency between all projects related to eCustoms and between the projects and the Multi-Annual Strategic Plans;
- **Training Support Group (TSG):** The main aim of the Training Support Group is to contribute to the development and implementation of the EU Common Training Programmes mandate under the Customs and Fiscalis 2020 programmes. The group also acts as an information channel between the Commission and national administrations and plays an active role in sharing best practices among participating countries. The Training Support Group was praised by national administrations consulted for its potential to harmonise training practices and tools across the EU with a view to achieving a positive impact on customs performance. The group also allows the Commission to find out about the training needs of national administrations, and provides a forum to discuss progress in relation to the EU Competency Framework for Customs;
- **Project group on Coordination of Excise and Customs Procedures:** this cross-programme action brought together stakeholders from both customs and tax administrations to support better cooperation in excise and customs procedures and corresponding customs IT applications that have arisen regarding the introduction of the Excise Movement and Control System. National authorities consulted as part of the case study on cooperation between Customs and Fiscalis 2020 perceived the project group as a valuable way to build relationships, and increase understanding between taxation and customs officials, both within and between national administrations.

### **9.2.3. Strength of internal communication and information-sharing practices within the programme**

Programme-related communication falls under the responsibility of the Commission Programme Management Team. This management team is directly responsible for creating the main communication tools and running some of the communication channels, including communication inside DG TAXUD, as well as to other stakeholders at EU and national levels within the world of the programme. Communication is important as Commission officials within DG TAXUD are key multipliers of the programme and therefore need the necessary tools and coaching to disseminate information about the programme.

Given the multiplicity of groups involved in the management of the programme, including the management and coordinating bodies presented in the section above, and

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<sup>90</sup> The EU Risk Management Strategy and Action Plan was adopted in August 2014 by the Commission to improve customs risk management. It was published in COM(2014) 527 final together with a detailed action plan.

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the numerous projects and activities carried out, the Programme Implementation Guidance recognises the importance of efficient coordination and communication mechanisms and channels between the programme management bodies and with other coordinating bodies. At EU level, coordination and information flow are the responsibility of the Commission Programme Management Team, supported by DG TAXUD officials and senior management, who are in frequent contact with national customs administrations and other relevant stakeholders. At national level, communication is tasked to national programme coordinators and delegates of the Customs 2020 Committee. In this context of multiple programme multipliers (both within DG TAXUD and at national level), internal communication and information-sharing practices are important to disseminate harmonised messages and to make use of available communication tools and channels.

A positive example of internal communication and coordination relates to DG TAXUD's overall annual financial and policy planning process, which includes the preparation of the programme's Annual Work Programmes, identifies IT and training needs, as well as requirements for studies and communication activities to be conducted under or outside the Customs 2020 programme. This is a participative process, involving collaboration between various management bodies and consultations with participating countries. The first draft of the Annual Work Programmes is developed by the Commission Programme Management Team, with support from the Programme Coordination Group. This draft document is presented to the participating countries for written consultation and may be also discussed in a preparatory workshop. A second draft of the Annual Work Programme is then consolidated and submitted for an Inter-Service consultation with Commission services, which results in the opinion of the Annual Work Programme by the programme committee delegates and the adoption of the financing decision (depending on the Committee's opinion).

Findings documented in this section suggest that while internal coherence of the Customs 2020 programme has been facilitated by the programme's design and its management characteristics, synergies and complementarities require in practice a successful exploitation of information sharing features between different programme stakeholders, as well as effective communication and dissemination of key programme tools and messages.

### **9.3. External coherence**

To investigate external coherence, we focused on the programme's envisaged contributions to the Europe 2020 Strategy as defined in the Regulation. We also attempted to identify specific examples of synergies between Customs and the work of other DGs, EU offices and services, such as the European Anti-Fraud Office (OLAF) and the Structural Reform Support Service (SRSS) managing the Structural Reform Support Programme (SRSP). Last, we investigated involvement of third countries in programme activities, given the requirement in the Customs 2020 programme Regulation to support accession and association of third countries by welcoming their participation.

#### **9.3.1. Consistency of Customs 2020 with the Europe 2020 Strategy**

Recital (2) of the programme Regulation states that the activities under the Customs 2020 programme (including the European Information Systems, the joint actions and the common training initiatives), *"will contribute to the realisation of the Europe 2020 Strategy for smart, sustainable and inclusive growth by strengthening the functioning of the internal market."*<sup>91</sup>

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<sup>91</sup> Regulation (EU) No 1294/2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020 programme).

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The achievement of the objectives of the Europe 2020 strategy and the functioning of the EU rely on the EU's Multiannual Financial Framework (MFF). The current MFF which runs for the period 2014-2020 is divided into six broad categories of expenditure corresponding to different areas of EU activities.<sup>92</sup>

The Customs 2020 programme is a sector-specific EU operational spending programme, which is funded under the first Multiannual Financial Framework's heading of Smart and inclusive Growth, and which supports the functioning and modernisation of the Customs Union. The programme achieves this objective by supporting a highly secured communication network allowing the exchange of information between national customs administrations and by promoting knowledge-sharing and networking between customs officials in participating countries. There was broad consensus among national authorities consulted that the networking component of the programme is extremely beneficial for their administrations, and there were suggestions to more formally embed this feature in EU common training activities (see answer to evaluation question 4).

In a similar line as developed in the section on internal coherence of the programme, the nature of the programme's design, with all actions aligned to broader programme priorities and objectives, guarantees consistency of the programme's activities with the Europe 2020 Strategy and priorities. As highlighted in DG TAXUD's Strategic Plan for the period 2016 to 2020, the Customs 2020 programme contributes to the Europe 2020 Strategy, in particular regarding the improvement of Europe's competitiveness and productivity, which ultimately leads to economic growth and investment and the creation of jobs. The following examples show ways in which the programme, through its different components, contributes to the Europe 2020 Strategy:

- by supporting the implementation of the **Union Customs Code** through joint actions, Union Customs Code IT systems and Union Customs Code eLearning modules, the programme contributes to the introduction of simplifications of existing procedures that have the potential to facilitate trade and reduce costs for businesses;
- by supporting the implementation of the **Authorised Economic Operator** programme and related systems, the programme facilitates the movement of legitimate trade and allows compliant and trustworthy traders to benefit from maximum simplifications;
- by supporting the implementation of the **Action Plan on intellectual property rights**, the programme fights against the increasing volume of trade in goods infringing intellectual property rights that threatens jobs, growth, innovation and competitiveness;
- by supporting the implementation of measures related to the **autonomous tariff suspensions and quotas** the programme supports the policy's objectives related to the competitiveness of EU businesses.

### **9.3.2. Number and quality of examples demonstrating positive contribution of the Customs 2020 programme to other EU initiatives**

Recital (11) of the Customs 2020 programme Regulation states that *"resources should be shared with other Union funding instruments if the envisaged activities under the Programme pursue objectives which are common to various funding instruments, excluding however double financing. Actions under the Programme should ensure coherence in the use of the Union's resources supporting the functioning of the Customs Union."*<sup>93</sup>The programme Regulation also makes reference to the links of the Customs 2020 programme with the European External Action Service, to facilitate policy

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<sup>92</sup> The six categories of expenditure include: (1) Smart and Inclusive Growth; (2) Sustainable Growth; (3) Security and Citizenship; (4) Global Europe; (5) Administration; and (6) Compensation.

<sup>93</sup> Regulation EU (No) 1294/2013

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coordination and coherence in relation to the Union's external strategies and actions, both on a bilateral and multilateral basis.

Commission officials and national authorities interviewed agreed that the Customs 2020 programme has a strong potential to contribute and to benefit from other EU initiatives. In particular, other financial instruments are available to address specific needs of national customs administrations, including for example equipment for border customs officials and funds for mandatory IT systems. Suggestions for EU programmes and funding instruments that could be used to a greater extent to complement work under the Customs 2020 programme include Horizon 2020, EU Structural and Investment Funds, EU Internal Security Fund and Connecting Europe Facility Fund.

Despite the references in the Regulation to the need for cooperation with other EU instruments, national authorities consulted argued that they did not see enough dialogue with other Commission Directorates-General and EU institutions, mainly as a result of under-exploited cooperation. In view of those consulted, there was room for raising the visibility of programme instruments and funding across other DGs and for providing more information about other complementary EU funding instruments to national customs authorities and economic operators, with a view to enhancing opportunities for more cooperation. IT synergies with other EU programmes that run significant electronic systems, in particular those impacting on business, could also be exploited by the Customs 2020 programme.

Findings from the Impact Assessment establishing the next Customs programme<sup>94</sup> and from relevant evaluation reports and communication material provide positive examples demonstrating synergies with other programmes, including:

- **Single Market Programme:** actions under this programme, managed by DG Internal Market, Industry, Entrepreneurship and SMEs, are complementary to those of the Customs and Fiscalis 2020 programmes, with the aim of improving the functioning of the internal market. In particular, the Single Market Programme includes a budget line that finances activities (mainly studies) which support the Commission in developing EU customs and tax policy;
- **Internal Security Fund and Instrument for Border Management and Visa:** the Internal Security Fund supports actions with a focus on the prevention, detection and investigation of criminal offences by police and other law enforcement authorities. The instrument for Border Management and Visa financed actions focused on migration and border management. Despite the links, the Impact Assessment identifies scope for more complementarities with these two funds, managed by DG Migration and Home Affairs. In particular, through better operational collaboration, including between electronic systems and joint operations and controls;
- **Structural Reform Support Programme:** coordinated by the Commission's Structural Reform Support Service, this programme provides tailor-made support to EU countries for their institutional, administrative and growth-enhancing reform processes. Areas of support include governance and public administration, revenue administration and public financial management, rule of law, anti-corruption, anti-money-laundering and anti-fraud activities, migration and border control. The support provided to Greece's structural reform process in recent years shows links with the Customs 2020 programme. Specialised customs support and expertise was mobilized to contribute to the reform of the customs administration in Greece;

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<sup>94</sup> Commission staff working document, Impact Assessment accompanying the document, Proposal for a Regulation of the European Parliament and of the Council establishing the 'Customs' programme for cooperation in the field of customs, June 2018.

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- The **Hercule programme**, launched in 2004 and dedicated to fighting fraud, corruption and other illegal activities affecting the financial interests of the EU, was mentioned as an example of an EU instrument with synergies to the Customs programme. Managed by the European Anti-Fraud Office (OLAF), the programme helps national law enforcement authorities in their fight against illegal cross-border activities by financing technical and operational support and professional training activities. Findings from the recent mid-term evaluation of Hercule III, the current iteration of the programme launched in 2014, evidenced positive perceptions from representatives of EU and national institutions interviewed on synergies with the Customs 2020 programme. One of the main complementarities highlighted was the possibility for national administrations of applying for funding under Hercule III to purchase customs equipment, which is not available under Customs 2020. However, the evaluation also pointed to a lack of awareness of the Customs 2020 programme among officials interviewed. This suggests that synergies are not fully exploited and that knowledge of complementary funding opportunities offered by each programme that could be of interest to national customs officials could be enhanced if more information was made available in both directions.

### **9.3.3. Number of third countries participating in (or cooperating with) the programme and extent of their participation and cooperation**

As stated in recital (3) of the programme Regulation, *"in order to support the process of accession and association by third countries, the Programme should be open to the participation of acceding and candidate countries as well as potential candidates and partner countries of the European Neighbourhood Policy if certain conditions are fulfilled."*<sup>95</sup>

The Regulation also strongly promotes the involvement of external experts in programme activities on an ad-hoc basis, including officials of third countries, representatives of international organisations or economic operators in certain activities.

Cooperation with third countries and other stakeholder groups is one of the operational objectives of the Customs 2020 programme. Under this objective, the programme finances joint actions that support cooperation with third countries, as well as the use of training outputs by economic operators and the use of European Information Systems for exchange of information with third countries. Both Annual Progress Reports and evidence from questionnaires with national authorities confirm that the number of third countries participating in the programme and their participation have increased during the first three years of implementation of Customs 2020.

In relation to joint actions supported, PMF-related indicators in the Annual Progress Reports reflected a rise in the number of JAs organised under this objective (22 in 2014, 44 in 2015, and 44 in 2016). In particular, the reports confirmed an increase of working visits between 2014 and 2015, as well as the organisation of several seminars, workshops and project groups. Most project groups dealt with customs cooperation on various issues with third countries, including Russia, Ukraine, Moldova, Georgia, Belarus, China, Canada, Japan, Morocco and the United States, as well as multilateral initiatives involving cooperation at regional level.

In the area of exchange of information through IT systems with third countries, Annual Progress Reports confirmed cooperation with 10 countries in 2014 (including Japan, the United States, Norway, Iceland, Switzerland, Liechtenstein, Andorra, San Marino, Russia and Turkey). Two new countries (Former Yugoslav Republic of Macedonia and China) were added in 2015, and one additional country (Serbia) was included in 2016, bringing

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<sup>95</sup> Regulation EU (No) 1294/2013

the total of partner countries to 13. Information was exchanged concerning transit movements (NCTS) and authorised economic operators (AEOs).

**Table 22: Programme indicators related to operational objective 5**

	2014	2015	2016
<b>Number of joint actions organised</b> supporting the operational objective relating to co-operation with 3rd parties	22	44	44
Extent to which <b>working visits</b> achieved their intended result(s): average score on the scale of 0 (not achieved) to 4 (fully achieved)	Insignificant sample	3.5	3.5
Number of partner countries that the Customs Union <b>exchanges information with via IT systems</b>	10	12	13

*Source: Customs 2020 programme Progress Reports for 2014, 2015 and 2016*

In addition to the above reported indicators, other examples of cooperation with third countries include the development of an eLearning module on the Registered Exporter (REX) IT system. The training module was made available to customs professionals in the public and private sector from the EU and designated beneficiary countries eligible for the Generalised System of Preference (GSP) benefits.<sup>96</sup> Monitoring visits to third countries on the rules of origin have also taken place, including for example to the Philippines in 2016 and to other countries in 2017.

National authorities were asked to confirm the extent to which the joint actions supported under the programme had contributed to improving cooperation between customs authorities and third countries and other stakeholder groups (including international organisations, other governmental authorities and economic operators). There was widespread agreement amongst those who responded to the evaluation questionnaire that the programme's actions had contributed to this operational objective, though respondents were less emphatic on the extent to which this objective had been effectively achieved in comparison to other operational objectives.

## **9.4. Summary of findings and conclusions**

### **9.4.1. Internal coherence**

The evaluation confirms that, at a conceptual level, the programme's different components and levels fit well together and that there is consistency between the intervention logic, programme objectives, Annual Work Programme priorities and projects. The internal coherence is ensured by annual programming processes that are objective-driven, with priorities aligned with the higher-level general, specific and operational objectives of the programme.

At an operational level, the management features have been conducive for enhancing synergies and avoiding duplications. The Programme Management Team acts as a unique contact point and as a central coordinator of Customs, while several complementary programme bodies ensure the participation of national customs administrations and Commission stakeholders. Even though the programme's structure shows alignment between the programme's various levels, the evaluation found

<sup>96</sup> Thirty-five beneficiary countries are considered to apply to the REX system as from January 2017, including Angola, Burundi, Bhutan, Democratic Republic of Congo, Central African Republic, Comoros, Congo, Cook Islands, Djibouti, Ethiopia, Micronesia, Equatorial Guinea, Guinea Bissau, India, Kenya, Kiribati, Laos, Liberia, Mali, Nauru, Nepal, Niue Island, Pakistan, Solomon Islands, Sierra Leone, Somalia, South Sudan, Sao Tomé & Principe, Chad, Togo, Tonga, Timor-Leste, Tuvalu, Yemen, Zambia. A further 17 are considered to apply as from January 2018, including Afghanistan, Armenia, Bolivia, Ivory Coast, Eritrea, Gambia, Guinea, Malawi, Mozambique, Myanmar, Niger, Rwanda, Sri Lanka, Sudan, Swaziland, Syria, Tanzania. Twenty-two beneficiary countries will be considered to apply to the system as from January 2019, including Bangladesh, Benin, Burkina Faso, Cabo Verde, Cambodia, Haiti, Indonesia, Kyrgyz Republic, Lesotho, Madagascar, Mauritania, Mongolia, Nigeria, Paraguay, Philippines, Samoa, Senegal, Tajikistan, Uganda, Uzbekistan, Vanuatu, Vietnam.

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evidence of shifts of programme projects from one dimension of a specific objective to another in different years, which reflects the difficulties of aligning priorities exclusively under one particular aspect of the specific objective.

The continuous nature of the programme is another important success factor that has allowed it to consolidate successful features and to adjust aspects in need of improvement. Effective internal communication and information sharing features have reinforced the dissemination of programme tools and messages, contributing to increasing synergies and internal coherence.

Overall, actions reviewed as well as interviews with programme participants and national coordinators suggest different projects and actions do complement each other, and work as necessary pieces in the larger puzzle of Customs action. There exists room for further interactions between elements of the programme, which could especially be promoted through more awareness of the 'projects' structure of the Annual Work Programmes. Nonetheless, the breadth of topics covered mean there are natural limits to the degree of convergence and interconnection achievable. Given the complexity and scope of the programme, the synergies observed between different activities seem reasonable.

#### **9.4.2. External coherence**

External coherence of the programme with the Europe 2020 Strategy and priorities is a requirement in the Customs Regulation. Through its contribution to the improvement of Europe's competitiveness and productivity, including by supporting the implementation of the Union Customs Code, the Authorised Economic Operator Programme and the Action Plan on intellectual property rights among others, the Customs 2020 programme supports the objectives of the Europe 2020 Strategy.

The evaluation also found that there was ample agreement of the strong potential of the programme to contribute to and benefit from other EU initiatives, including for example Horizon 2020, EU Structural and Investment Funds, EU Internal Security Fund and Connecting Europe Facility Fund. However, relevant links and complementarities were identified with EU initiatives, including the Single Market Programme, the Internal Security Fund and Instrument for Border Management and Visa, the Structural Reform Support Programme, and the Hercule Programme.

In practice, national customs administrations agreed that there is scope for enhancing dialogue and cooperation with other EU instruments and for raising the visibility of the programme across other Commission Directorates-General and providing more information about complementary EU funding instruments to national authorities and economic operators.

Participation of and cooperation with third countries – which is one of the operational objectives of the programme – has expanded in the first three years of the current programming period, with Performance Measurement Framework indicators confirming an increase in the number of third countries participating in or cooperation with the programme and in their levels of participation.

#### **9.4.3. Conclusions**

There is **strong internal coherence between the various levels and components of the Customs 2020 programme**. This is the result of several factors, including an objective-driven design which ensures the alignment of the various levels of the intervention logic, from the general, specific and operational objectives, to the priorities and individual activities.

At an operational level, the centralised coordination of the programme and its continuous duration have contributed to enhancing synergies and avoiding duplication. However, the programme's internal coherence has been challenged by the difficulties in

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aligning annual priorities and projects to only one dimension of the programme's specific objective. In addition, national customs administrations have met with challenges in practice to ensure that their applications for joint actions adequately match programme requirements.

With regard to the programme's external coherence, **the work of Customs 2020 is complementary to that of other EU instruments.** The evaluation found a strong potential for the programme to contribute to and benefit from other EU initiatives. The fact that the design of the programme is aligned with the Europe 2020 Strategy and priorities guarantees its consistency with broader EU objectives.

In practice, there are clear synergies with other EU initiatives, including the Single Market Programme, the Internal Security Fund and Instrument for Border Management and Visa, the Structural Reform Support Programme, and the Hercule Programme. However, the evaluation also found that mechanisms for cooperation and communication with other Directorates-General are limited. Improving these would help ensure synergies are exploited in practice as well as in theory, and maximise the benefits for stakeholders at all levels.

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## 10. EVALUATION QUESTION 8: EU ADDED VALUE

**EQ 8: To what extent does the programme provide EU added value?**

### 10.1. Introduction

This final evaluation question assesses the **EU added value of the Customs 2020 programme**, i.e. the extent to which it generated benefits over and above what would have resulted from interventions at local, regional or national level. Although the Customs Union is an exclusive EU competence which means that subsidiarity principles do not apply, the right to EU action is assumed but the conditions of how this power is used are not. Proportionality needs to be applied to ensure that actions are not more extensive than is necessary to achieve the objectives.

Some of the aspects under EU added value of the Customs 2020 programme are explored in the answers to other questions (mostly efficiency and effectiveness), such as contributions to reduced administrative costs for administrations. Given the importance of demonstrating EU added value, these aspects are nonetheless re-examined in the answer to the first sub-question. The complementarity of Customs 2020 to other initiatives at national level, the value of a common administrative culture, and the long-term sustainability of the outputs achieved if the programme was to be discontinued are also addressed under this evaluation question. The analysis is based on specific questions in the participatory methods, including the questionnaires with national authorities and economic operators, and interviews with Commission officials, national programme managers and programme participants conducted as part of the thematic case studies.

### 10.2. Contributions to policy-level objectives and reduced administrative costs and burdens

#### 10.2.1. Efficiency gains, economies of scale, reductions in administrative burden and perceived added value generated by the programme

Overall, as developed in detail in the sections on effectiveness and efficiency, the Customs 2020 programme and the different types of activities funded were perceived to have added value to the work of national customs administrations and economic operators by generating clear efficiency gains and economies of scale. In fulfilling its supporting function, the programme has resulted in reductions in administrative costs and burdens than would otherwise have been the case, particularly regarding the implementation of EU legislation.

##### *a. Joint actions*

Regarding the several types of joint actions available under the programme, national administrations were particularly satisfied with the potential for economies of scale generated through the exchange of information and experience, opportunities for networking during and after the actions, and the possibility to enhance the understanding of common problems and options for solutions.

Seminars and workshops were considered to offer the potential for efficiency gains at national level by creating unique opportunities for exchange and compare strategies, approaches and methodologies on diverse topics. In addition, another key benefit is their contribution to ensuring a common understanding and interpretation of EU customs legislation and rules. For example, findings from the case studies show that the high-level seminar on cooperation on intellectual property rights infringements provided a platform for strengthening customs controls on intellectual property rights related issues. In the absence of programme support, these links would have been irregular, established on an ad-hoc basis,

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Project groups are particularly beneficial for developing concrete solutions to common problems across a broad range of policies and practical areas, for example in relation to intellectual property rights, risk management and supply chain security, centralised clearance or the Union Customs Code. By pooling knowledge and experience between and within participating countries, as well as with the Commission, they result in clear efficiency gains and economies of scale, and reduced administrative burden for both national administrations and economic operators. In particular:

- project groups supporting the Authorised Economic Operator concept have provided a forum for national administrations and businesses for improving awareness and ownership of the initiative, for developing common tools and for enhancing partnerships;
- project groups in the area of risk management have supported the development of systems that make it easier for different administrations to carry out risk management tasks;
- project groups supporting the implementation of the Union Customs Code rules have provided national customs authorities with a platform for consulting and sharing information on the implementation of the Union Customs Code.

Working visits were particularly praised by national administrations for providing opportunities for focused in-depth exploration of specific topics of mutual interest. For visitor countries, in particular candidate countries, the working visits are seen as a source of inspiration of experiences and practices from the host country that can be adapted to national circumstances. As an example, working visits related to Single Authorisation for Simplified Procedures have contributed towards exchanging best practices, ultimately supporting the harmonisation of approaches and rules across Member States.

Among the newly introduced joint actions, one example of a type of action with clear EU added value are the expert teams. Almost all participating countries have made use of this specific action, and their potential to generate efficiency gains and economies of scale was highlighted both by national customs administrations and Commission officials consulted. The modality involves an intense collaboration mechanism between experts from different participating countries over an extended period. Among its main benefits, national authorities highlighted the possibility to involve interested participating countries with similar interests and challenges to cooperate and harmonise customs activities, especially in the area of customs border control (e.g. CELBET), or in joining forces for the development of IT systems or modules.

### ***b. Customs European Information Systems***

Programme support in the area of Customs European Information Systems has resulted in clear EU added value by contributing to harmonising business and administrative processes in the run-up to meeting the requirements set out in the Union Customs Code. Despite recognising the need of participating countries to invest substantial resources in the development and maintenance of the centralised IT systems, the centralised solutions were perceived to have brought substantial benefits for national administrations.

While many national customs administrations consulted highlighted the difficulties in estimating cost reductions, there was consensus that EU IT systems supported by the Customs programme had helped national administrations save time and human resources, and to work more efficiently as a result of automated procedures and paperless processes implemented. This was especially the case of smaller participating countries with more limited resources. These have benefited from EU support among other things by being able to allocate limited human resources to other projects. In addition, EU IT systems were also perceived to have helped to reduce the time needed for customs procedures in all Member States.

Concrete examples of costs savings brought by specific EU IT systems identified by national authorities who responded to the IT questionnaire are outlined in Table 23 below.

**Table 23: Examples of cost savings brought by EU IT systems**

Systems	Examples of systems that have brought cost savings
<p><b>Trader management</b> (<b>AEO, CRS, CDS, EORI, Export MRN follow-up, REX, Transit MRN follow-up, RSS</b>)</p>	<ul style="list-style-type: none"> <li>- <b>CDS</b>: contributes to a paper-less environment. Its central implementation and maintenance has resulted in reduced costs for national administrations. There were some concerns that the current version of CDS is not cost-saving due to its errors</li> <li>- <b>REX</b>: has saved participating countries from developing national registration systems</li> <li>- <b>RSS (Regular Shipping Service)</b>: the process has been simplified because the centralised system has enhanced coordination between participating countries</li> </ul>
<p><b>Goods classification and tariff management</b> (<b>CN, EBTI online services, EBTI-3, ECICS, QUOTA online service, Quota production database, Suspensions, TARIC</b>)</p>	<ul style="list-style-type: none"> <li>- <b>TARIC and Quota</b>: the display of EU legislation documents in TARIC and QUOTA has reduced costs and time for national administrations, as users do not have to enter the EUR-LEX database to search for them</li> <li>- <b>ECICS</b>: has allowed for the classification of chemicals. In its absence, it would have been necessary to use online systems to retrieve the relevant information, resulting in additional costs and time</li> <li>- <b>EBTI3</b>: has saved some participating countries such as for e.g. Lithuania from developing national systems. The savings could be calculated on the basis of the potential costs of the national systems (had they been developed). The system has also supported other countries with national systems on binding tariff information in place, such as for e.g. Poland</li> </ul>
<p><b>EU movement control: import, export, transit</b> (<b>AEO-MR, ECS, ICS1, NCTS, NCTS-GMS, NCTS-TIR-RU, SW-CVED</b>)</p>	<ul style="list-style-type: none"> <li>- <b>ECS, ICS1, NCTS</b>: have saved participating countries from developing business analyses and functional and technical specifications. These services monitor, complement and support national administrations with tools and methods (i.e. CS/MIS, incident tracking, webinars etc) providing a very valuable and effective mechanism</li> <li>- <b>SW-CVED</b>: has accelerated customs clearance and supported paper-less business, reducing costs</li> </ul>
<p><b>Risk management</b> (<b>COPIS, CRMS, SMS, Surveillance</b>)</p>	<ul style="list-style-type: none"> <li>- <b>COPIS</b>: has provided participating countries with important support in the area of intellectual property rights</li> </ul>
<p><b>Other</b> (<b>CCN, CS/RD, CS/MIS, STTA, TTA</b>)</p>	<ul style="list-style-type: none"> <li>- <b>CCN</b>: contributes to a simplification of procedures, and thus to a reduction in time needed to process a request.</li> <li>- <b>STTA (Standard Transit Test Application)</b>: valuable testing tool for NCTS and ECS. In its absence, it would have been necessary to develop a national level testing tool, resulting in additional costs and time</li> </ul>

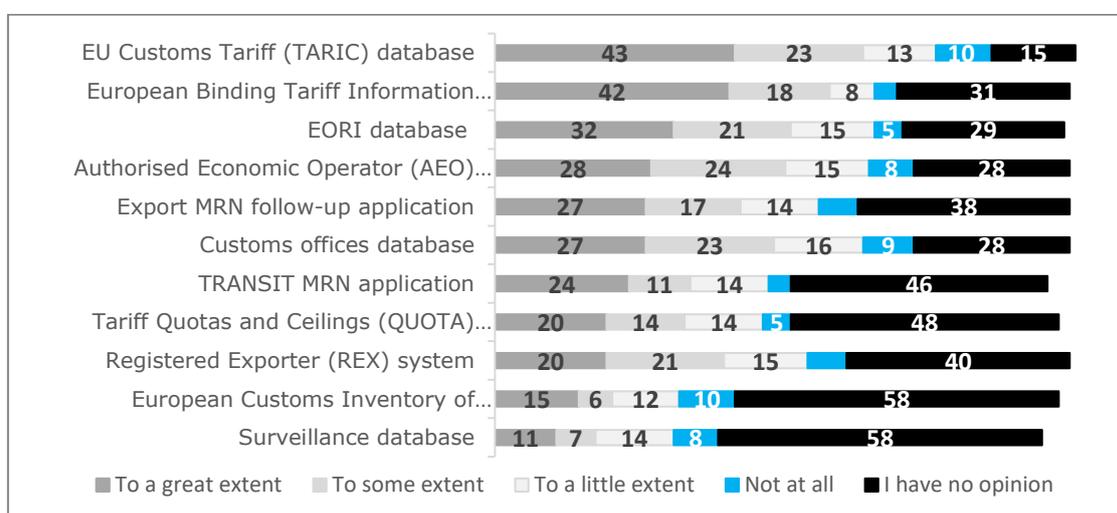
Source: Evaluation questionnaire with national authorities – part 2 (IT systems)

Despite the consensus on the efficiency gains resulting from centralised IT systems, there were a few negative views. These mostly stemmed from the investment needed to implement and / or ensure compatibility with existing national systems.

The survey with economic operators evidenced lower levels of awareness among stakeholders in this group on the extent to which the EU systems added value to the services provided by their own country's customs authorities. The TARIC, EBTI and EORI databases ranked the highest, with the Authorised Economic Operator database, export MRN follow-up application and customs offices database also ranking positively. A large number of respondents did not have an opinion about or were not aware of several of the IT services in the Customs programme portfolio.

The TARIC database was a positive example because it provided publicly available information on customs tariffs at no extra cost, which is particularly useful when the EU Member State in question does not provide much information or for non-EU operators to access EU customs information. In some cases, the national database includes the TARIC database and provides a more complete system for the economic operators. Economic operators provided suggestions for additional customs information they would find useful, including e-customs statistics, links to Free Trade Agreements and an online tool for preferential calculation for specific products.

**Figure 27: Added value of Customs IT services (number of respondents)**



Source: Evaluation survey with economic operators

### c. Common training activities

The programme's common training activities were also assessed positively in terms of their contribution to helping national customs administrations and economic operators to better understand and implement EU customs legislation and its related procedures. A better understanding and implementation is in turn expected to lead to more uniformity and efficiency of customs operations throughout the EU and to further enhance the consistent performance of national customs administrations across Member States, benefits that would not be possible to achieve by national administrations acting on their own.

The majority of respondents to the questionnaire with national authorities (20 out of 26) were most in agreement that without Customs 2020 training modules, their administrations would have needed to find alternative sources of training for important topics. Priorities which were highlighted as particularly relevant for national training by those consulted included the Union Customs Code, intellectual property rights, drug precursors and IT systems.

EU common training activities have been considered of particular added value to national administrations in relation to the implementation of the Union Customs Code. The access to systematised and comprehensive information through the eLearning modules and their availability to a wide range of customs officials and economic operators is a concrete possibility offered by the Customs 2020 programme, which has

resulted in clear efficiency gains (i.e. common training modules reaching out to larger numbers of participants than would have been the case at national level, and at lower costs than traditional classroom training). Despite the positive feedback, national customs administrations consulted also expressed concerns about the costs related to translation and localisation of the EU training modules.

### 10.3. *Complementarity with activities and policies of the Member States*

#### 10.3.1. **Synergies between Customs and specific initiatives at national level**

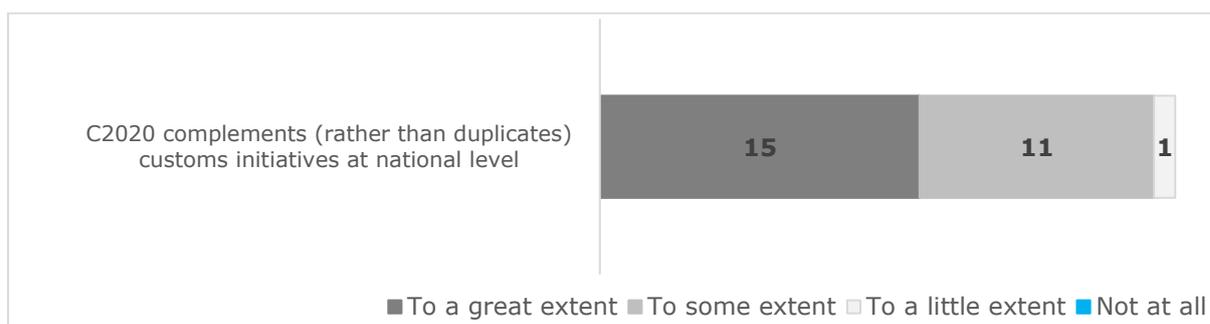
The programme Regulation justified the establishment of the Customs 2020 programme by ratifying that the predecessor programme had significantly contributed to facilitating and enhancing cooperation between customs authorities within the Union. Recital (1) of the Regulation acknowledges the cross-border nature of many of the activities in the customs area, involving and affecting all Member States.

Within this framework, the Regulation confirms the need for collective action at Union level to achieve a more cost-efficient cooperation than would result if each Member State were to set up individual cooperation frameworks on a bilateral or multilateral basis.

Evaluation findings confirm that the programme has been effective at attempting to provide solutions for problems and issues for which there is a clear EU dimension.

More specifically, findings from the evaluation questionnaire with national authorities showed broad levels of agreement regarding how the Customs 2020 programme complements (rather than duplicates) customs initiatives at national level, with 25 out of 28 respondents who agreed to a great extent or to some extent with the statement. Specifically, the programme was considered to support the sharing of best practices and mutual understanding of objectives; and to ensure equivalent standards and pooling of experience between participating countries.

**Figure 28: Synergies between Customs 2020 and national initiatives (n=27 respondents)**



Source: Evaluation questionnaire with national authorities

Examples of programme instruments and activities complementing national customs initiatives extracted from Customs 2020 programme sources and from the evaluation case studies are detailed below.

EU IT systems developed and implemented with Customs programme support are an essential feature for the proper implementation of the Union Customs Code. Their main EU added value resides in their contribution to enabling harmonised rules in the Customs Union, without which no level playing field for European trade is possible. Customs plays a key role coordinating and ensuring the overall vision of the Union Customs Code through the Multi-Annual Strategy Plan. The development and implementation of the EU IT systems is carried out in close coordination between the Commission and national customs administrations. The European Information Systems and the closed and secure Common Communication Network/Common Systems Interface (CCN/CSI) supported by

the Customs programme play an important role in interconnecting customs authorities and thus facilitating the cooperation between 28 national customs administrations. They allow information to be exchanged rapidly and in a common format that can be recognised by all national customs administrations. They have also been conducive to the convergence of administrative cultures across participating countries

Overall, national customs administrations agreed on a positive assessment of the extent to which EU IT systems complemented rather than duplicated other systems developed by national administrations or other organisations. Examples of duplications highlighted by certain administrations are reflected in the table below. However, these were considered unavoidable elements of the process of working towards a harmonised EU Customs Union. In some cases, duplications were also judged to be instrumental for cross-checking information or combining data.

**Table 24: Examples of Customs EIS complementing / duplicating national systems**

Types of systems	Comments
<b>Trader management</b> <b>(AEO, CRS, CDS, EORI, Export MRN follow-up, REX, Transit MRN follow-up, RSS)</b>	<ul style="list-style-type: none"> <li>- Positive examples of complementarity with EORI and central systems like CDS, though some duplicate national systems also reported in some countries (EORI in Belgium and Hungary)</li> <li>- CDS highlighted as both complementing and partially duplicating national systems in some countries (e.g. Greece, Hungary, Slovenia, where data needs to be entered in two systems), but duplications in the process of moving towards a harmonised EU service judged inevitable</li> <li>- REX highlighted as a good complement to national import customs declaration systems</li> </ul>
<b>Goods classification and tariff management</b> <b>(CN, EBTI online services, EBTI-3, ECICS, QUOTA online service, Quota production database, Suspensions, TARIC)</b>	<ul style="list-style-type: none"> <li>- TARIC positively assessed as it can be used in real time to support declarations processing</li> <li>- Duplicate national systems identified in the cases of TARIC, Quota and EBTI in for e.g. Hungary, Ireland, Lithuania, Poland though these were judged as instrumental for cross-checking information</li> </ul>
<b>EU movement control : import, export, transit</b> <b>(AEO-MR, ECS, ICS1, NCTS, NCTS-GMS, NCTS-TIR-RU, SW-CVED)</b>	<ul style="list-style-type: none"> <li>- NCTS, ECS and ICS were considered to play a significant role in complementing and integrating national processes</li> </ul>
<b>Risk management</b> <b>(COPIS, CRMS, SMS, Surveillance)</b>	<ul style="list-style-type: none"> <li>- Overall positive assessment of complementarity between EU and national systems in the area of risk management</li> <li>- Duplicate national systems SMS and COPIS in specific countries, e.g. SMS in Lithuania, COPIS in Croatia, Bulgaria and Poland</li> </ul>
<b>Other</b> <b>(CCN, CS/RD, CS/MIS, STTA, TTA)</b>	<ul style="list-style-type: none"> <li>- Some duplication with CS/RD, though positively assessed for being used in real time to support declaration processing</li> <li>- Increased complexity and administration regarding CCN linked to the existence of two platforms</li> </ul>

Source: Evaluation IT questionnaire with national authorities

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As assessed in detail under evaluation question 2, joint actions have also been instrumental for achieving different types of outputs that have enhanced synergies between programme and national activities. Evidence collected by the evaluation points out to numerous joint actions launched to support the development and implementation of Customs European Information Systems. For example, one of the main objectives of the Project Group to examine the impact of Union Customs Code related IT requirements on Member States' systems was to analyse possible options and solutions for a realistic common strategic planning between Member States. The Electronic Customs Coordination Group has established a platform for the Commission and the Member States to meet and discuss issues of common interest. In view of participants, the main added value of the group is that all participating countries are included and have access to the Commission's plans and to share best practices and challenges with other participating countries. In the absence of this group, national administrations highlighted that there would be "no consensus" in relation to the implementation of e-Customs.

More generally, the evaluation showed that the joint actions served to complement national initiatives by sharing best practices and increasing the propensity of officials to collaborate and thereby execute existing processes more effectively. Examples of this came up many times during the evaluation, including in relation to Authorised Economic Operators, intellectual property rights, European Customs Laboratories and Customs risk management, among others. Project groups were particularly effective in facilitating networks and enhancing collaboration between national customs administrations.

Many joint actions (mainly project groups and expert teams, but also workshops and seminars) have supported the practical design and implementation of initiatives at national level, or have been effective for sharing policy developments between participating countries. Working visits in particular, but also monitoring visits, have provided officials opportunities to learn from other countries, for example in relation to customs border enforcement, simplified procedures, or intellectual property rights infringements.

Findings for the case study on the human competency building component of the programme confirm that common training activities were clearly seen to complement action at national level. eLearning modules developed under the auspices of the programme were often integrated with national training curricula.. Performance Measurement Framework indicators reported in the Annual Progress Reports evidenced high levels of uptake of the Union Customs Code eLearning programme, with 15 participating countries immediately integrating the Union Customs Code overview course and between 9 to 12 countries incorporating the other domain specific courses. Given that eLearning courses are incorporated into national training programmes by the participating countries according to their needs, the high uptake levels registered provide an indication of the EU added value of the modules.

The EU Customs Competency Framework was positively valued for providing tools for harmonising approaches across participating countries. The implementation modalities of the EU Framework are flexible enough to ensure coherence with national developments in the area. In fact, the purpose of the EU Customs Framework is to act as a reference point to guide national process. Decisions on the degree of alignment and elements to be adapted from the EU model are taken by national administrations based on their needs and experience. Austria, Serbia and The Netherlands all provide positive cases of complementarity of their national competency frameworks with the EU Framework. The Netherlands is among the most advanced Member States implementing the EU framework. Recent changes to Human Resources practices were designed using the EU Competency Framework material as an important source of information and guidance. The internal restructuring (in terms of functional domains, job descriptions and competency profiles) is aligned with the EU Customs Competency Framework. Training programmes have all been tailored to meet the requirements of the EU Customs Framework.

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### **10.3.2. Agreement among stakeholders that given Customs activities add value compared to other options for collaboration / policy implementation**

Evidence collected for the evaluation confirms that there is wide consensus among national customs administrations that **Customs 2020 activities add value compared to other options for collaboration and policy implementation**. However, given that the programme has been running for so long, it is difficult for stakeholders to specify the format and content of alternative forms of collaboration. In view of customs administrations, in the absence of an EU Customs programme, cooperation between participating countries would have to be based on informal unstructured relations, relations through lengthy official channels and reciprocity agreements, which would be significantly more difficult and costly to implement in practice. For example, several IT systems and databases such as REX or ECICS have been providing relevant information to national customs administrations, allowing for data exchange which they would have otherwise needed to request from the Commission or retrieved at their own expenses.

More specifically, findings from the evaluation questionnaire with national authorities showed broad levels of agreement with the contribution of the programme to implementing EU legislation and rules more quickly than would have been possible without the programme (26 out of 27 respondents agreed to a great extent or to some extent with this statement). In view of respondents, the programme has enabled a quicker implementation of EU legislation by allowing for a harmonised approach and providing support in important areas of customs activity. The sharing of information and best practices among participating countries, through e.g. the provision of a forum for discussions on legislative issues, were pointed out as positive elements supporting the implementation of EU legislation. Budgetary limits at national level were also mentioned as limiting factors, and it was highlighted that the legislative process would be delayed without programme support.

The financial support for several types of activities provided by the Customs 2020 programme was especially valued by smaller national administrations with more limited resources, who gained experience through learning from other countries' practices. Opportunities to take part in joint actions, including working visits, seminars, workshops or training activities among others, were judged to be very useful and to save resources for national administrations.

### **10.3.3. Consistency between Customs 2020 objectives and activities and initiatives by the Member States**

The approval of an activity under the programme depends if the initiative meets the programme's scope determined by the legal basis, the objectives, availability of budget and resources. In theory, activities proposed by participating countries must demonstrate that their objectives reflect clearly identified need for action according to the Union's policy priorities in the field of customs. Despite this requirement, feedback collected on lessons learned from the implementation of the 2015 Annual Work Programme and from interviews with national programme coordinators confirms that there are challenges at the level of activities, as the proposals of participating countries for different types of joint actions are not always linked with the corresponding programme scope, objectives and projects in the Annual Work Programmes. Rather, they stem from specific national needs. For example, national coordinators consulted by the evaluation recognised having difficulties and limited resources for reviewing and adapting working visit applications developed by customs officials in their administrations to ensure that they match programme requirements.

### **10.3.4. Agreement among customs administrations that administrative cultures have converged**

The Customs 2020 programme has been instrumental for building trust and leading to

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convergence with the customs administrations of EU Member States and other participating countries. The broad majority of respondents to the questionnaire with national authorities (27 out of 28) agreed to a great extent or to some extent with the contribution of the programme to building trust and convergence. Communication between participating countries was referred to as “invaluable” and beneficial for moving towards a harmonised application of common rules at the EU’s external borders. Information exchange and networking between national customs administrations were believed to be enhanced through different types of joint actions supported by the programme, in particular seminars, workshops, and working visits.

In the risk management field, the work of the Financial Risk Management Project Group was positively assessed for having elaborated a compendium of risks. In particular, this compilation was viewed as a step in the right direction towards a convergence-oriented programme in risk management within the EU.

In the area of intellectual property rights, the working visit of Estonian officials to Finland on intellectual property rights infringements was deemed relevant for supporting a common understanding in relation to combating infringements in this area. The similarity of challenges faced by both customs administrations in relation to the fight against intellectual property rights infringements contributed to a successful transfer of Finnish experiences and best practices to the Estonian authority. The differences in customs procedures that exist between the two countries were also considered useful sources of information for Estonian authorities, as they enabled Estonians to explore alternative ways for doing things differently.

More generally, networks between customs officials are crucial for several reasons. Most simply, they enable direct collaboration between officials from different countries. They also foster trust and thereby encourage the free sharing of information and uptake of common IT systems and other processes. In many cases, personal contacts are formed between officials following joint activities or projects, and participants often continue to work in a bilateral or multilateral frame following the end of an activity. In doing these things, networks play an important role in encouraging convergence. This view was supported by interview data, where several interviewees in different positions and working through different activities highlighted the sustaining contacts created in different programme activities. This is an important benefit of the programme, though less visible compared to the activities themselves.

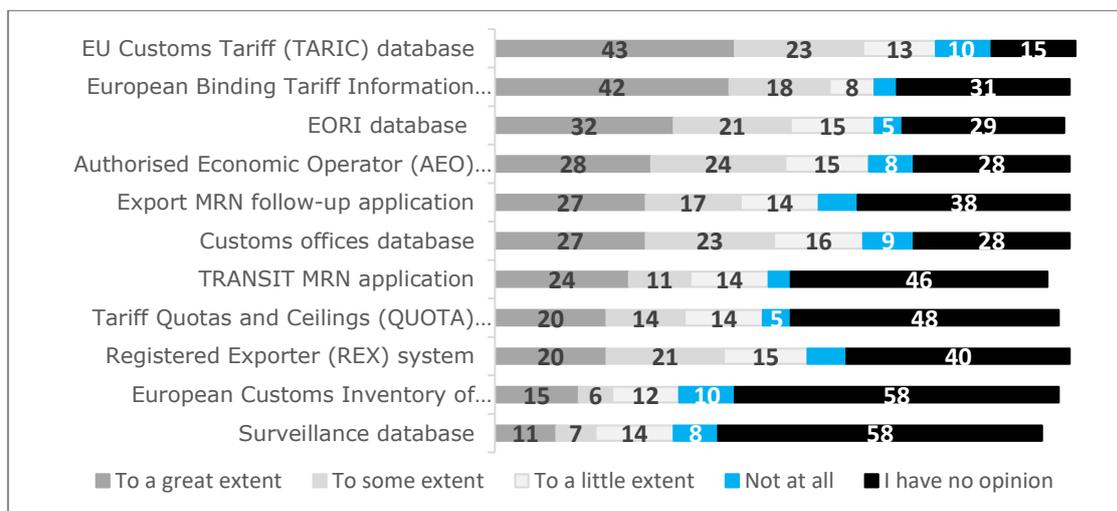
Examples of other programme activities that have enhanced the convergence of administrative cultures include the development and implementation of IT systems, as these connect customs authorities and facilitate cooperation between the national customs administrations across the EU, and the EU Competency Framework for Customs, which aims at harmonising and raising customs performance standards throughout the EU and which enhances the need for Union-wide sharing of national best practices and tools.

The survey with economic operators evidenced lower levels of awareness among stakeholders in this group on the extent to which the EU systems added value to the services provided by their own country’s customs authorities. The TARIC, EBTI and EORI databases ranked the highest, with the Authorised Economic Operator database, export MRN follow-up application and customs offices database also ranking positively. A large number of respondents did not have an opinion about or were not aware of several of the IT services in the Customs programme portfolio.

The TARIC database was a positive example because it provided publicly available information on customs tariffs at no extra cost, which is particularly useful when the EU Member State in question does not provide much information or for non-EU operators to access EU customs information. In some cases, the national database includes the TARIC database and provides a more complete system for the economic operators. Economic operators provided suggestions for additional customs information they would

find useful, including e-customs statistics, links to Free Trade Agreements and an online tool for preferential calculation for specific products.

**Figure 29: Added value of Customs 2020 IT services (number of respondents)**



Source: Evaluation survey with economic operators

### c. Common training activities

The programme's common training activities were also assessed positively in terms of their contribution to helping national customs administrations and economic operators to better understand and implement EU customs legislation and its related procedures. A better understanding and implementation is in turn expected to lead to more uniformity and efficiency of customs operations throughout the EU and to further enhance the consistent performance of national customs administrations across Member States, benefits that would not be possible to achieve by national administrations acting on their own.

The majority of respondents to the questionnaire with national authorities (20 out of 26) were most in agreement that without Customs 2020 training modules, their administrations would have needed to find alternative sources of training for important topics. Priorities which were highlighted as particularly relevant for national training by those consulted included the Union Customs Code, intellectual property rights, drug precursors and IT systems.

EU common training activities have been considered of particular added value to national administrations in relation to the implementation of the Union Customs Code. The access to systematised and comprehensive information through the eLearning modules and their availability to a wide range of customs officials and economic operators is a concrete possibility offered by the Customs 2020 programme, which has resulted in clear efficiency gains (i.e. common training modules reaching out to larger numbers of participants than would have been the case at national level, and at lower costs than traditional classroom training). Despite the positive feedback, national customs administrations consulted also expressed concerns about the costs related to translation and localisation of the EU training modules.

## 10.4. Sustainability of Customs achievements

### 10.4.1. Agreement that administrative cooperation and other achievements of the programme would continue without / with reduced funding

For evaluation purposes, sustainability refers to the lasting benefits of the programme and the extent to which they are dependent on continued funding. In order to apply this

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concept to the Customs programme, we considered several issues that would be of particular importance in the absence of further funding. For the IT systems, these consist of running, maintenance costs, ability of national administrations to use the systems provided through the programme on their own and the systems' fit within national IT architectures. We also looked at programme sustainability more generally, concentrating on its perceived achievements and their durability in the short and long term.

The financial data for the IT systems supported by the programme make clear that running costs are substantial. Data from DG TAXUD shows that support operations accounted for about 40% of the EUR 244 million dedicated to the IT systems during the first four years of the programme. This includes regular check-ups and updates performed on existing applications every year. The Annual Progress Report for 2016 confirmed that 439 business-driven evolutive changes and 627 corrective changes were implemented by the Commission. An additional 33% of the budget IT systems is dedicated to the development of new systems. In fact, the steady number of IT systems entering development and research phase in the current programme is the reflection of an increased activity in the preparation of IT systems for the full implementation of the Union Customs Code.

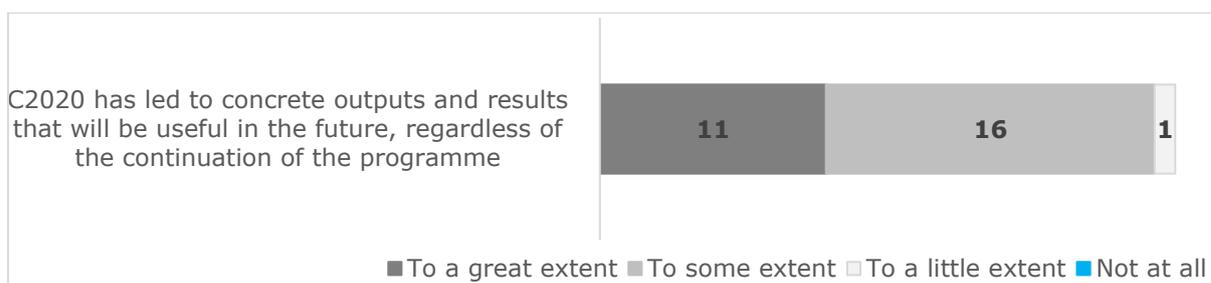
In the absence of programme funding the Member States could continue to use the trans-national systems until their eventual obsolescence by financing maintenance with national funds. As explained in section 4.1.3 on the programme's effectiveness, these systems were developed nationally and are thus compatible with existing IT landscapes. The central applications, however, depend on the Commission for key inputs. Unless a substitute for the Commission could be found to manage these systems, it is unlikely they would be of use without a successor programme to Customs 2020.

In line with the above, specific concerns were raised by national customs administrations interviewed in relation to the negative impact of reduced (or discontinued) programme funding on EU IT systems, including difficulties in operations of mutual assistance and information exchange. Examples of EU IT systems that are particularly important and for which EU support will continue to be crucial include the CCN/CSI network and the CS/RD2 application. The CCN/CSI network offers all national administrations a coherent, robust and secure method of access to European systems. In 2016, there was an increase in 40% in the number of messages and 18% in the size of data exchanged over the network. In addition, the network provides reliable helpdesk functionality to national customs administrations on a regular basis. The CS/RD2 is a new application that is particularly important for maintaining reference data available on time to stakeholders, and which contributes to the accuracy and consistency of customs clearance in daily operations.

National authorities consulted by the evaluation questionnaire expressed positive views on the sustainability of the achievements of the Customs programme. 27 out of 28 respondents agreed to a great or to some extent that Customs had led to concrete outputs and results that would be useful in the future, regardless of the continuation of the programme. This does not imply that the programme is redundant, but rather that much of the progress already achieved by the programme would continue even in its absence.

In particular, representatives of national administrations consulted through the survey and interviews identified the enhanced relationships and networking between Member States as one of the key outputs that would endure in the future. Other tangible outputs included eLearning modules, e-books, guidelines and studies, information on best practices, expert networks, business processes and IT systems, among others.

**Figure 30: Sustainability of Customs 2020 results in the future (n=27/28 respondents)**



Source: Evaluation questionnaire with national authorities

Despite the positive perceptions from national authorities regarding the sustainability of the Customs programme's achievements, several respondents highlighted the importance of the continuation of the programme to more effectively tackle the many challenges faced by Customs Union authorities and to continue to implement EU legislation.

In particular, it is unlikely that in the programme's absence customs officials would collaborate to nearly the same extent. Instead, it seems likely that existing differences in customs practice would persist, especially as networks built and reinforced through years of programme-fostered collaboration faded. The reliance of national administrations on specific joint actions that allow officials to meet regularly is particularly pronounced. Outputs of the programme, such as training modules, were felt to undergo fairly rapid obsolescence and thus without renewal would gradually lose value.

### 10.5. Summary of findings and conclusions

**The Customs 2020 programme and the different types of instruments funded were perceived to have generated additional benefits** to the work of national customs administrations and economic operators by creating clear efficiency gains and economies of scale.

Joint actions, especially seminars and workshops, working visits, project groups and the newly implemented expert teams, were said to contribute to the exchange of information and experience, to provide opportunities for networking, and to enhance the understanding of common problems and solutions. The networking fostered through the joint actions of the programme was also considered crucial for several reasons, including ensuring the consistent application of common legislation, spreading best practices and building the trust needed for administrations to act as if they were one administration. The case studies pointed out to clear EU added value achieved by joint actions in numerous projects, including support to the implementation of the Authorised Economic Operator programme and the Action Plan on intellectual property rights, as well as in the areas of customs risk management and supply chain security, simplified procedures and Customs Union legislation.

The Customs European Information Systems funded through the programme are highly complementary to national initiatives and mostly relate to implementing EU legislation at national level. In particular, programme support in the area of EU IT systems was considered to have saved costs for national administrations, and to have contributed to harmonising business and administrative processes in the run-up to the implementation of the Union Customs Code.

The programme's common training activities were also assessed positively in terms of their contribution to helping national customs administrations and economic operators to better understand and implement EU customs legislation and its related procedures.

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EU common training activities have been considered of particular added value to national administrations in relation to the implementation of the Union Customs Code.

Overall, there was consensus among Commission officials and national programme coordinators consulted about the **close synergies between the Customs 2020 programme and initiatives at national level**, and the fact that the programme has been effective in providing solutions for problems with a clear EU dimension. In particular, the programme is considered to add value by providing a forum for discussion, exchange of information and experiences and networking between Member States. Each component of the Customs 2020 programme is seen to complement national initiatives, and to have contributed to the convergence of administrative cultures across participating countries.

Despite positive views, consistency between programme objectives and projects and national activities can be challenging, as participating countries find it often difficult to link their initiatives, responding more to national administrations' specific needs, to the programme scope, objectives and priorities and generally.

Regarding sustainability of programme results in the absence of future funding, the development, running and maintenance costs of the Customs European Information Systems, in addition to a substantial management function played by the Commission, imply that the Member States would find it difficult to continue to use them past the medium-term. In such a situation the networks fostered through continuous participation in the joint actions would begin to fade, rendering continued progress towards overarching customs policy objectives unlikely. While customs administrations felt that the results achieved so far, including tangible outputs and more intangible benefits, would be long lasting, tools produced through the programme, such as IT systems and training modules, would become gradually obsolete without periodic renewal. Staff turnover and administrative reorganisations could have a similar effect on networks built through the years of the programme. While the progress already achieved will be felt into the future, its reliance on future Commission support should not be overlooked.

## **10.6. Conclusions**

The Customs programme has been effective in providing solutions for problems with a clear EU dimension. The programme provides strong EU added value, anchored in its role as facilitator of cooperation between participating countries, including national administrations and economic operators.

By providing mechanisms for discussion, exchange of information, networking between participating countries, EU IT systems and common training, the programme ensures a harmonised approach to implementation of customs legislation, procedures and rules.

The added value of the Customs programme lies in providing a valuable service to beneficiaries who would otherwise be unable to produce the same results with the same level of quality and consistency.

Even though the outputs and results achieved transcend the programme, reduced or discontinued funding would impact negatively on the development and implementation of Customs European Information Systems, and on the other achievements attained in the successive programming periods.

Without a forum for collaboration and sharing experiences, or a spending programme able to fund common IT systems, it is difficult to imagine the Member States passing legislation that requires further harmonisation. Among other things, implementing such legislation without a programme would require substantially higher costs due to the duplication of efforts.

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## 11. CONCLUSIONS AND RECOMMENDATIONS

### 11.1. Overall conclusions

#### 11.1.1. Relevance

At the general level, the findings validate the **relevance of the Customs specific objective** by identifying clear needs for secure and rapid exchange of information, cooperation between customs administrations, and enhancement of administrative capacity. In line with the problems and societal drivers identified in the programme's preparatory Impact Assessment, these needs stem from the growing scope of EU customs law and initiatives, cross-border nature of problems and persistent need for convergence between countries. There has been universal agreement among stakeholders that the programme is needed to facilitate this exchange and cooperation, and that ambitious policies would not be possible without such support. Thus, the programme's role in fostering convergence of approaches, administrative procedures and rules is highly relevant.

The programme also successfully addresses the perceived needs of national administrations in participating countries. There is overall **alignment between programme activities and administrations' needs**, but some evidence that Annual Work Programme priorities and projects would need to be more focused and limited if they are to serve as strategic guidance for Customs. The mix of instruments (including newly introduced ones) all have relevant applications and address a broad scope of underlying needs. They are thus all relevant in the right circumstances.

**The programme is also addressing the needs of secondary target audiences**, namely certain economic operators and citizens as a whole, but more efforts could possibly be made to raise awareness and involve these, especially economic operators directly benefiting from programme activities. There is limited awareness among economic operators consulted, though this may be due to the niche nature of many of the services provided. Judging by the total evidence base, programme interventions address relevant issues for economic operators from both a perspective of underlying needs (closely aligned with the needs of the national administrations) and in terms of concrete actions where businesses are a target group.

Among the general public, there is little evidence on the direct awareness or impact of the programme. Indirectly, the programme addresses problems which are highly relevant to citizens, and where EU action is considered necessary.

#### 11.1.2. Effectiveness

##### Customs 2020 programme's instruments

Through its three main types of activities (joint actions, Customs European Information Systems and common training), **Customs has played an integral role in reinforcing cooperation between customs authorities** in the EU Member States and other participating countries. The programme has provided the framework and technological means necessary to work together and share information in the service of supporting the functioning and modernisation of the Customs Union (particularly regarding implementation of the Union Customs Code), and thereby to strengthen the internal market.

The different types of activities are not only effective on the whole, but also complementary, with joint actions frequently being used to discuss and develop IT systems and training sessions and eLearning modules helping administrations to implement and use them. The increased trust and alignment of working methods engendered through the joint actions also gives administrations the confidence they

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need to pursue ambitious IT initiatives and use them to share sensitive customs information.

**Each type of activity also contributed in unique ways to increased cooperation.**

The joint actions provide a menu of options which can be adapted to fit a wide range of collaboration needs, ranging across the policy cycle from early brainstorming and reflection through practical implementation and concrete operations, such as the carrying out of working visits, workshops and expert teams. The IT systems have played a crucial role in helping the Member States to communicate with each other securely and efficiently across many areas of mutual interest, facilitating the day-to-day work of administrations and contributing to increased safety and the fight against security threats. The eLearning modules have shown to contribute meaningfully to the knowledge base, especially in places with relatively limited resources.

Despite the diversity of the activities, the evaluation observed common success factors relating to links to concrete policy initiatives, senior-level buy-in and good project management. These were generally present in high degrees, but there were some exceptions that mainly related to perceived relevance. For example, some platform-like joint actions related mainly to voluntary cooperation lacked the senior-level buy-in needed to secure adequate participation. With regard to IT systems, engagement and enthusiasm was very high for supporting architecture and long-term centralised customs applications (e.g. TARIC, EBTI, EORI, NCTS). Despite their utility for national administrations in question, the eLearning modules received some minor criticisms in terms of tailoring (translations and content) to national situations. None of these criticisms posed major threats to the overall effectiveness of the programme activities, but rather highlighted details that could be refined to improve the system over time.

*Participation of economic operators*

**Many of the programme's activities target economic operators** (often indirectly, as in the case of IT systems with national front-end interfaces) and the monitoring data and anecdotal evidence suggest these are having the desired effects. However, the evaluation also found scope to increase the levels of awareness of tools and benefits and to encourage more direct participation and use of programme instruments and outputs among sub-sets of this group.

Through the different tools and instruments, the programme has demonstrated that there is the potential to foster better communication between economic operators and national administrations, which is positive for stakeholders in both groups.

By contributing to more efficient and harmonised customs practices among participating countries, some of the programme's joint actions provide indirect benefits to economic operators. In particular, those related to the Authorised Economic Operator programme, Simplified Procedures and Single Authorisation for Simplified Procedures, and the EU Single Window are geared most to their benefit.

Case study and survey findings also show that economic operators use a number of IT systems, reducing their administrative burden by making it easier for them to find key information and deal with legal requirements from doing business across borders.

The eLearning modules have also been downloaded many times, with anecdotal evidence suggesting that they are seen as useful and beneficial and considered to be of high quality. Despite the positive assessment, the universe of participants who could benefit from the eLearning modules is so large that potential for further promotion seems substantial.

The benefits appear to be diverse and important, but there is limited data and indicators collected on participation of economic operators, and perceived benefits, mean that the strategies to deal with and communicate with this group need to be designed on case-by-case basis, with specific sub-sets of this group in mind.

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### *Contribution of programme activities to the programme's specific objective*

The majority of Annual Work Programme projects and activities assessed between 2014 and 2016 have contributed to the achievement of the Customs 2020 programme's specific objective. However, with the programme mid-way through and considering its contributing nature to higher-level objectives, it is hard to measure how outputs translate into longer-term outcomes and impacts.

Evidence from the Annual Progress Reports, the questionnaire with national authorities and case studies confirmed **adequate progress of sampled projects and activities in relation to different aspects of the specific objective** of the programme. There were very few instances where expected results were partially or not achieved, though there were more cases where results continued to be ongoing at the time of reporting, and where the achievement of longer-term outcomes and impacts was harder to identify given the early stages of the current programming cycle.

Programme actions have been most effective in contributing to **protecting the financial and economic interests** of the Union and of the Member States, in particular in relation to customs control, risk management cooperation and EU border management and protection and to **increasing safety and security** and **protecting citizens and the environment**, more specifically in the area of risk management and the protection of EU external borders.

Customs actions have also been successful in **improving the administrative capacity of customs authorities**, in particular in relation to the formal adoption of the Union Customs Code and supporting the work of European Customs Laboratories. However, there have been challenges identified in implementing the EU Competency Framework for Customs, including in relation to leadership buy-in when the framework was launched, and more recently related to limited resources for implementation and adjustment to national contexts.

Programme actions have met with more difficulties in contributing to **strengthening the competitiveness of European businesses**, as a result of internal delays in specific projects (e.g. in the area of Customs Union Performance Measurement) but also of external challenges in relation to simplified procedures, authorised economic operators and international co-operation and the natural tension between trade facilitation and safety and security.

#### **11.1.3. Efficiency**

##### *Programme management*

The Customs 2020 programme strikes a good **balance between a consultative and transparent programming process that takes place on an annual basis and a centralised management** that coordinates the implementation of the Annual Work Programmes. The involvement of national administrations in the setting of priorities and the decision-making process is instrumental to the effective functioning of the programme as it enhances ownership from participating countries. Several changes have been acted on in the current funding period and used to make notable improvements to the programme. In particular, changes have been made to facilitate coordination and communication between the Commission and national customs administrations, including a better structuring of Annual Work Programme projects, the development of the Performance Measurement Framework, and the streamlining of platforms for sharing documents and facilitating communications. Efforts have also been made to more closely align joint actions with programme objectives and priorities of the AWP by combining of activities into thematic projects.

National authorities expressed positive views on the administrative arrangements and the resources required to participate in the programme. However, some concerns were raised in relation to the limited human resources to adequately respond to programme's

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requirements, and suggestions were made to improve specific features of tools such as PICS, CIRCABC and ART.

The development and implementation of the Performance Measurement Framework have introduced an evidence-based approach to the programme. However, the new system has led to major reporting and management obligations, using a lot of energy without feeding much into decision making. This points to a need to review the current set of indicators with the aim of simplifying them and fitting them better to decision-making needs.

Significant positive synergies have been developed between Customs and Fiscalis, mainly related to the similar design and structure of the two programmes, in particular at the levels of central programme management and integrated IT systems. These should continue to be exploited regularly, in parallel to additional IT synergies with other Commission Directorates-General and Agencies.

#### Programme costs and benefits

While we cannot monetise the benefits of each component of the Customs 2020 programme, holding up the findings on effectiveness alongside cost figures and the positive findings on operational efficiency makes a strong case that the programme overall is providing value for the EU and national customs administrations. Each of the three programme components (joint actions, Customs European Information Systems and common training) provides tangible outputs and considerable benefit beyond what national customs administrations could achieve on their own.

The joint actions account for about 10% of the programme budget and mainly fund travel and accommodation costs for Member State officials to meet each other and the Commission, and at first glance this could appear less important than the Customs European Information Systems in terms of contribution. However, the two types of activities are highly complementary, and the research conducted for the evaluation demonstrates that the gains from one type would be impossible without the other. The IT systems funded through the programme are intended to lead to economies of scale and reductions in overall costs associated with customs IT in relation to what the Member States would spend to attain similar functionality in the absence of the Customs programme. Both of these issues entail reducing the duplication of efforts by the Commission and Member State administrations. Centralised databases such as AEO, EORI, TARIC, Quota, REX and ECICS have reduced time and costs for national administrations, as the Member States do not have to store and update all the same information separately.

The steady growth of national customs officials participating in Customs 2020 trainings and the increase in downloads from the public evidence that there is indeed a strong potential in this programme component.

The joint actions, Customs European Information Systems and common training activities help the EU and national administrations to pool resources, enforce Customs Union legislation and function more effectively. The programme's value resides in helping to implement EU legislation quicker by allowing for harmonised approaches and in complementing national initiatives through sharing of best practices and solutions. Further up the causal chain, by supporting the internal market the programme should also increase trade by making it easier to deal with for e.g. the harmonised application of customs legislation.

#### **11.1.4. Coherence**

There is **strong internal coherence between the various levels and components of the Customs 2020 programme**. This is the result of several factors, including an objective-driven design which ensures the alignment of the various levels of the

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intervention logic, from the general, specific and operational objectives, to the priorities and individual activities.

At an operational level, the centralised coordination of the programme and its continuous duration have contributed to enhancing synergies and avoiding duplication. However, the programme's internal coherence has been challenged by the difficulties in aligning annual priorities and projects to only one dimension of the programme's specific objective. In addition, national customs administrations have met with challenges in practice to ensure that their applications for joint actions adequately match programme requirements.

With regard to the programme's external coherence, **the work of Customs 2020 is complementary to that of other EU instruments.** The evaluation found a strong potential for the programme to contribute to and benefit from other EU initiatives. The fact that the design of the programme is aligned with the Europe 2020 Strategy and priorities guarantees its consistency with broader EU objectives.

In practice, there are clear synergies with other EU initiatives, including the Single Market Programme, the Internal Security Fund and Instrument for Border Management and Visa, the Structural Reform Support Programme, and the Hercule Programme. However, the evaluation also found that mechanisms for cooperation and communication with other Directorates-General are limited. Improving these would help ensure synergies are exploited in practice as well as in theory, and maximise the benefits for stakeholders at all levels.

#### **11.1.5. EU added value**

The Customs programme has been effective in **providing solutions for problems with a clear EU dimension.** The programme provides strong EU added value, anchored in its role as facilitator of cooperation between participating countries, including national administrations and economic operators.

By providing mechanisms for discussion, exchange of information, networking between participating countries, EU IT systems and common training, the programme ensures a harmonised approach to implementation of customs legislation, procedures and rules.

The added value of the Customs programme lies in providing a valuable service to beneficiaries who would otherwise be unable to produce the same results with the same level of quality and consistency.

Even though the outputs and results achieved transcend the programme, reduced or discontinued funding would impact negatively on the development and implementation of Customs European Information Systems, and on the other achievements attained in the successive programming periods.

Without a forum for collaboration and sharing experiences, or a spending programme able to fund common IT systems, it is difficult to imagine the Member States passing legislation that requires further harmonisation. Among other things, implementing such legislation without a programme would require substantially higher costs due to the duplication of efforts.

## 11.2. Recommendations

This section offers a number of recommendations that could be used to improve the programme in the future, both during the remainder of the current funding period and later on. The recommendations are based on the findings and conclusions presented throughout this report and are structured in themes that relate to different aspects of the programme. Since responsibility for implementing the recommendations is split between the Commission services and national administrations' customs authorities, we also specify who should take action in each case, and according to what time frame.

Before presenting the specific recommendations, it should be emphasised that the results of the evaluation are generally positive. While there is room for improvement in certain areas, these amount to tweaks to a programme that on the whole is relevant, working well and adding value. It follows from this that the Customs programme should be continued and that, in the next funding period, a similar programme will be needed to consolidate the achievements made so far and to address the needs of target audiences as well as the EU more generally.

### 11.2.1. Programming and design

<b>Recommendation 1:</b>	<b>Make more practical use of the Annual Work Programme projects and consider multi-annual programming</b>
Responsible actor	DG TAXUD
Timeframe	Short-term and next funding period
Background	By grouping planned joint actions (other than procurement) into a series of thematically-linked projects, the current programme improved on previous funding periods, which simply presented long lists of loosely related activities. The idea was to boost the effectiveness and coherence of the programme by ensuring different funded joint actions support and complement each other better. However, the evaluation found that this potential is not fully realised, since <b>few stakeholders actually know about the projects</b> or refer to them in any practical way. Similarly, despite the <b>multi-annual nature of many of the funded activities</b> (such as long-term project groups and IT development projects), the planning process is annual, leading to a lot of repetition and making it hard for stakeholders to engage actively, given the limited time and resources faced by customs officials in many national administrations.
Recommendation	In the short term, DG TAXUD could <b>make the projects come to life simply by referring to and discussing them more regularly</b> (and based on ad-hoc needs) with national coordinators, DG TAXUD officials and other users of the programme. Setting up common PICS groups for relevant actors could also be considered. Knowledge sharing around the identified policy projects could also increase their relevance.  In the longer term (as is already proposed for the next period) we <b>recommend that a multi-annual programming process is put in place</b> that would

	<p>correspond better to the nature the programme and the activities it supports. Such a multi-annual process could be flexible, setting broad priorities that are still operationalised in annual programmes, with some contingency for emerging needs. This would help further increase the coordination between activities, improving the quality of planning documents and their practical implementation as well as the programme's coherence.</p>
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<b>Recommendation 2:</b>	<b>Designate long-term, platform-like project groups as such</b>
Responsible actor	DG TAXUD
Timeframe	Next funding period
Background	<p>The evaluation found that while some project groups are highly focused and aimed at generating well-defined outputs, <b>other project groups are quasi-permanent platforms used for various types of coordination</b>. The current reporting and monitoring structure is good at dealing with the first type. However, it is less suited to defining expectations and goals, and monitoring the outputs and results of actions that fall into the second category. This in turn makes it difficult to figure out when such actions can be deemed successful and make decisions about ongoing support.</p>
Recommendation	<p>When the operational details of the next programme are defined, we recommend <b>categorising platform-like project groups as such, and defining and applying appropriate criteria for funding applications and monitoring</b>. This would make it easier to take funding decisions about these actions, gauge success and learn lessons that can be used for future improvements.</p>

<b>Recommendation 3:</b>	<b>Refine strategy for development and promotion of eLearning modules</b>
Responsible actor	DG TAXUD and national administrations
Timeframe	Short-term and next funding period
Background	<p>The evaluation showed that, while the eLearning modules are of high quality, <b>national administrations have different training needs and curricula</b>. This means that while some countries, especially those with fewer resources, have fully integrated (some of) the modules into their curricula, others make them available more as a complement to existing material while in a number of countries the modules are not used at all.</p>

	Despite these differences, the <b>modules are designed with all national administrations in mind</b> , while yearly targets focus mainly on increasing the number of administrations who use them. This makes it hard to establish realistic benchmarks for progress, and to tailor the training offer to the most important needs.
Recommendation	We recommend <b>developing a strategy based more on addressing identified training needs</b> . A first step could be an initial survey conducted with the help of the Training Support Group to take stock of needs and interest. Leading from this, a strategy could be devised, ideally for multiple years, listing priorities to be taken up in future training modules and promotional plans. Importantly, this could mean prioritising those countries whose needs and likelihood to actually use the modules are greatest.

<b>Recommendation 4:</b>	<b>Investigate ways to improve the technological platform for the delivery of eLearning modules</b>
Responsible actor	DG TAXUD and national administrations
Timeframe	Short-term and next funding period
Background	As evidenced by the evaluation findings, there are many national administrations, which report difficulties accessing modules due to technical issues and lack of compatibility with their own learning management systems and technology. A better adapted, or more flexible, platform would also allow for better reporting of usage as well as feedback.
Recommendation	We recommend <b>exploring alternative solutions that currently exist on the market which could meet national administrations' needs</b> in terms of security, limited distribution, central management and flexibility.  <b>Best practices and synergies</b> could also be identified with other Commission services and initiatives such as for e.g. the World Customs Organisation's Learning and Knowledge Community.

<b>Recommendation 5:</b>	<b>Improve the procedures for the translation, localisation and updates to eLearning modules</b>
Responsible actor	DG TAXUD and national administrations
Timeframe	Short-term and next funding period
Background	Evaluation findings showed that language, localisation and updates to eLearning are critical for the success and use of the modules. <b>Translation to local languages</b> is considered particularly important for modules that target

	<p>operational issues (such as for e.g. container search), which often involve the training of front-line staff who do not necessarily master English proficiently or are used to deal with the issues covered by eLearning modules in their own language.</p> <p>In terms of <b>localisation and updates</b>, the content of the eLearning modules needs to reflect local specificities and be flexible to incorporate changes in legislation or IT systems to remain relevant to the target audiences.</p>
Recommendation	<p>We recommend <b>prioritising an agile and flexible management of eLearning modules</b>, focused on improving the procedures for the translation of the modules and on facilitating quick localisation and updates of the training material. In relation to translation of the eLearning modules, we suggest communicating more clearly that national administrations can request at any moment the localisation of an EU eLearning course through the signature of partnership agreements with the Commission, and that no requests have been turned down in the current programming period. If national administrations miss the window of opportunity for the translation of a given module, it is purely because of national limitations.</p> <p>In relation to localisation and updates to the eLearning modules, <b>alternative strategies should be investigated to facilitate changes in the content of the modules</b> to reflect local characteristics as well as emerging issues, such as new legislation, changes in IT systems and guidelines.</p>

### 11.2.2. Implementation

<b>Recommendation 6:</b>	<b>Increase coordination with other EU programmes</b>
Responsible actor	DG TAXUD and other Commission DGs
Timeframe	Short-term and next funding period
Background	<p>In terms of synergies with the Fiscalis programme, the evaluation (as well as the parallel evaluation of Fiscalis and a recent Court of Auditors report) found that, <b>while the two programmes share an organisational structure and a number of activities, there was still a lack of coordination.</b></p> <p>This means that potential synergies in areas such as eCommerce, VAT fraud, and IT systems development have not been fully realised, and that there is room for translating relevant lessons learned in one programme to the other, in particular in the context of horizontal joint actions, IT systems and training modules that cut across both programmes. An example of the potential there is for exchanging experiences between the two programmes is the Electronic Customs Multi-Annual Strategic Plan (MASP), a management and planning tool drawn up by the Commission</p>

	<p>in partnership with Member States, which sets out a strategic framework and milestones for the management of new IT projects in the area of customs. The development of this tool under Fiscalis should feed from the Customs initiative.</p>
Recommendation	<p>In relation to Customs and Fiscalis cooperation, we recommend that the two programmes <b>explore opportunities to enhance operational coordination and the sharing of information on shared components</b>, including IT systems and approaches for human competency building and training. The Multi-Annual Strategic Plan for Customs EIS and the EU Competency Framework for Customs should serve as baselines and examples for the development and implementation of these initiatives under Fiscalis. Flagship Fiscalis initiatives should also be identified that could be taken as examples in Customs.</p> <p>In relation to Customs cooperation with other Commission DGs, while acknowledging that officials in DG TAXUD and other DGs are already burdened with meetings and other obligations, we recommend that a <b>common coordination forum is established between relevant officials in DG TAXUD, DG HOME, DG ECFIN and OLAF in particular</b>. This could start with a single meeting and evolve as appropriate, with a view to establishing more formal links and identifying and exploiting more links where possible.</p>

<b>Recommendation 7:</b>	<b>Optimise the procedures and resources for the implementation of joint actions</b>
Responsible actor	DG TAXUD and national administrations
Timeframe	Short-term and next funding period
Background	<p>To ensure that the EU budget is spent in line with the overall principles and the objectives, the programme procedures require various steps regarding the different action types, mainly to initiate and to report on joint actions. However, these administrative and procedural requirements sometimes are considered disproportionate to the level of EU investment (e.g. the approval of a regional workshop with 10 participants, currently may take more than 2 months and requires multiple consultation and review cycles). This seems to be the case in particular for working visits, expert teams, and for smaller one-off events. At the same time, the lack of sufficient human resources both at the Commission and at the national administrations side may reduce the agility of the implementation of joint actions and creates a sub-optimal workload and pressure on the staff.</p>
Recommendation	<p>We recommend that DG TAXUD, where appropriate involving the national coordinators, <b>review the workload on the available human resources, the steps for</b></p>

	<p><b>applying for and reporting on joint actions</b>, with the aim of establishing more effective and efficient administrative processes and reduce the workload on staff. This could involve the introduction of a project-based approach (replacing an event-based management) resulting in the reduction of micro management and related administrative burden. The central and national programme management levels could also produce easy-to-use guides and templates to lighten the burden.</p>
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### 11.2.3. Monitoring and reporting

<b>Recommendation 8:</b>	<b>Streamline the monitoring system so that it meets actual needs while reducing administrative burdens</b>
Responsible actor	DG TAXUD
Timeframe	Short-term and next funding period
Background	<p>The performance measurement framework that was put in place for the current funding period has undoubtedly added value by providing evidence for accountability purposes. However, it has also <b>added heavy reporting burdens without leading to more evidence-based decision-making</b>.</p> <p>This is due to <b>several inter-related factors</b>, such as: there are too many indicators; indicators at impact level that are based on data that is rarely collected and impossible to connect to the programme's achievements; there are so many forms that they become a tick-box exercise; programme managers are driven to distraction by the amount of data to process (often manually) and report on; annual progress reports come out too late in the programming process.</p>
Recommendation	<p>A simplified framework could be both more useful and less time-consuming for stakeholders. In the short term, DG TAXUD could put in place some <b>quick fixes to reduce burdens on programme managers and participants</b>. For example, the action-follow-up form and event assessment form could be simplified so as to place a smaller burden on participants. DG TAXUD could also focus on a limited number of core indicators rather than reporting equally on all of them, especially given numerous overlaps and some inconsistencies.</p> <p>We also recommend that DG TAXUD conduct an <b>evaluation of the performance measurement framework</b> to assess the monitoring system in detail. This should lead to specific recommendations to <b>reduce the number of indicators</b> and eliminate irrelevant indicators and overlaps in order to ultimately lighten administrative burdens and establish firmer links between monitoring and performance management.</p>

	<p>Since <b>indicators at impact level</b> relate more directly to specific customs policies than to the programme, a small set of impact indicators has been defined for data collection during monitoring and evaluation of these policies. In theory, the data collected should then be made available to the programme management unit to feed into the monitoring system. However, for this to work, the impact indicators, monitoring and evaluation of relevant policies will need to be used to collect data on these indicators at regular and sufficiently frequent intervals. The evaluation of the Performance Measurement Framework should assess this challenge and propose recommendations for tackling it.</p> <p><b>Other changes</b> are also worth exploring. For example, some surveys and satisfaction forms could be replaced by less frequent (but more in-depth) consultations with key stakeholders. Electronic tools for data collection, analysis, and presentation (such as automatically updating dashboards) could reduce the effort needed for these tasks while making the reports more timely and usable. Since much of the programme’s achievements rely on networking, coming up with indicators on this should be a priority.</p>
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<b>Recommendation 9:</b>	<b>Develop a more coherent approach to assessing programme performance</b>
Responsible actor	DG TAXUD
Timeframe	Next funding period
Background	<p>The Multiannual Financial Framework programming cycle typically <b>requires exercises that require input from the national administrations (e.g. studies, progress reports)</b>. Parallel to the present evaluation, these included an impact assessment for the next funding period, a mid-term evaluation and an ex ante evaluation of the Fiscalis programme. In addition, the Court of Auditors launched an audit on the Customs 2020 programme at the same time. All of these exercises included consultation with overlapping sets of stakeholders and significant effort from programme managers. The need for two full evaluations (i.e. mid-term and final) per programme, per funding period also generates considerable burdens.</p> <p>The combined effect leads to <b>consultation fatigue and a reluctance among stakeholders to engage</b> multiple times with the various studies. This undermined the robustness of the work carried out and thus the evidence base for future decision-making.</p>
Recommendation	While certain requirements are fixed, the options to minimise the burden on national administrations of providing information, data and other contribution <b>should be explored</b> . Such options include:

	<ul style="list-style-type: none"> <li>• Combine the impact assessment / ex ante evaluation of future funding periods with the mid-term evaluation of the current period, which several DGs (such as DG Education and Culture) have done successfully.</li> <li>• Make the mid-term evaluation lighter, focused more on operational matters and implementation. This could be sensible, especially considering that many impacts cannot be identified at such an early stage of implementation.</li> <li>• Combine studies related to the Customs and Fiscalis programmes. This would build on the coordinated approach taken to the present mid-term evaluations and further reduce overlap and the duplication of administrative and other work as well as helping to generate synergies between the programmes.</li> <li>• Undertake more evaluations focused on policy-related issues, and use their results to inform smaller, more focused evaluations of the programme. Each policy evaluation in the customs area, particularly areas that draw from the programme support, should regularly and specifically examine the role of the Customs programme, including the programme-funded IT systems. Successive programme evaluations have provided evidence that the programme is successful and that major changes are not required. What could be more relevant would be the assessment of key policies and how well the various programme instruments and activities support them.</li> </ul>
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Recommendation 10:	Improve reporting and information-sharing tools
Responsible actor	DG TAXUD
Timeframe	Next funding period
Background	The PICS information sharing tools and ART reporting tool are crucial, both for the everyday functioning of the programme and for sharing information securely in support of objectives such as increasing administrative cooperation. However, they have been criticised for a lack of user-friendliness that wastes time and prevents them from realising their potential. It might have also led to their under-use by many officials. Moreover, some supported activities rely on CIRCABC, another information-sharing tool developed outside DG TAXUD that was also criticised for a lack of user-friendliness.
Recommendation	We recommend that DG TAXUD <b>conduct an (internal or external) audit of these tools and their use and, based on the results, decide on next steps.</b> Given shifting security and file-sharing needs, PICS in particular could be either revamped or replaced, while ART could be refined so that its formidable functionalities are made more user-friendly.

	Any changes should then be <b>communicated in an accessible way to stakeholders</b> in the Commission and administrations, particularly the national coordinators who are responsible for sharing information about the programme among potential joint action and training participants. Such communication could include online tutorials as well physical training sessions as appropriate.
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#### 11.2.4. *Communication*

Recommendation 11:	Increase senior-level buy-in and political will
Responsible actor	National administrations
Timeframe	Short-term and next funding period
Background	<p>Buy-in and political will from the senior leadership of national administrations is vital to securing engagement with the programme and a critical mass of participation in specific activities. In most cases this was present, but in some countries it was not, taking collaboration down the list of priorities and contributing to low participation rates.</p> <p>Since many activities rely on <b>network effects and active collaboration</b>, the lack of engagement from some countries also affects the programme's potential more widely. This is especially the case for actions based on sharing experiences and best practices between countries.</p>
Recommendation	<p>We recommend that the <b>senior leadership of national administrations engage more actively with the programme</b>, with a view to expressing any concerns or needs that are not being met and helping DG TAXUD to address them. National coordinators, as the 'ambassadors' of the programme in their respective countries, have a particular role to play in communicating about the programme throughout their administrative hierarchies. This is <b>especially true in candidate countries</b>, some of which participate relatively little in the programme.</p>

Recommendation 12:	Communicate more actively about the possibilities of the programme
Responsible actor	National administrations
Timeframe	Short-term and next funding period
Background	<p>Similarly, the evaluation found that the limited uptake of certain activities, especially new funding instruments such as communication and monitoring actions and expert teams,</p>

	was due in part to <b>insufficient promotion</b> at both European and national levels.
Recommendation	We recommend that <b>national coordinators and other officials take a more active role in finding out about and spreading awareness of the possibilities</b> of the programme within their administrations. Relevant action could range from sharing materials produced by DG TAXUD on local intranets and translating such materials to organising information sessions and asking other administrations for success stories and other forms of assistance.

<b>Recommendation 13:</b>	<b>Review strategy for dealing with economic operators and citizens</b>
Responsible actor	DG TAXUD, national administrations
Timeframe	Short-term and next funding period
Background	Economic operators and citizens more widely are important secondary audiences for the programme, but <b>awareness and engagement appeared low despite strong potential interest</b> and the existence of a communication strategy. Moreover, the evaluation did not find a clear view among stakeholders about whether and to what extent such groups should be pursued as target audiences beyond economic operator representation in certain joint actions and use of certain IT systems and eLearning modules. The level of priority for getting economic operators to use the training modules appeared particularly unclear, with promotional activity ad hoc rather than systematic.
Recommendation	We recommend that DG TAXUD <b>review the communication strategy for the programme, with a view to arriving at a common understanding of whether and to what extent actors beyond administrations should be targeted</b> . This could include some intermediate action, such as surveying certain subsets of economic operators to gauge needs and interest. Later on, DG TAXUD could decide whether any Customs branding would be appropriate, and design activities for reaching given types of stakeholders.



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# 1. EVALUATION QUESTIONS MATRIX

**Table 1: Evaluation questions matrix – relevance**

Sub-questions	Judgement criteria – extent to which...	Indicators (and sources of evidence)
EQ 1. Do the different objectives of the programme (in the Regulation and in its work programmes) correspond to the needs of the national customs administrations, economic operators and citizens?		
1.1 Do the objectives of the programme correspond to the needs of participating <b>national customs administrations</b> ?	<p>The relative needs of administrations match the programme’s objectives, AWP priorities and activities</p>	<p>Existence of perceived need for the rapid exchange of information and cooperation between customs administrations and improvement of administrative procedures in general and with regard to AWP priorities and specific programme activities (participatory methods and case studies)</p> <p>Existence of perceived needs that are not addressed in the programme objectives, AWPs and activities (participatory methods and case studies)</p> <p>Level of interest from national customs administrations in actively engaging in programme (PMF indicators: 0.1, 1.8, 4.1, 4.3, 4.6, 6.3, documentary evidence supplemented by participatory methods and case studies)</p> <p>Proportion of national customs administrations who believe that their needs were addressed by programme objectives and activities (participatory methods)</p>
1.2 Do the objectives of the programme correspond to the needs of <b>economic operators (EOs)</b> ?	<p>The relative needs of EOs match the programme’s objectives, AWP priorities and activities</p> <p>Extent to which the activities (related to programme objectives) set out in the AWPs correspond to these needs</p>	<p>Existence of perceived needs (especially compliance costs and barriers to doing business in and with the internal market) related to Economic Operator (EO) focused aspects of the programme (case studies, targeted survey of EOs and OPC)</p> <p>Existence of perceived needs that are not addressed in the programme objectives, AWPs and activities (case studies, targeted survey of EOs, and OPC)</p> <p>Level of interest of EOs in programme activities (PMF indicators on EO participation (4.9, 5.8), case studies, targeted survey of EOs, and OPC)</p>

1.3 Do the objectives of the programme correspond to the needs of <b>citizens more broadly</b> ?	Different needs of citizens, match the programme's objectives, AWP priorities and activities	<p>Existence of societal problems related to issues such as fraud<sup>97</sup>, security<sup>98</sup>, health and safety<sup>99</sup>, intellectual property rights (IPR) and piracy, endangered species, cultural heritage, (mainly documentary sources, supplemented by participatory methods)</p> <p>Existence among citizens of perceived need for action related to programme objectives (OPC)</p> <p>Existence of perceived needs that are not addressed in the programme objectives, AWPs and activities (OPC)</p> <p>Level of interest of citizens in programme activities (PMF indicators on EO participation 4.9, 5.8, case studies and OPC)</p>
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**Table 2: Evaluation questions matrix – effectiveness**

Sub-questions	Judgement criteria - extent to which...	Indicators (and sources of evidence)
EQ 2. To what extent has the programme reinforced cooperation between customs authorities of participating countries?		
2.1 To what extent have <b>joint actions</b> contributed to the cooperation between customs authorities of participating countries?	<p>The outputs of given joint actions (recommendations and guidelines, best practices, analysis, networking and cooperation) have reinforced cooperation</p> <p>The amount and quality of collaboration between administrations have increased as a result of given joint actions</p>	<p>Level of participation in different types of joint actions (PMF activity-level data)</p> <p>Number of different types of outputs produced, in terms of the different programme objectives (PMF output indicators 0.7, 1.5, 1.6, 3.8-3.10)</p> <p>Amount and quality of actual use of different programme outputs, with regard to the different programme objectives and possible alternatives (PMF results indicators, participatory methods and case studies)</p> <p>Amount and quality of collaboration between administrations and officials taking part in different joint actions, with regard to the different programme objectives and possible alternatives (PMF results indicators 0.2, 5.1-5.5, 5.7, participatory methods and case studies)</p> <p>Proportion of national administrations believing that the joint actions have made it easier and cheaper to collaborate, with regard to the different programme objectives (participatory methods and case studies)</p>

<sup>97</sup> Such as false certificated of origin, false declarations and excise duty evasion

<sup>98</sup> For instance, helping police and immigration services fight trafficking in people, drugs, pornography and firearms – all factors in organised crime and terrorism. Preventing export of sensitive technology (which could be used to make nuclear or chemical weapons)

<sup>99</sup> Such as protection of the environment and health & safety (e.g. refusing entry to contaminated foodstuffs or potentially dangerous electrical appliances)

Sub-questions	Judgement criteria - extent to which...	Indicators (and sources of evidence)
		Existence of unexpected results from given joint actions that affected collaboration between administrations (participatory methods and case studies)
<p>2.2 To what extent have the <b>European Information Systems (EIS)</b> supported cooperation and the achievement of the programme's objectives?</p>	<p>Given IT systems have supported the sharing of information between administrations</p> <p>Given IT systems have supported collaboration between administrations</p>	<p>Availability and reliability of given IT systems (PMF results indicators 2.1-2.2, 2.4-2.9, participatory methods and case studies)</p> <p>Level of use of given IT systems, with regard to different areas of customs policy and programme objectives and possible alternatives (PMF results indicators 2.3, participatory methods and case studies)</p> <p>Level of perceived and documented usefulness of given IT systems, with regard to different areas of customs policy and programme objectives and possible alternatives (PMF results indicators 2.13-2.16, participatory methods and case studies)</p> <p>Proportion of national administrations believing that the IT systems have improved collaboration between them, in terms of the different programme objectives (participatory methods and case studies)</p> <p>Level of perceived usefulness of programme management IT tools (ART, CIRCABC, PICS) (participatory methods and case studies)</p> <p>Amount of time and resources saved by administrations through sharing information via given IT systems instead of other means (participatory methods and case studies)</p> <p>Existence of unexpected results from given IT systems that affected collaboration between administrations</p>
<p>2.3 To what extent has <b>human competency building</b> contributed to reinforce the cooperation between customs authorities of participating countries?</p>	<p>Given eLearning modules reinforced the development of knowledge and capacity building</p> <p>Given IT training courses enabled officials to benefit from given IT systems</p>	<p>Number of available eLearning modules, in terms of different programme objectives (PMF learning index indicators 4.7, documentary evidence)</p> <p>Number of officials and administrations downloading and following given eLearning modules (PMF learning index indicators 4,1)</p> <p>Percentages of participating officials finding given eLearning modules in line with their training needs and duties (PMF learning index indicators 4.4-4.5, supplemented by participatory methods and case studies)</p> <p>Favourability towards and perceived usefulness of given eLearning modules in relation to possible alternatives (PMF learning index indicator 4.5, supplemented by participatory methods and case studies)</p> <p>Number of officials participating in given IT training courses (PMF learning index indicator 4.3)</p>

Sub-questions	Judgement criteria - extent to which...	Indicators (and sources of evidence)
		<p>Favourability towards and perceived usefulness of given IT training courses modules in relation to possible alternatives (PMF learning index indicators, supplemented by participatory methods and case studies)</p> <p>Existence of unexpected results from eLearning and IT training that affected the human capacity/competency building in participating administrations</p>
<b>EQ 3. To what extent have economic operators used and benefited from the programme?</b>		
<i>Not applicable</i>	<p>The IT systems available to EOs (Authorised Economic Operator, REX, EORI, TARIC etc.) simplified administrative procedures and reduced their administrative burden</p> <p>The eLearning modules available to EOs (Union Customs Code related modules, Authorised Economic Operator, intellectual property rights) have supported their ability to comply with EU rules and reduced their administrative burden</p>	<p>Number of EOs registering for and using given systems (PMF indicators on simplified procedures, disaggregated for EOs)</p> <p>Number of downloads of given eLearning modules (PMF learning index indicators 4.9, disaggregated for EOs)</p> <p>Favourability towards and perceived usefulness of given IT systems (case studies, targeted survey of EOs and OPC, supplemented with feedback received by DG TAXUD and national administrations)</p> <p>Favourability towards and perceived usefulness of given eLearning modules (case studies, targeted survey of EOs and OPC, supplemented with feedback received by DG TAXUD and national administrations)</p> <p>Amount of time saved by EOs through using given IT systems and eLearning modules (case studies, targeted survey of EOs and OPC)</p> <p>Amount of additional cross-border trade conducted by EOs due to availability of given IT systems and eLearning modules (case studies, targeted survey of EOs and OPC)</p> <p>Degree of simplification of rules due to the application of the Union Customs legislation (i.e. reduction of the administrative burden) (case studies that relate to EIS, OPC, documentary sources, survey, PMF impact indicators 10.1-10.5)</p>
<b>EQ 4. To what extent has the programme contributed to the achievement of its specific objectives?</b>		
<p><b>4.1 Protecting</b> the financial and economic interest of the Union and of the Member States, including the fight against fraud and the protection of intellectual property rights?</p>	<p>For each sub-question:            Have programme activities / outputs / AWP projects supported national administrations and EOs such as to make plausible contributions to specific objectives</p>	<p>For each sub-question:            Proportion of programme budget and activities aimed at given objectives (PMF activity data and output indicators)</p> <p>Level of plausible contribution of given programme activities / outputs / AWP projects to improved performance in relevant impact-level PMF indicators 7.1-10.5 (documentary evidence on trends from DG TAXUD, supplemented with synthesised findings from EQs 2-3)</p>
<p><b>4.2 Increasing the safety and</b></p>		

Sub-questions	Judgement criteria - extent to which...	Indicators (and sources of evidence)
<b>security</b> , protecting citizens and the environment?		
4.3 Improving the <b>administrative capacity</b> of the customs authorities?		
4.4 Strengthening the <b>competitiveness</b> of European businesses		

**Table 3: Evaluation questions matrix – efficiency**

Sub-questions	Judgement criteria – extent to which...	Indicators (and sources of evidence)
EQ 5. To what extent have the design and management of the programme been conducive to achieving the desired results?		
5.1 To what extent is the <b>programme’s process for taking decisions</b> and setting priorities appropriate?	<p>Programming decisions reflect the needs of beneficiaries and of the Commission and the customs union</p> <p>Programme decisions are timely enough to meet beneficiary needs</p>	<p>Level of agreement among key stakeholders that given programme decisions are taken in a consultative and transparent manner and reflect their needs (participatory methods)</p> <p>Level of alignment between funding amounts and stated priorities of programme committee members (participatory methods and documentary evidence from national authorities)</p> <p>Timeliness of decision-making compared to stakeholder needs (participatory methods and case studies)</p> <p>Level of effort made to implement Customs 2013 ex post evaluation recommendations (programme manager interviews)</p> <p>Existence of perceived improvements to the programme leading from implementation of Customs 2013 ex post evaluation recommendations (programme manager interviews)</p> <p>Proportion of staff and key stakeholders satisfied with programme structure, processes and procedures (participatory methods)</p>

Sub-questions	Judgement criteria – extent to which...	Indicators (and sources of evidence)
<p>5.2 To what extent has the <b>PMF improved the responsiveness and performance of the programme</b> without placing undue burdens on stakeholders and the Commission?</p>	<p>The various kinds of data collected for the PMF is timely and reliable</p> <p>The various kinds of PMF data are useful and fed into programme governance and decision-making</p> <p>The collection, analysis and reporting of the PMF data are commensurate with their benefits</p>	<p>Robustness of PMF data across various indicators (PMF data, supplemented by interviews with programme managers)</p> <p>Number and quality of discussions among programme managers and other key stakeholders about PMF reports and data (participatory methods)</p> <p>Amount of time needed to provide PMF feedback (for administrations) and collate and report on it (for DG TAXUD) (participatory methods)</p> <p>Amount and quality of use of given aspects of PMF data to set programme priorities, refine types of activities, adapt to changing circumstances (participatory methods)</p> <p>Proportion of staff and key stakeholders satisfied with PMF (participatory methods)</p>
<p>5.3 To what extent has the programme <b>demonstrated operational efficiency</b>?</p>	<p>The administrative arrangements and amount of human and financial resources needed to manage the programme are appropriate in comparison with other spending programmes</p> <p>Funding decisions and payments are made in a timely fashion</p> <p>Actual spending reflects priorities and plans</p> <p>Potential synergies with other programmes (especially Fiscalis 2020) are maximised</p>	<p>Number of full-time equivalents needed from Commission to administer programme compared to similar programmes (documentary evidence from DG TAXUD)</p> <p>Number of full-time equivalents needed from Member State administrations to coordinate and take part in the programme (participatory methods)</p> <p>Number and quality of automated and simplified processes compared with previous programming period (participatory methods and documentary evidence from DG TAXUD)</p> <p>Time needed to process grant applications and provide reimbursements (PMF activity data)</p> <p>Alignment between actual spending and priorities and plans (PMF activity data: 0.2, 1.1, 1.2, 2.4, 2.13, 3.1, 3.2, 4.10, 5.1, 5.2, 7.5 )</p> <p>Existence of cost-saving measures implemented for the new programming period (participatory methods and documentary sources from DG TAXUD)</p>

Sub-questions	Judgement criteria – extent to which...	Indicators (and sources of evidence)
		Existence and extent of synergies between Customs and Fiscalis (participatory methods and documentary sources from DG TAXUD)
<b>EQ 6. To what extent have the programme's resources produced best possible results at the lowest possible costs (best value for money)?</b>		
6.1 To what extent did the <b>joint actions provide value for money?</b>	For all activity types:	For all activity types:
6.2 To what extent did the <b>EIS provide value for money?</b>	Given activities are designed, managed and resourced in a way that drives results and efficient use of resources	Proportion of activities that could not have been funded from other sources (participatory methods)
6.3 To what extent did the <b>human competency-building activities</b> provide value for money?	The benefits for administrations and EOs generated by given activities outweigh the costs borne by the stakeholders and the Commission	Proportion of activities funded in line with original estimates (budgetary data from DG TAXUD) Proportion of funded activities leading to cost reductions / savings for stakeholders (participatory methods)  Relative costs of aspects of activity types and specific activities compared to quantifiable and non-quantifiable benefits and other ways of spending time and money (answers to effectiveness questions held up against budgetary data from DG TAXUD)
6.4 To what extent did <b>the programme as a whole</b> provide value for money?	The benefits realised under given specific objectives are proportionate to the programme's costs	Amount of funding devoted to Customs 2020 in relation to scale of problems faced by society in terms of problems related to issues such as fraud, intellectual property rights and piracy, security, health and safety, and competitiveness, administrative burdens to collaboration faced by customs administrations and compliance costs for economic operators in the internal market (answers to effectiveness question held up against itemised budget data from DG TAXUD)  Level of achievement in each of the programme's specific objectives compared to the amount of money spent and scale of the problems faced and possible alternatives (answers to effectiveness question held up against itemised budget data from DG TAXUD)  Amount of resources devoted to aspects of Customs 2020 as a proportion of resources of participating customs administrations as a whole

**Table 4: Evaluation questions matrix – coherence**

Sub-questions	Judgement criteria - extent to which	Indicators (and sources of evidence)
<b>EQ 7. To what extent does the programme demonstrate internal and external coherence?</b>		
7.1 How well do the parts of <b>Customs 2020 fit together</b> and complement each other?	<p>Programme objectives, AWP priorities and activities are aligned</p> <p>There are synergies between programme activities (e.g. joint actions feeding the development of IT systems)</p> <p>The organisation of AWPs into specific projects enhanced coherence</p> <p>The organisation of the programme's activities avoid duplication</p>	<p>Level of consistency between intervention logic, programme objectives, AWP priorities and projects (PMF data, participatory methods and case studies)</p> <p>Amount and quality of synergies / duplications at different levels of the programme (PMF impact indicator 6.1-6.2, 5.20, participatory methods and case studies)</p> <p>Strength of internal communication and information-sharing practices (participatory methods and case studies)</p>
7.2 How well does Customs 2020 support and complement other EU policies and <b>programmes, including the Union's priorities of smart, sustainable and inclusive growth?</b>	<p>The objectives and activities of the programme support the functioning of the internal market, innovation, competitiveness, employment and the financial interests of the EU</p> <p>Accession and associate countries participate in the programme</p>	<p>Consistency of Customs 2020 with the Europe 2020 Strategy, priorities aimed at reducing red tape, further improving the functioning of the internal market and fostering for smart, sustainable and inclusive growth (review of programme and policy documentation, supported by programme manager interviews)</p> <p>Number and quality of examples demonstrating positive contribution of Customs 2020 to other EU initiatives (review of programme and policy documentation, supported by programme manager interviews)</p> <p>Number of third countries participating in the programme and extent of their participation (review of programme and policy documentation, supported by programme manager interviews, PMF indicator 5.5)</p>

**Table 5: Evaluation questions matrix – EU added value**

<b>EQ 8. To what extent does the programme provide EU added value?</b>		
Sub-questions	Judgement criteria – extent to which...	Indicators (and sources of evidence)
8.1 To what extent has the programme generated <b>EU added value through</b>	The programme generated efficiency gains and economies of scale (e.g. through pooling resources) in contributing to the objectives of EU customs policy	Re-analysis of answers to effectiveness, relevancy and efficiency questions. (PMF impact indicators 5.20, 9.2, 10.4)

<p><b>contributions to policy-level objectives</b> and reduced administrative costs and burdens?</p>	<p>The programme led to demonstrable reductions in administrative burdens and costs for administrations and economic operators</p>	
<p>8.2 To what extent has the <b>programme complemented the activities and policies</b> of the Member States?</p>	<p>The programme allowed national administrations to achieve better and quicker than would have been possible without Customs or other options</p> <p>Given aspects of the programme support customs initiatives at other levels</p> <p>The programme built trust and led to administrative convergence</p> <p>The programme avoided duplicating the work of national administrations</p>	<p>Existence of synergies between Customs 2020 and specific initiatives at other levels (documentary evidence, participatory methods, case studies and OPC)</p> <p>Level of agreement among stakeholders that given Customs 2020 activities add value compared to other options for collaboration / policy implementation (participatory methods and case studies)</p> <p>Level of consistency between Customs 2020 objectives and activities and initiatives by the Member States (participatory methods and case studies)</p> <p>Level of agreement among administrations that administrative cultures have converged (participatory methods and case studies)</p>
<p>8.3 To what extent are the achievements of Customs sustainable?</p>	<p>Given achievements of the programme are not contingent on future funding</p> <p>Other sources of funding could make up for reductions in funding</p>	<p>Level of agreement that administrative cooperation and other achievements of the programme would continue without / with reduced funding (participatory methods and case studies)</p> <p>Existence of other sources of funding that could (partially) replace Customs (participatory methods and case studies)</p>

## 2. COMBINED PMF INDICATORS LIST

**Table 6: Combined PMF indicators list**

Indicator number	Indicators for C2020 and F2020	C2020	F2020
	<b>Results and output indicators</b>		
	<b>0. Cross-cut indicators: collaboration robustness between programme stakeholders resulting from JA activities</b>		
	<b>Awareness</b>		
0.1	Extent to which the target audience is aware of the programme	x	x
	<b>Extent to which JA enhanced collaborations between participating countries, administrations and officials</b>		
0.2	Extent to which JA (that sought to enhance collaboration between participating countries, their administrations and officials in the field of customs) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	x	x
	<b>Degree of networking generated by programme activities</b>		
0.3	Did the activity provide you a good opportunity to expand your network of and contacts with officials abroad? (percentage agreeing)	x	x
0.4	Have you been in contact for work purposes with the officials you met during this activity since the activity ended? (percentage agreeing)	x	x
	<b>Extent to which programme outputs (e.g. guidelines or training material) are shared within national administrations</b>		
0.5	Were the outputs of the action shared in national administrations? (percentage agreeing)	x	x
0.6	Further to your participation in this activity, did you share with colleagues what you learned? (percentage agreeing)		
	<b>Analysis</b>		
0.7	Number of studies produced (total for the programme)	x	x
	<b>Objective 1 (Customs): to support the preparation, coherent application and effective implementation of Union law and policy in the field of customs</b>		
	<b>Objective 1 (Fiscalis): to enhance the understanding and implementation of Union law in the field of taxation</b>		
	<b>The Union Law and Policy Application and Implementation Index</b>		
1.1	Extent to which JA (that sought to support/ facilitate the preparation, application and/or implementation of a specific piece of new (or revised) customs law or policy) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	x	x
1.2	Participants' views on the extent to which a JA (that sought to support/ facilitate the preparation, application and/or implementation of a specific piece of new (or revised) customs law or policy) (has) achieved its intended results (percentage of those who replied 'fully' or 'to large extent')	x	x
1.3	Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	x	x
1.4	Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	x	x

1.5	Number of actions (JA) that have supported or facilitated the implementation, preparation or application of (a specific piece of new or revised) customs law	x	x
1.6	Number of recommendations (R) / guidelines (G) / other outputs (O) issued further to a JA (under this objective)	x	x
1.7	Number of monitoring visit reports issued on time (within three months after the end of the visit)	x	
<b>Scientific laboratories</b>			
1.8	Number of participants in the customs laboratories activities organised under the programme	x	
<b>Tariff and classification</b>			
1.9	Time taken for the resolution of divergent tariff classification cases further to programme activities: (A) Average time for solving cases, (B) Percentage of all new cases solved within 6 months, (C) Percentage of all new cases solved within 1 year	x	
<b>Objective 2: to implement, improve, operate and support the European Information Systems for customs / taxation</b>			
<b>European Information Systems (EIS) - "Availability, reliability and/or quality of *specific) Union components of EIS and the CCN"</b>			
2.1	Availability of centralised IT customs applications (CIS) and NCTS, ECS and ICS during business hours (%)	x	x
2.2	Availability of CCN overall (%)	x	x
<b>System Performance</b>			
2.3	Activity indicators	x	x
<b>Existing EIS "Existing IT systems indicator"</b>			
2.4	Number of European Information Systems in operation, as per Annex 1 of the Customs 2020 Regulation	x	x
2.5	Number of modifications on IT systems in operation following business requests	x	x
2.6	Number of modifications on IT systems in operation following corrections	x	x
<b>"Degree and quality of support provided to Member States"</b>			
2.7	Number of occurrences where the service desk is not joinable	x	x
2.8	Percentage of service calls answered on time	x	x
<b>Future EIS "New (components of) IT systems indicators"</b>			
2.9	Number of IT projects in the phase research	x	x
2.10	Number of IT projects in the phase development	x	x
2.11	Number of new IT systems in operation	x	x
2.12	Ratio of IT projects in status "green"	x	x
<b>Joint actions that were organised in relation to the EIS "Stakeholders' assessment of JAs / events"</b>			
2.13	Extent to which JAs (that sought to enhance the availability, reliability and/or quality of (specific) Union components of EIS) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	x	x
		x	x
2.14	Participants' views on the extent to which a JA (that sought to enhance the availability, reliability and/or quality of (specific) Union components of EIS) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')	x	x
2.15	Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	x	x
2.16	Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	x	x

	<b>Objective 3 (Customs): to identify, develop, share and apply best working practices and administrative procedures, in particular further to benchmarking activities</b>		
	<b>Objective 3 (Fiscalis): to support the improvement of administrative procedures and the sharing of good administrative practices</b>		
	<b>Joint actions "Stakeholders' assessment of JAs / events"</b>		
3.1	Extent to which JAs (that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	x	x
		x	x
3.2	Participants' views on the extent to which a JA (that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')	x	x
3.3	Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	x	x
3.4	Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	x	x
	<b>Best Practices and Guidelines Index</b>		
3.5	Percentage of participants that disseminated a working practice and/or administrative procedure/guideline developed/shared produced with the support of the programme in their national administration (under this objective)	x	x
3.6	Percentage of participants which declare that an administrative procedure/working practice/guideline developed/shared under the programme led to a change in their national administration's working practices (under this objective)	x	x
3.7	Number of actions under the programme organised in this area	x	x
3.8	Number of working practices/administrative procedures (AP) developed/shared	x	x
3.9	Number of guidelines (G) and recommendations (R) issued by participating countries in their national administrations following activities relating to modern and harmonized approaches to customs procedures	x	x
3.10	Number of actions which had outputs used for a benchmarking activity as declared by the action managers	x	
	<b>Networking and co-operation</b>		
3.11	Number of face to face meetings (total for the programme)	x	x
3.12	Number of on-line collaboration groups (PICS) (total for the platform)	x	x
	<b>User engagement of the Programme Information and Collaboration Space - PICS</b>		
3.13	No of downloaded files from PICS (total for the platform)	x	x
3.14	No of uploaded files on PICS (total for the platform)	x	x
	<b>Automatic exchange of working practices and administrative procedures "Exchange of information on new C2020 systems / system components"</b>		
3.15	Extent to which key new C2020 European Information Systems / system components, as per the C2020 Regulation, aimed at increasing interconnectivity and moving to a paper-free customs union are being used (number of movements, in millions)	x	
	<b>Indicators on the simplified procedures for the national administrations and economic operators:</b>		
3.16	Time required to close EMCS movements		x

3.17	Number of registered economic operators in the Mini-One-Stop-Shop		x
3.18	Number of applications on VAT refund		x
3.19	Number of consultations on VIES-on-the-web		x
3.20	Number of consultations on SEED-on-Europa		x
3.21	Number of consultations on TEDB		x
	<b>Objective 4: to reinforce skills and competencies of customs / taxation officials</b>		
	<b>The Learning Index</b>		
4.1	Number of EU eLearning modules used by participating countries (combined number of all modules used in each country)	x	x
4.2	Average training quality score by officials (on a scale of 100)	x	x
4.3	Number of officials trained in IT trainings	x	x
4.4	Percentage of officials that found that the IT training met their expectations (percentage of those who replied 'fully' or 'to large extent')	x	x
4.5	Percentage of officials that found that the IT training to be useful (percentage of those who replied 'very useful' or 'useful')	x	x
4.6	Number of officials trained by using EU common training material	x	x
4.7	Number of IT training sessions organised for given systems / components	x	x
4.8	Number of produced EU eLearning modules	x	x
4.9	Number of times publicly available EU eLearning modules were downloaded from Europa.eu website ( <b>reported under obj. 5, indicator 5.8</b> )	x	x
4.10	Degree of alignment of national customs administrations with the principles of the Customs Competency Framework (percentage of the total CFW modules which the national administrations implemented or have equivalent in place)	x	
	<b>Objective 5 (Customs): to improve co-operation between customs authorities and international organisations, third countries, other governmental authorities, including Union and national market surveillance authorities, as well as economic operators and organisations representing economic operators</b>		
	<b>Objective 5 (Fiscalis): to support administrative cooperation activities</b>		
	<b>Participant feedback "Stakeholders' assessment of JAs / events"</b>		
5.1	Extent to which JAs (that sought to support co-operation between customs authorities and IOs, third countries, other governmental authorities, economic operators) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	x	x
5.2	Participants' views on the extent to which a JA (that sought to support co-operation between customs authorities and IOs, third countries, other governmental authorities, economic operators) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')	x	x
5.3	Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	x	x
5.4	Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	x	x
	<b>Cooperation with third parties</b>		
5.5	Number of partner countries that the customs union exchanges information with via IT systems	x	

5.6	Average training quality score by other users (e.g. traders and individuals) (on a scale of 100) (eModules)	x	
5.7	Number of programme actions supporting the operational objective relating to co-operation with 3 <sup>rd</sup> parties ( <b>NOTE: under wrong heading (stakeholder assessment) in progress report</b> )	x	
5.8	Number of downloaded e-learning courses by economic operators and others via Europa.eu website ( <b>NOTE: under wrong heading (stakeholder assessment) in progress report, same as indicator 4.9</b> )	x	
<b>Exchange of information</b>			
5.9	Number of e-forms exchanged (within each taxation area: recovery, VAT; direct taxes)		x
5.10	Number of VIES messages (registry messages)		x
5.11	Number of messages exchanged on EMCS		x
5.12	Number of EMCS control reports analysed by documentation or physical controls/findings		x
<b>Cooperation on other means of administrative cooperation</b>			
5.13	Number of presences in administrative offices and participation in administrative enquiries		x
5.14	Number of Member States participating in MLC's (F2020 data)		x
5.15	Number of Member States initiating MLCs (F2020 data)		x
5.16	Degree to which results were achieved, as assessed by the MLC coordinator		x
<b>EMCS business statistics indicators</b>			
5.17	Administrative Cooperation Common Requests		x
5.18	History Results		x
5.19	Reminder Message for Administrative Cooperation		x
<b>Cooperation via networks indicator</b>			
5.20	The degree to which CLOs assess that the programme contributed to administrative cooperation (percentage of them agreeing that the activity achieved its results)		x
<b>Customs 2020 impact indicators</b>			
<b>General objective: Functioning and modernisation of the Customs Union in order to strengthen the internal market by means of cooperation between participating countries, their customs authorities and their officials</b>			
6.1	Degree of convergence between Member States (i.e. working as one)	x	
6.2	Improved functioning of the customs union	x	
6.3	Ratio of the number of customs officials participating in the programme relative to the total number of customs officials (by Member States)	x	
6.4	Extent to which harmonised electronic tools are being employed across the Customs Union (i.e. modern Customs Union)	x	
<b>Specific objective 1: To support customs authorities in protecting the financial and economic interests of the Union and of the Member States</b>			
7.1	Trends in number of cases of fraud detected	x	
7.2	Trends in the value of customs fraud detected	x	
7.3	Customs union performance indicators on the effectiveness of controls	x	
7.4	Number of Member States that have implemented the EU Customs Action Plan to combat infringements of intellectual property rights	x	
7.5	Extent to which projects (that sought to support customs authorities in the protection of the financial and economic	x	

	interests of the EU and the Member States) have achieved their result(s), as reported by action managers		
	<b>Specific objective 2: To increase safety and security, to protect citizens and the environment</b>		
8.1	Customs union performance indicators on the number of seizures	x	
8.2	Extent to which projects (that sought to increase safety and security, protect citizens and the environment) have achieved their result(s), as reported by action managers	x	
	<b>Specific objective 3: To improve the administrative capacity of customs authorities</b>		
9.1	World Bank's logistics performance index (elements related to customs only)	x	
9.2	Extent to which projects (that sought to improve the administrative capacity of customs authorities) have achieved their result(s), as reported by action managers	x	
	<b>Specific objective 4: To strengthen the competitiveness of European businesses</b>		
10.1	World Bank's ease of doing business index (elements related to customs)	x	
10.2	Customs union performance on the clearance of goods	x	
10.3	Customs union performance on Authorised Economic Operator-related indicators	x	
10.4	Degree of simplification of rules due to the application of the Union Customs legislation (i.e. reduction of the administrative burden)	x	
10.5	Extent to which projects (that sought to strengthen the competitiveness of European businesses) have achieved their result(s), as reported by action managers	x	
	<b>Fiscalis 2020 impact indicators</b>		
	<b>Impact indicators - General objective: To improve the proper functioning of the taxation systems in the internal market by enhancing cooperation between participating countries, their tax authorities and their officials</b>		
11.1	Ratio of the number of tax officials participating in the programme relative to the total number of tax officials (by Member States)		x
	<b>Impact indicators - specific objective: Support the fight against tax fraud, tax evasion and aggressive tax planning</b>		
12.1	VAT gap indicator (MP - result indicator 1)		x
12.2	Excise gap indicator		x
12.3	Direct Tax gap indicator		x
12.4	Degree of implementation of the Action plan on the fight against fraud (30 actions)		x
12.5	Degree of implementation of the Action plan on the fight against fraud (30 actions)		x
12.6	Eurofisc indicator		x
12.7	Extent to which projects (that sought to support the fight against tax fraud, tax evasion and aggressive tax planning) have achieved their result(s), as reported by action managers		x
	<b>Impact indicators - specific objective: Support the implementation of Union law in the field of taxation</b>		
13.1	Number of infringement cases, EU PILOT procedures, non-compliance cases and percentage of infringement cases proposed for a Commission decision (MP Result indicator 8)		x
13.4	Extent to which projects (that sought to support the implementation of Union law in the field of taxation) have achieved their result(s), as reported by action managers		x

	<b>Impact indicators - specific objective: Support the implementation of Union law in the field of taxation</b>		
14.1	Effectiveness of the legal framework with regard to the fight against tax fraud and tax evasion (MP Result indicator 3)		x
14.2	Level of administrative cooperation in combating VAT fraud (MP - result indicator 2)		x
14.3	Extent to which projects (that sought to support the implementation of Union law in the field of taxation by supporting administrative cooperation) have achieved their result(s), as reported by action managers		x
	<b>Impact indicators - specific objective: Support the implementation of Union law in the field of taxation by securing exchange of information</b>		
15.1	Valuation of IT systems by Member States		x
15.2	Extent to which projects (that sought to support the implementation of Union law in the field of taxation by securing exchange of information) have achieved their result(s), as reported by action managers		x
	<b>Impact indicators - specific objective: Support the implementation of Union law by enhancing administrative capacity of participating countries with a view to assisting in reducing administrative burden on tax administrations and compliance costs for tax payers</b>		
16.1	Ease of paying taxes indicator		x
16.2	Reduction of compliance costs and compliance time for companies engaged in intra-Community business (MP Result indicator 4)		x
16.3	Level of simplification and rationalisation of VAT and other indirect tax legislation (MP Result indicator 7)		x
16.4	Ratio of administrative cost to net revenue collection		x
16.5	Extent to which projects (that sought to support the implementation of Union law by enhancing administrative capacity of participating countries with a view to assisting in reducing administrative burden on tax administrations and compliance costs for tax payers) have achieved their result(s), as reported by action managers		x

### 3. QUESTIONNAIRE TO NATIONAL AUTHORITIES – PART 1

#### 3.1. INTRODUCTION

The evaluation questionnaire for national authorities was sent out on 2 February 2018 with a deadline of 23 February for its completion. The evaluation team sent it to 34 national coordinators from the EU Member States and six candidate countries which are also participating in the programme. At the closure of the survey, 28 national authorities had completed the questionnaire, including 23 EU Member States<sup>100</sup> and 5 candidate countries<sup>101</sup>. The report is based on the responses from these countries and provides an analysis and overview of their views concerning the Customs 2020 programme, its joint actions and training activities, the management structure and processes, and the programme's added value.

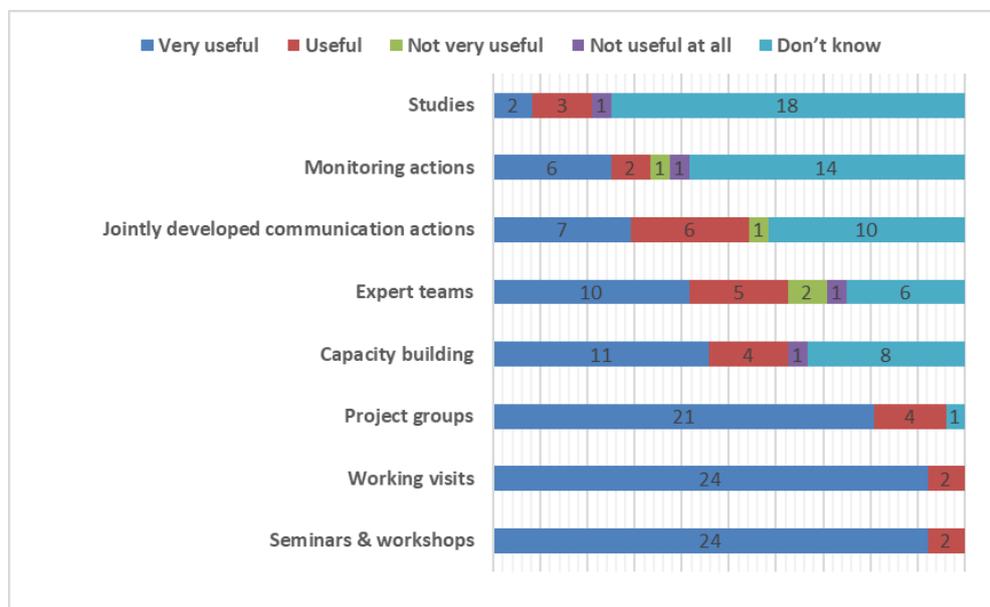
#### 3.2. FINDINGS FROM THE NCA QUESTIONNAIRE

##### 3.2.1. Views and perceptions of the Customs 2020 programme joint actions

#### Question 1: In general terms, how useful have each of the different types of Customs 2020 programme joint actions been to the work of your administration?

Respondents were particularly satisfied with seminars and workshops, working visits and project groups, with the majority indicating that they were “very useful” to the work of their administrations. There was less awareness among respondents regarding the utility of capacity building, expert teams, and jointly developed communication actions, with several respondents indicating they did not know whether these joint actions were useful. Finally, more than half of respondents were unfamiliar when asked about monitoring actions and studies.

Figure 1: Utility of the Customs 2020 programme joint actions (in numbers)



The number of responses varied between n=24 and n=26

<sup>100</sup> Austria, Belgium, Croatia, Cyprus, Denmark, Estonia, Finland, Germany, Greece, Hungary, Ireland, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom.

<sup>101</sup> Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia.

Customs administrations were asked to explain their views on the different types of joint actions. The below sections aim to explore the qualitative findings for each joint action.

### ***Seminars and workshops***

The analysis of the open responses indicated the following main strengths of the seminars and workshops:

- This type of joint action leads to exchange of information and experience. Furthermore, it allows participating countries to reassess their own performance while considering practices of other Member States. These activities are also useful for understanding the EU context and practices, as well as to gain another perspective of the problems and legal requirements;
- Meeting with experts from other Member States and discussions leading to bi- and multilateral cooperation and to networking with third parties following the end of the actual joint action activities;
- High-Level seminars enable a better understanding of common problems and developments in relation to the programme management and contribute to streamlining political and strategic directions.

Regarding potential improvement of this type of joint action, it was said that conclusions can be more precise and clear. Also, participants should receive agenda for seminars and workshops well in advance of the event together with other relevant documentation, to ensure that there is sufficient time to prepare for the activity.

### ***Working visits***

The following main strengths were identified for this type of joint action:

- Exchange of best practices and information between field officers in specific working areas, e.g. to improve administrative capacity of customs administrations regarding administrative structures and functions. In some cases, such practices are applied in the visiting country following the working visit;
- Opportunity to gain practical experience by discussing or observing real work situations. They also provide a possibility for bi- or multilateral cooperation that might be long-lasting;
- Reinforce the skills and competences of customs officers participating in the joint action. Furthermore, the skills and knowledge gained might be disseminated to colleagues once the officers return to their national administration;
- Enable a more uniform application of customs legislation and a standardisation of methods.

Examples of activities and tangible outcomes highlighted by the respondents are included in the box below:

#### **Box A: Activities and tangible outcomes related to working visits**

- A working visit on data quality was given as an example of good practices of the host country being implemented in the national system of the visiting country, facilitating and speeding up the process of tariff quota management and issuing of import licences;

- A working visit on detection equipment provided the opportunity for the visiting country to examine and test new equipment before deciding whether to buy it or not for their own national administration.

Regarding potential improvement of working visits, it was said that the administrative burden is significant, and the procedures are time-consuming. As a consequence, the delays in the process might not be compatible with the urgent needs that are sometimes related to working visits.

### ***Project groups***

An analysis of the open responses indicated the following main strengths related to this joint action:

- Collaboration involving experts from participating countries and the Commission provides a unique opportunity to exchange ideas, opinions, new technological trends, business solutions, and IT approaches. Such collaboration may create strong relationships which facilitate future dialogue;
- Project groups enable a better understanding of the EU context and practices, as well as of the interpretation of EU legislation. Furthermore, they help participants to gain new perspectives and views of the same problem. The comparison with other Member States helps improve the national systems and working methods, and provides an overview of the workings of the Customs Union;
- Project groups are set up to deal with specific issues and with the aim of enabling an equal treatment of importers and producers in the EU, for example classification of products or the development of common financial risk criteria and standards.

### ***Capacity building***

Training activities related to the Union Customs Code and to IT systems were considered of key importance to enhance customs officers' skills and competences. Activities were reported to be helpful for the development of performance in the administrations, including for example EU eLearning modules, the Customs Competency Framework, IT systems, and common events for tax and customs training. Also, it was mentioned that capacity building activities are useful for providing guidelines and tools for HR management, and in particular for improved development of job descriptions based on competencies and HR skills development.

### ***Expert teams***

Expert teams are one of the four newly introduced joint actions of Customs 2020 programme. The following main strengths were identified for this joint action:

- Valuable tools for identifying good practices in areas of common interest. They also provide an opportunity to gain new experience and enhance technical knowledge and skills;
- Possibility to involve interested Member States with similar interests and challenges, to cooperate and harmonise customs activities, especially in the area of customs border control (e.g. CELBET);
- Enable a more practical collaboration and bring the activities closer to the field.

Some examples of useful expert teams are provided in the box below:

**Box B: Examples of expert teams**

- Customs Laboratories Expert Team (CLET) has the aim of standardising procedures between Member States, and reducing costs by building a common sample database and analysing samples throughout the Customs Laboratories in the Member States;
- Expert team BTI aims to pool expertise to resolve cases of divergent tariff classification. This expert team was said to have contributed to increased collaboration and knowledge sharing between the participating countries;
- Customs Eastern and South-Eastern Land Border Expert Team (CELBET) was mentioned by several respondents. This expert team enables sharing of experience and good practice on coordinated management of external EU borders in a specific geographical area. The expert team aims to find ways of ensuring equivalent customs protection across the EU Member States, as well as to improve national practice. Furthermore, the expert team enhances interaction and coordination between Member States' customs authorities, border police, and customs authorities in neighbouring countries;
- Authorised Economic Operators (AEO) Network enables an exchange of information and discussion between the Commission and EU Member States on practical questions regarding the implementation of the Authorised Economic Operator programme across the EU, and potential implications.

Regarding areas of improvement, it was said that the administrative burden is bigger for expert teams than for the project groups.

***Jointly developed communication actions***

The following main strengths of jointly developed communication actions were highlighted by respondents:

- It was said that a common and harmonised communications approach will lead to better visibility of the work of the customs administrations;
- Communication material developed in the context of this type of joint action could be used by all Member States, providing added value also for Member States that did not participate directly in the action.

The box below provides examples of communication actions that were highlighted by respondents:

**Box C: Examples of communication actions**

- Development of activities in view of the 50<sup>th</sup> anniversary of the Customs Union, raising awareness among citizens about the role of the Customs Union in their daily life;
- EU Communication Network for Taxation and Customs (ECNtc), enabling cooperation and exchange of information between EU Member States regarding communications policy;
- Union Customs Code Communication Plan Project Group, leading to the development of a package of communication material available for use by all Member States.

## Monitoring actions and studies

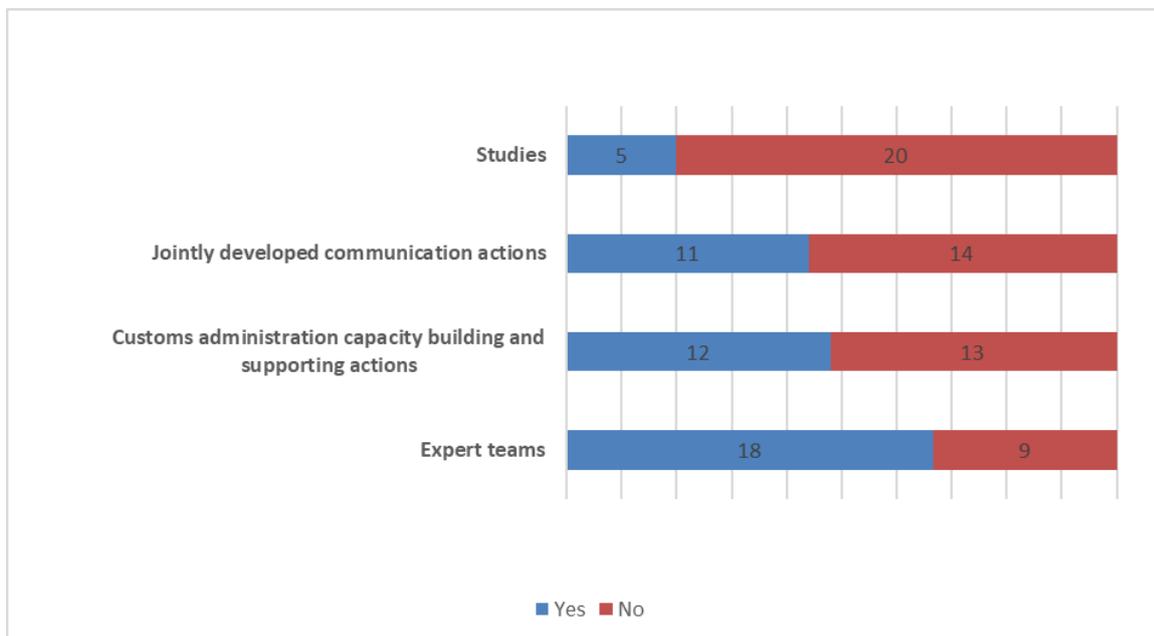
Survey results indicate a limited participation of respondents in these two types of joint actions:

- Respondents who were familiar with **monitoring actions** highlighted that they help to identify gaps and lead to recommendations/solutions for improvement. Furthermore, they provide a good opportunity for exchanging experiences and working methods between the EU Member States;
- **Studies** were considered to lead to change in practices and procedures. CLEN Action 2 and Laboratory Ring Tests were highlighted as examples.

**Question 2: A difference with Customs 2020 programme compared to previous funding periods has been the introduction of four new types of joint action: studies, expert teams, customs administration capacity building and supporting actions, as well as jointly developed communication actions. Has your administration taken part in these new activities?**

National administrations have participated in all the newly introduced Customs 2020 programme joint actions. The highest participation was in the expert teams (18 out of 27), followed by participation in capacity building and supporting actions (12 out of 25) and jointly developed communication actions (11 out of 25). Studies displayed the lowest participation rates, with 5 out of 25 national administrations which confirmed having taking part in this new joint action.

**Figure 2: Member States' participation in the new joint actions (in numbers)**

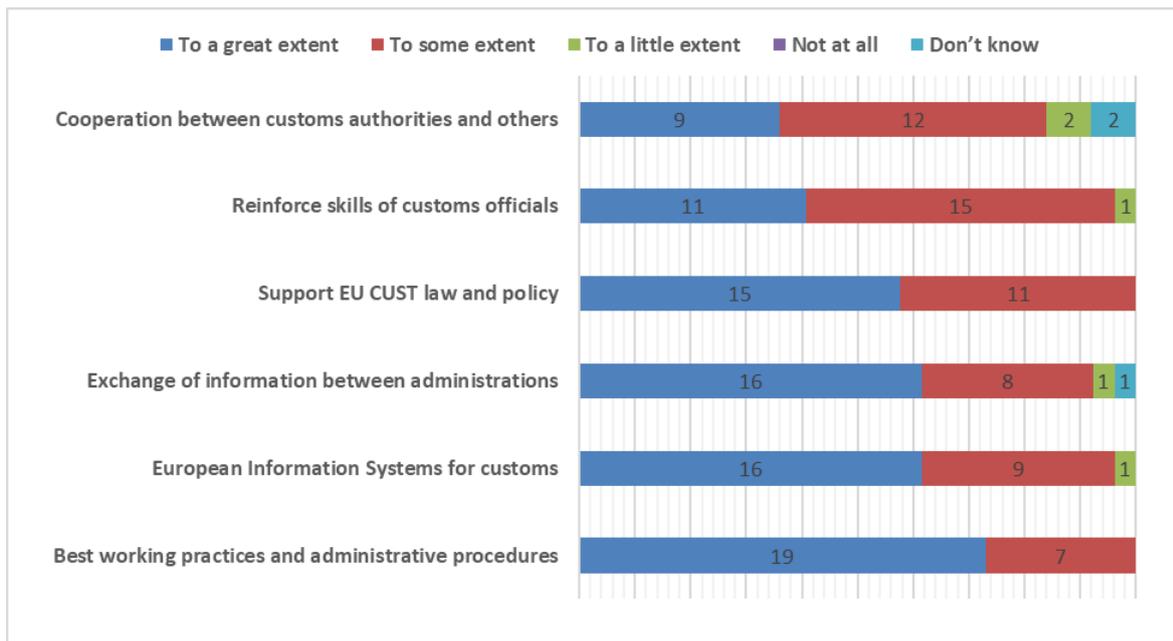


*The number of responses varied between n=25 and n=27*

**Question 3A: Overall, to what extent do you feel Customs 2020 programme joint actions have contributed to the operational objectives of the programme?**

Survey responses reflected high levels of agreement with the contribution of joint actions to the first four operational objectives of the Customs 2020 programme. In particular, all respondents agreed (to a great extent or to some extent) that the joint actions had contributed to the exchange of best working practices and administrative procedures and to support the implementation of EU customs law and policy.

**Figure 3: Contribution of Customs 2020 joint actions to the programme’s operational objectives**



The number of responses varied between n=25 and n=27

The following sections provide examples and explanations identified in the open comments formulated by respondents.

***Identify, develop, share and apply best working practices and administrative procedures***

All respondents indicated that the Customs 2020 programme joint actions –in particular working visits, project groups and workshops– contribute to this objective, either to a great extent or to some extent. The below examples of specific activities that were highlighted to have specifically contributed to this objective were mentioned:

**Box D: Examples of activities contributing to sharing of best practices**

- Authorised Economic Operator Networking meetings – platform to exchange views in customs matters;
- Customs Decision System – opportunity to get to know the new system, how to implement it, and the approach of other Member States;
- PARCS PG – for sharing of best practices, developing joint documents on cooperation with other authorities, drawing guidelines etc; and
- Ralph, Icarus, CLEN, IT systems Development Group.

***Develop, improve, operate and support the European Information Systems for customs***

There was broad agreement among respondents that the Customs 2020 programme actions have contributed to this objective, and the comments provided were overall positive. Common planning such as the Multi-Annual Strategic Plan (MASP) or the Union

Customs Code work plan, as well as the development of common specifications for IT systems were mentioned as central for the implementation of IT applications. The box below outlines some of the actions mentioned to have contributed to this objective.

**Box E: Examples of activities contributing to supporting the Customs EIS**

- Exchange of views, opinions, best practices and expertise for the development of ICS2 (Import Control System);
- The successful implementation of central systems and the integration of national components;
- Results from project groups supporting the creation of new processes or changes to current processes, as well as the introduction of new functionalities and updates of data requirements and messages in the New Computerised Transit System (NCTS);
- Improvements made to the European Information Systems for customs allow systems and information to be shared electronically with other customs authorities. Workshops allow relevant actors to build and maintain relationships which result in a network for shared services;
- Project groups and training were singled out as important tools for this objective. In addition, the importance of the recent Customs Decisions System (CDS) was mentioned;
- DG TAXUD REX system; Advantages of eManifest Information transmitted through the EMSW prototype; transition strategy for AES (Automated Export System) and the update of NCTS were all highlighted in this context.

***Improve the exchange of information between administrations***

The contribution of Customs 2020 programme joint actions to improve the exchange of information between administrations was assessed positively, with several respondents highlighting an improvement in this regard. While it was said that various joint actions contribute to this objective, different networks and common working spaces/systems that have developed through Customs 2020 programme were mentioned as central for an improved exchange between administrations. This applies both to the period of the activity, as well as after since the personal contacts remain. A number of networks and platforms (listed below) were highlighted by respondents:

**Box F: Examples of networks and platforms contributing to exchange of information**

- PICS contributing significantly to information exchange;
- Authorised Economic Operator Network Meetings as an effective platform for exchanging views on customs matters;
- CRMS/RIF system ensures safe and organised information exchange between Member States;
- Customs Union Performance Project Group (CUP) has an important role in providing data, sharing results of Member States' controls and performance in a structured way. In particular, through the CUP Annual Report consisting in the output of these data, that is presented to and consulted with the Customs Policy Group (CPG).

### ***Support the preparation, coherent application and effective implementation of EU customs law and policy***

Respondents agreed that all Customs 2020 programme joint actions have contributed to this objective and provide for a harmonised and consolidated approach to implementing EU customs law and policy. The joint actions were said to have been helpful for officials in analysing, understanding and applying EU customs legislation. Some of the examples provided are outlined in the box below:

#### **Box G: Examples of activities supporting a consistent implementation of EU legislation/policy**

- Common planning of legislative measures and a regular information exchange between Member States and the Commission were said to have been key to the implementation of the Union Customs Code. Also, the Union Customs Code simplification seminars were helpful for aligning national practice with the Union Customs Code;
- Common understanding and agreement among operational experts on various elements of the reform of the advanced cargo information system (ICS2) was mentioned regarding the effective implementation of the security and safety regulation;
- Expertise of laboratories and sharing of experience on applied methods were said to promote a unified classification;
- Project groups were mentioned by several respondents as a crucial forum for discussions about the legislation, leading to consensus concerning the interpretation, and to a more uniform implementation of the EU customs law;
- Seminars, workshops and expert teams were positively assessed, including the CELBET Expert Team and Authorised Economic Operator workshop.

In terms of negative comments, the implementation process is somewhat limited by the fact that the different EU Member States have different methods of dealing with problems and controls.

#### ***Reinforce the skills of customs officials***

While the overall perception of respondents was that skills and competences of customs officials have been strengthened and that all joint actions contribute to the achievement of this objective, difficulties to implement activities in this area were also identified as training and education are the competence of national administrations.

Project groups such as PARCS, CPG/145 IT Training budget, and CLEP were mentioned as positive examples that have helped reinforce skills. Working visits were said to enable customs officials to gain knowledge and experience from other Member States and share this internally and externally with their national administrations.

EU training tools were also mentioned, including Union Customs Code e-modules, IT training on Central Applications, CDMS, and the Trader Portal.

***Improve cooperation between customs authorities and international organisations, third countries, other governmental authorities, and economic operators***

Most respondents agreed that Customs 2020 programme joint actions contribute to the achievement of this objective. Examples improving cooperation with other actors are listed in the box below:

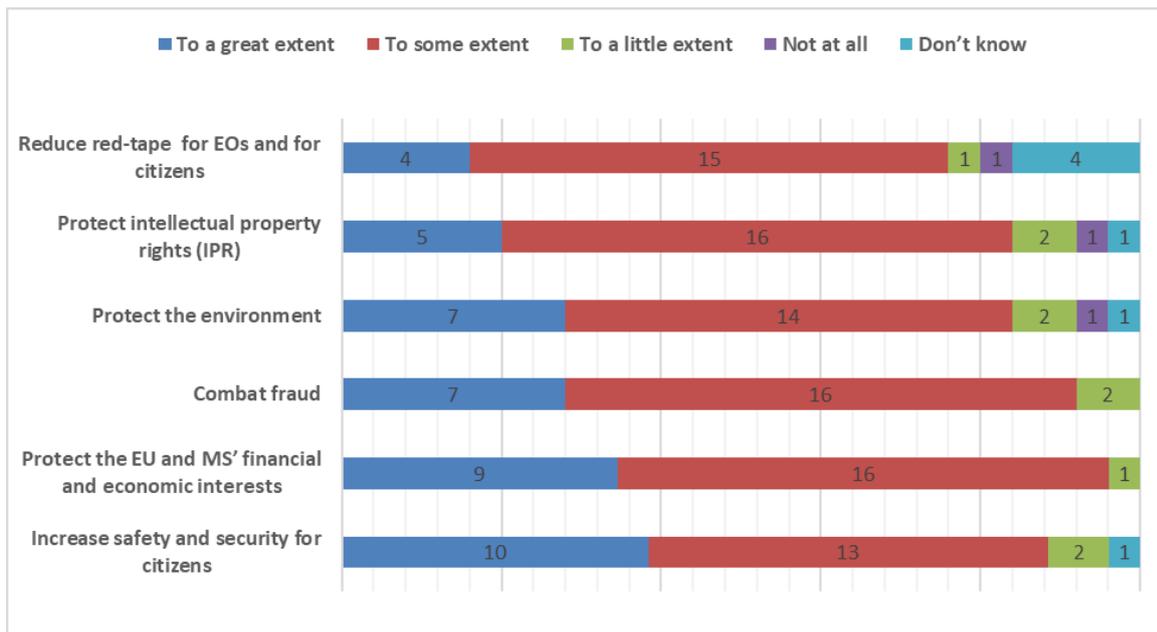
**Box H: Examples of activities improving cooperation with other actors**

- Common activities in the ASEM framework, which are central to a closer cooperation with the Asian countries;
- PARCS Project Group meetings provide a cooperation platform for customs and other enforcement agencies (REACH);
- SSTL – cooperation between the EU and third countries;
- CLEN2SAND – cooperation between CLEN-ENFSI and EMCDDA and WADA;
- Customs2020 EU/Hong Kong Cooperation on intellectual property rights customs enforcement – involvement of customs authorities on both sides fighting international trade in goods infringing intellectual property rights on the basis of risk analysis and close cooperation with relevant stakeholders;
- EU-Ukraine (Georgia, Moldova) working groups on the implementation of the strategic framework for customs cooperation – support for Eastern Partnership countries in implementation of customs elements of DCFTAs (Deep and Comprehensive Free Trade Area Agreement) in the process of convergence of customs laws and practice to the benefit of effective control and legitimate trade;
- Authorised Economic Operator workshop offered a platform for exchange of experience between customs administrations and the private sector;
- CELBET has enabled deeper cooperation with FRONTEX;
- High-level Seminar in Malta on “Strengthening the cooperation between customs and tax authorities”;
- High-level meeting of customs administrations and border guards in Overijssel;
- Fiscalis2020/Customs2020 project group – bringing together customs and excise experts under the same project group contributed to the awareness of both customs and excise authorities regarding common problems encountered by administrations and trader communities.

**Question 3B: Overall, to what extent do you feel Customs 2020 programme joint actions have contributed to the specific objectives of the programme?**

Respondents were less emphatic when consulted about the contribution of joint actions to the specific (higher-level) objectives of the Customs 2020 programme, with the majority considering that these have contributed ‘to some extent’ to the different specific objectives.

**Figure 4: Contribution of the Customs 2020 joint actions to the programme’s specific objectives**



The number of responses varied between n=25 and n=26

The below sections highlight some of the explanations and examples that were identified by respondents in the open comments.

### ***Increase safety and security for citizens***

Respondents agreed that Customs 2020 programme joint actions contribute to this objective, directly or indirectly. They highlighted the importance of implementing common risk criteria for safety and security, as well as of sharing best working practices. Some examples of activities that were put forward are listed in the box below.

#### **Box I: Examples of activities contributing to increasing safety and security of citizens**

- Project group on product safety and compliance control on important goods;
- Cooperation framework regarding implementation of legislation on restrictions and prohibitions, enabling sharing of experiences and ideas on how to implement legislation in this area;
- Project Group on Security Risk Rules with meetings involving 30 risk management experts, that lead to discussions and strategic definition of issues related to EU security and protection of its citizens;
- Interlaboratory studies and proficiency tests, contributing to improvements of controls.

### ***Protect the EU and Member States’ financial and economic interests***

Various actions were said to contribute directly or indirectly to the achievement of this objective, including those focusing on customs control, risk management cooperation, EU border management and protection, as well as IT systems. Furthermore, a correct classification of goods and application of tariffs were highlighted.

The Union Customs Code was mentioned, and it was suggested that project groups aiming to facilitate Union Customs Code implementation contribute to protecting the EU and Member States' interests. In addition, working groups (e.g. EU Guarantee Management System PG and Financial Risk Criteria PG) and other actions were considered to allow customs administrations to learn new practices and assess financial and economic interests.

### ***Combat fraud***

Respondents were overall positive regarding the Customs 2020 programme's contribution to this objective. Activities in the risk management area were reported to be valuable, and cooperation between customs authorities and international organisations such as Europol or OLAF was mentioned. Furthermore, sharing resources and information ensure that relevant actors are up to date with the latest information on combating fraud. Concrete examples put forward by respondents are listed in the box below.

#### **Box J: Examples of activities contributing to combat fraud**

- Customs 2020 EU/Hong Kong Cooperation on intellectual property rights customs enforcement was highlighted as an important contribution to the dismantling illegal intellectual property rights' activities;
- CRMS RIF was mentioned to facilitate the identification of trends on financial fraud and to propose common implementation of measures to prevent them;
- PG Financial Risk Criteria was said to have resulted in a set of measures to be implemented at the level of each Member State, contributing to harmonisation in analysis and control of financial fraud.

### ***Protect the environment***

Most respondents agreed that the joint actions contribute to the achievement of this objective. The box below outlines some examples that were mentioned.

#### **Box K: Examples of activities contributing to the objective "Protect the environment"**

- PARCS project group was mentioned by several respondents. It was positively viewed as a forum to discuss the coordination of activities on the protection of health, cultural heritage, and the environment, as well as to allow officials to exchange views and coordinate practices;
- PROSAFE project group was highlighted, allowing officials to exchange views, coordinate actions and standardise the enforcement procedures of the regulations;
- SSTL Risk management cooperation on waste with China and Hong Kong, as well as a Workshop on waste, January 2014;
- Joint activities in the area of prohibitions and restrictions.

### ***Protect intellectual property rights (IPR)***

The Data Analysis Project Group and the DG TAXUD Expert Group on intellectual property rights Enforcement were put forward as positive examples of activities contributing to protect intellectual property rights. Furthermore, training on COPIS and the organisation of EU/China meetings were said to contribute importantly to this objective. Sharing of information on detentions, seizures, trends and other risk information was highlighted, as well as the network of front-line officers at the main ports in the EU and China.

### ***Reduce red tape for economic operators and citizens in customs transactions***

While most respondents agreed that the Customs 2020 programme joint actions contribute to this objective, it had the lowest number of respondents agreeing to a great extent, and levels of awareness were lower than for other objectives. Positive views confirmed that administrative capacity of the customs authorities had been upgraded for both citizens and economic operators. The box below includes examples of activities put forward by respondents.

#### **Box L: Examples of activities contributing to reduced red tape for EO and citizens**

- An effective implementation of Union Customs Code and its IT infrastructure (fully electronic and paperless customs), facilitating transactions between citizens and customs administrations;
- Impact on HR management regarding development of job descriptions and classifications, performance appraisal, and skills improvement strategy. The competency-based approach and tools developed through the programme were said to be an important influence;
- Examples of Authorised Economic Operator, SASP, and Single Window were said to promote simplifications and reduce the burden of compliance.

#### **Question 4: Please describe 1-2 joint actions that made a particularly big difference to one or more of the objectives listed in the previous question.**

A variety of joint actions were highlighted by respondents as examples that made a difference to the objectives of the Customs 2020 programme. While the answers to this question might be influenced by the preferences and workings of each participating country, many joint actions enumerated had the same objectives and/or similar outputs, indicating their specific importance to the work of national administrations.

Tangible and sustainable outputs are of particular value to respondents since they can be used by national administrations after a specific activity has ended, for example through the dissemination of knowledge gained in the joint actions. Joint actions that lead to the creation of networks and cooperation with other actors enabling to share experience and practices were particularly valued as examples contributing to the Customs 2020 programme objectives. Cooperation with stakeholders representing different groups was highlighted, as well as cooperation covering specific geographical areas sharing common issues and difficulties.

The Customs Eastern and South-Eastern Land Border Expert Team (CELBET) was highlighted by several respondents. This joint action (expert team) enhances interaction and coordination of Member States' customs authorities with border guard/border police and with customs authorities in neighbouring third countries.

The workshop on EU Authorised Economic Operators Programme Workshop that involved 155 representatives from customs authorities, the private sector, and international

organisations, enabled relevant actors to meet and exchange views and experiences about the EU Authorised Economic Operator programme under the Union Customs Code.

Themes/topics mentioned several times in the joint actions include the Union Customs Code implementation and the development of IT systems for customs administrations, as well as training related to these systems. For example, the High-Level seminar on the long-term strategy for the implementation of the customs systems brought together relevant actors to discuss possible approaches for the future development of IT systems in the customs area in an effective way.

The examples highlighted by respondents were said to contribute to the following objectives:

- Effective implementation of Union law and policy in the field of customs;
- Development and support to the European Information Systems;
- Cooperation with other customs authorities, as well as with other governmental bodies, international organisations, and third countries;
- Identification, development, sharing and application of best working practices and administrative procedures.

#### **Question 5: Do you have any ideas about how the joint actions could be improved?**

Several suggestions were formulated by respondents to improve joint actions, including:

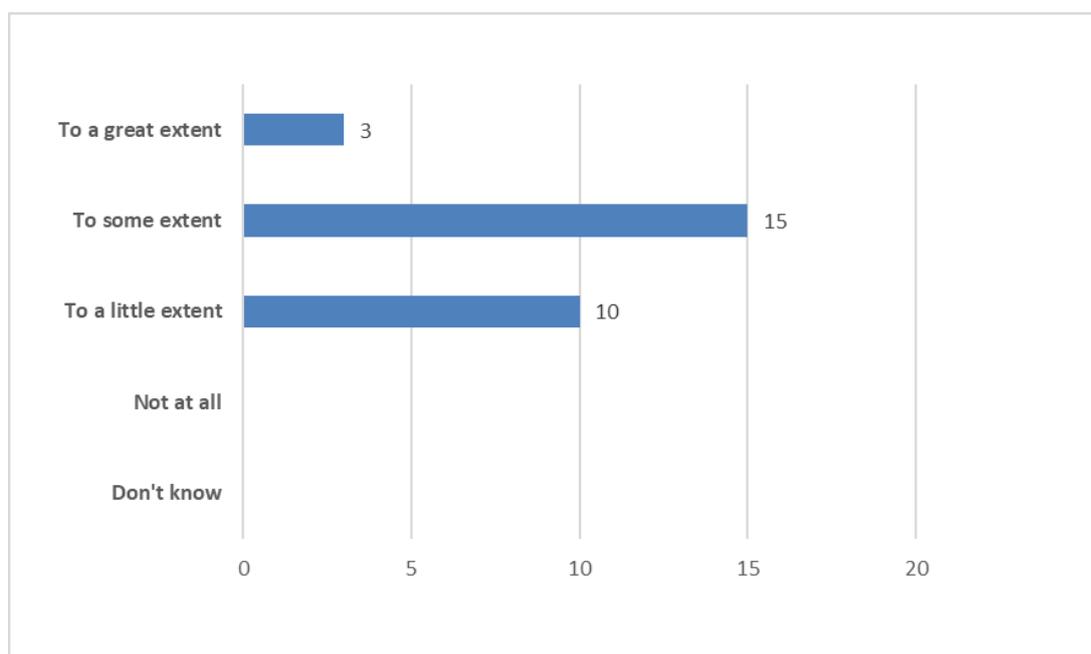
- Clear formulation and explanation of objectives and expected outcomes of joint actions during initial meetings;
- Involvement of a larger number of Member States in the drafting of objectives of joint actions (with a view to achieving consensus on the scope of the actions at earlier stages);
- Focus on a smaller number of participants to achieve greater efficiency of joint actions;
- Focus on monitoring of results and outcomes of joint actions, in particular in relation to events;
- More training, learning, and competency building activities are needed to support common practices in the implementation of the Union Customs Code. Research and Innovation should also be supported if it assists the work of customs administrations;
- Thorough good preparation of participants in view of an event, and provision of sufficient time for brainstorming during events;
- Development of a European database including all joint actions of the programme and their results. The database could enable searches to locate experts, countries, and relevant experiences;
- Designing a new type of joint action(s) that would be easy to organise (including the adequate legal basis) in case of an emergency or an urgent response needed from all or some of the participating countries. It would look like a mixture between Expert Teams Light Version and Ad-hoc Response Working Group (e.g. migration or refugees' issue, natural disaster, or some other unexpected event which demands swift reaction of EU Customs Authorities).

### 3.2.2. Views and perceptions of the Customs 2020 programme Common training activities

#### Question 6: Overall, to what extent has your administration used the training modules developed through Customs 2020 programme?

As evidenced in the graph below, all national administrations confirmed having used the Customs 2020 programme training modules. However, only three administrations have used the modules to a great extent, while the majority (15 out of 28) have used the modules to some extent, and 10 respondents indicated that they have made use of the training modules to a little extent.

**Figure 5: Use of Customs 2020 programme training modules (in numbers)**



*n*=28

#### Question 7: Can you provide 1-2 examples of specific training modules that have been useful for your administration, and explain how they have complemented the national curricula/material available?

The Union Customs Code eLearning programmes were considered to supplement national training, which usually serves as a basis, and act as an additional source for deepening the knowledge of customs officials.

CLEP trainings, including Online Training Material, Car search, and Dog handling, were considered to provide added value and on the job training.

IT trainings, such as the CDMS (Customs Decisions Management System), provides for a useful introduction to the system of customs decisions and trader portal. Modules on CRMS (Customs Risks Management System), AEO (Authorised Economic Operator), UUM&DS (Uniform User Management & Digital Signature) IT training, EBTI (European Binding Tariff Information), ECICS2 (European Customs Inventory of Chemical Substances) IT training, CS/MIS (Central Services/Management Information System) and CS/RD (Central Services/Reference Data) training, as well as the SAMANCTA database, are used and were said to have a practical value.

The language of the training modules was highlighted by national authorities as a barrier. As they are provided in English it becomes a time- and resource-consuming task to translate them. In some cases, there is incompatibility between the training software and the Member States' systems and thus the training modules cannot be used.

**Question 8: In which different ways have the Customs 2020 programme training modules benefited your customs administration?**

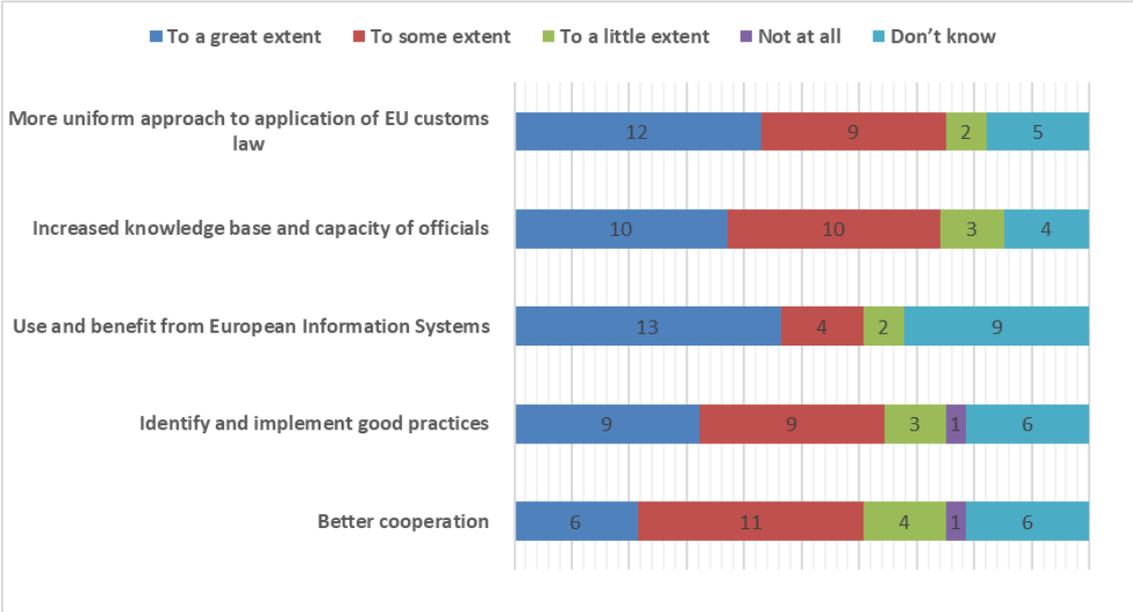
When asked specifically about ways in which the Customs 2020 programme training modules had benefited their administrations, the majority of respondents agreed to a great extent or to some extent that the training modules:

- Led to a more uniform approach to the application of EU customs law among the administrations of EU Member States and other participating countries (21 out of 28);
- Increased the knowledge base and capacity of officials in their customs administrations (20 out of 27).

Slightly fewer respondents agreed to a great extent or to some extent that Customs 2020 programme training modules:

- Helped their administrations to identify and implement good practices from other countries more effectively than would have been possible without the programme (18 out of 28);
- Enabled officials from their administrations to use and benefit from European Information Systems developed under the programme (17 out of 28), with a comparatively high proportion of respondents (13 out of 28) who agreed "to a great extent", and a large share (9 respondents) who said they did not know;
- Enabled better cooperation (17 out of 28), with a comparatively low proportion of respondents (6 out of 28) who indicated "to a great extent".

**Figure 6: Benefits of the Customs 2020 programme training modules (in numbers)**



The number of responses varied between n=27 and n=28

The table below provides examples given by the respondents of how Customs 2020 programme training modules have benefited their administrations.

**Table 7: Examples of training modules benefiting national administrations**

Benefits/Objectives	Examples
<b>More uniform approach to the application of EU customs law</b>	<ul style="list-style-type: none"> <li>• People who receive similar training and explanations about how to use certain applications will then use them in the same way, leading to a more harmonised approach;</li> <li>• One example that was provided was the module for the CCU as it has allowed for a uniform understanding of the legal provisions of the EU.</li> </ul>
<b>Increased knowledge base and capacity of officials</b>	<ul style="list-style-type: none"> <li>• The training modules cover the right topics and that they outline and provide the basic guidelines for teaching material;</li> <li>• Modules are important in increasing the knowledge and skills of the officials, as well as in improving processes and procedures as a result.</li> </ul>
<b>Use and benefit from European Information Systems</b>	<ul style="list-style-type: none"> <li>• Communication and sharing of good practice through the PICS platform were valued positively;</li> <li>• A continued update of IT systems and training provided in relation to this, were mentioned to be crucial for the growth as a Union;</li> <li>• ART, RIF, CRMS, CCN2, CDS, REX, AEO, and CDMS IT trainings and project groups were mentioned as useful examples, helping the Member States during the development and maintenance of the systems, and reinforcing the officers' skills.</li> </ul>
<b>Identification and implementation of good practices from other countries.</b>	<ul style="list-style-type: none"> <li>• Workshops and CLEP events were mentioned as forum for sharing good practices, while training modules were considered less useful for this purpose;</li> <li>• The Car Search module was mentioned as an example of good practice exchange, containing national practices and experience.</li> </ul>
<b>Exchange of information between customs administration</b>	<ul style="list-style-type: none"> <li>• Difficult to distinguish whether an improved cooperation stems from the training modules or other activities;</li> <li>• Some respondents indicated that better cooperation is achieved rather from networking activities;</li> <li>• Others indicated that the training modules enable contact with experts from other Member States and that the integration of common training modules ensures that the officials are trained in a similar way throughout the EU Member States, thus facilitating a better cooperation.</li> </ul>

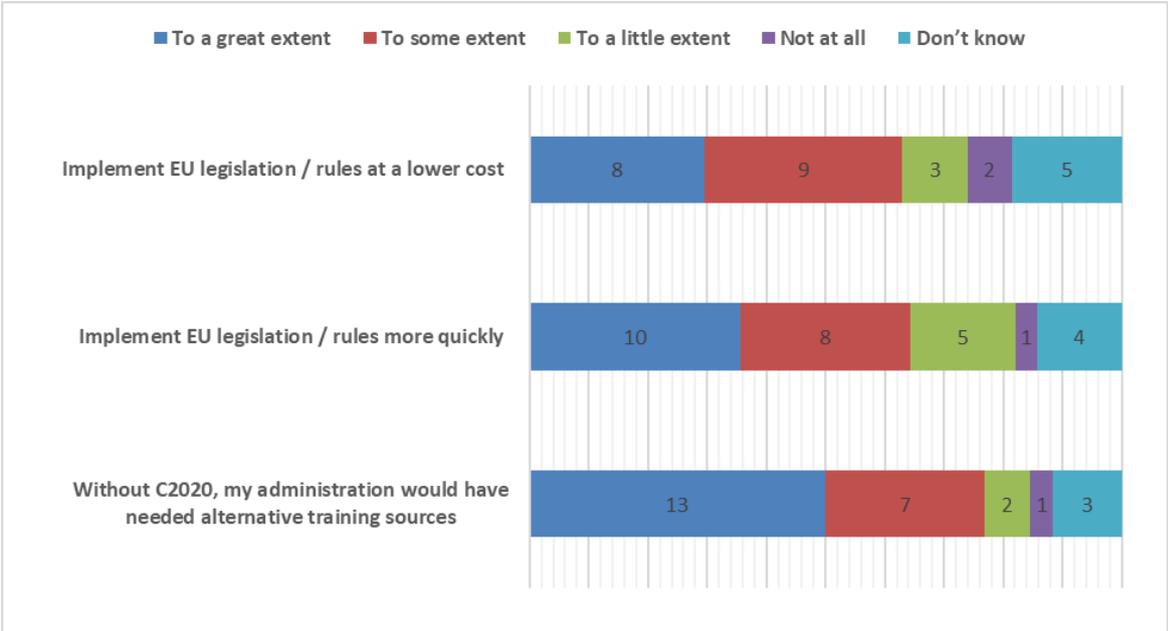
**Question 9: In which different ways have the Customs 2020 programme training modules saved your administration time and money?**

When consulted about the extent to which Customs 2020 programme training modules had saved time and money for national administrations, respondents (20 out of 26) were most in agreement that without Customs 2020 programme modules, their administrations would have needed to find alternative sources of training for important topics.

There was less consensus among respondents that Customs 2020 programme training modules had helped their administrations to implement EU legislation / rules at a lower cost than would have been possible without the programme, with 17 out of 27 respondents supporting the statement.

A similar view was indicated regarding whether the modules had helped in implementing EU legislation more quickly, with 18 out of 28 respondents who agreed with this to a great or to some extent.

**Figure 7: Saved time and money thanks to Customs 2020 programme training modules (in numbers)**



The number of responses varied between n=26 and n=28

Regarding alternative sources of training, some respondents mentioned a few cases where they would have had to develop training modules nationally and/or look for other sources if they did not have access to the Customs 2020 programme training modules, including Union Customs Code, intellectual property rights, and drug precursors.

Concerning the implementation of EU legislation/rules more quickly, most respondents expressed positive views in the open questions. It was said that they allow for a quick implementation of changes thanks to cooperation and problem solving between Member States and the Commission. Furthermore, it was highlighted that the access to systematised and comprehensive information, and a database of good practices accelerates the implementation process. A few negative comments were also provided, underlining again the time-consuming task of translations and the fact that the modules are not always in line with national requirements. Also, in some countries trainings continue to be mainly held and organised by national officials.

In terms of the implementation of EU legislation at a lower cost, it was said that the eLearning modules made it possible to organise fewer and shorter staff trainings. It was also mentioned that the e-modules reduce costs as they can reach out to a wide range of officials, and that classroom training would imply much higher costs. The fact that the Customs 2020 programme covers the development of training material was also mentioned as positive, though the cost of translations was a point of concern for several respondents. It was suggested that the e-modules could be complemented by case studies and webinars that take less time to prepare and translate, and are easier to update.

**Question 10: Are there any additional needs for training or competence-building which are not satisfied by the Customs 2020 programme? Can you provide any suggestions for improving the content or format of current modules?**

The following points were raised regarding additional training or competence-building needs of participating countries:

- Further focus on actions/modules/programmes based on the needs and demands of Member States. It was suggested that there is a need for more “macro” questions like sharing of training curricula between Member States and how to cooperate around this. Currently, the modules are aimed at very detailed procedures;
- Continuous training opportunities for national administrations as this supports the development of an EU customs ecosystem, reinforcing skills and expertise;
- Suggestions for new training modules included “waste transportation control” and “rules of origin of goods” or related topics.

Survey respondents suggested the following possible improvements of content or format of training material for the Customs 2020 programme:

- Financial support for localisation and translation of the training modules. It was suggested that the Commission could provide pre-translated material, limiting the task of the national administrations to proofreading and approval;
- Development of an EU customs academy to develop human competencies. Training opportunities could be developed through webinars, f2f seminars, case studies etc. that could be carried out in the context of CLEP;
- National differences should be considered for the development of the training programmes, as the “one size fits all” approach does not always work;
- Trainings are currently organised in short cycles of one year and not in a sustainable way. This should be addressed to enable administrations to build on this training in the future;
- Currently, Flash technology is commonly used. It was suggested to switch to non-flash technology such as HTML5 as this system will cease to work in the coming years;
- Content of training modules needs to be updated on a regular basis.

### **3.2.3. Programme management structure and processes**

**Question 11: Please consider your level of agreement with the following statements of the management structure and processes of Customs 2020 programme.**

When consulted about the satisfaction with the management structure and processes of Customs 2020 programme, respondents were mostly in agreement with the following statements:

- Taking part in an existing joint action is proportionate (25 out of 27 agreed);
- Funding decisions and payments are timely (24 out of 26 agreed);

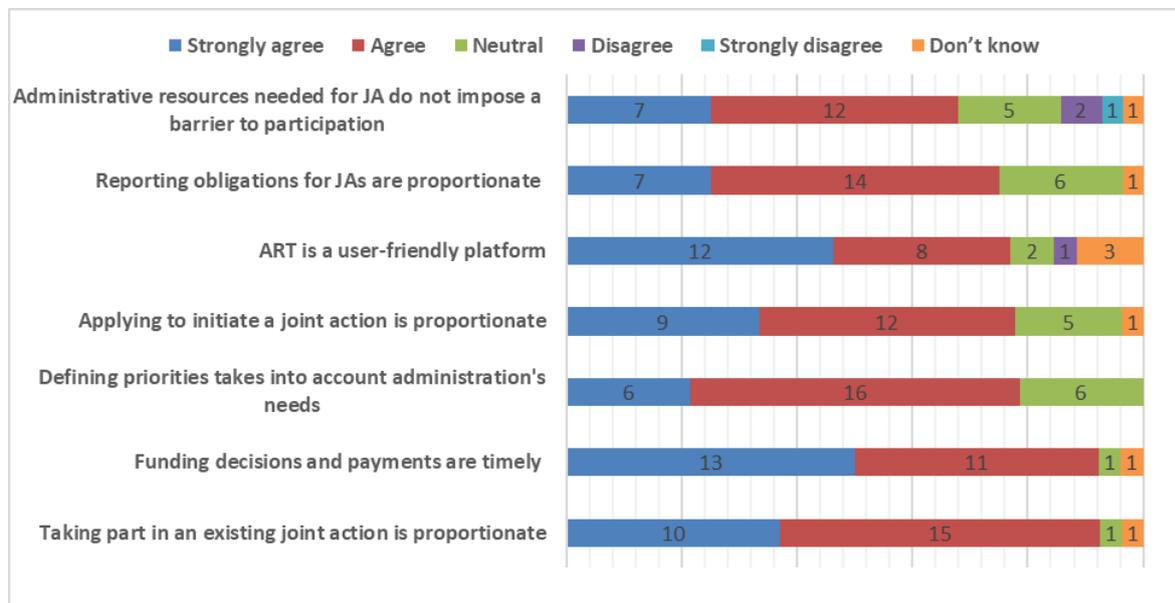
There was slightly less agreement with the following statements:

- Defining priorities takes into account the needs of the administrations (22 out of 28 agreed);
- Applying to initiate a joint action is proportionate (21 out of 27 agreed);
- ART is a user-friendly platform (20 out of 26 agreed); and

- Reporting obligations are proportionate (21 out of 28 agreed).

The aspect of the programme which registered the lowest levels of satisfaction were the administrative resources needed to deal with the joint actions, which some respondents considered to impose a barrier to the participation of their administrations.

**Figure 8: Management structure and processes of Customs 2020 programme (in numbers)**



The number of responses varied between n=26 and n=28

The below table outlines the respondents' comments and explanations on the management structures and processes.

**Table 8: Respondents' perceptions of the management structure and processes**

Management structure/processes	Respondents' views and explanations
<b>Process for taking part in an existing joint action is proportionate</b>	<ul style="list-style-type: none"> <li>• The expert teams were highlighted as cumbersome and time-consuming. It was said that financial procedures should be simplified;</li> <li>• The lack of time to send invitations and nominate representatives was also underlined, indicating that invitations should be sent out as early as possible to limit costs (e.g. increasing costs of flights).</li> </ul>
<b>Funding decisions and payments are made in a timely fashion</b>	<ul style="list-style-type: none"> <li>• The grant agreement should be signed in February at the latest, allowing enough time for the accession forms and first payment to be concluded before the start of the events (April 1).</li> </ul>
<b>Process for defining the programme's priorities</b>	<ul style="list-style-type: none"> <li>• Possibility of commenting on the Annual Work Programme before its adoption, thus making sure that priorities have been accounted for;</li> <li>• In terms of aspects for improvement, respondents highlighted that it would be beneficial to have more time to properly consult different departments of the administration.</li> </ul>
<b>Process for applying to initiate a joint action</b>	<ul style="list-style-type: none"> <li>• Significant workload and limited human resources on both sides (European Commission and Member States) make it a time-consuming process;</li> <li>• More problematic for short-term joint actions;</li> <li>• The process for initiating expert teams and working visits were considered particularly burdensome;</li> </ul>

	<ul style="list-style-type: none"> <li>The automated process through ART is perceived to facilitate the procedure.</li> </ul>
<b>Activity Reporting Tool (ART) is a user-friendly platform</b>	<ul style="list-style-type: none"> <li>Considered by some as easy to use and an efficient monitor of participants' expenses and the joint actions;</li> <li>Others more critical insisted that ART should be modified to cover financial reporting of expert teams;</li> <li>Linking ART with PICS would be beneficial and facilitate finding the relevant information in one place.</li> </ul>
<b>Reporting obligations for JAs are proportionate</b>	<ul style="list-style-type: none"> <li>The procedure is effective and appropriate, and the reporting and monitoring through ART are efficient;</li> <li>Critical views noted that the feedback actions come six months after the conclusion of the actual event and that this should be done shortly after each meeting/activity to allow for a longer time for reporting;</li> <li>The feedback form was considered too detailed and not designed to promote usable feedback.</li> </ul>
<b>Administrative resources needed to deal with joint actions do not impose a barrier</b>	<ul style="list-style-type: none"> <li>Limited human resources were mentioned by some respondents as a factor that might prevent participation, in particular in relation to expert teams and working visits.</li> </ul>

**Question 12: If you have any further views about how the management and practical implementation of the programme could be improved, please describe them below.**

The following suggestions for improving the management and practical implementation of the Customs 2020 programme were identified:

- Training about the programme and financial management for newcomers should be organised more often due to frequent changes in the Customs 2020 programme teams in the Member States;
- ART should be further used for expert teams;
- More flexibility in drafting the multi-annual programme cycle and AWP's would be beneficial in light of future customs challenges, such as rapidly evolving trade environment, new technologies, IT progress and growing traditional and new security threats;
- Timely communication and information sharing between stakeholders is central, particularly timely publication of invitations to events ensuring sufficient time for administrations to carry out their internal procedures (selection, preparation and participation of participants, including financial and travel arrangements).

**Question 13: Please give your level of agreement with the statements below about the information-sharing tools provided by the Commission as part of the programme, PICS and CIRCABC.**

***Programmes Information and Collaboration Space (PICS) online system***

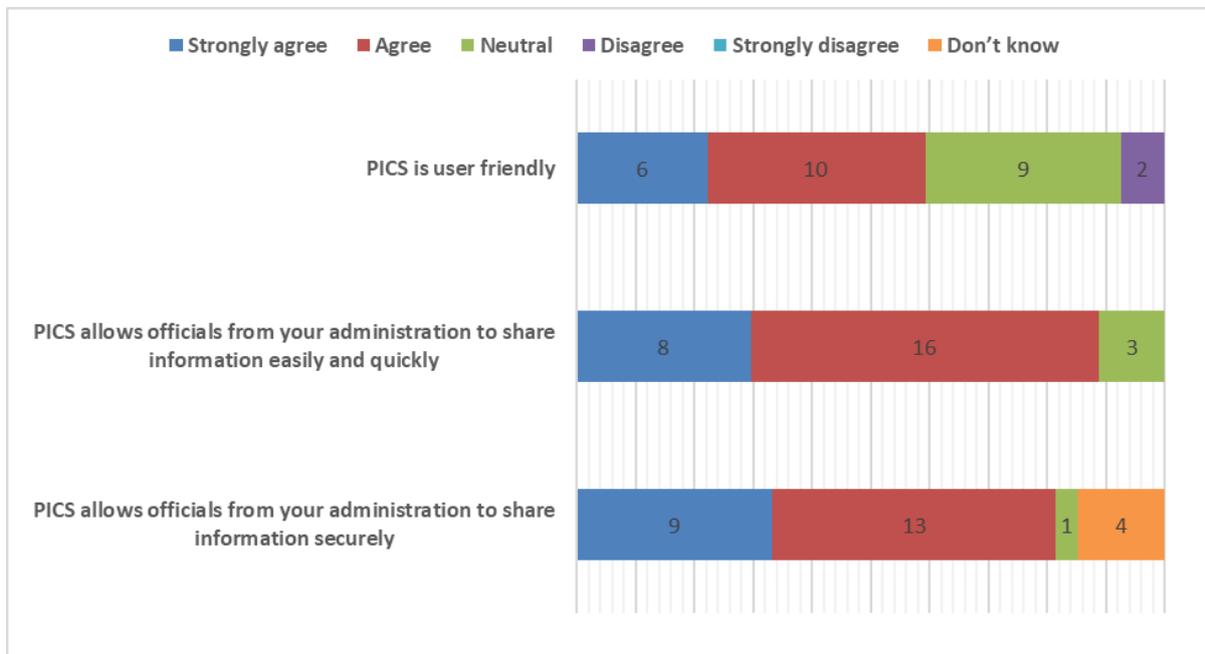
Responses to the questionnaire evidenced high levels of satisfaction with specific features of the Programmes Information and Collaboration Space (PICS) online system, in particular:

- 24 out of 27 respondents agreed that PICS allows officials to share information easily and quickly;

- 22 out of 27 respondents agreed that PICS allows officials to share information securely.

A lower proportion of respondents (16 out of 27) considered PICS to be user-friendly.

**Figure 9: Views regarding PICS (in numbers)**



n=27

In terms of sharing information easily and quickly, there was consensus that PICS has improved over time, and that its extended use facilitates collaboration, though it was suggested that the use of the system should be further promoted as there continue to be some officials who do not use it or know about it. In terms of improvements, it was highlighted that the search function could be more functional as it is difficult to find the relevant documents, and that information should be updated more regularly.

The following points and suggestions were mentioned to improve the user-friendliness of the tool:

- The user interface, visual identity, and the search functions need to be improved to allow for an easier navigation inside the system;
- Further use of e-mail notifications with links to specific information as this is a useful shortcut to finding the right information, a process that is otherwise hard and time-consuming, especially for new users.

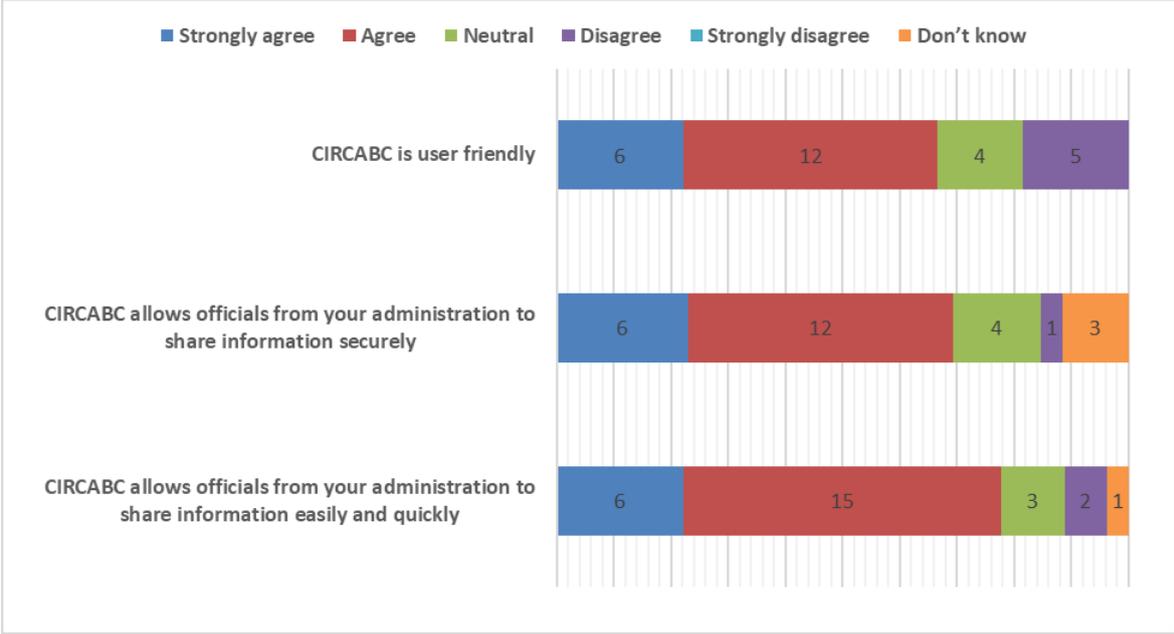
### **Communication and Information Resource Centre (CIRCABC)**

Customs administrations were also asked to provide their views on the Communication and Information Resource Centre (CIRCABC) platform, a document management system to exchange information between the Commission and National Administrations, as well as with other stakeholders. Compared to PICS, the below graph indicates slightly lower levels of satisfaction. However, the tool is perceived positively by the majority of respondents, and considered to be more user-friendly than PICS. The following points can be noted:

- 21 out of 27 respondents believed that CIRCABC allows for information to be shared easily and quickly;

- 18 out of 26 respondents agreed that CIRCABC allows for information to be shared securely;
- 18 out of 27 respondents considered CIRCABC to be a user-friendly tool.

**Figure 10: Views regarding CIRCABC (in numbers)**



The number of responses varied between n=26 and n=27

While the graph above provides a positive perception of sharing information easily and quickly via CIRCABC, the open answers included some negative comments. The system was said to be old fashioned and some of the information was considered to be outdated. Furthermore, improvements in systemic placement of documents were suggested.

While most respondents indicated that they considered CIRCABC to be user-friendly, there were some critical views, including that it is difficult to keep an overview of all actions, that the interface is not satisfactory, and that the search function does not work correctly. It was also suggested that other features could be useful to add, such as a web-conference tool and wiki.

**Question 14: If you have any further ideas about how PICS and / or CIRCABC could be improved, please describe them below.**

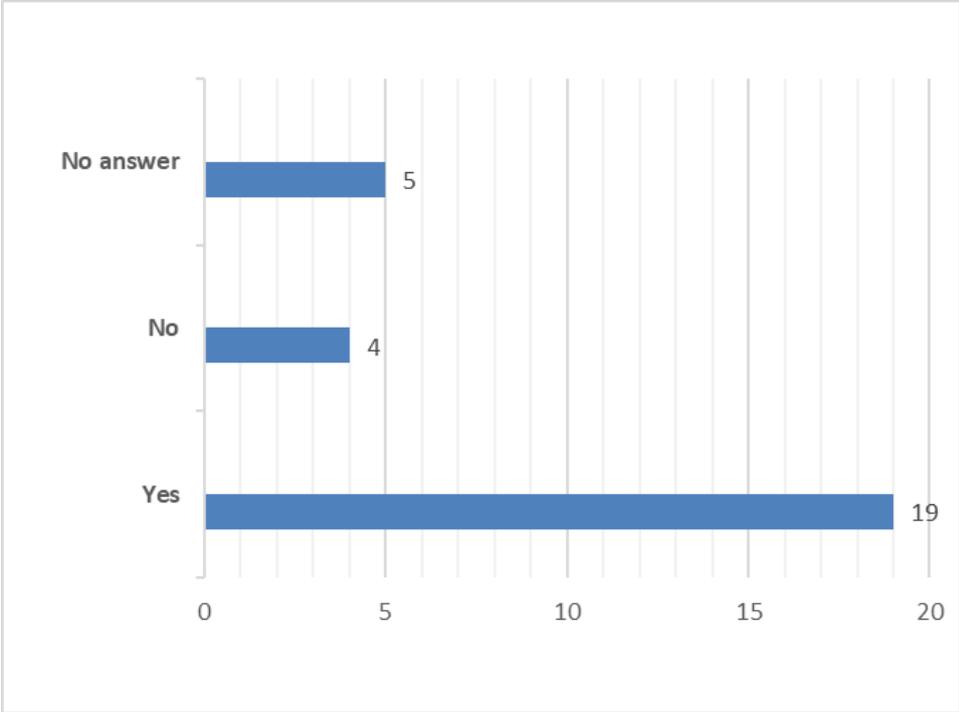
Suggestions for improvements of PICS and CIRCABC include:

- One platform for all information with a single-entry point to all systems (including ART, PICS, CIRCABC, AGM);
- A functional search tool covering the entire system and enabling searches by topic and full text;
- A more standardised way of organising information and documents, providing a clear overview and structure to facilitate finding specific documents. Currently, this is done differently for specific groups without any specific order;
- Improved navigation by reducing the number of clicks needed to open documents (current downloading time for documents is too long);
- Other suggestions included keeping PICS as the first communication channel for invitations; creating a group for the Customs Expert Groups (similar to the Customs 2020 Group); and organising trainings and/or user-friendly guides for newcomers.

**Question 15: The evaluation is also considering the financial instruments available under the programme, namely grants for joint actions (6.5% of 2016 spending), procurement for IT, studies and training (93.3%) and direct spending for expert teams (0.2%), and whether they might be refined in the future. With this in mind, are you satisfied with the current mix of financial instruments?**

When consulted about the financial instruments of the programme, 19 out of 28 respondents expressed their satisfaction with the current mix. A significantly lower number (4 out of 28) held a negative view, and some respondents (5 out of 15) did not answer.

**Figure 11: Satisfaction with the current mix of financial instruments (in numbers)**



n=28

Respondents were asked to explain their answers and describe any additional financial instruments that could be used:

- Specific needs of individual customs administrations could be further covered. In particular, equipment for border customs officers which currently depends mostly on national funds, as well as parts of the mandatory IT systems;
- Suggestions for additional financial instruments that could be used included Horizon 2020, EU Structural and Investment Funds (ERDF), EU Internal Security Fund and Connecting Europe Facility Fund. However, some respondents acknowledged the challenges of accessing some of these additional funding instruments in practice, including resistance from other national authorities to share information for using the funds for customs needs;
- Respondents also pointed out the possibility of increasing the current distribution of funds in favour of expert teams, or to allocate specific funding to support cooperation with third countries;
- It was suggested that alternative methods of funding should be studied, such as co-financing and joint procurement.

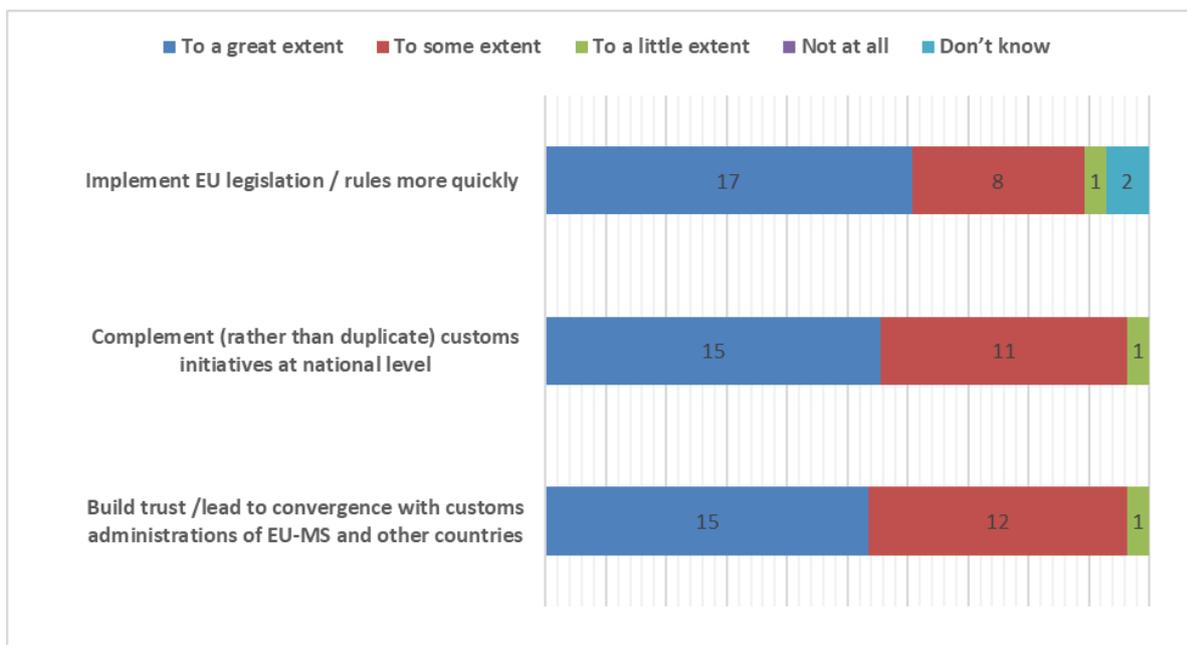
### 3.2.4. Added value of the Customs 2020 programme

#### Question 16: Overall, to what extent do you feel that Customs 2020 programme has added value beyond what the national administrations could have achieved on their own?

Respondents manifested very positive views when asked about the added value of Customs 2020 programme activities. More specifically:

- 27 out of 28 respondents agreed to a great extent or to some extent that Customs 2020 programme had been instrumental for building trust and leading to convergence with the customs administrations of EU Member States and other participating countries;
- 26 out of 27 respondents agreed to a great extent or to some extent that Customs 2020 programme allowed implementing EU legislation and rules more quickly than would have been possible without the programme;
- 25 out of 28 respondents agreed to a great extent or to some extent that Customs 2020 programme complemented (rather than duplicated) customs initiatives at national level.

**Figure 12: Added value of the Customs 2020 programme (in numbers)**



*The number of responses varied between n=27 and n=28*

In relation to whether the Customs 2020 programme builds trust and leads to convergence, communication between the EU Member States was referred to as “invaluable” and beneficial for all customs administrations in protecting the borders of the EU. Seminars, workshops, and working visits were mentioned as central actions in this context.

Respondents expressed positive comments regarding how the Customs 2020 programme complements customs initiatives at national level. The programme supports the sharing of best practice and mutual understanding of objectives; and ensures equivalent standards. While initiatives at national level can be focused on specific national problems, those that are common to all EU Member States are better solved at EU level. Close cooperation between national experts, pooling of experience, and the development of guidelines were mentioned as positive examples.

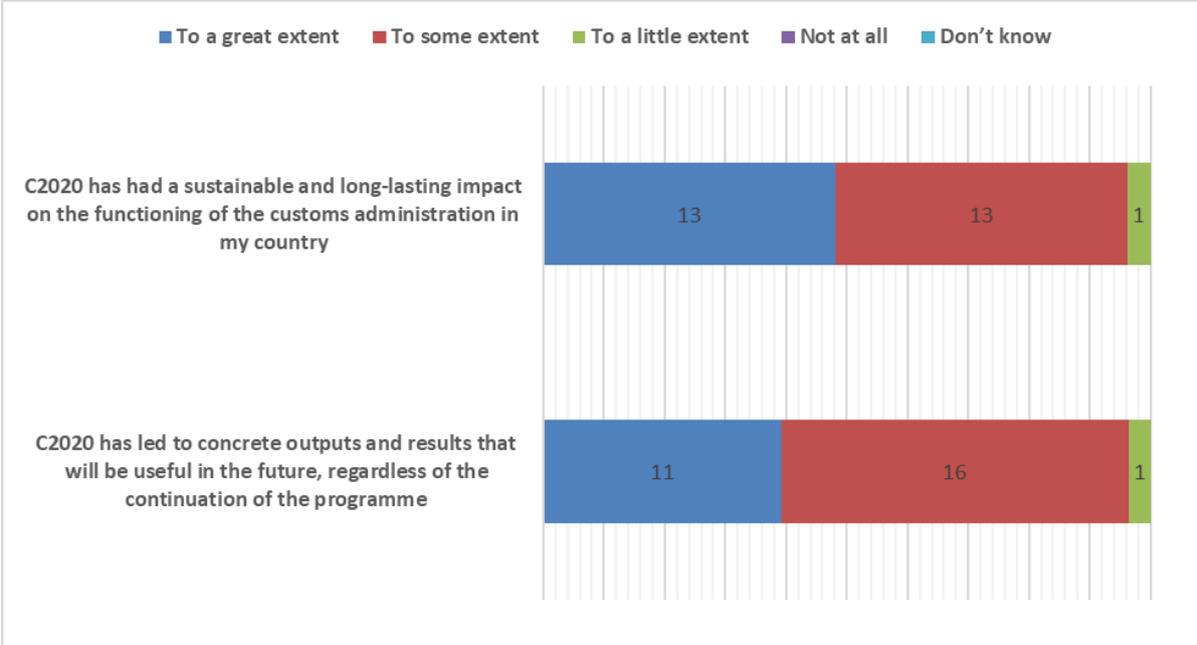
Several respondents indicated that the Customs 2020 programme has enabled a quicker implementation of EU legislation. by allowing for a harmonised approach and providing support in critical areas of customs activity. The sharing of information and best practices among EU Member States, through e.g. a forum for discussions on legislative issues, were pointed out as positive elements supporting the implementation of EU legislation. Furthermore, budgetary limits at national level were mentioned, and it was highlighted that the process would be delayed without the programme.

**Question 17: To what extent will the results of Customs 2020 programme continue to be useful in the future?**

Views were very positive on the future usefulness of the results stemming from the Customs 2020 programme:

- 27 out of 28 respondents agreed that the Customs 2020 programme had led to concrete outputs and results that will be useful in the future, regardless of the continuation of the programme;
- Similarly, 26 out of 27 respondents agreed that the Customs 2020 programme had had a sustainable and long-lasting impact on the functioning of customs administrations.

**Figure 13: Usefulness of the Customs 2020 programme results in the future (in numbers)**



The number of responses varied between n=27 and n=28

Regarding outputs and results that will be useful in the future, the following points were highlighted:

- The creation of relationships between Member States will facilitate the effective and rapid handling of future issues;
- Some tangible examples mentioned included guidelines, best practices information, e-learning modules and e-books, as well as IT projects like ICS2, CCN, and Union Customs Code initiatives, and expert networks;

- While outputs and results were considered to remain useful in the future, several respondents highlighted the importance of the programme's continuation to more effectively tackle future challenges and implement EU legislation;
- Regarding the development of IT systems, outcomes and results are still limited and the work is far from being complete. Support for modernising and updating IT systems will be required in future editions of the programme, as these will need to be maintained, developed, and adapted to new demands. IT systems are crucial tools as they facilitate the customs procedures, information exchange, training modules and handbooks, guidelines, contacts and networks established via joint actions;
- Regarding the funding, a non-continuation of the programme would create immediate problems for the IT systems as 93.3% of the programme covers related activities. This, in turn, would lead to difficulties in operations of mutual assistance and information exchange, and Member States would have to develop alternative approaches in this area;
- Outcomes of project groups and training activities provide for an added value over time.

Regarding sustainable and long-lasting impacts, the following main points were highlighted by the respondents:

- The support provided regarding the customs modernisation process coordinated with the EU customs objectives;
- Support to EU Member States in implementing the legislation at national level in a harmonised way, as well as in setting levels of standard cooperation between the Member States;
- The development and implementation of guidelines, expert networks, and IT systems, all of which will need to be constantly updated as legislation and circumstances change;
- The implementation of the Union Customs Code and the opportunity to improve cooperation among customs authorities in Member States, as well as with international organisations through exchange of best practices and administrative procedures;
- The integration of practices from other Member States into national customs practice;
- The implementation of the EU Customs Competency Framework.

**Question 18: Lastly, would you like to add anything else on the Customs 2020 programme's contribution to the work of your customs administration and / or how it could be improved?**

Final remarks on the Customs 2020 programme's contribution to the work of customs administrations included:

- Programme outcomes have been relevant though not always visible;
- The significant importance of the Customs 2020 programme to fully implement the Union Customs Code, as well as to respect obligations regarding the IT systems;

- The considerable number of actions available under the programme provides opportunities for Member States, by enabling each country to find a suitable action to participate in;
- IT systems have contributed to raising the level of security and protection of the Union, and to strengthening customs procedures and controls;
- Increased exchange of information and expertise, leading to enhanced efficiency of national administrations.

The following suggestions for potential improvement of the Customs 2020 programme were highlighted by respondents:

- Some of the national administrations do not have sufficient funds to procure equipment for customs control required to ensure the same level of control throughout the EU. It was therefore suggested that the financial capacity of the programme should be expanded to include equipment procurement;
- Active participation of all EU Member States should be encouraged, and their differences considered to increase the pace of development also for the more advanced Member States;
- Joint actions need to be well selected and focused on national priorities, in particular for small Member States with limited resources;
- A more coherent practice on what can be included/excluded in the programme could be expressed;
- A more formal structure could be applied for working visits, as it seems that this action/platform is not sufficiently used by EU Member States.

### **3.3. CONCLUDING REMARKS**

Overall, responses to the questionnaire have provided a generally positive assessment of the Customs 2020 programme and related activities. The present report has provided an analysis and overview of respondents' views and perceptions of the programme, its joint actions and training activities, the management structure and processes, as well as the programme's added value.

**Joint actions.** Respondents were overall satisfied, especially with seminars and workshops, working visits, and project groups. However, several respondents were unfamiliar with some of the joint actions. It should be noted that some of these actions are part of the newly introduced joint actions and therefore awareness and use is lower. Some of the main strengths indicated in relation to the joint actions were exchange of information, best practices and experience, meeting with experts from different EU Member States, and gaining an understanding of common problems. Also, some joint actions, e.g. working visits and expert teams, enable customs officials to gain practical experience from other countries. Regarding the contribution of the joint actions to the objectives of the Customs 2020 programme, there was an overall agreement among respondents in terms of the linkages and support of the JAs to the operational objectives of the programme. However, respondents were less emphatic and familiar with the contribution of joint actions to the specific (higher-level) objectives.

In terms of room for improvement of the joint actions, administrative burden was indicated as a cause of concern for some administrations. Suggestions for improving the management structure included the sending of timely invitations to events to ensure a proper preparation of participants, clear formulation of objectives and expected outcomes

of each activity/event, smaller number of participants, as well as closer monitoring of results and outcomes.

**Common training activities.** All respondents reported to have made use of the common training modules. The Union Customs Code eLearning modules, CLEP trainings, IT trainings, and the training on administrative cooperation between Member States in relation VAT fraud were mentioned as positive examples. Key training outcomes included a more uniform approach to the application of EU customs legislation and increased knowledge and capacity of national customs administrations. Most respondents said that without the Customs 2020 programme modules, they would have had to find alternative sources for training. Some respondents agreed that the training modules allowed them to implement EU legislation at a lower cost and more quickly. As for potential areas of improvement, national authorities requested that further training opportunities be based on the needs and demands of participating countries and updated on a regular basis. Furthermore, the issue of language and translation was mentioned as a challenge as currently most modules are available in English only. This restriction has in some cases limited the use of the modules and/or implied additional cost for translation at the national level.

**Programme's management structure and processes.** Respondents shared a positive perception on the management of the programme. Suggestions for improvements included timely communication and information sharing between stakeholders, e.g. timely invitations to events. Also, training for newcomers seems important due to regular changes in the Customs 2020 programme teams in the national administrations.

**The information-sharing tools PICS and CIRCABC** were positively viewed by respondents. PICS registered higher levels of satisfaction than CIRCABC, except in relation to user-friendliness of the platform. Based on the information provided, having one single platform with a functional search tool would be beneficial.

**Added value of the Customs 2020 programme.** Almost all respondents agreed that the programme complements the work of national administrations, resulting in e.g. a quicker implementation of EU legislation, and further trust and convergence among the customs administrations in the EU Member States and other countries. Respondents agreed that the outputs and results of the Customs 2020 programme and its activities are and will be useful in the future. For example, the implementation of EU legislation, the development of guidelines, the creation of expert networks and IT systems, as well as improved cooperation among Member States' customs authorities and other actors. However, the importance of continuing the programme was highlighted by various respondents, especially to tackle future challenges, implementing legislation, and supporting and maintaining IT systems. Finally, most respondents reported to be satisfied with the financial mix, even though additional funds could be allocated for e.g. customs equipment, parts of mandatory IT systems, expert teams and further collaboration with third countries.

Results from the questionnaire with national authorities provide ample evidence that the Customs 2020 programme has an important impact on the national customs administrations and their collaboration. Furthermore, it has been effective at raising the level of security and protection through strengthened customs procedures and controls. The overall perception of the programme is positive even though areas of improvement exist. The continuation of the programme is central for most respondents and would be beneficial to further enhance the work of national customs authorities.

## 4. QUESTIONNAIRE TO NATIONAL AUTHORITIES – PART 2 (IT SYSTEMS)

### 4.1. INTRODUCTION

The second part of the questionnaire with national customs authorities **focused specifically on European IT systems supported by the programme**, and the experience of national administrations with these. The questionnaire was sent out to programme coordinators in the EU Member States and six candidate countries participating in the programme on 26 March 2018. At the closure (April 30, 2018), 21 administrations, including 18 Member States<sup>102</sup> and 3 candidate countries<sup>103</sup>, had completed the survey. The present report is based on the responses from these administrations and provides an analysis and overview of their perceptions concerning the Customs 2020 programme’s IT systems.

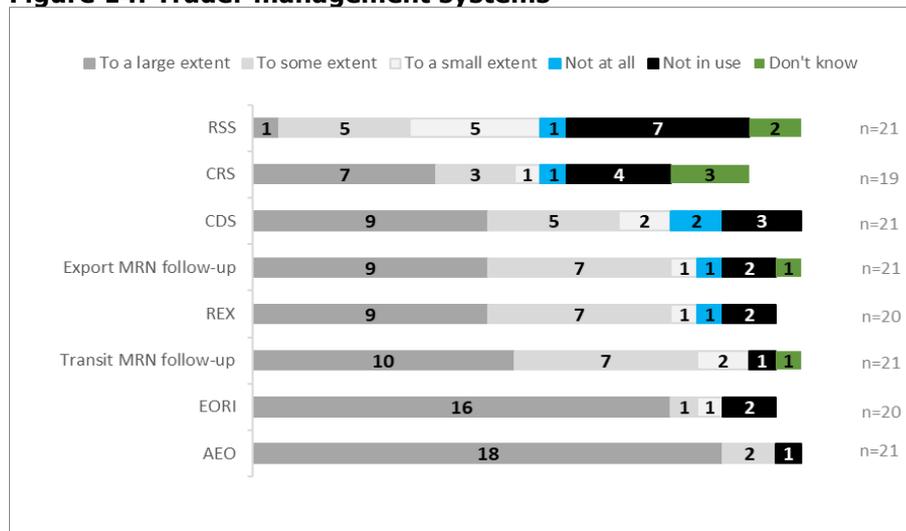
### 4.2. FINDINGS FROM THE IT QUESTIONNAIRE TO NATIONAL AUTHORITIES

**Question 1: Please indicate to what extent each system is, overall, useful and appropriate for the work of your administration, or if a system is not in use or not familiar to you.**

#### *Trader management*

Most respondents were familiar and held positive views on the usefulness of the Authorised Economic Operator and EORI systems. At the other end, RSS displayed the highest number of unfamiliar respondents indicating “not in use”. National customs administrations seemed fairly satisfied with the remaining trader management systems, with the majority of respondents expressing that the systems were useful and appropriate to their administration either to “a large” or to “some extent”. Only a few respondents indicated that they were not at all satisfied with some of the trader management systems under assessment.

**Figure 14: Trader management systems**



n=21

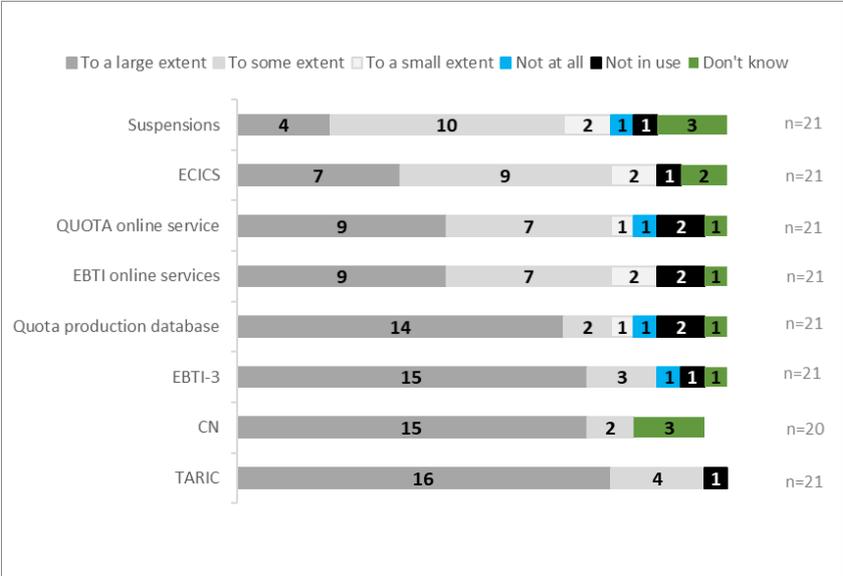
<sup>102</sup> Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Greece, Hungary, Ireland, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

<sup>103</sup> Macedonia, Montenegro and Serbia.

**Goods classification and tariff management**

In the area of goods classification and tariff management, most respondents were particularly satisfied with TARIC, CN, EBTI-3 and the Quota production database. The remaining systems were also positively assessed by most respondents, even if there were lower numbers of respondents indicating “to a large extent”. Overall, there were very few respondents who were not satisfied with the listed systems.

**Figure 15: Goods classification and tariff management systems**

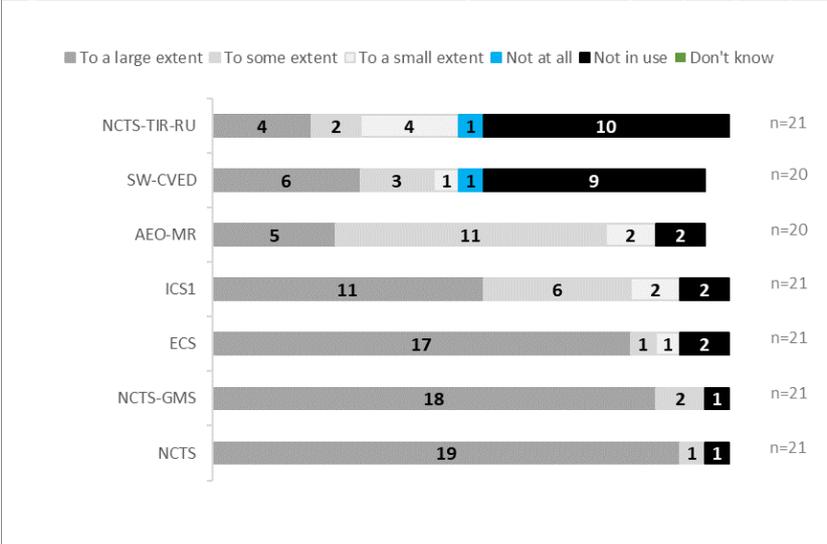


n=21

**EU movement control: import, export, transit (including safety, security and guarantee)**

The graph below indicates high levels of satisfaction regarding the services provided by most of the EU movement control systems listed. In particular, NCTS, NCTS-GMS, and ECS were the most positively rated systems. National administrations were less familiar with NCTS-TIR-RU and SW-CVED, with approximately half of respondents confirming that these systems were not in use.

**Figure 16: EU movement control systems – import, export, transit**

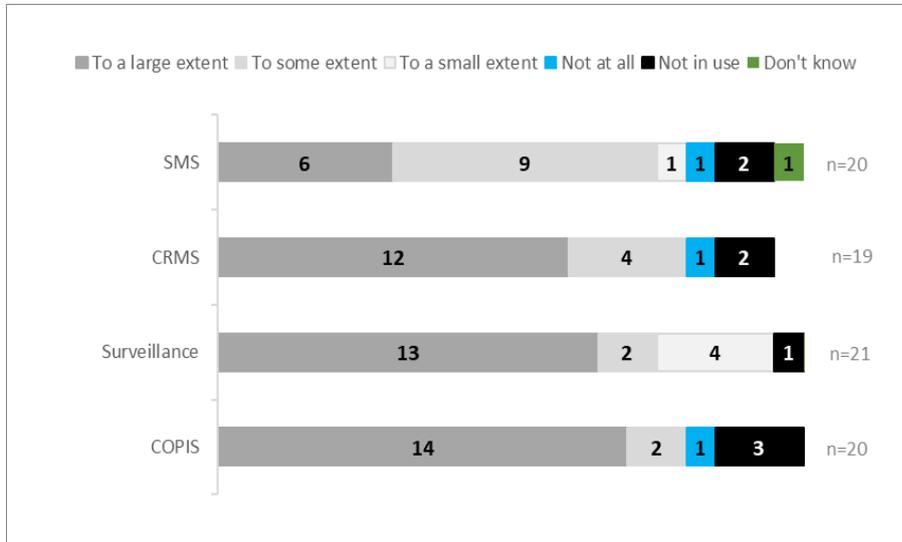


n=21

## Risk management

National authorities were generally satisfied with the risk management systems. COPIS, Surveillance<sup>104</sup> and CRMS were positively assessed by most respondents, while respondents were less satisfied about their experience with SMS. Only a few respondents were not satisfied at all, not familiar with the system, or did not have an opinion.

**Figure 17: Risk management systems**

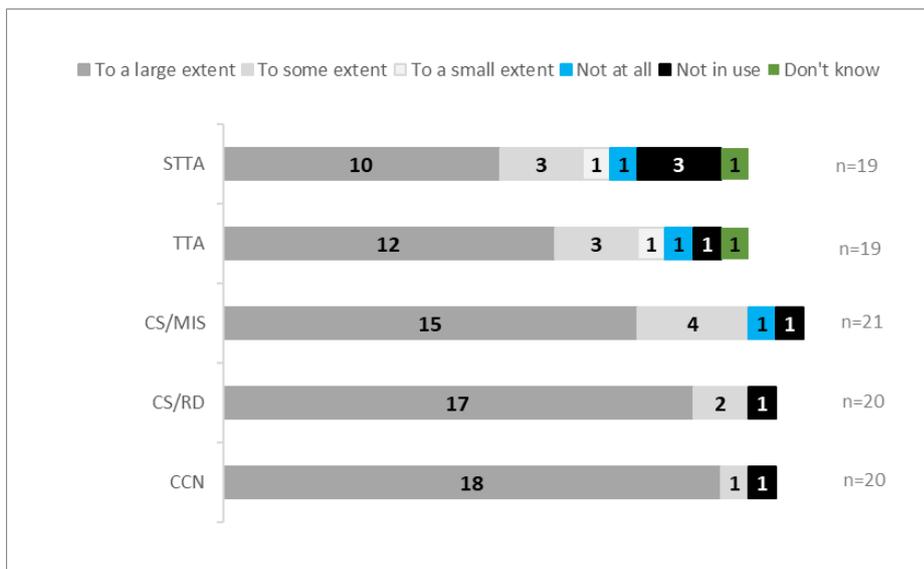


n=21

## Other IT systems

Most respondents were largely satisfied with the “other” IT systems assessed, including CCN, CS/RD and CS/MIS. STTA and TTA scored comparatively lower. Few respondents indicated lack of satisfaction with (or use of) the other IT systems, or no opinion on these.

**Figure 18: Other IT systems**



n=21

<sup>104</sup> Database of specific products under ‘surveillance’ or monitoring imported into the EU customs territory.

**Question 2: In relation to the above systems, do any stand out as more or less useful and appropriate for your work? Please feel free to exemplify, share experiences, and elaborate on your above answer about one or more systems.**

The below sections summarise respondents' comments on the usefulness and appropriateness of IT systems per type of system.

**Trader management**

- EORI, Authorised Economic Operator and CRS were said to be useful as they could be consulted in real time for non-national EORI numbers;
- CRS, CDS and REX were considered useful for obtaining different data. However, in case of problems in the system this impacted in the national systems. REX was highlighted for its ability to verify a registered exporter on both sides;
- In view of customs authorities, REX could be improved to further satisfy national needs and overall vision (especially movement status and follow-up) of enhanced actions. It was also highlighted that by applying REX, EU Member States would not need to develop such a system themselves.

**Goods classification and tariff management**

- TARIC was said to be one of the most useful systems for the daily work of customs offices as it enables the application of the Common Customs Tariff in a uniform manner across the EU Member States;
- EBTI-3 was said to be "essential" for issuing decisions related to Binding Tariff Information. This is particularly true when there is no BTI system developed at the national level;
- Quota was considered to be central to IT operations in the Member States. The Quota online service<sup>105</sup> enables a real-time overview of community tariff quotas and helps track the overall EU usage of import quotas by all Member States. The quota production database helps customs administrations to manage submission requests for drawing from their national tariff quota systems and returns on tariff quotas in an automated way.

**EU movement control: import, export, transit (including safety, security and guarantee)**

- Some systems related to transit were deemed less useful for certain EU Member States due to geographical location (e.g. NCTS-TIR-RU);
- Operational systems, like ECS, ICS, NCTS and NCTS-GMS, were judged useful and relevant because they allow for fully electronic lodgement of customs declarations and automatic supervision of customs operations;
- IT export systems were useful as they allow for a paperless environment in customs operations and less time is needed to complete the customs formalities and VAT refund;

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<sup>105</sup> Allows tracking the overall EU usage of import quotas in force from third countries.

- SW-CVED was highlighted since the validation of documents can be automatically checked before accepting the import declaration. Declarants do not need to submit documents on paper, customs can perform cross checking between CVED and import declaration and quantity management.

### **Risk management**

- CRMS was considered used daily for risk management, and was identified as a main tool for receiving and sharing risk relevant data with Member States and the Commission. In view of national administrations, it ensures a swift exchange of information and feedback. It was suggested that CRMS would provide for a better service if integrated with national systems;
- SMS was also positively assessed as it helps customs authorities to verify documents, stamps, and signatures during, and after, customs clearance;
- Surveillance does not currently support the possibility of accessing the data of other Member States regarding customs values. It was considered that such a feature could be valuable in providing guidance for Member States in the determination of customs value by secondary methods. Furthermore, automated processes, such as automatic send-out of reports from Surveillance, were appreciated, saving time and effort for administrations.

### **Other**

- CCN and CS/RD were highlighted to be central for IT operations. The CCN network was defined as an indispensable component of all customs systems, and was positively assessed for allowing the exchange of information for trans-European systems;
- It was suggested that CS/MIS would be more useful if integrated with national systems;
- Functionality for testing, e.g. STTA, was appreciated among national administrations, stimulating other EU Member States using the CCN;
- The UUM&DS system was mentioned for providing access to central services. In particular, the central delegation service was considered useful and appropriate as it provides a good functionality with minimum effort and costs.

### **Question 3: In your opinion, to what extent do the systems complement or duplicate other systems developed by your administrations or any other organisations? Please feel free to exemplify or share specific experiences.**

The answers to this question varied depending on the country and their existing national systems. The below sections outline the comments provided per type of system.

### **Trader management**

- Even though national systems exchanging data with European ones (e.g. EORI) were highlighted as positive examples of complementarity, some duplications between the EORI database and national systems were also reported;
- Central systems like CDS were also perceived to complement national systems, though some duplication was identified. However, this tension between

complementary systems was considered inevitable when working towards a harmonised EU service;

- REX was mentioned as a good complement to national import customs declaration systems, confirming the registration of traders of originating goods.

### **Goods classification and tariff management**

- National systems similar to TARIC and Quota were mentioned by national administrations. However, these systems were considered useful for cross-checking information. Also, the TARIC data was positively assessed as it can be used in real time to support declaration processing;
- Some examples of duplication with TARIC, Quota and EBTI were also highlighted.

### **EU movement control: import, export, transit (including safety, security and guarantee)**

- EU systems and platforms such as NCTS, ECS, or ICS play an important role in complementing and integrating national administrations, and their customs decision processing systems;
- All systems with common specifications, such as NCTS and ICS, could be developed as central systems by the Commission instead of having 28 different instances at national level. This would decrease any duplications.

### **Risk management**

While the systems were said to complement national systems in most cases, a few exceptions were mentioned:

- SMS was said to be duplicated at least in one Member State. In Lithuania a system exists that combines national data with the SMS data. However, this can also be considered as an example of complementarity;
- Duplications concerning COPIS exist in at least three EU Member States (Croatia, Bulgaria, Poland). In Poland, a similar system exists that was created prior to COPIS;
- There is some duplication with other systems (CRMS-COPIS-AFIS), however, this issue is currently being discussed in one of the Customs 2020 programme groups (One seizure-one report).

### **Other**

- Duplication with CS/RD was mentioned. However, CS/RD data is being used in real time to support declaration processing;
- Increased complexity and administration were noted regarding CCN. As there are currently two platforms, and users need to have different accounts, this might create some additional burden. Furthermore, different APIs are used when integrating with national applications, adding to the complexity and administration.

**Question 4: To what extent, if any, do you believe the Customs 2020 programme IT systems have helped reduce costs for your administration, in terms of e.g. time**

**or resources for implementing EU legislation? Please feel free to exemplify or share specific experiences.**

Several respondents indicated that the centralised solutions enable cost savings for national administrations. This is the case in particular for smaller EU Member States, as they can avoid the high costs of developing their own national systems and allocate their resources to other projects. Regarding human capacities, the systems help to save time and to work more efficiently. Furthermore, services and modules developed by the EC help to unify and harmonise the business processes and reduce administrative costs of developing national services and modules, as well as initiating national projects to meet the requirements set out in the Union Customs Code.

Some concrete examples of cost savings were put forward by respondents:

- With the creation of the central REX system, it was not necessary to develop a national registration system;
- As certain EU legislations are displayed in TARIC and QUOTA, users do not have to enter the EUR-LEX database to search for them. As a result, costs and time spent are reduced;
- The implementation of EU SW-CVED was said to have accelerated customs clearance and supported paperless business thus reducing costs;
- The classification of chemicals would not have been possible without ECICS, and it would have been necessary to use online systems to retrieve information on the chemicals, resulting in additional costs and time spent;
- STTA was said to be a valuable testing tool for NCTS and ECS. In its absence the development of another tool at national level would have been necessary, resulting in additional costs;
- The implementation of CDS supports a paperless environment, thus reducing costs. Also, due to the central implementation and maintenance of the system, implementation costs were also reduced.

On the negative side, some respondents pointed that there are also costs related to the implementation and use of these IT systems. Time and resources need to be invested as they are new systems and/or require changes in previous systems. There are also other costs related to training.

**Question 5: Thinking of your interactions with EU Member States and other Customs 2020 participating countries, to what extent have the systems helped disseminate knowledge and experiences from other countries more effectively, or led to more contacts and cooperation? Please feel free to exemplify or share specific experiences.**

Several respondents indicated that interactions with other EU Member States in the context of the IT systems have resulted in dissemination of knowledge and experience, as well as further cooperation between customs administrations and officials in different countries. Working groups, meetings and seminars related to the IT systems were mentioned as an opportunity for sharing practices and enhancing cooperation with other participating countries. Exchanges were particularly useful at the time of deployment of the systems because they support a uniform application. It was also mentioned that the IT systems support the integration of candidate countries to the Customs Union.

Some examples provided by respondents include the following:

- The IT technology and infrastructure project group and Electronic customs coordination group were mentioned provided opportunities for direct contact between candidate countries and EU Member States;
- The design of the IT systems often triggers discussions on legal issues, leading to a better and more harmonised interpretation of EU customs legislation;
- Conformance tests in the development of CCN2 were mentioned as a way of exchanging experiences and contacts;
- SW-CVED was said to enable the exchange of experiences between EU Member States.

**Question 6: Overall, what should be the Commission’s main priorities in order to further improve the IT systems, tools or applications in going forward with developing such services?**

The following suggestions were made by respondents regarding how to move forward with the development of EU IT systems, tools, and applications:

- More centralisation and support for EU Member States that are willing to collaborate further. For example, increased financial support to Member States for the implementation of the IT systems. Currently, a significant part of the programme’s budget is used to support IT development, maintenance, operation and quality control of IT components. This implies that all national IT system requirements are very expensive;
- Simplification, standardisation and optimisation of processes and existing IT systems (e.g. improvement of CDS). Even though customs is a complex policy area, respondents agreed that there is scope for further simplification of systems;
- Further communication between the Commission and the Member States during the development of these systems. IT systems need to be constantly upgraded taking into account the needs of the Member State. When Member States are involved during the development of a central system and thus acquire certain knowledge about the system at an early stage, provision of training and support by the Member States to end users is facilitated. Learning from previously developed systems in the process of developing new ones was also highlighted;
- When updating certain systems, appropriate testing is necessary prior to deployment. E.g. the last update of EBTI-3 in October 2017 revealed several errors. It was said that in view of the next major update of EBTI-3 in October 2019, thorough and careful testing should be central;
- CDMS needs to be improved in order to ensure alignment with current legislation. Improvements are needed also regarding usability. Overall, the importance of the IT systems being in line with the customs legislation in force was highlighted;
- Training material should be more comprehensive. Interactive tools would be a useful help;
- High level of data harmonisation is valuable to facilitate the exchange of data between Member States.

### **4.3. CONCLUSIONS**

Responses to the IT survey with national administrations indicated an overall satisfaction with the IT systems developed by the Customs 2020 programme, including their usefulness

and appropriateness for the work of the national customs administrations. Very few respondents expressed a lack of satisfaction with the EU IT systems. National administrations were particularly satisfied with the possibility to easily access and obtain data, as well as with the electronic lodgement of customs declarations and the automatic supervision of customs operations enabled by the systems. The paperless handling of the processes was also considered in a positive light.

Regarding complementarity and duplication, some examples of duplication of IT systems in certain countries were highlighted. However, a certain degree of duplication was considered inevitable when working towards a harmonised EU service. Furthermore, in some cases the duplication was used as a way of cross-checking and/or combining data, thus complementing the national systems and procedures.

Centralised systems were highlighted as a way of reducing costs, in particular for smaller EU Member States that might not have the resources required to develop their own systems. However, some respondents said that there are also some costs related to the IT systems when this implies implementing a new system and/or changing an existing one. Training for example was one of these costs.

According to national administrations consulted, the Customs 2020 programme and related IT systems enable cooperation and exchange of knowledge between EU Member States. Meetings, working groups and seminars funded by Customs 2020 programme present good opportunities for contact and exchange.

Moving forward, further centralisation and support for EU Member States were suggested, as well as simplification, standardisation and optimisation of existing systems. Also, communication between the Commission and EU Member States during the development of the systems could be further enhanced.

## 5. SURVEY TO ECONOMIC OPERATORS

### 5.1 INTRODUCTION

The survey to economic operators was launched in end March 2018 in the EU Member States and six candidate countries which are also participating in the programme. At the closure (April 23, 2018), 108 business organisations had completed the survey. The present report is based on the responses from these organisations and provides an analysis and overview of their perceptions concerning the Customs 2020 programme and its services, as well as the potential added value of EU action in this area.

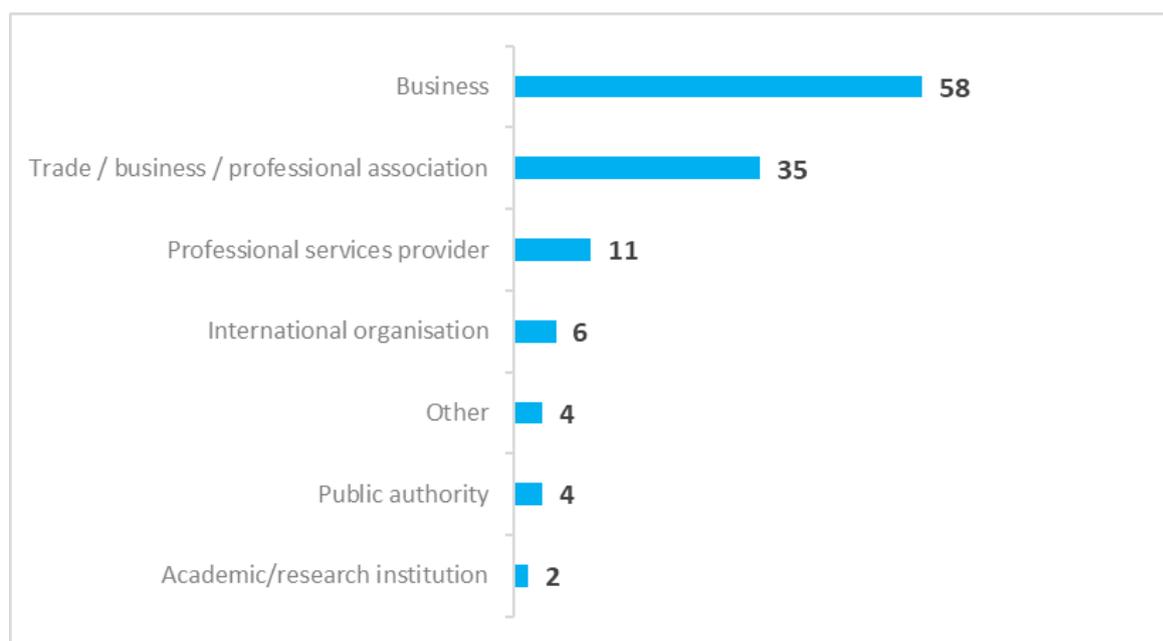
### 5.2 FINDINGS FROM THE SURVEY WITH ECONOMIC OPERATORS

#### 5.2.1 Profile of respondents

##### Question 1: What type of organisation do you work for?

The majority of survey respondents were from the private sector, including businesses, trade/business/professional associations and professional services providers. In addition, representatives of international organisations, public authorities and academic/research institutions also took part in the survey.

**Figure 19: Type of organisation of respondents (number of respondents)**

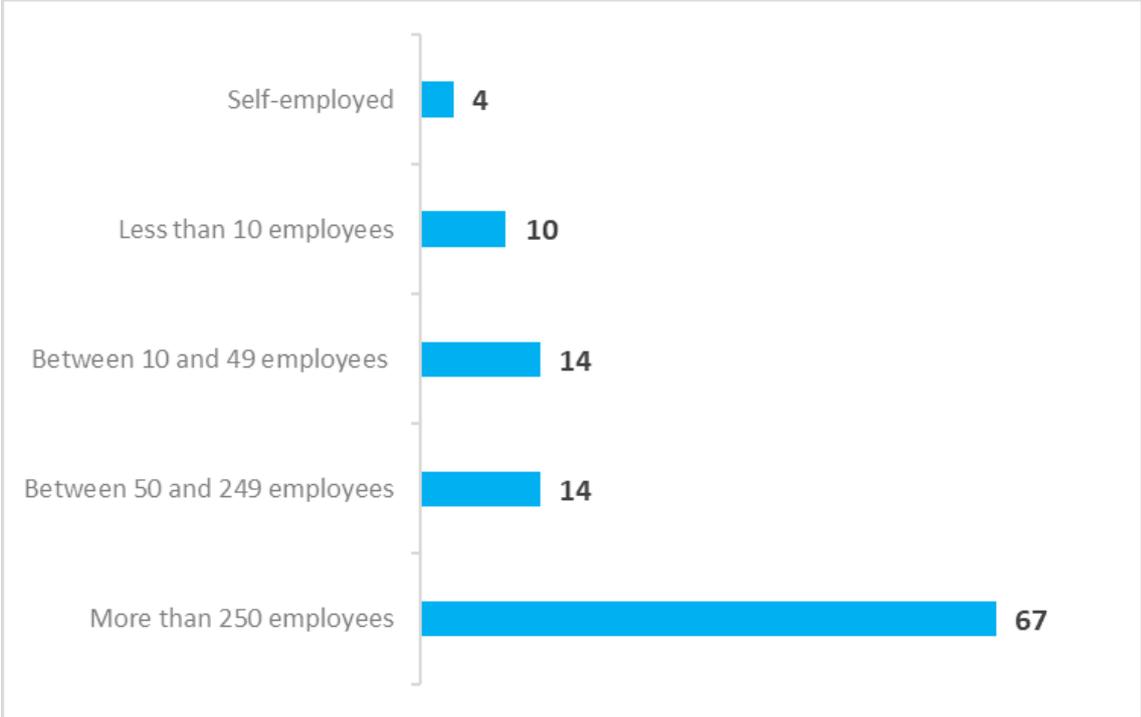


*n=108*

##### Question 2: How many employees does your organisation have?

Most survey respondents belonged to large companies of over 250 employees. There were fewer representatives working in smaller companies, including 14 respondents representing companies of between 50-249 employees, and another 14 representing companies of between 10 and 49 employees. The remaining respondents were from companies of less than 10 employees or self-employed.

**Figure 20: Number of employees (number of respondents)**

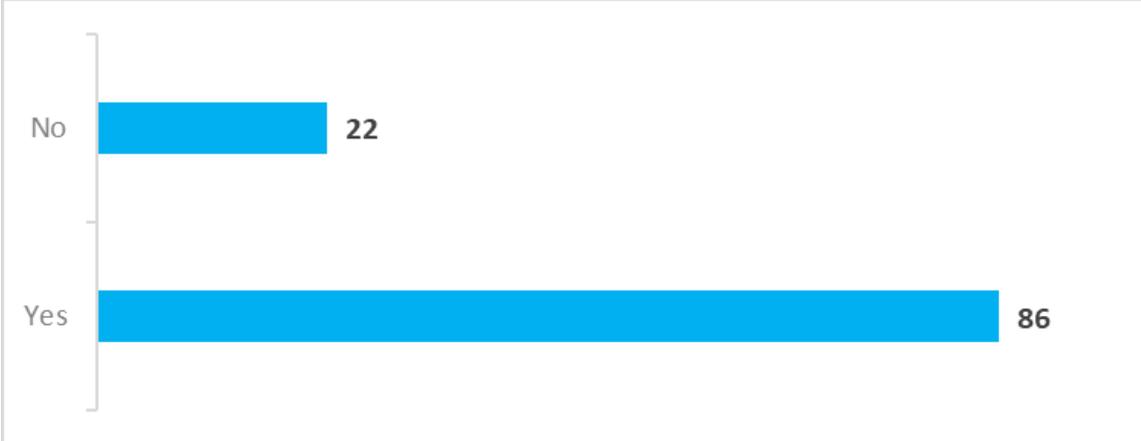


n=109

**Question 3: Does your organisation operate in more than one country?**

The large majority of respondents worked in organisations that were active in several countries, while only a small share operated in one country only.

**Figure 21: Activities in several countries (number of respondents)**

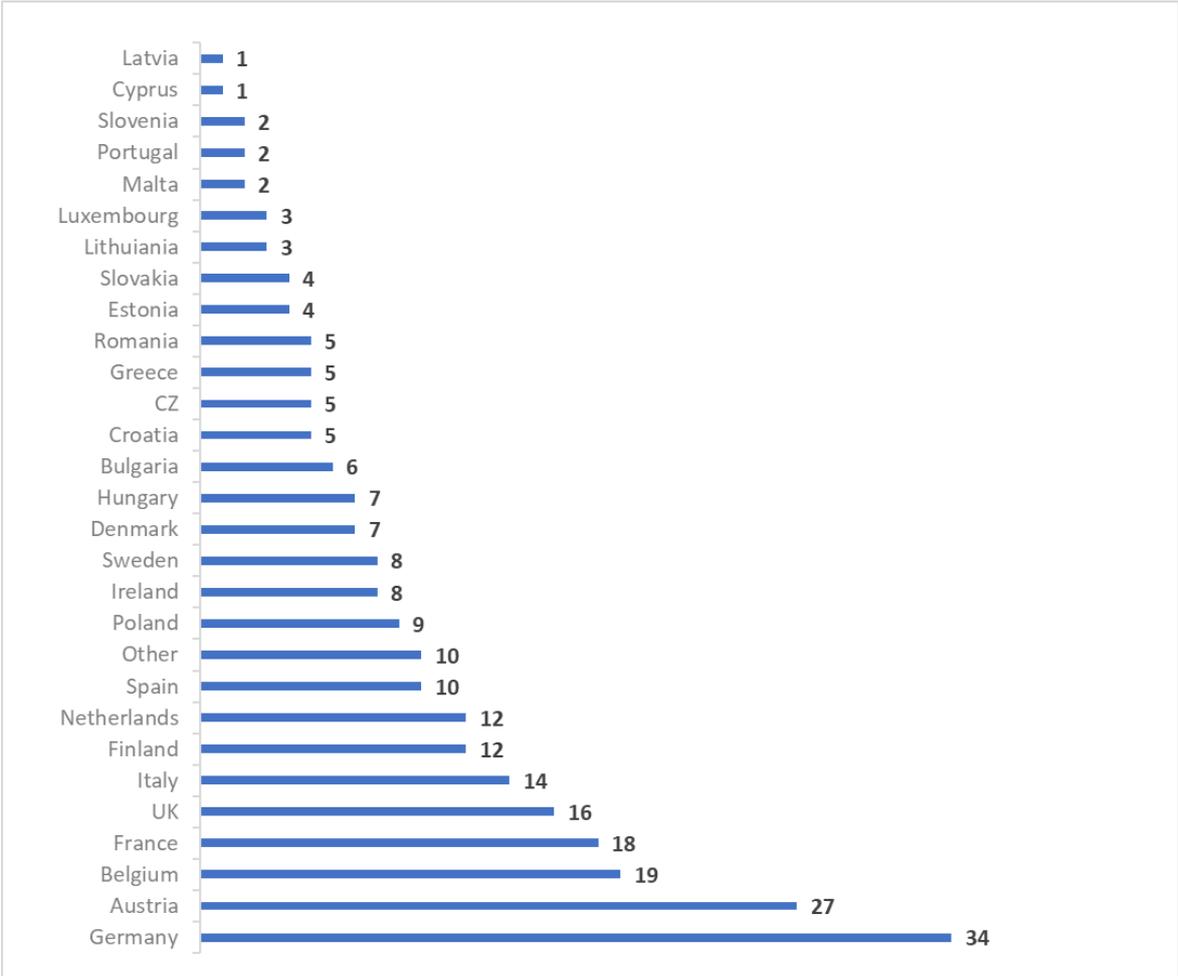


n=108

**Question 4: Where are you based?**

The majority of respondents were based in northern and western Europe (including Germany, Austria, Belgium, France, the United Kingdom, Netherlands and other EU Member States). While there were fewer respondents from southern and eastern Europe, relatively high numbers of respondents were registered in Italy, Poland, Spain, and Hungary.

**Figure 22 : Countries where economic operators are based (number of respondents)**



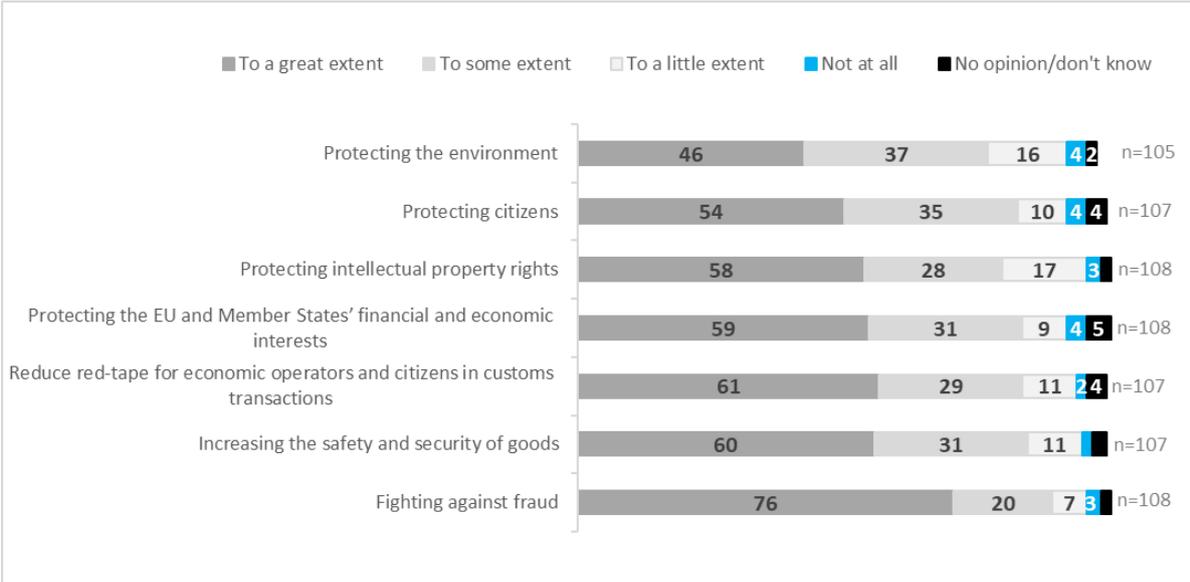
n=108

**5.2.2 Need for EU action in customs operations**

**Question 5: To what extent do you think the following should be objectives for national customs administrations?**

All of the suggested objectives for national customs administrations were considered important by EOs who completed the survey. The broad majority of respondents agreed to a great extent that fighting against fraud should be an objective of national administrations. At the other end, there were fewer respondents who considered that protecting the environment should be a priority for national customs administrations.

**Figure 23: Objectives for national customs administrations (number of respondents)**



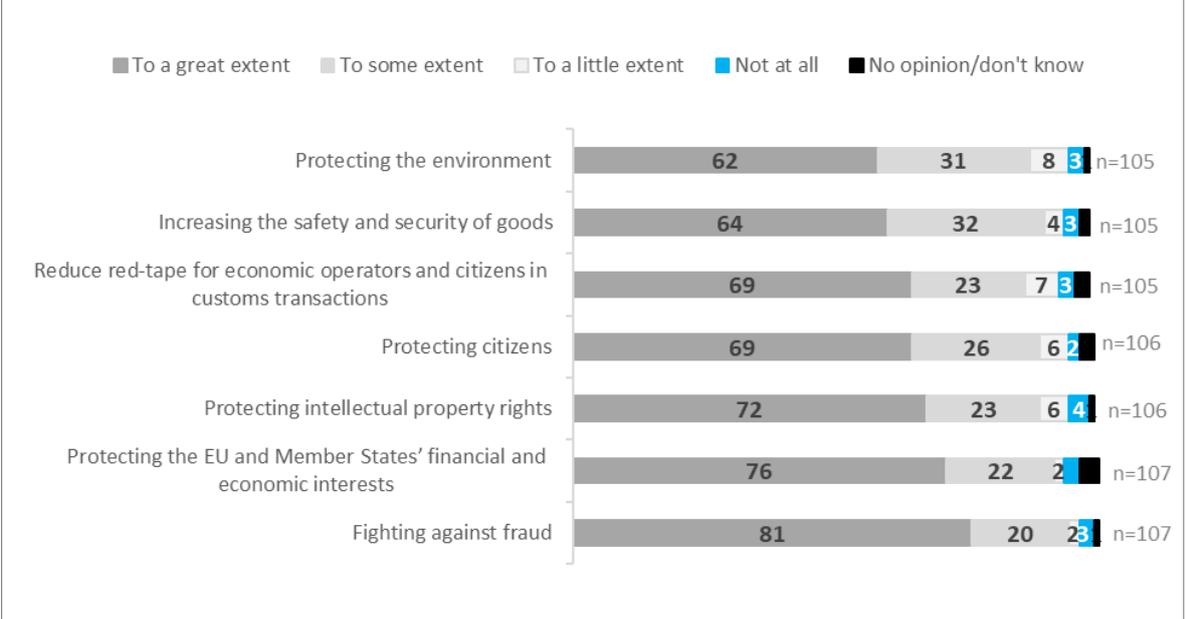
n=108

Differences in responses between larger (more than 250 employees) and smaller companies (less than 250 employees) evidenced that while fighting against fraud is the most important objective for both respondent groups, increasing the safety and security of goods is highly important for larger companies, while reducing red-tape for economic operators and citizens is more important for smaller companies.

**Question 6: To what extent do you think it is important for the EU, its Member States and other countries to work together on these issues?**

Collaboration between the EU, Member States and other countries is considered important for all the issues listed in the graph below. The vast majority of respondents agreed that fighting against fraud is a central area to collaborate in. At the other end, protecting the environment was considered a less important priority for collaboration.

**Figure 24: Importance of collaboration in the area of customs (number of respondents)**

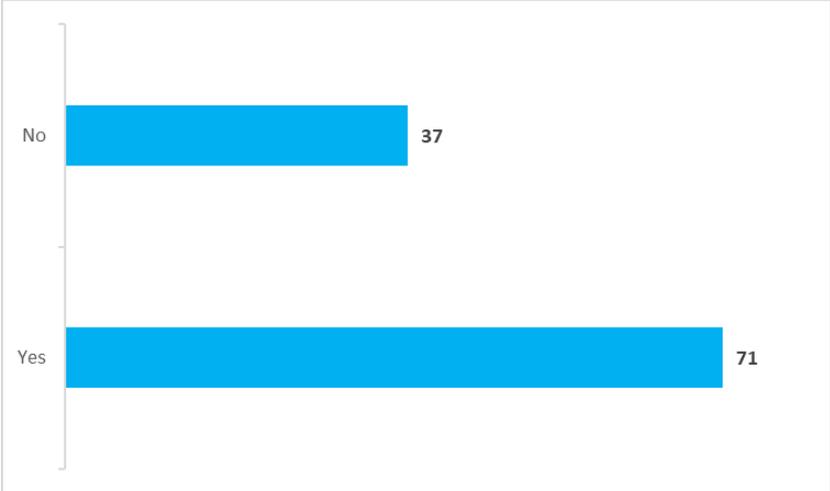


n=108

**Question 7: Before beginning this survey, were you aware of the existence of the European cooperation programme “Customs 2020”?**

Over 30% of respondents were not aware of the existence of the Customs 2020 programme before responding to the survey. The vast majority of respondents not familiar with the programme were from the private sector, including businesses and professional associations representing trade and business.

**Figure 25: Awareness of the Customs 2020 programme (number of respondents)**



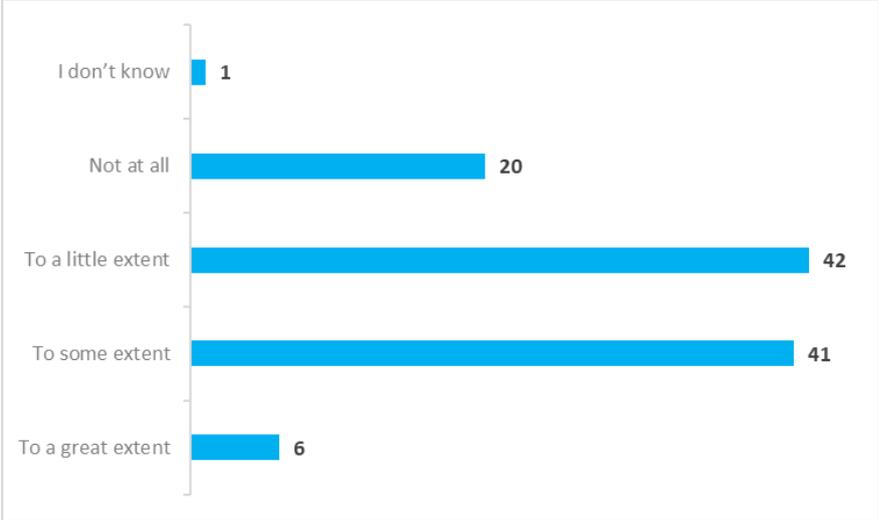
n=108

**5.2.3 Supported activities**

**Question 8: By sharing good practices, the Customs 2020 programme aims to help customs authorities apply EU rules in a consistent manner from one Member State to another. In your experience, do EU Member States apply customs rules in the same way?**

Respondents were divided when consulted if EU Member States apply customs rules in the same way. While more than half (56%) expressed little or no agreement with the statement, a large group (37%) agreed to some extent and a small minority (5%) agreed to a great extent.

**Figure 26: EU customs law in the Member States applied consistently**



n=110

**When asked to explain their answers**, several respondents indicated that there are significant differences in interpretation and application of the EU customs legislation across EU Member States. The shared view was that these differences are linked to different ways of working based on national systems and legislation, as well as different understandings and levels of enforcement of EU legislation. Examples highlighted by respondents are provided in the box below:

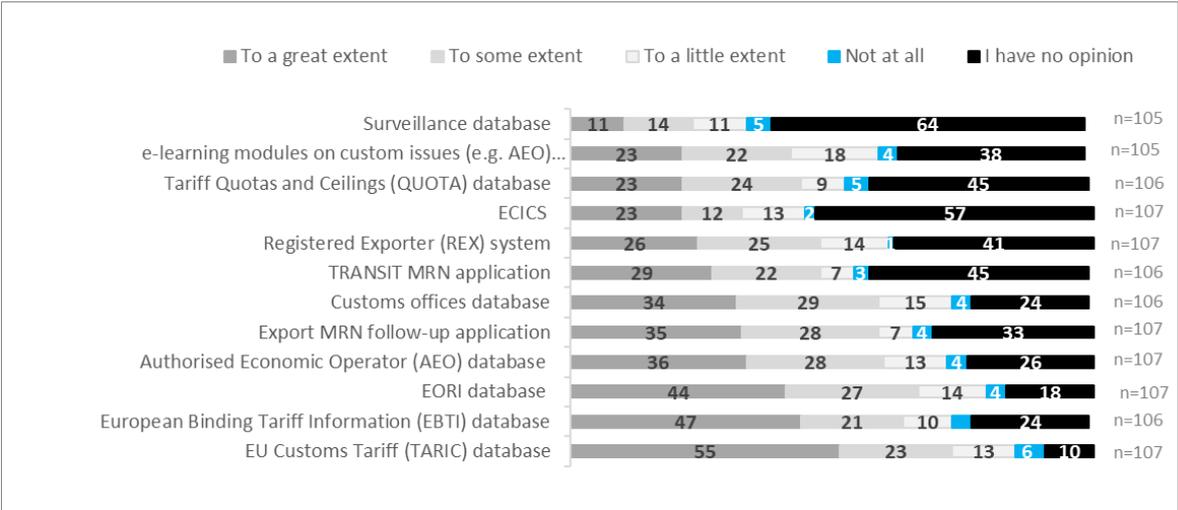
**Box M: Application of EU rules across EU Member States**

- Differences in execution in e.g. customs valuation, preferential origin, and audits after importation. Furthermore, classification of goods, national import/export systems and data sets are not fully harmonised;
- The pace of implementation of new legislation and efficiency of supporting IT-systems vary between EU Member States;
- Collection of Intrastat information is carried out in different ways throughout the Union;
- Differences regarding the levels of knowledge of customs officials across participating countries.

**Question 9: If you have ever used any of the Customs 2020 programme’s services aimed directly at businesses and citizens (see below), to what extent do you think that each of these services provides information that is hard to find elsewhere?**

The graph below highlights the relative importance of the TARIC database to economic operators as a source of information that is difficult to find elsewhere. The EBTI and EORI databases are also positively valued as sources of information. A large proportion of respondents was unfamiliar with/did not have an opinion on some of the databases listed, in particular the Surveillance database and ECICS.

**Figure 27: Value of information provided by the Customs 2020 programme services (number of respondents)**



n=107

The box below summarises respondents’ views regarding other customs-related information that the EU should provide:

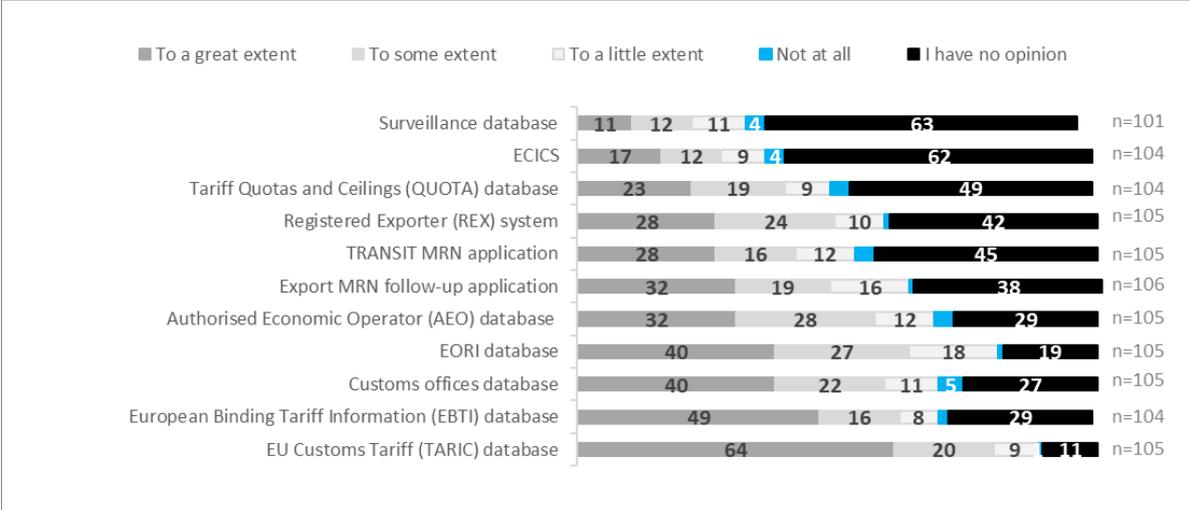
**Box N: Suggestions on other customs-related information that the EU should provide**

- A consolidated version of the Union Customs Code, the Delegated Act, the Implementing Act and the Transition Act into one document would be useful support for trade. It should be available on EUR-lex and updated with modifications as the individual regulations change. Furthermore, Union Customs Code guidelines should be updated and in line with Union Customs Code and EU (ECJ) rules. Guidelines should be available in several languages;
- Decisions and opinions by the World Customs Organisation (WCO) should be disseminated through the Customs 2020 programme’s instruments;
- eLearning on tariff classification at operational level, as well as on cumulation in preferential origin agreement;
- Information about how products are controlled by customs and what criteria must be respected to obtain a good classification for the products;
- Access to meeting minutes of DG TAXUD’s working group meetings;
- EU level harmonised customs mandatory attributes that are currently available only via national websites, should be available through the EU tools;
- BTIs process should be centralised as the current national decisions are not consistent and sometimes contradictory;
- Authorised Economic Operator certified companies should have dedicated authorities contact persons;
- Access to TARIC/tariff updates should be available from first source. Also, direct download of full TARIC content in a structured format and codes (list of values) from annex A, B, IA and DA, would be useful.

**Question 10: If you have ever used any of the programme’s services aimed directly at businesses and citizens, to what extent have you found them useful?**

When asked about the usefulness of the programme’s various services, the TARIC and EBTI databases were indicated to be the most useful. Levels of awareness about the Surveillance database and ECICS were limited.

**Figure 28: Usefulness of the Customs 2020 programme's services (number of respondents)**



n=106

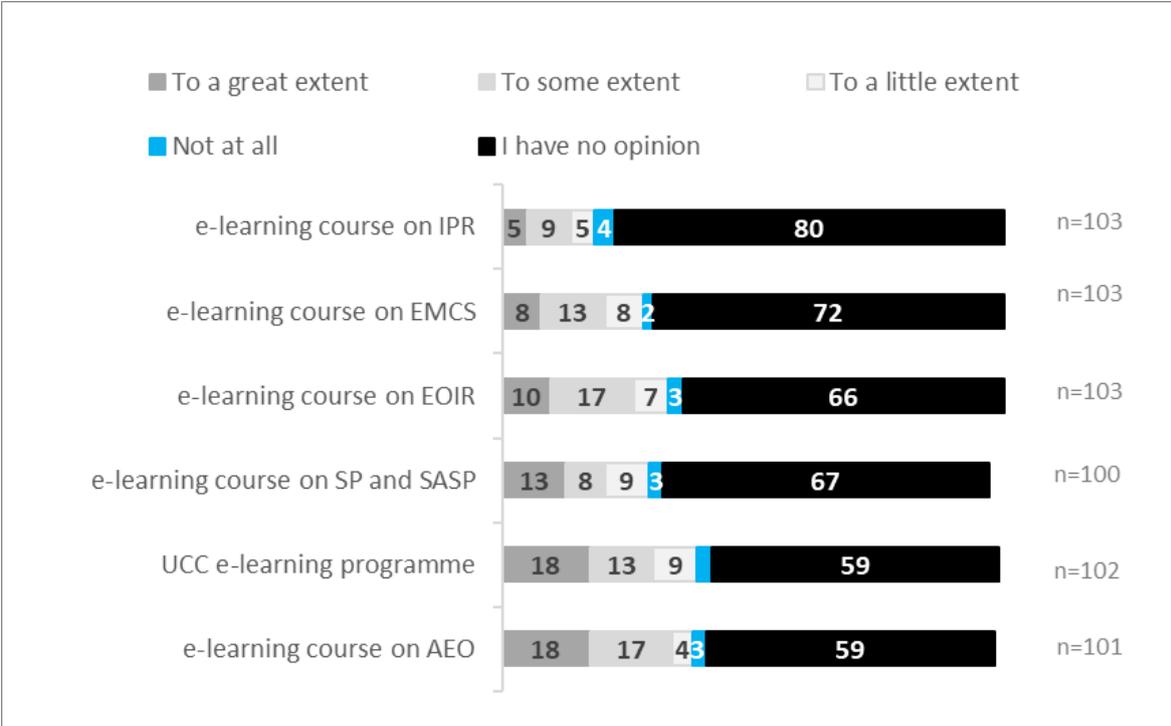
The TARIC database was considered to provide good support, consolidating most of the export and import measures. The importance of intellectual property rights and the protection of confidential business information were also emphasised.

Respondents highlighted that some information is not available or accessible in some databases, in particular Authorised Economic Operator, EORI, and MRN. Furthermore, it was suggested that relevant databases should provide as complete information as possible about the entities that are searched for.

**Question 11: If you have ever used any of the programme’s eLearning courses aimed directly at businesses and citizens, to what extent do think they were useful?**

When asked about the usefulness of eLearning courses provided by the Customs 2020 programme, it became evident that many respondents do not use EU eLearning modules and do not have an opinion about their usefulness. However, the majority of respondents who were familiar with these modules indicated that they were useful. The Union Customs Code eLearning programme and the eLearning course on Authorised Economic Operator were the most positively rated.

**Figure 29: Usefulness of Customs 2020 programme’s eLearning courses (number of respondents)**



n=103

The lack of awareness of respondents on eLearning courses seems to be linked to a lack of information/awareness raising among businesses about these. For others, it was difficult to find time to allocate to the courses especially when there is no official certification confirming that the training was completed. Technical issues were also highlighted, e.g. that it is sometimes not possible to read the courses or to pass the accompanying tests. Some respondents mentioned that most courses are available in English only, which is an additional difficulty. Finally, it was suggested that some courses are too lengthy and could be shortened down to video clips of 5 minutes maximum.

The following suggestions were made in terms of content of the e-Learning courses:

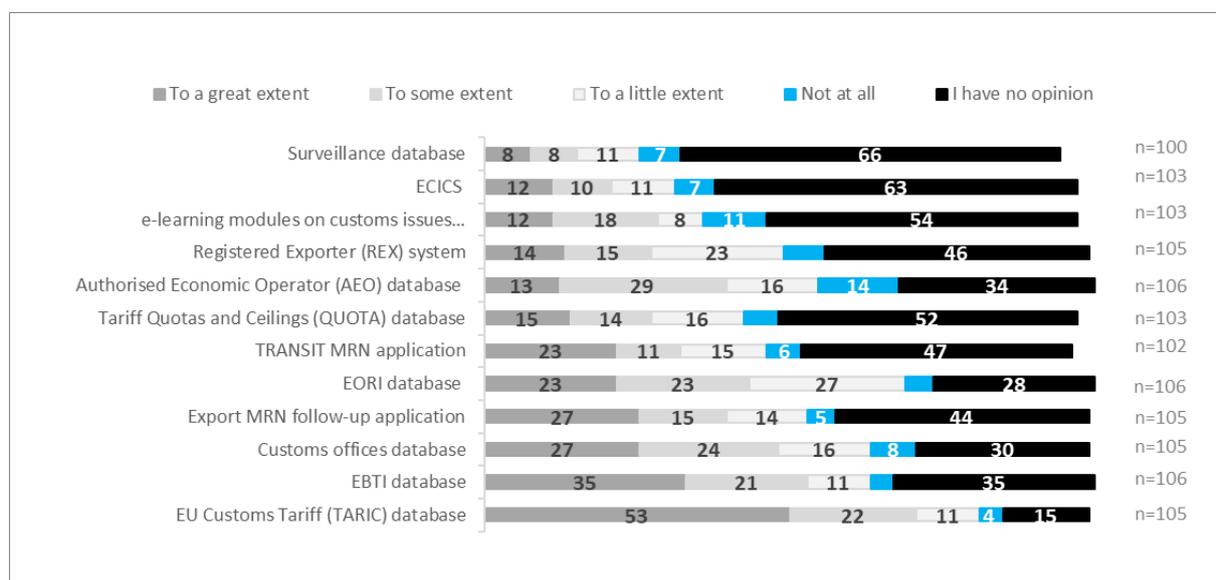
- A TARIC e-learning course;
- SASP to centralised clearance;
- Use of REX;
- HS-classification on operational level; and

- Cumulation in preferential origin agreements.

**Question 12: If you have ever used any of the programme’s services aimed directly at businesses and citizens, to what extent have they saved you time?**

Regarding the extent to which the Customs 2020 programme’s services enabled the economic operators to save time, the responses varied considerably between the different services, though many respondents did not have an opinion as they had not used the services listed. Once again, the TARIC database was judged most positively in terms of saving time for users. The EORI and EBTI databases, the Customs Offices database, and the export MRN follow-up application were also assessed positively. Respondents were less satisfied with the Authorised Economic Operator database, with a relatively larger proportion considering that it did not save time at all in comparison to other services.

**Figure 30: Time-saving enabled by Customs 2020 programme’s services (number of respondents)**



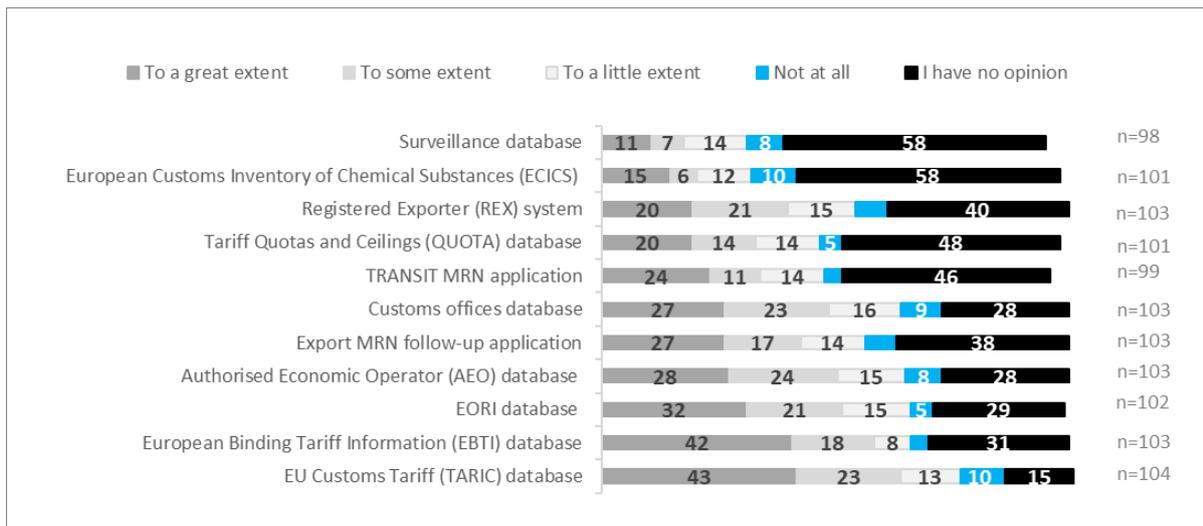
n=106

In view of some respondents, the services were not always user-friendly, and therefore did not enable users to save time. It was also highlighted that the services were more tailored for customs agents, and less useful for businesses or broader audiences. Furthermore, it was suggested that additional functionalities would be useful and save time, e.g. searching by entity name in the EORI database. Indeed, this specific function was mentioned as a positive characteristic of the Authorised Economic Operator database.

**Question 13: If you have ever used any of the programme’s services aimed directly at businesses and citizens, to what extent do you think they added to the services provided by your own country’s customs authority?**

The TARIC, EBTI, and EORI databases were considered to provide the most added value to the services of national customs authorities. The Authorised Economic Operator database, the export MRN follow-up application, and the Customs Offices database were also considered important in this context. Many respondents were unaware of the added value of specific services, in particular the Surveillance database and ECICS.

**Figure 31: Added value of the Customs 2020 programme's services (number of respondents)**



n=104

When asked to explain their answers, several respondents mentioned the TARIC database as a positive example, providing publicly available information on customs tariff at no extra cost. This was said to be particularly useful when the EU Member States in question does not provide much information or for non-EU operators to access EU customs information. In some cases, the national database includes the TARIC database and provides a more complete system for the economic operators, e.g. EZT in Germany. Specific suggestions were formulated on how to further extend EU customs information:

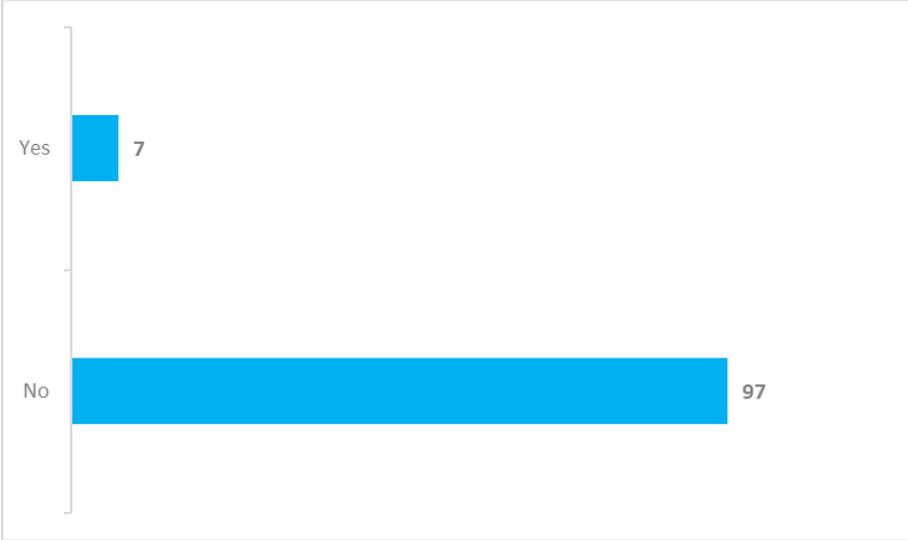
**Box O: Suggestions for additional customs information**

- E-customs statistics, similar to the past "Measurement of Results" (MoR);
- Central Clearance could be introduced;
- Links to PAN EURO MED and Free Trade Agreements;
- BOI database;
- Regarding information about preferential origin, an online tool for preferential calculation (product-specific) was suggested;
- Combine the local VAT information with import duty. The system could know via IP address the importing country / importing country could be indicated by users, and the system could provide the relevant VAT information (currently another search needs to be done in the local customs system).

**Question 14: Can you think of any EU or national programmes or services that include similar activities or pursue similar aims as Customs 2020?**

The large majority of respondents were not aware of other EU or national programmes or services with similar aims as the Customs 2020 programme.

**Figure 32: Views on other programmes including similar activities as Customs 2020**



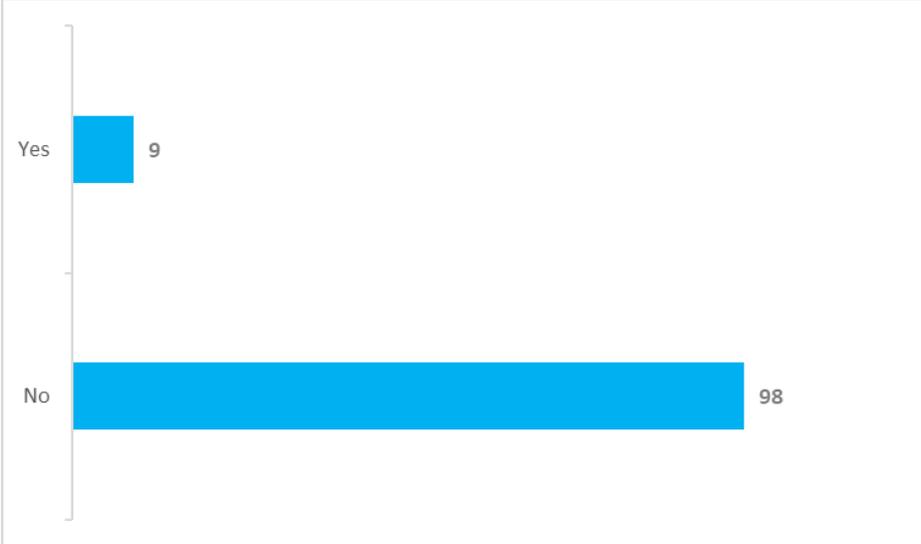
n=104

**Question 15: Since 2 October 2017, economic operators have to introduce all new applications for customs decisions or authorisations electronically using the EU Trader Portal, a single electronic access point deployed at EU level for accessing the new Customs Decisions System.**

***Have you already used the EU Trader Portal?***

Only a few respondents had used the EU Trader Portal before responding to the survey. The experience of the few respondents who had already used the portal was generally negative. It was said that it is difficult to understand the functionalities and use of the application. Furthermore, decisions could not be released, and requests could not be submitted.

**Figure 33: Use of EU Trader Portal (number of respondents)**



n=107

## 5.2.4 Final remarks

**Question 16: If you wish to add further information – within the scope of this survey – please feel free to do so here.**

The following comments and suggestions for improvement were provided by respondents in answer to this question:

### **Box P: Comments and suggestions regarding the Customs 2020 programme**

#### **Strengths**

- EBTI and ECICS were mentioned as useful and time-saving for the classification of products;
- The importance of intellectual property rights and other not-patentable know-how was highlighted;
- The importance of working towards a real Customs Union with common understanding of the rules by all national customs authorities was highlighted. In this context, it was suggested to have an entity within the EC that businesses could contact about the application of customs rules.

#### **Areas for improvement**

- A swift introduction of EU Central Customs Clearance would be beneficial;
- The Customs Decision System was introduced in an incomplete version, and thus an introduction of a new system would be advisable. Furthermore, a single solution for all kinds of customs decisions would be less bureaucratic than the existing solution where EU Member States can choose between using the Trader Portal or introducing their own Customs Decisions System;
- Further attention at the national level in this area and on the related EU efforts, could increase the use of available tools;
- Authorised Economic Operator was said to imply excessive administrations and costs, that are not proportionate to the advantages of this tool;
- Web portals are sometimes outdated and not user-friendly. Even more so when accessed through mobile devices. Also, a completely paperless system would be beneficial, with efficient interfaces and no delays.

### **Key findings**

The below box provides a summary of the survey's key findings.

#### **Box Q: Key findings**

- All Customs 2020 programme objectives were considered important for national customs administrations by the vast majority of respondents, in particular fighting against fraud;

- Regarding important areas for European collaboration, most respondents agreed that the listed areas of collaboration were important. Fighting against fraud was highlighted as the most important one;
- The majority of respondents did not consider that customs legislation is applied in a consistent manner across Member States. Differences in interpretation, execution, and application due to national systems and differing understanding and level of enforcement were highlighted;
- The TARIC database was assessed positively by several respondents, both in terms of an important source of information, as well as a time-saving tool providing added value to the services of the national customs authorities. TARIC was also pointed out as the most useful service. Furthermore, the EBTI and EORI databases were indicated as positive examples. Overall, lack of awareness of services and databases provided by the Customs 2020 programme was high among economic operators responding to the survey;
- A limited amount of respondents confirmed having used the Customs 2020 programme eLearning courses. The limited number of users can be linked to a lack of awareness and time/resources, as well as to the fact that most courses are available in English only;
- Regarding the EU Trader Portal, introduced in October 2016, only a small minority of respondents had used it. Overall, users reported a somewhat negative experience, indicating that it was difficult to understand the functionalities and use of the application.

### **5.3 CONCLUSIONS**

While several services and tools provided by the Customs 2020 programme were indicated to be useful and important complements to services provided at the national level, it was indicated that further work is required to make the collaboration more efficient and user-friendly, and to achieve a more consistent application of EU legislation across the Member States. Lack of familiarity with available services and eLearning courses suggests a general lack of awareness regarding the Customs 2020 programme among economic operators consulted.

## **ANNEX B: CASE STUDY REPORTS**

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## 1. OVERVIEW OF METHODOLOGICAL APPROACH FOR THE CASE STUDIES

### 1.1. INTRODUCTION

Since the Customs 2020 programme mainly supports administrations in carrying out functions required by EU and national legislation, its benefits cannot be readily quantified. This means that in-depth qualitative research was required to understand whether the programme is achieving its objectives.

This qualitative research took the form of seven case studies. The purpose of the case studies was to provide insight about Customs 2020 and the contribution it actually makes in terms of supporting the work of national administrations, and the development and implementation of new processes, procedures and policies.

As a unit of analysis, we defined the thematic areas based on different projects listed in the Customs 2020 Annual Work Programmes.<sup>106</sup> As these projects mostly consist of joint actions, we broadened the analysis to include more of the IT-related activities as these account for the vast majority of the programme budget.

Within each thematic area, we examined a number of different programme actions, their outputs and the difference these have made / are expected to make for national administrations and economic operators. For thematic areas where IT systems play a major role, we considered the relevant modules, their development and continued operation as “outputs”.

### 1.2. SELECTION OF THEMATIC AREAS AND FIELDWORK COUNTRIES

The seven thematic areas were selected from the 65 projects defined in the 2014-2016 Annual Work Programmes. Factors considered included the amount of progress reported in monitoring reports, importance of a given aspect of customs policy, use of new systems or types of joint action, and budgetary allocation. As a whole, the thematic areas (briefly introduced in the box below) also provided a framework to cover Customs 2020 efforts related to all aspects of the specific and operational objectives and activity types.

**Table 1: Case study sample**

#	Case study focus	Overview
1	Authorised Economic Operator	<p>This case study focuses on the implementation of the Authorised Economic Operator (AEO) programme in customs administrations, and the increased importance placed on trade facilitation, improved competitiveness for European business, and security in the Customs 2020 programme.</p> <p>The Customs 2020 programme is intended to reinforce the Authorised Economic Operator initiative by activities which contribute to the harmonised implementation of the programme, fortify its benefits and</p>

<sup>106</sup> The Customs Annual Work Programmes define for each year a number of ‘projects’. These are sets of supported actions that work in concert towards specific priorities.

#	Case study focus	Overview
		facilitate the joint assessment of compliant trader programmes with third countries.
2	EU Customs Action Plan on intellectual property rights	<p>The activities of the Customs Union in the area of intellectual property rights (IPR) are the main focus of this case study. Through border enforcement, customs authorities are responsible for tackling the increasing volume of trade in goods infringing intellectual property rights.</p> <p>The Customs 2020 programme includes several actions contributing to the coordination of customs authorities in fighting intellectual property rights infringements at the external borders of the EU.</p>
3	Customs Risk Management and Supply Chain Security	<p>To improve the risk management capacities of EU customs administrations, the Commission responded to calls to set up a coherent strategy on risk management and supply chain security. This was based on a step-by-step action plan and thorough cost benefit analyses, covering inter alia legal, procedural and IT aspects. The result was the Union Strategy and Action Plan for customs risk management.</p> <p>This case study considers the potential impact that the Customs 2020 programme can have in this priority area of the Union Customs Code. Furthermore, the role of project groups in advancing strategic initiatives related to customs policy in this area is also assessed.</p>
4	Human Competency Building of the Customs 2020 Programme	<p>The focus of this case study is on the role of training and of the building of human capacity in customs administrations, and the increased importance placed on this in the Customs 2020 programme compared with its predecessors.</p> <p>The case study looks at the extent to which the development and implementation of the Common Competency Framework (CFW) for Customs is leading to greater alignment in the levels of knowledge among customs professionals in the EU. Specific elements of relevance include the extent to which there is 'buy-in' i.e. acceptance among Member States' administrations regarding the need to harmonise and elevate the performance of customs staff, as well as the extent to which progress has been made with the implementation of the CFW for customs.</p>
5	Simplified Procedures (SP) for Customs Declarations	<p>This case study considers the programme's potential to facilitate trade and bring benefits to economic operators, with a focus on the role played by the Single Authorisation for Simplified Procedures (SASP). SASP enables an economic operator to centralise the accounting and payment of customs duties for all transactions in the Member State where it is established, regardless of the place where the movement of goods occurs.</p> <p>Until the deployment of the appropriate electronic systems for centralised clearance (anticipated 2019-2020), the current SASP, issued before 1 May 2016, remains unchanged and continues to be a major instrument of trade facilitation that deserves common understanding and uniform application.</p>
6	Cooperation between Customs Administrations and Tax Authorities	<p>This case study considers how different types of programme actions have enabled customs and tax authorities to work better together and thereby carry out their linked functions (such as those related to excise and customs) more effectively while reducing the duplication of efforts. The potential impact of the Customs 2020 programme on this cooperation is considered, and joint actions, such as project groups and seminars, and their role in advancing strategic initiatives related to customs policy, are examined.</p>
7	Enforcement of Customs Union Legislation and	<p>The Customs 2020 programme includes several actions aiming to support the development and implementation of new customs rules in the Union Customs Code and actions intended to contribute to the overall management of the programme. This case study analyses the</p>

#	Case study focus	Overview
	Programme Management	enforcement of the EU's flagship customs legislation as well as contributions to the programme management.

To achieve the desired level of depth given the time and resource constraints of the evaluation, we conducted fieldwork in seven countries. While no sample of EU countries can be representative in a statistical sense, such a sample was big enough to accommodate substantial diversity, in terms of key criteria such as geographical distribution and the size of the country and its customs administration. We also deliberately avoided countries where fieldwork took place during the previous evaluation. This approach allowed us to engage with stakeholders with varying levels of experience and participation in Customs 2020.

The **selected countries for fieldwork** were:

- Austria (Western Europe)
- Sweden (Northern Europe)
- The Netherlands (Western Europe)
- Czech Republic (Central-Eastern Europe)
- Estonia (Central-Eastern Europe)
- Portugal (Southern Europe)
- Serbia (candidate country participating in the programme)

### 1.3. METHODOLOGY FOLLOWED

In practical terms the case studies consisted of seven discrete theory-based evaluations.<sup>107</sup> For each of these, we first constructed an intervention logic diagram and identified the key assumptions that need to hold in order for specific projects to generate their desired effects. We then tested this theory based on evidence from documentary sources and key informant interviews (about 10-12 per case study spread across the seven countries listed above) to assess how the theory is applied in practice, with a focus on the user experience. This allowed us to draw meaningful conclusions about the outputs and mechanisms under review, and feed into recommendations in the main report about how to improve the performance of the programme over time.

To facilitate comparability and ensure a consistent level of analysis, a common structure was used for the intervention logic diagrams as well as the case study reports. The template for these is depicted in Figure 1 below, along with a brief explanation for the different parts.

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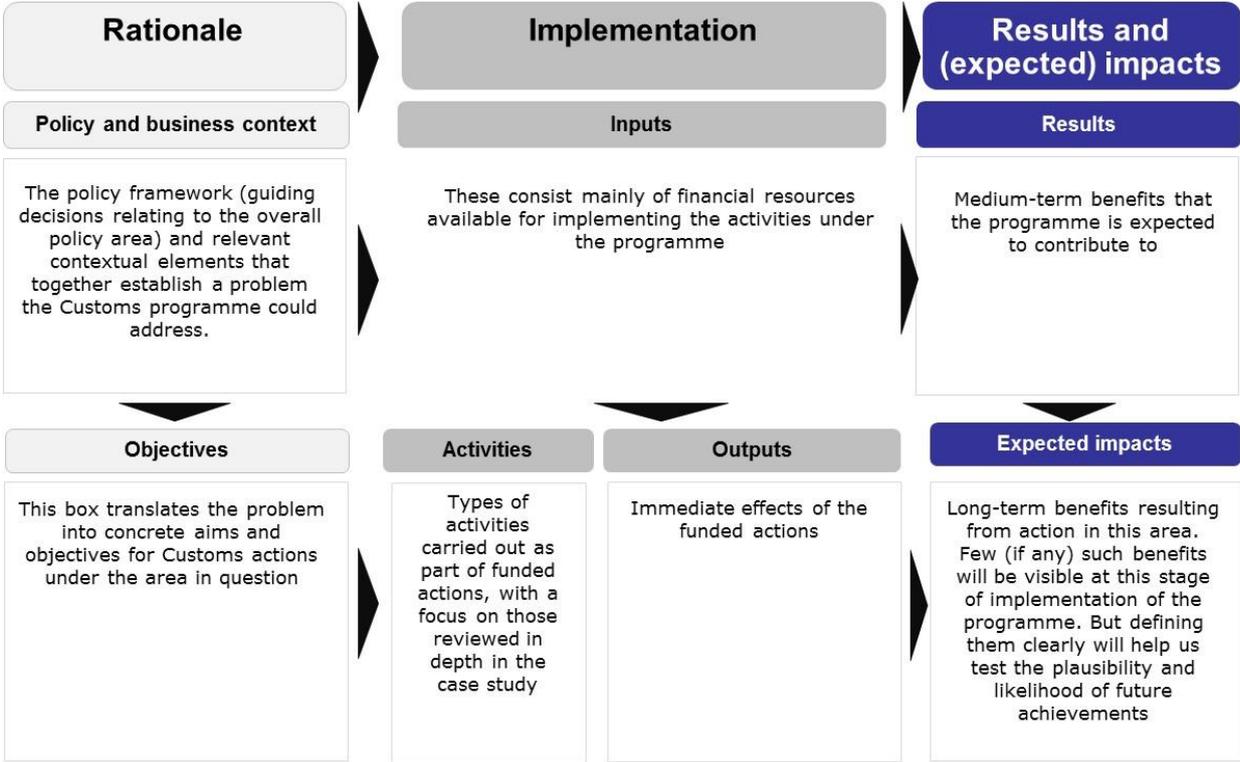
<sup>107</sup> Theory-based evaluation can be defined as an evaluation approach that studies the logic that is inherent to the activity in question. For more information, see the European Commission's dedicated website at url: [http://ec.europa.eu/regional\\_policy/en/policy/evaluations/guidance/impact\\_faq\\_theor#1](http://ec.europa.eu/regional_policy/en/policy/evaluations/guidance/impact_faq_theor#1)

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**Figure 1: Intervention logic template for thematic areas**



The common structure of each case study report is comprised as follows:

- The **introduction** introduces the subject of the case study and the actions covered.
- The **background** describes the policy context at international, EU and national levels.
- The **main findings** section presents the intervention logic, then based on the evidence collected tests it in terms of the rationale for EU action, implementation, and expected results and impacts.
- Each report ends with a **conclusions** section that provides insight into higher level questions on the main evaluation criteria.

The ensuing chapters present the full case study reports in turn.

## 2. CASE STUDY 1: AUTHORISED ECONOMIC OPERATOR

### 2.1 INTRODUCTION

The focus of this case study is on the **role of the implementation of the Authorised Economic Operator (AEO) concept in customs administrations**, and the increased importance placed on trade facilitation and security in the Customs 2020 programme compared with its predecessors. The case study looks at the development and implementation of the Authorised Economic Operator concept for economic operators and how it is leading to high-level objectives such as increased trade facilitation, improved competitiveness of European business and more efficient risk management among administrations.

Table 2 below presents an overview of the chosen Annual Work Programme (AWP) projects covered in the context of the case study.

**Table 2: AWP projects covered in case study on Authorised Economic Operator (AEO)**

Year	AWP reference
2017	2.3.2 Competitiveness and trade facilitation
2015	2.4.06 Authorised Economic Operators (AEO)
2014	2.4.10 Authorised Economic Operators (AEO)

Table 3 below presents an overview of the programme actions reviewed as part of the case study.

**Table 3: Programme actions reviewed in case study on Authorised Economic Operator**

Action title	Description	Financial code	Start date	End date	Type of action	Number of events
Authorised Economic Operator Network Group (AEO NW)	How the Authorised Economic Operator network contributes to the coordination and monitoring of the implementation of Authorised Economic Operator.	CPG/026	2014-04-01	2018-03-31	Project group	17
Authorised Economic Operators guidelines and other implementing tools	How specific outputs from project groups help harmonise implementation.	CPG/103	2015-06-15	2017-12-31	Project group	9
EU Authorised Economic Operator (AEO) programme workshop	Assessment of the first international workshop since the introduction of the Authorised Economic Operator concept, in particular regarding input from various stakeholders.	CWS/047	2016-05-01	2021-01-01	Workshop	2

The purpose of this case study is to provide the evidence needed to answer key questions about the relevance of the Authorised Economic Operator component of Customs 2020 and expected contribution to the programme’s objectives, in addition to allowing us to draw lessons that can be applied to the programme more broadly. The evidence used as a basis for the case study came from several sources: contextual literature, programme documentation, communication material and reports, as well as interviews with national customs officers in six of the seven case study countries<sup>109</sup>. The sources of information are summarised in Table 4.

**Table 4: Case study sources**

Countries covered	Interviewees	Documentary sources
Czech Republic	Participant (CWS/047 & CPG/027)	<ul style="list-style-type: none"> <li>- Union Customs Code, Reg. (EU) No 952/2013;</li> <li>- Union Customs Code Implementing Act: (EU) 2015/2447;</li> <li>- Union Customs Code Delegated Act: (EU) 2015/2446</li> <li>- The WCO ‘SAFE Framework’ (2006);</li> <li>- AWP’s for Customs and Fiscalis for 2014, 2015 and 2016;</li> <li>- C2020 Annual Progress Reports for 2014, 2015 and 2016;</li> <li>- Meeting minutes from actions;</li> <li>- Conclusions 1st EU Authorised Economic Operator Workshop, DG TAXUD, 2016;</li> <li>- Compendium of Authorised Economic Operator Programmes, WCO, 2017;</li> <li>- Action Fiches and Action Follow-up Forms for the three actions under review;</li> <li>- Authorised Economic Operator Guidelines and related documents.</li> </ul>
Estonia	Participant (CPG/027)	
	Participant (CPG/027 & CWS/047)	
The Netherlands	Participant (CPG/027)	
Portugal	National coordinator Participants (CPG/027)	
Serbia	Participants (CPG/027)	
Sweden	Participants (CPG/027)	

**2.2. BACKGROUND**

**2.2.1 General context**

**Key customs policy needs and priorities**

In 2005, the World Customs Organisation adopted the *SAFE Framework of Standards to Secure and Facilitate Global Trade* (SAFE Framework)<sup>110</sup> to promote better trade facilitation worldwide, secure revenue collections and deter international terrorism. This was necessary given the growth of global trade and increasing security threats to the international movement of goods especially in the wake of attacks like 9/11. The framework introduced security measures for supply chains, including the requirement of advanced cargo data, new security risk assessments and was finalised in June 2006 with a chapter on Authorised Economic Operators.

The EU Authorised Economic Operator programme is based on the Customs-to-Business partnership model introduced by the *SAFE Framework* and though it is not a binding instrument, most countries, including those in the EU, use the World Customs Organisation’s (WCO) internationally recognised standards to benefit from mutual

<sup>109</sup> There were no inputs from national authorities and stakeholders interviewed as part of the fieldwork in Austria.  
<sup>110</sup> World Customs Organisation (2015) *SAFE Framework of Standards to Secure and Facilitate Global Trade* – 2015 edition. Available at: [http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/safe\\_package.aspx](http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/safe_package.aspx). Accessed 29 Apr 2018.

recognition of Authorised Economic Operator programmes and to strengthen overall cooperation. As one of three key pillars in the World Customs Organisation's framework, the Customs-to-Business pillar promotes communication and collaboration between these two parties, shifting the relationship from one where customs administrations have all the power and authority to one where there is mutual trust and benefits on both sides. Through Authorised Economic Operator programmes, customs administrations benefit from secure and efficient trade facilitation by requiring increased security at the point of origin, and similarly, companies profit by qualifying as AEOs through time and costs saving. This is due to the quicker movement of low-risk cargo through customs, optimised supply chain cost through security efficiencies, enhanced reputation for the organisation and increased business opportunities. Global uniformity and predictability also reduces the need for multiple and complex reporting requirements when conducting trade with other countries recognising Authorised Economic Operator status.

Indeed, mutual recognition of Authorised Economic Operator is a key aspect of WCO's *SAFE Framework* and helps increase overall security and trade facilitation. To date, 169 World Customs Organisation members have signed 'letters of intent' to implement the World Customs Organisation's standards, including the EU. With closer cooperation with third country customs administrations, they can focus their energy on preventing more high-risk activities and use scarce resources more efficiently. Understanding the economic benefits, the EU has been active in developing Mutual Recognition Agreements, having already established Mutual Recognition Agreements with China, Japan, the United States, Norway and Switzerland.

### ***Framework for and extent of EU engagement in this area so far***

Having signed the 'letter of intent' to implement the WCO's *SAFE Framework*, the European Commission established the Authorised Economic Operator programme as one of the main elements of the Security Amendments to the Community Customs Code (Regulation (EEC) 2913/92) with Regulation (EC) 648/2005<sup>111</sup>. Based on Article 5a, Authorised Economic Operator status was first granted to economic operators meeting the a set of common criteria:

- (i) appropriate record of compliance with customs requirements;
- (ii) a satisfactory system of managing commercial and transport records;
- (iii) proven financial solvency; and
- (iv) appropriate security and safety standards.

Authorisation procedures were introduced with Regulation (EC) 1875/2006<sup>112</sup>, which amends the CCC Implementing Provisions. To date there are just under 16 000 Authorised Economic Operator authorisation holders.<sup>113</sup>

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<sup>111</sup> Commission Regulation (EC) No 648/2005 of 13 April 2005 amending Council Regulation (EEC) No 2913/92 establishing the Community Customs Code. Available at: <https://publications.europa.eu/en/publication-detail/-/publication/d46b74e3-376e-476a-94d6-2c513efe7bfc/language-en>. Accessed 22 April 2018.

<sup>112</sup> Commission Regulation (EC) No 1875/2006 of 18 December 2006 amending Regulation (EEC) No 2454/93 laying down provision for the implementation of Council Regulation (EEC) No 2913 establishing the Community Customs Code. Available at: <https://publications.europa.eu/en/publication-detail/-/publication/a39c9acb-f836-4dec-8675-701e5d701d1e/language-en>. Accessed 23 April 2018.

<sup>113</sup> European Commission (2018) Authorised Economic Operators Database – Query Page. Available at: [http://ec.europa.eu/taxation\\_customs/dds2/eos/aeo\\_consultation.jsp?Lang=en](http://ec.europa.eu/taxation_customs/dds2/eos/aeo_consultation.jsp?Lang=en). Accessed 30 April 2018.

The regulations cover AEOs to be authorised for customs simplifications (AEOC), security and safety (AEOS), or both, and provide several benefits recognised in all 28 EU Member States including:

- Easier admittance through customs simplifications (AEOC, AEOF);
- Prior notification (AEOS, AEOF);
- Reduced data set for entry and exit summary declarations (AEOS, AEOC + AEOS)<sup>114</sup>;
- Fewer physical and document-based controls (AEOC, AEOC + AEOS);
- Priority treatment of consignments if selected for control (AEOC, AEOS, AEOC + AEOS);
- Choice of the place of controls (AEOC, AEOS, AEOC + AEOS).

The Authorised Economic Operator programme continues with the laying down of the Union Customs Code through Regulation (EC) 952/2013<sup>115</sup> and its Implementing Act (Regulation (EU) 2447/2015<sup>116</sup>). This foresees additional benefits for AEOs including new centralised clearance policies using electronic systems. An amendment in 2016 to the Union Customs Code (Regulation 2016/2339) and corresponding Implementation Act (No. 2015/2447) set out the following criteria for Authorised Economic Operator status:

- (i) Compliance with customs legislation and taxation rules including no records of serious criminal offences;
- (ii) a satisfactory system of managing commercial and transport records;
- (iii) proven financial solvency;
- (iv) Practical standards or professional qualifications;
- (v) appropriate security and safety standards.

Figure 2 below presents the evolution of EU Regulations and actions from other actors related to Authorised Economic Operators.

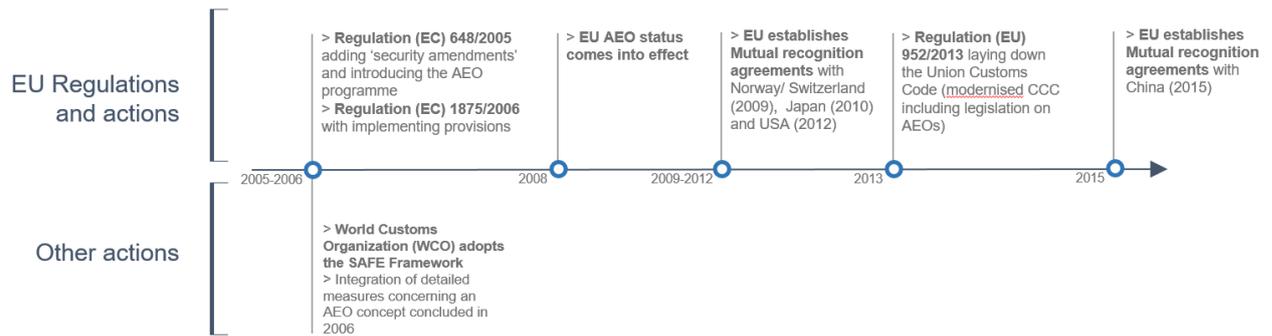
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<sup>114</sup> NB this is no longer provided for in the 2016 amendment to the Union Customs Code.

<sup>115</sup> Council Regulation (EU) No 952/2013 of 9 October 2013 laying down the Union Customs Code. Available at: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32013R0952>. Accessed 22 April 2018.

<sup>116</sup> Council Regulation (EU) No 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 laying down the Union Customs Code. Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2015.343.01.0558.01.ENG](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2015.343.01.0558.01.ENG). Accessed 22 April 2018.

**Figure 2: Evolution of EU Regulations and other actions related to AEOs (2005 – 2015)**



Mutual Recognition is a key element of the World Customs Organisation's *SAFE Framework* and the EU's priorities in establishing the Authorised Economic Operator programme. It means that two customs administrations agree to recognise the Authorised Economic Operator authorisations issued under the other programme and provide reciprocal benefits to AEOs of the other administration. The objective and benefits of Mutual Recognition Agreements include fewer security and safety related controls for customs administrations, and continued priority treatment at other customs clearances for businesses. Negotiations for Mutual Recognition Agreements are underway with Canada, Hong Kong and Morocco.

### **2.2.2. Key EU policies**

#### **Fit with the Customs 2020 programme**

The European Commission supports the implementation and facilitation of the Authorised Economic Operator programme through various work programmes in the current Customs 2020 programme and its predecessor. The Authorised Economic Operator authorisation process was operational from 1<sup>st</sup> January 2008, under the Customs 2013 programme. The focus was on ensuring uniform implementation of the Authorised Economic Operator system across the then 27 Member States and setting up IT systems to help customs authorities pool information to increase resources used for risk analysis. The IT systems include:

- (i) the Economic Operators Registration and Identification System (EORI) which all economic operators engaging in customs activities in the EU have to register for; and
- (ii) the Authorised Economic Operator IT system for granting Authorised Economic Operator status.

The Authorised Economic Operator system was fully operational by July 2009, and was supported by Customs 2013 through meetings of the Authorised Economic Operator Contacts Network and monitoring visits.

The current Customs 2020 programme continues this work of facilitating the Authorised Economic Operator programme and sharing best practices among Member States, but also has greater focus on supporting Mutual Recognition Agreements and creating synergies with other government bodies.

Throughout the Annual Work Programmes from 2014 to 2017, the expected results and activities relating to the Authorised Economic Operator system within the EU include the following:

- Experience is shared between Member States on practical solutions related to the implementation of the Authorised Economic Operator concept;

- Authorised Economic Operator-related practical implementation know-how is established;
- Authorisation monitoring processes in the Member States are revisited and where needed, updated to ensure correct implementation; and
- Authorised Economic Operator guidelines are reviewed in light of legislative changes and their effects on the Authorised Economic Operator criteria.

In addition, objectives relating to support Mutual Recognition Agreements include:

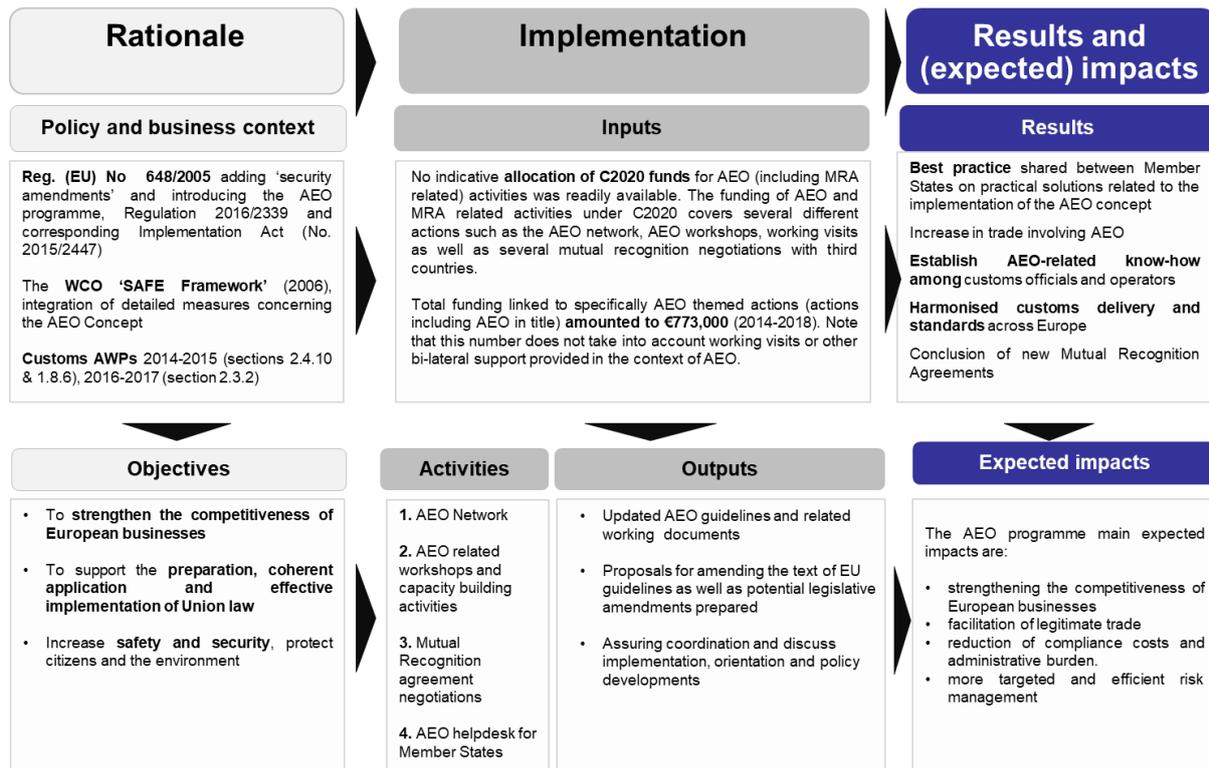
- Reinforce implementation of existing mutual recognition of Authorised Economic Operator and extend to new third countries;
- Support Mutual Recognition Agreements negotiation from a technical point of view and analyse implementation of Mutual Recognition Agreements; and
- Provide guidance to Member States in context of Mutual Recognition Agreements.

In practice, Customs 2020 aims to accomplish these goals mainly through actions involving the Authorised Economic Operator Network Group (AEO NW), with participants from the Commission and Member States. Through meetings and workshops, the Authorised Economic Operator NW provides a space for sharing experiences and best practices, to update the EU Authorised Economic Operator guidelines and operational tools, and to discuss further legislative developments at the EU and international level regarding Authorised Economic Operator criteria, Authorised Economic Operator benefits, Mutual Recognition and cooperation with other authorities and associations.

### **2.3. MAIN FINDINGS**

This section presents and assesses the intervention logic of the Authorised Economic Operator component of the Customs 2020 programme. For each of its main parts (rationale, implementation, results and expected impacts), we describe and examine how programme action under the area is intended to work in theory and then analyse with practical evidence (as outlined in the general methodology chapter). For further information on the intervention logic, please see the common introduction to the case studies (section 1).

**Figure 3: Theory of change for the Authorised Economic Operator thematic area**



### a. Rationale

#### **Rationale for Customs 2020 action in this area**

The rationale for Customs Authorised Economic Operator activities (as discussed in the background section above) is: the need for facilitating customs modernisation, optimising customs-to-business partnerships and guaranteeing economic growth. From a customs control perspective, managing low-risk operators with fewer resources by using incentives (such as priority treatment) allows customs administrations to achieve trader compliance at a lower cost. This also means that saved resources can be dedicated to controlling other high-risk areas.

Management theory suggests economic operators need incentives to participate. The benefits of Authorised Economic Operator authorisation (and corresponding low-risk profile) offers four types of benefits:

- Speed: priority treatment if selected for control, streamlined border control and faster transit procedures that produces facilitated and faster processes;
- Predictability: prior notification in case of selection for customs control;
- Lower cost: e.g. lower guarantees;
- Improved service: e.g. service level agreements and option to request preferred location for customs control.

Operators investing in meeting the requirements and proving a low risk of error, different control programmes (i.e. Authorised Economic Operator) can be applied to these 'trusted traders' to monitor their activities. This layered approach is not a new concept, several Member States have a history of segmented clearance regimes; Sweden had a supply chain

security programme in 2004, four years before the adoption of the EU Authorised Economic Operator programme in 2008.<sup>117</sup>

### ***Evidence from actions***

Interviews with national administrations carried out as part of the case study field work found agreement that the actions were responding to the needs of Member States. More specifically, a successful means of maintaining relevance of the Authorised Economic Operator concept was the Authorised Economic Operator network (the first of the three actions investigated in this case study). This project group was established under the Customs 2007 programme and continued in subsequent programmes. It has facilitated monitoring the implementation of the Authorised Economic Operator programme. Through the network, regular meetings are held, involving Authorised Economic Operator network contact points and experts. The Authorised Economic Operator network activities also provide guidance to guarantee that Authorised Economic Operator working procedures are applied uniformly by customs authorities and economic operators across participating countries.

National administrations saw the Authorised Economic Operator network as a platform for learning and ensuring relevance; the network provides a forum to engage customs authorities and the Commission in discussions on implementation, future orientation and needs for policy developments. The Authorised Economic Operator network can suggest legislative amendments to the Customs Code Committee. Member States' policy needs can also be formally communicated to the Customs Policy Group, which has a strategic role in improving Customs implementation.

The second action investigated in this case study: the "Authorised Economic Operators guidelines and other implementing tools" project group, established in 2015, was directly linked to the Authorised Economic Operator network. It functioned as a targeted expert sub-group with six Member States' experts and two Commission representatives. Its primary mandate was to prepare necessary amendments and updates to the EU guidelines for Authorised Economic Operators required by the introduction of the Union Customs Code in 2016. Ancillary responsibilities were updating the Authorised Economic Operator-self assessment questionnaire and explanatory notes, as well as updating the so called Compact Model (annexed to the Authorised Economic Operator guidelines).

Since legal provisions for the Authorised Economic Operator programme often leave space for interpretation, the guidelines explain how to implement Authorised Economic Operator legislation. The action allows for guidelines and related tools to be improved to enhance their relevance based on Member State's feedback and needs identified. For instance, new sections on how to conduct risk-analysis and definitions of SMEs have been added to the guidelines.

The "EU Authorised Economic Operator (AEO) programme workshop" hosted by Slovakian customs administration in 2016, which is the third action investigated, was the first EU-wide workshop on Authorised Economic Operator. It was attended by 155 representatives from customs administrations, private sector and international organisations including the World Customs Organisation and country representatives from big trading partners.<sup>118</sup> Customs officials interviewed reported that the presence of business representatives enabled a better understanding of their needs. The joint conclusions of the workshop were considered useful for adding momentum to efforts to ensure Authorised Economic Operator authorisations are more responsive to the needs of business. Several business

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<sup>117</sup> Stairsec aimed at improving customs compliance and supply chain security. Stairsec formed part of the so-called Service Stair (Servicetrappan) that was in place in from 2002 which assesses supply chain quality.

<sup>118</sup> USA, China, Japan, Australia, Brazil, South Africa, New Zealand, Switzerland and some neighbouring countries.

organisations also took the opportunity to voice their concerns about the lag in realising the benefits of Authorised Economic Operator, as reflected in the workshop conclusions (discussed in more detail below).

## **b. Implementation**

### ***Implementation of activities under this area***

As captured in the intervention logic, activities to support Authorised Economic Operator authorisation include: coordination through the Authorised Economic Operator Network, Authorised Economic Operator related workshops and capacity building activities, Mutual Recognition agreement negotiations and an Authorised Economic Operator helpdesk for Member States.

More specifically, the mandate of the **Authorised Economic Operator network** for the Customs 2020 programme is to:

- Share experience and best practice between Member States on practical solutions related to the implementation of the Authorised Economic Operator concept and establish the Authorised Economic Operator-related practical implementation know-how;
- Identify and agree on appropriate measures to overcome difficulties encountered and ensure harmonised implementation;
- Prepare any necessary amendments to the EU Authorised Economic Operator guidelines and other operational tools (which is the specific focus of the sub-project group on Authorised Economic Operators guidelines and other implementing tools”);
- Support, coordinate and provide guidance regarding the specific project groups in the context of Mutual Recognition Agreement;
- Provide guidance to Member States in the context of Mutual Recognition Agreements and review the Authorised Economic Operator guidelines regarding legislative changes and their effects on the Authorised Economic Operator criteria.

The **Authorised Economic Operator programme workshop** provided a forum to discuss, exchange views and experiences of the EU Authorised Economic Operator programme especially after the implementation of the Union Customs Code. More specifically the activities support the following objectives:

- Raising awareness and better communication;
- Ensuring the reliability and credibility of the EU Authorised Economic Operator Programme;
- Clarifying and further elaborating benefits of Authorised Economic Operator and Mutual Recognition and ensuring their practical implementation; and
- Improving the cooperation with other government authorities.

### ***Evidence from actions***

In terms of the specific actions investigated as part of this case study: interviewees commented on recent improvements in how the **Authorised Economic Operator network** is managed. The Commission have adopted a more interactive approach to the implementation of the Authorised Economic Operator network leading to more engagement among participants. Interviewees were very positive about this approach and referred to improved ownership of Authorised Economic Operator-issues among Member States. Participants felt more involved in setting the agenda for network meetings and now provide

content such as presentations or cases that relate to specific areas in need of clarification. Set up in this way, the meetings also served as a feedback mechanism for the Commission to understand contextual difficulties for Authorised Economic Operator implementation faced in different Member States.

In terms of the format, interviewees agreed that it was important to meet face to face, as this provides for exchange of experiences, peer learning and creation of new networks with officials from other administrations. For instance, event assessment follow-up forms showed that participants in the two project groups had been in contact with officials they met during action activities. The monitoring data also showed agreement among participants that actions were highly useful for expanding professional networks.

Evidence of the successful implementation of the **project group working on Authorised Economic Operator guidelines and implementing tools** is indicated by the development of useful outputs. The project group produced targeted outputs that are now used by economic operators and Member States. Furthermore, these outputs were validated by the Authorised Economic Operator network and were reported to be well received. Another measure of successful implementation is the participation of Member States in the process: updated Authorised Economic Operator guidelines considered experiences and practical knowledge of Member States, and comments on the outputs from Member States were also screened and used to further update the guidance.

In terms of the format and organisation, the action was set up with a small group of participants who had frequent meetings. The "intense activity" resulted in close collaboration, resembling a working group more than a traditional project group. Interviewees commented on the value of this set up to build and keep momentum and ensure active participation. They suggested this had an impact on the quality and timely delivery of the guidelines.

The implementation of **Authorised Economic Operator workshop** was also positively assessed. The workshop included six panel sessions and seven breakout sessions over three days. It covered multiagency cooperation, mutual recognition, SME participation in Authorised Economic Operator and security, among others. During day two of the workshop, participants were separated into thematic sub-groups that looked at specific Authorised Economic Operator-related issues. These breakout sessions were chaired by Member States. Breakout session summaries were presented on day three of the workshop and recommendations developed. The involvement of a mix of stakeholders in developing the formulation of recommendations and action points was considered to have improved the quality and the consensus around the outcomes. As described above, the longer format (of three days) allowed enough time to collaboratively develop conclusions and action points with business, Member States and Commission representatives. The overall feedback from interviewed participants of the Authorised Economic Operator workshop was very positive and participants were enthusiastic about arranging similar workshops in the future.

### **c. Results and (expected) impacts**

#### ***Medium and long-term results and impacts of Customs action in this area***

The actions examined in the context of this case study can be found under the heading of 'competitiveness and trade facilitation' in the DG TAXUD Annual Work Programmes, under the objective "to protect citizens and the environment, to increase safety and security, and to strengthen the competitiveness of Union businesses". As such, the expected results and impacts of actions under this thematic area are to increase supply chain security and facilitate legitimate trade.

As illustrated in the intervention logic, the expected results can be summarised as:

- Best practice shared between Member States on practical solutions related to the implementation of the Authorised Economic Operator concept;
- Increase in trade involving Authorised Economic Operator;
- Establish Authorised Economic Operator-related know-how among customs officials and operators;
- Harmonised customs delivery and standards across Europe; and
- Conclusion of new Mutual Recognition Agreements.

The expected impacts are:

- Strengthening the competitiveness of European businesses;
- Facilitation of legitimate trade;
- Reduction of compliance costs and administrative burden; and
- More targeted and efficient risk management.

To put the evidence from the actions investigated a part of this case study into the wider context, below we outline the overall state of play in terms of Authorised Economic Operator uptake and highlight some barriers to be mindful of.

The Authorised Economic Operator started its roll out into national administrations in 2008 and reached almost 5 000 authorisations by 2010. German companies form a large share of the total number of Authorised Economic Operator, with four times more Authorised Economic Operator than the second largest country, France. This can partly be attributed to the size of the German economy and the German logistics sector. Another possible explanation lies in the fact that many economic operators also used Customs Warehouse type D in Germany that required compliance with local clearance procedures which in turn were similar to Authorised Economic Operator requirements.

**Table 5: Authorised Economic Operator authorisations in 2010 and 2018**

<b>Member State</b>	<b>2010 AEO</b>	<b>% of total</b>	<b>2018 AEO</b>	<b>% of total</b>
Austria	156	3.4%	328	2.1%
Belgium	134	2.9%	473	3.0%
Bulgaria	14	0.3%	54	0.3%
Croatia	N/A	N/A	30	0.2%
Cyprus	7	0.2%	21	0.1%
Czech Republic	77	1.7%	248	1.6%
Denmark	41	0.9%	116	0.7%
Estonia	11	0.2%	33	0.2%
Finland	42	0.9%	88	0.6%
France	379	8.2%	1608	10.2%
Germany	1654	35.8%	6178	39.3%
Greece	11	0.2%	133	0.8%
Spain	154	3.3%	737	4.7%
Hungary	62	1.3%	376	2.4%
Ireland	53	1.1%	141	0.9%
Italy	369	8.0%	1310	8.3%
Latvia	16	0.3%	30	0.2%
Lithuania	12	0.3%	57	0.4%
Luxembourg	13	0.3%	36	0.2%
Malta	15	0.3%	15	0.1%
Netherlands	449	9.7%	1556	9.9%
Poland	304	6.6%	810	5.1%
Portugal	47	1.0%	110	0.7%
Romania	28	0.6%	125	0.8%
Sweden	270	5.8%	288	1.8%
Slovenia	41	0.9%	109	0.7%
Slovakia	27	0.6%	100	0.6%
United Kingdom	232	5.0%	623	4.0%
<b>Total</b>	<b>4618</b>	<b>100%</b>	<b>15733</b>	<b>100%</b>

Source: AEO database

The share of Authorised Economic Operator authorised business as a percentage of total number of declarations (import and export) has increased dramatically since the start of the programme. In 2009, 15% of declarations were by Authorised Economic Operator authorised business and the latest numbers show 81% of all imports and 72% of all exports, an increase of around 60 percentage points. This shows that though a rather modest number of businesses have an Authorised Economic Operator authorisation, they comprise a large share of all export and import declarations.

Insight into some of the reasons for lower uptake come from interviewees. Interviewees commented on the modest Authorised Economic Operator uptake among SMEs, for whom the status may not be perceived as advantageous. Though additional benefits for Authorised Economic Operator's and guidance for SMEs were realised through the latest Authorised Economic Operator guidelines (and related EU customs legislation), interviewees from Sweden and Serbia suggested SMEs remain somewhat sceptical about the benefits.<sup>119</sup> Upfront costs were considered to be substantial and, in the absence of economies of scale these upfront investments are more difficult to justify. Though no reliable estimates exist on real costs of authorisation, industry analysts suggest that a freight forwarder may need to make investments of between €5 000-10 000.<sup>120</sup> Other

<sup>119</sup> Authorised Economic Operators Guidelines, approved by the CCC-GEN (AEO subsection) on 11 March 2016. URL:

[https://ec.europa.eu/taxation\\_customs/sites/taxation/files/resources/documents/customs/policy\\_issues/customs\\_security/aeo\\_guidelines\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/customs/policy_issues/customs_security/aeo_guidelines_en.pdf). Also, Article 39 (d) of the UCC requires an additional criterion for the AEOC authorisation relating to practical standards of competence or professional qualifications directly related to the activity carried out.

<sup>120</sup> Ian Putzger, Forwarders brace for impact of new EU customs code, Air Cargo World, 2016

reasons for reticence in the uptake of Authorised Economic Operator status suggested by interviewees were:

- **Criteria for practical experience:** A requirement for practical experience of a minimum of three years in customs matters may require additional recruitment of experienced personnel or contracting of companies that have "AEOC" status;
- **Lack of awareness of the benefits:** For instance, Mutual Recognition Agreements (i.e. third country partnerships) were seen as an important benefit that is rarely recognised by businesses. Similarly, even when there were clear direct economic benefits (like the introduction of Authorised Economic Operator authorisation allowing for the use of comprehensive guarantee with a reduced amount<sup>121</sup>) Swedish and Estonian interviewees did not think that this led to a significant increase in Authorised Economic Operator registration;
- Customs administrations also suggested that there is less direct promotion of the Authorised Economic Operator-concept since administrations are **busy with reassessment of existing Authorised Economic Operator authorisations** as a result of the new criteria and conditions brought in by the Union Customs Code;
- **Benefits of Authorised Economic Operator are slow to materialise and vary between Member States:** for instance, some Member States interviewees suggested that although fewer controls imply an Authorised Economic Operator 'benefit', there does not appear to have been a dramatic increase in controls of non-Authorised Economic Operator companies. In countries where customs clearance processes are already fast (e.g. Sweden), the added benefit of Authorised Economic Operator authorisation was suggested to have a marginal impact on speed of declaration. By contrast, in the Netherlands, interviewees suggested that Authorised Economic Operator is widespread because of the large volume of goods and the necessity of speed in the customs clearance process.

An unexpected result of the implementation of Authorised Economic Operator at the institutional level, was a change in the relationship between customs administrations and business stakeholders. In Serbia for instance, this culture shift was considered to be a significant change from the traditional command and control approach. Engagement with the business community was seen as one of the bigger changes to the customs administrations' institutional culture, as well as one of the challenges. In some countries, such as the Netherlands and Sweden, this change of role has already progressed significantly. However, finding the balance between trade facilitation and enforcement was an on-going issue. The actions supported by Customs 2020 offer both stakeholders a forum to discuss their needs and advance this partnership.

The seal of quality associated with Authorised Economic Operator authorisation was deemed to be a main driver and benefit by interviewees. Increasingly, the Authorised Economic Operator standard was seen by interviewees as a customs quality standard. Interviews with national administrations suggested that businesses issue more and more contracts that require other businesses to have an Authorised Economic Operator authorisation. This was especially emphasised in Serbia, where interviewees suggested Authorised Economic Operator authorisation was driven by EU business demand. Further, a major future benefit for companies with Authorised Economic Operator status will be access to centralised clearance procedures.

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<sup>121</sup> According to Article 95 (3) Union Customs Code

## ***Evidence from actions***

In terms of the actions investigated as part of this case study, the **Authorised Economic Operator network** was found to be contributing to several of the expected results identified in the intervention logic, which were to:

- Achieve uniform understanding of the legislation and procedures to implement the Authorised Economic Operator programme in a harmonised manner;
- Provide guidance through recommendations, FAQs and working documents;
- Develop proposals for amending EU guidelines;
- Identify overlapping areas and avoid inconsistencies and duplications;
- Disseminating the use of the recommendations/guidelines issued; and
- Strengthen the competitiveness of EU business.

National administrations interviewed said the Authorised Economic Operator network was especially useful as a forum for problem solving and achieving consensus around problematic areas in relation to Authorised Economic Operator implementation. As such, the Authorised Economic Operator network is playing a significant role in the coherent roll-out of Authorised Economic Operator on a national level (which links back to the expected result "Harmonised customs delivery and standards across Europe").

Almost all action participants who completed the event follow-up form agreed that the intended results of the activity were achieved fully or to a large extent. Participants were also overwhelmingly positive about the utility of the action with three out of four rating it as "very useful" and the remaining participants perceiving it as "useful".

The work conducted by the **project group on the Authorised Economic Operator guidelines** was a direct result of the strategic role the Authorised Economic Operator network plays. Through the project group the guidelines were made clearer and more concise. The Authorised Economic Operator guidelines were further shared and discussed with the Authorised Economic Operator network before formal approval and dissemination. National administrations interviewed said their expectation is that the updated guidelines will ensure greater uniformity in the implementation of the Authorised Economic Operator programme. This was especially important given the changes to the Authorised Economic Operator concept introduced by the Union Customs Code and its delegated and implementing acts. This result is linked to the expected result of "sharing best practice on the implementation of the Authorised Economic Operator concept" (as per the intervention logic).

The objectives of the action itself were mostly met, and in addition an Authorised Economic Operator 'validator guide' was endorsed by WCO Safe Working group. Due to time constraints, one of the outputs, a full draft of the Compact Model, was not produced. The event assessment form indicates that the rating of results was high: the action was assessed to have "fully" achieved its objectives.

The **Authorised Economic Operator workshop** contributed most directly to high level expected result in the intervention logic of: "establish[ing] Authorised Economic Operator-related know-how among customs officials and operators" and to a lesser extent towards to the "conclusion of new Mutual Recognition Agreements" (in the longer term).

Indeed, interviewed participants noted how it had been a very productive three-day event. The conclusions from the workshop relating directly to the Authorised Economic Operator programme included:

- Improving awareness and communication between all stakeholders involved in the Authorised Economic Operator programme;

- Ensuring reliability and credibility of the EU Authorised Economic Operator Programme through improving public perception, robust implementation and enforcement;
- Clarifying benefits of Authorised Economic Operator and Mutual Recognition and ensuring their practical implementation in Member States; and
- Improving the cooperation with other government authorities, including those areas currently not yet covered by trusted trader programmes.

Several action points were also agreed, such as:

- The development by DG TAXUD and Member States of a “Fact Sheet” and “Open Letter” for newly authorised AEOs to clarify and help with understanding the benefits available;
- DG TAXUD and Member States to consider increased support for SMEs such as SME Helpdesk; SME priority treatment; and implementation of the fast lane concept for Authorised Economic Operator;
- Reduction of administrative burden as much as possible (all regulators) and insertion of compliance benefits into the World Customs Organisation SAFE Framework of Standards and into Mutual Recognition Agreements.

No assessment follow-up form data for the Authorised Economic Operator Programme workshop were available. However, minutes from the Authorised Economic Operator network meetings suggest that the conclusions are being actively pursued, and the open letter to newly authorised AEOs for example was taken forward by DG TAXUD. There were also further calls to keep the dialogue open between regulators and business stakeholders.

#### **d. Value for money**

##### ***Proportionality between benefits and costs under the thematic area***

The indicative allocation of Customs funds for the Authorised Economic Operator programme activities (including Mutual Recognition Agreement related activities) was not readily available. The funding of Authorised Economic Operator and Mutual Recognition Agreement related activities under Customs 2020 covers the Authorised Economic Operator network, Authorised Economic Operator workshops, working visits as well as several mutual recognition negotiations with third countries, among others. Total funding linked to specifically Authorised Economic Operator named actions amounts to €773 000 (for the period 2014-2018). This number does not consider working visits or other bi-lateral support provided in the context of Authorised Economic Operator which is likely to be much higher.

In the longer-term, these costs will be set against the benefits arising from Authorised Economic Operator authorisation, namely reduced burden for business and trade facilitation. It should allow for more segmented customs risk assessment which in theory should result in limited resources being used more efficiently by targeting higher risk operators.

As evidenced in Table 6, the latest cost data from the Activity Reporting Tool (ART) shows that the Authorised Economic Operator network group registered the lowest average cost per participant (€878) in comparison to the project group on Authorised Economic Operators guidelines and other implementing tools (€960) and to the EU Authorised Economic Operators programme workshop (€1 148). All three actions registered higher costs per participant than the average participant cost for activity types calculated for the period 2014 to 2016 (€868 for project groups and € 1 084 for workshops)

When compared the costs of each activity to the overall cost envelope for the respective activity types funded by the programme, the Authorised Economic Operator network group

represented 4% of the total costs incurred by the Customs 2020 programme for project groups during the period 2014 – 2017. The project group on Authorised Economic Operator guidelines and other implementing tools represented 0.4% of the total programme spending on project groups for the period assessed (€14 664 828). The EU Authorised Economic Operator programme workshop represented 3.3% of the total budget for Customs workshops for the period covered (€2 078 447).

**Table 6: Number of participants and actual costs per selected case study actions**

Action	Nb. of part.	DA	Hotel real cost	Travel Expenses	Total Expenses (actual)	Organisational costs	Total costs
Authorised Economic Operator Network Group (CPG/026)	679	149 396.85	170 326.09	271 112.40	590 835.34	5 084.00	595 919.34
Authorised Economic Operators guidelines and other implementing tools (CPG/103)	71	21 399.20	25 755.89	21 047.77	68 202.86	-	68 202.86
EU AEO programme workshop (CWS/047)	59	17 017.85	22 390.00	16 285.23	55 693.08	12 063.75	67 756.83

Source: ART data for 2014 to 2017

### **Evidence from actions**

As demonstrated throughout this case study, the benefits of Authorised Economic Operator authorisation (which have not been fully realised) are expected to be significant, especially when centralised clearance is implemented. However, these benefits are difficult to quantify.

The **Authorised Economic Operator Network** group plays a strategic role in identifying where efforts should be directed to ensure smooth implementation. As evidenced, this project group has successfully identified areas where targeted support is needed (as with the project group on Authorised Economic Operator guidelines). In terms of areas for improvement, several participants would prefer more focus on the specific implementation challenges. They would rather general developments are shared via email or by CIRCABC / PICS and discussed only on a needs basis. Further, a few interviewees suggested setting fixed dates for meetings further in advance would make it easier to plan and also save money on hotels and flights.

With a budget of €68 000, the project group focused on developing the **Authorised Economic Operator guidelines**, can also be considered as demonstrating value for money but for different reasons. Compared to the Authorised Economic Operator network group, this project group was more resource intensive; funding fewer participants in a shorter timeframe. But the benefit of this project group was a set of specific deliverables. These deliverables were realised through regular and close collaboration to develop consensus and agree changes to the guidelines and tools developed. As such, the cost is justified in light of the reported benefits.

Assessing value for money of the **Authorised Economic Operator workshop** is complicated by the fact that, in addition to being difficult to monetise, the diffuse benefits such as improving cooperation are dependent on follow-up actions. Despite these difficulties, the budget of €67 600 is relatively small, and the workshop was considered by participants to have provided good value for money. However, as with the two project groups assessed as part of the case study, the costs per participant of the workshop were higher than the average costs per participant for workshops implemented by the programme between 2014 and 2017.

## **2.4. CONCLUSIONS**

### **1. Relevance:**

- Overall the specific actions covered in this case study were perceived as being aligned with customs administrations' and business needs. For instance, the Authorised Economic Operator workshop was found to be a valuable forum to ensure consideration of business needs. The project group targeting the development of guidelines and other tools was initiated based on and to respond to an identified need for clarity;
- However, making the business case among SMEs for Authorised Economic Operator status was challenging, suggesting that their needs are not fully reflected although steps have been taken to address this.

### **2. Effectiveness:**

- The actions investigated here were found to be effective and perceived to be achieving their objectives, including contributing to a more harmonised approach to implementation of Authorised Economic Operator across Member States. In particular the Authorised Economic Operator network plays a key role as a sounding board to discuss specific Authorised Economic Operator related issues encountered in Member States. It also functions as a platform for agreeing on steps to be taken forward to overcome these difficulties, helping to continuously improve the Authorised Economic Operator concept;
- Some of the Authorised Economic Operator benefits, such as facilitated clearance, were more limited where quick customs clearance procedures and smaller volumes meant that the added benefit of Authorised Economic Operator was lower. Nonetheless, interviewees agreed that Authorised Economic Operator implies important benefits, likely to be even more important in the future with the realisation of centralised clearance.

### **3. Efficiency:**

- Although it was not possible to monetise benefits of the actions under review, the overall assessment of this case study is that these far outweighed the costs. The actions involved small amounts of funding in comparison to the value attributed to the actions by participants;
- Minor changes, such as improving meeting scheduling (to allow for longer lead times in booking flights and accommodation) as well as focusing the material sent in advance on crucial and operational issues, were suggested areas for improvement;

- Case study findings pointed to a lack of awareness of businesses of concrete benefits brought about by programme actions. Awareness-raising activities embedded as part of programme actions could increase the value for money of Customs 2020 support to the Authorised Economic Operator programme, as it would lead to more companies registered, ultimately contributing to the initiative's broader objectives.

#### **4. Coherence:**

- The objectives of the actions were aligned with those of national administrations. Interviewees agreed that national priorities were taken into consideration by the project groups, especially when it came to addressing concrete implementation issues and arriving at a mutual understanding of rules.

#### **5. EU added value:**

- The EU added value of the actions reviewed is related to the value of collaboration, shared forums for discussion and developing shared best practice and networks for problem solving, among others;
- In countries such as Sweden and the Netherlands similar Authorised Economic Operator-related approaches existed before the introduction of EU wide Authorised Economic Operator authorisation in 2007. By introducing a uniform approach to Authorised Economic Operator this meant in practice that participating countries need to adapt country specific solutions to make way for a common approach. This is the cost of harmonisation but should be outstripped by benefits over time. Indeed, the evidence from the actions showed an increased focus on demonstrating tangible benefits of Authorised Economic Operator authorisation and on communicating and improving the alignment with business needs.

### 3. CASE STUDY 2: CUSTOMS ACTION PLAN ON INTELLECTUAL PROPERTY RIGHTS

#### 3.1 INTRODUCTION

This case study analyses the **activities of the Customs Union in the area of intellectual property rights** (IPR). The Customs 2020 programme includes several actions aiming to support intellectual property rights issues, which contribute to the second specific objective of the programme, *“to support customs authorities in protecting the financial and economic interests of the Union and of the Member States, including the fight against fraud and the protection of intellectual property rights”*. Through border enforcement, customs authorities are responsible for tackling the increasing volume of trade in goods infringing intellectual property rights, which threaten jobs, growth, innovation and competitiveness. The Customs 2020 programme contributes to carrying out the activities identified by the European Union Customs Action Plan on Combating intellectual property rights Infringement.

The implementation of the action plan on intellectual property rights, aimed at coordinating the activities of Member States’ customs authorities in fighting intellectual property rights infringements at the external borders of the EU, was scheduled for the period 2013-2017. Together with the Member States, the Commission implemented actions identified in the action plan, such as establishing a manual for right-holders, developing common approaches to intellectual property rights infringements, mapping the needs of third countries, and reinforcing cooperation with China and Hong Kong, supported by the Customs 2020 programme. Table 7 below presents an overview of the selected Annual Work Programme (AWP) projects covered in the context of this case study.

**Table 7: Annual Work Programme projects covered by the case study on the Customs Action Plan on IPR**

Year	AWP reference
2016	2.3.4 The European Union Customs Action Plan on intellectual property rights
2015	1.5.7 The European Union Customs Action Plan on intellectual property rights
2014	2.1.07 The European Union Customs Action Plan on intellectual property rights

Regarding the sample of actions selected, the case study analyses three programme activities connected to intellectual property rights, presented in Table 8 below.

**Table 8: Programme actions reviewed by the case study on the Customs Action Plan on IPR**

Action title	Description	Financial code	Start date	End date	Type of action	Number of events
Support visits to Member States concerning the implementation of Reg. (EU) 608/2013 on customs enforcement of intellectual	Analysis of the 28 support visits to EU Member States regarding the implementation of Regulation (EU) 608/2013, as well as of the challenges connected to	CCB/004	2014-12-01	2017-12-31	Capacity building	28

Action title	Description	Financial code	Start date	End date	Type of action	Number of events
property rights	practical enforcement.					
High-level seminar on cooperation between Customs and other Authorities on intellectual property rights infringements	Assessment of the support provided by the high-level seminar to improve mutual understanding and concrete cooperation.	CSM/011	2015-09-01	2016-06-30	Seminar	1
Estonia working visit on intellectual property rights infringements	Analysis of ways in which the working visit succeeded in sharing best practices between Estonia and Finland in the field of intellectual property rights infringements.	CWV/94	2015-10-01	2016-03-15	Working visit	1

The purpose of the case study is to provide the evidence needed to answer key questions about the relevance of the intellectual property rights component of the Customs 2020 programme and its expected contribution to the programme's objectives, in addition to allowing us to draw lessons that can be applied to the programme more broadly. The different sources of information are summarised in Table 9.

**Table 9: Case study sources**

Countries	Interviewees	Documentary sources
Austria	- National coordinator - Participant (CPG/092)	- Regulation (EU) No 1294/2013 establishing the C2020 Programme, December 2013;
Czech Republic	- National coordinator - Participant (CPG/092)	- AWP for Customs and Fiscalis for 2014, 2015 and 2016;
Estonia	- PC Member - National coordinator	- C2020 Annual Progress Reports for 2014, 2015 and 2016;
Portugal	- National coordinator - Participant (CPG/076) - Participant (CPG/092)	- COM/2014/527 EU Strategy and Action Plan for customs risk management;
Serbia	- National coordinator	- COM/2004/452 on amending CCC with new security-management models;
Sweden	- PC Member - National coordinator - Participant (CPG/076) - Participant (CPG/092)	- Commission Regulation (EC) No 1875/2006 of 18 December 2006 amending Regulation (EEC) No 2454/93;
		- Court of Auditors, Special report No 19/2017: Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU;

Countries	Interviewees	Documentary sources
The Netherlands	<ul style="list-style-type: none"> <li>- PC Member</li> <li>- National coordinator</li> <li>- Participant (CPG/076)</li> <li>- Participant (CPG/092)</li> </ul>	<ul style="list-style-type: none"> <li>- Council Regulation No 952/2013 laying down the Union Customs Code and modernising risk management measures (Article 46);</li> <li>- Council Regulation No 648/2005 adding security amendments to CCC;</li> <li>- Eurostat (2018) International trade in goods. Available at: <a href="http://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods">http://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods</a> ;</li> <li>- Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management, COM (2016) 476 final;</li> <li>- World Economic Forum (2014) Out of the Shadows: Why Illicit Trade and Organised Crime Matter to Us All. Davos-Klosters.</li> </ul>

## 3.2. BACKGROUND

This section presents the policy context behind the thematic priority and seeks to define the case for EU action in the area of intellectual property rights. It forms part of the 'theory' behind EU customs action in this priority area and by providing background to intellectual property rights at the EU level, it supports the development of the intervention logic presented in this case study.

### 3.2.1. General context

One of the aims of the EU Customs Union is to protect the inventions and innovations of right-owners against intellectual property rights infringements that are damaging the competitiveness of the EU's economy. Combating counterfeiting and other types of intellectual property rights infringements helps companies (right-holders) operating within the EU to protect their intellectual property and secure return on their investments into research and development. This fosters the innovation potential of European businesses and creates a stable environment for companies with high added value.

Counterfeiting, piracy and other types of intellectual property rights infringements are common occurrences at the EU's external borders. In 2016, customs authorities made over 63 000 detentions consisting of a total of 41.3 million articles<sup>122</sup> that infringed intellectual property rights, estimated to a value of more than € 672 million. The articles detained most often were cigarettes, toys and foodstuff, with China being the main country of origin of the intellectual property rights infringing goods entering the European Union.

### 3.2.2. Key EU policies

#### **Framework for and extent of EU engagement so far**

The EU and its institutions have developed several tools to improve the cooperation between Member States in response to threats connected to intellectual property rights infringements. Such improved cooperation is aimed at providing a better understanding of common rules in the area of intellectual property rights and to foster the sharing of best

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<sup>122</sup> European Commission (2017) Report on EU customs enforcement of intellectual property rights. Results at the EU border 2016. Available at: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/report\\_on\\_eu\\_customs\\_enforcement\\_of\\_ipr\\_at\\_the\\_border\\_2017.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/report_on_eu_customs_enforcement_of_ipr_at_the_border_2017.pdf).

practices among Member States. Council Regulation (EC) 1383/2003, adopted in 2003<sup>123</sup>, was the first EU regulation addressing the problem of intellectual property rights infringements. The regulation helped customs authorities, in cooperation with right-holders, to improve controls at the external borders of the Union. This was done by establishing a more efficient system of actions against goods suspected of intellectual property rights infringement, and by laying down measures against goods violating these rules. Commission Regulation (EC) 1891/2004<sup>124</sup> provided rules for implementing this Council Regulation. Furthermore, Regulation (EU) 608/2013, adopted on 12 June 2013<sup>125</sup> and currently in force, was adopted in response to new challenges, with the following objectives:

- clarify intellectual property rights infringement procedures;
- lower the administrative burden and costs connected to intellectual property rights enforcement at external EU borders;
- protect the interests of legitimate traders.

To support the implementation of EU intellectual property rights regulations and better respond to challenges connected to intellectual property rights infringements, a series of action plans were developed by the Commission. The first action plan to combat counterfeiting and piracy, implemented between 2005 and 2008<sup>126</sup>, was considered to have successfully contributed to "an upward trend in customs activity, as well as increased cooperation with right holders"<sup>127</sup>. Following this first action plan, the Council Resolution of 16 March 2009 developed a new action plan that responded to new challenges connected predominantly to internet sales and increased diversity of products seized by national customs authorities<sup>128</sup>.

The 2009 action plan included about fifty measures to be implemented by the Member States and / or the Commission. The measures focused on the development of new intellectual property rights legislation, the improvement of cooperation between Member States and with right-holders, and responses to challenges in the intellectual property rights area connected to internet sales. The report on the implementation of the second action plan concluded that "*Member States customs administrations and the Commission were very active in providing a firm response to the key challenges associated with the enforcement of intellectual property rights by customs*"<sup>129</sup>. However, it called for further developments in the customs domain in relation to legislation, information sharing and international cooperation<sup>130</sup>.

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<sup>123</sup> Council Regulation (EC) No 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights. Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32003R1383&from=EN>.

<sup>124</sup> Commission Regulation (EC) No 1891/2004 of 21 October 2004 laying down provisions for the implementation of Council Regulation (EC) No 1383/2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights. Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004R1891&from=EN>.

<sup>125</sup> Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No 1383/2003. Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32013R0608&from=EN>.

<sup>126</sup> Customs: Commission launches Action Plan to combat counterfeiting and piracy. Available at: [http://europa.eu/rapid/press-release\\_IP-05-1247\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-05-1247_en.htm?locale=en).

<sup>127</sup> Available at: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/resources/documents/customs/customs\\_controls/counterfeit\\_piracy/commission\\_initiatives/council\\_resolution\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/customs/customs_controls/counterfeit_piracy/commission_initiatives/council_resolution_en.pdf).

<sup>128</sup> Ibid.

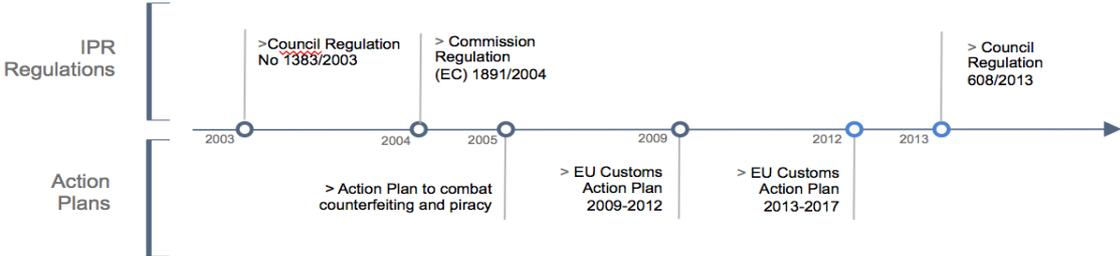
<sup>129</sup> European Commission (2012) Report on the implementation of the EU Customs Action Plan to Combat intellectual property rights infringements for the Years 2009 to 2012. Available at: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/resources/documents/customs/report\\_action\\_plan\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/customs/report_action_plan_en.pdf).

<sup>130</sup> Ibid.

A few years later, Council decision of 10 December 2012 established a new action plan for the period 2013-2017<sup>131</sup> with the aim of further improving cooperation between Member States to address new trends on intellectual property rights infringement (especially connected to internet sales and online shopping). The protection of intellectual property rights is an important goal of the EU post-crisis. It is part of two flagship initiatives envisioned by the Europe 2020 strategy<sup>132</sup> connected to knowledge and innovation as one of the strategy’s key priorities supporting Europe’s economic recovery.

Figure 4 below presents an outline of relevant EU Regulations and action plans issued and implemented on intellectual property rights.

**Figure 4: IPR Regulations and Action Plans to combat IPR infringements**



**Fit with the Customs 2020 programme**

The European Commission supports the strategic objectives of the European Union Customs Action Plan to combat Intellectual Property Rights infringement within the current Customs programme. While its two immediate predecessors (Customs 2013 and Customs 2007 programmes) did not explicitly mention intellectual property rights infringements, the current Customs 2020 programme includes intellectual property rights among its specific objectives. The Customs Annual Work Programmes include “The European Union Customs Action Plan on Intellectual Property Rights”, which provides detailed plans for individual years.

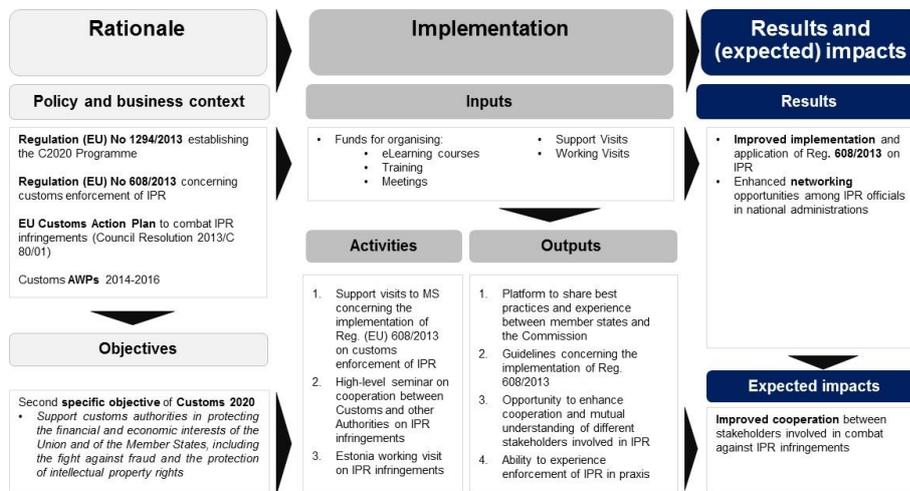
**3.3. MAIN FINDINGS**

This section presents and assesses the intervention logic of the Customs 2020 component related to the Customs Actions plan on Intellectual Property Rights. For each of its main parts (rationale, implementation, results and expected impacts), we describe and examine how programme action under the area is intended to work in theory and then analyse with

<sup>131</sup> Council (2013) Council Resolution on the EU Customs Action Plan to combat intellectual property rights infringements for the years 2013 to 2017 (2013/C 80/01).  
<sup>132</sup> European Commission (2010) EUROPE 2020. A strategy for smart, sustainable and inclusive growth. Brussels, 3.3.2010 COM (2010) 2020 final. Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52010DC2020&from=en>.

evidence from practice. For further information on the intervention logic, please see the common introduction to the case studies (section 1).

**Figure 5: Theory of change for the thematic area of intellectual property rights**



### a. Rationale

#### **Rationale for Customs action in this area**

This case study focuses on the role programme-funded actions play in supporting Member States to enforce customs rules in the intellectual property rights area. We also look at how customs authorities cooperate with other (non-customs) authorities in this field. Intellectual property rights infringements threaten the economic development of the EU as they cause losses for right-owners. By fighting intellectual property rights infringements, customs authorities (together with other authorities) help to secure return on investment connected to intellectual property, and thus foster future investment in development and innovation. By protecting intellectual property rights, the Commission provides relevant support to innovation within the Union and at the same time supports combat against counterfeiting and other types of intellectual property rights infringements<sup>133</sup>. The objective of the Customs Action Plan 2013-2017 was to ensure a proper enforcement of intellectual property rights at the external EU borders through the achievement of four strategic objectives, including:

- Effective implementation and monitoring of the new EU legislation on customs enforcement of intellectual property rights;
- Tackling of major trends in trade of intellectual property rights infringing goods;
- Tackling of trade of intellectual property rights infringing goods through the international supply chain;
- Strengthening cooperation with the European Observatory and law enforcement authorities on intellectual property rights infringements.

The actions funded by the Customs 2020 programme support the achievement of these goals as they provide Member States with implementation know-how and experience and reinforce the sharing of best practice. The three activities examined in this case study aimed to contribute to the objectives of the action plan. The activities included a series of support visits concerning the implementation of the regulation on intellectual property

<sup>133</sup> A Single Market for Intellectual Property Rights — Boosting creativity and innovation to provide economic growth, high quality jobs and first class products and services in Europe — COM(2011) 287. Available from: [http://ec.europa.eu/internal\\_market/copyright/docs/ipr\\_strategy/COM\\_2011\\_287\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/ipr_strategy/COM_2011_287_en.pdf).

rights enforcement, a high-level seminar, and a working visit fostering cooperation on intellectual property rights infringements.

### ***Evidence from actions***

The main purpose of the **support visits to all 28 EU Member States** concerning the implementation of Regulation (EU) 608/2013 on customs enforcement of intellectual property rights was to engage in a dialogue with the customs authorities in charge of implementing this regulation. The 28 visits (one per Member State) were carried out by the Commission to understand whether the regulation was implemented and applied in a uniform way in the different countries. In view of stakeholders consulted, the support visits were relevant in that they enabled in-depth dialogue with relevant customs departments in charge of the implementation. In particular, they supported the clarification of possible challenges connected to practical enforcement of the regulation and facilitated the exchange of experiences between Member States. Each visit was performed by two representatives from the Commission and two experts from Member States.

The main objective of the **high-level seminar on cooperation between customs and other authorities on intellectual property rights infringements** was to reinforce cooperation in order to combat intellectual property rights infringements. The relevance of this joint action resided on improving mutual understanding and concrete cooperation between customs authorities and other bodies, such as the police and judicial authorities. Follow-up actions have been organised in cooperation with the European Observatory on Intellectual Property Rights Infringements, focused on the mapping of existing databases on infringement cases and the organisation of a knowledge-building event (October 2017).

The main objective of the **Estonia working visit on intellectual property rights infringements** was to share best practices between Estonia and Finland in the fight against intellectual property rights infringements where Estonians were considered to lack experience. As Estonia and Finland share many similarities regarding intellectual property rights issues, cooperation between these two countries on operational issues is crucial for combating customs fraud. The visits were deemed relevant for supporting a common understanding and for sharing best practices in relation to combating intellectual property rights infringements.

## **b. Implementation**

### ***Implementation of activities under this area***

Progress on the implementation of the EU customs Action Plan to combat intellectual property rights infringements resulted in the development of several actions – including training, meetings, working visits and support visits – to support the implementation of Regulation (EU) No 608/2013. The common objective of these activities was to address the challenges associated with intellectual property rights enforcement in the field, and to curb the influx of intellectual property rights infringing goods into the EU. An implementation progress report published in early 2018 claims that *"all means have been employed to make Regulation (EU) No 608/2013 known and used to its full potential by all public and private stakeholders concerned"*<sup>134</sup>.

As a result of the different activities supported by the Customs 2020 programme, cooperation was reinforced in three dimensions, namely: a) with stakeholders inside of the Customs Union; b) with the European Observatory on infringements of intellectual property

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<sup>134</sup> Report on the implementation of the EU customs Action Plan to combat intellectual property rights infringements for the years 2013/2017, January 2018.

rights (a part of the European Union Intellectual Property Office - EUIPO); and c) with third countries (especially China). Moreover, cooperation between different enforcement agencies engaged in the fight against intellectual property rights infringements has also been addressed within this agenda.

### ***Evidence from actions***

Regarding the support visits, a questionnaire with a standard set of questions was circulated to the Member States ahead of the visits and was used as a basis for discussions involving the Commission, participants from the visiting country and officers from the visited country. All aspects of Regulation No 608/2013 were covered by the questionnaire and discussed during the visits<sup>135</sup>. The questionnaire, about 20 pages long and which included more than 120 questions, was considered lengthy and time-consuming to complete by many respondents. However, it enabled the Commission to get a clear picture of the state of national legislation and the level of implementation of the new rules. The support visits were thus considered "particularly useful for the Commission to gather a global implementation picture at Member State level".<sup>136</sup> National authorities responding to the evaluation questionnaire were also (mostly) in agreement that without Customs project groups, their administrations would not be able to find solutions to given problems at a bilateral level. The approach was positively assessed by the participants as the discussions were judged to be very productive. Respondents provided a positive assessment of the level of knowledge of Commission officials of the area under scrutiny as well as their ability to provide immediate support.

Given the voluntary nature of Member States' representatives participation in the support visits, the number of participants from the visited Member States who attended the meetings varied depending on the organisation of the visit and invitation of each country. As a result, the visits were more likely to register more participants from the visited country. The imbalances in numbers however were not perceived by participants consulted to impact on the ability of visited Member States to learn from the visits.

The visits enabled sharing experiences and best practices and helped Member States to get ideas on how to handle intellectual property rights issues in practice. Member States' experience in intellectual property rights was considered to be transferable because the basic principles are applicable to different settings (ports, airports, etc.), irrespective of the country in question and its specific characteristics.

The high-level seminar, attended by 200 participants, focused on discussing the importance and benefits of exchanging information and intelligence between the enforcement authorities, the practical obstacles and challenges faced by each authority and the need for timely communication exchanges from the private sector to the enforcement authorities. International cooperation and its place in combating intellectual property rights infringements was also discussed. Chinese authorities involved in the intellectual property rights area, including customs, police and the People's Prosecutor's Office, were invited to attend this second part of the seminar.

According to participants consulted by the evaluation, overall the nature and the length of the seminar were considered appropriate. A longer event would have been difficult to organise due to its high-level nature and the workload of participants (directors general and senior officials). Despite the positive assessment, there were a number of criticisms

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<sup>135</sup> Report on the implementation of the EU customs Action Plan to combat intellectual property rights infringements for the years 2013/2017.

<sup>136</sup> Ibid.

related to the lack of concrete outputs following the seminar and to the difficulties that some participants met with to access the seminar presentations via PICS.

As a small country with a modest customs authority, Estonia benefited from sharing information with Finland thanks to the Estonian working visit on intellectual property rights infringements. In particular, the working visit was considered to have provided valuable information on a problematic issue such as intellectual property rights. The similarity of challenges faced by both customs administrations in relation to the fight against intellectual property rights infringements contributed to a successful transfer of Finnish experiences and best practices to the Estonian authority. The differences in customs procedures that exist between the two countries were also considered useful sources of information for Estonian authorities, as they enabled Estonians to explore alternative ways for doing things differently. Given that many Estonian officers speak Finnish, this further supported the transfer of best practices.

### **c. Results and (expected) impacts**

#### ***Medium and long-term results and impacts of Customs action in this area***

The fight against intellectual property rights infringements requires the capacity to identify, evaluate and analyse the full range of threats and risks associated with intellectual property rights issues of goods entering the Customs Union. Faced with a growing volume of trade movements and the need to supervise the supply chain, customs authorities need tools to implement effective and efficient controls, avoid unwarranted disruption to legitimate business and deploy resources efficiently to make sure that the goods entering the Customs Union do not infringe intellectual property rights. While in theory Member States have the same tools in place, a need remains to harmonise customs controls in the area of intellectual property rights. Harmonising customs controls on intellectual property rights - related issues across Member States also needs to be balanced against the need to facilitate and accelerate legitimate trade. The Customs 2020 programme helps to achieve these goals by providing a platform for sharing experiences and best practices.

As illustrated in the intervention logic, the expected results can be summarised as the medium-term benefits that the programme is expected to contribute to in this area, such as improved implementation and application of the regulation on intellectual property rights' enforcement and enhanced networking opportunities.

The expected impacts are the long-term benefits resulting from action in this area, including improved cooperation between stakeholders involved in the fight against intellectual property rights infringements. Few (if any) such benefits will be visible at this stage of implementation of the programme. But defining them clearly will help us test the plausibility and likelihood of future achievements.

#### ***Evidence from actions***

The support visits that were carried out by the representatives of the Commission and Member States enabled visited Member States to understand the situation in other countries and to develop contacts with officials from other Member States in support of the implementation of the new rules in particular, and the fight against intellectual property rights infringement in general. Case study interviewees claimed that mutual cooperation was easier after meeting their counterparts in person, and many of those who participated in the support visits continued to remain in touch with their contacts in other Member States to discuss problematic issues.

In terms of the main results of the action, the Commission learned during the visits how the fight against intellectual property rights works in practice in individual Member States and was able to identify differences in implementation across countries. Overall, the visits

were positively assessed by Member States representatives consulted. In their view, the visits were instrumental for comparing experiences between Member States and provided opportunities for exchanging information, all of which led to an increased understanding of how different Member States implemented the regulation and to enhanced networking. The report on the implementation of the EU Action Plan on Intellectual Property Rights highlighted that national customs experts recognised the usefulness of the exercise as an opportunity for representatives from different Member States to discuss implementation practices<sup>137</sup>.

Each visit concluded with a short report from the Commission summarising key points and suggestions for implementation. According to case study interviewees, the reports from the visits were useful guidelines for ensuring that Member States implementing the new regulation remained on the right track.

The high-level seminar on cooperation between Customs and other authorities on intellectual property rights infringement provided a very good opportunity to share information as different stakeholders presented their perspectives on the phenomenon of piracy and other types of intellectual property rights infringements. The event was also conducive to the kick-off of discussions on harmonisation of procedures. Participants to the high-level seminar confirmed that they found it very useful to meet with colleagues from other countries, and to establish communication channels with them. The face-to-face communication was deemed to have contributed significantly to enhancing networking and building longer-term relationships between officers from different participating countries.

In particular in the case of Estonia, the seminar had an unexpected positive effect as it contributed to increase the importance of intellectual property rights issues for national customs authorities. Up until then, intellectual property rights issues had not been considered important elements of the customs agenda of the country, and the seminar was an effective way to bring this problem to the forefront.

The Estonian working visit on intellectual property rights infringements was considered as a success by participants consulted. The main results were the sharing of Finnish best practices and the provision of information on the implementation of the intellectual property rights regulation. The working visit also provided the opportunity to compare how the fight against intellectual property rights infringements worked in each country. Both countries identified differences between their domestic systems connected to particular cultural and historical backgrounds.

As with previous actions, the working visit enabled the development of personal contacts between Estonian and Finnish customs authorities. Both sides remained open and willing to support each other – for example, Estonian customs officials sometimes help Finnish authorities to check problematic containers.

#### **d. Value for money**

##### ***Proportionality between benefits and costs under the thematic area***

This section assesses the perceived value for money of the activities sampled. The focus is on the costs connected to participation, and the extent to which these were outweighed by the benefits. We consider costs to be any inputs in relation to the actions assessed. Costs directly connected to the events are covered by the Customs 2020 programme. However,

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<sup>137</sup> Report on the implementation of the EU customs Action Plan to combat intellectual property rights infringements for the years 2013/2017.

there are costs connected to preparation of the participation (preparation for the event, logistics, etc.) that are covered by Member States and that are not officially registered.

Respondents shared the view that the benefits of the different activities will have an impact in the medium and long term. The harmonisation of implementation procedures and mutual support between individual Member States and with the Commission is expected to improve the ability of customs authorities to deliver desired outcomes. These improvements in turn are expected to support the development of the European economy and foster investment of European companies on innovation and research.

### **Evidence from actions**

As evidenced in Table 10, the latest cost data from the Activity Reporting Tool (ART) shows that the support visits to Member States registered the lowest average cost per participant (€792) in comparison to the Estonia working visit (€1 019) and the high-level seminar (€1 057). All three actions reflected a lower cost per participant than the average participant cost for the specific types of activities calculated for the period 2014 to 2016 (€1 058 for capacity building; €1 116 for working visits and €1 204 for seminars).

When compared the costs of each activity to the overall cost envelope for the different types of activities funded by the programme, it is interesting to note that the support visits represented a significant 22% of the total costs incurred by the Customs 2020 programme for capacity building actions during the period 2014 – 2017 (€195 417). Conversely, the high-level seminar and the working visit represented 5% and 0.1% of the total programme costs for seminars (€1 140 092) and working visits (€1 286 931).

**Table 10: Number of participants and actual costs per selected case study actions**

Action	Nb. of part.	DA	Hotel real cost	Travel Expenses	Total Expenses (actual)	Total costs
Support visits to Member States (CCB/004)	54	10 825.40	14 923.90	17 011.61	42 760.91	42 760.91
High-level seminar (CSM/011)	49	12 686.17	14 369.80	24 729.04	51 785.01	51 785.01
Estonia working visit (CWV/294)	1	416.00	560.00	43.00	1 019.00	1 019.00

Source: ART data for 2014 to 2017

In view of national customs authorities consulted by the evaluation, visits to individual Member States were assessed as more efficient compared to larger meetings involving participants from all Member States. The reduced format was considered to be more suitable for exchanging information and to provide good value for money. As one participant noted, the nature of the meetings enabled the group to be flexible and different national experts were able to join the group at short notice. This would not have been possible under another type of joint action. Moreover, the support visits were judged to be effective for discussing operational issues.

Despite the positive views, language barriers were mentioned to have influenced the effectiveness of the support visits. The visit to Romania in particular was mentioned as problematic in this regard, as the activity did not include an interpreter. As a consequence, this important task relied on participants for most part of the visit.

In view of case study interviewees, costs connected to participation at the high-level seminar were outweighed by the benefits delivered. Participants confirmed the potential to implement new tools in their countries as a result of what they learned at the seminar. Some countries mentioned that the seminar helped them to identify tools that their

administrations were not aware of prior to the seminar. The possibility to meet counterparts from other Member States also provided an opportunity to assess how implementation was carried out in other countries and the types of challenges faced elsewhere. The seminar was an “opportunity to pause and think” about intellectual property rights issues.

Although there were some limitations mentioned (language barriers, time-consuming travel connected to participation), the activities were viewed as complementary to activities at the national level, providing useful results, such as enhanced networking or the development of a platform for discussion.

The Estonian working visit provided significant value for money. Programme costs for the visit were very low in comparison to perceived benefits reported by participants, namely the opportunity to see how things work in practice in the field and the possibility to assess intellectual property rights challenges through a different prism.

### **3.4. CONCLUSIONS**

#### **1. Relevance**

- The Customs Action plan to combat intellectual property rights infringements and intellectual property rights related activities financed under this priority area were seen to address needs related to the specific objective of supporting customs authorities in protecting the financial and economic interests of the Union and of the Member States;
- The high-level seminar assessed as part of the case study was considered to have been appropriately designed to enhance intellectual property rights related cooperation among the different authorities dealing with intellectual property rights enforcement in national administrations;
- The working visit of Estonian customs officers to Finland was relevant because it presented an opportunity to learn from the experience of a neighbouring Member State and to discuss challenging issues from the Estonian perspective.

#### **2. Effectiveness**

- Overall, the different types of visits as well as the high-level seminar were positively evaluated by national administrations. They were able to deliver what they promised; respondents in particular appreciated the networking possibilities that the different actions enabled;
- Support visits to participating countries were perceived as an effective way to ensure the appropriate and proper implementation of the regulation on intellectual property rights enforcement. The visits enabled the Member States to share best practices and learn from the experiences of other participating countries;
- The high-level seminar provided national authorities with the opportunity to discuss issues connected to intellectual property rights related cooperation with a view to enabling the adoption of concrete decisions;
- The Estonian working visit had a positive effect on Estonian customs authorities as it offered them the opportunity to learn more about intellectual property rights enforcement from Finland, a country with relevant experience in fighting against intellectual property rights infringements;

- All three actions assessed were seen to have effectively contributed to support Member States' implementation of the new Regulation and to have more broadly supported the fight against intellectual property rights infringements.

### **3. Efficiency**

- All three activities assessed by the case study were considered to have provided value for money, with benefits obtained (including tangible and intangible outputs) outweighing costs of participation;
- The support visits were praised for their format. A larger meeting involving all Member States would not have provided space for discussion on specific questions related to the experience of particular countries. The smaller format was considered favourable for this type of activity;
- The high-level seminar was seen as a cost-effective way of developing contacts among national officials, as well as providing participants with an understanding of the importance of intellectual property rights issues at national and EU levels.
- Similarly, the working visit of Estonian officials to Finland provided valuable information to approach the fight against intellectual property rights infringements and helped Estonian participants to think outside the box by providing a new and alternative perspective and practice on the topic.

### **4. Coherence**

- The objectives and results of the three actions under assessment were aligned with priorities of national customs administrations consulted and with programme objectives in the area of intellectual property rights. There was complementarity between the different activities supported by the programme, and it was also considered that the networking that resulted from the actions was also instrumental to ensure a coherent approach of national administrations in the fight against intellectual property rights infringements.

### **5. EU added value**

- Activities supported by the Customs 2020 programme to support the fight against intellectual property rights infringements were considered by national customs representatives consulted to have added value to their own efforts. These activities enabled Member States to access relevant information, best practices and experiences of other participating countries, and contributed to enhanced networking between them.

## 4. CASE STUDY 3: CUSTOMS RISK MANAGEMENT AND SUPPLY CHAIN SECURITY

### 4.2. INTRODUCTION

This case study covers the thematic area of **customs risk management and supply chain security**, a priority area within the Union Customs Code made explicit in the *EU Strategy and Action Plan for customs risk management: Tackling risks, strengthening supply chain security and facilitating trade*<sup>138</sup>. The case study considers the potential impact that the Customs 2020 programme can have on customs risk management and supply chain security in the EU. The case study looks at the role project groups can play in advancing strategic initiatives related to customs policy. Table 11 below presents an overview of the Annual Work Programme (AWP) projects selected for this case study.

**Table 11: AWP projects covered on customs risk management and supply chain security**

Year	AWP reference
2017	2.1.4 Customs risk management and supply chain security
2015	2.3.1016 European Union Customs Risk Management System (CRMS) 2.2.117 Operational supply chain risk management and analysis
2014	2.2.1 Action Plan on customs risk management and security of the supply chain 2.3.10 European Union Customs Risk Management System (CRMS) 2.4.11 Operational supply chain risk management and analysis

Table 12 presents an overview of the two selected actions reviewed by the case study.

**Table 12: Actions reviewed on customs risk management and supply chain security**

Action title	Description	Financial code	Start date	End date	Type of action	Number of events
Risk Management Strategy Implementation Coordination Group (RIMSCO)	The case study focuses on the contribution of the group to the completion of the Road Map for the EU Risk Management Strategy and the extent to which its activities are coordinated with other relevant bodies.	CPG/092	2015-03-01	2020-12-31	Project group	11
Financial risk management project group	The case study focuses on the extent to which the project group has taken a systematic approach to financial risks. Looking at this group allowed to consider the pros and cons of a full group and sub-group structure.	CPG/076	2014-08-15	2020-12-31	Project group	25

<sup>138</sup> COM/2014/527 EU Strategy and Action Plan for customs risk management

The evidence providing the basis for this case study came from several sources, namely contextual literature, programme documentation, communication material and reports, as well as interviews with national customs officers in the seven case study countries. The various sources of information are summarised in Table 13.

**Table 13: Case study sources**

Countries covered	Interviewees	Documentary sources
Austria	- National coordinator - Participant (CPG/092)	- Regulation (EU) No 1294/2013 establishing the C2020 Programme, December 2013; - AWP for Customs and Fiscalis for 2014, 2015 and 2016;
Czech Republic	- National coordinator - Participant (CPG/092)	- C2020 Annual Progress Reports for 2014, 2015 and 2016;
Estonia	- PC Member - National coordinator	- COM/2014/527 EU Strategy and Action Plan for customs risk management; - COM/2004/452 on amending CCC with new security-management models;
Portugal	- National coordinator - Participant (CPG/076) - Participant (CPG/092)	- Commission Regulation (EC) No 1875/2006 of 18 December 2006 amending Regulation (EEC) No 2454/93;
Serbia	- National coordinator	- Court of Auditors, Special report No 19/2017: Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU;
Sweden	- PC Member - National coordinator - Participant (CPG/076) - Participant (CPG/092)	- Council Regulation No 952/2013 laying down the Union Customs Code and modernising risk management measures (Article 46); - Council Regulation No 648/2005 adding security amendments to CCC;
The Netherlands	- PC Member - National coordinator - Participant (CPG/076) - Participant (CPG/092)	- Eurostat (2018) International trade in goods. Available at: <a href="http://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods">http://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods</a> ; - Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management, COM (2016) 476 final; - World Economic Forum (2014) Out of the Shadows: Why Illicit Trade and Organised Crime Matter to Us All. Davos-Klosters.

**4.2. BACKGROUND**

This section sets the scene by discussing how the area relates to EU customs needs and the case for EU action. It describes the policy context behind the risk management and supply chain security in customs, outlining the case for EU action in this area. It forms part of the ‘theory’ behind EU customs activities in the thematic area and supports the development of the intervention logic presented in this study.

**4.2.1. General context**

Customs risk management is essential for providing security and safety to the EU and its citizens. Recent terrorist attacks in EU Member States, including Paris, London and Brussels, but also globally, have given EU customs administrations a greater role in border security through their controls on the movement of goods and persons carrying goods through the EU’s external borders. Furthermore, between 2004 and 2014, the value of EU trade grew by more than 72% and, according to Eurostat, the EU had 15.6% of global

trade in 2016, placing it in the second highest position<sup>139</sup>; this has intensified the workload of customs authorities and increased the challenges to ensure safety and security. Relatedly, a study by the World Economic Forum estimates illicit trade to be between 8 and 15% of the global GDP and its cost to the global economy substantial, estimated to be over 2.5 trillion EUR.<sup>140</sup>

As a result, customs is increasingly concerned with safety and security issues, requiring customs administrations and officials to go beyond the collection of customs duties and taxes from traders. This also means that customs administrations are required to achieve a fine balancing act: guaranteeing safety and security for the EU and its citizens while being mindful of the need to facilitate and accelerate legitimate trade. Incidentally, there is a need to develop policies that go both ways. The identification and determination of security threats is a daily operation that relies on the robust exchange of information between authorities, the identification of reliable operators and the possibility for them to have access to simplified procedures. This in turn is needed to ease resource constraints preventing administrations from focusing on targeting traffic that may be 'wrong, unusual, abnormal or uneconomic'.

As can be seen in Figure 6 below, a number of Regulations, Communications and Action Plans have been developed by the EU between 2003-2014 in response to this changing environment.

**Figure 6. Risk management and supply chain security regulations and relevant documents**



Following European Commission communications and proposals to amend the Community Customs Code in 2003, the 'security amendments' were established by Regulation (EC) 648/2005 and implemented by Regulation 1875/2006<sup>141</sup>. A number of new measures were introduced to tighten security around goods crossing EU's external borders. Three major changes to the Customs Code included: requirement for traders to provide customs authorities with information on goods prior to import to or export from the EU; providing reliable traders with trade facilitation measures (Authorised Economic Operator programme); introducing a mechanism for setting uniform Community risk-selection criteria for controls, supported by computerised systems.

The Union Customs Code (Regulation 952/2013) further established a common customs risk management framework (CRMF)<sup>142</sup>, which recognised the need to ensure a harmonised application of customs controls by the Member States in order to allocate resources

<sup>139</sup> Eurostat (2018) International trade in goods. Available at: [http://ec.europa.eu/eurostat/statistics-explained/index.php/International\\_trade\\_in\\_goods](http://ec.europa.eu/eurostat/statistics-explained/index.php/International_trade_in_goods)  
<sup>140</sup> World Economic Forum (2014) Out of the Shadows: Why Illicit Trade and Organized Crime Matter to Us All. Davos-Klosters. Available at: [https://www.oas.org/en/sms/downloads/BROCHURE\\_GAC14.pdf](https://www.oas.org/en/sms/downloads/BROCHURE_GAC14.pdf)  
<sup>141</sup> Council Regulation No 648/2005 adding security amendments to CCC, and Commission Regulation (EC) No 1875/2006 of 18 December 2006 amending Regulation (EEC) No 2454/93  
<sup>142</sup> Council Regulation No 952/2013 laying down the UCC and modernising risk management measures

appropriately with the aim of balancing customs controls and the efficient facilitation of legitimate trade. The CRMF included: the common risk criteria and standards (CRC) to identify and control the movement of high-risk goods, the identification of priority control areas (PCAs) to be subject to more intense controls and a systematic and intensive exchange of risk information between customs.

The European Commission adopted a Communication on the EU Strategy and Action Plan for customs risk management: The objectives include, among other things: ensuring availability of supply chain data and sharing of risk relevant information among customs authorities; promoting interagency cooperation and information-sharing between customs and other authorities at the Member State and EU level; and enhancing trade co-operation as well as tapping into the potential of international customs co-operation. The 2016 progress report stated that a large number of actions have started but that progress has been uneven. While progress is better for actions falling under the remit of customs, *'it has been slower for those actions requiring increased cooperation between customs and other authorities'*.<sup>143</sup>

#### **4.2.2. Key EU policies**

As the European Commission established the new security measures in 2005 and rolled them out between 2009 and 2011 risk management became a larger priority starting with Customs 2013 and then continuing with Customs 2020. Customs 2013 included numerous activities supporting risk management measures, particularly because this priority area especially requires information exchange and cooperation between customs administrations. The communication system was therefore a key element of Customs 2013 and included the launch of the Import Control System (ICS) and the Customs Risk Management System (CRMS), which helped to establish the common risk criteria in January 2011.

With the EU Strategy and Action Plan for customs risk management rolled-out, the current Customs 2020 programme has included numerous work programmes to support its goals including the proper functioning of the Common Risk Management Framework (CRMF). The CRMF is part of customs legislation that is covered by article 46 of the Union Customs Code<sup>144</sup> and recognises the need to establish an equivalent level of protection in customs controls for goods brought into or out of the EU. It is ambitious in its scope, as it seeks to address all types of risks. While supporting the development of the CRMS IT system is still an important element, there has been further emphasis on cooperation between Member States and even with international bodies through networks and further analysis of existing information.

Expected results in this regard include creating a network of national risk centres (who will act as the main contact point for CRMS) to exchange information on problems encountered and best practices on the use of risk information at the central level. This would also introduce more analysis of common data to inform new common risk criteria and standards to be established and a monitoring and evaluation system for constant review.

### **4.3 MAIN FINDINGS**

This section presents and assesses the intervention logic of the risk management and supply chain security component of the programme. For each of its main parts (rationale, implementation, results and expected impacts), we describe and examine how programme action under the area is intended to work in theory and then analyse with evidence from

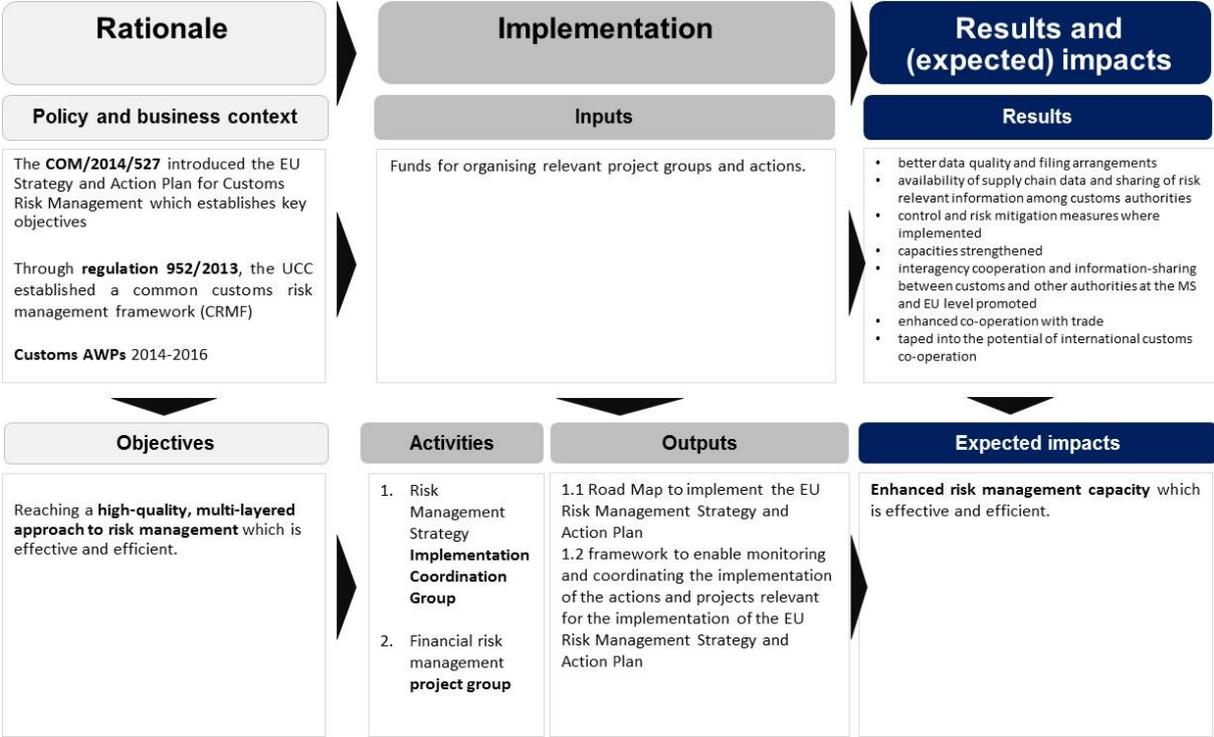
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<sup>143</sup> Report from the Commission to the Council and the European Parliament, Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management, COM (2016) 476 final.

<sup>144</sup> Council Regulation No 952/2013 laying down the Union Customs Code and modernising risk management measures (Article 46)

the practice (as outlined in the general methodology chapter). For further information on the intervention logic, please see the common introduction to the case studies (section 1).

**Figure 7: Theory of change for customs risk management and supply chain security**



**a. Rationale**

**Rationale for Customs action in this area**

The thematic priority covering risk management and supply chain security is one of the more focused thematic priorities from the Union Customs Code that permeates in the Customs 2020 programme. This section examines the strategy and design behind as it is defined in the EU Strategy and Action Plan for customs risk management. The built-in assumptions, drivers and stakeholder needs will also be examined and then compared to its implementation in practice in the next section.

As illustrated in the intervention logic, **the rationale for Customs action in this area is to ensure effective management of risks in the international supply chain.** This is crucial to ensuring security and safety of Union residents, protecting the financial and economic interests of the Union, while at the same time facilitating and accelerating legitimate trade and promoting Union competitiveness. The Union Strategy and Action Plan for customs risk management sets out a number of key objectives, underpinned by the overall aim of reaching a high-quality, multi-layered approach to risk management which is effective and efficient. To achieve this, the Customs 2020 programme funds actions that are aimed at closing the identified gaps to progressively achieve strengthened capacities for Union customs authorities and more systematic cooperation with other agencies, economic operators and international trading partners.<sup>145</sup>

Improving risk management by Union customs is a priority to ensure sustainability of the customs union and the single market, and risk management was recognised by the Council, who invited the Commission to develop 'a coherent strategy on risk management and

<sup>145</sup> AWP's for Customs and Fiscalis 2016

supply chain security based on a step by step action plan and thorough cost benefit analyses, covering inter alia legal, procedural and IT aspects'. After preparing the Union Strategy and Action Plan for customs risk management, the Commission set out to implement the Strategy and Action plan together with the Member States.

Interviewed national administrations suggested that customs controls are not yet fully harmonised, confirming the need for appropriate legislation to support a common approach and to set priorities effectively and, hence CRMF. Similarly, the stakeholders from RIMSCO that were consulted by the evaluation team were in agreement that action on risk management was important and also urgent due to the current limitations of the existing system. Loopholes are being systematically exploited by traders, requiring a joint effort by the Commission and all MEMBER STATE for harmonising the current systems and procedures in place.

### ***Evidence from actions***

Members of the Risk Management Strategy Implementation Coordination Group (RIMSCO) who completed the action follow-up form (AFF) indicated that the group plays a crucial role in implementing the EU Strategy for customs risk management and that there was a need to have a format for making strategic decisions on the implementation of activities for the action plan and keep Member States informed – all of which RIMSCO provides. There are many national developments resulting from the Union Customs Code, including the common repository of Economic Operators, as well as the national risk systems that need to be harmonised, necessitating a group like RIMSCO. The coordination group plays an important 'unifying role', according to one interviewee.

One respondent noted, however, that there is a need for a more strategic input from this group; the possibilities should be explored to link ongoing Customs 2020 projects more with the Road Map for EU Strategy for customs risk management. At least two interviewees were expecting the group to take the role of a steering committee and were disappointed when instead it took the shape of an information sharing session on behalf of the European Commission. Other participants, responding to the Commission's surveys, noted that there were too many presentations which did not leave enough time in the agenda to open the room for comments and discussion from Member States.

Interviewees from the financial risk management group noted that borders face similar issues, which begs for a harmonised risk strategy. Hence one of the key objectives of the group to develop a common approach in the EU for targeting financial risks (*see Results and Impacts below*). According to one participant, there was a certain sense of urgency to establishing this group, based on the need to find solutions to the problem of customs under-valuation. Companies have been found to systematically under-evaluate the value of declared goods (for example in the textile industry), effectively reducing the customs duty to be paid since it is based on the value of declared goods.

## **b. Implementation**

### ***Implementation of activities under this area***

The action plan for the risk management and supply chain security<sup>146</sup> provides a detailed, step by step account of the different activities to be carried out, as well as their respective

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<sup>146</sup> COM(2014) 527, annex to the communication from the commission to the European Parliament, the Council and the European Economic and Social Committee on the EU Strategy and Action Plan for customs risk management: Tackling risks, strengthening supply chain security and facilitating trade, 21.08.2014

timeframes to achieve the seven main objectives identified as part of the Risk Management and Supply Chain Security Strategy.

Under the Customs Risk Management Framework, the activities mainly focused on three general objectives<sup>147</sup>:

- Ensure coherency and proper functioning of the elements of the CRMF (common risk criteria, priority control areas and exchange of risk information);
- Make available efficient and effective technologies and methods for the collection, integration and management of data serving the basis of risk management, as well as for sharing risk information and develop new joint tools to enhance risk management capacity (data mining, joint threat assessments, trends analysis etc.);
- Report and evaluate the implementation of CRMF in the Member States.

Activities also focus on a number of specific objectives falling within 3 main categories: (1) Common Risk Criteria (improving the new implementation of and updating existing risk criteria; carrying out pilot actions to identify best practices in the implementation of the Common Risk Criteria and conducting post seizures analysis to determine the Common Risk Criteria scheme's effectiveness); (2) Priority Control Area Actions (supporting the effective and coherent implementation of these actions by e.g. developing the risk criteria to be applied for the specific Priority Control Area Actions, briefing the Member States on the action to be applied, communicating results of the risk based controls, etc.); and (3) the exchange of risk information (e.g. reinforcing cooperation and exchange of risk information among customs authorities, between customs and other governmental bodies and between customs and economic operators).

### ***Evidence from actions***

In terms of the format of the meetings, participants of both **RIMSCO and the financial risk management project group** noted that they were valuable for exchanging information. According to one member of the financial risk management project group who completed the Action Follow-up Form, the main issues regarding specific risk areas found in different Member States were discussed in detail during the meetings. This suggests that the format was conducive for sharing and exchanging experience between Member States. The same respondent also stressed that the exercise was very relevant in view of risk identification and the control measures implemented by the Member States to mitigate possible risks. The fact that a compendium of risks was being compiled by the Commission was a step in the right direction towards a convergence-oriented programme in Risk Management within the European Union.

Additionally, regarding the financial risk management project group, interviewees noted that having two types of meetings (one with the main group and another with sub-groups) was deemed practical. If all Member States were to participate, it would be much more difficult to achieve the results that the group set out to achieve, as it would be harder to reach an agreement within the given time.

However, RIMSCO participants highlighted that there are also situations in which Member States that are already more advanced with one specific task are left with limited tasks to focus on. Implementation is challenging due to the time constraints the group faces. During the last sessions, there were two meetings in one day. The meetings used to last two days and gave participants more time to focus on solving problems and to discuss issues. Another issue that was raised was duplication of groups working on the same topics; a recommendation to avoid this is to map all the project groups under the Customs 2020

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<sup>147</sup> Annual Work Programme 2016

Programme and to link this to the Road Map for the EU Strategy for customs risk management.

Interviewees from both project groups questioned the adequacy of the chairpersons at times, expressing a perception that individuals were not capable of chairing (and might not have necessarily had experience chairing) nor appeared to have the technical knowledge required to chair some of the topics being discussed. Another participant who completed the Action Follow-up Form highlighted that some topics and issues which required further explanations during the meeting were left pending due to lack of time. In the view of the participants more time for discussions during the meetings would be desirable.

Concerning objectives, both groups largely agreed that they were on track to achieving their objectives. For RIMSCO, figures from the progress report on the Implementation of the EU Strategy and Action Plan for customs risk management show that the activities set out in the strategy were effectively being achieved.<sup>148</sup> For instance, 41 sub-actions had been completed by 2016 or were ongoing, representing 76 % of the action plan. The majority of the members of the group who completed the Action Follow-up Form for the kick off meeting (24 out of 31) agreed that their expectations related to the activity were met.

There is also evidence in the Action Follow-up Forms to suggest that the financial risk management project group meetings were effective in achieving the results set out to achieve; indeed, when asked if the intended results of the activities as presented in the invitation had been achieved, 14 out of 18 group members who completed the AFF answered that they had been achieved either fully or to a large extent (77%). The process that was required to produce the main outputs proved beneficial for the participating Member States in the financial risk management project group. The creation of financial risk criteria to be implemented in all Member States helped with finding out the ways in which different countries deal with similar issues, according to one project group participant. This information is useful when it comes to improving the approach and procedures of Member States, as well as to improve cooperation between countries.

However, participating administrations commented that the realisation of the RIMSCO project took too long. This was partly since the documentation was sent with delays by the Commission, which does not put adequate pressure on Member States that are not implementing actions, slowing the process further. One interviewee noted that the Commission usually sends documents half a year after a meeting takes place.

According to officials in one of the case study countries consulted, it looked like what had been discussed during the financial risk management project group meetings was not fully coming back in the documents produced by the Commission. Participants were aware that these meetings were intended for the Commission to consult and discuss strategic points with Member States, as opposed to agreeing on these points. They were also made aware by the Commission that they would carry out strategic consultations with other departments before making any final decisions. Yet, participants were left under the impression that the Commission had already consulted other departments before the meeting, and that any conclusions reached during the meeting would eventually become agreements.

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<sup>148</sup> Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management, COM(2016) 476 final. [online]. Available at: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/resources/documents/customs/policy\\_issues/risk\\_management/swd\\_2016\\_242\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/customs/policy_issues/risk_management/swd_2016_242_en.pdf)

Regarding participation, one interviewee from the financial risk management project group highlighted the well-balanced group involving Member States from northern, southern and eastern European regions, which enabled valuable exchanges.

For RIMSCO, one view that emerged was that the agenda is not always relevant for all Member States. As a result, some participants felt that they were attending some of the meetings without any strong reasons to do so. Interviewees also noted that Member States often only send one participant instead of two as expected from each country. This is because the Commission recently ruled that in-country transport costs would not be covered by the programme. As such, Member States have to cover the costs of participants who are based outside of capital cities and need to travel in-country, which is not always possible due to a lack of funds. Moreover, Member States often only send one participant due to limited administrative capacity of national administrations. Over-stretched human resources means that it is not always possible to ensure that two participants both have the time to attend.

### **c. Results and (expected) impacts**

#### ***Medium and long-term results and impacts of Customs action in this area***

Risk management of the movement of goods through the international supply chain requires the capacity to identify, evaluate and analyse the full range of threats and risks associated with goods and their movements. Faced with the growing volume of trade movements and the need to supervise the supply chain, customs use risk management to implement effective and efficient controls, avoid unwarranted disruption to legitimate business and deploy resources efficiently. While in theory Member States have the same customs controls in place, a need remains to harmonise customs controls.

Harmonising customs controls across Member States also needs to be balanced against the need to facilitate and accelerate legitimate trade. This can be achieved by allocating resources appropriately across Member States. It is the responsibility of the Commission and Member States to continue to adapt and develop in order to become more coherent, effective and cost-efficient in its supervision of supply chain risk. The Customs 2020 programme hence acts as a vehicle for achieving these goals.

#### ***Evidence from actions***

The RIMSCO<sup>149</sup> group has facilitated the development of systems that make it easier for different administrations to carry out risk management tasks. For example, the Common Risk Management System (CRMS) has been used daily for risk management purposes according to one interviewee, and has been the main tool for receiving and sharing risk relevant data with Member States and the Commission. It has also contributed to the swift exchange of information and feedback between Member States and the Commission, which could be enhanced even further if integrated with national systems. It has also facilitated the coordination of risk management and supply chain security activities, and acts as a platform for exchange between Member States. However, interviewees suggested that the coordinating role of RIMSCO with other groups such as ECCG could be further fostered, in particular in relation to IT systems in areas of import and export. Moreover, the financial risk management project group was designed with three key outputs in mind, including:

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<sup>149</sup> The results and outputs for RIMSCO are to ensure: consistency in the overall planning of actions and projects relevant for the EU Risk Management Strategy (EU RMS); synergies of the objectives of other initiatives and projects with the EU RMS; corrective actions when and where necessary; coordination with relevant committees and groups; alignment in the setting of objectives of other actions and projects with the EU RMS; recommendations are put forward for an appropriate resource planning at EU and national level; setting of appropriate priorities; regular updates of the Road Map; and appropriate implementation of the EU RMS and Action Plan.

- Identification of priority areas and for each of them identification of the existing national profiles and diagnosis of the problems;
- Proposals for each priority area of 1) EU risk profiles, 2) information exchanges to be carried out;
- After a few of priority areas have been addressed, identification of whether more formal common risk criteria (CRC) would be needed and if so, proposition of draft CRCs.

While information on the achievement of the first two expected outputs was not available, the project group has drafted common risk criteria (CRC) which are currently pending approval by the Union Customs Code management. Interviewees were satisfied with the shape that the CRC had taken, as the criteria can be interpreted flexibly by Member States in line with their risk management systems. In the long run, this type of activity is expected to contribute to a common approach and to help anticipate future risks with a view to ensure a level playing field for businesses and Member States, and to strengthen communication between Member States.

The efforts of the Commission to understand the particularities of different countries were praised by one participant of the group. These resulted in offering Member States more flexibility in adjusting the controls based on country specific criteria, so that national administrations can deal with them and cover the risk as deemed appropriate.

The meetings were also used to report on challenges that the administrations were facing in the risk management domain. One concern that was raised during one of the meetings was related to the reporting requirements for safety and security. Beyond being burdensome (it took up to 3 days of work each quarter for the administration to provide these figures according to one interviewee), it was not clear to staff how the data was being used, since they did not see any feedback from the Commission. As a result of this meeting, the Commission understood that this had to change, and amended the requirements which now consist of open questions instead of detailed data.

#### **d. Value for money**

As evidenced in Table 14, the latest cost data from the Activity Reporting Tool (ART) shows that the RIMSO project group registered a lower average cost per participant (€639) in comparison to the financial risk management project group (€861). Both actions also reflected a lower cost per participant than the average participant cost for project groups calculated for the period 2014 to 2016 (€868).

When compared the costs of each activity to the overall cost envelope for project groups funded by the programme, the RIMSCO project group represented 1.9% of the total costs incurred by the Customs 2020 programme for project groups during the period 2014 – 2017 whereas the financial risk management project group represented a slightly lower 1.7% of the total budget for this type of activities (€14 664 828).

**Table 14: Number of participants and actual costs per selected case study actions**

Action	Nb. of part.	DA	Hotel real cost	Travel Expenses	Total Expenses (actual)	Organisational costs	Total costs
RIMSCO project group (CPG/092)	449	58 811.84	54 425.48	173 761.96	286 999.28	-	286 999.28
Financial risk management project group (CPG/076)	301	65 781.40	76 047.03	116 825.07	258 654.30	510.45	259 164.75

Source: ART data for 2014 to 2017

The evaluation asked national administrations the extent to which Customs 2020 activities had saved them time and money in order to ascertain whether there were benefits realised. Respondents shared the view that the main results of the different activities will have an impact in the long run. The harmonisation of risk management procedures and use of standardised IT systems is expected to increase safety and security, which is difficult to quantify, and also to allow national authorities to collect more customs duties by reducing fraud and illicit trade.

RIMSCO was not perceived by all to provide good value for money on the basis that sending two participants per country for one-day meetings that are not always useful for all participants is not a justified cost. As aforementioned, one participant went as far as to suggest that attendance of the meetings should be voluntary.

Despite this, given the role that RIMSCO plays in coordinating complex work streams that affect the implementation and running of IT systems in the risk management domain, the potential benefits realised under the area are significant. The results arguably outweigh the costs.

Similarly, the financial risk management project group was perceived to have provided value for money by most administrations interviewed, bringing good results that will eventually lead to a common approach. If every Member State executes the financial risk rules that are agreed in the project group, it should deliver and retrieve more customs duties for the EU.

One interviewee from the financial risk management project noted that the invitations arrive at short-notice, which means that the price of flights and accommodation are higher for administrations, and as a result for the programme which covers the flights. It would be better if the invitations could be sent earlier, as this would decrease the cost of the project.

## 4.4. CONCLUSIONS

### 1. Relevance:

- Overall, the project groups and the objectives set by them were considered to be relevant given the need for greater harmonisation on risk management at EU level;
- Specifically related to RIMSCO, interviewees raised the fact that there was a need to have a mechanism for making strategic decisions on the implementation of activities for the implementation of the EU Strategy for customs risk management and keep Member States informed;

- However, there was a shared need for greater strategic input from the group, and it was considered that variations to the format of the meetings (with more time for discussion) would help in this direction.

## **2. Effectiveness:**

- The formats of the project meetings for the two actions sampled were deemed valuable for exchanging information. However, concerns about practical arrangements were raised by participants of both groups, regarding the adequacy of the chairpersons and noted that more time was needed for discussions and the meetings themselves;
- Overall, interviewees agreed that both groups were on track to achieving their objectives. But, participating administrations commented that the realisation of RIMSCO took too long and that what was agreed during the financial risk management project group was not fully reflected in the documents produced by the Commission.

## **3. Efficiency:**

- Despite some shortcomings, Member States consulted agreed that the benefits of the actions for effective risk management and supply chain security outweighed the costs. As reflected by ART cost and participant data available, the per capita costs for both actions was lower than the average per capita costs for project groups, which supports the statement above. Benefits achieved by the actions included an increase of safety and security as a result of harmonisation of risk management procedures and the use of standardised IT systems, as well as a decrease of fraud and illicit trade;
- The value for money could however be increased by dealing with some of the operational issues related to travel and expenses of participants described under effectiveness.

## **4. Coherence:**

- The activities assessed have facilitated coordination between Member States under this thematic area. Yet, interviewees noted that the coordinating role of RIMSCO could be fostered further, given the importance of cooperation between countries and the number of administrations involved in order to effectively deal with security issues.

## **5. EU added value:**

- The Annual Work Programme project and actions help to communicate relevant information to all Member States, as well as exploring specific technical issues in more detail in dedicated working groups, providing a unique platform for exchange that would not be possible in the absence of the programme. Moreover, the programme sets out a single narrative and vision, which is key given the amount of internal coordination work that then needs to take place within each Member State to implement the new processes and IT systems that stem from the Union Customs Code.

## 5. CASE STUDY 4: HUMAN COMPETENCY BUILDING OF THE CUSTOMS PROGRAMME

### 5.1. INTRODUCTION

The purpose of the case study is to provide the evidence needed to answer key questions about the relevance of the human competency building component of Customs and expected contribution to the programme's objectives, in addition to allowing us to draw lessons that can be applied to the programme more broadly. Furthermore, the case study looks at whether the development and implementation of the EU Customs Competency Framework (CFW) is leading to greater alignment in the levels of knowledge among customs professionals in the EU. Specific elements of relevance include the extent to which there is acceptance among Member States' administrations regarding the need to harmonise and elevate the performance of customs staff, as well as whether there is progress regarding the implementation of the CFW for Customs. Finally, the increased importance placed on this in the current Customs 2020 programme compared to its predecessors will be considered. Table 15 below presents an overview of the Annual Work Programme (AWP) projects selected for this case study.

**Table 15: AWP projects covered in the case study on human competency building**

Year	AWP reference
2017	2.4.2 Training and human competency building
2015	2.3.14 European Union Competency Framework for Customs
2014	2.3.15 Customs administration training capacity building

Table 16 presents an overview of the actions reviewed as part of the case study.

**Table 16: Programme actions reviewed in the case study on human competency building**

Action title	Description	Financial code	Start date	End date	Type of action	Number of events
Training Support Group (TSG)	Focus on the role of the group in coordinating common training initiatives.	CPG/015	2014-05-01	2019-12-31	Project group	5
Union Customs Code overview training (CLEP) <sup>150</sup>	Focus on the implementation and results of the Union Customs Code overview training.	CWS/051	2016-06-21	2017-10-31	Workshop	1
Union Customs Code e-learning Course	Focus on the role of the project group in designing the concept of the Union Customs Code eLearning training modules and reviewing the deliverables throughout the various stages of the eLearning development process.	CPG/095	2015-02-01	2016-12-31	Project group	8

<sup>150</sup> Common Learning Events Programme

The evidence providing the basis for this case study came from several sources, namely contextual literature, programme documentation, communication material and reports, as well as interviews with national customs officers in the seven case study countries. The different sources of information are summarised in Table 17.

**Table 17: Case study sources**

Countries covered	Interviewees	Documentary sources
Austria	<ul style="list-style-type: none"> <li>- National coordinator</li> <li>- TSG member (CPG/015)</li> </ul>	<ul style="list-style-type: none"> <li>- Regulation (EU) No 1294/2013 establishing the C2020 Programme, December 2013;</li> <li>- The Dublin Strategy: A Strategic Performance Framework for the Customs Profession 2012-2015, EC, 2013;</li> </ul>
Czech Republic	<ul style="list-style-type: none"> <li>- National coordinator</li> <li>- TSG member (CPG/015)</li> <li>- Union Customs Code e-learning Course expert (CPG/095)</li> </ul>	<ul style="list-style-type: none"> <li>- BTRAIN2 – Feasibility study on a potential EU academic programme for the customs profession, Final Report, 2011;</li> <li>- AWP for Customs and Fiscalis for 2014, 2015 and 2016;</li> </ul>
Estonia	<ul style="list-style-type: none"> <li>- PC Member</li> <li>- National coordinator</li> <li>- TSG member (CPG/015)</li> </ul>	<ul style="list-style-type: none"> <li>- C2020 Annual Progress Reports for 2014, 2015 and 2016;</li> <li>- EU Training Work Plans 2015, 2016 and 2017;</li> <li>- EU Training Progress Reports 2014, 2015 and 2016;</li> </ul>
Portugal	<ul style="list-style-type: none"> <li>- National coordinator</li> <li>- TSG member (CPG/015)</li> </ul>	<ul style="list-style-type: none"> <li>- Action Fiches and Action Follow-up Forms for the three actions under review;</li> <li>- TSG meeting minutes / reports (2014, 2016, 2017 and 2018) ;</li> </ul>
Serbia	<ul style="list-style-type: none"> <li>- National coordinator</li> <li>- TSG member (CPG/015)</li> </ul>	<ul style="list-style-type: none"> <li>- e-learning survey report for 2015 and 2016, March 2017;</li> <li>- e-learning survey report for 2017 (Draft), March 2018;</li> </ul>
Sweden	<ul style="list-style-type: none"> <li>- PC Member</li> <li>- National coordinator</li> <li>- TSG member (CPG/015)</li> </ul>	<ul style="list-style-type: none"> <li>- EU Customs CFW leaflet and short introduction to the EU Customs CFW;</li> <li>- Modernising Customs through competency-based human resource management, EC, 2015;</li> </ul>
The Netherlands	<ul style="list-style-type: none"> <li>- PC Member</li> <li>- National coordinator</li> <li>- Union Customs Code e-learning Course expert (CPG/095)</li> </ul>	<ul style="list-style-type: none"> <li>- PowerPoint presentation, Update on the progress of the EU Customs &amp; Tax CFW projects, Siveco and Intrasoft International, January 2018;</li> <li>- C2020 CLEP Workshop “Union Customs Code (UCC) – overview” report.</li> </ul>

In addition to the above-mentioned sources, findings from the evaluation questionnaire with national authorities were also used in the context of this case study.

## 5.2. BACKGROUND

This section sets the scene by discussing how this area relates to EU customs needs and the case for EU action. It also describes the policy context behind the EU Competency Framework and e-learning course development for customs. Finally, it forms part of the ‘theory’ behind EU customs actions and supports the development of the intervention logic presented in this study.

## 5.2.1 General context

### EU customs needs in the area

The establishment of the EU Customs Competency Framework (CFW) and e-learning was driven by the interrelated needs to harmonise the delivery and standards among Member States, and to maintain the EU's competitive advantage in an increasingly modernising world. According to Heinz Zourek, the former Director General for DG TAXUD, *'European customs is facing a rapidly changing environment: evolving production and consumption patterns, increasing international trade, climate change and threats such as terrorism and organised crime...It is evident that only continuous development and strategic investment in skills, competences and resources can maintain and improve customs efficiency and effectiveness.'*<sup>151</sup>

The EU Customs Competency Framework acts a tool to raise the level of customs administrations' performance, ensuring that their workforce is well equipped to respond to future challenges and changes. The European Commission has also found a lack of uniformity and inconsistency at the EU external border, which directly affect costs and customer satisfaction for European businesses. Therefore, a major objective of the EU CFW and e-learning courses is to harmonise the competency of all Member States to the highest standard by promoting common training and education. Additional benefits of this include better collaboration networks, more labour mobility and cost savings.

### Evolution of the policy context behind the EU Customs Competency Framework

In response to the findings of a feasibility study completed in 2011 on a 'potential EU academic programme for the customs profession'<sup>152</sup>, the European Commission rolled out 'The Dublin Strategy' in 2013. The strategy sets out a motion for the establishment of a 'Strategic Performance Framework for the Customs Profession through training and development' for implementation between 2012 and 2015.<sup>153</sup> The outcome was the rolling out of the European Customs Competency Framework acting as a foundation for the strategy's many components, which include education programmes, common learning events and training support (including the e-learning component).

**Figure 8: Timeline of actions on developing an EU Customs Competency Framework**



The development of the EU Customs Competency Framework was an iterative process using training materials, existing competency frameworks and best practice documents from various national administrations, as well as international resources. After completing

<sup>151</sup> European Commission (2015) Modernising Customs through competency-based human resource management. Available at: <https://publications.europa.eu/en/publication-detail/-/publication/1a46d30f-de14-11e6-ad7c-01aa75ed71a1/language-en>. Accessed 25 April 2018.

<sup>152</sup> European Commission (2011) *Project: BTRAIN2 – Feasibility study on a potential EU academic programme for the customs profession, Final Report*. Available at: <https://circabc.europa.eu/sd/a/718d8cb3-a075-4466-95f3-c5501d4b1144/Feasibility%20Study%20on%20an%20EU%20Academic%20Programme%20for%20the%20Customs%20Profession.pdf>. Accessed 25 April 2018.

<sup>153</sup> European Commission (2013) *The Dublin Strategy: A Strategic Performance Framework for the Customs Profession 2012-2015 through training and development*. Available at: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/common/tenders\\_grants/tenders/resources/2015\\_a\\_o\\_01/a11\\_dublin\\_strategy.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/common/tenders_grants/tenders/resources/2015_a_o_01/a11_dublin_strategy.pdf). Accessed 25 April 2018.

an initial framework, an expert project group reviewed and updated the CFW through a series of workshops, and a review and feedback process from Member States.

The EU Customs Competency Framework is meant to be a 'living document' to be adapted in response to changes and specific needs of individual Member States. The framework places human resources management at the core of customs administrations and sets out methodologies and tools in distinct competency categories according to the different types of roles. The categories include professional, operational and management customs competencies, as well as core customs values pertaining to all roles. The operational objectives of the framework are to help in human resource management tasks: recruitment and selection, improving workforce performance, career planning, improved training, succession planning and improved gap analysis.

### **5.2.2 Key EU policies**

#### ***Fit of common training activities within the Customs 2020 programme***

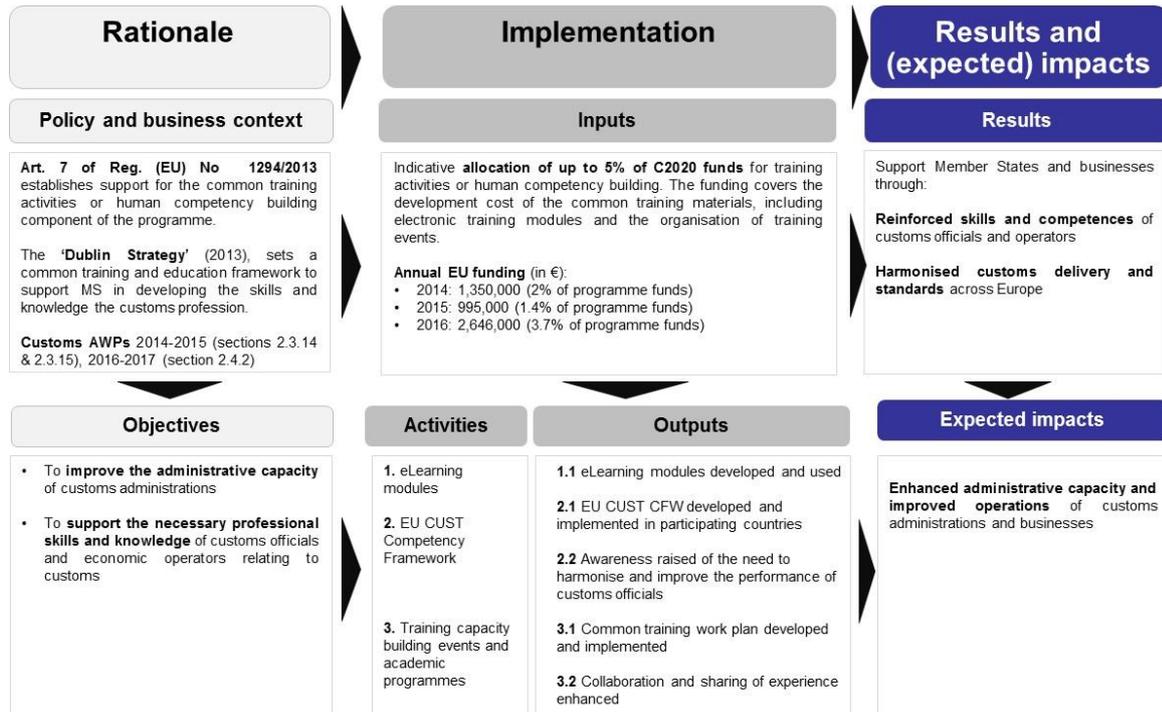
Article 7 of Regulation 1294/2013 on the Customs 2020 programme establishes support for three types of eligible activities, namely the European Information Systems, the joint actions for customs officials and the common training activities. The focus of this case study is on the third strand of actions, the common training activities or human competency building component of the programme, aimed at supporting the necessary professional skills and knowledge of customs officials and economic operators relating to customs.

The Customs 2020 programme supports the EU Customs Competency Framework and eLearning programmes through projects listed under its objective 'to improve the administrative capacity of customs administrations.' In the 2014 and 2015 Annual Work Programmes, this was split into two projects, one supporting the coherent and wide-spread national implementation of the EU Customs Competency Framework and one for training capacity building which aims to establish a common training work plan and a network for EU-wide sharing of national best practices. During the last two years (2016 and 2017), the Annual Work Programmes merged these two projects into one project on 'training and human competency building.' This project has the core objective of supporting common training programmes including: (i) prioritising customs subject areas that require further consistency in customs staff performance, (ii) implementing support for new or amended Union legislation and (iii) enhancing need for Union-wide sharing of national best practices and tools.

### **5.3. MAIN FINDINGS**

This section presents and assesses the intervention logic of the human competency building component of the programme. For each of its main parts (rationale, implementation, results and expected impacts), we describe and examine how programme action under the area is intended to work in theory and then analyse with evidence from the practice (as outlined in the general methodology chapter). For further information on the intervention logic, please see the common introduction to the case studies (section 1).

**Figure 9: Theory of change for the human competency building component of Customs**



### a. Rationale

#### ***Rationale for Customs action in this area***

Seen from a European viewpoint, training and development for professionals in customs is still highly fragmented across the EU and could profit from the availability of more common training programmes to align levels of knowledge of customs professionals in the European Union. As reflected in the intervention logic above, the human competency building component of the Customs programme – which includes eLearning modules, training events and academic programmes, and the human competency framework – contributes to improve the administrative capacity of customs administrations and to support the necessary professional skills and knowledge of customs officials and economic operators relating to customs.

#### eLearning

DG TAXUD's Unit E3 designs and publishes eLearning courses to support the development and implementation of European Union customs law and policies through the Customs programme. The main objective of these electronic learning materials is to help national customs administrations, as well as economic operators and citizens throughout the EU to better understand and implement the EU customs legislation and its related procedures. This in turn will lead to more uniformity and efficiency of customs operations throughout the EU and further enhance performance across Member States.

Most national administrations were highly satisfied with the eLearning courses made available. eLearning survey results for 2017 show that the new courses introduced were in line with the needs of national administrations and complemented their available national training activities. The customs eLearning courses were considered relevant by 75% of respondents to the 2017 survey. The main reason why eLearning training modules were not deployed by national administrations was the lack of availability of the training material in the required local language.

Interviews with national administrations reflected similar views as the survey results described above. Even though the eLearning modules were perceived as highly relevant, officials in some countries visited (Sweden, Czech Republic) argued that certain topics are better taught on-site as they offer opportunities for direct contact with trainers. The availability of modules was also put into question in a context of rapid changes that require flexibility and timeliness to adapt the existing training materials to new needs and developments. In addition, language barriers were perceived to be an important factor limiting the use of eLearning modules in some countries.

### EU Customs Competency Framework

The EU Customs Competency Framework was developed by DG TAXUD in collaboration with public and private experts from EU Member States, the World Customs Organisation (WCO) and other international sources. The framework, which was finalised in 2014, is composed of a set of methodologies and tools to map and adapt EU Customs competencies and role descriptions for national administrations and businesses with different organisational and structural customs realities.

The EU Customs Competency Framework aims at ensuring that all countries operate to the highest level of competency, efficiency and effectiveness in the customs area. Participating countries may opt for different options in relation to the framework, including implementing the model as such in their national administrations, adapting their own organisations to comply with the model, or confirm that their pre-existing national models are compliant with the EU framework.

Indeed, interviews with national administrations carried out as part of the case study field work reflected a mixed picture in terms of needs and alignment of national administrations with the EU Customs Competency Framework. The table below presents an overview of the implementation status in the case study countries.

**Table 18: Implementation of the EU Customs Competency Framework**

Countries covered	Implementation of EU Customs Competency Framework	View/Comment
Sweden	No	Sweden has an active competence management in place that is well aligned to the EU framework, therefore the Swedish national administration did not consider it necessary to follow the EU framework. Key challenges faced in this area are related to the difficulties in filling customs vacancies
Czech Republic	No	The Czech Republic developed their own competence model. which they are currently in the process of updating. They see no conflict between the Czech model and the EU framework and have therefore opted out of implementing the EU model.
Estonia	No	Estonia launched their own competence model in 2016, which they consider less complex to monitor than the EU framework. Estonian officials consulted mentioned that the EU model has a stronger focus on soft professional competency dimensions such as oral communication, creativity, interpersonal relations, teamwork, etc., several of which are shared with the national model.
Portugal	No	/
Austria	Yes	Austria is among the most advanced Member States implementing the EU framework. Officials consulted confirmed that there is dedicated support for and alignment with the EU competency model at national level. All

Countries covered	Implementation of EU Customs Competency Framework	View/Comment
		competencies have been developed and training has been carried out. Despite the support, interviewees highlighted bigger challenges linked to implementation.
Serbia	Yes	Serbia is in the process of developing its national competency model based on the EU framework. The Serbian national administration acknowledges having dedicated considerable efforts to develop a national programme following the EU model and are currently awaiting formal approval. The focus of this initial phase has been in laying the strategic and legal foundations of the model, which they expect to start implementing in an upcoming phase. In terms of challenges encountered, they recognise that the process has been time-consuming, and that there will be a need to achieve support from the administration's hierarchy, to motivate customs officers to adapt to the new framework, and to roll-out a wide training programme to support the framework's implementation. Despite the challenges, the EU framework was considered pertinent to meet Serbian needs and national customs officials consulted are positive about its effective implementation.
The Netherlands	Yes	The Netherlands is among the most advanced Member States implementing the EU framework. Recent changes to HR practices were designed using the EU Competency Framework material as an important source of information and guidance. The internal restructuring (in terms of functional domains, job descriptions and competency profiles) is aligned with the EU Customs Competency Framework. Training programmes have all been tailored to meet the requirements of the EU CFW. At the time of writing this case study report, the process of rewriting job descriptions in line with the EU CFW is in its final stages, pending the government-wide introduction of a new, uniform system.

### Common Learning Events (CLEP) Programme

The aim of the CLEP programme is to support Member States and businesses to provide customs professionals with the necessary technical skills on critical topics, including those for which there is a lack of capacity or areas in which there are low levels of harmonisation. The training objectives of CLEP events are the transfer of knowledge around critical and short supply skill areas and the sharing of training capabilities.

CLEP events are activities of one to two days' duration hosted and delivered by Member States or businesses and coordinated by the Commission. They are implemented as part of an annual programme designed by the Commission in consultation with participating countries and businesses. The main addressees of the CLEP events are trainers, or experts with training practice.

Annual reports from the joint Training Support Group (TSG, formerly 'Training Steering Working Group') meetings evidenced a positive experience with the CLEP programme and events, not only from participating countries but also from host Member States, who saw these events as a learning opportunity in terms of preparation, agenda design and methodology of the events. The main challenge in relation to Common Learning Events is

how to share and disseminate CLEP training material and best practices resulting from the events to better respond to the needs of participants.

### ***Evidence from actions***

The Training Support Group was the first action assessed as part of this case study. Its mandate for the Customs and Fiscalis 2020 programmes is to:

- contribute to the development and implementation of the EU Common Training Programmes' mandate;
- act as information channel between the Commission and national administrations;
- play an active role in sharing best practices among participating countries.

The work arrangements of the Training Support Group were reviewed and redesigned for the current Customs and Fiscalis 2020 programmes. The new TSG meets at least once a year and organises strategic EU training events (in the form of seminars and workshops) every two years with the objective to boost common training. It is integrated by national training delegates of customs and tax administrations of participating countries and chaired by European Commission representatives. TSG members collaborate and exchange information through a PICS group throughout the year.

TSG members interviewed by the evaluation team mentioned that the group is relevant as it addresses the needs of national administrations to have transferable and uniform expertise in customs-related matters. In particular, the TSG acts as an information forum that provides updates about policy developments, priorities, actions and results related to the common training policy and mandates of the two programmes. It also functions as a platform for sharing experiences between participating countries, in relation to for example the implementation of the EU Competency Framework for Customs.

The Union Customs Code eLearning course project group, the second action under assessment, kicked off in June 2015 with the aim of supporting the development of the Union Customs Code eLearning programme composed of one overview course and 14 domain-specific courses. The specific objectives of the project group were to:

- design the concept of the Union Customs Code eLearning training modules;
- review, discuss and comment the deliverables produced throughout the various stages of the eLearning development process;
- test, validate and accept the pilot and final eLearning modules;
- support their localisation.

In view of one of the experts who participated in the project group, the action was relevant in that it provided the content to roll-out the implementation of the Union Customs Code EU eLearning training programme. The goals of the project group were considered to have been met, in particular in relation to the design of the overall concept and the training modules, as well as with regard to localisation of the training material.

The Union Customs Code overview training Common Learning Events Programme, the third action assessed, was one of 5 national CLEP events implemented in 2016. It was organised by the German customs administration in October 2016 to provide an overview of the key features of the Union Customs Code, including the impact on customs authorities and trade and the transitional measures in place to move from the Community Customs Code (CCC) to the new Union Customs Code. The training was attended by 20 participants from Member States and candidate countries, many of whom in turn conducted similar trainings in their home countries using the material provided. Comparable trainings had been provided previously within the German customs administration.

The objectives of the workshop were to reinforce customs officials' skills and competences; to identify, develop, share and apply best working practices and administrative procedures; and to improve administrative capacity of the customs authority. The training included lectures, briefings and presentations and discussions. The course is available in all EU languages on PICS and on the EUROPA site.

In view of customs officials interviewed, the Union Customs Code overview CLEP event was considered relevant, as were other CLEP events, in particular as it addressed participants' needs in relation to the possibility to establish personal contacts, exchange experiences and undertake networking with representatives of other national administrations.

## b. Implementation

### **Implementation of activities under this area**

#### Programme funding for human competency building

Regulation 1294/2013 stipulated an indicative allocation of up to 5% of programme funds for training activities or human competency building. The funding covers the development cost of the common training materials, including electronic training modules and the organisation of training events.

Table 19 below provides an overview of the evolution of committed programme funding according to the main activity types. It also includes data for 2013 to allow for comparisons with the predecessor Customs programme. As reflected, annual expenses committed to training activities amounted to 2.6% of the total programme budget in the last year of the previous Customs programme (2013). Consecutive decreases were registered in the first two years of the current programme: in 2014, training represented 2% and in 2015 it amounted to 1.4% of the total budget. A significant increase was observed in 2016, both in absolute and relative terms, with the committed budget for training activities representing 3.7% of the total programme budget for the year.

**Table 19: Committed expenses per year and categories under Customs 2020**

	2013	2014	2015	2016
Joint actions	€6 000 000.00	€6 523 000.00	€ 5 700 000.00	€5 700 000.00
Expert teams (pilot projects) <sup>154</sup>				€1 867 365.00
<b>Training</b>	<b>€1 365 000.00 (2.6%)</b>	<b>€1 350 000.00 (2.0%)</b>	<b>€ 995 000.00 (1.4%)</b>	<b>€2 646 000.00 (3.7%)</b>
IT	€44 332 600.56	€57 333 696.81	€ 61 167 253.05	€59 897 436.10
Studies	€1 193 780.78	€1 083 116.13	€ 846 359.35	€1 682 024.50
<b>TOTAL</b>	<b>€52 891 381.34</b>	<b>€66 289 812.94</b>	<b>€ 68 708 612.40</b>	<b>€71 732 825.60</b>

Source: Customs programme Progress Reports for 2014, 2015 and 2016

#### eLearning implementation

Table 20 below presents a series of indicators related to the offer, uptake and levels of satisfaction of customs officials with Customs 2020 programme eLearning modules. As evidenced, 2016 marked a significant difference with the first two years of the programme with the duplication of eLearning modules available (from 15 in 2014 and 2015 to 30 in

<sup>154</sup> New type of joint action introduced in 2016

2016) and a substantial increase in the number of eLearning modules used by participating countries (from 183 in 2015 to 305 in 2016).

**Table 20: Programme indicators related to eLearning modules**

	2014	2015	2016
Number of EU eLearning modules developed	15	15	30
Number of EU eLearning modules used by participating countries	174	183	305
Number of customs officials trained using the eLearning Customs 2020 programme courses	4776	3092	23685
Average level of satisfaction of training courses by customs officials (on a scale of 100)	73.3	70.3	74.3

Source: Customs 2020 programme Progress Reports for 2014, 2015 and 2016

More recent figures on the evolution of usage of EU eLearning courses in the area of customs for the current programming period evidence a substantial increase in the number of trainees and downloads from the EUROPA website, in particular in 2016 and 2017. As highlighted in the EU eLearning Survey Report for 2017, the increase in the number of trainees over these two years tends to align to the availability of the courses in their local language and the lifecycle of the course itself.

#### EU Customs Competency Framework implementation

The EU Customs Competency Framework started its roll out into national administrations in 2015, achieving an acceptable rate of alignment of nearly one third of European customs administrations in its first year of implementation,<sup>155</sup> and a further increase to more than half of the EU Member States, plus candidate countries, in 2017. In order to remain relevant to the needs of implementing countries, administrations were divided into two groups with regard to competency-based Human Resources management maturity acquired. The categorisation included beginner<sup>156</sup> and advanced<sup>157</sup> countries, with movements registered from one group to the other as a result of progress achieved or challenges encountered. The results of an external report on progress in the implementation of the EU Customs Competency Framework showed that the greatest challenges for national administrations participating in the framework were linked to the difficulties to adjust the CFW to the national contexts and the limited resources available for the adequate implementation of the framework. On a positive note, leadership buy-in – which had been identified as a key challenge in previous years – was no longer perceived as a problem in the last follow-up measurement.

#### CLEP Programme implementation

According to the EU Training Progress Reports reviewed, nine national CLEP events were organised between 2014 and 2016, including 2 events in 2014, 2 events in 2015 and a further 5 events in 2016, with a total of 240 national experts trained between 2014 and

<sup>155</sup> Customs programme Progress Report for 2015, SWD (2017) 125 final, March 2017.

<sup>156</sup> Countries undergoing the development of a national competency model drawing substantial input from the EU Customs CFW, including Italy, Denmark, Malta, Montenegro, Serbia, Slovenia, Ireland, Albania, Latvia and Poland (which was moved from the advanced group as a result of progress not achieved).

<sup>157</sup> Countries making use of a benchmarked national CFW and interested in exploring further aligning opportunities to the EU Customs CFW, including Greece, Austria, Belgium, Bulgaria, The Netherlands, Luxembourg, Lithuania, Turkey, Hungary and Cyprus. These last four countries were moved from beginners to advanced as a result of progress achieved.

2016. Host countries have included Austria, United Kingdom, Hungary Poland, Italy, Netherlands, Sweden, Finland and Germany.

Despite a growing interest in CLEP events within DG TAXUD and participating countries, there is a discrepancy between the number of CLEP offers included in the provisional Annual Work Programmes and the number of events which are finally organised.

### ***Evidence from actions***

Implementation of the Training Support Group in the current programming period has been challenging due to the size of the group (two delegates per participating country, plus Commission representatives), the length and periodicity of the meetings (one-day annual gatherings), and the breadth of topics under discussion in the proposed agendas. In view of TSG delegates interviewed, the combination of these features has so far resulted in a one-way flow of information from the Commission to participating countries, preventing real discussions and exchanges from taking place.

Detailed reports of each meeting are drafted and circulated among participants. Such reports were positively valued by members of the group consulted by the evaluation. However, some questioned the utility of attending the annual meetings, as they argued that reading the final meeting reports provide the same results and information as attending the meetings in person. At the same time, participation in the Training Support Group is more useful for countries with less developed training systems and resources at national level, as the group provides them with the opportunity to receive training material and share experiences with other more advanced countries. Interviewees also recognised that more initiative from national delegates – in particular, in between meetings – would be beneficial to contribute to more effective discussions. The TSG group in PICS is a way of keeping the group active throughout the year, but there were some complaints voiced about the limited user-friendliness of the platform.

Even though it operates in the tax area, the Intra-European Organisation of Tax Administrations (IOTA)<sup>158</sup> was cited by TSG participants interviewed as a positive example contributing to the exchange of views, experiences and best practices about the most important and current issues in the field of taxation. The approach taken by IOTA to meetings was considered to be more effective and to lead to more concrete outputs than the format of TSG meetings. In particular, the combination of plenary meetings and smaller groups results in active, dynamic, two-way flow meetings. In addition, the annual IOTA meetings are prepared with the assistance of a steering group composed of national representatives who interact in advance with the aim of making the most out of these events.

The implementation of the Union Customs Code eLearning course project group featured the division of appointed participants into working groups reflecting different topics and policy areas. Working groups met several times during a one-year timeframe to provide feedback on the approach and content of the e-learning modules developed.

As highlighted in the above section on rationale, the selection of participants was questioned by case study interviewees as their profiles reflected a stronger focus on training expertise, and less experience in customs related areas. It was argued that a more appropriate selection of participants to the working groups (based on candidates nominated by Member States) would have resulted in a more effective implementation of the action.

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<sup>158</sup> IOTA is a non-profit intergovernmental organisation, which provides forum to assist its members to improve tax administration.

The follow-up form to the Union Customs Code eLearning course project group revealed that expectations were largely met for the majority of participants who completed the form (a total of 8 participants), though there were a few negative opinions that highlighted some difficulties in the development process. These included deficiencies in the communication between members of the working groups, lack of feedback and reactions from the external subcontractors working on the development of the eLearning modules, and delayed timings for the release of training material. DG TAXUD updates of the project during TSG annual meetings confirmed the delays in the implementation of the project group as a result of the unavailability of some legal base material and the multiple quality controls on the draft deliverables necessary to ensure a high quality of the training modules.

In terms of the third action assessed as part of this case study, the follow-up form to the Union Customs Code CLEP overview training (completed by 12 out of 20 participants) provided very positive feedback. All participants who completed the form confirmed that their expectations had been fully or largely met. Positive comments on the activity included the opportunity to incorporate new ideas and learn from the German experience on how to train customs officials on the Union Customs Code, as well as useful contributions from participants and a positive assessment of the trainers.

The few explanations provided on why expectations were not fully met were related to the limited sharing of experiences and exchange of views regarding the way some of the new provisions should be interpreted or applied. The main suggestion on how to improve the organisation of similar activities in the future pointed to encouraging participants to play a more active role in the training activities with the aim of fostering a broader exchange of best practices among participating countries beyond the experience of the organising country.

### **c. Results and (expected) impacts**

#### ***Medium and long-term results and impacts of Customs action in this area***

Common training actions aim at supporting the necessary professional skills and knowledge of customs officials and businesses relating to customs. The results of the survey with national authorities conducted as part of the evaluation showed that all national administrations confirmed having made use of the Customs 2020 training modules developed. Despite the widespread use, the level of uptake could be improved, as only a very small number confirmed having made use of the EU modules to a great extent, and the vast majority highlighted that they had used the modules to some extent (15 out of 28) or to a little extent (10 out of 28).

One of the main usage barriers highlighted by respondents was the language of the training modules. In particular, translations from English to national languages becomes a time- and resource-consuming task for the national administrations. In some cases, there is also incompatibility between the training software and the Member States' systems and thus the training modules cannot be used.

When asked about ways in which the Customs 2020 training modules had benefited their administrations, the majority of respondents to the evaluation questionnaire with national administrations (21 out of 28) agreed to a great extent or to some extent that the training modules had led to a more uniform approach to the application of EU customs law among Member States and participating countries and had increased the knowledge base and capacity of officials in their customs administrations (20 out of 27).

Slightly fewer respondents agreed to a great extent or to some extent that the Customs 2020 training modules had helped their administrations to identify and implement good practices from other countries more effectively (18 out of 28); enabled officials from their

administrations to use and benefit from European Information Systems developed under the programme (17 out of 28); and enabled better cooperation (17 out of 28).

Despite the overall positive perceptions on the importance of EU common training activities as part of Customs 2020, national administrations consulted by the evaluation expressed suggestions for improving this component of the programme, including:

- EU financial support for localisation and translation of the training modules, as these are identified as highly burdensome tasks for national administrations;
- Development of an EU customs academy to develop human competencies;
- Implementation of multi-annual training plans to plan training activities in a sustainable way;
- Regular review and updates to the content of training modules to adapt the training material to constant changes;
- Expansion of the collaborative and networking component of training activities.

### ***Evidence from actions***

The Terms of Reference of the Training Support Group identifies the following key outputs:

- to propose training actions supporting the human capacity building in Customs and Tax administrations across the EU;
- to advice on the development of training standards and tools;
- to promote best practices;
- to identify training needs and develop appropriate solutions;
- to report on the evaluation of the common / national training programmes;
- to evaluate the achievements of the training objectives under the Customs and Fiscalis programmes.

In view of national administrations consulted, the work of the Training Support Group contributes to longer term, less quantifiable outcomes, including attitudinal changes and increased cohesion among national administrations in relation to common training needs. The EU added value of the Training Support Group, as opposed to action at national level, was considered to be its potential to harmonise training practices and tools across EU Member States with a view to achieving a positive impact on customs performance. The group also allows the Commission to find out about the training needs of national administrations and provides a forum to discuss progress in relation to the EU Customs Competency Framework. Furthermore, interviewees perceived that the role of the Training Support Group has shifted from a more strategic function in the previous programme to an increased emphasis on operational responsibility, with its current role mainly focussed on supporting the design and dissemination of training policy and actions.

The main expected outputs of the Union Customs Code eLearning course project group were to provide feedback on the Union Customs Code eLearning content and the didactical approach, as well as input for the design and development of the eLearning modules related to the new Union Customs Code legislation. The follow-up form to the Union Customs Code eLearning course project group confirmed that all 12 participants who completed the form shared what they learned in the project within their administrations. The majority

discussed the outcome of the activity and drafted a report which was sent to colleagues in their national administrations. Fewer participants forwarded the output of the activity to colleagues or superiors in their administration or participated in a meeting to share the outcome of the activity.

All respondents agreed that the project group provided them with a good opportunity to expand their network of (and contacts with) officials in other countries, and the majority confirmed having been in contact with the officials they met during the activity after the project group ended. All participants concurred that the Union Customs Code eLearning course project group had contributed to modernised approaches to customs procedures, and the majority of respondents agreed that the activity had supported enhanced harmonisation of approaches in the field.

The CLEP Union Customs Code overview training featured the following expected outcomes:

- to train participants on the Union Customs Code provisions and changes from the Community Customs Code to the Union Customs Code; and
- to provide participants with the tools and know-how to:
  - apply the essential regulations of the Union Customs Code correctly;
  - be aware of the impact of the Union Customs Code on the daily work of customs;
  - be aware of future changes and their impact on the daily work;
  - provide training to their colleagues on the new regulations of the Union Customs Code.

In view of all 12 workshop participants who completed the follow-up form to the Union Customs Code CLEP overview training, the intended results of the activity were achieved fully (8 out of 12) or to a large extent (4 out of 12). All respondents rated the activity as very useful or useful from a professional point of view. Key positive highlights included the opportunity to learn from the German experience in relation to Union Customs Code training. All respondents confirmed that participation in the workshop provided them with the opportunity to expand their networks of officials abroad, and the majority were in contact with colleagues in other countries after the activity ended.

Similarly to the Union Customs Code e-learning course project group discussed above, the majority of participants responding to the follow-up form used different channels to share what they learned with colleagues in their national administrations. In particular, they discussed the outcome of the activity with colleagues or superiors, drafted a report which they sent to colleagues or published on the intranet, and forwarded the output of the activity to other officials in their country. Fewer respondents organised meetings or internal training sessions to pass on the knowledge to colleagues.

#### **d. Value for money**

##### ***Proportionality between benefits realised under the area proportionate and programme's costs***

As evidenced in Table 21, the latest cost data from the Activity Reporting Tool (ART) shows that the Training Support Group registered the lowest average cost per participant (€730) in comparison to the Union Customs Code eLearning course project group (€888) and to the CLEP Union Customs Code overview training (€916). Of all three actions, the Union Customs Code eLearning course project group was the only one that registered a higher cost per participant than the average participant cost for project groups calculated for the period 2014 to 2016 (€868).

When compared the costs of each activity to the overall cost envelope for project groups funded by the programme, both the Training Support Group and the Union Customs Code eLearning course project group represented less than 1% of the total costs incurred by the Customs 2020 programme for project groups during the period 2014 – 2017. The CLEP Union Customs Code overview training represented 1% of the total budget for Customs workshops (€2 078 447).

**Table 21: Number of participants and actual costs per selected case study actions**

Action	Nb. of part.	DA	Hotel real cost	Travel Expenses	Total Expenses (actual)	Organisational costs	Total costs
Training Support Group (CPG/015)	111	18 238.62	21 822.95	40 947.92	81 009.49	-	81 009.49
Union Customs Code eLearning course project group (CPG/095)	65	13 553.67	16 050.00	28 099.01	57 702.68	-	57 702.68
CLEP Union Customs Code overview training (CWS/051)	23	6 184.50	6 095.00	7 007.75	19 287.25	1 774.79	21 062.04

Source: ART data for 2014 to 2017

The evaluation asked national administrations the extent to which Customs 2020 training modules had saved them time and money. Respondents were most in agreement that without Customs 2020 modules, their administrations would have needed to find alternative sources of training on important topics such as Union Customs Code, intellectual property rights and drug precursors. Respondents agreed that the eLearning modules in particular had substantially reduced training costs and valued the fact that the development of training material is covered by the programme. However, the cost of translations was highlighted by several respondents as a limiting factor and it was suggested that eLearning modules could be complemented by case studies and webinars that would be less expensive to prepare and translate.

More than half of respondents to the evaluation questionnaire with national customs administrations indicated that the training modules had helped in implementing EU legislation more quickly. There was less consensus among respondents that Customs 2020 training modules had helped their administrations to implement EU legislation and rules at a lower cost than would have been possible without the programme. It was considered that the training activities allow for a quicker implementation of changes thanks to cooperation and problem solving between Member States and the Commission. Furthermore, it was highlighted that the access to systematised and comprehensive information accelerates the implementation of EU legislation.

### **Value for money of sampled actions**

The Training Support Group was seen by national administrations consulted as a necessary investment, as it contributes to enhance the understanding of the important role of training among Member States in a context where national administrations have other priorities or limited resources to dedicate to training. It was also seen to provide an important forum to discuss and harmonise approaches on key initiatives, such as the EU Customs

Competency Framework. However, there were some concerns raised that not all national authorities seem to recognise the importance of the Training Support Group. Differences perceived in the level of seniority and profiles of national delegates appointed (including delegates from Human Resources departments and delegate with customs expertise), or changes in staff from one year to the next, were said to negatively impact on the meetings, the preparatory and follow-up work in between annual meetings, and on the dissemination of the work of the Training Support Group among national administrations.

Even though the consensus is that the benefits of the Training Support Group outweigh its costs, interviewees agreed that the working mechanisms of the group could be reviewed to achieve more efficient results. In particular, it was suggested that the length of the annual meetings be increased from one to two days, to allow for more active discussions involving national delegates, and for more networking opportunities. It was also proposed that the meetings should prioritise topics for face-to-face discussions, while topics that could be discussed or communicated remotely could use other channels (webinars, PICS, group meetings). Finally, the number of participants to the annual meetings was also perceived to impact negatively on the potential benefits that the group could achieve.

Even though the benefits of the Union Customs Code eLearning Course project group (including support to modernised and harmonised approaches to customs procedures in the field) were perceived to be high, participants pointed to delays in the development of the training content which could have been minimised with a more coordinated approach to the work from the outset of the project group. Another difficulty highlighted by participants was the cost for translation of training material in some cases, as mentioned previously.

Data collected through the EU eLearning survey reports a very high uptake of the Union Customs Code eLearning modules. Available statistics on usage evidence a total of more than 50 000 trainees of the different Union Customs Code modules and more than 18 000 downloads from the Europa website between their release in 2016 and 2017. Survey data registered high levels of satisfaction with the Union Customs Code modules, evidencing that the benefits of the project group outweighed its costs. The main reason why Union Customs Code training was not deployed at national level was related to language issues, confirming that translations from English to other EU languages are an important limitation for national customs administrations.

The CLEP Union Customs Code overview training was perceived to have provided value for money, with benefits of the workshop outweighing the costs. Even though CLEP events in general involve travel, venue and organisation costs, which make them more expensive than eLearning and/or webinars, this type of events were found to be very useful by national administrations consulted as they provide the opportunity to exchange experiences, learn from other countries and to network with officials from other administrations.

In view of the majority of participants who responded to the follow-up form, the key output of the activity was that it resulted in increased knowledge of colleagues in the national administration, as a result of the dissemination of training material and knowledge conducted by workshop participants.

## **5.4. CONCLUSIONS**

### **1. Relevance:**

- The human competency building component of the Customs 2020 programme, and the specific actions financed under this area, are aligned with the fourth Operational Objective of the programme, to reinforce the skills and competences of customs officials in participating countries;

- Overall, the specific components covered by this area – including eLearning modules, training events and academic programmes and the human competency framework – were positively valued by national customs officials and perceived to be in line with the needs of national administrations;
- Countries with less developed training systems and competency frameworks tend to be more enthusiastic about EU tools and approaches in this area. However, most countries expressed difficulties with the translation and localisation components of the training modules to their local languages and contexts and identified these factors as barriers preventing their administrations from deploying EU training material.

## **2. Effectiveness:**

- Evaluation data confirmed a widespread use of Customs 2020 training modules by national administrations. Usage figures related to eLearning modules have increased substantially in 2016, including in relation to the number of training modules available and of customs officials trained;
- EU training was perceived to have led to improvements in customs administrations. Benefits have included a more uniform approach to the application of EU customs law, increased knowledge base and capacity of officials, more effective use of European Information Systems developed under the programme, and improved cooperation between national administrations;
- Overall, countries that are in the process of implementing the EU Customs Competency Framework acknowledged a positive experience with the model but highlighted that the implementation has been time-consuming, which is a factor of concern in light of the limited resources (human and financial) that many customs administrations face in Europe. Leadership buy-in was also highlighted as a challenging factor at the outset of national implementation processes;
- The Common Learning Events (CLEP) Programme and the activities organised to date have been positively assessed not only by participants but also by host countries. CLEP events are relevant for transferring knowledge on short supply skill areas, or areas where there are low levels of harmonisation. National administrations valued the opportunity to interact face-to-face with colleagues from other countries, and to discuss experiences from a more practical perspective;
- Suggested improvements for EU common training activities included the provision of more financial support for localisation and translation of training modules, the development and implementation of longer-term multi-annual training programmes, the need for regular updates to the content of training modules, and a focus on increasing the networking component of training initiatives.

## **3. Efficiency:**

- In general, there was consensus among national administrations consulted that the benefits of EU common training opportunities outweighed the costs;
- Available cost data for the actions assessed shows comparatively lower costs per participant than the average participant cost registered at programme level for the Training Support Group and the CLEP overview training;

- The majority of participating countries were of the opinion that the Customs 2020 training modules had saved their administrations time and money. The eLearning training modules were considered to have substantially reduced training costs at national level. However, the cost of translations to local languages was perceived to be a limiting factor for many countries.

#### **4. Coherence:**

- Common training objectives, as well as objectives of the specific actions assessed, were considered to supplement action at national level. The work of the Training Support Group has been conducive to ensuring coherence between EU common training activities and national developments in the field of training, as it has provided a forum to discuss and develop the different elements related to EU common training (eLearning modules, the Customs Competency Framework, CLEP activities) in collaboration with national customs and tax administrations;
- Despite concerns voiced by national administrations that the extended nature of the EU competency profiles came across as an obstacle to the smooth implementation of the EU Customs Competency Framework, the implementation modalities of the EU Framework are flexible enough to ensure coherence with national developments in the area. In fact, the purpose of the EU CFW is to act as a reference point to guide national process. Decisions on the degree of alignment and elements to be adapted from the EU model are taken by national administrations based on their needs and experience. Recent efforts have been taken by the Commission to promote this message among national counterparts.

#### **5. EU added value:**

- Overall, the Annual Work Programme project and actions were seen to complement, rather than duplicate, action at national level. In particular, the development of eLearning modules and the implementation of CLEP events were considered to provide benefits beyond the financial support that national administrations on their own would not have managed to achieve. Programme action in this area is justified corresponding to a need to align the implementation and common understanding of EU legislation among national customs administrations.
- EU eLearning training modules and the EU Customs Competency Framework were positively valued for providing tools for harmonising approaches across participating countries. However, as confirmed by some of the interviews, the EU added value of the EU Competency Framework was smaller in the case of Member States that had already developed their own competency frameworks. CLEP events were perceived to have improved cooperation, networking and exchange of information and best practices. However, discussions with those consulted pointed out that there remains scope for training activities in general to foster a more active role of participants during and after the events with a view to encouraging a broader exchange of best practices among participating countries beyond the experience of the organising country.
- The format of the meetings of the Training Support Group could be enhanced to further investigate how the training offer could be shaped to fit the needs of the Member States and promote the material more effectively. This would help ensure an increased uptake of the training modules, generating the desired economies of scale and EU added value.

## 6. CASE STUDY 5: SIMPLIFIED PROCEDURES (SP) FOR CUSTOMS DECLARATIONS

### 6.1. INTRODUCTION

This case study considers **the programme’s potential to facilitate trade and bring benefits to economic operators**, with a particular focus on the role played by the Single Authorisation for Simplified Procedures (SASP). SASP is a Single Authorisation involving more than one Member State for the use of the simplified declaration or the local clearance procedure. It enables an economic operator to centralise the accounting and payment of customs duties for all transactions in the Member State where it is established, regardless of the place where the movement of goods occurs. The physical control and release of goods may take place in another Member State. Until the deployment of the appropriate electronic systems for centralised clearance (anticipated 2019-2020), the current SASP, issued before 1 May 2016, remains unchanged and continues to be a major instrument of trade facilitation. Table 22 below presents an overview of the Annual Work Programme (AWP) projects covered in the context of the case study.

**Table 22: Annual Work Programme projects covered on simplified procedures for customs declarations**

Year	AWP reference
2017	2.3.2 Customs procedures and competitiveness
2016	
2015	2.4.04 Simplified procedures (SP) for customs declarations, including single authorisations for simplified procedures (SASP)
2014	2.4.04 Simplified procedures (SP) for customs declarations, including single authorisations for simplified procedures (SASP)

Table 23 presents an overview of the actions reviewed as part of the case study.

**Table 23: Programme actions reviewed on simplified procedures for customs declarations**

Action title	Description	Financial code	Start date	End date	Type of action	Number of events
Single authorisation for simplified procedures in view of centralised clearance	Extent to which a project group can enable the coherent implementation of a key customs procedure in the Member States	CPG/027	2014-06-01	2017-12-31	Project group	4
Regional workshop on Single Authorisations for Simplified Procedures and export related issues	Extent to which the workshop led to an adjustment of practices of national authorities in the interpretation and application of provisions of the Community Customs Code	CWS/025	2015-03-17	2015-06-30	Workshop	1
WV DE-Single Authorisations for Simplified Procedures	Experience of bilateral cooperation in the context of a working visit	CWV/307	2015-10-27	2016-01-31	Working visit	1

Electronic Customs Coordination Group (ECCG)	Role played by the ECCG in preparing Business Process Models as a new method of support.	CPG/054	2014-04-01	2020-12-31	Project group	34
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The evidence providing the basis for this case study came from several sources, namely contextual literature, programme documentation, communication material and reports, as well as interviews with national customs officers in the seven case study countries. The different sources of information are summarised in Table 24.

**Table 24: Case study sources**

Countries covered	Interviewees	Documentary sources
Austria	- National coordinator	- AWP for Customs and Fiscalis for 2014, 2015 and 2016;
Czech Republic	- National coordinator - Participant (CPG/027)	- C2020 Annual Progress Reports for 2014, 2015 and 2016;
Estonia	- PC Member - National coordinator - Participant (CWS/025)	- Action Fiches and Action Follow-up Forms for the four actions under review; - EU Customs BPM Approach, TAXUD Unit A3 "Customs Processes and Project Management", [online]. Available at: <a href="https://ec.europa.eu/taxation_customs/sites/taxation/files/eu-customs-bpm-approach.pdf">https://ec.europa.eu/taxation_customs/sites/taxation/files/eu-customs-bpm-approach.pdf</a> ;
Portugal	National coordinator - Participant (CPG/027)	- Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code;
Serbia	National coordinator - Participant (CPG/054)	- Regulation (EC) No 648/2005 of 13 April 2005 amending Council Regulation (EEC) No 2913/92 establishing the Community Customs Code;
Sweden	- PC Member - National coordinator - Participant (CPG/054)	- Regulation (EU) No 1294/2013 of 11 December 2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC.
The Netherlands	- PC Member - National coordinator - Participant (CPG/027) - Participant (CPG/054)	

## 6.2. BACKGROUND

This section presents the policy context behind the thematic priority and explains how EU action to implement the procedure simplifications began. It provides background to simplified procedures and single authorisations for simplified procedures from the EU's perspective and supports the development of the intervention logic presented in this case study.

### 6.2.1. General context

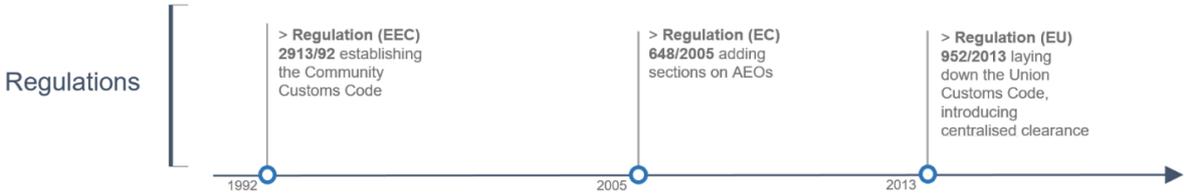
The European Single Market functions to stimulate competition and trade and to improve efficiency. Naturally, there would be a need to establish simplified procedures, particularly single authorisations for simplified procedures to reflect the elimination of internal borders. Free movement of goods across internal borders therefore required policies to ensure conformity and harmonisation with customs administrations across Member States.

As simplified procedures and single authorisation are key elements of increasing trade competitiveness vis-à-vis the United States, the European Commission has rolled out

different regulations in this regard starting with Regulation (EEC) 2913/1992<sup>159</sup> establishing the Community Customs Code (CCC) and Regulation (EEC) 2454/93 that lay down provisions for implementing it. This first Customs Code, set up during the formal establishment of the European Union, outlined policies on simplified procedures. These allowed for incomplete declarations, local clearance procedures and single authorisation, enabling economic operators to centralise the accounting and payment of customs duties in the Member State where it is established, regardless of the place where the movement of goods occurs.

With the establishment of the Authorised Economic Operators (AEO) programme in 2005<sup>160</sup>, simplified procedures and single authorisations for simplified procedures became benefits for economic operators who gained Authorised Economic Operator status. With the modernisation of the Customs Code through Regulation (EC) 952/2013 laying down the Union Customs Code, single authorisations for simplified procedures will be known as centralised clearance with an accompanying electronic system anticipated to be available in 2020.

**Figure 10: SP and SASP Regulation**



**6.2.2. Key EU policies**

As simplified procedures and single authorisations require robust exchange of information through IT systems and sharing of best practices, the current Customs 2020 programme and its predecessors have always supported this thematic area, even if it does not have many directly targeted activities. For example, supporting infrastructure around the Authorised Economic Operator programme plays a large role in ensuring the effective implementation of simplified procedures and single authorisations. Customs action in this area serves the purpose of fostering the common understanding and uniform application of single authorisations to ensure equal access and use by European Union exporters and importers. This is predominantly achieved through identifying, developing, sharing and applying best working practices and administrative procedures.

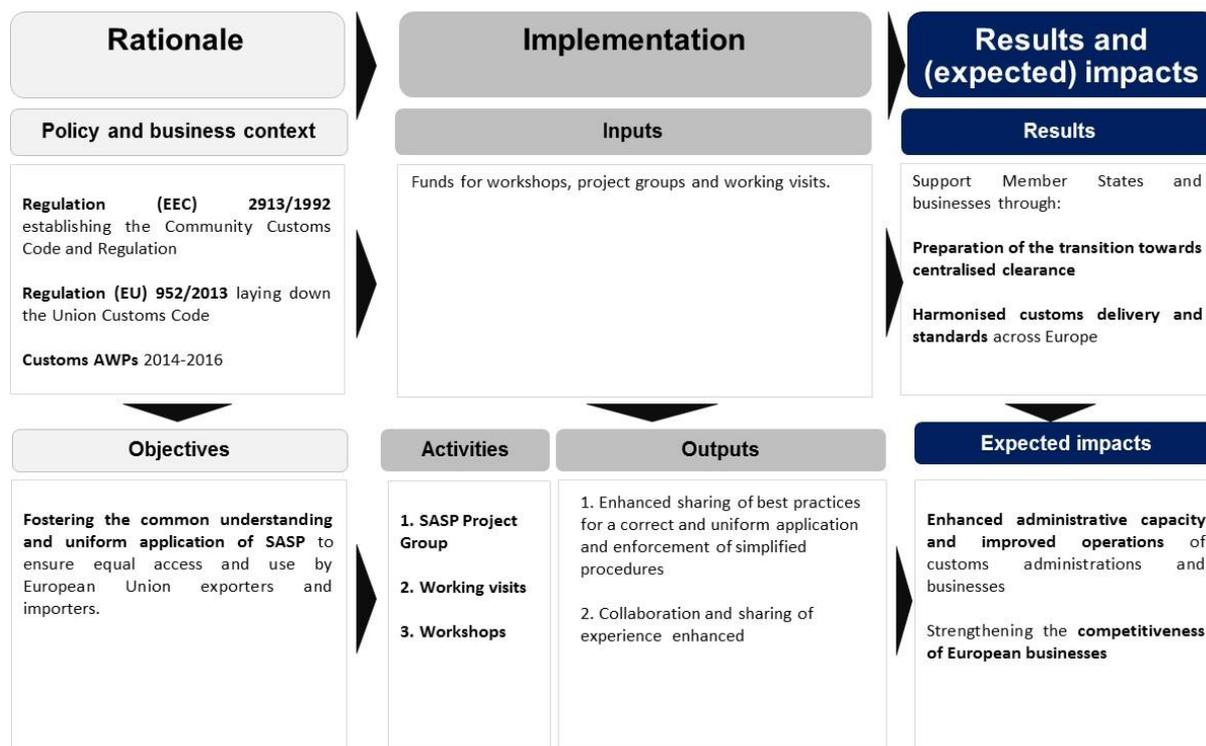
In the Annual Work Programmes for Customs 2020, the European Commission makes it clear its objective to ensure the uniform application and enforcement of simplified procedures to guarantee equal access and use by EU exporters and importers while safeguarding the proper application of procedures in line with the risk management principles. Thus, its activities include sharing best practices and investigating the development of further simplifications and simplified procedures for all customs procedures. Furthermore, new policies on centralised clearance replacing the current single authorisations for simplified procedures will have new implications.

<sup>159</sup> Regulation (EEC) No 2913/1992  
<sup>160</sup> Regulation 648/2005

## 6.3. MAIN FINDINGS

This section presents and assesses the intervention logic of the simplified procedures for the customs declarations component of the programme. For each of its main parts (rationale, implementation, results and expected impacts), we describe and examine how programme action under the area is intended to work in theory and then analyse with evidence from the practice (as outlined in the general methodology chapter). For further information on the intervention logic, please see the common introduction to the case studies (section 1).

**Figure 11: Theory of change for thematic area simplified procedures for customs declarations**



### a. Rationale

#### ***Rationale for Customs action in this area***

Centralised clearance is one of the simplifications linked with the placement of goods under a customs procedure of the Union Customs Code. It allows economic operators to centralise and integrate accounting, logistics and distribution functions with consequent savings in administrative and transaction costs. The rationale for this is to achieve genuine simplification, which in turn would bring direct savings to economic operators. For instance, the Union Customs Code is expected to reduce costs through savings in centralisation, reduce transit times and costs, and also lead to improved communication for economic operators with customs which would result in time savings through greater reactivity. It also reduces the administrative burden for the involved administrations and for businesses that have activities in several Member States.

More generally, having such a system in place is expected to contribute to the competitiveness of European business in the global marketplace, while at the same time improve compliance and risk management, which are key objectives of the Union Customs Code.

In theory, the system for centralised clearance will not be fully available until 2020, but its full implementation is likely to be delayed until 2022, when the electronic systems to support the process will be available. During the transitional period<sup>161</sup> single authorisations will continue to exist but it will be called centralised clearance. In practice, single authorisations is therefore paving the way for the implementation of centralised clearance as a standard procedure under the Union Customs Code.

In this context, the Customs 2020 programme aims to facilitate the sharing of best practices for a correct and uniform application and enforcement of simplified procedures. To achieve this, the programme supports project groups, workshops as well as working visits. Moreover, the processing of the customs declaration and the release of goods needs to be coordinated between the relevant customs offices. The idea behind Customs action on this front is to ensure that customs will be well positioned for closer cooperation with economic operators.

### ***Evidence from actions***

Overall, interviewees consulted by the evaluation highlighted that the actions assessed are relevant and respond to their needs.

Interviewed participants confirmed that the Electronic Customs Coordination Group (ECCG), for example, is needed to discuss digitalisation and IT-related issues in the framework of the eCustoms programme and the implementation of the Union Customs Code. In fact, there are few platforms that involve all Member States, and none that just focuses on IT. Thus, the ECCG helps with deciding whether specific working groups can go in a certain direction or not, and to assure that progress is made in an efficient way, with a focus on aligning the different IT projects, their timing and the planning. At the same time, it allows taking into account the particularities of different Member States with a view to harmonising approaches and tools.

The objectives of the regional workshop on SASP were judged to be relevant by participants, as there was a need to transfer experience and best practices on single authorisations in the Baltic States. In fact, one interviewee raised the point that the Finnish customs authority, which has experience in single authorisations, provided very detailed information on how they handle the process, emphasising which areas need more attention.

Similarly, participants from the working visit on single authorisations for simplified procedures observed that the working visit provided an opportunity for bilateral exchange, coordination and learning. This was viewed as relevant given the fact that, since the interfaces between the national customs IT-systems will not be operational until at least 2020, Member States need to organise and arrange exchanges of information taking into account EU and national regulations, as well as any specificities linked to the different ports (e.g. airport, harbour). Members of the project group for single authorisations consulted by the evaluation stressed that the group was relevant for discussing ways to address a concrete need to reduce administrative burden for administrations involved and for businesses that have activities in several Member States. The group helps participants to get to know those responsible for single authorisations in other Member States, suggesting that it fulfils a dual purpose of providing information and enhancing networking. The

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<sup>161</sup> The Union Customs Code stipulates that means for the exchange and storage of information, other than electronic data-processing techniques, may be used on a transitional basis, until 31 December 2020 at the latest. By that time, the electronic systems necessary for the application of the provisions of the Code ought to be operational. As a result, SASP can be used on a transitional basis while being referred to as CC, which should allow for identification of the rules and procedures that will apply until the IT systems relating to the Union Customs Code are operational. In the case of SASP, these are the Centralised Clearance for Import (CCI), and the Automated Export System (AES).

support provided by DG TAXUD is judged in a positive light, for example through the provision of guidelines and through acting as a relevant interlocutor taking note of the different opinions voiced during meetings. Interviewees appreciated the emphasis on offering solutions and identifying best practices to be shared.

## b. Implementation

### **Implementation of activities under this area**

SASP and centralised clearance depend on the development, maintenance, operation and quality control of IT systems such as Centralised Clearance for Imports (CCI) and Automated Export System (AES). While IT represents over 80% of the Customs 2020 programme funds (see Table 25 below), the activities that we looked at as part of the evaluation didn't directly relate to the development of IT systems, which is one of the main drivers of expenses. Instead, the activities focus on operationalising them, for example by fostering the common understanding and uniform application of SASP.

**Table 25: Committed expenses per year and main action categories under Customs 2020**

	2013	2014	2015	2016
Joint actions	€6 000 000.00	€6 523 000.00	€ 5 700 000.00	€5 700 000.00
Expert teams (pilot projects) <sup>162</sup>				€1 867 365.00
Training	€1 365 000.00	€1 350 000.00	€ 995 000.00	€2 646 000.00
<b>IT</b>	<b>€44 332 600.56</b> (83,82%)	<b>€57 333 696.81</b> (86,49%)	<b>€ 61 167 253.05</b> (89,02%)	<b>€59 897 436.10</b> (83,50%)
Studies	€1 193 780.78	€1 083 116.13	€ 846 359.35	€1 682 024.50
<b>TOTAL</b>	<b>€52 891 381.34</b>	<b>€66 289 812.94</b>	<b>€ 68 708 612.40</b>	<b>€71 732 825.60</b>

Source: Customs 2020 programme Progress Reports for 2014, 2015 and 2016

### **Evidence from actions**

Interviewees generally noted that the actions are effective and efficient. For example, participants of the regional workshop on single authorisations thought that the workshop's regional focus facilitated the logistics and resulted in lower costs, rendering the workshop an efficient way to learn about single authorisations simplified procedures. Interviewees also expressed satisfaction with the way the workshop was run as well as the learning and sharing of experiences and best practices that resulted from the activity, with one company confirming having benefited from single authorisation in Estonia as a result of the workshop.

Participants to the working visit, were positive about the support and guidance received from organisers. The results of the working visit were published on CIRCABC to inform and support other Member States through sharing best practices for simplified customs procedures.

Participants from the project group on single authorisations for simplified procedures were satisfied with the way project group meetings are designed and run, highlighting that the meetings are an effective way to receive updates on legislation from the Commission, and to share experiences from different Member States. In their view, project group meetings have been instrumental for identifying best practices and discussing specific problems and understandings of legal provisions with counterparts from different administrations.

<sup>162</sup> New type of joint action introduced in 2016.

Despite the positive views, one of the main challenges to implementation is linked to the meetings being held in English with no interpreters, which affects those participants who don't speak English.

Interviewees participating from the ECCG highlighted the group's effectiveness, resulting from structured meeting agendas and a recognised ability from the Commission to estimate timings for discussion of each item in the agenda. Thanks to the discipline achieved, the group is able to discuss a lot in a short amount of time. One challenge identified in relation to the implementation of this group was an unbalanced participation from Member States' representatives due to a lack of specific knowledge of the issues discussed. This was perceived as an external factor beyond the control of the Commission, as it is dependent on the knowledge that Member States have or bring of their own particularities.

### **c. Results and (expected) impacts**

#### ***Medium and long-term results and impacts of Customs action in this area***

The aim of Customs 2020 activities assessed for this case study was to facilitate the sharing of best practices for a correct and uniform application and enforcement of simplified procedures.

When applied at the EU level, simplified procedures for customs clearance contribute towards enhancing the competitiveness of EU businesses. Once implemented, an economic operator only needs one single point of contact, as opposed to having to submit a declaration in each individual Member State, and the internal work with declarations is handled by the same customs authority. The expected impact is a reduced cost through savings in centralisation, reduced transit times and costs, and also improved communication for economic operators with customs administrations. There are also benefits for the customs authorities in the different Member States as centralised clearance would reduce the administrative burden for the involved administrations.

#### ***Evidence from actions***

In general, interviewees agreed that the objectives set by the actions sampled were achieved.

The main objectives reached by the project group on single authorisations for simplified procedures were to support the transitional period toward centralised clearance and ensure the state of SASP. Member States got to know the issues with SASP authorisations, as well as ongoing projects in the EU. The networking element was particularly important. Cross-border contacts were used a number of times by some of the participants beyond the activities; for example, there is a whatsapp group where they communicate with each other on SASP-related issues or clarifications. The contacts established also helped Member States to identify countries with similar approaches and mentalities. In some cases, the outcomes of the project group have resulted in the set-up of working visits. For instance, a representative from Sweden attended a working visit in Rotterdam to see how the Netherlands handles SASP permissions, providing a concrete and practical understanding on the reality on the ground.

Given the complexity of the task ahead in relation to the specific challenges for Member States when implementing SASP and transitioning towards centralised clearance, there is potential for programme actions to contribute to ensuring that the systems in place are functional and conducive to trade facilitation. Without this, businesses will be subject to an imperfect system, in which uncertainty prevails around the lodging of customs declarations in the EU.

The results that were expected from the regional workshop on single authorisations for simplified procedures were mostly achieved. Interviewees confirmed that relevant practical information was shared, which helped administrations prepare for the practical application of SASP in the Baltic States, as well as to adjust certain local practices. The regional format of the workshop was praised and appears to have been conducive to a meaningful change; for example, one participant stressed that the workshop enabled them to deal with issues more easily and quickly than before, and that it contributed to decreasing the amount of time needed to learn how single authorisation works

The working visit on single authorisations for simplified procedures resulted in the development of a business model and practical scenarios for SASP. The session also resulted in the elaboration of a common control plan and allowed participants to share best practices.

The majority of participants to the Electronic Customs Coordination Group who completed the action follow up form in 2015 (26 out of 34) confirmed that the intended results of the activity were fully achieved<sup>163</sup>. An additional 7 participants responded that the results were achieved to a large extent, and only one participant considered that the objectives were achieved to a moderate extent.

#### **d. Value for money**

##### ***Proportionality between benefits realised under the area and programme's costs***

As evidenced in Table 26, the latest cost data from the Activity Reporting Tool (ART) shows that the working visit on SASP registered the lowest average cost per participant (€488) in comparison to the ECCG project group (€828), the regional workshop on SASP (€829) and the SASP project group (€838). All four actions registered lower costs per participant than the average participant cost for the respective types of actions calculated for the period 2014 to 2016 (project groups €868; workshops €1 084; working visits €1 116).

When compared the costs of each activity to the overall cost envelope for different types of activities funded by the programme, it is interesting to note that the ECCG represented 8% of the total costs incurred by the Customs 2020 programme for project groups during the period 2014 – 2017 (€ 14 664 828). Each of the other actions represented less than 1% of the respective activity types.

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<sup>163</sup> The expected results are: 1) consistency as regards to the overall planning, implementation and follow-up of all legal, procedural, IT and operational aspects related to electronic customs; 2) coherence between the IT projects listed in Union Customs Code Work Plan and the ones listed in the Management and implementation of the Multi-annual Strategic Plan (MASP); 3) common understanding and agreement on the MASP; 4) MASP is updated on an annual basis.

**Table 26: Number of participants and actual costs per selected case study actions**

Action	Nb. of part.	DA	Hotel real cost	Travel Expenses	Total Expenses (actual)	Total costs
SASP in view of centralised clearance (CPG/027)	103	21 140.1	22 555.91	42 660.72	86 356.73	86 356.73
Regional workshop on SASP and export related issues (CWS/025)	10	2 444.00	2 940.00	2 906.76	8 290.76	8 290.76
WV DE- SASP (CWV/307)	1	150.00	310.00	28.04	488.04	488.04
Electronic Customs Coordination Group (ECCG) (CPG/054)	1 427	289 138.11	331 964.88	560 754.39	1 181 857.38	1 181 857.38

Source: ART data for 2014 to 2017

Interviewees in case study countries visited agreed that the benefits of the programme actions assessed justified their implementation costs. Programme coordinators valued the diversity of activities supported by the programme, arguing that this was one of its main strengths. Having specific project groups and working visits, as well as a coordinating body in the form of the ECCG, is arguably an efficient way of steering and facilitating the development of legislation, which in turn will allow for setting up appropriate IT systems. While the setting up of IT systems is partially funded, providing good value for money for Member States, programme coordinators expressed concerns about investing large sums to adapt IT systems, especially given budget reductions for customs in some Member States.

### ***Value for money of sampled actions***

The regional workshop on SASP was deemed to have achieved tangible benefits, including single authorisations being set up in new countries as a result of an effective exchange of information. As highlighted in Table 26 above, the regional approach meant that travel costs for participants were kept to a minimum, maximising the utility of the workshop.

In line with views on working visits in general, the working visit on SASP was positively valued by participants and project coordinators who stressed that it gave a unique opportunity to learn from other countries' practices. An additional benefit that is hard to quantify is the opportunity it gives to customs staff other than senior officials to experience the implementation of the programme in different countries, which is considered an important factor to develop a sense of cohesion across the EU.

Evidence shows that the ECCG is run efficiently, as tangible results are visible in the short term. In particular, the project group has been instrumental for aligning projects, timings, planning and competing interests across Member States, including the different IT systems that are being implemented through the programme. Another perceived benefit of the ECCG is the support provided to the overall planning and effective management of the different working groups, which is considered to contribute to an effective allocation of resources. While the cost of hosting this well attended meeting is high compared to that of smaller groups, the strategic importance of the group, its successful implementation and the participation and cost figures outlined above confirm that the benefits achieved outweigh the costs.

## **6.4 CONCLUSIONS**

### **1. Relevance:**

- Overall, the programme actions assessed under this thematic area were positively valued by national administrations. Beyond addressing different needs of the administrations, in particular, their diversity is perceived as a main strength which contributes to addressing EU and national needs in this area;
- The exchange of experiences that takes place as part of programme workshops, working visits and project groups was considered crucial by most participants to support the transition phase from SASP to centralised clearance, particularly for countries with less experience with SASP. The activities have enabled bilateral exchanges, coordination and learning that have provided an understanding of how the process should be handled and have allowed finding solutions to issues;
- Different sources suggest that the ECCG is valued for its dedicated focus on IT systems and the much-needed involvement of all Member States, which makes it a unique platform for dialogue and exchange. The structured way in which the ECCG is run is positively assessed by participants consulted.

### **2. Effectiveness:**

- Working visits and workshops reviewed as part of this case study were successful in achieving their objectives. In particular, they played an important role in facilitating the exchange between Member States on the topics covered by this thematic area. The activities helped customs authorities implementing SASP to prepare for centralised clearance by providing a concrete and practical understanding of realities on the ground and finding practical solutions to identified challenges. The meetings of the ECCG also enabled participants to share experiences and knowledge and garner information about the Union Customs Code;
- The participants also generally praised the activities' effectiveness in terms of how the groups were run and managed. One challenge, however, that emerged from the ECCG is that not all Member States can contribute to the same extent due to a lack of specific knowledge on some of the specific issues discussed.

### **3. Efficiency:**

- Available ART data on participation and costs for the selected actions confirm that per capita costs for all four actions are lower than average programme costs for the different action types. In line with the data assessed, national administrations consulted agreed that the benefits of EU action to simplify procedures for customs declarations outweigh the costs;
- The majority of participating countries were of the opinion that Customs 2020 activities provided good value for money. Nonetheless, programme coordinators expressed concerns about Member States' investments to adapt IT systems, particularly given budget reductions for customs in some participating countries.

### **4. Coherence:**

- The objectives of the specific actions assessed were considered to be aligned with priorities of relevant stakeholders. Businesses and national administrations alike adhere to the concept of simplified procedures for customs declarations and actively participate in the various fora that are put in place through the programme. This dialogue contributes towards aligning action between Member States, while factoring in the practical implications for businesses;
- Despite the positive perceptions, the specific challenges that Member States face when implementing SASP and transitioning towards centralised clearance as well as the various interpretations that can be given to legislation need to be kept in mind by programme actions to ensure the systems are functional and conducive to trade facilitation; otherwise, businesses risk being subject to an imperfect system.

#### **5. EU Added Value:**

- The evaluation showed that the programme actions assessed have addressed needs that could not have been met by Member States alone, in particular in relation to the implementation of SASP and preparations for centralised clearance. By managing the coordinated implementation of key processes through the ECCG, as well as supplementing national actions with working visits and workshops, the programme contributes towards exchanging best practices, ultimately supporting the harmonisation of approaches across Member States;
- Additionally, the current activities are helping SASP coordinators to establish a close-knit network, which has helped with the transition from SASP to centralised clearance by enhancing the ease with which engaged stakeholders communicate on related issues.

## 7. CASE STUDY 6: COOPERATION BETWEEN CUSTOMS ADMINISTRATIONS AND TAX AUTHORITIES

### 7.1. INTRODUCTION

This case study covers the thematic area related to cooperation between customs administrations and tax authorities (henceforth customs and tax cooperation), and the increased importance placed on this in the Customs 2020 programme compared with its predecessors. The case study considers the potential impact that Customs programmes can have on this cooperation and what the particular areas are where there exists a clear rationale for cooperation. At the same time, the case study looks at the role that joint actions (such as project groups and seminars) can play in advancing strategic initiatives related to customs policy and how their outputs are used. A sample of two relevant actions<sup>164</sup> were selected to understand the impact that specific actions are having in practice in relation to customs and tax cooperation in terms of their design, implementation and results. Table 27 below presents an overview of the Annual Work Programme (AWP) projects covered in the context of the case study.

**Table 27: AWP projects covered in case study on customs and tax cooperation**

Year	AWP reference
2017	2.2.1 Determination and collection of customs duties and related taxes
2015	2.1.09 Co-operation between customs administrations and tax authorities
2014	2.1.08 Co-operation between customs administrations and tax authorities

An overview of the programme actions covered in this case study is provided in the table below.

**Table 28: Programme actions reviewed in case study on customs and taxation cooperation**

Action title	Description	Financial code	Start date	End date	Type of action	Number of events
Project group Coordination of Excise and Customs Procedures	The case study considers how the project group supports the Commission in coordinating common actions in excise and customs.	CPG/003	2014-04-01	2016-12-31	Project group	18
High-level Seminar on the Strengthening of Cooperation between Customs and Tax Authorities	The case study considers the role of this event hosted by the Maltese customs administration in 2017, through the assessment of relevant outputs and results.	CSM/015	2016-12-01	2017-06-30	Seminar	2

The purpose of the case study is to provide the evidence needed to answer key questions about the relevance of cooperation between customs administrations and tax authorities

<sup>164</sup> A working visit (E-Audit - Cooperation between customs administrations and tax authorities) was included in the initial case study sample. However, during the fieldwork it proved difficult to collect primary data related to this action so the definitive sample of actions for the case study was reduced from three to two.

in Customs 2020 and the expected contribution to the programme’s objectives, in addition to allowing us to draw lessons that can be applied to the programme more broadly. Evidence used for this case study came from several sources, namely contextual literature, programme documentation, communication material and reports, as well as interviews with national customs officers in five case study countries and with DG TAXUD officials. The various sources of information are summarised in Table 29.

**Table 29: Case study sources**

Countries covered	Interviewees	Documentary sources
Austria	- Two participants (CPG/003)	- AWP for Customs and Fiscalis for 2014, 2015 and 2016;
Czech Republic	- Participant (CPG/003)	- C2020 Annual Progress Reports for 2014, 2015 and 2016;
Estonia	- Participant (CSM/015)	- Action Fiches and Action Follow-up Forms for the two actions under review;
Portugal	- Two participants (CPG/003) - Two participants (CSM/015)	- Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code;
The Netherlands	- Two participants (CPG/003)	- Regulation (EC) No 648/2005 of 13 April 2005 amending Council Regulation (EEC) No 2913/92 establishing the Community Customs Code;
DG TAXUD	- Two participants (CPG/003) - Participant (CSM/015)	- Regulation (EU) No 1294/2013 of 11 December 2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC;
		- Council Directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12/EEC;
		- Council Directive (EU) No 389/2012 of 2 May 2012 on administrative cooperation in the field of excise duties and repealing Regulation (EC) No 2073/2004;
		- Amended proposal for a COUNCIL REGULATION amending Regulation (EU) No 904/2010 as regards measures to strengthen administrative cooperation in the field of value added tax; Towards a single EU VAT area - Time to act, COM(2017) 706 final;
		- Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the future of VAT Towards a simpler, more robust and efficient VAT system tailored to the single market, 6.12.2011 COM(2011) 851 final;
		- OECD (2017) Effective Inter-Agency Co-Operation in Fighting Tax Crimes and Other Financial Crimes (3rd ed.) and Effective Inter-Agency Co-operation in Fighting Tax Crimes and Other Financial Crimes (2012);
		- World Customs Organisation (2016) Guidelines for Strengthening Cooperation and the Exchanging of Information between Customs and Tax Authorities at the National Level.

## 7.2. BACKGROUND

This section presents the policy context behind the thematic priority and explores the case for EU action for cooperation between customs and tax authorities. It forms part of 'theory' behind these actions and supports the development of the intervention logic presented in this case study.

### 7.2.1. General context

#### **EU customs needs in the area**

Customs and tax authorities share a common obligation to ensure revenue collection for their governments and toward the EU budget from both indirect taxes (excise taxes) and direct taxes (Value Added Tax - VAT). While the actions taken by the EU to improve trade competitiveness are crucial, the increased movement of goods in and out of the common market is rapidly raising the risk of customs offences and tax avoidance, putting greater pressure on customs and tax administrations to adapt. With the growing complexities of economic value chains and advances in ICT, communication and coordination between these agencies has become increasingly important. For customs administrations in particular, there is the added challenge of having to carry out necessary controls in a timely manner – to balance risk assessment and compliance management with efficient trade facilitation.

Literature on the VAT gap explains why cooperation between customs and tax authorities is essential for ensuring proper revenue collection. In 2015, the VAT gap amounted to €151.5 billion in the EU, equating to 12.8% of total revenue loss across the Union.<sup>165</sup> In the same year, estimated VAT gaps for Member States ranged from -1.4% in Sweden to 37.2% in Romania, reflecting the differences between Member States in terms of levels of tax compliance, fraud, avoidance, insolvencies and tax administration competencies. A major part of this issue has to do with Customs Procedure 42, as explained in several special reports by the European Court of Auditors, with the latest one published in 2017.<sup>166</sup> Customs Procedure 42 allows for VAT exemptions when goods imported to the EU arrive at one Member State but transit into another Member State. While VAT is supposed to be collected at the final destination, the European Court of Auditors observes that Customs Procedure 42 has created a tax evasion loophole leading to significant losses in national and Union budgets. While the European Commission has proposed some improvements to the EU regulatory framework, there is still no common procedure for tracking and sharing these transactions to help detect and prevent this. A similar issue exists with excise tax and is another reason for more cooperation between tax and customs authorities, both at the national level and between Member States.

At the global level, several international organisations have also recognised the need for inter-agency cooperation between tax and customs authorities to combat tax crimes. The Organisation for Economic Cooperation and Development (OECD) published its first edition of their handbook on *Effective Inter-Agency Cooperation in Fighting Tax Crimes and Other Financial Crimes* in 2012, with updated versions in 2013 and 2017. While the OECD has been active in fighting tax crimes well before this launch, their involvement in the first international Forum on Tax and Crime in 2011 was what steered their focus towards

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<sup>165</sup> Center for Social and Economic Research and Institute for Advanced Studies (2015) Study and Reports on the VAT Gap in the EU-28 Member States: 2017 Final Report. Access on 22 April 2018 at: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/study\\_and\\_reports\\_on\\_the\\_vat\\_gap\\_2017.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/study_and_reports_on_the_vat_gap_2017.pdf)

<sup>166</sup> European Court of Auditors Special Report No. 13/2011: Does the control of Customs Procedure 42 prevent and detect VAT evasion?; Special report no 24/2015: Tackling intra-Community VAT fraud: More action needed; and Special Report no 19/2017: Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU. Available at: <https://www.eca.europa.eu/en/Pages/AuditReportsOpinions.aspx>

effective ways of using the 'whole-of-government' and 'harnessing the skills and knowledge of different agencies through better domestic and international cooperation'.<sup>167</sup> They recognise customs administrations as a key agency for enforcing direct and indirect taxes, and provide examples around of the world (including many European countries) of the pathways used to share information between customs and tax authorities.

In 2016, the World Customs Organisation published their *Guidelines for Strengthening Cooperation and the Exchanging of Information between Customs and Tax Authorities at the National Level*,<sup>168</sup> citing greater need for this today due to rapid globalisation of trade and financial systems, free movement of goods, capital and labour, and advances in ICT. The guidelines discuss 'enablers' for cooperation, information exchange mechanisms and outline how agencies can develop a memorandum of understanding to promote collaboration.

**Evolution of the policy context**

While the European Commission has rolled out a number of communications and strategies on preventing tax fraud and tax evasion, the first specific mention of promoting cooperation between customs and tax authorities appeared in a Communication in 2011 'on the future of VAT'.<sup>169</sup> The communication outlined a series of future actions to develop a simpler, more robust and efficient VAT system, recommending that 'the Commission...initiate and facilitate initiatives for a stronger cooperation between tax and customs authorities' as a method for combating VAT fraud. This was further expanded in an Action Plan rolled out in 2012 'to strengthen the fight against tax fraud and tax evasion'.<sup>170</sup> It plans for 'structured exchanges of information between tax and customs administrations on the strategies to identify non-compliance [to] improve the knowledge of both authorities and ensure coordinated risk assessments'.

**Figure 12: Actions and communications relating to supporting customs and tax cooperation**



While most of the more concrete actions taken by the EU in this area are occurring through the Customs programme, many EU Member States have already taken the initiative to

<sup>167</sup> OECD (2017) Effective Inter-Agency Cooperation in Fighting Tax Crimes and Other Financial Crimes (3<sup>rd</sup> ed.) Available at: <http://www.oecd.org/ctp/crime/effective-inter-agency-co-operation-in-fighting-tax-crimes-and-other-financial-crimes.htm>. Accessed on 30 April 2018.

<sup>168</sup> World Customs Organisation (2016) Guidelines for Strengthening Cooperation and the Exchanging of Information between Customs and Tax Authorities at the National Level. Available at: <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/guidelines-on-customs-tax-cooperation.aspx>. Access 30 April 2018.

<sup>169</sup> Communication (2011) 851, on the future of VAT, towards a simpler, more robust and efficient VAT system tailored to the future of the single market. Available at: <http://ec.europa.eu/transparency/regdoc/?fuseaction=list&coteId=1&year=2011&number=851&version=ALL&language=en>. Accessed on 22 April 2018.

<sup>170</sup> Communication (2012)722 An Action Plan to strengthen the fight against tax fraud and tax evasion. Available at: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/resources/documents/taxation/tax\\_fraud\\_evasion/com\\_2012\\_722\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/taxation/tax_fraud_evasion/com_2012_722_en.pdf). Accessed 20 April 2018.

merge their tax and customs authorities, either fully or partially, at the national level. In many cases, they have credited the gains in efficiency, flexibility in budget allocation and better human resource management as reasons for this action, in addition to fighting tax evasion. The World Customs Organisation reports that the following countries already have their customs and tax administration as part of a single agency: Austria, Belgium, Denmark, Estonia, Greece, Hungary, Ireland, Latvia, the Netherlands, Portugal, Slovakia, Slovenia, Spain and the United Kingdom. The Netherlands have had a single agency for over 200 years, while Denmark, Hungary, Portugal, Slovakia and the United Kingdom had their previously separate agencies merged. Other countries, while not having tax and customs administrations fully merged, have either integrated networks or strong cooperation specifically during tax crime investigations.

### **7.2.2. Key EU policies**

#### ***Fit with the Customs programme***

While the European Commission may have supported the cooperation between customs administrations and tax authorities in Customs 2007 and Customs 2013, they only started explicitly targeting this thematic area in Customs 2020. The 2014 and 2015 Annual Work Programmes (AWPs), under section 2.1.8 on 'cooperation between administrations and tax authorities' and the 2016 and 2017 AWPs under section 2.2.1 on 'determination and collection of customs duties and related taxes' outline the following overall expected activities:

- identify fields where cooperation between customs and tax authorities is particularly important for the proper implementation of legislation having common impact on customs and related taxation;
- reinforce the cooperation between customs and tax administrations in matters of common interest – including information exchange – in areas such as customs control of excisable products, cash controls and Customs Procedure 42; and
- identify best practices related to methods and tools used by Member States to analyse risk related to VAT/excise having an impact on customs regarding new trends of fraud in the field of VAT/excise.

As this thematic priority is not precisely defined, the current Customs 2020 programme has taken action to arrange 'High-level Seminars on the Strengthening of Cooperation between Customs and Tax Authorities'. In 2017, one of these seminars discussed existing areas of cooperation, legal obstacles and information exchange (including IT systems), but more importantly, explored avenues for cooperation to facilitate trade and encourage compliance through reduced bureaucracy to stakeholders. This included:

- (i) identifying areas where duplication and inconsistencies between tax and customs procedures are a burden for companies;
- (ii) exploring the possibility of developing a Certification Programme for compliant operators for tax purposes (similar to AEOs);
- (iii) exploring the possibility of carrying out joint customs and tax audits; and
- (iv) discussing if integrated financial systems for customs and tax would benefit companies.

As some Member States have already taken steps towards merging tax and customs authorities, either fully or through joint procedures and integrated systems, Customs has capitalised on this by supporting working visits to encourage further sharing of ideas. This includes visits to Slovakia, which merged their tax and customs administration into the Slovak Financial Administration in 2012. Another working visit involves the Netherlands

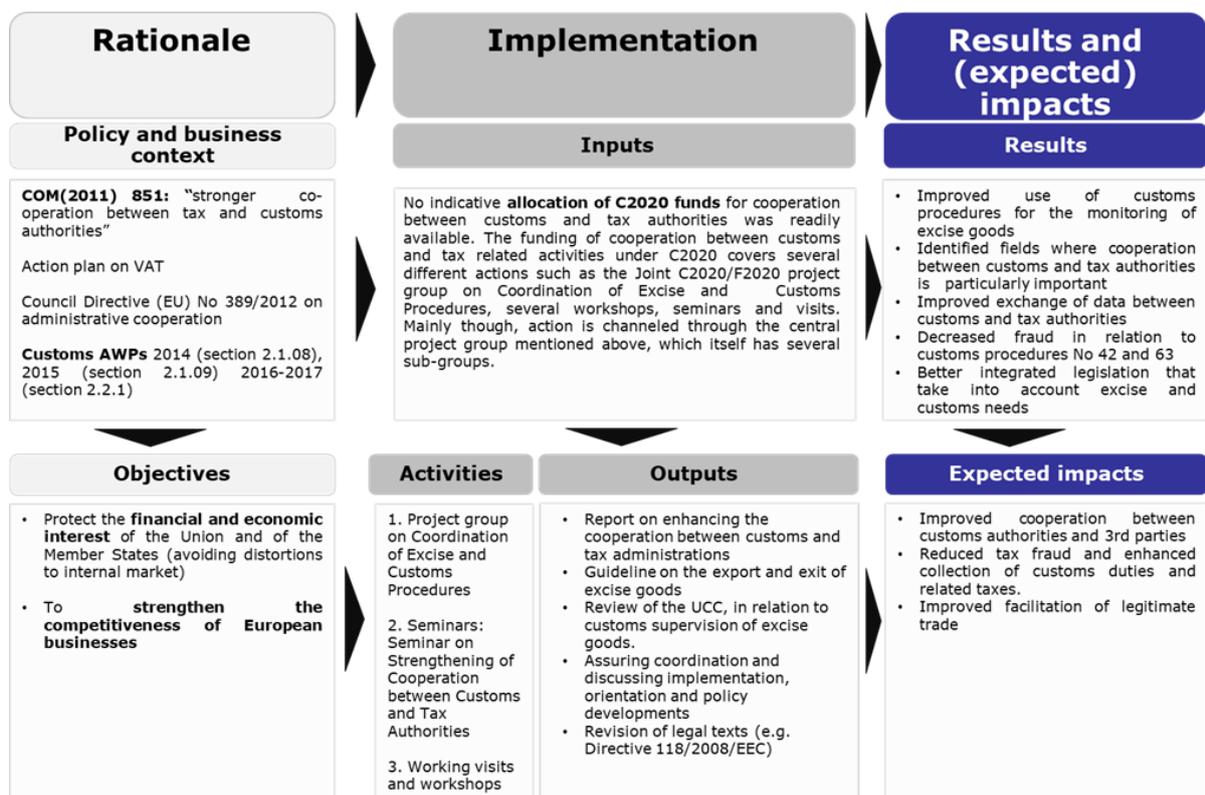
and Hungary and includes an additional emphasis on sharing best practices on e-administration.

In order to prevent excise tax evasion, the Customs programme rolled out a two-year long action to set up a project group on the 'Coordination of Excise and Customs Procedures' to support better cooperation in excise and customs procedures and associated IT systems. Its main goal is to develop the Excise and Movement and Control System (EMCS), which monitors the movements of excise goods where excise tax has not yet been paid, through electronic messages from consignor to consignee across Member States' administrations.

### 7.3. MAIN FINDINGS

This section presents and assesses the intervention logic of the customs and taxation cooperation component of the Customs programme. For each of its main parts (rationale, implementation, results and expected impacts), we describe and examine how programme action under the area is intended to work in theory and then analyse with evidence from the practice (as outlined in the general methodology chapter). For further information on the intervention logic, please see the common introduction to the case studies (section 1).

**Figure 13: Theory of change for the thematic area of customs and taxation cooperation**



#### a. Rationale

##### **Rationale for Customs action in this area**

EU action under this thematic area is aimed at **ensuring the collection of customs duties and related taxes, and at pursuing goals to protect the financial interests of the European Union and its Member States** by improving cooperation between customs and tax authorities. As highlighted in the previous section, there are several areas where customs and tax authorities share common (and sometimes overlapping)

responsibilities, especially in terms of control and collection of taxes and duties and fraud prevention. The Commission, and other stakeholders such as the European Court of Auditors and the European Parliament, have called for structured exchanges of information between the tax and customs administrations on the strategies to identify non-compliance and combat fraud.<sup>171</sup> Traders have also frequently voiced a wish for closer cooperation between customs and tax authorities to avoid mismatches in rules and administrative burden. Recent initiatives by organisations such as the World Customs Organisation, International Monetary Fund and the OECD on advancing cooperation highlight the growing interest in action on joint customs and tax issues.

The information collected by customs and tax authorities can often be of mutual benefit. For instance, customs authorities collect or supervise VAT collection on imported goods. This information can often be of strategic importance in determining and controlling application of direct and indirect taxes in Member States. Although there still exists a strong case for cooperation, there is scope to improve this reciprocal information exchange and make better use of the information available. Even when tax and customs administrations are merged, the disclosure of information can be difficult if the information received is from the administrations of other countries under mutual assistance agreements.

Fraud cases are also becoming more complex, which is why cooperation both nationally (between customs and tax authorities) and internationally (through mutual assistance and cooperation) is becoming increasingly important. Investigative powers also differ, in France and Portugal for instance customs administrations can direct and conduct investigations related to tax offense. Interviewees noted that being effective in the fight against fraud is heavily dependent on having strong administrative and criminal competences. In Austria, this allows the customs and tax administration to do their own investigations and grants them more powers in terms of sanctions.

### ***Evidence from actions***

The first action investigated in this case study is the project group '**Coordination of Excise and Customs Procedures**'. The need for this action can be traced to its predecessor. In 2011 (during the previous Customs programme) a group of ten Member States asked the Commission to start a project group to discuss improvements to the coordination of excise and customs procedures, particularly for the export of excise goods. A cross-programme action was formed, involving both Customs and Fiscalis<sup>172</sup>, with the aim to provide procedural, legal, and technical alignment between customs and taxation issues of common interest, especially in the field of excise goods (e.g. alcohol and tobacco). This original project group was formed because the Excise Movement and Control System (EMCS) and Export Control System (ECS) were in operation with many Member States having difficulties to close indirect export movements to third countries.<sup>173</sup> However, the EMCS (excise system) and ECS (customs system) were running in parallel without clear communication lines, which created legal uncertainties and inconsistencies. The lack of alignment between excise and export control were described as problematic because

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<sup>171</sup> See European Court of Auditors, Special Report 24: Tackling intra-Community VAT fraud: More action needed, 2015. URL: [https://www.eca.europa.eu/Lists/ECADocuments/SR15\\_24/SR\\_VAT\\_FRAUD\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/SR15_24/SR_VAT_FRAUD_EN.pdf) and European Parliament, Committee on Economic and Monetary Affairs, Draft Report on ways of achieving a definitive VAT system and combating VAT fraud, 2016/2033(INI). URL: <http://www.europarl.europa.eu/sides/getDoc.do?type=COMPARL&reference=PE-582.077&format=PDF&language=EN&secondRef=01>

<sup>172</sup> Excise and Customs coordination project group (FPG 078/CWG 276) which was officially in operation between 2014-04-01 and 2016-12-31. The work of this group was however agreed to be carried on after the lifetime of the project group. The initial project group fiche noted involvement by participants from AT, BE, LV, DE, DK, ES, FR, HU, NL, PL, PT, RO, SE, UK and IT.

<sup>173</sup> Indirect exports (meaning moving from Member State to exit via another Member State to third country), are controlled using the EU wide ECS.

different Member States were doing different things, which caused system desynchronization and increased risk of fraud.

The project group on Coordination of Excise and Customs Procedures under the current Customs programme was set up to improve the coordination of excise and customs procedures and excise and customs IT applications. With a similar approach to its predecessor, including cross-programme collaboration<sup>174</sup> with voluntary Member State participation, it had the following aims:

- Improve the use of customs procedures for the monitoring of excise goods by reviewing the Business Process Modelling that are developed in the context of the Union Customs Code;
- Develop guidelines on the export and import of excise goods as well as other customs procedures with excise goods; and

The project group envisioned nine different subgroups that would deal with specific topics (such as legal aspects, various aspects of import / export Business Process Mapping). However, the large number of subgroups was later reduced from nine to three to allow more active participation, as below:

- The export project subgroup to deal with all, both legal and technical, aspects concerning the Export and Excise interface;
- The import project subgroup to deal with all, both legal and technical, aspects concerning the Import and Excise interface; and
- A project subgroup dealing with all other issues (such as, Centralised Clearance, Transit, etc.).

Feedback gathered for this case study confirmed that the action was considered highly relevant for national administrations as a means to further align IT systems and customs procedures with the Union Customs Code Delegated Act and Implementing Act. It emerged that the original request for the project group was driven by Member States, and it was found to have clearly addressed their articulated needs, in particular in relation to improving the coordination of excise and customs procedures and corresponding customs IT applications that have arisen with regard to the introduction of the Excise Movement and Control System.

Several interviewees noted that there are still “gaps” in terms of the proof for goods that have left the customs territory and in how excise systems and customs systems interface. The project group examined how to bridge these gaps by providing guidelines to improve coordination and recommendations for possible changes to the technical specifications of Excise Movement and Control System and the Automated Export System.

The second action assessed for this case study is the **High-level Seminar on the strengthening of cooperation between customs and tax authorities**. This seminar, which took place in Malta in 2017, had around 100 participants from all Member States (in most cases represented by Directors-General). The seminar was aimed at bringing customs and tax cooperation closer and had as a stated objective to develop a joint declaration.

Interviewed participants reported that the seminar was relevant to national administrations as a means to: create awareness and mutual understanding, identify common challenges and develop joint positions on cooperation issues. Interviewees also noted that EU action in this area is needed, given that many of the issues cannot be solved on the national level. Although some interviewees considered the presentations too theoretical, most found them

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<sup>174</sup> The corresponding Fiscalis financial code for the project group is FPG/002

relevant for their daily operations and could identify learnings that would be applicable in their own administration. The event was more relevant for Member States with separate customs and tax authorities who had less integrated approached to customs and tax issues.

Interviewees also noted increased e-Commerce and more complex fraud cases make the need for this type of cooperation even more pressing.

## **b. Implementation**

### ***Implementation of activities under this area***

As captured in the intervention logic, activities to support cooperation between customs and taxation authorities include: the project group on Coordination of Excise and Customs Procedures, seminars such as the Seminar on Strengthening of Cooperation between Customs and Tax Authorities, as well as working visits and workshops.

To put the evidence from the actions investigated a part of this case study into the wider context, below we outline some barriers to successful implementation and progress in this area.

Collaboration between customs and tax authorities is one of the cornerstones of the internal market and plays a crucial role in the collection of tax revenue. However, there is a need for closer cooperation and joint activities between customs and taxation in fields such as e-Commerce, VAT fraud and improved information exchange. Interviewees noted that the historically fragmented organisation of customs and tax authorities across, but also within, participating countries has proved challenging for achieving progress in this particular area.

In the Communication "Developing the EU Customs Union and Its Governance"<sup>175</sup>, high-level strategic discussions are highlighted as an avenue for facilitating customs-tax cooperation. One of the ideas suggested to achieve some of the desirable changes is a Memorandum of Understanding between customs and tax administrations on cooperation in fiscal matters. So far though, there has been little progress in terms of high-level support and strategic guidance, with few if any high-level meetings organised to discuss such solutions.

### ***Evidence from actions***

Initially, the implementation of the **Coordination of Excise and Customs Procedures project group** proved challenging due to the large number of subgroups (nine in total). Interviewees described the work as "fractured". The overlapping scope of some of the subgroups gave rise to a risk of duplication and uneven progress across the different subgroups, with some more successful in making progress than others.

As mentioned previously, in 2015 the nine subgroups were streamlined into three larger subgroups to achieve greater focus. These were based on the themes of import, export and legislation. Plenary sessions involving all participants were replaced by direct reporting to key stakeholders (such as the EMCS Computerisation Working Party and Indirect Tax

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<sup>175</sup> Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee, Developing the EU Customs Union and Its Governance. Brussels, 21.12.2016, COM(2016) 813 final. URL: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/com\\_2016\\_813\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/com_2016_813_en.pdf)

Expert Group). From early 2016 these three subgroups became the spinal column for implementing this action.<sup>176</sup>

Overall, the experience was mixed in terms of the functioning and management of the project group. The different backgrounds of the experts involved made technical discussions difficult. Language barriers were also an issue in some subgroups, especially given the highly technical nomenclature. Participants felt that the scope of the project group was too broad, which made it difficult to streamline the findings.

Despite the implementation challenges, participants valued the opportunity to cooperate across countries and exchange views, experiences and best practice about customs and tax cooperation issues. The format of reduced and more operational subgroups was considered more effective than the initial approach. Subgroups with a narrower focus (such as the one created to look at the conflict between the Union Customs Code and excise legislation, FPG 076 / CPG 143) were considered to have delivered more effective results.

A reported added value of the project group was its potential to raise awareness about how customs procedures need to be taken into consideration when developing legislation that affects both customs and tax. A number of issues need to be solved to allow good coordination of excise and customs procedures and IT applications, and the project group provides a forum to discuss progress and drive action.

The **High-level seminar on the strengthening of cooperation between customs and tax authorities** was organised by the Maltese Customs Authority during their presidency in collaboration with the European Commission. Apart from assisting with the organisation, DG TAXUD provided a general policy context through a discussion document that framed the main issues for the seminar.<sup>177</sup> The seminar was organised with working sessions followed by larger plenary type sessions. In general, the working sessions and plenary presentations were considered to be of high quality. However, participants interviewed were divided regarding the presentations delivered by academics; some found these too theoretical, while others saw the value of incorporating new ideas and learning from academia.

The profile of participants included senior customs and tax officials from participating countries and invited guests from international organisations such as the World Customs Organisation. Several Director Generals were also present at the seminar.

Even though no feedback forms were available to the evaluation team, the majority of interviewed participants were broadly positive of the organisation of the seminar. In their view, the seminar helped to create awareness and a common understanding across participating countries but also within participating countries (between customs and tax administrations) about existing common challenges and opportunities in this area.

### **c. Results and (expected) impacts**

#### ***Medium and long-term results and impacts of Customs action in this area***

As illustrated in the intervention logic, the expected results can be summarised as follows:

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<sup>176</sup> As far as the evaluation team understands three additional project groups (referred to as subgroups) were also created to allow for targeted action, including: Union Customs Code Automated Export System Project Group (CPG/115), Fiscalis 2020 and Customs 2020 project group for the coordination of excise and customs procedures (FPG 076 / CPG 143)

<sup>177</sup> High Level Seminar on Strengthening the Cooperation between Customs and Tax Authorities 27th and 28th April 2017, St Paul's Bay, Malta. Discussion document, DG TAXUD.

- Improved use of customs procedures for the monitoring of excise goods;
- Identification of fields where cooperation between customs and tax authorities is particularly important;
- Improved exchange of data between customs and tax authorities;
- Decreased fraud in relation to customs procedures No 42 and 63; and
- Better integrated legislation that take into account excise and customs needs.

The action on cooperation between customs and tax authorities main expected impacts are:

- Improved cooperation between customs authorities and third parties;
- Enhanced cooperation leads to less tax fraud and ensures the collection of customs duties and related taxes; and
- Facilitation of legitimate trade.

Customs and Fiscalis 2020 have already succeeded in building significant synergies. The two programmes share IT infrastructure, such as CCN, as well as programme and IT management. Programme instruments available, including joint actions and common training tools, are also aligned. The synergies identified represent an important step. However, the main challenge continues to be to find practical ways of harmonising and developing connections between customs and tax administrations.

Nevertheless, finding common solutions across customs and tax domains is quite complex and there are significant barriers. Tax law is sometimes delegated which translates into difficulties in gaining access to important data. For instance, German tax secrecy laws makes it hard to obtain data and exchange data with related customs IT systems. Interconnectedness between customs and tax IT systems is also limited and the two do not always “speak to each other”. This cooperation often demands wide-ranging expertise involving experts from customs, taxation and IT.

### ***Evidence from actions***

In terms of the actions investigated as part of this case study, the **project group on coordination of excise and customs procedures** identified several expected results, namely:

- Improved use of customs procedures for the monitoring of excise goods; review of Business Process Models that will be developed in the context of the Union Customs Code and the revision of the Horizontal Directive;
- Guidelines on the export and exit of excise goods and other customs procedures with excise goods;
- Review results of Level 3 and Level 4 Business Process Models for the interface between EMCS and AES is completed;
- Draft of Level 3 Business Process Models for the issues raised by the Import Problem Statement;
- Recommendations for further work in this area.

National administrations consulted reported that the project group yielded good results given the scope of work and mix of stakeholders involved (although progress was slower

in some areas). Interviewees believed that having a cross-programme project group that included experts from customs, IT and excise contributed to raising awareness of common problems administrations and economic operators face.

Interviewees also noted that there was progress in further developing solutions to the problems relating to exportation of excise goods (EMCS – AES interface) with the development of a commonly agreed business process model for exportation of excise goods under suspension of excise duty. These models are intended as a source for legal considerations and for the production of functional requirements and specifications for automation. Other more complex issues, such as detecting excise irregularities occurring during the export of excise goods and how evidence can be quantified to use in legal claims, are more difficult to solve.

Furthermore, interviewees highlighted the contribution of the subgroup addressing amendments to the horizontal Directive 2008/118/EC which made significant progress in overcoming the legislative incongruence. Similarly, the final report by the subgroup on coordination of excise and customs procedures resulted in amendments to the Union Customs Code DA/IA articles.<sup>178</sup> Although one interviewee noted that the technical cooperation should have taken place at an earlier stage, i.e. before the legislation / system building.

The main expected outputs of the **seminar on the strengthening of cooperation between customs and tax authorities** were high-level agreement and statements on:

- Identification of current problems and challenges;
- Recommendations on concrete actions to strengthen cooperation between customs and tax authorities;
- Reinforced relationship between the tax and customs counterparts participating in the seminar.

Although the seminar featured a considerable presence of Director General level participants and senior strategic managers, interviewees argued that the final concluding plenary resulted in a general statement with not sufficiently precise action points. This was in part reflective of the significant differences between Member States on the issue of how customs and tax cooperation should function and the national particularities in each administration. Interviewed participants expressed some frustration that there was no concrete follow-up or next steps outlined. However, some of the discussions that emerged during the seminar are partly reflected in the amended Council Directive modernising the VAT rules regarding cross-border e-commerce.<sup>179</sup>

One interviewee suggested that despite limited direct results, the seminar will contribute to long-term change in terms of improving the working relationship between customs and tax administrations. By bringing together high-level officials there was an opportunity to create buy-in which will increase the likelihood of future collaborations. For some participating countries the seminar was the first time the national tax and customs counterparts met. As such, these types of seminars support the development of personal networks across administrations and are important to further future collaborations.

Despite agreement on the need for follow-up actions, interviewees were not clear about the Commission's plans. Some follow-up discussions were noted to have taken place in the

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<sup>178</sup> Fiscalis 2020 and Customs 2020 Project Group for the coordination of excise and customs procedures, FPG 076 / CPG 143. CED 897, 2017.

<sup>179</sup> COUNCIL DIRECTIVE amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods. URL: <http://www.consilium.europa.eu/media/31929/st14126en17.pdf>

Customs Policy Group, but participating countries suspected there were limited resources available for activities. As such, it was considered that further action would be proposed in the new Multi-annual Financial Framework, especially given the impetus from the Court of Auditors and Council Conclusions urging action in the area.

#### **d. Value for money**

##### **Proportionality between benefits realised under the area and programme's costs**

There is no indicative allocation of programme funds for actions specifically focusing on cooperation between customs and tax authorities. Most actions related to cooperation between customs and tax can be found under the Annual Work Programme heading 2.2 "protection of financial and economic interests of the Union". As the thematic area is closely connected to the raising of the European Union's own revenue, it is a highly prioritised area but no overview of the budget allocated to this area was available.

For the actions specifically covered under this case study, the latest cost data from the Activity Reporting Tool (ART) shows that the project group on coordination of excise and customs procedures registered a lower average cost per participant (€688) in comparison to the high-level seminar on cooperation between customs and tax authorities (€1 201). Both actions registered lower costs per participant than the average participant cost for the respective types of actions calculated for the period 2014 to 2016 (project groups €868; seminars €1 204). However, the difference was more pronounced in the case of the project group than the seminar.

When compared the costs of each activity to the overall cost envelope for different types of activities funded by the programme, the project group represented 0.5% of the total costs incurred by the Customs 2020 programme for project groups during the period 2014 – 2017 (€ 14 664 828). The high-level seminar on the other hand represented 5.8% of the total programme costs for seminars for the period (€ 1 140 092).

**Table 30: Number of participants and actual costs per selected case study actions**

Action	Nb. of part.	DA	Hotel real cost	Travel Expenses	Total Expenses (actual)	Organisational costs	Total costs
Project group on coordination of excise and customs procedures (CPG/003)	96	15 121.50	14 752.84	36 192.85	66 067.19	-	66 067.19
High-level seminar on cooperation between customs and tax authorities (CSM/015)	55	15 062.00	16 561.06	28 568.60	60 191.66	5 867.16	66 058.82

Source: ART data for 2014 to 2017

In theory, the value for money of actions in this area is high given the tax revenue which the authorities can realise through successful cooperation. For excise goods, the potential tax revenue is much higher than other goods. For example, a container containing ten million cigarettes would accrue up to €2.5 million in excise duty. If there is a "gap in proof" (resulting from ineffective cooperation between the customs and taxation systems and

bodies), goods can be under excise suspension but instead of being exported they stay in the EU and can be sold in the black market.

### ***Value for money of sampled actions***

Participants had difficulties assessing the perceived value for money of the activities sampled. When asked, to confirm the extent to which the activities in this thematic area saved them time and money, most interviewees answered that any effects would only be perceived in the long term. For instance, the improved automated interface between the Excise and Movement and Control System and the Automated Export System is scheduled to be implemented after the current Customs 2020 programme. However, agreeing on the final business process modelling will increase the likelihood of successful implementation which would reduce administrative burden for both competent authorities and economic operators. Most respondents shared the view that the main results of the different activities assessed will have an impact in the medium and long term.

As previously discussed, the work of the **project group on coordination of excise and customs procedures** became progressively more efficient after the group work was streamlined. Despite the improvements, there remained concerns that some discussions were not targeted enough to the fields of participants in view of the various technical areas covered by the different subgroups. Given the relatively small cost (in terms of expenses), and the learning and networking achieved in an area of considerable complexity, the action represented good (but not excellent) value for money.

Participants of the **High-level seminar on the strengthening of cooperation between customs and tax authorities** had difficulties in providing an assessment of the value for money of the action. Given the opportunity cost of hosting Director General level participants and senior officials, the main criticism was that there were few concrete decisions and follow-up actions as a result of the seminar. However, other participants were more hopeful, suggesting that this action could lead to more discussions in the future, in particular given that there are no high-level platforms where both customs and tax stakeholders can meet for these types of discussions. Although the costs were not disproportionate for an action of this type, the absence of agreed follow-up is a drawback which limits the value for money. A specific criticism was that the organisation of the seminar in Malta was logistically complex, as participants had difficulties booking flights and hotels.

## **7.4. CONCLUSIONS**

### **1. Relevance:**

- Cross-programme collaboration between customs and tax authorities under Customs 2020, and the actions financed under this area, contribute to improving the coordination and cooperation across competent authorities. Among participants in the actions, there was a clear sense that there is need for more structured and regular exchange between customs and tax authorities;
- The project group on coordination of customs and excise procedures was originally requested by Member States to improve the coordination of excise and customs procedures, particularly for the export of excise goods, and was deemed highly relevant. The mismatch in legislation and procedures causes administrative burden to trade economic operators and competent authorities, and considerable sums of tax revenue are lost as a result of cross-border fraud. As such, further aligned IT systems and customs procedures are highly relevant to national administrations.

### **2. Effectiveness:**

- The difficulties identified in relation to customs procedures and excise have an impact on the effectiveness and efficiency of the procedures in question. There are significant administrative costs created among competent authorities, and opportunities for fraud. The project group has worked on identifying the issues connected with the lack of coordination, their drivers, and proposed preliminary solutions, which include revisions of Directive 118/2008/EEC and the Union Customs Code Implementing Act and Delegated Act. However, there remain legal, operational and technical issues that arise in the treatment of excise goods subject to customs procedures which will need continued effort to solve;
- In view of national administrations consulted, the work of the project group yielded relatively good results although progress was slower in some areas. Interviewees believed that having a cross-programme project group that includes both customs, excise, and IT experts contributed to awareness of common problems faced by administrations and economic operators;
- The project group working methods initially included a large number of subgroups. This made it difficult for participants to get an overview and understanding of the results. It also risked duplication of work and overlap. The reorganisation of less but more focused groups was seen as successful and resulted in a stronger and more fruitful collaboration;
- The high-level seminar was positively assessed but interviewees expressed disappointment that there was no concrete follow-up. The final conclusions of the seminar were considered vague and did not encourage targeted action. Although some of the discussions held during the seminar were reflected in the modernising of the VAT rules regarding cross-border e-commerce, the lack of outcome given the presence of high-level decisionmakers was seen as a lost opportunity.

### **3. Efficiency:**

- Participants in the project group had difficulties assessing to what extent the actions resulted in cost savings or if the activities outweighed the costs. Many of the outcomes from the activities have medium to long-term impacts. For instance, an agreed model for how an automated interface between the Excise Movement and Control System and the Automated Export System will only have downstream cost savings for competent authorities and economic operators but implementation takes place in the framework of the Customs 2020 programme;
- As already mentioned, the initial design of multiple small subgroups was not efficient. However, this was rectified with fewer, more focused the subgroups which resulted in more concrete outputs.

### **4. Coherence:**

- As it stands, interviewees agreed that the project group and the seminar represented emergent examples of cooperation between customs and tax authorities. Given the need for further action encouraged by the Court of Auditors (in relation to VAT fraud) and the Council of Europe, several interviewees suspected that there would be further actions proposed by the Commission in the area under the auspice of the new Multi-annual Financial Framework;
- The objectives of the specific actions assessed were considered to be in line with stakeholders' priorities, and to supplement action at the national level;
- Even though many implementing countries recognised the relevance of the EU framework, concerns were voiced about the difficulties of the implementation

process in national contexts of limited resources. Leadership buy-in was also highlighted as a challenging factor regarding national implementation processes (as noted by participants of the high-level seminar).

#### **5. EU added value:**

- The main added value of the project group was that it identified the key issues at stake and made suggestions for necessary changes to the Union Customs Code and other legislation. It also helped to identify the connection points between customs and taxation, to define good practices for sharing of information and to align customs and taxation legislation in the future;
- The actions looked at were clearly seen to complement, rather than duplicate, action at national level. As interviewees noted, issues regarding customs procedures and excise cannot be solved on a national level solely. The input into business process models and legislation were considered to provide benefits beyond what national administrations, on their own, would have managed to achieve.

## 8. CASE STUDY 7: ENFORCEMENT OF CUSTOMS UNION LEGISLATION AND PROGRAMME MANAGEMENT

### 8.1. INTRODUCTION

This case study analyses the **enforcement of Customs Union legislation and programme management**. The Customs 2020 programme includes several actions aiming to support the development and implementation of new customs rules (i.e. Union Customs Code) and actions intended to contribute to the overall management of the programme. This is a much broader area compared to the ones examined within previous case studies (1-5) connected to the general objective of the Customs 2020 programme, namely to *support the functioning and modernisation of the customs union to strengthen the internal market by co-operation between participating countries, their authorities and their officials*. Table 31 below presents an overview of the Annual Work Programme (AWP) projects covered in the context of the case study 7.

**Table 31: AWP projects covered by case study on Customs Union legislation and programme management**

Year	AWP reference
2016	2.1.2 Development, implementation and enforcement of customs union legislation
2015	2.3.05 Union Customs Code (UCC) and Union Customs Code Work Programme (UCC WP) 2.4.12 Horizontal support to the European Information Systems (EIS) - Collaboration methods of IT systems
2014	2.4.3. Monitoring the application of European Union legislation

Regarding the sample of actions selected, the case study concentrates on two activities connected to the development of EU IT systems within the Customs Union. The **Project Group to examine the impact of Union Customs Code's related IT requirements on Member States' systems** (CPG/097) met during 2015 to support the implementation of the main provisions of the Union Customs Code that entered into force on 1 May 2016. The **Electronic Customs Coordination Group** (ECCG) (CPG/054) is part of a three-tier governance system (together with the Customs Policy Group and expert groups) responsible for the implementation of the Multi-Annual Strategic Plans (MASPs) and e-Customs. It was based on the previous ECG (Electronic Customs Group) group that operated under the Customs 2013 programme and is still ongoing. Table 32 presents an overview of the two actions reviewed.

**Table 32: Programme actions reviewed on Customs Union Legislation and programme management**

Action title	Description	Financial code	Start date	End date	Type of action	Number of events
Project Group to examine the impact of Union Customs Code related IT requirements on Member States' systems	The case study focuses on the main objective of this project group, i.e. to collect information about national customs IT systems, and the impact of Union Customs Code on these systems – in view of its full entry into force.	CPG/097	2015-02-03	2015-12-31	Project group	<b>10</b>
Electronic Customs Coordination Group (ECCG)	The case study focuses on the activities of ECCG, with the aim of guiding the development of IT capabilities connected to the Union Customs Code, and providing a platform supporting the development of consensus and common positions among EU Member States and the Commission in this field.	CPG/054	2014-04-01	2020-12-31	Project group	Three to five meetings per year on average

The purpose of this case study is to examine different tools provided within the Customs 2020 programme aiming to support the implementation of the Union Customs Code more broadly. The evidence presented comes from several sources, namely programme documentation, communication material and reports, as well as interviews with national customs officers in several participating countries. The different sources of information are summarised in Table 33 below.

**Table 33: Case study sources**

Countries covered	Interviewees	Documentary sources
Austria	- National coordinator	- Regulation (EU) No 1294/2013 establishing the C2020 Programme, December 2013; - Regulation (EU) No 952/2013 of 9 October 2013 laying down the Union Customs Code; - Commission implementing decision (EU) 2016/578 establishing the Union Customs Code Work Programme; - AWP for Customs and Fiscalis for 2014, 2015 and 2016; - C2020 Annual Progress Reports for 2014, 2015 and 2016; - Action Fiches and Action Follow-up Forms for the two actions under review;
Czech Republic	- ECCG Member - ECCG Member - PG on IT requirements (CPG/097) - National coordinator	
Estonia	- ECCG Member - PG on IT requirements (CPG/097) - PC Member - National coordinator	
Portugal	- ECCG Member - ECCG Member and PG on IT requirements (CPG/097) - National coordinator	
Serbia	- ECCG Member - ECCG Member - National coordinator	
Sweden	- ECCG Member	

Countries covered	Interviewees	Documentary sources
	- ECCG Member	- Project Group Final Report (CPG/097).
The Netherlands	- ECCG Member - National coordinator	

## 8.2. BACKGROUND

This section presents the policy context behind the thematic priority and seeks to define the case for EU action in the area of Customs Union enforcement and programme management. It forms part of the 'theory' behind customs action in these areas and thus creates a background for the development of the intervention logic in the following parts of this report.

### 8.2.1. General context

#### **Need for EU Customs programmes**

The Customs Union is one of the areas of exclusive competence of the EU. The European Commission has developed several projects to support its Member States (and their customs authorities) to better understand the common rules within EU customs policy.

The first common Community Customs Code (CCC)<sup>180</sup> was adopted in 1992 and after being heavily amended it was replaced in 2008 by the "Modernised Customs Code"<sup>181</sup>. This regulation was subsequently replaced by the Union Customs Code (UCC) in 2013<sup>182</sup>, which is currently in force.

Since 1991, the EU has developed several programmes aiming to support Member States' customs authorities to gain a better understanding of common rules in the customs area to more effectively apply these rules. Figure 14 illustrates the development of the successive EU programmes supporting the implementation of common customs rules and the exchange of information and expertise among Member States customs administrations. The "Matthaeus programme"<sup>183</sup> was the first programme in 1991, followed by the previous iterations of the current Customs 2020 programme. Due to the important IT dimension of the Union Customs Code, the current Customs 2020 programme focuses heavily on a) IT capacity building, alongside b) joint actions focusing on exchange of expertise and c) human competency building.

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<sup>180</sup> Council Regulation (EEC) No 2913/92

<sup>181</sup> Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008

<sup>182</sup> Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013.

<sup>183</sup> 91/341/EEC: Council Decision of 20 June 1991 on the adoption of a programme of Community action on the subject of the vocational training of customs officials.

**Figure 14: EU programmes supporting Customs Union legislation implementation**



As stated in the Customs regulation, the main aim of the current Customs 2020 programme is to support the functioning of the Customs Union. In order to attain this general objective, the programme regulation lists several operational objectives that focus on the proper implementation of the Union Customs Code, development of IT skills, sharing of best practices and cooperation between Member States customs authorities and with third countries.

**8.2.2. Key EU policies**

**The Union Customs Code**

The Union Customs Code (Regulation (EU) No 952/2013) was adopted in October 2013, although most of its substantive provisions entered into force on 1 May 2016. The main change brought by the new code is the transfer to a fully electronic, paperless, environment. Due to the complexity of this task, a transitional period until the end of 2020 is included in the Union Customs Code. This allows for using paper-based forms alongside electronic forms until the electronic systems are upgraded (or in some cases created). Altogether, seventeen electronic systems must be created or upgraded to achieve a fully paperless Customs Union<sup>184</sup> (see Table 34). This process is guided by the Union Customs Code Work Programme<sup>185</sup>, which lists fourteen trans-European and three national systems to be created or upgraded.

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<sup>184</sup> Report from the Commission to the European Parliament and the Council on the implementation of the Union Customs Code and on the exercise of the power to adopt delegated acts pursuant to Article 284 thereunder. Brussels, 22.1.2018 COM(2018) 39 final.

<sup>185</sup> Initially adopted in 2014, it was replaced by decision 2016/578/EU of 11 April 2016.

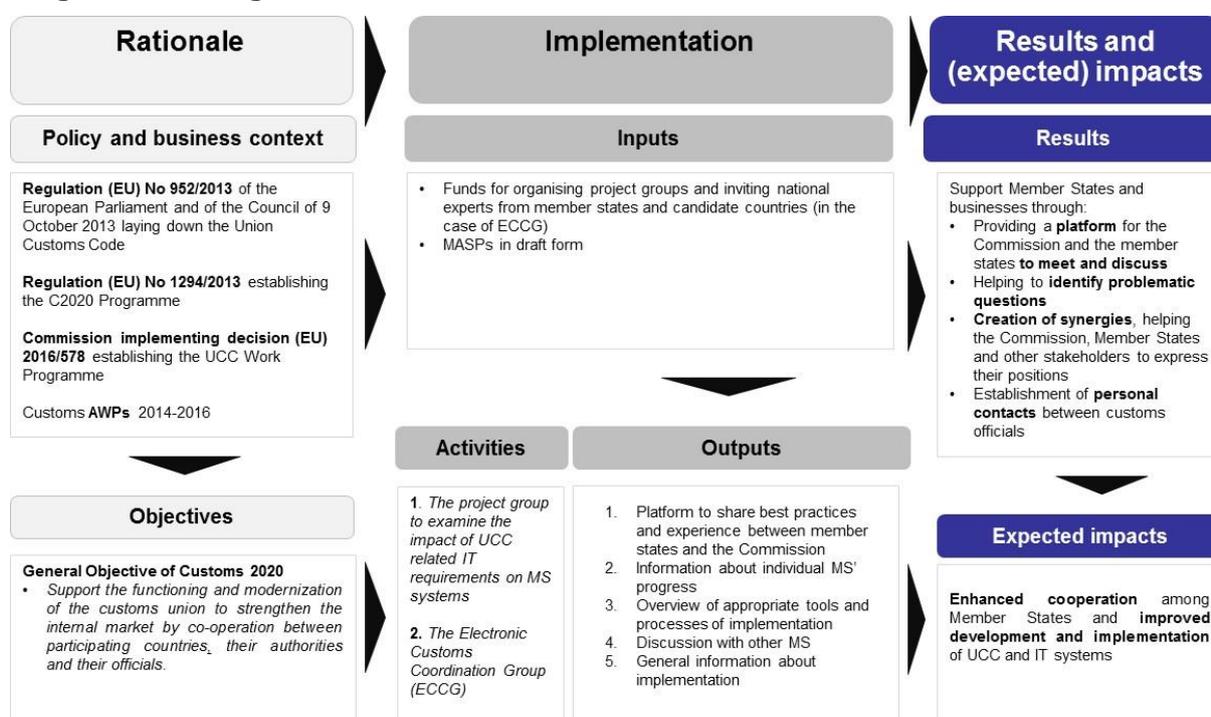
**Table 34: Electronic systems supporting fully paperless Customs Union**

New trans-European systems	Trans-European systems to be upgraded	National systems to be created or upgraded
Registered Exporter System (REX)	Binding Tariff Information (BTI)	Notification of Arrival, Presentation Notification and Temporary Storage
Customs Decisions System (CDS)	Authorised Economic Operators (AEO)	
Uniform User Management & Digital Signature (UU&DS)	Economic Operator Registration and Identification System upgrade (EORI 2)	
Proof of Union Status (PoUS)	Common customs tariff and surveillance	National Import Systems upgrade
Standardised Exchange of Information for Special Procedures (INF)	New Computerised Transit System (NCTS)	
Centralised Clearance for Import (CCI)	Automated Export System (AES)	Harmonisation and facilitation of special procedures
Guarantee Management (GUM)	Import Control System (ICS 2)	

### 8.3. MAIN FINDINGS

This section presents and assesses the intervention logic of the enforcement of Customs Union legislation and programme management. We analyse the rationale, implementation, results and expected impacts and value for money of the two actions selected for the case study. This allows us to test the intervention logic’s plausibility and determine whether the desired outputs and results of the area are likely to be achieved through the type of actions that have been funded to date.

**Figure 15: Theory of change for ‘Enforcement of Customs Union Legislation and Programme Management’**



## a. Rationale

### ***Rationale for Customs action in this area***

The Customs programme aims to support the implementation of the Customs Union in general and the new Union Customs Code in particular. The complexity of the code has resulted in increased pressure on the Member States, which the programme is expected to tackle by supporting participating countries to better manage the new requirements and rules.

The main change brought to the Customs Union by the Union Customs Code is the complex replacement of paper customs forms with electronic ones. Therefore, the majority of funds provided by Customs in this particular area are dedicated to the development of new IT systems. The development of the electronic systems envisioned by the Union Customs Codes has brought significant changes and clear needs for customs authorities. When comparing the previous paper-based system for transit (Baltic Transit System) with the electronic system implemented as part of the e-Customs programme, an Estonian customs representative highlighted that using the new electronic system “*does no longer take weeks, but minutes*”.

Actions funded under this thematic area have focused on identifying the impacts that the Union Customs Code might have on customs authorities of participating countries, before the entry into force of most of the provisions of the new code, allowing for their timely preparation. In addition, efforts have been made in supporting the implementation of the new rules connected to the Union Customs Code and to the development of e-Customs.

### ***Evidence from actions***

In 2014, Member States expressed the need to receive more information on how the Union Customs Code would impact their national customs IT systems in order to properly prepare for its implementation<sup>186</sup>. The Commission initiated the creation of **the project group to examine the impact of Union Customs Code related IT requirements on Member States' systems** to collect information about national customs IT systems (with a specific focus on import) and the impact of the Union Customs Code on these systems.

The main objective of the project group was to support the transition of Member States' IT systems, so they would be able to collect customs data in a harmonised way under the new code. This, however, required the initial identification of the commonalities and differences between systems used by individual Member States. This identification enabled members to develop a starting position for implementing common rules. The project group's work was considered to have been relevant in that it answered the customs authorities' needs to be ready to better fulfil their main objective connected to the protection of borders and collection of customs duties.

The **Electronic Customs Coordination Group (ECCG)** was created to guide the development of IT capabilities connected to the full applicability of the Union Customs Code. The ECCG has addressed needs at EU and national level by consolidating a platform that supports the development of consensus. The work of the group has also been relevant for helping to find common positions among Member States and the Commission to support the implementation of e-Customs and IT systems defined in the Multi-Annual Strategic Plans. National authorities interviewed as part of the case study claimed that the project

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<sup>186</sup>Project Group Final Report. Available at: <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail Doc&id=22336&no=1>.

has been relevant for supporting Member States to more efficiently implement e-Customs rules and tools.

The research indicates, that within the ECCG, some Member States are more prepared than others to implement new IT systems (or upgrade the existing ones), having adjusted their own administrative and customs systems for a better alignment with the new EU IT systems. Despite the differences registered across Member States, many of them face similar needs and challenges in relation to e-Customs implementation. The shared view was that discussing these challenges is very important, especially for those countries which started implementation later, as it gives them an opportunity to benefit from experience sharing and best practices. ECCG meetings are also a relevant forum to discuss progress in relation to the Multi-Annual Strategic Plans, with a view to aligning national interpretation and implementation to the Union Customs Code.

The ECCG was also considered a relevant forum for candidate countries. Interviews with Serbian participants in the group revealed that the presence of all EU Member States and the ability to observe the process as part of the project group was a positive experience for them. In view of Serbian customs officials interviewed, the experiences of Croatia and Slovenia on outsourcing IT proved particularly useful to support their administration address their own IT needs and challenges.

## **b. Implementation**

### ***Implementation of activities under this area***

This thematic area has featured different types of actions related to the implementation of IT systems envisioned by e-Customs in general and Multi-Annual Strategic Plans in particular. Some of these activities were in place for shorter periods and linked to specific objectives (e.g. the project group to examine the impact of the Union Customs Code related IT requirements on Member States' systems), while others (e.g. the ECCG) have been in place for several years.

The tasks expected to support the objectives of the thematic area feature the successful implementation of rules lined to the development of e-Customs and the transfer from paper based to a fully electronic customs procedure. Given the complexity of these tasks, programme actions assessed have a strong focus on helping Member States to overcome common challenges and to share experiences and best practices.

### ***Evidence from actions***

In terms of the implementation of the **project group to examine the impact of Union Customs Code related IT requirements on Member States' systems**, participants were divided into three sub-groups that discussed different topics. Subsequently, the results were discussed in a plenary session. This format was positively evaluated by respondents as it enabled individual groups to work in parallel, which impacted positively on the overall effectiveness of the project group.

Altogether the project group met ten times between February and October 2015, and its main objectives included:

- identification of the changes deriving from the Union Customs Code and the Union Customs Code work programme;
- analysis of the impact of the Union Customs Code changes on the national import systems;
- identification of the linkages, inter-dependencies and their nature (in relation to Multi-Annual Strategic Plan projects);
- analysis of possible solutions (options) for a realistic common strategic planning.

The main implementation challenge was connected to the differences between Member States' national systems and their distinct approaches to customs data overall management. Since the project group's main objective was related to the data that the IT customs systems process, this was a key topic of discussion during the project group meetings.

According to project group participants consulted, the group's work identified the impact of the expected changes and detected potential obstacles that the implementation process was likely to encounter. Recommendations in the final report of the project group included a proposal to postpone the deadline for the implementation of the Union Customs Code in the participating countries<sup>187</sup>. Differences in administrative capacity and resources across countries participating in the project group were also highlighted as problematic by some participants. For example, not all countries had enough administrative capacity to actively participate in the meetings as they were in the process of developing the systems at the national level.

The second programme action assessed, the Electronic Customs Coordination Group, works as part of a three-tier governance model responsible for the implementation of the MASPs and e-Customs, together with the Customs Policy Group (CPG) and expert groups (see Figure 16). At the coordination level, the ECCG is responsible for assessing progress and achievements of the implementation of the Multi-Annual Strategic Plans and for reporting on the overall progress of e-Customs projects. At the policy level, the Customs Policy Group is responsible for the overall implementation of e-Customs. In addition, four expert groups integrated by specialists from different Member States oversee several aspects of the computer system development<sup>188</sup>.

**Figure 16: Governance scheme for the implementation of the MASPs and e-Customs**



The activity of the ECCG is intense, with numerous items on the agenda of each meeting. While several respondents noted that more meetings (either virtual or in smaller sub-groups) would be beneficial to work more effectively, others argued that there are too many meetings and that it is difficult to keep track of them. Commission stakeholders confirmed that dedicated meetings have been set-up when needed and have also highlighted that virtual meetings (organised via webinars) have not been deemed as effective as face-to-face meetings as the lack of direct interaction has diffculted fluent communication. Even though the length of ECCG meeting agendas and the number of topics discussed have not registered significant changes over the years, ECCG participants interviewed had the impression that it has become more challenging to cover all the issues in the required depth. The implementation of the ECCG has a strong focus on the discussion

<sup>187</sup> Project Group Final Report, "Examine the Impact of Union Customs Code related IT requirements on Member State systems". Available at: <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=22336&no=1>.

<sup>188</sup> New Governance Framework for the Implementation of the MASP and Electronic Customs. Annex 3. Governance Scheme. Available at: [https://ec.europa.eu/taxation\\_customs/sites/taxation/files/resources/documents/customs/policy\\_issues/e-customs\\_initiative/masp\\_annex3\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/customs/policy_issues/e-customs_initiative/masp_annex3_en.pdf) . Accessed 5 March 2018

of legal matters with IT experts. In general, there is a significant pressure on the IT systems from many different sides, including business, the Commission, and other stakeholders. This situation calls for the need to have a closer collaboration between the different stakeholder groups to more effectively tackle common issues at EU level.

### **c. Results and (expected) impacts**

#### ***Medium and long-term results and impacts of Customs action in this area***

The results and expected impacts of the actions in this thematic area are connected to the implementation of the Union Customs Code and to the support for the development of a full electronic customs environment (e-Customs) with the help of Multi-Annual Strategic Plans. In the medium-term, Customs actions are expected to bring about an enhanced (and unified) understanding about the Union Customs Code and how its new rules should be implemented. In the long-term, the actions are expected to contribute to the harmonisation of customs procedures and to the better functioning of the Customs Union by allowing national authorities to collect due customs duties more effectively and efficiently, by reducing fraud and illicit trade.

#### ***Evidence from actions***

In terms of formal expected deliverables, the project group examining the impact of Union Customs Code related IT requirements on Member States' systems fully achieved its objectives. One of the main outputs of the project group was the development of a working document presenting how the Union Customs Code related IT changes will impact on, and trigger changes/developments in the national electronic customs systems.

The group helped to identify problematic questions and communicate them to the Commission. The sharing of best practices among several countries in individual sub-groups was crucial for identifying limits of current IT systems and provided a better understanding about the importance of developing the new IT systems to support the implementation of new Union Customs Code rules. Moreover, discussions between participants have continued after the project group came to an end.

According to several interviewees, the results of the project group's activities were positively influenced by the Commission, which provided important guidance and contributed to the discussions. The group concluded that Member States would need more time to adapt the Multi-Annual Strategic Plans to their national systems, than the 2020 timeframe that was originally set. However, it was also acknowledged that postponing the deadline would create problems for Member States that have already started to develop their new systems, for example regarding the launch of public procurement procedures. The main priority within the project group was to support those members who envisaged problems with the original deadline through the sharing of experiences and best practices, thus adding value to the work that Member States could undertake on their own and enhancing aligned approaches across the EU.

One of the main strengths of the ECCG has been the establishment of a platform for the Commission and the Member States to meet and discuss issues of common interest. This is a unique opportunity for Member States to have access to the Commission's plans and to share best practices and challenges with other participating countries. The Commission's role as a mediator and guide was positively assessed, in particular as it helps Member States to take decisions at the national level. The work of the ECCG is crucial in the planning of the activities and for keeping "everybody on track". The main added value of the group is that all participating countries are included. In view of participants, in the absence of the ECCG there would be "no consensus" in relation to the implementation of e-Customs.

Despite the positive aspects highlighted by participants, the group is also faced with difficulties regarding the need to conciliate differences between participating countries. Eastern and Central European countries that joined the EU during the latest enlargement round have not met any significant problems in implementing new EU IT systems as they did not have the legacy of existing systems. For other countries, the already existing systems have resulted in a more problematic changeover to the new systems.

#### **d. Value for money**

##### ***Proportionality between benefits realised under the area proportionate and programme's costs***

As evidenced in Table 35, the latest cost data from the Activity Reporting Tool (ART) shows that the project groups to examine the impact of Union Customs Code IT requirements registered an average cost per participant of €884, which was higher than the per capita cost of the ECCG project group (€828), and also exceeded the average participant cost for project groups calculated for the period 2014 to 2016 (€868).

When compared the costs of each activity to the overall cost envelope for different types of activities funded by the programme, it is interesting to note that the ECCG represented 8% of the total costs incurred by the Customs 2020 programme for project groups during the period 2014 – 2017 while the project group to examine the impact of Union Customs Code requirements represented 2% of the total envelope for project groups (€ 14 664 828).

**Table 35: Number of participants and actual costs per selected case study actions**

Action	Nb. of part.	DA	Hotel real cost	Travel Expenses	Total Expenses (actual)	Total costs
Project group to examine the impact of Union Customs Code IT requirements on Member States' systems (CPG/097)	331	77 481.63	92 997.93	122 296.13	292 775.69	292 775.69
Electronic Customs Coordination Group (ECCG) (CPG/054)	1 427	289 138.11	331 964.88	560 754.39	1 181 857.38	1 181 857.38

Source: ART data for 2014 to 2017

In addition to assessing available programme data on participation and costs, the evaluation asked national administrations about the benefits of Customs 2020 activities under this thematic area. Respondents shared the view that the main results of the different activities assessed will have an impact in the medium and long term. In particular, the harmonisation of implementation procedures and overall support to Member States are expected to improve the ability of the customs authorities to deliver results in this important area.

##### ***Value for money of sampled actions***

The project group to examine the impact of Union Customs Code related IT requirements on Member States' systems helped participating countries to understand the timeframe for implementation of Union Customs Code related IT requirements into national systems. However, the workload within the project group was considered demanding, especially due

to the frequency of the meetings. The overall experience of the project group was influenced to a significant degree by the specific sub-groups that participants were involved in, as there were some sub-groups that functioned more smoothly than others.

Participants interviewed considered that the activities of the project group were very important for the development of e-Customs. There was consensus among those consulted that benefits of participation outweighed the costs connected to the meetings. However, ART data presented above in this section points that participant costs for this group exceeded the average participant costs for all project groups.

The meetings were considered as a valuable platform for taking decisions. A positive externality that derived from the project group was the networking and development of personal contacts between representatives from the participating countries, as well as with the Commission. In terms of the sharing of documentation and information, the availability of project group documents on PICS was considered a fast and convenient way to distribute information among participants.

In view of national authorities consulted, the main benefit of the Electronic Customs Coordination Group lies in the creation of synergies between the Commission, Member States and other stakeholders. Also, the possibility to have a forum for expressing positions and working together to reach common goals and agree on tools for achieving these common objectives were positively assessed by participants consulted. Although there is common legislation, its implementation depends on Member States and their specific internal systems (and national preferences). Indeed, the ECCG provides a platform to discuss these differences and to share best practices and experiences related to different implementation experiences.

Meetings within the ECCG were also said to enable personal contacts between customs officials from participating countries. Even though the group is relatively (it includes between 100 and 120 participants per meeting) its size is not considered to decrease its ability to fulfil its objectives. Participants are in most cases well prepared and the group's main goal is to set a general direction of the development. Face-to-face contact with other Member States' representatives and the Commission were said to be important in the framework of this group. Even if some reduced meetings are organised virtually to save time and travel costs, these cannot fully replace the personal contacts.

## **8.4. CONCLUSIONS**

### **1. Relevance**

- The actions financed by Customs 2020 in the area of enforcement of Customs Union legislation and programme management are aligned with the programme's general objective to support the functioning and modernisation of the Customs Union to strengthen the internal market through cooperation between participating countries;
- The two activities, assessed by the case study aim to support this objective, especially in the area of e-Customs implementation and Multi-Annual Strategic Plans. The objectives of both activities were positively assessed by national administrations and perceived to be in line with their needs.

### **2. Effectiveness**

- The project group to examine the impact of Union Customs Code related IT requirements on Member States' systems (which was active in 2015) was considered to have been effective in supporting Member States in the identification of potential changes that the Union Customs Code was expected to bring about from its entry into force in May 2016;

- The Electronic Customs Coordination Group has enabled participating countries to develop a collective understanding of the progress in the implementation of Multi-Annual Strategic Plans. The group has also served as a forum to discuss and develop common solutions to various problems encountered by the participants;
- The two actions assessed were perceived to have led to a more uniform understanding of the application of EU customs law (the Union Customs Code) and of the tools supporting the development of a fully electronic environment (e-Customs, Multi-Annual Strategic Plans);
- Participating countries were able to reach compromises thanks to the possibility to get together in the context of the project groups financed by the programme and discuss the issues at hand.

### **3. Efficiency**

- In general, there was consensus among national administrations consulted that the benefits of analysed activities outweigh the costs associated with participation. ART programme data on participation and costs of each activity evidenced a relatively high cost per participant of the project group to examine the impact of Union Customs Code IT requirements in comparison to average costs for project groups financed by the programme between 2014 and 2017;
- Excessive workload and ambitious agendas were brought up as challenges by participants to both activities. Members of the Union Customs Code project group claimed that the meetings were very frequent, which provided challenges for attendance and preparation. In view of several ECCG participants, meeting agendas were ambitious, and some felt that there was not enough time to discuss all the relevant topics in depth. Longer meetings or more streamlined agendas were suggested as alternatives to the current format.

### **4. Coherence**

- The objectives of the two project groups under assessment were aligned with national stakeholders' priorities. However, concerns were voiced in relation to the dominant role played by the Commission in some of the discussions within the project groups, which limited the participation of (some) Member States. This was due to several reasons, including limited time for discussions and sharing of experience.

### **5. EU added value**

- Both project groups created unique platforms for Member States to meet and discuss issues related to the IT systems development within the Customs Union, which could not have been achieved by Member States acting at national or regional levels;
- Discussions and activities within the groups have enabled a common understanding of the plans concerning e-Customs and the implementation of the Multi-Annual Strategic Plans. In light of the support provided by the actions to national customs authorities, it can be concluded that their absence would have had a negative effect on the enforcement of the Union Customs Code;
- There was agreement among participants consulted that the main positive externalities of the project groups were the networking possibilities that they enabled. This conclusion supports the arguments presented in the Customs 2020 Annual Progress Reports about networking as an important by-product of the participation in programme activities.

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