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**Customs Programme Annual Progress Report on year 2021**

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## 1. EXECUTIVE SUMMARY

The **delayed adoption** of the Multiannual Financial Framework 2021-2027<sup>1</sup> resulted in the late adoption and launch of the Customs programme. In that sense, year 2021 is a transition year where both the Customs 2020 and the new Customs programme were applicable. The subsequent late release of the new Customs programme budget in particular put at risk the continuous availability of the European electronic systems for customs. While the Covid-19 pandemic and the related **travel and meeting restrictions** mostly prevented physical meetings, collaboration via online means remained strong under the programme.

Despite all the special circumstances and challenges, the relevant Commission services were able to ensure that the Customs 2020 transitioned to the new Customs programme successfully and smoothly, ensuring - most importantly - the **uninterrupted functioning of the customs European electronic systems for customs**.

## 2. POLITICAL AND REGULATORY CONTEXT

In 2021, the Customs 2020<sup>2</sup> and the new Customs programmes<sup>3</sup> (the programmes) contributed to the **smart, sustainable and inclusive growth in the European Union** by strengthening the functioning of the internal market. They both addressed the Commission priorities in terms of activities that contributed to an **Economy that works for the people, to Protecting our European way of life and Europe fit for the digital age**. The programme directly supported the objective of **taking the customs union to the next level**, equipping it with a stronger framework that allows protecting better the Union citizens and the single market. Through the programmes, the Commission worked to promote closer cooperation between and with the Member States and to support national investment and reforms, so that customs frameworks throughout the EU could effectively **contribute to the collective growth**.

Delivering on the commitments for increased **digitalisation** was in 2021, and remains, a **top priority** for the EU customs union. The fact that more than 90% of the Customs programme is dedicated to establishing and operating the European electronic systems for customs (EES) reflects this priority. Moreover, supporting the development and operation of European electronic systems is a specific objective identified for the programme and the IT-dimension is key in terms of all elements of the programme's general objective as these systems connect customs administrations across the Union to manage better financial and security risks while facilitating legitimate trade. The Customs programme also finances important initiatives to boost **collaboration** between the Member States' customs authorities, as well as between the Commission and the customs administrations. The cooperation activities target all elements of the programme's general objectives and address in particular the need for the customs union and customs authorities working together and acting as one. The collaborative activities also contribute directly to the preparation and uniform implementation of customs legislation and policy, human competency building, the development and operation of European electronic systems

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<sup>1</sup> Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027, OJ L 433I, 22.12.2020, p. 11

<sup>2</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, OJ L 347, 20.12.2013, p. 209.

<sup>3</sup> Regulation (EU) 2021/444 of the European Parliament and of the Council of 11 March 2021 establishing the Customs programme for cooperation in the field of customs and repealing Regulation (EU) No 1294/2013, OJ L 87, 15.3.2021, p. 1.

for customs as well as innovation in the area of customs policy, being the specific objectives of the programme. The collaboration generated by the programme leads to the increased effectiveness and efficiency of national administrations and of the custom union, and to the coherent and consistent application of EU law across the Member States. Through the fora provided by the EU programmes, administrations were encouraged to share knowledge, experience, good practices, to work together, to build networks, and to provide solutions to common problems or set guidelines and to establish support mechanisms. The Customs programme also provided for a wide scale of activities, such as e-learning modules, study visits, training sessions that directly contribute to **human competency building and training**.

The Customs programmes directly link to the **Customs Action Plan**<sup>4</sup>. Besides the dedicated action on deepening collaboration and enhancing human competency, in 2021 the programmes stood by all four policy domains highlighted by the Customs Action Plan: i) risk management, ii) e-commerce, iii) compliance and iv) customs authorities acting as one.

Both the actions under the Customs 2020 and under the new Customs programme were driven by the programme objectives that are in line with the policy priorities as set out in the **Strategic Plan 2020-2024 - Taxation and Customs Union**<sup>5</sup> and **Management Plan for 2021 – Taxation and Customs Union**<sup>6</sup>. Notably, these policy objectives are to develop a more modern customs union, to facilitate trade, safeguard revenues and protect citizens and businesses by:

- Developing digitalised, data-rich customs, fit for the future;
- Enhancing cooperation to fight fraud and facilitate legitimate trade;
- Ensuring the proper implementation of customs legislation.

The Customs programme is the new EU cooperation programme in the field of customs under the Multi-Annual Financial Framework 2021-2027. It represents a continuation of the earlier generation of programmes that have significantly contributed to facilitating and enhancing customs cooperation and reinforcing the customs union and the Single Market. The programme is open to the participation of non-EU countries in line with conditions set in the specific agreements. The overall programme budget amounts to **EUR 950 million**. The delays in the negotiations of the Multi-annual Financial Framework 2021-2027 led to the adoption of its Regulation only in December 2020, with the consequent result that the **adoption of the legal acts of the new generation of programmes was possible only during the course of 2021**. This situation affected in particular the management of the operation and implementation of the European electronic systems for customs requiring major efforts to mitigate the **high-risk situation regarding the continuity of the European electronic systems for customs** (see point 3.3).

The **delayed launch of the grants** in 2021 were less impactful. This is primarily due to the nature of activities financed by the grants and their co-relation to the travel and physical meeting restrictions generated by the Covid-19 pandemic. As the general collaborative action grant covers primarily costs linked to participant expenses to physical meetings and organisational costs of such meetings the foremost and as the Covid-19 situation in 2021 meant that almost 100% of the meetings took place online, the non-availability of the new programme budget did not block activities under the grants. On the contrary, the Commission had to engage in measures to minimise underspending. For that, the Commission firstly

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<sup>4</sup> COM(2020) 581 final – Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee - Taking the Customs Union to the Next Level: a Plan for Action

<sup>5</sup> [https://ec.europa.eu/info/publications/strategic-plan-2020-2024-taxation-and-customs-union\\_en](https://ec.europa.eu/info/publications/strategic-plan-2020-2024-taxation-and-customs-union_en)

<sup>6</sup> [https://ec.europa.eu/info/publications/management-plan-2021-taxation-and-customs-union\\_en](https://ec.europa.eu/info/publications/management-plan-2021-taxation-and-customs-union_en)

**reduced some grant amounts** – reallocating partially the budgets to the IT actions – and secondly **extended the grant period** of the Customs 2020 programme’s joint actions grant.

The transition to the new Customs programme in 2021 also generated the review and revamping of the programme’s **performance measurement framework** (PMF) based on the lessons learnt from the implementation of the Customs 2020 programme’s PMF. Such revision also took into consideration the recommendations of the European Court of Auditors’ special report of 2018 on the delivery of the new European electronic systems for customs<sup>7</sup>. Annex II of the programme Regulation sets out the core indicators to ensure monitoring of and reporting on the programme’s implementation. The current report of 2021 considers and respects both the old and new set of indicators.

### **3. IMPLEMENTATION OF THE CUSTOMS PROGRAMME’S SPECIFIC OBJECTIVES AND ACTIVITIES**

The Customs programme provides financial support to a range of eligible actions aimed to achieve the programme’ general and specific objectives. Article 7 and Annex 1 of the Regulation define the eligible actions, which can be divided into four main categories:

- a) European electronic systems for customs (EES);
- b) Collaborative actions (including expert teams);
- c) Human competency building and trainings; and
- d) Innovation.

All the above-mentioned actions contributed to the achievement of the following objectives.

#### **3.1 Support the preparation and uniform implementation of customs legislation and policy**

In 2021, the programmes supported 33 collaborative actions whose primary objective identified a strong link with the preparation, coherent application and effective implementation of Union law/policy.

The programme actions in this domain complement the Commission’s work and efforts in terms of preparing, monitoring and supporting the implementation of the customs legislation and driving customs policy but also reinforce the uniform understanding, interpretation and application of EU law by the Member States’ customs authorities leading to equivalent results throughout the EU customs territory. The examples below are not exhaustive but are given to highlight the most important collaborative activities funded by the programmes in 2021.

- Support to the customs union performance

In terms of the policy and the functioning of the customs union, the Customs programme supported strongly the measurement of the customs union’s performance by providing a continuous collaboration framework amongst the Member States’ customs authorities and between the Member States’ customs authorities and the Commission and by providing an IT application to support the data collection. The Customs Union Performance Expert Group<sup>8</sup> and its work is a key vehicle in reinforcing the customs union monitoring in terms of performance and is an important management/steering tool for evidence based policy formulation.

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<sup>7</sup> Special report no 26/2018: A series of delays in Customs IT systems: what went wrong?

<https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=47201>

<sup>8</sup> <https://ec.europa.eu/transparency/expert-groups-register/screen/expert-groups/consult?lang=en&groupID=3835>

- Support to address the challenges linked to the Covid-19 crisis

One of the elements of the customs' contribution to society is marked by the Covid-19 pandemic. From the start of the Covid-19 crisis and throughout 2021, the EU customs union and the Member States' customs authorities ensured that imports of important medical and protective equipment could flow freely, while keeping unsafe products off the EU markets. In 2020 the Customs programme supported the collaboration between the administrations and between the Commission and the customs administrations in their efforts to address the Covid-19 related challenges both at the legislative and at the operational level. However in 2021, the majority of the Covid-19 related measures involved activities outside the programmes.

- Support to the Single Window

Collaborative activities under the Customs programme supported the preparation and design of the Commission's proposal for establishing the European Union Single Window Environment for Customs. In this context, a dedicated programme group was established in 2021. This group addressed one of the main issues under discussion in the negotiation process regarding the Commission's legislative proposal: namely, the scenarios for the practical implementation of the business-to-government (B2G) framework.

- Support to the e-commerce

Programme activities, such as the project group addressing the import and export formalities of low value consignments and the High-level Seminar on E-commerce organised under the Slovenian Presidency, contributed to:

- ensuring proper customs control and supervision of small/low-value consignments,
- identifying the shortcomings in the domain, such as the data quality,
- facilitating the appropriate targeting of low value consignments for customs control purposes,
- facilitate streamlined, fast and efficient customs clearance, whilst ensuring enforcement of security and safety regulations, and
- reducing compliance costs.

The seminar itself resulted in the increased understanding on the first experiences with the new VAT e-commerce rules and identified possible solutions to address remaining e-commerce challenges in the longer run. The activities supported often jointly by the Customs and Fiscalis programmes contributed to the smooth launch of the VAT e-commerce package, including the Import One Stop Shop (IOSS). The first results on taxes levied, which only cover the effects regarding the Import One Stop Shop (IOSS), exceeded expectations. By the end of 2021, there were 7608 traders registered to use the IOSS carrying out, around 500 million transactions in the import scheme (IOSS).

- Support to the Authorised Economic Operator (AEO) programme

In 2021, the Customs 2020 programme helped enhance the uniform application of the AEO legal framework establishing the AEO programme. Concretely, the AEO Network and its subgroup were working on the revision of the Commission's AEO guidelines, taking also into consideration the recommendations from the European Court of Auditors (ECA) to strengthen AEO monitoring and internal controls. The programme's fact-finding visits to the Member States further contributed to develop joint best practices and to the uniform application of Union legislation. In addition, the programme supported the AEO mutual recognition with third countries, both in terms of technical support to negotiations (e.g. with United Kingdom, Turkey, Singapore and Moldova) and to existing agreement's implementation (e.g. United States).

### **3.2 Support customs cooperation**

The purpose of the Customs programme is to promote cooperation in the field of customs identified with the objective to support the customs union and customs authorities working together and acting as one. By the very nature of the collaborative actions that bring experts together, most of programme actions include an element of networking, sharing knowledge, experience and good practices. This chapter focuses on actions with direct links to knowledge sharing and networking, and addressing the degree of networking generated.

A prime example of such collaboration is the set of contact groups that bring together operational experts around the daily tasks and management of ports (RHALF&ODYSSUD), airports (ICARUS) and the land borders (land frontier contact group (LFCG)). One aspect that minimised the collaboration within these groups in 2021 was the lack of interest from the side of the national experts to engage in online meetings (as face-to-face meetings were prevented by the pandemic). As such, the level of collaboration in programme activities reduced significantly<sup>9</sup> (see table 8 of Annex 2 and output indicator 2.1 in Annex 3).

On the other hand, some expert teams, representing an enhanced form of collaboration under the programmes, remained very active.

For instance, despite the Covid-19 pandemic, the Expert Team dedicated to the Eastern and South-Eastern Land Border (CELBET) had intensive interactions in 2021, remaining therefore a key contributor to the coordinated management of the EU's external land border. Following 5 years of intensive collaboration, the results, which were shared by CELBET (iterations 1-3) with the Customs Policy Group(CPG)<sup>10</sup> and the Wise Persons Group<sup>11</sup>, showed that a permanent organizational structure could potentially support operational cooperation between not only CELBET Member States but also other EU Member States' customs administrations, that is fundamental to the proper functioning of the customs union.

Despite being severely affected by the pandemic, the Expert Team on Customs IT collaboration (ETCIT), focused on new approaches to develop and operate customs IT systems, managed to produce tangible outcomes in 2021. The expert team's results addressed the current challenges in the customs union in the area of disruptive technology changes, quickly evolving business models or the costly implementation of the national components of EES. This is especially true when up to 27 similar national components are created. Moreover, the expert team contributed to the initial work of the Wise Persons Group on the future of customs, by sharing its findings and vision regarding new approaches to customs IT collaboration. Finally, ETCIT triggered the establishment of a network of Chief Information Officers (CIO network) which will result in improved and higher efficiency, effectiveness of national IT development and operation, reinforcing the structured and strategic collaboration between the customs authorities. The ETCIT invited the Director in charge of customs IT delivery at the Commission side to join their CIO network, a proof of the very good multi-lateral collaboration established.

The Expert Teams on Binding Tariff Information (BTI 2) and on Customs Laboratories (CLET) were also operational in 2021. However, the intensity of their work and their results are less noteworthy.

### **3.3 Support administrative and IT capacity building, including human competency and training, as well as the development and operation of European electronic systems**

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<sup>9</sup> The ICARUS group had one meeting in February 2021, the LFCG met once in 2021 (January) and the port groups stopped collaboration under the Customs 2020/Customs programmes in 2021.

<sup>10</sup> <https://ec.europa.eu/transparency/expert-groups-register/screen/expert-groups/consult?do=groupDetail.groupDetail&groupID=944>

<sup>11</sup> [https://ec.europa.eu/taxation\\_customs/customs-4/wise-persons-group-challenges-facing-customs-union-wpg\\_en](https://ec.europa.eu/taxation_customs/customs-4/wise-persons-group-challenges-facing-customs-union-wpg_en)

### 3.3.1 *IT capacity building*

The Customs programme Regulation stipulates that the Commission and the Member States shall jointly ensure the development and operation of the European electronic systems for customs, including their design, specification, conformance testing, deployment, operation, maintenance, evolution, modernisation, security, quality assurance and quality control.

The late adoption of the MFF and the consequent late adoption of the Customs programme and its first financing decision prevented the signatures of contracts needed primarily for the uninterrupted and secure functioning and availability of the European electronic systems for customs, including the networks and databases. This meant that in 2021 measures had to be taken to stretch the existing contracts to still allow the network and systems availability to be close to 100% (see table 3 in Annex 2, and output indicator 1.3. in 3 in Annex 3).

The development, maintenance, operation, and quality control of common components of the existing and new European electronic systems for customs (EES) concerned 61 systems in 2021<sup>12</sup>.

In 2021 the Commission progressed well on the developments of the Union Customs Code (UCC) systems under its responsibility (performed approximately 82% of its activities by December 2021, see output indicator 1.2. in Annex 3). No delays beyond the legal deadlines were identified or materialised. Moreover, all major risks that would have led to late deployment, such as the late availability of the Customs programme budget under the new MFF, were handled.

In particular, the Commission successfully deployed the UCC Import Control System 2 (ICS2) Release 1. Since its launch, the system has been processing a large amount of data with about 10 million Entry Summary Declarations (ENS) per month, supporting effective risk-based customs controls whilst facilitating free flow of legitimate trade across the EU external borders. Representing the first line of defence in terms of protection of the EU internal market and the EU consumers, the release contributed to the compliance requirements to meet the deadlines set in the UCC and the UCC Work Programme<sup>13</sup>.

The UCC New Computerised Transit System Phase 5 (NCTS-P5) and the UCC Automated Export System (AES) were successfully put in production this year of 2021, with the entry in operation of its first Member State. Intensive collaborative testing supported the technical transition. Collective intelligence and agility with Member States and trade were the key asset fuelling these projects towards their targets. The projects were on track and the Member States started to publish their specifications for the traders in 2021. Unfortunately, half of the national plans presented serious risks for the orderly and timely deployment of the NCTS-P5 and AES by the legal deadline. As such, the Commission invited the Member States to take all necessary steps to advance their plan and de-risk them, to avoid compromising the end date of the deployment window, establishing the end of the transitional arrangements. Similar warning was issued for the national projects where risks for delays had been reported by some Member States, in particular in the domain of entry of goods into the EU. The deployment date as well as the roll out and full operation with all economic operators should fall within the deployment windows set by the UCC Work Plan. All the details of the state of play of the implementation of the IT systems that underpin the UCC are provided by the Commission in its UCC Annual Activity Report<sup>14</sup>.

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<sup>12</sup> A list of all EES systems in the customs area funded by the Customs programmes is in Annex 4.

<sup>13</sup> Commission Implementing Decision (EU) 2019/2151 of 13 December 2019 establishing the work programme relating to the development and deployment of the electronic systems provided for in the Union Customs Code, C/2019/8803

<sup>14</sup> [https://ec.europa.eu/taxation\\_customs/news/ucc-work-programme-progress-report-2021-2022-01-24\\_en](https://ec.europa.eu/taxation_customs/news/ucc-work-programme-progress-report-2021-2022-01-24_en)



In 2021, the Customs programme maintained to embrace the provisions of the General Data Protection Regulation<sup>15</sup>, providing collaborative fora for the Member States together with the Commission to improve the understanding on the data protection principles, rules and requirements. It also contributed to the establishment of data protection arrangements directly linked with the large number of European electronic systems for customs under the joint controllership of the Commission and the Member States.

### *3.3.2 Human competency building and training activities*

The majority of the joint/collaborative actions funded by the Customs programmes have an educational or knowledge building/sharing element. At the same time, the Customs programmes also support activities with a predominant training objective, such as the development, translation and promotion of eLearning courses.

In 2021, the Commission continued promoting and coordinating extending certain national training initiatives to participants from other programme participating countries' customs authorities. The Customs programmes contributed to the organisation and execution of shared training sessions that primarily addressed the operational aspects of risk management and customs controls thus facilitating the establishment of common good practices in the EU. In addition, in the context of the Covid-19 pandemic, a training initiative directly contributed to and generated recommendations in terms of the modern and effective training methodologies targeting the interactive, online/distant-learning methods and tools.

Two new eLearning courses were delivered in 2021. First, the eLearning modules on customs controls "Prohibitions and Restrictions", which help customs officers applying prior knowledge in an immersive, 3D simulated container search task. The second course, on the UCC system for Uniform User Management and Digital Signature (UUM&DS), was released in 21 languages and provides economic operators and their customs representatives with information on how to work with UUM&DS. 86 localised versions of existing courses were also developed. Overall, the number of officers accessing eLearning courses in 2021 was 20 times more than in 2020, thanks to the availability of the new Customs & Tax EU Learning Portal (see table 9 in Annex 2).

In addition, 11 nano-learning courses<sup>16</sup> were distributed complementing the national and EU training courses and increasing their efficiency through the use of modern and innovative training approaches.

## **3.4 Support innovation in the area of customs policy<sup>17</sup>**

In 2021, the programmes supported innovation by providing a platform to review and monitor modern and emerging solutions, such as big data and data analytics, blockchain, artificial intelligence, machine-learning, technology transfers and start-up/scale-up ecosystems. To ensure that customs can fully protect the Single Market and budgetary resources, the programme supported to modernisation of customs, notably by making full use of data analytics and modern technologies (notably with the creation of a new tool, the TAXUD Data Lab). As an example, the programmes' activities continued to investigate the modern and innovative technologies, tools and equipment available on the markets for the use of the national customs authorities supporting the customs controls. Activities provided guidance and recommendations to the national experts in their search for forward-looking and modern tools and equipment improving the speed and efficiency of customs controls primarily via the Detection

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<sup>15</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), OJ L 119, 4.5.2016, p. 1.

<sup>16</sup> Tutorials designed to learn a given subject in a maximum 5 minutes' timeframe using electronic media.

<sup>17</sup> The Customs programme introduced the objective of innovation as a separate target. While the Customs 2020 programme did not specifically identify innovation as a dedicated objective, it also indirectly identified the need to innovate by setting part of the general objective to the modernisation of the customs union.

Technology Group and later via the Customs Control Equipment Instrument (CCEI) Coordination Group. The IT Technology & Infrastructure Group combined with the ETCIT's results and outputs contribute directly to the current and future use of blockchain and artificial intelligence (AI) technologies, increasing the understanding and the potential engagement in digital transformation.

#### 4. COMPLEMENTARITY WITH OTHER UNION POLICIES AND PROGRAMMES

**Customs** law and policy, and consequently the Customs programme, **have an extensive external dimension** linking with multiple policy areas within DG TAXUD and in the broader Union policy context.

The programme Regulation specifically calls for the Customs programme to **exploit possible synergies with other Union measures in related fields to ensure cost-effectiveness**. Recital 5 of the Customs programme Regulation highlights such synergies with the Fiscalis programme<sup>18</sup>, the Customs Control Equipment Instrument<sup>19</sup>, the Union Anti-Fraud Programme<sup>20</sup>, the Border Management and Visa Instrument (BMVI)<sup>21</sup>, the Internal Security Fund<sup>22</sup>, the Single Market Programme<sup>23</sup>, the Recovery and Resilience Facility<sup>24</sup>, and the Technical Support Instrument<sup>25</sup>. The programme seeks synergies and complementary with additional domains as well, including the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments<sup>26</sup>.

##### 4.1 With other DG TAXUD initiatives

In 2021, the Customs programmes provided support to fundamental aspects of the European Electronic Systems for customs, such as the financing of the Common Communication Network (CCN and CCN2), jointly with the **Fiscalis 2020<sup>27</sup> and new Fiscalis programmes**. Additionally, the Customs programmes supported a number of collaborative activities jointly with the Fiscalis programmes mainly in the domain of e-commerce and the collection of VAT at import, excise procedures and customs procedure 42. Equally, the Customs and Fiscalis programmes supported in a harmonised and cross-collaborative manner the more horizontal aspects such as data protection compliance, IT technology and infrastructure aspects, communication and training of national officials. The joint investment proved to benefit not only in terms

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<sup>18</sup> Regulation (EU) 2021/847 of the European Parliament and of the Council of 20 May 2021 establishing the 'Fiscalis' programme for cooperation in the field of taxation and repealing Regulation (EU) No 1286/2013, OJ L 188, 28.5.2021, p. 1.

<sup>19</sup> Regulation (EU) 2021/1077 of the European Parliament and of the Council of 24 June 2021 establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment, OJ L 234, 2.7.2021, p. 1.

<sup>20</sup> Regulation (EU) 2021/785 of the European Parliament and of the Council of 29 April 2021 establishing the Union Anti-Fraud Programme and repealing Regulation (EU) No 250/2014, OJ L 172, 17.5.2021, p. 110.

<sup>21</sup> Regulation (EU) 2021/1148 of the European Parliament and of the Council of 7 July 2021 establishing, as part of the Integrated Border Management Fund, the Instrument for Financial Support for Border Management and Visa Policy, OJ L 251, 15.7.2021, p. 48.

<sup>22</sup> Regulation (EU) 2021/1149 of the European Parliament and of the Council of 7 July 2021 establishing the Internal Security Fund, OJ L 251, 15.7.2021, p. 94.

<sup>23</sup> Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 (Text with EEA relevance), OJ L 153, 3.5.2021, p. 1.

<sup>24</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, OJ L 57, 18.2.2021, p. 17.

<sup>25</sup> Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument, OJ L 57, 18.2.2021, p. 1.

<sup>26</sup> Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments OJ L 231, 30.6.2021, p. 94.

<sup>27</sup> Regulation (EU) No 1286/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme to improve the operation of taxation systems in the European Union for the period 2014-2020 (Fiscalis 2020) and repealing Decision No 1482/2007/EC, OJ L 347, 20.12.2013, p. 25.

of economies of scale, but also cross-fertilising and breaking down silos between the customs and taxation domains.

The programme built additional synergies with the new **Customs Control Equipment Instrument**<sup>28</sup>. The Customs programme provided direct support to the implementation of the CCEI via cooperation actions regarding the assessment of needs and the trainings to be required for the effective use of the equipment concerned<sup>29</sup>. As such, the CCEI Coordination Group was established in 2021, providing support to the operational implementation of the Instrument. In addition, collaborative activities, such as sharing good practices and expertise on the use of specific control equipment, such as scanners and tools for reading X-ray images, facilitated the identification of the customs control equipment to be potentially purchased via the support of the CCEI.

## 4.2 With other Union policies

The Customs programmes have strong interlinks with numerous policy areas and related EU programmes. A key partner in 2021 was the **Hercule III**<sup>30</sup>/**Anti-fraud programme**. The final evaluation of both the Customs 2020 and the Hercule III programmes praised the complementarity of the two programme domains that partially address the same aspects of customs work, but with different financing options and different underlying objectives. The correlation is also present at the level of the Union IT systems and the joint financing of specific IT applications used for objectives relevant for both the Customs as well as the Hercule III/Anti-fraud programme<sup>31</sup>.

The Customs programmes' collaborative actions also supported cooperation with other related policy domains primarily linked with the broad role and competencies of customs in the **control of goods entering, exiting and transiting the EU customs territory**. Such cooperation took place for instance in the domain of **non-financial risk management**, such as product safety (fluorinated greenhouse gases, nuclear detection), the protection of the environment (waste, FLEGT<sup>32</sup>, fluorinated greenhouse gases), and security market (cash control, drug precursors, cultural goods).

Finally, the programme supported other Union policies through the realisation of IT-level connections via the EU Single Window Environment for Customs initiative (EU SWE-C). In this regard, accesses were maintained to several platforms, sometimes with further IT developments of its underlying certificates exchange (CERTEX) system. These are notably the interconnection between the CERTEX system and the fluorinated greenhouse gases and ozone depleting substances platforms<sup>33</sup> in support of EU climate objectives; the start of the business specifications for the development of a functionality within the CERTEX system allowing automatic checks of certificates required by the Convention on International Trade in Endangered Species (CITES) and a future interconnection with the EU CITES platform in support of EU environment policy goals. An interface with the Union market surveillance platform<sup>34</sup> is under preparation via the CERTEX system, with business activities in 2021. The CERTEX system also

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<sup>28</sup> Regulation (EU) 2021/1077 of the European Parliament and of the Council of 24 June 2021 establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment, OJ L 234, 2.7.2021, p. 1.

<sup>29</sup> Recital 16 of the CCEI Regulation.

<sup>30</sup> Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC, OJ L 84, 20.3.2014, p. 6.

<sup>31</sup> Including primarily the Customs Information System (CIS).

<sup>32</sup> Forest Law Enforcement, Governance and Trade

<sup>33</sup> These platforms manage the Ozone Depleting Substances licenses and fluorinated greenhouse gases (f-gas) authorisation/quotas.

<sup>34</sup> Information and Communication System on Market Surveillance (ICSMS)

interconnects with the sanitary and phytosanitary certification platform (TRACES NT<sup>35</sup>) and is interconnected with the Dual-Use Export e-licensing system in support of common trade policy.<sup>36</sup>

## 5. CONCLUSIONS AND LESSONS LEARNED

### 5.1 Strengths identified and confirmed by indicators

Despite the lack of physical meetings due to the Covid-19 pandemic, collaboration generated by the programme remained strong. The majority of the programme collaboration action managers and the programme participants have adapted to the new working modalities (online collaboration/online meetings). The number of meetings was still lower compared to 2019, but a recovery trend is reflected in the number of meetings organised in 2021(see Table 8, Annex 2).

Business continuity of IT was ensured, proven by the stable availability levels of the relevant IT systems.

The programme proved to be instrumental in supporting and contributing to the implementation of EU policy priorities, in particular in the context of the EU priority to promote digital transition and the protection of the European way of life.

### 5.2 Weaknesses identified by indicators, areas to improve

While the vast majority (88.54%<sup>37</sup>) of the programme participants reported that they were passing on the information obtained and sharing the results gained via programme activities within their administration, the cascade effect seems to be rather limited as the generated knowledge stays mainly with the officials directly involved in programme activities. National administrations and programme activity participants should be encouraged to spread the information more broadly to ensure that the information reaches the relevant managerial levels.

In 2021 (Customs 2020 programme), only 2 new actions were initiated, both by a Member State. However, previous years have demonstrated that more than 70% of the initiatives other than bilateral activities — such as working visits — are proposed and managed by the Commission. New proposals submitted in December 2021 under the Customs programme also confirm this trend (see Figure 3 in Annex 3). Apparently, this disproportionate share of collaborative activities stems from the fact that the willingness in general in the participating countries to initiate and take ownership over specific actions is rather limited. National administrations are therefore invited to be much more active in initiating activities under the new Customs programme to use its full potential. The experience with expert teams (e.g. Import Control System 2 (ICS2) and ETCIT 3 preparations) highlighted the possible challenges and difficulties in ensuring Member States' timely involvement and buy-in. Here again, Member States should clearly assess their interest of joining and launching an expert team and dedicate, through the whole duration of its activity, the appropriate number and level of human resources in the implementation phase to allow the success, not only of such collaboration tool, but also of the Customs programme.

The European Court of Auditors report on customs controls<sup>38</sup> highlighted that while implementing the new customs financial risk framework was an important step towards uniform application of controls, the framework is not designed well enough to ensure that Member States perform controls in a harmonised

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<sup>35</sup> Trade Control and Expert System

<sup>36</sup> The interconnections of the Single Window platform concern partner DGs CLIMA, SANTE and TRADE.

<sup>37</sup> Based on the Event assessment survey

<sup>38</sup> Special Report 04/2021: Customs controls: insufficient harmonisation hampers EU financial interests - <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=58256>

way. Moreover, the Member States interpret, and thus implement, the legal acts and the related guidance in different ways. The Court consequently recommended to the Commission to enhance the uniform application of customs controls and develop and implement a fully-fledged analysis and coordination capacity at EU level. While the Customs programmes were mobilised in these domains to a certain extent (in terms of IT systems as well as collaborative actions and human competency building), it should be investigated how the Customs programme could further engage in overcoming these weaknesses.

## **6. ANNEXES**

- Annex 1: Acronyms and definitions
- Annex 2: Customs 2020 programme budget and key performance indicators (for activities carried out during 2021)
- Annex 3: Customs programme's budget, performance indicators and supplementary information (for activities carried out during 2021)
- Annex 4: European Electronic Systems financed under Customs 2020 and new Customs programme

## 6.1 Annex 1: Acronyms and definitions

<b>Abbreviation</b>	<b>Meaning</b>
<b>AEO</b>	Authorised Economic Operators
<b>AES</b>	Automated Export System
<b>AFF</b>	Action Follow-up Form
<b>ART</b>	Activity Reporting Tool
<b>AWP/MAWP</b>	Annual Work Programme/Multiannual Work Programme
<b>BTI</b>	Binding Tariff Information
<b>CCN/CSI</b>	Common Communications Network - Common Systems Interface
<b>CELBET</b>	Customs Eastern Land Border Expert Team
<b>CLET</b>	Customs Laboratories Expert Team
<b>CRC</b>	Common Risk Criteria
<b>CRMS</b>	Customs Risk Management System
<b>C2020</b>	Customs 2020 Programme
<b>DG TAXUD</b>	European Commission Directorate-General for Taxation and Customs Union
<b>EAF</b>	Event Assessment Form
<b>ECS</b>	Export Control System
<b>EIS</b>	European Information System
<b>ET</b>	Expert Team
<b>ICS</b>	Import Control System
<b>JA</b>	Joint Action
<b>MASP</b>	Multiannual Strategic Plan
<b>MFJ</b>	Multiannual Financial Framework
<b>N/A</b>	Not available
<b>NCTS</b>	New Computerised Transit System
<b>PICS</b>	Programmes Information and Collaboration Space
<b>PMF</b>	Performance Measurement Framework
<b>SPEED</b>	Single Portal for Entry or Exit of Data
<b>UCC</b>	Union Customs Code

## 6.2 Annex 2: Customs 2020 programme budget and performance indicators (for activities carried out during 2021)<sup>39</sup>

### 1: Budget

**Table 1: Committed expenses per year and main action categories under the programme**

For European Electronic Systems and other service contracts (studies): 2020 budget was committed in 2021 via a global commitment done at the end of 2020 to be able to bridge the gap between the end of the former programmes and the adoption of the new MFF and related Financing Decision.

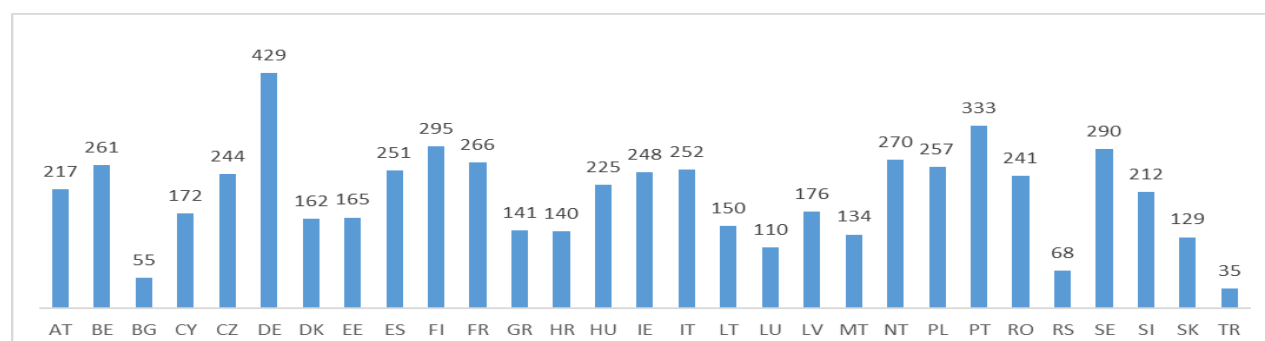
For collaboration activities (including expert teams), external experts and the remaining service contracts: there were no new commitments done during 2021 related to the budget of the Customs 2020 programme. All collaborative activities continued in 2021 based on commitments made in 2020.

Action category	2021
European Electronic Systems	EUR 50 174.40
Collaboration activities (including expert teams)	EUR 0
Other service contracts <sup>40</sup>	EUR 1 199 293.15
External experts	EUR 0
<b>TOTAL</b>	<b>EUR 1 249 467.55</b>
AWP-Financing Decision 2020	EUR 0 <sup>41</sup>

### 2: Joint actions

**Figure 1: Overview of participants per country in 2021 (all joint actions other than expert teams, all objectives)**

Total number of registered participants in: 5928

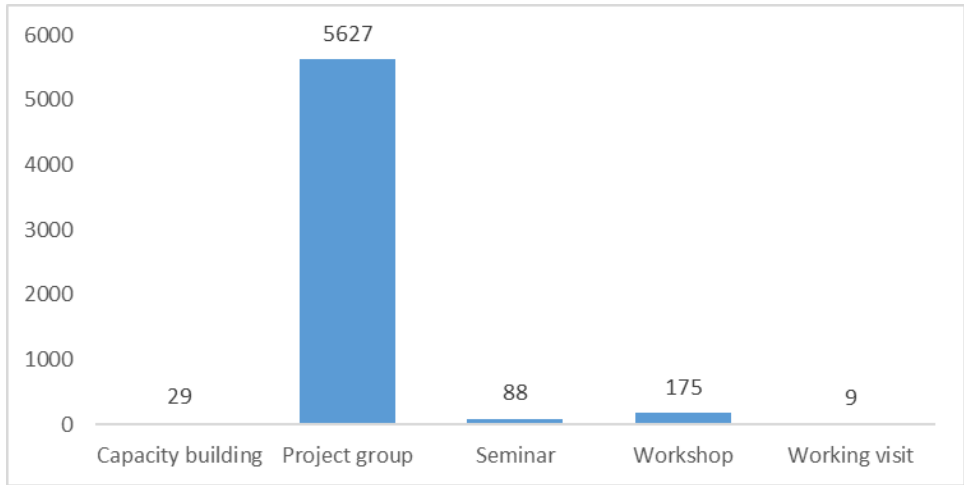


<sup>39</sup> Expenses in the year 2021 were split between the Customs 2020 and the Customs programme's budgets. For actions under the Customs 2020 budget, the previous Performance Measurement Framework (PMF) applies. Collaborative actions under Customs 2020 finished on 30 November 2021. Reporting for collaborative activities thus covers the period January-November 2021. Reporting for training and eLearning under Customs 2020 covers the period January-December 2021, since Member States report on an annual basis. Reporting for IT systems under Customs 2020 covers the period January-June 2021.

<sup>40</sup> Including training-related procurement, studies, communication, information support, programme management support and IT collaboration support.

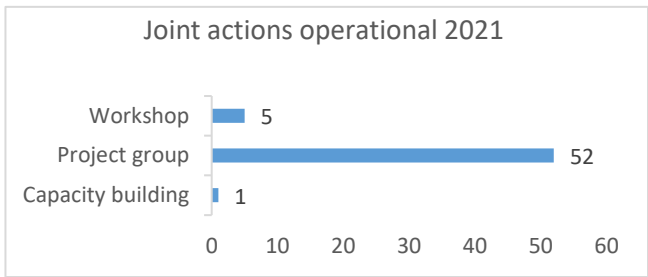
<sup>41</sup> No commitments were made on AWP 2020 and the related Financing Decision in year 2021. All the related commitments were made in 2020.

**Figure 2: Overview of activity types and number of participants per activity type (joint actions other than expert teams)**



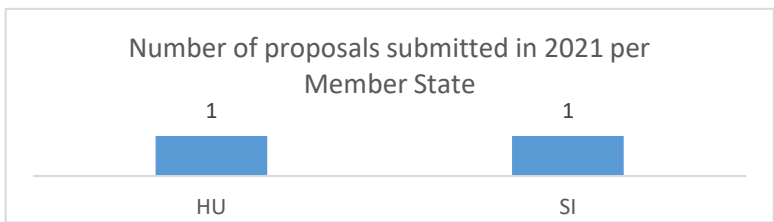
**Figure 3: Number of joint actions active in 2021 (excluding expert teams)**

Total number of joint actions (activities): 58



**Figure 4: Number of new joint action proposals submitted during 2021 (excluding expert teams)**

Total number of proposals: 2





### 3: Expert teams

**Table 2: Expert teams**

Expert team	Objective	Duration	Participating countries	Main outputs
Expert Team on pooling expertise to resolve complex cases of divergent tariff classification - BTI 2	<p>The business objectives of the expert team are to pave the way for pooling the best expertise available in the Member States and to gain time in solving issues. Bringing proposals for solutions in which the necessary investments in time and EU expertise have been included, in view of their adoption by the Customs Code Committee (CCC), is the desired outcome. A structured collaboration and exchange of specific knowledge between experts of the domain should allow proposing to the CCC viable solutions to complex classification cases. This should allow the resolution of such cases to be adopted within a reasonable timeframe.</p> <p>The expert team contributes to the objectives of the Customs programme regarding customs tariff and classification.</p>	36 months	Spain, Belgium, The Czech Republic, Italy, Netherlands, Slovakia, Greece, Ireland, Poland, Slovenia	<p>Delivering an expert opinions/advice in a targeted area (Section XV and Chapters 84, 85, 87, 90 and 95 of the Combined Nomenclature, also enabling the below listed outcomes).</p> <p>Reduction in the number of cases of divergent classification, and in the number of Binding Tariff Information (BTI) that take a long time to issue for various reasons.</p> <p>Systematic increase and capacity building on specific knowledge and knowledge sharing in a form of EU-wide strategy by making the expert opinions available for all.</p>
Customs Laboratories Expert Team - CLET 2	<p>The specific business objective of the expert team is to pool the expertise and equipment in a network of ten EU customs laboratories in order to:</p> <ul style="list-style-type: none"> <li>- Analyse specific samples</li> </ul> <p>In particular the expert team will focus e.g. on the analysis of unknown white powders by nuclear magnetic resonance (NMR), the determination of bio carbon content by liquid scintillation counting (LSC), the analysis of minerals in cigarettes, the determination of wood species by microscopy, etc. A mobile laboratory can be brought for example nearby the Eastern border to analyse fuels.</p> <p>The team will primarily provide analysis of samples based on requests from other members of the expert team or from other customs laboratories (approx. 600 over the project duration). The network will then mutualise the use of analysis equipment and techniques, and will provide as a network a larger range of analytical tools, compared with a single laboratory.</p>	30 months	Italy, Austria, Belgium, Cyprus, Czech Republic, France, Greece, Hungary, the Netherlands, Spain	<p>Analysis of a large number of potentially dangerous substances or of products representing an important loss of revenue for EU and Member States budgets.</p> <p>Sharing of results of analysis at EU level by setting up and maintaining a common database that includes analysis results, data, and spectra of a large number of samples. This could be used as a documentation management centre and as a common reference for the customs laboratories in order, for example, to compare data or to complement the assessment of samples detected at the borders.</p>

	<ul style="list-style-type: none"> <li>- Share results of analysis at EU level</li> </ul> <p>The expert team will contribute to the creation, management and feeding of a database gathering the results of the analysis, to be shared and used at EU level.</p> <p>The common database of results, available at EU level, could potentially also reveal abnormal results and therefore potential frauds.</p> <ul style="list-style-type: none"> <li>- Prepare other activities</li> </ul> <p>In addition to the analysis, the expert team will suggest operational common/harmonised approaches for analysis and tariff classification problems. Incidentally, the expert team will also contribute to develop approaches (e.g. methods and techniques) and guidelines based on the results of their analysis. As results of analysis will be shared for the benefit of all, the need for new methodologies, tools, guidelines, could possibly emerge and the expert team could then suggest new activities to the CLEN.</p>			
<p>Expert Team on New Approaches to Develop and Operate Customs IT System 2 - ETCIT 2</p>	<p>The aim of ETCIT II is to provide participating Member States with necessary support in developing IT systems in a collaborative way and input in order to start the pilot project(s) to develop customs IT systems.</p> <p>The Expert Team would meet the expectations from the Member States and the Commission in continuation the work of the ETCIT I and preparation of one or several pilot projects (or proof-of-concept) and delivering the final recommendations and suggestions for new approaches on improving the efficiency of development of customs IT systems post 2025.</p>	<p>27 months</p>	<p>Portugal, Belgium, Czechia, Germany, Estonia, France, Italy, Cyprus, Lithuania, Luxemburg, Hungary, Malta, Netherlands, Romania, Slovakia Sweden</p>	<p>Use of pooling of resources in customs IT development, maintenance and operation (EU-wide or between Member States) explored and assessed, pros and cons analysed, especially from the angle of efficiency and cost-savings.</p> <p>Technical aspects of use of pooling of resources in customs IT development explored and assessed.</p> <p>Preparedness to provide advisory services for future initiatives using pooling of resources.</p> <p>Finalisation of the starting phases of the pilot project(s).</p> <p>Finalisation of the cost-benefit analyses.</p> <p>Business case, implementation plan, IT architecture and design documents of the pilot project(s).</p> <p>Training documentation to support IT Projects.</p> <p>Customs IT Collaborative Portal that promotes customs IT collaborative projects among Member States.</p> <p>Continuous updates and presentations to different fora</p>

				on the progress of ETCIT. Establishment of mechanisms that identifies and supports future collaborative activities between Member States.
Customs Eastern and South-Eastern Land Border Expert Team 3 - CELBET 3	The aim of CELBET 3 is to enable high quality customs control at the EU Eastern and South Eastern land border through co-operation and networks.	36 months	Estonia, Finland, Latvia, Lithuania, Poland, Slovakia, Hungary, Croatia, Romania, Bulgaria, Greece	<ul style="list-style-type: none"> <li>• Results directly linked to the activities of the seven teams and of the horizontal management activity together with the Border Crossing Point Network: these deliverables can be of different natures (reports, recommendations, guidelines, minutes of meetings, workshop presentations, etc.).</li> <li>• Results linked to the coordination and management of the project itself (progress reports, risk management, change/deviation mitigation procedures, etc.).</li> <li>• Results linked to the reporting and monitoring activities either for the Commission or for the partners.</li> </ul>

#### 4: Key performance indicators for European Information Systems C2020 output indicators

**Table 3: Key Performance Indicators**

<b>C2020 output indicators – New IT systems for customs</b>	<b>2021</b>
Number of IT projects in the research phase (PP)	3 <sup>42</sup>
Number of IT projects in the development phase (P)	11 <sup>43</sup>
Number of new IT systems in operations (PROD)	4 <sup>44</sup>
Ratio of IT projects in status "Green" (refer to MASP-C 2017) (%) <sup>45</sup>	60% <sup>46</sup>
Ratio of IT projects in status "Green" (refer to MASP-C 2019) (%)	70.59% <sup>47</sup>
<b>C2020 output indicators – Existing IT systems for customs</b>	<b>2021</b>
Number of European Information Systems in operations	61
Number of modifications on IT systems in operation following business requests	473
Number of modifications on IT systems in operation following corrections	357
Number of occurrences where the service desk is not reachable	0
Percentage of service calls answered on time	99.40%
<b>C2020 result indicators – European Information Systems</b>	<b>2021</b>
Availability of the Common Communication Network (CCN), Common Systems Interface (CSI) (%)	99.90%
Availability of centralised IT customs applications (%)	99.20%
Availability of New Computerised Transit System (NCTS), Export Control System (ECS), Import Control System (ICS) (%)	99.28%
Availability of the Single Portal for Entry or Exit of Data (SPEED2)	99.94%
Activity indicators (application data volumes and number of messages CCN Network)	65.90 Terabytes 7 860 million messages

#### 5: Joint actions with national customs authorities in the area of IT

**Table 4: Joint actions in IT**

<b>Indicator</b>	<b>2021</b>
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)	3.00*
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')	93.2%
Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	90.9%
Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	98.4%

\*Non-representative data due to limited feedback received in AFFs for 2021 from action managers.

<sup>42</sup> MASP-C Rev 2019 V1.1: UCC GUM, NCTS P6, CSW-CERTEX (Dual use – R3.0.0).

<sup>43</sup> CLASS P2, UCC ICS 2.0 release 2, CRMS2, UCC CCI P1, UCC CCI P2, COPIS e-AFA, CUP-MIS, VAT e-Commerce Phase 2 IOSS, UCC PoUS P1, UCC PoUS P2, CSW-CERTEX (FGAS – R2.0.0).

<sup>44</sup> UCC ICS 2.0 release 1, NCTS P5, UCC AES, REX3 (STP).

<sup>45</sup> Projects that are progressing in line with the requirements, time and budget limitations set-up.

<sup>46</sup> Based on the MASP-C dashboard for ECCG73 : Green (6) – AES, NCTS P5, NCTS P6, COPIS eAFA, UCC CCI P2, High availability Gold Service; Amber (4): CRMS2, UCC GUM, UCC CCI P1, PoUS P1

<sup>47</sup> Based on the MASP-C dashboard for ECCG73 : Green (12) – AES, NCTS P5, NCTS P6, COPIS eAFA, High availability Gold Service, ICS2 R2, ICS R3, UCC CCI P1, UCC CCI P2, CUP-MIS, PoUS P1, PoUS P2; Amber (5) – EU SWC-Dual Use, CLASS P2, CLASS P3, CRMS2, UCC GUM.

## 6: Cross-cut indicators of collaboration robustness between programme stakeholders

**Table 5: Collaboration**

Indicator	2021
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)	3.67*
Extent to which the target audience is aware of the programme	46.23 %
Indicator: Degree of networking generated by programme activities	2021
Q 1: Did the activity provide you a good opportunity to expand your network of and contacts with officials abroad? (Percentage agreeing)	81.1%
Q2: Have you been in contact for work purposes with the officials you met during this activity since the activity ended? (Percentage agreeing)	54.9%
Indicator: Extent to which programme outputs (e.g. guidelines or training material) are shared within national administrations	2021
Q 1: Were the outputs of the action shared in national administrations? (Percentage agreeing)	71.43%*
Q 2: Further to your participation in this activity, did you share with colleagues what you learned? (Percentage agreeing)	82.77%

\*Non-representative data due to limited feedback received in AFFs for 2021 from action managers.

## 7: Improve cooperation between customs authorities and international organizations, third countries, other governmental authorities, including Union and national market surveillance authorities, as well as economic operators

**Table 6: Joint Actions**

Indicator	2021
Extent to which JAs (that sought to support cooperation 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)	2.00*
Participants' views on the extent to which a JA (that sought to support cooperation 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')	93.7%
Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	81.2%
Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	100%
Number of programme actions supporting the operational objective relating to cooperation with third parties	3
Number of partner countries that the customs union exchanges information with via IT systems	14

\*Non-representative data due to limited feedback received in AFFs for 2021 from action managers.

## 8: Support the preparation, coherent application and effective implementation of Union law and policy in the field of customs

**Table 7: Application of customs law**

Indicator	2021
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)	3.19*
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')	94.5%
Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	89.1%
Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	99.0%
Number of actions (JA) that have supported or facilitated the implementation, preparation or application of (a specific piece of new or revised) customs law	29
Number of recommendations (R) / guidelines (G) /other outputs (O) issued further to a JA (under this objective)	3 (R)* 3 (G)* 3 (O)*

\*Non-representative data due to limited feedback received in AFFs for 2021 from action managers.

## 9: Identify, develop, share and apply best working practices and administrative procedures

**Table 8: Best practices and procedures**

Indicator	2021
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)	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')	78.3%
Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	88.2%
Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	97.2%
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	32.4%
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	97.2%
Number of actions under the programme organized in this area	5
Number of working practices/administrative procedures developed/shared	3*
Number of actions which had outputs used for a benchmarking activity as declared by the action managers	3*

Indicator	2021
Number of face-to-face meetings (physical meetings)	20 <sup>48</sup>
Number of on-line collaboration groups (PICS) (total for the platform)	240
Number of downloaded files from PICS (total for the platform)	465 538
Number of uploaded files on PICS (total for the platform)	59 348

\*Non-representative data due to limited feedback received in AFFs for 2021 from action managers.

## 10: Reinforce skills and competences of customs officials

**Table 9: Skills**

Indicator	2021
Number of EU eLearning modules produced	88 <sup>49</sup>
Number of EU eLearning modules used by participating countries (combined number of all modules used in each country)	285
Number of customs officials trained by using EU common training material	384 696 <sup>50</sup>
Number of times publically available EU eLearning modules were downloaded from Europa.eu website	10 877
Average training quality score by customs officials	74.7
Number of IT training sessions organised for given systems / components	18
Number of customs officials trained in IT trainings	217
Percentage of customs officials who found that the IT training met their expectations (percentage of those who replied 'fully' or 'to large extent')	89.1%
Percentage of customs officials who found the IT training to be useful (percentage of those who replied 'very useful' or 'useful')	100%

<sup>48</sup> Total number of meetings including the virtual meetings is 286.

<sup>49</sup> Corresponding to 2 new modules and the following language versions: 3 of Customs Controls: Prohibitions and Restrictions, 11 of the 2 modules on Radiation and Nuclear Detection, 5 of the 5 modules of Car Search Programme, 14 of Container Examination, 21 of UUM&DS system and 21 of INF Special Procedures.

<sup>50</sup> Customs officials from participating countries administrations that have completed an eLearning course on the Customs & Tax EU Learning Portal and number of officials trained reported in the download of customs officials. In 2021, the number of customs officials trained as reported by national administrations since the Learning portal was launch in May 2021 was also accounted for.

## 6.3 Annex 3: Customs programme's budget, performance indicators and supplementary information<sup>51</sup>

### 1: Customs programme budget

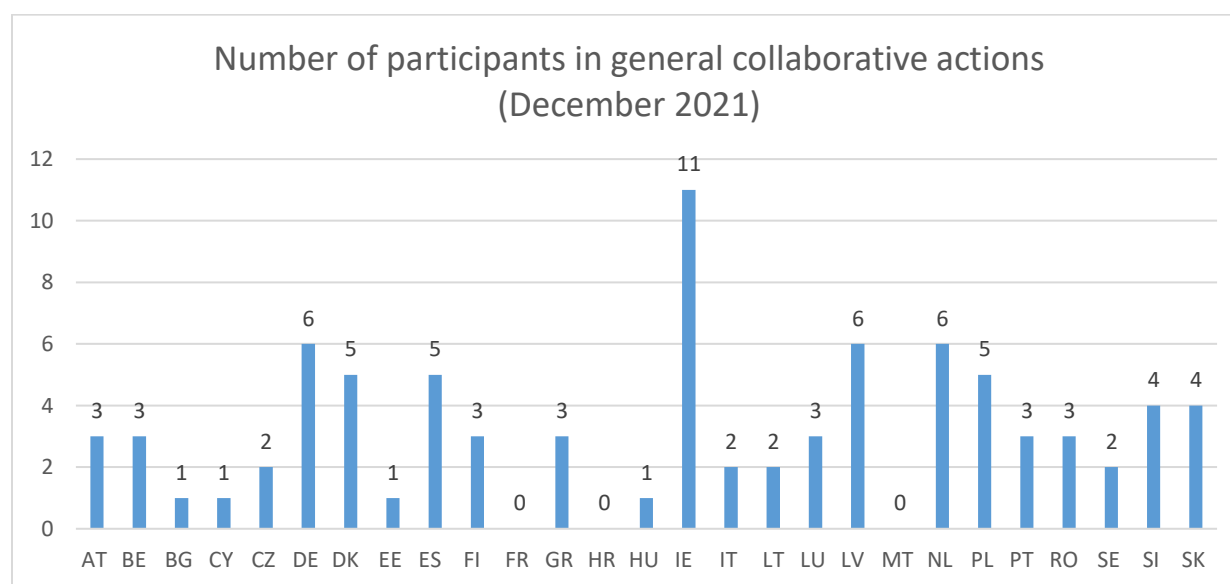
**Table 1: Committed expenses per year and main action categories under the programme**

Action category	2021
European Electronic Systems	EUR 116 533 046.11
Collaboration activities (including expert teams)	EUR 5 600 000
Other service contracts <sup>52</sup>	EUR 2 884 091.36
External experts	EUR 200 000
<b>TOTAL</b>	<b>EUR 125 217 137.47</b>
MAWP-Financing Decision <sup>53</sup>	EUR 126 587 000

### 2: General collaborative actions (excluding expert teams)

**Figure 1: Overview of participants per country in 2021 (all joint actions all objectives)**

Total number of participants in general collaborative actions: 85<sup>54</sup>.



<sup>51</sup> Expenses in the year 2021 were split between the Customs 2020 and the Customs programme's budgets. Reporting covers the period of December 2021 for collaborative actions. For training and eLearning, the Customs 2020 reporting covers the period January-December 2021, since Member States report on an annual basis. Reporting for IT systems under the Customs programme covers the period July-December 2021.

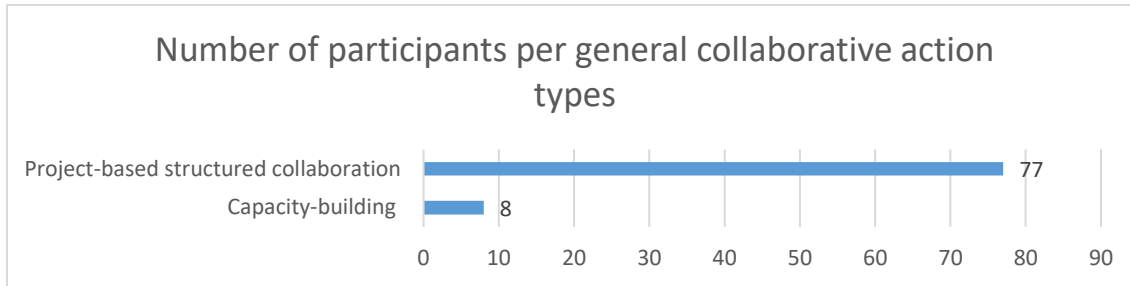
<sup>52</sup> Including training, studies, communication, information support, programme management support and IT collaboration support (as per section 3.2 of the MAWP).

<sup>53</sup> The Multiannual Work Programme of the Customs programme covers the period 2021 - 2022. The budgetary figures have been split per year based on the data provided for adopting the related Financing Decision.

<sup>54</sup> The data includes Denmark who will join the related grant retroactively. Croatia and France did not provide data input to the Commission and thus indicated with zero participants. Malta reported zero participants for the period.

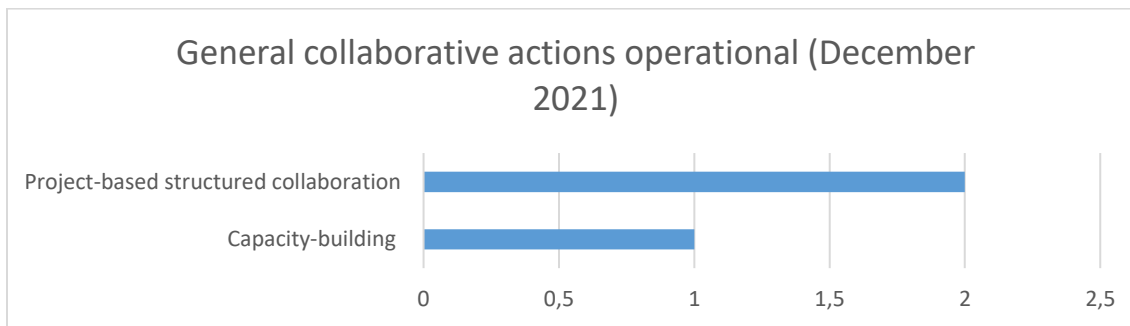


**Figure 2: Overview of activity types and number of participants per activity type**



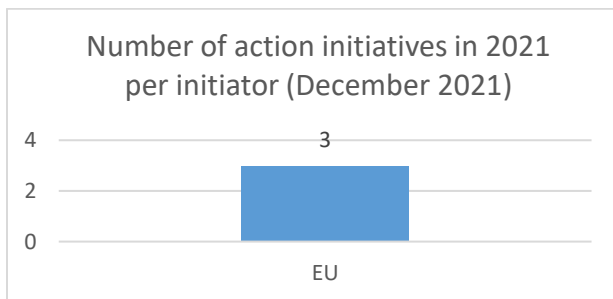
**Figure 3: Number of general collaborative actions (excluding expert teams) active in December 2021**

The number of collaborative activities active in December 2021 is 3.



**Figure 3: Number of new general collaborative action initiatives during 2021 (December 2021)**

Number of action initiatives in December 2021 is 3.



### 3: Expert teams

**Table 2: Expert teams**

Expert team	Objective	Duration	Participating countries	Main outputs
Expert team for pooling and sharing specific analytical expertise of Customs Laboratories at European Union level - CLET 3	<p>The scope of the Customs Laboratories Expert Team is to pool the expertise and equipment in a network of 10 EU customs laboratories, to analyse samples, to share results of analysis at EU level, to elaborate an operational common/harmonised approach for analysis and to test and promote new equipment and working methods. Consequently, it helps to control the trade flows, implement correctly the EU policies. Incidentally, it can provide best practice for solving tariff classification problems, suggestions for better implementation of EU Regulations, etc.</p> <p>The expert team pools the participating customs laboratories experience to increase the best practices spreading and sharing.</p>	36 months	Italy, Belgium, Cyprus, The Czech Republic, Spain, Finland, Hungary, The Netherlands, Greece, France <sup>55</sup>	The results are mainly used in the requesting country, in its routine controls or its affairs in court of justice.
Import Control System 2 Safety and Security Analytics Expert Team (ICS2 SSA)	<p>The expert team forms part of the work done on ICS2. The ICS2 SSA is a new strategic platform for customs risk management. It brings new and improved advanced cargo data flows (Entry Summary Declarations – ENS) - introducing a new requirement for advance cargo data on postal parcels from 15 March 2021, and introducing “multiple filing” requirements to bring better advance cargo data in air cargo (March 2023), maritime, road and rail modes of transport (from March 2024). It introduces new real-time collaboration between customs across the European Union, underpinned by a common repository that orchestrates the operational sharing of declared data and the results of risk analysis and controls.</p> <p>The ICS2 programme provides a strategic “first line of defence” in the protection of the citizens and Internal Market of the EU, enabling the collaborative identification of threats before goods</p>	12 months	Belgium, France, Italy, Portugal, Poland, The Netherlands	It brings forward a Safety and Security Analytics (SSA) capability to enable the Member States and the Commission to work together with the support of additional tools and working methods, leveraging the common repository and ICS2 business processes.

<sup>55</sup> The expert team is not composed by all the 27 MS but by a pool of selected experts with specific expertise and equipment available. The same expertise or the same equipment can be proposed by several MS in order to provide more comprehensive knowledge and backup equipment (business continuity). However, all MS and candidate countries can request analysis to the expert team.

	arrive at the external borders of the EU or (in the case of serious security threats) before they are loaded in third countries.			
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#### 4: Customs programme performance indicators

**Table 3: Output indicators**

Indicator	Contributions Data of 2021
<b>OP 1.1. Development of the common components of the EES</b>	
OP 1.1. Sub-indicator 2: Number of IT projects in initiating phase	4 <sup>56</sup> (completed) and 1 yet to start
OP 1.1. Sub-indicator 2: Number of IT projects in executing phase	Ongoing: 14 <sup>57</sup> Completed: 8 <sup>58</sup>
<b>OP 1.2. Delivery of the common components of the EES</b>	
OP 1.2. Sub-indicator 1: Number of IT projects released to production as requested in the Regulation	1 (eCommerce)
OP 1.2. Sub-indicator 4: UCC completion rate	82%
<b>OP 1.3. Reliability of the common components of the EES</b>	
OP 1.3. Sub-indicator 1: Availability of the Common Communication Network (CCN/CCN2)	99.99%
OP 1.3. Sub-indicator 3: Availability of the European Electronic Systems	<ul style="list-style-type: none"> <li>• Central / Common System / Services Reference Data 2 (CS/RD2) – 100%</li> <li>• Economic Operator Systems (EOS) – 99.92%</li> <li>• Economic Operator Identification and Registration (EORI), Registered Exporters (REX) and central Customs Decision System (CDS) – 99.99%</li> <li>• Customs Customer Reference Services (CRS) – 100%</li> <li>• The Integrated tariff of the European Union (TARIC) – TARIC3 – 99.99%, TARIC transmissions – 99.80%</li> <li>• New Computerised Transit</li> </ul>

<sup>56</sup> UCC GUM Component 1, Import of cultural goods, UCC NCTS Phase 6 and EU SWE-C - Dual Use. Inception of EU Implementation of UNECE eTIR System has not started.

<sup>57</sup> AES, NCTS P5, CCI – Phase 1, CUP-MIS Release 1, PoUS Phase 1, PoUS Phase 2, High availability (Gold), CCI – Phase 2, ICS2 Release 2, NCTS Phase 6, EU SWE - Dual Use, CLASS P2, ICS2 Release 3, CCN2 Release ng2. UNECE eTIR has not started.

<sup>58</sup> REX3, ICS2-R1, CS/MIS2, AEO MRA UK, e-Commerce - Phase 2: IOSS VAT e-Commerce, COPIS – eAFA, CRMS2 Release 1, EU SWE-C FGAS.

	<p>System (NCTS<sup>59</sup>) – 99.48%</p> <ul style="list-style-type: none"> <li>Automated Export System (AES<sup>60</sup>/ECS) – 99.48%.</li> <li>Import Control System (ICS2) – 99.59%</li> <li>System allowing the direct communication between Member States concerning tariff quotas (Quota) – 99.95%</li> <li>UCC Standardised Exchange of Information (INF) for Special Procedures – 100%</li> <li>European Binding Tariff Information (EBTI) – 100%</li> <li>User Manual and Digital Signature system (UUMDS) – 99.92%</li> <li>UCC Centralised Clearance of Import (CCI) – N.A.</li> <li>UCC Proof of Union Status (PoUS) – N.A.</li> <li>Single Window Certificates for Export (CERTEX) – 99.96%</li> </ul>
<b>OP 2.1. Level of capacity building support provided through collaborative actions</b>	
OP 2.1. Sub-indicator 1: Number of collaborative actions organised (including expert teams)	5
OP 2.1. Sub-indicator 2: Number of face-to-face and virtual meetings	7 <sup>61</sup>
OP 2.1. Sub-indicator 3: Number of working practices, guidelines or recommendations issued following actions organised under the programmes	N.A. <sup>62</sup>
<b>OP 2.2. Learning index</b>	
OP 2.2. Sub-indicator 1: Number of learning modules used	N.A. <sup>63</sup>
OP 2.2. Sub-indicator 2: Number of professionals trained <sup>64</sup>	1 232 480

<sup>59</sup> NCTS P4 data

<sup>60</sup> Only NA-DE is in operation and not included in the calculation.

<sup>61</sup> For the period 1-31 December 2021. Corresponding only to general collaboration grant activities, not including expert team meetings.

<sup>62</sup> The data will be available in Q2 2022.

<sup>63</sup> All learning activities were funded under the budget of Customs 2020.

<sup>64</sup> Comprising economic operators (847 784) and officials (384 696) trained.

OP 2.2. Sub-indicator 3: Quality of e-learning courses	N.A.
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## **Result indicators**

<b>Indicator</b>	<b>Contributions</b>
<b>RES 1. Level of coherence of tax/customs legislation and policy and their implementation</b>	
RES 1. Sub-indicator 1: Percentage of national officials reporting that their authorities made use of a working practice, guideline or recommendation developed with the support of the programmes	N.A. <sup>65</sup>
<b>RES 2.1. Use of key European Electronic Systems aimed at increasing interconnectivity and exchanging information</b>	
RES 2.1. Sub-indicator 1: Number of consultations carried out in the different common (components of the) European Electronic Systems	CDS: 154 280 Customs Offices database: 5 355 360 EBTI: 51 010 347 MRN follow-up: 96 843 QUOTA: 8 155 933 TARIC: 25 188 978 CLASS: 63 301 DDS2-EO: 17 585 853 ECICS2: 10 884 228 SUSP: 101 602 Surveillance: 276 481
RES 2.1. Sub-indicator 2: Number of system-to-system messages exchanged	Total number of messages in ECS: 68 million (68 365 473) Total number of ENS in ICS: 81 million (81 293 523) Total number of messages of NCTS: 87.6 million (87 612 358) Total number of SDRs (including SRDS) in Surveillance (SURV-Recapp): 1.4 billion (1 399 463 855) Total number of ENS in ICS2: 122.4 million (122 398 274)
<b>RES 2.2. Level of operational cooperation between national authorities</b>	
RES 2.2. Sub-indicator 2: Number of online collaboration groups on the collaborative platform that are active	240
RES 2.2. Sub-indicator 6: Degree of networking generated	81% <sup>66</sup>

<sup>65</sup> The data will be available in Q2 2022.

<sup>66</sup> Data from 2020 (Indicator 1 of the old PMF, equal to indicator 13 in new PMF). Next data to be reported from the programme polls to be launched in 2023 (every 18 months).

#### 6.4 Annex 4: European Electronic Systems financed under Customs 2020 and the new Customs programme<sup>67</sup>

<b>EES Acronym</b>	<b>EES (full name)</b>
AES	Automated Export System
ARIS (Modeler Publisher)	Architecture of Integrated Information Systems
ART2	Activity Reporting Tool 2
CALISTO	Calisto
CCN/CSI	Common Communications Network/Common Systems Interface
CCN2	Common Communication Network 2
CDS	Customs Decisions System
CLASS	Classification Information System
CN	Combined Nomenclature System
COPIs	Counterfeiting and Piracy System
CRMS2	Customs Risk Management System 2
CS/MIS	Central Services/Management Information System
CS/MIS2	Central Services/Management Information System 2
CS/RD2	Central Services/Reference Data 2
CSI Bridge	Communication System Interface - Bridge
CTA	Conformance Testing Application
DDS2-CM	Data Dissemination System 2 - Common Module
DDS2-COL	Data Dissemination System - Customs offices list
DDS2-EBTI	Data Dissemination System 2 - European Binding Tariff Information
DDS2-ECICS	Data Dissemination System 2 - European Customs Inventory
DDS2-EOS	Data Dissemination System 2 - Economic Operators
DDS2-EXPORT - MRN Follow-up	Data Dissemination System 2 - EXPORT - MRN Follow-up
DDS2-QUOTA2	Data Dissemination System 2- QUOTA2
DDS2-Surveillance	Data Dissemination System 2 - Surveillance
DDS2-Suspensions	Data Dissemination System 2 - Suspensions
DDS2-TARIC	Data Dissemination System 2 -TARIC
DDS2-TRANSIT	Data Dissemination System-TRANSIT
eAEO STP	Electronic Authorised Economic Operator - Specific Trader Portal
EBTI3	European Binding Tariff Information
EBTI-STP	European Binding Tariff Information - Specific Trader Portal
ECICS2	European Customs Inventory of Chemical Substances
ECS	Export Control System

<sup>67</sup> In line with Regulation 2021/444, the Commission shall publish and regularly update, for information purposes, an indicative list of the European electronic systems financed under the Programme.

EOS	Economic Operator System
EOS MRA	Economic Operator System - Mutual Recognition Agreement
EU CSW-CERTEX	EU Single Window - Certificates Exchange
EU SW-CVED	EU Single Window - Common Veterinary Entry Document
EUCTP	EU Customs Trader Portal
HTTP Bridge	Hyper Text Transfer Protocol Bridge
ICS	Import Control System
ICS2 CR	Import Control System Central Repository
ICS2 STI and MON	Import Control System - Shared Trader Interface and Monitoring Tool
INF SP	UCC standardised exchange of information system for special procedures
INF SP STP	UCC standardised exchange of information system for Special Procedures - Specific Trader Portal
ITSM Portal	IT Service Management Portal
NCTS	New Computerised Transit System
NCTS P5	New Computerised Transit System Phase 5
PICS	Programme Information and Collaboration Space
QUOTA2	System for Managing Tariff Quotas 2
REX	Registered Exporters
REX-STP	Registered Exporters - Specific Trader Portal
SMS	Specimen Management System
SPEED2	Single Portal for Entry or Exit of Data 2
SSTA	Standard SPEED Test Application
Surveillance3	Surveillance 3
Surv-Recapp	Surveillance Reception Application
Suspensions	Suspensions
Synergia (SMT)	Service Management Tool
TARIC3	Integrated Customs Tariff of the Community 3
TTA	Transit Test Application
UM	User Management
UUM&DS	Uniform User Management & Digital Signature