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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE  
COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE  
COMMITTEE OF THE REGIONS**

**Final evaluation of the Customs 2013 programme**

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## **1. BACKGROUND**

The Customs Union is a foundation of the European Union and an essential element in the functioning of the internal market. The internal market can only function properly when there is a common application of common rules at its external borders. This implies that the 28 customs administrations of the Union must act as though they were one.

The Customs 2013 programme (henceforth referred to as: Customs 2013) was established by Decision 624/2007/EC<sup>1</sup> as a multiannual action programme for customs in the European Union to support and complement action undertaken by Member States in ensuring the effective functioning of the internal market in the customs field. It builds upon four previous programmes: Matthaëus, Customs 2000, Customs 2002 and Customs 2007. The programme was primarily aimed at providing support to and fostering co-operation and co-ordination between the national customs administrations of the Member States, who were also the main beneficiaries.

In compliance with Article 22 (1) of the programme Decision, a final evaluation was carried out under the responsibility of the Commission concentrating on the effectiveness and efficiency of the activities of the programme. The European Commission designed and contracted the final evaluation of the programme to an external consultant. The evaluation study was carried out by "The Evaluation Partnership", assisted in the process by a Steering Group composed of relevant Commission staff and representatives of 5 participating countries. The Steering Group supported the evaluation team at all stages of the evaluation process. The evaluation started in September 2013 and was finalised in August 2014.

The present report is based on the findings and conclusions presented in the external evaluation report. The Commission appreciates the overall quality of the external study supporting this evaluation and acknowledges the methodological difficulties and efforts undertaken to mitigate them. The findings are deemed credible and the conclusions accurately drawn.

This report issued by the European Commission meets the obligation mentioned in Article 22 (3) of the programme Decision to communicate the results of the final evaluation to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions.

## **2. THE PROGRAMME**

Customs 2013 ran from the 1st of January 2008 until the 31st of December 2013. Participation in the programme was open to the Member States, the candidate countries benefiting from a pre-accession strategy, as well as potential candidate and certain partner countries of the European Neighbourhood Policy. In addition to the 28 EU Member States<sup>2</sup>, five other countries took part in the programme: Turkey, Serbia, the former Yugoslav Republic of Macedonia, Montenegro and Albania. All the countries that participated in the programme activities are referred to as "participating countries" throughout the report.

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<sup>1</sup> Decision No 624/2007/EC of the European Parliament and of the Council of 23 May 2007 establishing an action programme for customs in the Community (Customs 2013)

<sup>2</sup> Croatia joined the European Union on the 1<sup>st</sup> of July 2013. For the purpose of the programme's evaluation, Croatia was included in the Member State category, but the fact that Croatia was still a candidate country for a big part of the programme's lifetime was considered during the analysis.

According to the programme Decision, the five overall objectives of Customs 2013 were to:

1. ensure that customs activities match the needs of the internal market, including supply chain security and trade facilitation, as well as support the strategy for growth and jobs;
2. strive for increased interaction and performance of the duties of Member States' customs administrations as efficiently as though they were one administration, ensuring controls with equivalent results at every point of the Community customs territory and the support of legitimate business activity;
3. provide the necessary protection of the financial interests of the Community;
4. strengthen security and safety;
5. prepare candidate and potential candidate countries for accession, including by means of sharing of experience and knowledge with the customs administrations of those countries.

The overall financial envelope for the programme was set at EUR 323.8 million.

In order to achieve the programme's objectives, the following activities were carried out:

- The development, maintenance and operation of **communication and information-exchange systems**. Approximately 80% of the programme's budget was spent on IT systems and they underpinned the other activities carried out within the framework of the programme.
- **Joint actions** which included seminars, workshops, project groups, steering groups, working visits, training activities, monitoring actions, benchmarking and other actions that allowed officials from the participating countries to work together on topics of common interest.

Collaboration between customs authorities took place on the secured Common Communication Network/Common Systems Interface (CCN/CSI), which assured the interoperability of all national information systems and acted as a secure platform for customs authorities to communicate with one another and exchange messages. There were about 60 information-sharing programs and trans-European applications running on this secure platform. Some of the main IT programs and applications supported by the programme which have been scrutinized during the evaluation were:

- the Export Control System (ECS) and the Import Control System (ICS),
- the New Computerised Transit System (NCTS),
- the Information system on the integrated tariff of the Community (TARIC) and the Tariff quotas and ceilings database (QUOTA),
- the Economic Operators Registration and Identification system (EORI) and the system for Authorised Economic Operators (AEO),
- the Customs Risk Management System (CRMS).

### 3. THE SET-UP OF THE EVALUATION

The focus of the evaluation was on the results and impact that the programme had on the Customs Union and the customs administrations that took part in the programme. About 80% of the programme budget was devoted to IT systems and these were in large part responsible for the programme's contribution to higher-level policy objectives. Therefore, the evaluation was specifically designed to look in more depth at the ways in which the IT systems funded

by Customs 2013 added value to the customs cooperation and thus facilitated the achievement of the programme's overall objectives.

In order to gain an understanding of how the programme worked on the ground, the main evaluation criteria and perspectives employed were:

1. the European Added Value of Customs 2013 (see heading 4);
2. effectiveness - the extent of the contribution of the pan-European electronic customs environment towards helping the customs authorities to better protect the EU's financial interests, to strengthen safety and security for citizens and to facilitate trade (see heading 5);
3. the unexpected and unintended results and impacts generated by the programme's activities (see heading 6);
4. the programme dissemination - awareness, knowledge and implementation (see heading 7);
5. efficiency of the programme (see heading 8).

The external consultant employed a mix of techniques, combining the standard programme assessment that had already been used for the 2011 mid-term evaluation of the programme and the contribution analysis (see heading 5 for more details).

The Commission considers that the data that was gathered for the evaluation of the programme has been extensive and cross-checked in order to obtain robust information and to be able to base the conclusions on sound evidence, confirmed by several sources. The main sources of information used for the evaluation included

- desk research;
- a questionnaire which gathered the views of national customs administrations in all participating countries (one answer per country which resulted in 33 responses);
- a survey to customs officials which gathered feedback from individual customs officials in the national administrations. The survey addressed officials who had participated directly in the programme as well as those that have not taken part directly in the programme (overall, the survey resulted in 5 401 responses);
- six case studies of EU Member States conducted to test the theory of change of the programme.

There were several constraints which had to be taken into consideration when evaluating Customs 2013. Firstly, many of the programme's activities were continued from its predecessor, namely Customs 2007. Thus, the results and impacts could only rarely be linked uniquely to the Customs 2013 programme. Secondly, the need to focus the evaluation on a limited number of objectives and Member States, while allowing for a better understanding of the programme's effectiveness, the case studies results cannot be generalised in statistically representative way. Thirdly, there was very little quantitative data available to the evaluators in particular on the costs of developing IT systems at national level or the reduction of administrative costs as there was no monitoring framework to keep track of these indicators; therefore the evaluators relied largely on the perceptions of the stakeholders consulted (through the surveys, targeted interviews or the case studies). Even these experts on the ground were often not unable to quantify the benefits or advantages that they nevertheless felt

to have occurred. Therefore, the evaluation conclusions mostly rely on rich, qualitative evidence and only to a smaller extent on quantitative data.

The following chapters summarise the conclusions on each of the five evaluation criteria and evaluation perspective.

#### **4. THE EUROPEAN ADDED VALUE OF THE PROGRAMME**

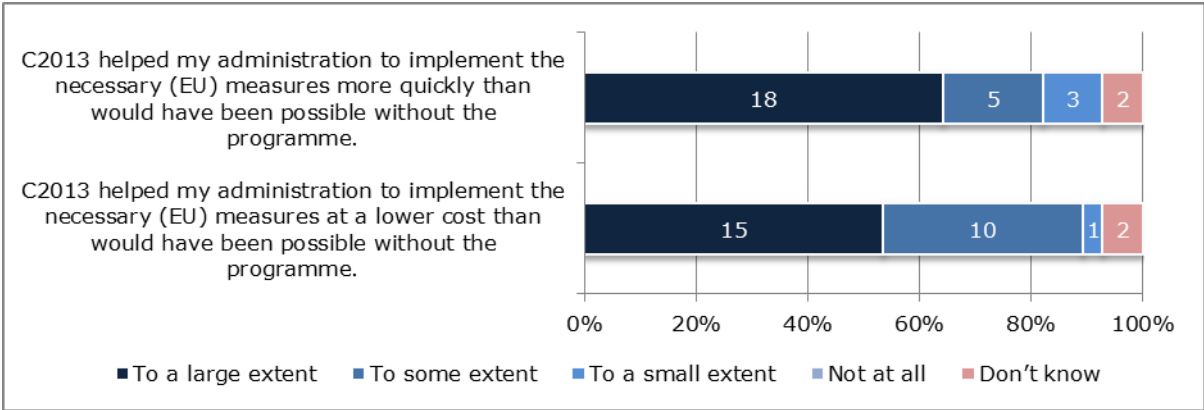
In the context of the final evaluation of Customs 2013, the European added value was understood as the additional gains stemming from acting at the EU-level as compared to national initiatives. This includes aspects of:

- i. complementarity of the programme to the national initiatives;
- ii. reduction of administrative cost and burden (e.g. through common IT platforms, guidelines, procedures; cross-implementation of best practices identified in the course of the programme's activities; reduction of duplication and overlaps), or seen from another perspective: the cost of 'non-Europe';
- iii. the trans-European nature of the customs cooperation best addressed across, not within the Member States and the value of human networks created through the programme;
- iv. increased uniformity of the EU Customs Union ('acting as one administration') and the value of a common administrative culture;
- v. sustainability of results/impacts if the programme was to be discontinued.

The evaluation has identified a strong case for the European added value of the programme, particularly regarding its role in supporting the implementation of EU customs legislation at national level.

- i. At a general level, the national customs officials found that the IT systems funded through the programme were highly complementary to national initiatives as they were mostly related to implementing the EU customs legislation. According to them, this led to reductions in administrative costs, which would not have been possible if each Member State had to develop similar IT systems on its own. For example, centralised databases like TARIC and QUOTA provided Member State administrations with important information they would otherwise have to request in each case from the Commission and store at their own expense. However, the stakeholders could not quantify the precise reduction of administrative costs.
- ii. A question regarding the reduction of administrative costs was also put to customs authorities directly in the evaluation questionnaire. Most responded that the programme helped to implement EU legislation more quickly and at a lower cost than would be possible without support from the programme.  
As shown in Figure 1 below, 23 out of 28 responding administrations indicated that the programme helped them "to a large or some extent" to implement such measures *more quickly*. Furthermore, 25 administrations felt that the programme had helped "to a large or some extent" to implement the necessary measures at a *lower cost*.

**Figure 1: Extent to which Customs 2013 reduced administrative burdens for national administrations**



Source: Questionnaire addressed to customs administrations of EU Member States (n = 28, none of the respondents answered "not at all" )

- iii. The joint actions enabled direct collaboration between officials from different countries. The evaluation found that they also fostered trust and thereby encouraged the free sharing of information and uptake of common IT systems and other processes. In this way, the evaluation concluded that the created networks played an important role in attaining the programme's objective to “act as one administration”. Much of the harmonisation brought in by the trans-European and centralised IT systems could only be achieved on the condition that customs authorities shared information with other Member States and/or recognised the validity of operations carried out by them. For instance, risk-related information sent through the Import Control System would be of little use unless the receiving authority placed credence to the analysis that led to it. Similarly, recognising the Authorized Economic Operator status awarded in another Member State implies relying on the fact that the respective issuing authority applies community guidelines consistently. The evaluation found that the level of trust required between Member State authorities for such systems to be effective cannot be taken for granted, given the variety of administrative cultures and working methods. Rather, this trust needs to be earned, and the programme played an essential role in building it. This was achieved partly through traditional networking effects, which allowed customs officials to develop personal contacts and engage with each other on an informal basis. Perhaps more importantly, trust was also built through repeated meetings and exposure to each other’s working methods.
- iv. The evaluation found that there was still considerable diversity in the execution of customs processes related to import around the EU. One indicator that is useful in quantifying this diversity is the time it takes to import goods. According to the Doing Business report of the World Bank<sup>3</sup>, the time to import a standard container of goods can vary from 5 days to 19 days across the 28 members of the Union. However, while this diversity still persists, the evaluators found that it was significantly reduced during the programming period. This is an important development, given that programme period of Customs 2013 is an intermediary phase preceding the eventual introduction of centralised clearance. As the objective of the

<sup>3</sup> Doing Business 2013 – Regional Profile European Union (EU) - The International Bank for Reconstruction and Development / The World Bank; report accessible on <http://www.doingbusiness.org>

Union Customs Code is to establish centralised clearance by 01.10.2020<sup>4</sup>, the progress accomplished by Customs 2013 so far is valuable in preparing the ground for such an ambitious endeavour.

Without a forum for collaboration and sharing experiences, or a spending programme like Customs 2013 able to fund common IT systems, the evaluation concluded it was highly unlikely that Member States would align their procedures and customs laws for acting in a similar fashion, and ultimately performing as a single customs administration. Among other things, implementing such legislation without a programme financing common IT systems or knowledge sharing would require substantially higher costs. This would stem from the fact that in the absence of common IT systems and technical specifications, there would be a need to create 28 different versions of each specific system.

- v. Regarding sustainability of results in the absence of further funding, the evaluation concluded that Member States would find it difficult to continue to use the IT systems past the medium-term, given the considerable running and maintenance costs the IT systems imply and the substantial management function currently played by the European Commission. While customs administrations felt that the results achieved so far would be long lasting, tools produced through the programme, such as IT systems and training modules, would become gradually obsolete without periodic renewal. Similarly, without continuous interaction, the networks created through continuous participation in the joint actions would begin to fade and their results would gradually be lost. Staff turnover and administrative reorganisations could have a similar effect on networks built through the years of the programme. Thus, while the progress already achieved will continue to be seen into the future, its reliance on future Commission support should not be underestimated.

## **5. EFFECTIVENESS OF CUSTOMS 2013**

In order to assess the programme's effectiveness with regard to reaching the overall objectives, the evaluation employed a methodological approach called the contribution analysis. This analytical approach is particularly suited for examining whether a programme or policy contributed to achieving certain results and impacts. In order to have a balanced evaluation that was both sufficiently broad but also went in the depth of the subject, the contribution analysis focused on a selection of

- policy objectives: out of the five overall objectives mentioned by the Decision establishing Customs 2013, the following three were selected: (1) protecting the financial interests of the EU; (2) strengthening safety and security; (3) facilitating trade;
- customs processes: the import of goods and related customs processes;
- countries: six Member States out of the twenty eight were selected. The criteria used for selection were the volume and nature of customs traffic, types of customs controls employed, participation in the programme and geographical diversity. The sample included Croatia, the Czech Republic, France, Germany, Hungary, and the Netherlands.

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Art. 6(1), 16 and 179 of Regulation (EU) No 952/2013 laying down the Union Customs Code and Commission Implementing Decision of 29 April 2014 establishing the Work Programme for the Union Customs Code (2014/255/EU)



Below, the main evaluation finding and conclusions as related to the contribution of the programme to the three selected policy objectives are presented.

#### *5.1. Strengthening safety and security*

The progress made under the programme towards this objective is the most striking and can be regarded as an important step towards the eventual harmonisation of risk management processes for customs, as prescribed by the Union Customs Code<sup>5</sup>. Moreover, several of the key developments have taken place since the previous evaluation. They related in large part to safety and security and stemmed from initiatives taken to implement the Safety and Security Amendment<sup>6</sup> to the Community Customs Code, whose full range of provisions did not come into force until 2011.

The Import Control System was fully rolled out in 2011, requiring economic operators to provide supplemental security information before goods arrive in the European Union and facilitating the sharing of this information between Member State administrations and the European Commission. The data economic operators provide at this stage is fed into risk management processes and thereby enhances risk analysis that national administrations perform at the place where goods arrive as well as subsequent destinations. For instance, the customs officials interviewed for the case studies indicated that the programme facilitated the exchange of information with the other Member States, allowing them to respond to risks quicker and more efficiently. In particular, the exchange of information via the Import Control System helped national authorities to exchange advance import information when goods were for example re-routed. In the opinion of the customs officials, this has helped facilitate trade, as economic operators did not have to submit information twice, while at the same time ensuring the same level of security and safety.

The Customs Risk Management System also became fully operational during the lifetime of the programme. This system set a minimum standard for risk analysis by institutionalising the sharing of risk information forms between Member States and the taking into account by all Member States of common priority control areas and common risk profiles in their national risk management processes. As an illustration, some of the case study interviewees praised the fact that the system provided a minimum level of risk analysis and that the system stimulated the sharing of risk information between Member States, via risk information forms. Officials felt that they had more access to relevant risk information and were better able to warn other countries about potential risks. Therefore, by raising the bar for risk controls and increasing their consistency, the systems funded through the programme also increased trust, helping the Member States to regard the risk analysis carried out by others as credible and thereby targeting controls more effectively.

The Economic Operator Systems were mainstreamed during this period, increasing the ability of customs authorities to pool information about individual economic operators and increasing the amount of information about traders available for risk analysis. For example, the case studies showed that the Economic Operators Registration and Identification system made it much easier for the customs authority to take the history of an economic operator into account

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<sup>5</sup> The Union Customs Code entered into force on 30.10.2013 and repealed the Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code. Its substantive provisions will apply only from the 1st of May 2016.

<sup>6</sup> The Safety and Security Amendment covered four major changes to the Customs Code embodied by Commission Regulation (EC) No 1875/2006, Commission Regulation (EC) No 312/2009, Commission Regulation (EC) No 414/2009 and Commission Regulation (EU) No 430/2010

when conducting risk analysis, including its record in other Member States. The Authorised Economic Operator system allowed the customs authorities to focus on riskier companies, increasing the chance that controls, which necessarily are only carried out on a small proportion of consignments, will uncover dangerous goods.

### *5.2. Protection of the EU's financial interests*

The correct calculation of tariffs and the fight against fraud are crucial to the protection of the EU's financial interests.

The Information system on the integrated tariff of the Community (TARIC) and the Tariff quotas and ceilings database (QUOTA) are the only official sources for providing tariff-related information to national authorities and the evaluation found them to be current, reliable and user-friendly. More than two-thirds of the administrations indicated that the applications contributed "to a large extent" to the specific objectives of the information systems, namely those of helping traders and authorities to obtain correct classification and tariff rate of imported goods (19 out of 27 administrations).

The potential contribution of other IT systems to the protection of the EU's financial interest relates more to preventing and discovering fraud, and is thus somewhat less straightforward and harder to pin down. For example, the New Computerised Transit System (NCTS) was generally regarded to have greatly reduced fraud by creating traceable records for each transit transaction and reducing the scope for deviation from standard procedures.

In addition, the enhanced effectiveness of risk management systems has contributed not only to the enhanced control of dangerous goods, but also to the effective identification and collection of customs duties. This has a direct and positive impact on protecting the EU's financial interests. For instance, some of the interviewees from the case studies considered this system as especially relevant given the role of their country as a transit country. They explained that the system allowed the customs offices to electronically register and exchange information with customs offices in other Member States, thereby enhancing the reliability of information and significantly speeding up the transit process. This allowed them to better monitor the movement of goods and thus to identify any cases of fraud or non-payment of duties.

### *5.3. Facilitation of trade*

In the field of customs this objective is mainly pursued passively, as improved risk management systems like those mentioned above are put in place with as little an inhibiting effect on trade as possible. The entirely paperless environment that now exists for handling customs declarations, in addition to the mainstreaming and greatly increased uptake of the Authorised Economic Operator system, has allowed the Customs Union to become more secure while carrying out fewer of the manual controls that slow down the flow of trade. Similarly, the New Computerised Transit System has helped do away with paper-based transit declarations. This has speeded the transit process and reduced the amount of time during which guarantees must be withheld from economic operators and therefore facilitated trade, while creating electronic records that reduced the potential for errors and fraud.

The passage of Mutual Recognition Agreements with third countries, off the back of meetings funded by the programme, has accelerated the growth of the Authorised Economic Operator system further and thus also contributed to this objective. That being said, it should also be pointed out that, in the eyes of economic operators, besides the perceived positive impact on customs processes, the scaling up of system has not brought unmitigated benefits. As the

Evaluation of the Customs Union found “although a majority of business stakeholders with AEO status appreciate the extra services [easier access to customs simplifications, priority treatment, fewer physical and document based controls for those with AEO status], the benefits experienced are perceived to be limited in practice”<sup>7</sup>.

## **6. FACTORS INFLUENCING THE PROGRAMME’S PERFORMANCE**

The evidence from the evaluation suggests that the programme has not had negative unintended impacts on any of the stakeholders involved. This is mainly due to the fact that the beneficiaries of the programme were clearly defined and decisions were typically made in a consensual manner. However, the evaluators identified a few influencing factors, outside the control of the programme, which had an impact on the manner in which the programme was implemented:

- **Costs incurred by national administrations:** While the specifications of trans-European IT systems were funded by the programme, the actual implementation costs were borne by Member States. Implementation costs resulted in particular from making national systems compatible with the EU specifications. Interviewees in the case studies indicated that these costs were often substantial and budget cuts at the national level have led to concerns about the administrations’ ability to implement changes to the systems within the agreed deadlines. This differentiation between costs stems from the Decision itself<sup>8</sup>, which established which costs were to be borne by the European Union and which costs were to be borne by the participating countries.
- **Complexity and diversity of national IT infrastructures:** The complexity of national IT infrastructures and the lack of integration at national level of trans-European systems were also mentioned by a number of interviewees as being an important barrier to the successful implementation of IT systems. The ‘patchwork’ of IT systems led the adaption and upgrading of systems to be a complicated and costly exercise in a number of Member States. However, it should be noted that this did not detract from the recognised benefits of implementing such systems. The evidence from the case studies showed that once fully integrated in the national infrastructures, the IT systems brought substantial improvements to the countries’ customs processes. Thus, this influencing factor acted as both an inhibitor as well as an activator for the programme, depending on the national context and resource availability.
- **Historical and geographical context:** The results from the case studies revealed that there were substantial differences in the nature and scale of the programme’s contributions to the overall objectives, depending on the historical and geographical contexts of individual Member States. Participating countries could be divided into two broad categories: (1) those that had relatively small amounts of customs traffic and thus less advanced customs IT infrastructures and (2) those that had significantly large amounts of customs traffic and thus more advanced IT infrastructures. Due to these historical and geographical differences, the first group of countries was much more enthusiastic about the benefits of programme-funded IT systems than the second group of countries, as in this way they could use and share the lessons learned from the countries with more customs traffic.

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<sup>7</sup> Evaluation carried out by PwC for DG TAXUD: "Study on the Evaluation of the State of the Customs Union", page 10.

<sup>8</sup> Article 17 of Decision No 624/2007/EC of the European Parliament and of the Council of 23 May 2007 establishing an action programme for customs in the Community (Customs 2013)

- Clarity of EU legislation: There had been substantial delays with the implementation of the Import Control System in particular, which were reported to be a consequence of the lack of clarity of the legislative requirements on this system (e.g. in terms of the content and timing of Entry Summary Declarations). It was felt that the legislators had underestimated the practical implications and complexities of implementing the system. Additionally, evidence suggested that EU legislation in relation to the classification of goods was perceived to be inherently complex, which affected the clarity and user-friendliness of systems like TARIC and the European Binding Tariff Information system.
- Legal channels for sharing information: There was a general agreement that the programme-funded IT systems contributed to enhanced cooperation between customs administrations. However, a number of respondents explained that the sharing of risk information was sometimes inhibited by the fact that national legislation prevented customs offices from sharing sensitive information with other Member States, for example because of on-going criminal investigations, thus preventing the IT systems from realising their full potential.
- Governance of joint actions: Despite the widely praised usefulness of joint actions, the questionnaire and interviews revealed some criticism in relation to the way in which the joint actions were governed. For example, some national coordinators felt that there had been a proliferation of joint actions over the last years, and some found it hard keep an overview of all the relevant joint actions in place and to determine which ones their officials should participate in. In order to overcome this issue, some administrations suggested putting in place measures to determine the utility of project groups before they are set up and to review them periodically.
- Language capacities of customs: A few interviewees pointed to the language capacity of national customs officials as a potential barrier to the successful implementation of the programme. For example some case study interviewees mentioned that the varying levels of language capabilities of national customs officials sometimes complicated effective discussions during the meetings.

## **7. PROGRAMME DISSEMINATION (AWARENESS, KNOWLEDGE AND IMPLEMENTATION)**

The evaluation looked at the dissemination and awareness of information related to the programme in order to assess to what extent the programme has been successfully promoted and its results were used by the officials of the participating countries. However, it should be noted that there is no direct causal relationship between awareness of the programme and its overall effectiveness. For instance, customs officials may use programme outputs, such as IT systems or guidelines, without necessarily knowing that they were programme-funded.

According to the evaluation findings, Customs 2013 was relatively well known among customs officials: 52% of the surveyed officials knew of the programme<sup>9</sup>. However, from those who were aware of the programme, the majority described their knowledge as “very basic” or “basic” (77%). This suggests there is still room for improvement with regard to explaining how the programme fits within national administrations and how customs officials can make use of the programme.

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<sup>7</sup> NB: in total there were 4 861 responses to this question in the survey addressed to customs officials.

The survey also revealed that 94% of participants of the programme's activities<sup>10</sup> shared their experiences with colleagues within their administration in some way or form. The awareness and understanding of multipliers (such as national coordinators or customs officials who took part in joint actions) were found to be crucial for mainstreaming the outputs of the programme and ensuring that suitable officials participate in joint actions, while other officials can benefit from the programme without necessarily having much knowledge of it. Several interviewees in the case studies mentioned the importance of sharing programme information with the right kind of people in the administration, rather than as many people as possible, so that they in turn can decide on how best to implement and use the outputs of the programme.

There was a high level of agreement that the programme outputs (i.e. IT systems and outputs of the joint actions) had a positive impact on the functioning of national customs processes. The effect was most obvious in the area of risk management, where a large number of administrations and individual interviewees emphasised the important contributions of the programme. The IT systems were mainly seen as beneficial for the facilitation of rapid and systematic exchange of information between Member States. The joint actions facilitated the exchange of experiences, expertise and best practices as well as a common understanding and implementation of EU legislation, and in-depth discussion of complicated topics.

In addition to their concrete outputs, such as guidelines or training programmes, joint actions were above all appreciated for their contributions in establishing personal contacts and networks between Member States' officials, thereby helping them contact their counterparts more quickly and to cooperate more efficiently.

## **8. EFFICIENCY**

According to Decision 624/2007/EC, the financial envelope for the six-year period covered by the programme was set at EUR 323.8 million. However, examination of the budget commitments showed that the real cost of the programme was about 15% lower, amounting to about EUR 272 million. Out of this, the IT systems accounted for EUR 225 million and the remaining EUR 47 million was dedicated to joint actions.

### *8.1. Communication and information-exchange systems*

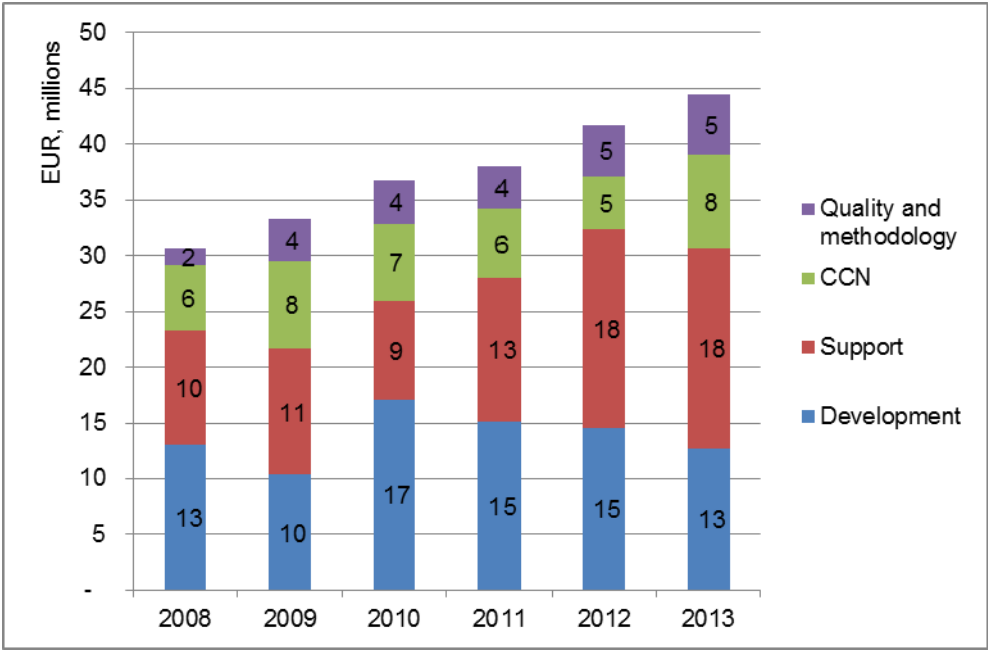
Expenditure allocated to the IT systems can be further broken down in terms of development costs for new systems (which include major upgrades), support and maintenance, the Common Communication Network/Common Systems Interface and quality and methodology<sup>11</sup>. Figure 2 below shows that while expenditure on each of these aspects has varied, overall spending has gone up consistently in the years since the programme's inception. Also noteworthy is that development costs peaked in 2010 (among other things, in the run-up to the full rollout of Import Control System), while support costs were highest during last two years of the programme (when most of the systems stemming from the Safety and Security Amendment were already in place).

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<sup>10</sup> NB: in total there were 2 552 responses to this question in the survey addressed to customs officials.

<sup>11</sup> Quality and methodology refers to quality assurance performed on the systems by external contractors.

**Figure 2: Budget allocation to IT systems, 2008-2013**



Source: DG TAXUD data

**8.2. Joint actions**

The joint actions, which accounted for about 20% of the programme budget, complemented the IT systems and were of crucial importance to the effectiveness and efficiency of the programme, as reported above.

During the six years of the programme, about 7 500 activities were organized across the eight types of joint actions which brought together 40 000 officials<sup>12</sup> (see Figure 3).

<sup>12</sup> It should be noted that one official could participate in several meetings over the life of the programme, thus the number does not refer to unique participants.

**Figure 3: Participation in the joint actions**

Joint action type	Participants	Actions	Meetings	Participants per action	Participants per meeting	Cost per meeting
<b>Benchmarking</b>	330	10	40	33	8	€6 512
<b>Monitoring</b>	512	8	150	64	3	€2 795
<b>Seminars</b>	2 570	38	75	68	34	€42 696
<b>IT training</b>	2 875	8	346	359	8	€6 933
<b>Workshops</b>	3 651	62	134	59	27	€25 118
<b>Working visits</b>	5 223	N/A	5 211	N/A	1	€1 031
<b>Steering groups</b>	10 567	7	275	1 510	38	€26 711
<b>Project groups</b>	14 259	182	1 309	78	11	€9 505
<b>Total</b>	<b>39 987</b>	<b>315</b>	<b>7 540</b>	<b>310 (average)</b>	<b>16 (average)</b>	<b>€ 15 163 (average)</b>

Source: DG TAXUD data

The vast majority of spending from the programme budget related to travel, accommodation and subsistence for participants to meet each other in Brussels or another location. The average cost per participant stood at EUR 900. Out of the eight types of joint action, the cost per participant for six of them varied by less than 15% from this average. The two outliers were the steering groups with an average cost of EUR 695 per participant and the seminars with an average cost of EUR 1 246 per participant. The cost differences are likely explained by the nature of the joint actions in question. Steering groups usually took place in Brussels over 1-2 days and brought together the same officials on a regular basis. Seminars were 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 were also considered and where activities to ensure networking among participants was given higher priority.

The joint actions provided administrations with a flexible set of tools for bringing officials together. For example, sometimes, the meetings lead to concrete outputs, such as a set of guidelines for operating a particular IT system or common training programme. Other times, the immediate results were less tangible, and consisted, for instance, of officials from one Member State learning about how their counterparts in another country dealt with a specific type of process or problem.

It would be hard to imagine the development of mutually acceptable common IT system, for example, if that development occurred in a top-down fashion rather than under the auspices of a project group set up to bring the relevant officials together. Within such a project group, officials could work together to ensure their respective concerns and ideas were taken into account, and that the final product was likely to fit within existing national institutions. The Electronic Customs Group, while not oriented expressly towards the development of a single product or IT system, deserves special mention for having ensured that the opinions of all administrations were taken into account in IT planning, that implementation issues were discussed communally and that mutual solutions were found. This project group also helped establish smaller offshoots for the development of new IT projects.

The interviewees from the case studies repeatedly emphasised that, without these joint actions and the fact that they enabled direct, face to face contact and discussions between representatives of national customs administrations, various problems and uncertainties would have been very difficult to tackle and overcome.

## **9. CONCLUSIONS AND RECOMMENDATIONS**

### *9.1. Conclusions*

The Commission accepted the conclusions reached by the external consultant, albeit with some reservations concerning the absence of quantitative data to support the conclusions and the unmeasured and general nature of the conclusions reached on the effectiveness and efficiency of the project. The work carried out by the evaluation team was assessed to be in accordance with the evaluation standards of the Commission<sup>13</sup>. The judgements and conclusions were derived directly from findings based on the evidence collected. To ensure robustness of findings, the evaluation used several data collection methods, including surveys, interviews, desk research (including existing analyses and monitoring data) and case studies, although monitoring data was very limited due to inadequate monitoring arrangements. This methodological mix was on overall considered by the Commission and stakeholders as sufficient. The main conclusions of the evaluation as drawn up by the external consultant, with which the Commission agrees, are summed up below.

The evaluation concluded that even though many factors are at play in the functioning of the Customs Union, the Customs 2013 programme made a significant contribution towards enhanced safety and security, the protection of the EU's financial interest and the facilitation of trade.

The EU's exclusive competence for customs means that customs legislation emanates from the European level and calls for the harmonisation of customs policies and procedures. Feedback collected for the evaluation from stakeholders has clarified the essential role of Customs 2013 in this. In other words, the correct application of EU customs tariffs and more generally customs legislation would not have been possible without the programme, and the mix of actions has contributed to this.

The trans-European systems allowed for burden sharing between the European Union and participating countries. Further harmonisation of customs IT might reduce duplication of efforts and thereby improve cost-effectiveness in the future, but in the short-term there remains considerable room for improving the interoperability between existing national systems and those funded through the programme. Moreover, the enhanced effectiveness of risk management systems has contributed not only to the enhanced control of dangerous goods, but also to the effective identification and collection of customs duties. This had a direct and positive impact on protecting the EU's financial interests. The entirely paperless environment that now exists for handling customs declarations has allowed the Customs Union to become more secure while carrying out fewer of the manual controls that slow down the flow of trade.

In addition to the IT systems, the networking fostered through the joint actions was also considered crucial for several reasons, including ensuring the consistent application of

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<sup>13</sup> [http://ec.europa.eu/smart-regulation/evaluation/docs/standards\\_c\\_2002\\_5267\\_final\\_en.pdf](http://ec.europa.eu/smart-regulation/evaluation/docs/standards_c_2002_5267_final_en.pdf)



customs legislation, spreading best practices and building the trust needed for administrations to act as if they were one administration.

## 9.2. Recommendations

On the basis of gathered evidence, the evaluators put forward several recommendations with the view to improving the programme's operations. The recommendations are summarised in Figure 4 below and were broadly accepted by the Commission. The Commission will undertake a dedicated exercise to address the recommendations and draw up an action plan for their implementation and follow-up, taking into consideration their character, influence on the programme and possible timeline for their implementation (e.g. during the life of the programme or in the forthcoming legislative cycle). The operational findings, such as improvements to the IT systems and applications or broader dissemination of the programme's results, will be directly addressed in the course of the current programme Customs 2020. Others relating to enhancing the integration of EU and national IT systems will support future discussions on the scope and design of the post-2020 iteration of the programme.

**Figure 4: Recommendations**

Nr.	Recommendation	Main responsible
1	Develop specific and measurable goals that can be achieved during the life of the programme. They should include the provisions of the Union Customs Code (to be implemented during the life of the Customs 2020 programme) in addition to the programme's existing specific objectives.	European Commission
2	Develop a comprehensive monitoring framework to track performance and to identify issues of concern in a timely manner.	European Commission with strong cooperation from all participating countries
3	Streamline the platforms used for sharing documents and facilitating communication between the Commission and Member States.	European Commission
4	Take an active approach toward the achievement of policies aimed at centralised customs clearance. From the Commission side, this could include the identification of roles and responsibilities for the actors involved and efforts to ascertain the likely costs and benefits for the Member States, European Commission and traders.	European Commission in conjunction with Member States and potentially other actors
5	Ensure joint actions are flexible and adaptable as well as more goal-oriented and accountable.	European Commission
6	Develop a more systematic mechanism to review longstanding joint actions periodically.	European Commission
7	Communicate more with national administrations on the outcomes of joint actions.	European Commission in cooperation with the

Nr.	Recommendation	Main responsible
		owners of joint actions
8	Address technical issues and user problems of specific IT systems that inhibit their contribution to key customs processes.	European Commission
9	Enhance the integration of EU and national IT systems	European Commission in cooperation with Member States
10	Use potential efficiency gains to make the case for further harmonisation and integration of IT systems. The various costs and benefits of centralised IT systems at EU and national levels should be examined in greater depth.	European Commission