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Mid-term evaluation of 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

Accompanying the document

Report from the Commission to the European Parliament and the Council

Mid-term evaluation of the Customs 2020 programme

{COM(2019) 57 final}

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Glossary

AEO	Authorised Economic Operator
AFIS	Anti-fraud Information Systems
ART	Activity Reporting Tool
ATIS	Anti-Fraud Transit Information System
AWP	Annual Work Programme
CCN/CSI	Common Communication Network/Common Systems Interface
CELBET	Customs Eastern and South-Eastern Land Border Expert Team
CIRCABC	Communication and Information Resource Centre
CIS	Customs Information Systems
CLEP	Common Learning Events Programme
COPIS	anti-Counterfeit and anti-Piracy Information System
CRMF	Common Risk Management Framework
CRMS	Customs Risk Management System
CRS	Customer Reference System
CS/RD	Common Services / Reference Data
DG TAXUD	Directorate General for Taxation and Customs Union
EBTI	European Binding Tariff Information
ECICS	European Customs Inventory of Chemical Substances
ECS	Export Control System
EIS	European Information Systems
ENS	Entry Summary Declaration
EORI	Economic Operator Identification and Registration
EU Customs CFW	EU Competency Framework for customs
ICS	Import Control System
IPR	Intellectual Property Rights
MFF	Multiannual Financial Framework
NCTS	New Computerised Transit System
OLAF	European Anti-Fraud Office
PCG	Programme Coordination Group
PICS	Programmes Information and Collaboration Space
PMF	Performance Measurement Framework
RIF	Risk Information Forms
QUOTA	Electronic system for quota management / allocation
REX	Registered Exporters IT System
SASP	Single Authorisation for Simplified Procedures
SMS	Specimen Management System
STTA	Standard Transit Test Application
TARIC	The integrated Tariff of the European Unions
UCC	Union Customs Code

1. INTRODUCTION

Context

The Customs Union is a foundation of the European Union and an essential element in the functioning of the single market. Many of the activities in the customs area are of a cross-border nature, involving and affecting all Member States. The EU Customs Union territory is governed by common rules and procedures laid down in the Union Customs Code (UCC)¹. They require proper and uniform implementation and application across the EU. Moreover, customs policy and the customs administrations constantly need to adapt to modern trade realities and modern communication tools. The UCC is a milestone in modernising EU customs, and the EU's Customs 2020 action programme is indispensable in supporting its implementation.

The Customs 2020 programme was set up by Regulation (EU) No 1294/2013 of 11th of December 2013² as a multiannual action programme for customs in the EU, to facilitate and enhance cooperation between national administrations. In accordance with Article 18(1)(2) of the Regulation, the Commission carried out a mid-term evaluation of the programme.

Purpose and scope of the mid-term evaluation

The purpose of the mid-term evaluation is to assess the programme since its start on 1st of January 2014 up to the half-way of the programme's implementation. The temporal scope of the evaluation runs from the programme's establishment until 2017, depending on the availability of relevant data.

The mid-term evaluation sought to shed light on the (1) achievement of the objectives and programme's performance so far; (2) strengths, weaknesses and value for money of the different activities supported; (3) continued relevance of the programme for the Customs Union and customs administrations; (4) coherence and synergies with other EU policies and priorities; and (5) value added thanks to acting at the EU level. Moreover, the evaluation examined (6) any unintended and/or unexpected effects of the programme and its activities; (7) how well the Performance Measurement Framework, which was put in place to monitor the programme in 2014 has delivered on its objectives, and finally (8) implementation and follow-up of recommendations made for previous evaluations. For accountability and learning purposes, the evaluation provided recommendations for future improvement of the programme's functioning.

¹ [Regulation \(EU\) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code;](#)

² [Regulation \(EU\) No 1294/2013 establishing an action programme for customs in the European Union for the period 2014-2020;](#)

The evaluation took into account the programme's full range of funded and management activities, stakeholders (national administrations, the Commission services and economic operators) and participating countries (including candidate and potential candidate countries).

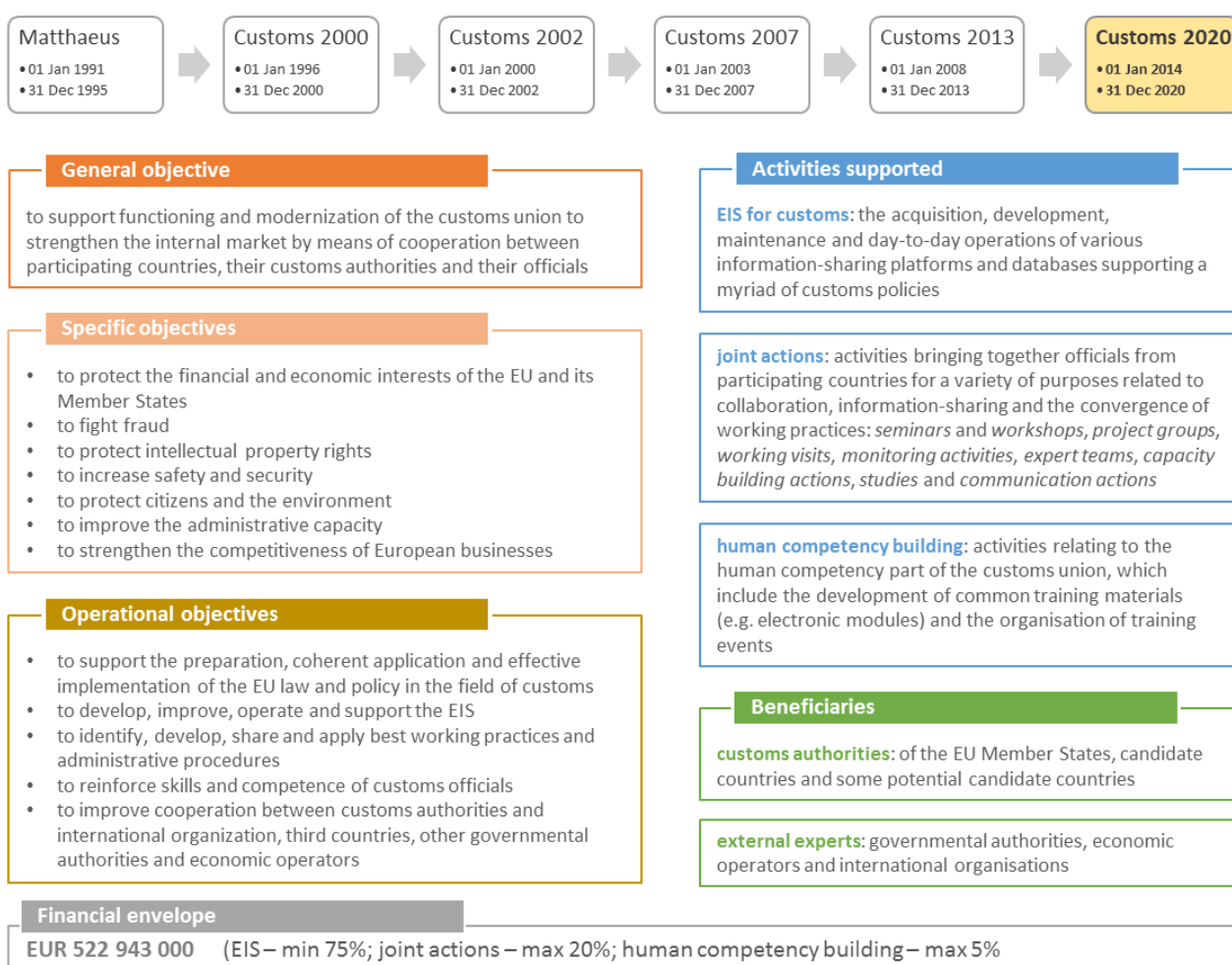
The present evaluation staff working document is based on the findings and conclusions presented in the supporting external study (see: Annex 1 for organisational details). The Commission appreciates the overall quality of the said study, acknowledges the methodological difficulties and efforts undertaken to mitigate them. The findings are deemed robust and the conclusions accurately drawn.

2. BACKGROUND TO THE INTERVENTION

Description of the intervention and its objectives

Figure 1 presents the main features of the Customs 2020 programme in terms of its objectives, supported activities, beneficiaries and overall financial envelope. The intervention logic underpinning the evaluation is presented in Annex 3.

Figure 1. Key features of the Customs 2020 programme



Source: DG TAXUD;

Altogether, 34 national administrations take part in the programme's activities. The Commission manages the Customs 2020 programme centrally through direct management, with assistance the of the Customs 2020 Committee ensuring external coordination. The Customs 2020 Committee is a comitology committee³ composed of delegates from each Member State. The internal Commission coordination is ensured via various mechanisms, including a Programme Coordination Group. The internal coordination aims at, among others, identifying policy priorities for the Annual Work Programmes, reinforcing coherence between the programme activities and the customs policy, coherence between the programme activities themselves, monitoring of the programme's performance and increasing the overall transparency and dissemination of information.

Baseline and points of comparison

The Customs 2020 programme builds upon previous iterations of the programme and the Customs programme as such has been in place for over 25 years. It allows for continuity of the efforts towards a well-functioning Customs Union, and thus single market, and EU's broader policy goals. At the same time, despite the continuous character of all supported activities, the incremental changes introduced throughout the years to the supported IT systems, as well as changing priorities and objectives pursued, it would have not been useful to establish any performance benchmarks or seek trends across the programme's iterations⁴. The IT systems, constituting approximately 85% of the programme's expenditure, have long become an integral part of the national and EU customs landscapes. In fact, the programme (and its iterations) has been around too long for most stakeholders to meaningfully consider the situation before it started. The programme has evolved along the changes of the customs landscape including the opportunities of increasing digitalisation and automation.

Still, in line with the Commission's commitment to monitor the EU budget and ensure the accountability for value for money, to facilitate this task DG TAXUD has developed a framework for monitoring the outputs and results of the programme – the Performance Monitoring Framework (PMF). It is a results-based monitoring system containing intervention logic, adjustable indicators, data collection schemes and reporting arrangements. The PMF has been put in place for the current iteration of the Customs programme, following recommendations of earlier evaluations to provide more and better data to assess programme implementation and performance. Whereas it does already facilitate performance management, the framework is still too fresh to provide insightful benchmarks for the programme's performance or establish and examine trends. Nevertheless, whatever comparisons could have been drawn across the years of the programme's operations are included in the analysis.

³ [Regulation \(EU\) No 182/2011](#) of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers;

⁴ With the exception of the programme poll, which is launched approximately every 18 months;

3. IMPLEMENTATION / STATE OF PLAY

Description of the current situation

The Commission reports on the implementation and performance of the programme annually, through the Annual Progress Reports. To date, reports for 2014, 2015 and 2016 are available. The overview of the programme's implementation presented here is based mostly on the latest available report⁵ updated for most recent information where available.

The vast majority of funding goes into the development and operation of the IT systems, followed by the organisation of the joint actions, studies and training activities. **Table 1** presents the committed expenses per year and by main categories of activities.

Table 1. Committed expenses per year and by main action categories of activities

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

Source: 'Mid-term evaluation for the Customs 2020 programme', Customs 2020 Work Programmes 2014-2017, figures rearranged into the main spending categories;

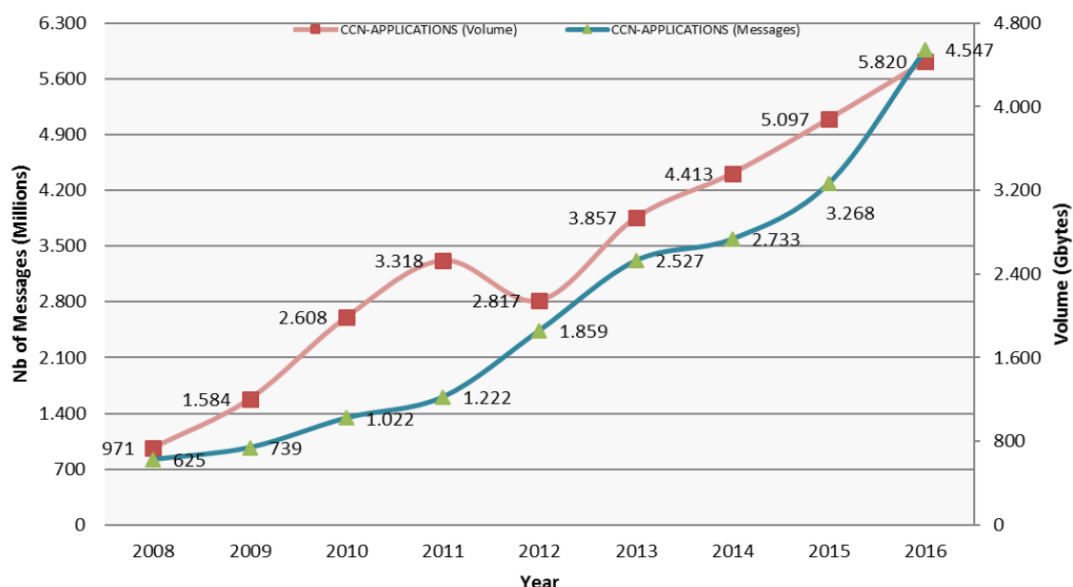
There are a few aspects worth mentioning. Firstly, in 2016 the Commission rolled out a new type of joint action – expert teams. Since the nature of the expert teams is specific enough to distinguish it from other joint actions, this category appears in the budget breakdown as a separate category.

Secondly, there is a noticeable increase in IT expenditure recorded in 2017. This increase is indeed built into the deployment of the Customs 2020 IT components relates to the multiple new IT developments and research needed for the implementation of the UCC. The most important ones included the preparation and deployment of Registered Exporters IT system REX and some of the UCC Customs Decisions applications, which were scheduled for implementation in 2017, and the construction of CLASS and INF-SP (pilot) scheduled to be operational in 2018. In 2017, there were 19 systems in the development phase and 11 in the research phase. In total, more than a half of the IT projects were progressing in line with the requirements, time and budget limitations, with a smaller number of projects were delayed due to additional legal or business clarifications needed. The number of existing IT applications by the end of 2017 was at 49.

⁵ [SWD\(2018\)107 "Customs 2020 programme – Progress Report 2016";](#)

The key exchange network is the CCN/CSI network (Common Communication Network/Common Systems Interface), common to customs and taxation areas. It is composed of 112 gateways in 49 CCN/CSI sites located in 33 different countries. Over the years of the Customs programme iterations, there has been a steady increase in the number and volume of data exchanged (see **Figure 2**). This soaring trend has somewhat flattened in 2017, where some 4.8 billion messages of 5.5 terabytes of volume were exchanged. The availability of the network and key customs systems remained high and reliable, reaching 99.98% for the CCN/CSI, 98.70% for centralised IT customs applications and 99.03% for New Computerised Transit System NCTS, Export Control System ECS and Import Control System ICS.

Figure 2. Evolution of CCN messages by quantity and volume 2008-2016



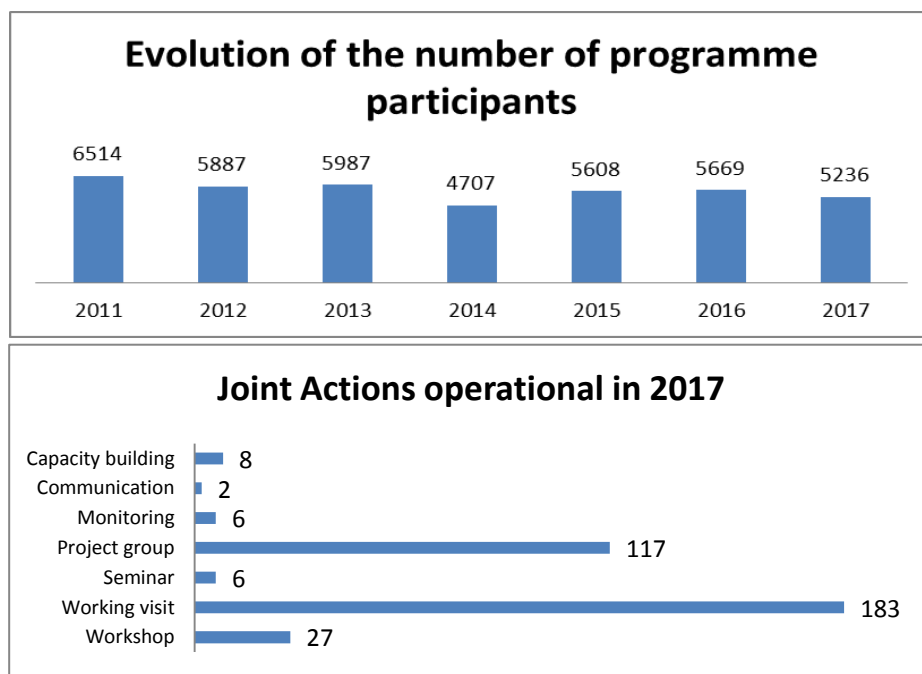
Source: DG TAXUD;

Thirdly, there is fairly significant increase in the training expenditure in 2016, which was mainly due to development and deployment of an extensive EU eLearning programme supporting the implementation of the UCC, which entered into force on 1st of May 2016. The module consists of 1 overview module and 14 customs domain specific modules. The uptake of the UCC eLearning programme was high from the start; 15 participating countries have immediately integrated the UCC overview module and 9-12 took up the domain specific courses. Overall reported number of e-trainees since the beginning of the programme was 68 915 by the end of 2017, of which 53 276 were for the UCC programme. In addition, the UCC training material has been downloaded 18 423 times in total via EUROPA site by the end of 2017, covering around 726 000 reported trainees. All the eLearning courses are incorporated into national training programmes by the participating countries according to their needs. In 2017, the combined number of various eLearning courses used by the participating countries was 271 (up from 174 in 2014 and 183 in 2015 although down from 307 in 2016, which however seem to be a common pattern)⁶.

⁶ This indicator is obtained by adding together the number of modules used in each country;

The number of actions, events and participants in Customs 2020 programme joint actions remains at a high constant level (see **Figure 3**). The small dip in 2014 is due to the programming aspects as Customs 2020 became operational only in May 2014 following a transition from the previous iteration of the programme.

Figure 3. Number of and participation in Customs 2020 joint actions



Source: SWD(2018)107 "Customs 2020 programme – Progress Report 2016" + ART data for 2017;

Awareness of the programme

The Commission monitors regularly the awareness levels of the programme and its potential amongst customs officials. Raising this awareness is considered vital in fulfilling the programme's objectives. Approximately every 18 months, the Commission runs the programme poll measuring the extent of familiarity with the programme and networking levels. The poll is distributed in all customs administrations of the participating countries, inviting both participants and non-participants to the programme's activities to take part. The latest poll relevant for this mid-term evaluation took place in January 2017. Around 3 500 customs officials from 32 participating countries returned the survey. According to its results, the Customs 2020 programme is known to 55% of all customs officials, which represents a modest rise of 4% in the awareness levels indicated in the 2014 poll but sits well below the 2011 benchmark of 65.7%.

In 2016, the Commission adopted a new communication strategy for the Customs 2020 programme. It included new communication tools and channels, as well as a promotion of common effort between the EU and national programme teams in the distribution of information on the programme. Some of the actions already started to be implemented in 2016, e.g. preparation of an animation video highlighting the benefits of expert teams as new type of joint action, update of the guidance of the programme's tools or launch of the programme

newsletter informing national administrations of the highlights in the programme community. Other actions will be continuously implemented until the end of the programme while first taste of their effectiveness should be known with the programme poll 2018.

4. METHOD

Short description of methodology

The overall approach to the mid-term evaluation can be classified as theory-based evaluation. It implies examination of the causal mechanisms in which the programme was expected to generate the desired results and impacts, through collection of evidence to test the initial theory. Such approach allows to confirm (or not) the supposed causality and understand how and why these mechanisms led to expected or observed results. In doing so, the evaluation seeks to identify and assess the extent to which external factors might have hindered or supported the process. In the context of a cooperation programme such as Customs 2020, which often plays a supportive role in implementation of EU policies and priorities, this approach seemed particularly suited. Not0 least due to inherent difficulties of attributing measurable results to the functioning of the programme.

The underlying intervention logic for the Customs 2020 programme was set up at the launch of the Performance Measurement Framework and constituted the point of departure for the analysis.

The evaluation work built on three distinct pillars: (1) overall programme assessment focusing on the programme as a whole in terms of its implementation and performance, (2) thematic case studies probing into specific agreed topics for in-depth qualitative research, and (3) engagement with the economic operators to gather views from the stakeholders who, although not direct beneficiaries of the programme, are impacted by some of its outputs, notably IT systems or eLearning modules.

The intervention logic for Customs 2020 programme, the analytical diagram for the three-pillar approach and details behind the data collection tools and techniques behind each pillar, are presented in Annex 3.

Limitations and robustness of findings

The evaluators laid down the challenges and limitations at the start of the assignment and suggested mitigating measures where relevant. The proposed approach and methodology were chosen in such a way as to counterbalance some of the challenges.

The evaluators classified the key challenges, which the evaluation had to cope with, as follows:

- *nature of the programme (or long causal chains)* – the programme support a range of (policy, legislative, operational and IT) processes and systems. These in turn contribute to objectives at various levels, but often in indirect ways, alongside other factors such as the administrative capacity and priorities of national administrations, and prevailing economic and trading conditions. Due to this, it was difficult at outcome level and close to impossible at impact levels to attribute change to the programme in any quantifiable way.

In-depth qualitative research, especially from the case studies, allowed to mitigate this to a certain extent by examining the likely contribution of the programme's activities across a wide range of areas;

- *IT systems embedded within the national IT infrastructure and/or required by law* – this interplay makes it difficult to attribute perceived faults or experiences with a given IT system to the performance of a specific component, the programme itself or the national IT capacity and architecture. Moreover, the fact that the evaluation was not focusing on assessing the technical functionalities of the IT systems but their use and support to implementing the policies, the data collected paint a superficial picture of the IT systems. Publically available annual e-Customs reports⁷ contain more information on the technical functionalities of the IT system;
- *data availability and timing* – the Performance Monitoring Framework was expected to alleviate some of the monitoring weaknesses identified during previous evaluations, providing more and better data to assess programme implementation and performance (especially at activity and outputs levels). However, that data was patchy in places and of limited usefulness at the impact levels. Moreover, the timing of the evaluation was such that at the time of the exercise annual reports on the programme's performance were only available for the first three years of the programmes' implementation (2014-2016). This made it difficult to establish and examine trends. The combined effect of these issues is that relevant data were not available for some of the indicators defined in the original evaluation questions matrix. The evaluators acknowledged such situations, explained the circumstances and made some changes to the affected indicators and sources to deal with it. Wherever possible and available, latest data were used in the present report and integrated within the analysis;
- *reliance on samples* – the large number of funded activities, the timeframe and limited resources meant that the evaluation could not cover every aspect of the programme in the same level of detail and proportionate approach was necessary. The evaluation therefore relied on a relatively high-level assessment of the programme's general features and achievements, combined with more in-depth examination of samples of Annual Work Programme projects, funded actions and stakeholders. By conducting fieldwork in a fairly large and diverse sample of countries and triangulating from several research methods, the evaluators were able to broaden the evidence base enough to make some generalisable inferences with acceptable degree of confidence;
- *stakeholder response rates* – much of the methodology depended on stakeholder feedback, including questionnaires, surveys and interviews. Overall response rates for the questionnaire for national authorities, survey to economic operators and interview requests in most fieldwork countries were very good, though the IT-focused questionnaire elicited less responses. The evaluators experienced nevertheless some difficulties in setting up

⁷ [Electronic customs Europa website;](#)

interviews in some of the case study countries to discuss cooperation between customs administrations and customs authorities or in arranging interviews with several stakeholders. This owes mostly to several studies with similar scope and timeframe, such as the simultaneously ongoing impact assessment for the next funding period, and all respective consultation activities organised.

To mitigate the effects, the evaluators took care to promote the consultations to boost response rates or use the results of these other studies when available while focusing their data collection on different groups and individuals. This strategy was largely successful, but some of the insight that would have come from better response rates was not there while the entire evaluation suffered from some delays. These are both syndromes of the consultation fatigues and the evaluators made some practical recommendations to alleviate similar issues in the future;

- *stakeholder and researcher bias* – similarly, the stakeholders who engaged with the evaluations will have their own priorities, leading to potential biases in the opinions and views they express. In-depth stakeholder analyses early in the evaluation process, a diverse evaluation team and a robust process for triangulating all findings helped to identify such biases and mitigate the risks they pose.

Changes to the original design

Three changes to the original design of the evaluation are worth mentioning. Firstly, the original approach to the organisation of cases studies meant to examine programme outputs (e.g. recommendations, guidelines produced through joint actions, etc.). However, during the structuring phase of the evaluation that initial intention proved to be too unwieldy as unit of analysis, making it difficult to define specific themes for in-depth studying. In order to keep the agreed focus on the programme's outputs and users while defining more tangible theme the evaluators examined instead a selection of the policy projects included in the Annual Work Programme. This change had the benefit of including multiple types of programme activities and outputs, chance to study the stated interactions between them.

Secondly, in line with the requirements of the Better Regulation Guidelines, the evaluators were to assist the Commission service in conducting a public consultation on the programme's functioning. The original methodology was designed in such way as to use the public consultation to elicit views and perceptions of these stakeholders who would have not been otherwise reached under the key evaluation tools, notably the economic operators, citizens and various organisations. During the preparations for the launch of the public consultation, the Commission issued central instructions to group all public consultations relating to mid-term reviews and future proposals of all of the Commission's spending programmes and funds into one public consultation, divided in cluster of themes. As the general objective of the Customs 2020 programme is to support the functioning and modernisation of the Customs Union in order to strengthen the single market, the programme was included in the cluster on investment, research and innovation, SMEs and single market. The original public consultation

questionnaire prepared for the mid-term evaluation of the Customs 2020 was subsequently transformed into a targeted survey to economic operators and as such implemented.

Thirdly, the evaluators encountered some problems in organising data collection and interviews in some of the case study countries. Whereas in most cases the problems were limited to causing delays in field work – and subsequently of the entire project by several weeks – one of the originally proposed case study countries – Germany – had to be ultimately withdrawn. Upon agreement of the Commission, Germany was replaced by Austria. This change is not deemed to have had any negative impact on the scope of the foreseen analysis.

5. ANALYSIS AND ANSWERS TO THE EVALUATION QUESTIONS

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

Relevance refers to the need for an initiative and examines the match between the initiative's objectives and activities, and the needs of stakeholders and broader goals. For Customs 2020 programme, the broader goals relate to the good functioning of the Customs Union. The Customs Union is an area of exclusive Union competence, which defines the policy and legal context, but for which the Union shares the responsibility for its implementation with the Member States. The direct needs to make the Customs Union work seamlessly are therefore predominantly on the side of customs administrations, which operate in conditions of increased necessity to exchange information, cooperate and build their administrative capacity to do so.

► Customs 2020 programme addresses the needs of national customs administrations of the participating countries

The impact assessment supporting the proposal for the current programme listed several challenges and practical problems for customs administrations to deal with in the run towards fully implemented and well functioning UCC. The challenges included growing trade and globalisation, pressure on safety and security, need for harmonisation and uneven distribution of burden. These challenges have resulted in practical problems for customs administrations such as (a) pressure to process growing volumes of trade and difficult balance between facilitation and control, (b) gaps in skills, competences, resources and experience to face new requirements, (c) incoherent and inefficient application of rules and practices, (d) diverging interpretations of rules and practices, (e) difficulties in harmonised implementation of interconnected and interoperable IT systems, and (f) high administrative burdens for some of the Member States. The Customs 2020 programme was found relevant to address all needs stemming from these problems. In fact, in some areas the programme was judged so deeply integrated with working practices that imagining a “world without Customs programme” was very difficult.

Customs authorities within the Customs Union apply the same basic rules and all Member States are dependent on the others to play their part in collecting the revenue and regulatory

protection. This interdependence requires close cooperation⁸. The customs officials interviews confirmed that the various underlying problems and needs created a natural demand for better cooperation and the exchange of information as well as harmonisation of approaches, administrative procedures and rules. The Customs programme makes it easier for customs authorities in participating countries to work and share information with each other. The programme offers various types of eligible activities, which Member States find well suited to address the customs policy needs.

If taking sheer participation in the programme's activities as an indication of its relevance to the needs of national administrations, the numbers speak for themselves.

There have been 16 864 project groups, 1 897 workshops, 1 106 working visits, 947 seminars, 203 join communication actions, 180 capacity building and supporting actions and 72 monitoring activities organised across all participating countries within the programme's first 4 years in operation⁹.

Nearly 4.8 billion messages of around 5.5 TB total volume were exchanged over the CCN/CSI network in 2017 alone. Over 11.2 million transit movements (7% increase on 2016) were released through the New Computerised Transit System NCTS, with the average number of movements released per business day reaching over 44 000. 5.1 million indirect export movements were recorded in the Export Control System ECS (5.9% increase on 2016) and some 48 million Entry Summary Declarations ENS were lodged in EU through the Import Control System ICS (9% increase on 2016).

By 2017, the combined number of the various eLearning courses used by the participating countries was 271, thanks largely to the new eLearning programme for the UCC implementation. Its uptake was high from the start: 15 participating countries have immediately integrated the UCC overview module and 9-12 took up the domain specific courses. The overall number of UCC trainees was in the range of 53 276 (out of the 68 915 total for all eLearning¹⁰) and another nearly 40 000 is forecasted for the year 2018¹¹. That is 1 in 4 customs officials from all participating countries trained thanks to the programme¹². The UCC training material has been downloaded 18 423 times in total via EUROPA in 2018, reaching around 726 000 reported trainees.

Participating countries were highly supportive of the extent to (and ways in) which the programme fosters cooperation between customs administrations in various dimensions. The programme was not only instrumental in facilitating convergence at the strategic level, but also regarding approaches, interpretation of rules and administrative procedures. The participating countries saw the Customs programme a relevant forum for exchanging best practices, hosting discussions and facilitating reflection on experiences.

⁸ [‘IT strategy for customs’](#), COM(2018)178;

⁹ ART data, excluding data on participation in the expert teams not yet available for the report;

¹⁰ There were 32 214 overall trainees in 2017, up from 23 970 in 2016, 6 108 in 2015 and 4 632 in 2014;

¹¹ There were 31 669 UCC trainees in 2017, up from 21 607 in 2016; ;

¹² WCO Annual Report 2016-2017 on size of the customs administration;

The programme has been especially important in relation to the implementation of European IT systems. It supported the participating countries through funding of the EU components and providing specifications and guidelines. While access to, exchange and processing of data and information in electronic fashion is mandated by the EU legislation¹³, the burden of implementation of the supporting IT systems is shared between the Commission and the Member States. The need for interoperability, interconnectivity and reliance of the electronic customs systems with a unified data system for a well functioning EU Customs Union justifies the design and scope of the programme.

In that context, the Customs 2020 programme's design directly addresses the needs for a paperless environment for customs and trade. The increased focus on the implementation of Union law and policy in the field of e-Customs for trade facilitation, customs governance and simplifications shows that the programme evolves together with the changing needs. By the end of 2016, 91 e-Customs-related meetings with a total of 892 participants were convened under the auspices of the Customs 2020 programme¹⁴. It shows not only the high relevance of the programme but also proves the appropriateness of its design, conducive to synergies between eligible actions (here between the IT systems and the joint actions that support their implementation) for better, faster and more sustainable results.

The Customs programme's coverage is very broad and its implementation needs scoping and prioritising. Each year, through the Annual Work Programme (AWP), the Commission sets the key priority areas for the given year. National customs administrations are involved in the setting of priorities through the comitology procedure. It guarantees the relevance of the programme's activities and has created a powerful sense of ownership among the participating countries over the successive programme iterations. However, agreeing on a set of priorities that correspond to the needs of *all* national administrations can be sometimes challenging. The wide coverage is generally seen as an advantage and most of the AWP priorities were considered to be of high importance. However, some of the participating countries wished the programme were more focused for greater relevance.

Going specifically into the types of joint actions funded by the Customs 2020 programme, each type of action was assessed relevant to the needs of customs administrations in specific circumstances, i.e. depending mostly on the desired outcome. The evaluation gathered specific feedback and experience from individual participants across actions and drew a picture of key characteristics and benefits of all types of joint actions. Annex 4 presents them in detail.

It should be stressed here that the relatively low level of awareness of the programme, as reported in section 3 on implementation and state of play, does not demonstrate the programme's irrelevance. Thousands of officials and economic operators use the IT systems supported by Customs 2020 but accessible through national-level front-end interfaces, as well as joint actions outputs, without necessarily being aware of the programme's existence or role

¹³ [Decision 70/2008/EC](#) on a paperless environment for customs and trade (e-Customs Decision) and the UCC [Regulation \(EU\) No 952/2013](#) together with the implementing and delegated acts;

¹⁴ ['2016 e-Customs progress report'](#), 10/07/2017;

due to the lack of a strong brand. The launch of a new communication strategy for the programme in 2016 is expected to bring a positive change.

Overall, the current mix of eligible actions available under the programme largely satisfies the needs of the participating countries. At the same time, some stakeholders indicated additional aspects, which are not currently supported by the programme, namely: (1) equipment for border customs officers, (2) equipment for European customs laboratories in the Member States, (3) implementing parts of the mandatory IT systems, (4) cooperation with third countries, and (5) localisation and translation of EU training modules developed (though it should be noted that the programme now provides support for these two important aspects).

► **Customs 2020 programme addresses the needs of some economic operators and European citizens**

While national administrations are the main beneficiaries of the Customs 2020 programme, thousands of **economic operators** interact with the Customs-funded IT systems on a regular basis. They do so either through a legal obligation (e.g. registration in the Economic Operator Registration and Identification (EORI) system) or to find required information (through for e.g. the EU Customs Tariff (TARIC) database). It should be noted that the explicit focus on economic operators in the assessment of the programme is a new concept and has yet to gain traction. So far, 404 external participants, mainly economic operators, have taken part in several joint actions. A prime example of a joint action with an economic operator focus is the EU Customs Single Window project. Its key objective is to enable economic operators to lodge electronically and only once all the information required by customs and non-customs legislation for EU cross-border movement of goods. In general, the needs of economic operators oscillate around customs processes being dealt with efficiently and effectively as speed and reliability of customs clearance impact directly on business productivity and profitability. Some research show that a 10% reduction in transit and processing time at customs can generate between 2.5% and 5% growth in trade¹⁵. This is best done through, on the one hand, paperless environment for customs and trade and, on the other, through timely access to all information that an economic operator needs to know from the customs side of its processes.

Some 726 000 of mostly economic operators were trained from the UCC eLearning training material downloaded directly from the EUROPA site. It shows that the need to get guidance for the new set of rules is also pertinent to them¹⁶. How specifically the economic operators benefit and use the programme is described at length under the effectiveness question EQ 3.

Economic operators who responded to the evaluation survey agreed on the relevance of all the operational objectives of the Customs programme for national customs administrations. The fight against fraud was the most important for them, followed closely by the safety and security of goods and reduction of red-tape in customs transactions. For these reasons, the economic

¹⁵ ‘[IT Strategy for Customs](#)’, COM(2018)178;

¹⁶ The economic operators who took part in the targeted survey, mostly likely due to the limited sample of 108 operators who responded, could not confirm that broad interest in the eLearning modules;

operators acknowledged the cross-border nature of the modern customs and welcomed the programme's focus on enhancing cooperation and exchange of information within the EU.

Finally, Customs 2020 programme addresses issues of general concern for European **citizens**. They are not direct beneficiaries of the programme and mostly unaware not only of the programme¹⁷ but also of the key elements of the Customs Union in general¹⁸. Nevertheless, the programme contributes to their protection as far as customs themselves can influence it. The specific objectives of the programme relating to safety and security of citizens have increased in relevance as organised crime, terrorism and fraud have become greater public concern. Against a backdrop of ever-increasing volumes of world trade, the customs authorities are tasked with protecting citizens against international trafficking and smuggling of illicit goods, as well as with protecting consumers against goods, which pose a risk to their safety or their health. Customs 2020 programme supports them in all of these areas.

Even though the citizens themselves are not always capable of linking explicitly the works of customs with their concerns, this link is actually there. This conclusion emerged from the analysis of the stakeholders' responses to the public consultation, with regard to the question on the challenges before the Commission's spending activities (see **Figure 4** of Annex 3). Despite the methodological constraints of the consultation and the inability to ascertain anything, it came clear that the Customs 2020 programme's design and role fully match the preoccupations of the stakeholders, justifying not only the programme's sheer existence but also the direction of its evolution.

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

► joint actions are beneficial, appreciated and reinforce each other

Participants and organisers of the joint actions are always asked to provide their feedback on the extent of achieving the results. This is done through the event assessment forms and action follow-up forms. Regardless of the type of joint action, roughly 75% of the actions participants agreed that they met their expectation, achieved the intended results and were useful. This satisfaction was notable for all the objectives.

Across all types of actions, the participants praised the programme for helping the administrations to identify, disseminate and take-up best practices, which led to practical uptake of working methods in customs administration and a more harmonised approach to the implementation of the EU customs law.

The joint actions resulted in high degrees of networking. 95-97% of the participants have used the opportunity to build and expand networks and contacts, and have used these connections to

¹⁷ Only 13 out of 4 052 respondents (0.3%) who took part in the public consultation on EU funds in the area of investment, research & innovation, SMEs and single market launched in the context of the preparations of next Multiannual Financial Framework for the EU were aware of the Custom's programme and only 7 of them made any comments more or less related to customs in general;

¹⁸ [Special Eurobarometer 439 Report](#), Awareness and perceptions of Europeans about the EU Customs, TNS Opinion & Social, March 2016;

solve day-to-day problems. The 2017 programme poll¹⁹ results show that majority of the customs officials have used their contacts frequently, either several times per month (14%) or several times per year (59%) against 19% who have used them once and 9% who have not used them at all.

National administrations agreed almost in unison that the Customs 2020 programme helped to build trust, which was a natural by-product of face-to-face interactions and personal contact. The notion of trust spilled over to other areas, notably to the relationship between customs and business, illustrated anecdotally by one country, which noticed a change in the administrative culture thanks to the Authorised Economic Operator (AEO) programme, which Customs 2020 supports.

The Performance Measurement Framework data suggest as well that the outputs of the joint actions (e.g. recommendations, guidelines, studies, best practice, working documents, administrative procedures, etc.) are shared extensively. 95% of participants declared diffusing the outputs within their administration while 80% use them actively in their work. Defining specific outputs can sometimes be difficult due to the sheer divergence of them. Moreover, some of the outputs are not easily captured in any monitoring framework as they concern less tangible and more difficult to measure networking. It seems however that whatever knowledge was gained through the joint actions was broadly used and shared.

Perceived usefulness of the joint actions is correlated with their participation levels (which in turn is due to the nature and scope of the joint actions). However, they are all appreciated in the right circumstances, as it was already established under the analysis of relevance (see also Annex 4 for detailed features of all joint actions). Seminars, workshops, working visits and project groups score the highest²⁰ but the evaluation gathered anecdotal evidence on the utility of all types of actions.

For example, a working visit on detection equipment provided opportunity to examine and test such equipment for national context before deciding on the purchase. The project group of AEO Network has enabled an exchange of information and discussion on practical questions and problems regarding the consistent implementation of the AEO programme across the EU. It ensured coherence and coordination of the different ad-hoc actions and produced a concrete output in the form of AEO guidelines.

The Customs Eastern and South-Eastern Land Border expert team (CELBET) was mentioned regularly as a successful example of the new type of joint action – the expert team. This specific action allowed experts share experience and good practice on coordinated management of external EU borders, map non-commercial border-crossing points, create border control standards and risk profiles, common performance indicators and recommendations on improvement of control and detection equipment and working methods, and more.

¹⁹ n=946;

²⁰ Project groups alone comprise the largest group of participants, representing about 75% of customs administrations' participation in the programme's joint actions;

Common Learning Events Programme (CLEP) workshops, assisted by the project group of Training Support Group, reinforced customs officials' skills and competences on critical topics, allowed for best-practice sharing and contributed to the long-term, less quantifiable outcomes such as changes in attitudes and increased cohesion in the training domain.

Project groups such as the Electronic Customs Coordination Group or the Risk Management Strategy Implementation Coordination Group were praised for their role in coordination of implementation of multiannual plans and strategies, complex work streams of multiple IT projects, allowing ultimately for collective understanding and common vision.

The working visits on Single Authorisation for Simplified Procedures (SASP) between Germany and the Czech Republic facilitated a common business model, including control plans and measures, and allowed for better organisation and arrangements for the exchange of information. A regional workshop on a similar topic organised by the Finnish authorities sought in turn to prepare grounds for application of the simplified procedures in the Baltic region. Its regional character allowed for contextual and specific cooperation.

The high-level seminar on cooperation between customs and other authorities on Intellectual Property Rights (IPR) was a unique platform uniting customs officials, police, judicial authorities and other stakeholders to discuss exchange of information and intelligence relating to IPR as well as challenges faced by each authority. Similar 'bridging' focus was behind the high-level seminar on the strengthening of cooperation between customs and tax authorities, which gathered over 100 participants from across the countries and authorities, although it is yet to be followed up by targeted actions.

► **there exist generalizable factors determining success of joint actions**

The evaluation revealed several factors that seem general enough to consider them as essential in determining the success of the most used joint actions:

- clear EU policy drive fosters senior level buy in, engagement and commitment to results;
- participation of people with the right knowledge, practical experience and language capacity affects active participation and productivity of discussions;
- good choice of the type, scope, format, frequency of meetings and balanced number of participants of the joint actions determines active participation, constructive discussion and outputs;
- coordination between projects that have broad agendas and cover wide spectrum of topics is necessary to avoid duplication of efforts and create synergies between projects of comparable objectives;
- sense of ownership and engagement depends sometimes on pragmatic issues such as style of chairing or level of interaction;
- 'bottlenecks' or uncertainties around and beyond the domain of actions have detrimental effect on achieving the sought-for results;
- perceived administrative burdens related to organisation of joint actions, such as working visits or expert teams, risk resulting in lower uptake of and engagement in joint actions.

► **European IT systems help Member States to communicate with each other securely and efficiently and increase collaboration especially in areas with a strong legal base**

The core objective of the UCC is to create seamless and efficient customs processes across the EU, based on digital tools. It is up to the EU Member States to make this ‘happen’. To do so, they need to operate effectively within the single market and cooperate with each other. 49 different IT systems, applications and supporting infrastructure are already in operation and many more are to come. About 85% of the Customs 2020 programme funding goes into the operation, maintenance and development of the IT systems²¹. The Customs programme supports the production of common system specifications, co-ordination of the deployment, conformance testing, monitoring of service quality, etc. All the major centralised IT systems, as well as the supporting architecture (CCN/CSI, CCN2, SPEED2), were available for 99% of the time and they play a central role for the smooth functioning of customs procedures and the single market as a whole.

The best indicator for the utility of the IT systems for cooperation and exchange of information is the sheer number and volume of messages exchanged. Nearly 4.8 billion messages of over 5.5 terabyte of volume were exchanged over the CCN/CSI network in 2017 alone (evolution of exchanges was presented in **Figure 2**). Various customs departments use the systems relevant to their work routinely in performance of their tasks and appreciate the swiftness and access to various data.

In general, the supporting IT architecture and centrally operated systems, which score as most useful, are the ones, which have been in operation for a long time and underpin the more traditional role and needs of customs in goods classification, tariff management or movement control. These systems include the CCN/CSI network, the TARIC database for integrated Tariff in the European Union, the EBTI-3 data base for European Binding Tariff Information, the EORI system for Economic Operators Registration and Identification Number, the New Computerised Transit System NCTS, the Customs Risk Management System CRMS or the COPIS system for anti-Counterfeit and anti-Piracy Information. The two latter have been analysed in-depth through the case studies under the evaluation and can serve as illustration of the potential of the Customs 2020 programme in fostering cooperation and exchange of information. Additionally, Annex 4 presents more detailed features of various IT systems.

The CRMS, together with Risk Information Forms (RIF), allows for systematic real-time exchange of risk information for all modes of transport (land, air, sea), for major ports, airports and border posts across the EU, as well as national risk analysis centres, with all 28 Member States. The customs risk managers and analysts see it indispensable in their day-to-day work and a practical and effective way to disseminate risk-related information to all who need it. CRSM directly improves risk management, in particular in the cross-border context, while disturbing as little as possible legitimate trade through better risk analysis. Access to CRMS is

²¹ The IT systems comprise the EU and non-EU (national) components. Union components are owned or acquired by the Commission and funded by the Customs 2020 programme. National components are funded, developed, installed and operated by the Member States;

also granted to Commission services such as the European Anti-Fraud Office (OLAF), DG Health and Food Safety and DG Agriculture and Rural Development, which further increase its effectiveness in contributing to safety and security and preventing fraud.

As for COPIS, customs authorities use it to register the application for action from rights-holders and all infringements. It allows for instant notification of violations of rights across all Member States. From 2010 to 2015, the number of applications from rights-holders have almost doubled, from 18 000 to 32 000²², showing that the problem is growing and coordinated action needed. In 2016 alone, more than 41 million fake and counterfeit products were detained at the EU's external border to an estimated EUR 670 million in domestic retail value²³.

Some IT systems are less used, customs officials are less familiar with them and may appear in the evaluation as less useful. Examples include the NCTS-TIR-RU²⁴, European Customs Inventory of Chemical Substances ECICS or Suspensions or Customer Reference System CRS. However, these are specific 'niche' systems used mostly by specialised customs departments and the evaluation ultimately confirmed that also these are indispensable for those who need them. In the case of NCTS-TIR-RU for example, it is not relevant for all EU Member States to use it due to their geographical location; many customs authorities are not aware of it for that reason²⁵. Similarly, Suspensions is mainly an internal tool for Commission staff allowing management of the suspension of import duties for certain goods published in the official journal, which is not visible to anyone else. CRS is another sub-system that makes information available by acting as communication layer between systems generating and managing information (e.g. Customs Decisions Management System CDMS Economic Operators' System EOS, Registered Exporter System REX) and systems consuming information (e.g. the New Computerised Transit System NCTS, Export Control System ECS or Import Control System ICS). Finally, the ECICS evaluation showed that the database meets the specific needs of stakeholders, including customs authorities, customs laboratories and economic operators, and that it contributes substantially to the work of its core users. Audiences consulted praised it for several reasons, including the accuracy/reliability of the data, speed, content, coverage and user interface²⁶. All these examples serve to demonstrate that the utility of the IT systems needs to be always assessed from the perspective of the users.

The secured platform for information exchanging and sharing provided through the CCN/CSI helped Member States and economic operators to overcome their reluctance of sharing sensitive data, which hindered effective cooperation.

²² [DG TAXUD, Annex 2 of the Multi-Annual Strategic Plan, Rev. 2017, 1.4;](#)

²³ [DG TAXUD, Report on EU customs enforcement of intellectual property rights, results at the EU border 2016;](#)

²⁴ NCTS TIR Russia;

²⁵ There were some 0.31 million messages exchanged between 14 Member States and Russia in 2017;

²⁶ ["Evaluation of the European customs inventory of chemical substances \(ECICS\)", 08/2017;](#) Coffey International Development Limited, Oxford Research AB, Economisti Associati, wedoIT and the Reach Centre;

► training activities fill an important role

Customs programme originated as a training programme in 1991. Although the relative weight in the Customs 2020 programme's funding dedicated to training is small (3-5%), it has an important and unique role, supporting also the performance of joint actions and IT systems. At the same time, its benefits may indeed seem less palpable, not easily measurable and less wide-reaching.

The human competency building component of the programme includes the eLearning modules available to national customs administrations and economic operators, the common training materials and IT training for European customs IT systems. The numbers behind the eLearning²⁷ paint a positive picture of their use and utility even though majority of the participating countries seem to be using the training material to some or little extent only. Defining use in the context of training is however difficult as one-off use is as likely to bring benefits as recurring uses, depending on the nature of training, content and need. Overall, most participants were highly satisfied with the eLearning modules, with an average score of 78 equivalent to "very good"²⁸. However, given large variations over appreciation of the same training material across the years, the scores appear to be rather subjective. Annex 4 offers insight into the specific training modules, their uptake and satisfaction levels.

In the eyes of the participants, having common training base was conducive to shared understanding, alignment of interpretations of the customs provisions, standardisation of terminology and ultimately more uniformity in application of the EU law across the Member States. The timely launch of the UCC modules was highly appreciated in that respect. Same assets were mentioned in relation to the training courses supporting implementation and use of the IT systems, particularly the ones related to the UCC. The training offer more than doubled over the years of Customs 2020 operation and the number of trainees tripled²⁹. Use and utility of the IT systems and more uniform approach to application of EU customs law were the two highest scored benefits brought in by the training under Customs 2020 programme.

In fact, training is by nature user-oriented and brings rather individual benefits such as personal feeling of knowing or understanding. It is the likely explanation why better cooperation and sharing of good practice through eLearning were less commonly brought up by participants amongst advantages, for which other forms of cooperation, including face-to-face interactions, traditional teaching methods or simple exchanges of work-related experiences were found by some as more suitable.

²⁷ Please see analysis under the section on implementation and state of play and in response to evaluation question on relevance EQ1;

²⁸ This measure is based on Kirkpatrick methodology where 75 stands for 'very good' and 50 for 'fairly'. The score is based on 11 quality dimensions but mainly assess the following parameters: relevance to job, fulfilling learning objectives, learning retention and if the course was a positive experience;

²⁹ The number of IT training sessions and trainees were respectively 22; 124 in 2014, 45; 293 in 2015 and 58; 374 in 2016;

► **there exist generalizable factors determining success of training**

The evaluation revealed several factors that seem essential in determining the success of the training component, and in particular the eLearning courses:

- availability of training material in a national language significantly impacts participation and use while translation pose a challenge to the national administrations;
- some eLearning modules duplicate efforts that have already been taken at national level, particularly for these countries who have more advanced training programmes;
- some eLearning module use technology that is not compatible with some of the national systems.

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

► **economic operators benefit from the Customs 2020 outputs on a daily basis**

As the programme's joint actions promote competition and trade by supporting more efficient and harmonised customs practices, economic operators benefit indirectly but significantly from this programme component. Economic operators have participated in seminars, workshops and project groups, and can benefit directly through learning, but their involvement is primarily to provide their insight and perspective that will eventually benefit all economic operators.

Feedback received in the course of several such joint actions, such as the EU Authorised Economic Operator (AEO) programme workshop, the project group on the AEO guidelines or a series of joint actions supporting the Simplified Procedures, confirmed that involvement and dialogue with economic operators allowed better understand their needs and take them on in the development of best practice amongst customs administrations. As a result, the AEO guidelines, for example, were rewritten to be more understandable, concise and precise, ensuring thus uniformity in implementation of the AEO programme. Moreover, working together with the economic operators under the aegis of the joint actions has contributed to, more or less prominent, changes in the relationship between customs administrations and business stakeholders, stepping away from the more traditional 'command and control' approach to customs to a more 'customs-to-business' partnership.

As much of the programme's support to IT systems works towards better communication and exchange of information among participating countries, economic operators currently benefit only from IT databases that provide various types of information. The most used and highly ranked was the TARIC (80%), a multilingual database integrating all measures relating to EU customs tariff, commercial and agricultural legislation. Together with the equally popular European Binding Tariff Information EBTI database (63%), they provide legal certainty in regard to tariff classification no matter in which Member States they operate. With this information, economic operators get a clear view of measures to be taken, such as upfront calculation of prospective charges or documentary requirements, when importing goods into or exporting out of the EU. There is about 970 040 Binding Tariff Information items in the database and tens of thousands are being created each year (51 415 created in 2017). It saves them time and allows keeping them up to date with legislative changes.

Other most appreciated systems include EORI system for Economic Operator Identification and Registration (64%), Customs Offices (63%) and AEO (59%) databases, all of which were praised for providing information that was not available elsewhere in a time-saving manner, helping the economic operators to reduce some of the administrative burdens and simplifying procedures. There is over 6 million valid EORI records as for end of 2017.

The new Registered Exporters IT system REX has started bringing about its benefits (it became operational on the 1st of Jan 2017 but there were already over 13 000 active registrations added for beneficiary countries and over 23 000 for Member States modules before the end of the year). REX simplifies the certification of origin of goods under the Generalised System of Preference of the EU, as it works on the principle of self-certification by the registered economic operators (exporters) themselves, rather than a governmental authority. When importing from registered exporters, it will be easier to manage and control the origin of products. Progressively, the REX system will also be applied in the context of bilateral trade agreements between the EU and the partner countries. Although promising, it is too early to draw any firm conclusions on its functioning.

As it was already stated, the economic operators are also users of the eLearning modules³⁰ supported by Customs 2020, mostly the UCC learning courses, which were downloaded from the EUROPA site over 12 000 times. Most of the users are professional associations or multinationals, who then make the eLearning available to their staff. Other most popular courses concerned the AEO and EORI and were broadly found useful. In general however, the uptake of eLearning by economic operators seems to be low, looking purely from the vastness of this group of stakeholders. Lack of awareness, time to prioritise the modules or incentives as well as linguistic or technical barriers (in particular for smaller businesses) were amongst the factors impeding a broader use.

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

► Customs 2020's activities contribute to the achievement of the programme's specific objectives

To recall, the specific objectives of Customs 2020 programme relate to protecting the financial and economic interests of the EU and its Member States (including combating fraud and protecting Intellectual Property Rights), increasing safety and security, protecting citizens and environment, improving the administrative capacity of customs administrations, and strengthening competitiveness of businesses.

With regard to the **protection of the financial and economic interest of the EU and its Member States**, relevant activities were successful at facilitating and simplifying processes

³⁰ The highest downloads from 2014-2017 were for the AEO course (7 071), followed by the UCC Overview course (5 379), EORI (3 304), SP SASP (1 449), IPR (1 37944). The average number of downloads for the 15 topic-specific UCC modules was 389. Since the UCC modules only became available in 2016, looking only at 2016 numbers, the UCC Overview module was the most used that year, outranking AEO courses (2 030);

and procedures, pooling expertise, supporting the correct application of procedures, and reinforcing the monitoring and control of credibility checks. For example, a series of actions related to TARIC system for integrated tariff of the EU helped to identify problem areas and shortcomings in the implementation of the system and related legislation and measures, training needs and the increased awareness on the importance of the uniform application of TARIC measures.

Similar benefits were mentioned for the joint actions related to correct implementation of the preferential rules of origin, which helped to identify problem areas and familiarised the origin experts with the renewed concepts, and the preparation of Union positions in the revision of the rules of origin in the Pan-Euro-Mediterranean Convention. Support under the Customs programme has proved instrumental for guaranteeing a level playing field throughout the EU, and for ensuring the respect of the rules by the EU's partners on imported goods.

Works of the numerous project groups on the customs tariff and classification sped up resolving technical issues around the system, clearing out classification divergences and specific cases between countries or coming up with ideas for modernisation of the Common Nomenclature.

The Customs Information System (CIS) established under the Council Regulation (EC) No 515/97 assist the Member States to in the prevention, investigation and prosecution of customs infringements by making information available more rapidly. It also helps the customs officials to perform, according to their risk strategies, regular or occasional data exchanges on goods or traders. It thus increases the effectiveness of the cooperation and control procedures. In 2017, some 95 million messages exchanged over the New Computerised Transit System NCTS and Export Control System ECS between Member States in application of the Regulation 515/97 were duplicated into OLAF's CCN gateway (Anti-Fraud Transit Information System ATIS).

In order to eliminate practical problems³¹ with the CIS and ultimately enhance its performance, the Member States organised a dedicated Customs 2020 project group on reporting on customs seizures in Customs Risk Management System CRMS and Anti-fraud Information System AFIS, which work with the CIS. That example illustrates well the mutually reinforcing character of the Customs programme various activities (and complementarity of the programme to other initiatives, discussed at length under evaluation question EQ 7 on coherence).

Under the same amended regulation, the Commission collects data on the goods transported in maritime containers, responsible for 90% of the world's overall cargo. It is done through the ConTraffic system and the container status movement messages. The Member States and the Commission were looking at integration of the data collected under the ConTraffic with the information available through the Entry Summary Declaration (ENS)³². To validate the data in time to support the ConTraffic-ENS testing, a pilot project group under the Customs 2020

³¹ Such as double reporting, undervaluation, inadequate level of information;

³² Entry Summary Declaration, a document required for all goods brought into the customs territory of the EU, regardless of their final destination, which should be lodged at the customs office of first entry before the goods arrival;

programme was set up to test the application of data analytics techniques³³. It processed a large number of transactions and confirmed the business value of matching of the information. Further works are ongoing to increase the effective integration of the ConTraffic data within the real-time risk analysis.

The implementation of the EU Action Plan on the Intellectual Property Rights (IPR) was a long-standing project carried out between 2013 and 2017. While results are still materialising, the programme activities equipped the participating countries with tools, guidance, common approaches, best practice, shared understanding and interpretation of IPR customs enforcement legislation. They also helped to map the needs and the development of cooperation strategies with third and neighbouring countries, which demanded close coordination among the Member States.

There have also been some positive, albeit not fully reaped, results of closer cooperation between tax and customs authorities facilitated by the programme. These included identification of field for closer cooperation, best practice and new trends. However, there is still room to support practical ways of harmonising and developing stronger connections between customs and tax administrations in matters of common interest.

With regard to **increasing safety and security, protecting citizens and environment**, Customs 2020 programme support the customs administrations in their works on risk management, management of the external borders, customs detection technology and protection of cultural heritage or nature. For example, customs risk management is governed by the Common Risk Management Framework (CRMF) and implemented by the EU Action Plan, which the Customs 2020 programme support through joint actions and dedicated IT systems. Most of that support is dedicated to works on common data for risk management and risk assessment, as well as working methods and technologies. Security threats is a daily operation that relies on the robust exchange of information between authorities, the identification of reliable operators and the possibility for them to have access to simplified procedures. Identification of common needs and high-quality, multi-layered approaches at Member State and Union level for the management of supply chain risks led to more effective and efficient control of risks and enhanced cooperation with third countries and businesses.

For example, the Prohibition and Restrictions (PARCS) project group, which is composed of representatives of the Commission and national experts on prohibitions and restrictions, has produced a list of prohibitions on import and export of goods, and factsheets for a selection of laws that set prohibitions and restrictions at the EU border. Each factsheet gives a description of the legislative framework, the role of customs and the documentary and physical checks that have to be carried out in close cooperation with other authorities³⁴. The first joint workshop for customs and veterinary authorities regarding import controls on live animals and products of animal origin from third countries took place in 2016.

³³ [Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management](#), COM(2016) 476 final;

³⁴ Idem;

In the drug precursors area, a project group under the Customs 2020 programme united national experts on drug precursors legislation and risk management from within the EU as well as third countries (Colombia and Peru) and international bodies (International Narcotics Control Board and the US Drug Enforcement Administration). Messages concerning drug precursors are regularly uploaded in the Customs Risk Management System while the EU experts contribute to the Precursor Incident Communications System of the International Narcotics Control Board.

The current Import Control System (ICS) includes provisions on the handling of pre-loading and pre-arrival declarations and the linking of these documents with the risk analysis. The ICS 2.0 project has been launched to manage the improved filing of supply chain data and ensure increased capacity to detect security and safety risks at the point of entry of goods.

Another topical area where the support of Customs 2020 was extensively used was in the operational working methods at the external border and in-depth controls, where 29 actions were initiated. The results included sharing of identified problems and good practices, the analysis of potential solutions, and the enhancement of cooperation between external border posts. These outputs have in turn contributed to reinforcing a common understanding of legal requirements and the harmonised application of working methods from the UCC and other legislative measures in the fight towards the protection of the EU external borders.

With the increase of use of technology and equipment in customs matters, Customs 2020 programme was also able to support the deployment of detection technology through the development of a network of customs detection technology experts who can share information and best practices as well as provide training. This work has been conducive in improving detection capability and performance standards of customs administrations.

Customs 2020 programme has played a role in the protection of health and safety of citizens, the environment and cultural heritage. Contribution of the Customs 2020 programme in this respect was very pragmatic and resulted in the issuing of new guidelines or adjustments to existing ones, the establishment of common risk criteria, the creation of a toolbox of online services, and awareness raising activities addressed at the business community and the wider public.

With regard to **increasing administrative capacity of customs authorities**, Customs 2020 programme's support in multipronged, ranging from technical and operational issues to more strategic legal implementation and uniformity. The project on operational and organisational customs processes helped participating countries to improve the performance of their administrations in the supply chain of goods by identifying gaps and needs in terms of customs modernisation, formulating recommendations to increase their performance, identifying training needs and setting-up of an action plan to implement the suggested improvements.

The networking between European Customs Laboratories facilitated by the programme focused on benchmarking activities, updating of databases, cooperation with other stakeholders – including from the third countries' customs laboratories - and information-sharing initiatives. As European Customs Laboratories need to work together, Customs 2020 plays a strong coordinating role.

Customs 2020 was also crucial in supporting customs administrations in preparation for the formal adoption of the UCC. The programme's actions facilitated the implementation, disseminated relevant information to various target audiences and led to identification, design and launch of the highly popular UCC eLearning programme.

Also, the implementation of the EU Competency Framework for customs (EU Customs CFW), which kicked-off in 2014, aimed to support more uniformity and increased efficiency of customs. The EU Customs CFW was set up as non-IT means of harmonising and raising customs performance standards. It sets out a consensus view of knowledge, skills and behaviour required in customs service in the EU. As all behavioural changes need time to materialise, also this framework should be considered as a long-term assignment. Some of the initial results, such as implementation of the framework and awareness building in the public sector, were already achieved. Other, such as better alignment with needs and adjustment to national contexts of the Member States (e.g. identification of competency gaps and training needs, reduction of risks related to pending retirement waves or improved operational and human resources processes) will take longer.

Finally, with regard to **strengthening of competitiveness of European businesses**, the latter benefit from the Customs 2020 programme either directly while using mostly the programme's IT databases (see evaluation question EQ 3) or indirectly through well functioning customs administrations across the EU. The Customs Union Performance Measurement project run under the programme established and maintains a system for measuring and assessing how customs activities and operations support the Customs Union. While still under development, the system is expected to represent an important management tool to enhance strategic decision making for the further development and for raising awareness and showing the results of customs work to main stakeholder groups.

The lodgement of customs declarations using simplified procedures is a major instrument of trade facilitation. There have been a series of actions organised under the programme aiming at common understanding and application of simplified procedures and facilitation of exchanges between administrations thanks to the creation of new connections and networks. The dialogue, which takes places between customs and business community in those joint actions, contributes to aligning the programme between Member States, while factoring in the practical implications for businesses. In the longer-term, having a system of simplified procedures in place is expected to contribute to the competitiveness of European businesses in the global marketplace, and to improve compliance and risk management, which are key objectives of the Union Customs Code.

Finally, as described already earlier on, the programme also supports the smooth functioning of the AEO concept.

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

- **Customs 2020 strikes a good balance between a centralised management and a consultative and transparent annual programming process**

As it was discussed under the relevance question EQ 1, each year, through the Annual Work Programmes (AWP), the Commission sets the key priority areas for the given year, in which process the national customs administrations are involved. This approach is well appreciated by the Commission, particularly for components developed at the EU but implemented at the national level, while customs administrations see it as an opportunity to have their specific needs addressed, which in turns creates a feeling of ownership.

Applications for joint actions are done by the participating countries or the Commission. The median time for processing joint action applications is 13 days for working visits and 39 days for other types of joint actions. That is regarded as broadly efficient and allowing the funding decision and payments, based on pre-financing instalments, to be delivered on time.

► **the majority of recommendations from previous evaluation³⁵ have been acted on and used to make notable improvements to the programme**

The Commission broadly accepted the recommendations done by previous evaluation by setting up an Action Plan outlining the extent to and ways in which they would be implemented³⁶. In 2016, the Commission reported on progress in implementing the Action Plan according to which a large majority of recommendations were achieved with the remaining actions – mainly IT related, which naturally demand more time – still under implementation.

Appreciated changes were introduced to the management of the joint actions, structuring of the AWP projects and monitoring of the performance of the programme. In order to bring in more coherence and practical connections between related activities, the Commission restructured the AWP by reducing the number of projects and providing expected actions and results in each case in order to create a more systematic mechanism to monitor and communicate outcomes. Additionally, to support the latter, the Commission drafted a communication strategy, which included the use of new communication tools and channels, as well as a joint effort between the EU and national programme teams to raise awareness. Following up on recommendations to streamline the platforms for sharing documents and facilitating communication, the Commission produced strategy plans to improve Programme Information and Collaboration Space (PICS) and Activity Reporting Tool (ART), implementation of which is ongoing.

There have also been recommendations addressing technical issues of specific IT systems, enhancing the integration of EU and national components, and promoting efficiency gains. While most of the recommendations were followed up, there remain a few, which are still underway but appear to be more resource intensive and systemic in nature, involving large-scale changes relating to integration, harmonisation and development of IT systems.

► **the development and implementation of the Performance Measurement Framework facilitated monitoring of the Customs 2020's performance**

To address long-standing problems of a lack of monitoring data raised in all previous evaluations, DG TAXUD developed and implemented the Performance Measurement

³⁵ [Final evaluation of the Customs 2013 Programme, Coffey International, 08-2015;](#)

³⁶ Action Follow-up Plan: Final Evaluation of Customs 2013, 2016-10-20, DG TAXUD;

Framework (PMF). It was arguably the biggest single improvement to the programme, installing a more evidence-based mind-set to programme management. In addition to facilitating performance management and ongoing improvement, the PMF increases transparency by making the achievements of the programme more visible and accessible.

The PMF is ambitious. For the Customs programme, there are 67 output and results indicators and 18 impact indicators. Progress is reported on annually through the Annual Progress Reports. Data used to inform the framework comes from proposal forms, action follow-up forms, event assessment forms, programme polls and other evaluations. The progress reports present data at activity level, for the indicators at output and result levels. They are vastly more comprehensive than any monitoring under the previous iterations of the programme. Raw data confirms that at activity level the data is available, factually correct and very useful.

However, at output and result levels the PMF relies mainly on self-reported data from stakeholders, especially regarding the joint actions, which has its drawbacks. Firstly, the questionnaire forms put together to inform the PMF need to be universal, covering a myriad of joint actions. This proved difficult, since asking standardised questions about outputs and results of actions that are highly diverse in terms of timeframe, objectives, scope and other issues, necessarily simplifies reality and renders the data less meaningful. Secondly, the questionnaires are answered by action managers and participants, and relate mainly to subjective issues on the level of agreement with certain statements, such as whether given actions helped increase understanding, provided good networking opportunities, or were considered useful. Finally, the frequency and length of the feedback and reporting exercises are turning stakeholders off, leading to superficial completion. This ultimately diminishes returns for the time and resources needed to collect data, analyse it and report on it.

The impact indicators seem to be equally problematic. As explained in the data limitation section, the causal chains between activities and high-level objectives of the Customs 2020 programme are long. The longer they are, the more influenced they get by other factors. Combined with practical difficulties to obtain the data, a majority of the indicators appear individually unsuitable for the following main reasons: they are either really result-level indicators relating to perceptions rather than observable changes and already captured in other parts of the PMF, are not easily obtainable, or are only remotely relevant, particularly when coming from sources external to programme. Only for a handful of indicators the programme management can perform relevant analyses but these with uncertain timeframes and at irregular intervals. That results in a situation whereby little of the output or results data appears to feed into continuous improvement or decision-making.

► **taking part in joint actions is proportionate to incurred costs but some administrative burdens are present**

The national administrations are overwhelmingly of the opinion that taking part in an existing joint action is proportionate to the costs incurred in participating. However, as it was stated in the previous section, there are some concerns with the new process of applying to a joint action and related reporting obligations (particularly for the working visits), which seem due to the perceived administrative paperwork, short deadlines for nomination of representatives and

logistics behind their participation in joint actions and diminishing resources in general. Indeed, almost for a third of the national administrations, administrative resources could impose a barrier to participation but overall they do not contest the need to coordinate and justify relevance of actions, which warrants the Commission's approach.

Organisation of the expert teams can serve as an example of administrative burdens although due to the young age of that type of activity, it cannot represent all other types and it should not be considered as a permanent state (i.e. there are teething problems with the expert teams, which should be solved overtime). The Activity Reporting Tool (ART) currently does not support financial reporting of expert teams. This resulted in time-consuming collection and manual calculation of financial data such as daily allowances or travel costs in different currencies.

Moreover, programme participants and coordinators felt that the entry into force of the UCC has had an impact on the programme's resources. Despite work to ensure a smooth transition, the work required to support the implementation of the UCC has required additional human resources, in particular to support the development and implementation of the new European IT systems.

► **communication, information flow and coordination are essential for smooth implementation of the programme**

Communication around the Customs 2020 programme falls under the responsibility of the Commission Programme Management Team. This team creates the main communication tools and runs some of the communication channels ensuring and coordinating information flow between all the coordinating bodies behind the programme. At national level, communication is tasked to national programme coordinators and delegates of the Customs 2020 Committee.

Effective communication, dissemination of harmonised messages and availability of information-sharing channels are important as their recipients – DG TAXUD policy units or programme coordinators – are seen as multipliers of the programme at various levels. An example of efforts to strengthen it are the programme's activity schemes, which have been developed to support the transparency, management and coordination of the activities carried out. They provide a visual overview of activities, with clear steering and reporting links to other fora. They are meant to provide both a snapshot of the overall EU customs activity at a given point in time, and on a regular basis through bi-annual updates.

In terms of IT platforms and databases that support the programme in terms of information sharing and communication, the views of the users were in general positive, with specific ideas for improvements mentioned. Most national administrations consulted felt very strongly that the ART is a user-friendly platform and an efficient system for monitoring participants' expenses and providing general feedback on the joint actions.

In terms of sharing information easily and quickly, the Programme Information and Collaboration Space (PICS), is the main of the global information and communication tools, aiming at improving the collaboration between Member States and DG TAXUD thanks to features that complement and enhance the collaboration organised in the framework of programme activities (which mainly takes place through meetings, calls or e-mails). However,

it is also useful to enhance internal collaboration and for sharing relevant expertise, experience and coordination between programme management team, national programme coordinators and other stakeholders involved in the management of programme activities. Despite general appreciation of the PICS's improvements overtime, there still seem to be room to improve further the user-friendliness of that tool as well as its broader use.

User-friendliness aspects as well as security of exchanges were also raised in the context of the Communication and Information Resource Centre (CIRCABC) platform³⁷, a document management system to exchange information between the Commission and national administrations, even though there too continued to be an overall positive perception of the tool.

► **synergies between Customs 2020 and Fiscalis 2020 programmes are present but can be better exploited**

Fiscalis 2020 is the ‘twin’ spending programme in the field of taxation. It is important to discuss it under efficiency question due to its alignment, at least at the central programme management level, with the Customs 2020 programme. The other EU programmes, which coexist with Customs 2020 are analysed in-depth under the coherence question later on. While the policy areas for the two programmes are different, they have a similar focus on enabling cooperation and exchange between administrations. These similarities offer many opportunities for synergies with the Customs programme in terms of both administrative arrangements and joint works, including cross-fertilisation and joint funding of shared components such as IT systems and similar approaches for human capacity building and training.

The synergies are strongest at the programme management level, which is provided by the same team of Commission staff. Both programmes are fully aligned, based on identical procurement rules and grant models, common management guides and supported by Programme Coordination Group.

In terms of the IT systems, the two programmes share the backbone for trans-European IT systems, notably the Common Communication Network/Common Systems Interface (CCN/CSI network). The joint platform facilitates coordination of approaches and processes, which ensure coherence and creates economies of scale by reducing duplication of efforts. Often taken for granted, that synergy is important from the point of view of technical arrangements at the programme management level as well as from the users’ perspective.

When it comes to the more content-related, synergies are more difficult to be established. The notable exception related to excise duties, which are anyway related and the administrative responsibility for them at the national level falls either on customs or tax administrations. Customs 2020 provides explicit support to this cooperation in terms of identification of fields that are of common interest and where it is particularly important to cooperate for the proper implementation of the legislation.

³⁷ CIRCABC is a corporate tool developed jointly by DG MARKT (now DG INFSO and DG GROW), Eurostat and DG DIGIT (with funding from the IDABC Programme) using an open-source software;

As an example, the project group on Coordination of Excise and Customs Procedures was a cross-programme action that brought together stakeholders from both authorities. It was originally set up (still under the Customs 2013 programme) because of the lack of interoperability between IT systems supporting customs (Export Control System - ECS) and excise (Excise Movement and Control System – EMCS) procedures. Their synchronisation was necessary to avoid legal uncertainties, inconsistencies and loopholes, which ultimately increased risk of fraud. It was perceived as a valuable way to build relationships and increase understanding between taxation and customs colleagues regarding common problems, both within and between national administrations. Still, some stakeholders still felt that more coordination and cross-fertilisation was needed and possible, for example in developing common IT systems or working closer on excise-related fraud. It was also felt that in the past there was more flexibility to use funds across programmes, allowing for more shared actions, which will no longer be possible in the future. This could reinforce working in silos and undermine some of the synergies described above if a practical solution is not found.

There are also opportunities for shared approaches to human capacity building and training. The Training Support Group for the Customs and Fiscalis programmes supports the development and implementation of the EU Common Training Programmes, using strategies from both sides.

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

Analysis of the programme's resources set against what it achieved helps to determine whether the costs of the Customs 2020 programme are proportionate to the benefits it has brought to the customs administrations and the Customs Union. Conceptually, this would mainly involve holding up the benefits identified through the effectiveness questions in light of various costs and other possible ways of spending equivalent time and money. Not many of the benefits were quantifiable, let alone possible to monetised.

► **the benefits of joint actions justify the costs**

The budgetary breakdown of the programme's activities for the years 2014-2017 was presented under the section on implementation and state of play. To quickly recall the totals and ratios, IT systems accounted for 84.6% of the budget (EUR 224 247 00), joint actions – 7.9% (EUR 22 933 000), studies – 3.7% (EUR 10 575 000), training – 2.6% (EUR 7 507 000) and expert teams – 1.2% (EUR 3 460 000).

Between 2014-2017 project groups as a type of joint action hosted the highest number of participants (17 290 in total for 140 project groups keeping in mind that some project groups include more than one action). Working visits in turn saw the largest number of events (413) but a substantially lower number of participants (1 142). There were also 68 workshops (1 962 participants), 18 seminars (947 participants), 9 capacity building actions (206 participants), 8 monitoring actions (72 participants) and 5 communication activities (203 participants) supported by the programme.

Most of the expenses are participation-driven as they include transport, accommodation and daily allowance costs. Much smaller part of costs covers organisation of events, with small variations depending on the type of event. Consequently, the absolute costs are necessarily proportionate to participation levels and vary slightly between different types of actions.

As **project groups** attract the highest participation, their share in the total budget for joint actions is high at nearly 75% of all spending (EUR 14 664 828 for years 2014-2017). However, thanks to economies of scale, it appears to be also one of the most cost-efficient methods with an average cost per participant in the range of EUR 868. Project groups are perceived as needed and useful, providing opportunity to exchange ideas, new technological trends, business solutions and IT approaches and align understanding of legislation and practices. It is arguably the main mechanism for achieving broader and inclusive continuous collaboration. Many project groups are quasi-permanent and serve standing cooperation platforms creating professional bonds and acting as catalysts.

Workshops come second in line when it comes to participation and budget share (around 10%; EUR 2 078 447 for years 2014-2017) and have a similar cost structure to **seminars** (nearly 6%; EUR 1 140 092 for years 2014-2017). Both of them, in particular the seminars, involve higher organisation costs covering such aspects as hiring of the venue, interpretations or refreshments. As they tend to group participants in the same venue, the accommodation costs are slightly higher. Moreover, as many as 167 participants attend some of the biggest seminars. Average cost per participants comes at EUR 1 204 for seminars and EUR 1 084 per workshop. In many ways they bring similar benefits as the project groups. Customs officials appreciated them best for providing a quick and efficient platform for exploring difficult topics. Although the questionnaire with national authorities showed that seminars and workshops were perceived to lack clear conclusions, qualitative interviews showed that seminars can have unexpected positive outcomes going beyond the main objectives of sharing best practices and encouraging shifts in national policies.

In terms of average cost per participants, **working visits** sit between workshops and seminars with the cost of EUR 1 116. The relatively higher costs are driven by higher accommodation and daily allowances, with travel costs in line with other actions, which are most likely explained by the fact that working visits tend to last longer. They are highly valuable for the customs officials as they provide practical experiences through on-the-ground observation that might not be possible otherwise. They constitute 6.6% of the joint actions spending (EUR 1 286 931). At the same time, due to their intimate nature, they encourage further bilateral cooperation. This activity type is amongst the most highly rated for its usefulness and would have been even more appreciated if not for the associated administrative burden they are assisted with (see evaluation question on efficiency EQ 5).

The least popular joint actions show also a less standard cost breakdown. In the reference period, **monitoring** actions came as the most expensive, averaging EUR 1 436 per participant (although they only constituted 0.5% of the joint actions budget with EUR 103 368). That costs structure is not permanent or typical for monitoring visits as the ones reflected here were with and to third countries, including significantly higher travel costs. That however, is not the rule. On the other end of the spectrum are the **communication activities**, which came as most cost-

effective at an average of EUR 816 per participant (0.8%; EUR 165 706). **Capacity building** actions stand at EUR 1 058 (1%; EUR 195 417). All three of them are less common, with fewer actions organised. They have a more cross-cutting nature rather than relating to specific topics, and, with the exception of monitoring actions, have been introduced only in the current programming period. Still, as demonstrated under effectiveness questions EQ 2 and EQ 4 as well as in Annex 4, also these are appreciated for their potential within the remit of their specific role.

The average cost per participant for all types of joint actions (except expert teams, which are budgeted separately) is around EUR 921, which is broadly at the same level of the equivalent cost for Customs 2013. There were no significant fluctuations in the per capita costs of joint actions either. Moreover, when compared with similar programmes, it turns out to be in line as well. For example, joint actions funded by the Hercule III programme were delivered at an average cost of EUR 799 per participant.

► **benefits of the customs IT systems outweigh any costs**

The lion share of the Customs programme budget supports the development, operation and maintenance of the customs European IT systems. The annual committed expenses for Customs IT systems are presented in detail in Annex 5. 17.9% of the total budget has been allocated to maintaining the Common Communication Network/Common Systems Interface (CCN/CSI), the essential network that provides the platform for all trans-European IT systems. 40.0% goes towards supporting operational costs of customs systems, 8.7% for quality control and 33.4% for upgrading and developing new customs systems.

Setting up appropriate IT systems directly targets most of the programme's operational objectives (see: **Figure 1**). It is synonymous with the objective to implement, improve, operate and support Customs IT systems, and is a requirement for the objective of effective implementation of the UCC, best practice sharing and improved co-operation between customs authorities and outside organisations. Concrete benefits brought by the IT systems are difficult to quantify due to their broadness. Nevertheless, given that there is no other funding mechanism for trans-European systems and the importance of modernising customs through towards a paperless environment for customs and trade, it is clear that virtually any expense towards this goal is justified and necessary. Against the perceived high utility of the IT systems, their use in day-to-day customs operations and level of intertwinement with national customs systems (see evaluation questions EQ 2, EQ 3 for economic operators, and EQ 4), their support to the functioning of the Customs Union is invaluable.

Moreover, the EU customs IT systems operate in a symbiotic fashion. They are interconnected and interoperable, linking not only national systems with central systems but also the central systems between themselves. The most prominent and almost self-evident example is the CCN/CSI network underpinning several heterogeneous systems with multiple types of hardware, software and communications equipment allowing administrations to enjoy a coherent, robust and secure method to work together. Another one would be the Customer Reference System CRS, which functions as a communication layer between systems gathering and systems using information. Examples gathered through the evaluation included the EORI

database for Economic Operator Identification and Registration, which identifies and tracks all EU's Authorised Economic Operators (AEO), and without which the AEO programme would not function as there is no other programme to provide such trans-European network for this purpose (there is over 6 million valid EORI records as for end of 2017). The Common Services/Reference Data (CS/RD2) system stores, maintains, validates and distribute common and unique reference data for all IT projects.

For any IT systems, despite the high costs of their development and the upcoming substantial needs to fully support implementation of the UCC, the evaluation emphasised, after customs administrations, the long-term benefits outweighing the costs, namely the harmonisation of customs procedures, uniform implementation of the customs law, sharing of information and generating economies of scale, particularly through the centralised systems. It also recognised that many IT-related joint actions have specific goals to support national administrations with lower IT capacity, for example the project group to examine the impact of UCC-related IT requirements on national systems.

► **Customs 2020 training modules are the most cost-efficient activity**

Training activities under Customs 2020 programme totalled 2.6% of the budget with nearly EUR 5 million committed over the programme's first 4 years. It may seem insignificant but they are arguably relatively the most cost-efficient of the activities and have a unique role to play. Because development costs of training modules is largely one-off, its efficiency and value for money increases with every additional participant as this broader reach takes places at little additional cost, if any. Indeed, the steady growth of national customs officials who participated in the trainings, and downloads from the public domain show that the need is there and Customs 2020 training material fills that gap.

The flagship product under this programme component is the UCC EU eLearning programme to support the implementation of the new UCC. As it was already described under previous evaluation questions, the programme is forecasted to reach 40 000 trained officials and estimated to have reached already around 726 000 non-customs administrations trainees, predominantly economic operators. Other eLearning courses that were strongly used between 2-14-2017 include AEO II (1 010 trainees), Car Search (2 837), Container Examination (1 566), DPC-C (1 542), EORI - Economic Operator Identification and Registration (2 179), Intellectual Property Rights - IPR (1 992), SAMANCTA (2 424) and Single Authorisation for Simplified Procedures SP SASP (1 609).

Customs 2020 training brings twofold benefits. By its nature, it targets individuals who benefit personally through increasing their understanding, knowledge and capacity. Further down the line, as the programme offers uniform training base for all, increased uniform understanding of the rules and their application multiplies the benefits for customs administrations, economic operators and the Customs Union as a whole.

EQ 7: To what extent does the programme demonstrate internal and external coherence?

- **there is strong internal coherence between the different levels and components of the programme and its design**

The evidence assessed confirms that the programme is internally coherent. There is a high level of consistency between the intervention logic, programme objectives, Annual Work Programme (AWP) priorities and projects. The programme's design is objective-driven, which means that all actions under the programme must refer to the objectives outlined in Regulation (EU) No 1294/2013 and the resulting priorities and projects in the AWP. Art. (14) of the Regulation establishes the process through which each AWP shall implement the objectives of the programme. The programme actions are determined in accordance with the general, specific and operational objectives, and the most appropriate method of implementation.

Occasionally, a given priority or a project will be allocated under different specific objectives from one year to another. For example, the EU Customs Action Plan on Intellectual Property Rights was expected to contribute to protecting the financial and economic interests of the Union and its Member States in 2014 and 2015, and in 2016 was shifted under the specific objectives of increasing safety and security, protecting citizens and the environment. While this feature points out to the flexibility of the AWP, it also shows the challenges of designing and aligning priorities and projects to one specific objective only or to an identified need for action according to the Union's policy priorities in the field of customs.

The cooperation around the CRMS is a perfect illustration of how the IT systems, the joint actions and the training activities fit in together to bring about the strongest possible results of the programme. A range of joint actions were carried out in 2015 and early 2016 to improve the use of the CRMS for the exchange of risk information. Specific guidelines were distributed to national customs authorities to draw attention to recurrent problems relating to quality of information. A new version of CRMS was released to further improve the functioning of the database. Training sessions were held to educate users of the system and help ensure that the database is used correctly and consistently with business needs³⁸. Such multipronged approach to many specific problems, addressed through the various programme's components, is typical for many IT systems, which implementation and improvements at business level are supported by joint actions and training.

► **design, management and continuity of Customs 2020 are instrumental for creating synergies and avoiding duplications at different programme levels**

The programme's design – as explained above - and its implementation through agreed joint actions – as explained under efficiency question EQ 5 – create possibilities to enhance synergies between the programme's components and the way it is actually used. The coordinated central approach to programme's implementation, through single Commission Programme Management Team supported by various groups, has for an objective to ensure coherence, reap benefits of best practice and common approaches.

At the practical level, the programme management is supported by the national programme coordinators from the customs administrations in participating countries, and the internal Programme Coordination Group (PCG). Participation of programme coordinators in the

³⁸ Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management [COM\(2016\) 476 final](#);

management of the programme guarantees the smooth exchange of information and coordination at national level. The PCG in turn has an advisory and supporting role in relation to programming, implementation and performance measurement. Specifically, the group ensures there's coherence between objectives and policy priorities of the programme and those of DG TAXUD as stated in the Management Plan, helps to identify synergies and joint initiatives with the view to preventing overlaps and optimising the use of resources (both human and financial), and seeks to optimise the use of the programme through an increased involvement of all policy units to ensure ownership and improve dissemination and sharing of information.

This coordination, together with high-level steer ensured by DG TAXUD Board of Directors, Customs 2020 Committee, the Customs Policy Group and other comitology committees, expert groups or the programme's project group with a coordination function³⁹, make it difficult to slip into the programme any action that does not fit the objectives. Additionally, as many of the above mentioned bodies are common for the Customs 2020's 'twin programme Fiscalis 2020, that involvement and oversight creates additional synergies between the two, which have been discussed at length under the efficiency question EQ 5.

Finally, the synergies and best practice are reinforced by the continuous nature of the programme, where one its iteration follows another. The successive editions of the programme, and the external evaluations that have been regularly conducted to assess its implementation and results, have provided solid ground to consolidate the strong features and to adjust particular aspects where there was room for improvement.

Synergies and complementarities, to keep them up and increasing, require in practice a successful exploitation of information sharing features between different programme stakeholders, as well as effective communication and dissemination of key programme tools and messages. The evaluation demonstrated an overall contentment with the communication and information-sharing tools and platforms, as described in detail under question on efficiency EQ 5. However, an ongoing emphasis on their better design and exploitation, adhering to the needs of their users and audiences, should be a continuous effort behind the programme's management.

► Customs 2020 is complementary to that of other EU instruments and services

The Customs 2020 programme fits well under the 2020 Strategy, where it contributes to the realisation of the Europe 2020 Strategy for smart, sustainable and inclusive growth by strengthening the functioning of the single market⁴⁰. The Customs programme is a sector-specific EU operational spending programme, which is funded under the first heading of the Multiannual Financial Framework (MFF) - Smart and inclusive Growth, and which supports the functioning and modernisation of the Customs Union.

³⁹ For example, Risk Management Strategy Coordination Group, Electronic Customs Coordination Group or Training Support Group;

⁴⁰ Recital 2 of the Regulation EU No 1294/2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs programme) as well as DG TAXUD Strategic Plan for the period 2016-2020;

The programme makes part of the EU's broader policies and the causal links as depicted in the intervention logic as such are clear. For example, by supporting the implementation of the UCC, the programme contributes to the introduction of simplifications of existing procedures that have the potential to facilitate trade and reduce costs for businesses. Through support given to the implementation of the Authorised Economic Operator programme, Customs 2020 facilitates the movement of legitimate trade and allows compliant and trustworthy traders to benefit from maximum simplifications increasing productivity and competitiveness. By supporting the implementation of the Action Plan on Intellectual Property Rights, the programme fights against the increasing volume of trade in goods infringing intellectual property rights that threatens jobs, growth, innovation and competitiveness. By supporting the implementation of measures related to the autonomous tariff suspensions and quotas the programme improves the competitiveness of the EU's business community.

For more pragmatic examples of the complementarity of the Customs 2020 programme with other EU policies, it is worthwhile recalling the links between customs risk-based controls and customs investigations as manifested in the application of the ConTraffic project under Council Regulation (EC) No 515/97 or the cross-use of the information collected through the New Computerised Transit System NCTS and Export Control System ECS by OLAF's CCN gateway. Similarly, under the PARCS project group on prohibitions and restrictions on imported goods or the project group on drug precursors, Customs 2020 directly and concretely supported consumer and health protection. All examples were described under EQ 4. Moreover, access to Customs Risk Management System CRMS is also granted to Commission services such as the European Anti-Fraud Office (OLAF), DG Health and Food Safety and DG Agriculture and Rural Development, where they are used in support of implementation of their respective policies in areas of protection of safety and security, and fraud prevention.

The programme Regulation⁴¹ also states that the resources should be shared with other Union funding instruments if the envisaged activities under the programme pursue objectives, which are common to various funding instruments, excluding however double financing, and that actions under the programme should ensure coherence in the use of the Union's resources supporting the functioning of the Customs Union. It also makes reference to the links of the Customs programme with the European External Action Service, to facilitate policy coordination and coherence in relation to the Union's external strategies and actions, both on a bilateral and multilateral basis.

Other financial instruments do indeed exist and are available to address specific needs of national customs administrations as well. In the eyes of the national authorities, there is however not enough dialogue with other Commission services and EU institutions and underexploited possibilities for cooperation. There seem to be room for raising the visibility of the programme instruments and funding across services and for providing more information on the complementary funding instruments to national customs authorities and economic operators. In particular, IT synergies with other EU programmes that operate significant

⁴¹ Recital 11 of the Regulation EU No 1294/2013 as above;

electronic systems, especially those impacting business, could also be exploited by the Customs programme.

In fact, DG TAXUD Management Plan outlines a series of initiatives that will be implemented to achieve increased IT synergies with other services, including DG DIGIT, DG HOME and the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA), particularly in the areas of IT infrastructure and network connectivity, internet connectivity, IT security operations centre (SOC) services and the reuse of software components.

Also, in the eyes of the programme users, some of the underlying needs of the customs administrations are, or could be, covered by other EU instruments (e.g. Horizon 2020, EU Structural and Investment Funds, EU Internal Security Fund and Instrument for Border Management and Visa, Single Market Programme, Structural Reform Support Programme, Connecting Europe Facility Fund or Hercule programme) or national means. Such overlaps indicate a need for a better coordination with other Commission services with the aim of enhancing areas of common work and identifying alternative sources of funding while strongly manifesting at the same time Customs 2020's compatibility and coherence with other EU policies and funding programmes.

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

EQ 8: To what extent does the programme provide EU added value?

Although the Customs Union is an exclusive EU competence, which means that subsidiarity principles do not apply and the right to EU action is assumed, the conditions of how this power is used are not. Proportionality needs to be applied to ensure that actions are not more extensive than it is necessary to achieve the objectives.

► EU added value of Customs 2020 programme manifests itself in efficiency gains and economies of scale

The evaluation found that strong EU added value perceptions were present with relation to economies of scale and efficiency gains. Economies of scale were mostly manifested in the joint actions through their broad reach in exchange of information and experience, opportunities for networking during and after the actions, and the possibility to enhance the understanding of common problems and options for solutions.

Many of the **joint actions** were directly supporting implementation of a policy or plan, such as the Authorised Economic Operator programme, the Action Plan on Intellectual Property Rights, Single Authorisation for Simplified Procedures or in the area of risk management. In

that way, Customs 2020 was instrumental in helping the national administrations to make sure they were ready for the modern, well functioning Customs Union. Naturally, the UCC would have got implemented by the Member States on its own course. However, having the possibility to talk to each other in broader or more domain-focused fora, exchange views on interpretations of the complex requirements, experience with implementation and the same common and trans-national challenges, adapting best practices that can work in specific national contexts or come up with joint ideas and common tools, all of which is possible thanks to the Customs 2020 programme, makes this huge task so much more effective and efficient, saving resources to national administrations. Efficiency gains and economies of scales, which are only there to reap through Customs programme funded cooperation. Ultimately, Customs 2020 programme approximates national approaches, establishes trust and creates a single narrative and a shared vision.

Efficiency gains and costs savings are amongst the key elements of EU added value when it comes to the **IT systems**. The evaluation found them as helping the national administrations save time and resources, particularly for participating countries with smaller customs administrations and fewer resources. To illustrate better the magnitude of that worth, we should keep in mind that across the EU customs deal with more than 9 customs declarations of EUR 100 000 and more of value per second. 99% of them are lodged electronically and processed thanks to the customs electronic systems⁴². As mentioned already under the relevance question, speed and reliability of processing goods through customs have direct and measurable influence on businesses. **Table 2** presents examples of cost savings brought by the various IT customs systems for customs administrations.

Table 2. Examples of cost savings brought by the IT customs systems

Systems classification	Cost savings for customs administrations
Trader management	CDS: contributes to a paper-less environment. Its central implementation and maintenance has resulted in reduced costs for national administrations REX: has saved participating countries from developing national registration systems
Goods classification and tariff management	TARIC and QUOTA: the display of EU legislation documents in TARIC and QUOTA has reduced costs and time for national administrations, as users do not have to enter the EUR-LEX database to search for them ECICS: has allowed for the classification of chemicals. In its absence, it would have been necessary to use online systems to retrieve the relevant information, resulting in additional costs and time
EU movement control: import, export, transit	SW-CVED: has accelerated customs clearance and supported paper-less business, reducing costs
Other	STTA: valuable testing tool for NCTS and ECS. In its absence, it would have been necessary to develop a national level testing tool, resulting in additional costs and time.

Source: ‘Mid-term evaluation for the Customs 2020 programme’, Customs 2020 Work Programmes 2014-2017;

⁴² [First Biennial Report on Progress in Developing the EU Customs Union and its Governance, COM\(2018\) 524 final](#));

The programme's **common training activities** were also seen as helping national customs administrations to understand and implement EU customs legislation and its related procedures not only better but also, if not more importantly, in a more uniform fashion. As with the joint actions described above, customs officials would have, in all likelihood, got the necessary competences and knowledge, but without the common training base provided by the Customs 2020 programme that process would be much longer and costlier. Efficiency gains were biggest especially for those participating countries who have not yet had well developed national training programmes and doing it on their own accord would have been difficult or would have not happened at all. For all, the access to systematised and comprehensive information contained in the eLearning modules and their electronic availability to a wide range of users created economies of scale not matched by any other effort.

The IT systems, joint actions and training have also a tangible value for the economic operators. As it was already evidenced under effectiveness question EQ 3 in particular, the programme outputs are also used, where relevant, by economic operators even though they may not always be fully aware that a certain database or IT application they use daily is funded by the programme. The EU added value in that sense is homogeneous to the utility the economic operators see in the various systems. For example, the TARIC and EBTI databases stood out as a source of information that is difficult to find elsewhere and provided at no extra cost, which is particularly useful when a Member States does not provide much information or for non-EU operators to access customs information. For the Member States in turn, daily transmissions of TARIC data via an electronic network guarantee immediate and correct information to feed their national systems for customs clearance, with the goal of maximising automatic customs clearance. It is difficult to imagine that such database could have been developed, maintained and kept up to date by any individual country or an uncoordinated bilateral effort. There are many IT systems with similar functions that stand behind that example.

As it was also discussed under efficiency question EQ 6, everything that is related to the interoperability and interconnectivity of the central IT systems is purely EU added value. The symbiotic features of the central pan-European IT architecture for customs are unmatched and unreproducible at national level, if only for the significant costs of their development, deployment and maintenance.

The high number of downloaded and shared UCC eLearning modules by economic operators proves also their interest in that aspect, which were already discussed before. Most likely, these interests would have not been addressed if not through the Customs programme.

On a more strategic level, any improvement brought by Customs 2020 to the performance of the customs administrations across the EU benefits also, albeit indirectly, the economic operators who thus enjoy more efficient and harmonised customs practices while being treated by the customs more like partners, or customers, than customs duty subjects.

► **Customs 2020 complements initiatives at national level by focusing on EU solutions for EU problems**

Many of the activities of modern customs are of cross-border nature, involving and affecting all Member States and mandating collective action at union level to achieve high level of

cooperation with cost-to-benefit ratio higher than would result if each Member State were to set up individual cooperation frameworks on a bilateral or multilateral basis. There was consensus among stakeholders that the programme has been effective at attempting to provide solutions for problems and issues for which there is a clear EU dimension, broadly complementing (rather than duplicating) initiatives at national level. In fact, the instances of duplication of efforts reported by some administrations were rather seen as unavoidable in the process of working towards a harmonised EU Customs Union. In some cases, they were even perceived as necessary for cross-checking of information or combining data. None of them were mentioned to be rendering the EU IT customs system redundant.

EU IT systems developed and implemented with Customs programme support are an indispensable feature for the proper implementation of the UCC. Their main EU added value in that respect resides in their contribution to enabling harmonised rules in the Customs Union, without which no level playing field for European trade is possible. The need for continued financing of the IT systems with the view to ensure financial sustainability of the European Information Systems came also clear from the recommendations of the special Report of the European Court of Auditors⁴³. Also the Draft Council Conclusions on the Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management⁴⁴ highlighted the appropriate IT systems and their timely funding as crucial to ensure the availability and sharing of supply chain data and risk-relevant information.

The IT systems, and in particular the CCN/CSI network, play an important role in interconnecting customs authorities and thus facilitating the cooperation between national customs administrations. They allow information to be exchanged rapidly, in a secured fashion and in a common format that can be recognised by all national customs administrations.

Customs administrations do not work in isolation from each other. Cooperation is likely to take place through official channels, under aegis of different bodies or, for countries sharing historical context or geographical location, through other long-standing mechanisms. However, it is safe to say that none other form of cooperation has the pan-European dimension that is offered through the Customs 2020 joint actions. Each of them exhibits specific values to customs administrations and economic operators (see Annex 4) ranging from broad strategic coordination to shared understanding to pragmatic solutions at the business-level. Many of them support directly implementation of policies, plans and actions, by which they are by definition adding operational value to the policy level concepts. They also add value to the implementation of the IT systems underpinning many of the customs processes and procedures.

Customs 2020 human competency building activities, with the flagship initiative of eLearning modules on the UCC, offer the customs administrations a unique common training base and increased cohesion in the training domain. Participating countries integrate the training modules provided by the Customs programme if they wish to and to the extent, which suits

⁴³ [‘Import procedures: shortcomings in the legal frameworks and an ineffective implementation impact the financial interests in the EU’](#), Special Report of the European Court of Auditors, 19/2017;

⁴⁴ [JAI 1006 ENFOCUSTOM 203, 14894/16](#), 7/12/2016;

them best. The complementarity of eLearning to national training programmes is present even for countries, which are not heavy users of the Customs 2020 material, using (extensively) only the modules, which they have themselves not developed or are most pertinent for them. Some in turn use it for inspiration in developing their national programmes. None of that diminishes the overall utility or the quality of the training - which are universally reviewed positively - and their uptake is determined by the specific national needs. Given that the uptake is considered high, as discussed earlier on under a few of the evaluation questions, so is the need and the unique value added by the programme.

► **Customs 2020 helps administrative cultures to converge**

Customs authorities within the Customs Union apply the same rules and all Member States are dependent on each other and are in need of information as complete as possible. Economic operators in turn, expect equal level of service, speed and predictability of rules and procedures wherever they need to deal with customs. This interdependence requires cooperation and approximation of practices. The Customs 2020 programme has been instrumental in leading to this convergence.

For example, in the risk management field, the work of the Financial Risk Management Project Group elaborated a common compendium of risks. In the area of intellectual property rights, the working visit of Estonian officials to Finland on intellectual property rights infringements brought about a common understanding in relation to combating infringements in this area and a successful transfer of Finnish experience and best practices to Estonia.

► **Customs 2020 adds unique intangible value of human networks and trust**

What came repeatedly from the field work conducted for this evaluation, beyond the direct financial benefits, is the value of human networks and personal contacts created through enhanced cooperation of the joint actions. Whereas the IT system support the Customs Union from the technical angle of interoperable and interconnected systems, they become an integral part of the daily works of the customs officials and economic operators, and are no longer seen as outputs of the Customs 2020 programme. The joint actions in turn dynamic, giving the administrations unequalled opportunities for cooperation, communication and networking, ultimately building trust and leading to greater convergence of approaches and practices. The national administrations refer to that as ‘invaluable’ and beneficial for moving towards a harmonised application of common customs rules. In the absence of the programme, cooperation between participating countries would have to be based on unstructured relations, formal time-consuming channels and reciprocity agreements, which would be significantly more difficult and costly to implement in practice and maintain.

► **outputs and results of Customs 2020 would remain in a short-term but diminish rapidly in case the programme would discontinue**

National authorities believe that Customs 2020 led to concrete outputs and results that would be useful in the future even if the programme were to discontinue. The aspects most mentioned in that context is improved cooperation and networking between customs administrations and officials individually. What would not disappear either would be tangible outputs such as the

eLearning training material, e-books, guidelines, studies, information on best practices, integration of new practices into national processes, expert networks, business processes or IT systems. Also the skills already acquired through learning and sharing experiences would remain. However, none of these outputs would be like to endure beyond the short-term horizon if the programme were to discontinue. Given the scale of the Customs 2020 operations in terms of the sheer number of joint actions, versatility of topics, their European dimension or pan-European participation in actions and training, it is difficult to assume that similar activities would have been organised at any other level. Instead, it seems likely that existing differences in customs practice would persist, especially as networks built and reinforced through years of programme-fostered collaboration faded. The customs environment is far from stagnant and recent developments, in particular in relation to the implementation of the UCC, are arguably as quick as they have ever been. With time, these intangible outputs and results would fade or become altogether obsolete.

Similarly for the IT systems. How the systems function and to what extent they support the national administrations and economic operators has been established in questions on effectiveness EQ 2 and EQ 4. However, support and modernisation of the IT systems will be required on a continuous basis to make sure they continue to respond to the changing needs and reality or are in line with technological progress related to digitalisation, connectedness, data analytics, artificial intelligence or blockchain technology. These can be seen as both, threats and opportunities. However, both boil down to the Customs Union having robust IT systems to fend off the former and reap the benefits of the latter.

The EU's IT ecosystem for customs, built steadily over the years, is already comprehensive and mature. At the same time, it relies on adequate EU level resourcing of the Union components while its underpinning role in the implementation of customs policy, notably the UCC, continues to increase towards paperless customs in the global world. In that light, the importance of the programme's support and the central role of the Commission in running central applications and coordinating works of the Member States on the development of national components, increases.

Current IT statistics support that claim⁴⁵. There are currently 49 IT applications in operations and 38 further projects in either development or research phase. All of them require regular check-ups and updates. In fact, about 90% of the Customs 2020 budget related to IT systems is spent on the already existing systems, in terms of their operations, infrastructure, maintenance and support). Between 2014 and 2016 there were on average over 370 business evolutive changes (following business requests) and over 880 corrective changes introduced to the IT infrastructure annually. Service desk answered more than 61 000 calls in 2017 alone, which is over 30% increase year on⁴⁶. The development contractor delivered 171 software releases in 2017 and the operational contractor performed 231 and 679 testing cycles and deployments respectively. On top of it come numerous security threats where the speedy reaction of the IT team defended the systems against various attacks and resolved various exploitations.

⁴⁵ [SWD\(2018\)107 "Customs 2020 programme – Progress Report 2016";](#)

⁴⁶ Over 46 000 in 2016;

Costs of supporting and checking quality of IT systems amounts jointly to nearly half of the total IT spending, reaching respectively EUR 97 624 000 and EUR 21 346 000 for the years 2014-2017. All of that is currently provided by Customs 2020 programme but who would take care of it if it were to discontinue? Especially given that successful implementation and enforcement of the UCC demands even greater level of integration and interoperability of customs IT systems, increased standardisation of the data elements and processes⁴⁷.

The magnitude of resources on any one given system can be illustrated by the CS/RD2 system (Common Services/Reference Data) whose purpose is to store, maintain, validate and distribute common and unique reference data for all IT projects across the EU. This reference data support customs clearance in daily operations for systems and is used by customs officials and economic operators in their customs systems but also in the works with the Excise Movement and Control System or and the System for Exchange of Excise Data. At the moment, there are 80 code lists to be maintained having more than 20 000 entries in the systems and the number of code lists will be significantly increased for the implementation of the UCC. It is not surprising that Customs administrations raised concerns that without the programme's support and the coordination role from the Commission, it would be difficult to maintain, let alone develop, similar far reaching interoperable and interconnected IT systems.

Concluding after the First Biennial Report on Progress in Developing the EU Customs Union and its Governance⁴⁸, the functioning of the Customs Union and the further integration of the national customs authorities that run it remain entirely dependent on the Customs programme. In view of the challenges facing the world, the European Union and the Customs Union, it is crucial that this programme continues after 2020.

6. CONCLUSIONS

The Customs programme has been in place for nearly 25 years now, evolving with the single market. The newest iteration, Customs 2020, was set up for the years 2014-2020 as a multiannual action programme to facilitate and enhance cooperation between customs administrations. The present evaluation assessed the programme in terms of its relevance to the stakeholders, effectiveness in and efficiency of achieving its objectives, coherence with other initiatives and its EU added value. Here are the key messages stemming from this exercise:

1. **Customs 2020 programme became an integral part of the national and European customs landscape**, the policies, processes and procedures. As the Customs Union progresses towards a paperless environment for customs and trade, the programme was arguably never as needed as presently;
2. **Customs 2020 programme** was found relevant to the broad needs behind a well functioning Customs Union, expressed through the more specific needs of the national

47 [‘IT Strategy for Customs’](#), COM(2018)178;

48 [COM\(2018\) 524 final](#);

customs administrations and economic operators as well, albeit less explicitly, European citizens;

3. With the core objective of the UCC being to create seamless and efficient customs processes across the EU, based on digital tools, **Customs 2020 programme has been especially important in relation to the implementation of European Information Systems and providing for their financial sustainability** ensuring the availability and sharing of supply chain data and risk-relevant information. About 80% of the Customs 2020 programme funding goes into the operation, maintenance and development of the IT systems. They answer the needs for interoperability, interconnectivity, standardisation of the data elements and processes, and reliance of the electronic customs systems with a unified data system for a well functioning EU Customs Union with fully implemented UCC;
4. **Customs 2020 programme fosters exchange of information.** There were nearly 4.8 billion messages exchanged over the Common Communication Network/ Common Systems Interface CCN/CSI. Over 11.2 million transit movements were released through the New Computerised Transit System NCTS, with the average number of movements released per business day reaching over 44 000. 5.1 million indirect export movements were recorded in the Export Control System ECS and some 48 million Entry Summary Declarations ENS were lodged in EU through the Import Control System ICS. All that happened in only one year of the programme's operation;
5. In general, **the most appreciated IT systems** are the ones, which have been in operation for a long time and underpin the more traditional role and needs of customs in goods classification, tariff management or movement control. These include, for example, the CCN/CSI network, the TARIC database for integrated Tariff in the EU, the EBTI-3 database for European Binding Tariff Information, the EORI system for Economic Operators Registration and Identification Number, the New Computerised Transit System NCTS, the Customs Risk Management System CRMS or the COPIS system for anti-Counterfeit and anti-Piracy Information;
6. **Customs 2020 programme fosters cooperation and build trust between customs administrations and their officials.** The joint actions give the administrations unequalled opportunities, ranging from facilitating convergence at the strategic level to approximating approaches, interpretation, administrative procedures and rules at the operation level. The great majority of the participants use the opportunity to build and expand networks, share the direct outputs with colleagues and regularly their connections to solve day-to-day problems. **The value of human networks and personal contacts were amongst the programme's most appreciated benefits;**
7. **Training activities have an important and unique role** and are conducive to shared understanding, alignment of interpretations of the customs provisions, standardisation of terminology and ultimately more uniformity into application of the EU law across the Member States. They also support the performance of joint actions and IT systems. The

newest modules on the implementation of the UCC, attracted already some 68 915 customs officials and some 726 000 economic operators. That is 1 in 4 customs officials from all participating countries trained thanks to the programme;

8. Customs authorities are dependent on each other to play their part in revenue collection and provision of safety and security of the EU and its citizens. The enhanced cooperation between customs authorities and some other authorities and bodies, **sharing of best practice, exchange of robust information, putting to work tested solutions, the trust put in their counterparts and in the IT systems** they all use to this extent, can all be credited to the Customs 2020 programme;
9. **Customs 2020 was crucial in building up the administrative capacity of the customs administrations and supporting them in preparation for the formal adoption of the UCC processes.** The programme's joint actions and training facilitated common understanding of legal requirements and the harmonised application of working methods from the UCC and other legislative measures;
10. **Thousands of economic operators interact with the Customs-funded IT databases on a regular basis.** They provide them with information that is not available elsewhere in a timely way, helping them to reduce some of the administrative burdens and simplifying procedures, ultimately increasing legal certainty and smoothing out trade. They also benefit indirectly from improved customs processes being dealt with efficiently and effectively. Speed and reliability of customs clearance impact directly on business productivity and profitability;
11. **Customs 2020 joint actions allow for the dialogue between customs and business community** and contribute to aligning the programme between Member States, while factoring in the practical implications for businesses. Occasionally, it was found to change the relationship between customs administrations and businesses from 'command and control' approach to a more 'customs-to-business' partnership;
12. **Customs 2020 strike a good balance between a centralised management and a consultative and transparent annual programming process,** which makes the customs authorities use the programme to their best interest. It is implemented in a timely way allowing the funding decision and payments to be delivered on time;
13. **The majority of recommendations from previous evaluation have been acted on and used to make notable improvements to the programme.** Some are still underway. Appreciated changes were introduced to the management of the joint actions, structuring of the AWP projects, monitoring the performance of the programme and streamlining the platforms for sharing documents and facilitating communication;
14. Setting up of the **Performance Measurement Framework (PMF) was the biggest single improvement** to the programme's management. It installed a more evidence-based mind-set to programme management, facilitated monitoring of the programme's performance and ongoing improvement, and increased transparency. The PMF is vastly

more comprehensive than any monitoring conducted of previous iterations of the programme. The high number of indicators, the self-reported, sometimes too superficial data at the result level, and the frequency and length of the feedback and reporting were found as weaknesses of the current framework;

15. **Costs of organising joint actions are participation driven** (e.g. transport, accommodation, daily allowances) and vary slightly between different types of joint actions. The average cost per participant for all types of joint actions is around EUR 921, which is broadly unchanged from the last programme iteration and in line with similar programmes, such as Hercule. All types of joint actions were found to be bringing specific types of benefits and considered worth the money. Moreover, all Customs 2020 programme's activities were found mutually reinforcing;
16. **Some administrative burdens** were noted for the process of applying to joint actions and related reporting obligations, which seem due to the perceived administrative paperwork, short deadlines for nomination of representatives, logistics behind their participation and diminishing resources in general;
17. **Customs IT programmes are resource-intensive but bring a vast array of benefits** in all areas of customs activities including harmonisation of customs procedures, uniform implementation of the customs law, sharing of information and generating economies of scale, particularly through the centralised systems. They are interconnected and interoperable, linking not only national systems with central systems but also the central systems between themselves. They support directly all of the Customs 2020 objectives, are vastly used in the day-to-day customs operations and their importance in pursuing modernisation of customs towards a paperless environment is invaluable;
18. **Communication, reporting, information flow and coordination tools were found effective in dissemination of harmonised messages** and considered essential for DG TAXUD policy units and programme coordinators, who work as multipliers of the programme at various levels;
19. **Synergies between Customs 2020 and Fiscalis 2020 programmes are strongest at the management level**, manifested through administrative arrangements and joint works, including cross-fertilisation and joint funding of shared components such as the backbone for trans-European IT systems - the Common Communication Network/Common Systems Interface (CCN/CSI network) - and similar approaches for human capacity building and training. Content-related synergies exist in some areas, such as excise duties, but could be better exploited;
20. **Training activities are relatively the most cost-efficient** of the activities as the development costs of training modules are largely one-off, increasing its efficiency and value for money with every additional participant. They benefit the individual trainees through increasing their understanding, knowledge and capacity. On a bigger scale they lead to increased uniform understanding of the rules and their application, spilling the benefits onto customs administrations, economic operators and the Customs Union as a whole;

21. The successive editions of the programme, and the external evaluations that have been regularly conducted to assess its implementation and results, have provided solid ground to **consolidate the strong features and to adjust particular aspects** where there was room for improvement;
22. **Customs 2020 programme fits under the 2020 Strategy** and the EU's broader policies. It has been found effective in attempting to provide solutions for problems and issues for which there is a clear EU dimension. It is complementary to other initiatives and directly supports implementation of policies in related domains such as fighting customs fraud, health and food safety or citizens' security;
23. There is **room for improved dialogue** between the Commission's services and with other EU institutions to exploit better possibilities for stronger cooperation and complementarity of the various funding instruments available to national authorities and economic operators. On the national level, the instances of duplication of efforts were seen as unavoidable in the process of working towards a harmonised EU Customs Union;
24. **Most of the Customs 2020 programme's joint actions, training and IT systems directly support implementation of a policy**, helping customs administrations to get ready for the modern, well functioning Customs Union. It provided for the possibility to discuss various aspects in broader or more domain-focused fora, exchange views on interpretations of the complex requirements, experience with implementation and the same common and trans-national challenges, adapting best practices that can work in specific national contexts or come up with joint ideas and common tools. Ultimately, Customs 2020 programme approximates national approaches, establishes trust and creates a single narrative and a shared vision;
25. Customs 2020 programme was instrumental particularly in supporting all the aspects of the implementation of the UCC. It provided for **financial sustainability of the European IT systems** and their timely funding was found crucial to ensure the availability and sharing of supply chain data and risk-relevant information;
26. **The Customs 2020 programme brought about economies of scale and efficiency gains.** They are the strongest when it comes to the IT systems, which helped the national administrations save time and resources, particularly for participating countries with smaller customs administrations and fewer resources. **Everything that is related to the interoperability and interconnectivity of the central IT systems is purely EU added value.** The symbiotic features of the central pan-European IT architecture for customs are unmatched and unreplicable at national level;
27. Customs 2020 programme created tangible outputs such as the eLearning training material, e-books, guidelines, studies, information on best practices, integration of new practices into national processes, expert networks, business processes or IT systems. It let customs officials to acquire skills and exchange experiences. **None of the programme's outputs, however, were found likely to endure beyond the short-term horizon if the programme were to discontinue.** Existing differences would persist and networks built and reinforced through years of programme-fostered collaboration fade;

28. **In the absence of the programme, cooperation between participating countries would have to be based on unstructured relations, formal time-consuming channels and reciprocity agreements,** which would be significantly more difficult and costly to implement in practice and maintain. Given the scale of the Customs 2020 operations in terms of the sheer number of joint actions, versatility of topics, their European dimension or pan-European participation in actions and training, it is difficult to assume that similar activities would have been organised at any other level;
29. Support and modernisation of the custom IT systems rely on adequate EU level resourcing of the Union components and is required on a continuous basis to make sure they continue to respond to the changing needs and reality or are in line with technological progress. **Without the Customs 2020 programme, costs of developing, supporting and checking quality of the IT systems would have been seriously challenged if not altogether impossible.** These costs amounts jointly to nearly half of the total IT spending,

ANNEX 1: PROCEDURAL INFORMATION

1. Lead DG, Decide Planning/CWP references

The mid-term evaluation is a non-major initiative (PLAN/2017/932) organised in accordance with article 18(1)(2) of Regulation (EU) No 1294/2013 of 11th of December 2013 setting up Customs 2020 as a multiannual action programme for customs in the EU, to facilitate and enhance cooperation between national administrations.

The lead Directorate General for the evaluation was the Directorate General for Taxation and Customs Union (DG TAXUD).

2. Organisation and timing

The Commission carried out the present evaluation with the help of an external consultant. The evaluation study was commissioned from Oxford Research, Coffey, Economisti Associati and wedoIT, through a framework contract with a consortium led by Economisti Associati Srl⁴⁹. The specific contract was signed on the 14th of August 2017 for a period of 13 months.

The evaluation was supported by an inter-service steering group with the following Commission's services who expressed their wish to participate in the group:

DG Secretariat General (SG)

DG European Neighbourhood Policy and Enlargement Negotiations (NEAR)

DG Justice and Consumers (JUST)

DG Agriculture and Rural Development (AGRI),

DG Budget (BUDG)

DG Structural Reform Support Service (SRSS)

DG Migration and Home Affairs (HOME)

The inter-service steering group met five times on 14th of September 2017, 16th of October 2017, 9th of March 2018, 29th of May 2018 and 29th of June 2018. The last meeting was a joint validation workshop for Customs 2020 and Fiscalis 2020 programmes during which the external consultants presented their findings, conclusions and recommendations. These were further on discussed with the group, their validity and credibility confirmed.

49 Framework Contract TAXUD/2015/CC/132;

3. Evidence, sources and quality

The present evaluation SWD is based on the works carried out by the external consultant. The material informing this evaluation consisted of (1) programming documentation, (2) previous studies, reports and evaluations, and (3) the Performance Measurement Framework (PMF), as detailed in **Table 3**, which presents as well the intended purpose of use.

The evaluation gathered also primary data on the programme's implementation, functioning, results and use directly from the best-placed stakeholders: the customs administrations of the participating countries and, albeit to a smaller extent, from economic operators. That evidence was collected through targeted questionnaires and a series of 7 thematic cases studies, which are described in a greater level of detail in Annex 3.

Finally, the Commission organised a public consultation on the Commission's spending programmes and funds. This public consultation was launched within the context of the Commission's proposals for the next generation of financial programmes for the post-2020 Multiannual Financial Framework (MFF). The Customs 2020 programme was included in the public consultation on investment, research and innovation, SMEs and single market. Details of the organisation and results of the public consultation are included in Annex 2.

Table 3. Sources of information used for mid-term evaluation of Customs 2020 programme

Source	Purpose
1. Programming documentation	
1.1 Programme Regulation Regulation (EU) No 1294/2013	underlying rationale, history and context main features of the programme key stakeholders and beneficiaries specific and operational objectives headline budget figures overview of activities and priorities
1.2 Annual Work Programmes (AWP) The Customs 2020 AWP are annexed to each yearly financing decision	high level budget allocations structuring and selection of case studies priorities in terms of resource allocation continuing relevance and policy issues of interest for the programme expected results and annually updated goals
1.3 Multi-Annual Strategic Plan (MASP)	strategic framework for the management of IT projects schedule and current status of IT roll-out national capacity to resource IT implementation forward planning in terms of IT roll-out project fiches governance and management of IT projects and corresponding spending

Source	Purpose
2. Studies, reports and evaluations	
2.1 Annual Progress Reports (APR) Published yearly, available for 2014, 2015 and 2016	intervention logic programme performance/effectiveness in terms of outputs and results insight into how the PMF is used and reported structuring and topicality for the evaluation case studies perceived strengths and areas for further development – early warnings and learning within the programme
2.2 Evaluations, impact assessments and reports final evaluation of Customs 2013, IA for Customs 2020, study for impact assessment for Customs post-2020, Action follow-up plan - Final Evaluation of Customs 2013 (2016), European Court of Auditors Special report on import procedures (2017)	previous findings, conclusions and recommendations background for recent developments in the programme ideas for other sources of data: ideas for issues to explore / build on past and envisaged policy context going
3. Performance Measurement Framework (PMF)	
3.1 PMF management and design documentation Background documentation detailing the structuring of the PMF, considerations and reasoning which lead to its instigation, the purpose of each data-collection tool, indicators and their use, etc.	impetus and rationale for the current design of PMF evaluation design, mapping PMF indicators to evaluation questions limits of PMF indicators purpose and design of different indicators practicalities of PMF data collection and their consequences
3.2 Activity reporting tool (ART) Management tool that provides the framework for collecting and storing basic data about all activities, with input beginning from grant requests	in-depth activity descriptions context of activities in terms of motivation and needs context of activities in terms of relation to other activities and AWP projects
3.3 Action Follow-up Form (AFF) Form providing a self-reported rating of the degree of achievement of expected results, to be completed for all activities of the previous year	participant satisfaction programme effectiveness in terms of perceived achievement of results programme reach in terms of spread of results in national administrations
3.4 Event Assessment Form (EAF) Form providing a rating by participants of the extent to which their expectations were met and expected result(s) achieved, completed three months after the end of an event or yearly in the case of project groups	participant satisfaction programme effectiveness in terms of perceived achievement of results programme reach in terms of spread of results in national administrations
3.5 Programme poll A questionnaire that measures the awareness and wider perceptions of the programmes in terms of networking and dissemination	conducted every 18 months (Jul-Sept 2015 + Jan 2017) effectiveness of programme in terms of reach

Source	Purpose
3.6 Training activity monitoring Training activities have separate monitoring and data collection, which feeds into the PMF (eLearning statistics + eLearning survey)	demand for and reach of eLearning modules satisfaction and results of eLearning modules training and competency building for EOs
3.7 IT statistics Data on results within IT collaboration and implementation of common IT systems for officials and EOs	budget allocation for European Information Systems EIS development and continued operation of EIS effectiveness and reach of EIS demand and use of programme outputs by EOs
3.8 Impact indicators Indicator data not gathered as part of the PMF reporting tools, but collected from various sources in connection with evaluation reports.	development within overarching policy goals addressed by Customs 2020 programme impact and effectiveness in terms of degree of implementation and ratio/level of participants/participation programme impact in terms of perceived extent to which results have been achieved

Source: ‘Mid-term evaluation of the Customs 2020 programme’

ANNEX 2: STAKEHOLDER CONSULTATION

Objectives of the consultation

The objectives behind the overall consultation with the stakeholders were the following:

- to collect information and evidence related to effectiveness, efficiency and relevance of the programme;
- to identify broader consequences or effects of the programme, including the ones that were not originally planned;
- to collect information on the implementation of the programme;
- to collect qualitative and quantitative data on costs, benefits and experience with the functioning of the programme;
- to identify the EU added value of the programme.

Stakeholder mapping and consultation method

The following stakeholder groups have been identified:

- *public authorities*, notably customs administrations, who are the main beneficiaries of the programme;
- *economic operators* as they can participate in specific joint actions and are users of some IT systems and training modules;
- *European and international bodies* involved in international customs;
- *Citizens*, who are indirectly affected by the programme's results;
- *European Commission*.

Table 4. Stakeholder consultation methods

Stakeholder type	Method of consultation	Content
Public authorities of the participating countries	targeted questionnaire to all participating administrations in-depth interviews (face-to-face or by telephone) of relevant personnel of customs administrations public consultation	implementation, functioning and results of the programme, practical application of the programme's outputs to day-to-day work, national needs and priorities,
Economic operators	in-depth interviews (face-to-face or by telephone) for case studies and programme management	use of relevant IT systems and eLearning modules

Stakeholder type	Method of consultation	Content
	public consultation	
European Commission	in-depth interviews (face-to-face or by telephone) for case studies	implementation and governance of the programme, needs and priorities, implementation of the PMF, programme performance overtime, implementation of recommendations and follow-up
Citizens	public consultation	broader impacts of the programme
European and International bodies	public consultation	broader impacts of the programme

Source: DG TAXUD;

Except the public consultation, all other stakeholder consultation activities were organised within the external supporting evaluation study and are described in detail in Annex 3.

National authorities

Questionnaires for national authorities (part of the programme assessment): two written questionnaires (one general questionnaire on joint actions, training and programme management, the other on funded customs European IT Systems) were distributed to the relevant authorities from participating countries. The questionnaires were sent to national coordinators, who were asked to elicit feedback from their administrations and provide a single response for each questionnaire and country. Response rates for the general questionnaire were very good, with completed questionnaires returned by 28 of 34 participating countries. Likely owing to consultation fatigue, only 21 of a possible 34 responses were provided for the IT-focused questionnaire, despite mitigating measures such as extending the deadline and individual follow-up messages. This was supplemented with feedback received through the other consultation tools as well as satisfaction figures on given IT systems from the monitoring data.

Regarding the **joint actions**, which can be classified into different types, most of them are indicated to be very useful to the work of the national administrations. Exchange of information, best practice and experience, networking and cooperation, as well as implementation of EU legislation were some of the main strengths that were reported to be highly appreciated by respondents. Concerning the objectives of the programme, most respondents believed that the joint actions contribute to the achievement of the operational objectives, either to a great extent or to some extent. However, respondents were less emphatic and aware of the contribution of joint actions to the specific (higher-level) objectives. In terms of areas of improvement, administrative burden was indicated as a cause of concern several administrations. The suggestions provided for improving the management of joint actions were mostly linked to the need for a clearer design and closer monitoring of results and outcomes. There were also some suggestions of a practical and administrative nature.

Common training activities were reported to have been used by all respondents. Key training outcomes included a more uniform approach to the application of EU customs legislation and increased knowledge and capacity of national customs administrations. Criticisms related mainly to language issues (such as translation costs) and the need to keep eLearning modules updated on a regular basis and tailored to the needs and demands of participating countries.

Respondents were generally positive about the **programme's management structure and processes** and considered them broadly appropriate given the nature of the programme. However, in some cases it was felt that reducing administrative burdens would increase participation in the programme, or that IT tools for reporting and sharing information could be improved.

Administrations showed very positive perceptions of **the programme's EU added value**. It was considered to provide a unique platform to tackle common problems with officials from other participating countries and build networks and trust, leading to a better and more harmonised implementation of EU legislation. The continuation of the programme is central for most respondents and would be beneficial to further enhance the work of national customs authorities.

The questionnaire responses indicated an overall satisfaction with the **IT systems** supported by the Customs programme, their usefulness and appropriateness for the work of the national customs administrations. Very few respondents expressed a lack of satisfaction with the IT systems, though there were some systems that several respondents were less familiar with or did not have an opinion about. The systems were judged as making it easier to share information quickly and safely, facilitating cooperation and thereby helping to implement EU legislation. National administrations were particularly satisfied with the possibility to easily access and obtain data, as well as with the electronic lodgement of customs declarations and the automatic supervision of customs operations enabled by the systems. The paperless handling of the processes was also considered in a positive light. Regarding whether the systems duplicate other systems developed by the national administrations or other organisations, there was an overall agreement among the respondents that this is not the case. The systems were rather said to complement each other, adding value and leading to improvements in existing systems. Despite some costs associated with the implementation of new systems, respondents also felt that the supported IT systems helped reduce costs for national administrations overall by simplifying processes and making it easier to share information. Ideas for potential improvements focused on interoperability, reusability, efficiency, simplification and enhanced communication between the Commission and EU Member States as part of the development of the IT systems.

Thematic case studies of Annual Work Programme projects: these consisted of in-depth qualitative research in the form of seven case studies, each focused on a theme linked to the Annual Work Programme projects that were defined as priorities in given years. For each of seven particularly salient themes, the evaluation examined the actions involved based most importantly on fieldwork in seven countries (namely Austria, the Czech Republic, Estonia, the Netherlands, Portugal, Serbia and Sweden) that focused on face-to-face interviews with 97 relevant stakeholders within national administrations.

Factors considered included the amount of progress reported in monitoring reports, importance of a given aspect of customs policy, use of new systems or types of joint action, and budgetary allocation. As a whole, the thematic areas (including collaboration for a for different customs policy areas, training activities and more practical cooperation between customs and tax officials) also provided a framework to cover Customs' efforts related to all aspects of the specific and operational objectives and activity types.

The case study findings are difficult to disentangle from those of the evaluation as a whole. These were very positive, confirming the programme's relevance, describing its effectiveness both in operational terms and contributions to higher-level objectives and demonstrating efficiency and coherence. By allowing participating countries to pool resources, offer solutions for problems with an EU dimension and exchange information, the programme was also found to provide clear EU added value. Within this overall picture of success, criticism focused mainly on gradual improvements that would ensure all activities are relevant and improve operational efficiency.

Economic operators

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

A broad majority of the respondents (87%) were from the private sector, including businesses, trade/business/professional associations and professional service providers. More than half (61%) were from large companies of over 250 employees. A large majority (80%) were from organisations that were active in several countries, while only a small share operated in one country only. The majority of responses came from Germany, Austria, Belgium, France and the UK. The responses are thus not in any way representative of economic operators in general or participants / users in the programme, but rather give a snapshot of the views of some individual stakeholders.

While several services and tools provided by the Customs programme were perceived to be useful and to complement services provided at the national level, it was indicated that further work is required to make the collaboration more efficient and user-friendly, and to achieve a more consistent application of EU legislation across the Member States.

Much of the survey focused on the publicly available IT systems and eLearning modules. Though many respondents had not heard of specific systems or modules, when views were provided there were generally positive and indicated that the programme helps economic operators save time and find important information on e.g. EU customs legislation and procedures. Indeed, suggestions for improvements centred on providing more detailed information on customs rules and procedures differences across Member States.

European Commission

Programme manager interviews (part of the programme assessment): a set of 24 interviews with managers and users from the Commission and national administrations allowed the evaluators to collect experiences, opinions, perceptions and suggestions regarding a range of issues that would be difficult to obtain using other means. These included matters such as responsiveness of the programme to emerging needs and priorities, organisational and governance structures and processes, practical implementation, change in programme performance over time and any barriers to the success of the programme. There was also a special focus on the IT systems used for programme and financial management, and to exchange information related to funded activities.

The interviews fed into the broader assessment of the efficiency of programme management. This found that the design and management of the programme reflect its long-standing success and ability to get better over time, with key features that are appropriate and being gradually improved, leading to a high degree of efficiency. While there was some criticism, this was minor and related to such aspects as making the programme's monitoring system less complicated and burdensome and making IT tools for reporting and information-sharing more user-friendly.

Public consultation

The public consultation supporting the mid-term evaluation of the Customs 2020 programme was launched within the context of the Commission's proposals for the next generation of financial programmes for the post-2020 Multiannual Financial Framework (MFF), which is the EU's long-term budget. As the MFF cuts across all policy fields, the public consultation documents were divided into a number of thematic areas. The Customs 2020 programme was included in the public consultation on investment, research and innovation, SMEs and single market. This consultation covered both the retrospective and prospective elements of the Commission's spending programmes.

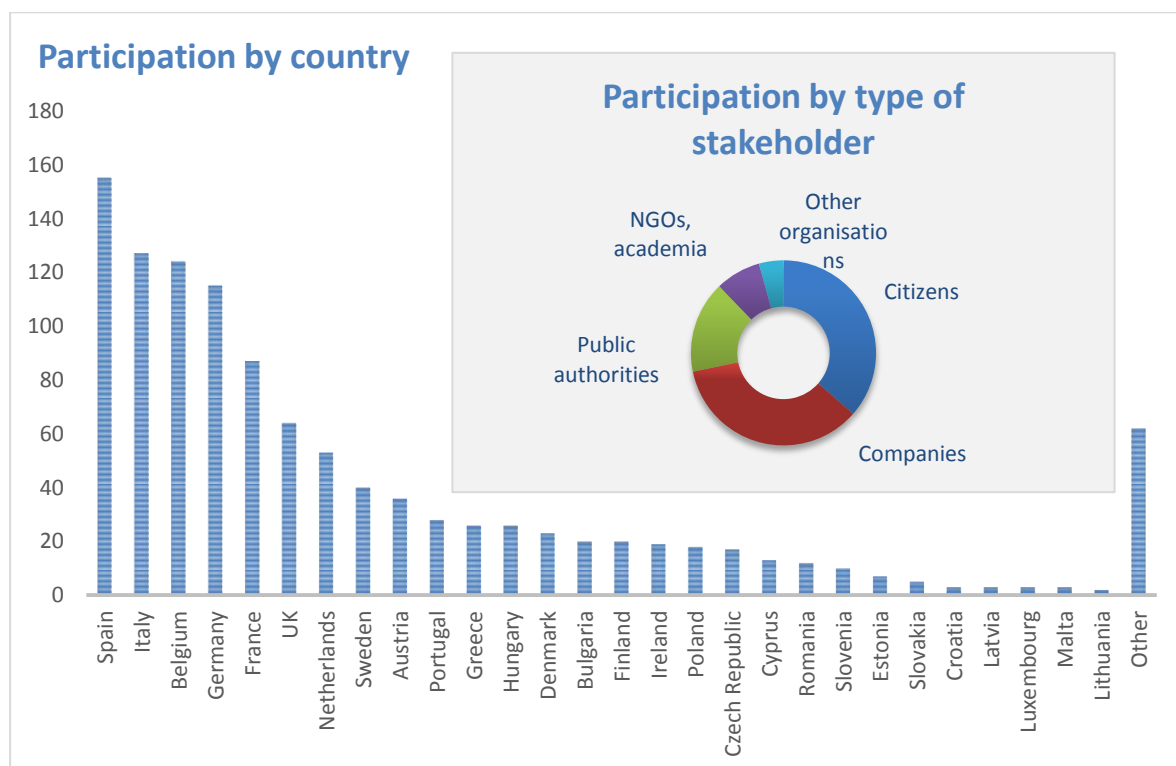
The consultation ran for the period of 8 weeks and took place between 10th of January 2018 and 9th of March 2018. This derogation was sanctioned by the Secretariat General of the European Commission. The questionnaire was available in all EU languages.

Overall, the Commission has received 4 052 replies from all 28 EU Member States, Norway, Iceland, Switzerland and 12 other countries. Around 60% of replies came from just six countries: Spain, Italy, Belgium, Germany, France and UK. A third of replies came from citizens (409), a third from companies (396), 16% from NGOs and academia (180), 8% from public authorities

(89). There were 257 replies from individual companies (93% of which were SMEs) and 95 replies from business associations. National public authorities from 14 EU Member States⁵⁰, 7 non-EU Member States⁵¹ and regional or local authorities from 13 Member States⁵² participated in the consultations (see **Figure 4**).

Respondents to this public consultation could choose between the four policy fields most important for them (investment, research and innovation, SMEs and single market). The general objective of the Customs 2020 programme being to support the functioning and modernisation of the Customs Union in order to strengthen the single market, the most pertinent area of consultation in the Customs 2020 context would be the single market. It was indicated by approximately 7.5% of the respondents⁵³.

Figure 4. Distribution of answers to public consultation by country and stakeholder type



Source: DG TAXUD, after public consultation on investment, research and innovation, SMEs and single market in the context of the EU's future Multiannual Financial Framework;

50 National authorities replies: Austria (5), Hungary (2), the Netherlands (2), Spain (2), Sweden (2), Czech Republic (1), Cyprus (1), France (1), Germany (1), Italy (1), Ireland (1), Latvia (1), Slovenia (1) and Romania (1);

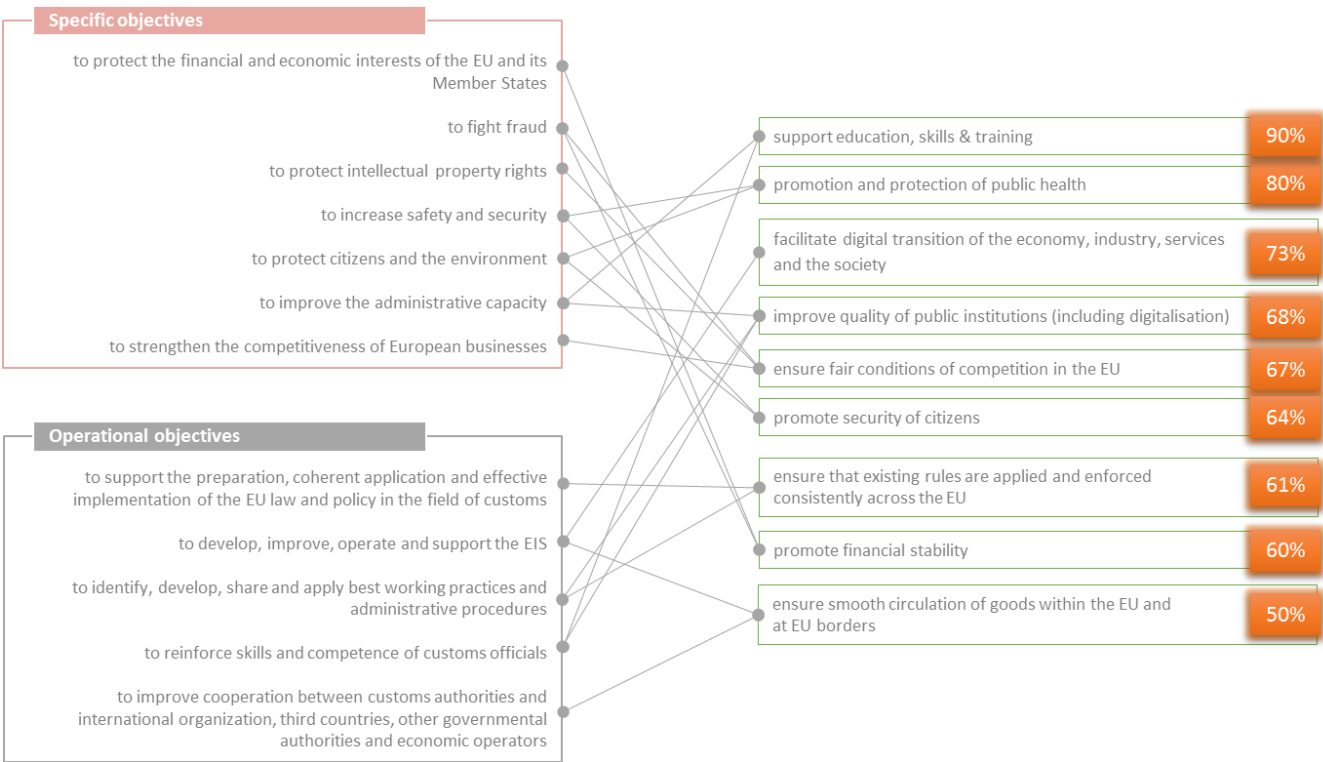
51 Non-EU countries replies: Norway (17), Switzerland (14), Israel (7), Iceland (3), Turkey (4), Australia (2), Brazil (2), Canada (2), Moldova (2), Peru (2), Albania and Kosovo (1), Belarus (1), Bosnia and Herzegovina (1), Ecuador (1), Paraguay (1), USA (1);

52 Regional or local authorities from: Germany (13 replies), France (8), Spain (8), Italy (7), Sweden (6), Belgium (4), Finland (3), Denmark (3), Poland (2), Portugal (2), UK (2), the Netherlands (1) and Slovenia (1);

53 The remaining fields were "EU support for research and innovation" (3 837 answers, 95% of all answers), "EU support for SMEs and entrepreneurship" (1 034 answers – 25% of all answers, "EU support for Investment" (642 answers – 16% of all answers);

This relatively modest figure should be analysed in conjunction with the reported importance of the key challenges for the Commission spending programmes. All of the Customs 2020 programme specific and operational objectives were reflected in the reported challenges, some of which were important for a significant number of respondents. **Figure 5** presents the key links between the programme’s objectives and the reported challenges as well as the percentage of respondents who found any given challenge important or very important⁵⁴. Having said that, due to the overarching nature of the public consultation over the EU’s future Multiannual Financial Framework, its broad scope (retrospective and prospective) and reach (anyone), it is impossible to make any firm linkages between the Customs 2020 programme’s current results and the extent to which they help overcome the analysed challenges. It could nevertheless be concluded that the programme’s design and role fully match the preoccupations of the stakeholders, justifying not only the programme’s sheer existence but also the direction of its evolution.

Figure 5. Customs 2020 programme objectives vis-à-vis key challenges for Commission’s spending programmes



Source: DG TAXUD, after public consultation on investment, research and innovation, SMEs and single market in the context of the EU’s future Multiannual Financial Framework;

Subsequently respondents were asked to judge how successful current policies are in addressing the different challenges. As above, it is difficult to firmly conclude on anything were the Customs 2020 programme was particularly appreciated. However, the fact that smooth circulation of goods both within EU and at EU borders was judged second highest achievement by the

54 Multiple choices were possible.

respondents (46% of all replies)⁵⁵, indicates that the EU in general and the Customs 2020 programme specifically do well in that respect. In relation to the programme's objectives and the challenges as depicted in **Figure 1**, similar conclusions for other key challenges are less obvious. Still, varying degrees of the Customs 2020 contribution could also be found in the EU policies addressing the following challenges:

- support to education, skills and training – 43%,
- facilitation of digital transformation of the economy, industry and services – 35%,
- promotion and protection of public health – 35%,
- promotion of security of citizens – 35%,
- fair conditions for competition in the EU – 35%,
- financial stability – 32%,
- ensuring that existing rules and applied and enforced consistently across the EU – 32%,
- improvement of quality of public institutions – 24%.

Despite the evident challenges ahead, nearly 80% stakeholders considered that EU programmes and funds add more value than could have been done at national, regional or local level. Only 1% of respondents were of the opinion that Member State would do a better job alone.

Too complex procedures leading to high administrative burden and delays were considered as the most important obstacles reducing benefits of EU programmes (around 80% of answers). To a lesser extent (50%-60%), no flexibility in case of unforeseen events or no synergies between programmes as well as insufficient administrative capacity or difficulties in combining EU with other public or private funds were cited. Lack of communication featured in around half of replies.

On the other hand, lack of EU standards was seen as the least of a problem and quoted by only around 10% of respondents.

Table 5 summarises the main obstacles preventing the current Commission's spending programmes and funds from achieving their objectives ranked in the order of relative importance indicated by the respondents⁵⁶. Whereas not all of these are relevant to the Customs 2020 programme (e.g. lack of flexibility or insufficient involvement of citizens), many are indeed congruent with the feedback gathered through the evaluation.

⁵⁵ This figure, as well as figures used in the bulleted list following this paragraph, refer to answers 'fully addressed' and 'fairly well addressed';

⁵⁶ The figures reflect answers 'to a large extent' and 'to a fairly large extent';

Table 5: Stakeholders perception of the main obstacles preventing the current Commission's spending programmes/funds from achieving their objectives

Obstacle	Level of agreement
Too complex procedures leading to high administrative burden and delays	73%
Lack of flexibility to react to unforeseen circumstances	52%
Insufficient synergies between the EU programmes/funds	48%
Insufficient administrative capacity to manage the programmes	47%
Difficulty combining EU actions with other public interventions and private finance	45%
Insufficient involvement of citizens	39%
Lack of information/communication	35%
Inadequate facilities to support enhanced cooperation	31%
Insufficient scope	30%
Insufficient critical mass	28%
Insufficient use of financial instruments	26%
Out of date and inadequate IT capabilities	21%
Lack of EU standards and EU rules	17%
Other	12%

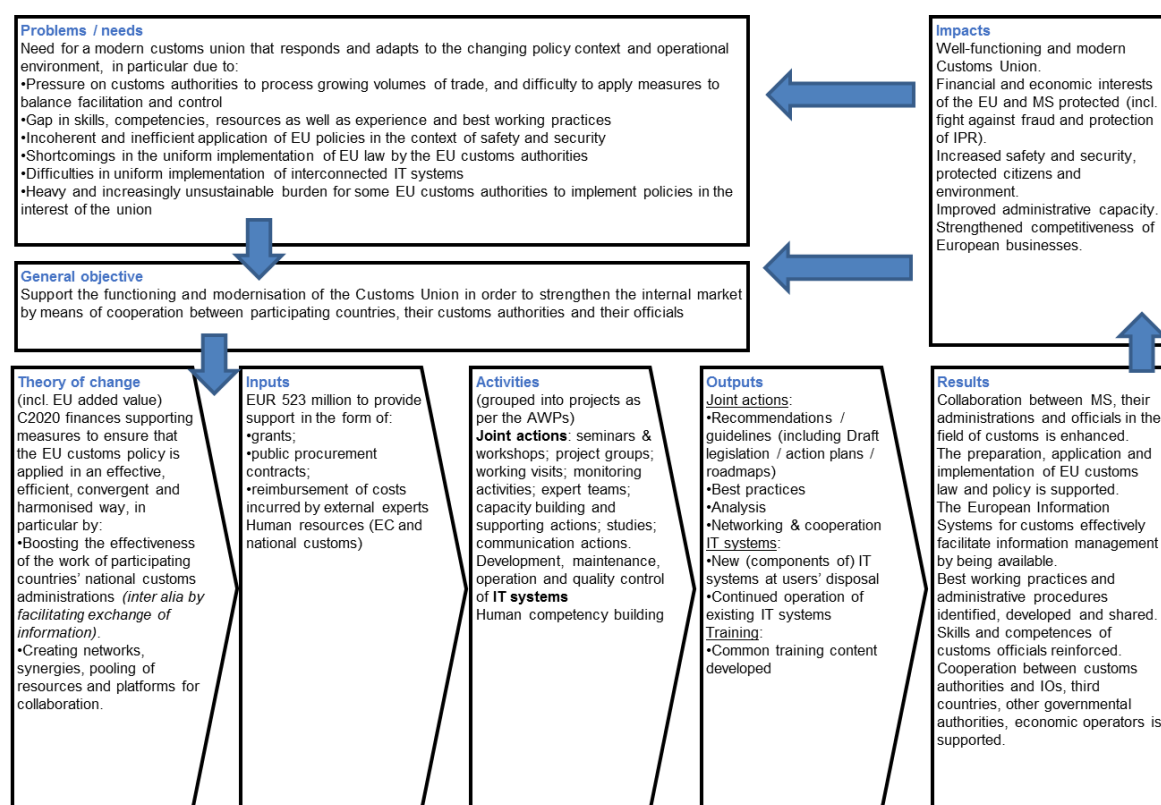
Source: DG TAXUD, after public consultation on investment, research and innovation, SMEs and single market in the context of the EU's future Multiannual Financial Framework;

ANNEX 3: METHODS AND ANALYTICAL MODELS

Approach and method

The overall approach to the mid-term evaluation can be classified as **theory-based evaluation**. That means using the intervention logic defined for the Customs 2020 programme in the Performance Monitoring Framework (PMF) documentation (see **Figure 6** below). Theory-based approach implies examination of the causal mechanisms in which the programme was expected to generate the desired results and impacts through collection of evidence to test the initial theory. Such approach allows to confirm (or not) the supposed causality and understand how and why these mechanisms led to expected or observed results. In doing so, the evaluation seeks to identify and assess the extent to which external factors might have hindered or supported the process. In the context of a cooperation programme such as Customs 2020, which often plays a supportive role in implementation of EU policies and priorities, this approach seemed particularly suited. Not least due to inherent difficulties of attributing measurable results to the functioning of the programme.

Figure 6. Intervention logic for Customs 2020 programme



Source: 'Mid-term evaluation of the Customs 2020 programme'

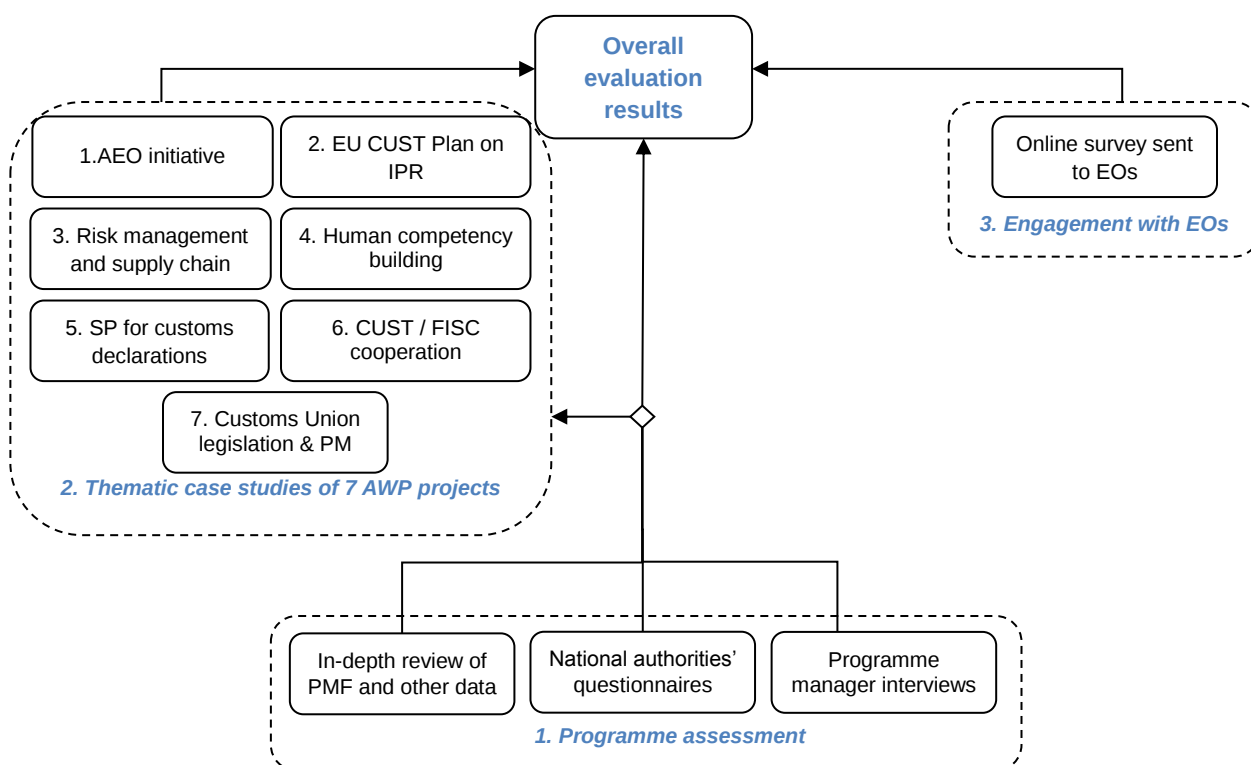
The evaluation followed a **mixed-methods approach**, featuring a range of tailored and targeted techniques and tools. They have been designed and deployed in a way that was deemed to bring the most value to the analysis. The target-and-tailor principle applied to

not only choosing which stakeholders to engage with, but how to reach them, what to ask them, how to analyse the resultant data robustly as well as how to make recommendations that fit with the room for manoeuvre of DG TAXUD and other key stakeholders. The data collection tools sought to probe views and experiences of stakeholders and key audiences, including tax administrations in general, participants in joint actions, economic operators and the European Commission. The information thus collected was cross-referenced with the rich – if not always complete - dataset from the PMF.

Analytical pillars

The approach built on **three distinct pillars** allowing to examine the programme from different angles and levels of detail, as well as engaging with different groups of stakeholders. The diagram below depicts the pillars and conceptualises how they fit together.

Figure 7 : Analytical pillars of the mid-term evaluation of Customs 2020 programme



Source: 'Mid-term evaluation of the Customs 2020 programme';

The **programme assessment** served to collect and analyse data on the Customs 2020 programme as a whole. It focused on what the programme was doing in terms of implementation and performance towards objectives. It also helped to refine the methodology for the case studies that took place later. This assessment was comprised of three main methods as shown:

- *in-depth review of PMF data* which relieved some burden and fatigue from data collection and allowed to devote more resources to primary data collection exploring issues higher up the causal chain;
- *national authorities' questionnaire* composed of two written questionnaires (one general on joint actions, training and programme management, the other on IT systems) distributed to the relevant authorities from participating countries. They intended to gather quantitative and qualitative information that was available neither from the PMF and tools used to feed into it nor other evaluation methods. Examples include user experiences with specific IT systems, contribution of programme to the work of administrations, views on new types of joint actions, perceived costs and benefits of participating in the programme, management practices, the PMF and its processes, management and knowledge-sharing of IT tools and implementation of recommendations from the previous evaluation.

The questionnaires were sent to national coordinators, who were asked to elicit feedback from their administrations and provide a single response for each questionnaire and country. Completed questionnaires were returned by 28 of 34 participating countries for the general questionnaire, and 21 of 34 for the IT-focused one;

- *programme manager interviews* consistent of a set of 24 interviews with managers from the Commission and national administrations, allowing to collect experiences, opinions, perceptions and suggestions regarding a range of issues that would be difficult to obtain using other means. These included matters such as responsiveness of the programmes to emerging needs and priorities, organisational and governance structures and processes, the implementation of the PMF, and such issues as change in programme performance over time, and barriers to the success of the programmes.

Thematic case studies are in-depth qualitative research around agreed topics (AWP projects) stemming from the need to complement quantifiable data with method better suited to capture benefits linked to support provided for administrations in carrying out functions required by EU and national legislation and boosting capacity. The purpose of the case studies was to examine in detail how given programme outputs were used in practice by administrations and, where applicable, economic operators. The themes (see Figure 3) were selected upon a review of AWP projects, deemed particularly salient within the programme's timeframe. Each theme included a series of two or three specific programme actions in seven case study countries (Austria, the Czech Republic, Estonia, the Netherlands, Portugal, Serbia and Sweden). The joint actions selected were then complemented by information on the main relevant IT systems. The research drew on a review of relevant documentation and face-to-face interviews with 10-12 relevant stakeholders within national administrations in the selected countries.

Engagement with economic operators took form of short targeted survey. The economic operators are not the programme's main beneficiaries but it was deemed that their views were important as taxpayers and users of certain IT systems and eLearning modules. The survey included a range of questions on the relevance of the programme's objectives and activities and respondents' experiences with several publicly available IT systems and eLearning modules. The survey was promoted through DG TAXUD's newsletter and direct mailings to trade organisations in all Member States. The survey received 108 responses, providing some useful insight from an otherwise difficult-to-reach group.

ANNEX 4: KEY FEATURES OF THE JOINT ACTIONS

Table 6. Key features of the Customs 2020 joint actions

Type of joint action	Key features
seminars and workshops	create unique opportunities for exchange in a group setting and compare strategies and methodologies between countries provide space for networking, building contacts and reinforcing relationships with other national administrations gather more expertise (including from external stakeholders such as the World Customs Organisation) than would be possible in a national setting ensure common understanding and interpretation of EU legislation improve relevance and focus among participants that share both historical and geographical links, and face similar challenges
project groups	allow for in-depth and recurrent group work on specific issues and policy areas develop concrete solutions to common problems across range of policies and practical areas strengthen networks and working relationships through continuous communication pool knowledge and experience between and within participating countries as well as with the Commission act as catalysts, creating the conditions for the generation of more concrete outputs in other fora (such as dedicated project groups) many of them are quasi-permanent and serve as standing platforms for coordination at various levels
working visits	provide opportunity for focused in-depth exploration of (often defined at operational level) topics of mutual interest, often on a bilateral basis as this is the only type of action focused mainly on individual exchanges lead to exchange of information and experience by engaging in real working, business-level situations, allowing participating countries to reassess their own performance while considering practices of their counterparts gain inspiration on good administrative and organisational practices or approaches from host country to be adopted to national circumstances useful for candidate and potential candidate countries to learn about EU legislation, national implementation and Member States working practices, praised for the direct operational exchanges
expert teams	structured form of operational collaboration on topics of mutual interest driven by participating countries and enhancing close collaboration provide a strong mandate and financing to tackle a specific challenge
monitoring actions	identify gaps and lead to recommendations/solutions for improvement provide possibility for exchange of experiences and working methods between and within participating countries as well as with the Commission provide opportunities for joint monitoring visits, including with the Commission
capacity building and supporting actions	provide technical assistance which targets specific capacity needs exploit synergies with the Structural Reform Support Service, which provides technical support to administrations
joint communication actions	raise awareness about specific topics among customs administrations within and outside the Customs Union supports the development of a communication policy towards national stakeholders help with coordinating communication and serve as structured thinking around future communication needs
studies	useful to examine specific issues in depth (used for evaluations, impact assessments, economic analysis, etc.)

Source: ‘Mid-term evaluation of the Customs 2020 programme’

Table 7. Key features of the Customs 2020 IT systems

Type of IT systems	Key features
trader management systems	EORI, AEO and CRS offer consultation in real time for non-national EORI numbers CRS, CDS and REX are useful for identifying different data about traders REX complements national import customs declaration systems, resulting in avoiding duplication of efforts and cost savings
goods classification and tariff management system	is one of the most useful systems for the daily work of customs offices, enabling the real-time application of the Common Customs Tariff in a uniform manner across the EU Member States EBTI-3 is essential for issuing decisions related to Binding Tariff Information QUOTA online service enables a real-time overview of community tariff quotas and helps track the overall EU usage of import quotas by all Member States without ECICS, administrations would have to use expensive on-line systems to retrieve information on chemical classification.
EU movement control (import, export, transit)	operational systems, like ECS, ICS, NCTS and NCTS-GMS allow for fully electronic lodgement of customs declarations and automatic supervision IT export systems allow for a paperless environment in customs operations with SW-CVED validation of documents can be automatically checked before accepting the import declaration.
risk management	CRMS is used daily for risk management as a main tool for swift receiving and sharing risk relevant data with Member States and the Commission SMS helps customs authorities to verify documents, stamps and signatures during and after customs clearance
other	CCN and CS/RD are central for IT operations and indispensable component of all customs systems, allowing the exchange of information for trans-European systems.

Source: 'Mid-term evaluation of the Customs 2020 programme'

Table 8: Number of trainees and satisfaction by module (2014 – 2016)

	Implementation				Learning needs			Satisfaction	
	Number of trainees								
	Total	2014	2015	2016	Not at all	Partially	Completely	Avg. qual score ⁵⁷	Responses
AEO II	930	404	399	127		5	1	71.0	116
BPM	13	6	6	1		1		51.6	6
Car Search	2 113	566	851	696	1	5	10	75.2	23
Container Examination	1 332	521	637	174		3	10	78.7	12
CRMS	144	38	106		1	3	2	83.1	2
DPC – C	1 414	535	760	119		3	8	70.3	2
DPC – EO	31	16	12	3		1	3	n/a	n/a
EORI	2 139	1 479	634	26		3	7	69.8	88
EOS	114	38	66	10		3	3	73.4	11

⁵⁷ This measure is based on Kirkpatrick methodology where 75 stands for 'very good' and 50 for 'fairly'. For more information see: <https://www.kirkpatrickpartners.com/Our-Philosophy/The-Kirkpatrick-Model>. The score is based on 11 quality dimensions but mainly assess the following parameters: relevance to job, fulfilling learning objectives, learning retention and if the course was a positive experience;

	Implementation				Learning needs			Satisfaction	
	Number of trainees				Not at all	Partially	Completely	Avg. qual score ⁵⁷	Responses
	Total	2014	2015	2016					
IPR	1 511	703	584	224		5	3	71.6	11
SAMANCTA	1 469	199	734	536		5	3	72.7	40
SASP	775	35	50	1		3	4	n/a	n/a
SP SASP	1 453	83	1 208	162	1	3	3	69.8	280
UCC (00) Overview	8 873	-	-	8 873			5	73.6	405
UCC (01) Customs Procedures and Customs Declarations	1 002	-	-	1 002			4	78.4	78
UCC (02) Entry of Goods and Temporary Storage	866	-	-	866			3	80.4	9
UCC - 03- Release for Free Circulation	853	-	-	853			3	85.0	11
UCC - 04- Binding Tariff Information	860	-	-	860			3	81.1	12
UCC - 05- Origin of Goods	860	-	-	860			3	85.2	11
UCC - 06- Customs Valuation	900	-	-	900		1	3	76.6	20
UCC - 07- Customs Status of Goods	862	-	-	862			3	79.8	10
UCC - 08- Customs Debt	881	-	-	881			3	79.9	19
UCC - 09- Guarantee	865	-	-	865			3	88.7	6
UCC - 10- Special Procedures other than Transit	906	-	-	906			4	84.9	11
UCC - 11- Customs Transit	850	-	-	850			3	84.4	9
UCC - 12- Export	868	-	-	868			3	87.6	10
UCC - 13- Customs Decisions	1 223	-	-	1 223		1	3	80.5	21
UCC - 14- Authorised Economic Operator	938	-	-	938			3	74.4	11
UCC - 15 – REX	-	-	-	-				n/a	n/a
Total	35 045	4 623	6 047	23 686	3	45	106	78.0	1,234

Source: DG TAXUD eLearning statistics, 2014 – 2016;

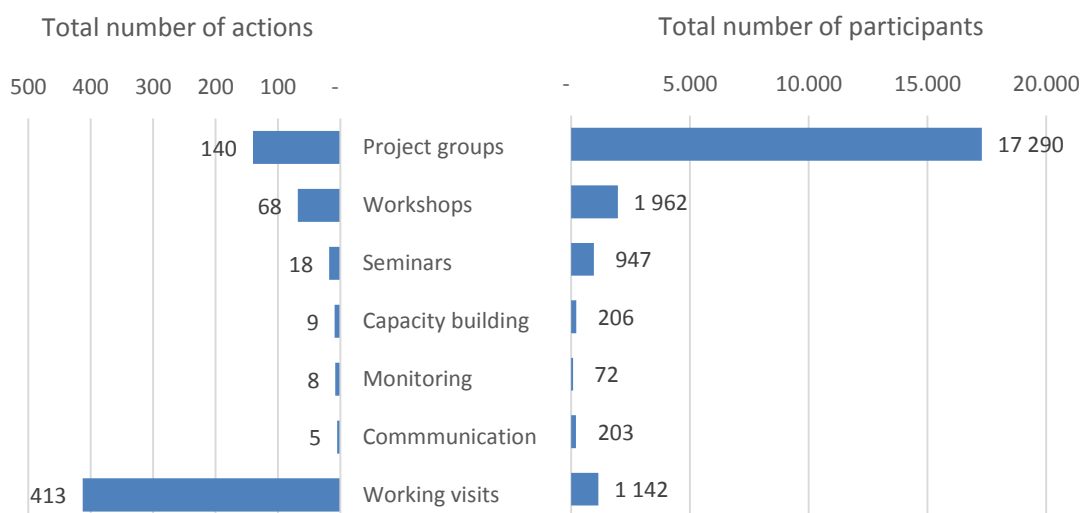
Note: several participating countries have incorporated eLearning modules in their own learning management systems and are not able to track the usage of modules

Table 9: Actual expenses for joint actions grants (not including procurements) by budgeted year and joint action type (2014 – 2017)

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

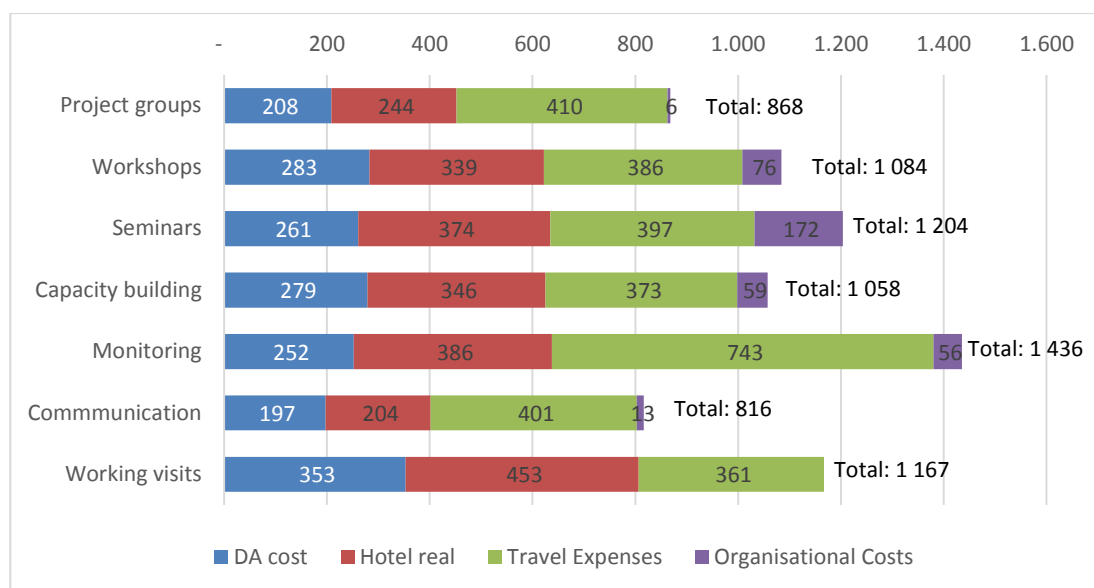
Source: Customs 2020 programme management, AWP 2014-2017

Figure 8: Total number of joint actions and total number of participants by action type (2014-2017)



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

Figure 9: Average cost per participant by year and by expense



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

Table 10: Budget estimates per year and main IT action categories (2014-2017)

IT action category	2014	2015	2016	2017	Cumulative 2014-2017	%
CCN/CSI	€ 10 400 000	€ 11 760 000	€ 9 500 000	€ 12 150 000	€ 43 810 000	17.9%
Development of Customs system	€ 19 517 000	€ 21 000 000	€ 17 500 000	€ 23 450 000	€ 81 467 000	33.4%
Support for Customs systems	€ 21 183 000	€ 20 241 000	€ 25 500 000	€ 30 700 000	€ 97 624 000	40.0%
Quality control for Customs system	€ 5 200 000	€ 5 000 000	€ 5 646 000	€ 5 500 000	€ 21 346 000	8.7%
Total	€ 56 300 000	€ 58 001 000	€ 58 146 000	€ 76 375 000	€ 244 247 000	100%

Source: Customs Annual Work Programmes 2014-2017