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signed by Mr Jordi AYET PUIGARNAU, Director

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To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of  
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**COMMISSION STAFF WORKING DOCUMENT**

**Commission Staff Working Papers on Customs 2020 programme  
Progress Report for 2014**



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Resources  
**Management of programmes and EU Training**

## **CUSTOMS 2020 PROGRAMME**

### **PROGRESS REPORT 2014**

## Contents

1.	ACRONYMS AND ABBREVIATIONS	3
2.	EXECUTIVE SUMMARY	4
3.	INTRODUCTION	6
3.1	CUSTOMS 2020 in a nutshell	6
3.2	Performance Measurement Framework	7
3.3	Methodological considerations – Progress Report 2014	10
4.	PROGRAMME YEAR 2014 – BASIC PARAMETERS	10
4.1	Introduction	10
4.2	Budget	11
4.3	Participants	11
4.4	Proposals	12
5.	PROGRESS IN RELATION TO THE OPERATIONAL OBJECTIVES	14
5.1	Table of Indicators	14
5.2	Cross-cut indicators: collaboration robustness between programme stakeholders	25
5.3	Objective 1: to support the preparation, coherent application and effective implementation of Union law and policy in the field of customs	26
5.4	Objective 2: to develop, improve, operate and support the European Information Systems for customs	27
5.5	Objective 3: To identify, develop, share and apply best working practices and administrative procedures, in particular further to benchmarking activities	28
5.6	Objective 4: To reinforce skills and competencies of customs officials	29
5.7	Objective 5: To improve cooperation between customs authorities and international organisations, third countries, other governmental authorities, including Union and national market surveillance authorities, as well as economic operators and organisations representing economic operators	30
6.	PROGRESS IN RELATION TO THE ANNUAL WORK PROGRAMME	31
6.1	Introduction	31
6.2	Specific objective part 1 – selection of projects	31
6.3	Specific objective part 2 – selection of projects	34
6.4	Specific objective part 3 – selection of projects	38
6.5	Specific objective part 4 – selection of projects	42
7.	CONCLUSIONS	45

## 1. ACRONYMS AND ABBREVIATIONS

The following acronyms are used in this document:

Abbreviation	Meaning
AEO	Authorised Economic Operator
AES	Automated Export System
AFF	Action Follow up Form
AFF WV	Action Follow up Form for Working Visits
ART	Activity Reporting Tool
AWP	Annual Work Programme
BTI	Binding Tariff Information
CCN/CSI	Common Communications Network - Common Systems Interface
COPIs	System for Protection of Intellectual Property Rights (COunterfeiting and PIracy)
CRMS PCA	Community Risk Management System Priority Control Area
CVED	Common Veterinary Entry Document
DG TAXUD	Directorate General for Taxation and Customs Union
DG SANTE	Directorate General for Health and Food Safety
EAF	Event Assessment Form
EBTI	European Binding Tariff Information
EC	European Commission
ECICS	European Customs Inventory of Chemical Substances Database
ECS	Export Control System
EIS	European Information System
C2020	Customs 2020 programme
ICS	Import Control System
IPR	Intellectual Property Rights
ISPP	Information System for Processing Procedures
JA	Joint Action
MASP	Multi-Annual Strategic Plan
MFF	Multiannual Financial Framework
MS	Member State
N/A	Not available
NCTS	New Computerised Transit System
PICS	Programmes Information and Collaboration Space
PMF	Performance Measurement Framework
REX	Registered Exporters
SLA	Service Level Agreement
SPEED	Single Portal for Entry or Exit of Data
SW	Single Window
TARIC	Tarif Intégré des Communautés européennes
UCC	Union Customs Code
WCO	World Customs Organisation

## 2. EXECUTIVE SUMMARY

This Programme Progress Report for year 2014 is the first such report produced under the new Performance Measurement Framework (PMF) developed for the Customs 2020 programme.

The PMF was developed further to a recommendation of the final evaluation of the Customs 2013 programme. It is based on the intervention logic, which describes the logical step-by-step link between the wider problems and needs addressed by the programme and the programme's objectives, inputs, activities, outputs, results and impacts. This annual progress report represents a summary of performance over the course of 2014 in relation to the programmes' objectives and the related output and result indicators identified as part of the PMF.

2014 was an exceptional year as it included a transition between two generations of Customs programmes. Many of the Joint Actions had to be re-launched under the new programme which has led to fewer events being organised and fewer participants. The year was equally marked by the increased level of IT investment in two new data centres and the development of the EU Customs Competency Framework.

The indicators obtained under the PMF in 2014 give an overall positive assessment, both from the business data perspective and from the feedback obtained from the action managers<sup>1</sup> and the participants to the activities. The indicators suggest that in 2014 the programme was on course to fulfilling its objectives and that it played an important role in facilitating the implementation and development of Union customs policy through its European Information Systems, Joint Actions and human competency building.

Some of the key **strengths and achievements** that can be deduced from the analysis of the indicators:

- **High level of achievement of results of the Joint Actions is reported by the action managers.**
- **Very positive evaluation of the achieved results of the Joint Actions, their usefulness and expectations met by national customs officials who participated in them.**
- **Networking and sharing of programme outputs represent both a strength and a room for improvement.**
- **The European Information Systems are regularly upgraded and improved and resistant to increased volume of data traffic.**
- **The increased use of online collaboration (PICS) by national and European customs officials.**

A number of **recommendations for the future** can be equally drawn from the analysis of the indicators:

- **Monitor the number of participants under the programme.**

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<sup>1</sup> Action manager is the DG TAXUD or national customs official in charge of the action organised under the programme. The action manager submits the proposal for an action to the Commission and is responsible for reporting on the outcomes of the action under the Performance Measurement Framework.

- **Undertake to increase awareness about the program.**
- **Provide additional support to networking and the use of the programme outputs**
- **Monitor the implementation and take up of the Customs Competency Framework.**
- **Explore the introduction of further indicators in the area of customs laboratories**
- **Improve statistics for online collaboration.**
- **Facilitate the collection and processing of data under the Performance Measurement Framework.**
- **Consider adaptations to the Progress Report structure.**

### 3. INTRODUCTION

#### 3.1 CUSTOMS 2020 IN A NUTSHELL

The EU Regulation 1294/2013 established the multiannual action programme Customs 2020 for the period 2014-2020 with the aim to support the functioning and modernisation of the customs union in order to strengthen the internal market. Total budget foreseen for this programme period is 522.9 million euros. The programme represents a continuation of the earlier generations of programmes Customs 2007 and Customs 2013, which have significantly contributed to facilitating and enhancing cooperation between customs authorities within the Union.

**Figure 1: Customs 2020 programme objectives**

**The Customs 2020 specific objectives:**

- To protect the financial and economic interest of the Union and of the Member States, including the fight against fraud and the protection of intellectual property rights.
- To increase safety and security, protect citizens and the environment.
- To improve administrative capacity of the customs authority.
- To strengthen the competitiveness of European businesses.

The specific objectives shall be achieved, in particular by:

- (a) computerisation;
- (b) ensuring modern and harmonised approaches to customs procedures and controls;
- (c) facilitating legitimate trade;
- (d) reducing compliance costs and administrative burden; and
- (e) enhancing the functioning of the customs authorities.

**The Customs 2020 operational objectives:**

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

There are three types of activities that are organised under the programme:

**Joint Actions (JA)** - bringing together officials from the participating countries - these are most commonly project groups, working visits, workshops and seminars (see full list below). The programme covers the cost of organisation and participation to these activities.

Types of Joint Actions:

(i) seminars and workshops;

(ii) project groups, generally composed of a limited number of countries, operational during a limited period of time to pursue a predefined objective with a precisely defined outcome, including coordination or benchmarking;



(iii) working visits organised by the participating countries or another country to enable officials to acquire or increase their expertise or knowledge in customs matters; for working visits organised within third countries only travel and subsistence (accommodation and daily allowance) costs are eligible under the Programme;

(iv) monitoring activities carried out by joint teams made up of Commission officials and officials of the participating countries to analyse customs practices, identify any difficulties in implementing rules and, where appropriate, make suggestions for the adaptation of Union rules and working methods;

(v) expert teams, namely structured forms of cooperation, with a non-permanent or permanent character, pooling expertise to perform tasks in specific domains or carry out operational activities, possibly with the support of online collaboration services, administrative assistance and infrastructure and equipment facilities;

(vi) customs administration capacity building and supporting actions;

(vii) studies;

(viii) jointly developed communication actions;

(ix) any other activity in support of the general, specific and operational objectives

**European Information Systems (EIS)** - these systems and the IT capacity building are indispensable for the functioning of the customs union. The programme covers the cost of acquisition, development, installation, maintenance and day-to-day operation of the Union components of EIS.

**Human competency building** - the human competency framework, training materials and electronic learning modules play a vital part in developing the human competency component of the customs union. The programme covers the development cost of the common training materials, including electronic training modules, and the organisation of training events.

The Commission and the participating countries (EU member states and countries recognised as candidates or potential candidates for EU membership having concluded international agreements for their participation in the Customs 2020 programme) decide jointly on the annual priorities of the programme by adopting each year the Annual Work Programme. The implementation of the programme is under direct management by the Commission meaning that it is centrally managed by DG TAXUD. It is implemented financially on the basis of grant agreements with the participating countries (Joint Actions), and procurements (mostly for European Information Systems and human competency building).

### **3.2 The Performance Measurement Framework**

The Customs 2020 regulation stipulates in Article 17 that the Commission shall monitor the implementation of the Programme and actions under it on the basis of indicators and make the outcome of such monitoring public.

The final evaluation of the Customs 2013 programme equally made a recommendation to "develop a comprehensive monitoring framework to track performance and to identify issues of concern in a timely manner".

In order to achieve this purpose, the Commission established in 2014 a Performance Measurement Framework (PMF) to be implemented with the start of the new programme. The PMF is based on the intervention logic (see Figure 3), which describes the logical step-by-step link between the wider problems and needs addressed by the programme and the programme's objectives, inputs, activities, outputs, results and impacts.

The PMF relies both on the quantitative data (indicators) and qualitative (reporting and interpretation) for assessing the progress achieved.

The indicators can be divided into two categories:

**Output and Results indicators** – these are first and second order effects that can be directly attributed to the programme. Outputs refer to those effects (most often tangible products) achieved

immediately after implementing an activity, while the results look at the mid-term effects or the difference made on the ground thanks to the outputs. Both types of indicators are collected annually, reflected in the Progress Report and are linked to the operational objectives of the programme.

**Impact indicators** – they indicate the long-term effects of the programme by measuring its contribution to the broader policy areas, where programme activities are only one of the contributing factors. They mostly rely on the use of existing external indicators (not collected by PMF surveys) and will be collected together with the two evaluation exercises (to be held in 2018 and 2020). They are linked to the higher-level specific objectives of the programme.

The PMF uses both its own data collection tools and the data gathered externally. The external data is collected either by other organisations at a global level or inside DG TAXUD of the Commission. The PMF's own data collection tools gather feedback from programme stakeholders and are summarised in the table below.

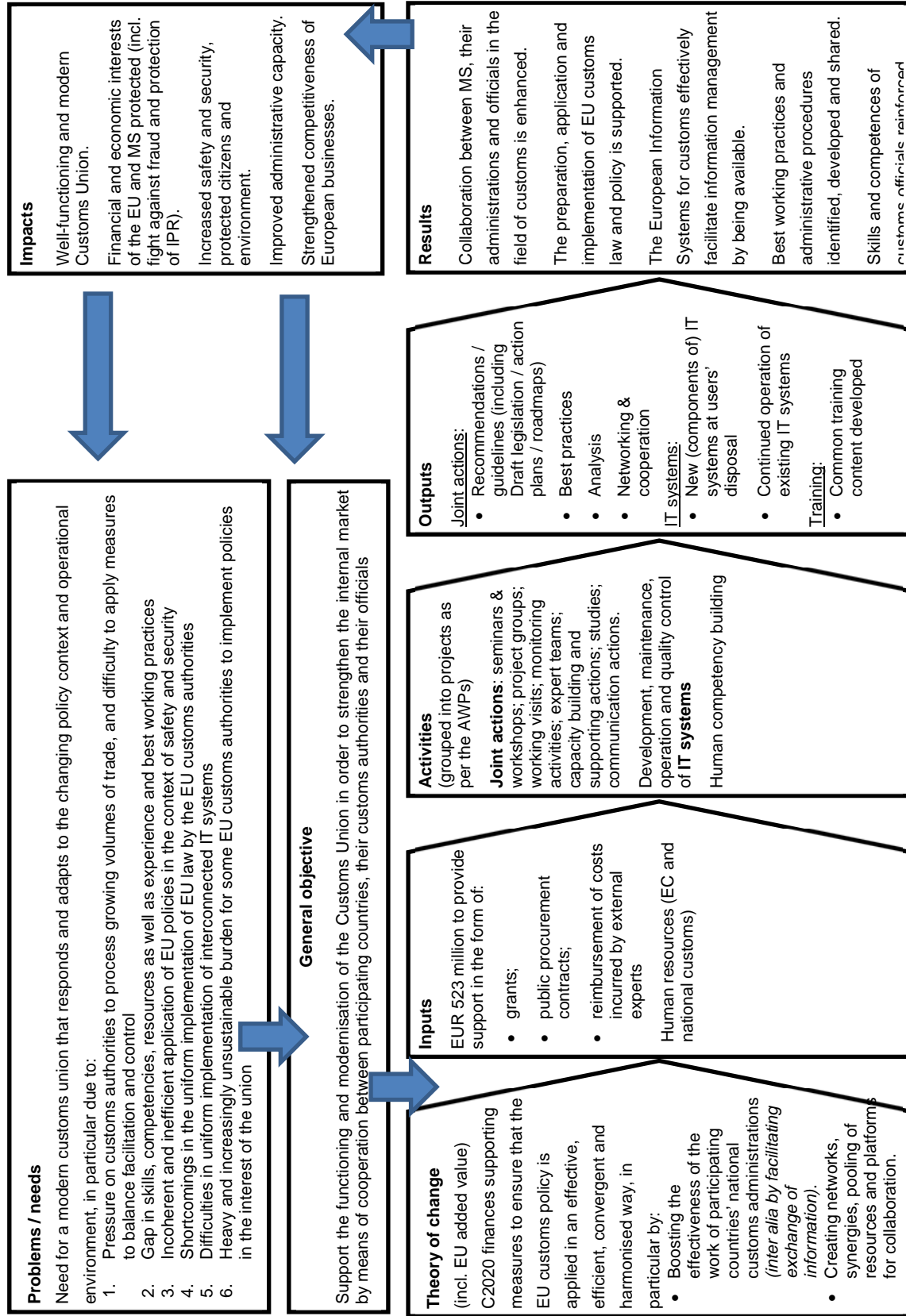
**Figure 2: PMF data collection tools**

<b>Tool</b>	<b>When is the data submitted?</b>	<b>Who is submitting the data?</b>
<b>Action Reporting Tool (ART) - Proposal form</b>	At the beginning of each activity	Action managers
<b>Action Follow up Form (AFF)</b>	In February, one form per action or one form each year for multi-annual actions	Action managers
<b>Action Follow up Form for working visits</b>	Within three months after the end of the working visit	Participants to the working visit
<b>Event Assessment Form (EAF)</b>	Three months after the end of an event or yearly in case of project groups or similar activities longer than 1 year	Participants to an event or members of a project group or similar activities
<b>Programme Poll</b>	Every 18 months – to be launched in: <ul style="list-style-type: none"> <li>• Mid-2015, beginning 2017, Mid-2018, end 2019</li> </ul>	All customs officials in the participating countries

The PMF follows the annual reporting cycle. It takes into consideration a calendar year of activities organised under the programme. The drafting of the Progress Report starts in the following year once the data collection process is finalised. Following data analysis and consultation with stakeholders, it is published toward the end of the year. The Progress Report represents a summary of the main output and result indicators and gives an assessment of the overall progress achieved.

The mid-term evaluation (in 2018) and the final evaluation (in 2020) of the programme make full use of the Progress Reports and in addition report on the progress in relation to the impact indicators.

**Figure 3: Intervention logic of the Customs 2020 programme**



### 3.3 Methodological Considerations – Progress report 2014

The PMF to a large extent relies on the use of its own surveys for data collection. If we look at the response rates for all three surveys (see Figure 4 below), they can be regarded as satisfactory.

**Figure 4: Response rates in 2014 for PMF surveys**

	EAF (Participants to Joint Actions, except Working Visits)	AFF WV (participants to Working Visits)	AFF (Action managers)
<b>Number of participants invited to respond under the PMF</b>	1469	172	123
<b>Number of received valid responses</b>	994	107	66
<b>Response rate</b>	68%	62%	54%

Roughly, a third of the total number of participants under the Customs 2020 programme in the year 2014 was invited, in accordance with the Performance Measurement Framework, to fill out the Event Assessment Form. Out of them, 68 percent completed the survey in a valid way. The rates are somewhat lower for the participants in working visits and the action managers of Joint Actions. A small percentage of survey respondents entered a wrong financial code, which meant that their responses had to be discarded as they could not be linked to a programme activity. Expectedly, the problem of wrongly entered financial codes is more present among the ordinary participants, and less present with the action managers or participants in working visits who are more familiar with the financial codes.

The DG TAXUD has started the work on making the necessary IT changes in the Action Reporting Tool (ART), which will automatize further the survey process, so that the survey respondents will no longer need to enter the financial codes manually. The changes will equally allow for automatic reminders to be sent to survey respondents. These IT changes will need some time to be implemented, but should push up the response rates and eliminate the problem of invalid responses.

Greater awareness about the PMF, which will also be promoted by the publication of Progress Reports and the results of the surveys, should help further demonstrate the value of such surveys to the stakeholders and increase their motivation to take them.

With regards to the data collected from external sources, outside the surveys, it is worth mentioning that this data is collected as part of other performance measurement exercises and reflects the methodological approach established for those exercises.

## 4. PROGRAMME YEAR 2014 – BASIC PARAMETERS

### 4.1 Introduction

2014 was the year of change between the two generations of programmes, from Customs 2013 programme to Customs 2020 programme. April was a transitional month, during which no Joint Actions took place. The change between two programmes and one month less of activities for Joint Actions need to be taken into consideration when analysing the year's activities and their outputs and results.

This progress report aims to cover the entire year whenever this is possible, i.e. when there is data available. In the case of the PMF surveys, which were introduced only with the start of the Customs 2020 programme, the data collected is only available for the period 1 May – 31 December 2014.

## 4.2 Budget

The overview in Figure 5 below summarises the programme funding according to the three main activity types. In order to make the table more meaningful, the budgetary information for the previous years has been added.

**Figure 5: Committed <sup>2</sup> expenses per year and main action categories under the programme**

	2011	2012	2013	2014
Joint Actions	€8,548,895.00	€7,943,895.00	€6,000,000.00	€6,523,000.00
Training	€784,095.48	€1,413,365.32	€1,365,000.00	€1,350,000.00
IT	€38,088,687.28	€41,671,896.68	€44,332,600.56	€57,333,696.81
Studies	€1,813,249.26	€1,970,843.00	€1,193,780.78	€1,083,116.13
TOTAL	€49,234,927.02	€53,000,000.00	€52,891,381.34	€66,289,812.94
AWP	€49,500,000	€53,000,000.00	€53,000,000.00	€66,293,000.00
EU Annual Budget	€53,000,000.00	€53,000,000.00	€53,000,000.00	€66,293,000.00
Amount MFF	€54,770,000.00	€59,570,000.00	€62,120,000.00	€66,293,000.00

As is standard for the programme, the vast majority of funding in 2014 went into the development and operation of European Information Systems, followed by the organisation of Joint Actions and the training activities. We can notice that over the years the expenditure on Joint Actions has been on the whole decreasing. This is largely due to the decrease in the number of participants and the number of meetings. The large increase that we can observe in the IT related expenses in 2014 was mainly down to a large infrastructural investment in two new data centres on DG TAXUD premises in order to optimise the running of current and planned IT systems.

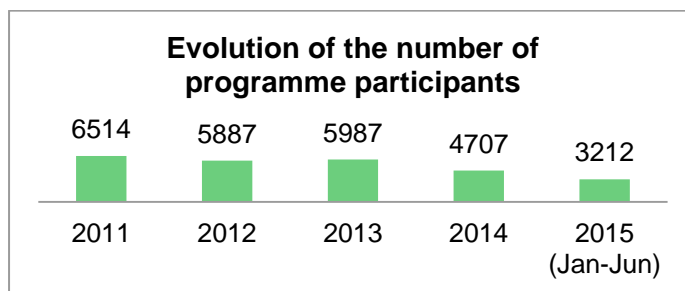
## 4.3 Participants

If we compare the total number of participants in 2014 with the numbers from previous years in Figure 6, we can see that there was a noticeable decline (21%) in the number of participants.

**Figure 6: Number of participants<sup>3</sup> in Joint Actions per year under the Customs 2013 and Customs 2020 programmes**

<sup>2</sup> The table compares committed amounts for the last four years, since the actual expenses are not finalised for years 2013 and 2014.

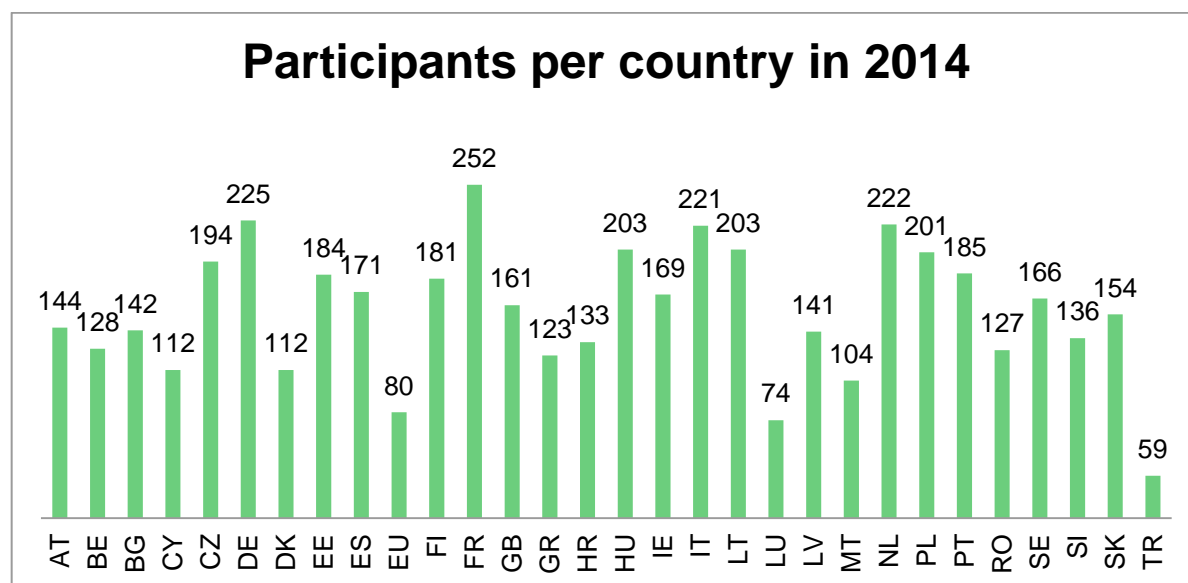
<sup>3</sup> This is the number of total participants (which measures all instances of participation in activities and allows for the same people to have taken part in multiple activities).



An explanation for this lower number can probably be found in the transitional period between the two generations of programmes in 2014. This transition included one month of complete inactivity followed by a slow start of new Joint Actions under the new programme, which led globally to fewer activities being organised. The biggest decrease was in the number of participants to working visits (by 50%), which could be attributed to the period of adaptation to the new rules for the initiation of working visits introduced under the Customs 2020 programme. The number of proposals for working visits (and the participants to these activities) increased toward the end of the year.

The overall exceptional nature of 2014 seems to be confirmed by the preliminary data for the first six months of 2015, which shows that the numbers could be higher in 2015. Regardless of the transitional nature of 2014, it is clear that there is a general trend of decreased levels of participants. This could be partly due to a decreased business need for meetings and events, as well as due to the greater use of online collaboration tools (thus reducing the need for physical meetings or replacing them with audio or online meetings). It will be, however, important to monitor in the next years the numbers of participants and the causes of this trend in order to assess if any measures need to be taken in this regard.

**Figure 7: Overview of participants per country in 2014<sup>4</sup>**



If we look at the distribution of participants by country, we can see that all the countries are utilizing the programme, but that there are countries that, considering the size of their administrations, do so to a greater extent than others. This is in line with the voluntary nature of participation in the programme activities, where the number of participants from a given country depends partly on the

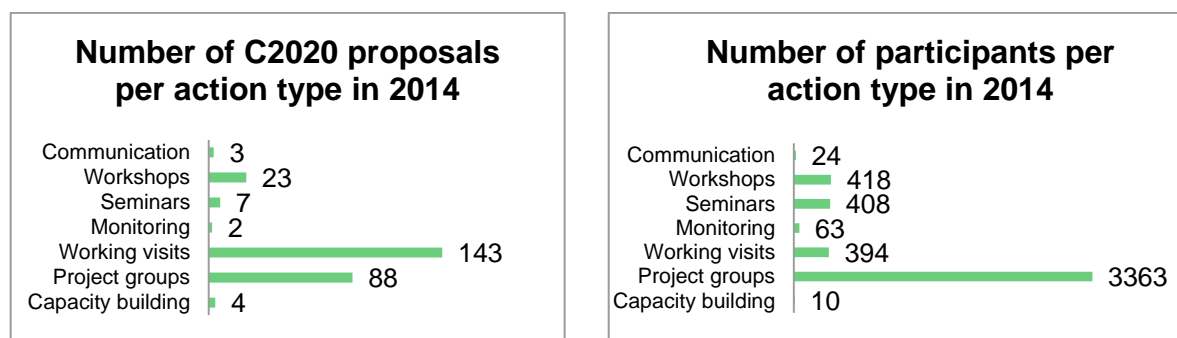
<sup>4</sup> The participants marked as EU represent external experts who come outside national administrations and who may be invited to contribute to selected activities organised under the programme wherever this is essential for the achievement of the programme objectives.

level of interest and activity shown by the country's administration in utilizing the potential of the programme. This is especially true in the case of working visits, which the participating countries initiate and organise autonomously.

#### 4.4 Proposals

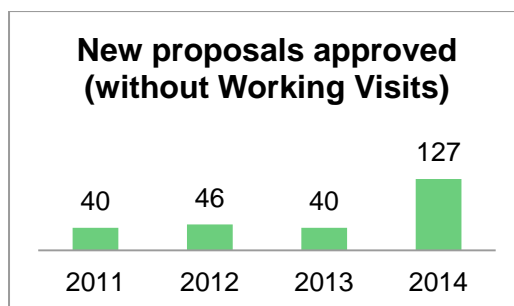
If we look at the level of proposals, we can see from the two figures below that the most popular action type remain working visits, followed by project groups placed second and workshops as distant third. Other action types are used to a much lesser extent. The situation with regards to the number of participants is somewhat reversed with the project groups being the largest activity type in terms of participation, followed by workshops and seminars.

**Figure 8: Overview of activity types and number of participants per activity type**



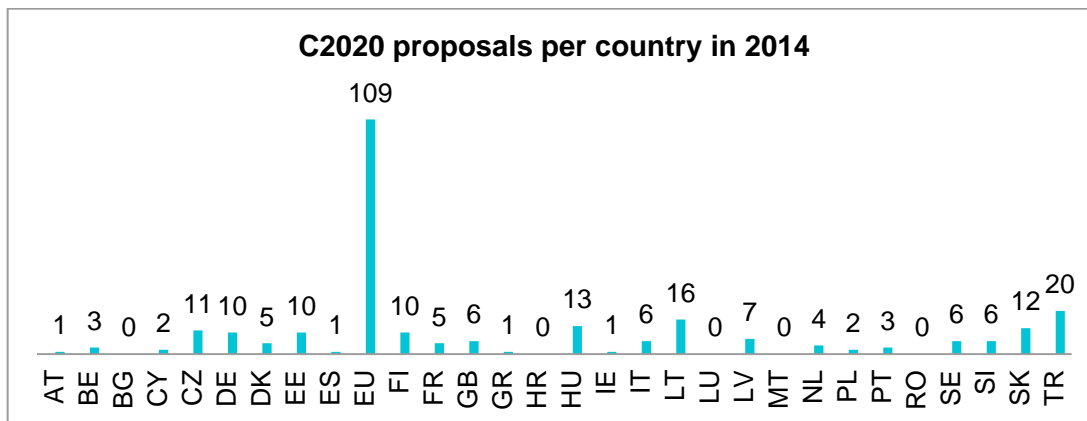
If we look at the evolution of proposals over time (Figure 9), we can see that their number was steady in the period 2011-2013. 2014 as the year of transition to the new programme meant that all proposals for ongoing activities had to be re-launched, which led to the great increase in the number of proposals treated in the year. The change in rules surrounding working visits also had an impact on the total number of proposals. Whilst in the period before 2014 all the working visits were covered by a single proposal, under the Customs 2020 programme each business case for a working visit is treated as a separate proposal.

**Figure 9: Number of new proposals approved under the programme (without Working Visits)**



At the level of the teams, as expected, most of the proposals for activities were initiated by DG TAXUD units (marked EU in the Figure 10). The national programme teams mostly submitted proposals for working visits, and here too we can observe in Figure 10 the difference among the administrations in the level to which they pro-actively utilise the programme.

**Figure 10: Overview of successful proposals under the Customs 2020 programme per initiating country in 2014**



## 5. PROGRESS IN RELATION TO THE OPERATIONAL OBJECTIVES

The Performance Measurement Framework contains a list of output and result indicators measuring the performance across the programme, broken down according to the five operational objectives under the programme.

The purpose of these indicators, visible in the Figure 12, is to give a meaningful overview of the state of the performance of programme activities under these operational objectives in the period covered by the Progress Report.

The indicators for each objective, with some additional information provided, are discussed in separate chapters that follow.

### 5.1 Table of indicators

#### Figure 11: How to read the indicators table?

##### How to read the indicators table?

**Programme Objective:** mention of the relevant operational objective out of the five operational objectives of the Customs 2020 programme; in some cases in the beginning of the table there is not one relevant operational objective as the indicator has a cross-cut programme wide relevance.

**Indicators title:** a title given to a group of related indicators for easier reference and understanding

**(Sub) indicators:** a description of each individual indicator, often with some additional information on its measurement.

**Type:** describes whether it is an output (O) or a result (R) indicator

**Source:** describes where the data is coming from: PMF surveys (see abbreviations in Figure 2), ART (programme management tool and database) or business units of the European Commission.

**Baseline:** where available, the starting measurement against which a progress can be measured. In the case of data collected with the PMF surveys, this year's data will serve as the baseline for future progress reports. For other data, whenever it was possible or meaningful, the last measurements were used. N/A or 'non available' is mentioned wherever the baseline does not yet exist and 2014 measurement will serve this purpose for the future.

**Target:** an ambitious, but achievable goal set for the programme. Whenever an indicator refers to a project with an already established target (for example, in the area of IT), this target was used. Where no prior historical records are available, a stable value or growth was set as the target for this and next year. After this period, once comparative data for these indicators becomes available, it



might be possible to set numerical targets.

**Reference period:** period covered by the indicator. Not to be confused with the timing of the collection of the data, which can often fall outside this period.

**2014 value:** measurement obtained in the reference period in 2014

**Direction:** a simplified system of symbols used to show whether the observed direction is in line with the expectations, needs additional monitoring or urgent follow-up.

**Table 12: Customs 2020 indicators at output (O) and result (R) level**

Performance Measurement Framework - Customs 2020										
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction	
No particular operational objective relevant but programme-wide, across all operational objectives relevant	Collaboration robustness between programme stakeholders resulting from Joint Action activities	Extent to which the target audience is aware of the programme	R	Prog Poll	2014-2015	Prog Poll C2013 65.7%	75%	50.85%	☹️	
		Degree of networking generated by programme activities	R	Prog Poll	2014-2015	Prog Poll C2013 Q 1: 94% Q 2: 84%	Q1: 90% Q2: 85%	Q1: 95.48% Q2: 86%	☺️	
		Q 1: Did the activity provide you a good opportunity to expand your network of and contacts with officials abroad? (percentage agreeing) Q 2: Have you been in contact for work purposes with the officials you met during this activity since the activity ended? (percentage agreeing)	R	EAF	Apr - Dec 2014	-	Q1: 96.58% Q2: 71.53%	Q1: 96.58% Q2: 71.53%	☺️	
	Extent to which JA (that sought to enhance collaboration between participating countries, their administrations and officials in the field of customs) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	Extent to which programme outputs (e.g. guidelines or training material) are shared within national administrations	Extent to which the target audience is aware of the programme	R	AFF	Apr - Dec 2014	Q1: N/A	Q1: N/A	Q1: 81.01%	
			Q 1 (AFF): Were the outputs of the action shared in national administrations? (percentage agreeing) Q 2 (EAF): Further to your participation in this activity, did you share with colleagues what you learned? (percentage agreeing)	R	EAF		Q2: 94% C2013 Prog Poll	Q2: 90%	Q2: 95.58%	☺️
		Extent to which JA (that sought to enhance collaboration between participating countries, their administrations and officials in the field of customs) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	Apr - Dec 2014	-	N/A	Grow or stable	2.91	
			R	AFF Work	Apr - Dec	N/A	Grow or stable	3.55		

Performance Measurement Framework - Customs 2020									
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction
				Visits	2014				
	Analysis	Number of studies produced (total for the programme)	O	AFF	Apr – Dec 2014	N/A	Grow or stable	16	
			O	AFF Work Visits	Apr – Dec 2014	N/A	Grow or stable	43	
<u>Operational objective:</u> To support the preparation, coherent application and effective implementation of Union law and policy in the field of customs	The Union Law and Policy Application and Implementation Index	Extent to which JA (that sought to support/ facilitate the preparation, application and/or implementation of a specific piece of new (or revised) customs law or policy) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	Apr – Dec 2014	N/A	Grow or stable	3.17	
			R	AFF Work Visits	Apr – Dec 2014	N/A	Grow or stable	3.75	
			R	EAF	Apr – Dec 2014	N/A	Grow	94.04%	
			R	EAF	Apr – Dec 2014	N/A	80%	90.90%	
			R	EAF	Apr – Dec 2014	N/A	80%	98.12%	
			O	ART	Apr – Dec	N/A	Grow or stable	67	

Performance Measurement Framework - Customs 2020									
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction
		application of (a specific piece of new or revised) customs law			2014				
		Number of recommendations (R) / guidelines (G) / other outputs (O) issued further to a JA	O	AFF	Apr - Dec 2014	N/A	Grow or stable	266 (R) 9 (G) 385 (O)	
			O	AFF Work Visits	Apr - Dec 2014	N/A	Grow or stable	34 (R) 3 (G) 51 (O)	
		Number of monitoring visit reports issued on time (within three months after the end of the visit)	O	EC	2014	2013 (100%)	N/A	0%	☹️
	Tariff classification	Time taken for the resolution of divergent tariff classification cases further to programme activities: (A) Average time for solving cases, (B) Percentage of all new cases solved within 6 months, (C) Percentage of all new cases solved within 1 year	R	EC	2014	2013: (A) 10 months (B) 45% (C) 93%	(A) 10 months (B) 60% (C) 100%	(A) 9 months (B) 70% (C) 95%	😊️
	Scientific Customs	Number of participants in the customs laboratories activities organised under the programme	R	ART	2014	N/A	Grow or stable	223	
	Performance monitoring actions	Number of monitoring visits resulting in recommendations	R	EC	2014	4 (2013)	Lower or stable	6	😊️
		Number of recommendations made to a Member State after a visit and their follow-up	R	EC	2014	34 (2013)	Lower or stable	5 (partial data)	☹️
		Number of recommendations made to the Commission after a visit and their follow-up	R	EC	2014	15 (2013)	Lower or stable	8 (partial data)	☹️

Performance Measurement Framework - Customs 2020									
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction
Operational objective: To develop, improve, operate and support the European Information Systems for customs	Enhanced availability, reliability and/or quality of (specific) Union components of EIS and the CCN	Availability of centralised IT customs applications (CIS) and NCTS, ECS and ICS during business hours (%)	R	EC	2014	2013: CIS: 99.1% NCTS, ECS and ICS (98)	CIS: 97% NCTS, ECS and ICS: 99%	CIS: 99% NCTS: 99.15% ECS: 99.3% ICS: 99.33%	☺
		Availability of CCN overall (%)	R	EC	2014	99.94%	98% (regulation)	99.00%	☺
	System performance indicator:	Activity indicators	R	EC	2014	2014 (2013 values were 30% lower)	Grow or stable	Over 2.7 billion messages. 4.3 Terabytes of applications on data	☺
Stakeholders' assessment of JAS / events	Extent to which JAs (that sought to enhance the availability, reliability and/or quality of (specific) Union components of EIS) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)		R	AFF	Apr - Dec 2014	N/A	Grow or stable	3.16	
		Participants' views on the extent to which a JA (that sought to enhance the availability, reliability and/or quality of (specific) Union components of EIS) (has) achieved its intended result(s) (percentage of those	R	AFF Work Visits	Apr - Dec 2014	N/A	Grow or stable	3.7	
			R	EAF	Apr - Dec 2014	N/A	Grow	92.98%	

Performance Measurement Framework - Customs 2020									
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction
		who replied 'fully' or 'to large extent')							
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr - Dec 2014	N/A	80%	92.63%	
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	Apr - Dec 2014	N/A	80%	98.95%	
	New (components of) IT systems indicators	Number of IT projects in the phase research	O	EC	2014	2014 data	N/A	9	
		Number of IT projects in the phase development	O	EC	2014	2014 data	N/A	5	
		Number of new IT systems in operation	O	EC	2014	2014 data	N/A	1	
		Ratio of IT projects in status "green"	O	EC	2014	2014 data	Grow or stable	50%	
	Existing IT systems indicator	Number of European Information Systems in operation, as per Annex 1 of the Customs 2020 Regulation	O	EC	2014	2014 data	Grow or stable	39	
		Number of modifications on IT systems in operation following business requests	O	EC	2014	2014 data	N/A	411	
		Number of modifications on IT systems in operation following corrections	O	EC	2014	2014 data	N/A	1573	
Degree and quality of support provided to MS indicators	Number of occurrences where the service desk is not joinable	O	EC	2014	SLA provision	SLA provision	0		😊
	Percentage of service calls answered on time	O	EC	2014	SLA provision	SLA provision	98.95%		😊

Performance Measurement Framework - Customs 2020										
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction	
Operational objective: To identify, share and apply best working practices and administrative procedures, in particular to further benchmarking activities	Stakeholders' assessment of JAs / events	Extent to which JAs (that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	Apr - Dec 2014	N/A	Grow or stable	3.25		
			R	AFF Work Visits	Apr - Dec 2014	N/A	Grow or stable	3.42		
			R	EAF	Apr - Dec 2014	N/A	Grow	94.88%		
			Participants' views on the extent to which a JA (that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr - Dec 2014	N/A	80%	94.88%	
			Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr - Dec 2014	N/A	80%	98.30%	
			Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	Apr - Dec 2014	N/A	Grow or stable	28 (G) 80 (R)	
			Number of guidelines (G) and recommendations (R) issued by participating countries in their national administrations following activities relating to modern and harmonized approaches to customs procedures	R	EAF	Apr - Dec 2014	N/A	Grow	50.42%	
		Best Practices and Guideline Index	Percentage of participants that made use of a working practice and/or administrative procedure/guideline developed/shared with the support of the programme	R	EAF	Apr - Dec 2014	N/A	Grow	94.01%	
	Percentage of participants that disseminated a working practice and/or administrative procedure/guideline developed/shared produced with		R	EAF	Apr - Dec 2014	N/A	Grow			

Performance Measurement Framework - Customs 2020									
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction
		the support of the programme in their national administration							
		Percentage of participants which declare that an administrative procedure/working practice/guideline developed/shared under the programme led to a change in their national administration's working practices	R	EAF	Apr - Dec 2014	N/A	Grow	83.76%	
		Number of actions under the programme organised in this area	O	ART	Apr - Dec 2014	N/A	Grow or stable	85	
		Number of working practices/administrative procedures (AP) developed/shared	O	AFF	Apr - Dec 2014	N/A	Grow or stable	1 (AP)	
		Number of actions which had outputs used for a benchmarking activity as declared by the action managers	O	AFF Work Visits	Apr - Dec 2014	N/A	Grow or stable	35 (AP)	
		Extent to which key new C2020 European Information Systems / system components, as per the C2020 Regulation, aimed at increasing interconnectivity and moving to a paper-free customs union are being used (number of movements, in millions)	O	AFF	Apr - Dec 2014	N/A	Grow or stable	0	
	Exchange of information on new C2020 systems /system components		R	EC	2014	2013: 10.19m (NCTS) 13.39m (ECS) 41.28m (ICS)	Grow	10.2 m (NCTS) 13.47m (ECS) 41.45m (ICS)	😊
	Networking and cooperation	Number of face to face meetings (total for the programme)	O	ART	Apr - Dec	443 (2013)	Grow or stable	265 (C2020)	😐



Performance Measurement Framework - Customs 2020										
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction	
<p><u>Operational objective:</u> To reinforce skills and competencies of customs officials</p>	User engagement on PICS	Number of on-line collaboration groups (PICS) (total for the platform)	O	EC	2014	(2013) 110	Grow	199	😊	
		No of downloaded files from PICS (total for the platform)	O	EC	2014	(2013) 13564	Grow	73200	😊	
		No of uploaded files on PICS (total for the platform)	O	EC	2014	(2013) 3445	Grow	5521	😊	
	The Learning index	Number of EU eLearning modules used by participating countries (combined number of all modules used in each country)	R	EC	2014	N/A	Grow	174		
		Average training quality score by customs officials (on a scale of 100)	R	EC	2014	N/A	Grow	73.3		
	Percentage of officials that found that the IT training met their expectations (percentage of those who replied 'fully' or 'to large extent')	Percentage of officials that found that the IT training to be useful (percentage of those who replied 'very useful' or 'useful')	Number of customs officials trained in IT trainings	R	ART	Apr - Dec 2014	N/A	Grow or stable	124	
			Percentage of officials that found that the IT training met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr - Dec 2014	N/A	Grow or stable	94.62%	
			Percentage of officials that found that the IT training to be useful (percentage of those who replied 'very useful' or 'useful')	R	EAF	Apr - Dec 2014	N/A	Grow or stable	98.92%	
		Number of officials trained by using EU common training material	R	EC	2014	24 511 (total number upto and including 2013)	Grow	4 776	😐	

Performance Measurement Framework - Customs 2020											
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction		
<p><u>Operational objective:</u> To improve cooperation between customs authorities and international organisations, third countries, other governmental authorities, including Union and national market surveillance authorities, as well as economic operators and organisations representing economic</p>		Number of IT training sessions organised for given systems / components	O	ART	Apr - Dec 2014	N/A	Grow or stable	22			
			O	EC	2014	15 (2013)	Grow or stable	15	😊		
	<p>The Cooperation with third parties Indicators</p> <p>Stakeholders' assessment of JAs / events</p>	Average training quality score by other users (e.g. traders and individuals) (on a scale of 100)	R	EC	2014	N/A	Grow	64			
			Number of partner countries that the Customs Union exchanges information with via IT systems	R	EC	2014	2014 data	Grow or stable	9		
		Extent to which JAs (that sought to support cooperation between customs authorities and IOs, third countries, other governmental authorities, economic operators) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	Apr - Dec 2014	N/A	N/A	Grow or stable	2.36		
			Participants' views on the extent to which a JA (that sought to support cooperation between customs authorities and IOs, third countries, other governmental authorities, economic operators) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')	R	AFF Work Visits	N/A	N/A	N/A	N/A	Insignif. sample	
			Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	Apr - Dec 2014	N/A	Grow	95.38%		
			Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	Apr - Dec 2014	N/A	80%	93.64%		
	R	EAF	Apr - Dec 2014	N/A	80%	98.84%					

Performance Measurement Framework - Customs 2020									
Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Reference period	Baseline	Target	2014 value	Direction
operators.		Number of programme actions supporting the operational objective relating to cooperation with 3 <sup>rd</sup> parties	O	ART	Apr – Dec 2014	N/A	Grow or stable	22	
		Number of downloaded e-learning courses by economic operators and others via Europa.eu website	O	EC	2014	31 671 (total number upto and including 2013)	Grow	3 219	☹️

## 5.2 Cross-cut indicators: collaboration robustness between programme stakeholders

The first section of the table of indicators contains a number of programme-wide indicators measuring awareness, networking, the use of outputs and the achievement of results by the Joint Actions.

**Raising awareness** about the programme and its potential among the target audience is an important precondition to fulfilling the programme's objectives. The awareness is measured through the Programme Poll, which is distributed in all the customs administrations of the participating countries every 18 months. The last Programme Poll took place between July and September 2015 and close to 3000 customs officials participated. Out of this number, around half were aware of the programme, which represents a drop from 65% who were aware of the programme during the previous poll in 2011. There could be several explanations for the lower awareness. There were fewer participants in the programme activities in 2014 than in 2011 (a drop of nearly one third), and many of the 2014 participants had already been asked to fill out other surveys under the framework, which could have led to fewer of them participating in the current programme poll. Even though these factors could have played a part in the obtained results, the programme should nevertheless address this drop and take actions aimed at raising awareness among general customs audience. A better communication policy towards the national stakeholders and a better distribution of programme outputs could be potentially beneficial actions in this respect.

**Networking** is an important by-product of the participation in programme activities. Meeting fellow officials from other countries and maintaining professional contacts with them facilitates the exchange of best practices and better functioning of the Customs Union. Results of the Event Assessment Form survey suggest that while nearly all the participants found programme activities to represent a good opportunity to create such useful contacts abroad, only 70% have maintained these contacts (the target is 85%). This analysis is improved once we compare the same measurement obtained by the Programme Poll (86%). This could be due to the greater time lapse that is captured in the programme poll as compared to the EAF survey. However, it seems there is room for improvement in facilitating networking immediately after programme activities have taken place, for example by fostering better online collaboration as a means of staying in touch.

The sharing of the **programme outputs** (such as recommendations, guidelines, studies etc.) is rather high, but there is a noticeable difference in answers provided by action managers (81%) and participants (95%). This could be partly explained by action managers not always being informed of the sharing of outputs that takes place nationally. A more structured and transparent way of sharing would facilitate this process and increase the findability of programme outputs by non-participants.

The three topics discussed above all share similar challenges connected to awareness and sharing of information. DG TAXUD is preparing a programme communication strategy to be finalised in the near future, the aim of which will be to improve communication on the programme and its activities to stakeholders. A knowledge management policy for the use of programme outputs is likewise planned to be created, which would open up the programme outputs to new users and should facilitate the sharing and findability of programme outputs.

Lastly, in this section we take a general look at the achievement of results as reported by the action managers of Joint Actions. In the case of most project groups, the action managers are DG TAXUD policy experts, while for the working visits these are national customs officials. The level of achievement of results in 2014 is evaluated on a scale from 0 (not achieved) to 4 (fully achieved) at the end of the action against the anticipated results. Since most project groups last for several years, it is to be expected that the level of achievement of results should be below maximum in this year. In the case of working visits, whose results usually take shorter time to be achieved, we can expect somewhat higher reported values. The obtained indicators for 2014 confirm this. The value of 2.91 for Joint Actions indicates that the action managers are very satisfied with the progress obtained within their groups in 2014 and that their work is on track toward the planned final results. The participants to Joint Actions were equally asked to evaluate the achievement of planned results, and their replies confirm the situation reported by the action managers. For Working Visits, the indicator

is expectedly higher, indicating that these participants are highly satisfied with the business value obtained from the working visits.

### **5.3 Objective 1: to support the preparation, coherent application and effective implementation of Union law and policy in the field of customs**

There were 67 Joint Actions, mostly project groups and working visits, organised under this objective. Some of the most important issues covered by them include tariff classification, customs laboratories and monitoring actions.

*The Union Law and Policy Application and Implementation Index* provides a comprehensive overview of the performance of the **Joint Actions** organised under this objective. The main indicator relates to the level of achievement of expected results, as they were identified prior to the activity and later evaluated by their action managers. The obtained value of 3.17 indicates that the action managers are very satisfied with the progress obtained within their groups in 2014. Such a positive evaluation is also confirmed by the participants to Joint Actions, who have also expressed very high levels of satisfaction with the activities in terms of 'meeting their expectations' and 'being useful'. The working visits organised under this objective have also been evaluated very highly by their participants. The two output indicators included in this group have given us also first insights into the number of recommendations and guidelines produced under the programme. It is worth clarifying that the recommendations and guidelines are counted here individually, rather than by the number of documents containing them. Under 'other outputs', we count studies, reports, measures, presentations and other reported types of outputs. While the high numbers can already indicate that the activities have served the purpose of producing both recommendations and guidelines, as well as other types of outputs, it will take additional years of measurement to place these numbers in an appropriate perspective. Future fluctuations in these indicators, however, need to be interpreted carefully, as not every recommendation or guideline is equally important.

**Monitoring visits** are carried out by joint teams of customs officials to analyse national customs practices, identify difficulties in implementing the rules and make suggestions for improvement. In 2014, there were 6 monitoring visits. Five visits concerned monitoring of the implementation of Integrated Tariff of the European Communities (TARIC) and they were conducted in Germany, Greece, Poland, France and Spain, as the countries with the highest number of import declarations. These five visits also completed the cycle of TARIC monitoring visits as there are no further visits envisaged for foreseeable future. An additional monitoring visit in 2014 was made to Croatia concerning tariff quotas and surveillance. The guidelines on monitoring visits recommend that reports are issued within three months following the end of the visit. In 2014, none of the visits found any significant breaches and were deprioritised, leading to publication later than three months. The data is currently available for only one monitoring visit, as a result of which 5 recommendations were made to the Member States and 8 to the European Commission.

In the area of **scientific laboratories**, in 2014 the programme funded altogether 17 Joint Actions. You can see the full list of actions in the part of this report dedicated to the European Customs Laboratories AWP project. There were 223 national customs officials and experts attending the events organised under the programme for customs laboratories in 2014 (37 participants in the first three months under the Customs 2013 programme and 186 participants in the remaining part of the year under the Customs 2020 programme). The number of participants is an indicator of the interest and perceived value of the programme activities on customs laboratories by the national administrations. The national administrations choose voluntarily to send their participants to programme activities based on their need and interest. The 2014 figures will serve as a baseline for monitoring future trends. 99 % of the participants attending the events on customs laboratories organised under the Customs 2020 programme replied that the events were useful or very useful to them professionally, and 98% replied that the activities achieved their intended results 'fully' or 'to a large extent', which confirms the perceived value of these activities by the national administrations.

Further indicators in the area of customs laboratories are in the process of being established with the relevant business unit in DG TAXUD. The proposed indicators would collect information on the national use of the outputs of the activities on customs laboratories. These indicators will be discussed with the participating countries and, if proven feasible to obtain, included in the future Programme Progress Reports.

In the area of **tariff classification**, the programme is organising and funding a number of project groups where preparatory work for the resolution of divergent classification cases takes place prior to submitting these cases to the Customs Code Committee for final decision.

We can observe that there has been a positive development in this indicator compared to 2013, with the average time for solving cases being cut by one month and a significant increase achieved in the number of solved cases in the first six months. This is a result of the continuous efforts that have been made in this area to improve the treatment of cases and rationalize procedures. In 2014 several such actions were undertaken, such as the development of the vote by written procedure in the Customs Code Committee and development of an internal database and reporting tool to closely monitor the management of pending files and facilitate the identification of problematic files.

It is believed that further necessary improvements could be achieved by utilising a new type of joint action introduced with the Customs 2020 programme – the expert teams. A proposal (business case) for an expert team pooling expertise to resolve complex cases of divergent tariff classification has been included in the 2016 AWP, to be further subject of an implementation plan and a specific grant agreement.

#### **5.4 Objective 2: to implement, improve, operate and support the European Information Systems for customs**

The great majority of the programme funding is spent on the **European Information Systems**, which are of critical importance for the well-functioning of the customs union. The list of the existing EIS is included in the Annex II of the Customs 2020 Regulation, while those planned for development are included in the Electronic Customs Multi-Annual Strategic Plan MASP, a document drawn up by the European Commission in partnership with Member States in accordance with Article 8(2) of the e-Customs decision<sup>5</sup>.

The first indicator in this section looks at CCN/CSI (common communication network/common systems interface), which offers all national administrations a coherent, robust and secure method of access to the EIS. The Annex I of the Customs 2020 Regulation stipulates that the CCN should be available 98% of the time. We can observe that while the target from the regulation was reached in 2014, there was a slight deterioration in the network availability compared to the previous year. This was due to the relocation of the CCN equipment to DG TAXUD's new Data Centres in September and October of 2014.

The availability of the specific Union components of the EIS, namely the centralised IT customs systems and the three key systems (NCTS, ECS and ICS) has both surpassed its target and bettered its performance as compared to the baseline (2013).

The general system activity indicator tells us more on the overall use of the network. Over 2.7 billion messages or 4.3 Terabytes of application data were exchanged via the network in 2014, which represents an increase of 30% over 2013. This increase is due to three main reasons: new systems were added to the network, updates were made to the existing systems which facilitated the exchange of information, and Croatia joined the network.

For the **existing EIS applications**, mentioned in the Annex II of the Customs 2020 Regulation, we can see that all 39 of them have been in operation in 2014. Regular check-ups and updates were performed on them throughout the year, with 411 business evolutive changes and 1573 corrective changes taking place, as part of 117 separate releases. We can also observe that the service desk

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<sup>5</sup> Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless customs environment for customs and trade, OJ 2008, N° L23, p. 21.

was performing well and in line with the Service Level Agreements with nearly all calls (98.85%) answered on time.

The Electronic Customs Multi-Annual Strategic Plan MASP lists a number of **future EIS** linked to new developments in several customs policy areas, but mainly in view of the implementation of the Union Customs Code. At the level of the output indicators, we can see that one new IT system was rolled out in 2014, this is the EU Single Window Common Veterinary Entry Document (CVED) Phase 1. The EU SW CVED project is part of the wider Single Window initiative and aims to establish a link between Member States' customs with the DG SANCO TRACES system for data access, checking and notification of a customs declaration. Eight member states have expressed interest in using this system, two out of which have so far completed successfully their conformance tests and entered production in 2015. Another five new IT systems entered the development phase in 2014. The development phase can be considered as covering such activities as preparatory phase (analysis and design), construction (implementation and testing) and transition phases. These systems are linked to Customs Decisions, Uniform User Management and Digital Signatures, Registered Exporter System (REX), CCN2 network and SPEED2 system for Authorised Economic Operators – Mutual Recognition. At the same time, nine systems were in the research or the inception phase, which covers such aspects as business modelling requirements (e.g. feasibility study and proof of concept). Most of these systems were linked to the UCC implementation.

In total, a half of the MASP IT projects were in the so-called green status, meaning they were progressing in line with the requirements, time and budget limitations. Among the remaining half of the MASP projects, most were not yet scheduled to start in 2014 and a smaller number of projects were delayed due to additional legal or business clarifications needed.

At the level of Joint Actions that were organised in relation to the EIS, these were mostly project groups and working visits. The project groups included IT systems development group (ITSD), IT technology and infrastructure group, Customs Business Group and Electronic Customs Coordination Group (ECCG). The stakeholders' assessment of these actions was positive and in line with the average assessment provided under the programme.

### **5.5 Objective 3: to identify, develop, share and apply best working practices and administrative procedures, in particular further to benchmarking activities**

The development, sharing and application of best working practices and administrative procedures takes place at several levels in the programme. It is done through Joint Actions, European Information Systems and the online collaboration platform PICS.

At the level of **Joint Actions**, it represents the biggest number of Joint Actions under the programme for which this is their primary objective (85) or secondary objective (47). Partly overlapping with these Joint Actions, there were also 11 benchmarking Joint Actions, where two or more national administrations worked together to undertake systematic research, analysis and comparison to identify and learn from best practice, as well as 60 Joint Actions where outputs of activities were used for modern or harmonised approaches to customs procedures. All face-to-face meetings organized under the programme can also be seen as contributing to the sharing of best practices. We can observe that there were 265 face-to-face meetings organized under the programme in 2014 (or 338 in total if we add previous meetings in the year 2014 organized under Customs 2013 programme), which was lower than in the previous years: 443 such meetings were organized in 2013 and 428 in 2012.

If we look at the outputs produced by the Joint Actions under this objective and their distribution, we can observe that there were 36 best working practices and administrative procedures developed (as reported by action managers), as well as 28 guidelines and 80 recommendations issued by the

Member States following programme activities relating to modern and harmonised approaches to customs procedures (as reported by the participants). While the high numbers can already indicate that the activities have served the purpose of producing outputs in this area, it will take additional years of measurement to place these numbers in an appropriate perspective. In 2014, there were no Joint Actions organised under this objective that had outputs used for a benchmarking activity (as declared by action managers). However, there were 11 Joint Actions organised under other programme objectives whose outputs were used for benchmarking activity.

We can be satisfied with the dissemination of programme outputs by the participants, which is high, with over 94% of the participants who declare to have distributed programme outputs nationally. The effect of these outputs nationally is also significant, with 84% of the participants declaring that the programme outputs led to a change in their national administrations' working practices. However, the number of participants who have personally made use of them is only slightly above 50%. This can be partly explained by the fact that not all of the programme outputs are meant to be directly used by the programme participants (but rather by others in the national administrations). Or, this measurement could also be an indication of a need for better knowledge management of programme outputs and the need to increase their findability and usability nationally.

The working practices and administrative procedures are also exchanged automatically, namely by those key **European Information Systems** that are aimed at increasing interconnectivity and moving to a paper-free customs union. These three key systems are the computerised systems for transit (NCTS), export (ECS) and import (ICS). They are crucial for the functioning of the customs union. We can observe that their usage by national administrations remains high and that they are functioning properly. The numbers of tracked movements on the systems have slightly increased compared to previous year (2013), while the systems have maintained very high availability rates.

In the area of **online collaboration**, we are looking at the use of the Programme Information and Collaboration Space - PICS. This platform is used by many DG TAXUD and national customs officials to facilitate the running of Joint Actions, but also for other, non-programme related collaboration needs. We can see that the total number of online collaboration groups (both customs and tax) on the platform has increased significantly during 2014, from 110 to 199. Similarly, the number of active users has increased from 1400 in 2013 to roughly 2400 by the end of 2014. Not all users and groups have classified themselves, but from those that have, we know that the ratio between customs and tax users on the platform is roughly evenly split. The new statistical module and the new taxonomy introduced in 2015 will allow for richer and more precise data to be available in the future Progress Reports. Besides online groups where discussions and content sharing takes place, PICS is also used for file sharing. Here we can observe an important increase in the number of uploaded files (60%) and especially in the number of downloaded files (5-fold increase), testifying to a significant rise in the use of PICS for file sharing purposes.

In order to meet the increased need for and user expectations of online collaboration, DG TAXUD started to implement in 2015 a number of evolutive changes on the platform with the aim to introduce new functionalities and increase user-friendliness. PICS is expected to become a simpler and more efficient tool for users due to technical improvements, but also due to increased user support and training. This should translate into greater use of the tool's potential and positive impact on efficiency and policy implementation. A more advanced common sharing space will provide better opportunities for knowledge management and sharing between isolated activities.

## **5.6 Objective 4: to reinforce skills and competencies of customs officials**

Under this objective, we are measuring indicators related to the use of the different types of training and human competency building provided under the programme: the e-Learning courses and the commonly developed training materials, the Customs Competency Framework and the IT trainings



for European customs IT systems. There are also other types of activities with a learning dimension organised under the program, such as seminars and working visits. However, they are assessed in relation to their primary business objective and reported on in other chapters.

The Customs 2020 programme finances the development of **eLearning courses** on topics of common interest in collaboration with customs administrations and representatives of trade. Such courses support the implementation of EU legislation and ensure the dissemination of good customs practices throughout the European Union. During 2014, there were no new courses released, meaning that their number remained stable at 15. These courses are incorporated into national training programmes by the participating countries according to their need. In 2014, the combined number of various eLearning courses used by the participating countries was 174. This indicator is obtained by adding together the number of modules used in each country. The most popular eLearning courses were the Car Search (used by 22 countries), Container Examination (used by 19 countries) and Drug Precursor Controls for Customs (used by 17 countries). These courses have also been the highest ranked courses in terms of national administrations' satisfaction and the most localized courses in various European languages. In 2014, 4776 customs officials were trained within their national administrations using the eLearning courses developed under Customs 2020 programme.

The customs officials were asked to report back on the quality of the training courses using the internationally recognised Kirkpatrick training scale<sup>6</sup>. The trainees were requested to score, on a scale of 100, the relevance of the courses, the achievement of their learning objectives, the learning retention and the 'user-friendliness' of the course. We can see that the average score indicates a rather high level of satisfaction by customs officials (73.3 points).

In 2014, the work on the **Customs Competency Framework (CFW)** was finalized. This framework was developed by DG TAXUD in collaboration with public and private experts from EU Member States, the World Customs Organization (WCO) and other international sources. Its primary objective is to help harmonise and raise customs performance standards throughout the EU by providing tools to map and adapt the agreed EU Customs competencies and role descriptions to varying organizational and structural customs realities, for both national administrations and businesses. Since October 2014, the EU Customs CFW is available in 22 EU languages for national implementation. While much of the work on establishing the CFW was finalised during 2014, the roll out of the framework into the national training programs begins in 2015. For this reason, the indicators relating to the Customs Competency Framework are not included in this report, but will be included in the future Progress Reports.

In 2014, there were also 22 **IT training sessions** organised by DG TAXUD for national customs officers on how to use various European customs IT Systems, such as: CCN CSI, CRMS PCA, ECICS, EBTI-3, COPIS and ISPP. In total, 124 customs officers were trained in these sessions, which have received very positive feedback from the participants in terms of their usefulness and meeting the participants' expectations.

## **5.7 Objective 5: to improve cooperation between customs authorities and international organisations, third countries, other governmental authorities, including Union and national market surveillance authorities, as well as economic operators and organisations representing economic operators**

Under this objective, we look at the Joint Actions that sought to support cooperation with third countries, the use of training outputs by economic operators and the use of European Information Systems for exchange of information with third countries.

In total, there were 22 **Joint Actions** organised under this objective, mostly project groups, workshops and only one working visit. The participants' feedback on 'fulfilled results', 'met expectations' and 'usefulness' is positive. The action managers, however, have reported below average level of achievement of expected results, when compared to the same programme-wide indicator. This should be interpreted carefully, as the sample size is much smaller than under other

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<sup>6</sup> [http://www.wa.gov/esd/training/toolbox/tg\\_kirkpatrick.htm](http://www.wa.gov/esd/training/toolbox/tg_kirkpatrick.htm)

objectives, and this result seems to be influenced by a few isolated cases where the level of progress achieved with external partners was impacted by external political factors (Ukraine, Russia) or due to lower level of commitment by external partners. The data for 2015 should shed more light on whether the slower progress in those cases was only temporary.

In the area of **exchange of information through IT systems** with third countries, there were 9 such countries in 2014: Japan, USA, Norway, Iceland, Switzerland, Liechtenstein, Andorra, San Marino and Turkey. With some of these partner countries the information exchanged concerned transit movements (NCTS), while with others it concerned the authorised economic operators (AEOs). The 2014 figures will serve as a baseline for monitoring the future progress in exchange of information through IT systems with third countries.

Some of the same **eLearning courses** discussed under Objective 4 are also publicly available for download through the Europa website, where they are mostly consulted by economic operators. During the year, these courses were downloaded 3219 times, which testifies to their popularity with the economic operators. The economic operators were also asked to report back on the quality of the training courses using the Kirkpatrick training scale. Their average score (64) indicates their overall positive evaluation.

## 6. PROGRESS IN RELATION TO THE ANNUAL WORK PROGRAMME

### 6.1 Introduction

The Annual Work Programme (AWP) is a strategic and budgetary frame for the setting up of actions to be financed by the Customs 2020 programme. The Customs 2020 Committee provides its formal opinion on the AWP before its adoption by the Commission.

The core part of the AWP consists of several projects, which are grouped in function of the Customs 2020 programme's specific objective area to which they will mainly contribute. All activities under the programme are organised to support the achievement of the objectives of these projects. The list of AWP projects is drawn up by DG TAXUD and the participating countries by taking into consideration the priorities of the Union Customs Policy.

The 2014 AWP consisted of 53 projects. In the chapter below, we have included two projects per each part of the specific objective of the programme (8 AWP projects in total), with additional information on their work and achievement during 2014. The selected projects are representative of the type of AWP projects initiated under each part of the specific objective. The summaries of projects are provided by the action managers and highlight the main actions and their results.

### 6.2 Specific Objective part 1 – to protect the financial and economic interests of the union and of the member states – selection of projects

Specific objective:
To protect the financial and economic interests of the Union and of the Member States
Title of the AWP Project:
<b>Correct implementation of the preferential rules of origin</b>
Description of the project:
Based on their origin, a wide range of goods can benefit from preferential duties at importation into the European Union. However, to ensure fair trade and a proper functioning of preferential arrangements, it has to be monitored whether the underlying rules and principles are applied in a correct way. In addition, not all procedures with respect to rules of origin are detailed within either the customs legislation or the protocol on rules of origin. In order to have an approximation in the working methods amongst Member States, best working practices need to be identified and developed and addressed through guidelines.

Actions initiated under the programme in 2014:	
<p>Seminars:</p> <ul style="list-style-type: none"> <li>➤ High-level seminar on the Regional Convention on preferential pan-Euro-Mediterranean rules of origin (CSM/001)</li> <li>➤ Revision of the preferential rules of origin in the Pan-Euro-Med Convention (PEM Convention) (CSM/002)</li> </ul> <p>Workshop:</p> <ul style="list-style-type: none"> <li>➤ Regional Workshop on Preferential Rules of Origin (MD, GE, UA) (CWS/016)</li> </ul> <p>Capacity Building:</p> <ul style="list-style-type: none"> <li>➤ Rules of origin - Papua New Guinea (CCB/001)</li> </ul>	
Expected results and their level of achievement:	
Divergences and problem areas in the application of the rules of origin are identified.	Achieved, to a large extent
Key actions for further harmonisation are planned.	Achieved
Origin experts are familiarised with the renewed concepts (non-alteration rule, accounting segregation, etc.).	Achieved, to a large extent
Union positions in the revision of the rules of origin in the Pan-Euro-Mediterranean (PEM) Convention are prepared.	Achieved, to a large extent
Guidelines for the use of customs authorities on certain working methods and concepts with respect to rules of origin are provided.	On-going
Summary of main outcomes:	
<p>Accounting segregation, duty drawback linked with inward processing or free zones, differences between bilateral, diagonal, full and extended cumulations are all instances where misuse may occur. These procedures or facilitations of trade have an impact on economic operators. This is why ensuring the same level playing field throughout the EU, and a full respect of the rules by the EU's partners when EU goods are imported into these partner countries, contributes significantly toward the credibility of the usefulness of free trade agreements.</p> <p>The seminars and the workshop on the rules of origin were used to define the scope of these different concepts, as well as to share good practices.</p> <p>The main results of the workshop and the seminars consist of promoting the EU customs policy in the partner countries, sharing experiences between participating countries and providing practical assistance in the implementation of EU best practices (e.g. in the case of the approved exporters' authorizations).</p> <p>As an example, the ratification of the regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin by Georgia, Moldova and Ukraine is one of the priorities in customs relations between the EU and these countries. The Workshop contributed to the ratification of the PEM Convention by the Republic of Moldova, which became party to the Convention on 1/09/2015.</p> <p>Exposing the rationale of the EU's position to the partner countries also strengthens the EU position in the pan-Euro-Mediterranean area (which includes 52 countries: EU, Turkey, Western Balkans, Eastern Partnership countries, EFTA countries and countries participating in the Barcelona process).</p>	

Specific objective:
To protect the financial and economic interests of the Union and of the Member States
Title of the AWP Project:

## Harmonised application of the European Union's provisions concerning the Integrated Tariff of the European Union (TARIC)

### Description of the project:

The first results of the monitoring exercise on the management of European Union tariff quotas and surveillance of goods have shown that errors in customs declarations are more frequent where TARIC measures are not applied in the validation rules of national clearance systems. Proper credibility checks with TARIC data on box 36, preferences codes, origin codes, commodity codes, tariff quota measures and order numbers need to be carried out to avoid wrong collection of due duties and to prevent granting preferences for releases for free circulation of goods that are not eligible to these preferences. To remedy this, problems and shortcomings need to be identified and solutions and recommendations issued. Training and awareness raising are also envisaged to enhance the uniform application of provisions on the Integrated Tariff.

### Actions initiated under the programme in 2014:

#### Monitoring visits:

- TARIC monitoring CMT/001
- Tariff Quotas and Surveillance Monitoring CMT/002

#### Project group:

- Implementation of credibility checks in customs clearance's systems CPG/007

#### Working Visit:

- Working visit on tariff classification to Slovakia by four Czech tariff classification experts (CWV/052)

### Expected results and their level of achievement:

Problem areas with the implementation of the TARIC3 system are identified.	Achieved
Shortcomings in the implementation of the related legislation are specified, variations in the application of TARIC measures are described.	Achieved
Proposals, recommendations are put forward to eliminate the discrepancies.	Achieved
Problem areas in the Customs Code in force and its implementing provisions are identified.	Achieved
Specific training needs are identified.	Achieved
Awareness is raised on the importance of the uniform application of TARIC measures is raised.	Achieved

### Summary of main outcomes:

Based on the facts discovered during the visit and on the responses to the questionnaire sent before the visit, the monitoring visiting teams composed of DG TAXUD and Member States' officials issued a total of 34 recommendations addressed to the visited Member State and 15 recommendations addressed to the Commission.

The Commission implemented 15 of the recommendations made, while the Member States implemented 28.

An EU Pilot file will be opened by the Commission as a consequence of the findings to one of the monitoring visits.

*(N.b. the figures are based on 4 monitoring visit reports. The figures may change once the*

remaining 5 monitoring visit reports are finished).

### 6.3 Specific Objective part 2 – to increase safety and security, and to protect citizens and the environment – selection of projects

Specific objective:
<b>To increase safety and security, and to protect citizens and the environment</b>
Title of the AWP Project:
<b>Operational working methods at the external border and in-depth controls</b>
Description of the project:
Common understanding of legal requirements and harmonised application of working methods stemming from the Union Customs Code and other legislative measures implemented by customs requires an intensive and systematic cooperation, exchange of information and sharing of best practices among the operational customs officials working for the protection of the European Union external borders (sea and waterways, land, air, including in-depth control). Eventually this should give rise to an equal level playing field amongst Member States' customs at the external borders. Member States without land or sea external borders have their role in the form of in-depth control in the protection of the European Union external borders.
Actions initiated under the programme in 2014:
Project groups: <ul style="list-style-type: none"><li>➤ Land Frontier Contact Group CPG/032</li><li>➤ RALFH Contact Group CPG/037</li><li>➤ ODYSSUD Contact Group CPG/038</li><li>➤ ICARUS Contact Group CPG/039</li><li>➤ Car Search case sharing_project group CPG/064</li><li>➤ EU Rummage Project Group CPG/080</li><li>➤ PG to prepare and evaluate the export control of dual use goods simulation CPG/084</li></ul>
Workshop: <ul style="list-style-type: none"><li>➤ Training on Passengers Control Profiling CWS/010</li></ul>
Working Visits: <ul style="list-style-type: none"><li>➤ Working visit on development of customs controls to Denmark by three Finnish experts working in Customs Goods and Transport Controls Unit (CWV/002)</li><li>➤ Working visit on reinforcement of operational working methods to Germany by one Finnish enforcement customs officer (CWV/018)</li><li>➤ Working visit on customs controls and ship inspections to the Netherlands by two German port control officials (CWV/020)</li><li>➤ Two working visits on mobile control units, one to Poland by seven Estonian experts, and the other one to Germany by three Estonian experts in charge of mobile control units on regional level (CWV/037)</li></ul>

- Working Visit on examination of the centralised system for bulk cargo to the United Kingdom by two Irish Customs facilitation managers and business manager for the National Customs declaration system (CWV/054)
- Working visit on administration and training issues of dog handlers' unit to Lithuania by five Latvian Customs experts from the dog handlers' unit (CWV/056)
- Two working visits on customs control of rough diamonds (Kimberley Process) to Belgium and Germany by Portuguese Customs legislation official and Customs licensing official (CWV/060)
- Working visit on control at the external border to Germany by two Lithuanian Customs experts in Customs coordination, control, inspection organization and risk management(CWV/063)
- Working visit on the customs dogs and dog handlers to Lithuania by four Estonian dog handlers (CWV/065)
- Working visit on the use of Import Control System (ICS) in an airport environment and perishable goods to the Netherlands by one French official (CWV/067)
- Working visit on Internet and customs to Germany by two Lithuanian customs officers (CWV/070)
- Working visit on uniform application of the successive customs procedures to Estonia by four Latvian customs controls experts (CWV/080)
- Working visit on training of cash detector dogs to Germany by three French customs experts (CWV/081)
- Working visit on customs procedures to Estonia by five Lithuanian customs officers (CWV/082)
- Working visit on airport controls to Finland by one German surveillance officer (CWV/085)
- Working visit on development of working methods in airport Customs' control group to Germany by one Finnish Customs officer (CWV/087)
- Working visit on working procedures of vessel rummage training centre in the United Kingdom by four French experts (CWV/091)
- Working visit on postal traffic control to the Spain by four Portuguese Customs highly positioned officials (CWV/101)
- Working visit on customs controls at the external borders to Latvia by two Estonian Heads of Customs borders office (CWV/114)
- Working visit on working methods at the external border to Estonia by four Hungarian Customs officials (CWV/115)
- Working visit on selection of shipment cases on the basis of the analysis risk system in the scope of customs controls to Estonia by one Italian officer (CWV/117)

Expected results and their level of achievement:

Identified problems are shared.	Achieved
Solutions are analysed and proposed.	Achieved
Good practices (improving procedures, controls, risk information sharing) and the know-how on the use of control equipment (convergence and performance) are shared.	Achieved
Cooperation between external border posts protecting the European Union and the Member States interests are maintained.	Achieved

Summary of main outcomes:
<p><b>LFCG (CPG/032) Land Frontier Contact Group:</b></p> <ul style="list-style-type: none"> <li>• Systematic mapping of traffic, threats and resources across all commercial road and rail border crossing points; analysis of challenges and preparation of annual Overview report</li> <li>• Important progress in 2014 on the detailed workflow mapping and analysis of implementation issues relating to the application of the common risk criteria at the external land frontier ("common risk analysis initiative"); and identification of needs and ideas for potential solutions.</li> <li>• Sharing of good practices and maintenance of network of contacts through LFCG meetings, through the common risk analysis initiative and the work leading to the annual Overview.</li> </ul> <p><b>RALFH (northern ports, CPG/037)), ODYSSUD (southern ports, CPG /038) and ICARUS (airports, CPG/039):</b></p> <ul style="list-style-type: none"> <li>• Sharing of good practices and maintenance of network of contacts through regular meetings and direct contacts between members.</li> <li>• Systematic exchange of risk information for all modes of transport (land, air, sea) and all kind of risks via electronic Risk Management system (CRMS)</li> <li>• Implementation of identified best practice, particularly in relation to practical application of controls at the external borders taking account of the safety aspects (fumigated containers).</li> <li>• Common understanding and equivalent application of controls in specific sectors improving the control methods (i.e. rip-off).</li> <li>• Organisation of specific workshops or exchange of customs officials within specific fields (scanning, rummage of ships or aircrafts, sniffer dogs )</li> </ul>

Specific objective:
<b>To increase safety and security, and to protect citizens and the environment</b>
Title of the AWP Project:
<b>Customs actions to protect health, cultural heritage, the environment and nature</b>
Description of the project:
<p>Customs has an important enforcement role in the protection of health and safety, the environment and cultural heritage. Consumers, civil society and national authorities are demanding stricter customs controls of non-fiscal aspects. This has been recognized and has led to a new approach in customs focusing more on these issues which should however be harmonised. Issuing new and adjusting existing guidelines, establish common risk criteria, creating a "toolbox", online services and informing the business community and the wider public are all options to realise this project.</p>
Actions initiated under the programme in 2014:
<p>Capacity Building:</p> <ul style="list-style-type: none"> <li>➤ Implementation of the Guidelines for import controls in the area of product safety and compliance (CCB/002)</li> </ul> <p>Project groups:</p> <ul style="list-style-type: none"> <li>➤ Coordination of activities on the protection of Health, Cultural Heritage, the Environment (CPG/017)</li> </ul>

- Product safety and compliance controls on imported goods (CPG/057)
- Improving coordination between customs and P&R fora of non-customs nature (CPG/086)
- EU-China project group on Waste (CPG/087)

Workshops:

- IMPEL TFS Workshop (CWS/005)
- ASEM – Workshop on the Control of Transboundary Shipments of Waste (CWS/009)
- Workshop on Coordinated Lists of Prohibited Products to Increase Safety and Security and Facilitate Controls (CWS/015)

Working visits:

- Working visit on movements of illicit, prohibited and restricted goods to Portugal by two Slovenian technical experts (CWV/017)
- Working visit on goods under prohibitions and restrictions to Estonia by three Lithuanian Customs officers (CWV/068)

Expected results and their level of achievement:

The “Guidelines for import controls in the area of product safety and compliance” in MSs and Candidate Countries are explained and its usage is demonstrated.	Achieved
Specific part of the guidelines for import controls in the area of product safety and compliance is extended to other products.	Achieved
Set of common risk criteria is established.	Achieved
Data collection parameters for European Union wide collection of control data are laid down.	Achieved
The business community as well as to the public is informed about various developments and awareness is raised on the rules.	On-going
The feasibility of introducing an online service for issuing export licenses for cultural goods is assessed.	Postponed to 2016
"Tool Box" providing with template elements for legislation relating to the controls of imports and exports aiming at the protection of health, safety and the environment is created.	On-going
Guidelines for customs controls in the area of shipments of waste are provided as the follow up of the recommendations of the study on exports of waste to ASEM countries <sup>7</sup> .	Achieved
Guidelines for customs controls in the area of Forest Law Enforcement, Governance and Trade (FLEGT) are provided.	Achieved

Summary of main outcomes:

**Product safety:**

- The guidelines on product safety are shared with all Member States and well implemented. The checklists will be further extended.
- The document on risk management for product safety controls addressed to customs and

<sup>7</sup> ASEM is an interregional forum which consists of 27 Member States (Croatia will join most likely in the course of 2014) of the European Union, the European Commission, the 10 members of ASEAN, the ASEAN Secretariat, China, Japan, and the Republic of Korea as of 2008,[1] India, Mongolia, and Pakistan, Australia, Russia and New Zealand, Bangladesh, Norway, and Switzerland.



market surveillance authorities is finalised.

- A report on statistics collected on product safety controls is finalised and shared with Member States
- 3 meetings of the expert group on product safety took place in 2014-2015
- Support visits were carried out in all Member States and a report of each visit is available on CIRCABC

**Prohibitions and restrictions:**

- Guidelines on waste and FLEGT (Forest Law Enforcement, Governance and Trade) are finalised and shared with Member States
- 6 PARCS (protection of health, cultural heritage and environment) meetings took place in 2014-2015
- Factsheets on the main prohibitions and restrictions are finalised

**EU-China customs cooperation on transboundary shipments of waste:**

- the 1<sup>st</sup> meeting of the EU-China Project Group on transboundary shipments of waste took place
- Terms of Reference were agreed and the mapping exercise was launched

**6.4 Specific Objective part 3 – to improve the administrative capacity of the customs authorities - selection of projects**

Specific objective:
<b>To improve the administrative capacity of the customs authorities</b>
Title of the AWP Project:
<b>European Customs Laboratories</b>
Description of the project:
European customs laboratories work together to coordinate their activities and share their expertise. This requires networking (European Union and worldwide), benchmarking, updating of databases, cooperation with other stakeholders and information initiatives.
Actions initiated under the programme in 2014:
Project groups:
➤ CLEN - Customs Laboratories European Network (CPG/002)
➤ CLEN - Project Group on designer drugs and other illicit products (CPG/004)
➤ CLEN - Project Group SAMANCTA (CPG/008)
➤ CLEN - ILIADe project group (CPG/009)
➤ CLEN - Meetings of the participants in proficiency tests (CPG/010)
➤ eL LOC SAMANCTA_Localisation (CPG/062)

Seminars:

- Seminar for Chemist on Customs Analytical Methods - 2014 (CSM/003)

Workshops:

- CLEN - Workshop on 'on-site detection' (CWS/001)
- CLEN - Workshop on 'Plants' (CWS/002)
- CLEN - Liquid scintillation counting training (CWS/012)

Working visits:

- Working visit on analysis of oils to Poland by three officers from the Czech Customs Technical Laboratory - chemist specialists and sampling Methodists (CWV/022)
- Working visit on textile fibres to Germany by one Lithuanian Customs laboratory officer (CWV/045)
- Working visit on designer drugs to the Czech Republic by three Slovak customs laboratory officers (CWV/050)
- Working visit on subcontracting procedures for laboratories to the UK by two Estonian customs officers (CWV/066)
- Working visit on substances of unknown origin to the Czech Republic by two Slovak customs laboratory experts (CWV/113)

Expected results and their level of achievement:

The Customs Laboratories European Network (CLEN) is maintained.	Achieved
The practises and methods used by the laboratories to reach harmonisation are exchanged.	Achieved
Best working practices and diffusion to the laboratories are identified, developed.	Achieved
Collaboration between customs laboratories and customs administrations, other sectors of the European Commission, and the industry are maintained.	Achieved
The ILIADe (directory of analytical methods), and SAMANCTA (Sampling Manual for Customs and Tax Authorities) databases are updated and enriched.	Achieved
Information on the activities of the customs laboratories and of the Customs Laboratories European Network (CLEN) is provided for the wider public.	Achieved
Third countries' customs laboratories are involved in the work.	Achieved

Summary of main outcomes:

**CLEN Plenary meeting:**

The 6th meeting of the Customs Laboratories Steering Group (CLSG) was held on 10 March 2014 in Brussels, Belgium.

The 42 participants, included delegates of the Customs Laboratories from 25 Member States and 3 Candidate Countries, the 6 Action leaders, representatives of the European Commission Directorate General Taxation and Customs Union (DG TAXUD) and Joint Research Centre (JRC), and the assistant secretaries. The activities of the past year (January 2013 to December 2013) were reported and the activities suggested for 2014 were discussed and chosen.

### **Action 1 - ILIADe**

The ILIADe Working Group annual meeting took place on 19-21 March 2014 in Turin (IT). (14 participants)

The ILIADe group members validated the structure and search tools of the new database and worked on the database content (validation of the records, etc.). Requests for improvement of the database structure were submitted to the ITSM team.

546 methods in ILIADe.

### **Action 2 - Proficiency/Ring tests**

8 proficiency tests completed.

- Proficiency test related to the Meursing table – 6th test (coordinated by France) - 47 labs (23MSs + 1 candidate country)
- Ring test on seaweed (coordinated by France and Spain) - 20 labs (13 MSs)
- Ring test on nuts and seeds (coordinated by France and Spain) - 16 labs (13 MSs)
- Feasibility study on preserved fruits (coordinated by France and Spain) - 3 labs (3 MSs)
- Ring test on gas oil with low FAME content (coordinated by Germany) - 31 labs (17 MSs + 1 extra EU country)
- Study on bio-components in fuels (coordinated by Germany)- 14 labs (6 MSs)
- Proficiency test on sugars and sugar containing products – 2nd test (coordinated by Portugal) - 35 labs (24 MSs + 1 candidate country)
- Ring test on Solvent Yellow 124 in gas oil – 5th test (coordinated by Belgium) - 46 labs (23 MSs + 3 extra EU countries)
- Proficiency test on spirits, alcoholic beverages and spirit containing mixtures - 41 labs (20 MSs + 3 extra EU countries)
- Proficiency test on mineral oils - 33 labs (18 MSs + 2 extra EU countries)
- Study on aromatics - 6 labs (5 MSs)

In most of these tests recommendation and proposal for amendments of Explanatory notes and Additional Note to the Combined Nomenclature were made and submitted to the attention of the Customs Code Committee (sub-section Agriculture/Chemistry).

### **Action 3 - SAMANCTA**

- Further promotion among EU Customs incl. SAMANCTA release on European website
- Finalisation and proof reading of translations
- Finalisation of at least 5 new sampling cards
- Testing of SAMANCTA in real life in Denmark

The first version of SAMANCTA is publicly available in all EU languages.

### **Action 4 - Communication and strategy**

Maintenance and enrichment of:

- The CLEN photo library,
- The electronic community of the CLEN under Sinapse

### Action 5 - Scientific expertise

- Working group on Tobacco and tobacco products - Proposal for amendments of Explanatory notes to the Combined Nomenclature were made and submitted to the attention of the Customs Code Committee (sub-section Agriculture/Chemistry).- 1 meeting in Sofia (25 participants)
- Workshop on Customs tariff implementation of environmental waste codes - Proposal for the creation of new tariff codes for waste were submitted to the attention of the Customs Code Committee (sub-section Agriculture/Chemistry) - Brussels (114 participants)
- Project group on designer drugs and other illicit substances - 1 meeting in 2014 in Ispra (21 participants). The cooperation with JRC Ispra for the analysis of new drugs has started.
- Workshop on Plants - in Peyresq in July (40 participants)
- Workshop on On-site detection - Budapest in October (145 participants, 34 countries represented)
- Training session on liquid scintillation counting - Amsterdam in November (33 participants)

### Action 6 - ECICS

- Adaptation of ECICS to the 2014 Combined Nomenclature codes;
  - Improvement of the software, translation module, chemical structure module, access outside CCN/CSI;
  - Continuous enrichment (INN, synthetic drugs, waste, REACH, safety data...) from the work of Project Groups
- 42000 approved records in ECICS.

Specific objective:

### To improve the administrative capacity of the customs authorities

Title of the AWP Project:

### Operational and organisational customs processes

Description of the project:

In view of the budgetary and financial crisis in the European Union, the current economic climate has forced government services to become more efficient and effective. This calls upon actions to study current and possible solutions to improve the structures in which customs business is performed. It is envisaged to support Member States who wish to improve the performance of the customs administration in its different roles in the supply chain of goods.

Actions initiated under the programme in 2014:

Capacity Building:

- Greek Customs Reform CCB/003

Working Visits:

- Working Visit to UK - Internal audit CWV/028
- Application process for authorizations CWV/042
- WV\_LV\_Effective management of resources at the external border CWV/055
- WV BCP's management CWV/061

- WV TR - Examination of the Certification Processes of Ports as Authorized Economic Operators CWV/071
- WV TR - Examination of organizational structure of foreign customs offices and customs liaisons CWV/073
- WV TR - Examination of the customs procedures for imported used cars CWV/074
- WV international cooperation CWV/076
- WV TR - Role of customs in free zones CWV/086
- WV TR - Examination of Customs Procedures At Ports CWV/107
- WV TR - Examination of customs operations in intermodal transport CWV/118
- WV TR - Examination of security measures regarding customs warehouses CWV/119
- WV TR - Examination of Customs Procedures for cars imported from Germany CWV/123
- WV HU management of customs controls CWV/124

Expected results and their level of achievement:

Gaps and needs in terms of customs modernisation are identified.	Achieved, to a large extent
Recommendations and guidance are formulated to increase the performance, effectiveness and efficiency of the customs administration	Achieved, to a large extent
An action plan or roadmap is created for the implementation of the suggested improvements.	Achieved, to a large extent

Summary of main outcomes:

### **Provision of Technical Assistance to Greece in relation to Customs**

The Greek Customs Administration has been undertaking fundamental reforms in the context of the National Greek Trade Facilitation strategy and roadmap, adopted on 1 November 2012. This strategy contains 25 actions to reduce time and costs for exports from Greece and to facilitate trade, including specific actions towards modernised Customs procedures in the field of export and import.

This process to date has been supported by the European Commission and in particular by the Structural Reform Support Service (**SRSS**), the service which absorbed the Task Force for Greece (**TFGR**) in July 2015, associating Commission services (in particular DG TAXUD) in cooperation with the United Nations Economic Commission for Europe (**UNECE**) and the World Customs Organisation (**WCO**).

### **Reorganisation of Customs administration**

In 2014, efforts were on-going to fundamentally restructure the Ministry of Finance (MoF). Following the establishment of the General Secretariat for Public Revenue (GSPR) which comprises both Customs and Tax Administration, the Customs DG had been asked to present a review and vision for its future organisation in 2014 with a view to implementation in 2015.

In this context, a first mission on reorganisation took place in October 2013, which included a proposal for a reorganisation of customs action plan and roadmap. DG Customs has been following these suggestions in its working group set up in November 2013 and in which the TFGR participated as observer.

Against this background, the following missions financed under the programme Customs 2020 took place in 2014:

- A second and third missions associating experts from the Commission and from Member States took place in March and June 2014 respectively to provide further input into the

reorganisation plans for the Customs administration;

- Following the reorganisation plan elaborated by the Greek authorities in August 2014, a number of missions led by a national expert from France took place in September, October and November 2014 respectively. The purpose of the missions was the provision of targeted technical assistance to the project groups comprised by Greek customs officials set up for the implementation of the above mentioned reorganisation plan. Issues at stake for these project groups were in particular the establishment of customs regions, mobile units and ex-post audits.

Looking forward, this effort is planned to be prolonged in 2015-2016 and strengthened through the appointment of a resident advisor (funded under a specific contract concluded between the Commission and the TA agency Belgian Technical Cooperation). In parallel, it must be noted that DG TAXUD is providing support to the Greek Customs administration in the implementation of the Customs Competency Framework and in efforts to step up training for customs officials.

#### 6.5 Specific Objective part 4 – to strengthen the competitiveness of European businesses - selection of projects

Specific objective:
To strengthen the competitiveness of European businesses
Title of the AWP Project:
<b>Authorised Economic Operators (AEO)</b>
Description of the project:
The status of authorised economic operator granted by one Member State is recognised by the other Member States and under Mutual Recognition Agreements (MRA), by other third countries. Regular monitoring to maintain the correct implementation and functioning of Authorised Economic Operator is needed, together with the sharing of best practices and guidance. The conclusion of new Mutual Recognition Agreements needs also to be supported.
Actions initiated under the programme in 2014:
Project groups: <ul style="list-style-type: none"> <li>➤ Authorised Economic Operator Network Group (AEO NW) CPG/026</li> <li>➤ Mutual Recognition of AEO – Negotiations with Canada CPG/048</li> <li>➤ Joint Working group on Authorised Economic Operator – Internal Compliance Program CPG/056</li> <li>➤ eL LOC AEO_Localisation CPG/061</li> </ul>
Working Visits: <ul style="list-style-type: none"> <li>➤ Working visit on Authorised Economic Operators (AEO) to Ireland by one Slovenian Customs officer (CWV/015)</li> <li>➤ Working visit on AEO operating practices to Netherlands by five British AEO experts (CWV/026)</li> <li>➤ Working visit on AEO audit and monitoring issues to Estonia by three Swedish experts in the field (CWV/116)</li> </ul>
Expected results and their level of achievement:

Experience is shared between Member States on practical solutions related to the implementation of the Authorised Economic Operator concept.	Ongoing
AEO-related practical implementation know-how is established.	Ongoing
Guidance in the context of Mutual Recognition Agreements is provided to Member States.	Achieved
Mutual Recognition Agreement negotiation processes are supported.	Achieved
The Mutual Recognition Agreement implementations are analysed and the results are communicated to the relevant parties.	Achieved
Summary of main outcomes:	
<p>The AEO Network gathers operative AEO experts of the EU Members States and addresses all issues related to the implementation of the EU AEO concept. This particularly includes guidance on the practical implementation of the legal provisions, guidance in the area of AEO mutual recognition preparation (third countries and other EU compliance or security programmes) and implementation.</p> <p>In 2014 the work of the AEO Network specifically focussed on a monitoring action performed on the basis of detailed written information provided by the Member States on a comprehensive list of areas and questions jointly developed by the Commission and Member States. The result of this monitoring action was very positive with all Member States participating actively. The AEO Network critically contributed to this positive result as it supports Member States to apply the general AEO legislation in a consistent and highly uniform way.</p> <p>Also in 2014, the Commission supported by the Member States' AEO experts organised a detailed comparative analysis of the AEO criteria and requirements between the EU and Canada, as a pre-condition to concluding the AEO mutual recognition agreement.</p> <p>Furthermore, under the umbrella of the AEO Network, the Commission concluded a process of alignment of specific legal provisions of the AEO concept with the civil aviation trusted trader programme for regulated agents / known consignor. This alignment avoids the duplication of administrative burden to trade and authorities. The Commission launched similar work in other policy areas, such as the dual use (internal compliance programme) and maritime security.</p>	

Specific objective:
To strengthen the competitiveness of European businesses
Title of the AWP Project:
<b>Customs Union Performance</b>
Description of the project:
In line with key strategic documents on the Customs Union and its development, a system of performance measurement for the Customs Union needs to be established and maintained which should contribute to the proper functioning and further development of the Customs Union. This project will include follow-up, reporting and communication activities.
Actions organised under the programme in 2014:
Project groups:
<ul style="list-style-type: none"> <li>➤ Customs Union Performance CPG/025</li> </ul>

Working Visits:	
<ul style="list-style-type: none"> <li>➤ Visit of Italian customs officer to Bulgaria to compare data on CUP and exchange views on improvement of performance indicators CWV/128</li> </ul>	
Expected results and their level of achievement:	
The performance measurement for the Customs Union is established and maintained (including the follow up to the measurement of results).	Achieved
Strategic and analytical reports are prepared and published for the attention of customs policy makers (particularly for the Customs Policy Group).	Achieved
Key figures are communicated to external stakeholders (in non-sensitive areas).	Achieved
Summary of main outcomes:	
<p>Project Group on the Customs Union Performance (CUP) has been established under the Customs 2020 Programme in May 2014. Previously, the work now being undertaken by CUP was carried out by two project groups – Measurement of Results and Performance Measurement. The decision to merge the project groups was taken to streamline the working approach, as well as to strengthen the steering and follow up mechanisms.</p> <p>An initial set of indicators linked to Customs Union strategic objectives was set up. They concern four main areas: protection, controls, facilitation/competitiveness and co-operation. 2014 was a consolidation year for the CUP project and the focus was on stabilising the initial set of indicators in terms of quality and consistency. In the future, the plan is to develop this system of indicators, moving from input and activities type towards outcome-oriented indicators, to show the customs' contribution in achieving overall policy goals.</p> <p>A two-step approach to reporting within the CUP system has been established, consisting of an Analytical report with an overview of key figures and trends published in April/May and an Annual report with a summary of main conclusions and recommendations at the Customs Union level published in June/July and presented to the Customs Policy Group. In May 2014, the first Analytical report concerning 2013 data was sent as an information point for the CPG. This was followed up by the presentation of the first Annual Report to the CPG in July 2014. CUP Project was welcomed as a good initiative. From the Member States' perspective, the presented report was seen as a useful benchmarking tool, giving national administrations a certain amount of strategic steer.</p> <p>CUP project was set up with a longer-term vision in mind and consequently, it should evolve in line with the customs policy developments.</p>	



## 7. CONCLUSIONS

2014 was an exceptional year as it included a transition between two generations of Customs programmes. At the level of Joint Actions, this meant that some actions had to be re-launched under the new programme, which led to fewer events being organised during the year and consequently there were fewer participants. The first data for 2015 seems to confirm that 2014 was in this respect an exceptional year.

2014 was also marked by increased investments in the two new data centres housed on DG TAXUD premises. This infrastructural investment serves an important purpose in preparing the network for the increased volume of data traffic and the addition of new systems, to be developed as part of the implementation of the Union Customs Code.

In the area of training, 2014 was marked by the development of the EU Customs Competency Framework, which describes the knowledge, skills and behaviours required by customs professionals in the EU and defines public and private sector customs roles. Since October 2014, the EU Customs CFW is available in 22 EU languages for national implementation. A major goal of the EU Customs CFW will be to help harmonise and raise customs performance standards throughout the EU.

Finally, 2014 was also marked by the introduction of the new Performance Measurement Framework which was rolled out simultaneously as the new Customs 2020 programme. All the data obtained from the surveys launched under the framework, therefore, covers only the period from May till December. In this sense, 2014 could be also considered as a pilot year for the new framework, an opportunity to collect first measurements and baselines, as well as learn from the experience in order to improve the framework for the next years.

The indicators obtained under the framework in 2014 give an overall positive assessment, both from the business data perspective and from the feedback obtained from the action managers and the participants to the activities. The indicators suggest that in 2014 the programme was on course to fulfilling its objectives and that it played an important role in facilitating the implementation and development of Union customs policy through its European Information Systems, Joint Actions and human competency building.

Some of the key **strengths and achievements** that can be deduced from the analysis of the indicators:

- **High level of achievement of results of the Joint Actions is reported by the action managers.** This is the case for all Joint Actions, but especially for Working Visits. This indicates that the business owners see the value of the programme for achieving the policy objectives.
- **Very positive evaluation of the achieved results of the Joint Actions, their usefulness and met expectations by national customs officials who participated in them.** This shows that the programme participants find that the programme activities correspond to their stated objectives and are professionally useful to them.
- **Networking and sharing of programme outputs represent both a strength and a room for improvement.** The indicators are high and testify to the networking value provided to the participants by the programme and to the fact that the outputs are often shared nationally through dissemination or training sessions. However, there is a possible room for improvement, which is taken up among the recommendations.
- **The European Information Systems are regularly upgraded and improved and resistant to increased volume of data traffic.** The volume of data traffic on European Information Systems significantly increased in 2014, while the performance and availability

remained very high. The new data centres were opened to prepare the network for the future, the systems are regularly maintained and updated and the user support and training are functioning properly. The new developments are largely taking place in line with the planning

- **The increased use of online collaboration (PICS) by national and European customs officials.** The number of online groups has nearly doubled during the year, with significant increases in the number of users and the number of exchanged files on the platform.

A number of **conclusions** can be drawn from the analysis of the indicators. These conclusions are primarily addressed at the Commission Programme Management Team at DG TAXUD, but also at other stakeholders involved in the implementation of the programme:

1. **Monitor the number of participants.** The number of participants has been steadily decreasing over the years, with 2014 representing an exceptionally strong decrease in this respect. While this seems to be an exceptional situation due to the change of programs, it is recommended to keep an eye on the number of participants in the future in order to evaluate whether any action aimed at reversing this trend is warranted.
2. **Undertake to increase awareness about the programme.** National customs officials, beyond those already participating in the programme activities, should be addressed through a targeted communication strategy informing them of the programme and its potential benefits to them.
3. **Provide additional support to networking and the use of the programme outputs** While these indicators are high, they show a room for improvement. A knowledge management policy for the use of programme outputs would open up the programme benefits to new users and facilitate the sharing and findability of programme outputs. The improvement of the online collaboration platform PICS and the introduction of new functionalities could help networking and staying in touch following the end of programme activities.
4. **Improve statistics for online collaboration.** Better statistics are needed in order to separate customs / tax groups and users on PICS, as well as differentiate among them based on more precise work areas. The new statistics module and the new taxonomy planned for release in near future should resolve this problem.
5. **Monitor the implementation and take up of the Customs Competency Framework.** While much of the work on the Customs Competency Framework was done during 2014, the roll out of the framework into the national training programs will begin in 2015. For this reason, the indicators relating to the Customs Competency Framework are not included in this report, but will be included in the future Progress Reports.
6. **Explore with the relevant business unit in DG TAXUD the proposed new indicators on the national use of the outputs of the activities on customs laboratories.** If proven feasible to obtain, these indicators would be included in the future Programme Progress Reports.
7. **Facilitate the collection and processing of data under the Performance Measurement Framework.** It is recommended to introduce necessary IT modifications to the Action Reporting Tool to enable automatic sending of notifications and reminders on the PMF surveys to the programme participants. This should help raise the response rates, as well as eliminate the problem of wrongly entered financial codes by survey respondents. In the longer-term, plans for the development of a statistical module within the ART should be implemented in order to facilitate the merger of programme management and PMF data.

8. **Consider adaptations to the Progress Report structure.** Use the lessons learned and seek stakeholders' feedback to the first Progress Report for future reports.