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#### 'I/A' ITEM NOTE

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From: General Secretariat of the Council  
To: Permanent Representatives Committee/Council

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Subject: Council Conclusions concerning the European Court of Auditors' Special Report No 26/2018: "A Series of Delays in Customs IT Systems: What Went Wrong?"  
- Adoption

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1. On 10 October 2018, the European Court of Auditors published its Special Report No 26/2018<sup>1</sup>: "A Series of Delays in Customs IT Systems: What Went Wrong?".
2. Pursuant to the rules laid down in the Council conclusions on improving the examination of special reports drawn up by the Court of Auditors<sup>2</sup>, the Permanent Representatives Committee, at its meeting on 7 November 2018, instructed the Working Party on Customs Union to examine the report in accordance with the rules laid down in the above-mentioned conclusions<sup>3</sup>.

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<sup>1</sup> OJ C 385, 25.10.2018, p. 4 and on the European Court of Auditors' website:  
<http://eca.europa.eu>

<sup>2</sup> ST 7515/00 FIN 127 + COR 1

<sup>3</sup> ST 13575/18

3. On 14 November 2019, the European Court of Auditors presented its report to the Working Party on Customs Union. That working party examined a set of draft Council conclusions at its meetings between December 2018 and February 2019, and reached an agreement on the text as laid down in doc. ST 5028/3/19 REV 3.
4. Against this background, the Permanent Representatives Committee could:
- confirm the agreement reached within the Working Party; and
  - invite the Council to adopt the Council Conclusions, as set out in in the Annex of this Note as an item without discussion at one of its forthcoming meetings.
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**Council Conclusions**  
**concerning the European Court of Auditors' Special Report No 26/2018:**  
**"A Series of Delays in Customs IT Systems: What Went Wrong?"**

THE COUNCIL:

1. HAVING REGARD TO the European Court of Auditors' Special Report No 26/2018: "A series of delays in Customs IT systems: what went wrong?",
2. RECALLS its Conclusions on improving the examination of special reports drawn up by the Court of Auditors in the context of the discharge procedure,<sup>4</sup>
3. UNDERLINES the importance to modernise the Customs Union through improvements that include the effectiveness of a paperless environment,
4. ACKNOWLEDGES the finding of the Court concerning the delays of the implementation and development of Information Technology (IT) systems for the Customs Union,
5. UNDERLINES the challenges and organisational and financial demands faced by all stakeholders, particularly the Member States, in the development and implementation of IT systems, given in particular the technical complexities and the number of the IT systems to be put in place,
6. STRESSES that, the majority of IT systems will be delivered by the deadline of 2020 set out in the Union Customs Code although for justified reasons the remaining IT systems will be deployed after this deadline,

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<sup>4</sup> ST 7515/00 + COR1

7. TAKES NOTE of the factors advanced by the Court of Auditors to explain the delays in the implementation of the IT systems, such as the change of scope of some IT systems, insufficient resources available, and complex decision-making process,
8. ACKNOWLEDGES that collaborative development can lead in some cases to economies of scale, which could contribute to alleviating the budgetary constraints faced by some Member States, and LOOKS FORWARD to prospects of collaborative approaches among Member States in the development of customs IT models where deemed necessary and effective in order to overcome the technical difficulties arising from the differences between national IT systems, which can hinder the potential for collaborative development of the national components, as pointed out in the Special Report,
9. STRESSES the need to strike a balance between the effective allocation of resources through the centralisation of IT systems development and the flexibility necessary to tailor the IT systems at national level,
10. RECOGNISES the efforts made by the Commission and Member States to keep up with the milestones for each project in order to facilitate planning and monitoring,
11. ACKNOWLEDGES the conclusions and recommendations of the Special Report that the Commission should be invited to step up efforts to:
  - (a) gear Customs programme design towards IT implementation;
  - (b) improve IT project time, resource and scope estimates;
  - (c) facilitate cooperative IT development;
  - (d) streamline governance by enhancing communication;
  - (e) improve reporting on IT implementation, including through setting appropriate reporting arrangements and indicators;

12. TAKES NOTE of the Commission's replies which accompany the Special Report and ACKNOWLEDGES that the Commission accepts the recommendations of the Special Report,
13. WELCOMES the actions already undertaken by the Commission regarding the recommendations,
14. WELCOMES the intention expressed by the Commission to adopt a possible future initiative in relation to the EU Single Window environment for customs by 2020,
15. INVITES and ENCOURAGES the Commission and the Member States to pay utmost attention to the recommendations of the Special Report, to prevent further delay, and continue to cooperate and provide resources until the full implementation of the IT systems foreseen by the Union Customs Code, bearing in mind their respective objectives and competences,
16. CALLS on the Commission to set appropriate arrangements and indicators, and report to the Council in a timely and transparent manner on the progress in the implementation of the IT systems. Upon request, the Commission should also present the report to the Directors General for Customs as it concerns important governance issues.

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