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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

Report on the implementation of the Customs 2002 programme (1998-2002)

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Summary

Customs 2002 covers two types of project: "joint" actions and computer applications.

I) The first part of the report concerns joint actions, i.e. those aspects of cooperation that are not directly related to information technology: exchanges of officials, project groups, seminars, benchmarking and training. It looks at the joint actions carried out over the last three years of Customs 2002 (2000, 2001, 2002) for a total cost of EUR 6.75 million, since those carried out earlier are covered in the 2001 interim report.

Exchanges of officials (EUR 2.55 Million, 38% of the total) provided opportunities for contacts to be established between Community and national administrations. During 2000 to 2002 inclusive, approximately 1400 exchanges were organised, with some major events such as the exchange fairs held in Brussels, Vienna and Larnaca. The exchanges have generally been found to be quite useful; improvements could be made in terms of monitoring and the selection of subjects and candidates. The applicant countries have recently been included under this instrument.

Participants in the 38 project groups (EUR 2.02 million, 30% of the total) found them highly satisfactory. The improvements proposed concern the preparation of meetings, the choice of subjects and more pooling of information.

The 29 seminars (EUR 1.52 million, 23% of the total) organised during the period under consideration were generally well appreciated. Possible improvements here, too, would concern the selection of participants, preparation and follow-up.

The 18 benchmarking operations, introduced relatively recently, were organised by the Member States for a cost of EUR 0.375 million, or 5.4% of the total. The participants were generally fairly satisfied with the results, but suggested certain improvements, particularly as regards preparation.

Most of the participants in the training measures (EUR 0.251 million, 3.7% of the total) found them useful. Some participants felt that a specific institutional context could enhance the result of future training measures.

The different aspects of the programme interested the national administrations, who were, by and large, satisfied with the course and results of the operations.

In the participants' opinion, the improvements to be made relate above all to an even more finely tuned selection of subjects and participants.

The dissemination of the results could be improved.

II) The second part presents the results and impact of the different computer applications and the organisational and management tools of the IT projects.

A total of EUR 84 million was committed to the IT side of Customs 2002. Since the computerised systems have Community and national components, Customs 2002 only finances the Community component.

The development and deployment of the CCN/CSI[1] communication network required an investment of EUR 23 million, of which half was financed by Customs 2002 and the other half by Fiscalis.

The NCTS[2] application represents 51% of the Customs 2002 IT budget (including half of the CCN/CSI expenditure and the management tools). The NCTS gave rise to considerable costs, since both development and deployment were involved. Most of the other customs applications were already in operation before the beginning of the programme. The "tariff" applications account for 15% of the total budget (those requiring most work were TARIC,[3] TQS,[4] EBTI,[5] ISPP[6] and SMS[7]).

AFIS/ SID[8] and SIGL[9] account for 13% and 5% respectively of the total budget.

- Part common to Customs 2002 and Fiscalis

The CCN/CSI communication network and interface offer full services. The network runs well and is has a high use rate. Deployment, development and operating costs were determined by the obligation to make CCN/CSI compatible with the different national systems already in place. The decentralised technical architecture of CCN/CSI entails a specific infrastructure being put in place for every new connection, and possibly some development to adapt to additional local technology.

It has proved difficult to set realistic timetables for project implementation because Member State delegates on the committees responsible have not been fully informed about all available resources (budget and human resources) for implementing the "national" part of the projects.

- Customs applications

- It is not yet possible to measure all the results and impact generated by the NCTS, which is still in a deployment phase. It is not yet used to full capacity, mainly because few of the traders using the simplified procedure (80% of transit movements) are connected to the system. Since all Member State transit offices and all traders using the simplified procedure should be connected by 1 July 2003 and 1 March 2004 respectively, the number of movements processed by the NCTS should increase rapidly.

Traders and the Member States consider that the NCTS will contribute to improving inter-administration cooperation and fraud prevention and will help facilitate customs controls. In terms of efficiency, the cost of computerising the transit system (EUR 43 million) should be viewed in the light of the cost of fraud in customs transit (estimated at EUR 1 billion for the period 1990 to 1996).

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[1]   Common Communication Network/Common System Interface
[2]   New Computerised Transit System
[3]   **TAR**if **I**ntégré **C**ommunautaire (Integrated Community Tariff)
[4]   **T**ariff **Q**uota and **S**urveillance
[5]   European Binding Tariff Information
[6]   Information System for Processing Procedures
[7]   Specimen Management System
[8]   Anti-Fraud Information System/ Système d'information douanier [Customs information system]
[9]   **S**ystème d'**i**nformation de **G**estation des **L**icences [Licence management information system]

- The purpose of the TARIC and DDS[10] systems is to disseminate information held centrally to national administrations and the public. Using information technology, this can be done rapidly and information reaches recipients at the same time, thus reducing the risks of divergent applications of Community law. The Member States also consider that TARIC is helping to improve the efficiency of administrative procedures.

- Central computerised quota management (TQS) also contributes to uniform application of legislation because information is processed rapidly and in uniform fashion. However, Member States have to make sure they do not make mistakes in their drawing requests.

The Member States expressed a desire to improve the efficiency of the tariff applications by harmonising and integrating them all to avoid discrepancies between them and facilitate connections and compatibility between systems. This is the objective of the planned ITE (Integrated Tariff Environment) project.

- the EBTI application was deployed thanks to financing from the programme (provision of scanners and cameras to national administrations). Central computerised management of BTIs (Binding Tariff Information notices) primarily contributes to improving the efficiency of administrative procedures and cooperation. However, particular attention needs to be devoted to the few current cases of divergence in the application of tariff legislation and to improving the central dictionary of the data base.

- There was a very low response from Member States to the survey on the SIGL application (computerised licence management). Nevertheless, it has made it possible to limit fraud involving textile and steel import quotas.

- The AFIS application is a useful tool for combating customs fraud. The Member States consider that it is also a useful tool for cooperation, allowing information to be exchanged between customs administrations. Since SID was not in the operational phase during the programme period, it's results and impact cannot be evaluated.

III) Overall conclusions

Overall, Customs 2002 has helped enhance cooperation both among Member States and between Member States and the Commission. In addition, it has prepared the way for the integration of future Member States' administrations into the management of Community customs.

Because of the direct involvement of national and EU administrations in this type of programme, the credibility of evaluations would be improved if they could be based on the work of independent consultants.

We must not allow the positive effects of the programme to let us lose sight of the scale of the objectives and the variety of national customs cultures and situations. The objective of ensuring that Member States' customs administrations "work together as one" justifies intensifying our efforts. This is all the more necessary in view of the coming accession of new Member States and the changes to the external borders of the EU that this will bring with it.

To ensure that our common external borders are well managed, facilitating cross-border traffic while controlling risks, it may be necessary to engage in more coordination between the various services concerned and renewed cooperation with our neighbours. The successors to Customs 2002 should be capable of taking such developments into account.

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[10]   DDS (Data Dissemination System)

Part 1: Report on the implementation of Joint Actions under Customs 2002

1. INTRODUCTION

1.1. The programme

1.1.1. Background

The Customs 2002 programme, adopted on 17 December 1999[11] and covering the period 1 January 1996 to 31 December 2002, was the successor to the Mattheus programme,[12] which had existed since 1991 for the training of customs officials and administrative cooperation and, from 1 January 1998, also covered the IDA programme.[13]

It encompasses Customs 2000,[14] the programme adopted in 1996 for the period 1996 to 2000, with an overall budget of EUR 50 to 135 million. It covers all customs-related training, computerisation and preparation of the applicant countries. It will be succeeded by Customs 2007,[15] the programme for 2003 to 2007, with a budget of EUR 133 million.

1.1.2. Programme objectives

Decision No 210/97/EEC adopting the Customs 2000 programme cites many objectives for the programme; Article 4, which sets out the "common framework of objectives", divides them into seven groups. Other objectives are cited in the recitals and the body of the text.

While the overall long-term objective of the programme is to **facilitate the operation of the internal market**, the interim evaluation carried out in the first half of 2001[16] emphasised three main intermediate objectives:

- to contribute to the facilitation of trade;

- to improve the campaign against fraud so as to safeguard the financial interests of the Community;

- to improve the uniform application of the law and of Community policies in all parts of the customs territory.

These three objectives should ensure that the various customs administrations work together as on*e*.

As the customs environment changes, the administrations have to adapt to new functions - from merely administering the collection of duties and other charges, their role is extending to include responsibility for the implementation of other measures connected with agricultural policy, safeguarding public health and the environment, and combating fraud in the broadest sense.

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[11] Decision No 1991/341/EEC
[12] Council Decision No 95/468/EC From 1995 to 1997 this programme supported a variety of projects contributing to the telematic exchange of data between administrations in the Community, in particular customs applications
[13] Decision No 105/2000/EC of the European Parliament and of the Council
[14] Decision 210/97/EC of the European Parliament and of the Council
[15] Decision No 253/2003/EC of the European Parliament and of the Council
[16] Interim report on the implementation of the Customs 2002 programme. Commission working paper, SEC(2001) 1329, 31 July 2001

1.1.3. Organisational structures of the programme

The organisational and management structures of the programme, of which an account is given in the interim report, have not changed.

The Customs Policy Group defines strategic and policy guidelines; Member States are represented in the Group by their Directors-General of customs.

The Customs 2002 Management Committee takes decisions on programme implementation. It meets twice a year. It has created five Management Groups, each one responsible for a priority area identified in the **annual action plan**, which is regularly updated and sets out all actions undertaken.

2. BUDGET

The table below shows the development of expenditure for joint actions over the last years of the programme. The expenditure was financed by budget line B5-303.

EUR thousand	2000		2001		2002		Total	
	Actual ex-penditure	*% of total*	Actual ex-penditure	*% of total*	Estimated expend.	*% of total*	Estimated expend.	*% of total*
Seminars	593	*32%*	469	*21%*	460	*17%*	1521	*23%*
Exchanges	733	*40%*	967	*44%*	850	*31%*	2550	*38%*
Project Groups	475	*26%*	597	*27%*	950	*35%*	2021	*30%*
Training	26	*1.4%*	5	*0.2%*	220	*8.1%*	251	*3.7%*
Benchmarking			145	*6.5%*	220	*8.1%*	365	*5.4%*
Monitoring			34	*1.5%*			34	*0.5%*
Other	8	*0.4%*					8	*0.1%*
Total	**1835**		**2216**		**2700**		**6750**	
External actions (candidate countries)	1068		1039		370		2477	

The budget heading for the external part of Customs 2002 (B7-860) committed a total of EUR 2 596 089 to assisting the applicant countries with IT.

3. OPERATIONS JOINT

3.1. Types of joint action

The interim evaluation showed the **complementarity of the programme's instruments used in combination**. Member States' comments confirm the usefulness of the actions.

3.1.1. Seminars

The seminars are organised by the Member States and bring together experts from the administrations, and occasionally from economic circles. Their purpose is to examine specific subjects thoroughly. At the end of each seminar, a final report is prepared by the organising Member State which lists the principal conclusions and recommendations.

From 2000 to 2002, twenty-nine seminars were organised. The annexed tables[17] summarise the participants' individual evaluations.

Six Member States consider the seminars "very useful", and six consider them "useful". On average the seminars scored 3.5 for usefulness on a scale of 1 to 4 (1 for "not useful", 2 for "not very useful", 3 for "useful" and 4 for "very useful").

At the same time, when asked for their suggestions regarding future seminars, the Member States asked that seminars be organised **more practically**, by better targeting of objectives (9 countries) and participants (5 countries), reducing the number of participants (3) and giving them more time, both to prepare beforehand and to finalise proposals during workshops (4). Six countries recommended improving follow-up.

3.1.2. Exchanges

Exchanges are short stays or longer traineeships (up to six months) for customs officials in a Member State other than their own.

The management and coordination of this instrument were improved over the course of the programme to develop the exchanges and achieve better follow-up. **Guidelines** were defined for the implementation of exchanges; national contact points were established, which allowed exchanges to be better organised in terms of the programme's objectives. **European Exchange Fairs,** were held in Brussels in 2000, in Vienna (Austria) in April 2001 and in Larnaca (Cyprus) in March 2002.

The number of exchanges between Member States rose steeply between 2000 and 2001, from 258 to 579, and then fell to 470 in 2002.[18] The subjects which attracted the most participants were exchanges of trainers and transit. (See table in Annex 5).

Since 2001 the applicant countries have participated to a significant extent in the exchange programme, with 78 exchanges in 2001 and 80 in 2002. The subject in the greatest demand in their case was combating counterfeiting. In addition, a number of specific exchanges were organised for them (on transit and computerised auditing in 2001 and 2002).

The participating countries considered the exchanges useful or very useful. The average score, on a scale of 1 to 4, is 3.54. Of the suggestions for increasing the usefulness of the exchanges put forward by the

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[17] see Annexes 3.1 and 4
[18] see Annex 5

Member States, the most frequent was to improve organisation before (setting precise objectives, targeting of participants) and after (follow-up, sharing results, evaluation) the exchanges.[19]

As regards content, three Member States considered that the exchanges should have a more practical emphasis. The officials who participated were not always authorised by their hosts to take part in control operations, which reduced the interest of the exchange. Two countries expressed an interest in having high-level officials participate in exchanges. A number of proposals were made as to how the form of exchanges might be varied (e.g. long-term exchanges on shared projects).

3.1.3. Project Groups

The project groups are made up of a limited number of national experts interested in a specific subject, who come together over a limited period to pool their individual experience with a view to devising a "tool" or common guidelines. They are set up by the Customs 2002 Committee or by a management group, to which they submit their proposals.

38 project groups were set up under Customs 2002 in 2001 and 2002, and the majority completed their work in 2002. In the second half of 2002 the applicant countries were invited to join the groups still underway.

At the end of each project group's activity, those in charge of the group had to submit a detailed report with conclusions and recommendations, either to the Customs 2002 Management Committee or to the management group that had set them up (see above, point 1.1.3).

The Member States rated the usefulness of this instrument highly, with an average score of 3.54 for the twelve responses received.[20] Its effectiveness was stressed by 8 countries, on the grounds of its flexibility, the specific nature of the subjects addressed, and the shared working language.

In organisational terms, suggestions for making this instrument still more efficient included prior specification of objectives, distribution of documentation well in advance, improving the selection of participants and ensuring a stable group make-up (and a greater opening up of groups to experts or traders), restricting the number of participants, sharing information during and after the group's work with countries not participating (or even consulting them by e-mail), follow-up and ex-post evaluation.

3.1.4. Training

The purpose of the training is to improve the knowledge and understanding of administrators, particularly high-ranking customs officials.

The management group in charge of training, which meets two to three times a year, sets objectives and coordinates work on those objectives through seminars, exchange programmes, project groups and publications.

Member States gave a positive assessment of the training's value, giving an average score of 3.09 out of 4.[21] Evaluations varied widely, with certain countries awarding only 1 or 2 for certain aspects of the training's impact. The comments on usefulness show differing views: while one Member State considers the training was carried out inadequately, another felt it had benefited from the work to improve its own training system.

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[19]   see Annex 3.2
[20]   see Annex 3.3
[21]   see Annex 3.4

In terms of organisation, four Member States stressed the need to "target objectives better" or "structure cooperation" better to ensure its sustainability. In fact the organisation of training under Customs 2002 did prove unwieldy, with the management group having to give opinions on points of detail. It was suggested that a permanent body (panel of experts or academy) be set up to perpetuate the achievements of the training projects.

3.1.5. Benchmarking

Benchmarking is an instrument for comparing working methods in order to identify best practice, which can then be adapted to its own circumstances by each national administration.

Unlike other joint actions, in particular monitoring, benchmarking is left to the initiative of the participants, with the Commission providing only coordination and support. It is a demanding exercise, since it requires the administrations to make a considerable investment of human resources (the total duration of a benchmarking exercise is about twelve and a half months). It is also difficult, since administrations have different habits and practices for this type of evaluation exercise. However, as the various reports that have been disseminated show, it provides an opportunity for a very thorough comparative study of practices in the areas selected, and really does pave the way for practical improvements. It appears to be particularly well adapted to the needs of the applicant countries.

A seminar was held in Brighton to at the beginning of 2000 to launch the benchmarking and formed a project group, which drew up a practical guide[22] in February 2001. The guide describes the stages of benchmarking very precisely; it shows how, after the report is finalised, there must be national and international follow-up on implementation of the recommendations and the sustainability of the impact analysed. At the same time a network of national contacts was established, which met in January 2001 and October 2002.

A total of 30 benchmarking proposals were drafted and 18 were implemented.

All the Member States but one participated in at least one benchmarking exercise; some took part very regularly. Three benchmarking exercises included a applicant country.

When questioned at the end of 2002, the participating administrations expressed a high degree of satisfaction with the organisational flexibility of the benchmarking activities, the contacts made in the course of the exercises and the level of detail of the work.

The difficulties cited were language barriers and the need for specialists to be available. The importance of targeting objectives and participants was stressed, and more detailed reports and enhanced follow-up were suggested to improve the dissemination of results.

While the long-term follow-through on changes is the responsibility of the national authorities, practical results have already been noted. However, implementation of this tool is too recent to be able to determine its impact yet.

3.1.6. Monitoring

Whereas benchmarking exercises depend on Member States' initiatives, monitoring is a tool coordinated and used by the Commission. Its purpose is to improve administrative practices by organising visits to different countries by national officials to analyse and compare procedures. During the last two years of the programme it was only used for two projects. Since monitoring is a relatively cumbersome

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[22]   *Customs benchmarking information and Guidelines*, Customs 2002 programme, Doc. TAXUD/728/2000, 13 February 2001

instrument to administer, and ties up considerable human resources, the participating administrations often prefer to obtain the results they are looking for by means of benchmarking and project groups.

The capacity of the applicant countries to take over the Community *acquis* was analysed and the results incorporated in the regular reports on enlargement.[23]

A precise comparison of the structures (see point 3.4.6 below) of the northern ports was carried out within the framework of the RALFH contact group.

The risk of confusing monitoring with benchmarking seems to have been dispelled, the latter having become the more popular.

3.2. Programme management and efficiency

The interim report stressed the work that had been done to improve the programme's efficiency. This work was continued, making extensive use of the tools for structuring the programme and for ensuring coherence between actions. Two action plans, for 2001 and 2002, covering all the actions, were regularly updated. There are now guidelines for each type of action.

At the same time, programme monitoring was enhanced: the organisers of joint actions were asked to give a more precise account of the initial objectives and ensure that results and impact were subsequently entered in a harmonised monitoring table.

3.3. Conclusions and recommendations on joint actions

3.3.1. Conclusions

– The Member States recognised the usefulness of the joint actions Their organisation was reinforced by the new Customs 2002 structures, and there was a sustained effort to improve management, increasing the programme's efficiency.

– It would seem necessary to reinforce follow-up, with three types of results in view:

– sharing information on the work carried out with countries that did not participate in the action concerned;

– updating the results of completed actions, which might otherwise lose their relevance (e.g. training modules);

– and, above all, disseminating information on the practical improvements arising from the application of the results of joint actions.

3.3.2. Recommendations

– The effectiveness of joint actions would be increased by improving their preparation by national and Community administrations, in particularly through a better targeted selection of relevant participants, a schedule that allows the necessary time to clearly define an objective, and distribution of documents sufficiently far in advance.

– All those involved must be encouraged to improve their preparation of activities. If recommendations are already included in the guidelines of each action, a reminder could be issued in the form of essential rules applicable to all activities.

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[23]   http://europa.eu.int/comm/enlargement/report2002/report2002)

–   The use of monitoring tools established at the Commission should be continued and serve as a basis for Member States' development of impact monitoring at national level.

3.4.   Detailed results of joint actions

3.4.1.   Improving comprehension and application of Community legislation.

The interim report stressed the concerns of the Court of Auditors and the Member States regarding the complexity of customs legislation and the difficulty of applying it. Apart from training, seminars and exchanges also helped to improve understanding of the legislation and encourage uniform application.

The Member States feel that the **seminars** really did contribute to better application of Community legislation, since they made it possible to **compare** the way different Member States handle specific customs issues (average score 3.29). Four responses emphasised the full nature of this comparison, while two stressed the extent of the differences the comparison highlighted. Two pointed out that informal discussions on the fringes of the seminars also contributed to these results. The participants felt that certain seminars, such as those on counterfeiting and customs laboratories, had been particularly useful.

The exchanges also helped to **improve participants' understanding of customs legislation**. In 2001, 12% of exchanges led to a better comprehension of specific points in the legislation. In 2002 the Member States gave a positive assessment (average score of 2.96 out of 4) of their contribution to this result.

The joint actions resulted in recommendations and guidelines to facilitate understanding and application of customs legislation being drafted and distributed. Some of these actions were particularly aimed at the **applicant countries.** For instance, a seminar held on 13 and 14 June 2002 on tariff quota management, which was attended by all the applicant countries, concluded with recommendations on the steps to be taken to adapt to the Community quota management system.

3.4.2.   Risk management: a coherent set of results

Since controls and control standards were one of the priorities of the 2001 and 2002 action plans, more joint actions were conducted in this field than in any other. Thanks to the combination of different types of action, concrete results were achieved.

In the area of **risk management** various instruments were developed.

–   A standard framework for risk analysis, establishing a common theoretical approach was approved by the Controls Management Group at the end of 2002. This document sets out common definitions and principles and common standards in four fields (devising a strategy, risk analysis, the treatment of risk and monitoring and reviewing). This is a significant result, given the substantial differences that exist between Member States' ideas on controls.

–   At the operational level, a project group worked on facilitating the exchange of risk information. This involved taking the Risk Information Form as a common basis for developing informal, rapid transmission between customs offices of information that could help combat fraud (e.g. if a cargo seems suspect when it comes into a port, but cannot be checked, the suspicion can be notified to the authorities in the port of destination). A few Member States tested this tool and found it satisfactory, and it was then tried out between all 15 Member States. One of the participating countries reported that the pilot test led to substantial recoveries. For use of the tool to become general, it needs to be given an official legal basis and its exchange between customs offices needs to be computerised.

– In parallel, an inventory of priority control areas was validated by the Controls Management Group. This document lists all the applicable Community legislation organised in terms of priorities. A final version of the document is currently being completed.

– Lastly, a result measurement project was gradually developed and put into practice. Using a number of simple statistical indicators, it allows Member States' customs activity to be monitored and compared, encouraging reflection. The applicant countries have been participating since July 2002.

3.4.3. Operational techniques for combating fraud: significant improvements

Concrete results, frequently cited by the Member States, were achieved in two areas in particular.

1. In terms of **combating counterfeiting**, joint actions led to the dissemination of techniques and recommendations for combating fraud more effectively, as well as cooperation to with the holders of intellectual property rights to that end.

2. As regards **customs laboratories**, joint actions gave rise to the formation of a cooperation group which works regularly on harmonising techniques and priorities among Member States' laboratories.

3.4.4. Relations with traders: determination and practical experience

A variety of actions were devoted to dialogue with traders and devising ways of improving collaboration.

At the EMPACT[24] seminar in Stockholm in June 2001, attended by representatives of trade, the Commission and Member States' customs authorities expressed their strong political will to engage traders in dialogue and partnership for the mutual benefit of all parties.

The results of this seminar included an evaluation of the pilot project on the single administrative authorisation, the launch of a website devoted to dialogue with trade (containing the details of national contacts) and the drafting of the COMPACT[25] model. The COMPACT model is the fruit of work conducted jointly between some administrations and two firms over a number of actions; it is an authorisation model for firms, based on a detailed audit. By authorising simplified customs procedures it can result in significant economies for traders.

The Member States gave the seminars on improving communication between administrations and traders an average score of 3.42 out of 4. This result covers:

– improving and personalising contacts; (7)

– taking account of traders' contributions at meetings. (4)

The Member States expressed a desire to see contact developed (3 references) and traders more effectively involved.

3.4.5. Training: devising and pooling materials

Concrete **results** were achieved under the programme, particularly **five training modules** on specific subjects (some of which are now being translated) on CD ROM and a **database of training materials available** in different countries which will soon be available on internet.

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24   **E**uropean **M**odel for **Pa**rtnership between **C**ustoms and **T**rade
25   Compliance and Partnership, Customs and Trade

The language issue, already cited as a problem in the interim report, seriously slows down the impact of training actions. The translation of course material, often complex (interactive CD-ROM) has proved expensive and slow. This is stressed in two responses to questionnaires, while two Member States expressed their regret that the material was not yet accessible. One system envisaged for the future is the direct creation of modules in the three working languages by trilingual teams. Another approach under consideration is to promote the drafting of Community standards for incorporation in national training rather than the creation of materials for direct use in training actions.

3.4.6. Networks, structures, personal contacts: an important result

An important result of the programme has been the organisation of networks between the different parties involved in the same field. The first network to form was the RALFH[26] contact group, a network which, as well as conducting regular exchanges, used monitoring to compare the different northern ports of the EU. This comparison was useful for all the ports, not only allowing them to see their practices and organisation in context, but also helping in their relations with carriers, who are inclined to exploit the differences in approach of the different ports they use.

This contact group system was used as a model for the cooperation between airports (ICARUS) and between the southern ports (ODYSSUD).

Another, indirect, result of the different joint actions has been the formation of an informal network of personal contacts. Member States have strongly emphasised this as a result of seminars and exchanges in particular. The average score given in responses to the questionnaire as regards the "contribution of seminars to identifying contacts in other Member States and/or ways of improving administrative cooperation and the exchange of information between customs services" was 3.42 out of 4. The personal nature of the contacts established was cited as a reason for this positive evaluation by eight Member States, three of whom directly related this factor to the possibility of improving cooperation. Two countries considered that seminars were an instrument particularly well suited to forming contacts, while one considered that only some seminars contributed to this objective.

For the same result, exchanges scored an average of 3.79 out of 4. Seven countries considered it to be one of the main results of the exchanges, while three welcomed its informal nature.

The Member States' observations justify stressing the importance of this result. The contacts made are of practical help to participants in their subsequent work. They also raise consciousness about the European dimension of their work. Responses refer to improved "mutual understanding", progress with language skills, the acquisition of a more "Community" approach and the creation of a "shared identity".

3.5. Impact of joint actions

The immediate results of the joint actions have been described above. What are the knock-on effects, and how do they contribute to achieving the programme's objectives?

The impact noted here is mainly short- and medium-term and related to national application of Community results. Expectations of long term impact largely relate to actions conducted in the last years of the programme, and it is too early to analyse this, while the long-term impact of the first actions cannot be measured since no indicators were established in the first years. The indicators for Customs 2007 will be set in 2003. It would therefore be difficult to form any conclusive opinion about the sustainability of the results obtained, particularly since the expected results can only be assessed according to qualitative, not quantitative, criteria.

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[26]   for Rotterdam, Antwerp, Le Havre, Felixstowe and Hamburg

3.5.1. Use of training results at national level

The Member States have qualified views regarding the **impact** of the training actions. They consider that they made it possible to **improve the training provided at national level** (average score 3 out of 4). Six countries mention improvements introduced at national level on the basis of exchanges, modules or recommendations. The same average score was given to the contribution made by training actions to **improving knowledge of specific subjects**. One example mentioned is training on container and vehicle searches.

Under the programme particular attention was given to **training senior customs officials.** Member States gave this aspect of the programme a score of 2.82 out of 4. However, this figure is not a useful indicator since some Member States evaluated the actions carried out at Community level, others those carried out at national level.

On this point, the Member States refer to the benefits derived from the Community action, but do not report on knock-on effects at national level. Specifically, a seminar was organised for senior customs officials, which five respondents considered a positive experience. Two countries stressed that this action should be extended, and some felt that the targeting of participants should be improved. The exchanges, was well as maintaining contacts, are cited as contributing to better training of senior staff.

Conclusion

Overall, despite the large number of staff training modules provided under the programme, not all of the great interest shown by parties concerned could be satisfied, since training needs are extensive.

Recommendation

Priority should be given to making the organisation of training more flexible and better adapted to supporting cooperation between training centres and the development of projects. These criteria should be applied at an early stage to evaluating the efficiency of the new organisation of training under Customs 2007 so that it can be adapted again if necessary. In general terms, the financing allocated to training should be increased to meet the interest that has been expressed.

3.5.2. Cooperation with traders: better communication and a change of perspective

In terms of **impact, seminars** scored an average of 2.5 for improving communication between traders and national administrations, with 9 answers referring to significant progress (e.g. help in structuring and rationalising dialogue, improved communication on specific subjects).

The **project groups** scored an average of 2.92 out of 4 for impact in terms of their contribution to taking better account of needs noted as regards:

– the coherence of controls (1 answer)

– uniform application of the legislation (2 answers)

– a common approach supported by information technology and taking account of traders' points of view (1 answer).

Asked about **the overall contribution of the programme to facilitating communication and consultation with economic operators**, Member States gave qualified responses producing an average score of 2.64 out of 4. Five countries felt that the programme had not contributed to this objective at all, or only very little, although the reasons for this varied greatly. Some considered that the task was very

difficult, for instance because of "differences of culture", for others the programme offered very little added value, since they had already established dialogue at national level.

Overall, progress was recognised mainly in the sphere of communication. The answers refer to improvements in the spheres of

- communication (3)

- initiating contacts (3)

- consultation (3)

On the other hand, there is only one reference to a **common approach.** In other words, the programme seems to have done more to raise consciousness than to produce concrete solutions or convergences of approach.

Conclusions

It is too early now to evaluate the impact of the joint actions properly. There are three main categories of effect achieved under the programme:

- encouraging greater openness to dialogue and partnership;

- increasing Member States' awareness of traders' needs, of what is at stake in terms of competitiveness and of the mutual benefits to be derived from collaboration;

- examples and proposals for concrete improvements.

Recommendations

- The results achieved call for a continuation of these activities under Customs 2007, which should make it possible to move on from pilot projects (like the COMPACT model) to Community standards.

- To maintain momentum, the objective of facilitating trade should be a constant, primary concern of Customs 2007, and be incorporated in the planning of all the joint actions.

3.5.3. Improving administrative cooperation

The Member States positively evaluated (with a score of 3.55) the overall contribution of the programme to improving administrative cooperation and the exchange of information, with six of them giving the contacts established as their main reason for this assessment.

Contacts made in the course of seminars are used afterwards (average estimate of 3.08).

The contribution of exchanges to improving methods of administrative cooperation and/or the exchange of information between customs administrations was rated at 2.92 out of 4. For two countries this impact is particularly related to specific networks such as RALFH, for others it is associated with the informal aspect of the contacts made. More precisely, increased frequency of contacts between the administration of departure and the administration of destination to obtain and exchange customs information was rated at 3.05.

While the usefulness of such contacts has been established, some responses stress the need to maintain and develop them, with some suggesting that the networks and their relays should be given formal status within the national administrations. This raises the question of whether, while the sustainability of the contacts cannot be guaranteed, formalising them may not detract from their effectiveness.

Two Member States raise the possibility that there may be a conflict between the informal networks and the centralised procedures for the transmission of information.

Conclusions

–   The multiplication of contacts between the agents of different national administrations, the increase in consciousness of the international dimension of their work and the fact that these relations have since been used to fruitful effect are important positive outcomes of the programme.

–   However, it does not seem that the sustainability of these informal contacts can yet be taken entirely for granted.

Recommendations

While preserving the conduciveness of joint actions to establishing informal contacts, it seems important to focus on formalising networks at Community level and establishing coherency between the official information circuits and the ways information is exchanged within the networks at national level.

3.5.4. Improving working methods

3.5.4.1. Understanding of legislation

The contribution of the **seminars** to improving national administrations' understanding and application of customs legislation was given an average rating of 2.58. Four Member States stated that these results had been directly incorporated, while others expect them indirectly as a result of progress with training, as well as in specific areas such as collaboration between laboratories. Two respondents therefore stressed the need to extend the results of the seminars with other actions so that the intended impact could be achieved.

Exchanges were considered to have had a certain positive impact on the interpretation and application of legislation, to the same extent as the seminars (average score of 2.46). Five Member States reported an improvement of this kind in their comments. For two, the primary beneficiaries were the individuals involved, with the administration benefiting indirectly. Two others found it very difficult to assess this impact.

The Member States gave the contribution of the **project groups** to improving understanding of specific aspects of legislation an average score of 3.38 out of 4. The timing of the expected impact varies: while some Member States have already noted certain effects (e.g., in one case, improved knowledge), most expect an impact either from the application of certain results (e.g. use of the training modules) or even from work still underway, such as the development of the e-customs initiative.

Conclusion

The programme has contributed to better understanding and application of the legislation thanks to the various tools developed (risk analysis model presented below, IT applications).

Recommendations

Given the complexity of Community legislation highlighted by the Court of Auditors and many of the countries involved, consideration might usefully be given to possible ways of simplifying it.

3.5.4.2. Improving working methods and controls in particular

An analysis of Member States' objectives for exchanges in 2001 showed that about half the stated objectives concerned improving a specific working method by acquiring experience and identifying good practices.

Following the exchanges in 2001 and 2002, the Member States gave them an average rating of 2.46 out of 4 for changes and/or improvements in the working methods of their national administrations. Three cited changes already underway at national level, two cited plans for change. One country considered that the improvements were above all in the officials directly involved in the exchanges. Three felt there was a relation between the scale of impact achieved and the position of the official who took part in the exchange, both in terms of seniority and in geographical terms, suggesting that some of the improvements were only introduced locally.

The Member States gave the **project groups** an average score of 3 for helping to improve or adapt control methods and procedures within national administrations. Some mentioned that the particularly practical nature of this work facilitated its application at national level. At the same time, the convergence instruments such as result measurement and risk analysis model are being used.

Three Member States expect an impact from some of the projects, for instance cooperation between laboratories and airports and the work on integrating IT systems.

Two countries cited factors slowing down the effects of project groups. One of them felt the problem was that in some cases the participants did not have the power within their Member States to bring about changes. The other raised doubts about the capacity of certain delegates to steer their countries, which have a working culture based on labour intensive control, towards risk management. This comment may be related to the fact that there was uneven participation by Member States in the project groups concerned.

Overall the Member States rated the programme's contribution to improving customs controls very highly, giving it an average score of 3.73. Apart from current or planned application of the conclusions drawn, there are also references to indirect impact, for instance as a result of greater motivation within the national administration associated with the adaptation of the lessons learnt.

<u>**Conclusion**</u>

The programme has made an effective contribution to improving working methods and encouraged the rationalisation of control methods, even if the latter is more true of some Member States than others.

<u>**Recommendations**</u>

–   As regards working methods, ways should be developed of disseminating the experience acquired by seminar and exchange participants throughout the Member State administrations. This is more important where participation in the Community programme is part of a particular national project.

–   As regards risk management, the next programme should allow a transition from pilot projects to the drafting of Community standards recognised by everyone.

4.   ACTIONS FINANCED UNDER THE EXTERNAL PART OF CUSTOMS 2002

The external part of Customs 2002 has a modest budget, which means that the number of actions organised under this budget line each year is limited. The same applies to the size and nature of the actions, which tend to be isolated operations rather than integrated projects. Furthermore, as far as

applicant countries are concerned, these actions form only part of the technical assistance provided on customs matters. Other programmes in which DG TAXUD[27] is involve are organised under the PHARE assistance programme and in cooperation with TAIEX,[28] or in the context of the TAC.[29] Nevertheless, the external part of Customs 2002 is considered very useful.

4.1. Baltic Sea Customs Conference.

The Baltic Sea Customs Conference (BSCC) is an initiative taken within the framework of the Council of Baltic Sea States (CBS). The conference first met in 1995. The Directors-General of customs of the Baltic region meet every two years to discuss customs priorities. The participating countries are Denmark, Sweden, Finland, Iceland, Germany, Poland, Estonia, Lithuania, Latvia and the Russian Federation.

In the light of the priorities defined by the Directors-General, working parties are set up after the conference to implement its recommendations. Until 2001 these were directed mainly at the applicant countries and subjects such as combating corruption were discussed (a seminar was held in Krakow in October 2000).

Given the progress achieved by the applicant countries, the priority focus shifted towards the Russian Federation. In 2001 the fourth conference focused on reducing waiting time at borders, as requested by the trade ministers. The working party on procedures conducted an exercise to measure the time spent on customs clearance and total waiting time at selected border posts in the region so as to identify the problems affecting difficult crossing points.

Customs 2002 made a financial contribution for the organisation of conferences, seminars and working party meetings.

The next conference is scheduled to be held in Riga in October 2003. It will take stock of the situation, devoting particular attention to the results achieved so far. The future of the conference after the enlargement of the EU will also be discussed.

4.2. Support for the World Customs Organisation (WCO)

Towards the end of 1997 the World Customs Organisation asked the Commission for financial support for the WCO Fellowship programme, which is intended to help young customs officials in developing countries to work or study in a specific field of customs and participate in training measures for middle-management.

The Commission felt that, in the context of the pre-accession strategy, it would be useful to include participants from the applicant countries, as well as from the NIS[30] in this type of programme. It therefore approved financing for traineeships for six officials per year over four years (1998 to 2001). It was agreed that the Commission could select the participants on the basis of their merits and their CV. This subsidy was complementary to training measures supported under the Phare and Tacis programmes to develop customs institutions in the applicant countries and the NIS. It is important to ensure that the latter participate, since when they become the EU's immediate neighbours on its external border they will have to cooperate closely with the new Member States.

The Member States were consulted on this Commission proposal at a meeting of the Technical Assistance and Training Committee in Brussels on 20 October 1997. There was unanimous support for

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27   The European Commission's Directorate-General for Taxation and Customs Union
28   Technical Assistance Information Exchange
29   Travel, Accommodation and Conference facility
30   New independent states

the initiative and the Member States expressed their willingness to receive trainees on Community grants for two-week study programmes in an administration associated with the fellowship programme.

Participants had to submit a report at the end of their traineeships.

The WCO has again asked for financial assistance and its request is being studied in the context of Customs 2007.

4.3. IT assistance financed by the Customs 2002 "External" budget line

The "External" budget line for Customs 2002 financed a project for assisting the applicant countries with

– developing their national computerised systems, which will have to be connected to Community customs systems;

– increasing their IT operational capacity and guaranteeing continuous operation of the national systems at an adequate standard when they join the EU.

For their part, the applicant countries must develop and maintain the national components of the computerised Community systems necessary for the proper operation of the internal market (as regards taxation) and customs union. The technical assistance provided to the applicant countries cannot therefore guarantee that their computerised systems will be fully operational at the moment of their accession.

The support provided took a number of forms:

– The Commission provided the applicant countries with regularly up-dated documentation on the computerised customs systems, available on CD ROM and an internal website.

– Numerous visits to the applicant countries were organised to explain the tasks to be carried out, to clarify technical points and to monitor the progress of projects.

– "Model" project plans were devised for interconnectivity in general and for each project in particular, and made available to the customs administrations. Applicant countries were assisted with the development of project plans and the drafting of specifications for invitations to tender.

4.4. IT initiatives financed by other Community programmes

Under Phare, the Commission approved a project for connecting each applicant country to the secure CCN/CSI network. Connection of all the first-wave applicant countries is planned for mid-2003.

Under the Travel, Accommodation and Conference facility programme, a series of conferences were held in 2002 to provide detailed explanations about the operation of each system covered by the interconnectivity.

5. OPENING THE PROGRAMME TO APPLICANT COUNTRIES

A decision was adopted in 2002 allowing applicant countries to participate in Customs 2002. It was based on the pre-accession strategy under which administrations are to be prepared for full participation in Community processes, to ensure that they have the administrative capacity to apply Community rules.

The programme was opened to 11 candidate countries[31] with took effect from 11 July 2002 on the basis of a Memorandum of Understanding. The Memorandum provides that the applicant countries can participate in the programmes under the same conditions as the Member States as regards number of participants in seminars, project groups, exchanges and other joint actions. This participation has no budget implications since the candidate countries pay for it. However, the Community budget bears the costs incurred for certain events (seminars, project groups) by the increased number of participants.

6. CONCLUSIONS

6.1. General Conclusions

– The actions conducted under the programme have made a real contribution to the programme's objectives. Although even without such a programme the Member States would probably have made progress with modernisation, the programme both coordinated Member States' efforts and allowed certain countries to make significant advances with aspects they had decided to invest in, and others to extend the scope of their reflection to issues that had been given little attention at national level.

We must not allow the positive effects of the programme to let us lose sight of the scale of the objectives and the variety of national customs cultures and situations. The objective of attaining a situation in which Member States' customs authorities work together as one justifies intensifying our efforts. This is all the more necessary in view of the coming accession of new Member States and the changes to the external borders of the EU that this will bring with it.

– It seems that more work could still be done on propagating at national level the results achieved at Community level. The comments of certain Member States suggest that the linkage between national organisation and Community cooperation could be improved. This applies to all levels of participation: for instance, delegates to seminars should be in a position to pass on results to an adequate extent in their countries, delegates to the various management groups should be in a position to speak on behalf of their administrations on the issues addressed, the exchange of information within European networks should be linked up with official information circuits.

– The programme is developing and becoming more complex. This is to do not only with the enlargement process, which increases the number of participants, but also with the diversity of points of view to be coordinated and the increase in the number of actions proposed. Whereas the initiative for such actions came from the Commission at first, proposals now also come from the Member States, not all of which can be acted upon.

At the same time, the programme's form is evolving. It seems there is a tendency to prefer actions such as benchmarking, project groups and certain specific exchanges, which involve the intensive collaboration of a small number of countries, to more "classical" actions such as seminars and exchanges, intended to involve all the participating countries in the same way. The former are more practically oriented and allow results to be achieved more quickly.

Lastly, development of the various activities has highlighted their complementarity and the convergence of objectives. Each action must therefore be consistent with all the programme's objectives, conceived as an integrated whole (for instance, the objective of facilitating trade applies to the various joint actions and also to computer applications).

– These developments call for improved monitoring and evaluation: monitoring results could be more reader-friendly and more widely available to the various partners, including the Member

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[31] Latvia and Turkey decided not to participate until 2004

States. The credibility of evaluation could be increased by using more evaluators with a more independent perspective than national or Community administrations, themselves participants in the programmes, can have.

– The "External" budget line for Customs 2002 has provided the applicant countries with technical assistance with achieving interconnectivity of their computerised systems and increasing their IT operational capacity. The Phare programme has helped them to connect to the CCN/CSI network and other Community applications. Since the applicant countries have to develop and maintain the national components of the computerised Community systems necessary for the proper operation of the internal market (as regards taxation) and customs union, the technical assistance provided to those countries cannot guarantee that their computerised systems will be fully operational at the moment of their accession.

6.2. General Recommendations

In addition to the recommendations set out above regarding the programme's specific aims, the following suggestions for increasing the value of joint actions should be considered:

– The programme could be made more efficient through greater involvement of the participating countries and enhanced coordination by the Commission. It seems that a variety of tools need to be developed to this end. Above all the programme should be made more reader-friendly, particularly as regards its financial aspects, so that participants can have a clear overview. The design and organisation of joint actions by national administrations could be supported by methodological recommendations (the participating countries already make extensive use of guidelines for benchmarking). In terms of evaluation, the classification of expected impact and the analysis of what is achieved would be facilitated by the establishment of quantitative indicators at the beginning of the programme.

– The way the programme has evolved indicates that limited actions with a small number of participants should be encouraged in future. Nevertheless, such actions should be tools for progress that can be shared with all the Member States. Consideration should also be given to how to promote the sharing of results - not only their dissemination, but their adaptation by national administrations. In this respect it would be worth developing project groups that involve more national administrations at each successive stage.

Part 2: Report on implementation of Customs 2002 Information Technology (1998-2002)

1. INTRODUCTION

1.1. Context

This report analyses the strengths and weaknesses of computerised systems financed by Customs 2002 and accompanies the report on programme implementation (joint actions).

It has been written in accordance with the requirements of Article 1(10)(b) of Decision No 105/2000/EC of 17 December 1999, which stipulates that the final report on the implementation of Customs 2002 must be accompanied by "a report analysing the strengths and weaknesses of any kind of customs computerisation systems involved in the implementation of the internal market."

1.2. Data sources

The sources used for this evaluation are:

– Member States opinions given in response to a questionnaire, designed to gather Member States' opinions on the computerised applications introduced under the programme in as objective a fashion as possible. The response rate to the questionnaire was approximately 75%.

– Quantitative data on the applications financed by the programme have also been taken into account.

Where Member States' opinions on computerised applications are reported, it should be borne in mind that they refer to the final application as seen by the user, i.e. with both the components financed by the EU (Community component) and the components financed by the Member States (national component).

1.3. Interim evaluation report

The Customs 2002 interim report concluded that computerisation would contribute to modern and efficient customs management by:

– simplifying and accelerating customs procedures,

– ensuring uniform application of customs legislation throughout the customs territory, and

– increasing the security of transactions.

The pursuit of these objectives justified investment in computerised systems.

1.4. Structure of the analysis

The computerised systems are in part common to Customs 2002 and Fiscalis, and in part specific to one or other of those programmes. The financing of the part in common was therefore charged equally to each programme.

The different applications are summarised in the table below.

Communication network and common management tools			
	Full name	**Definition/Objective**	**Commitments (in 1000 euros)**
CCN/CSI	CCN: Common Communication Network	Common communication network enabling partners to communicate via a technical architecture of gateways in national administration or DG TAXUD	23.801
	CSI: Common System Interface	Common computer language enabling national and Community IT systems to use CCN services and to dialogue in secure and monitored fashion	
Tempo	Taxud Electronic Management of Project Online	Methodology for developing and managing computer projects	1.418
PSO	Project Support Office	Office to support IT projects managers in their daily tasks	
IT applications financed by Customs 2002 programme			
	Full name	**Definition/Objective**	**Commitments (in 1000 euros)**
NSTI	New Computerised Transit System	Application allowing the electronic exchange of transit data between national administrations in parallel with the movement of goods	43.323
TARIC	TARif Intégré Communautaire [Integrated Community Tariff]	On the basis of the Combined Nomenclature, lists rates of duty, other Community charges and relevant Community rules for each type of goods (e.g. anti-dumping measures, restrictions)	12.841
TQS	Tariff Quota and Surveillance	Application for the management of tariff quotas and the surveillance of imported products to monitor tariff ceilings or for economic or anti fraud purposes	
RTCE	European Binding Tariff Information	System for exchanging and consulting on Member States' decisions on the classification of goods and, therefore, their tariff treatment and the application of trade policy measures	
TCO/TCT	Transfert des Cachets d'Origine/ Transmission des Cachets de transit [Transfer of origin stamps/Transmission of transit stamps]	Used by the Commission to disseminate information to Member States about origin and transit stamps via an e-mail application	
ISPP (formerly: IPR)	Information System for Processing Procedures	System currently used to administer information on inward processing authorisations	
DDS	Data Dissemination System	Server for the publication of data on the web	
ECICS	European Customs Inventory of Chemical Substances	System for exchanging and consulting on Member States' decisions on the classification of goods and, therefore, their tariff treatment and the application of trade policy measures	
Unit values		Application for calculating average prices used as points of reference for establishing import tariffs on fruit and vegetables	
Suspensions		Allows the creation of a dossier on the suspension of import duties for certain goods; constitutes a back-up to the publication of suspension regulations in the Official Journal.	
SIGL	Système d'Information de Gestion des Licences	Computerised system for the management of licences for the import into the EU of textiles and steel subject to quotas	4.483
AFIS/ SID	Anti Fraud Information System/ Système d'information Douanier	Electronic messaging system/central database for helping prevent, detect and prosecute operations in contravention of customs or agricultural legislation, using faster dissemination of information to increase the efficiency of the competent authorities' cooperation and control procedures	10.836

After presenting the budget data, we shall first look at the part common to both programmes, then at the applications specific to Customs 2002.

2. BUDGET

The table in Annex 6 shows the sums committed (in euros) for services relating to IT systems under the two programmes. The commitments correspond to payments, at least for the years 1998 to 2000. Payments under a commitment are spread over a number of years according to the nature of the services, whereas the commitment is made when the service contract is signed.

The total amount committed by Customs 2002 was **EUR 84 319 642**. This includes the financing of the CCN/CSI network and the programme management tools (joint financing, 50% each, by Customs 2002 and Fiscalis) and of customs applications as such.

It should be noted that where the computer systems have a Community and a national component, the programmes finance only the Community component and the Member States have to finance the national component.

The CCN/CSI communication network required an investment of EUR 23 801 472, of which half was financed by Customs 2002. This scale of expenditure was necessary because both development and deployment were involved. Financing the New Computerised Transit System (NCTS) (including 50% CCN/CSI expenditure and management tools) accounted for 51% of the total Customs 2002 budget. The systems under the heading "tariff applications" accounted for 15% of the total budget (those requiring most work were TARIC, TQS, EBTI, ISPP and SMS).

AFIS/ SID and SIGL accounted for 13% and 5% respectively of the total budget.

The NCTS gave rise to very high costs, since both development and deployment were involved. Most of the other customs applications were already in operation before the beginning of the programme.

3. PART COMMON TO CUSTOMS 2002 AND FISCALIS

3.1. CCN/CSI (Common Communication Network/Common System Interface)

3.1.1. Description

The purpose of developing a common communication network and interface system, as decided in December 1992 by the Directors-General for customs and taxation, is to harmonise the transfer of computerised data within the Community. The aim is to create a gateway between the computer systems of the Member States and of the Commission, which are all different, within a single infrastructure allowing inter-operability between all the systems.

CCN/CSI has been operational since 8 May 1999. The work carried out under Fiscalis and Customs 2002 for the network concerned development and deployment in the period before 1999 and upgrading and corrective maintenance and extensions to other sites (in particular in the applicant countries) in the period thereafter.

The Commission manages its computers and gateways up to the national entry points. The Member States manage the training of officials and the deployment of the national networks' computer tools.

3.1.2. Evaluation of the deployment and development of CCN/CSI

The Member States rated the deployment of CCN/CSI on a scale of 1 to 5 (1 = very favourable opinion, 5 = very unfavourable opinion).[32] What emerges is that their opinion, which is positive overall, is common to the administrations for customs and for indirect taxation.

The budget resources and timetables for implementation allocated to the deployment and development of CCN/CSI were considered realistic. The same applies to the support provided by the Commission in terms of assistance, training and documentation. The ease with which local applications can be connected to CCN/CSI is judged satisfactory.

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[32] see Annex 7

This confirms the results of the study carried out on the deployment of the system in 2000 by the Gartner Group under the ATOS Origin Integration contract.[33] The study concluded that the CCN/CSI technology and architecture worked properly and had proved their capacity to support a growing number of connections. However, it emphasised that integrating systems with CCN/CSI also calls for a major effort in terms of organisation and support on the part of Member States wishing to link up to the network.

3.1.3. Results

The results for CCN/CSI are evaluated:

– in qualitative terms (national administrations' and users satisfaction with the way the system works),

– quantitatively,

– and by an external study (Gartner Group 2002).

3.1.3.1. Users' evaluation of quality34

The national administrations are particularly satisfied with the support offered by the Commission (general support), security of use and the availability of the network.

They also appreciate how easy CCN/CSI is to use (ease of operation and of link-up with national systems).

However, while the customs administrations consider that CCN/CSI covers information exchange needs well and allows savings on many resources, the indirect taxation administrations have more reserves in this respect.

3.1.3.2. Quantitative data

Network availability is over 99% (98% in the year of commissioning).
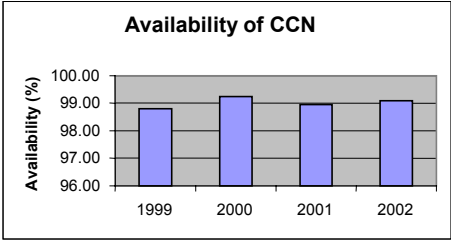
Use statistics for CCN show a sharp increase. The number of messages and the volume of information transported can be seen separately.

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[33] The contract concluded between the Commission and ATOS allowed the latter to sub-contract the study on CCN/CSI to the Gartner Group

[34] see Annex 7

Volume and number of messages handled by CCN
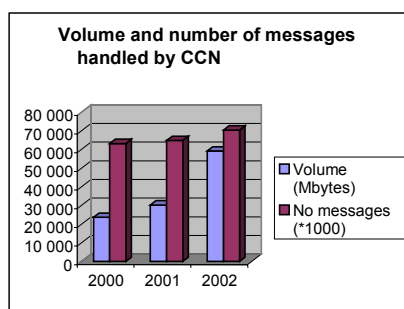
The figure below gives an idea of the breakdown of number of messages by application. It is in the nature of the VIES (VAT Information Exchange System), NCTS and AFIS applications to generate a large number of messages, since their function is to exchange information between Member States. The NCTS application, still in the deployment phase, will generate a growing number of messages in the coming years.

CCN traffic by number of messages
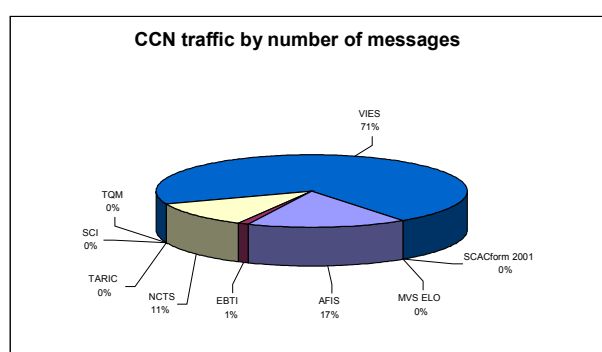
3.1.3.3. Gartner Group35 study (2002).

The study shows that CCN/CSI works well, is extensively used, and offers a very complete range of services, but that its cost is relatively high and is growing fast as its functions expand.

Since it was impossible to impose a common standard applicable in all the Member States, the Commission adapted CCN/CSI to make it compatible with the different national systems, which gave rise to substantial development costs for the Fiscalis and Customs 2002 programmes.

Technically the system can still easily take on a very large number of additional connections, but such growth will require considerable investment, since the decentralised technical architecture of CCN/CSI entails a specific infrastructure being put in place for every new connection, and possibly development to adapt to additional local technology.

Equally, the technical architecture of the system means that when any new function is added, the cost of maintaining a high level of quality, availability and security may be considerable.

3.1.4. Impact

Since the establishment of the CCN/CSI network was a necessary condition for the development of a number of computer applications for the exchange of information between Member States (in particular the NCTS), its impact on the programme's objectives has been evaluated in terms of the impact of the other applications. From this point of view, the costs of investing in and maintaining the quality of the CCN/CSI service can be justified by the gains in productivity that it should lead to in the development of the applications.

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35   The Commission concluded a contract with ATOS which allowed the latter to sub-contract the study on CCN/CSI to the Gartner Group

3.2. Programme management tools

3.2.1. Project Support Office (PSO)

The PSO was set up to make the management of IT projects more effective and efficient by centralising tasks common to such projects.

The study phase was completed in 2002 and a pilot phase is planned for 2003.

3.2.2. TEMPO (Taxud Electronic Management of Projects Online)

3.2.2.1.Description

TEMP is a development and management methodology for IT projects, which complies with recognised standards such as those of the PMI (Project Management Institute) and ISO (International Standards Organisation) and aims to reduce risks to these projects in terms of quality, meeting deadlines and keeping to budgets. It covers all the life cycle of a project, from the preparatory studies to contract management.

3.2.2.2.Contribution made by Tempo

The projects were divided into three groups: NCTS, other customs tariff applications and Fiscalis applications. For each one, services were divided into two groups: development and maintenance on the one hand, and operations, training and helpdesk on the other. This rationalisation led to a reduction in specific agreements (from 115 in 1999 to 35 in 2003), management economies and the consolidation of good practice in project management.

Invitations to tender are formulated in terms of the service to be offered (set cost per service module) with a requirement for quantified results rather than labour to be invested (cost in man-days).

By introducing a common approach for the development of IT applications and contract management, Tempo has helped of increase the programmes' efficiency and effectiveness.

4. CUSTOMS APPLICATIONS

4.1. Introduction

Evaluation of the customs applications has been restricted to those applications which required most work under Customs 2002, i.e. NCTS, TARIC, TQS, EBTI, SIGL and AFIS.

Customs 2002 also financed the development of the SMS and ISPP applications. At the time of drafting this report it has not yet been possible to evaluate the results and impact of these applications for users in the short, medium or long term. The Customs 2007 interim report should devote attention to these two applications.

The TCO/TCT system is in the process of being replaced by the Specimen Management System (SMS). Development of the SMS was completed at the end of 2002 and it will be operational at the beginning of 2003. It will include more information than that on origin or transit stamps.

The ISPP application (old version: IPR) has been operational since November 2002. It manages information on inward processing[36] authorisations which are stocked in a central database available

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[36]   A customs arrangement authorising the suspension of import duties under certain conditions for goods imported for processing followed by re-exportation

for consultation by Member States. It may be possible to include authorisations for other customs suspension arrangements in the new system in future.

The work and resources devoted by Customs 2002 to ECICS, Unit Values and Suspensions are relatively insignificant compared with the programme's investment in the other applications. Member States' opinions on the quality and completeness of the information provided by the systems and the applications' contribution to achieving the programme's objectives are set out in Annexes 8, 9 and 11.

4.2. **Evaluation of the development, deployment and operation of the customs applications overall**

Before evaluating the computer applications separately, this chapter gives an account of the Member States' perceptions of the development, deployment and operation[37] of the applications in organisational terms.

4.2.1. Development and deployment

The most important development and deployment work was carried out for the NCTS.

The support provided by the Commission (training, assistance) during deployment is considered very good. The time allowed for deploying the systems is considered fairly realistic (too short). The Member States have asked for improvement of the quality of specifications for the systems to be deployed. To a lesser extent, a desire for clear and fast communication between the Commission and the Member States has been expressed.

Opinions are very positive regarding the administrations' commitment to ensuring that systems are deployed according to the specifications. They are much less so about the availability at Member State level of the financing and human resources necessary for deployment.

Very positive views have been expressed about the quality and availability in good time of the technological and legal tools present in the Member States and necessary to the proper operation of the systems. On the other hand, Member States are less satisfied with the quality and availability of the administrative arrangements necessary to operate the systems.

The survey of Member States was intended to determine the human and budget resources available at national level for the development of IT systems under the programme. However, no conclusion can be drawn on this subject, for which few responses were submitted.

The problem of the budget and human resources available in the Member States for the development and deployment of the systems is not unrelated to the composition of the committees responsible for managing the programme's IT projects. The delegates to these committees from the national administrations do not always have the authority to commit the human resources or financing needed to apply the decisions taken at national level. This state of affairs can lead to coordination problems and delays in the application of decisions, and one country's delay can hold up the whole project.

The delays are also related to the sensitivity of the IT projects to policy decisions leading to new priorities being set while the programme is underway. In most cases their application requires an in-depth revision of the work plans, and the necessary additional resources are rarely made available within the Member States when such decisions are taken.

Lastly, the Member States are satisfied with the quality of the information exchanged at meetings of the committees responsible for the IT projects, but feel that the Commission could propose more opportunities for sharing the information with the Member States.

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[37]   see Annex 10

4.2.2. *Operation*

The help provided by the Commission during operation is greatly appreciated by users. The two helpdesks (for the NCTS and for other customs applications) are also subject to regular evaluations using precise quality criteria.

Ease of administration of the systems by Member States is not rated at all highly.

4.2.3. *Usefulness/Sustainability*

The survey of Member States[38] shows that two thirds of the systems financed by the programme are rated as indispensable or frequently used, a quarter are used occasionally and less than 10% are never used or are in the introduction phase. A little under half (45%) the Member States have drawn up action plans to improve use of the systems created under the programme. A little over half the systems are subject to a legal or administrative requirement to use them in the Member States. Taken together, these figures give an indication of the usefulness (usefulness criterion) of the systems as perceived by the Member States and, where appropriate, their long-term use (sustainability criterion).

4.3. NCTS (New Computerised Transit System)

4.3.1. *Description*

Transit is a customs arrangement which allows the movement of goods - both in the EU and in countries which are contracting parties to the Convention on a common transit procedure - under suspension of the duties and taxes normally applicable to imported goods. It was introduced at the end of the 1960s, based on the exchange of paper forms between customs offices.

In the early 1990s the Commission identified a number of ways in which the transit system was dysfunctional: in particular there was a lack of coordination between the administrations and departments involved and a lack of consistency resulting from the multiplicity of systems, the existing systems were slow and a paper-based system was not adequate to combat fraud effectively (circulation of the transit documents lasts much longer than the movement of the goods they cover). Subsequently numerous studies stressed the need to reform the system to respond to the growth of trade flows.

It was therefore decided in 1994 to computerise the administration of the international transit system and create the New Computerised Transit System (NCTS), replacing paper forms with electronic ones and exchanging them by e-mail.

The system will cover the 15 Member States, the EFTA countries (Switzerland, Norway, Liechtenstein and Iceland) and the Visegrad countries (Czech Republic, Slovakia, Poland and Hungary), i.e. 23 countries.

Its financing is based on Decision EEC/105/2000 adopting the Customs 2002 programme.

On the technical side, the Commission has:

– established a database listing the customs offices with an operational role in the common transit procedure - the list is published on the Europa website;

– provided coordination of the participating countries;

– provided the participating countries with an MCC (Minimal Common Core) application, and

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[38]   see Annex 12

– helped the participating countries with project development: the Commission organised many coordination meetings, operational workshops and training sessions and developed central applications for testing national applications and providing daily statistics.

The MCC application is used by some countries, and some of them have extended its functions.[39]

The NCTS must be fully operational by 30 June 2003, on which date all the customs offices administering transit must be connected to the system. The Commission must inform Parliament and the Council of any delay.[40] Approved traders using the simplified transit procedure must be connected by 31 March 2004.

In June 2000 a demonstration of the NCTS was given at the Parliament for MEPs and the Directors-General of the national administrations concerned.

4.3.2. Results

4.3.2.1.Users' evaluation of quality[41]

The Member States rate the information provided by the NCTS as very full, with very little need for improvements. In fact, what certain Member States are calling for is not so much improvements to the NCTS itself as similar developments for excise and the free circulation of export goods and, more generally, integration of all the systems for monitoring the movement of goods.

They also consider that information is updated and provided in good time, and is correct and precise, with some qualifications regarding the updating of the list of transit offices, which certain Member States would like to be more rapid.

At the 18 December 2002 meeting of the Transit Contact Group, which brings together traders, customs administrations and the Commission, the traders present unanimously confirmed that the operational specifications of the system fully satisfied their requirements.[42]

4.3.2.2.Quantitative data

As the table below, drawn up on 31 December 2002, shows, progress with connections to the system varies greatly from one Member State to another. However, the Commission believes that all the Member States but two can meet the 30 June deadline.[43]

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[39] The countries using or intending to use the MCC are Norway, Denmark, Sweden, Ireland, the United Kingdom, Poland, Belgium, Luxembourg, the Netherlands, Hungary and Portugal

[40] The Commission informed the Council and Parliament on 20 March 2003: COM(2003)125 final

[41] see Annex 8 and Annex 9

[42] COM(2003) 125 final: Communication from the Commission to the Council and the European Parliament: Implementation of the New Computerised Transit System (NCTS)

[43] COM(2003) 125 final

Non-computerised "transit" customs offices

Customs offices connected to the NCTS (SV, DK and UK connected in December 2002)
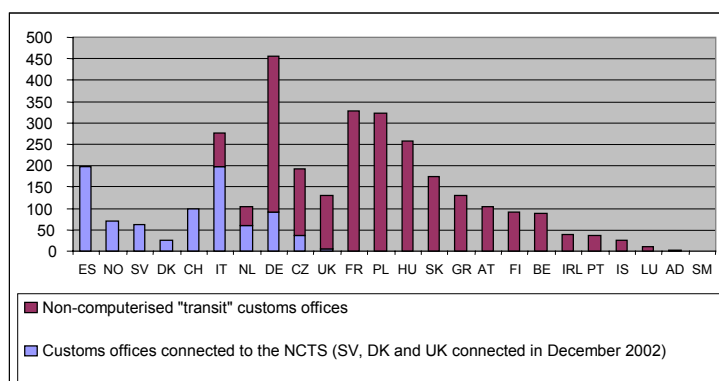
It is estimated that there are 20 million national and international transit movements per year within the EU. From the connection of the first customs offices in December 2001 to the end of 2002, 170 000 international movements were processed by the system. In December 2002, when 26% of offices were connected, the weekly average reached 7 500, or 375 000 per year, which is a marginal amount compared to the Commission's estimate of total international transit movements.

A transit movement is processed by the system when the transit document is:

–   issued by a trader or office connected to the system and

–   received by an office connected to the system.

For NCTS movements under a simplified procedure, authorised traders are connected to the system and can initiate an NCTS movement without going via a customs office. The movement is closed if the transit document is sent to a customs office connected to the system. Under the normal procedure, the movement is processed by the system if it is initiated and closed from a customs office connected to the system.

The number of movements processed by the system therefore depends on the number of authorised traders and offices that are connected.

The table below (figures as of 31 December 2002) illustrates the difficulties of starting up the NCTS: most authorised traders are not yet connected to the system. Furthermore, not all the participating countries have yet developed interfaces allowing traders using the normal procedure to transmit their declarations electronically.

Customs offices connected to NCTS (SV, DK and UK connected in December 2002)

NCTS movements in January 2003
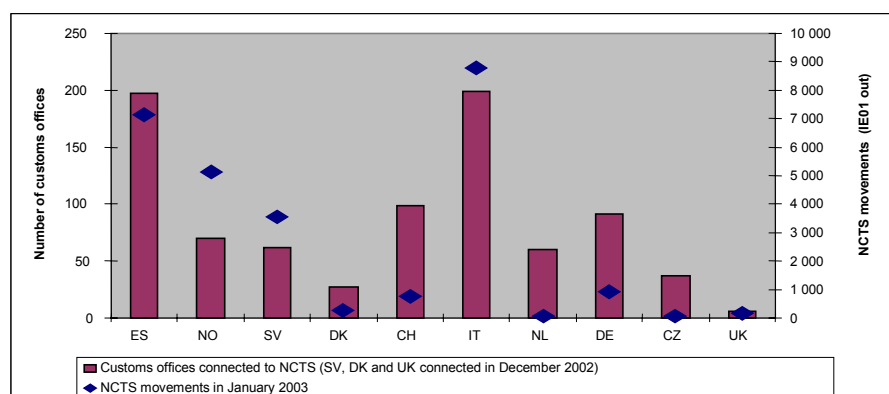
The number of messages processed by NCTS should increase dramatically between 1 July 2003 and 1 March 2004, since by the latter date all authorised traders using the simplified procedure, which accounts for the bulk of transit movements, will be legally obliged to be connected.

The efficiency of the NCTS project (ratio of cost to results) is hard to evaluate. However, the report of Parliament's Committee of Inquiry[44] estimated that for the period 1990 to 1996 the minimum value of fraud in the transit system was one billion euros. Computerising transit is intended to greatly reduce this fraud, which is made possible by the time lag between the movement of the paper transit documents and the travel time of the goods. The amounts invested in computerisation are therefore modest compared to the savings that will be made by levying customs duties more correctly.

4.3.3. Impact

Member States responses[45] indicate that the NCTS is among the customs applications making the greatest contribution to more uniform application of Community legislation throughout the customs territory of the EU. It ensures that all operators are treated in the same way: the operational specifications of the system are exactly the same in all Member States.

They consider that the NCTS represents major progress in fraud prevention, since transit declarations arrive at the office responsible for controls in good time.

The transit movements processed by the NCTS must be linked to a risk analysis to ensure that checks are well targeted. However, traders are not legally obliged to indicate the codes for their goods on transit declarations. This makes risk analysis more difficult.

The Member States consider that the NCTS has done more to improve communication with traders than the other computerised customs applications. They also consider it useful for improving administrative cooperation between customs authorities.

4.4. The TARIC data base (Integrated Community Tariff)

4.4.1. Description

TARIC lists, on the basis of the Combined Nomenclature, rates of duty, other Community charges and relevant Community rules (e.g. anti-dumping measures, restrictions) for each type of goods. It encompasses all Community legislation connected with tariffs and all commercial policy measures connected with imports and exports of goods.

TARIC's objectives are:

– to make an up-to-date version of customs and commercial legislation available to everyone by direct publication of this information (on line and on paper) in order to facilitate customs clearance operations;

– to enable tariff and commercial legislation to be applied in a uniform fashion throughout the territory of the customs union.

The TARIC database was computerised in 1994. It is available in the 11 official languages, with daily updates carried out and notified to the national administrations by the Commission.

Since September 2000 TARIC has also been available to the public on the Commission's EUROPA website.

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[44] See Committee of Inquiry into the Community Transit System/Report on the Community Transit System, Rapporteur Mr Edward Kelley-Bowman, A4-0053/97:
http://www.europarl.eu.int/hearings/kelletta/default_en.htm

[45] see Annex 11

Customs 2002 financed the adaptation of TARIC for the year 2000 as well as upgrading and corrective maintenance.

4.4.2. Results

4.4.2.1. Member States' evaluation of quality[46]

The Member States consider that the information provided by TARIC is complete, but suggest certain improvements, such as the incorporation of all Community customs legislation (information on certificates of origin, import or export restrictions, risk analysis).

They also consider that information is provided and updated in good time and is precise and correct, although it is felt that the Commission could inform the Member States more rapidly about anti-dumping measures. However, because of the confidential nature of such trade policy measures, in most cases they enter into force the day after their publication in the Official Journal. As a rule the Commission sends the information to the Member States via TARIC on the day of publication. Some Member States have an electronic interface between TARIC and their national tariff database, allowing automatic incorporation of anti-dumping information. Those who do not have such an interface suffer delays in the updating of these measures, which is deleterious to the principle of uniform application of Community legislation.

4.4.2.2. Quantitative data

Consultations on the Commission's Europa website (DDS server) have been constantly expanding since September 2001. There were 1 752 945 consultations in the last quarter of 2002, i.e. almost 600 000 a month, not counting consultations on the sites that certain Member States have developed. Some of them have services identical to DDS, into which they incorporate the data received from the Commission every day, and in some cases other data on excise duties, VAT, phytosanitary measures, etc.

Apart from consultation on the DDS server, there is also an address to which the public can send enquiries about customs tariffs to the Commission department responsible for TARIC. At the end of 2002, more than 1 400 such enquiries had already been received. No time limit for responses is fixed by law, but response time could be reduced if resources were devoted to this objective.

These figures show how much interest there is in TARIC.

Furthermore, TARIC facilitates the tasks of traders and customs officials in customs clearance procedures, since some of the boxes on the customs declaration (Single Administrative Document) correspond exactly to TARIC, meaning that the customs duties can be calculated automatically.

4.4.3. Impact[47]

In the Member States' view TARIC is one of the applications that contributes most to the uniform application of Community legislation throughout the customs territory and to more efficient administrative procedures.

TARIC rapidly and simultaneously informs all the national administrations of legislative changes. This helps reduce the risk of discrepancies between Member States in the application of legislation. The dissemination of information via the Europa website and the possibility of communicating directly with Commission staff also allow the risk of discrepancies to be reducing by enhancing communication with traders.

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[46]   see Annex 8 et 9
[47]   see Annex 11

The Member States gave very positive opinions on TARIC's contribution to improving the quality and results of customs controls through concordance between boxes on the declaration form and the TARIC codes.

4.5. The TQS (Tariff Quota and Surveillance) application

4.5.1. Description

TQS is a management system allowing direct communication between Member States concerning tariff quotas and ceilings and the surveillance of quantities imported.

For a number of products a reduction in the customs duty payable is authorised for limited quantities of imports according to their origin. This limitation takes the form of tariff quotas or tariff ceilings.

Tariff quotas are granted annually by Regulations and can be drawn on until they are exhausted, at which point standard duties have to be paid on the products. Tariff ceilings differ from quotas in that when the ceiling is passed the preferential duties are not automatically terminated. A Commission decision or regulation is required to reintroduce the standard tariff.

The information derived from the surveillance of quantities imported is used, inter alia, in trade and tariff negotiations.

The objectives of computerising tariff quotas and surveillance are:

– effective and efficient management of quotas to ensure uniform application of the legislation;

– provision of a powerful tool for the surveillance of imported quantities and surveillance for economic or anti-fraud reasons.

Quotas are managed as follows: every day Member States send their requests to draw on quotas and receive a response from the Commission in the form of an allocation. The data is updated daily.

For surveillance purposes, national administrations introduce their statistics either using a web application provided by the Commission or by sending an e-mail. The statistics are then consolidated by the Commission and can be consulted via the same web application or by means of monthly e-mails sent to the national administrations.

Customs 2002 financed the adaptation of TQS for the year 2000, migration to CCN/CSI and the development of new functions.

4.5.2. Results

4.5.2.1. Member States' evaluation of quality[48]

The survey of Member State users of the system shows that TQS provides full information. Certain improvements could nevertheless be made, but no suggestions have been made. Above all, the Member States rated highly the precise and correct nature of the information provided by the system. They consider that information is provided and updated in adequate time, with a need for improvements as regards the publication of certain Regulations on tariff quotas.

Certain Member States strongly advocate harmonising TARIC and QUOTA, which are mutually contradictory for certain products.

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[48]   see Annex 8 and Annex 9

The Integrated Tariff Environment (ITE) project should allow these discrepancies to be rectified: it is intended to integrate and harmonise all tariff applications to allow shared management of common data. The project study has been completed, and the project will be implemented under Customs 2007.

4.5.2.2. Quantitative data

Computerised management is conducted in a central office in each Member State and at the Commission; the central offices collect the requests to draw on quotas and the Commission is responsible for allocating the amounts. The offices are therefore directly connected to the Commission.

However, not all the Member States are computerised to the same degree; in general, computerisation is further advanced for surveillance than for quota management. In some Member States the data on customs declarations is still entered manually as there is a lack of human and budget resources for IT projects.

There was an upward trend in the number of drawing requests in the period 2000-2002. Unfortunately, the number of returns to tariff quotas (following drawing errors) is also on the increase; the Commission conducts follow-up to encourage Member States to reduce number of errors in their drawing requests.

	2000	**2001**	**2002**
No of drawing requests	176 009	170 699	238 743
No of returns	2 640	2 176	3 264

The Commission publishes QUOTA information on its Europa website via the DDS server; this information is consulted over 200 000 times a quarter.

4.5.3. Impact[49]

In the Member States' view TQS contributes to the uniform application of Community legislation throughout the customs territory, since centralisation and computerisation make possible rapid and uniform quota management. This ensures that drawing requests are treated in the same way and at the same speed throughout the Community. However, harmonisation of administrative management procedures (for instance, how errors are handled) would allow distortions to be avoided.

Delays when certain tariff quota Regulations are published have affected Member States' opinions about how well TQS contributes to communication with traders.

Member States consider that the system does help to improve customs controls.

4.6. The EBTI (European Binding Tariff Information) database

4.6.1. Description

EBTI is a system for exchanging and consulting on Member States' decisions on the classification of goods and, therefore, their tariff treatment and the application of trade policy measures. A tariff classification issued to someone for the import of a specific product is valid for that person for six years throughout the customs territory of the Community. The Member States send their decisions and descriptive photos of the product to the Commission, who manages a database which can be consulted electronically by the Member States.

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[49]   see Annex 11

The present computerised system was deployed in the Member States at the end of 1999. The national administrations were provided with scanners and cameras. The programme also financed corrective maintenance work, and in particular the creation of an interface between some of the administrations which issue large numbers of BTI notices and the central database.

4.6.2. Results

Member States' opinions on the fullness and quality of the information provided by the system are set out in 0 and 0.

The number of BTIs stored in the central database has been constantly on the increase since 1998; at the end of 2002 there were approximately 270 000.

The computerised management of BTIs makes the work of customs officials easier since they no longer need to classify goods when they are imported, but can confine their controls to checking the goods against the description on the BTI (with photo).

However, there have been some difficulties with consulting the system, since the Member States issue BTIs in their own language and correspondences in the central dictionary (Thesaurus) are imperfect in some areas (chemical, electronic) and for some languages correspondence. This may lead to discrepancies in the application of tariff legislation throughout the customs territory in the case of an estimated 2-5% of BTIs. Another reason for difficulties may be the fact that in some countries a number of offices, rather than a single central office, are responsible for issuing BTIs.

These difficulties may also have been accentuated by the suspension of some management work on the database (e.g. management of the Thesaurus, coordination between Member States) between 2000 and 2002.

Improving the central dictionary and dealing with discrepancies are the challenges the EBTI needs to address in future.

4.6.3. Impact[50]

The survey of Member States shows that they feel the EBTI has contributed principally to increasing the efficiency of procedures, cooperation and the exchange of information between Member States.

They also consider that it assists with the uniform application of Community legislation and improving the quality and results of customs controls.

4.7. DDS (Data Dissemination System):

4.7.1. Description

DDS is a server which, since September 2000, allows the publication of data on the Commission's Europa website and gives the public access to certain applications (such as TARIC, TQS and the list of transit offices). Its development and commissioning were financed by Customs 2002.

4.7.2. Results and impact

The statistics on use of the DDS server are given in the "results" paragraphs of each of the applications for which information is disseminated. DDS is a tool for publishing information for the public: it helps improve communication with traders (via the mailboxes) and achieve uniform application of Community legislation.

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[50]   see Annex 11

4.8. The SIGL application (Licence management information system)

4.8.1. Description

SIGL is a trade policy tool which is also used for customs policy, given the close link between the two policy areas.

SIGL is an import licence management system for textile and steel imports subject to quotas. Its main users are not customs administrations but the ministerial departments responsible for trade in each Member State, which consult the central SIGL database before issuing import licences on the basis of the information provided in real time.

The SIGL database is also connected to various third countries which send the EU export licences they have issued in electronic form. This allows the export licences issued by third countries to be checked against applications for licences for the import of the same products into the EU.

The programme financed:

–   the creation of a website which can be consulted by the public to find out what import quantities are available;

–   the help provided by the helpdesk and

–   the connections with third countries allowing export licences to be checked against import licences.

4.8.2. Results

The SIGL system is of use primarily to ministerial departments responsible for trade, which are not always part of the customs administrations. Since the questionnaires were answered by the customs administrations, the response rate is low.

However, those responses that were received rate very highly the fullness, exactness and precision of the information provided as well as the promptness with which it is updated and transmitted.[51]

The website makes the system transparent for traders. The number of consultations of the site remains steady (78 000 for the last six months of 2002).

It is worth noting that the system for electronic checking of export licences issued by third countries against applications in the EU for import licences for the same products has allowed a fraudulent network dealing in textiles to be dismantled.

4.8.3. Impact[52]

It is very difficult to evaluate the impact of SIGL on the objectives of Customs 2002. However, the results referred to above highlight the importance of the system for combating fraud.

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[51]   see Annex 8 and Annex 9
[52]   see Annex 11

4.9. The AFIS (Anti-Fraud Information System)/SID (Système d'information douanier) applications

4.9.1. Description

Regulation (EC) No 515/97 of 13 March 1997 is the legal basis for the AFIS (communication system) and SID (central database) applications.

Customs 2002 financed the upgrading and corrective maintenance of both applications.

4.9.1.1. AFIS

AFIS, which is made up of different applications defined according to area of competence or particular mode of transport, is an electronic messaging system for the rapid and secure exchange of information between different specified and limited partners, including the Commission and certain national administrations (customs, agriculture, police or other) in the Member States. The national administrations of fifteen third countries[53] with which the Commission has concluded mutual assistance agreements or protocols for customs have limited access to the generic application AFIS mail.

The purpose of AFIS is to prevent, detect and prosecute irregularities in customs and agriculture.

The exchange of information concerns customs matters primarily, but also agricultural, excise and other matters.

4.9.1.2. SID

SID is a central database, accessible from terminals positioned in each Member State and at the Commission, containing data, including personal data, necessary to the accomplishment of its objectives.

The objective of SID is to prevent, detect and prosecute operations that are in infringement of customs or agricultural law by using the more rapid dissemination of information to increase the efficiency of the competent authorities' cooperation and control procedures.

In the context of this general objective, however, the relevant legislation only allows data to be entered in SID for the purposes of the following operations: discreet surveillance, observation and reporting, specific controls.

4.9.2. Results

4.9.2.1. AFIS

In 2002[54] 786 357 messages were exchanged (providing assistance spontaneously or on request from Member State administrations) via AFIS.

It is extremely difficult, given the nature of the objective, to quantify the amount of fraud detected with the assistance of AFIS. However, one may cite as an example the number of containers of cigarettes alone registered in a single AFIS application as seized in the Community in the first six months of 2002 (169, not counting the UK); seizing only two or three containers a year is enough to cover the annual costs of AFIS. Account should also be taken of the contribution, which is not negligible, made by AFIS applications to the prevention of fraud.

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[53]   NO, CH, MT, CIE, EE, LT, PL, LV, CN, UH, BAG, CHI, GI, RU
[54]   No data available for previous years

4.9.2.2.SID

Although the software was technically ready, SID was held up at the formative stage from 1998 to 2002 to allow the Member States to sort out various legal, administrative and technical issues: it could not be used unless Directive 95/46/EC on the protection of personal data was transcribed into national law, roles and responsibilities had to be allocated, and the Member States did not migrate the national component of the system onto the CCN/CSI network until 31 December 2002. It was not therefore possible to commission the system (operational phase) until March 2003. Consequently it is too early to evaluate either the results of the impact of SID at the operational level.

4.9.3. Impact[55]

The Member States consider that AFIS contributes very effectively to combating fraud and helps improve the quality and results of customs controls. They also consider that it is a useful tool for cooperation, allowing information to be exchanged between customs authorities.

5. CONCLUSIONS

5.1. Part common to Customs 2002 and Fiscalis

1 CCN/CSI offers very thorough services and the network operates well and has a high use rate. Deployment, development and operating costs were determined by the obligation to make CCN/CSI compatible with the different national systems already in place. By the same token, the decentralised technical architecture of CCN/CSI entails a specific infrastructure being put in place for every new connection, and possibly development to adapt to additional local technology.

2 The introduction of the Tempo technology helped make the Commission's organisation of the management of IT projects more efficient and effective.

However, Member State delegates on the committees responsible are not fully informed about all the resources (budget and human resources) available for implementing the "national" part of the projects, which poses problems when it comes to setting realistic schedules for project progress.

5.2. Customs applications

1 It is not yet possible to measure all the results and impact generated by the NCTS, since it is still in a deployment phase.

The system is not yet used to full capacity, mainly because few of the traders using the simplified procedure (80% of transit movements) are connected to the system. Since all Member State transit offices and all traders using the simplified procedure must be connected by 1 July 2003 and 1 March 2004 respectively, the number of movements processed by the NCTS should increase rapidly.

Traders and the Member States consider that the NCTS will contribute to improved cooperation between authorities and to fraud prevention and will help facilitate customs controls.

In terms of efficiency, the cost of computerising the transit system (EUR 43 million) should be viewed in the light of the estimated cost of fraud in customs transit (EUR 1 billion for the period 1990 to 1996).

2 The purpose of the TARIC and DDS systems is to disseminate information held centrally to national authorities and the public. Using information technology allows this to be done rapidly, with

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[55]   see Annex 11

information reaching recipients at the same time, thus reducing the risks of divergent applications of Community law. The Member States also consider that TARIC is helping to improve the efficiency of administrative procedures.

3   Central computerised quota management (TQS) also contributes to uniform application of legislation because information is processed rapidly and in uniform fashion. However, Member States need to avoid making mistakes in their drawing requests.

4   The Member States have expressed a desire to improve the efficiency of the tariff applications by harmonising and integrating them all to avoid discrepancies and to facilitate connections and compatibility between systems. The ITE project should resolve this problem.

5   The EBTI application was deployed thanks to financing from the programme (provision of scanners and cameras to national authorities). Central computerised management of BTIs (Binding Tariff Information notices) primarily contributes to improving the efficiency of administrative procedures and cooperation. However, particular attention needs to be devoted to the few current cases of divergence in the application of tariff legislation and to improving the central dictionary of the data base.

6   There was a very low response from Member States to the survey on the SIGL application (computerised licence management). However, it did confirm that SIGL helps limit quota-related fraud for textiles and steel.

7   The AFIS application is a useful tool for combating customs fraud. The Member States consider that it is also a useful tool for cooperation, allowing information to be exchanged between customs authorities. Since SID was not in the operational phase during the programme period, it's results and impact cannot be evaluated.

ACRONYMS – GLOSSARY

AFIS Anti-Fraud Information System *(Electronic messaging system designed to help prevent, detect and prosecute operations in contravention of customs or agricultural legislation)*

ART Activity Reporting Tool (*Computerised system for budget management*)

Availability *Proportion of time that a network is capable of operating. The availability of CCN/CSI represents the average for the gateways and their connections. Unavailability caused by networks or systems managed by national administrations is not taken into account*

Benchmarking *In order to enhance the efficiency of national customs administrations, a number of Member States have chosen to identify the best practice in each participating Member State and formulate recommendations to be adapted to its own context by each national administration*

BSCC Baltic Sea Customs Conference: *conference of the customs administrations of the countries on the Baltic Sea*

CBS Council of Baltic Sea States

CCN/CSI Common Communication Network/Common System Interface. *Communication platform and interface used to link national administrations and the Commission*

COMPACT Compliance and Partnership, Customs and Trade

Computer application Synonymous with *computer programme*

CUSTOMS 2002 *Multi-annual Community action programme supporting and supplementing Member States' initiatives in the field of customs*

DDS Data Dissemination System *(Server for the internet publication of data)*

Deployment *Installation of a computer application or system in the place where it will be used. In the life cycle of a computerised system, deployment follows development and precedes operations*

Development *Programming and testing a computerised system. In the life cycle of a computerised system, development follows studies and precedes deployment*

DG TAXUD Directorate-General for Taxation and Customs Union

EBTI European Binding Tariff Information *(System for exchanging and consulting on Member States' decisions on the classification of goods and, therefore, their tariff treatment and the application of trade policy measures)*

ECICS European Customs Inventory of Chemical Substances *(Inventory, in the 11 official languages, of the names and synonyms of chemical substances together with their tariff classification in the combined nomenclature)*

e-commerce VAT Computerised system for the declaration, collection and levying of the VAT owed by traders

EEC European Economic Community

Efficiency *Criterion for determining the extent to which the results obtained are proportional to the resources mobilised and the effects have been achieved at a reasonable cost*

Effectiveness *Criterion for determining the extent to which the programme's official objectives have been achieved and whether the expected effects have been obtained*

EMCS   **E**xcise **M**ovement and **C**ontrol **S**ystem

EMPACT   **E**uropean **M**odel for **Pa**rtnership between **C**ustoms and **T**rade

EU   European Union

Evaluation   *Judgment of the value of a public operation with reference to explicit criteria*
and standards

Exchanges   *Visits in which officials spend 15 days with an administration in another Member State. This allows the exchange officials to meet other officials and improve their understanding of the organisation, methods and procedures used in another Member State*

Ex post evaluation   *Evaluation summarising and judging the programme after its completion*

EWS-E   **E**arly **W**arning **S**ystem - **E**xcise (*Allows the Member State of departure of a consignment of excise goods to send an information or warning message to the Member State of arrival so that checks can be carried out in time*)

FISCALIS   *Multi-annual Community action programme to improve the operation of indirect taxation systems in the single market*

Gateway   *Point of connection of a national administration to a CCN network. There is only one gateway for each connected administration. The systems communicate with the gateways via the networks managed by the national administrations*

ICARUS   *Contact group for airport customs offices*

IDA   **I**nterchange of **D**ata between **A**dministrations, *a European Commission initiative for linking Member State and Community IT systems*

Impact   *Medium- to long-term effects of an activity on the intended beneficiaries or, indirectly, other beneficiaries*

Indicator   *Measure of an objective to be achieved, a resource mobilised, an effect obtained or a variable. The information provided by an indicator is a quantitative measure of facts or opinions*

Interim evaluation   *Critical evaluation of the first activities and results of the programme, allowing the quality of monitoring and implementation to be assessed*

ISPP   **I**nformation **S**ystem for **P**rocessing **P**rocedures (*System currently used to manage information on inward processing authorisations*)

IT   Information Technology

Joint actions   *All actions under the programme jointly organised by the Commission and the Member States: seminars, exchanges, multilateral controls and training activities*

Management Groups   *Five management groups in which the Member States are represented manage the priority areas of the programme under the supervision of the Customs 2002 Committee. The five groups are the Administrative Management Group, the Controls Management Group, the Training Management Group, the Management Group for Relations with Trade, and the Management Group for Information Technology and New Developments. The Management Groups meet approximately twice a year*

MEANS   **M**éthode d'**é**valuation des **A**ctions de **N**ature **S**tructurelle [Method for the evaluation of structural operations] - *used to evaluate Community programmes. The MEANS methodology defines the standard phases and stages of an evaluation, with a stage for the delimitation and structuring of the evaluation (described in detail below) preceding observation, analysis and judgment*

MoU   **M**emorandum of **U**nderstanding

MVS   Movement Verification System

NCTS   New Computerised Transit System *(Computerised system for the electronic exchange of transit data between national administrations in parallel with the movement of goods)*

NIS   New Independent States *(of the former Soviet Union*)

ODYSSUD   *Contact group organising major southern ports of the EU*

OLAF   **O**ffice pour la **L**utte **A**nti-**F**raude de la Commission européenne *(European Commission Office for combating fraud)*

Operation   *Use of a computerised system. In the life cycle of a computerised system, operation is the end objective. It is the stage at which the investment previously agreed to (study, development, deployment) bears fruit, and the system begins to contribute to the objectives*

Phare   *The financial assistance system for the applicant countries set up by the EC*
in 1990

PSO   **P**roject **S**upport **O**ffice

RALFH   **R**otterdam **A**nvers **L**e **H**avre **F**elixstowe **H**ambourg

Relevance   *Criterion for judging the extent to which a the programme's objectives match*
the needs of the Member States

Results   *Short term effects of an activity on the intended beneficiaries*

SCAC   **S**tanding **C**ommittee of **A**dministrative **C**ooperation *(for the Fiscalis*
programme)

SEED   **S**ystem for the **E**xchange of **E**xcise **D**ata; *Register of persons recognised as authorised warehousekeepers or registered traders within the meaning of Directive 92/12/EEC*

Seminars   *Seminars provide the ideal context for national officials and experts to meet to analyse problems and identify and disseminate the best solutions. Their purpose is to give national officials the opportunity to speak about their experience on their own behalf (and not as representatives of the national administrations), with a view to improving administrative cooperation*

SID   *Système d'Information Douanier* [Customs Information System] (*central data base designed to help prevent, detect and prosecute operations in contravention of customs or agricultural legislation, using faster dissemination of information to increase the efficiency of the competent authorities' cooperation and control procedures)*

SIGL   **S**ystème d'**I**nformation de **G**estion des **L**icences *(Import licence management information system for textile and steel imports subject to quotas)*

SMS   **S**pecimen **M**anagement **S**ystem

Suspensions   *Allows the creation of a dossier on the suspension of import duties for certain goods; constitutes a back-up to the publication of suspension regulations in the Official Journal*

Sustainability   *Criterion to determine the extent to which changes and benefits arising from the programme will last after it comes to a close*

TAC   **T**ravel, **A**ccommodation and **C**onference facility

TACIS   **T**echnical **A**ssistance for the **C**ommonwealth of **I**ndependent **S**tates: *system of financial assistance to the States of the former Soviet Union*

TAIE   **T**echnical **A**ssistance **I**nformation **E**xchange

TAIEX	*European Commission office handling requests from the applicant countries for expert advice*

TARIC	**TAR**if **I**ntégré **C**ommunautaire [Integrated Community Tariff] (*On the basis of the Combined Nomenclature sets out rates of duty, other Community charges and relevant Community rules for each type of goods*)

TCO/TCT	**T**ransfert des **C**achets d'**O**rigine/**T**ransmission des **C**achets de **T**ransit [Transfer of Origin Stamps/Transmission of Transit Stamps] (*Application used by the Commission to send information on origin and transit stamps to the Member State administrations by e-mail*)

TEMPO	**T**axud **E**lectronic **M**anagement of **P**rojects **O**nline (*Methodology for developing and managing computer projects*)

TQS	**T**ariff **Q**uota and **S**urveillance (*Application for managing tariff quotas and monitoring imported products to monitor tariff ceilings, for economic reasons or to combat fraud*)

Unit Values	*Application for calculating average prices serving as points of reference*

Usefulness	*Criterion for judging whether a programme has brought about the expected changes in terms of the needs of the parties concerned*

VAT	**V**alue-**A**dded **T**ax

VATR	*Request for verification of a VAT number in the VIES*

VIES	**V**AT **I**nformation **E**xchange **S**ystem (*Computer system linking the Member States and enabling them to obtain information on any intra-Community transactions involving goods between traders registered in their own VAT file and those listed in another Member State, and to confirm the validity of the VAT identification number of a VAT-taxable person*)

WCO	**W**orld **C**ustoms **O**rganisation

ANNEXES

ANNEX 1: THE METHOD: USE OF THE **MEANS** MODEL TO STRUCTURE THE EVALUATION

The MEANS[56] method (Méthode d'Évaluation des Actions de Nature Structurelle) was developed to ensure a consistent and uniform approach to evaluating Community programmes. It defines the standard phases and stages of an evaluation, with a stage for the delimitation and structuring of the evaluation (detailed implementation described below) preceding observation, analysis and judgment.

1. **DELINEATING THE SCOPE OF THE EVALUATION**

Period considered

This report, covering the years 2000 to 2002, complements the mid-term evaluation[57] already carried out under the Customs 2002, which covered the years up to 2000.

Actors considered

The way the national administrations use the opportunities offered by the programme is vital to the achievement of its objectives. The Member States and the Commission are the actors most involved in the programme.

2. **STRUCTURE OF THE EVALUATION**

2.1. **Criteria and evaluation questions**

The first step in the structuring phase concerns the effects to be evaluated.

The MEANS model distinguishes four different effects that can be measured in an evaluation. Figure 1 shows these effects and evaluation criteria.

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[56] (Method for evaluating structural operations) volume 3, page 25
[57] *Interim report on the implementation of the Customs 2002 programme* SEC(2001) 1329, 31.7.2001; Commission working paper
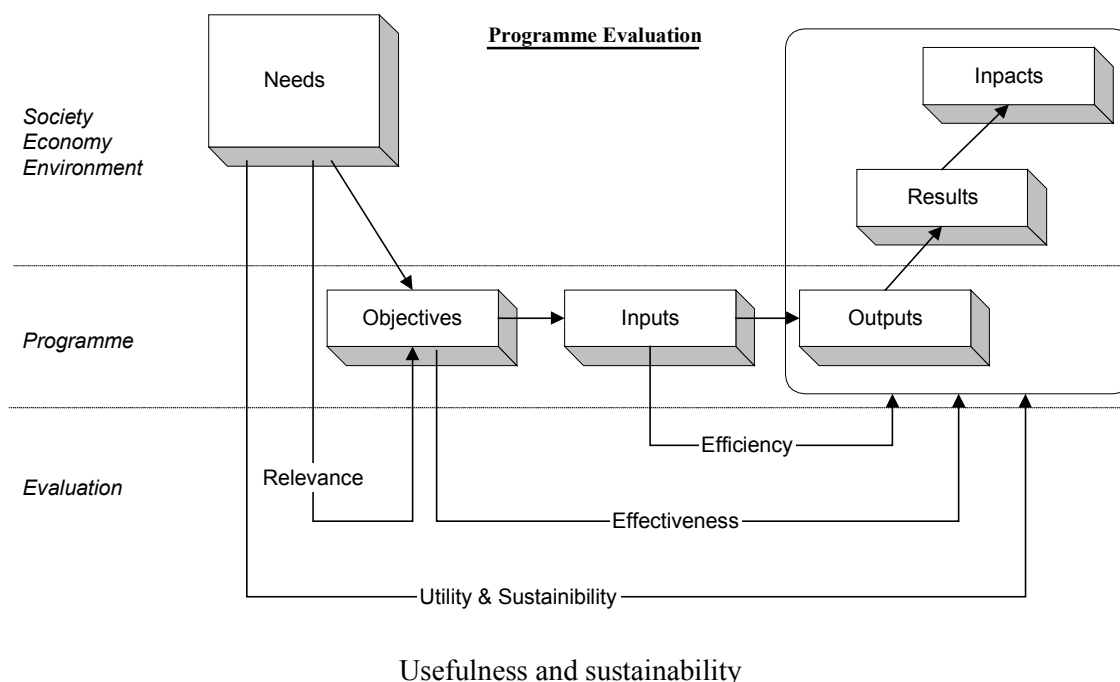
Usefulness and sustainability

Figure 1 Policy effects to be evaluated

The **results** are the immediate effects of an activity on its intended beneficiaries,[58] the **impact** is the medium and long term effects of an activity on its intended beneficiaries, or, indirectly, on other beneficiaries.[59]

The evaluation was planned around the following overarching question:

"Were the actions conducted under Customs 2002 effective, efficient, relevant and useful, and can it be inferred that they will produce sustainable results in terms of the programme's general objectives?"

The questions to be asked regarding effectiveness are:

- whether the formal objectives set out in the Customs 2002 programme have been achieved;

- what successes have been achieved and what difficulties encountered under the programme, and

- whether the solutions selected are appropriate and their influence extends beyond the programme.

For the purposes of this evaluation, efficiency is evaluated by comparing the results or impact achieved with the resources invested. In other words, are the effects obtained in proportion to the budget used by Customs 2002?

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58 For instance, after a seminar the problems involved in applying a particular customs provision have been identified and solutions have been proposed

59 An example of medium term impact: as the result of a project group's work, the risk analysis system and, in particular, the selection criteria, were altered; long-term impact: the national customs administration has improved its effectiveness in combating counterfeiting

The evaluation of <u>relevance</u> looks at the match between the programme's objectives and the needs of the Member States and the EU.

As regards <u>usefulness</u>, the question to be asked is: "Did the programme produce the expected changes in view of the needs of the parties concerned?"

Lastly the question for <u>sustainability</u> is "Can one infer that the changes (and benefits) obtained will last after the programme ends?"

2.2. Evolution of the programme's objectives

As well as clarifying the initial objectives, the interim evaluation stressed the need for the programme to adapt those objectives to changes affecting the environment in which customs administrations operate.

The objectives were therefore amended to take account of

the **Commission Communication**[60] of February 2002 concerning **a strategy for the Customs Union**, which sets out the challenges facing customs. It points out that in addition to the very important task of collecting duties and other charges, customs administrations are responsible for the implementation of customs policies in nearly all areas relating to international trade. It stresses the tension between the growing workload of combating illegal traffic (fraud, counterfeiting, non-compliance with environmental agreements) and the growing demand of traders for a faster service. The question is how to increase controls while facilitating legitimate trade. The situation is further complicated by the challenge of enlargement.

The Communication defines the strategic objectives of customs for the coming years as:

- "providing a framework for the development of international trade based on transparent and stable rules, applied coherently;

- providing the Community and Member States with budgetary resources

- protecting society from unfair international trade and damage, notably in terms of financial, commercial, public health, cultural and environmental interests."

On the basis of these objectives the Communication identifies five main areas of action for customs:

- customs legislation, with the emphasis on spreading information to help customs and economic operators apply the legislation in a consistent manner;

- improving operations through greater cooperation between national administrations;

- improving service to the business community;

- more extensive training, including of traders;

- promoting international customs cooperation.

It stresses the strategic importance of computerisation in all these spheres.

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[60]   Communication to the Council, the European Parliament and the Economic and Social Committee concerning a strategy for the Customs Union, 8 February 2001, COM(2001) 51 final

Traditionally an evaluation looks at how the programme's explicit objectives match up with the issues it is supposed to address.

However, this evaluation does not include a full study of the programme's relevance, since that is principally an issue for the interim report, which addressed the subject extensively, as well as for an "ex ante" evaluation which may propose amendments to the objectives.

Nevertheless, it is worth pointing out at this stage that the objectives set for Customs 2002 remain relevant in terms of the development of the context as noted at the beginning of 2001.

The evaluation was based mainly on the questionnaires filled out by the Member States, asking them for information and their opinions, with 29 questions asking them to grade on a scale of 1 to 4 the contribution of a type of activity, or the programme as a whole, to a particular result or impact.

These assessments, interpreted in the light of Member States' comments and recorded action, constitute the evaluation criteria.

3. ANALYSIS OF OBJECTIVES ("OBJECTIVE TREE") AND RELATION OF EFFECTS TO OBJECTIVES

The interim evaluation clarified the programme's objectives: three subsidiary objectives derive from the main objective of improving the operation of the internal market: uniform application of the legislation, protection of the Community's interests and facilitating trade. The evaluation seeks to determine whether the results and impact of the action taken contributed to these objectives. To do so, it first established what the expected effects of the action taken were, and in what way they could be related to the objectives, thus drawing up a tree of expected effects.

Annexes 1 and 2 present the trees of expected results for the joint actions and for the IT applications. The "objectives tree" can be read in two ways: from the top, i.e. asking what action needs to be taken to achieve each level, or from the bottom, asking why a given action was taken.

In the second stage, observation enables us to evaluate the extent to which the expected effects were achieved in practice.
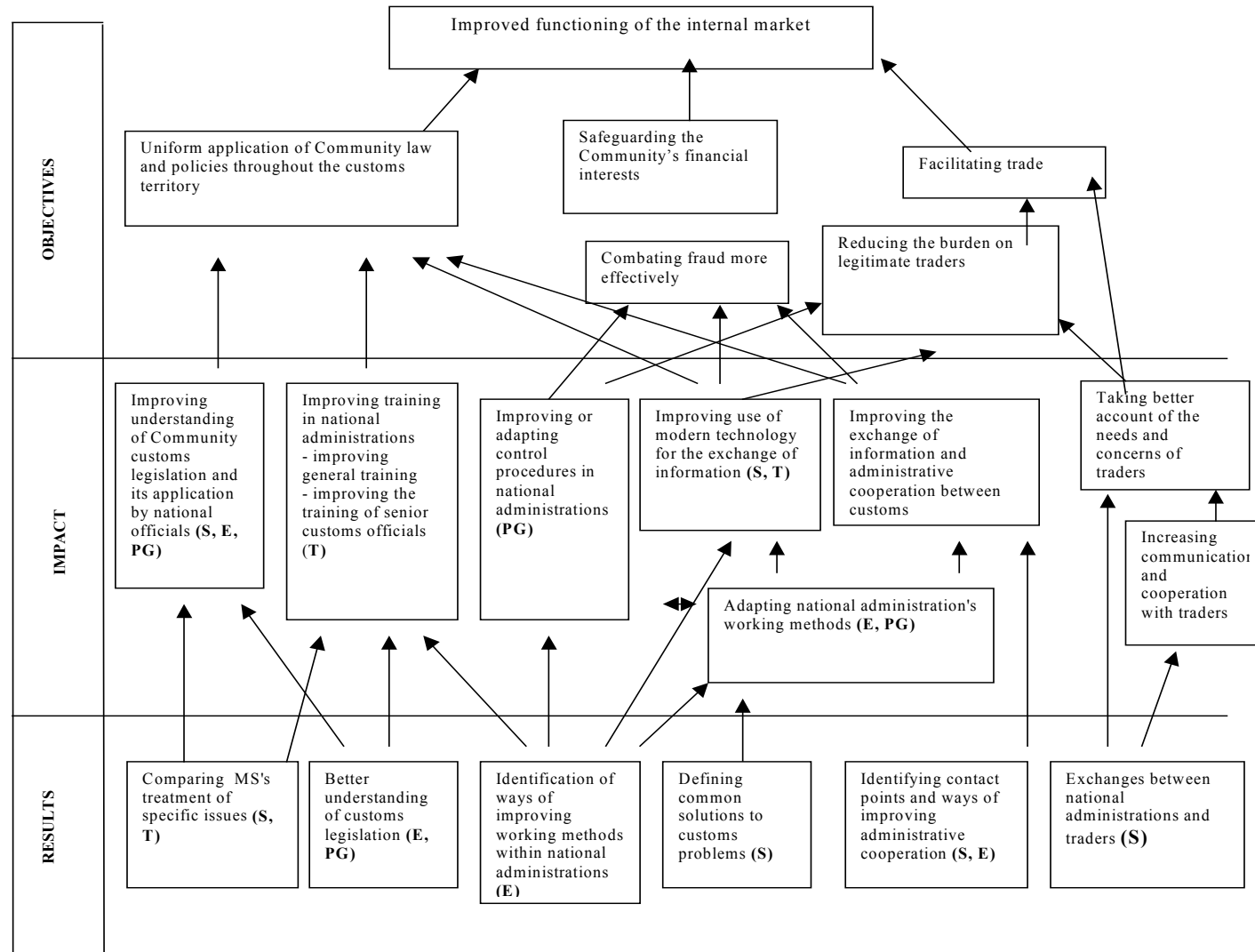
ANNEX 2   TABLE OF CUSTOMS 2002 OBJECTIVES AND EXPECTED EFFECTS OF JOINT ACTIONS

The following table shows the relation between the objectives of Customs 2002 as it was possible to define them in terms of expected results and impact at the time of the interim report and the expected results and impact of the joint actions. The types of joint action organised are indicated by "**S**" for seminars, "**T**" for training, "**PG**" for project groups and "**E**" for exchanges. Each type of joint action is specified in the corresponding "results" and "impact" boxes.

In the case of some actions both results and impact are expected, in other cases only impact (e.g. for training).

The table shows how the recently organised actions are consistent with the programme's objectives as set out in the interim report.

Table of Customs 2002 objectives and expected effects of joint actions

OBJECTIVES

Improved functioning of the internal market

Uniform application of Community law and policies throughout the customs territory

Safeguarding the Community's financial interests

Facilitating trade

Combating fraud more effectively

Reducing the burden on legitimate traders

IMPACT

Improving understanding of Community customs legislation and its application by national officials **(S, E, PG)**

Improving training in national administrations
- improving general training
- improving the training of senior customs officials **(T)**

Improving or adapting control procedures in national administrations **(PG)**

Improving use of modern technology for the exchange of information **(S, T)**

Improving the exchange of information and administrative cooperation between customs

Taking better account of the needs and concerns of traders

Adapting national administration's working methods **(E, PG)**

Increasing communication and cooperation with traders

RESULTS

Comparing MS's treatment of specific issues **(S, T)**

Better understanding of customs legislation **(E, PG)**

Identification of ways of improving working methods within national administrations **(E)**

Defining common solutions to customs problems **(S)**

Identifying contact points and ways of improving administrative cooperation **(S, E)**

Exchanges between national administrations and traders **(S)**

58

Annex 3.1   Seminars

	Usefulness	RESULTS					IMPACTS				
		2.1.	2.2.	2.3.	2.4.	Other	3.1.	3.2.	3.3.	3.4.	Other
		Make it possible to compare Member States' treatment of specific customs issues	Make it possible to look for and define common solutions to specific customs problems	Allowed exchanges of views between national administrations and traders on specific customs issues	Allowed participants to identify contact points (or networks) in other Member States and/or ways of improving administrative cooperation and the exchange of information between customs administrations	Other results specified (1 = yes, 0 = no)	The national administration's grasp of Community customs legislation, its interpretation and its application improved following the seminars held in 2001 and 2002	Communication between traders and the national administration (including consultation of traders) improved following the seminars in 2001 and 2002	The national administration's use of computer tools improved following the seminars held in 2001 and 2002	The contact points and/or networks identified by participants were used and helped to improve cooperation between national administrations following the seminars held in 2001 & 2002	Other impact specified (1 = yes, 0 = no)
GERMANY	4	4	3	4	4	0		3	1	3	0
AUSTRIA	3	3	2	4	4	1	3	3	2	3	1
BELGIUM	4	3.5	3.5	3	3	1	3	2	1	3	1
DENMARK											
SPAIN	3	3	3	4	4	0	3	3	3	4	0
FINLAND	4	3	3	3	3	1	3	3	2	3	1
FRANCE	3	3	3	3	3	1	3	2	1	3	1
GREECE	4	4	4	3	4	1	4	3	4	3	0
IRELAND	4	4	3	4	4	0	2	2	2	3	1
ITALY	3	3	3	3	3	0	3	3	2	2	0
LUXEMBOURG											
NETHERLANDS	3	3	3	3	3	1	2	2	2	4	0
PORTUGAL											
UNITED KINGDOM	3	3	2	3	3	1	2	1	2	3	0
SWEDEN	4	3	3	4	3	1	3	3	2	3	0
No of responses	12	12	12	12	12	12	12	12	12	12	12
AVERAGE	**3.50**	**3.29**	**2.96**	**3.42**	**3.42**	**0.67**	**2.58**	**2.50**	**2.00**	**3.08**	**0.42**

From 1 (poor) to 4 (very good)

Annexe 3.2   Exchanges

	USEFULNESS	RESULTS				IMPACT				
		6.1.	6.2.	6.3.	Other	7.1.	7.2.	7.3.	7.4.	Other
		The exchanges conducted in 2002 enabled the participants to improve their understanding of customs legislation	The exchanges conducted in 2002 made it possible to identify ways of improving working methods in customs	The exchanges conducted in 2002 enabled participants to identify contacts points (or networks) in other Member States and/or ways of improving administrative cooperation between services	Other results specified (1 = yes , 0 = no)	Have you noted any improvement in the interpretation or application of customs law following the exchanges conducted in 2001 and 2002?	Have you noted any changes in/adaptation of working methods within the national administration following the exchanges conducted in 2001 and 2002?	Have you noted any improvements/changes in methods of administrative cooperation and/or improvements in the exchange of information between customs administrations following the exchanges conducted in 2001 and 2002?	In particular, have you found that there have been more frequent contacts between the administrations of dispatch and those of reception, especially to obtain or exchange customs information, as a result of the exchanges?	Other results specified (1 = yes , 0 = no)
GERMANY	3	2	3	4	0	2	2	2	3	0
AUSTRIA	3	3	4	4	1	2	3	3	3	0
BELGIUM	3.5	3.5	3.5	3.5	1	2.5	2.5	2	1.5	1
DENMARK										
SPAIN	3	3	2	4	0	3	1	3	3	0
FINLAND	4	3	3	4	1	3	3	4	3	1
FRANCE	3	4	4	3	1	3	2	3	3	1
GREECE	4	4	4	3	0	3	3	3	3	0
IRELAND	4	2	4	4	0	1	3	3	3	0
ITALY	4	3	3	4	1	3	4	4	4	1
LUXEMBOURG										
NETHERLANDS	3	2	3	4	1	2	2	4	4	0
PORTUGAL										
UNITED KINGDOM	4	2	2	4	0	2	1	1	3	1
SWEDEN	4	4	3	4	1	3	3	3	#	0
No of responses	12	12	12	12	12	12	12	12	11	12
AVERAGE	3.54	2.96	3.21	3.79	0.58	2.46	2.46	2.92	3.05	0.42

From 1 (poor) to 4 (very good)

Annex 3.3   Project Groups

| | USEFULNESS | IMPACT | | | |
| | | 10.1 | 10.2 | 10.3 | Other |
		Do you consider that the work of the Customs 2002 project groups has made it possible to improve knowledge and understanding of specific issues of Community legislation?	Do you consider that the work of the Customs 2002 project groups has made it possible to improve or adapt working methods and control procedures in your administration?	Do you consider that the work of the Customs 2002 project groups has made it possible to take better account of traders' needs?	Other impact specified (1 = yes, 0 = no)
GERMANY	4	3	3	1	0
AUSTRIA	3	4	2	3	1
BELGIUM	3.5	3.5	3	3	1
DENMARK					
SPAIN	4	4	3	3	0
FINLAND	3	3	3	2	1
FRANCE	3	4	3	3	1
GREECE	4	4	3	3	0
IRELAND	4	4	3	3	1
ITALY	3	3	3	4	1
LUXEMBOURG					
NETHERLANDS	4	2	3	3	0
PORTUGAL					
UNITED KINGDOM	3	3	3	3	1
SWEDEN	4	3	4	4	1
No of responses	12	12	12	12	12
AVERAGE	**3.54**	**3.38**	**3.00**	**2.92**	**0.67**

Annex 3.4   Training

	USEFULNESS	IMPACT				Other
		12.1	**12.2**	**12.3**	**12.4**	**Other**
		Do you consider that Customs 2002 training activities have made it possible to improving the training modules offered to officials in your administration (quality, complementarity, subjects offered)?	Do you consider that Customs 2002 training activities have made it possible to improve knowledge of specific customs subjects?	Do you consider that Customs 2002 training activities have made it possible to improve the training of senior customs staff	Do you consider that Customs 2002 training activities have made it possible to improve the way officials in your administration use modern technologies (computer applications, etc.)?	Other impact specified (1 = yes, 0 = no)
GERMANY	3	3	3	3	3	0
AUSTRIA	3	3	4	4	#	1
BELGIUM	3	3	2	1	2	0
DENMARK						
SPAIN	3	3	3	3	3	0
FINLAND	3	3	3	2	2	0
FRANCE	3	2	2	3	3	1
GREECE	4	3	4	4	3	0
IRELAND	4	4	4	3	3	1
ITALY	2	2	2	3	1	0
LUXEMBOURG						
NETHERLANDS	3	4	2	2	2	1
PORTUGAL						
UNITED KINGDOM						
SWEDEN	3	3	4	3	2	0
No of responses	11	11	11	11	9	11
AVERAGE	**3.09**	**3.00**	**3.00**	**2.82**	**2.67**	**0.36**

Annex 3.5   General Evaluation

	Achievement of objectives					Usefulness of IT systems	Other comments
	13.A.	13.B	13.C	13.D	13.E	14	15
	To what extent did the programme contribute to improving administrative cooperation and the exchange of information between customs administrations?	To what extent did the programme help facilitate communication with and consultation of traders?	To what extent did the programme contribute to improving the quality and results of customs controls?	To what extent did the programme contribute to more effective combating of fraud?	To what extent did the programme contribute to improving the application of Community law throughout the customs territory?	How would you assess the overall usefulness of the computer systems financed by Customs 2002?	Do you have any other comments to make about the programme and/or the procedures for evaluating it (including this questionnaire)? Have you any suggestions to make for improving the programme? (1 = yes, 1 = no)
GERMANY	4	1	3	3	4	4	0
AUSTRIA	4	3	4	4	3	3	1
BELGIUM	2	2	3	2.5	2.5	2.5	1
DENMARK							
SPAIN	4	3	4	4	4	4	1
FINLAND	3	3	3	3	3	4	0
FRANCE	3	2	3	3	3	3	1
GREECE	3	2	3	4	3	3	0
IRELAND	4	3	3	3	3	4	0
ITALY	3	3	4	4	3	3	1
LUXEMBOURG							
NETHERLANDS	3	3	3	3	2	3	1
PORTUGAL							
UNITED KINGDOM	3	1	4	2	2	3	1
SWEDEN	3	3	4	3	3	4	0
No of responses	12	12	12	12	12	12	12
AVERAGE	3.25	2.42	3.42	3.21	2.96	3.38	0.58

Did the seminar meet (or exceed) your expectations?

Sometimes
6,3%

No
0,1%

Often
32,7%

Yes
60,9%
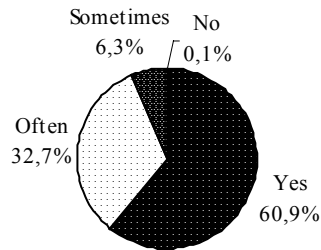
Did the seminar cover the subjects you expected?

No
0,2%

No answer
0,2%

Sometimes
7,0%

Often
31,2%

Yes
61,4%

Were there too many presentations?

Yes
9,0%

Often
4,6%

No answer
0,4%

Sometimes
11,3%

No
74,7%

Were there too many presentations?

Yes
9,0%
Often
4,6%
No answer
0,4%
Sometimes
11,3%
No
74,7%
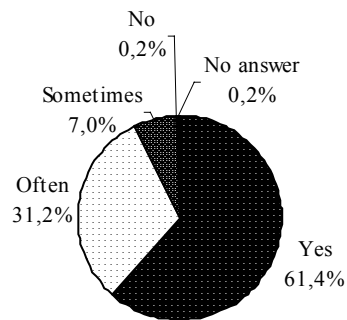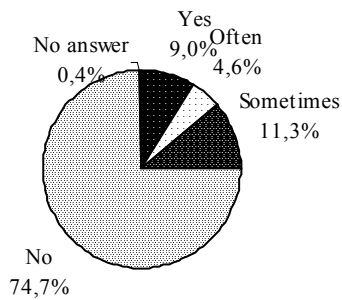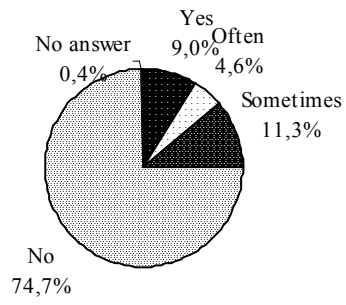
Was there enough time to speak to the other delegates?

Sometimes
9,7%
No
1,7%
No answer
0,4%
Often
19,9%
Yes
68,3%
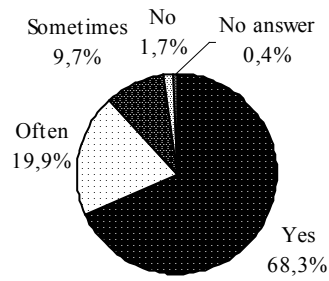
Where enough documents available?

Sometimes
9%
No
4%
No answer
1%
Often
18%
Yes
68%
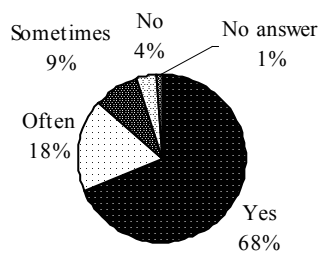
Would you say in general that the seminar was useful for your administration?

Sometimes
6,0%

No
1,9%

Often
20,7%

Yes
71,5%
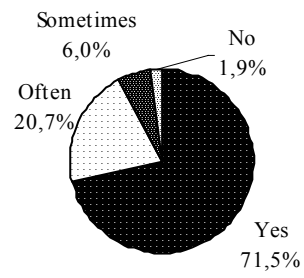
Was the environment of the seminar good?

No
0,1%

Sometimes
0,4%

Often
8,8%

No answer
0,2%

Oui
90,6%
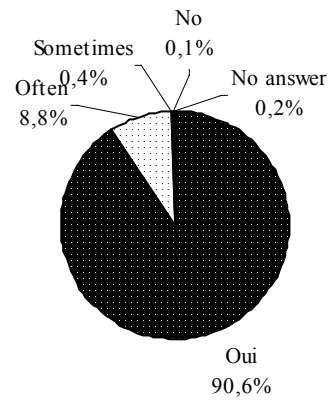
ANNEX 5   DEVELOPMENT OF NUMBER OF EXCHANGES

Development of number of exchanges by priority area (Member States)

	Controls and control standards		Relations with trade		Information technologies and new developments		Training		Exchanges specific and other		
	number	%	number	%	number	%	number	%	number	%	total
2000	156	60	15	6	13	5	74	29	0	0	258
2001	323	56	27	5	136	23	21	4	72	12	579
2002	276	61	38	8	8	2	88	20	39	9	449

NB: The total in the last column differ from the totals in the previous table (development of exchanges by country). The figures in this table are taken from the annual accounts submitted at the end of the year by the Member States, whereas those in the previous table come from the general questionnaire in which some Member States made significant

Development of number of exchanges by priority area (Candidate countries)

	Controls and control standards		Relations with trade		Information technologies and new developments		Training		Exchanges specific and other		
	number	%	number	%	number	%	number	%	number	%	total
2001	58	74	3	4	5	6	3	4	9	12	78
2002	42	69	2	3	4	7	8	13	5	8	61

ANNEX 6   CUSTOMS 2002 IT BUDGET

Project/Years	1998	1999	2000	2001	2002	Total	*% du budget TOTAL Douane 2002*
CCN/CSI (50% Fiscalis - 50% Customs)	**2.182.687**	**6.033.857**	**4.336.042**	**4.672.356**	**6.576.530**	**23.801.472**	
Management tools (50% Fiscalis - 50% Customs)	**-**	**124.627**	**476.406**	**688.350**	**129.500**	**1.418.883**	
Tempo	-	124.627	476.406		129.500	**730.533**	
PSO	-	-	-	688.350	-	**688.350**	
Customs (excl. CCN/CSI and management tools budget)	**12.061.986**	**10.293.952**	**15.876.661**	**17.312.595**	**16.973.560**	**72.518.754**	
NSTI	7.045.916	7.838.227	8.725.941	10.461.500	9.251.972	**43.323.556**	*51,38%*
Tariff application	1.680.567	1.328.956	2.910.096	2.995.835	3.926.326	**12.841.780**	*15,23%*
E-Customs	-	-	84.990	85.260	273.262	**443.512**	*0,53%*
Others	2.425	78.006	229.627	280.000	-	**590.058**	*0,70%*
AFIS/SID	2.501.819	176.383	3.008.007	2.565.000	2.585.000	**10.836.209**	*12,85%*
SIGL	831.259	872.380	918.000	925.000	937.000	**4.483.639**	*5,32%*
Customs 2002 TOTAL (including 50% CCN/CSI and management tools component)	**13.154.918**	**13.280.047**	**18.320.342**	**19.241.032**	**20.323.303**	**84.319.642**	

ANNEX 7   MEMBER STATES' EVALUATION OF THE DEVELOPMENT, DEPLOYMENT AND OPERATION OF CCN/CSI

Question

Please indicate the extent to which you agree with the statements below, using a scale of 1 (agree entirely) to 5 (do not agree at all).

Answers

Development and deployment of CCN/CSI	No of responses Fiscalis	Average Fiscalis	No of responses Customs	Average Customs		General average
A. Realistic time targets for the implementation of CCN/CSI in your Member State	9	2,00	10	2,00		2,00
B. Realistic budgets for the implementation of CCN/CSI in your Member State	8	1,56	10	1,70		1,64
C. Sufficient support of the Commission (CCN/TC) during the implementation/deployment of CCN/CSI in your Member State	9	1,78	10	2,00		1,90
D. Sufficient training provided by the European Commission for the implementation /deployment of CCN/CSI in your Member State	9	1,83	10	2,10		1,97
E. Sufficient documentation provided by the European Commission for the implementation/ deployment of CCN/CSI in your Member State	6	1,83	10	2,10		2,00
F. Easy to link CCN/CSI with your national system platforms	9	1,83	10	2,30		2,08
G. Locally supported technologies are used in the specification of CCN/CSI (i.e. supported in your Member State)	9	1,67	10	2,10		1,90
About the operation of CCN/CSI (1999-2002)						
H. Sufficient support of the European Commission (CCN/TC) during the operation of CCN/CSI	9	2,00	11	1,73		1,85
I. Sufficient documentation and training provided by the European Commission (CCN/TC) for the operation of CCN/CSI and system development	9	2,22	11	2,09		2,15
J. Easy to operate CCN/CSI in your Member State	9	2,17	11	2,64		2,43
K. CCN/CSI services cover all requirements for information exchange between administrations as required by the programme (synchronous & asynchronous services, HTTP, CCN-mail)	8	2,88	10	2,10		2,44
L. Sufficient availability of the backbone-system, managed by the European Commission	8	1,88	10	1,80		1,83
M. Sufficient availability of other gateways, managed by other Member States	7	1,71	10	2,00		1,88
N. CCN/CSI easily interfaces with the national systems	9	2,22	10	2,50		2,37
O. Any system using CCN/CSI contains in their specification the required specifications to interoperate with CCN/CSI	8	2,38	10	2,10		2,22
P. CCN/CSI is saving considerable resources to set up a new Fiscalis IT system in your Member State	5	2,60	9	2,11		2,29
Q. Sufficient security for all exchange services	8	2,00	11	1,36		1,63

Rating
1 = I completely agree
5 = I completely disagree
Average <=2.0
Average between 2 and 2.5
Average >2.5

ANNEX 8   MEMBER STATES' EVALUATION OF THE COMPLETENESS OF INFORMATION PROVIDED BY THE CUSTOMS 2002 SYSTEMS
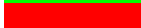
Question

Please evaluate the completeness of the information provided to your Member State by the Customs 2002 systems in terms of the programme's main objectives:

– *improving administrative cooperation and the exchange of information between customs administrations;*

– *facilitating communication with traders and the way their concerns are taken into consideration;*

– *improving the quality and results of customs controls;*

– *improving measures to combat fraud;*

– *improving the application of Community law throughout the customs territory*

1   All the necessary information is provided

2   Nearly all the necessary information is provided, but some improvements could be made

3   Not all the necessary information is provided.

4   The information provided is not useful.

Responses

Systems (including Community and national components)	No of responses	Average
A. ECICS (European Commission Inventory of Chemical Substances)	8	2,00
B. IPR (Inward Processing Relief)	10	1,80
C. NCTS (New Computerised Transit System)	9	1,56
D. Taric (Tarif Intégré communautaire)	9	1,89
E. TCO/TCT (Transfert des Cachets d'Origine/Transit)	10	2,10
F. Unit Values	5	1,40
G. Tariff Quota Surveillance (TQS)	9	1,78
H. AFIS	11	2,00
I. EBTI	11	1,82
J. DDS	7	2,00
K. SIGL	3	1,67

Average below 2	
Average between 2 and 2.5	
Average above 2.5	

Question

Please evaluate the quality of information provided by the systems listed below in terms of the needs of your Member State.

Responses

Quality of the information provided by Fiscalis applications	Systems									
	TARIC	ECICS	IPR	SIGL	DDS	TCO/TCT	Unit Values	QUOTA	AFIS	EBTI
A. Other Member States update the information your Member State depends on in time	15	21	16	5	9	19,5	9	14	21	17
No of countries which replied	8	9	9	3	5	9	5	7	10	9
Average	1,88	2,33	1,78	1,67	1,80	2,17	1,80	2,00	2,10	1,89
B. Other Member States provide new information your Member State depends on in time	17	24	16	6	10	19,5	10	15	23	19
No of countries which replied	8	9	9	3	5	9	5	7	10	9
Average	2,13	2,67	1,78	2,00	2,00	2,17	2,00	2,14	2,30	2,11
C. Information provided by other Member States is accurate and correct	13,3	18	16	4	6	15,5	8	11	19	13
No of countries which replied	8	9	9	3	5	9	5	7	10	9
Average	1,66	2,00	1,78	1,33	1,20	1,72	1,60	1,57	1,90	1,44
Total average	1,89	2,33	1,78	1,67	1,67	2,02	1,80	1,90	2,10	1,81

Rating
1 = Completely agree
5 = Completely disagree
Average below 2
Average of 2 to 2.5
Average above 2.5

Question

Please indicate whether you agree with the following statements on a scale of 1 (I completely agree) to 5 (I completely disagree),

Responses

Deployment in the Member States and operation of the systems developed under the Customs 2002 programme	No of responses	Average
A. Your Member State feels the need for and is committed to have the systems deployed at national level as specified in the common specification	11	1,45
B. Time span for the deployment of the systems is realistic	11	2,36
C. Training provided is sufficient	11	2,00
D. Support provided is sufficient	11	1,86
E. Requirements and/or specifications for the systems to be deployed and/or developed are comprehensive enough	11	2,68
F. Clear and timely communication between the European Commission and your Member State about deployment	11	2,18
G. Enough budgetary resources available at national level	11	2,42
H. Enough people that can be dedicated to these projects on a national level	11	2,70
I. Required technology supported by your Member State	10	1,80
J. Timely availability and high quality of the legal instruments necessary for the operation of the systems	11	2,00
K. Timely availability and high quality of the administration arrangements necessary for the operation of the systems	10	2,30
L. Interoperability with existing back end systems possible	9	2,44
About the operation of systems falling under the Customs 2002 programme in your Member State		
M. Sufficient support of the European Commission during the operation of the systems	11	1,91
N. Easy to administrate in your Member State	10	2,80
About the cooperation of your Member State with the other Member States		
O. There are sufficient opportunities to share valuable information between your Member State and other Member States on the deployment and development of systems proposed by the European Commission	11	2,55
P. Regular meetings between our Member State other Member States (e.g. working groups) provide you with valuable information	11	2,27

ANNEX 11 MEMBER STATES' EVALUATION OF THE CONTRIBUTION OF THE SYSTEMS DEVELOPED UNDER CUSTOMS 2002 TO THE PROGRAMME'S OBJECTIVES

Please indicate the extent to which you agree with the statements below using a scale of 1 (completely agree) to 5 (completely disagree).

Contribution to objectives	TARIC	ECICS	IPR	NCTS	TCO/TCT	Unit Values	AFIS	EBTI	TQS	TOTAL
A. The systems lead to more efficiency in national administrative procedures	11	21	23	18	19	10	20	14	13	
No of responses	8	9	8	9	9	5	10	9	7	
Average	1,38	2,33	2,88	2,00	2,11	2,00	2,00	1,56	1,86	2,01
B. The systems enhance the cooperation between tax administrations of different Member States	15	20	17	14	18	13	19	16	12	
No of responses	6	8	7	9	8	5	11	9	6	
Average	2,50	2,50	2,43	1,56	2,25	2,60	1,73	1,78	2,00	2,15
C. The systems enhance simplification of tax collection	14	22	25	18	29,5	15	25	22	16	
No of responses	7	7	8	9	8	5	8	7	6	
Average	2,00	3,14	3,13	2,00	3,69	3,00	3,13	3,14	2,67	2,88
D. The systems effectively support the combating of fraud	12	14	20	18	15,5	8	15	18	10	
No of responses	8	7	7	9	9	5	10	9	6	
Average	1,50	2,00	2,86	2,00	1,72	1,60	1,50	2,00	1,67	1,87
E. The implementation of requirements is well supported by guidelines, training, standards etc...	15	18	19	15	17	14	12	20	13	
No of responses	6	7	6	8	8	5	8	7	5	
Average	2,50	2,57	3,17	1,88	2,13	2,80	1,50	2,86	2,60	2,44
F. Availability of data and systems is overall sufficient	13	13	19	12	19,5	9	22	14	11	
No of responses	9	7	8	7	9	5	11	7	7	
Average	1,44	1,86	2,38	1,71	2,17	1,80	2,00	2,00	1,57	1,88
General average	1,89	2,40	2,80	1,86	2,34	2,30	1,98	2,22	2,06	2,21

Rating
1 = Completely agree
5 = Completely disagree
Average below 2
Average of 2 to 2.5
Average above 2.5

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ANNEX 12   MEMBER STATES' EVALUATION OF USE OF THE SYSTEMS DEVELOPED UNDER CUSTOMS 2002

Questions

Do you have a system for monitoring the use of computer systems, i.e. do you keep regular statistics on their use?

Indicate with a cross in the "monitoring" column of the table below whether you monitor the use of the systems listed and, if so, whether you do so regularly (continuous monitoring at system level and regular reporting) or on an ad hoc basis (no regular reporting).

For all the systems which you monitor, or for which you have a clear idea about their use, please enter a cross under the appropriate option in the "Frequency" column.

Indicate with a cross in the appropriate part of the "obligation" column whether officials are legally or administratively obliged to use these systems.

Responses

Systems	Monitored			Frequency					Obligation	
	No	Yes, regularly	Yes, ad hoc	Never used	Introductory phase	Occasionally	Frequently	Indispensable	No	Yes
A. TARIC (TARif Intégré Communautaire)	4	4	0	1	0	1	0	6	2	6
B. ECICS (European Commission Inventory of Chemical Substances)	7	1	2	0	0	6	2	1	6	3
C. IPR (Inward Processing Relief)	5	0	4	0	0	2	6	0	2	6
D. NCTS (New Computerised Transit System)	2	5	0	0	2	0	1	3	3	4
E. TCO/TCT (Transfert des Cachets d'Origin/Transit)	6	2	2	0	0	3	6	0	5	4
F. Unit Values	3	2	0	0	0	2	1	1	2	2
G. AFIS	7	3	0	0	0	2	4	2	5	4
H EBTI	5	4	0	0	2	0	3	4	2	7
I. TQS	3	4	1	0	0	1	1	5	2	5
J. DDS	6	1	0	1	0	2	3	0	6	0
L.SIGL	4	2	0	1	0	1	2	1	2	3
Total	52	28	9	3	4	20	29	23	37	44
Number of systems covered by questionnaire	88	88	88	78	78	78	78	78	80	80
Average	59%	32%	10%	4%	5%	26%	37%	29%	46%	55%