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Customs 2020 programme Progress Report for 2015



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CUSTOMS 2020 PROGRAMME

PROGRESS REPORT 2015

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1. ACRONYMS AND ABBREVIATIONS

The following acronyms are used in this document:

Abbreviation	Meaning
AEO	Authorised Economic Operator
AEO MRA	Authorised Economic Operators - Mutual Recognition of trade Partnership programmes
AES	Automated Export System
AFF	Action Follow up Form
AFF WV	Action Follow up Form for working visits
ART	Activity Reporting Tool
AWP	Annual Work Programme
BTI	Binding Tariff Information
CCN/CSI	Common Communications Network - Common Systems Interface
CDC	Customs Duties Calculation
CELBET	Customs Eastern Land Border Expert Team
CFW	Customs Competency Framework
CIRCABC	Communication and Information Resource Centre for Administrations, Businesses and Citizens
CIS	Centralised IT customs applications
COPIS	System for Protection of Intellectual Property Rights (Counterfeiting and Piracy)
CRMS PCA	Community Risk Management System Priority Control Area
C2020	Customs 2020 programme
CVED	Common Veterinary Entry Document
DG SANTE	Directorate General for Health and Food Safety
DG TAXUD	Directorate General for Taxation and Customs Union
EAF	Event Assessment Form
EBTI	European Binding Tariff Information
EC	European Commission
ECCG	Electronic Customs Coordination Group
ECICS	European Customs Inventory of Chemical Substances Database
ECS	Export Control System
EIS	European Information System
ESDEN	European statistical data exchange network
EUIPO	European Intellectual Property Office
EUROSTAT	European statistical office of the European Union
ICS	Import Control System
IO	International Organisations
IPR	Intellectual Property Rights
ISPP	Information System for Processing Procedures
ITSD	IT systems development group
JA	joint action
MASP	Multi-Annual Strategic Plan
MOSS	Mini-One-Stop-Shop
MFF	Multiannual Financial Framework
MS	Member State
N/A	Not available
NCTS	New Computerised Transit System
PICS	Programmes Information and Collaboration Space
PMF	Performance Measurement Framework
REX	Registered Exporters
SASP	Single Authorisation for Simplified Procedures
SLA	Service Level Agreement
SP	Simplified Procedures

SPEED	Single Portal for Entry or Exit of Data
SW	Single Window
TARIC	Tarif Intégré des Communautés européennes
UCC	Union Customs Code
VOeS	VAT on e-Services
WCO	World Customs Organisation

2. EXECUTIVE SUMMARY

2015 represented a return to a more standard programme year, following the exceptional nature of 2014 as the first (and shorter in duration) year of the new Customs 2020 programme. In 2015, the numbers of participants, actions and organised events were all on the rise and returning to more commonly observed levels under the programme.

The indicators obtained under the framework in 2015 give an overall positive assessment, both from the business data perspective and from the feedback obtained from the action managers and the participants to the activities. The indicators suggest that in 2015 the programme was on course to fulfilling its objectives and that it played an important role in facilitating the implementation and development of Union customs policy through its European Information Systems, joint actions and human competency building.

In terms of budgetary implementation, 2015 confirmed the trend of a relative decrease in committed expenses on joint actions and an increase in the spending on IT systems. The IT related expenditure is projected to rise even further in the future, as the new systems connected to the Union Customs Code continue to be developed and rolled out.

In the area of joint actions, the programme supported a rising number of activities in 2015. The co-operation between the EC and national administrations in the running and functioning of the customs union would be impossible without the use of project groups, seminars, workshops, working visits, monitoring visits, capacity building activities and other types of joint actions.

During the year, an important groundwork was made for the introduction of a new type of Joint Actions under the programme. Expert teams are a new type of a joint collaboration tool which aims at achieving more efficiently and quickly the intended results with an increased degree of commitment, collaboration and EU funding. Expert teams will be especially important for larger projects that require intensive level of co-operation and increased funding support. TAXUD in 2015 published a comprehensive guide to EC and national administrations' programme beneficiaries on how to apply for expert team grants. TAXUD equally actively assisted the programme beneficiaries in preparing three detailed proposals for expert teams, which were eventually included in the 2016 AWP.

In the area of training, during 2015 the programme supported the roll out of the EU Customs Competency Framework and the development of the UCC eLearning modules. The roll out of the framework into national administrations has started with good initial results, with nearly one third of European customs administration, on average, being aligned with the principles of the framework by the end of year. This is a good starting position for the further adoption of the framework's principles by the customs administrations. The EC equally used the programme to start the important work on the development of the UCC eLearning programme composed of 1 overview course and 14 domain specific courses. These 15 modules were released in 2016 and will support customs professionals from both public and private sector to understand the changes and prepare themselves for the modernisation wave that the UCC will bring.

The key **strengths and achievements** that can be deduced from the analysis of the indicators remain largely the same in 2015 as in the previous year:

- **Increased demand for programme support.**
- **High level of achievement of results of the joint actions is reported by the action managers.**
- **Very positive assessment of the achieved results of the joint actions, their usefulness and met expectations by national customs officials who participated in them.**
- **Networking among programme participants remains high.**
- **The European Information Systems are regularly upgraded and improved and resistant to increased volume of data traffic.**
- **Successful beginning of the roll out of the Customs Competency Framework (CFW) into national administrations.**
- **The increased use of online collaboration (PICS) by national and European customs officials.**

The **conclusions** from the previous Progress Report for 2014 have been or are in the process of being followed up (see table 13 for a complete overview). The 2015 indicators do not warrant any specific new conclusions, but a number of those from 2014 could be further specified or updated:

1. **Provide additional support to the sharing of programme outputs¹**
2. **Address the participants' response rate under the Performance Measurement Framework²**

¹ In relation to Conclusion number 3 of the 2014 report: *Provide additional support to networking and the use of the programme outputs*

² In relation to Conclusion number 7 of the 2014 report: *Facilitate the collection and processing of data under the Performance Measurement Framework*

3. INTRODUCTION

3.1 CUSTOMS 2020 IN A NUTSHELL

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

Figure 1: Customs 2020 programme objectives

The Customs 2020 specific objectives:

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

The specific objectives shall be achieved, in particular by:

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

The Customs 2020 operational objectives:

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

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

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

Types of joint actions:

- (i) seminars and workshops;

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

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

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

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

(vi) customs administration capacity building and supporting actions;

(vii) studies;

(viii) jointly developed communication actions;

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

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

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

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

3.2 The Performance Measurement Framework

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

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

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

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

The indicators can be divided into two categories:

Output and Results indicators – these are first and second order effects that can be directly attributed to the programme. Outputs refer to those effects (most often tangible products) achieved immediately after implementing an activity, while the results look at the mid-term effects or the difference made on the ground thanks to the outputs. Both types of indicators are collected annually, reflected in the Progress Report and are linked to the operational objectives of the programme.

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

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

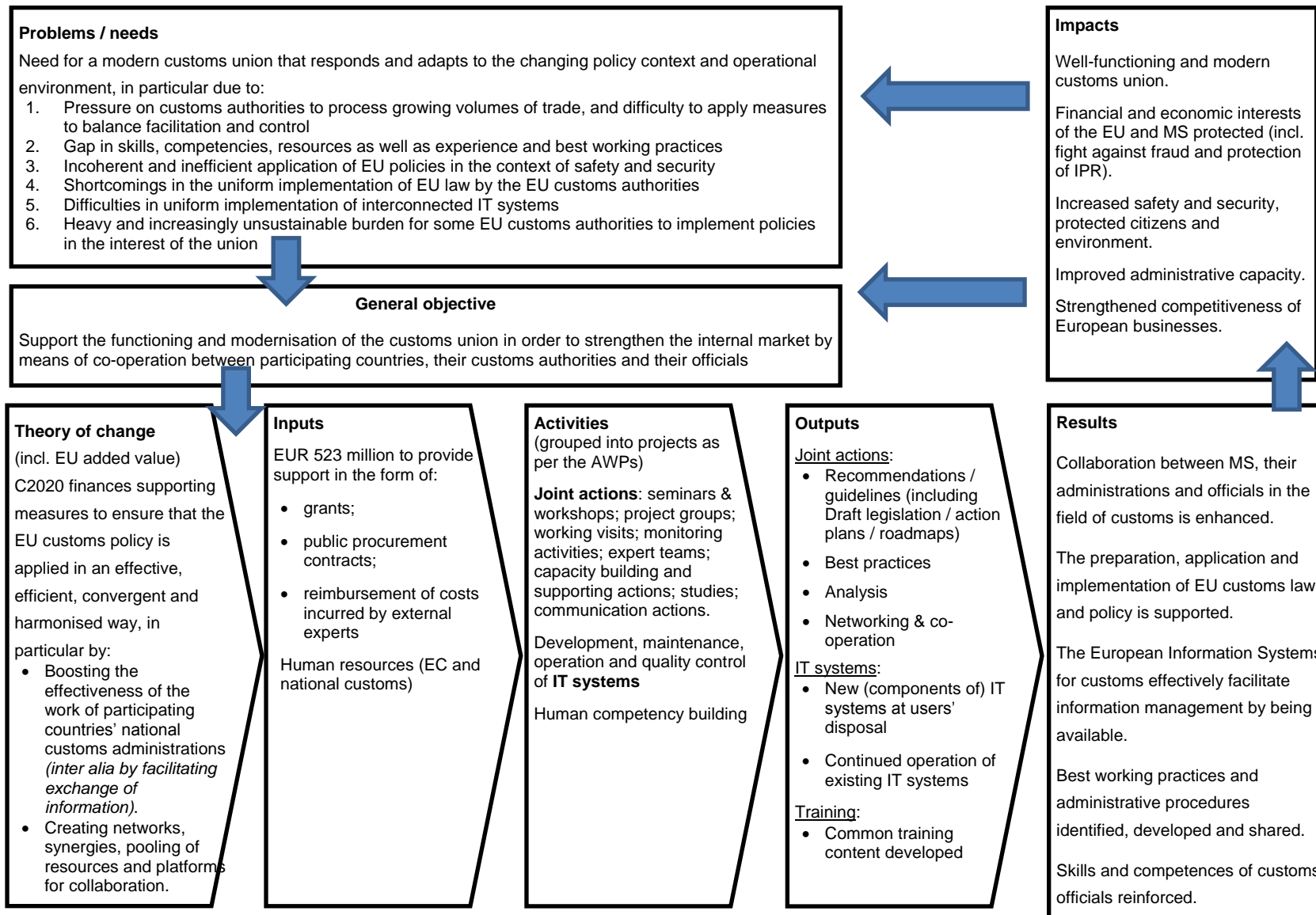
Figure 2: PMF data collection tools

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

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

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

Figure 3: Intervention logic of the Customs 2020 programme



3.3 Methodological Considerations – Progress Report 2015

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

Figure 4: Response rates in 2015 for PMF surveys, with 2014 data shown in brackets

	EAF (Participants to joint actions, except working visits)	AFF WV (participants to working visits)	AFF (action managers)
Number of participants invited to respond under the PMF	2531 (1469)	437 (172)	163 (123)
Number of received valid responses	1403 (994)	359 (107)	101 (66)
Response rate	55% (68%)	82% (62%)	62% (54%)

There has been an increase in the response rates for the action managers and the participants to working visits. The response rate for the action managers went up from 54% in 2014 to 62% in 2015. The increase in the response rate among the participants to working visits is even more remarkable, up from 62% in 2014 to 82% in 2015.

These increases are likely due to the greater promotion of the PMF following the publication of the Progress Report 2014 among the action managers and the national programme teams, who are in charge of distributing the invitations to the PMF survey to the participants of the working visits.

However, the response rate among the participants to other types of joint actions has fallen from 68% in 2014 to 55% in 2015. TAXUD and national programme teams should pay attention to this response rate and try to bring it above the 70% mark. Changes scheduled to take place in the survey distribution should provide some support in this respect.

From 2017, a new system will be in place for inviting participants of joint actions to take the PMF survey. The Action Reporting Tool (ART), which contains the names and emails of all participants, will be sending automatic reminders to programme participants. This change will reduce the manual workload currently involved in the sending of the PMF surveys, but it is also hoped that it will help push up the response rate as the participants would receive invitations to their inbox from the programme tool, rather than through the outside tool EUsurvey on which the PMF survey is located. Greater awareness about the PMF, which will also be promoted by the publication of Progress Reports and the results of the surveys, should help further demonstrate the value of such surveys to the stakeholders and increase their motivation to take them.

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

Finally, it is worth mentioning here that in the 2015 EAF survey, a new question was added making the obtained data on the use of the outputs in national administrations more precise, compared to the previous 2014 survey.

4. PROGRAMME YEAR 2015 – BASIC PARAMETERS

4.1 Introduction

2015 was the first standard year of activities under the new Customs 2020 programme. There are two important differences between the programme years 2014 and 2015. Firstly, 2014 was the first year of the programme and shorter in duration (from April till December), which meant fewer events and fewer participants. Secondly, 2014 as the start of the new programme meant that most of the actions from the previous generation of the programme (Customs 2013) had to be re-launched, thus increasing the overall number of proposals treated in that year. 2015 represents in that sense a return to the more regular programme levels of participants and actions. The numbers of working visits in particular bounced back with a sharp increase, testifying to the successful adoption of the new modified procedure for their approval introduced with the new programme.

In other aspects as well, 2015 is a typical programme year, marked with a relative decline of committed expenses on joint actions and an increase of IT related expenditure. Finally, while all participating countries have used the programme in 2015, the levels of their participation remain varied and in line with the voluntary nature of participation in the programme activities.

4.2 Budget

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

Figure 5: Committed³ expenses per year and main action categories under the programme

	2012	2013	2014	2015
Joint actions	€7,943,895.00	€6,000,000.00	€6,523,000.00	€ 5,700,000.00
Training	€1,413,365.32	€1,365,000.00	€1,350,000.00	€ 995,000.00
IT	€41,671,896.68	€44,332,600.56	€57,333,696.81	€ 61,167,253.05
Studies	€1,970,843.00	€1,193,780.78	€1,083,116.13	€ 846,359.35
TOTAL	€53,000,000.00	€52,891,381.34	€66,289,812.94	€ 68,708,612.40
AWP	€53,000,000.00	€53,000,000.00	€66,293,000.00	€ 68,801,000.00
EU Annual Budget	€53,000,000.00	€53,000,000.00	€66,293,000.00	€ 68,801,000.00
Amount MFF	€59,570,000.00	€62,120,000.00	€66,293,000.00	€ 68,801,000.00

As is standard for the programme, the vast majority of funding in 2015 went into the development and operation of European Information Systems, followed by the organisation of the joint actions, and the training activities. We can notice that over the years the committed expenses on joint actions (organised under the grant agreements) have been on the whole decreasing. The expenses for joint actions are difficult to forecast in advance, given that the actions and events are triggered by constantly evolving business needs. For this reason, the anticipated (committed) expense can differ to a smaller or larger percentage from actual expenses incurred in a given year on joint actions. This explains the perhaps counterintuitive situation that in 2015 there was a drop in committed expenses on joint actions, while the

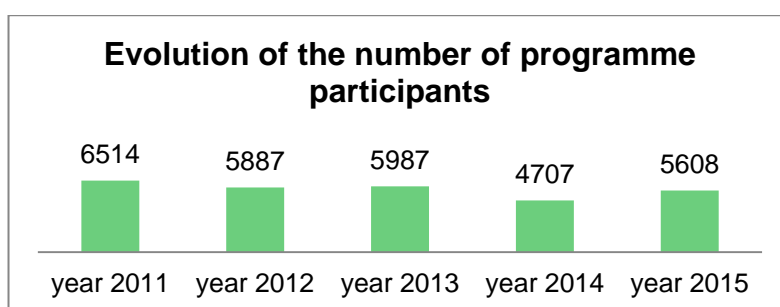
³ The table compares committed amounts for the last four years, since the actual expenses are not finalised for all the previous years.

overall number of actions and participants increased. The increase for the IT part, on the other hand, is consistent with the increase set in the MFF and relates to the multiple new IT developments needed for the implementation of the UCC. We can also notice a smaller fluctuation for the training component, which was mainly due to the delay in launching some of the activities connected to the UCC.

4.3 Participants

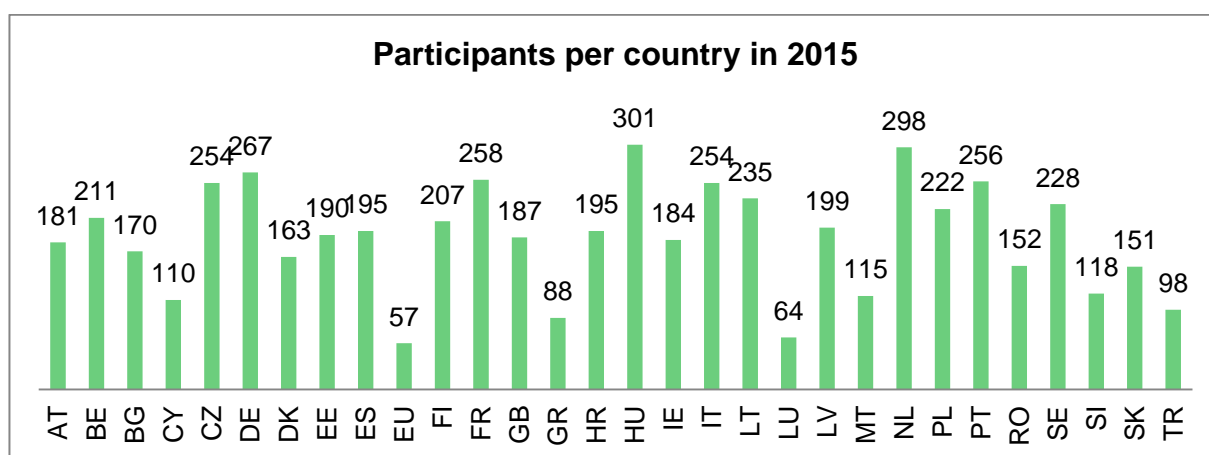
The number of total participants (which measures all instances of participation in activities and allows for the same people to have taken part in multiple activities) rose by 19% in 2015 compared to 2014. This is due to the fact that 2014 was a significantly shorter programme year (it lasted from April till December). However, if we account for this exceptional nature of 2014, the general trend of slight decrease in the number of participants across the years continued during 2015.

Figure 6: Number of participants⁴ in joint actions per year under the Customs 2013 and Customs 2020 programmes



This trend could be partly due to a physical limitation in the number of people able to attend meetings, as well as an optimisation in the use of certain programme tools. The greater use of online collaboration tools could also play a role in reducing the need for physical meetings or replacing them with audio or online meetings.

Figure 7: Overview of participants per country in 2015⁵



⁴ This is the number of total participants (which measures all instances of participation in activities and allows for the same people to have taken part in multiple activities).

⁵ The participants marked as EU represent external experts who come outside national administrations and who may be invited to contribute to selected activities organised under the programme wherever this is essential for the achievement of the programme objectives.

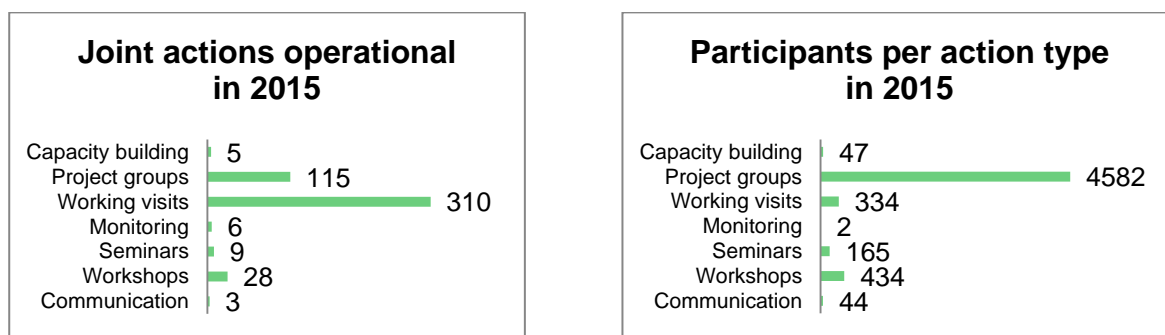
If we look at the distribution of participants by country, we can see that all the countries are utilizing the programme, but that there are countries that, considering the size of their administrations, do so to a greater extent than others. This is in line with the voluntary nature of participation in the programme activities, where the number of participants from a given country depends partly on the level of interest and activity shown by the country's administration in utilizing the potential of the programme. This is especially true in the case of working visits, which the participating countries initiate and organise autonomously.

4.4 Proposals and Actions

In order for an activity to be organised under the programme, one of the programme teams (participating country or the EC) have to submit a proposal for this activity, with information on the background, objective, expected results, participants and financial cost involved. This proposal is then evaluated by TAXUD and, if confirmed, becomes usually a single joint action. Each proposal is approved for a certain period of validity during which the associated joint action is said to be operational, i.e. it can be organised. The period during which the joint actions are operational can overlap between programme years.

In 2015, there were 476 such operational (ongoing) joint actions. Some of these actions were launched as new proposals in 2015, while some continued from the programme year 2014. If we look at their distribution, we can see from the two figures below that the most popular action type remain working visits, followed by project groups placed second and workshops as distant third. The number of working visits rose significantly in 2015 (199 compared to 143 in 2014), which testifies to the increased adoption of the new procedure for their implementation introduced under the new programme. The situation with regards to the number of participants is somewhat reversed with the project groups being the largest activity type in terms of participation, followed by workshops and working visits.

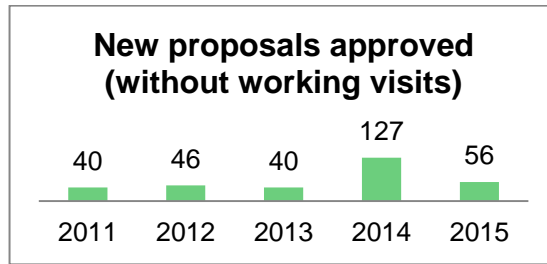
Figure 8: Overview of activity types and number of participants per activity type



It is worth underlying that some of the proposals approved in 2015 will have their first activities only in 2016. For example, in the case of the monitoring actions, only one monitoring visit to Cambodia on the rules of origin was organised in 2015, while visits to Cape Verde, Philippines and Seychelles are planned to take place in 2016.

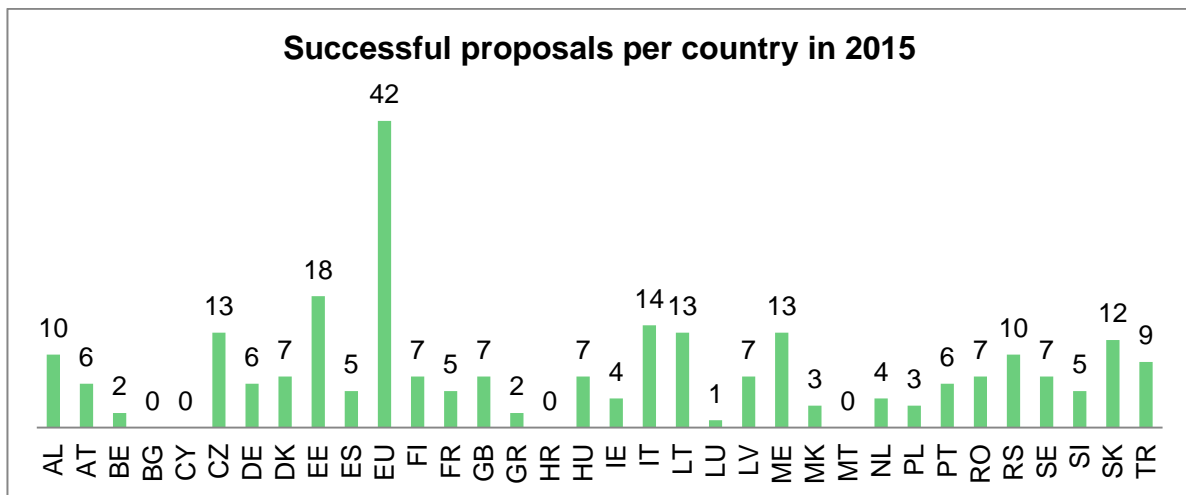
If we want to look at the evolution of new proposals over time (Figure 9), we first need to exclude the working visits, in order to get a comparative number. This is because in the period before 2014 all the working visits were covered by a single proposal, while under the Customs 2020 programme each business case for a working visit is treated as a separate proposal (thus increasing the number of proposals by a significant margin). Comparing the proposals in this way, outside working visits, we can see that their number was steady in the period 2011-2013. 2014 as the year of transition to the new programme meant that all proposals for ongoing activities had to be re-launched, which led to the great increase in the number of proposals treated in the year. In 2015, we can observe a steady return to a standard year of activities under the programme.

Figure 9: Number of new proposals approved under the programme (without working visits)



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

Figure 10: Overview of proposals under the Customs 2020 programme per initiating country in 2015



5. PROGRESS IN RELATION TO THE OPERATIONAL OBJECTIVES

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

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






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

5.1 Table of indicators

Figure 11: How to read the indicators table?

<p>How to read the indicators table?</p> <p>Programme Objective: mention of the relevant operational objective out of the five operational objectives of the Customs 2020 programme; in some cases in the beginning of the table there is not one relevant operational objective as the indicator has a cross-cut programme wide relevance.</p> <p>Indicators title: a title given to a group of related indicators for easier reference and understanding</p> <p>(Sub) indicators: a description of each individual indicator, often with some additional information on its measurement.</p> <p>Type: describes whether it is an output (O) or a result (R) indicator</p> <p>Source: describes where the data is coming from: PMF surveys (see abbreviations in Figure 2), ART (programme management tool and database) or business units of the European Commission.</p> <p>Baseline: where available, the starting measurement against which a progress can be measured. In the case of data collected with the PMF surveys, this year's data will serve as the baseline for future Progress Reports. For other data, whenever it was possible or meaningful, the last measurements were used. N/A or 'non available' is mentioned wherever the baseline does not yet exist.</p> <p>Target: an ambitious, but achievable goal set for the programme. Whenever an indicator refers to a project with an already established target (for example, in the area of IT), this target was used. Where no prior historical records are available, a stable value or growth was set as the target for this and next year. After this period, once comparative data for these indicators becomes available, it might be possible to set numerical targets.</p> <p>Reference period: period covered by the indicator. Not to be confused with the timing of the collection of the data, which can often fall outside this period.</p> <p>2014/2015 values: measurements obtained in the reference periods in 2014 and 2015.</p> <p>Direction: a simplified system of symbols used to show whether the observed annual trend is in line with the target, needs additional monitoring or urgent follow-up.</p>

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

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
Across all operational objectives	Collaboration robustness between programme stakeholders resulting from joint action activities	Extent to which the target audience is aware of the programme	R	Prog Poll	65.7% (2011 Prog Poll)	75%	51%	Next poll in 2016	
		Degree of networking generated by programme activities	R	Prog Poll	Q 1: 94% Q 2: 84%	Q1: 90% Q2: 85%	Q1: 95.5% Q2: 86%	Next poll in 2016	
		Q 1: Did the activity provide you a good opportunity to expand your network of and contacts with officials abroad? (percentage agreeing) Q 2: Have you been in contact for work purposes with the officials you met during this activity since the activity ended? (percentage agreeing)	R	EAF	(2011 Prog Poll)		Q1: 97% Q2: 71.5%	Q1: 95.5% Q2: 72%	
		Extent to which programme outputs (e.g. guidelines or training material) are shared within national administrations	R	AFF	Q1: 81% (2014)	Q1: N/A	Q1: 81%	Q1: 71%	
		Q 1 (AFF): Were the outputs of the action shared in national administrations? (percentage agreeing) Q 2 (EAF): Further to your participation in this activity, did you share with colleagues what you learned? (percentage agreeing)	R	EAF	Q2: 94% (2011 Prog Poll)	Q2: 90%	Q2: 96%	Q2: 93.5%	
		Extent to which JA (that sought to enhance collaboration between participating countries, their administrations and officials in the field of customs) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	2.91 (2014)	Grow or stable	2.91	3.12	
			R	AFF Work Visits	3.55 (2014)	Grow or stable	3.55	3.59	

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
	Analysis	Number of studies produced (total for the programme)	O	AFF	16 (2014)	Grow or stable	16	26	😊
			O	AFF Work Visits	43 (2014)	Grow or stable	43	187	😊
<u>Operational objective:</u> To support the preparation, coherent application and effective implementation of Union law and policy in the field of customs	The Union Law and Policy Application and Implementation Index	Extent to which JA (that sought to support/ facilitate the preparation, application and/or implementation of a specific piece of new (or revised) customs law or policy) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	3.17 (2014)	Grow or stable	3.17	2.88	😞
			R	AFF Work Visits	3.75 (2014)	Grow or stable	3.75	3.57	😞
		Participants' views on the extent to which a JA (that sought to support/ facilitate the preparation, application and/or implementation of a specific piece of new (or revised) customs law or policy) (has) achieved its intended results (percentage of those who replied 'fully' or 'to large extent')	R	EAF	94% (2014)	Grow	94%	95%	😊
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	91% (2014)	80%	91%	95%	😊
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	98% (2014)	80%	98%	98%	😊
		Number of actions (JA) that have supported or facilitated the implementation, preparation or application of (a specific piece of new or revised) customs law	O	ART	67 (2014)	Grow or stable	67	121	😊
		Number of recommendations (R) / guidelines (G) / other outputs (O) issued further to a JA	O	AFF	2014: 266 (R) 9 (G)	Grow or stable	266 (R) 9 (G) 385 (O)	237 (R) 10 (G) 74 (O)	😞

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction	
					385 (O)					
			O	AFF Work Visits	2014: 34 (R) 3 (G) 51 (O)	Grow or stable	34 (R) 3 (G) 51 (O)	73 (R) 34 (G) 305 (O)	☺	
			Number of monitoring visit reports issued on time (within three months after the end of the visit)	O	EC	100% (2013)	N/A	0%	No visits organised	
	Tariff classification	Time taken for the resolution of divergent tariff classification cases further to programme activities: (A) Average time for solving cases, (B) Percentage of all new cases solved within 6 months, (C) Percentage of all new cases solved within 1 year	R	EC	2013: (A) 10 months (B) 45% (C) 93%	(A) 10 months (B) 60% (C) 100%	(A) 9 months (B) 70% (C) 95%	(A) 6 months (B) 78% (C) 92%	☺	
	Scientific Customs	Number of participants in the customs laboratories activities organised under the programme	R	ART	223 (2014)	Grow or stable	223	465	☺	
	Performance monitoring actions	Number of monitoring visits resulting in recommendations	R	EC	4 (2013)	Lower or stable	6	No visits organised		
		Number of recommendations made to a Member State after a visit and their follow-up	R	EC	34 (2013)	Lower or stable	5	No visits organised		
		Number of recommendations made to the Commission after a visit and their follow-up	R	EC	15 (2013)	Lower or stable	8	No visits organised		
	<u>Operational objective:</u> To develop, improve, operate and support the European	Enhanced availability, reliability and/or quality of (specific) Union components of EIS and the CCN	Availability of centralised IT customs applications (CIS) and NCTS, ECS and ICS during business hours (%)	R	EC	2013: CIS: 99% NCTS, ECS, ICS: 98%	CIS: 97% NCTS, ECS and ICS: 99%	CIS: 99% NCTS, ECS, ICS: 99%	CIS: 98.95% NCTS, ECS, ICS: 99%	☺

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
Information Systems for customs		Availability of CCN overall (%)	R	EC	99.94%	98% (regulation)	99%	99.97%	😊
	System performance indicator:	Activity indicators	R	EC	2014: Number of messages on CCN network: 2.7 billion Traffic volume of the CCN messages : 4.3 terabytes	Grow or stable	Number of messages on CCN network: 2.7 billion Traffic volume of the CCN messages: 4.3 terabytes	Number of messages on CCN network: 3.217 billion Traffic volume of the CCN messages : 4.70 terabytes	😊
	Stakeholders' assessment of JAs / events	Extent to which JAs (that sought to enhance the availability, reliability and/or quality of (specific) Union components of EIS) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	3.16 (2014)	Grow or stable	3.16	3.96	😊
			R	AFF Work Visits	3.7 (2014)	Grow or stable	3.7	3.37	😞
		Participants' views on the extent to which a JA (that sought to enhance the availability, reliability and/or quality of (specific) Union components of EIS) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')	R	EAF	93% (2014)	Grow	93%	96%	😊
		Participants' views on the extent to which an event met their expectations (percentage of those who replied	R	EAF	93% (2014)	80%	93%	93.5%	😊

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
		'fully' or 'to large extent')							
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	99% (2014)	80%	99%	99%	😊
	New (components of) IT systems indicators	Number of IT projects in the phase research	O	EC	9 (2014)	N/A	9	13	
		Number of IT projects in the phase development	O	EC	5 (2014)	N/A	5	9	
		Number of new IT systems in operation	O	EC	1 (2014)	N/A	1	2	
		Ratio of IT projects in status "green"	O	EC	50% (2014)	Grow or stable	50%	50%	😊
	Existing IT systems indicator	Number of European Information Systems in operation, as per Annex 1 of the Customs 2020 Regulation	O	EC	39 (2014)	Grow or stable	39	41	😊
		Number of modifications on IT systems in operation following business requests	O	EC	411 (2014)	N/A	411	269	
		Number of modifications on IT systems in operation following corrections	O	EC	1573 (2014)	N/A	1573	443	
	Degree and quality of support provided to MS indicators	Number of occurrences where the service desk is not joinable	O	EC	0 (2014)	SLA provision	0	0	😊
		Percentage of service calls answered on time	O	EC	98.95% (2014)	SLA provision	98.95%	99.33%	😊
<u>Operational objective:</u> To identify, develop, share and apply best working	Stakeholders' assessment of JAs / events	Extent to which JAs (that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	3.25 (2014)	Grow or stable	3.25	3.2	😞
			R	AFF Work Visits	3.42 (2014)	Grow or stable	3.42	3.65	😊

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
practices and administrative procedures, in particular further to benchmarking activities		Participants' views on the extent to which a JA (that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')	R	EAF	95% (2014)	Grow	95%	97%	😊
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	95% (2014)	80%	95%	95%	😊
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	98% (2014)	80%	98%	99%	😊
		Number of guidelines (G) and recommendations (R) issued by participating countries in their national administrations following activities relating to modern and harmonized approaches to customs procedures	R	EAF	2014: 28 (G) 80 (R)	Grow or stable	28 (G) 80 (R)	25 (G) 80 (R)	😞
	Best Practices and Guideline Index	Percentage of participants that made use of a working practice and/or administrative procedure/guideline developed/shared with the support of the programme	R	EAF	50% (2014)	Grow	50%	80%	😊
		Percentage of participants that disseminated a working practice and/or administrative procedure/guideline developed/shared produced with the support of the programme in their national administration	R	EAF	94% (2014)	Grow	94%	94%	😊
		Percentage of participants which declare that an administrative procedure/working practice/guideline developed/shared under the programme led to a change in their national administration's working practices	R	EAF	84% (2014)	Grow	84%	74%	😞

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
		Number of actions under the programme organised in this area	O	ART	85 (2014)	Grow or stable	85	200	☺
		Number of working practices/administrative procedures (AP) developed/shared	O	AFF	1 (2014)	Grow or stable	1 (AP)	2 (AP)	☺
			O	AFF Work Visits	35 (2014)	Grow or stable	35 (AP)	184 (AP)	☺
			Number of actions which had outputs used for a benchmarking activity as declared by the action managers	O	AFF	0 (2014)	Grow or stable	0	2
	Exchange of information on new C2020 systems /system components	Extent to which key new C2020 European Information Systems / system components, as per the C2020 Regulation, aimed at increasing interconnectivity and moving to a paper-free customs union are being used (number of movements, in millions)	R	EC	2014: 10.2 m (NCTS) 13.47m (ECS) 41.45m (ICS)	Grow	10.2 m (NCTS) 13.47m (ECS) 41.45m (ICS)	10.18 m (NCTS) 13.5m (ECS) 41m (ICS)	☺
	Networking and co-operation	Number of face to face meetings (total for the programme)	O	ART	443 (2013)	Grow or stable	265	551	☺
		Number of on-line collaboration groups (PICS) (total for the platform)	O	EC	110 (2013)	Grow	199	261	☺
	User engagement on PICS	No of downloaded files from PICS (total for the platform)	O	EC	13564 (2013)	Grow	73200	116538	☺
		No of uploaded files on PICS (total for the platform)	O	EC	3445 (2013)	Grow	5521	11177	☺
	<u>Operational objective:</u> To reinforce	The Learning index	Number of EU eLearning modules used by participating countries (combined number of all modules used in each country)	R	EC	174 (2014)	Grow	174	183

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
skills and competencies of customs officials		Average training quality score by customs officials (on a scale of 100)	R	EC	70.3 (2015)	Grow	73.3 ⁶	70.3	
		Number of customs officials trained in IT trainings	R	ART	124 (2014)	Grow or stable	124	293	😊
		Percentage of officials that found that the IT training met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	95% (2014)	80%	95%	92%	😊
		Percentage of officials that found that the IT training to be useful (percentage of those who replied 'very useful' or 'useful')	R	EAF	99% (2014)	80%	99%	98%	😊
		Number of officials trained by using EU common training material	R	EC	4 776 (2014)	Grow	4 776	3092	😞
		Number of IT training sessions organised for given systems / components	O	ART	22 (2014)	Grow or stable	22	45	😊
		Degree of alignment of national customs administrations with the principles of the Customs Competency Framework (percentage of the total number of CFW modules which the national administrations implemented or have equivalent modules in place)	R	EC	2015 value	Grow	None	31.2%	
		Number of produced EU eLearning modules	O	EC	15 (2013)	Grow or stable	15	15	😊

⁶ The new format of the satisfaction survey was only launched towards the end of 2014. Therefore the data collected in 2014 is insufficient to be representative and we should rather rely on the 2015 data as the baseline.

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
<u>Operational objective:</u> To improve co-operation between customs authorities and international organisations, third countries, other governmental authorities, including Union and national market surveillance authorities, as well as economic operators and organisations representing economic operators.	The co-operation with third parties Indicators	Average training quality score by other users (e.g. traders and individuals) (on a scale of 100)	R	EC	69.2 (2014)	Grow	64 ⁷	69.2	
		Number of partner countries that the customs union exchanges information with via IT systems	R	EC	10 (2014)	Grow or stable	10	12	😊
	Stakeholders' assessment of JAs / events	Extent to which JAs (that sought to support co-operation between customs authorities and IOs, third countries, other governmental authorities, economic operators) have achieved their intended result(s), as reported by action managers: average score on the scale of 0 (not achieved) to 4 (fully achieved)	R	AFF	2.36 (2014)	Grow or stable	2.36	3.17	😊
			R	AFF Work Visits	3.5 (2015)	N/A	Insignif. sample	3.5	
		Participants' views on the extent to which a JA (that sought to support co-operation between customs authorities and IOs, third countries, other governmental authorities, economic operators) (has) achieved its intended result(s) (percentage of those who replied 'fully' or 'to large extent')	R	EAF	95% (2014)	Grow	95%	91%	☹️
		Participants' views on the extent to which an event met their expectations (percentage of those who replied 'fully' or 'to large extent')	R	EAF	94% (2014)	80%	94%	90%	😊
		Participants' views on the usefulness of an event (percentage of those who replied 'very useful' or 'useful')	R	EAF	99% (2014)	80%	99%	96%	😊
Number of programme actions supporting the operational objective relating to co-operation with 3 rd parties	O	ART	22 (2014)	Grow or stable	22	44	😊		

⁷ The new format of the satisfaction survey was only launched towards the end of 2014. Therefore the data collected in 2014 is insufficient to be representative and we should rather rely on the 2015 data as the baseline.

Programme objective(s)	Indicators title	(Sub-) indicators	Type	Source	Baseline	Target	2014 value	2015 value	Direction
		Number of downloaded e-learning courses by economic operators and others via Europa.eu website	O	EC	3219 (2014)	Grow	3 219	3202	

5.2 Cross-cut indicators: collaboration robustness between programme stakeholders

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

Raising awareness about the programme and its potential among the target audience is an important precondition to fulfilling the programme's objectives. The awareness is measured through the Programme Poll, which is distributed in all the customs administrations of the participating countries every 18 months. The last Programme Poll took place between July and September 2015 and close to 3000 customs officials participated. As the poll measures awareness and networking in the period between the two polls, the results of the 2015 poll were already included and analysed in the 2014 Progress Report. As a reminder, in this report we can repeat that a drop in awareness could be observed among the customs officials. Out of the total number of surveyed officials, around half were aware of the programme, which represents a drop from 65% who were aware of the programme during the previous poll in 2011. Although there were external factors influencing this drop in awareness, such as a fewer events and participants in 2014 and possibly a survey fatigue caused by the introduction of the Performance Measurement Framework, the Progress Report 2014 recommended to TAXUD to address this drop and take actions aimed at raising awareness among general customs audience. A communication policy towards the national stakeholders was identified as a potentially beneficial action in this respect. TAXUD has been defining in the course of 2016 a new communication plan for the Customs 2020 programme, which includes the use of new communication tools and channels, as well as a common effort between the EU and national programme teams in the distribution of information on the programme to the potential beneficiaries. Some of the actions envisaged under the new communication plan already started to be implemented in 2016. However, given that the next programme poll is due to take place already at the end of 2016, it is to be seen whether this poll might come too early for measuring first visible results of the new communication plan.

Networking is an important by-product of the participation in programme activities. Meeting fellow officials from other countries and maintaining professional contacts with them facilitates the exchange of best practices and better functioning of the customs union. When we compare the replies of participants to programme events in 2015 to those in 2014, we can observe similar high levels of satisfaction with networking opportunities provided by programme activities to meet with officials from other countries. Nearly all of the participants found programme activities to represent a good opportunity to create useful contacts abroad, and there was a slight increase in 2015 in the number of those who maintained these contacts following the end of the activity.

We can observe some changes in the levels of sharing of the **programme outputs** (such as recommendations, guidelines, studies etc.) between 2015 and 2014. Among action managers, there was a noticeable drop (from 81% to 71%) of action managers who reported that the outputs of their actions were shared in the national administrations. When interpreting this change, we should bear in mind that in 2015 there were many more Action Follow up Forms received than in 2014 (101 compared to 66). Reading through the replies of those action managers who said that the outputs of their actions were not shared in national administrations, one can observe that many of them have directly distributed outputs to national colleagues through PICS or CIRCABC collaboration tools. It is therefore possible that at least in some cases the action managers were not informed of any further sharing that took place nationally. Through the Event Assessment Forms, we can also observe the levels of sharing reported by the participants and here 93.4% (a slight drop of 2% compared to 2014) reported that they shared what they learned at the programme activities with their national colleagues. As it was recommended in the 2014 Progress Report, a more structured and transparent approach to the sharing of programme outputs would be desirable, since it would both shed more light on the current use of programme outputs nationally, as well as potentially open up this resource to many more customs officials. Such an approach would, however, need to address a number of security, privacy and technical challenges involved in such a larger distribution of outputs, as well as involve a cultural change among the programme stakeholders. Its success would very much depend on the support and involvement of all programme stakeholders and in particular of the senior management and the action managers. TAXUD initiated in 2016 discussions on creating such an

approach with the stakeholders and intends to follow them up. However, this should be seen as a longer term goal that will require gradual change.

Lastly, in this section we take a general look at the achievement of results as reported by the action managers of joint actions. In the case of most project groups, the action managers are DG TAXUD policy experts, while for the working visits these are national customs officials. The level of achievement of results in 2015 is evaluated on a scale from 0 (not achieved) to 4 (fully achieved) at the end of the action against the anticipated results. Since most project groups last for several years, it is to be expected that the level of achievement of results should be below maximum in this year. In the case of working visits, whose results usually take shorter time to be achieved, we can expect somewhat higher reported values. When we compare the obtained indicators for 2014 and 2015, we can see that gradual progress is being achieved. The value of 3.12 (increase from 2.91 in 2014) for joint actions indicates that the action managers are very satisfied with the progress obtained within their groups in 2015 and that their work is on track toward the planned final results. The participants to joint actions were equally asked to evaluate the achievement of planned results, and their replies confirm the situation reported by the action managers. For working visits, the indicator is expectedly higher, slightly raised in 2015 (3.59 compared to 3.55 in 2014), indicating that these participants are highly satisfied with the business value obtained from the working visits.

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

There were 121 joint actions, mostly project groups and working visits, running under this objective during 2015. Some of the most important issues covered by them include tariff classification, customs laboratories and monitoring actions.

Altogether, 16 new project groups were launched during 2015. Three groups were dedicated to the new Union Customs Code and ensuring its correct implementation by drafting guidelines for the stakeholders. The project groups were launched in 2015, but are expected to finalise their work during 2016. Two new project groups were also created in the area of customs equipment. These are the Detection Technology Network, which gathers once a year experts to discuss issues concerning detection technology on the field and in customs laboratories, and the other is the project group created to draft the implementation plan for the Customs Eastern Land Border Expert Team (CELBET), Expert team is a new type of action funded under the programme, which enables a much more focused and intensive collaboration between member states in certain areas. This expert team aims at pooling expertise from 11 Eastern and South-Eastern land border Member States for strengthening and improving the operational co-operation among its members at the Eastern and South-Eastern land border of the EU. CELBET's work will cover six areas: risk management (risk-based selection for controls/facilitation), operational controls, equipment and procurement, training, evaluation/performance measurement and co-operation with border guards and neighbouring countries. The team will start work in 2016 and the first results are expected in 2017. Remaining project groups covered a wide range of issues from risk management, cash controls at borders, Authorised Economic Operators to enhancing uniform tariff classification throughout the EU.

The Union Law and Policy Application and Implementation Index provides a comprehensive overview of the performance of the **joint actions** organised under this objective. The main indicator relates to the level of achievement of expected results, as they were identified prior to the activity and later evaluated by their action managers. The obtained value of 2.88 represents a slight drop from the 2014 value (3.17). However, the fluctuation seems to be mild. If we look at the actions for which the expected results were rated with zero (o) achievement, we can observe that they include seven actions where activities had to be for objective reasons postponed from 2015 to 2016.

Apart from these actions, the indicator suggests that the action managers are very satisfied with the progress obtained within their groups in 2015. Such a positive evaluation is also confirmed by the participants to joint actions, who have also expressed very high levels of satisfaction with the activities in terms of 'meeting their expectations' and 'being useful'. The working visits organised under this objective have also been evaluated very highly by their participants. The two output indicators included in this group

have given us further insights into the number of recommendations and guidelines produced under the programme. There has been a significant fluctuation in this indicator between the two years, both positive and negative (depending on whether we look at reported outputs from Working Visits or other Joint Actions). It is worth clarifying that the recommendations and guidelines are counted here individually, rather than by the number of documents containing them. Under 'other outputs', we count studies, reports, measures, presentations and other reported types of outputs. While the high numbers can already indicate that the activities have served the purpose of producing recommendations and guidelines, as well as other types of outputs, it will take additional years of measurement to place these numbers in an appropriate perspective. Future fluctuations in these indicators, however, need to be interpreted carefully, as not every recommendation or guideline is equally important.

Monitoring visits are carried out by joint teams of customs officials to analyse national customs practices, identify difficulties in implementing the rules and make suggestions for improvement. In 2014, a cycle of visits was completed concerning the monitoring of the implementation of Integrated Tariff of the European Communities (TARIC) and no further visits are envisaged for foreseeable future. In 2015, only one monitoring visit to Cambodia took place, concerning correct implementation and future development of the preferential rules of origin. Other monitoring actions on rules of origin were launched in 2015, but are scheduled to take place in 2016. These visits include Cape Verde and Philippines. The planned monitoring visit to the Seychelles was cancelled and a new date for a possible mission is being investigated.

In the area of **scientific laboratories**, in 2015 the programme funded altogether 32 joint actions, which is nearly double from their number in 2014, when there were 17 such joint actions. The increase in the number of activities between the two years is almost entirely due to the greater number of working visits, with Hungarian, Slovak, Italian and Albanian customs being particularly proactive in initiating this type of activity. There was equally a significant increase in the number of participations to customs laboratories activities, with the number in 2015 totalling 465 instances of participation, more than double than the 223 participations registered in 2014. Even after accounting for the exceptional nature of 2014, this increase seems to indicate greater need for national participation to this type of activities. It is worth recalling that the national administrations choose voluntarily to send their participants to programme activities based on their need and interest. 99 % of the participants attending the events on customs laboratories organised under the Customs 2020 programme replied that the events were useful or very useful to them professionally, and 98% replied that the activities achieved their intended results 'fully' or 'to a large extent', which confirms the perceived value of these activities by the national administrations. As it was discussed in the 2014 Progress Report, there is a need to try to obtain further indicators in this area, especially on the national use of the outputs of the programme activities on customs laboratories. Since the general EAF survey cannot grasp some of the specificities of the national use of these outputs, it was decided to launch as a pilot in early 2017 a focused survey targeting managers of national customs laboratories and gather feedback from them on how they use the programme outputs in their work. The results could be then included and analysed in the 2016 report. Depending on the success of this survey, these indicators could become permanently established under the Performance Measurement Framework.

In the area of **tariff classification**, the programme is organising and funding a number of project groups where preparatory work for the resolution of divergent classification cases takes place prior to submitting these cases to the Customs Code Committee for final decision. We can observe that there has been a continuous positive development in this indicator over the previous two years, with the average time for solving cases being cut from ten to six months and increase achieved in the number of solved cases in the first six months. One explanation for such a big cut in the average time for solving cases is that in 2015, as in the previous years, efforts were made with a view to enhancing streamlining and organising the work of the Customs Code Committee and discussions with the Member States. An expert team to pool expertise to resolve complex cases of divergent tariff classification has been included in the 2016 Annual Work Programme for the Customs 2020 programme. It is believed that further improvements could be achieved by utilising this new type of joint action.

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

The great majority of the programme funding is spent on the **European Information Systems**, which are of critical importance for the well-functioning of the customs union. The list of the existing EIS is included in the Annex II of the Customs 2020 Regulation, while those planned for development are included in the Electronic Customs Multi-Annual Strategic Plan MASP, a document drawn up by the European Commission in partnership with Member States in accordance with Article 8(2) of the e-Customs decision⁸.

The first indicator in this section looks at CCN/CSI (common communication network/common systems interface in the area of customs and taxation), which offers all national administrations a coherent, robust and secure method of access to the EIS. The Annex I of the Customs 2020 Regulation stipulates that the CCN/CSI should be available 98% of the time. We can observe that this target was surpassed in 2015, as was the case in 2014. The availability of the specific Union components of the EIS, namely the centralised IT customs systems and the three key systems (NCTS, ECS and ICS) was also above the target and commensurate to 2014 levels.

The general system activity indicator tells us more on the overall use of the network. Over 3.217 billion messages and 4.7 Terabytes of application data were exchanged via the network in 2015, which represents an increase of 20% in the number of message and 9% in the size of data exchanged over 2014. The traffic increase in 2015 is mainly attributed to the new applications in production, such as the COPIS link to the Enforcement Database of EUIPO (Customs), MOSS and VOES (Taxation), as well as European statistical data exchange network - ESDEN (EuroSTAT). Note that although COPIS has started in 2014, more national administrations have started using it in 2015. At the same time, the number of hits on the applications available via the public Europa Internet Access were 97.53 Million (33% increase over 2014).

For the **existing EIS applications**, we can see that two more were deployed in 2015 bringing their total number to 41. Regular check-ups and updates were performed on them throughout the year, with 269 business evolutive changes and 443 corrective changes implemented as part of 124 separate releases and patches. The difference in the number of corrective changes compared to 2014 was due to the hand-over/take-over from CUST-DEV2 to CUST-DEV3 (new development framework contract) which took place in 2014. CUST-DEV2 contractor finalised in a short period of time several corrective maintenance activities resulting in an exceptional increase of the number of corrective patches. 2015 in that respect represented a return to a more standard year of operations.

We can also observe that the service desk was performing well and in line with the Service Level Agreements with nearly all calls (98.85%), out of 8 622 in total, answered on time.

The Electronic Customs Multi-Annual Strategic Plan MASP lists a number of **future EIS** linked to new developments in several customs policy areas, but mainly in view of the implementation of the Union Customs Code. At the level of the output indicators, we can see that two new IT systems were rolled out in 2015, these are the Surveillance2 – Customs Duties Calculation (CDC), which was deployed ahead of schedule and went in production on 24/02/2015, and the AEO-MRA exchange with China (Authorised Economic Operators - Mutual Recognition of trade Partnership programmes) which went into production on 3/11/2015. We can equally observe a significant increase in the number of IT systems entering development⁹ and research phase¹⁰. This is the reflection of an increased activity in the preparation of IT systems for the full implementation of the UCC.

⁸ Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless customs environment for customs and trade, OJ 2008, N° L23, p. 21.

⁹ These nine systems are listed in MASP Rev 2014 V1.2 of 21/11/2014: Customs Decisions, UCC BTI phase 1, UCC AEO updates and impact of MRA, SURV3, REX, CCN2, UUM&DS, High availability DG TAXUD operational capabilities, CS/RD2.

¹⁰ These thirteen systems are listed in MASP Rev 2014 V1.2 of 21/11/2014: UCC PoUS, UCC BTI phase II, UCC AES, COPIS-AFIS, COPIS e-AFA, UCC GUM, UCC Special Procedures (INF), UCC ICS 2.0, CLASS, UCC NCTS, CUP-MIS, EU implementation of the eATA carnet, CTA.

In total, a half of the MASP IT projects were in the so-called green status, meaning they were progressing in line with the requirements, time and budget limitations. Among the remaining half of the MASP projects, most were not yet scheduled to start in 2015 and a smaller number of projects were delayed due to additional legal or business clarifications needed.

At the level of joint actions that were organised in relation to the EIS, these were mostly project groups and working visits. The project groups included the continuation of those started in 2014, such the IT systems development group (ITSD), IT technology and infrastructure group, Customs Business Group and Electronic Customs Coordination Group (ECCG). A number of new project groups were equally launched, mostly connected to the UCC implementation: project group to examine the impact of UCC related IT requirements on MS systems, UCC Automated Export System project group and UCC New Computerised Transit System project group. The stakeholders' assessment of these joint actions was very positive and on the whole increasing over the previous year.

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

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

At the level of **joint actions**, it represents the biggest number of joint actions under the programme for which this is their primary objective. 201 joint actions were running under this operational objective in 2015, which is a significant increase to 2014, when 85 such joint actions existed. A number of project groups continued from 2014, such as the project group on detection technology, which strives to provide advice and guidance to customs administrations on the state of the art detection technology and equipment. Equally, four project groups concerning customs controls at the various types of border continued from 2014. RALFH (northern ports), ODYSSUD (southern ports), ICARUS (airports), LFCG (land frontier contact group) project groups bring together permanent contact points from the participating Member States and senior managers from customs offices at the border, with the aim to address any issues relevant for operational co-operation and co-ordination with regard to controls at the external frontier. A new project group was launched in 2015 dedicated to the co-operation of customs administrations and border guards. This project group includes on-the-spot visits to different types of border crossings with the aim to gather best practice experiences from various member states and turn them into practical guidelines. The first visit took place toward the end of 2015 to Finland, while others are expected to take place in 2016.

The large increase in the number of joint actions under this objective between 2015 and 2014 is predominantly due to the great increase in the number of working visits between customs administrations. More than a hundred working visits took place in 2015 under this objective, involving nearly all the participating countries. The range of topics covered by these visits went from broad areas, such as learning and gathering experience on approaches to customs controls and risk management, to more focused themes, for example finding out how other administrations build apps that facilitate the work of their customs officials.

There were equally two benchmarking joint actions organised under this objective (as declared by action managers) where two or more national administrations worked together to undertake systematic research, analysis and comparison to identify best practice. These were the aforementioned project group on Customs Detection Technology and the regional workshop on co-operation in the market surveillance area among the Baltic States.

If we look at the outputs produced by the joint actions under this objective, we can observe that in 2015 there were 186 best working practices and administrative procedures developed (as reported by action managers). This increase, compared to the same measurements in 2014, seems to go beyond what would be logically expected due to the greater number of joint actions under this objective in 2015, and to indicate also an increased level of production of administrative procedures and work practices. However, if

we look at the number of guidelines and recommendations issued by the Member States following programme activities relating to modern and harmonised approaches to customs procedures (as reported by the participants), we can see that the value for this indicator has practically remained the same in 2015. While the high numbers of procedures and guidelines produced can already indicate that the activities have served the purpose of producing outputs in this area, it will take additional years of measurement to place these numbers in an appropriate perspective.

In 2015, we observe a high rate of dissemination of programme outputs by the participants, with 94% of them declaring to have distributed the outputs nationally. However, the effect of these outputs at first sight seems to be decreased, with 74% of the participants (down from 84% in 2014) declaring that the programme outputs led to a change in their national administrations' working practices. If we look in more detail at the answers provided by those who replied negatively to this question, we can see that most indicated they do not know of such a change or left the answer blank. At the same time, the number of participants who state to have made use of the outcomes of the activity has risen significantly, from 50% in 2014 to 80% in 2015, which would suggest that these outputs are of desired quality and relevance. It could be logically deduced therefore that possible causes for the difference between these two indicators lie either in the lack of information that the participants have of the use made of the outputs nationally or the lack of wider distribution of these outputs within national administrations. Once again this highlights the need for better distribution of programme outputs not just at the European level, but also within national administrations.

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

In the area of **online collaboration**, we are looking at the use of the Programme Information and Collaboration Space - PICS. This platform is used by many DG TAXUD and national customs officials to facilitate the running of joint actions, but also for other, non-programme related collaboration needs. We can see that the total number of online collaboration groups (both customs and tax) on the platform has continued to rise during 2015, increasing from 199 to 261, or on average, five new online collaboration groups created every month of the year. Similarly, the number of active users (users who have used PICS in the last six months) has increased from roughly 2400 at the end of 2014 to over 3100 at the end of 2015, or on average 2 new active users signing up every day. Not all users and groups have classified themselves, but from those that have, we know that the ratio between customs and tax users on the platform is roughly evenly split. In terms of usage of the platform, on average there were 320 new content items and 170 comments published every month by users. In terms of file sharing, there was a general increase of 60% in the number of downloaded files, and a 100% increase in the number of uploaded files across the platform. This increase can be also partially attributed to the improvements done to the documents management functionality on the platform in 2015.

A number of evolutive changes and improvements were made on the platform in 2015 (and in early 2016). Perhaps the most interesting ones concern the introduction of taxonomy (a new system of categorising groups and users) which now includes specific customs and tax, as well as common categories. PICS online groups can now also be linked by financial code with the Activity Reporting Tool used for managing the programme actions and events. This is a first step in eventual closer integration of the two systems. PICS was also enabled in 2015 to play video files, which has already been used in a number of groups for distributing webinars and learning courses. Finally, a number of improvements were made to facilitate the use of PICS by group leaders in combination with audio-visual tools for scheduling and running online meetings with their group members. This is part of the new approach to the development of PICS, which besides own development of functionalities includes also promotion of combined usage of PICS with other more specialised tools. TAXUD has also increased user support during 2015 by providing a number of training videos, help articles and live coaching sessions.

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

Under this objective, we are measuring indicators related to the use of the different types of training and human competency building provided under the programme: the e-Learning courses and the commonly developed training materials, the Customs Competency Framework and the IT trainings for European customs IT systems. There are also other types of activities with a learning dimension organised under the program, such as seminars and working visits. However, they are assessed in relation to their primary business objective and reported on in other chapters.

The Customs 2020 programme finances the development of **eLearning courses** on topics of common interest in collaboration with customs administrations and representatives of trade. Such courses support the implementation of EU legislation and ensure the dissemination of good customs practices throughout the European Union. In 2015, TAXUD started to develop the UCC eLearning programme composed of 1 overview course and 14 domain specific courses. These 15 modules will be ready for release early 2016. They will support customs professionals from both public and private sector to understand the changes and prepare themselves for the modernisation wave that the UCC will bring. The course programme has been carefully designed to build on the foundation of the EU Customs Competency Framework (CFW) and its EU Training Curricula. It further addresses feedback from previous courses such as technical compatibility (the courses run also on IOS and mobile devices), the availability of a print out (a printable course summary has been added), the course length (the programme has been designed to cover courses from 60 to 90 minutes maximum) and timely availability (the course development process has been reengineered to reduce considerably the development period). The achievements both from a development process and a learning point of view will be assessed in the first quarter of 2017.

Besides the development of new courses, a number of localisations of existing courses into European languages were finalised during the year: one localisation of the course on Simplified Procedures (SP) and Single Authorisation for Simplified Procedures (SASP) and seven localisations of the Authorised Economic Operators course. Many more new localisations were started in 2015 and are expected to be finalised in 2016.

All the eLearning courses are incorporated into national training programmes by the participating countries according to their need. In 2015, the combined number of various eLearning courses used by the participating countries was 183 (up from 174 in 2014). This indicator is obtained by adding together the number of modules used in each country. The most popular eLearning courses remained the same as in the previous year: Car Search (used by 22 countries), Container Examination (used by 20 countries) and Drug Precursor Controls for Customs (used by 17 countries). According to the monitoring data, approximately 3092 officials were trained in 2015 using common training material of the Union. This represents a significant drop compared with the 2014 number (4776). However, one should bear in mind that since there were no new releases of courses in 2014 and 2015, it is possible that the interest for the trainings with the existing courses has fallen. The release of 15 new courses in 2016 should reverse this trend.

The customs officials were asked to report back on the **quality of the training courses** using the internationally recognised Kirkpatrick training scale¹¹. The trainees were requested to score, on a scale of 100 points, the relevance of the courses, the achievement of their learning objectives, the learning retention and the 'user-friendliness' of the course. We can see that the average score in 2015 measured 70.3 points, which is a small decrease from 73.3 points measured in the previous year. However, the new format of the satisfaction survey was only launched towards the end of 2014. Therefore the data collected in 2014 is insufficient to be representative and we should rather rely on the 2015 data as the baseline. The 2015 data on the other hand seems to well reflect the user satisfaction with currently available EU eLearning courses in general.

2015 was the first year of implementation of the **Customs Competency Framework** (CFW) which was developed by DG TAXUD. Its primary objective is to help harmonise and raise customs performance standards throughout the EU by providing tools to map and adapt the agreed EU customs competencies and role descriptions to varying organizational and structural customs realities. The EU Customs CFW is available in 22 EU languages for national implementation. Since the beginning of 2015, the CFW

¹¹ http://www.wa.gov/esd/training/toolbox/tg_kirkpatrick.htm

dashboard was put in place to measure the self-reported progress of all participating customs administrations toward aligning their national practices with the framework. The framework is divided into 4 stages that have in total 12 steps. Each step implemented by a national administration therefore accounts for 1/12 or 8.3% of the full implementation of the framework by that administration. A minority of administrations have already their own competency frameworks in place, which have been recognised as equivalent in standard to the CWF and are counted towards the national implementation (to varying extent this is the case for Germany, UK and Ireland). In the Customs 2020 programme Progress Report, we have included as indicator the Europe-wide degree of alignment of national customs administrations with the principles of the Customs Competency Framework. This is the percentage obtained when the combined number of implemented / equivalent steps by the participating countries (in 2015 it was 116 steps in total) is divided by the number representing the full implementation of the framework (12 steps for 31 countries participating in the CFW gives a total of 372). As we can observe, in 2015, this degree of alignment measured 31.2%. This is a high starting value for the framework at the end of its first year of implementation, indicating that on average a third of European customs administrations are already aligned with the framework.

In 2015, there were also 45 **IT training sessions** (more than double of their number in 2014) organised by DG TAXUD for national customs officials on how to use various European customs IT Systems. The training covered the use of the following systems: Conformance testing for Tran-European movement systems, EBTI, CCN/CSI, Business Monitoring (including CS/MIS and CS/RD), ISPP, ECICS, CRMS RIF and PCA. A number of trainings were also delivered directly by TAXUD on the use of the ART tool. The greater number of trainings is also reflected in the increase in the number of customs officials trained in these sessions, from 124 in 2014 to 293 in 2015. These sessions received very positive feedback from the participants in terms of their usefulness and meeting the participants' expectations.

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

Under this objective, we look at the joint actions that sought to support co-operation with third countries, the use of training outputs by economic operators and the use of European Information Systems for exchange of information with third countries.

In total, there were 44 **joint actions** running under this objective (an increase from 22 in 2014), mostly project groups, workshops and seminars. While in 2014 there was only one working visit organised under this objective, in 2015 there were ten. Several of the seminars organised brought together senior experts of the World Customs Organisation's Europe region, while most project groups dealt with customs co-operation on various issues with third countries, such as Russia, Ukraine, Moldova, Georgia, Belarus, Canada and Japan. Some actions covered multilateral initiatives, for example the workshop organised on customs matters for Asia-Europe Meeting (ASEM), as well as four seminars organised in 2015 that were dedicated to the revision of the preferential rules of origin in the Pan-Euro-Med Convention (PEM Convention)

The participants' feedback on 'fulfilled results', 'met expectations' and 'usefulness' is overall positive, although there is a small decrease in the level of satisfaction. The action managers, however, have reported significantly higher level of achievement of expected results (3.17), when compared to last year (2.36). While in 2014 with only one working visit organised there was insufficient sample to calculate a separate indicator for working visits, in 2015 this was possible. The customs officials who went on a working visit under this objective report a very high level of achievement of results (3.5), in line with the average for the programme.

In the area of **exchange of information through IT systems** with third countries in 2015, two new countries were added (Former Yugoslav Republic of Macedonia and China); thus bringing the total of partner countries from 10 to 12. The EU currently exchanges information with: Japan, USA, Norway, Iceland, Switzerland, Liechtenstein, Andorra, San Marino, Russia, Turkey, Former Yugoslav Republic of Macedonia and China. With some of these partner countries the information exchanged concerned transit movements (NCTS), while with others it concerned the authorised economic operators (AEOs). Former Yugoslav Republic of Macedonia joined the NCTS, while China joined the AEO-MRA exchange

(Authorised Economic Operators - Mutual Recognition of trade partnership programmes). Serbia is progressing with the preparatory work to become a new contracting party to the Common Transit and Simplification Conventions in 2016. New initiatives are being investigated in pre-Inception mode, particularly in the area of NCTS collaboration with Moldova, Ukraine and Georgia. There is equally an ongoing project concerning the future implementation of AEO-MRA with Japan.

Some of the same **eLearning courses** discussed under Objective 4 are also publicly available for download through the Europa website, where they are mostly consulted by economic operators. During the year, these courses were downloaded 3202 times, which testifies to their popularity with the economic operators. The economic operators were also asked to report back on the quality of the training courses using the Kirkpatrick training scale. Their average score 69.2 (compared to 64 in 2014) indicates their overall positive assessment.

6. PROGRESS IN RELATION TO THE ANNUAL WORK PROGRAMME

6.1 Introduction

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

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

The 2015 AWP consisted of 51 projects. In the chapter below, we have included two projects per each part of the specific objective of the programme (8 AWP projects in total), with additional information on their work and achievement during 2015. The selected projects are representative of the type of AWP projects initiated under each part of the specific objective. The summaries of projects are provided by the action managers and highlight the main actions and their results. While the activities listed under the projects include only those actions initiated in 2015, the summaries of main outcomes include sometimes information on related actions initiated in previous years, but which continued during 2015.

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

Specific objective:
To protect the financial and economic interests of the Union and of the Member States
Title of the AWP Project:
The EU Customs Action Plan on Intellectual Property Rights (IPR)
Description of the project:
The Council Resolution of 10 December 2012 established a new European Union Action Plan aiming at coordinating the actions of Member States customs in fighting IPR infringements at the external borders. The implementation of the Action Plan is scheduled for the period of 2013-2017. The Commission will work together with the Member States in programme activities to implement actions identified in the action plan, such as a manual for right-holders, common approaches development, needs mapping for third and neighbouring countries, co-operation with China and Hong Kong.

Actions initiated under the programme in 2015:	
<p>Capacity building:</p> <ul style="list-style-type: none"> ➤ Twelve support visits concerning the implementation of Reg(EU) 608/2013 on customs enforcement of IPR to different Member States by different Member State officials (CCB/004) <p>Project group:</p> <ul style="list-style-type: none"> ➤ Project group on EU/China Customs Co-operation on IPR enforcement – Implementation of the Action Plan 2014-2017 (CPG/034) ➤ Project group on EU/HK Co-operation on IPR customs enforcement – Implementation of the Action Plan (CPG/105) <p>Working visits :</p> <ul style="list-style-type: none"> ➤ Working visit on Examination of the Implementation of the New IPR Regulation (608/2013) to the Czech Republic by four Turkish customs and trade experts (CWV/207) ➤ Working visit on IPR for textile goods to Turkey by two Slovak investigators (CWV/266) ➤ Working visit on IPR infringements to Finland by two Slovak senior customs experts (CWV/269) 	
Expected results and their level of achievement:	
Member States applying Regulation No 608/2013 concerning customs enforcement of intellectual property rights are supported in understanding the legislation and in interpreting it in a uniform manner.	On going
The development of common approaches to risk management is launched.	Postponed
The European Union-China Action Plan and practical arrangements for co-operation with Hong Kong are executed.	On going
The information exchange processes with third countries are upgraded.	On going
Survey/mapping exercise on possible needs of technical assistance for capacity building to candidate and neighbouring countries is carried out.	Postponed
Summary of main outcomes:	
<p>In 2015, the efforts under this project mainly focussed on:</p> <ul style="list-style-type: none"> • The conduct of the first support visits to Member States (twelve visits performed: BE, NL, EE, FI, SI, HR, LV, LT, EL, CY, IT, MT) in order to engage in a dialogue with the customs authorities in charge of implementing Regulation (EU) No 608/2013¹² on the customs enforcement of IPR. These visits are the ideal instrument to have an in-depth dialogue with customs departments implementing Regulation No 608/2013, to clarify possible doubts on practical enforcement and facilitate the exchange of experiences between different Member States. Each visit is performed by two representatives from the Commission (DG TAXUD) and 	

¹² Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No 1383/2003, OJ L 181, 26.09.2013, p. 15

two experts from the Member States, who volunteered to take part in the exercise.

- Reports of each visit are made available to the visited Member State only. The final report, to be drafted after all visits have been completed, will be shared with all Member States.
- **Link between the Enforcement Data Base (EDB) developed jointly by TAXUD and the European Observatory on IPR infringements and COPIS:** The operational connection between COPIS and EDB is in place since 1 July 2015. A User Guide and other additional information have been made available via the national Common Communication Network (CCN) coordinators.
- To allow for adequate provision of information on Regulation (EU) No 608/2013 to right-holders and stakeholders, the Commission organised in July 2015 a dedicated meeting with a number of selected stakeholders and representatives of the EU customs administrations.
- The **yearly report of statistics on customs enforcement of IPR** for 2014 was published in October 2015.
- A **Customs 2020 Project Group prepared a report on the analysis of Risk Information Forms (RIF)** issued and exchanged via the CRMS on counterfeit goods for the year 2014.

The Working Group was also set up to oversee the operation of the **Action Plan concerning EU-China customs cooperation on IPR** (2014-2017) and it met for a third time on 9-11 June 2015 in Brussels. It consisted of:

- technical meetings between experts under Key Action 1 (KA1) on joint analysis of statistics of seizures and Key Action 2 (KA2) on the exchange of real-time information;
- a workshop to support efficient communication between customs and industry stakeholders;
- a field visit to a Belgian company under Key Action 4 (KA4) on partnership with industry stakeholders;
- a meeting between the General Administration of China Customs (GACC) and the European Commission.

At the occasion of the 10th meeting of the EU-Hong Kong, China Joint Customs Cooperation Committee held in Hong Kong China on 27 April 2015, the **Commission and the Customs and Excise Department of Hong Kong China signed the Action Plan on cooperation in the customs enforcement of IPR.**

A multi-layered **cooperation with the European Observatory on IPR infringements** has also been pursued. This includes TAXUD attending the working group meeting on enforcement issues of the Observatory and the Observatory is also regularly invited to attend the meeting of the IPR expert group organised by TAXUD in order to ensure coordination of customs related activities.

Specific objective:

To protect the financial and economic interests of the Union and of the Member States

Title of the AWP Project:

Co-operation between customs administrations and tax authorities

Description of the project:	
<p>The co-operation between customs and tax authorities (VAT and excise) in specific areas of mutual concern should be enhanced in order to fight against tax fraud. In the Communication on the future of VAT (COM/2011/851), the Commission noted that it "will initiate and facilitate initiatives for a stronger co-operation between tax and customs authorities". In its Communication to the European Parliament and the Council on an action plan to strengthen the fight against tax fraud and tax evasion (COM(2012) 722 final), the Commission calls for structured exchanges of information between the tax and customs administrations on the strategies to identify non-compliance. The European Court of Auditors also issued recommendations on the misuse of the customs 4200 procedure.</p>	
Actions initiated under the programme in 2015:	
<p>Project group:</p> <ul style="list-style-type: none"> ➤ Joint Fiscalis 2020 and Customs 2020 project group on Coordination of Excise and Customs Procedures (FPG/002, CPG/003) <p>Working visits:</p> <ul style="list-style-type: none"> ➤ Working visit on co-operation between customs and tax authorities in relation to import procedure 42 to Austria by one Lithuanian customs official (CWV/058) ➤ Working visit on customs controls in free-zones to Poland by one Spanish customs expert (CWV/094) ➤ Working visit on common controls executed in collaboration with tax authorities to Spain by nine Hungarian customs officials (CWV/122) ➤ Working visit on legal instruments to support the EU financial interests to Latvia by one Czech law customs official (CWV/140) ➤ Working visit on best practices in merging customs and tax administrations to the Netherlands by four Serbian customs officials (CWV/229) 	
Expected results and their level of achievement:	
Fields where co-operation between customs and tax authorities is particularly important for the proper implementation of customs, excise and VAT legislation are identified.	Partially achieved
Best practices related to methods and tools used by Member States to analyse risk in the field of fraud related to VAT/Customs and regarding new trends of fraud in the field of VAT/Customs are identified.	Partially achieved
A series of recommendations to be put forward to the Indirect Tax Expert Group and the Customs Code Committee concerning the application of Union law to excise goods in both areas is developed.	Ongoing
Proposals for efficient methods to enhance the co-operation between customs and tax administration including information exchange are developed.	Partially achieved
Business process models are provided to describe the processes contained in legislation, to clarify and explain the legal base for excise and customs procedures: specification work on modelling of interface between EMCS and UCC version of Automatic Export System (AES) and national import systems.	Achieved
Summary of main outcomes:	
<p>The Fiscalis 2020 and Customs 2020 programmes are used to support both customs and tax administrations in this task. Namely, to identify the connection points between both for specific transactions and to define good practices for the division of tasks and sharing of information. In 2015, the programme funding was used to set up a group of experts from Member States to prepare a report on enhancing the cooperation between customs and tax administrations. The report of this</p>	

project group (FPG/010) focuses on cross cutting issues where a good cooperation between these two administrations is necessary for the correct application of the legislation and it promotes good practices for such cooperation already existing in several Member States. The report is only available to the relevant expert group, since it contains sensitive information on how fraudsters abuse the system based on the experience of national experts. The report was presented to all Member States to attract their attention to the importance of this subject and will be taken into account for future work of the Commission in this field.

As regards the joint Fiscalis 2020 and Customs 2020 project group on Coordination of Excise and Customs Procedures (FPG 002 / CPG 003):

1. Work on harmonisation of export and excise procedures is complete. On the technical side results are being fed into the specifications of AES and of a future release of EMCS. The proposed changes will form one of the areas of investigation for an Impact Analysis for changes to the Directive 2008/118/EC.
2. Work on the handover from customs control at the release for free circulation (importation) to excise procedures has begun and will continue in a new import project group.
3. Widespread use of transit procedures for the supervision of the movement of excise goods has been investigated during this project. Clarification of the legal base and the technical needs for these arrangements will be the task of a further new project group, along with the use of other special procedures.
4. Arrangements for centralised clearance of excise goods were examined during this project. This work may also be followed by a new project group

The initiation of these new project groups will be on the basis of the importance and urgency of the issues raised and available resources.

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

Specific objective:
To increase safety and security, and to protect citizens and the environment
Title of the AWP Project:
Operational supply chain risk management and analysis
Description of the project:
In line with the Commission Communication COM(2014) 527 of 21 August 2014 on the EU Strategy and Action Plan for customs risk management, the proper functioning of the Common Risk Management Framework (CRMF) requires strengthened operational co-operation and co-ordination and improved framework capacity at Member States and Union level to manage supply chain risks by detecting and addressing risks and accelerating legitimate trade movements.
For this purpose, a number of needs have been identified such as common data requirements to be analysed including through pooling of supply chain data. The analysis and assessment of potential approaches needs to be facilitated including by piloting joint initiatives of willing Member States. All this leading to more effective and efficient controls carried out where required in the supply chain. Cooperation with other authorities in an international context and with the business community is also envisaged.
Actions initiated under the programme in 2015:
Project groups:
➤ Risk Management Strategy Implementation Coordination Group (CPG/092)

Working visits:	
<ul style="list-style-type: none"> ➤ Working visit on risk catalogue as a risk management tool to Poland by three Czech management team members (CWV/187) ➤ Working visit on risk targeting in air sector to Spain by two Irish customs officials (CWV/231) ➤ Working visit on risk assessment and risk management strategy to Austria by four Serbian Customs officials (CWV/289) ➤ Working visit on client segmentation from the risk management perspective to Hungary by two Slovak risk management experts (CWV/290) ➤ Working visit on customs control strategies to Finland by three Austrian customs control officials (CWV/306) 	
Expected results and their level of achievement:	
Analysis of common data for risk management purposes is introduced.	Ongoing
ENS (Entry Summary Declaration) data from some Member States is analysed for risk assessment and general risk management purposes.	Ongoing, Partially achieved
Analysis of additional risk management capacities needed at Member States and Union level.	Ongoing:
New risk management and supply chain security working methods, techniques and technologies are analysed.	Ongoing
Summary of main outcomes:	
<p>The main objective of the Risk Management Strategy Implementation Coordination Group (RIMSCO) is to support the Commission for the implementation of the Customs Risk Management Strategy and Action Plan.</p> <p>During 2015, the Road Map for the implementation of the Customs Risk Management Action Plan was fully developed and accepted by the Member States at the level of the Customs Policy Group.</p> <p>The RIMSCO, which is chaired by the Commission, provided advice on critical documents, such as the Business Case and Vision Document for ICS 2.0, due to the clear risk management requirements of this project and to the clear link to Objectives 1 and 2 (and 4) of the Strategy.</p> <p>Updates on the state of play of projects directly or indirectly related to the implementation of the Action Plan were brought to the attention of the RIMSCO. The RIMSCO also launched a reflection for the preparation of the report on implementation, due in 2016, and a reflection about communication in the area of risk management.</p>	

Specific objective:
To increase safety and security, and to protect citizens and the environment
Title of the AWP Project:
Customs detection technology
Description of the project:
<p>The use of technology and equipment in enhancing effectiveness and efficiency of customs controls is becoming increasingly important for modern customs administrations. The deployment of detection technologies plays an essential role for the EU customs administrations to meet their strategic challenges of effectively managing associated risks with available resources, combining effective and efficient controls with the facilitation of legitimate trade. Therefore a network of customs detection technology experts has been set up, who can share information and best practices, with the aim of improving detection capability and performance standards of customs. The project also aims at</p>

<p>supporting the identification of benefits of improved detection capability on the supply chain. This project also requires exploring and defining the needs for new / improved (detection) technology and monitoring existing and new detection equipment. It is important to ensure that the EU customs detection challenges are adequately addressed in future calls under the HORIZON 2020 security research programme.</p>	
<p>Actions initiated under the programme in 2015:</p>	
<p>Workshop:</p> <ul style="list-style-type: none"> ➤ Training for Radiation and Nuclear Detection for Customs Officials at JRC EUSECTRA facilities (CWS/020) <p>Working visits:</p> <ul style="list-style-type: none"> ➤ Working visit on scanner screen analysis to the United Kingdom by two Cypriot customs officials (CWV/035) ➤ Working visit on detection dogs to Czech Republic by two Slovenian customs officials (CWV/110) ➤ Working visit on sniffer dog training concept to Turkey by three Hungarian dog trainers (CWV/138) ➤ Working visit on money searching dogs to France by two Czech dog trainers (CWV/160) ➤ Working visit on mobile x-ray scanners to Spain by three Lithuanian high-level officials (CWV/179) ➤ Working visit on training of x-ray image interpretation to Poland by eight Finnish officials (CWV/184) ➤ Working visit on canine training methods to Finland by three Czech officials (CWV/190) ➤ Working visit on scanning technology to Poland by one Estonian customs expert (CWV/194) ➤ Two working visits on x-ray picture exchange to Latvia and Lithuania by two Estonian customs officials (CWV/204) ➤ Working visit on x-ray scanners to Finland by three Lithuanian customs inspectors (CWV/251) 	
<p>Expected results and their level of achievement:</p>	
<p>Expert network to share best practices, seizures and trends is functional.</p>	<p>Achieved</p>
<p>Specifications of various detection equipment are described.</p>	<p>Achieved</p>
<p>The possibilities to improve image interpretation for X-RAY operators are explored.</p>	<p>Achieved</p>
<p>Detection and control equipment are developed in line with specific customs needs and requirements and taking into consideration new technologies. Structural exchange of information between customs technology experts on technology and innovation is established.</p>	<p>Achieved</p>
<p>Summary of main outcomes:</p>	
<p>EU customs play an important role when it comes to radiation and nuclear detection at our external borders. This task requires specific knowledge and skills. Therefore an intensive training campaign for European customs officials has been launched together with the European Nuclear Security Training Centre (EUSECTRA) of the Joint research Centre. These trainings have contributed to enhancing the function of the customs union and reinforced the skills and competences of the EU customs officials. In total 58 customs officials from 27 Member States as well as from Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey benefited from these trainings. They received a hands-on training on radiation nuclear materials detection with emphasis to realistic detection scenarios involving real nuclear material. The provided set of training was understood as a pilot project to assess needs and preparedness of the EU customs organisation to face illicit cross-border trafficking of radiological and nuclear material. The assessment of this training campaign will lead to a larger programme to strengthen Member States' customs capabilities. This</p>	

action started in June 2015 and ended in February 2016 and included 5 training sessions. Each training session had duration of five days and consisted of theoretical lectures, technical discussions, hands-on trainings and table-top exercises.

The main objectives of this action were:

1. Improve detection and response capability at border crossing points and elsewhere on the external borders for radioactive and nuclear materials.
2. Increased knowledge, skills and expertise of the customs officials operating radiation and nuclear detection equipment.
3. Best practices to be identified and absorbed by the participants.

Feedback from the Member States was very positive and proved that the training campaign has been very successful. All participants appreciated in particular the EUSECTRA structure, the content of the training curriculum, the expertise and excellent performance of the JRC EUSECTRA training team. Member States have mentioned that the gained knowledge will be very useful to develop technical specifications for their future detection architecture while some of them will even include the EUSECTRA training into their national curriculum.

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

Specific objective:
To improve the administrative capacity of the customs authorities
Title of the AWP Project:
Union Customs Code (UCC) and UCC Work Programme (UCC WP)
Description of the project:
<p>The Union Customs Code will constitute as from May 2016 the new comprehensive customs legal framework for the Union. The preparation of its application will imply involving Member States and informing trade experts through specific or joint actions other than the formal ones needed to secure the adoption of the Commission related acts. Programme activities can help prepare and thus facilitate the formal adoption processes.</p> <p>As defined by the Decision 2014/255/EU, the UCC Work Programme shall be updated at least every year in order to ensure alignment and adjustments with the latest developments in the implementation of the Code and to take into account actual progress made in the preparation and development of the electronic systems.</p>
Actions initiated under the programme in 2015:
<p>Communication:</p> <ul style="list-style-type: none"> ➤ UCC Communication Plan project group (CCM/002): 4 meetings in Brussels with 6 representatives of the External Communication Network to create a tool kit (a video, visual elements) with guidelines in all languages to help to promote the UCC to stakeholders. <p>Project groups:</p> <ul style="list-style-type: none"> ➤ UCC eLearning Course (CPG/95) ➤ Project group to examine the impact of UCC related IT requirements on MS systems (CPG/097) ➤ Electronic Customs Coordination Group ➤ Customs Business Group (CPG/031) ➤ Project group on the IT Project for objectives 1-2 of the risk management strategy (ICS 2 Common repository and optional shared services) (CPG/094)

Working visits:	
<ul style="list-style-type: none"> ➤ Working visit on particular articles of the UCC to France by three Czech customs officials (CWV/144) ➤ Working visit on development of free zones under the new UCC framework to the United Kingdom by two Dutch customs officials (CWV/175) 	
Expected results and their level of achievement:	
The adoption procedure of the future Commission delegated and implementing acts are facilitated by informal preparatory work.	Achieved
Various target audiences are informed about the developments.	Achieved
The milestones for monitoring the implementation are laid down.	Achieved
Identified training needs linked to the Union Customs Code are implemented; UCC eLearning module is designed and launched.	Achieved
The understanding and implementation of the UCC is facilitated.	Achieved
The update of the UCC WP is facilitated by informal preparatory work.	Achieved
The review process of the UCC Business Process Models (BPMs) and other related analysis documents is facilitated.	Achieved
Summary of main outcomes:	
<p>The first revision of the Commission Implementing Decision of the Union Customs Code Work Programme was prepared in 2015 with input coming from the final report of the Project Group examining the impact of the UCC requirements on the national IT systems. This final report detailed the changes in processes and data requirements on Member States side and described the interdependencies between processes and systems in order to come up with proposals for an improved planning of the UCC projects. In close cooperation with the IT project managers from the Member States in the Electronic Customs Coordination Group, the update of the UCC WP was prepared by the European Commission taking into account the UCC TDA (transitional delegated act), the progress of the trans-European IT projects and the deployment periods for the national systems. Joint meetings were organised to ensure coherence in views and planning.</p> <p>A three day meeting of the Customs Business Group took place in June 2015 and a one day meeting in July to discuss with the Member States and trade (Trade Contact Group) their comments on the business process models designed to support the drafting and reading of the legal provisions in the UCC delegated and implementing act. The review and discussions led to the acceptance of the EU Customs Business Process Modelling package by the Member States. 16 UCC domains were modelled into about 500 diagrams.</p> <p>Another subject treated in the Customs Business Group was the UCC Customs Decisions Project. The functional system specifications for the customs decisions management system, as well as the functioning of the EU Trader portal, were discussed and stabilised in this meeting which was essential to have a stable baseline in April 2015 to start the IT development.</p> <p>Business Case and Vision documents for the ICS2 project for entry summary declarations were drafted in close collaboration with a dedicated project group during its meetings in 2015 and presented and reviewed at the ECCG, leading to an overall agreement by the Member States and trade to continue with the next steps. Equally, an issue log with envisaged follow up was provided as part of the package.</p> <p>In the ECCG, also other projects such as REX, BTI, AEO etc. were presented and discussed. For all</p>	

the UCC IT projects, the progress against the milestones was monitored in quarterly dashboards.

From the training perspective, in order to support the implementation of the new Union Customs Code, a roadmap was prepared with a selective representation of the Training Support Group. The roadmap sets out a UCC eLearning programme composed of 3 levels of courses in order to provide tailored learning content to customs professionals with different interest and different levels of proficiency. The development of 1 level 1 course and 14 level 2 courses was started as of June 2015 and delivered by May 2016. The content of these courses were developed in close collaboration with 70 subject matter experts coming from the European Commission (DG TAXUD) policy units and the national customs administrations.

Specific objective:	
To improve the administrative capacity of the customs authorities	
Title of the AWP Project:	
European Union Competency Framework (EU CFW) for customs	
Description of the project:	
In support of more uniformity and increased efficiency of customs operations throughout the European Union, the EU CFW for customs, established in 2013, sets out a consensus view of knowledge, skills and behaviours required by customs professionals in the European Union. A coherent and wide-spread national implementation in the public administrations started in 2014 with a major localisation initiative (translations into MS languages) and will required further joint efforts and common support in order to bring the expected benefits.	
Actions initiated under the programme in 2015:	
Working visits: <ul style="list-style-type: none"> ➤ Working visit on Implementation of CFW and Customs Academy to Germany by three Portuguese high level management officials (CWV/185) ➤ Working visit on Implementation of CFW and Customs Academy to Hungary by two Portuguese high level management officials (CWV/210) 	
Expected results and their level of achievement:	
Implementation of European Union competence framework (public sector) is further advanced.	Achieved
EU CFW for the customs profession - private sector version is used as basis for trade standards.	Partially achieved
Awareness is raised in Member States administrations and trade for the necessity to harmonize and elevate performance of customs staff.	Achieved
Governance and maintenance measures for the EU Customs CFW are in place.	Partially achieved
Summary of main outcomes:	
Building on the achievements of the previous year in the domain of EU CFW for customs, the activities in 2015 focussed on its governance at EU level and ensuring its implementation at national level in the Member States and the participating countries.	
Whereas the EU CFW guidelines are available since February 2015 as planned, it has been decided to roll out the framework in the course of 2016.	

As for the implementation of the EU CFW at national level, an extensive set of supporting tools has been developed and is at the disposal of the national administrations, including: guidelines for national implementation, four webcast training sessions and promotion and information material such as leaflets in all 21 EU languages, information brochures in English and USB sticks containing the CFW packaging in all 21 EU languages.

DG TAXUD started monitoring early 2015 the current state and level of maturity of competency management in each of the national administrations. The outcomes of the analysis were presented to the Member States through an EU CFW training workshop organised in February 2015. Member States were further encouraged to share their experience and to design their National Competency Framework to better match their national business needs identified as part of the implementation process.

Taking into consideration the strategic importance of having equivalent competency frameworks established across the European Union, the Customs 2020 Programme provides on demand additional hands-on support. Country-specific implementation workshops, including Change Management Training, on national implementation have been provided to Greece, Belgium, Hungary, Serbia, Montenegro and Portugal in the course of 2015.

The same monitoring exercise was repeated in December 2015. It revealed significant progress has been achieved with 2 countries having an equivalent of the CFW fully implemented, 5 countries having reached the final stage 4 of implementation, 3 countries finalising stage 3, 9 countries progressing well in stage 2 and 7 countries in stage 1. Only 4 countries had not yet engaged in implementing the EU CFW for customs by the end of 2015.

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

Specific objective:
To strengthen the competitiveness of European businesses
Title of the AWP Project:
Simplified procedures (SP) for customs declarations, including single authorisations for simplified procedures (SASP)
Description of the project:
The lodgement of customs declarations using simplified procedures is a major instrument of trade facilitation that deserves common understanding and uniform application, to ensure equal access and use by European Union exporters and importers and to ensure appropriate measures like control and enforcement by customs authorities to safeguard the proper application of procedures, also in line with the risk management principles.
Actions initiated under the programme in 2015:
Project groups: <ul style="list-style-type: none"> ➤ Project group on Single authorisation for simplified procedures in view of centralised clearance (CPG/027) ➤ Project group on Union Customs Code DA/IA – Title V – Simplifications (CPG/111)
Workshop: <ul style="list-style-type: none"> ➤ Regional workshop on Single Authorisations for Simplified Procedures and export related issues
Working visits: <ul style="list-style-type: none"> ➤ Working visit on simplified procedures and single authorizations for simplified procedures to

Belgium by one Italian customs official (CWV/142)
➤ Working visit on simplified procedures to Slovenia by six Serbian customs officials (CWV/147)
➤ Working visit on Acceleration of approval of the SASP for PRIMARK Company to Ireland by three Czech Republic customs officials (CWV/196)
➤ Working visit on Post Clearance Audits and Selection Risk Criteria in Simplified Procedures to Czech Republic by two Slovak officials (CWV/268)
➤ Working visit on Single Authorisations for Simplified Procedures (SASP) to Czech Republic by one German customs official (CWV/307)

Expected results and their level of achievement:

Best practices for a correct and uniform application and enforcement of simplified procedures (including SASP) are shared.	Ongoing
Practical scenarios and Business Models are worked out.	Ongoing

Summary of main outcomes:

2015 was a "milestone year" during which the Union Customs Code (UCC) Delegated Act and Implementing Act were finalised and adopted. The provisions to apply fully the Union Customs Code (UCC) on 1 May 2016 were ready, but several issues were raised regarding the transitional period, starting from that date till the appropriate IT systems will be in place.

Therefore, a Customs 2020 project group on customs simplifications was set up in the summer 2015, in order to prepare the implementation of the new regulation, replacing the simplified procedures of the Community Customs Code (CCC). In the UCC the simplifications are as follows in title V:

- the simplified declaration (Article 166 UCC),
- entry in the declarant's records (Article 182 UCC),
- centralised clearance (Article 179 UCC) and
- self-assessment (Article 185 UCC).

The main aims were:

- to prepare guidance on simplifications. A document was progressively drafted with the help of the project group. The document entails definition of the simplifications, their scope and how to replace the authorisations granted under the CCC by authorisations foreseen in the UCC.
- to define the transitional rules applicable from 1 May 2016 and as long as the IT systems are not in place to support a full implementation of the new provisions. Most of the changes brought by the UCC are related to IT developments. Therefore, it was crucial to explain what could remain during the transitional period and what should be immediately adapted.
- to further work on the balance between facilitation and control, the project group had to address an important issue related to the control of the simplifications granted, how to ensure that they do not jeopardize safety in the customs territory.

As a conclusion, in 2015, the project group met three times. In 2016, more meetings took place to finalise the first version of the guidance published on TAXUD website in March 2016. A second round of meetings has started and is still ongoing

Specific objective:

To strengthen the competitiveness of European businesses

Title of the AWP Project:

Customs co-operation with the World Customs Organisation (WCO) Europe Region countries	
Description of the project:	
<p>As a Member of the WCO the EU is the WCO Vice-Chair for the Europe Region (51 countries and the EU) from 1st July 2014 till 30th June 2015. The Vice-Chair position is to promote greater involvement of Members in WCO activities, and promote co-operation between the Members within the region. It consolidates the Union's status within the WCO and increases awareness of the EU's role in international customs co-operation. Moreover, it presents an opportunity to further promote EU policies and priorities. The EU in particular focuses its Vice-Chair position on supply chain security and trade facilitation, including the World Trade Organisation (WTO) Trade Facilitation Agreement; Globally Networked Customs; economic competitiveness; and Customs and Business relations.</p>	
Actions organised under the programme in 2015:	
<p>Seminars:</p> <ul style="list-style-type: none"> ➤ Seminar to support the organisation of the WCO Europe Region Meeting for Heads of Customs (CSM/007) ➤ WCO Europe Region Meeting of the Heads of National Training Centres (CSM/009) 	
Expected results and their level of achievement:	
Enhanced international customs co-operation to rebalance economies and restore competitiveness, including trade facilitation and supply chain security.	Ongoing
Ensure that all countries are in the same position to benefit from the WTO Trade Facilitation Agreement.	Ongoing
Progress through exchange of information between customs authorities and co-operation in technical standards and technology. A strengthened customs modernisation - domestically (EU) and internationally.	Ongoing
Summary of main outcomes:	
<p><u>World Customs Organisation (WCO) Europe Region Heads of Customs</u></p> <p>More than 130 delegates attended the Conference of the WCO Europe Region Heads of Customs, which provided an opportunity to deliberate on a number of important issues, ranging from general WCO policy oriented topics to subjects of more specific regional focus. With the Europe Region being one of the highest WCO performing regions economically it was considered essential to work towards leveraging the opportunities that cooperation and collaboration could yield. The objective of the Conference was to contribute to the furthering of a global customs role and the preparation for the WCO 2015 Council Sessions. The Conference in particular focused on Performance Measurement, an exercise already in full development within the WCO and the Region and where the EU approach could support the development of the WCO tool "Achieving Excellence in Customs". Presentations on customs to customs and customs to business partnership as part of trade facilitation were made explaining national approaches and experiences. Coordinated Border Management was highlighted as the most likely greatest challenges for both customs administrations and trade. The Europe Region appointed a new Head for the WCO Europe Regional Office for Capacity Building in Baku, Azerbaijan. Moreover, the Region concluded that there was no appetite for or added value to develop a specific Europe Region Strategic Plan. There was strong support for the proposals to recognise the Russian Non-Intrusive Inspection Expert Centre in Saint Petersburg and the Azerbaijan Dog Training Centre as WCO Regional Training Centres.</p>	

Conference of Heads of WCO Europe National Training Centres.

The Conference proved very successful and provided an opportunity to discuss and exchange views on national training strategies and its importance for a modern and well-functioning customs administration. The Conference intensified the regional dialogue and enhanced regional cooperation.

7. CONCLUSIONS

2015 represented a return to a more standard programme year, following the exceptional nature of 2014 as the first (and shorter in duration) year of the new Customs 2020 programme. In 2015, the numbers of participants, actions and organised events were all on the rise and returning to more commonly observed levels under the programme. The numbers of working visits in particular bounced back with a sharp increase, testifying to the successful adoption of the new modified procedure for their approval introduced in 2014.

In terms of budgetary implementation, 2015 confirmed the longstanding trend of the continuous decrease of spending on joint actions and an increase in the spending on IT systems. The IT related expenditure is projected to rise even further in the future, as the new systems connected to the Union Customs Code continue to be developed and rolled out, with the intention to have them all in place by the end of 2020. Two important new systems were launched in 2015, concerning the customs duties calculation and the exchange of information on authorised economic operators with China. Many more systems entered research and development phases thanks to the support of the programme.

In the area of training, during 2015 the programme supported the roll out of the EU Customs Competency Framework and the development of the UCC eLearning modules. The EU Customs Competency Framework, describes the knowledge, skills and behaviours required by customs professionals in the EU and defines public and private sector customs roles. A major goal of the EU Customs CFW is to help harmonise and raise customs performance standards throughout the EU. In 2015, the roll out of the framework into national administrations has started with good initial results, with nearly one third of European customs administration, on average, being aligned with the principles of the framework by the end of year. This is a good starting position for the further adoption of the framework's principles by the customs administrations. The EC equally used the programme to start the important work on the development the UCC eLearning programme composed of 1 overview course and 14 domain specific courses. These 15 modules were released in 2016 and will support customs professionals from both public and private sector to understand the changes and prepare themselves for the modernisation wave that the UCC will bring.

In the area of joint actions, the programme supported a rising number of activities in 2015. The co-operation between the EC and national administration in the running and functioning of the customs union would be impossible without the use of project groups, seminars, workshops, working visits, monitoring visits, capacity building activities and other types of joint actions. During the year, an important groundwork was made for the introduction of a new type of Joint Actions under the programme. Expert teams are a new type of a joint collaboration tool which aims at achieving more efficiently and quickly the intended results with an increased degree of commitment, collaboration and EU funding. Expert teams will be especially important for larger projects that require intensive level of co-operation and increased funding support. TAXUD in 2015 published a comprehensive guide to EC and national administrations' programme beneficiaries on how to apply for expert team grants. TAXUD equally actively assisted the programme beneficiaries in preparing three detailed proposals for expert teams, which were eventually included in the 2016 AWP.

In terms of performance measurement, 2015 was the first year with a full 12-month period of activities monitored. This meant more participants and action managers invited to take the surveys and a greater number of collected data. Whilst at the start of the programme baselines were lacking for a great number of the new indicators, in 2015 we could compare the obtained values against the 2014 indicators. In the great majority of cases we could observe minimal fluctuations and a positive trend. In a small number of cases the fluctuations seem more pronounced, such as in the case of number of individual outputs of activities. While these measurements represent useful data to be collected, it will take a few additional years of measurement to see whether any targets could be set for these indicators.

The indicators obtained under the framework in 2015 give an overall positive assessment, both from the business data perspective and from the feedback obtained from the action managers and the participants to the activities. The indicators suggest that in 2015 the programme was on course to fulfilling its objectives and that it played an important role in facilitating the implementation and development of Union customs policy through its European Information Systems, joint actions and human competency building.

The key **strengths and achievements** that can be deduced from the analysis of the indicators remain largely the same in 2015 as in the previous year:

- **Increased demand for programme support.** This can be seen in the general increase of the number of activities, organised events and participation levels. Activities such as working visits or customs laboratories activities have seen particular increase. In the area of IT, there is an increased demand for the programme support in the development of new systems.
- **High level of achievement of results of the joint actions is reported by the action managers.** The level is on increase compared to the previous year. This is the case for all joint actions, but especially for working visits. This indicates that the business owners see the value of the programme for achieving the policy objectives.
- **Very positive assessment of the achieved results of the joint actions, their usefulness and met expectations by national customs officials who participated in them.** With minor fluctuations between the two years, the values remain high and above targets. This shows that the programme participants find that the programme activities correspond to their stated objectives and are professionally useful to them.
- **Networking among programme participants remains high.** Although in small decrease, the networking indicator remains high and testifies to the networking value provided to the participants by the programme.
- **The European Information Systems are regularly upgraded and improved and resistant to increased volume of data traffic.** The volume of data traffic on European Information Systems increased by a large margin in 2015, while the performance and availability remained very high. Two new systems were launched and new developments are largely taking place in line with the planning. The systems are regularly maintained and updated and the user support and training are functioning properly.
- **Successful beginning of the roll out of the Customs Competency Framework (CFW) into national administrations.** A high starting value for the framework at the end of its first year of implementation, indicating that on average a third of European customs administrations are already aligned with the framework.
- **The increased use of online collaboration (PICS) by national and European customs officials.** In 2015, there were further significant increases in the number of online groups created, the number of users and the number of exchanged files on the platform.

The **conclusions** from the previous Progress Report for 2014 have been or are in the process of being followed up (see table 13 below for a complete overview). The 2015 indicators do not warrant any specific new conclusions, but a number of those from 2014 could be further specified or updated:

1. **Provide additional support to the sharing of programme outputs.** There continues to be a discrepancy between what action manager and national participants report concerning the sharing of programme outputs at the national level. As it was recommended in the 2014 Progress Report, a more structured and transparent approach to the sharing of programme outputs would be desirable, since it would both shed more light on the current use of programme outputs nationally, as well as potentially open up this resource to many more customs officials. Such an approach would, however, need to address a number of security, privacy and technical challenges involved in such a larger distribution of outputs, as well as involve a cultural change among the programme stakeholders. Its success would very much depend on the support and involvement of all programme stakeholders and in particular of the senior management and the action managers. TAXUD initiated in 2016 discussions on creating such an approach with the stakeholders and intends to follow them up. Progress in this initiative should be seen as a longer term goal that will require gradual change, both in terms of securing necessary stakeholders' support and possible adaptations of IT systems.

2. **Address the participants' response rate under the Performance Measurement Framework.** Although the response rate among action managers and participants to the working visits is rising, the response rate among the participants to other types of joint actions has fallen from 68% in 2014 to 55% in 2015. TAXUD and national programme teams should pay attention to the response rate and try to bring it above the 70% mark. Changes introduced in the distribution of survey invitations, scheduled to be implemented in early 2017, should provide some support in this respect.

Table 13: Overview of conclusions from the Progress Report 2014 and current status update

Conclusions from 2014 Progress Report	Status and follow up actions	Need for further actions
1. Monitor the number of participants in order to evaluate whether any action aimed at reversing the trend of decrease is warranted	The 2015 data show a significant increase in the number of participants compared to 2014.	There is currently no need for specific follow up actions. The number of participants will continue to be monitored as part of the basic programme parameters.
2. Undertake to increase awareness about the programme	New communication plan for the programme was drawn up and its activities started to be implemented in 2016.	TAXUD will use the Programme Poll at the end of 2016 to gather new data on the awareness and will equally use qualitative feedback from national programme teams to evaluate the implementation of the communication plan during 2017.
3. Provide additional support to networking and the use of programme outputs	Following 2015 changes introduced in PICS, all customs officials from the participating countries can freely start their own collaboration groups on this platform. TAXUD equally started to promote online meetings on the platform. Internal discussions were started on how to facilitate the sharing of programme outputs to a wider audience and overcome challenges identified in this regard.	Increase in the sharing of programme outputs requires both a new policy and cultural change that must involve and be supported by all stakeholders. TAXUD intends to launch in-depth discussions with stakeholders on this topic during 2016 and 2017.
4. Improve statistics for online collaboration	New statistical module containing more information on online collaboration was deployed on PICS in 2016	There is no need for specific follow up actions.
5. Monitor the implementation and take up of the Customs Competency Framework	New indicator included in the 2015 report	The same indicator and qualitative interpretation will be included in future reports.
6. Explore with the relevant business unit in DG TAXUD	An additional focused survey will be launched at the	Additional focused survey to be launched in 2017.

<p>the proposed new indicators on the national use of the outputs of the activities on customs laboratories</p>	<p>beginning of 2017 for managers of national customs laboratories with the goal to gather more information on the national use of the outputs of programme activities in this area. The results would be included in the 2016 Progress Report.</p>
<p>7. Facilitate the collection and processing of data under the PMF</p>	<p>New system of sending of invitations to PMF surveys will be put in place in ART in 2017</p> <p>Future evolution of ART will take into account the needs of the Performance Measurement Framework.</p>
<p>8. Consider adaptation to the Progress Report structure</p>	<p>Following positive reception of the 2014 report by the stakeholders, 2015 report followed largely the same structure, with some minor adjustments. Number of AWP projects included in the Progress Report will be reduced as of the 2016 report from two to one per each part of the specific objective, in order to reflect the new AWP structure with fewer, more integrated projects</p> <p>There will be a continuous assessment on how to make the report better.</p>