



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 17.5.2006
COM(2006) 201 final

2006/0075 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing an action programme for customs in the Community
(Customs 2013)**

(presented by the Commission)

{SEC(2006) 570}

EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

Decision No 253/2003 of the European Parliament and of the Council establishes Customs 2007, an action programme for customs in the Community, which will end on 31 December 2007. On 6 April 2005 the Commission adopted a Communication¹ expressing the desirability to extend the Customs 2007 and Fiscalis 2003-2007 programmes with respectively the Customs 2013² and the Fiscalis 2013 programme.

- **General context**

One of the major challenges facing the European Union over the next years is to create growth and jobs, as laid down in the re-launch of the Lisbon Strategy³. The 2013 programme will actively contribute to the realisation of this Strategy by bringing a major contribution to the competitiveness of EU companies, both in the internal and global markets.

The 2013 programme will support Customs administrations of the participating countries to facilitate legitimate trade and to simplify and speed up procedures, whilst protecting the security and safety of citizens and the financial interests of the Community.

The new programme will in particular:

- Support the development of a pan-European electronic customs environment and contribute to the implementation of the modernised Customs Code.
- Pursue the further expansion of international customs cooperation between the EU customs administrations and third countries customs authorities in the field of supply chain security, in accordance with the EU international obligations.
- Support the further development and implementation of the Authorised Economic Operator Concept to provide facilitation to compliant traders.
- Ensure the maintenance of the current operational trans European IT systems.
- Pursue further development of cooperation, exchange of information and best practices with the Customs administrations of third countries, in particular the candidate countries, the potential candidate countries, and the partner countries of the European Neighbourhood Policy.

¹ COM/2005/11 of 6 April 2005 (Impact Assessment–SEC 2005/423).

² The wording Customs programme refers to the Customs programme as such regardless whether it is Customs 2000, 2002, 2007 or 2013. If we refer to a particular programme, we refer to it as 2007 programme or 2013 programme.

³ COM(2005) 330 of 20 July 2005 and SEC (2005)622/3 of 2 May 2005.

- **Existing provisions in the area of the proposal**

The Customs 2013 programme is the successor of the Customs 2007 programme.

- **Consistency with the other policies and objectives of the Union**

Not applicable.

2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Consultation methods, main sectors targeted and general profile of respondents

All participating countries participated in the mid-term evaluation e-survey and case study visits were conducted in six of them. During these visits, in-depth interviews have been organised with coordinators of the programme, users of the IT systems, participants in events, the hierarchy of the Customs administrations as well as economic operators. For the mid-term evaluation, economic operators who participated in the Transit contact group and e-customs Contact Group were also interviewed. Participants in programme events are regularly asked for feedback as part of a built-in monitoring system for the 2007 programme.

Summary of responses and how they have been taken into account

Stakeholders consider the Customs programme highly relevant to the needs of administrations and consider the Customs programme to be essential to make the EU Customs Union function. Participating countries appreciated in particular the flexibility offered by the programme and want this to be maintained in the future. They also emphasised that the programme has a key role in supporting participating countries to learn from each other and as such allow them to avoid costly mistakes. The mid-term evaluation recommended reinforcing activities in the area of training and dissemination of information. These recommendations have been taken into account when drafting the new proposal.

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

A first policy option, the stopping of the Customs programme, will have an immediate and devastating effect for the internal market and the implementation of the Customs Union in particular.

A second policy option, setting up the 2013 programme as an extension of the 2007 programme without providing additional resources to support new policy initiatives and/or to reply to changed circumstances, would imply a progressive deterioration of the current situation. Although this option might look satisfactory in the short term, it would soon show its limitations and undesirable effects, as it would not provide customs administrations with sufficient resources to address the forthcoming

challenges.

A third policy option foresees that the 2013 programme is set up as an extension of the 2007 programme reinforced with additional financial resources to support new policy initiatives on the one hand and to foresee a marginal increase of the budget of all other sub-headers on the other hand. The new policy initiatives which will contribute to a large extent to the development of a fully-fledged electronic customs administration (e-customs initiative) will absorb the largest share of these additional resources. Additional budget is also required to upgrade the trans European IT systems to absorb the expected increase in exchange of information, while a limited share of the additional resources will be used to develop initiatives to support the promotion of knowledge sharing, in the area of e-learning and the dissemination of information.

The Commission carried out an impact assessment listed in the Work Programme, whose report is accessible on reference SEC(2006)570.

3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

Establishing an action programme for customs in the Community (Customs 2013)

- **Legal basis**

The Treaty establishing the European Community and especially Article 95

- **Subsidiarity principle**

The subsidiarity principle applies insofar as the proposal does not fall under the exclusive competence of the Community.

The objectives of the proposal cannot be sufficiently achieved by the Member States for the following reason(s):

Since the objectives of the measures laid down in this Decision cannot be sufficiently achieved by the participating countries and can therefore, by reason of the scale and the effect of the action be better achieved at Community level, the community may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty.

Community action will better achieve the objectives of the proposal for the following reason(s).

Although the primary responsibility for achieving the objectives of this programme lies with the participating countries, Community action is needed for the coordination of the activities pursued under the programme as well as for the provision of an infrastructure and the necessary stimulus

The proposal therefore complies with the subsidiarity principle.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s).

In accordance with the principle of proportionality as set out in Article 5 EC, this Decision does not go beyond what is necessary in order to achieve its objectives.

- **Choice of instruments**

Proposed instruments: other (Community Programme).

Other means would not be adequate for the following reason(s).

Not applicable

4) BUDGETARY IMPLICATION

The operational costs to be borne by the Community can be broken down into two main categories, Joint Actions and IT Actions. Joint Actions cover benchmarking actions, seminars, workshops, project groups, working visits, monitoring actions, training, and any other activities under Article 1(2)(h). IT actions cover the functioning and evolution of existing trans European systems and the development and implementation of new systems.

The total amount to be borne by the Community's budget is EUR 323,8 million. The 2013 programme is a six year programme aligned with the duration of the financial perspectives 2007 – 2013.

The implementation of this Community programme should rest on recourse to service suppliers by means of technical and administrative assistance contracts. The Commission reserves itself the possibility of examining whether certain tasks of implementation of this programme could be entrusted to an executive agency.

5) ADDITIONAL INFORMATION

- **Repeal of existing legislation**

The adoption of the proposal will lead to the repeal of existing legislation.

- **Detailed explanation of the proposal**

Article 7: Communication and information exchange systems

Trans European communication and information exchange systems play a vital role to enable Customs administrations to act as if they were one, and in particular to guarantee their effectiveness and efficiency. The 2013 programme will support the customs related systems that are being developed or which are operational at the entry into force of this decision, as well as the development of any new customs related systems established under Community legislation.

The electronic customs initiative will be supported by the 2013 programme. The pan-european eGovernment action, as provided for in Decision 2004/387/EC of the European Parliament and of the Council of 21 April 2004 on the interoperable delivery of pan-european eGovernment services to public administrations, businesses and citizens (IDABC)⁴, requires measures to increase the efficiency of the organisation of customs controls and to ensure the seamless flow of data in order to make customs clearance more efficient, to reduce the administrative burden, to help combat fraud, organised crime and terrorism, to serve fiscal interests, to protect intellectual property and cultural heritage, to increase the safety of goods and the security of international trade and to enhance health and environmental protection. For that purpose, the provision of information and communication technologies (ICT) for customs purposes is of crucial interest and therefore the Commission has launched the initiative to introduce an electronic, paper-free customs environment in the Community⁵.

The previous programmes have demonstrated that extensive coordination between the stakeholders is essential for the smooth management of these trans European IT systems. Similar commitment of the Commission and participating countries, each in their respective domain to ensure the functioning of existing systems and development of future trans European applications, is another essential element. The proposal provides for a clear split of responsibilities between the Commission and participating countries.

The Commission may make the communication and information exchange systems available to other public service for customs or non-customs purposes provided that a financial contribution is paid to the programme budget.

Article 8: Benchmarking

Benchmarking activities are organised to improve the performance of the customs administration by comparing working methods. The mid-term evaluation emphasised the usefulness of benchmarking.

Article 9: Seminars and workshops

Seminars provide an environment to disseminate and exchange information, to generate and explore new ideas, and to share knowledge, expertise and experience between participating countries. Where appropriate, representatives from trade with particularly relevant knowledge or other delegates possessing a particular expertise will be invited. In order to gain commitment and to ensure a strategic overview, a high level seminar may be organised to kick off a major new activity. Participating countries may study specific technical areas in-depth in workshops, which can be part of a seminar or stand on themselves.

Article 10: Project groups and steering groups

Project groups have specific pre-defined objectives and expected outcomes and are limited in number and time. In these groups, business experts exchange information

⁴ OJ L 144, 30.04.2004, corrected version in OJ L 181, 18.5.2004, p.2.

⁵ COM(2005)609 final of 30.11.2005.

and views and as such broaden their knowledge. In this way a small number of Member States develops expertise that is valuable and consequently made available for all Participating countries.

An important task of the 2013 programme is the coordination between its different actions through the organisation of steering groups where representatives of all Participating countries meet.

Article 11: Working visits

Working visits are targeted to study in another administration a particular administrative practice or to find a solution for a problem of strategic or practical nature.

Article 12: Training activities

Throughout the successive Customs programmes, it became very clear that a common approach towards training is essential to ensure that officials of all participating countries acquire the necessary common professional skills and knowledge. The 2013 programme will build further on the expertise acquired under the 2007 programme, especially concerning the development of blended learning methods and common content.

Article 13: Monitoring actions

During monitoring actions, officials from the Commission and participating countries jointly carry out visits to check the extent to which the Community law is implemented at national level and which obstacles may be encountered. These activities give valuable information for the development of further assistance or activities which will remedy the situation.

Article 1(2)h: Any other activities

In the 2007 programme, it became clear that circumstances may require the development of a tailor-made action to answer a particular need. The 2013 programme will allow developing any other activity required for the realisation of the objectives of the programme.

Article 3: Participation in the programme

The participating countries are the Member States of the European Union, as well as the candidate, potential candidate countries and certain partner countries of the European Neighbourhood Policy (ENP) in so far as the necessary arrangements have been agreed.

Article 14: Participation in activities under the programme

Representatives of international organisations, administrations of third countries, economic operators and their organisations may take part in activities organised under the programme whenever this is essential to carry out the objectives of the programme.

Article 15: Information sharing

The mid-term evaluation of the 2007 programme has confirmed the need to organise in a more structured way the information sharing and knowledge exchange between administrations and between administrations and the Commission, as well as the consolidation of knowledge created during programme events. Therefore, the 2013 programme will pay particular attention to information sharing and knowledge management.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing an action programme for customs in the Community
(Customs 2013)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 95 thereof,

Having regard to the proposal from the Commission⁶,

Having regard to the opinion of the European Economic and Social Committee⁷,

Acting in accordance with the procedure laid down in Article 251 of the Treaty,

Whereas:

- (1) A major objective for the Community over the next years is the creation of growth and jobs, as reflected in the re-launch of the Lisbon Strategy. The previous programmes in the customs field, in particular Decision No 253/2003/EC of the European Parliament and the Council of 12 February 2003 adopting an action programme for customs in the Community⁸, (hereinafter “Customs 2007”) have significantly contributed to the achievement of that objective and to the overall objectives of the Customs policy. It is therefore appropriate to continue activities commenced under those programmes. This programme should be established for a period of six years to align its duration with that of the Multi-Annual Financial Framework contained in the Inter-institutional agreement of (*date to be inserted*) between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management⁹.
- (2) Customs administrations play a vital role in protecting the interests of the Community, particularly its financial interests. They also provide an equivalent level of protection to the citizens and economic operators of the Community at any point in the Community customs territory where customs clearance formalities are carried out. In this context, the strategic policy defined by the Customs Policy Group has aimed at ensuring that national customs administrations operate as efficiently and effectively and react to any requirement arising from a changing customs environment as would one single administration. It is therefore important that this programme is consistent

⁶ OJ C , , p. .

⁷ OJ C , , p. .

⁸ OJ L 36, 12.2.2003, p. 1.

⁹ To be inserted in the course of the negotiations.

and supportive of the overall Customs policy and that the establishment of the Customs Policy Group, comprising the heads of Customs administrations and their deputies, is supported under this programme. The implementation of the programme should be coordinated and organised by the Commission and the Member States within the common policy developed by the Customs Policy Group.

- (3) There is a need for customs action to give priority to improve controls and anti-fraud activities, minimise the cost of compliance with customs legislation for economic operators, ensure an efficient management of the control of goods at the external borders and protect the citizens of the Community as regards safety and security of the international supply chain. The Community should therefore be able, within the framework of its own powers, to support the action of customs administrations of Member States and full advantage should be taken of every possibility for administrative co-operation and mutual administrative assistance that Community rules provide.
- (4) In order to support the process of accession by candidate countries, the customs administrations of those countries should be given the necessary backing to be able to undertake the full range of tasks required under Community legislation from the date of their accession, including the management of the future external border. Therefore this programme 2013 will be open to candidate and potential candidate countries.
- 5) In order to support customs reforms in countries participating in the European Neighbourhood Policy, it is appropriate to provide for the possibility, under certain conditions, of their participation in selected activities of the programme.
- (6) Increasing globalisation of trade, the development of new markets, and changes in the methods and speed of the movement of goods, require customs administrations to strengthen relations between the customs administrations of the Community, as well as with business, legal and scientific circles, or other operators engaged in foreign trade. This programme 2013 should provide the opportunity for persons representing those circles or entities to participate in programme activities where appropriate.
- (7) The trans European computerised secure communication and information exchange systems financed under the 2007 programme are essential for the operation of customs within the Community for the exchange of information between customs administrations and should therefore continue to be supported under this programme.
- (8) The experience gained by the Community from former Customs programmes has shown that bringing officials from different national administrations together in professional activities using tools such as benchmarking, project groups, seminars, workshops, working visits, training activities and monitoring actions contributes to an important extent to the achievement of the objectives of the programme. Those activities should therefore be continued, while it should be made possible to develop new tools when required to respond even more effectively to the needs.
- (9) Customs officials need a sufficient standard of linguistic competence to cooperate and participate in the Customs programme. It is the responsibility of the Member States to provide the necessary language training for their officials.

- (10) The mid-term evaluation of the 2007 programme has confirmed the need for organising in a more structured way the information sharing and knowledge exchange between administrations, between administrations and the Commission as well as the consolidation of knowledge created during programme events. Therefore, under this programme particular attention should be paid to information sharing and knowledge management.
- (11) Although the primary responsibility for achieving the objectives of this programme lies with the participating countries, Community action is needed for the coordination of the activities pursued under the programme as well as for the provision of an infrastructure and the necessary stimulus. Since the objectives of the measures laid down in this Decision cannot be sufficiently achieved by the participating countries and can therefore, by reason of the scale and the effect of the action be better achieved at Community level, the community may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality as set out in that Article, this Decision does not go beyond what is necessary in order to achieve those objectives.
- (12) This Decision establishes a financial framework for the entire duration of the programme, which is to be the principal point of reference for the budgetary authority, within the meaning of point 33 of the Inter-institutional agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure¹⁰.
- (13) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission¹¹.

HAVE ADOPTED THIS DECISION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Establishment of the programme

1. A multiannual Community action programme (Customs 2013) hereinafter referred to as “the programme”, is hereby established for the period 1 January 2008 to 31 December 2013 to support and complement the action undertaken by Member States in the customs field.

¹⁰ OJ C 172, 18.6.1999, p. 1, agreement as last amended by Decision 2003/429/EC (OJ L 147, 14.6.2003, p. 25).

¹¹ OJ L 184, 17.7.1999, p. 23.

2. The programme shall consist of the following activities:
 - (a) communication and information-exchange systems;
 - (b) benchmarking;
 - (c) seminars and workshops;
 - (d) project groups and steering groups;
 - (e) working visits;
 - (f) training activities;
 - (g) monitoring actions;
 - (h) any other activities required for the realisation of the objectives of the programme.

Article 2

Definitions

For the purpose of this Decision the following definitions shall apply:

- (1) “administration” means the public authorities and other bodies in the participating countries which are responsible for administering customs and customs related activities;
- (2) “official” means a member of the administration.

Article 3

Participation in the programme

1. Participating countries are the Member States and the countries referred to in paragraph 2.
2. The programme shall be open to the participation of the following:
 - (a) candidate countries benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in Community programmes established in the relevant Framework Agreement and Association Council Decisions;
 - (b) potential candidate countries, in accordance with the provisions to be determined with those countries following the establishment of framework agreements concerning their participation in Community programmes.
3. The programme may also be open to the participation of certain partner countries of the European Neighbourhood Policy if these countries have reached a sufficient level

of approximation of the relevant legislation and administrative methods to those of the Community and in accordance with provisions to be determined with those countries following the establishment of framework agreements concerning their participation in Community programmes.

4. Participating countries shall be represented by members of the relevant administration.

Article 4

Overall objectives

1. The programme shall be designed to ensure that the following overall objectives are met:
 - (a) ensure that the customs activities match the needs of the internal market, including supply chain security;
 - (b) interaction and performance of the duties of the Customs administrations as efficiently as though they were one administration, ensuring equivalence of controls at every point of the Community customs territory and the support of legitimate business activity;
 - (c) necessary protection of the financial interests of the Community;
 - (d) strengthening the security and safety of citizens;
 - (e) to prepare for enlargement, including the sharing of experience and knowledge with the customs administrations of the countries concerned.
2. The common approach regarding the customs policy shall continuously be adapted to new developments in partnership between the Commission and the Member States in the Customs Policy Group, composed of the heads of customs administrations from the Commission and the Member States or their representatives. The Commission shall keep the Customs Policy Group regularly informed of measures relating to the implementation of the programme.

Article 5

Specific objectives

1. The specific objectives of the programme shall be the following:
 - (a) to reduce the administrative burden and the cost of compliance for economic operators by improving the standardisation and simplification of customs systems and controls, in particular for data input and risk management;
 - (b) to identify, develop and apply best working practices, in particular in the areas of pre- and post-clearance audit control, risk analysis, customs controls and simplified procedures;

- (c) to maintain a system of the measurement of the performance of Member States in customs administrations in order to improve performance;
- (d) to support actions to prevent irregularities by providing control information rapidly to front line customs posts;
- (e) to support the creation of a pan-European electronic customs environment via the development of inter-operable communication and information exchange systems coupled with the necessary legislative and administrative changes;
- (f) to maintain existing communication and information systems and, where appropriate, to develop new systems;
- (g) to undertake actions which will provide support to the customs services of the countries preparing their accession;
- (h) to contribute to the establishment of high quality customs administrations in third countries;
- (i) to improve cooperation between customs administrations of the Community and third countries, in particular those of the partner countries of the European Neighbourhood policy;
- (j) to develop and reinforce common training.

Article 6

Work Programme

The Commission shall in accordance with the procedure referred to in Article 19(2) annually establish a work programme.

CHAPTER II

PROGRAMME ACTIVITIES

Article 7

Communication and information exchange systems

1. The Commission and the participating countries shall ensure that the communication and information exchange systems referred to in paragraph 2 are operational.
2. The communication and information exchange systems shall comprise the following:
 - (a) Common Communications Network/Common Systems Interface (CCN/CSI);
 - (b) the New Computerised Transit System (NCTS/NSTI);

- (c) the Tariff systems;
 - (d) the electronic customs systems;
 - (e) the systems for the security amendments;
 - (f) any new customs related communication and information exchange systems established under Community legislation and provided for in the Work Programme referred to in Article 6.
3. The Community components of the communication and information exchange systems shall be the hardware, software and network connections, which are common to all participating countries. The Commission shall on behalf of the Community conclude the necessary contracts to assure the operational nature of these components.
 4. The non-Community components of the communication and information-exchange systems shall comprise the national databases forming part of these systems, the network connections between the Community and non-Community components and such software and hardware as each participating country deems appropriate for the full operation of those systems throughout its administration. The participating countries shall ensure that the non-Community components are kept operational and shall assure the interoperability of these components with the Community components.
 5. The Commission shall co-ordinate, in co-operation with the participating countries, those aspects of the establishment and functioning of the Community and non-Community components of the systems and infrastructure referred to in paragraph 2 which are necessary to ensure their operability, interconnectivity and continuous improvement. The schedules and deadlines established for that purpose shall be complied with by the participating countries.
 6. The Commission may make the communication and information exchange systems available to other public service for customs or non-customs purposes provided that a financial contribution is paid to the programme.

Article 8

Benchmarking

Benchmarking activities in the form of comparisons of working methods, procedures or processes, involving agreed indicators aim to identify best practices, may be organised between two or more participating countries.

Article 9

Seminars and workshops

The Commission and the participating countries shall together organise seminars and workshops and ensure the dissemination of the outcome of such seminars and workshops.

Article 10

Project Groups and Steering Groups

The Commission, in cooperation with participating countries, may establish project groups which shall carry out specific tasks to be completed within a specified time-scale, and steering groups which shall perform activities of a coordinating nature.

Article 11

Working visits

1. Participating countries shall organise working visits for officials. The working visits may not exceed one month. Each working visit shall be targeted on a particular professional activity and shall be sufficiently prepared and subsequently evaluated by the officials and administrations concerned. Working visits may be operational or targeted on specific priority activities.
2. The participating countries shall enable visiting officials to play an effective role in the activities of the host administration. To this end, visiting officials shall be authorised to carry out the tasks relating to the duties entrusted to them by the host administration in accordance with its legal system.
3. During the working visit, the civil liability of the visiting official in the performance of his duties shall be treated in the same way as that of officials of the host administration. Visiting officials shall be bound by the same rules of professional secrecy as national officials.

Article 12

Training activities

1. The Commission, in cooperation with the participating countries, shall facilitate structured co-operation between national training bodies and officials responsible for training in customs administrations, and in particular by the following means:
 - (a) the setting of training standards, the development of existing training programmes and, where necessary, new programmes to provide a common core of training for officials relating to the full range of customs rules and procedures so as to enable them to acquire the necessary professional skills and knowledge;
 - (b) where appropriate, the coordination of the opening to officials from all participating countries of training courses in the Customs field where such courses are provided by a participating country for its own officials;
 - (c) where appropriate, the development of the necessary infrastructure and tools for common customs training and customs training management;

- (d) the consideration of the opportunities to develop training activities with other public services.
2. Participating countries shall ensure that common training programmes and the common customs training infrastructure referred to in paragraph 1(c) are fully integrated within their national training programmes.

Participating countries shall also ensure that their officials receive the initial and continuous training necessary to acquire the common professional skills and knowledge in accordance with the training programmes and the linguistic training necessary for them to ascertain a sufficient standard of linguistic competence for participation in the programme.

Article 13

Monitoring actions

1. The Commission, in cooperation with the participating countries shall decide which specific sectors of Community customs legislation may be subject to monitoring.
2. Such monitoring shall be carried out by joint teams made up of customs officials from Member States and Commission officials. Those teams shall, on the basis of a theme-by-theme or regional approach, visit different points in Community customs territory where customs administrations carry out their duties. The teams shall analyse customs practices at national level, identify any difficulties in implementing the rules observed and, where appropriate, make suggestions for the adaptation of both Community rules and working methods in order to improve the efficiency of customs actions as a whole. Reports shall be communicated to the Member States and the Commission.

Article 14

Participation in activities under the programme

Representatives of international organisations, administrations of third countries, economic operators and their organisations may take part in activities organised under the programme whenever this is essential to carry out the objectives mentioned in Article 4 and 5.

Article 15

Information Sharing

The Commission in cooperation with the Participating countries, shall develop the systematic and structured sharing of information resulting from programme activities.

CHAPTER III

FINANCIAL PROVISIONS

Article 16

Financial framework

1. The financial framework for the implementation of the programme for the period 1 January 2008 to 31 December 2013 is hereby set at EUR **323,8** million.
2. The annual appropriations shall be authorised by the budgetary authority within the limits of the multi-annual scheme of the financial perspectives.

Article 17

Expenditure

1. The expenditure necessary for the implementation of the programme shall be shared by the Community and the participating countries in accordance with paragraphs 2 to 6.
2. The Community shall bear the following expenditure:
 - (a) the cost of the acquisition, development, installation, maintenance and the cost of the day-to-day operation of the Community components of the communication and information exchange systems set out in Article 7(3);
 - (b) the travel and living expenses incurred by officials from the participating countries relating to benchmarking activities, working visits, seminars, workshops and project groups, training and monitoring actions;
 - (c) the organisational costs of seminars and workshops, as well as travel and living expenses incurred for the participation of external experts and participants referred to in Article 14;
 - (d) the cost of the acquisition, development, installation, maintenance of training systems and modules insofar they are common to all participating countries;
 - (e) the costs of any other activity referred to in point h of Article 1(2).
3. The participating countries shall cooperate with the Commission so that the appropriations are used in accordance with the principle of sound financial management.

The Commission shall, in accordance with the Financial Regulation, determine the rules relating to the payment of expenses and shall communicate them to the participating countries.

4. The Commission shall, in accordance with the procedure referred to in Article 19(2), adopt any necessary measures for the budget management of the programme.
5. The financial allocation of this programme may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities, required directly for the management of the programme and the realisation of its objectives, in particular studies, meetings, information and publication actions, expenses linked to informatic networks focusing on information exchange, together with all other technical and administrative assistance expense that the Commission may have recourse to for the management of the programme.
6. Participating countries shall bear the following expenditure:
 - (a) the development, purchase, installation, maintenance and the cost of the day-to-day operation of the non-Community components of the communication and information exchange systems referred to in Article 7(4);
 - (b) the costs relating to the initial and continuing training, including the linguistic training, of their officials.

Article 18

Financial Control

Financing decisions and any agreements or contracts resulting from this Decision shall be subject to financial control, and if necessary, on the spot audits by the Commission, including the European Anti-Fraud Office (OLAF) and by the European Court of Auditors. Any grants made pursuant to this Decision will be subject to agreement in writing in advance by the beneficiaries. Such agreement shall contain the acceptance by the beneficiaries to an audit by the European Court of Auditors into the use made of the financing granted.

CHAPTER IV

OTHER PROVISIONS

Article 19

Committee

1. The Commission shall be assisted by the “Customs 2013 Committee” (hereinafter ‘the Committee’).
2. Where reference is made to this paragraph, the procedure laid down in Article 4 of Decision 1999/468/EC shall apply, in compliance of Articles 7 and 8 thereof. The period provided for in Article 4(3) of Decision 1999/468/EC shall be three months.
3. The Committee shall adopt its rules of procedure.

Article 20

Follow-up

The programme shall be subject to continuous joint monitoring by the participating countries and the Commission.

Article 21

Mid-term and final evaluations

1. Mid-term and final evaluations of the programme shall be carried out under the responsibility of the Commission using the reports drawn up by the participating countries referred to in paragraph 2 of this Article and any other relevant information. The programme shall be evaluated in terms of the objectives set out in Articles 4 and 5.

The mid-term evaluation shall review the results obtained from mid-realisation of the programme in terms of effectiveness and efficiency, as well as the continued relevance of the initial objectives of the programme. It shall also assess the use of funding and the progress of follow-up and implementation.

The final evaluation shall concentrate on the effectiveness and efficiency of the activities of the programme.

2. The participating countries shall submit the following evaluation reports to the Commission:
 - (a) by 31 March 2011 at the latest, a mid-term evaluation report on the programme's relevance, effectiveness and efficiency;
 - (b) by 31 March 2014 at the latest, a final evaluation report focusing on, inter alia, the programme's effectiveness and efficiency.
3. On the basis of the reports referred to in paragraph 2 and any other relevant information, the Commission shall submit to the European Parliament and the Council the following reports:
 - (a) by 30 September 2011 at the latest, a mid-term evaluation report, and a communication on the desirability of continuing the programme;
 - (b) by 30 September 2014 at the latest, a final evaluation report.
4. Those reports shall also be sent to the European Economic and Social Committee and the Committee of the Regions for their information.

Article 22

Repeal

Decision No 253/2003/EC is repealed with effect from 1 January 2008.

However, financial obligations related to actions pursued under that Decision shall continue to be governed by that Decision until their completion.

Article 23

Entry into force

This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2008.

Article 24

Addressees

This Decision is addressed to Member States

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL :

Proposal for a Decision of the European Parliament and the Council on the Community programme Customs 2013

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:
1404 Customs Policy

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- BA lines)) including headings :

- 140403 Customs 2013 programme
- 14010405 Customs 2013 programme – Expenditure on administrative management
- The final budgetary structure for the Customs 2013 programme will be decided at a later stage.

3.2. Duration of the action and of the financial impact:

- The period of validity of the legal base runs from 01/01/2008 to 31/12/2013.
- The payments will continue after 31/12/2013

3.3. Budgetary characteristics:

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
140403	Non-comp	Diff ¹²	YES	NO	YES	1a
14010405	Non-comp	Non-diff ¹³	YES	NO	YES	1a

¹² Differentiated appropriations.

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		2008	2009	2010	2011	2012	2013	2014-2015	Total 2008-13
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Operational expenditure¹⁴

Commitment Appropriations (CA)	8.1	A	41.868	48.368	50.318	54.768	59.568	62.118	-	317.008
Payment Appropriations (PA)		B	15.417	35.276	47.368	51.253	55.133	59.328	53.233	317.008

Administrative expenditure within reference amount¹⁵¹⁶

Technical & administrative assistance (NDA)*	8.2.4	C	1.132	1.132	1.132	1.132	1.132	1.132	-	6.792
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* The Technical and administrative assistance covers only staff already mentioned in the proposal of the Decision on paperless environment for customs and trade (COM(2005) 609) and in the proposal of the Regulation laying down the Community Customs Code (COM(2005) 608).

TOTAL REFERENCE AMOUNT

Commitment Appropriations		A+c	43.000	49.500	51.450	55.900	60.700	63.250	-	323.800
Payment Appropriations		B+c	16.549	36.408	48.500	52.385	56.265	60.460	53.233	323.800

¹³ Non-differentiated appropriations.

¹⁴ Expenditure that does not fall under Chapter 14 01 of the concerned Title 14.

¹⁵ Expenditure within article 14 01 04 of Title 14.

¹⁶ The administrative expenditure line anticipates the possible externalisation of activities under the programme. Budgetary figures will only be available after the completion in 2006 of a feasibility study on the topic.

Administrative expenditure not included in reference amount¹⁷

Human resources and associated expenditure (NDA)	8.2.5	D	3.792	3.920	3.920	3.920	3.920	3.920		23.392
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	E	0.312	0.312	0.312	0.312	0.312	0.312		1.872

Total indicative financial cost of intervention

		2008	2009	2010	2011	2012	2013	2014-2015	Total
TOTAL CA including cost of Human Resources	A+c+d+e	47.104	53.732	55.682	60.132	64.932	67.482		349.064
TOTAL PA including cost of Human Resources	b+c+d+e	20.653	40.640	52.732	56.617	60.497	64.692	53.233	349.064

Co-financing details

N.A.

4.1.2. Compatibility with Financial Programming

x Proposal is compatible with existing financial programming.

This decision is compatible with the Multiannual Financial Framework annexed to the Interinstitutional Agreement between the European Parliament, the Council and the Commission on Budgetary discipline and sound financial management. It falls into the subheading 1a – Competitiveness for growth and employment..

4.1.3. Financial impact on Revenue

x Proposal has no direct financial implications on revenue, although the modernisation of the customs administration should make the own resources collection more effective and cost efficient.

¹⁷ Expenditure within chapter 14 01 other than articles 14 01 04 or 14 01 05.

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	2008	2009	2010	2011	2012	2013
Total number of human resources	47	49	49	49	49	49

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

For a more detailed analysis, see paragraph 4 of the impact assessment of the Customs 2013 programme.

The Customs programme aims to answer the actual and future challenges for Customs. Therefore emphasis will be put on the reinforcement of the safety and security within the Community area and at the external border enhancing the competitiveness of European companies and further reinforcing the functioning of the internal market. The programme will also support the creation of an electronic paperless customs.

The successor programme will continue to support the secure trans European electronic communication network between the customs administrations and extend the facilities wherever required. The Customs programme will continue to develop cooperation between customs administrations and their officials through a process of sharing knowledge and best practices which should allow Member States to learn from one another rather than building up expertise from scratch. The customs programme will take into account that each administration has a different starting point. It will have a built-in flexibility which allows Member States to develop a tailor-made action plan to answer their particular needs.

The impact of the Customs programme on the daily work is considerable, since the IT existing systems provide daily updated information for some 100,000 customs officials. The Customs programme is also a major support for customs officials in their fight against counterfeiting and organisation of controls.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

See section 2 of the impact assessment Customs 2013 and Fiscalis 2013.

For a more detailed analysis see paragraph 6 of the impact assessment of the Customs 2013 programme.

If the Customs programme did not exist, Member States would still need to improve cooperation and seek to achieve harmonisation to carry out the Customs policy objectives of the European Union. This would mean, for instance, that no secure network and information exchange systems would exist between the 25 Member States and that the interoperability and interconnectivity of the IT systems would not be possible. Without the support of a Community programme, it would take much more time to reach these objectives. It would be more costly from a budgetary and human resources point of view, the output would be of lower quality and above all organised far less efficiently. The mid-term evaluation has shown that there is a common understanding between all programme's stakeholders that a Community programme is essential in making the EU Customs Union operate.

The Customs programme has established structures to share knowledge and experiences between Customs officials in an organised way. Thanks to these structures, the Customs programme has become a reference for cooperation in the area of implementation of the Custom policy of the European Union. The programme has a built-in flexibility which gives Member State administrations the opportunity to develop a tailor-made reply to their particular needs. Without the 2013 programme, it will not be possible to organise the information and knowledge sharing between all Customs administrations and in all Customs policy areas in a systematic way. If the Customs programme is stopped, the established structures and contacts will fall apart as the binding force between them will fall away. Customs administrations may as consequence become more inward looking rather than promote knowledge sharing and learning from each other.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The programme shall be designed to ensure that the following overall objectives are met:

- (a) ensure that the customs activities match the needs of the internal market, including supply chain security;
- (b) interaction and performance of the duties of the Customs administrations as efficiently as though they were one administration, ensuring equivalence of controls at every point of the Community customs territory and the support of legitimate business activity;
- (c) necessary protection of the financial interests of the Community;
- (d) strengthening the security and safety of citizens;
- (e) to prepare for enlargement, including the sharing of experience and knowledge with the customs administrations of the countries concerned.

The specific objectives of the programme shall be the following:

- (a) to reduce the administrative burden and the cost of compliance for economic operators by improving the standardisation and simplification of customs systems and controls, in particular for data input and risk management;
- (b) to identify, develop and apply best working practices, in particular in the areas of pre- and post-clearance audit control, risk analysis, customs controls and simplified procedures;
- (c) to maintain a system of the measurement of the performance of Member States in customs administrations in order to improve performance;
- (d) to support actions to prevent irregularities by providing control information rapidly to front line customs posts;
- (e) to support the creation of a pan-European electronic customs environment via the development of inter-operable communication and information exchange systems coupled with the necessary legislative and administrative changes;
- (f) to maintain existing communication and information systems and, where appropriate, to develop new systems;
- (g) to undertake actions which will provide support to the customs services of the countries preparing their accession;
- (h) to contribute to the establishment of high quality customs administrations in third countries;
- (i) to improve cooperation between customs administrations of the Community and third countries, in particular those of the partner countries of the European Neighbourhood policy ;
- (j) to develop and reinforce common training.

The Commission will annually establish a work programme.

Indicators

The indicators will be developed before the start of the Customs 2013 programme.

5.4. Method of Implementation (indicative)

X Centralised Management

Directly by the Commission

6. MONITORING AND EVALUATION

6.1. Monitoring system

The indicators will be developed in such a way that regular monitoring of the progress made is feasible.

The administrations shall send the Commission all the information necessary for follow-up reports to be drawn up as efficiently as possible.

6.2. Evaluation

6.2.1. Impact assessment

An impact assessment has been prepared and will accompany the proposal.

6.2.2. Ex-ante evaluation

The ex-ante evaluation has been replaced by the impact assessment.

6.2.3. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

6.2.4. Terms and frequency of future evaluation

The mid-term evaluation report will provide a first evaluation of the results obtained from mid-realisation of the programme in terms of effectiveness and efficiency. The relevance of the programme's initial objectives will also be evaluated in order to check if changes or adjustments for the second phase of carrying out of the programme must be envisaged. The interim report will be based on reports submitted by the participating countries and on all other available data. It will be prepared by the Commission.

The final evaluation report will be based on the mid-term interim evaluation, the participating country's final reports, and all other available data. It will provide a final evaluation on the programme's effectiveness and efficiency by comparing the results obtained with the objectives of the programme. Other evaluation criteria, such as utility and sustainability, may be envisaged.

1. **Mid-term and final evaluations of the programme shall be carried out under the** Commission's responsibility using the reports drawn up by the participating countries referred to in paragraph 2 and any other relevant information.

The mid-term evaluation shall review the results obtained from mid-realisation of the programme in terms of effectiveness and efficiency, as well as the continued relevance of the programme's initial objectives. It shall also assess the use of funding and the progress of follow-up and implementation.

The final evaluation shall focus, inter alia, on the effectiveness and efficiency of the programme's activities.

2. The participating countries shall send the Commission:
 - (a) by 31 March 2011 at the latest, a mid-term evaluation report on the programme's relevance, effectiveness and efficiency;
 - (b) by 31 March 2014 at the latest, a final evaluation report focusing on, inter alia, the programme's effectiveness and efficiency.
3. The Commission shall present to the European Parliament and the Council:
 - (a) by 30 September 2011 at the latest, the mid-term evaluation report referred to in paragraph 1, and a communication on the desirability of continuing the programme;
 - (b) by 30 September 2014 at the latest, the final evaluation report referred to in paragraph 1.

7. **ANTI-FRAUD MEASURES**

The expenses for development of the secure trans European computerised infrastructure and other activities developed under the programme are executed on contractual basis following the established procedure of verification by the services of the Commission before payment, taking into account contractual obligations and sound financial and general management. Anti fraud measures (controls, reports, etc.) are foreseen in all contracts concluded between the Commission and the beneficiaries.

The joint actions (the human related instruments of the toolbox) are paid from the 'Joint Action' budget of the Customs 2013 programme. The officials are reimbursed as follows:

Each Member State has a Customs contact point, which receives an advance to reimburse travel and living expenses of officials participating in a Customs

programme activity in accordance with the financial rules that have been established for the programmes. These contact points also reimburse a set of organisational costs clearly defined in the Financial Guide of the programme. The participating countries have to report on these expenses through the Activity Reporting Tool while they have to keep supporting documents in the local archives for at least five year after the end of the budgetary year in which the expenditure takes place.

Participants from third countries, international organisations or the private sector are reimbursed directly by the Commission following the established practices.

Control visits in the Member States are carried out by the financial services of the Commission in order to ensure conformity with financial rules applicable to the management of the programme.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	2008		2009		2010		2011		2012		Year 2013		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 Customs 2013																
Action 1 Joint Actions																
- Joint Actions				7.500		7.500		7.500		7.700		7.800		8.000		46.000
- Common Training Tools				1.500		1.500		1.750		2.000		2.200		2.450		11.400
Action 2 IT Actions																
- CCN/CSI																
- Output 1	IT contract			6.500		7.000		7.700		8.000		8.000		9.000		46.200
- Transit																
- Output 1	IT contract			6.500		7.500		7.000		7.000		7.000		6.000		41.000

- Tariff																
- Output 1	IT contract			6.000		6.000		6.000		6.000		6.000		6.000		36.000
- Security Aspects for Customs (electronic customs)																
- Output 1	IT contract			5.000		6.000		6.500		7.200		7.200		6.800		38.700
- electronic customs																
- Output 1	IT contract			8.868		12.868		13.868		16.868		21.368		23.868		97.708
TOTAL COST				41.868		48.368		50.318		54.768		59.568		62.118		317.008

Commitment appropriations in EUR million (to 3 decimal places)

8.2. Administrative Expenditure

The needs for human and administrative resources shall be covered within the allocation granted to the managing DG in the framework of the annual allocation procedure. The allocation of posts should take into account an eventual reallocation of posts between departments on the basis of the new financial perspectives.

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)					
		Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013
Officials or temporary staff ¹⁸ (14 01 01)	A*/AD	14	14	14	14	14	14
	B*, C*/AST	14	14	14	14	14	14
Staff financed ¹⁹ by art. 14 01 02		12	14	14	14	14	14
Other staff ²⁰ financed by art. 14 01 04/05*		7	7	7	7	7	7
TOTAL		47	49	49	49	49	49

* The human resources cover staff already mentioned in the proposal of the Decision on paperless environment for customs and trade (COM(2005) 609) and in the proposal of the Regulation laying down the Community Customs Code (COM(2005) 608 and the staff assigned to the management of the programme (2A*, 2.B*/C*, 1 SNE)

8.2.2. Description of tasks deriving from the action

The total needed reinforcement as follows:

	2008	2009	2010	2011	2012	2013
A*	0	0	0	0	0	0
B* /C*	0	0	0	0	0	0
END	3	2	0	0	0	0
Experts	0	0	0	0	0	0

¹⁸ Cost of which is NOT covered by the reference amount

¹⁹ Cost of which is NOT covered by the reference amount

²⁰ Cost of which is included within the reference amount

The reinforcement of human resources covers staff already mentioned in the proposal of the Decision on paperless environment for customs and trade (COM(2005) 609) and in the proposal of the Regulation laying down the Community Customs Code (COM(2005) 608.

8.2.3. *Sources of human resources (statutory)*

x Posts currently allocated to the management of the programme to be replaced or extended : 9 posts currently allocated to this activity will continue to be used in the framework of e-customs and the modernized customs code and 8 posts were pre-allocated within the budget procedure for 2006 for these actions

x Posts pre-allocated within the APS/PDB exercise for year 2007 : 8 posts are requested in the framework of e-customs and the modernized customs code

Posts to be requested in the next APS/PDB procedure

Posts to be redeployed using existing resources within the managing service (internal redeployment) :

Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

8.2.4. *Other Administrative expenditure included in reference amount (14 01 04/05 – Expenditure on administrative management)*

EUR million (to 3 decimal places)

Budget line (number and heading)	2008	2009	2010	2011	2012	2013	TOTAL
1 Technical and administrative assistance (including related staff costs)							
Executive agencies ²¹	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Other technical and administrative assistance	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
- <i>intra muros</i> *	1.132	1.132	1.132	1.132	1.132	1.132	6.792
- <i>extra muros</i>	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Total Technical and administrative assistance	1.132	1.132	1.132	1.132	1.132	1.132	6.792

²¹ Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

* The Technical and administrative assistance covers only staff already mentioned in the proposal of the Decision on paperless environment for customs and trade (COM(2005) 609) and in the proposal of the Regulation laying down the Community Customs Code (COM(2005) 608).

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

EUR million (to 3 decimal places)

Type of human resources	2008	2009	2010	2011	2012	2013	TOTAL
Officials and temporary staff (14 01 01)	3.024	3.024	3.024	3.024	3.024	3.024	18.144
Staff financed by Art 14 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)	0.768	0.896	0.896	0.896	0.896	0.896	5.248
Total cost of Human Resources and associated costs (NOT in reference amount)	3.792	3.920	3.920	3.920	3.920	3.920	23.392

Calculation– ***Officials and Temporary agents***

Reference should be made to Point 8.2.1, if applicable

108,000 EUR per year per official /temporary staff

Calculation– ***Staff financed under art. 14 01 02***

Reference should be made to Point 8.2.1, if applicable

64,000 EUR per year per staff financed under art. 14 01 02

Calculation– *Staff financed under art. 14 01 04/05*

Reference should be made to Point 8.2.1, if applicable

161,700 EUR per year per staff financed under art. 14 01 04/05

8.2.6. *Other administrative expenditure not included in reference amount*

EUR million (to 3 decimal places)

	2008	2009	2010	2011	2012	2013	TOTAL
14 01 02 11 01 – Missions	0.300	0.300	0.300	0.300	0.300	0.300	1.800
14 01 02 11 02 – Meetings & Conferences	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
14 01 02 11 03 – Committees ²²	0.012	0.012	0.012	0.012	0.012	0.012	0.072
14 01 02 11 04 – Studies & consultations	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
14 01 02 11 05 - Information systems	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
2 Total Other Management Expenditure (14 01 02 11)	0.312	0.312	0.312	0.312	0.312	0.312	1.872
3 Other expenditure of an administrative nature (specify including reference to budget line)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)	0.312	0.312	0.312	0.312	0.312	0.312	1.872

* The meetings are already mentioned in the proposal of the Decision on paperless environment for customs and trade (COM(2005) 609) and in the proposal of the Regulation laying down the Community Customs Code (COM(2005) 608).

Calculation - *Other administrative expenditure not included in reference amount*

1,000 EUR per mission

Committees : Comitology Committee : Customs Committee, one meeting per year, travel expenses for 27 experts

²² Specify the type of committee and the group to which it belongs.