After a series of delays, new customs IT systems will not be available by 2020. EU Auditors examined what went wrong

Implementation of new customs IT systems in the EU has suffered from a series of delays, according to a report from the European Court of Auditors. Despite the progress made, some of the key systems will not be available for the 2020 deadline. The next programme will need to take on board the lessons learnt, say the auditors.

Modernising the Customs Union has been on the EU agenda since 2003 and implementation of key IT systems is an important factor. 15 years later, say the auditors, some of those systems are still not in place.

The European Commission set up the Customs 2020 programme to support modernisation of the Customs Union. The total budget amounts to €523 million over seven years, most of which is devoted to IT capacity building. The EU pays for the acquisition, development, installation, maintenance and day-to-day operation of systems at EU level. Member States develop the systems at national level and bear the associated costs.

The auditors assessed whether the programme is likely to deliver the IT systems necessary for improving customs operations in the EU, and whether it ensures that these systems are implemented in a timely manner. They also reviewed its design, monitoring and reporting arrangements.

They found that a number of new IT systems will not be fully implemented by the 2020 deadline. The systems had suffered a series of delays and deadlines had been gradually postponed. There is a further risk that the rescheduled deadlines will not be met either, warn the auditors, but instead extended even beyond 2025.

The main factors behind the delays were: changing project scope, which increased complexity; insufficient resources allocated by the EU and Member States; and a lengthy decision-making process due to the multi-layered governance structure.

The purpose of this press release is to give the main messages of the special report adopted by the European Court of Auditors. The full report is on www.eca.europa.eu.

"*The digitalisation and modernisation of customs processes is key to the EU*", **said Eva Lindström, the Member of the European Court of Auditors responsible for the report**. "*It should help the EU operate as a major trading block, enhance economic activity and growth, and increase the safety and security of the EU citizens. But this will not happen if IT deadlines are constantly being missed and extended.*"

The auditors also note that the European Commission did not report appropriately on delays. Programme objectives and reporting arrangements were not suitable for monitoring implementation, while reporting was not sufficiently transparent. Initial development was mostly decentralised and aimed at reducing the risk of non-delivery; but this came at the cost of decreased efficiency.

The EU is now discussing the next seven-year Customs programme, which is supposed to start in 2021 with a proposed budget of €950 million. With this in mind, the auditors recommend that the European Commission should:

• gear the next Customs programme explicitly towards IT implementation with precise and measurable objectives;

• improve time, resource and scope estimates for every IT project;

• facilitate cooperative IT development with, and between, Member States;

• streamline governance by ensuring more efficient and swifter communication;

• report in a timely and transparent manner on implementation and spending.

Notes to Editors

The essence of the Customs Union is the absence of customs duties at internal borders between Member States, and the establishment of common customs duties on imports from third countries.

The EU is dependent on the efficient flow of goods into and out of the Customs Union, and the free movement of goods within the area of the Single Market. According to the latest available statistics, combined imports and exports represented approximately €3.7 trillion. This demonstrates the importance of trade and of the Customs Union to the prosperity of the EU. In addition, the customs duties on imports are an important part of EU revenue. In 2017, they amounted to €20.3 billion, representing 15% of the total EU budget.

The Customs 2020 programme finances the EU components of the IT systems. This refers to assets (such as hardware, software, network connections) and services to support IT systems that are common to the EU and Member States. Member States should develop the related national components (non-EU components) and pay the associated costs.

The ECA presents its special reports to the European Parliament and Council of the EU, as well as to other interested parties such as national parliaments, industry stakeholders and representatives of civil society. The vast majority of the recommendations we make in our

reports are put into practice. This high level of take-up underlines the benefit of our work to EU citizens.

Special report 26/2018 "A series of delays in Customs IT systems: what went wrong?" is available on the ECA website (eca.europa.eu) in English.