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Governance Scheme

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WHY THE NEED FOR A NEW GOVERNANCE FRAMEWORK FOR THE IMPLEMENTATION OF THE MASP AND ELECTRONIC CUSTOMS (eCUSTOMS) PROJECTS?

The revised Governance structure aims to increase efficiency and transparency. It takes Decision No 70/2008/EC¹ on a paperless environment for Customs and Trade (the eCustoms Decision) and the Communication on the State of the Customs Union² (mainly points 1.4.3 and 2.2) into consideration and is in line with the provisions of the Customs 2020 Programme³.

Furthermore, the Council conclusions on the progress on the Strategy for the Evolution of the Customs Union⁴ also underlined the need to “... *streamline and improve the internal governance and performance of the customs union, with a view to ensuring that the customs union achieves its objectives in the most effective and efficient possible way ...*”.

The new governance scheme aims to:

- Closely supervise the planning and monitoring of projects resulting from the UCC and other related Customs legislation where complex projects have to be realised in a very limited timeframe;
- Improve coordination of very complex and diversified activities in the domains of policy, legislation, business operations and IT, while maintaining coherence and transparency;
- Make a clear separation between management and expertise;
- Increase efficiency, control and coordination capabilities while maintaining flexibility;
- Clearly define roles and responsibilities, considering the high level of interdependency between eCustoms and related areas, to ensure that all engaged parties will meet the prefixed deadlines;

¹ Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade (OJ L 23 of 26.1.2008)

² Communication from the Commission to the European Parliament, the Council and the European and Social Committee on the State of the Customs Union, COM(2012)791 final, 21.12.2012

³ Regulation (EU) No 1294/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme for customs in the European Union (Customs 2020) and repealing Decision No 624/2007/EC (OJ L 347 of 20.12.2013)

⁴ OJ C 80, 19.3.2013

- And lastly, but most importantly, to remind us that we are accountable to all the different stakeholders involved (i.e. Customs Administrations and Authorities, Trade associations, companies and citizens) bearing in mind the huge amount of Union and Member States resources (both budgetary and human) required to finance eCustoms.

In summary, to have better governance and management we are bound to sound steering, close cooperation, better coordination, milestones-based planning, deliverables implementation, overall communication and risk management.

THREE-LEVEL GOVERNANCE MODEL

The revised organizational structure will enhance coherence and coordination, reduce duplication and streamline the bureaucratic process. Further, it will ensure that commitments are made at the appropriate level.

The implementation of eCustoms will only be successful if there is regular interaction across all levels, roles and competences and if responsibilities are clearly and explicitly defined for each of those levels and each group.

The newly established governance considers all of the above and has the objective to create **more transparency and to facilitate efficient coordination** between all stakeholders. Additionally it addresses the C2020 programme needs by keeping a recognisable structure of governance levels in place.

This structure consists out of the following three levels:

I. Policy level

At this level, the Customs Policy Group (CPG) is to steer towards eCustoms implementation. Additionally it serves an escalation function.

The High Level Project Group (HLPG) provides follow-up on the implementation of the Union Customs Code and eCustoms initiatives.

II. Coordination level

At this level, the Electronic Customs Coordination Group (ECCG) will be held in order to ensure updates of the MASP and reporting on overall progress.

III. Expert level

At this level, four groups will be created:

1. The Customs Business Group (CBG) which will deal with business processes and data requirements analyses (BPM L3 & L4, Business Cases, working papers);
2. The Customs EIS Operations Group, which will deal with systems in operation (maintenance, monitoring, statistics);
3. The IT Systems Development Group which will deal with the preparation of systems development (MASP Project Groups I, II & III) and may split in two or more parallel ones according to needs and Expert level groups can be supported by lower level working groups;
4. The IT Technology & Infrastructure Group which will deal with the preparation of the technical framework of the projects and systems (MASP Project Group IV).

Coordination with the committees that are dealing with Customs issues is required, notably these are the Customs Code Committee (CCC) and the Customs 2020 Committee. For participating countries it will be also important to critically examine their national co-ordination structure and to select delegates with appropriate profiles. These delegates are to be fully briefed and prepared for the meetings.

1. LEVEL I: POLICY LEVEL

1.1. Customs Policy Group (CPG)

The CPG is made up of the Directors General for Customs (or their representatives) of each of the Member States (and Candidate Countries) and the Commission.

The CPG provides strategic advice to the Commission on Customs policy matters. Amongst other things, it is also responsible to enhance the operation of the Customs Union through leadership on matters of implementation.

For the follow-up of the implementation of the Union Customs Code (MCC Recast) and the eCustoms initiatives under the C2020 programme, specific mandate was given to the High Level Project Group (see section 1.2).

Representation

The CPG is:

- Chaired by the European Commission;
- Composed of 1 delegate per participating country, being the Director General of the Customs Administration;

Role and responsibility

The role of the CPG is to:

- Provide strategic policy advice to the European Commission on matters of Customs policy and on how the operation of the Customs Union can be enhanced;
- Provide collegial leadership for the effective and efficient operation of the Customs Union, including leadership on matters of operational policy implementation;
- Share best-practices and information on emerging risks and compliance challenges;
- Provide strategic oversight, direction and guidance to the work of the various committees and groups under Customs 2020, including the settlement of differences of opinion that might arise out of the work of other committees or groups, steering the work of these committees and groups and advising the Commission on the need to establish or abolish committees or groups, based on an evaluation of the value of their work;
- Provide a forum for the early strategic discussion of, inter alia:
 - Emerging or planned newly proposed Customs policy initiatives or planned legislation that will change or impact existing Customs policy or affect operational procedures;
 - Operational policy implementation matters that arise from new legislation;
 - Issues that will impact the Member States' organisation, human resource management, including training and educational programs, budget or capacity;
 - The choice for the start and evaluation of monitoring actions and their results;

- All other issues of a strategic nature that might be agreed on by the members of the CPG and that are within the scope of the CPG's role;
- Endorse the yearly revision of the MASP.

The European Commission will, in good time, seek the advice of Member States on relevant matters in the context of the agreed role of the CPG.

Meetings, documentation and reporting

Activities of the CPG include:

- At least 3 meetings of the CPG will be held per year (or more if required);
- Timely distribution of documents to MS, particularly where approval is sought;
- Distribution of minutes to Member States, Commission services and the Electronic Customs Coordination Group.

1.2. High Level Project Group (HLPG)

Specific mandate is provided to the High Level Project Group for the implementation of the Union Customs Code and eCustoms ("HLPG for the implementation of the UCC and eCustoms") for the Governance of the implementation of the Union Customs Code (MCC Recast) and eCustoms initiatives.

Representation

The HLPG is:

- Chaired by the European Commission;
- Composed of two delegates per participating country, being the Deputy of the customs administration and/or the director, who can ensure real-time decisions engaging the national administration can be made. Experts will be invited to the meetings as and when they are required.

Role and responsibility

The role of the HLPG is to:

- Function as a high level coordination and steering forum by finding agreements to facilitate a coordinated implementation of all the different activities linked to the Union Customs Code (MCC Recast) and the eCustoms Decision, which require the Member States and the Commission to work closely for the implementation of the UCC. It will also make it possible to exchange views on the blue print for the EU Customs Union governance reform.
- The HLPG will provide a forum for:
 - Maintaining strategic oversight of the implementation of the provisions of the Union Customs Code (MCC Recast);

- Ensuring the follow-up of all the activities triggered within committees, other groups and subgroups;
 - Enhancing the highest level of coordination with all Member States (involving the highest level of management);
 - Guaranteeing the business process models will deliver the agreed policy objectives;
 - Enabling coherence between the different areas of development for the Union Customs Code (MCC Recast) implementation (legal, processes and BPM, IT, etc.);
 - Exchanging views on strategic or major implementation issues related to the Union Customs Code (MCC Recast);
 - Agreeing on the planning and prioritisation of electronic customs projects related to the implementation of the Union Customs Code (MCC Recast) and providing overall direction, leadership and monitoring in delivering against the prioritised scope and timetable.
- In particular the High-Level Project Group (HLPG) will pay special attention to the co-ordination between the CCC (and its sections), the UCC expert groups and the ECCG;
 - The HLPG may endorse policies and instruments to guide and inform and achieve the optimum co-ordination between these groups and to track the progress in the implementation of the UCC, related acts and projects;
 - The HLPG will issue resolutions to this end addressed to the CPG, the CCC, the UCC expert groups, the ECCG, the MS and the Commission services.

Meetings, documentation and reporting

Activities of the HLPG include:

- Arranging meetings on an ad hoc basis whenever strategic discussion, coordination or support of the work of governance on particular items is required;
- Holding a maximum of 5 meetings per year;
- Timely distribution of documents to MS, particularly where approval is sought;
- Distribution of minutes to Member States, Commission services and the Electronic Customs Coordination Group.

2. LEVEL II: COORDINATION LEVEL

2.1. Electronic Customs Coordination Group (ECCG)

The ECCG is made up out of representatives from all Member States (and Candidate Countries), mandated by their administration and with competencies in areas such as legislation, processes & BPM, project management, operations, planning and IT-technical aspects.

Meetings will address all aspects of the eCustoms projects and mainly validation, key outputs and major change packages, in particular MASP key achievements and progress will be presented.

Representation

- Chaired by DG TAXUD;
- Each Member State (and Candidate Country) is expected to represent its administration with at least one representative. The rules for reimbursement are covered as part of the C2020 program, which in general allows reimbursement for two experts. Exceptions may exist. The formal invitation to the events will stipulate the conditions for reimbursement;
- Representatives from Trade Contact Group could be invited on a regular basis;
- Delegates have IT & Customs Business profiles.

Role and responsibility

The role of the ECCG entails the following:

- The ECCG is the platform for all participating countries to discuss eCustoms-related subjects and to reach a common understanding and agreement on the Multi-Annual Strategic Plan (MASP), ensuring its update and reporting the progress of all projects in regard of set timelines contained within the MASP and assessing the overall MASP planning.
The ECCG follows up on projects, ensures progress is made against the key milestones, takes a programme level view and escalates to CPG (and/or HLPG) when agreement cannot be reached or when a policy/strategy statement is required;
- Definition of Level 3 and 4 Customs business process models (BPM), clarifying business requirements and functional requirements and coordination of operational projects and systems are also merits of the ECCG;
- The ECCG reviews the produced BPM;
- The key role of the ECCG is to find agreement with the Commission on the implementation of eCustoms projects defined in the MASP with regards to:
 - Ensuring coherence between the customs legislation and the implementation of eCustoms (e.g. standardisation of data elements and messages);

- Preparing and establishing a suitable and interoperable IT-environment that responds to the requirements of eCustoms (e.g. harmonisation of interfaces);
- Ensuring coherence and consistency between all projects related to eCustoms and between the projects and the MASP;
- Improving the dialogue with Trade on complex Customs issues.
- The ECCG will also assist the Commission in the establishment and updating of the MASP implementation plan and will agree on this plan and its execution with the Commission. This is in order to make sure that the target dates fixed in the eCustoms decision (or in any other applicable legal text) can be met. The ECCG will act as the change advisory board (CAB) for change requests and updates related to the MASP;
- Preparatory analytical work can be done by the ECCG, by another C2020 group, a contractor, a small project group, during a seminar or a benchmark, etc. The Commission, assisted by the ECCG, will provide for close coordination and follow-up of each of these activities.

Meetings, documentation and reporting

Activities of the ECCG include:

- Meeting at least three to five times a year;
- Ensuring the timely distribution of documents to participating countries;
- Reporting on the outcome (achievements) of ECCG project groups and the planning of activities for the upcoming period;
- Follow-up of the ECCG meetings by preparing Summary records and possible separate reporting to the CPG and/or HLPG (on strategic impact), the Customs Code Committee (on legislative impact) and the Customs 2020 Committee (on management or financial impact);
- Ensuring the coordination of reviews of MASP projects deliverables;
- In order to ensure coordination with the other Customs 2020 steering groups, separate reports on eCustoms-related subjects have to be addressed by the ECCG to the other groups and vice-versa (via DG TAXUD as intermediary);
- KELs/RfCs are discussed on Governance Level III (expertise level) and resulting proposals for acceptance are created on that same level. Formal acceptance of such KELs/RfCs (based on these proposals originating at Level III) takes place at Governance Level II (i.e. at ECCG level).

3. LEVEL III: EXPERTISE LEVEL

Four groups will coordinate the work at Expertise level. For targeted activities, they may be supported by subgroups. These groups are:

- Customs Business Group (CBG) (see 3.1);
- Customs EIS Operations Group, mainly a virtual group (see 3.2);
- IT Systems Development Group (see 3.3);
- IT Technology & Infrastructure Group (see 3.4).

KELs/RfCs are discussed on Governance Level III (expertise level) and resulting proposals for acceptance are created on that same level. Formal acceptance of such KELs/RfCs (based on these proposals originating at Level III) takes place at Governance Level II (i.e. at ECCG level).

The rules for reimbursement are covered as part of the C2020 program, which in general allows reimbursement for two experts. Exceptions may exist. The formal invitation to the events will stipulate the conditions for reimbursement.

3.1. Customs Business Group (CBG)

Representation

- Chaired by DG TAXUD;
- All Member States (and Candidate Countries) are expected to have their administration represented;
- Delegates are Customs business experts, but representation might change depending on the subjects under discussion;
- Other project groups or experts (private or public) are to be invited, either to report or to give support if and when necessary.
- The CBG can meet with the TCG and other relevant Committee groups (e.g. DIH, the expert group for UCC or the EIS Operations or IT Systems Development Group) when necessary.

Role and responsibility

The role of the CBG is to define all Customs business processes and their implementation.

The Customs Business Group will in particular focus on the definition of Level 3 and 4 customs business process models (BPM), business cases and working papers for new and on-going initiatives and electronic projects and for legislation, processes and operational systems.

It will be supported by project groups that have a limited number of participants, scope and duration.

Meetings, documentation and reporting

- The creation of Minutes of Meeting is required for each meeting and these should be made available to all participants.
- Interim progress reports and final reports should be represented at the ECCG and/or other Groups or Committees, as defined in the approved Customs 2020 action proposal.

3.2. Customs EIS Operations Group

Representation

- Chaired by DG TAXUD;
- All Member States (and Candidate Countries) are expected to have their administrations represented;
- Delegates are Customs business and IT project managers. Representation might change depending on the subjects under discussion;
- The Customs EIS Operations Group is mainly a virtual group whose members are connected by a collaboration tool and a repository.

Role and responsibility

The role of the Customs EIS Operations Group will be to deal with operational system's maintenance, monitoring and statistics and the identification of operational issues.

Meetings, documentation and reporting

- The creation of Minutes of Meeting is required for each meeting and these should be made available to all participants.
- Interim progress reports and final reports should be represented at the ECCG and/or other Groups or Committees, as defined in the approved Customs 2020 action proposal.

3.3. IT Systems Development Group

Representation

- Chaired by DG TAXUD;
- All Member States (and Candidate Countries) are expected to have their administrations represented;
- Delegates are IT Project Managers (with Business participation when required). Representation might change when required;
- If many parallel projects running at same time, the Group may split in two.

Role and responsibility

Preparation of the development of systems (MASP Groups 1, 2 and 3 fiches) followed by IT deliverables review and coordination. The Group may receive support from the project groups reporting to it.

Meetings, documentation and reporting:

- The creation of Minutes of Meeting is required for each meeting and these should be made available to all participants.
- Interim progress reports and final reports should be represented at the ECCG and/or other Groups or Committees, as defined in the approved Customs 2020 action proposal.

3.4. IT Technology & Infrastructure Group

Representation

- This group will continue the activities of the CCN working party;
- Chaired by DG TAXUD;
- All Member States (and Candidate Countries) are expected to have their administrations represented;
- Delegates are IT Project Managers. Representation might change when required.

Role and responsibility

Preparation for the technical/enabling projects and systems (MASP Group 4 fiches), followed by deliverables review and coordination. The Group may receive support from the project groups reporting to it. The Group can meet jointly with *Taxation* representatives (Fiscalis).

Meetings, documentation and reporting

- The creation of Minutes of Meeting is required for each meeting and these should be made available to all participants.
- Interim progress reports and final reports should be represented at the ECCG and/or other Groups or Committees, as defined in the approved Customs 2020 action proposal.

4. EXTERNAL GOVERNANCE SCHEME FOR THE IMPLEMENTATION OF THE MASP AND ALL RELATED eCUSTOMS PROJECTS

