



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels, D(2011)

Opinion

Title **DG TAXUD - Impact Assessment on the Customs 2020 Programme**
(draft of 24 August 2011)

(A) Context

Following up on the over-arching proposal for the next multiannual financial framework (MFF) for EU spending adopted on 29 June 2011, the Commission is currently preparing a series of proposals providing a legal basis for sectoral spending programmes and establishing their specific budgetary arrangements. In the area of customs cooperation, there will be a Customs Programme proposal.

The current programme (Customs 2013) has an overall budget of 323.8 million euro for the period 2007-13 (an average of 52.8 million euro per year). It aims to provide national administrations with the possibility to exchange information, data and expertise. The programme is a key EU tool, enabling the Customs Union to function seamlessly as one, instead of as a patchwork of 27 separate administrations. The programme supports (i) developing and operating major trans-European IT systems (TEIT systems) which allow for real-time exchange of information, (ii) joint actions (such as seminars, working visits, working groups, steering groups, etc.) to facilitate the exchange of good practice, and (iii) delivering common training to support customs officials across Europe in their daily work.

The IAB has focused on the policy choices not yet fixed in the MFF June package.

(B) Overall assessment

Although the report provides a good evidence base for the proposed Customs 2020 programme, it can still be improved on a number of issues. Firstly, it should strengthen the presentation of the baseline scenario. Secondly, the report should better explain how options implying spending less on certain aims have been taken into account. Thirdly, it should discuss the expected impacts of simplification and administrative burden reduction on SMEs more thoroughly. Finally, the report should clarify future evaluation arrangements, and discuss current practice and future plans concerning the consultation of external stakeholders.

In its written exchange with the Board DG TAXUD agreed to revise the report in line with the recommendations of this opinion.

(C) Main recommendations for improvement

(1) Strengthen the presentation of the baseline scenario. The report should provide a clearer description of how the problems are expected to develop by moving the main arguments currently provided in Annex 5 to the main text. The problem definition should also explicitly address the link with the Modernised Customs Code.

(2) Improve the presentation and comparison of options. The report should explain more clearly how options implying spending less on certain aims have been considered. It should improve the presentation of the comparison of options, especially with regard to the efficiency criteria, by explaining or reformulating the sub-criteria currently applied in section 7 of the report.

(3) Discuss the expected impacts on SMEs. The report should explain that although large firms still dominate international trade and therefore bear most of the administrative burdens related to customs policy, SMEs engaged in international trade may be disproportionately affected. Therefore administrative burden reduction can be expected to be highly beneficial to SMEs. This could be illustrated by data on the number and share of SMEs involved in external trade as a proxy.

(4) Clarify future evaluation arrangements. The report should provide an outline of future evaluations that is better aligned with the decision making needs of the next programming cycle.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

(D) Procedure and presentation

The report should explain that input was received from members of the trade community for the evaluation of the previous programme, and should indicate that in the future economic operators will be more consistently consulted.

(E) IAB scrutiny process

Reference number	2011/TAXUD/002
External expertise used	No
Date of Board Meeting	Written procedure



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Brussels, D(2011)

Opinion

Title

DG TAXUD - Impact Assessment on the Fiscalis 2020 Programme

(draft of 24 August 2011)

(A) Context

Following up on the over-arching proposal for the next multiannual financial framework (MFF) for EU spending adopted on 29 June 2011, the Commission is currently preparing a series of proposals providing a legal basis for sectoral spending programmes and establishing their specific budgetary arrangements. In the area of fiscal cooperation, there will be a Fiscalis Programme. The current programme (Fiscalis 2013) has an overall budget of 156.9 mn euro (i.e. on average 26.15 mn per year) and seeks to improve the proper functioning of taxation systems in the Internal Market by fostering cooperation between participating countries, their administrations and officials. It supports (i) the development and operation of centrally deployed and trans-European IT systems, (ii) joint actions between tax officials (seminars, working visits, working groups, etc.) to facilitate the exchange of good practice, and (iii) training for tax officials across Europe.

The IAB has focused on the policy choices not yet fixed in the MFF June package.

(B) Overall assessment

Although the report provides a good evidence base for the proposed Fiscalis 2020 programme, it can still be improved on a number of issues. Firstly, it should clarify the link between evaluation results and the problem definition. Secondly, the report should strengthen the intervention logic, and should improve the presentation of the options and their impacts. Thirdly, the report should distinguish more clearly between administrative burdens on businesses and citizens and the costs for public authorities. Finally, the report should clarify future evaluation arrangements and explain how external stakeholders other than tax authorities and tax experts will in the future be consulted.

In its written exchange with the Board DG TAXUD agreed to revise the report in line with the recommendations of this opinion.

(C) Main recommendations for improvement

(1) Clarify the link between evaluation results and the problem definition. The report should indicate how evaluation results have been used to identify the presented problems. The problem definition should focus more on concrete problems that have arisen with the present programme, or that can be expected to intensify under the baseline scenario. The presentation of the links between the problems and the problem drivers should be clarified.

(2) Strengthen the intervention logic and the presentation of the options and their impacts. The specific objectives should be more clearly formulated with the use of the changes in objectives in comparison with the previous programme as summed up in Annex 2. Moreover, the operational objectives should better reflect the identified scope for improvement and, where possible, set quantitative targets. The intervention logic should be established more evidently by linking the problems, the corresponding specific objectives and the envisaged options. The report should explain more clearly how options implying spending less on certain aims have been considered. The implications of alternative allocations of funding across activities (Exchange of Information, Joint Actions and Training Activities) should be discussed. The report should better explain the difference between Options 2 and 3. The report should present the impacts separately for each of the options.

(3) Make a clearer distinction between administrative cost categories. The report should distinguish more clearly between administrative burdens on businesses and citizens and the costs for public authorities of administering a tax collection system throughout the different sections of the report. Even if quantification of these categories has not been possible at this stage, the report should provide more insight in the nature and drivers of these two – distinct – categories.

(4) Clarify future evaluation arrangements. The report should provide an outline of future evaluations that is better aligned with the decision making needs of the next programming cycle.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

(D) Procedure and presentation

The report should explain why so far only primary stakeholders – i.e. tax authorities and their experts – have been consulted, and how in the future economic operators will also be asked for input.

(E) IAB scrutiny process

Reference number	2011/TAXUD/003
External expertise used	No
Date of Board Meeting	Written procedure