

Digitalisation and Simplification of Customs Processes at Greek Customs

Final Report

Technical Support Instrument

Supporting reforms in 27 Member States



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1 PROJECT SYNOPSIS

1.1 OVERALL OBJECTIVE

The general objective of this service contract was to contribute to institutional, administrative and growth-sustaining structural reforms in Greece, in line with Article 3 of the TSI Regulation. In particular, the project aimed to support the General Directorate of Customs and Excise Duty (Greek Customs) in redesigning their non-digitalised procedures that do not fall under EU Law towards the implementation of their digitalisation. The ultimate purpose of the project is that Greek Customs will have proceeded to the full digitalisation of all their procedures by 2025.

1.2 IMPACT AND OUTCOMES

The project was expected to have the following results:

- **Outcome 1:** Digitalisation, simplification, streamlining and optimisation of customs business processes and a uniform application and enforcement of the national legal framework;
- **Outcome 2:** Increased capacity of Greek Customs to perform its responsibilities and functions efficiently and effectively.

The project will have an impact on:

- Improving the efficiency and effectiveness of Greek Customs in fulfilling its mission and securing its revenue in full transparency and accountability;
- Improving the service of traders with Greek Customs in terms of quality and burden on their transactions with them.

1.3 PROJECT BENEFICIARIES

The main direct Beneficiaries of the Project, as defined by the Terms of Reference, are all the services of the Directorate-General of Customs and Excise. Other organisational units of I.A.P.R. were further involved as needed. Furthermore, it is recognised that several other public organizations, as well as citizens, will benefit directly or indirectly from the implementation of the project.

1.4 PLANNED RESULTS / DELIVERABLES

The project had the following deliverables:

- Deliverable 1 – Inception Report
- Deliverable 2 – Analytical Report on Digitalisation and Simplification of the Customs IT Systems
- Deliverable 3 – Expert Analytical Report
- Deliverable 4 – Recommendations for Technical Specifications of Functional and non-Functional Requirements
- Deliverable 5 - Training Material
- Deliverable 6 - Action Plan, Roadmap and Implementation Plan
- Deliverable 7 - Project Closing

Project starting date: September 15th, 2021

Project closing date: February 14th, 2023

Project duration: 17 months

2 SUMMARY OF DELIVERABLES

2.1 DELIVERABLE 1: INCEPTION REPORT

The main purpose of this deliverable was to ensure that all the stakeholders have a common understanding on the outcomes and deliverables of the project. The inception report allowed further a revision of the project methodology. It also helped all stakeholders, and in particularly the contractor, to get on board rapidly and identify preliminary issues.

In the introduction, the report outlines the EU and national strategic framework for the project. The EU environment section provides information on the broader context in which the project will take place, including any relevant EU policies or initiatives. The Greek context section describes the specific national context in which the project will be implemented, including any relevant national policies or initiatives.

The project methodology section describes the approach that will be taken to carry out the project. The core of the methodology is described, as well as any additional methodological tools that will be used. The project charter section includes information on project management, including governance, stakeholder roles and responsibilities, and a project management methodology. It also includes details on the stakeholder engagement approach, as well as the approach to issues, risk, change, and quality management.

The report also includes a section on the project constraints and assumptions, as well as a work plan and timetable with milestones. The progress monitoring and preliminary findings are also described.

The detailed description of deliverables section provided updated information on the various outputs that would be produced as part of the project, including the analytical report, the expert analytical report, the recommendations for technical specifications, the training, the action plan and roadmap, as well as the project closing.

Finally, the report includes annexes with lists of project risks and mitigation approaches, issues, and a summary of meetings held. These annexes provide additional information and context for the project.

2.2 DELIVERABLE 2: ANALYTICAL REPORT ON DIGITALISATION AND SIMPLIFICATION OF THE CUSTOMS IT SYSTEMS

The main purpose of this deliverable was to conduct an as-is analysis of customs systems, provide an as-is model of the customs IT systems and to develop recommendations for improvements. It focused on:

- mapping those systems and processes that are not digitalised and/or simplified;
- identifying loopholes where simplification efforts would be particularly beneficial; and
- establishing milestones for further action.

The report begins with an introduction and an overview of the level 1 and level 2 analyses that were conducted.

The first part of the report comprises the Analysis of the Existing Situation (“As-Is”), and provides an in-depth analysis of the current state of customs systems within the Directorates of the IAPR. For each of these directorates, the report provides an overview and then delves into selected procedures, analyzing them in detail.

Thus, the complete procedure fiche includes for each process:

1. Purpose and content
2. Scope and extent of application
3. Stakeholders/actors
4. Framework (legal-regulatory-procedural)
5. Systems or tools used
6. Challenges or problems identified
7. Process map – workflow diagram
8. Activity and financial data
9. Process Analysis and Assessment

Based on the “As-Is” Analysis, the report carried out the Future Analysis (“To-Be”), which presents the findings of the analysis of the potential for digitalisation and simplification of customs systems in the future. The goal is to redesign to achieve the “digitalisation” and “simplification” of each procedure. The structure of the process maps is similar to the previous section.

The deliverable’s Gap Analysis and Transition Plan performed a process and data analysis which encompasses information related to:

- Data elements, which are missing and/or should be modified;
- Processes and procedures, which are missing/paper-based and/or should be modified;
- IT Systems, which will be affected by the introduction of the new or modification of the existing business processes and EU CDM data model;
- Proposing and discussing a transition plan that identifies the steps forward;
- Opportunities for optimization and to simplify customs procedures.

Finally, the deliverable presented the Business Purpose for each procedure, including:

- Direct Cost-Benefit Analysis
- Benefits to Interacting Stakeholders
- Investment required
- Quality Benefits

2.3 DELIVERABLE 3: EXPERT ANALYTICAL REPORT

This deliverable produced concrete and detailed recommendations for changes related to the digitalisation and simplification of the remaining outdated or/and paper-based national customs processes, as well as business process improvement.

The report begins with an introduction, which provides context for the project and explains the purpose of the report. The diagnostic study begins by grouping similar procedures by directorate and then proceeds to discuss changes to the current initiatives framework. This includes the implementation of a new Customs Information System based on the Union Customs Code (UCC) and the development of the Single Window Environment for the Trade Facilitation System. The diagnostic study also provides a total overview and analysis of levels 1 & 2, along with an outline of the main challenges and options for the new design.

The impact assessment section of the report examines the impact of the digitalisation and simplification process on four different directorates: DDTHEKA, DTD, DSTEP, and DEFK & FPA. This includes an analysis of the procedures of each directorate and the potential impact of the new system on them.

The business process analysis and business process mapping expands the results of the “To-Be” analysis of Deliverable 2 and combines them with the results of the previous two tasks in order to complete the process descriptions, assigning the steps of the process to the IT systems with details about the data flows and tools involved. It comprises a Level 4 Business Process Mapping for each national customs process and procedure under the “To-Be” analysis.

The report also includes a comparative analysis of good practices, which looks at five different countries and their customs systems, examining various procedures and how they have successfully implemented digitalisation and simplification in their customs processes.

The modeling (standardization) chapter presents a review of the basic principles and axes for implementing the proposed changes by developing relative functionalities.

Finally, the report includes a cohesive catalogue of “adaptations” needed to implement the proposed changes, both in terms of procedures (managerial aspects) as well as IT systems.

2.4 DELIVERABLE 4: RECOMMENDATIONS FOR TECHNICAL SPECIFICATIONS OF FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS

This deliverable produced technical specifications of functional and non-functional requirements based on the Level 4 Business Process Modelling.

The objectives of the deliverable were:

- Deliver the core of the specifications that will allow the full digitalisation of General Directorate of Customs and Excise Duties systems by integrating part of them into the new ICISnet under development and by developing new subsystems and systems to cover procedures outside the UCC.
- To lay the methodological foundations for the design of future extensions, upgrades and improvements of systems.
- Provide the necessary documentation for systems as a basis for maintenance and troubleshooting in the operation of the systems.

The document provides recommendations for technical specifications of functional and non-functional requirements for the digitalisation and simplification of customs processes at Greek Customs. The introduction

provides background information on the general framework, the current situation, the purpose and expected results, and the objectives of the recommendations. The methodology section outlines the basic structural elements of the architecture, including general principles, logical architecture, and physical architecture. It also covers functional requirements and technical specifications, as well as non-functional and technical requirements, including interoperability, safety, accessibility, usability, response, and availability requirements.

The document also includes recommendations for the implementation of the digitalisation and simplification of customs processes, including the implementation plan, the implementation timeline, and the implementation budget. Finally, the document provides a summary of the main results and conclusions, as well as a list of exhibits.

2.5 DELIVERABLE 5: TRAINING MATERIALS

The purpose of the deliverable was to produce training materials and provide targeted training for the digitalisation and simplification of customs systems.

The tasks were two-fold:

1. Prepare training materials on business process improvement methodology and the changes to the customs electronic systems as they result from the gap analysis, the “to-be” analysis and the expert report and in accordance with the roadmap and its implementation plan; and
2. Deliver training to a customised core team of business and IT people that will be involved in the upgrade per electronic systems in terms of processes, methodologies, also considering opportunities and constraints.

The overall content of the training covered the general methodology for the redesign of procedures, the correlation of information technology systems and procedures, as well as a systems level analysis based on TAXUD methodology. Specific case studies were examined, and the ARIS tool was utilized for the application of the concepts in practice.

The training programme had five objectives for the selected Customs staff:

- To understand the main concepts and methodological approaches of process management, improvement and reengineering in the broader context of digital transformation of organizations
- To develop the ability to articulate procedures for their work applying the above principles and methodologies and be able to manage them in a process management system
- To familiarize with the systemic approach and the connection between the procedures and the information systems that implement them
- To understand the main context of EU and national policies for digital transformation and uniform application of the UCC
- To be able to use practical digital tools for designing and documenting (in particular the ARIS software) the procedures and provide the business requirements and some technical specifications for the information systems

By the end of the Training, participants should be able to:

- To undertake any future amendments and updates to the procedures described in the deliverables of the project
- To provide business requirements for the digitalisation of new or modified procedures
- To evaluate the performance and introduce improvements to the procedures.

The content of the training was the following:

Day 1

- Management, Redesign and Improvement of Business Processes.
- Digital Transformation of Public Administration
- European Policies for Digital Transformation
- Methodology for the Redesign of Processes
- Process Analysis and Design
- Tools for Redesign
- ARIS Express Tool
- Training on ARIS Express

Day 2

- From Processes to the Design of Information Systems
- 1st Case Study
- Systems Interoperability — Standardisation
- 2nd Case Study
- Overall discussion on the project's processes and next steps
- Training on ARIS Express

2.6 DELIVERABLE 6: ACTION PLAN, ROADMAP AND IMPLEMENTATION PLAN

This deliverable shall produce a detailed action plan, together with a roadmap and an implementation of the recommendations in the to-be situation and the expert report.

The purpose of this deliverable is to draw up an Action Plan including the “Roadmap” and the Implementing Plan for IT Solutions (Systems, Subsystems and Functionalities, hereinafter simply referred to as “Systems”) presented in Deliverable 4: RECOMMENDATIONS FOR TECHNICAL SPECIFICATIONS OF FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS.

In detail, based on the wider IAPR project programme that is already underway, the deliverable presents:

- proposals for grouping the recommended solutions
- timetable for the implementation of solutions with a 1st level analysis of the work to accompany this implementation
- budget of actions under the programme contracts

In its introduction, the deliverable presents the purpose, main directions and “Work Frameworks” for the implementation of the technical solutions proposed in Deliverable 4, as well as the assumptions, risks and requirements (administrative, technical and organisational) for the successful completion of the actions of the Plan.

The “Programme Framework for Implementation and Financing” section, describes the planned actions of the IAPR and their financial framework within which the actions implementing the systems of this Action Plan are included.

An Analysis of the Action Plan follows, with a detailed description of actions, organisational responsibilities, timing and budget.

For the development of the solutions, four groups of actions called “Work Frameworks (WF)” have been developed. For the frameworks there is already ongoing planning with a budget and a time horizon for implementation on the part of the IAPR.

On the basis of the planning and in cooperation with the executives of the working group of this project, the integration of the implementation actions of the systems into the WFs was made. The WFs already have a defined project scope for the contracts under which they will be implemented, and the inclusion was made on the basis of the pre-defined subject-matter of each framework.

3 PITFALLS/CHALLENGES AND SOLUTIONS TO SPECIFIC PROBLEMS

The Project Team has faced some serious challenges in the process of completing the work done. These problems can be outlined as follows:

■ Remote project team and stakeholder meetings

The project started during the enforcement of social distancing measures because of the Covid-19 pandemic. The bulk of the intense fact-finding meetings had to be conducted under public health measures that prohibited direct meetings of the Consultant's team with the Beneficiary's counterparts. With the use of technology and appropriate software tools, it was possible to hold the meetings and collect the information needed with minor loss of efficiency. Small group meetings of 4 or 5 participants proved to be the most successful.

■ Number of participants to beneficiary's project team

The overall number of participants to the beneficiary's project posed a challenge for full team meetings as time constraints limit the possibility for a lot of team members to participate in the discussions and engage in the process. Large teams also pose an organizational problem for keeping track of the actual participation, while in receiving feedback there is a large number of comments that need to be timely collected and processed. These comments have sometimes been divergent.

■ Unclear lines between fact-finding work for "as-is" and reengineering for "to-be" phases

The project deliverable structure that intermingled in Deliverable 2 "as-is" and "to-be" work created some confusion about the new design. The time for the collection and discussion of the "as-is" situation was very limited and it was necessary to extend the period for the completion of Deliverable 2, without delaying the project overall. The beneficiary's team had not had the time to carefully consider the proposed changes and the rationale behind them, in particular with respect to digitalisation. Thus, several comments reflected a more 'conservative' stance in favour of the current procedures. Furthermore the "to-be" processes were presented before the presentation of the good practices. Although the Consultant's team had already worked on good practices, the beneficiary's project team had not had the time to review them.

■ Uncertainties about parallel projects

The present project work proceeded in parallel with the process of preparing and maturing IT projects that related to the complete digitalisation of the work of IAPR. Although the fact of the preparation of these projects created a certainty about the sequel of the present project, it also created some uncertainty about what tasks and procedures were to be included in each project. Also, due to recent organizational changes, the Public Material Management System was being addressed by two teams and their work has not been merged, yet.

■ Scattered sources of information

The organizational structure of IAPR is functional with emphasis on procedural specialization, which means that a lot of relevant information was not centrally available. Procedures were being described in a consistent way, yet without connection to the IT systems. There was no common documentation and standardisation system for procedures and systems/tools (such as the forms used or the standard messages being sent). Thus, the collection of information was in some cases gradual, leading to the need to reconsider some work in particular in Deliverables 3 and 4.

■ Detailed and extensive deliverable review process

The review process was very detailed and extensive which has led to very high quality and validity work. However, the structure and size of the project team with small groups submitting specialized comments led to the need for further elaboration and homogenization of the final deliverables.

4 LESSONS LEARNED

■ Remote meetings can work

The challenges posed by the social distancing measures due to the pandemic gave the opportunity to the project team to develop an approach for the remote work that led to very good results and allowed for effective meetings that satisfied fully their purpose. Although remote web meetings cannot altogether replace

the in-person meetings, the project team has concluded that well prepared and structured meetings of small number participants (up to 5 or 6) can be very effective. Interaction in larger meetings can be difficult. It is difficult to have less-structured meetings where personal interaction becomes important and spontaneous reactions are necessary for the nature of issues discussed (e.g. design or envisioning of new procedures and systems), then remote meetings are less effective.

- **Multi-member project teams need ample time to work effectively**

When project teams are comprised of more than 20 or so members, then there should be enough time for all members to review the project material as well as interact with peers and counterparts to provide feedback.

- **“As-is” analysis and “to-be” design should be separated as deliverables**

In this project “as-is” analysis and “to-be” design had to be part of the same deliverable. That meant that late remarks were affecting earlier design choices. It is therefore advisable to conclude the fact-finding and confirm the “as-is” analysis before proceeding to the design phases. It is also important to distinguish between the project team members that provide information and those participating in the various stages of design.

- **Parallel projects need to attract attention early on**

Work is not done in isolation and therefore any parallel project work should be placed into context and carefully considered from the early stages in order to align the design with such work.

- **Information should be sought proactively from sources**

Stakeholders may have a different understanding of relevant information. Therefore, the project team should investigate and proactively collect information that may not immediately seem relevant to a project.

- **Review process should be more focused and aligned**

The review and approval of deliverables may be a lengthy process with large beneficiary teams. The process requires careful coordination for the purpose of receiving feedback in a timely manner. Additionally, in large teams the remarks and feedback should be screened for alignment and consistency with the basic directions and principles, in particular in the design stages.

5 POST PROJECT RECOMMENDATIONS

- **Use remote meetings when possible**

Remote online meetings should be used whenever possible. For small teams they can be both effective and efficient. Of course kick-off and introductory meetings are valuable and there is a lot of value in personal interactions, but beyond that, with careful planning and structuring, remote meetings can be equally productive.

- **Hold more fact-finding meetings with broad topics – more contextual information even not directly related to the project**

Stakeholders and experts do not always have the same understanding about useful information. Therefore fact-finding meetings and research should not be strictly limited to an initial set of information, but they should be broader and both teams (beneficiary and experts) should be open to unexpected findings when exploring such issues and information sources.

- **Rationalize and centralize review process**

The deliverable review process should be coordinated and to a degree centralized with the beneficiary building a uniform approach and opinion about the remarks and the feedback provided.

6 OUTCOMES AND BENEFITS FOLLOW-UP PLAN

The project has had one significant advantage: all next steps can be part of other subsequent projects with financed budget and a certain stage of maturity for implementation that limit significantly the risks and uncertainties for the next actions.

The project provided the necessary foundations for the IT systems specifications that can be used for the IT systems, subsystems and functionalities that will implement the described procedures. The recommendations of

the project will be implemented in the context of four major IT projects, which by year 2025 will have effectively implemented all the IT systems for a “paperless” IAPR, of course to the degree that the external users will be able to operate “paperless,” too.

The most important legacy of the project will be the fact that IAPR staff has acquired hand-on experience and training for process reengineering in the very particular framework for EU-TAXUD and IAPR. Thus, IAPR will have the internal capacity to continue the improvements and address any future changes and challenges.

That capacity building should be carried on with the empowerment and further training of the organizational unit that is responsible for procedures and process management, namely the Directorate of Operational Procedures (DI.EPI.DI.).



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