**4.29. Chapter 29: Customs union**

As regards **customs legislation**, the 2013 customs tariff was adopted in line with the latest changes in the EU Combined Nomenclature (October 2012). Customs duties on some 120 tariff lines were abolished or reduced as part of anti-crisis measures. Preparations in this area are advanced.

As regards **administrative and operational capacity**, the customs administration is developing a new customs declaration and processing system and integrated tariff environment system. A new transit application, compatible with the new computerised transit system (NCTS), is under development through an IPA-funded project. However, the project faces implementation difficulties, which might delay significantly the process of accession to the Convention on a common transit procedure. The national project plan for the NCTS has not been regularly updated. The single-window system for issuing authorisations was upgraded with additional functionalities and the number of economic operators using it has increased. The project management and quality assurance capacity needs to be strengthened in order to minimise the risks associated with parallel implementation of IT development projects and improve performance and sustainability.

Operational capacity for customs controls and combating cross-border crime were enhanced. The sector for control and investigations was restructured and strengthened. Professional and integrity standards and internal control measures were implemented systematically. The risk management system at border crossings was further developed and new applications for risk analysis were introduced. Several international channels for drug trafficking were interrupted and significant seizures of drugs and other illicitly trafficked goods were made. Sustainable financial resources for operation and maintenance of the customs control equipment have yet to be secured.

 The customs administration took part in the work of the business advisory body as a forum for consulting chambers of commerce and economic operators. Cooperation with the customs administrations of the neighbouring countries and the wider region intensified, with a number of agreements signed and bilateral meetings held. Preparations in this area are advanced.

 *Conclusion*

 There was some progress in the area of customs union. The administrative capacity of the customs administration to implement legislation, inter-agency cooperation and capacity to tackle cross border crime continued to improve. Further strengthening of the institutional and management structure is needed, including greater sustainability and continuity of financial and human resources. Preparations in this area are advanced.