

Project Fiche – IPA National programmes / Component I

1 IDENTIFICATION

Project Title	<i>Modernisation of the Albanian Customs Administration</i>
CRIS Decision number	<i>2012/023-036</i>
Project no.	<i>8</i>
MIPD Sector Code	<i>1. Public Administration Reform</i>
ELARG Statistical code	<i>02.29 - Customs</i>
DAC Sector code	<i>15110 - Public sector policy and administrative management</i>
Total cost (VAT excluded)¹	<i>3.81 M EUR</i>
EU contribution	<i>3.5 M EUR</i>
Management mode	<i>Centralised</i>
EU Delegation in charge	<i>The Delegation of the European Union to Albania</i>
Implementation management	<i>Directorate General of Customs:</i> Mr. Flamur Gjymishka Director General Tel: +355 (0) 4 2264912/Fax: +355 (0) 4 2243914 E-mail: fgjymishka@dogana.gov.al Ms. Eliana Gjinali Specialist for Management of Projects Tel: +355 (0) 4 2243917/Fax: +355 (0) 4 2243917 E-mail: e_gjinali@dogana.gov.al
Implementing modality	<i>Stand-alone project: one twinning, one supply contract, one service contract</i>
Project implementation type	<i>C01 - Project-type interventions</i>
Zone benefiting from the action(s)	<i>Albania</i>

¹ The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

The project aim is to further align the custom legislation with the EU legislation, to upgrade the administrative capacity of the Albanian Customs Administration, to prepare the path for future ICT development projects and to contribute in the fight against contraband. The areas covered by the project were identified during a customs blueprints exercise, which included an assessment of criteria based on EU best practice and recommendation for technical and financial assistance, as the most important areas requiring further assistance.

The project will ensure a closer alignment of customs legislation and procedures with the EU-acquis, it will increase the technical and operational capacity of the Anti Contraband Directorate and it will introduce the skills to handle ICT development projects.

As result, new legislation, procedures, guidelines, and instructions that are in line with EU standards for transit, tariff and simplified procedures will be drafted and training delivered. The enforcement preventing contraband and illegal trafficking will be enhanced and the introduction of ICT development projects will be facilitated. It will help in the creation of a professional, effective and efficient Albania Customs Administration (ACA). The project builds on the results of the IPA 2008 Twinning project in Albania "Support to the alignment of the customs procedure with EU standards".

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

In the **Multi-annual Indicative Planning Document (MIPD) 2011-2013**, related to the sector of Public Administration Reform², is stated that: "Albania should continue to be assisted in the modernization of its customs administration. Priority areas in this respect are intellectual property rights, risk analyses, post-clearance, laboratories and security rules." Also, as Sector Objectives for EU support over next three years is: "Bolster the capacity of the Ministry of Finance, the Ministry of the Economy and other relevant bodies. Enhance the cooperation between relevant bodies and government institutions responsible for economic and fiscal policies as well as improve the reporting of these institutions."

The **National Strategy for Development and Integration** 2007-2013 aims to reduce corruption in a gradual and notable manner, institutions integrity, to strengthen and promote the values of good governance. For the period 2011-2013, the Public Finance Sector has as vision: "Customs and tax administrations that apply policies for revenues with professionalism, integrity and honesty at a standard to be reliable for citizens and local and international government partners and business community". Some of the Strategic Priorities and Policies related to this sector are: "Enhancement of performance and reliability of the custom and tax agencies". The policies related to this strategic objective aim to modernize both administrations, to increase operative efficiency, etc. In Custom Administration will be applied e-customs, to facilitate preparation of custom declarations and to offer an easier

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possibility of exchanging information. One of the strategic priorities in the NSDI related to the Sector of Organized Crime, Terrorism and Trafficking is to: 'Further increase of capacities of the Authorities of the fight against money laundering, and capacities of Customs Administration to fight contraband by training and exchange of information'.

In accordance with the **National Plan for Implementation of SAA for 2009-2014**, (Part 3 Addressing Priorities, 3.13 Customs) the politic objective in the customs field is to increase the standards of customs structures, to put them at the community service, anti smuggling, corruption, monopolies, clientele practices and creating of a favorite and competing climate for business.

Customs service has prepared strategies and detailed plans, which consist in several objectives, one of which is "Intensive involvement of custom services in defending the security, in the war against traffic of drugs, ammunitions, stolen vehicles, human beings etc."

2.3 LINK WITH ACCESSION PARTNERSHIP (AP)/EUROPEAN PARTNERSHIP (EP)/ STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

Adoption and application of the EU *acquis* in the Customs (Chapter 29) and Taxation (Chapter 16) field is an essential element of the general process of Albania's preparation for accession to the EU. The project will support this process with reference to challenges identified in the Commission Opinion on Albania's application for membership of the European Union (Analytical Report). The project complies with EU norms and standards.

The European Partnership asks to further align customs legislation and procedures with EU practices; in particular, **ensure approximation of rules and procedures for transit**, customs warehouses, **customs valuation, physical controls and risk analysis** to EU standards. **Ensure that national tariff is timely updated on the basis of the most recent Combined Nomenclature.**

The EU Analytical Report of 9th November 2010, Part 3. Ability to Assume the Obligations of Membership, at Chapter 29 Customs Union, states as conclusion that the Customs legislation in Albania is partly aligned with the EU *acquis*. Further efforts are needed in a number of areas, along with overall alignment with the EU's customs legislation. **The administrative and operational capacity of the customs administration will need to be reinforced to improve implementation of the existing legislation and to address future challenges.**

Regarding customs the **Progress report 2011 states** "...there was some progress on legislative alignment and administrative capacity, particularly as regards operational capacity and IT. However, further efforts are required on alignment with the EU, including on valuation and the use of simplified procedures and trade facilitation. Enforcement capacity and management of human resources remain insufficient and IT systems are not fully compatible with EU requirements".

2.4 PROBLEM ANALYSIS

The General Customs Directorate is the institution responsible for the customs management in the Republic of Albania. It is subordinate to Law No. 8449, dated 27.01.1999 "The Customs Code of the Republic of Albania" and the sublegal acts pursuant to it.

A “**New Albanian Customs Code**” is finalised in **June 2011** s and ACA has initiated the approval process with the Ministry of Finance and Council of Ministers. Albanian Custom Administration (ACA) is working also on sublegal acts to the New Albanian Customs Code.

The successful implementation of the “New Albanian Customs Code” and the Adhesion of the Republic of Albania to the Common Transit Convention (CTC) would be milestones on the Albanian way towards European integration.

The implementation of this “New Albanian Customs Code” will **simplify legislation and administration procedures for the customs authorities and economic operators and the Adhesion to the CTC will facilitate and secure trade**. There will be also **economic effects** because the computerisation and simplification of procedures should allow companies established in Albania to face more effectively the customs-related challenges of economic globalisation and increasing trade volume.

The IT and business capacity of the Albanian Customs Administration needs to be strengthened, with particular attention to interconnectivity and interoperability with the computerised systems of the EU. Therefore, business and management skills, as well as a correct infrastructure need to be introduced prior to the commencement of the development of ICT Projects (such as New Computerised Transit System (NCTS) and Integrated Tariff Management System (ITMS)).

The implementation of this Project will contribute to prepare the ground from the legislative and procedural point of view for the future EU linked ICT Projects, NCTS, ITMS, Excise Movement and Control System (EMCS).

The technical and operational capacities of the Anti Contraband Directorate are weak and should be improved in accordance with the ACA draft strategy and specified plan which consists of some priority objectives one of which is “Intensive involvement of Customs service in protecting the security in the fight against traffic of drugs, ammunitions, stolen vehicles, human beings, etc”. This weakness is related to the poor-conditioned technical equipment and the impossibility to assure the presence to Anti Contraband team, in areas with high risk. In order to perform their duties and responsibilities the Albanian Customs Anti Contraband Directorate should be equipped with specialised Mobile Position Controls (MPCs) vehicles supplied with the specific devices. These vehicles will be designated for uniformed formations out posted on mobile points of control will allow for sudden arrival, establishing suitable points of control at random location using vast number of advanced equipment, essential for carrying out detailed controls of selected vehicles on the road. These vehicles, using advanced equipment, will be capable to establish autonomous and effective points of controlling documents and goods.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

The project will :

- Assure continuity of the work commenced with the twining Project under IPA 2008 annual programme: “Support to the alignment of Customs Procedures with EU Standards”. The successful implementation of the “New Albanian Customs Code” prepared under above mentioned project, followed by the adhesion of the Republic of Albania to the Common Transit Convention (CTC) would be milestones on the Albanian way towards European integration.

- Comply with the high priority recommendations and subjects to be focused during 2012-2017, given by the Multi-beneficiary IPA 2009 Project: “Regional Blueprints Exercise on Customs and Taxation”, from which benefited Administrations of Western Balkans and Turkey, including Albania. The IPA 2009 Regional Blueprints Report gives a picture of how the transfer of knowledge and best practices of ACA should be provided by TA programs. The project proposed under IPA 2012 is mainly focused on Programs related to IT technology, Infrastructure and Equipment, Border and Inland Control.
- Support and complement the IPA 2008 Project: “Implementation of Digital Camera Surveillance System for the Customs Service and Border Police” and “Supply of Maritime Vessel for Maritime Law Enforcement and Border Police ” with specialised vehicles for border and inland controls of the anti-contraband Directorate.
- Follow the recommendations of DG TAXUD and IT workshop of 12-13 September 2011 at ACA premises mainly in the fields of ITC, NCTS, ITMS.
- Comply with the Draft Business Change Management Plan, Customs Strategy and IT strategy, currently under development. This Project deals with the objectives drafted in the strategic Documents related to IT development, anti- contraband.

2.6 LESSONS LEARNED

As far as the Project management capacity of the Albanian Customs Administration is concerned, during the implementation of the IPA 2008 projects, Albanian Custom Administration has gained broad experience in managing the EU projects. Following the recommendations of the twinning partner (of IPA 2008 twinning), the lack of capacities/structures to coordinate projects has resulted in the need of establishment of a Strategic Development Unit (SDU), in order to develop strategies and customs policies, to coordinate national and international activities, assistance projects etc.

Effective implementation/use of the recommendations/expertise and equipment provided by external assistance is mandatory. Sufficient training should be planned for the use of equipment and sufficient funds planned for the maintenance.

The implementation of the project requires the full commitment and participation of the senior management of the Directorate General of Customs.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

Contribute to more secure trade in frame of the Second Copenhagen criteria.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

Strengthening the capacity of Albanian Customs Administration in line with the EU Customs standards.

3.3 RESULTS

Activity 1

Results 1: Customs legislation and procedures closer aligned with the EU acquis, focused on the interoperability of IT systems with EU systems.

Result 1.1 – Aligned Transit Management

Result 1.1.1 The Strategy for joining Common Transit Convention, prepared and approved.

Result 1.1.2 Improved capacities of the Albanian Customs Administration necessary to meet the requirements of a full and stable implementation of all Common/Community transit procedures.

Result 1.1.3 All necessary legal, administrative and procedural arrangements entered in force. Recommendations on any necessary changes are provided as far as it relates to project objectives in the NCTS field.

Result 1.1.4 All the NCTS (New Computerized Transit System) needs and initiatives, taking also into account the ASYCUDA World functionality, are defined.

Result 1.2 – Aligned Tariff Management

Result 1.2.1 All the ITMS (Integrated Tariff Management System) Initiatives defined and tariff measures towards EU ready arrangement and an ITMS multi ministry workflow, established.

Result 1.2.2 Legislative provisions in the EU Customs ITMS related issues are drafted.

Result 1.2.3 A comprehensive training programme on the EU Customs tariff related area is in place.

Result 1.2.4 All the ITMS (Integrated Tariff Management System) needs and initiatives, taking also into account the ASYCUDA World functionality, are defined.

Result 1.3 - Strengthened capacity on enforcement and intelligence

Result 1.3.1 Proper working guidelines and working methods for the Anti-Contraband directorate in line with the EU model are elaborated.

Result 1.3.2 Strengthening technical and operational capacities of officers on enforcement and intelligence.

Activity 2

Result 2: The ACA ICT department is restructured and re-organized.

Result 2.1 Project Management Methodology is introduced and training on a project management tool is delivered.

- Result 2.2 The ICT Sector functional characteristics and organizational structure is reviewed and updated.
- Result 2.3 The technical capacities for data exchange with the EU and current IT system of the Customs Administration adapted to new business challenges and new forms of data exchange established.
- Result 2.4 The TOR for NCTS and ITMS application prepared.

Activity 3

Result 3: Increased technical and operational capacity of the Anti Contraband Directorate

- Result 3.1 The specialized (Mobile Position Control) vehicles designated for uniformed formations out posted on mobile points of control for the Anti-Contraband Directorate are purchased and operational.

3.4 MAIN ACTIVITIES

Activity 1: Aligning Customs legislation and procedures with the EU *acquis*, also in view of the interoperability of IT systems with EU systems.

Contract 1.1: Twinning Contract to Albanian Customs Administration to prepare, from the legislative and procedural point of view, the interoperability of IT systems with EU systems and to upgrade the administrative capacity, on enforcement and intelligence.**Sub-Activity 1.1 - Improving Transit Management**

Sub-Activity 1.1.1 Setting- up of a strategy for joining Common Transit Convention (CTC);

Sub-Activity 1.1.2 Improving customs provisions in order to harmonize the transit procedures; readjusting the system for managing guarantees; aligning the national system for managing guarantees with the EU system for managing guarantees; introducing the concept of an authorized stakeholder in the procedure (Authorized Economic Operator);

Sub-Activity 1.1.3 Review and follow up the entry into force of all necessary legal, administrative and procedural arrangements and recommend on any necessary changes as far as it relates to project objectives in the NCTS field;

Sub-Activity 1.1.4 Defining all the NCTS (New Computerized Transit System) needs and initiatives, also taking into account the ASYCUDA World functionality.

Sub-Activity 1.2 - Improving Tariff Management

Sub-Activity 1.2.1 Defining all ITMS (Integrated Tariff Management System) Initiatives by establishing tariff measures towards EU ready arrangement and an ITMS multi ministry workflow;

- Sub-Activity 1.2.2 All necessary legal provisions (primary, secondary legislation and executive orders) in the EU Customs ITMS related issues will be drafted or relevant regulations amended to support the implementation of interoperability with the EU systems (ITMS);*
- Sub-Activity 1.2.3 Implementation of a comprehensive training programme on the EU Customs tariff related area;*
- Sub-Activity 1.2.4 Defining all the ITMS (Integrated Tariff Management System) needs and initiatives, also taking into account the ASYCUDA World functionality.*

Sub-Activity 1.3 - Capacity building on enforcement and intelligence.

- Sub-Activity 1.3.1 Preparing guidelines and working methods for the Anti-Contraband Directorate to strengthening the technical and operational capacities on enforcement and intelligence;*
- Sub-Activity 1.3.2 Providing trainings for the officers of mobile units, to strengthening their technical and operational capacities on enforcement and intelligence.*

Contract 1.2 National contribution

Under activity 1, a co-financing of 5 % will be provided by Ministry of Finance according to the work plan that will be jointly prepared with the selected Member State. The co-financing will be in addition to the contribution in kind (office space, facilities, ect.). Contribution in kind is not included in the budget table (section 4).

Activity 2: Reinforcing the ACA ICT department.

Contract 2.1: Service contract: Technical Assistance to the ICT Department of ACA.

- Sub-Activity 2.1 Providing introduction of Project Management Methodology and training on project management tool;*
- Sub-Activity 2.2 Reviewing and Updating of ICT Sector functional characteristics and organizational structure;*
- Sub-Activity 2.3 Establishing and adapting the technical capacities for data exchange with the EU and current IT system of the Customs Administration adapted to new business challenges and new forms of data exchange;*
- Sub-Activity 2.4 Preparing the TOR for ITMS application.*

Contract 2.2 Service contract (national contribution) of 10 %: Preparing the TOR for NCTS application.

Activity 3: Improving the technical and operational capacity of the Anti Contraband Directorate

Contract 3.1: Supply contract for purchase of specialized (Mobile Position Control) vehicles for the Anti-Contraband Directorate.

Sub-Activity 3.1 Purchasing specialized (Mobile Position Control) vehicles designated for uniformed formations out posted on mobile points of control for the Anti-Contraband Directorate.

Contract 3.2: Supply Contract (National Contribution of 15%: Supply of additional (4x4) Vehicles for the Anti-Contraband Directorate.

3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT (WHERE APPLICABLE)

Due to the alignment with EU legislation, as well as the improved administrative capacity of the customs administration and improved ICT infrastructure adaptability, trade will be positively affected. Exporters will with greater ease export their products and services internationally, while having less unfair competition from contra-bande at the domestic market. Importing will also be possible at lower costs and more quickly. These lower costs will have an impact on traded volumes, and also on the advantages that Albania can reap. Further, public safety will be improved due to the reduction of supply of contra-bande of which the quality and safety is not verified to meet Albanian and European standards.

3.6 SUSTAINABILITY

The Twinning and TA projects will provide concrete assistance and knowledge transfer to the Customs managers and responsible staff in project management methodologies and quality management assurance. Sufficient human and financial resources will be allocated to the project to guarantee sustainability.

The introduction of the fully Integrated Tariff Management System (ITMS) and New Computerised Transit System (NCTS), as per EU legislation, are mandatory for accession purposes.

Introduction of a new legislation and procedures aiming the Common Transit Convention accession are sustainable for a long term, because they will continue to provide benefits, such as transit operation for all contracting parties; one guarantee for all route (from departure to destination); fast procedures on the borders, low costs: one declaration for all contracting countries, no forwarding agents needed, increased efficiency and effectiveness of transit procedures and also improves the situation (insofar as fraud is concerned). Projects implemented through supply contracts include expenses for maintenance and repair of the equipment made available to the anti- smuggling unit. These expenses for the last years 2010 and 2011 are about 20.000 Euro per year. Customs Administration will assure that the amount for the insurance, the fuel and the maintenance of the new vehicles after the warranty period is assured and sufficient covered by the budget.

3.7 ASSUMPTIONS AND PRE-CONDITIONS

The following assumptions have been made:

- Continuous reflection and alignment of implementation methods as well as raising of awareness and understanding throughout organization of requirements for the acquis will take place;
- Adequate IT staff is available within Albanian Custom Administration or can be recruited from outside;
- Limited staff turnover;
- Proper maintenance and protection of equipment budgeted and arranged for.
- Sufficient operational infrastructure available (fuel, internet, spare parts etc) .

4 IMPLEMENTATION ISSUES

The contracts will be centralised and managed by EU Delegation to Albania

4.1 INDICATIVE BUDGET

Indicative Project budget (amounts in EUR) (for centralised management)

PROJECT TITLE				SOURCES OF FUNDING								
			TOTAL EXPENDITURE	IPA CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1 Twinning			1.890.000									
Twinning contract 1.1	-X	-		1,800,000	95							-
contract 1.2(national)	X-	-				90,000	5					-
Activity 2 Technical assistance			770.000									
Service contract 2.1	-	-		700,000	90							-
contract 2.2 (national)	-	-				70,000	10					-
...Activity 3 Supply...			1.150.000									
Contact 3.1		X		1,000,000	85							
Contract 3.2 (national)		X				150,000	15					
TOTAL IB			2,660,000									
TOTAL INV			1,150,000									
TOTAL PROJECT			3,810,000	3,500,000	91	310,000	8.1					

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Activity row, use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Dates indicated in the schedule cannot go beyond the contracting and execution deadlines in the financing proposal

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Contract 1.1 (twinning)	1Q 2013	4Q 2013	4 Q 2015
Contract 1.2	1Q 2013	4Q 2013	4 Q 2015
Contract 2.1 (TA)	3Q 2013	4Q 2014	4 Q 2015
Contract 2.2	3Q 2013	4Q 2014	4 Q 2015
Contract 3.1 (supply)	1Q 2013	4Q 2013	2Q 2014
Contract 3.2	1Q 2013	4Q 2013	2Q 2014

All activities should in principle be ready for tendering in the 1ST Quarter following the signature of the FA.

Directorates within Directorate General of Customs which are involved and benefiting from the Project are Customs Debt and Procedures Directorate; Origin, Tariff, Vat and Excise Directorate; IT Directorate, Legal Directorate for the Activities 1 & 2 (Contract 1.1 and 2.1) and Anti-Traffic Directorate for the Activity 1& 3 (Contract 1.1 & 3.1).

The officers of the Directorates of Directorate General of Customs, responsible for implementing their project activities, will conduct the necessary work for carrying out the project through its different processes, in close collaboration with EU Delegation and DG TAXUD experts (including preparation of Terms of References, technical specifications, etc).

The ACA specialists have already prepared the “needs analysis” and the preliminary Technical specifications for the vehicles to be purchased for the Anti-contraband Unit. If judged necessary the EU Delegation will support through a FWC the finalisation of the Technical Specifications and Tender Dossier.

4.3 CROSS CUTTING ISSUES

4.3.1 Equal Opportunities and non discrimination

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex,

racial or ethnic origin, religion or belief, disability and age. All contractors shall be requested to provide monitoring data recording the participation of men and women in terms of expert inputs (in days) and of trainees benefiting under the project (in days) as an integral component of all project progress reports.

4.3.2 *Environment and climate change*

The key environmental effects of the project will be the enhanced technical and methodological competency of the Anti-Traffic Directorate thus ensuring environmental protection during everyday activities of the anti-traffic officers.

4.3.3 *Minorities and vulnerable groups*

The project does not directly involve activities with a minority's impact.

4.3.4 *Civil Society/Stakeholders involvement*

The project will have impact to the society because the anti-smuggling Unit exists to protect the citizens.

Traders will also be involved by project (especially on transit and tariff). It will provide them with trade facilitation and services and therefore they should have a positive attitude. Only risk is that they will have to update their IT systems.

Other state-run agencies for the supply contract are Ministry of Interior (Border and Migration Department), Ministry of Transport (General Roads Directorate), Ministry of Finance (Directorate General of tax – Tax Investigation Department) Ministry of Finance (Directorate General of Customs – Inland Anti smuggling Unit, Investigation Directorate, Intelligence Directorate, and Custom Houses). These agencies/directorates will be consulted to finalise the Technical Specifications of the vehicles and equipments to be purchased.

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number	Modernisation of the Albanian Customs Administration.8
Modernisation of the Albanian Customs Administration		Contracting period expires: three years following the date of the conclusion of the Financing Agreement	Execution period expires The contracts must be executed within a maximum of two years from the end date of contracting
	Total budget	EUR 3.81 million	
	IPA budget:	EUR 3.5 million	
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification	
Contribute to more secure trade in frame of the Second Copenhagen criteria.	Positive evaluation of progress in the field of Customs. Internal technical reports. Increased trade.	EU progress report INSTAT	
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
Strengthening the capacity of Albanian Customs Administration in line with the EU Customs standards.	1. Procedures, guidelines and instructions, in line with EU standard for transit, tariff and simplified procedures, drafted. 2. The ACA business and ICT Departments restructured to absorb major implementations (ITMS, NCTS, EMCS etc) in parallel with handling the day to day job. 3. Improved custom controls and number of controls increased by 2015	Annual Report of Customs General Directorate to the Ministry of Finance and Ministry of Integration	Continuous review and alignment of implementation methods and understanding throughout organisation of requirements for the acquis
Results	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions

Results 1: Customs legislation and procedures closer aligned with the EU <i>acquis</i>, also in view of the interoperability of IT systems with EU systems. Result 1.1 – Aligned Transit Management Result 1.1.1: The Strategy for joining Common Transit Convention, prepared and approved; Result 1.1.2: Improved capacities of the Albanian Customs Administration necessary to meet the requirements of a full and stable implementation of all Common/Community transit procedures. Result 1.1.3: All necessary legal, administrative and procedural arrangements entered in force. Recommendations on any necessary changes are provided as far as it relates to project objectives in the NCTS field. Result 1.1.4: All the NCTS (New Computerized Transit System) needs and initiatives, taking also into account the ASYCUDA World functionality, are defined. Result 1.2 – Aligned Tariff Management Result 1.2.1: All the ITMS (Integrated Tariff Management System) Initiatives defined and tariff measures towards EU ready arrangement and an ITMS multi ministry workflow, established.	The strategy on joining the CTC defined, legislation aligned New government administration environment of business processes to define tariff measures towards EU-ready arrangement is established An ITMS with multi –ministry workflow to computerize government-wide management of all tariff measures is established.	- EC reports; - Copies of drafted documents; - Periodic Project Implementation reports to Director General of Albanian Custom Administration; - Training reports and evaluations; - Interviews with participants of activities;	1. 2. Adequate IT staff is available within Albanian Custom Administration or can be recruited from outside; 3. Limited staff turnover 4. Proper maintenance and protection of equipment budgeted and arranged for. 5. Sufficient operational infrastructure available (fuel, internet, spare parts etc)
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Result 1.2.2: Legislative provisions in the EU Customs ITMS related issues are drafted. Result 1.2.3: A comprehensive training programme on the EU Customs tariff related area is in place. Result 1.2.4: All the ITMS (Integrated Tariff Management System) needs and initiatives, taking also into account the ASYCUDA World functionality, are defined. Result 1.3 - Strengthened capacity on enforcement and intelligence Result 1.3.1: Proper working guidelines and working methods for the Anti-Contra bande directorate in line with the EU model are elaborated. Result 1.3.2: Strengthening technical and operational capacities of officers on enforcement and intelligence. Result 2: The ACA ICT department is restructured and re-organized. Result 2.1 Project Management Methodology is introduced and training on a project management tool is delivered. Result 2.2: The ICT Sector functional characteristics and organizational structure is reviewed and updated. Result 2.3: The technical capacities for data exchange with the EU and current IT system of the Customs Administration adapted to	Assistance provided to Anti-contraband Directorate in the field of legal framework and information, supporting increased powers and improving customs controls, specialist training on enforcement and intelligence . IT strategy of ACA is drafted and endorsed into account the IIS strategy Project Management Unit (PMU) or Project Implementation Unit (PIU) are put in place to cater for the implementation of the proposed projects established ICT Sector functional characteristics and organisational structure, Revised/Updated Number of Technical Training courses provided Number of staff Trained Project Management Methodology introduced and training on TEMPO provided ; Assistance is provided in liaising with other	- EC reports - Statistics and other data - Evaluations forms of trainings - Periodic Project Implementation reports to Director General of Albanian Custom Administration	
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new business challenges and new forms of data exchange established. Result 2.4: The TOR for ITMS application prepared. Result 3: Increased technical and operational capacity of the Anti Contraband Directorate Result 3.1 The specialized (Mobile Position Control) vehicles designated for uniformed formations out posted on mobile points of control for the Anti-Contraband Directorate are purchased and operational.	parties affected by or involved with the Customs Computerization process Number of specialized vehicles supplied together with all specialized equipment installed and necessary scientific, analytical and technical publications, within 2014. Number of Albanian Anti Contraband experts actively involved (i) in trainings and (ii) during the implementation of this Contract.	- Documents on handing over the equipment/technical literature (provisional/final acceptance notes) - Training materials and evaluation forms - Regular project reports	
Activities to achieve results	Means / contracts	Costs	Assumptions
Activity 1: Aligning Customs legislation and procedures with the EU acquis Sub-Activity 1.1 - Improving Transit Management <i>Sub-Activity 1.1.1 Setting- up of a strategy for joining Common Transit Convention;</i> <i>Sub-Activity 1.1.2 Improving customs provisions in order to harmonize the transit procedure; readjusting the system for managing guarantees; aligning the National system for managing guarantees with the EU system for managing guarantees; introducing the concept of an authorized</i>	Contract 1.1: Twinning Contract to Albanian Customs Administration to prepare, from the legislative and procedural point of view, the interoperability of IT systems with EU systems and to upgrade the administrative capacity, on enforcement and intelligence. Contract 1.2 :Service contract (national contribution)	1.8 Mil Eur 90.000 Eur	

stakeholder in the procedure (Authorized Economic Operator). Sub-Activity 1.1.3 Review and follow up the entry in force of all necessary legal, administrative and procedural arrangements and recommend on any necessary changes as far as it relates to project objectives in the NCTS field; Sub-Activity 1.1.4 Defining all the NCTS (New Computerized Transit System) needs and initiatives, also taking into account the ASYCUDA World functionality; Sub-Activity 1.2 - Improved Tariff Management Sub-Activity 1.2.1 Defining all ITMS (Integrated Tariff Management System) Initiatives by establishing tariff measures towards EU ready arrangement and an ITMS multi ministry workflow; Sub-Activity 1.2.2 All necessary legal provisions (primary, secondary legislation and executive orders) in the EU Customs ITMS related issues will be drafted or relevant regulations amended to support the implementation of interoperability with the EU systems(ITMS) Sub-Activity 1.2.3 Implementation of a comprehensive training programme on the EU Customs tariff related area Sub-Activity 1.2.4 Defining all the ITMS (Integrated Tariff Management System) needs and initiatives, also taking into			
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<i>account the ASYCUDA World functionality;</i> Sub-Activity 1.3 - Capacity building on enforcement and intelligence. Sub-Activity 1.3.1 Preparing guidelines and working methods for the Anti-Contraband Directorate to strengthening the technical and operational capacities on enforcement and intelligence. Sub-Activity 1.3.2 Providing trainings for the officers of mobile units, to strengthening their technical and operational capacities on <i>enforcement and intelligence.</i>			
Activity 2: Reinforcing the ACA ICT department. Sub-Activity 2.1 Providing introduction of Project Management Methodology and training on project management tool. Sub-Activity 2.2 Reviewing and Updating of ICT Sector functional characteristics and organizational structure. Sub-Activity 2.3 Establishing and adapting the technical capacities for data exchange with the EU and current IT system of the Customs Administration adapted to new business challenges and new forms of data exchange. Sub-Activity 2.4 Preparing the TOR for ITMS application.	Contract 2.1: Service contract: Technical Assistance to the ICT Department of ACA. Contract 2.2 Service contract (national contribution): Preparing the TOR for NCTS application.	0.7 Mil Eur 70.000 Eur	
Activity 3: Improving the technical and operational capacity of the Anti Contraband Directorate	Contract 3.1: Supply contract for purchase of specialized (Mobile Position Control) vehicles for the Anti-Contraband Directorate.	1 Mil Eur	

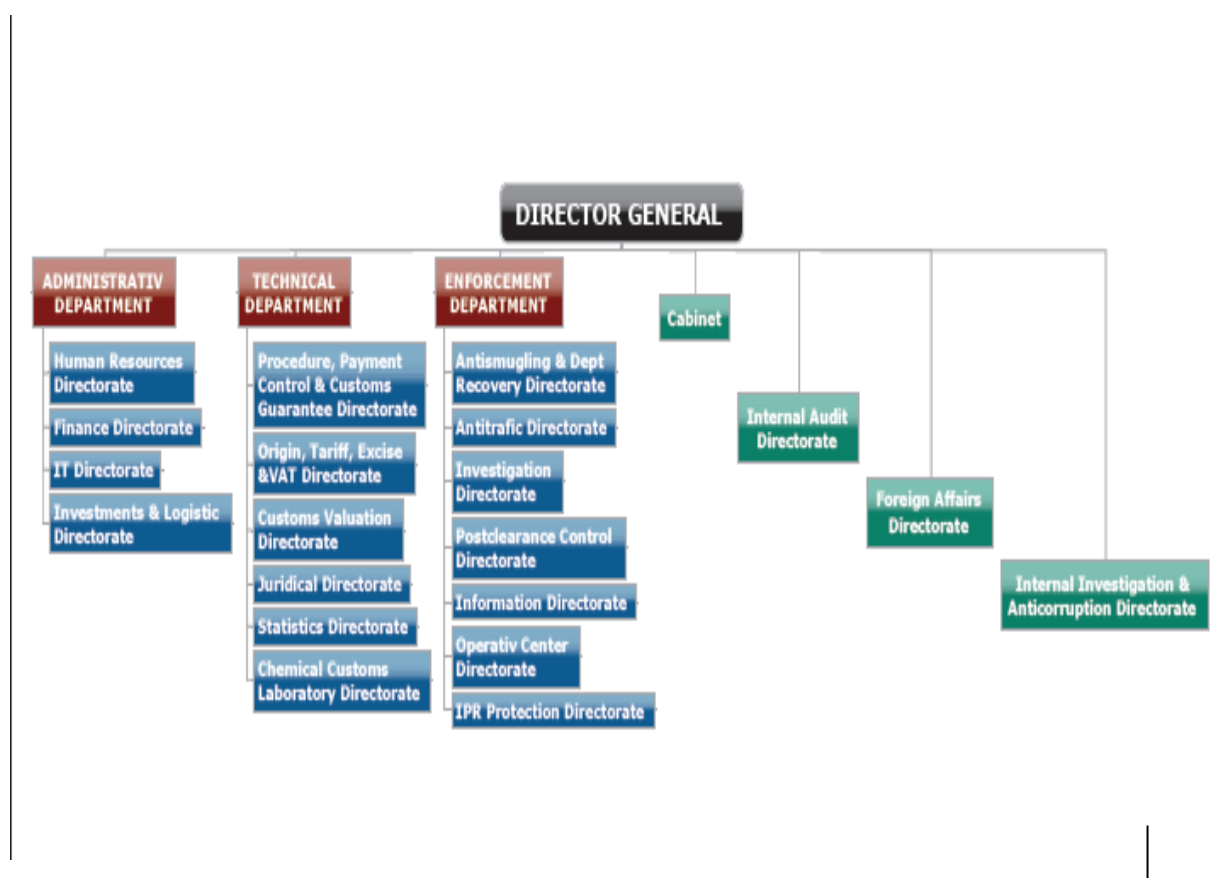
3.1 Purchasing specialized (Mobile Position Control) vehicles designated for uniformed formations out posted on mobile points of control for the Anti-Contraband Directorate	Contract 3.2: Supply Contract (National Contribution): Supply of additional (4x4) Vehicles for the Anti-Contraband Directorate.	150.000 Eur	
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ANNEX 2: Description of Institutional Framework

The Customs Administration comprises the Directorate General, the Regional Directories and the customs houses. It is subordinate to and under the supervision of the Ministry of Finance. The Regional Directories are subordinate to and under the supervision of the Directorate General of Customs. They are comprised of one or many customs houses over which they exercise control.

The powers and the organization of the Customs Administration are established in the Implementing Provisions of the Customs Code.

Organizational Chart of Directorate General of Customs



Directorates within Directorate General of Customs which are involved and benefiting from the Project are: Customs Debt and Procedures Directorate; Origin, Tariff, VAT and Excise Directorate; IT Directorate, Legal Directorate for the Activities 1 & 2 (Contract 1.1 and 2.1) and Anti-Traffic Directorate for the Activity 1& 3 (Contract 1.1 & 3.1).

Coordination with Units/Directorates involved will be done by the International Projects Management Specialist, who for the moment is positioned at the Foreign Affairs Directorate.

This Project Management specialist, will act as constituent of a separate Strategic Development Unit (composed by 3 persons) which is expected to be set up within the Directorate General of Customs and located next to the Director General.

The officers of the Directorates of Directorate General of Customs, responsible for implementing their project activities, will conduct the necessary work for carrying out the project through its different processes, including preparation of Terms of References, technical specifications,...etc.

ANNEX 3: Reference list of relevant laws and regulations only where relevant

1. Law No. 8449, dated 27.01.1999 "The Customs Code of the Republic of Albania" and the sublegal acts pursuant to it.
2. Decision No. 873 dated 12.08.2009 "On some amendments and supplements to Decision 205, dated 13.04.1999 of the Council of Ministers," "On Implementing Provisions of the Customs Code".
3. Decision of the Council of Ministers No. 205 dated 13. 04. 1999 "On Implementing Provisions of the Customs Code".
4. Combined Nomenclature, edition of 2010.
5. Explanations notes of Combined Nomenclature, edition of 2007.
6. National IBM Strategy No.668, dt 29.09.2007 "Integrated border Management Strategy and Action plan".

ANNEX 4: Details per EU funded contract (*) where applicable:

Contract 1.1: Twinning Contract to Albanian Customs Administration to prepare, from the legislative and procedural point of view, the interoperability of IT systems with EU systems and to upgrade the administrative capacity, on enforcement and intelligence.

By this twinning contract is intended to prepare the ground from the legislative and procedural point of view for the EU linked systems. This project should decide the strategy on joining Common Transit Convention and start preparing the legislation, procedures, trainings, helpdesk, etc.

The execution of contract is in principle after two years following the contracting date.

Indicative profiles and account of tasks expected from the team leader, resident twinning advisor and short term experts

Profile and tasks of the Project Leader (PL):

This project requires a Project Leader who will be responsible for the overall coordination of the project activities. The project leader is expected to closely work with the resident twinning advisor and the short-term experts as well as with the counterpart of the beneficiary institution.

a) Tasks of the PL:

- Overall project co-ordination;
- Supervision of the implementation of the project in coordination with the Albanian TL counterpart;
- Mobilising short-term experts;
- Closely work with the resident twinning advisor and the short term experts;
- Executing administrative issues (i.e. signing reports etc.);
- Advising on the future plans and reporting to the relevant authorities on the progress of the project.

Profile and tasks of the Resident Twinning Advisor (RTA):

This project requires a RTA for the management of the project The RTA will work on a day-to-day basis with ACA *and* support the co-ordination of different actions.

a) Tasks of the RTA:

- design a work plan for the implementation of project;
- assist in the preparation of all strategic project documents and training manuals, quarterly monitoring reports and final project report etc;
- ensure the day-to-day management of the project working on the daily basis with the ACA staff to implement the project;
- to ensure that all activities are implemented in a professional way;

- to plan and organise study visits, training activities;
- to provide detailed reports on the impact of the programme.

Profile and tasks of the short-term experts:

The PL and the RTA will be assisted by international short-term experts. The short-term expert shall assist the PL and the RTA in delivering the activities within the project.

Contract 2.1: Service contract: Technical Assistance to the ICT Department of ACA.

The proposed TA project will introduce the correct infrastructure and business and PM skills of the IT Department prior to commencement of the development of Projects (like NCTS, ITMS and possibly EMCS).

The execution of contract is in principle after one year following the contracting date.

Contract 3.1: Supply contract for purchase of specialized (Mobile Position Control) vehicles for the Anti-Contraband Directorate.

Needs Analysis for “Vehicles and Assistance for Inland Anti-Smuggling Unit” is already prepared by Directorate General of Customs. The Infrastructure and equipment needs are grouped in 3 sets which are 1) Mobile Position Control vehicles 2) Professional Equipment, 3) Operational Support Devices. The technical Specifications for the groups of infrastructure/equipment to be purchased are drafted by the specialists of Directorate General of Customs.

The beneficiaries/institutions involved in this project implementation are Albanian Customs Administration, Albanian Citizen and European Citizen.

The Albanian Government will finance 15.0 % of the total value of the project through contract 3.2. Out of this contract, additional costs for VAT will be also covered by the Government of Albania.

ANNEX 5: Project visibility activities

The EC rules for the visibility will be implemented, all vehicles/equipment supplied will have a sticker and report from the contractor and consultant will have the logo with EU visibility requirements.