

Standard Summary Project Fiche

Project number:0802.20

1. Basic Information

- 1.1 CRIS number: TR080220
- 1.2 Title : Modernisation of Turkish Customs Administration V
- 1.3 Sector : 29-Customs
- 1.4 Location : Turkish Customs Administration, Turkey

Implementing arrangements:

1.5 Implementing Agency:

The CFCU will be Implementing Agency and will be responsible for all procedural aspects of the tendering process, contracting matters and financial management, including payment of project activities. The director of the CFCU will act as Programme Authorizing Officer (PAO) of the project.

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1.6 Beneficiary (including details of SPO):

Turkish Customs Administration, itself is the responsible governmental institution at policy level regarding the proposed project and is the beneficiary of the project. The Director General of EU and External Relations will act as Senior Programming Officer (SPO) of the project.

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1.7 Overall cost: EUR 3.87 million

1.8 EU contribution: EUR 2.90 million

1.9 Final date for contracting: 2 years after the signature of the Financing Agreement

1.10 Final date for execution of contracts: 2 years following the end date for contracting

1.11 Final date for disbursements: 3 years following the end date for contracting

Overall Objective and Project Purpose

2.1 Overall Objective

Proper protection of the future external borders of the EU through a modernised Turkish Customs Administration (TCA) to ensure that it is in a position to fulfil the tasks and obligations of an EU Member State Customs Administration.

2.2 Project Purposes

To modernize TCA in order that it is in a position to fulfil the tasks and obligations of an EU Member State, by strengthening the customs inspection system at railroad border points.

2.3 Link with AP/NPAA/EP/ SAA

The projects are in line with the AP's and NPAA's priorities, Regular Reports of the EU Commission for Turkey, and Screening Report.

Accession partnership with the Republic of Turkey points out the strengthening of all law enforcement institutions and align their status and functioning with European standards in general and specifically, strengthening the enforcement capacity of the customs administration, particularly regarding fight against illegal trade and counterfeiting.

Similarly, the National Programme, specifies the strengthening the administrative capacity of the Turkish Customs Administration, provision of patrol boats and X-ray inspection systems.

In the 2007 Regular Reports on Turkey's progress towards accession, it is stated the administrative and operational capacity of TCA continued to be strengthened and efforts towards modernisation, particularly the training of customs officers in regional offices, need to be extended to all regions.

Particular attention has been given during the screening meetings that TCA will be requested to have in place all necessary facilities to develop straightforward and efficient customs control operations at ports, airports and land borders, and inland, capable of facilitating a flow of legitimate passengers and trade while ensuring collection of national and EU revenue and the social protection of national and EU citizens.

2.4 Link with MIPD

Justice and Home Affairs

Enhancing administrative capacity and co-operation between different law-enforcement bodies and intensifying international cooperation in the fields of organized crime, fraud and corruption.

Customs Union

Further technical and financial support for the remaining needs to strengthen the administrative and operational capacity of the customs administration.

2.5 Link with National Development Plan (where applicable)

Not Applicable

2.6 Link with national/ sectoral investment plans(where applicable)

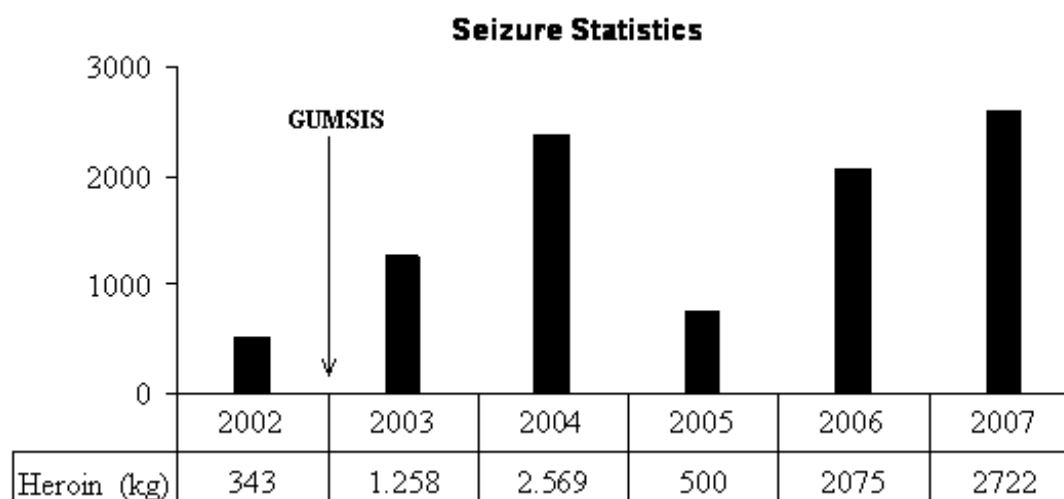
Not Applicable

3 Description of project

3.1 Background and Justification

The customs control mechanism used by many of the largest economies in the world encourage an efficient and effective use of the limited resources available, such as personnel and equipment, rather than maintaining a high level or volume of the physical controls. The increase in the workload of TCA as a result of increase in trade and passenger volumes can be processed effectively only by establishing pro-active, risk-based and technically equipped control mechanisms. Within this framework, TCA has initiated the GÜMSİS Project in 2001 by the national budget to facilitate legal trade and to strengthen its operational capacity.

At the early stage of GÜMSİS, TCA installed 3 vehicle and container scanning systems in some high risk border crossing/gates at the beginning of 2003. The success of the systems, in terms of increasing the amount of seizures of contraband goods, drugs, cigarettes and detection of illegal migrants proved itself immediately as mentioned in the Regular Report for 2005. Specifically, as far as drugs concerned, with the installations of scanning systems, the seizures were dramatically increased up to % 370 in 2003 and up to %100 in 2004. In 2003, TCA seized 1258 kgs of drugs, while TCA seized 343 kgs of drugs in 2002. Though it is not possible to measure the harm of the illicit trafficking to the safety and security of the society, it is forecasted that the street price of around 2 tonnes of drugs is about 114 million euros at the European countries in average, according to UNODC (United Nations Office of Drugs and Crime) World Drug Report 06” figures. This total is 24 times more than the cost of the current scanning systems.



At the moment, TCA uses 9 vehicle and container scanning systems. Three of them which are X-Ray systems were procured with the funds from World Bank in 2003, five of them which are also X-Ray systems were procured in the framework of EU Pre-Accession Financial Aid Programme in 2007 and started to operate in 2008. The locations of these 8 systems are Kapıkule (Bulgaria), Ipsala (Greece), Habur (Iraq), İstanbul Ambarlı Seaport, Samsun Seaport, İzmir Alsancak Seaport, Mersin Seaport and Gurbulak (Iran). One Gama Ray system is used in İstanbul Pendik Seaport. Three new X-Ray systems, which are being established in the framework of Built-Operate-Transfer system, will be operational in Habur and Cilvegözü soon.

As it can be seen clearly, the scanning systems are mainly located at seaports and land bordergates. However, the railroads are also another important mean of transportation, especially, between Turkey and eastern countries, and among neighbouring countries of Turkey. As it can be envisaged in the Annex 10, there are two main lines of railroad transportation from east to the west. The most important station in the eastern part of Turkey is the Kapıkoy railroad station at the Iranian border. At Kapıköy railroad customs office, during the first 9 months of 2007, around 180.000 tonnes of goods were exported, and around 45.000 tonnes of goods were imported, and 23.000 tonnes of goods were transited.

In order to avoid the deviation of illicit trafficking of goods, drugs, weapons, etc from land transportation to railroad transportation, installation of an state-of-the-art inspection system for railroad vehicles in Kapıkoy (Iran) bordergate will be a deterrent factor in the region.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

Overall the project will aid and assist the TCA to strengthen and develop its operational activities and help prepare it to meet the expectations of the EU Customs Blueprints.

The project will enable the prevention of the illegal vehicle, goods and passenger trafficking effectively. This Project also aims at facilitating the legal foreign trade and will contribute to the development of foreign trade.

3.3 Results and measurable indicators:

- 1) Railway cargo scanning/inspection system operational by the end of 2010;
- 2) Adequately trained staff of the Turkish Customs Administration who are responsible for supplied scanning system.

3.4 Activities

The project will be implemented by means of a single supply contract. The maximum contract budget is EUR 3.97 million, 25 % of which shall be co-financed by national budget (EUR 0.97 million). The supply tender will have one lot in order:

- 1) To supply one Railroad cargo scanning/inspection system including software and documentation, relevant concrete slab construction, installation and putting into operation for Kapıkoy (Iran) bordergate. Training on the use of the system and on inspection procedures will also have to be provided.

3.5 Linked activities

i) Twinning Project (TR03/F1/05)

Twinning Project TR03/FI/05 was launched by TCA to align itself with the standards, procedures and practices of EU Member States on customs. The aim was first to review

the legislation (component 1), to strengthen the administrative and organisational capacity (component 2) and then to establish an effective training system for TCA (component 3) to guarantee the sustainability of the project.

ii) Modernisation of Customs Administration Project -I (TR 0303.01)

As part of the on-going Public Administration reform process, TCA has set up a border modernisation project known as GÜMSİS. Part of the project was financed through a World Bank Credit. Within the scope of 2003 Financial Cooperation Programme, the GÜMSİS Project was accepted by the European Commission to support the extension of the systems covered under the project. GÜMSİS is to supply priority customs sites (not covered by the World Bank programme) with an integrated detection system consisting of the following activities, equipment and facilities: Close Circuit TV System (CCTV), License-plate registration system at border posts; Vehicle tracking system; Vehicle scanning systems, network security to detect smuggling and project management and command unit; automation structure and staff training.

Tendering for some parts of the project (TR 0303.01) has been failed. However, the equipments foreseen to be procured under the project is extremely essential in fighting against smuggling and in having an EU compatible implementation in Turkey. Therefore, the GÜMSİS project coverage has been re-programmed and submitted to the EUSG to be taken into consideration for the 2006 Programming Year.

iii) Modernisation of Customs Administration Project-II (TR 0403.01)

Project 2004 has also a scope of improving infrastructure and equipment by constructing 2 vehicle search sheds with cold storage and one cold storage at main border points of Turkey. It is also covering the supply of 5 Vehicle and Container Scanning Systems for four main seaports and a land border gate. As a result, by the end of 2007, 5 seaports and 5 land border gates will be equipped with contemporary container and vehicle scanning systems.

iv) Modernisation of the Turkish Customs Administration III (TR0603.07)

This project is devoted to the most important objectives of the BCMP and NAP to ensure that the IT system, enforcement and administrative capacity of the TCA are in place on the way to the full membership. In order to comply with these objectives, the following components are defined:

Component 1: EU compatible Customs IT systems (including CCN/CSI, ITMS and NCTS applications) installed and fully operational at the end of the project and in line with the EU requirements in terms of interconnectivity and interoperability;

Component 2: While achieving the objectives of the EU's IT interconnectivity requirements; Customs enforcement operations reinforced and improved in a synergetic manner to meet the responsibilities for the protection and control of external borders of the enlarged EU;

Component 3: The human resources management system, enforcement, operational and administrative capacity mainly in the training domain strengthened in order to have sufficient capacity to implement and to enforce the *acquis*.

v) Business Change Management Plan (BCMP)

Based on the results of the needs analysis carried out on the following subjects in the Twinning Project TR03/FI/05, a Business Change Management Plan (BCMP) of activities was developed, which could eventually be implemented through a programme of pre-accession projects:

- Legislation;
- Organisation;
- Human Resources;
- Ethics;
- Training;
- Revenue Collection;
- Border and Inland Control;
- Investigation;
- Laboratory;
- Infrastructure and Equipment;
- Trade Facilitation;
- Transit; and
- Computerisation.

vi) Risk Based Control Mechanism (TR.04.03.01)

As stated in the project TR 04.03.01, a central risk management unit is to be installed in TCA Headquarters. Though the fact that a centralised unit would be efficient and beneficial in operational and investigational aspects; the proposed and installed system should be well-fed with the relevant information.

In order to strengthen the RBCM in respect to these, the proposed Regional Risk Analyses Units are thought to be vital.

By the introduction of these regional offices it is thought that the TCA will be much more efficient as an equal partner of EU customs authorities.

v) Capacity Building-Post Clearance Control Twin. (TR 06.03.07)

As a part of the project TR 06.03.07 a Twinning Programme (TR 06 IB FI 03) will start to be implemented by April 2008. Not underestimating the importance of such a programme, it is known the Twinning Programmes are mainly beneficial to the TCA experts in the Headquarters.

In the efforts to reinforce the programme, training the regional customs officers would be as much valuable as a Twinning Programme.

3.6 Lessons Learned:

The most important lessons learnt from the previous projects regarding the inspection systems are as follows:

- Fixed and relocatable systems require significant space within the customs area. Finding such an area and rearranging the traffic flow and all the procedures may not

be easy task for every customs office since these areas sometimes may belong to other government agencies and private entities. Therefore we have arranged the regular meetings before drafting the project in order not to face this kind of problems.

- Allocating fixed or relocatable systems can have direct effect on the route of illicit trafficking of drugs and other illegal goods and/or immigrants. Then this results in investing another system on the new route of the illegal trade. However, mobile systems will employ TCA with the flexibility of using these machines seasonally or intelligence/risk based approach when needed.

The ongoing Customs Modernization projects give the Customs the opportunity to gain experience in the field of development and management of EU funded projects. The numbers of staff involved in project the TCA have been increased and trained to professionally handle future projects.

4 Indicative Budget

			SOURCES OF FUNDING										
			TOTAL EXP.RE	TOTAL PUBLIC EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Activity 1		X											
contract 1.1	–	X	3.87 M		2.9 M	75	0.97 M	25	0.97 M				–
.....													
TOTAL IB													
TOTAL INV			3.87 M		2.9 M	75	0.97 M	25					
TOTAL PROJECT			3.87 M		2.9 M	75	0.97 M	25					

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 **Public** Expenditure (column (b))

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

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Contract Completion
Contract 1.1 (supply)	I Quarter 2009	III Quarter 2009	IV Quarter 2010

Duration of the project: 18 months

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

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity

Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed. Male and female participation in the project will be based on EU standards and assured by official announcements published to recruit the necessary staff for the project. The main criteria for recruitment will be qualifications and experience in similar projects, not sex or age. Both men and women will have equal opportunities and salaries.

6.2 Environment

Not relevant to this project.

6.3 Minority and vulnerable groups

Not relevant to this project.

ANNEXES TO THE PROJECT FICHE

1. Log frame in Standard Format
 2. Amounts contracted and Disbursed per Quarter over the full duration of Programme
 3. Institutional Framework
 - * Role and responsibilities of the SPO
 - * Frequency of project management meetings,
 - * Who chairs, who attends and in what role
 - * Coordination mechanisms for multi-beneficiary projects
 - * Monitoring (roles, responsibilities of all actors)
 4. Reference to laws, regulations and strategic documents:
 - Reference list of relevant laws and regulations
 - Reference to AP /NPAA / EP / SAA
 - Reference to MIPD
 - Reference to National Development Plan
 - Reference to national / sector investment plans
 5. Details per EU funded contract (*) where applicable:
 - For *TA contracts*: account of tasks expected from the contractor
 - For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts
 - For *grants schemes*: account of components of the schemes
 - For *investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (**)
 - For *works contracts*: reference list of feasibility study for the *constructing works* part of the contract as well as a section on investment criteria (**); account of services to be carried out for the *service part* of the contract
- (*) non standard aspects (in case of derogation to PRAG) also to be specified
- (**) section on investment criteria (applicable to all infrastructure contracts and constructing works):
- Rate of return
 - Co-financing
 - compliance with state aids provisions
 - Ownership of assets (current and after project completion)

ANNEX 1: Logical Framework Matrix

LOGFRAME PLANNING MATRIX FOR Project Fiche		Programme name and number: MODERNISATION OF TURKISH CUSTOMS ADMINISTRATION V	
		Contracting period expires: QIII/2009	3 years following the end date for contracting".
		TOTAL BUDGET: EUR 3.87 million	IPA BUDGET: EUR 2.90 million
Overall Objective:	Objectively verifiable indicators	Sources of information	
Proper protection of the future external borders of the EU through a modernised Turkish Customs Administration (TCA) to ensure that it is in a position to fulfil the tasks and obligations of an EU Member States Customs Administration.	At least 20 % increase in the number of prevented crime perpetrations at the relevant Customs area by the end of 2011.	EC progress Report. EC strategy paper. TCA annual report Field studies Official statistics of TCA Draft Legislation	
Project Purpose	Objectively verifiable indicators	Sources of information	Assumptions
To modernize the Turkish Customs Administration (TCA), in order that it is in a position to fulfil the tasks and obligations of an EU Member State, by strengthening the customs inspection system.	At least 20% increase in the number of prevented crime perpetrations at the relevant Customs area by the end of 2011.	TCA website and reports TCA annual report EC progress report Official statistics from TCA Interim and final evaluation reports	- Turkey remains on schedule to meet its target date for EU membership. - Adequate financial resources available. - Senior management of TCA remains committed to the

			project. • The government remains committed to develop the infrastructure of border gates.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
1) Railway cargo scanning/inspection system operational by the end of 2010; 2) Adequately trained staff of the Turkish Customs Administration who are responsible for supplied scanning system.	• At least 10 staff trained as inspection operators by the end of 2010. • Intervened smuggling attempts increased by 10 % by the end of 2011.	• TCA website and reports • TCA annual report • EC progress report • Official statistics from TCA • Interim and final evaluation reports	• That adequate resources will be timely available. • That the Turkish Government will provide relevant co-financing of the investment support. • Project Management Group has adequate expert staff. • Senior management of TCA will give appropriate priority to the establishment of operational systems and specialized units. • Specialized units at all levels will be stable.
Activities	Means	Costs	Assumptions
To supply one Railroad cargo scanning/inspection system including software and documentation, relevant concrete slab construction, installation and putting into operation for Kapikoy (Iran) bordergate. Training on the use of the system and on inspection procedures will also have	Supply Contract (Railroad inspection system)	EUR 3.87 Million	• The Turkish Government will provide relevant co-financing of the investment support. • Customs and enforcement officers are sufficiently trained to use new equipment

to be provided.			and software. • Relevant trainees will fully participate. • Adequate resources will be timely available.
<u>Pre- conditions</u> EU financing to this project is conditional upon national co-financing being ensured. Continued support to the EU for the accession of Turkey			