

SUMMARY PROJECT FICHE

1. BASIC INFORMATION

- 1.1 Désirée Number:** RO-2002/000-586.04.03
- 1.2 Title:** **Connection to EU customs systems**
(Connection of the Romanian Customs' systems with the EU systems)
- 1.3 Sector:** Customs
- 1.4 Twinning component:** RO02/IB/FI/01 - Strengthening the inter-operability capacity of RCA, through the implementation of the Strategy referring the inter-operability with the EU systems, budget: 0.6 ME, duration: 18 months
- 1.5 Location:** Ministry of Finance - Romanian Customs Administration, Bucharest, Romania

2. OBJECTIVES

2.1 Overall Objective(s):

To strengthen the administrative, operational and technical capacity of the Romanian Customs Administration to enable it to achieve full harmonisation with the EU Acquis and European Union best practice.

2.2 Project purpose:

To achieve full compatibility and inter-operability of the Romanian Customs systems with the EU systems, enabling the exchange of computerised data between the Romanian Integrated Customs Information System (ICIS) and the European Commission and the EU Member States systems.

2.3 Accession Partnership and NPAA priority:

Accession Partnership (AP)

Customs Union: Accelerate the implementation of the IT strategy of the Romanian customs administration; develop IT customs systems to ensure the exchange of computerised data between the European Commission and Romania.

NPAA

- Elaboration and implementation of the Romanian Integrated Customs Tariff compatible with the Integrated Community Tariff.
- Progress in the preparation of the adhesion to the European Convention concerning Common Transit and the integration of the New Computerised Transit System (NCTS) within the ICIS.
- Development and implementation of the Romanian customs IT components in accordance with the accession requirements (European Commission'

- Integrated Customs Tariff and New Computerised Transit System) and the connection with all existing European Commission/DG TAXUD systems
- Development of customs infrastructure and institutional reform,
 - Improvement of the professional level and the moral profile of customs staff,
 - Strengthening of the administrative co-operation,
 - Participation in the inter-institutional co-operation in order to fight against and eliminate the law infringements phenomena at the borders.

2.4 Contribution to National Development Plan

N/A

3. DESCRIPTION

3.1 Background and justification:

The Romanian Customs Administration (RGCA) has supported, from the very beginning of this initiative, the Commission's 'Pre-accession strategy for the CEEC Customs and Tax Administrations' by endorsing the document in July 1997 and creating a Pre-accession Unit (PAU) in November 1997. The PAU comprises the managers of the key RGCA departments and under its co-ordination the RGCA fulfilled the screening and the blueprint/gap- and needs-analysis processes in the period 1997-1998 and in 2000, and developed subsequently the Romanian Customs Development Strategy for the period 2000-2005.

RGCA will focus on the next period on full compatibility of its computerised systems with the European Commission/DG TAXUD systems, **in line with:**

- a) the priority areas underlined in the AP and the NPAA,
- b) following on from the Business Strategy of the Romanian Customs Administration, and the **Strategy of the Romanian Customs IT Development and interoperability with the EU systems**,
- c) the **Complementary position document** (Chapter 25 – Customs Union) which defines the position of the Romanian Customs Administration in the context of the accession to the EU,
- d) the Commission/DG TAXUD recommendation concerning areas of the customs business, **Strategy regarding the implementation of the interoperability with the EU systems**, as a strategic frame for all candidate countries; RGCA Inter-operability strategy will be crystallised within the Phare 2001 implementation (TARIR and NCTS components).

The European Commission requires that Candidate Countries have the CCN/CSI (Common Communication Network / common System Interface) gateway, as well as the compatibility with the EU systems established and ready for interoperability testing at latest twelve months prior to accession, so that it is fully operational on the date of accession.

The CCN/CSI provides the secured telecommunication link for all Customs and Taxation systems that are part of the interconnectivity with the EU and its Member States. The CCN/CSI gateway, telecommunication access and support services will in principle be provided from 01.01.2003 until 30.06.2004 by means of the multi-country Phare Networking programme. This project proposal has the objective to complete this programme with the national activities and to extend it in

time from 01.07.2004 onwards. The CCN/CSI gateway will also be used by the Taxation Administration (within the Ministry of Public Finance) for the VIES & EMCS projects.

The NCTS (New Computerised Transit System) will be implemented by making use of the MCC (Minimal common Core) made available by the European Commission. The project will take into account the results of the planned joint study of UNCTAD and the European Commission. The study has as an objective to link the MCC to the ASYCUDA system by means of an interface. The advantage of this approach will be that it will provide an integrated solution for transit and other customs regimes.

An interface will be developed between ASYCUDA, TARIC and the others customs tariff related components of this project. This interface will be created following the principles as laid down in the twinning between the Estonian and Swedish customs in cooperation with UNCTAD. This solution was reviewed by the European Commission services and found to be adequate for managing the import of goods in accordance with EU rules & procedures.

Within the on-going Phare projects including the horizontal projects, RCA cover and complete its development NPAA priorities, as follows:

- RO 980402 (Assistance to the Romanian Customs Administration in developing more effective control management and border systems), the **stabilization and development of ICIS** will cover all functionalities of the customs system in the conditions of the complete processing of the data within the ICIS at the national level.
- RO 991005 horizontal project (Strengthening the capacity of the State institutions of Romania in the fight against public corruption and related organised crime involving national officials in relation to both "active corruption" and "passive corruption"), will develop and implement the communication interfaces between state institutions in **combating the corruption** (Romanian Customs Administration, Ministry of Justice, Public Ministry, Ministry of Interior) and will fulfil the specific training for the customs staff.
- RO 00020301 horizontal regional project (Facilitation of Danube Border Crossing) will harmonise the common control procedures and will develop and implement the communication interfaces between Romanian Customs and Border Police in the **cross border cooperation with Bulgaria** and will fulfil the specific training for the customs staff.
- RO 000617 horizontal project (Measures to develop and implement a National Strategy to Combat Drug Abuse and Illicit Drug Trafficking) will develop and implement the communication interfaces between state institutions in **combating drugs trafficking** (Romanian Customs Administration, Ministry of Health and Family, Ministry of Interior) and will fulfil the specific training for the customs staff.

3.2 Linked activities:

The 2001 Phare National Programme (RO 010703) supports the first phase of interoperability of the Romanian Customs systems with NCTS and TARIC, as follows:

- a) **Preparation for adhesion to the Common Transit Convention and implementation of NCTS** - this project will assist RCA in the integration and organisation of the national component of the NCTS at the level of the NCTS Phase 3.1.

The full integration, implementation, organisation and operation of the national component of NCTS from the Phase 3.2 on will be completed through the proposed project within 2002 Phare National Programme.

- b) **Implementation of the Romanian Integrated Tariff (TARIR), fully compatible with the Community Integrated Tariff (TARIC)** - this project will assist the Romanian Customs, through Twinning arrangements, to:

- develop the TARIR and the associated management principles and mechanisms, in accordance with the national needs, but also compatible with the TARIC structure, with the view to decrease gradually the national needs component in the process of full harmonisation of the Romanian legislation and procedures with the EU legislation;
- develop a TARIR Management System, to ensure the maintenance of the TARIR (legal provisions, customs tariff – taxes and duties, commercial preferences, documents needed for customs clearance, restrictions/quotas etc.) and also its dissemination to the customs operational staff and the Trade community.

The integration of the TARIR into the Integrated Customs Information System (ICIS) and the design and development of an Integrated Tariff Management System (ITMS), in co-operation with the DG TAXUD services, to support the customs declaration processing system (CDPS) and the complementary systems - enforcement, statistics, accounting, communications etc., will be ensured through the proposed project within 2002 Phare National Programme.

3.3 Results:

Connection of RGCA systems with the CCN/CSI system.

- Connection of Romanian ICIS with the CCN/CSI system.
- Use of a coherent method of access by the applications operated by the Commission and RGCA under CCN/CSI.
- Romanian Customs IT staff trained.

Completion of the preparation for adhesion to the Common Transit Convention and implementation of NCTS

- National Transit System based on MCC, fully compatible with New Computerised Transit System (NCTS) requirements;
- Customs staff trained in the specific NCTS methodology, procedures and operation;

- The Trade Community involved in transit operations, trained and prepared to use the new procedures.

Completion of the implementation of the Romanian Integrated Customs Tariff, fully compatible with the European Community Integrated Tariff (TARIC)

- The Romanian Integrated Tariff (TARIR), fully compatible with TARIC, integrated into ICIS and the customs operational environment.
- All customs IT applications compatible with TARIR;
- Romanian Customs staff (customs and IT) selected, trained and evaluated.

Preparation of RGCA systems for the connection with the DG TAXUD databases

- ICIS compliant with DG TAXUD databases interconnectivity requirements;
- Specific methodologies and functionalities implemented in the customs operational environment;
- Romanian Customs staff (customs and IT) selected, trained and evaluated.

Twinning

Strengthening the inter-operability capacity of RCA, through the implementation of the Strategy referring the inter-operability with the EU systems

- Relevant regulations amended to support the implementation of inter-operability with the EU systems;
- The inter-operability programme documented;
- Rules, working procedures, methodologies, information flows, staff responsibilities and job description, documented;
- The Romanian Customs inter-operability strategy with the EU systems in relation with the IT development and inter-operability strategy, reviewed;
- Manuals produced for the RCA staff;
- Train-the-trainers programme designed and delivered;
- High-level awareness meetings organised for the participants to the customs operations;
- The global appropriateness of the inter-operability with EU systems, evaluated.

3.4 Activities:

3.4.1 Connection of RGCA systems with the CCN/CSI system.

The Common Communication Network and Common System Interface (CCN/CSI) is a technical solution (gateway) developed by the Commission Services aiming, primarily to standardise the access to the DG TAXUD applications and, secondarily, to further integrate other Commission entities, hence extending it to non-DG TAXUD applications.

This project will provide with the necessary technical infrastructure (equipment, software) for the connection of the Romanian Customs with the CCN/CSI system and the technical assistance required to support the physical installation and the operational support of the gateway.

It should be noted that there is only one supplier of this system, already contracted by DG TAXUD and, consequently, this component could be implemented only through this contractor, in the standard conditions established by DG TAXUD.

This component will be correlated with the requirements and provisions stipulated in Phare networking programme adopted by the Commission, November 2001, which includes activities on CCN/CSI.

3.4.2 Completion of the preparation for adhesion to the Common Transit Convention and implementation of NCTS

The preparedness of the customs administrations for the adhesion to the Common Transit Convention and the connection to the EU New Computerised Transit System (NCTS) is a pre-requisite of the accession process in the customs sector: The Commission has required that the Candidate Countries are fully NCTS compatible at latest one year prior to accession.

The 2001 Phare National Programme assists RCA in:

- the amendment and documentation of the national legislation, the organisational structure, the working procedures, the methodologies and the information flows, as well as the responsibilities of staff and the corresponding job description;
- the subsequent design, development, testing, piloting and documentation of the National Transit Application based on absorption MCC Phase 3.1 which include the functions such as : Office of Departure, Office of Destination, Office of Write-Off, Office of Transit, Handling Diversion, Handling enquiry, Statistics (reports), interfaces with External Domain ;
- interface of the National Transit Application based on the MCC Phase 3.1 with:
 - Romanian Customs Declaration Process System (ASYCUDA++),
 - Tariff Management System,(interfaces developed by RGCA in cooperation with UNCTAD, either to be financed by the national budgeting or under this project).

This component (2002) will therefore assist RGCA to complete the functional implementation of the National Transit Application Phase 3.2 based on the MCC, through:

1. The development of the new functionalities: guarantee management, risk analysis for the national level, statistics (all), enquiry (completion), interfaces with external domains.

The Guarantee Management should cover the national needs of the guarantee system which will be use in the Romanian Customs Administration according to the provisions of the common transit reform and the International Guarantee.

2. The full integration into ICIS, in line with the “Strategy Customs IT Development and interoperability with the EU systems” guidelines.

3.4.3 Completion of the implementation of the Romanian Integrated Customs Tariff, fully compatible with the European Community Integrated Tariff (TARIC)

Following on from the recommendations of the Commission’ 2000 Regular Report, the EC/DGTAXUD proposed “Strategy regarding the implementation of the interoperability with the EU systems” and the “Strategy of the Romanian Customs IT Development and interoperability with the EU systems”, three further major phases have to be accomplished:

1. The development of the TARIR.

In a first phase, the TARIR and the associated management principles and mechanisms will be developed in accordance with the national needs, but also compatible with the TARIC structure, with the view to decrease gradually the national needs component in the process of full harmonisation of the Romanian legislation and procedures with the EU legislation;

2. The development of a TARIR Management System

In order to assure the effective maintenance of the TARIR (legal provisions, customs tariff – taxes and duties, commercial preferences, documents needed for customs clearance, restrictions/quotas etc.) and also its dissemination to the customs operational staff and the Trade community, a TARIR Management System will be designed, developed in the context of IT environment of ICIS (Unix, Oracle) and implemented. This will include both the methodologies and procedures for the maintenance of the TARIR and the automated tools to assist this process.

3. The integration of the TARIR into the Integrated Customs Information System (ICIS)

This stage will involve the structural adaptation of the ICIS at the national level (i.e. the customs declaration processing system –CDPS and the complementary systems - enforcement, statistics, accounting, communications etc.) for the use of the TARIR and also the compatibility of ICIS with the Commission/DG TAXUD system in order to receive and process the future daily updates of the TARIC.

The adaptation of ICIS components which will suppose different development tools than Oracle environment (i.e. CDPS ASYCUDA++), will be national financed.

This stage should fully implement TARIR in the customs operational environment, both functionally and technically.

The 2001 Phare National Programme supports the implementation of the first two phases mentioned above.

This component (2002) will therefore assist RGCA to finalise the implementation of a fully TARIC compatible system in Romania (third phase) and its integration into ICIS and the operational customs environment, through:

- structural adaptation of the ICIS at the national level for the use of the TARIR and also the compatibility of ICIS with the Commission/DG TAXUD system in order to receive and process the future daily updates of the TARIC;
- integration of TARIR management system within the ICIS (CDPS and the complementary systems - enforcement, statistics, accounting, communications etc.);
- fully implementation of TARIR in the customs operational environment, both functionally and technically.

3.4.4 Preparation of RGCA systems for the connection with the DG TAXUD databases

The European Commission/DG TAXUD manages centrally several databases that should be used by the Customs Administrations in the EU Member States in processing the customs declarations, e.g. 'Quotas' and 'Ceiling' - comprising information on the reduction of the customs duty payable for limited quantities of imports, 'Binding Tariff Information (EBTI) – containing official decisions on tariff classification of products, 'Binding Origin Information' (BOI) etc.

In planning and developing various components of the ICIS, RGCA should take into account the obligation to ensure the integration into ICIS of the information provided by the European Commission services and to process it in accordance with EU standards and best practice.

This component will therefore assist RGCA to develop and implement an Integrated Tariff Management System (ITMS), which will ensure the consistent inter-operability of the ICIS components with the EU systems, in accordance with DG TAXUD inter-operability strategy.

Within this component the ITMS will harmonise and integrate them in a future Integrated Tariff Environment, with a interface with the customs declaration processing system and the complementary systems - enforcement, statistics, accounting, communications etc.

The DG TAXUD ITMS project involves several systems of the EU, "tariff" related as: TARIC, TQS, EBTI, ISPP, SMS, ECICS, BOI, Tariff suspensions. This project will provide information within the PID (project Initiation Document) and PQP (project Quality Plan), issued to assist candidate countries to decide on its own approach.

This component will include also the development and implementation of necessary functionalities and methodologies in customs and ICIS operational environment.

3.4.5 Activities to be implemented through Twinning arrangements

Strengthening the inter-operability capacity of RCA, through the implementation of the Strategy referring the inter-operability with the EU systems

The following activities will be implemented through common work of the Romanian and Member State's experts:

- a) Development of the inter-operability programme through:
 - Propose the scope objectives of the inter-operability programme;
 - Describe the main characteristics of the inter-operability programme;
 - Suggest the description of the organisation of the programme and a definition of the roles and responsibilities of the participants;
 - Estimate timescales and resources requirements;
 - Suggest strategies and methodologies that could be developed;
 - Review of the Romanian Customs inter-operability strategy with the EU systems in relation with the IT development and inter-operability strategy.
- b) Implementation of the inter-operability programme:
 - amendment of the relevant regulations and adaptation of the inter-operability procedures
 - adaptation of the RCA's organisational structure, rules, working procedures, methodologies, information flows, staff responsibilities and job description;
 - production of manuals for the RCA staff;
 - train-the-trainers programme for the RCA and the creation of common awareness amongst the participants to the customs operations, through high-level meetings.
- c) Evaluation of the inter-operability capacity of RCA, with the EU systems:
 - evaluation of the inter-operability programme implementation results (related legislation, organisation, rules, procedures, methodologies, information flows, staff responsibilities);
 - review of the operativity and reliability of the IT connections with the EC / DG TAXUD systems, together with the customs IT experts;
 - evaluation of the involved customs personnel selected and trained;
 - evaluation of the global appropriateness of the inter-operability with EU systems.

Profile of the PAA:

- solid background in the Inter-operability issues related activities, especially in the design, development, implementation and management activities;
- sound knowledge of regulations and policies of the European Union, in relation to the inter-operability with the EU systems issues;
- sound knowledge of the DG TAXUD Project Management Methodology, as an ideal reference for the management of IT projects implemented within the DG TAXUD itself

- sound knowledge of DG TAXUD proposed “Strategy regarding the implementation of the interoperability with the EU systems”, as a strategic frame for all candidate countries;
- sound communication skills and previous experience of working in a multi-disciplinary and multi-national team;
- previous experience as project coordinator/project manager;
- understanding of the Romanian environment (legislation, TARIR , NCTS implementation status, ICIS functionalities and performances, IT development and inter-operability strategy).
- sound knowledge of English/French.

Duration of the assignment: The PAA will work within the RCA/ Customs Regimes and Operations Division for a period of 18 months (16 working months), starting at the latest on 1 June 2003.

Short-term expertise: Inter-operability related issues, EU systems functionalities, EU related regulations, organisation development, Human Resources Management, elaboration of training (needs assessment, design and delivery of training courses), production of manuals for customs staff and participants to the customs operations, EC/DG TAXUD data bases structures and restrictions, technical interconnection issues, CCN/CSI and ITMS projects (DG TAXUD).

Expected results/outputs:

- Relevant regulations amended to support the implementation of inter-operability with the EU systems;
- The inter-operability programme (including timing, resources, responsibilities) with reference to the DG TAXUD management methodology of IT projects implemented within the DG TAXUD itself;
- Rules, working procedures, methodologies, information flows, staff responsibilities and job description documented;
- The Romanian Customs inter-operability strategy with the EU systems in relation with the IT development and inter-operability strategy, reviewed;
- Manuals produced for the RCA staff;
- Train-the-trainers programme designed and delivered (max 40 participants);
- High-level awareness meetings organised for the participants to the customs operations;
- The global appropriateness of the inter-operability with EU systems, evaluated.

3.5. Lessons learned:

1. The Phare project, RO 9304 (Computerisation of Romanian Customs) has been evaluated by Price Waterhouse Coopers, in December 1998, within all similar projects implemented in 10 candidate countries and multi-country projects related to. The evaluation result stated for Romania a good position and the overall assessment comprised good for computerisation and training and medium for legislation and equipment. The report recommendations have

been taken into account in designing of RO 980402 (Assistance to the Romanian Customs Administration (RCA) in developing more effective control management and border systems).

2. Meanwhile, the progress has been reached within all development directions, as it is stated in the evaluation report of OMAS Consortium, in December 1999, referring RO 980402. This report appreciations referred the project management and co-ordination, structure, previewed activities, expected outputs. The evaluation recommendations have been focussed on an accurate time-scheduling, in order to assure the project objectives accomplishment. The report appreciated the content of the Romanian Customs development strategy. The later on progress of the project implementation confirmed that RGCA took into consideration the above recommendations.
3. The report of the World Trade Organisation (WTO) reunion on technical assistance and capacity building in trade facilitation (May 2001), referring the evaluation of a joint mission (DFID, UK Customs, WCO), in June 2000, indicated that the customs automation project with ASYCUDA++ as its CDPS (customs declaration processing system), had been very successful and the objectives fully met. The evaluation team found there a significant improvement in the quality and timelessness of statistical data and an appreciable reduction in the clearance times for goods. The evaluation team considered the project suitable as a model for replication elsewhere assuming the necessary dedication of senior customs officials and government.
4. The Monitoring reports, elaborated on half-yearly bases, within the Sectorial Monitoring Sub-Committee 2 – SMSC2 (Strengthen the Administrative capacity – Public Function and Public Finance), evaluated the implementation status of RO 980402 (4 monitoring reports since the monitoring start) and of RO 010703 (within the latest, 11 January 2002). The sequential recommendations referred the projects evolution and they have been focussed on the time-scheduling, tendering speed-up measures, reducing the implementation period in order to match the disbursement period, PPF support in the ToRs elaboration. All the recommendations have been taken into account for each implementation stage and their solving ways have been appreciated by the SMSC2.
5. In October 2000, DG TAXUD organised an evaluation mission for RGCA and Tax Administration, aiming the assessment of the preparedness of RGCA planning to inter-operate with the DG TAXUD:
 - To report gaps between the current situation and the DG TAXUD systems interconnectivity requirements
 - To inform the RGCA and Tax Administration about the systems covered by this study
 - To recommend an implementation plan to complete the interconnection with DG TAXUD systems
 - To indicate to DG TAXUD what further actions if any need to be taken by the Commission to ensure the necessary support to RGCA to enable them for interconnection with EU systems

The report (March 2001) conclusions and recommendations for the candidate countries proposed an accurate interconnection time-scheduling and referred the necessity of:

- homogeneity of the applications and platform,
- extensive assistance on TARIC implementation and clear documentation,
- national transit system compatible with NCTS in order to ensure that proper guidelines are given and the right decisions are taken,
- participation as observer in working groups in order to proceed with the DG TAXUD systems in a compatible manner.

Based on this report, the DG TAXUD elaborated and published (November 2001), a proposed "Strategy regarding the implementation of the interoperability with the EU systems", as a strategic frame for all candidate countries, to be taken into account in the development plans referring the effective achievement of the inter-operability with the EU systems, one year before their accession to EU. The provisions of the above strategy became guidelines for the elaboration of the 2002 project fiche.

4. INSTITUTIONAL FRAMEWORK

The RCA is part of the Ministry of Finance and it is responsible for the collection of customs duties, excise duties and VAT on imports, and the prevention of illegal imports and exports.

The Administration is structured in three hierarchical levels:

- Headquarters
- 10 Customs Regions, co-ordinated by Regional Customs Directorates (RCD). Each RCD is methodologically and functionally subordinated to the HQ.
- 100 Local Customs Offices (LCOs), methodologically and functionally subordinated to the RCDs.

A total number of 4,600 employees are foreseen for the RCA. Currently only 4,400 posts are filled.

The direct beneficiaries of this project are all Divisions of RGCA (Customs Regimes and Operations Division, Surveillance and Control Division, Budget organisation and personnel Division and the IT and Statistics Division).

The Integrated Tariff Department and the Centralised Transit Department within the Customs Regimes and Operations Division comprise around 20 people at the central level and have subordinated structures at the regional and local levels.

- The Integrated Tariff Department is in charge with the elaboration of the Romanian Integrated Tariff (TARIR), based on the principles of the Community Integrated Tariff (TARIC); the department is also responsible for the development of the methodological framework for the implementation of the TARIR, the elaboration of the codification system in relation to commercial policy measures and regulations that will be integrated in the system.
- The Centralised Transit Department has competences in the elaboration of norms, methodologies and instructions regarding the internal and external customs transit (air, sea, road, railway, cables, pipes), the management of

conventions regarding the transportation of goods by railway, road, air, sea; the department is also in charge to monitor the implementations of the agreements concerning the means of transport and the containers in international traffic.

In order to create sustainable programmes and in line with the recommendations of the Commission' 2000 Regular Report, the training activities will be carried out in the framework of the Public Finance and Customs School and the training courses and materials developed through this project will be included in the training curricula of the school, as appropriate.

5. DETAILED BUDGET

(Million EURO)

Component	Phare Support			National co-financing ⁽³⁾	IFI	TOTAL
	Investment ⁽¹⁾	Institution Building ⁽²⁾	Total Phare (=I+B)			
1. Connection of RGCA systems with the CCN/CSI system	0.35	0.10	0.45	0.20	-	0.65
2. Completion of the preparation for adhesion to the Common Transit Convention and implementation of NCTS	0.28	0.72	1.00	0.40	-	1.40
3. Completion of the implementation of the Romanian Integrated Customs Tariff, fully compatible with TARIC	0.40	1.10	1.50	0.40	-	1.90
4. Preparation of RGCA systems for the connection with the DG TAXUD databases	0.25	0.75	1.00	0.35	-	1.35
5. Strengthening the inter-operability capacity of RCA <i>Twinning</i>	-	0.60	0.60	0.05	-	0.65
TOTAL	1.28	3.27	4.55	1.40	-	5.95

⁽¹⁾ - In relation to the equipment, the software licenses, the documentation and related services (installation, testing, training for the end users etc.);

⁽²⁾ - In relation to, the changes in organisation, procedures, legislation, the software development, training etc.

⁽³⁾ - The national co-financing relates to the equipment endowment and the operational cost of the system.

6. IMPLEMENTATION ARRANGEMENTS

6.1 Implementing Agency:

The Implementing Agency for this project will be the Central Financing and Contracting Unit (CFCU) within the Ministry of Finance, which is responsible for carrying out the tendering, contracting and payment procedures.

The Implementing Authority for this project will be the Romanian Customs Administration (RGCA). Since 1993, RCA have developed structures and systems to co-ordinate the Phare-financed programmes, which have produced very good results and have proved to be very efficient: the absorption of the Phare 1993 funds being 100%.

The Phare Programme Implementation Unit (PIU) and Project Steering Committees (PSC) were established, the latter comprising, according to the objectives of the projects, high-level management of the beneficiary departments. Since then, both structures maintained approximately the same structure. For the implementation of this project a PSC comprising senior representatives of the RCA key departments, will be set up, in charge with the monitoring, supervision and co-ordination of the overall progress and implementation of the project. The PSC will provide guidance for the different components of the project, will approve the results and will define priorities. PSC will be chaired by the Director General of RGCA, who is to be nominated as Senior Programme Officer (SPO).

RGCA will appoint a Project Managers for each component of the project from the departments directly involved in the implementation of the project.

The PIU is already in place and it will carry out the day-to-day management of the project. Its role is to administer and resolve issues concerning the management of the project, including planning and identification of tasks, reporting, preparation of Terms of Reference, participation in tendering, monitoring and evaluation of activities. The PIU will report to the PSC. The PIU will assure the secretariat for the PSC meetings.

RGCA will support the implementation of the proposed project by assuring the necessary organisational environment, making available the necessary personnel and by covering the cost of the national experts, the required infrastructure and equipment, and the related running and administrative costs.

6.2 Twinning

It is envisaged to implement the project components 3.4.5. through Twinning arrangements, as follows:

Implementation of the Inter-operability implementation Strategy (0.6 MEURO)

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The Romanian Customs Administration will provide:

- Adequate human resources to implement the twinning project together with the twinning partner, in accordance with the agreed Twinning Covenants;
- Facilities necessary for the implementation of the twinings (offices, computers, printers, telephones, access to internet);

- Funds to cover the travel costs of the Romanian Customs personnel in the context of training or seminars in the country.

6.3 Non-standard aspects

It should be noted that there is only one supplier of the CCN/CSI system, already contracted by DG TAXUD.

The project will be managed according to the Practical Guide for Phare, Ispa and Sapard contract procedures.

6.4 Contracts

The component 3.4.1 will be implemented through 1 (one) contract with the selected contractor by DG TAXUD, within the multi-country Phare Networking programme.

It is envisaged to implement the components 3.4.2.- 3.4.4 through three services contracts awarded as result of open tender procedures (3.4.2. for 1.00 MEURO, 3.4.3 for 1.50 MEURO, 3.4.4. for 1.00 MEURO).

7. IMPLEMENTATION SCHEDULE

7.1 Start of tendering/call for proposals: December 2002.

7.2 Start of project activity: June 2003.

7.3 Project completion: October 2005.

8. EQUAL OPPORTUNITY

The Romanian Customs is and equal opportunities employer.

9. ENVIRONMENT N/A

10. RATES OF RETURN N/A

11. INVESTMENT CRITERIA N/A

12. CONDITIONALITY AND SEQUENCING

The components 3.4.2 and 3.4.3 will be launched in accordance with the sufficient progress achieved by all the corresponding activities within the 2001 Phare National Programme (until NCTS Phase 3.1, included).

ANNEXES

1. Logical framework matrix in standard format.
2. Detailed implementation time chart in standard format.
3. Contracting and disbursement schedule by quarter for full duration of project.

ANNEX 1

LOGFRAME PLANNING MATRIX		
PROJECT: Connection to EU customs systems (CONNECTION OF THE ROMANIAN CUSTOMS' SYSTEMS WITH THE EU SYSTEMS)	Contracting period expires: October 2004	Disbursement period expires: October 2005
	Total Budget: 5.95 MEURO	Phare contribution: 4.55 MEURO

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	
To strengthen the administrative, operational and technical capacity of the Romanian Customs Administration to enable it to achieve full harmonisation with the EU Acquis and European Union best practice.	RCA in full compliance with the accession requirements and the Commission's Customs Blueprints' standards in the key areas addressed by this project.	Regular Customs Administrative and Operational Capacity Reports, as part of the Screening process. Commission' Regular Reports.	
PROJECT PURPOSE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
To achieve full compatibility and inter-operability of the Romanian Customs systems with the EU systems, enabling the exchange of computerised data between the Romanian ICIS and the European Commission and the EU Member States systems.	<ul style="list-style-type: none"> • CCN/CSI gateway fully operational; • National component of NCTS tested and accepted by DG TAXUD and in current use; • The Romanian version of TARIC implemented; • Integrated Tariff Management System in current use. 	Regular Customs Administrative and Operational Capacity Reports, as part of the Screening process, and Reports to the EU-Romania Customs Sub-committee. DG TAXUD technical inter-operability reports.	Government maintains consistent policy viz. the Customs Administration, in line with the 'Declaration of Endorsement of the Commission's Pre-accession Strategy for Customs and Tax administrations'. National legislation, compliant with the EU legislation and best practice, enacted.

RESULTS	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<p><u>1. Connection of RGCA systems with the CCN/CSI system.</u></p> <ul style="list-style-type: none"> • Connection of Romanian ICIS with the CCN/CSI system. • Use of a coherent method of access by the applications operated by the Commission and RGCA under CCN/CSI. • Romanian customs IT staff trained 	<ul style="list-style-type: none"> • CCN/CSI infrastructure deployed in Romania. • EU standards and formats for information exchange implemented. • IT personnel trained • Exchange of data between the Romanian Customs and the EC systems for Customs. 	<p>DG TAXUD reports on acceptance and conformance tests</p> <p>Technical and functional documentation.</p> <p>Inventory of the Romanian Customs.</p> <p>Regular progress reports of the Commission and Romanian Government.</p>	<p>Timely and adequate technical information and assistance provided by the Commission.</p> <p>Full commitment of the parties involved.</p> <p>Timely and adequate resources available.</p>
<p><u>2. Completion of the preparation for adhesion to the Common Transit Convention and implementation of NCTS</u></p> <ul style="list-style-type: none"> • National Transit System based on MCC, fully compatible with NCTS requirements; • Customs staff trained in the specific NCTS methodology, procedures and operation; • Trade Community involved in transit operations, trained and prepared to use the new procedures. 	<ul style="list-style-type: none"> • Specific procedures, working procedures and information flows documented; • System developed with the new functionalities, interfaced with Enforcement System and full integrated into ICIS; • System documented and piloted ; • Specialised customs staff trained and in place; • Manuals for the customs staff produced; • Trade community trained and using effective the new transit procedure. 	<p>DG TAXUD reports on acceptance and conformance tests</p> <p>Published amended legislation and procedures.</p> <p>Training materials and evaluation questionnaires fulfilled by the trainees.</p> <p>Regular reports of RCA and of the trade associations.</p>	<p>Timely and adequate technical information and assistance provided by the Commission.</p> <p>Timely and adequate resources available. Full commitment of the Trade community.</p> <p>.</p>

<p><u>3. Completion of the implementation of the Romanian Integrated Customs Tariff, fully compatible with TARIC</u></p> <ul style="list-style-type: none"> • The Romanian Integrated Tariff (TARIR), fully compatible with TARIC, integrated into ICIS and the customs operational environment. • All customs applications compatible with TARIR; • Romanian Customs staff (customs and IT) selected, trained and evaluated. 	<ul style="list-style-type: none"> • Amended organisational structure, working procedures, methodologies, information flows, staff responsibilities and job description documented; • System interfaced with the relevant ICIS components, i.e. Declaration Processing, Enforcement, Customs Statistics, Customs Accounting, Communication; • Specialised staff trained and in place; • TARIR Management System documented and in current use. 	<p>DG TAXUD reports on acceptance and conformance tests</p> <p>Organisational structure of RCA related to the development/maintenance and implementation of TARIR/TARIC.</p> <p>Training materials.</p> <p>Regular RCA reports.</p> <p>Regular reports of the Trade community.</p>	<p>Timely and adequate technical information and assistance provided by the Commission.</p> <p>Full commitment of the parties involved.</p> <p>Timely and adequate resources available.</p>
<p><u>4. Preparation of RGCA systems for the connection with the DG TAXUD databases</u></p> <ul style="list-style-type: none"> • ICIS compliant with DG TAXUD databases interconnectivity requirements; • Specific methodologies and functionalities implemented in the customs operational environment; • Romanian Customs staff (customs and IT) selected, trained and evaluated. 	<ul style="list-style-type: none"> • ITMS developed, documented and in current use; • Specific methodologies and functionalities in current use; • Specialised staff trained and in place. 	<p>DG TAXUD reports on acceptance and conformance tests</p> <p>Published organisational structure and specific methodologies and functionalities.</p> <p>Training materials.</p> <p>Regular reports of Romanian Customs.</p>	<p>Timely and adequate technical information and assistance provided by the Commission.</p> <p>Full commitment of the parties involved.</p> <p>Timely and adequate resources available.</p>
<p><u>5. Strengthening the inter-</u></p>			

<u>operability capacity of RCA</u> <ul style="list-style-type: none"> • Relevant regulations amended to support the implementation of inter-operability with the EU systems; • The inter-operability programme documented; • Rules, working procedures, methodologies, information flows, staff responsibilities and job description, documented; • The Romanian Customs inter-operability strategy with the EU systems in relation with the IT development and inter-operability strategy, reviewed; • Manuals produced for the RCA staff; • Train-the-trainers programme designed and delivered; • High-level awareness meetings organised for the participants to the customs operations; • The global appropriateness of the inter-operability with EU systems, evaluated. 	<ul style="list-style-type: none"> • Inter-operability regulations amended and submitted for approval • The inter-operability programme approved by the RCA management • Rules, working procedures, methodologies, information flows, staff responsibilities and job description approved and assimilated by the involved staff • Romanian Customs inter-operability strategy with the EU systems in relation with the IT development and inter-operability strategy finalised and approved. • Train-the-trainers programme designed and delivered (40 trainers) • High-level awareness meetings fulfilled (5 reunions) • The evaluation report referring the global appropriateness of the inter-operability with EU systems submitted for approval. 	<p>Reports to the EU-Romania Customs Sub-committee. Regular progress reports of the Commission and Romanian Government. DG TAXUD technical inter-operability reports. Regular RCA reports. Published amended regulations and procedures. Published organisational structure and specific methodologies and functionalities. Training materials and evaluation questionnaires fulfilled by the trainees.</p>	<p>Timely and adequate technical information and assistance provided by the Commission.</p> <p>Full commitment of the parties involved.</p> <p>Timely and adequate resources available</p>
ACTIVITIES	MEANS		ASSUMPTIONS
<ul style="list-style-type: none"> • Change of organisational structure and corresponding job descriptions; 	<p>Direct contract with the DG TAXUD contractor (component 3.4.1)</p> <p>Phare service contracts awarded as</p>		<p>Full commitment of the parties involved.</p> <p>Timely and adequate</p>

<ul style="list-style-type: none"> • Software development/integration and roll-out; • Design, development and delivery of training programmes; • Drafting, production and distribution of staff instructions (regulations, guidance); • Production and publication of information for trade community. 	<p>result of open tender procedures (component 3.4.2 – 3.4.4). Twinning Covenant awarded.</p>		<p>resources available. Effective monitoring of project implementation;</p>
			<p>PRECONDITIONS</p> <p>Continued political commitment to EU accession. National legislation in line with EU legislation and best practice enacted. Budgets approved and available.</p>

DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT

Title: **Connection to EU customs systems****(CONNECTION OF THE ROMANIAN CUSTOMS' SYSTEMS WITH THE EU SYSTEMS)**

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	<div>D = Design</div> <div>C = Contracting</div> <div>I = Implementation</div> <div>R = Review</div> <div>X = Closure</div>
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CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

Title: **Connection to EU customs systems**
(CONNECTION OF THE ROMANIAN CUSTOMS' SYSTEMS WITH THE EU SYSTEMS)

(Million EURO)

	31/12/0 2	31/03/ 03	30/06/ 03	30/09/0 3	31/12/0 3	31/03/0 4	30/06/0 4	30/09/0 4	31/12/0 4	31/03/0 5	30/06/0 5	30/09/0 5
CONTRACTED		0.45	2.45	4.10			4.55					
DISBURSEMENT			0.49	0.98	1.47	1.96	2.45	2.94	3.43	3.92	4.41	4.55