

SUMMARY PROJECT FICHE

1. BASIC INFORMATION

- 1.1. Désirée Number:** BG 0103.05
Twinning code: BG/IB/2001-FI-02 and FI-03 ¹
- 1.2. Title:** Strengthening the National Customs Agency
- 1.3. Sector:** AD
- 1.4. Location:** National Customs Agency (NCA)

2. OBJECTIVES:

2.1. Overall Objective

To strengthen the administrative and operational capacity of the National Customs Agency in order to ensure enforcement of the Customs legislation and to ensure the continuation of the preparation of the country for accession to the Convention on Common Transit and to the Convention for simplification in trade of goods (so called Convention of the Single Administrative Document).

2.2. Project Purpose

This project proposal aims to improve NCA's organisation and management, human resources management and its operational capacity, related to trade facilitation and fight against fraud; to establish an institution that functions as a Post Clearance Control instrument; to implement a Reformed and Automated Transit System and the EU reform in the Customs Economic regimes into the national customs legislation

2.3. Accession Partnership and NPAA priority

This project proposal addresses the areas defined in the Accession Partnership (AP) and the National Programme for Adoption of the Acquis (NPAA) as short- and medium-term priorities for Bulgaria's membership preparation, as follows:

Accession Partnership

- Adoption and start of implementation of a comprehensive reform of the customs administration at central and local levels, in view of enhancing professionalism and efficiency and fighting for implementing transparent practices.
- Establishment of effective administrative structures and procedures to implement and enforce the Union acquis relating to Customs.
- Completion of the legislative alignment to the Union aquis relating to Customs.
- Connection between the transit systems of Bulgaria and of the European Community.

NPAA

Short-term priorities

- Adoption of a new structure of the Customs Agency, on the basis of the needs-analysis, in the context of the new legal and information environment and in accordance with governmental strategy for the reform in the state administration;
- Standardisation with the EU systems for fight against fraud;
- Continuation of the preparation for joining the Convention on Common Transit
- Delivery and installation of the necessary hardware equipment. Building of the communication environment of the customs administration;
- Art. 94 of EAA – Development and implementation of IT customs information system, able to meet the requirements of all users – customs administration, businesses, governmental bodies; it will be compatible with the EU standards and suitable to be connected directly with other information systems, specified by the European Commission.

¹ The project could be delivered by either one single twinning, or two separate twinings, as explained in this fiche.

Medium-term priorities

- Adoption of an Instruction on the internal organisation, and the rights and obligations of the Customs authorities. Implementation of a Strategic Plan for the development of human resources, training on implementation of new legislation, upgrading of the internal structure to support the implementation of Customs procedures, according to the entrusted functions of control on import, export and transit of goods, vehicles and passengers;
- Improvement of the job descriptions of the Customs staff and of the relations between the four hierarchical levels of the National Customs Agency;
- Building of a system for assessing and managing the professional performance of the Customs staff;
- Building a system for forecasting and planning of the staff deployment of the Customs Agency;
- Accession to the Convention on Common Transit;
- Accession to the Convention on the Simplification in trade of goods;
- Development and implementation of the Integrated customs information system with full functional and territorial coverage.

3. DESCRIPTION

3.1. Background and justification

3.1.1. Background.

In line with the priority areas, underlined in the AP and the NPAA, and directly coming from the Business Strategy of the National Customs Agency (NCA), which was approved by the Minister of Finance in September 1999 and will be a subject to periodical updates, one of the key aims of the NCA is to develop Customs Administration, which matches the standards required for accession to the European Union, and meets the needs of its stakeholders.

In preparation of the Report on “Administrative and Operational Capacity Based on the Customs Blueprints”, which was requested by the Commission (DG ENLARGMENT) earlier this year, in the context of the Screening Exercise, the NCA has carried out an updated gap analysis of the current situation in the Blueprint, which resulted in the definition of significant and urgent needs for improvement / further development in these areas. Based on the results of this updated gap analysis, and in line with a set of clear Commission (DG TAXUD) recommendations, concerning particular areas that need improvement, the Director General of the NCA decided to give the highest priority to:

- further development of the management function on all levels of the organisation; and simultaneously,
- development of a human resources management system that fully supports the business objectives of the NCA.

Furthermore, in order to strengthen the organisation’s operational capacity and to assure the effective implementation of the new Customs Law, the Director General of the NCA decided to give the highest priority to:

- continuation of the harmonisation of the Bulgarian Customs legislation with the respective EU legislation, with particular emphasis on the EU Reform in the Customs Economic Regimes;
- development and implementation of the post clearance control (Customs audit) function;
- continuation of the preparations towards accession to the Convention on Common Transit.

3.1.2. Project justification.

Introduction of modern standards for the management of the organisation and Human Resource Management in particular

The Bulgarian Customs Administration has the goal to develop the Customs Administration by an efficient planning, management and communications in order to be in compliance with the necessary standards for joining the EC, particularly in developing an efficient and a modern, a clearly defined modern structure and a system for the management of the human resources. It would support the achievement of the goals of the BCA, that would be harmonized and in compliance with the national, the labour legislation and with the EC legislation, as well. The BCA intend, in connection with the given goal, to undertake the following tasks and priorities.

Post Clearance Control

The BCA has not yet a Post Clearance Control Unit that functions as a Audit Service. Customs audits are necessary in Bulgaria in order to guarantee the revenues of the budget at its maximum. Customs audits are also needed in order to ensure that the terms and conditions of competition among the economic parties involved are on the same level. Furthermore the BCA is willing after having prepared the third level legislation on the Customs legislation to put the Customs Simplified Procedures that are foreseen in the legislation into practice. For that reason Customs audits that follow the course of the simplified procedures have to ensure that these simplified procedures are carried out according to the legislation.

Implementation of the Reformed and Automated Transit System and Implementation of the EU Reform in the Customs Economic Regimes into the national customs legislation

After the formal request for accession to the Convention on Common Transit, made in 1995, the Republic of Bulgaria undertook preliminary measures in order to create the necessary bases and to fulfill the technical requirements for the accession. In this connection, Bulgaria was involved in the multi-country project of the European Commission "Transit North-South" which had finished on 09.12.2000. The achieved results in this period proved that this issue is of a national priority and that the customs administration is able to counteract and to build a national system, in compliance with the requirements of common transit - on legislative and administrative level. Furthermore, efforts are needed to follow-up and to accept the process of the reform of common transit and the development and the complete implementation of NCTS.

In the working document "Strategy for preparation of the candidate countries for accession to the conventions" (TAXUD/B/3/JMG D(2000), TAXUD/0929/2000 from 27.11.2000), the European Commission recommends the candidate countries to include the necessary activities in the annual preparatory programs, which are to be financed in order to continue the preparation for joining the Convention on Common Transit and the Convention of the Single Administrative Document. The priorities are: to strengthen the administrative and institutional capacity; the implementation of NCTS and the development of the national transit decrees, related to the changes in the Convention on Common Transit.

Considerable changes of the European legislation, concerning the customs economic regimes, free zones and free warehouses are expected (in particular in the Regulation 2454/93) as a result of the process of modernisation and simplification of the customs procedures as a whole, these regimes and directions are very important for the trade sector. Due to the fact, that they have basically an economic function: each change must be analysed and implemented without any disturbances in the administration and as well as in the trade sector. It is essentially to have a detailed preparation for this reform, based on previous expertise, communications and professional knowledge.

3.2. Linked activities.

- EU Phare Multi-country Customs Programme/Transit Facilitation & Customs Modernisation Transit North/South (Eurocustoms) finished on 09.12.2000
- EU Phare National Programme
 - Harmonisation of Bulgarian Customs Legislation (IB – Twinning with German Customs Administration)*
 - Re-enforcement of Border Controls (IB – Contractor - Eurocustoms)*
 - Technical assistance for implementation of BICIS and IT training for BCA*
 - Customs functional training* - duration 27.12.2000 – 27.07.2002 (IB – Contractor - Eurocustoms)
 - Supply of communication equipment for the National Customs Agency* – signed on 08.12.2000
 - Supply of Hardware and Software for the BICIS* – signed on 27.12.2000
- Pre-Ins Facility 1998
 - Fight against Corruption within the Bulgarian Customs Administration (IB – Twinning with (French and UK Customs Administrations)*

3.3 Results

SUB-PROJECT 1

Introduction of modern standards for the management of the organisation and Human Resource Management in particular

- Management Development Programme finalised and ready for implementation
 - Operational planning process reviewed
 - Internal communication system reviewed
 - Management training provided
- Human Resources management system established
 - Strategy for the management of human resources in compliance with the Bulgarian national legislation updated (Civil Servant Law, Law for the Public Administration, Customs Act, Labour Code and the relevant secondary legislation) INCLUDING :
 - Organizational structure model developed and specialized units “Organization” and “Management of the Human Resources” established.
 - Methodology established for assessing the exact needs in terms of number of staff of the NCA
 - Plan finalised with clear division of the functions and the tasks
 - Project developed for unified system for assessment of the working places and the functional requirements for the different administrative levels.
 - Updated Job descriptions for all administrative levels and working places in the administration and the roles and the responsibilities clearly defined;
 - System developed based on unified criteria for the selection and appointment of employees
 - Strategy for the training and the qualification of the customs officers, in compliance with the Strategy for management of the personnel finalised
 - Plan for training and qualification developed, including identification of requirements for the level of knowledge, skills, positions and clearly defined criteria and responsibilities;
 - System for promotion established with clearly defined requirements for promotion in rank and position;
 - Methodology for motivation of the customs officers developed;
 - Review of amendments to the Bulgarian legislation related to human resource management
 - Development of a forecasting and planning system;
 - Development / amendment of all relevant personnel systems;
 - Development of job auditing structures, a performance management system, and a system to regularly measure job satisfaction;

SUB-PROJECT 2 Post Clearance Control

- Strategy on Post Clearance Control prepared
- Examination and ascertaining of the necessary human power for Customs Audits;
- Ascertaining elimination of existing overlapping of powers, tasks and responsibilities with other administrations, especially in respect of the auditing service within the Ministry of Finance;
- Review of the legislation, related to the necessary control responsibilities of the Customs administration completed;
- Necessary amendments on existing legislation drafted;
- Structure, organisation and management of the Customs Audit function in place;
- Instructions for auditors prepared;
- Specialised Customs audit training programme in place and fulfilled;
- Database for audit purposes developed and interfaced with BICIS.

SUB-PROJECT 3

Reformed and Automated Transit and Reform in the Customs Economic Regimes

- National Transit System in compliance with the reformed common transit system developed;
- New Computerised Transit System Project - phase 3.1 and 3.2 developed;
- Development and adoption of Administrative instructions on the transit developed and put into practice;
- Training programme for customs officers and trade operators developed.
- Necessary technical level for receiving an invitation for joining the Convention on Common Transit and the Convention for the Single Administrative Document achieved;
- The NCA prepared for accession to the Convention on Common Transit;
- The Bulgarian Integrated Customs Information System (BICIS) ready for connection with the New Computerised Transit System (NCTS).
- A project for the changes in the second level legislation, regulating the customs economic regimes, as well as the free zones and the free warehouses prepared;
- New forms related to the changes as a result of the reform in the customs economic regimes developed;
As a result of the reform the existing Annexes to the Implementing Regulations of the Community Customs Code, concerning customs economic regimes, will be replaced by new Annexes. In accordance with the work document TAXUD/582/2000, Rev. 2, the development of new Annexes with numbers from 67 to 77 is envisaged.
- Amended third level legislation – instructions and administrative directives for the customs officers, as well as for the trade sector, in connection with the reform in the customs economic regimes.
Under the project BG 98 IP/FI-03 Harmonisation of the Bulgarian Customs Legislation first draft Instructions for all economic regimes have been developed. All the Instructions will come into force before the starting of the implementation of the project. These Instructions have to be revised and amended after the reform in the customs economic regimes.

3.4 Activities

SUB-PROJECT 1

Introduction of modern standards for the management of the organisation and Human Resource Management in particular

- A ***Management Development Programme*** will be developed and implemented, which is applicable for all management levels of the organisation. All recommendations, derived from the current Twinning projects, will be taken into account. Particular emphasis will be laid on the operational planning process, including the agreement on the results to be achieved, implementation, reporting, reviewing and acceptance of result responsibility on all management levels. In this respect, a training package will be developed and subsequently training provided to all managers of the organisation, with the objective to create a sustainable knowledge basis that enables the NCA to systematically apply operational planning, implementation of plans, and reporting and reviewing of results. In addition, matters of internal and external communication will be addressed, as well, with in view of streamline the organisation-internal flow of information and to improve the co-operation and information exchange between the NCA, other Agencies, the trade community and the general public.
- A ***Human Resource Management system*** will be developed and implemented, which fully meets the business objectives of NCA. In this context, the relevant legislation will be reviewed against the Blueprint standards on Human Resource Management, and eventual amendments drafted, concerning the necessary powers of the Administration, as regards to: structure, recruitment, retention, performance management and assessment, promotion, career progression, training and development, transfer, severance, dismissal, retirement, remuneration and working conditions. Corresponding personnel systems for all aforesaid areas will be developed / amended, published inside the Administration and applied in practice. In order to predict and meet the Administration's future employment requirements, a forecasting and planning system will be developed and implemented.

Corresponding with the latter, regular auditing viz. compliance with the purpose of job structures, loading, grading and pay-scales within each function of the administration, together with a performance management system for the staff and a system to measure regularly the job satisfaction of the employees, will be developed and established.

SUB PROJECT 2

Post Clearance Control

The *Post Clearance Control (Customs Audit) function* will be developed and its implementation supported, which meets all operational requirements to fully support the effective implementation of the new Customs Law, as a pre-requisite for the full application of all Simplified Procedures, Customs Valuation, Origin and Duty Relieves, in line with the EU systems and the best practice in place. In this context, a strategy on Post Clearance Control has to be prepared, the necessary human power within the BCA for Customs audits will be ascertained and quantified, the elimination of existing overlapping of powers, tasks and responsibilities with other administrations, especially with the Ministry of Finance and its Audit Service will be ascertained, the relevant legislation will be reviewed and eventual amendments drafted, in relation to the necessary control powers of the Customs administration. Structure, organisation and management of the Customs Audit function will be developed and implemented. A database for audit purposes will be developed and interfaced with BICIS. Staff assigned to the Customs Audit function will receive specialised training on all subjects, related to Customs post clearance controls. This training will include: Legal rights and duties of Customs and its commercial counterparts, accounting, business management and audit techniques incl. the 'rules of conduct', data processing and auditing, audit documentation and reporting, relevant international commercial rules and laws, relevant provisions of the Criminal Law, special legal obligations, to be observed, Customs Law with particular emphasis on all areas that are key subjects to Customs audit.

This component will provide assistance for:

- Strategy on Post Clearance Control are to be prepared;
- Examination and ascertaining of the necessary human power for Customs Audits;
- Review and eventual drafting of amendments to the Bulgarian legislation related to the necessary control powers of the Customs administration;
- Necessary amendments on existing legislation drafted;
- The development of structure, organisation and management of the Customs Audit function;
- Preparing instructions for auditors;
- the development of a database for audit purposes that can be interfaced with BICIS;
- The development and the delivery of a specialised Customs audit training programme;

SUB-PROJECT 3

Reformed and Automated Transit and Reform in the Customs Economic Regimes

This project component aims to support the preparations towards accession to the Convention on Common Transit and implementation into the national customs legislation of the changes in the field of Customs Economic Regimes due to the amendments in the EU legislation.

In this respect, all work will be structured upon the results achieved so far, with the help of Phare assistance, in the areas of Customs legislation and Transit. The NCA will concentrate, in particular, on the modernisation and simplification of the customs procedures as a whole, simplification and rational use of the part of the national legislation related to the five Customs Economical Regimes (Inward and Outward Processing, Customs Warehousing, Temporary Admission and Processing under Customs Control), on Free Zones and Free Warehouses, on changes in the Convention on Common Transit and the NCTS.

Facilitation of the actions for studying and implementation into practice of the changes in the Convention on Common Transit and the NCTS and development of proper training modules.

This component will provide assistance for:

- Further preparation for accession to the Convention on Common Transit, based on the legal and procedural developments within this Convention and the further development of the New Computerised Transit System;
- Overview of the theoretical and practical experience of the states members of the Common Transit Convention;
- A profound analysis of the processes in connection with common transit;
- Updating of the national transit legislation, including development of the necessary instructions, for customs officers and the interested economic operators;
- Improvement of the system for training of customs offices;
- Detailed examination of the nature of the ongoing reform;
- To be acquainted with the practical application of the new decrees in the member states;
- Analysis and comments of the decrees with representatives of the trade sector as well as of the Chamber of Commerce, the Board of Trade, branch associations and others;
- Preparation of a project for amendments in the legislation, regulating the customs economic regimes as well as the free zones and the free warehouses in order to be implemented in the national customs legislation;
- Training of customs officers and trade operators;
- To be acquainted and to give information to the trade sector;
- Harmonisation of the Bulgarian Customs legislation and economic regimes with the developments of the respective EU legislation and regimes;

In relation to BICIS, the results of this activity will be included in the Analysis Documents (User Requirements and Functional Specifications), as amendments to the BICIS Full Transit scope. The result will be changes to the existing system according to this Analysis as well as further development of the system (Based on the IT strategy plan) incorporating the reform aspects.

Activities to be implemented through twinning arrangements

The sub-projects 1 and 2 will be delivered by twinning. Both sub-projects could be delivered under a single twinning arrangement. Alternatively, two separate twinning arrangements could be considered.

SUB-PROJECT 1:

Tasks of the Pre-accession Advisor (PAA):

- administrating, co-ordinating, monitoring and advising all the foreseen measures.
- Short-term expertise will be required for the performance of tasks as described under sub-project 1

Profile of the PAA:

- At least 5 years' experience in Customs Organisation and Personal service and having a good knowledge of the tasks and the structure of the Customs administration
- Higher graded officer in the Customs Service
- Preferably Management and Organisation Expert
- Co-operative and flexible
- Good knowledge of the working language

Duration of the assignment of the PAA:

The PAA is supposed to be seconded to the NCA for a period of 12 man/months (11 working months).

SUB-PROJECT 2:

Tasks of the Pre-accession Advisor (PAA):

- administrating, co-ordinating, monitoring and advising all the foreseen measures.
- Short-term expertise will be required for the performance of tasks, as described under sub-project 2.

Profile of the PAA:

- At least 5 years' experience in Customs auditing service or having a good knowledge of the tasks and the structure of the Customs auditing service
- Higher graded officer in the Customs Service
- Preferably Management Expert
- Co-operative and flexible
- Good knowledge of the working language.

Duration of the assignment of the PAA:

The PAA is supposed to be seconded to the NCA for a period of 12 man/months (11 working months).

4. INSTITUTIONAL FRAMEWORK

The NCA is a part of the Ministry of Finance and is responsible for the collection of Customs duties, Excise duties and VAT on imports and the prevention of illegal imports and exports. It collects about 40% of the revenues of the state budget.

The NCA is structured in four hierarchical levels:

- Central Customs Directorate;
- 5 Customs Regions co-ordinated by Regional Customs Directorates;
- 17 Customs houses;
- 98 Customs bureaux and Customs posts.

The existing Training centres in Sofia, Plovdiv and Russe will be used for organising of training courses and seminars.

Over 3,800 staff are employed by NCA.

The new Customs Code and Implementing Regulations have been enforced since 01.01.1999.

The NCA has supported, from the very beginning of this initiative, the Commission's Pre-accession Strategy for the Customs and Taxation Sector by endorsing the document in July 1997 and creating a Pre-accession Unit (PAU), at the recommendation of the 1st Customs Pre-accession Meeting of the Partner Countries. The NCA performed the gap- and needs-analyses vis-à-vis the Commission's Customs Blueprints in the key areas of the Customs business. Subsequently, the NCA Business Strategy was developed (1999) and approved by the Ministry of Finance (October 1999): it includes all the priorities defined in the NPAA and, by the Action Plan, it defines precise tasks, responsibilities and deadlines.

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

5. DETAILED BUDGET

Component	Investment**	Institution Building*	Total Phare (=I+IB)	Recipient	IFI	TOTAL
<u>Strengthening of NCA organisation and operational capacity in specialised areas</u>						
01 Human Resource Management and Organisation and Management – Twinning		0.50	0.50			0.50
02 Post clearance Control - Twinning		0.55	0.55			0.55
03 Reformed and Automated Transit and Reform in the Customs Economic Regimes – Technical assistance		0.25	0.25			0.25
TOTAL		1.30	1.30			1.30

(*) In relation to changes in management, organisation, procedures, legislation, training etc.

(**) In relation to infrastructure, equipment, software, documentation and related services (installation, testing, training etc.)

(***) In relation to short term assistance for Phare documentation, project QA and PIU running costs i.e. missions to Brussels/partner countries, international telephone/fax, stationary etc.

6. IMPLEMENTATION ARRANGEMENTS

6.1 Implementing agency

This will be the responsibility of the Central Financing and Contracting Unit (CFCU), PAO - Mr. Plamen Oresharsky, deputy Minister of Finance, Ministry of Finance; 102, Rakovsky st. Sofia 1040, Bulgaria ; phone +359 2 9859 2772, 359 2 9859 2777 fax +359 2 9859 2773.

The overall technical responsibility is under National Customs Agency.

Project owner and implementer: National Customs Agency, Ministry of Finance.

Project implementation controller: Steering Committee, Head Mr. Zahariev – Director of National Customs Agency, Ministry of Finance.

The NCA has established a special organisational structure for the technical management and monitoring of the project which comprises a Project Officer, a Steering Committee (SC), a Programme Implementation Unit (PIU) and dedicated Project Implementation Team.

The SC monitors, supervises and co-ordinates the overall progress and implementation of the programme. The Director General of the NCA chairs this committee. The SC provides guidance for the different phases of the project, approves the results, defines priorities, approves and monitors the project budgets. The PIU carries out the day-to-day management of the project. Its role is to administer and resolve all issues, concerned with the management of the project, including planning and identification of tasks, reporting, preparation of Terms of Reference, participation in tendering, monitoring and evaluation of the activities. The PIU director reports to the chairman of the SC.

Contact person – Ms. Romyana Tonchovska

Head of “Institutional Building and Phare Programme” Department

22 Maria-Louisa Blvd., 1000 Sofia, Bulgaria

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fax: +359 2 980 2830

6.2. Twinning

Twinning is foreseen for sub-projects 1 and 2 : the 'Organisation and Management and Human Resource Management' and 'Post clearance Control' components. The two sub-projects could be delivered under a single twinning arrangement, or alternatively two separate twinings.

The person responsible for the implementation of the twinning projects in the NCA is

Contact person – Ms. Romyana Tonchovska
Head of "Institutional Building and Phare Programme" Department
22 Maria-Louisa Blvd., 1000 Sofia, Bulgaria
Tel: +359 2 9859 4508
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In all twinning projects, success in delivering a guaranteed result will depend on the coherence of a number of successive inputs, the continuity of those inputs, and steady progress. Every twinning project will therefore include a Member State Project Leader, who continues to work in his/her Member State administration but who devotes some of his/her time to conceiving, supervising and coordinating the overall thrust of the project. S/he will always be complemented by at least one full-time expert, known as a Pre-Accession Advisor (PAA), from a Member State to work on a day-to-day basis with the beneficiary in the candidate country and accompany the implementation of the twinning project.

In case the twinning selection procedure does not prove to be successful, the twinning component under this project will be tendered following standard DIS rules.

6.3 Non standard aspects

It is NCA's intention to implement the 'Reformed and Automated Transit and Reform in the Customs Economic Regimes' component by a direct contract with Eurocustoms, having in mind the traditions, the professional knowledge and experience in this field.

6.4 Contracts

To maximise the effectiveness of the proposed projects, NCA foresees the following main contracts:

- **Contract 1 : TWINNING**
Human Resource Management and Organisation and Management
- **Contract 2 : TWINNING**
Post clearance Control
- **Contract 3 – TECHNICAL ASSISTANCE**
Reformed and Automated Transit and Reform in the Customs Economic Regimes

7. IMPLEMENTATION SCHEDULE

7.1 Start of tendering/preparation of twinning covenant : October 2001

7.2 Start of project activity: March 2002.

7.3 Project completion: February 2004.

8. EQUAL OPPORTUNITY

Participation in the project will require professional qualifications and competence in the particular area and will allow an equal opportunity for women and men to participate in implementation of the project.

9. CONDITIONALITY AND SEQUENCING

- Projects implemented through twinning require the full commitment and participation of the senior management of the beneficiary institution. In addition to providing the twinning partner with adequate staff and other resources (incl. translation and interpretation) to operate effectively, the senior management must be whole-heartedly involved in the development and implementation of the policies and institutional change required to deliver the project results.
- Full commitment from the beneficiary to transparently co-operate with external project experts
- Operational and maintenance costs are covered and ensured from national budget

ANNEXES

1. Log-frame in standard format.
2. Detailed implementation time chart in standard format.
3. Cumulative contracting and disbursement schedule

ANNEX 1: LOGFRAME PLANNING MATRIX FOR			
PROJECT: STRENGTHENING OF THE ADMINISTRATIVE AND OPERATIONAL CAPACITY OF THE BULGARIAN NATIONAL CUSTOMS AGENCY (NCA)		Contracting period expires: 30 November 2003	Disbursement period expires: 30 November 2004
		Total Budget: 1.3 MEURO	Phare budget: 1.3 MEURO
Overall Objective	Objectively Verifiable Indicators	Sources of Verification	
To strengthen the administrative and operational capacity of the National Customs Agency in order to ensure enforcement of the Customs legislation and to ensure the continuation of the preparation of the country for accession to the Convention on Common Transit and to the Convention for simplification in trade of goods (so called Convention of the Single Administrative Document).	NCA in full compliance with accession requirements and the Blueprints standards in the key areas of the Customs business addressed by this project.	Regular Customs Administrative and Operational Capacity Reports, as part of the Screening process. European Commission's Regular reports on the Status of Preparation of Bulgaria for Accession.	
Project Purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions
This project proposal aims to improve NCA's organisation and management, human resources management and its operational capacity, related to trade facilitation and fight against fraud; to establish an institution that functions as a Post Clearance Control instrument; to implement a Reformed and Automated Transit System and the EU reform in the Customs Economic regimes into the national customs legislation.	Improved management and organisation of NCA. Improved NCA's human resource management. Increased efficiency of NCA in trade facilitation and fight against fraud. Revenue collection increased.	Regular Commission and Bulgarian Government reviews viz. the relevant Blueprints' standards. Regular Customs Administrative and Operational Capacity Reports, as part of the Screening process, and reports of the EU-Bulgaria Customs Sub-committee.	Bulgarian Government maintains consistent policy viz. the Customs Agency, in line with the 'Declaration of Endorsement of the Commission's Pre-accession Strategy for Customs and Tax administrations'.

Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
<p><u>Introduction of modern standards for the management of the organisation and Human Resource Management in particular</u></p> <ul style="list-style-type: none"> • Management training programmes prepared; • Review of the legislation, related to human resource management completed; • Relevant personnel systems and forecasting and planning system developed and implemented; • Job auditing structures, performance management system, and a system to measure job satisfaction in place; <p><u>Post Clearance Control</u></p> <ul style="list-style-type: none"> • Review of the legislation, related to the necessary control powers of the Customs administration completed; • Structure, organisation and management of the Customs Audit function in place; • Instructions for auditors prepared; • Specialised Customs audit training programme in place and fulfilled; • Database for audit purposes developed and interfaced with BICIS. <p><u>Reformed and Automated Transit</u></p> <ul style="list-style-type: none"> • National Transit System in compliance with the reformed common transit system developed; • NCTS project - phase 3.1 and 3.2 developed; • Development and adoption of Administrative instructions on the transit developed and put into practice; • Customs officers and trade operators trained. • Necessary technical level for receiving an invitation for joining the Convention on Common Transit and the Convention for the Single Administrative Document achieved; • The NCA prepared for accession to the Convention on Common Transit; • The Bulgarian Integrated Customs Information System (BICIS) ready for connection with the New Computerised Transit System (NCTS). <p><u>Reform in the Customs Economic Regimes</u></p> <ul style="list-style-type: none"> • A project for the changes in the second level legislation, regulating the customs economic regimes, as well as the free zones and the free warehouses prepared; • New forms related to the changes as a result of the reform in the customs economic regimes developed; • Amended third level legislation – instructions and administrative directives for the customs officers, as well as for the trade sector, in connection with the reform in the customs economic regimes . 	<p>Management training programme designed and delivered to all managers; Management training programme sustained by NCA; Improved internal communication within NCA; Improved co-operation and exchange of information with other Agencies, trade community and general public; Legislation related to human resource management reviewed and eventual amendments drafted;</p> <p>Relevant personnel systems, forecasting and planning system in current use; Job auditing structures, performance management system, and system to measure job satisfaction in current use; Customs legislation / economical regimes harmonised with the development of the respective EU legislation /regimes; Reorganised transit regime, in compliance with the requirements of the Common Transit Convention; BICIS updated in compliance with the NCTS technical and functional requirements; Review of the legislation related to the necessary control powers of the Customs administration and eventual amendments drafted; Customs Audit structures, organisation/management and systems developed and implemented; Specialised Customs audit training programme designed, developed and delivered to dedicated personnel.</p>	<p>The Bulgarian State Gazette. Published Decisions of the Bulgarian Government and of the Ministry of Finance. Memoranda of Understanding signed between the NCA and other Governmental Agencies and Trade Community. Published booklets/leaflets for Trade Community and the General Public. Adopted third-level Customs legislation: Instructions to Customs staff. Regular reports of the Commission' services.</p>	<p>Close co-ordination with other initiatives in the sector.</p>

Activities	Means	Assumptions
<p><u>Organisation and Management and Human Resource Management</u></p> <ul style="list-style-type: none"> • review and eventual drafting of amendments to the Bulgarian legislation related to human resource management; • the development of a forecasting and planning system; • the development / amendment of all relevant personnel systems; • the development of job auditing structures, a performance management system, and a system to regularly measure job satisfaction; • the development and the delivery of a management training programme. <p><u>Post Clearance Control</u></p> <ul style="list-style-type: none"> • review and eventual drafting of amendments to the Bulgarian legislation related to the necessary control powers of the Customs administration; • the development of structure, organisation and management of the Customs Audit function; • preparing instructions for auditors; • the development of a database for audit purposes that can be interfaced with BICIS; • the development and the delivery of a specialised Customs audit training programme; <p><u>Reformed and Automated Transit and Reform in the Customs Economic Regimes</u></p> <ul style="list-style-type: none"> • Further preparation for accession to the Convention on Common Transit, based on the legal and procedural developments within this Convention and the further development of the NCTS; • Detailed examination of the theoretical and practical experience of the states members of the Common Transit Convention; • A profound analysis of the processes in connection with common transit; • Updating of the national transit legislation, including development of the necessary instructions, for customs officers and the interested economic operators; • Improvement of the system for training of customs offices • Detailed examination of the nature of the ongoing reform; • To acquaint with the practical application of the new decrees in the member states; • Analysis and comments of the decrees with representatives of the trade sector as well as of the Chamber of commerce, the Court, branch associations and other; • Preparation of a project for amendments in the legislation, regulating the customs economic regimes as well as the free zones and the free warehouses in order they to be implemented in the national customs legislation; • Training of customs officers and trade operators; • To acquaint and to give information to the trade sector; • Harmonisation of the Bulgarian Customs legislation and economic regimes with the developments of the respective EU legislation and regimes. 	<p>Twinning covenants Direct agreement Supply and service contracts</p>	<p>Twinning covenants Customs legislation and procedures compliant with the developments of the EU legislation and procedures. Customs Audit function fully operative at the end of the year 2003.</p> <p>Preconditions:</p> <p>Full commitment from the beneficiary to transparently co-operate with external project experts Operational and maintenance costs are covered and ensured from national budget</p>

ANNEX 2: DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT

STRENGTHENING OF THE ADMINISTRATIVE AND OPERATIONAL CAPACITY OF THE BULGARIAN NATIONAL CUSTOMS AGENCY (NCA)

COMPONENT	2001			2002												2003												2004						
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
Introduction of modern standards for the management of the organisation and Human Resource Management in particular TWINNING	D	D	D	D	D	C	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I
Post Clearance Control TWINNING	D	D	D	D	D	C	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I
Reformed and Automated Transit System and Reform in the Customs Economics Regimes Technical Assistance	D	D	D	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I
	D = Design of twinning covenant/tender procedure I = Implementation C = Contracting X = Closure																																	

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

STRENGTHENING OF THE ADMINISTRATIVE AND OPERATIONAL CAPACITY OF THE BULGARIAN NATIONAL CUSTOMS AGENCY (NCA)

All figures in million EURO

	31/12/01	31/03/02	30/06/02	30/09/02	31/12/02	31/03/03	30/06/03	30/09/03	31/12/03	31/03/04	30/06/04
CONTRACTED			0.50								
DISBURSED			0.20	0.09	0.09	0.07	0.05				
CONTRACTED			0.55								
DISBURSED			0.22	0.09	0.09	0.09	0.06				
CONTRACTED	0.25										
DISBURSEMENT	0.08	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03		

NB: 1. All contracting should normally be completed within 6-12 months and **must** be completed within 24 months of signature of the FM.
2. All disbursements **must** be completed within 36 months of signature of the FM.