

## SUMMARY PROJECT FICHE

### 1. BASIC INFORMATION

**1.1.Desiree Number: BG 0203.08**

**1.2.Title: EU standards and practices legal basis, implementing procedures and computerization at National level, in relation to DG TAXUD systems**

**1.3.Sector: Finance**

**1.4.Location: National Customs Agency (NCA)**

### 2. OBJECTIVES:

#### **2.1.Overall Objective**

The overall objective of Bulgarian Customs Administration (BCA) for the period of 2002 –2005 (2 years + 1 contingency) is as follows:

- To allow NCA Tariffs, Transit and Information Technology (IT) departments to **adopt** the EU standards and practices of the DG TAXUD **business** as a requirement for accession and to **computerize** these business at the **national level** (with the exception of the tariff systems computerization, which will be proposed in the Phare 2003 program) in order to achieve compatibility with the DG TAXUD systems. To further assist Trade Facilitation in **automating** the trader inputs to the Bulgarian Integrated Customs Information System (BICIS) as well as the system outputs to the Trade.

#### **2.2.Project Purpose**

This project proposal aims to:

1. Assist the National Customs Agency in **creating the system of rules** and preparing the conditions necessary for the **uniform implementation** of measures introduced in accordance with the agricultural, trade and other policies integrated in TARIC of the EU. Furthermore to develop the necessary draft **Legal Instructions at national level** aligned with the EU and including all the preconditions necessary to **administer and apply** TARIC as well as Tariff Quotas, Binding Tariff and Origin Information, Tariff suspensions, ECICS, TCO and Surveillance data.
2. Finalize the Bulgarian Transit Management System (BTMS) computerization as a subsystem of BICIS. Currently, Phase I of the BTMS, which covers all types of transit and NCTS requirements at National level. The future plan, which will be developed under this request (Transit Phase II), will include all the common aspects required by NCTS and conclude the whole transit computerization. The Transit Phase II project represents the adaptation of MCC and its' integration with the BICIS system. This MCC adaptation/integration will be split in two logical areas:
  1. The adaptation/integration of the MCC (NCTS 3.1) into BICIS, based on a gap analysis of what currently exists in BICIS and what remains to be adapted, in order to bring the National transit level to the NCTS 3.1 level and allow NCA to join the transit convention. Roughly, the nationally undertaken development of Transit Phase 1 covers the MCC version 2.3 requirements.
  2. The remaining budget will be allocated towards the adaptation/integration of the future MCC developments, geared to cover functionality of NCTS specified under version 3.2 **(Please see the conditionality chapter for this point).**
3. Allow the trade in preparing and sending to the BICIS system, all the necessary declaration work automatically. This will be achieved by the DTI (Direct Trader Input) developments. Furthermore, to allow the Trade and the Customs Officers to consult the system online and make the Customs

work more transparent to the public. This will be achieved by the development of a Customs Data Dissemination System on the web (DDS).

### 2.3. Accession Partnership and NPAA priority

#### **Regarding the legal and administrative requirements:**

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

#### **Accession Partnership**

- Further alignment with the acquis is necessary, in particular in the field of TARIC

#### Common Negotiating Position

- By the end of 2003 the necessary preconditions for the operation of TARIC should be in place

#### **NPAA**

##### Short-term priorities

- Adoption of the Acquis for creation of the prerequisites for introduction of TARIC, including it in the Integrated Customs Information System;
- Adoption of Integrated Customs Tariff, which is the Bulgarian system related to TARIC;

##### Medium-term priorities

- Interconnectivity with the DG TAXUD data

#### **Regarding the computerization:**

In relation to Strategic justification, the 1999 **Accession Partnership** medium term objectives, state the following:

- Strengthen border control; **develop an integrated tariff; develop operational capacities and computerization of the Customs Administration;** reinforce fight against fraud and corruption;
- Further intensify international coordination and cooperation in the field of combating Trans-border crime, **especially in the field of transiting, producing and selling drugs.**

The Draft Proposal for Revising the Accession Partnership, part 4 "Priorities and immediate objectives", section "Customs Union" states that: "In need of particularly urgent action: continue the implementation of the IT strategy of the Bulgarian customs administration. **Develop IT systems so as to allow for the exchange of computerized data between the EC and Bulgaria.**"

The above highlighted text represents the majority of this project request for computerization.

The current **NPAA** Report Chapter 25.11 Customs Union – Computerization, states exactly the requested project under the "Medium term priorities (2003-2004)" – Chapter 25.11.2.

Regarding the accession related needs the requested project is a vital project and will allow the Bulgarian Customs Administration to apply correctly and in timely manner EU interconnectivity requirements as specified in EU legislation. The project aims to computerize the necessary EU related functions at the **national level**, in order to be prepared in the future to exchange this information with the EC and the other member States.

The BCA approach to the EU Interconnectivity requirements is to adjust the Bulgarian Integrated Customs Information System (BICIS) in order to be able to apply the EU requirements. Substantial modifications and new developments are necessary on BICIS to adapt to the EU requirements and this project aims at addressing this issue. Consequently and following the success of this project, BCA will address the actual data interface developments as a separate project, which will be initiated one year prior to accession.

Additionally, in this project BCA aim at completing the computerization needs, which are essential to Trade facilitation.

### **3. DESCRIPTION**

#### **3.1. Background and justification**

##### **3.1.1. Background.**

The proposed projects have been identified in the **BCA Business and IT Strategies**. The Business Strategy, a document approved by the Minister of Finance in September 1999, a new version of which has been prepared and undergoes formalities for approval, states specifically the need for development of Common/Community Transit system to achieve Convention membership for January 2004. It also sets the goal for Integrated Customs tariffs (ITMS) in compliance to the EU standards and practices. However, the ITMS development will be developed after the completion of the requested component 1 project (rules and administration of tariff measures project) and it will be presented for financial assistance in the Phare 2003 program. The IT Strategy plans for the computerization of the above systems to start at the time the current BICIS computerization **related** activities will conclude (end of 2002). These activities involve the current transit Phase I developments and the modernization of the existing system, which includes the Customs Clearance and current tariff systems, into a centralized web-based approach.

This approach depends on the success of the Communications infrastructure Improvement project undertaken by the Ministry of Finance. Customs though wants to escape from the heavy-client server approach, which causes maintenance difficulties and costs. Thus, Customs will develop the centralized system in tow stages. Depending on the communications project evolution and success in time, BICIS business logic and databases will be replicated not in all 117 sites as it is today, but only in the sites which communications will not have reach the necessary standards. These sites are foreseen to be a small fraction of the total number of the Customs sites. The existing equipment installed assists in the distribution of the centralized system as they provide the necessary platform for that. As communications improve, the respective sites will be connected directly to the central system with relatively minor efforts.

More details about the technical environment are explained in the attached IT strategy. Understanding the technical environment approach also helps in understanding certain aspects of the requested projects, such as:

- The Phare 2001 “Implementation of the Reformed and Automated Transit System and Implementation of the EU Reform in the Customs Economic Regimes into the national customs legislation” Project will ensure that the computerization analysis documents meet the requirements for this project.  
In relation to NCTS needs and MCC adaptation, the BTMS already includes functionality existing in MCC, which causes data compatibility problems and additional interface requirements between the two systems. Even if the additional MCC functions not handled by the BTMS could be extracted and adapted into the BICIS centralized architecture, still there is an issue of BICIS vs. MCC development approach. BICIS is developed using UML analysis tools (Rational Rose specifically). All the BICIS documentation at Analysis and Design level is standard and following the Rational unified Process (RUP) methodology. The BICIS implementation (coding) standards are based on Java 2 Enterprise Edition (J2EE) standards. Furthermore, BICIS is not developed in fractions but as a whole system with individual logical subsystems. This means that each application has the same Graphic User Interface (GUI) generator and the customs officers are exposed to similar screens, help facilities, and navigation tools through the system. All the logical subsystems use the same report generators, interface generators and other necessary common aspects. Introduction of a new approach will cause additional maintenance overheads and will defeat the modularity and open architecture approach of the BICIS system. **All the above issues will be resolved by the adaptation of MCC requirements not covered under the current BICIS developments and their integration into the system**
- Another advantage of this approach is the means that the traders can process and receive information through the system. In this request this is addressed by the third immediate objective. In the current architecture (client server), automatic trader input could be achieved either by

introducing part of the system in the Trader offices (which includes tariff data for validation), or by giving exact interface requirements for the trader to develop their own declarations and send them electronically to BICIS for validation and acceptance. Both approaches have obvious disadvantages that either create additional maintenance sites, or circulate the document back and forth between Customs and the Traders until it is correctly validated. Under the centralized approach, security will be the emphasis than additional developments. The trade will be able to process electronic declarations on-line by entering the system as the Customs officers (via a web-browser) with specific security rights and protective equipment.

### 3.1.2. Project justification

The requested project is justified due to the following reasons:

- As a requirement for Accession to the EU.
- The legal basis for the DG TAXUD systems requires the national Customs Administrations to have the data necessary for interoperability with the EU systems and the Member states ready to be sent and received electronically at national level. Furthermore, the computerization of most of these systems is a EU legal requirement and an accession prerequisite.
- The correct and prompt application of Tariff related data, thus applying the correct duties and measures immediately.
- The correct application of controls in relation to goods movements in accordance to Common/Community transit requirements.
- To further facilitate the trade by the introduction of a computerized trader input and Customs business awareness issues.
- As an aim and strategic objective according to the Computerization Blueprint and in accordance to the key indicators in management, technical, application and operational policies.
- To ensure proper technical management and technical solutions during the system development period.

### 3.2. Linked activities.

#### EU Phare Multi-country Customs Program/Transit Facilitation & Customs Modernization

- *Transit North/South (Eurocustoms)* finished on 09.12.2000

#### EU Phare National Program

- *Harmonization of Bulgarian Customs Legislation (IB – Twinning with German Customs Administration)*
- *Technical assistance for implementation of BICIS and IT training for BCA*  
This project will continue for the future developments as specified in the request. BCA will ensure with this project that proper management for the requested developments will be in place as well as proper technical control for the subcontracted technical deliverables.
- *Customs functional training - duration 27.12.2000 – 27.07.2002 (IB – Contractor - Eurocustoms).*

The above project assisted BCA in acquiring the knowledge for producing this request. The “Interconnectivity with DG TAXUD Systems” project funded by DG TAXUD, Unit D2, from which BCA was also a beneficiary, also assisted in the completion of this project request.

BCA also will benefit from the Customs functional training project, the results of which will assist in the creation of the terms of Reference for the requested projects 1 and 2.

- *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.
- The above two projects have ensured the majority of the necessary equipment for BICIS. The acquired equipment will also be adequate for the requested project.

- *Implementation of the Reformed and Automated Transit System and Implementation of the EU Reform in the Customs Economic Regimes into the national customs legislation – Phare 2001*

#### Pre-Ins Facility 1998

- *Fight against Corruption within the Bulgarian Customs Administration (IB – Twinning with (French and UK Customs Administrations)*

#### National Contracts

- *The Ministry of Finance contract with Information Services for 2002 developments*
- *The Ministry of Finance contract with Information Services for maintenance and system enhancements (until end of 2003). Preparatory discussions are on the way for ensuring the initiation of another maintenance contract, which will start in 2004 and will have duration of 3 years also.*
- *The Ministry of Finance contract for the Communications infrastructure improvements scheduled for completion in mid 2002.*
- *Crown agents contract with the Ministry of Finance (3 year contract)*

### **3.3 Results**

#### Component 1.

The result of this **Institution Building direct service contract** (Eurocustoms) will be as follows:

- Administrative capacity to adapt Bulgarian legislation in this field to the logical structure and system for management of the measures integrated in the developed by DG TAXUD Tariff related systems created.
- Administrative rules for co-operation and co-ordination with the other ministries which are directly responsible for the introduction of the various measures on import or export of goods at the national level developed
- User requirements necessary for the implementation of the ITMS at the national level (as specified in Component 2), in which to include all the additional national requirements other than the predefined ones as operating under the EU legislation prepared

#### Component 2.

The results of this **service contract with supply elements** addressing **Investment** in its' implementation (programming) phase and **Institution Building** in its' Analysis, Design, Testing, Acceptance, Training and Deployment phases, will be as follows:

- The finalization of the Transit **Computerization** to include the full scope of the Common/Community Transit – New Computerized Transit System (NCTS) requirements, by the adaptation and integration of MCC in addition to the existing developments.
- **Trained** Customs officers responsible for these procedures (approximately 2 people in every customs site-250. For this purpose trainers will be trained, which will be 2 staff from Central Customs Directorate, Regional Customs Directorates and Customs Houses -60).
- **Operational** and turnover to **maintenance** tasks completed for support by the MF contractor handling these activities and ensuring system integrity, operation and deployment during the project period.

#### Component 3.

The results of this **service contract with supply elements** addressing **Investment** in its' implementation (programming) phase and **Institution Building** in its' Analysis, Design, Testing, Acceptance, Training and Deployment phases, will be as follows:

- The **Computerization** of the following Trade oriented facilities:
  - Automated procedures for Direct Trader Input for the Customs Clearance business
  - An electronic Customs Data Dissemination system for the public.
- **Trained** traders, approximately 30 main trader representatives.
- **Operational** and turnover to **maintenance** tasks completed for support by the MF contractor handling these activities and ensuring system integrity, operation and deployment during the project period.

#### Component 4.

The results of this **service contract** addressing **Institution building** with an **investment** budget for initial physical implementation requirements will be:

- Technical assistance for the materialization of the above project developments through adequate project management advising. This will be achieved by an **International long term** expert in Project Advisor, assisted by a **Local long term** Administrative assistant
- Technical Assistance for the proper finalization of the above project developments through adequate evaluation of the technical deliverables, in accordance with the BCA IT strategy and the system requirements. This will be achieved by the use of **Local and International short-term experts** in the IT technical fields for:
  - Analysis
  - Technical Design
  - Technical testing
  - Implementation (Programming)
  - Ad-hoc Technical training of NCA IT staff

### **3.4 Activities**

#### **Component 1. Development of rules for administration of measures introduced in accordance with the Bulgarian agricultural, trade and other policies relating to import and export of goods using the concept on which the EU TARIC and other tariff related practices are based.**

- Participation in tariff related legislation preparation together with other in charge of ministries
- Consultation of draft legal acts in view of their practical applicability
- Examination of legal acts drafts for possible errors and change request when necessary
- Consultation with legal services in case of interpretation differences
- Incorporation and maintenance of applicable legislation relevant for import and export into the Integrated Customs Tariff computer system
- Actual design of the national tariff database matching that of the TARIC, consisting of the following groups and data stores:
  - Nomenclature - Nomenclature group, Combined Nomenclature, Taric code, Additional code
  - Regulation - Regulation type, Regulation Group, Regulation Replacement, Abrogation Regulation, Prorogation Regulation, Modification Regulation
  - Geographical area - Country, Country Group, Region
  - Measure - Measure Type (import prohibition, applicable duty rate,...), Measure Action, Measure Condition, Duty Expression
  - Footnote - Footnote Type
  - Other Reference - Meursing Tables, Certificate Type, Monetary Unit, Measurement Unit
- Development of suitable working practices and organization of Customs administration
- Analysis of Bulgarian legislation concerning importation and exportation of goods applied by customs administration consisting of:
  - structuring of the legislation according to the measures introduced in it on the basis of the ones defined in Annex 2 to the Combined Nomenclature
  - developing of descriptions for each legal act including the list of goods which it concerns, the customs procedures to which it relates, the period of validity, the countries or group of countries involved, the competent authorities in respect of their introduction and application, and the documents required
- Development of written procedures on the requirements to each draft of legal act in respect of customs control in order to comply with the condition to be codified
- Preparation of amendments to legal acts in order to achieve the above mentioned requirements and conditions and to allow their accurate and uniform application by customs and economic operators
- Preparation of documentary system for all measures including:
  - provisions of the legal acts on the base of which each measure is introduced,

- procedures for application on importation, exportation or transit of good,
- possible exclusion,
- competent authorities
- documents required
- Defining of Bulgarian reference tables
- Development of training plans for customs officers and economic operators for work with the described system
- Development of internal procedural activities in order to improve working practice:
  - in respect of personnel within Tariff management Department - revision of roles and responsibilities, training, redeployment
  - in respect of customs procedures - analysis of the effects on declaration processing, revenue collection and statistical data capture
  - in respect of other national authorities - improve coordination with other ministries
  - in respect of traders - ensuring electronic data exchange and direct trader input, organizing of seminars and workshops, publishment of useful information and guidelines
- Specifying of the additional national requirements to be included into the integrated tariff management system

### **Component 2 – Completion of the Bulgarian Transit Management System (BTMS) including all the common NCTS requirements**

At the time of the requested project initiation, the BTMS status will cover roughly the NCTS requirements expressed under the MCC phase 2.3

As a first stage, the MCC system will be adapted and integrated into the BTMS (part of BICIS) to cover the remaining requirements and bring the national system to NCTS 3.1 compatibility levels.

As a second stage, the adaptation and integration of the future NCTS developments, currently specified as NCTS 3.2 (see conditionality section).

Training of customs officers responsible for these procedures (approximately 2 people in every customs site-250. For this purpose trainers will be trained, which will be 2 staff from Central Customs Directorate, Regional Customs Directorates and Customs Houses -60).

### **Component 3 – Trade and Customs officers facilitation enhancements**

As mentioned in the immediate objectives section, BCA will undertake the following developments:

- Develop a National Data Dissemination System (NDDS). Extensive analysis will be performed at the initial phase of this project to ensure that efforts undertaken by the EC already (DDS) will not be redeveloped. Access possibilities of BCA staff to the EC DDS system will also be evaluated according to the BCA security and communications policy. For this CCN/CSI access to Customs officers through the country will be examined as well as Internet access rights. For the trade, the issue will rest on availability of EC DDS data in Bulgarian and additional national data to be disseminated on the Customs web site.
- Improve the Customs Clearance system in BICIS by developing a direct trader input facility into the system in accordance to the BICIS environment architecture. This will allow the trade to enter BICIS directly from their offices, without using any BICIS modules in their premises. Specific security right will be given to the trade, which will be able to input declarations and validate them on-line. Additionally, reply information will be forwarded in form of messages from BICIS to the trade. *Transit DTI will be excluded from this development, since it is handled by the previous project (2).*
- Training the traders, approximately 30 main trader representatives.

#### **Component 4 – Management, Co-ordination and Evaluation assistance**

BCA requests to maintain a minimum structure of Technical Assistance at the **Project Advisor level with administrative and interpretation assistance** with the following main responsibilities:

- Assist in managing the progress and the quality of the developments.
- Co-ordinate and interface with other agencies and/or EU and Member States in respect to the development activities, such as the European commission (DG TAXUD and EC delegation in Bulgaria and other Member states Customs Administrations that might assist in this project.
- Assist in the co-ordination of activities between the sub-contractors, the Ministry of Finance IT department, the BCA IT department, the BCA User departments and ensure that the developments progress according to the MF and BCA strategies
- Co-ordinate the activities with other related projects impacting or assisting the computerization project such as the Tariff department assistance request.
- Co-ordinate the implementation of systems required for this project and under the scope of other agencies, such as the CCN/CSI implementation, which is vital for the NCTS project and will be managed by the MF IT department.
- Ensure continuance of the project according to the IT strategy and adequate knowledge turnover in case of management staff changes.
- Assist the BCA PIU in proceeding with contractual payments resulting from proper evaluation of project deliverables.

Under the same technical assistance scope, BCA requests the ability to **evaluate the technical performance and criteria of the subcontracted deliverables**. BCA IT, being mainly a management and supervisory unit of IT activities with some additional IT expertise, does not have the administrative capacity to maintain a variety of technical staff for technical activities and evaluation. According to the BCA IT strategy and organizational structure, all the development and maintenance activities are subcontracted and BCA maintains the necessary staff to manage the process of these activities and provide support to its Users. Technical compliance and evaluation of the subcontracted activities is necessary to BCA, in order to ensure that the overall technical strategy is met and the quality of the technical deliverables, specifically in the Analysis, Design and Implementation phases, is as expected.

This will be achieved by subcontracting under this contract **short-term experts** in the above areas either **local and/or international**.

**The above assistance is in line with the DG TAXUD recommendations at the Brussels Seminar documentation Ref.: “Inter-operability Implementation Strategy” for the positions of the External Project advisor and Short Term experts** BCA has combined these profiles from both projects (ITMS and Transit) into one position for Project advisor, who will be coordinating the activities of the short term experts also and the technical training courses requested during the project duration. This team will also include an administrative assistant and will have a direct cost budget to handle also translations from the project-required language under PHARE rule, which is English to Bulgarian. This assistance aims to support the Transit project for its’ full duration and the ITMS project in its’ preparation phase as well as the first year (out of 2 years scheduled) of its’ development.



#### **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 organizational structure of BCA is presented in detail in the attached IT Strategy Section 3.

The NCA is structured in four hierarchical levels:

- Central Customs Directorate;
- 5 Customs Regions coordinated by Regional Customs Directorates;
- 17 Customs houses;
- 101 Customs bureau and Customs posts.

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

Over 3,800 staff is 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 the Commission's Pre-accession Strategy for the Customs and Taxation Sector. A Pre-accession Unit (PAU) has been created. 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). The revised Business Strategy has been submitted to the Ministry of Foreign Affairs at the end of October 2001. Annex to this Strategy is the Detailed Financial Plan of the budgetary and human resources needed to fully implement the business strategy of the Bulgarian customs administration, which defines precise tasks, responsibilities, deadlines and required financial and human resources.

The NCA will support the implementation of the proposed project by assuring the necessary organizational environment, making available the necessary personnel.

The MF will also support these projects by ensuring Corrective and Evolutive maintenance of the existing developments as well as introduce financial assistance to this project. The MF will issue supplementary contract requests to assist the development of these activities, if needed.

#### **5. DETAILED BUDGET (in MECU):**

<b>Component</b>	<b>Invest ment **</b>	<b>Institution Building *</b>	<b>Total Phare (=I+I B)</b>	<b>Recipi ent***</b>	<b>IFI</b>	<b>TOTA L</b>
1. Development of rules for administration of measures introduced in accordance with the Bulgarian agricultural, trade and other policies relating to import and export of goods using the concept on which the EU TARIC and other tariff related practices are based		0.35	0.35			0.35
2. Completion of the Bulgarian Transit Management System (BTMS) including all the common NCTS requirements	0.35	0.90	1.25	0.12		1.37

Component	Investment**	Institution Building*	Total Phare (=I+B)	Recipient***	IFI	TOTAL
3. Trade and Customs officers facilitation enhancements	0.08	0.22	0.30	0.03		0.33
4. Management, Co-ordination and Evaluation assistance	0.02	0.78	0.80			0.80
<b>TOTAL</b>	<b>0.45</b>	<b>2.25</b>	<b>2.70</b>	<b>0.15</b>		<b>2.85</b>

(\*) In relation to changes in management, procedures, legislation, enforcement, training and general activities and services as result of investments. In relation to software development the parts of: Analysis, Design, Testing, Acceptance, Training and Deployment phases

(\*\*) In relation to infrastructure, equipment, software development the parts of : programming and installation phases.

(\*\*\*) Operational and maintenance costs are covered and ensured from national budget (MF contract to the MF system integrator, Information Services Plc., maintenance and enhancements contract)

## **6. IMPLEMENTATION ARRANGEMENTS**

### **6.1 Implementing agency**

This will be the responsibility of the Central Financing and Contracting Unit (CFCU), PAO - Mr. Katev, Deputy Minister, 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.

PIU: National Customs Agency, Ministry of Finance.

Project implementation controller: Steering Committee, Chairman Mr. Asen Asenov – Director of National Customs Agency, Ministry of Finance.

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

The SC monitors, supervises and co-ordinates the overall progress and implementation of the program. The Director of the NCA chairs this Committee. The SC provides guidance for the different phases of the project, approves the results, and defines priorities. 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.

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### **6.2. Twinning**

Not applicable.

### 6.3 Non standard aspects

The Project will be a direct follow up of the 'Customs Functional Training' Project, which is currently implementing via a Negotiated procedure with Eurocustoms. A new Contract with Eurocustoms will ensure continuity and complement of the activities and will give the possibilities to use the same key experts. It would ensure the most efficient use of resources, facilitate the preparatory work and avoid delays as regards the start of the project. It's of significant importance for us to start the project as soon as possible because of the requirement laid down in Business Strategy and the corresponding Action Plan. Eurocustoms is only provider of technical assistance in the customs area, which has direct access to Member States customs operative officials and can deliver the professional expertise and experience needed. Some of the experts have been already acquainted with part of our aquis, they are familiar with the general conditions in Bulgaria and the level we have reached. Most of the experts needed for the successful implementation of this project should have unique knowledge in the EU customs automation area. They could possess this knowledge only if they are Member states customs officials. Direct contract with Eurocustoms is the only way to transfer this knowledge to the Bulgarian Customs Administration.

### 6.4 Contracts

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

- **Contract 1 (component 1): Direct Service** contract with Eurocustoms utilizing the experts a week each month in an intensive 6-month period.
- **Contract 2 (component 2): Service contract with Supply element** divided in two (2) Lots, for duration of 2 years, plus one-year contingency plan. **Lot 1** will include the gap analysis between the current national system (BTMS part of BICIS) and the MCC 3.1 adaptation and integration into the national system. **Lot 2** will include the future NCTS 3.2 adaptation and integration.
- **Contract 3 (component 3): Service contract with Supply element** divided in three (2) Lots, for duration of 2 years, plus one-year contingency plan. **Lot 1** will include the DDS developments; **Lot 2** will include the rest (DTI, etc.).
- **Contract 4: (component 4) Service** contract for Technical Assistance for component 4 for a duration of 2 years including:
  - A full time international Project Advisor
  - A full time local administrative assistant
  - Ad-hoc local and/or international technical experts on a needs basis to cover the assurance of correct deliverables in the following main areas:
    - Analysis
    - Design
    - Testing
    - Implementation (development)
    - Acceptance
    - Training
    - Deployment/roll-out
  - Technical training required for the NCA IT staff
  - A direct cost budget to include running, translation, interpretation and other costs.
  - Work-shops budget

## **7. IMPLEMENTATION SCHEDULE**

**7.1 Start of tendering/preparation of twinning covenant:** November 2002

**7.2 Start of project activity:** February 2003

**7.3 Project completion:** Within 2 years (+1 year contingency)

## **8. EQUAL OPPORTUNITY**

Equal participation in this project of women and men will be enforced at the start of the project. All periodical progress review reports and other interim reports will include a specific chapter providing detailed explanations on measures and policies taken with respect to this equal opportunity for women and men and will provide measurements of achievement of this goal.

## **9. CONDITIONALITY AND SEQUENCING**

The project has been prepared and specified initially in the course of the preceding Phare Program (BG9806). **Subsequently, it has been amended to take into account the Commission's Pre-accession Strategy in the Customs sector.**

### **9.1 Conditionality**

- Clear co-operation and communication with the Ministry of Finance is necessary and currently well established.
- The BICIS Project Steering Committee, chaired by the Director General of Customs, will manage the project.
- Full commitment from the beneficiary to transparently co-operate with external project experts
- Operational and maintenance costs are covered and ensured from national budget
- An updated version of the BCA IT Strategy has been produced, Version 4.0, and has been attached to this document, as well as the updated strategy project plan.
- A technical precondition is also the conclusion of the **current developments** in the area of the current system re-engineering on a centralized approach and the Transit Phase I, which are foreseen to end at the latest during the 4<sup>th</sup> quarter of 2002.
- As a BICIS viability issue, is the condition of the NCA and the Ministry of Finance to ensure the continuous maintenance of the project beyond the existing maintenance contract date (end of 2003) and at least for the duration of the Phare projects (end of 2006).
- As a **component-2** conditionality (Transit), and specifically for works under **Lot 2**, works which have not been exactly identified yet the following conditions should be met:
  - If the MCC developments for phase 3.2 are completed in reasonable time before the end of the commitment and disbursement period, NCA and the MF will assess the possibility to co financing the lot 2 activity in order to ensure in time project completion.
  - If the MCC developments for phase 3.2 are **not** completed in reasonable time before the end of Phare 2002 Financing Memorandum commitment and disbursement period, then the costs for the Lot 2 activities will be re-examined and funding should be re-allocated.
- As a national priority, without any direct impact on the works requested in this project Fiche, is the completion of the BICIS 2.2 and 3 phases, which include the Customs Debt, Enforcement, Customs Authorization and Inspectorate applications. The exact completion date for these phases depends on the current development of detailed project plans. However analysis and Design works have already started. NCA expects these developments to be finished no later than mid 2003. In the current project plan, a contingency has been allocated for 6 months starting on January 1<sup>st</sup> 2003. Upon the completion of the detailed plans a better completion date will be inserted in the project plan.

## 9.2 Sequencing

**Component 1** will utilize the experts (national and international) a week per month for the first 6 months. Following that the experts will be utilized once each two months for an one-year period for ensuring the computerization results in the User requirements/Analysis.

The requested **computerization development** projects (**Components 2,3**) will follow the standard sequence of project developments as follows:

- Analysis
- Design
- Testing
- Implementation (development)
- Acceptance
- Training
- Deployment/roll-out

**Component 4** will implement a full time Project Advisor and an Administrative Assistant.

Technical experts (local and/or international) will be called upon a need basis and sub-contracted following Phare procedures, to evaluate the development (above point) sequencing deliverables.

## **ANNEXES**

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

## **ATTACHMENTS**

1. BCA Business Strategy
2. BCA IT Strategy
3. BCA IT Strategy Plan

<b>ANNEX 1: LOGFRAME PLANNING MATRIX FOR</b>		
<b>PROJECT:</b> <b>EU STANDARDS AND PRACTICES LEGAL BASIS, IMPLEMENTING PROCEDURES AND COMPUTERIZATION AT NATIONAL LEVEL, IN RELATION TO DG TAXUD SYSTEMS</b>	Contracting period expires: December 2002	Disbursement period expires: December 2005
<b>OF THE BULGARIAN NATIONAL CUSTOMS AGENCY (NCA)</b>	Total Budget: 2.84 MEURO	Phare budget: 2.7 MEURO

<b>Overall Objective</b>	<b>Objectively Verifiable Indicators</b>	<b>Sources of Verification</b>
To allow NCA Tariffs, Transit and Information Technology (IT) departments to adopt the EU standards and practices of the DG TAXUD business as a requirement for accession and to computerize these business (with the exception of tariffs, which has been moved to the Phare 2003 request) at the national level in order to achieve compatibility with the DG TAXUD systems. To further assist Trade Facilitation in automating the trader inputs to the Bulgarian Integrated Customs Information System (BICIS) as well as the system outputs to the Trade	NCA in full compliance with accession requirements and the Blueprints standards in the key areas of the Customs business addressed by this project.	<p>BCA legal basis and implementing procedures in relation to these projects.</p> <p>BCA users and member state users (through the Tariff- Phare 2002 and Transit- Phare 2001 user departments projects) will verify the results</p> <p>DG TAXUD specialists will evaluate the results</p> <p>Technical assistance will ensure the realization of the objective</p> <p>Regular reporting on the progress of the projects.</p>

<b>Project Purpose</b>	<b>Objectively Verifiable Indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<p>Assist the National Customs Agency in creating the system of rules and preparing the conditions necessary for the uniform implementation of measures introduced in accordance with the agricultural, trade and other policies integrated in TARIC of the EU. Furthermore to develop the necessary draft legislation at national level aligned with the EU and including all the preconditions necessary to administer and apply TARIC as well as Tariff Quotas, Binding Tariff and Origin Information, Tariff suspensions, ECICS, TCO and Surveillance data.</p> <p>Finalize the Bulgarian Transit Management System (BTMS) system computerization as a subsystem of BICIS. Currently, Phase I of the BTMS, which covers all types of transit and NCTS requirements at National level. The future plan, which will be developed under this request (Transit Phase II), will include all the common aspects required by NCTS and conclude the whole transit computerization. The Transit Phase II project represents the adaptation of MCC and its' integration with the BICIS system.</p> <p>Allow the trade in preparing and sending to the BICIS system, all the necessary declaration work automatically. This will be achieved by the DTI (Direct Trader Input) developments. Furthermore, to allow the Trade and the Customs Officers to consult the system online and make the Customs work more transparent to the public. This will be achieved by the development of a Customs Data Dissemination System on the web (DDS).</p>	<p>Improved organization, management and operational capacity of NCA in respect of implementation and administration of the various measures at importation and exportation.</p> <p>Increased efficiency of NCA in trade facilitation and fight against fraud.</p> <p>Revenue collection and transparency increased.</p> <p>Improved NCA's application of EU legal requirements.</p>	<p>Regular Commission and Bulgarian Government review viz. the relevant Blueprints' standards and DG TAXUD systems requirements.</p> <p>Regular Customs Administrative and Operational Capacity Reports, as part of the Screening process, and reports of the EU-Bulgaria Customs Steering committee.</p>	<p>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'. Sufficient administrative capacity well trained personnel.</p>

<b>Results</b>	<b>Objectively Verifiable Indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<p><u>Component 1.</u></p> <ul style="list-style-type: none"> <li>Administrative capacity to adapt Bulgarian legislation in this field to the logical structure and system for management of the measures integrated in the developed by DG TAXUD Tariff related systems created.</li> <li>Administrative rules for co-operation and co-ordination with the other ministries which are directly responsible for the introduction of the various measures on import or export of goods at the national level developed</li> <li>User requirements necessary for the implementation of the ITMS at the national level in which to include all the additional national requirements other than the predefined ones as operating under the EU legislation prepared</li> </ul> <p><u>Component 2.</u></p> <p>Computerized:</p> <ul style="list-style-type: none"> <li>Common/Community Transit – New Computerized Transit System (NCTS) requirements</li> <li>Trained Customs officers responsible for these procedures (approximately 2 people in every customs site-250. For this purpose trainers will be trained, which will be 2 staff from Central Customs Directorate, Regional Customs Directorates and Customs Houses -60).</li> </ul> <p><u>Component 3.</u></p> <p>Computerized:</p> <ul style="list-style-type: none"> <li>Automated procedures for Direct Trader Input for the Customs Clearance business</li> <li>An electronic Customs Data Dissemination system for the public.</li> </ul> <p>Trained traders, approximately 30 main trader representatives.</p> <p><u>Component 4.</u></p> <ul style="list-style-type: none"> <li>The materialization of the above project developments through adequate project technical coordination and quality.</li> <li>The proper finalization of the above project developments through adequate evaluation of the technical deliverables, in accordance with the BCA IT strategy and the system requirements.</li> </ul>	<p>Prepared user requirements necessary for the implementation of the ITMS at national level</p> <p>Improved administrative capacity for adapting the Bulgarian legislation to the logical structure and system for management of the measures integrated in the ITMS</p> <p>Customs training program designed and delivered to all Customs officers;</p> <p>Management training program sustained by NCA;</p> <p>Trade training program sustained by NCA;</p> <p>Improved internal communication within NCA;</p> <p>Improved co-operation and exchange of information with other Agencies, trade community and general public;</p> <p>Reorganized transit regime, in compliance with the requirements of the Common Transit Convention;</p> <p>BICIS updated in compliance with the NCTS technical and functional requirements at the national level;</p> <p>Administrative capacity and project management techniques in place to develop large projects</p>	<p>The Bulgarian State Gazette.</p> <p>Published Decisions of the Bulgarian Government and of the Ministry of Finance.</p> <p>Memoranda of Understanding signed between the NCA and other Governmental Agencies and Trade Community.</p> <p>Published booklets/leaflets for Trade Community and the General Public.</p> <p>Adopted third-level Customs legislation: Instructions to Customs staff.</p> <p>Regular reports of the Commission' services and Technical Assistance.</p>	<p>Close co-ordination with other initiatives in the sector.</p> <p>Close co-ordination between the NCA business departments (Tariff, Transit, etc.) and the NCA IT department.</p>

Activities	Means	Assumptions
<p><b>Component 1. <u>Development of rules for administration of measures introduced in accordance with the Bulgarian agricultural, trade and other policies relating to import and export of goods using the concept on which the EU TARIC and other tariff related practices are based.</u></b></p> <ul style="list-style-type: none"> <li>• Participation in tariff related legislation preparation together with other ministries</li> <li>• Consultation of draft legal acts in view of their practical applicability</li> <li>• Examination of legal acts drafts for possible errors and change request when necessary</li> <li>• Consultation with legal services in case of interpretation differences</li> <li>• Incorporation and maintenance of applicable legislation relevant for import and export into the Integrated Customs Tariff computer system</li> <li>• Actual design of the national tariff database matching that of the TARIC, consisting of the following groups and data stores: <ul style="list-style-type: none"> <li>• Nomenclature - Nomenclature group, Combined Nomenclature, Taric code, Additional code</li> <li>• Regulation - Regulation type, Regulation Group, Regulation Replacement, Abrogation Regulation, Prorogation Regulation, Modification Regulation</li> <li>• Geographical area - Country, Country Group, Region</li> <li>• Measure - Measure Type(import prohibition, applicable duty rate,...), Measure Action, Measure Condition, Duty Expression</li> <li>• Footnote - Footnote Type</li> <li>• Other Reference - Meursing Tables, Certificate Type, Monetary Unit, Measurement Unit</li> </ul> </li> <li>• Development of suitable working practices and organization of Customs administration</li> <li>• Analysis of Bulgarian legislation concerning importation and exportation of goods applied by customs administration consisting of: <ul style="list-style-type: none"> <li>• structuring of the legislation according to the measures introduced in it on the basis of the ones defined in Annex 2 to the Combined Nomenclature</li> <li>• developing of descriptions for each legal act including the list of goods which it concerns, the customs procedures to which it relates, the period of validity, the countries or group of countries involved, the competent authorities in respect of their introduction and application, and the documents required</li> </ul> </li> <li>• Development of written procedures on the requirements to each draft of legal act in respect of customs control in order to comply with the condition to be codified</li> <li>• Preparation of amendments to legal acts in order to achieve the above mentioned requirements and conditions and to allow their accurate and uniform application by customs and economic operators</li> <li>• Preparation of documentary system for all measures including: <ul style="list-style-type: none"> <li>• provisions of the legal acts on the base of which each measure is introduced,</li> <li>• procedures for application on importation, exportation or transit of good,</li> <li>• possible exclusion,</li> <li>• competent authorities</li> <li>• documents required</li> </ul> </li> <li>• Defining of Bulgarian reference tables</li> <li>• Development of training plans for customs officers and economic operators for work with the described system</li> </ul>	<p>Direct service contract to Eurocustoms</p> <p>Service contracts with supply elements</p> <p>Service contract</p>	<p>Customs legislation and procedures compliant with the developments of the EU legislation and procedures.</p> <p>The current BICIS IT developments for Transit Phase I, and re-engineering of the existing system to a centralized web-based approach have to be concluded prior to component 2 and 3 initiations.</p>



<ul style="list-style-type: none"> <li>• Development of internal procedural activities in order to improve working practice: <ul style="list-style-type: none"> <li>• in respect of personnel within Tariff management Department - revision of roles and responsibilities, training, redeployment</li> <li>• in respect of customs procedures - analysis of the effects on declaration processing, revenue collection and statistical data capture</li> <li>• in respect of other national authorities - improve coordination with other ministries</li> <li>• in respect of traders - ensuring electronic data exchange and direct trader input, organizing of seminars and workshops, publication of useful information and guidelines</li> </ul> </li> <li>• Specifying of the additional national requirements to be included into the integrated tariff management system</li> </ul> <p><b><u>Component 2 – Completion of the Bulgarian Transit Management System (BTMS) including all the common NCTS requirements</u></b></p> <ul style="list-style-type: none"> <li>• As a first stage, the MCC system will be adapted and integrated into the BTMS (part of BICIS) to cover the remaining requirements and bring the national system to NCTS 3.1 compatibility levels.</li> <li>• As a second stage, the adaptation and integration of the future NCTS developments, currently specified as NCTS 3.2 (see conditionality section).</li> <li>• Training of customs officers responsible for these procedures (approximately 2 people in every customs site-250. For this purpose trainers will be trained, which will be 2 staff from Central Customs Directorate, Regional Customs Directorates and Customs Houses -60).</li> </ul> <p><b><u>Component 3 – Trade and Customs officers facilitation enhancements</u></b></p> <ul style="list-style-type: none"> <li>• Develop a National Data Dissemination System (NDDS).</li> <li>• Improve the Customs Clearance system in BICIS by developing a direct trader input facility into the system</li> <li>• Training the traders, approximately 30 main trader representatives.</li> </ul> <p><b><u>Component 4 – Management, Co-ordination and Evaluation assistance</u></b></p> <ul style="list-style-type: none"> <li>• Assist in managing and coordinating the progress and the quality of the developments.</li> <li>• Co-ordinate and interface with other agencies and/or EU and Member States in respect to the development activities, such as the European commission (DG TAXUD and EC delegation in Bulgaria and other Member states Customs Administrations that might assist in this project.</li> <li>• Assist in the co-ordination of activities between the sub-contractors, the Ministry of Finance IT department, the BCA IT department, the BCA User departments and ensure that the developments progress according to the MF and BCA strategies</li> <li>• Co-ordinate the activities with other related projects impacting or assisting the computerization project such as the Tariff department assistance request.</li> <li>• Co-ordinate the implementation of systems required for this project and under the scope of other agencies, such as the CCN/CSI implementation, which is vital for the NCTS project and will be managed by the MF IT department.</li> <li>• Ensure continuance of the project according to the IT strategy and adequate knowledge turnover in case of management staff changes.</li> <li>• Assist the BCA PIU in proceeding with contractual payments resulting from proper evaluation of project deliverables.</li> <li>• Evaluate the technical performance and criteria of the subcontracted deliverables through the use of Local and International technical experts.</li> </ul>		<p><b>Preconditions</b></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>
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## ANNEX 2: DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT

EU STANDARDS AND PRACTICES LEGAL BASIS , IMPLEMENTING PROCEDURES AND COMPUTERIZATION AT NATIONAL LEVEL, IN RELATION TO DG TAXUD SYSTEMS  
OF THE BULGARIAN NATIONAL CUSTOMS AGENCY  
(NCA)

COMPONENT	2002						2003												2004												2005						
	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	A	S	O	N	D	J	F	M	A	M	J	J
<b>Component 1.</b> Development of rules for administration of measures introduced in accordance with the Bulgarian agricultural, trade and other policies relating to import and export of goods using the concept on which the EU TARIC and other tariff related practices are based. <b>Direct service contract (Eurocustoms)</b>	D	D	D	D	C	C	C	I	I	I	I	I	I																								
<b>Component 2</b> Completion of the Bulgarian Transit Management System (BTMS) including all the common NCTS requirements <b>Component 3</b> Trade and Customs officers facilitation enhancements <b>Service contract with supply element</b>	D	D	D	D	C	C	C	C	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	X
<b>Component 4</b> Management, Co-ordination and Evaluation assistance <b>Technical Assistance</b> <b>Technical Assistance</b>	D	D	D	D	C	C	C	C	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	X
	D = Design of twinning covenant/tender procedure C = Contracting period I = Implementation X = Closure																																				

## CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

### EU STANDARDS AND PRACTICES LEGAL BASIS, IMPLEMENTING PROCEDURES AND COMPUTERIZATION AT NATIONAL LEVEL, IN RELATION TO DG TAXUD SYSTEMS OF THE BULGARIAN NATIONAL CUSTOMS AGENCY (NCA)

*All figures in million EUROS*

	31/12/02	31/03/03	30/06/03	30/09/03	31/12/03	31/03/04	30/06/04	30/09/04	31/12/04	31/03/05	30/06/05
<b>CONTRACTED (1)</b>		0,35									
<b>DISBURSED</b>		0,10	0,125	0,125							
<b>CONTRACTED (2)</b>		2,55									
<b>DISBURSED</b>		0,765	0,19125	0,19125	0,19125	0,19125	0,19125	0,19125	0,19125	0,19125	0,255
<b>CONTRACTED (3)</b>		0,80									
<b>DISBURSED</b>		0,24	0,0725	0,0725	0,0725	0,0725	0,0725	0,0725	0,0725	0,0725	0,08

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.

Attachment 1

# **Detailed plan of the activities**

## **for implementation of the objectives and the tasks**

### **included in the Strategy for rationalization**

### **of the BCA border operations**

#### **List of abbreviations**

**CM – Council of Ministers**

**MF – Ministry of Finance**

**MJ – Ministry of Justice**

**MI – Ministry of Interior**

**MH – Ministry of Health**

**MAW – Ministry of Agriculture and Woods**

**MRDPW – Ministry of Regional Development and Public Works**

**SASM – State Agency for Standardisation and Metrology**

**GTD – General Tax Directorate**

**BFI – Agency “Bureau for Financial Intelligence”**

**NSI – National Statistic Institute**

**BCCI – Bulgarian Chamber of Commerce and Industry**

**BIA – Bulgarian Industrial Association**

**”IS” Plc. – “Informational Services” Plc.**

**EC – European Commission**

**NCA – National Customs Agency**

**RCD – Regional Customs Directorate**

**CII – “Customs Intelligence and Investigation” Directorate**

**CIIDT - “Customs Intelligence and Investigation of the Drug Traffic” Directorate**

**ALIS – “Administrative-legal and Information Service” Department**

**FEAPMD – “Finance Economic Activity and Property Management” Directorate**

**CRP – “Customs Regimes and Procedures” Directorate**

**PCC – “Post Clearance Control” Directorate**

**EIIC – “European Integration and International Cooperation” Directorate**

**CSA – “Customs Statistics and Automation” Directorate**

**CA - Crown Agents**

**Objective1: Strengthening the fight against customs and currency violations and fraud**

**Task 1.1** Optimisation of the activities on implementation and functioning of risk analysis and customs control selectivity techniques, assuring systematic, comprehensive, flexible and consistently applied customs control.

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Improvement of the existing risk profiles and criteria for selective control	Permanent	1. Revision of risk profiles and their accomplishment in every place of customs control	CII CII of drug traffic	-	SB– 392 308 €/year	78	-
2. Provision of human resources to support the risk analyses and selective control	2002	Selection of officers and establishment of administrative units (groups) in CO for risk analyses and assessment and maintenance of selective control profiles on local level (RCD and custom offices)	CII CII of drug traffic	-	SB– 462 723 €/year	92	-
3. Systematically provision of risk analyses and selective control	2003 2004	Implementation of CII subsystem in BICIS (Risk management module) and Transit subsystem	CSA	“IS”Pls.	SB– 80 473 €/year	92	-
4. Provision of external information permanent access to foreign trade information systems	Gradually till 2006	Access to the databases of NSI and connection to AFIS - information system of OLAF, EC and its subsystems COMEXT, MARINFO, Lloids Seadata, etc.	CII, EIIC	OLAF, European Commission	SB– 80 473 €/year	16	Connected IT networks
5. Development of communicational environment	2002 – 2005	Existence of permanent and stable communication with all CO on the country territory	CM?	MF	SB– 477812 €/year	95	-
6. Improvement of the contacts with the European customs administration when using the risk analyses system RISCIT	2002	Improvement of the results achieved by the teams for intelligence and investigations on the ports	CII of drug traffic RCD	Customs administrations of the relevant countries	SB– 40 236 €/year	8	-

**Task 1.2.** Improvement of intelligence and investigation activities and establishment of teams for intelligence and investigation of smuggling and customs fraud.

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Establishment of separate units for intelligence and investigation in the customs offices and improvement of their activity	June 2002	-Changes in the organizational structure of the RCD and customs offices; - Improvement of the activities of the intelligence and investigation structures in the internal customs offices; - Organization and strengthening of the intelligence activity -Integration of information, received at the intelligence and investigation units via the information systems and of informal information, received via other sources;	NCA CII RCD	-	SB– 1 649 708 €/year	328	-
2. Reinstatement of the customs officers powers for investigation of crimes in the frame of the “preliminary customs investigation”	March 2002	Amendments to the Penal Procedure Code; increased number of the preliminary investigators at the border customs offices	NCA CII RCD	MJ CM Parliament	SB– 50 295 €/year	10	-

**Task 1.3.** Improvement of intelligence and investigation of drug-trafficking and further development of the administrative structures for fight against drug trafficking.

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Further development of the specialized structures for intelligence at the fight against drug-trafficking departments	2002	Enforcement of the intelligence activity	NCA CII of drug-trafficking	-	SB– 1 745 271 €/year	347	-
2. Development of structures in the NCA for investigation of crimes, related to drugs and precursors illegal traffic	2002	Adopted amendments to the Penal Procedure Code, regulating powers for investigation of crimes under Article 242, Paragraph 2 from the Penal Code Structures Established	NCA CII of drug-trafficking	MJ CM Parliament	SB– 50 295 €/year	10	-

**Task 1.4.** Provision of wider range of customs powers in the field of intelligence and adoption of relevant amendments to the legislation.

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Improvement of the current legislation in relation to opportunities for premises, offices and accounting documentation controls	2002	Adopted amendments to the Customs Law, Penal Code, Penal Procedure Code and Law for Administrative violations and penalties	CII CII of drug trafficking	MJ, MI CM Parliament	SB– 105 621 €/year	21	-
2. The Customs authorities gaining powers for performing operational investigation activities, including under the Law for special investigation facilities	2002	Adopted amendments to the Law for the Ministry of Interior, Adopted amendments to the Law for the special investigation facilities	CII CII of drug trafficking	MJ, MI CM Parliament	SB– 50 295 €/year	10	-
3. The Customs authorities gaining powers for detention of persons and creating conditions for enforcement of this power	2002	Adopted amendments to the Penal Procedure Code Amendments to the Customs Law	CII CII of drug trafficking	MJ, MI CM Parliament	SB– 50 295 €/year	10	-

**Task 1.5.** Implementation of inland control via mobile customs groups and adoption of relevant amendments to the legislation.

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Provision of powers for the mobile customs groups for stopping vehicles on road	End of 2001	Initiation of amendments to the Customs Law and its Implementing Regulations and to the Road Traffic Law	NCA CII CII of the drug-trafficking	CM Parliament	SB– 50 295 €/year	10	-
2. Establishment of administrative structure “mobile customs groups” as a part from the customs administration	End of 2001	Amendments to the Rules for Internal Procedures of the National Customs Agency	NCA CII CII of the drug-trafficking	MF CM	SB– 50 295 €/year	10	-
3. Adoption of internal organization for the customs mobile groups activity	2002	Development of Rules for the mobile customs groups organization and activities	NCA CII CII of the drug-trafficking	-	SB– 50 295 €/year	10	-
4. Improvement of the work effectiveness of the mobile customs groups	2002	- Establishment of rules for co-operation of the mobile customs groups with the Operational Centre working 24 hours per day; - Increasing the number of groups and teams	NCA CII CII of the drug-trafficking	-	SB– 704 144 €/year	140	CA contract - £ 220 000

**Task 1.6.** Provision of wider range of customs powers allowing the performance of independent controlled deliveries.

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Gaining powers for tracing the controlled deliveries within the country territory and gaining powers for use of special investigation facilities	2002	- Initiation of amendments to the Customs Law and its Implementing Regulations, to the Law for Ministry of Interior and to the Law for the special investigation facilities	NCA CII of the drug-trafficking	MJ MI CM Parliament	SB– 50 295 €/year	10	-
2. Regulation of the order for performing of controlled deliveries in compliance with the initiated amendments in the legislation	2002	- Adoption of Instruction for performing controlled deliveries of narcotic substances and precursors	NCA CII of the drug-trafficking	MI CM Parliament	SB– 50 295 €/year	10	-





**Task 1.7** Improvement of the Instruction regulating the terms for co-operation between customs authorities and the Ministry of Interior in relation to prevention and investigation of customs and currency violations.

<b>Activities</b>	<b>Dates of implementation</b>	<b>Indicators of achievement</b>	<b>Responsible unit</b>	<b>External units</b>	<b>Financing</b>	<b>Administrative capacity</b>	
						<b>HR</b>	<b>Infrastructure and equipment</b>
1. Improvement of the Instruction for co-operation between the customs authorities and the Ministry of Interior	Middle 2002	Endorsement of new, improved version of the Instruction	CII CII of the drug-trafficking	MI	SB – 12071 €/year.	24	-
2. Development of mechanism for multilateral co-operation between the customs authorities, Ministry of Interior and other law enforcement authorities (Prosecutor's Office, Tax Authorities, Financial Intelligence, etc.)	Gradually by the end of 2003.	1. Development, updating and synchronization of the Instructions for co-operation between the customs authorities and other enforcement authorities; 2. Establishment of joint units for coordination and control	CII CII of the drug-trafficking	MI GTD Financial Intelligence Bureau, Supreme Cassation Prosecution Office, etc.	SB – 12071 €/year.	24	-
3. Strengthening of the information links between the customs administration and the Ministry of Interior	Gradually by 2005	Starting of real time information exchange	CII CII of the drug-trafficking	MI	SB– 80473 €/year.	16	Connection of the IT networks of NCA and MI

**Task 1.8.** Establishment of Post Clearance Control and adoption of relevant amendments to the legislation.

Activities	Dates for implementation	Indicators for achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Changes and Amendments to the legal base with a view of development and implementation of post clearance control in compliance with the EU Legislation	Middle of 2002	<ul style="list-style-type: none"> <li>• Changes and amendments to the Customs Law and its Implementing Regulations, Rules for Internal Procedures of the National Customs Agency, Rules for the organization and activity of the RCD;</li> <li>• Development of Regulations and Instructions for performing of the post clearance control</li> </ul>	PCC, ALIS together with all Directorates	MF, CM	<ul style="list-style-type: none"> <li>• State Budget - 55325€/year</li> <li>• Phare Project - 0.55 M€(incl. Task 1.8, point 2.2)</li> </ul>	11	-
3. Establishment of administrative units in the customs administration for performing post clearance control	End of 2001	<ul style="list-style-type: none"> <li>• Establishment of customs departments for post clearance control</li> <li>• Examination via post clearance control of 10% from the overall trade flow</li> </ul>	PCC		State Budget - 855015€/year	170	-

**Objective 2: Improvement of the co-operation with the customs administrations of the neighbouring countries and reducing customs clearance and waiting times at the borders**

**Task 2.1. Awarding of bilateral agreements with the neighbouring countries and implementation of joint border posts/operations with the neighbouring countries.**

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Development of a model for legal basis, including draft bilateral agreements	Beginning of 2002	1. Analysis of the existing practice 2. Introduction and discussions on the model; 3. Preparation of concrete projects according to the model;	NCA ALIS	-	SB– 40 236 €/year	8	-
2. Implementation of joint border posts/operations with the neighbouring countries	Gradually till 2005	Awarding bilateral agreements with the neighbouring countries concerning facilitation and acceleration of the traffic capacity of the joint border check points and the organization of the work of the border control organizations	NCA	MFA CM Governments of relevant countries	SB– 40 236 €/ year	8	-
3. Clarifying the status of the liaison officers with Turkey, Greece, Macedonia, Yugoslavia and Romania	2002	Establishment of legal base for the activities of the liaison officers	NCA ALIS, CII CII of drug traffic	MFA	SB– 55 325 €/ year	11	-

**Task 2.2 Alleviation of the customs formalities at the border posts by implementing common border posts/joint border operations with the neighbouring countries.**

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Strengthening the cooperation and joint activity with the customs administrations of the neighbouring countries	Gradually till 2005	1. Implementation of coordinated time shifts and coordination of the traffic on both sides of the border; 2. Development of harmonized practices and joint training of officers on both sides of the border	NCA RCD	MFA Customs administrations of the neighbouring countries	SB– 181 065 €/year	36	-
2. Development of a system for communication at unusual cases	Gradually till 2005	Development of joint work plans for unusual cases (i.e. nuclear materials, live animals, dangerous substances)	NCA RCD	Customs administrations of the neighbouring countries	SB– 181 065 €/year	36	-

**Task 2.3 Establishment and development of a 24 hour working Operative centre within NCA.**

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Establishment of legal prerequisites for the activity of the centre	End of 2002.	Changes in the Rules for Internal Procedures of the National Customs Agency	NCA ALIS	-	SB– 50 295 €/year	10	-
2. Secure the practical work of the centre	Middle of 2002.	Preparation of an Instruction for the activity of the centre and its relations with the different units within NCA	NCA FEAPMD	-	SB– 50 295 €/year	10	-
3. Improvement of the technical equipment of the centre	Middle of 2002.	Built up communication lines of the centre; secured access to different databases	NCA CSA FEAPMD	-	SB– 50 295 €/year	10	Provision off communicational equipment

**Objective 3:** Improvement of the co-operation with the other border control authorities

**Task 3.1.** Development of a new Normative regulations for the organization of the border posts, in compliance with the International Convention for harmonization of the border control of goods, that is going to replace the currently applied legal base.

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
Development of a new normative base, regulating the organization of the border posts	End of 2003	- Improvement of the organization of the border posts and bringing them in compliance to The International convention for harmonization of the border control of goods	NCA ALIS CRP CII CII of drug traffic	? MIA, MH, MAW, MRDPW ? ? ? , CM – SASM Joint Committee for the Border Check Points	• SB– 50295€/year • NPAA: SB– 0. 002 M€	10	-

**Task 3.2** Improvement of the co-operation and information exchange with the Ministry of Interior, including the National Border Police Service.

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Changes in the relevant legal acts, regulating the powers of the different services.	End of 2002	1. Changes in the Law for MI; 2. Changes in the Penal Procedure Code; 3. Changes in the Customs Act	CII CII of drug traffic	MI CM Parliament	SB– 50 295 €/year	10	-
2. Clear definition of the powers of each service dealing with border control to avoid overlapping.	Middle of 2003	1. Establishment of permanent work group for regulation the cooperation between the customs administration and MI; 2. Establishment of a mechanism for coordination of the border posts activities of the customs administration and MI.	CII CII of drug traffic	MI	SB– 30 177 €/year	6	-
3. Strengthening of the information links between the customs administration and MI	Gradually till 2005	Integration in real time of the information between the customs administration and MI	CII CII of drug traffic	MI	SB– 80 473 €/year	16	Connected IT networks

**Task 3.3** Improvement of the co-operation and information exchange with the other border control authorities.

Activities	Dates for implementation	Indicators of achievement	Responsible Unit	External Units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
Development of a system of measures for improvement of the cooperation between the border control authorities	Gradually till 2005	<p>Establishment of a permanent structure for regulation of the cooperation between the customs administration and the other border control authorities:</p> <ul style="list-style-type: none"> <li>– Medico sanitarian</li> <li>– Phytosanitarian</li> <li>– Veterinarian</li> <li>– Road</li> </ul> <p>2. Improvement of the information exchange</p>	NCA ALIS, CRP	MF MH MAW MRDPW Others	SB– 12071 €/year	24	-

		between the border control authorities					
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*Objective 4: Ensuring sufficient and qualified staff for supporting the border control*

**Task 4.1.** Improvement the professional qualification of the customs officers and organisation of specialized training in the field of border and internal control in the framework of the Strategy for organization and management of the Human resources.

Activities	Dates of implementation	Indicators of achievement	Responsible unit	External units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Organisation of training on techniques for plane and ship controls	2002 2003	Training performed, improved quality of the performed controls	NCA NTC	-	SB – 513 019 €/year.	102	-
2. Training of customs officers on implementation of risk analyses and selective control	End of 2002 - 2003	Training on risk analyses and assessment and maintenance of selective control profiles; Training on use of program instruments for information analyses; Training on use of external information systems and databases	CII, CSA, EIIC	-	- SB– 12071 €/year - Phare Contract BG 9806-02-01- 0005	650	-
3. Training of personnel on post clearance control	Beginning of 2002	Availability of experts able to perform control in the companies	NTC, PCC	-	• SB- 50295 €/year, • Phare 2001 - (incl. Task 1.1, point 1.5)	10	-
<b>4. Training of implementation of border measures for protection of intellectual property rights</b>	2002	Strengthening of the efficiency of the protection of intellectual property and increase of the seizures of counterfeit goods	CII NTC	-	SB– 583 433 €/year	116	-
<b>5. Language education of the officers working on the borders with Romania and Turkey;</b>	2002 2003	Education provided	NCA NTC	Foreign languages education companies	SB– 201 184 €/year.	40	-
<b>6. Language education of the officers in the mobile customs groups</b>	2002	Education provided	NCA NTC	-	SB– 704 144€/year.	140	-



**Task 4.2.** Development of a Plan for dissemination of tasks in the customs offices at the border considering their specifics and the existing equipment

<b>Activities</b>	<b>Dates of implementation</b>	<b>Indicators of achievement</b>	<b>Responsible unit</b>	<b>External units</b>	<b>Financing</b>	<b>Administrative capacity</b>	
						<b>HR</b>	<b>Infrastructure and equipment</b>
1. Analysis of the structure and activities of the separate border customs offices	Middle of 2002.	Prepared evaluation of the work at the different border customs offices	NCA RCD	-	SB– 60 355 €/year	12	-
2. Development of a Plan for improvement of the structure and efficiency of dissemination of personnel at each customs office at the border	End of 2002	Availability of a Plan for improvement of the structure and efficiency of dissemination of personnel at each customs office at the border	NCA RCD	-	SB– 60 355 €/year	12	-

**Task 4.3.** Development of a system for providing additional personnel in the border check points considering the strengthening the future borders of the European Union, the widening of the control functions in relation to the Common agricultural policy and the increased traffic volume.

<b>Activities</b>	<b>Dates of implementation</b>	<b>Indicators of achievement</b>	<b>Responsible unit</b>	<b>External units</b>	<b>Financing</b>	<b>Administrative capacity</b>	
						<b>HR</b>	<b>Infrastructure and equipment</b>
1. Development of a system with criteria for evaluation of the needs for additional or smaller number of personnel at the border check points depending on: - the necessity of strengthening the future borders of the European union; - widening the control functions I relation to the Common agricultural policy; - Increased traffic volume.	End of 2003.	System applied and optimisation of the number of personnel at the border posts	NCA RCD	-	SB– 60 355 €/year	12	-

**Task 4.4.** Publication of Manuals for the customs officer's activities.

<b>Activities</b>	<b>Dates of implementation</b>	<b>Indicators of achievement</b>	<b>Responsible unit</b>	<b>External units</b>	<b>Financing</b>	<b>Administrative capacity</b>	
						<b>HR</b>	<b>Infrastructure and equipment</b>
1. Publication of Manuals for the customs officers activities	End of 2002	Available Manuals	All units within NCA	-	SB– 301 776 €/year	60	-



*Objective 5: Provision of necessary and suitable infrastructure, technical facilities and equipment to support customs control, to allow physical checks and to improve working conditions*

**Task 5.1.** Establishment of a specialized unit in the Customs Administration, for organisation, planning and development of infrastructure, installations and technical equipment, as well as for technical co-operation with the neighbouring countries and creating a database for modernization of the control techniques.

Activities	Dates of implementation	Indicators of achievement	Responsible unit	External units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Development of normative preconditions for establishment of the unit	End of 2002.	- Amendments to the Rules for Internal Procedures of the Ministry of Finance - Amendments to the Rules for Internal Procedures of the National Customs Agency	NCA FEAPMD ALIS	MF CM	SB – 60 355 €/year	12	-
2. Resource and personnel support of the unit	End of 2002	Unit established	NCA FEAPMD ALIS	-	SB – 30 177 €/year	6	-
<i>3. Development of methodology for organisation, planning and development of infrastructure, as well as for technical equipment support</i>	Middle of 2003	Development of Plan/ Programme (schedule) for development and maintenance of infrastructure, including border one; Development of methodology for evaluation of the technical equipment for control	NCA	-	SB – 30 177 €/year	6	-

**Task 5.2.** Improvement of the check points infrastructure, with particular attention on the future external borders of the European Union; greater attention to the improvement of the infrastructure of Kapitan Andreevo border post should be paid.

Activities	Dates of implementation	Indicators of achievement	Responsible unit	External units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Improvement of the Kapitan Andreevo check point infrastructure	Gradually by 2006	1. Renovation, modernization and repair of the main customs check point, consisting in repair of the canopies, including painting, replacement and repair of the canopies panels, lights, repair of 5 buildings, including waterproofing, external repair, painting, interior and utilities, new canopy with control booths, basic repair and reconstruction of warehouse of concrete panels, construction of a building for waiting passengers.  2. Construction of building for control of trucks with refrigerating system;  3. Construction of platform for truck reloading;  4. Construction of building for reloading of textile and confectionery;  5. Reconstruction of building for thorough customs control at leaving (check-out)	NCA	MF	SB – 125 740 €/year 52 000 USD technical assistance of the World Bank	25	857 000 USD - World bank
2. Improvement of the Varna check point infrastructure	Gradually by 2006	Construction of building for check controls;		MF	SB – 125 740 €/year	25	(2001-2002?) - 4 020 000 lv - SB
3. Improvement of the Bourgas check point infrastructure	Gradually by 2006	Construction of building for inspection of vehicles and containers, administrative building, fence and installations	NCA	MF	SB – 125 740 €/year 60 000 USD technical assistance of the World bank	25	1 000 000 USD - World bank
4 Improvement of the infrastructure of other border check points	Gradually by 2006	1. Construction of widened and improved border check point at Gueshevo, having 5 in-coming and 5 out-going lanes; 2. Additional access lane from the	NCA	MF	SB – 125 740 €/year	25	5 545 000 USD- World bank 180 052 191 - SB 4 800 475 EUR Phare CBC

		<p>ferryboat platform in Vidin, having the necessary displacement; widening of the handling lane; establishment of terminal for trucks handling, including administrative building;</p> <p>3. Construction of new building at Culata border checkpoint for inspection of trucks, as well as new administrative building, parking and terminal for trucks.</p> <p>4. Russe – widening of Danube bridge border check point; development of system for patrolling and enforced customs control along the Danube river</p>					
5. Building the infrastructure of the new border check points and widening and reconstruction of existing border check points	Gradually by 2006	<p>1. Building the infrastructure of border check point Ilinden (Bulgaria – Greece)</p> <p>2. Building the infrastructure of border check point Makaza (Bulgaria – Greece)</p> <p>3. Building the infrastructure of border check point Lesovo (Bulgaria –Turkey)</p> <p>4. Widening the border check point Kulata – erection of a new bridge over Bistritsa river</p> <p>5. Building the infrastructure of border check point Tutrakan (Bulgaria – Romania)</p> <p>6. Changes in the build-up area of border check point Gueshevo</p> <p>7. Erection of a new bridge at Vidin-Kalafat over Danube river</p>	NCA RCD	MF MRD PW MI MFA CM	SB – 125 740 €/year	25	<p>7 800 475 EUR Phare CBC</p> <p>10 375 000 ?UR, including Phare 7 000 000 EUR</p>

**Task 5.3.** Improving the technical facilities of the border checkpoints based on the performed analysis of their activities.

Activities	Dates of implementation	Indicators of achievement	Responsible unit	External units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Provision of the necessary technical facilities	2002 - 2005	<p>Delivery for:</p> <ol style="list-style-type: none"> <li>Ports of Varna and Bourgas <ul style="list-style-type: none"> <li>Mobile containers scanner (to be used by both ports and for the needs of the Malko Tarnovo border check point);</li> <li>1 portable detector for radio-active materials</li> </ul> </li> <li>Port of Bourgas <ul style="list-style-type: none"> <li>Stationery x-ray facility (size 100cm/170cm) for control of loaded pallets – European standard and liquid barrels in vertical position; Primarily installation of this apparatus – at Kapitan Andreevo border check point, till the purchase of the necessary for this check point equipment;</li> <li>1 portable detector for radio-active materials;</li> </ul> </li> <li>Kalotina border check point <ul style="list-style-type: none"> <li>stationery x-ray apparatus (size 100cm/170cm) for control of loaded pallets – European standard and liquid barrels in vertical position;</li> </ul> </li> <li>Kapitan Andreevo border check point <ul style="list-style-type: none"> <li>Installation of scanner for truck controls</li> <li>Purchase of facility for packaging of the pallets after the conduction of the check controls</li> </ul> </li> <li>Fifteen endoscopes distributed according to the necessities</li> <li>X-ray container-scanner - initially at CP Kulata, consequently - Varna</li> <li>Stationary X-ray inspection system with the tunnel size 100/170 to be used for checking Euro-pallets and barrels - at CP Kapitan Andreevo (see the remark of point 2 about Port of Bургas)</li> <li>7 Cargo elevating fork machine with a motor engine CP Capitan Andreevo – 2 pcs., CP Malko Tarnovo, Bourgas – 2 pcs., Varna – 2 pcs.</li> <li>7 systems for verification of documents - CP Capitan Andreevo – 2</li> </ol>	NCA	MF	SB – 45 266 €/year	9	<p>Phare “ Reinforcement of border controls” 837 300 EUR</p> <p>PHARE " Strengthening border control capacities\$ 1 000 000 EUR</p>

		pcs., CP Malko Tarnovo, Bourgas – 2 pcs., Varna – 2 pcs.					
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**Task 5.4.** Achieving full operational capacity of the Bulgarian Integrated Customs Information System (BICIS).

Activities	Dates of implementation	Indicators of achievement	Responsible unit	External units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Development, approval, implementation and periodical updating of a long-term program for financial covering of the necessary infrastructure, equipment and system software till 2006, including the elaboration of WAN (national widened network for information exchange)	Gradually till 2006	<ul style="list-style-type: none"> <li>• methodology for the proper needs programming</li> <li>• Model for organization and equipment of EU customs border check point and plan for implementation of the model</li> <li>• availability of plans and performed activities for: <ul style="list-style-type: none"> <li>* construction</li> <li>* equipment</li> <li>* effective usage</li> </ul> </li> <li>• communication operational procedures at all levels of the customs administration</li> </ul>	FEAPMD, ? ? ? , RCD,	MF, MRDPW, MI, “Information services” Plc.	<ul style="list-style-type: none"> <li>• SB - 125738€/year</li> <li>• World bank - 6, 9M €</li> <li>• Phare CBC 2001-2,4 M €</li> </ul>	25	
2. Implementation of BICIS (Automation of the customs administration key activities, as well as management of the customs offices information sources) Development of BICIS modules related to border controls: <ul style="list-style-type: none"> <li>• Customs clearance</li> <li>• Management of the transit</li> <li>• Customs intelligence and investigation</li> <li>• Module – systems for management of the Integrated tariff</li> </ul>	Gradually till 2006  - 2002 - 2004 - 2003 - 2005	Operational IT systems, automating the customs administration activity	NCA, ? ? ? , EIIC-Phare, FEAPMD, RCD	- MF - “Information service” Plc., - other state administrations, - NSI - EU CA, - MS CA - EU	<ul style="list-style-type: none"> <li>• SB - 477803€/year</li> <li>• Phare 02 – incl. p.2,</li> <li>• SB - 1 M€</li> <li>• NPAA: Phare– 4 M € SB– 1,5 M€</li> </ul>	95	Modernization of the work places



*Objective 6: Development of regular relations and exchange of information with the trade and public*

**Task 6.1** Provision of regular, clear and timely information to the trade operators and the public about the changes in the legislation, procedures and required documentation.

Activities	Dates of implementation	Indicators of achievement	Responsible unit	External units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1 Development and maintenance of real connection with the trade sector on issues of common interest, connected to the customs border control	2002?	1. popularisation of the possibilities for signing Memorandums of Understanding with the trade sector and implementation of a system for signing of such Memorandums; 2. signing of Memorandums of Understanding with the main trade and transport organizations 3. strengthening of the cooperation with the trade organizations 4. preparation of agreements for access to trade information 5. establishment of electronic links with the trade sector (EDI and TDI)	NCA RCD	BCCI BIA Other organizations from the trade sector	SB – 75 444 €/year	15	-
2. Development and maintenance of real connection with the public on issues of common interest, connected to the customs border control	2002?.	1. Improvement of the public image of the NCA border operations; 2. Systematic reporting of the NCA activity to the public	NCA RCD	-	SB – 75 444 €/year	15	-

<b>3. Improvement of the feedback between the trade sector and the customs administration (submission of applications, claims, proposals, signals for corruption connected to the border operations by the trade sector)</b>	2002	Achieving better effectiveness of the border control and increasing the customs administration image	NCA RCD	-	SB – 75 444 €/year	15	-
<b>3.1. Optimisation and facilitation of the procedures for considering applications, claims, proposals, signals for corruption connected to the border operations</b>	2002	<ul style="list-style-type: none"> <li>Changes in the administrative and in the customs legislations</li> <li>Information for the trade sector for the possibilities for a feedback to the customs administration. Stimulation for such a feedback</li> </ul>	NCA RCD	MJ CM Parliament	SB – 75 444 €/year	15	-
<b>3.2 Provision of equipment and human resources for the units activities for considering signals, claims and proposals</b>	2002	Provision of enough technical and human resources for the units activities for considering signals, claims and proposals	NCA RCD	-	SB – 75 444 €/year	15	-
<b>3.3. Establishment of “hot lines” for receipt of signals, claims and proposals</b>	2002	<ul style="list-style-type: none"> <li>Creation of specialized telephone and Internet connection for signals receipt;</li> <li>Popularisation of this connection</li> </ul>	NCA RCD	-	SB – 75 444 €/year	15	-

**Task 6.2.** Maintenance of an informational column for the border operations in the NCA’s web page.

Activities	Dates of implementation	Indicators of achievement	Responsible unit	External units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Development and keeping normative and internal information concerning the border operations at the web page of the customs administration	2002	Keeping information column for the border operations at the web page of the customs administration	All units within NCA	-	SB – 75 444 €/year	15	-

**Task 6.3** Issue of border operations informational brochures.

Activities	Dates of implementation	Indicators of achievement	Responsible unit	External units	Financing	Administrative capacity	
						HR	Infrastructure and equipment
1. Maintaining regular and updated information regarding the customs legislation and procedures	Permanently	1. Issue of brochures, including in electronic format 2. Maintenance of hotlines (on phone and on the NCA web page)	NCA ALIS ? ? ? Inspectorate All other	BCCI BIA	SB – 75 444 €/year Other organizations	15	-

			units				
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## INTRODUCTION

### **1.1. Purpose and scope of the document**

The purpose of this document is to define the overall IT strategy of the Bulgarian Customs Agency, locally called National Customs Agency (NCA). The Strategy covers a fully computerized system, known as the Bulgarian Integrated Customs Information System (BICIS). The validity period of the Strategy stretches to the assumed Accession date of January 1<sup>st</sup>, 2007 and covers all the requirements of the National and EU needs.

This document will be updated on a regular basis to reflect the progress of the Computerization as well as changes to the Strategy. The updates will be recorded in the Revisions section above.

### **1.2. Document Structure**

This document has been structured into five sections, which are divided into sub-sections.

**Section 1. INTRODUCTION** – describes the purpose and the scope of this document

**Section 2. ABBREVIATIONS AND ACRONYMS** – contains the abbreviations and terms used in this document

**Section 3. ORGANISATION** – divided into two main parts, as follows:

**Subsection 3.1. GENERAL CUSTOMS ORGANIZATION** – describes the general organization of the Bulgarian Customs Administration, customs structure and functions, organization of the Central Customs Directorate

**Subsection 3.2. CUSTOMS IT ORGANIZATION** – describes the levels of NCA and CCD IT organization

**Section 4. MANAGEMENT AND METHODOLOGY POLICY** – in the subsections are defined: project organization and management, main principles and standards of quality management and methodology, common strategy for applications development, basic parts of security and maintenance policy

**Section 5. TECHNICAL ARCHITECTURE AND APPLICATIONS** – this section is divided in two main parts:

**Subsection 5.1. CURRENT ARCHITECTURE** – describes the current status of the technical infrastructure, currently used operating systems and database, communications infrastructure and functions of the currently implemented applications.

**Subsection 5.2. FUTURE ARCHITECTURE** – describes the trends in the future development of technical and communications infrastructure, the possible changes in the used operating systems and database, future software applications development stages, including interfaces with other systems and development of interfaces with the DG TAXUD systems.

## ABBREVIATIONS AND ACRONYMS

<b>AIS</b>	<b>Automated Information System - the first Customs system</b>
<b>ASYCUDA</b>	<b>A Declaration Processing System developed by the United Nations (UNCTAD)</b>
<b>NCA</b>	<b>National Customs Agency</b>
<b>BCA</b>	<b>Bulgarian Customs Administration</b>
<b>BICIS</b>	<b>Bulgarian Integrated Customs Information System</b>
<b>BICIS Steering Committee</b>	<b>Steering Committee by establishment, implementation and development of BICIS</b>
<b>IT Strategy</b>	<b>Information Technologies Strategy</b>
<b>IT</b>	<b>Information Technologies</b>
<b>EU</b>	<b>European Union</b>
<b>EC</b>	<b>European Commission</b>
<b>Europe agreement</b>	<b>EU - Bulgaria association agreement</b>
<b>NPAA</b>	<b>National Program for the Adoption of the Aquis</b>
<b>CCD</b>	<b>Central Customs Directorate</b>
<b>MSA Directorate</b>	<b>Customs Statistics and Automation Directorate in CCD - NCA</b>
<b>IT department</b>	<b>“Implementation and Development of Information Systems” department in MSA Directorate</b>
<b>RCD</b>	<b>Regional Customs Directorate</b>
<b>RDBMS</b>	<b>Relational Data-Base Management System</b>
<b>IS Plc.</b>	<b>Information Services Plc.</b>
<b>PID</b>	<b>Project Initiation Document</b>
<b>MF</b>	<b>Ministry of Finance</b>
<b>PM</b>	<b>Project manager</b>
<b>DG TAXUD</b>	<b>European Commission General Directorate of Taxation and Customs Union</b>
<b>UML</b>	<b>Unified Modeling Language</b>
<b>J2EE</b>	<b>Java 2 Enterprise Edition</b>
<b>LAN</b>	<b>Local Area Network</b>
<b>WAN</b>	<b>Wide Area Network</b>
<b>SAD</b>	<b>Single Administrative Document</b>
<b>OLAP</b>	<b>On-line Analytical Processing, ?n application that allows reporting on all customs data, usually for statistical purposes.</b>
<b>NCTS</b>	<b>New Computerized Transit System</b>
<b>DTI</b>	<b>Direct Trader Input</b>
<b>EDI</b>	<b>Electronic Data Interchange</b>
<b>ITMS</b>	<b>Integrated Tariff Management System</b>
<b>AFIS</b>	<b>Anti Fraud Information System</b>
<b>ToR</b>	<b>Terms of Reference</b>
<b>ITT</b>	<b>Invitations to Tender</b>
<b>OMG</b>	<b>Object Modeling Group</b>

## ORGANISATION

### GENERAL CUSTOMS ORGANISATION

#### DEVELOPMENT OF THE BCA

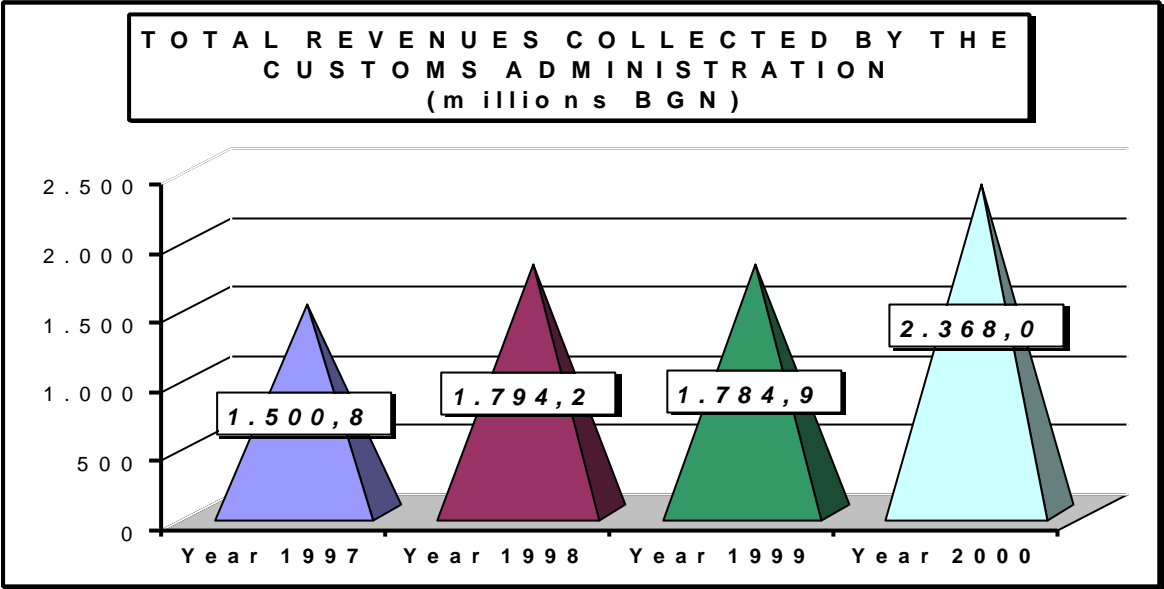
The Bulgarian Customs Administration is established in 1879 and it is one of the oldest Bulgarian public institutions. It is centralised system with 3826 employees, who are structurally allocated in Central Customs Directorate, five Regional Customs Directorates, 17 Customs Houses and 102 Customs Bureaux and Customs Points.

The new direction in the BCA development is related with the willingness of our country to become a full member of EU. Regarding the Customs Union area, in its negotiation position Bulgaria declares that accepts the *acquis communautaire* and will be able to implement it in full by its accession. Concerning the customs field, this process includes the fulfilment of the EU requirements within 13 areas, specified by the European Commission (the Customs Blueprints). The ambition of the Customs Administration to take this policy was declared in the *National Strategy for Preparation of the Customs Administration for Membership in EU and its Implementation Program*. The Bulgarian Government approved the European Commission's *Declaration of Endorsement of the Pre-Accession Preparation Strategy for Customs and Tax Administration in Bulgaria* with special decision.

Considering the present conditions and the leading role of our country as future external border of EU, the ambition of the BCA is to become more effective and efficient, as changing itself during its pre-accession period to ensure to the fullest harmonisation of the legislation, operational and technological compatibility with the operative customs systems in the EU members. In this respect, a Customs Tariff harmonised in 1992 with the Harmonised System and with

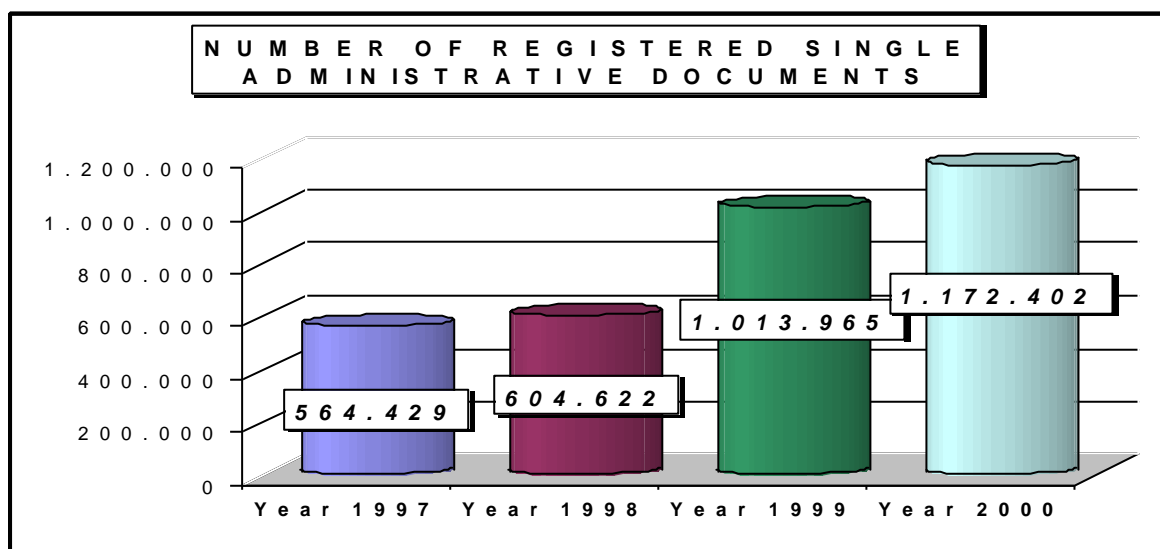
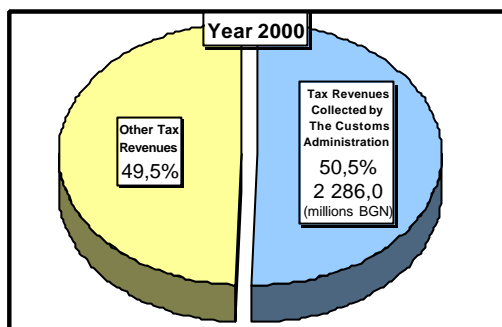
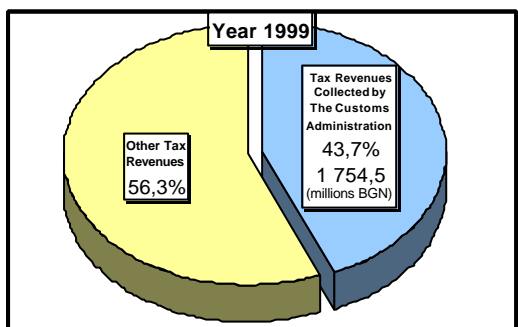
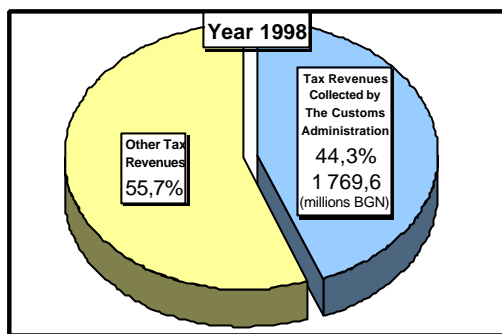
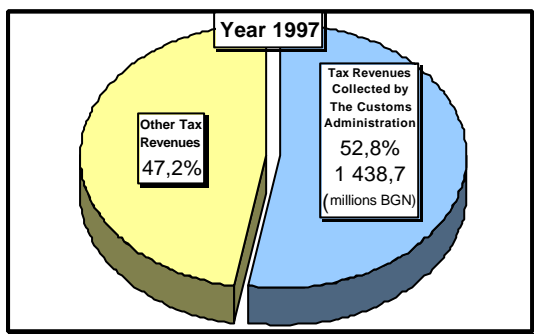
Combined Nomenclature in 1996 was adopted. In 1999, the SAD version was completely harmonised. In 1995, the BCA officially applied for accession to the Common Transit Convention and Convention for Simplification of Formalities in trade in goods. In 1996 the accession procedure to this convention was started.

**REVENUE COLLECTION STATISTICS**

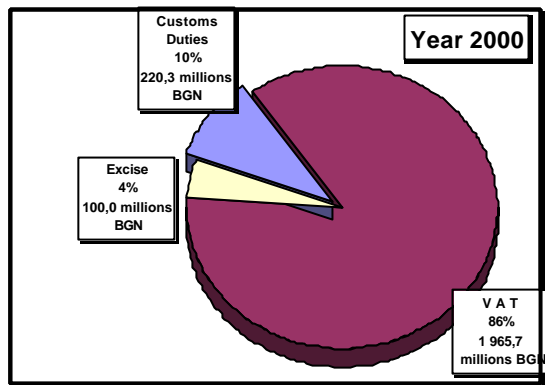
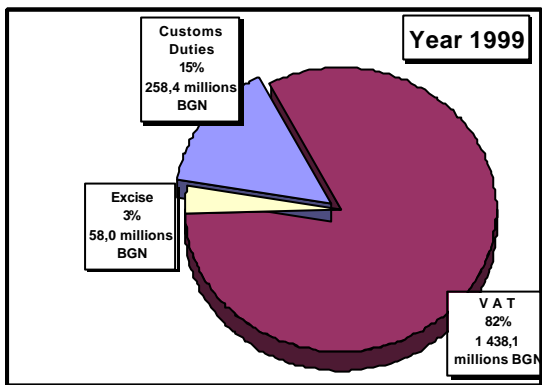
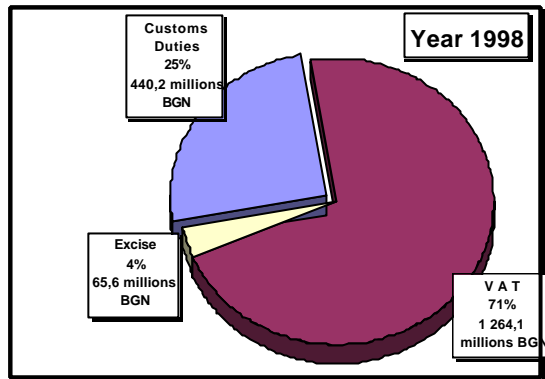
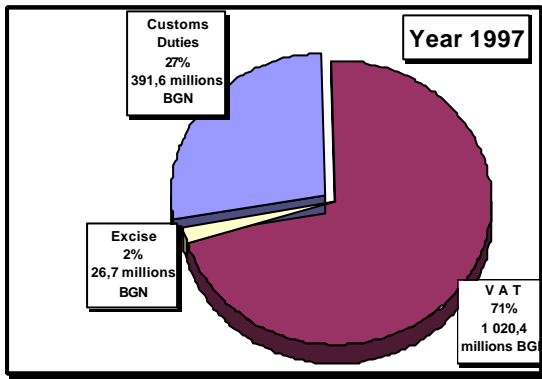




**TAX REVENUE COLLECTED BY THE CUSTOMS ADMINISTRATIONS AS A PERCENTAGE OF THE TOTAL BUDGET  
TAX REVENUE**



## TAX REVENUES COLLECTED BY THE CUSTOMS ADMINISTRATION



## **CUSTOMS STRUCTURE AND FUNCTIONS**

The Bulgarian customs administration is a centralized administrative structure, organized within National Customs Agency (NCA) under the Minister of finance. NCA is a legal person financed by the state budget. NCA is managed and represented by a Director General who is assisted by four Deputy Directors.

The overall function of NCA is the performance of customs supervision and control on the customs territory of Bulgaria. NCA consists of a four-layer structure:

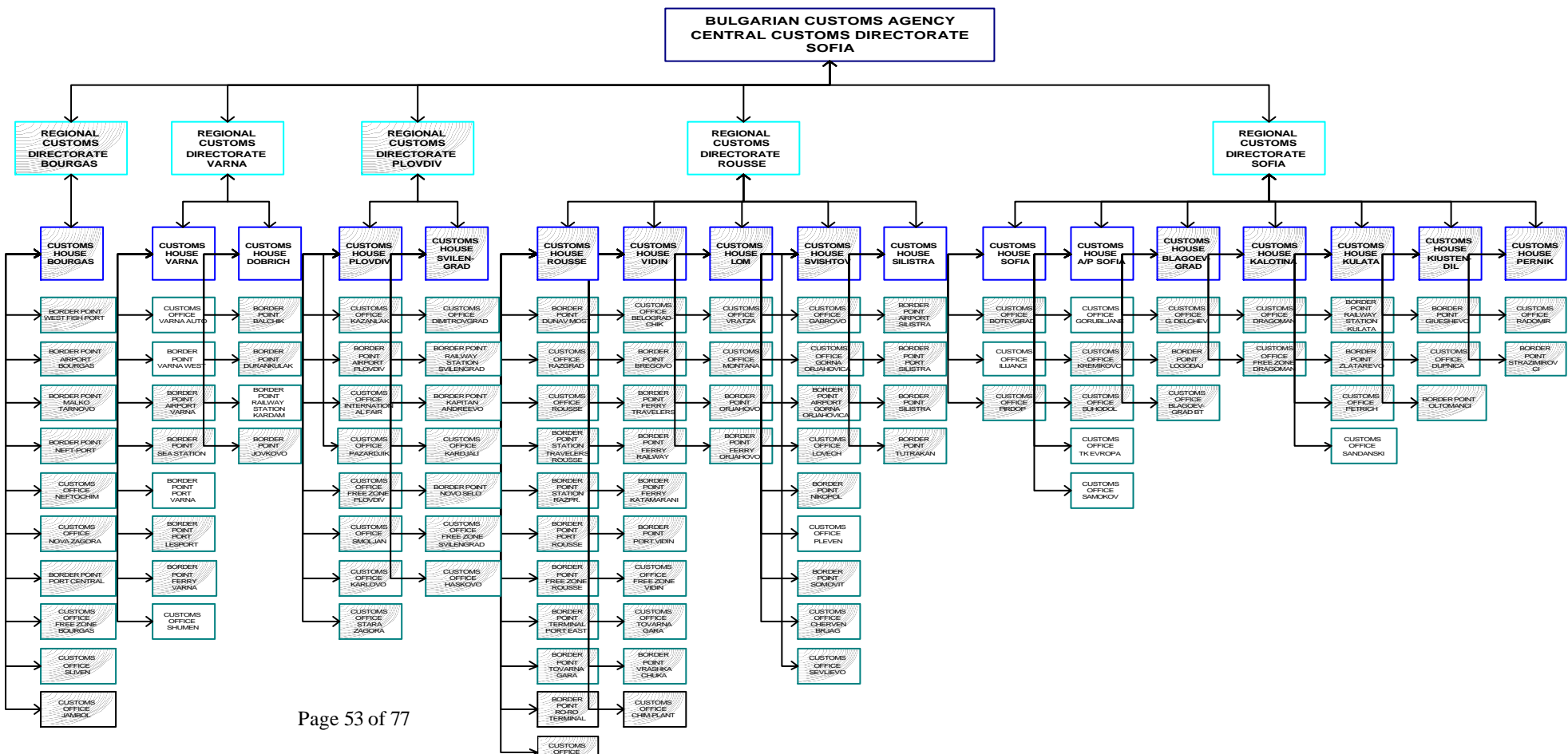
- The Central Customs Directorate (CCD), located in Sofia, currently divided in two physical locations. During 2002, both NCA offices will move to a new Customs Headquarters building.
- The Regional Customs Directorates (RCD), currently five (5), located in the main cities of the country.
- The Customs Houses (CH), currently seventeen (17), which handle the majority of the clearance processing (approximately 60-70%).
- Customs Offices and Border Points, currently hundred two (102).

NCA currently employs 3,800 Customs officers and supporting staff. The functions and structure at each layer are as follows:

- CCD – overall functions of CCD are to organize, manage, control and report about the activities of the customs administration. To cover this functions CCD consist of the following Directorates – Customs regimes and procedures, Tariff Policy, Post Clearance Control, Central Customs Laboratory, Customs Intelligence and Investigation, Customs Statistics and Automation, European Integration and International Cooperation, Administrative- legal and Information Service, Finance- economic activities and property, Inspectorate
- RCD - overall functions of RCD are to organize, manage, control and report about the activities of the customs houses included in RCD structure. To cover this functions RCD consist of departments, which have the same name and functions as CCD directorates, but at the regional level.
- Customs Houses - overall functions of CH are to organize, manage, control and report about the activities of the customs offices and border points included in CH structure and together with them to perform customs supervision and control. To cover this functions Customs Houses consist of the following departments: Customs regimes and procedures, Tariff Policy, Customs Statistics and Automation, Customs Intelligence and Investigation, Administrative- legal and Information Service, Finance- economic activities and property, Inspectorate
- The Customs Offices and Border Points are operative units performing customs supervision and control.

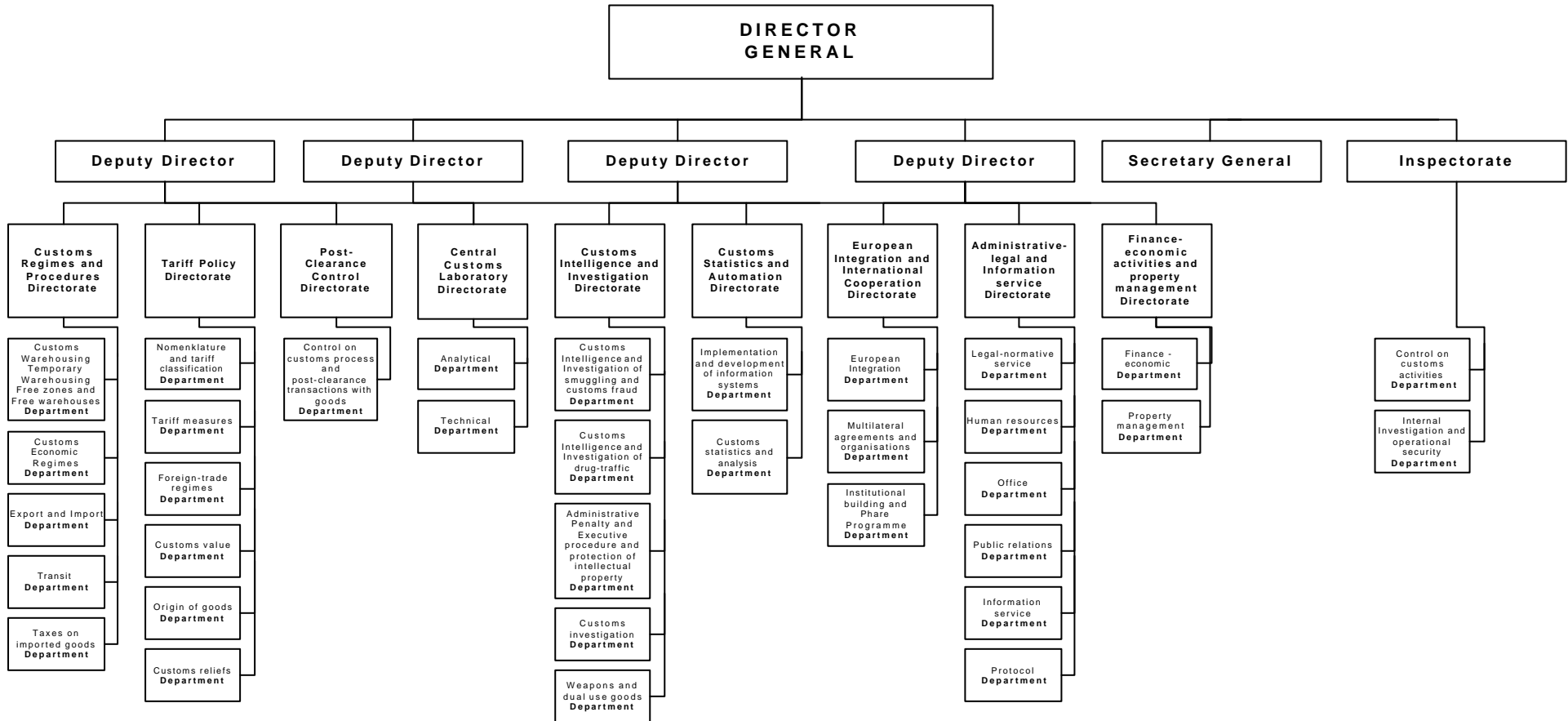


**NCA ORGANIZATION CHART**



**CENTRAL CUSTOMS DIRECTORATE ORGANISATION CHART**

**Central Customs Directorate Organisation Chart**



# ***CUSTOMS IT ORGANISATION***

## **BACKGROUND**

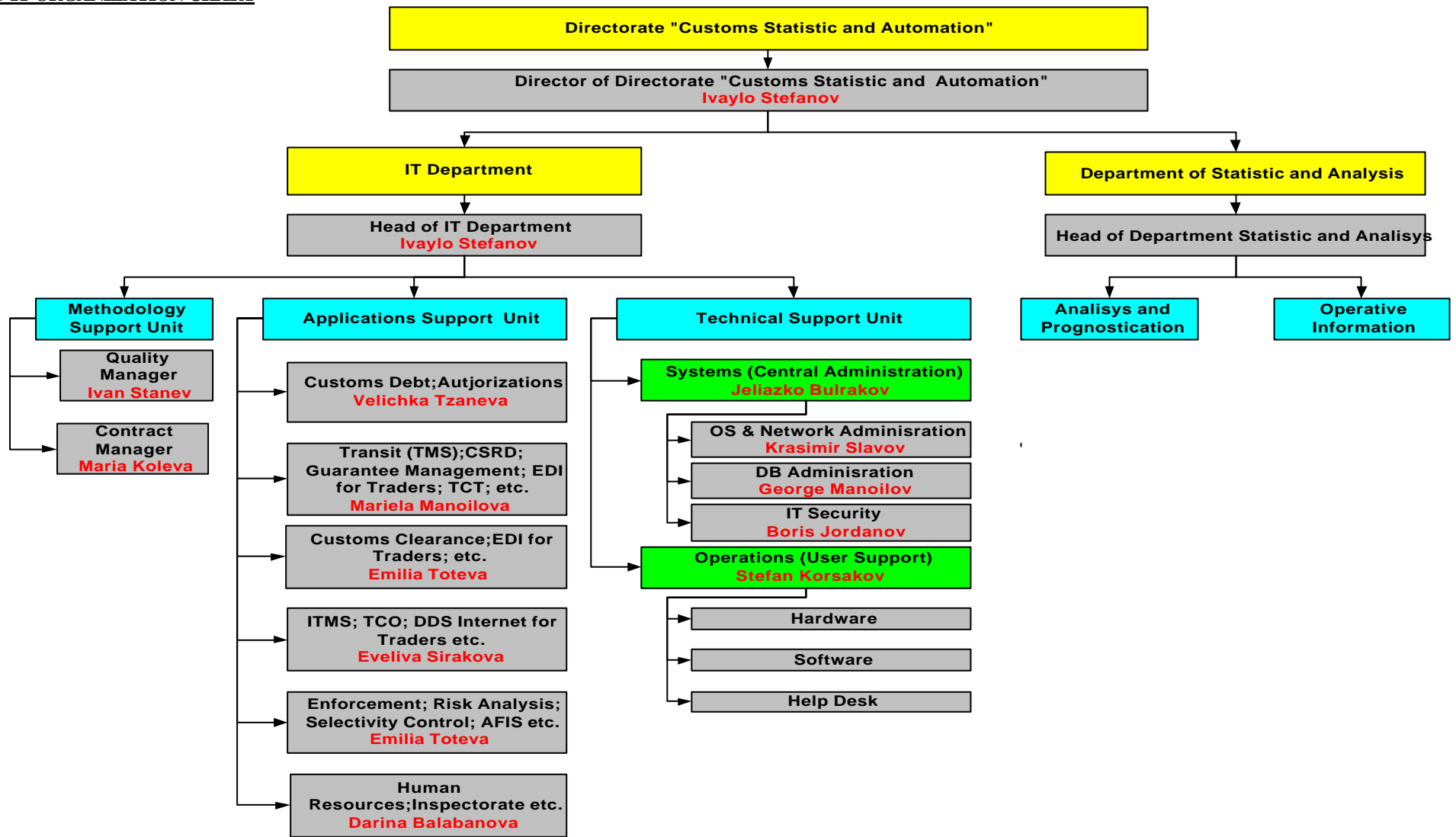
The computerization is one of the strategic objectives of BCA and also an important pre- requisite for achieving the required administrative capacity for adoption of Aquis. In the time the process of BCA computerization progressed in two directions – Program Phare and Program for technological re-innovation of Ministry of finance. As result of both programs the following results were achieved:

- ❑ In 1996 the system AIS Customs 1.0 was developed and implemented in Customs House Airport Sofia. This was the first system in BCA based on new technologies – client server, UNIX, Informix. At this time a lot of legacy were used in different customs offices.
- ❑ With Government Decision ? 1186/96 the software product Asycuda was selected as a core of the Bulgarian customs information system. The decision was taken in relation with the approved Phare project BG 9305 “Computerization of BCA”
- ❑ By reason of dynamic development of the information technologies and the forthcoming legislation harmonization in 1997 BCA made an analysis of Asycuda, which finished with the conclusion that Asycuda is not meeting the requirements of BCA in technological, functional, organizational and financial aspects. In general the reason for this conclusion is that Asycuda is based on old information technologies, some important functionality is missing and the implementation of the product requires a lot of time and unclear amount of financial resources. As result of the above mention analysis the Decision ? 1186/96 for selection of Asycuda as a core of the Bulgarian customs information system was abolished with a government Decision ? 522/99. The decision to create an own system was taken.
- ❑ After the decision to create an own system BCA continued to develop and improve AIS Customs
- ❑ In 1998 the Program for technological re- innovation of Ministry of finance started. Under this program until May 1999 the required infrastructure for BICIS was built – LAN in all customs offices, servers, workstations, printers, UPS and other equipment
- ❑ In October 1998 the BCA IT organization structure was created – in addition to directorate “Customs statistics and automation” in CCD a departments “Customs statistics and automation” were created in Regional customs directorates and in Customs Houses
- ❑ The development of AIS Customs continued under the Program for technological re- innovation of Ministry of finance. In relation with the new customs legislation (in force from 1999) AIS Customs 3.0 was developed and implemented in 9 customs offices at the beginning of 1999.
- ❑ With the contract from 28 December 1998 Information Services Pls. was selected by Ministry of finance as a system integrator of BICIS
- ❑ In the middle of 1999 the BICIS Steering committee was established.
- ❑ BCA IT strategy was developed and approved by the BICIS Steering committee. According to this strategy AIS Customs 3.0 was selected as core of BICIS
- ❑ In November 1999 European commission initiated mission targeted to evaluation of BICIS development. As result of the positive evaluation European commission decided to continue the implementation of the Phare project BG 980602 “Computerization of BCA”
- ❑ In January 2000 European commission initiated a short term technical assistance project, targeted to preparation of all the documentation required for the implementation of the project BG 980602 “Computerization of BCA” – project fiche, BICIS Project Initiation Document and tender documents. All the documents were developed until May 2000 and approved by BICIS Steering committee

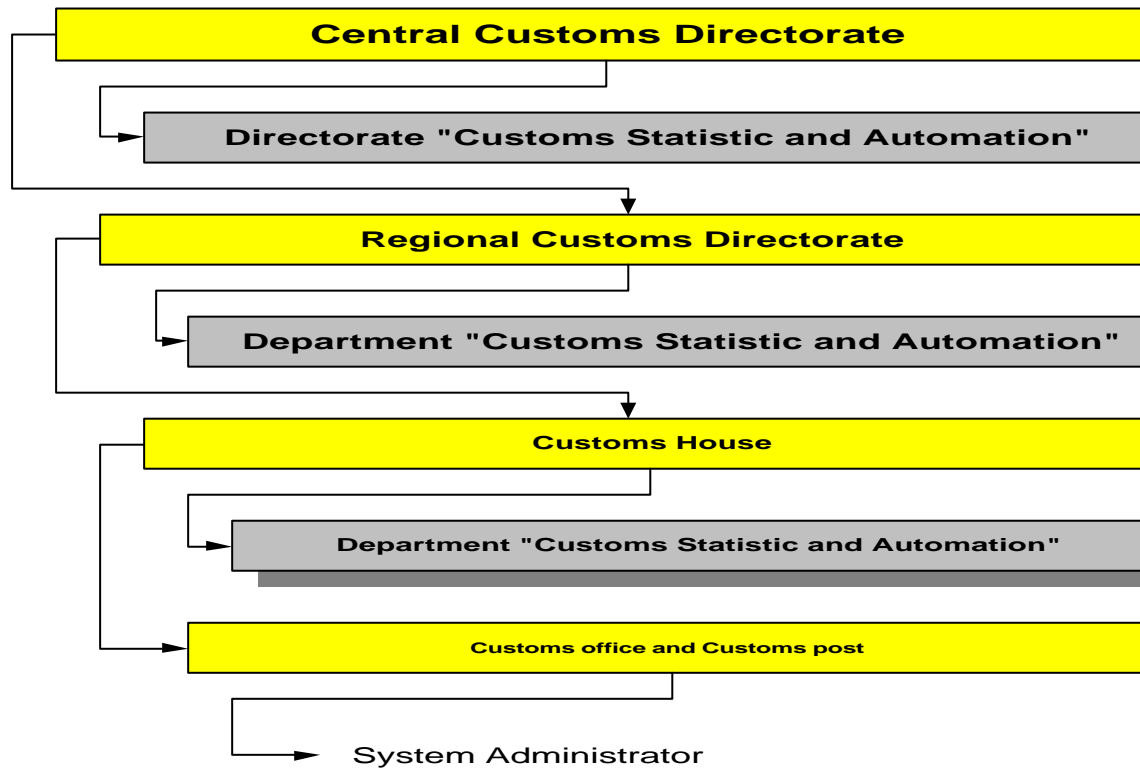
- ❑ In the final Project fiche for the project BG 980602 “Computerization of BCA” the following sub- projects were defined – “Additional hardware and system software for BICIS”, “Communication equipment”, “Customs training – interconnectivity with the Brussels systems” and “Technical assistance for the computerization of BCA”.
- ❑ According to BICIS PID and the current development status, the period from 2000 to 2003 is set as phase 1 of BICIS development and implementation, which phase is divided in three stages:
  - ◆ Stage 1 (year 2000) – including sub- systems: Customs clearance, Reference data, Report and System control
  - ◆ Stage 2 (year 2001-mid 2003) – including stage 1 systems plus: Transit – national level, Customs debt (financial sub- system), Enforcement, Decisions of customs authorities
  - ◆ Stage 3 (year 2002-mid 2003) – including stage 2 systems plus: Human resources management and Inspectorate
- ❑ For the implementation of the phase 1 in May, 2000 a Complementary agreement was signed between Ministry of finance and Information services Pls. PID and the BICIS stage 1 Project Plan were annexed to the Complementary agreement.
- ❑ For the Developments of BICIS stage 2 and 3, complementary agreements have been signed until the end of 2002 and a maintenance and enhancements contract exists until the end of 2003.



CCD IT ORGANIZATION CHART



## NCA IT ORGANIZATION CHART



## MANAGEMENT & METHODOLOGY POLICY

### PROJECT ORGANIZATION AND MANAGEMENT

All the projects concerning the development and improvement of the Bulgarian Integrated Customs Information System (BICIS) are managed mainly at the CCD level, involving the RCA IT departments in Implementation and Maintenance projects management.

Each project is based on a request by the “Users” and is initiated by the creation of the project Terms of Reference (ToR). The ToR is prepared at the CCD level and depending on the nature of the request, it involves the appropriate units of the IT department and/or concerning business directorates. CCD appoints a Project Manager (PM) usually from the Applications Support Unit. The PM assumes ownership of the Project and together with the main Users, the Quality Manager, the Contracts manager and the Technical Support Team staff, they create the ToR for the request.

The ToR follows specific Standards, mainly drawn by the Phare and DG TAXUD guidelines. They include specific and clear requirements, consisted of specific phases, depending on the nature of the contract.

At the same time, a project Team is created consisted of IT and User “key” staff (*see 4.1.1 chart*) This team reports directly to the BICIS Steering Committee (SC).

Following the ToR, Invitations To Tender (ITT) or Direct Contracts are issued. So far, NCA has been involved in contracts issued as follows:

- Direct Contracts issued by the Ministry of Finance (MF) to the Information Services Plc. (IS), a company owned by its majority (over 99%) by the MF. IS Plc. act as the systems integrator for the majority of the individual Agencies/Administrations under the MF as well as common projects such as the Communications Infrastructure project. These contracts are Framework Contracts with specific/supplementary Agreements and for a specific duration and scope. Currently, under the scope of BICIS, the MF has issued two contracts for NCA and one common MF project, which directly affect NCA. These contracts are:
  - The development of BICIS, which is divided in Stages and is currently covering Stage 2 and 3 (*see the Current Applications section and the IT Strategy plan*). The supplementary agreement for these stages ends in December 2002.
  - The Maintenance of BICIS, a contract that covers all the BICIS maintenance and Enhancement needs, including maintenance of the current developments, until December 2003.
  - The development of an updated and modern communications infrastructure, to cover the needs of all the MF and subsidiaries, including Customs.
- Contracts issued under the PHARE assistance, which follow strictly the DIS procedures. Currently NCA manages four PHARE IT contracts:
  - A Technical Assistance contract, which has implemented a Project Support Team, to assist NCA in Project, Quality and Contracts management. This contract ends on 30/11/2002.
  - Communications infrastructure improvement contract, under which communications Hardware (mainly Modems) have been purchased for Customs only and are being installed together with the MF Communications project progress.
  - Additional infrastructure improvements for BICIS, which involves major hardware improvements (mainly major computer purchases) for the BICIS project. The hardware has been purchased and mostly installed. The completion of this project is foreseen for the first quarter of 2002. The financing memorandum ends at the end of 2002.
  - A Euro-Customs project, under which the initial user requirements and plans are addressed for the business departments preparation and interconnectivity requirements assessments with the EC (DG TAXUD and OLAF) and other

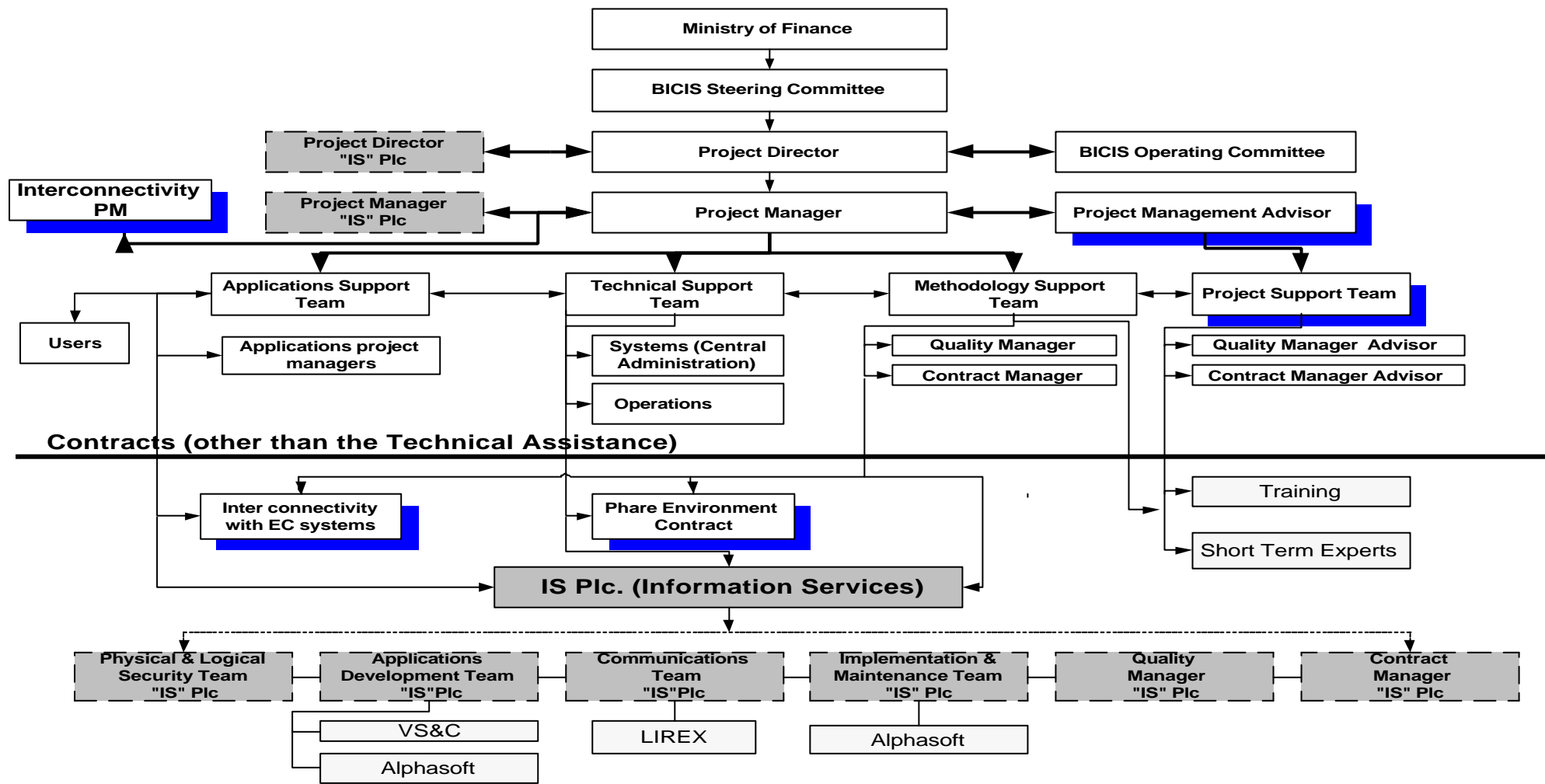
Member States (MS) systems.

- Contracts issued directly by NCA, such as initial core BICIS system, which was subcontracted directly to the private sector by NCA. This contract has been concluded and formed the basis of what today is a successful and operational BICIS\_1 system covering the applications mentioned in the Existing Applications section below.

**Graph 4.1.1 below, represents the management structure of BICIS 2 and 3 Stages, the works of which have been described in the above sections. Specific staff positions for the tasks of these stages can be seen in the CCD IT Organization Structure (3.2.2), corresponding to each sub-system of these stages. Additionally the NCA IT Organization (3.2.3) staff and specifically the Regional Customs Directorates IT Department directors, participate in the BICIS 2 and 3 works as members of the BICIS Operating Committee group.**

**PROJECT ORGANISATION/MANAGEMENT CHART**

**BICIS Management Chart (stages 2 & 3)**



## **QUALITY MANAGEMENT AND METHODOLOGY**

During the projects lifecycle, NCA uses various types of Quality Assurance methodology, according to the nature of the Projects. The Project Quality Plan template follows the DG TAXUD standards. However, for **Customs Business Development Projects**, NCA is using the Rational Rose Unified Procedures standards for the Analysis (Analysis & Design, Requirements, Business Modeling) Environment, Development, Testing, Implementation, Configuration and Change management. This is due to the development strategy, which in these areas is following the OMG (Object Modeling Group) Standards.

For **Maintenance Projects**, the Maintenance Plan follows the DG TAXUD Standards and Guidelines.

The document standards used by NCA are in the process of being harmonized with the DG TAXUD MaXXIme standards by the CCD IT Quality manager.

Future plans include the evaluation of a common IT methodology by the MF IT department, which will be used by all the MF subordinate Agencies and Directorates IT departments.

## **DEVELOPMENT STRATEGY**

The general policy of NCA is to subcontract development and maintenance projects. NCA strategy is to manage projects and assist with analysis. NCA does not engage in “in-house” developments, it however has the administrative capacity to assist in Analysis and Maintenance issues.

NCA rarely subcontracts directly to the private sector. The contracts for developments and maintenance are handled by the Ministry of Finance (MF) and are contracted to the Information Services Ltd, a company the majority of which is owned by the MF and acts as the MF system integrator. When NCA awards contracts, does so using PHARE funds and follows the PHARE procedures.

The specific strategy of NCA is to develop and implement a system using the latest means of Analysis and Technology. The applications are developed following the OMG standards. The analysis is performed with “the UML” language (Unified Modeling Language) and the analysis tool is Rational Rose. The development platform is Web-based. Currently the MF is performing an analysis for the Platform architecture, i.e. central versus clustered approach. The development standards are J2EE (Java 2 Enterprise Edition). The MF is also involved in a Communications Infrastructure Project, which will ensure the success of the NCA Platform strategy.

## **SECURITY POLICY**

The information and information systems and services are an essential and vitally important asset for the “Customs” Agency. The “Customs” Agency, as the owner of information and information systems, requires safe, reliable and appropriate security of the information and information systems it possesses, maintains and administers. The earning of respect and reputation of the “Customs” Agency is directly connected with the manner in which the information and information systems are being administered. The maintenance of an adequate security level is one of the most important aspects both for the information management, and for the information system management.

For its efficiency, the Information Security System has to be developed with common efforts including the participation, understanding and support of all personnel members of the “Customs” Agency, who work with information and/or information systems. Due to the necessity of team work, the policy specifies the consumer’s obligations and the activities they are due to execute, for the assistance of the “Customs” Agency information and information system protection.

According to the document “Organization of the activity and the internal order in Customs Agency” all the customs officer are obliged to follow the Information Security Policy, approved by the Director General. The purpose of the Information Security Policy is to set the preventive measures and reactions to different types of information and information system threats, which may include unauthorized access; hacker attacks; malicious actions; lost, multiplied or stolen information; data modification, destruction or erasure; alteration, misuse or crash of programs.

This policy is valid for all computer and network systems, owned and/or administered by the “Customs” Agency. It is also valid for all platforms (Operating Systems), all types of computer systems (from personal computers to large servers or mainframes) and all Application Systems (irrespective of the fact whether they are developed by the “Customs” Agency or following an order to an outsourcing firm). This document is valid only for the information managed by computer and/or network systems. Even if this document specifies

further points, e.g. verbal or written information exchange, it is not directly addressed to the security of information in these forms.

The management, direction, authority and activities connected with the “Customs” Agency information security, are organizationally concentrated in the “Customs Statistics and Automation” Directorate (CSA Directorate). The CSA Directorate is responsible for the development, implementation and maintenance of the Information Security (safety) policy (strategy), the standards, user manuals and procedures, referring to the organization as a whole. The periodical examinations aiming at the correct functioning of the organizational departments according to the rules specified in these requirements are the responsibility of the “Technical support unit” of the IT department of Directorate CSA and the respective regional structures. The investigation of unauthorized access to the Customs systems and other Information Security incidents are administrated by the CSA Directorate and the CSA regional departments, in a joint effort with the “Inspectorate” Directorate. The proposals for disciplinary measures, which are the result of the violation of the Information Security requirements, are a joint responsibility of the Central Customs Directorate Directors or the Regional Customs Directorate Directors, and the “Inspectorate” Department.

All representatives of the “Customs” Agency personnel, regardless of their status (directors, inspectors, specialists, consultants, external experts, etc.) have to be informed, to accept and to follow the Information Security policy, stipulated in this document and other papers of the same kind. The personnel members who break repeatedly and intentionally these and other Information Security regulations are liable to disciplinary measures, dismissal included.

For the coordination of the above-specified collective activities, the “Customs” Agency has to establish three categories, of which at least one will refer to every personnel member. They define the joint responsibilities of the personnel in relation to Information Security. Detailed information about these categories can be found in the Information Confidentiality Policy.

The “Customs” Agency accepts the system of information classification, according to which the information is categorized in four groups. The total information controlled by the “Customs” Agency, regardless of the fact whether it is the information owned by the agency or the information entrusted to the organization, falls within one of these categories.

Detailed information about the information classification can be found in the Information Confidentiality Policy.

If the information falls within one of the mentioned categories, it has to be marked (labeled) in the appropriate way in accordance with its category, from the moment of its creation to the moment of its destruction or re-classification. This marking has to be clearly observable, regardless of the form in which the information appears (printed matter, magnetic disk, CD-ROM, etc.). The broader range of information in the “Customs” Agency falls within the Official category. This is the reason why this type of information is not marked. Thus the information without a label is classified as Official. Additional information about this aspect can be found in the Information Confidentiality Policy.

The information access and processing in the “Customs” Agency is ensured in accordance with the Need-to-know principle. This means that the information is accessible only by people who have the legitimate need of this information, guaranteed by their official duties. At the same time, the personnel members cannot be banned from having access to any type of information if the information Owner has given an instruction for its concession. For the implementation of the Need-to-know conception, the “Customs” Agency accepts the information request procedure and the request approval by the Owner. Personnel members and external experts do not have access to any sensitive information, except for the cases in which they have been given access rights by the respective Owner of the information. In the cases when a certain personnel member changes his official duties (due to dismissal, department transfer, promotion or temporal absence), his system administrator implements the Security Policy in accordance with the respective changes. The rights consigned to all personnel members in the information access will be periodically examined, so that the Owners and Custodians are sure that the information is offered only to the people who need it.

## ***MAINTENANCE POLICY***

### ***Introduction***

For the successful functioning and exploitation of the Bulgarian Integrated Customs Information System (BICIS), it is necessary that the organizational-technical measures, leading to permanent and reliable maintenance of its structural elements be implemented. With the purpose of preventing any system failures, a

system for the efficient help organization - BICIS Maintenance - has been developed and put into practice under the BICIS Programme.

The basic purpose of Maintenance is the provision or completion of the prompt solving of any problem, which has appeared in the utilization of the system by the end user in the problem's unparalleled presentation. Detailed description of the maintenance activity is available in the document "BICIS MAINTENANCE PLAN".

## ***Maintenance plan***

### **FUNCTIONS OF THE MAINTENANCE SYSTEM**

The basic Maintenance functions focus on the creation of conditions for the normal functioning of the consumer's work environment elements that are namely the following:

- To give answers to different questions in the appearance of a problem in the BICIS user work;
- To solve all problems as fast as possible;
- To prevent the future problem appearance;
- To guarantee efficient help, provided by the maintenance personnel;

The organization of the efficient help – Maintenance under the BICIS Programme is directed towards problem solving connected with:

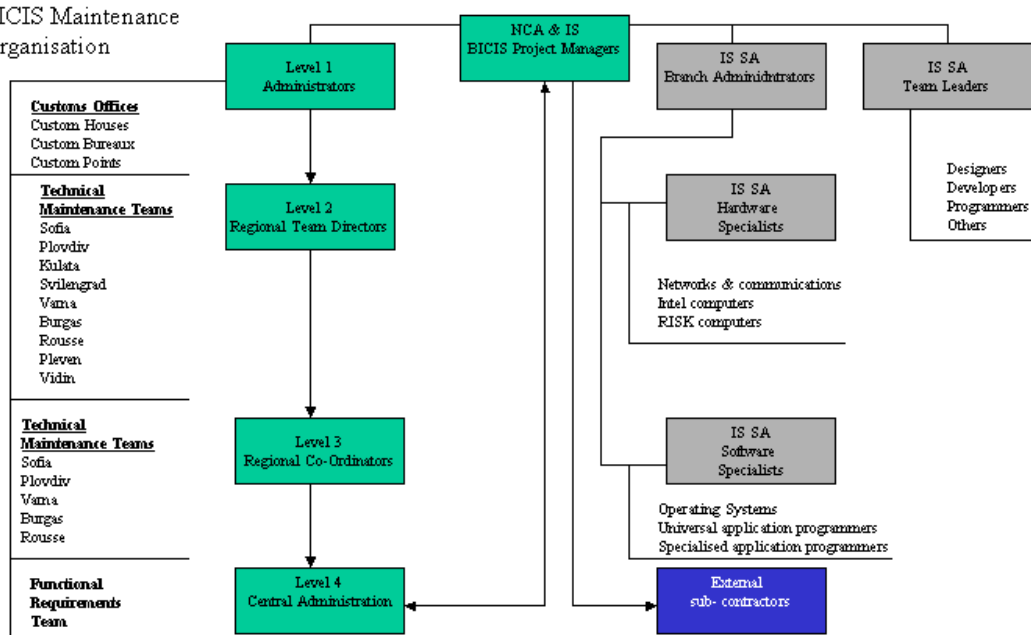
- System software and technical environment;
- Networks and communications;
- Application software products

For the specification of the competence area of the Maintenance System, it is necessary to define the "user work environment" concept, i.e. to summarize the cases in which a potential user problem may arise in the implementation of the BICIS Program.

The "user work environment" concept includes all software engineering elements (design, implementation, exploitation, etc), which determine the possibility of the BICIS Project implementation. Detailed description of "user work environment" is given in document "BICIS MAINTENANCE PLAN".

### **Organizational chart**

BICIS Maintenance  
Organisation





### **Description of levels, functions, responsibilities.**

#### **System for problem registration and analysis**

The exploitation of the national information systems assumes the necessity of periodical reaction to “typical” problems appearing at recurrent periods of time. With the purpose of the quick and reliable reaction to such problems, it is necessary that the Maintenance system acquire the elements of an Expert System. This condition presupposes the necessity of the creation of “**Knowledge**” **database**, whose use will increase the efficiency of the Maintenance system. For this purpose, **standard documents** (***detailed descriptions are in Appendix ? 3 of document “BICIS MAINTENANCE PLAN”***) have been drawn up for the Maintenance system, which are issued and completed in accordance with *the competence level and the issuing place* in the solving of a given problem. Every document is specified for its respective level.

#### **Problem solving process.**

The problem solving process is progressed through 5 levels from local to external expertise.

**Level “1”** comprises the solving of a problem by an administrator, working in the concrete customs office (Custom-house, Custom border point or Customs bureau) without a direct or an indirect participation of any other officials (external to the customs office) working under the BICIS Program. The activities connected with the elimination of the problem are registered in the BICIS Maintenance system with the completion of Document 1.

At this level, despite the fact that no help for the elimination of the problem has been requested, the information about this problem has to be described for the future taking of timely measures in the eventual recurrence of the problem. Depending on the fact whether the problem has been eliminated or not, DOCUMENT 1 has to be completed for a solved (unsolved) problem at Level “1”, the information of which is transmitted to Level “2”.

**Level “2”** of the elimination of a given problem is characterized by the inability of the administrator within the customs office to solve the problem and the necessity for the elimination of the problem by another official (external to the customs office), working under the BICIS Program.

In cases of an unsolved problem, the Level “1” Administrator connects with the respective BICIS Maintenance Team Leader or with the working person on duty, specified by the director and furnishes him with the information about the unsolved problem and his own activities.

If the BICIS Team is not able to remotely eliminate the reasons for the given problem, a representative of the team visits the respective customs office personally.

In cases of activities at Level “2”, the representative of the respective BICIS team has to complete Document 2 and the information is transferred to the upper level - Level “3”.

In the cases of **Level “3”** problem solving, the elimination of the problem is completed by the respective regional coordinator within the Regional Customs Directorate.

The regional coordinator of the respective Regional Customs Directorate under the BICIS Program coordinates the completion of the problem elimination, by employing the full capacity of the Maintenance system.

In cases of Level “3” problem elimination, DOCUMENT 3 of a solved (unsolved) problem is issued, and the information is transferred to the upper level - Level “4”.

In the **Level “4”** problem elimination, the activities are executed by the BICIS personnel within the Central Program Administration department within the Information Center of the “Customs” Agency.

The personnel of the Central Administration have to make an overall monitoring and management of the part of the user work environment, which falls within the limits of the Help Maintenance system.

At Level “4” the BICIS functionality problems are directed for their solving to the Application Support Unit. The Application Support Unit analyses the problems in connection with the BICIS functionality, determines the priorities for the elimination of the given problems, makes assignments for the elimination of the functional problems, and informs the regional coordinators about these procedures.

Level “4” is the last internal BICIS Program competence level in the solving of a given problem.

When necessary, organizational-technical activities for the employment of an external organization to the BICIS Program, like firms supplying technical equipment, software, etc. have to be executed.

In the elimination of a Level “4” problem, DOCUMENT 4 for a solved (unsolved) problem at Level “4” has to be issued.

In the **Level “5”** problem elimination, the activities are executed by external organizations to the BICIS Maintenance system.

The competence of Level “5” is determined by the contracts with the respective external organizations.

In the elimination of a given problem at Level “5”, the service maintenance organizations determined by the System Integrator issue DOCUMENT 5 for a solved (unsolved) problem, while all other firms have to complete DOCUMENT 6.

## TECHNICAL ARCHITECTURE AND APPLICATIONS

### CURRENT ARCHITECTURE

#### TECHNICAL INFRASTRUCTURE

Workstations at BCA are approximately 2000. They are mainly 5 types with following characteristics:

IBM PC 300 GL:

- CPU: Celeron 333 MHz
- RAM: 32MB SDRAM
- HDD: 3,2 GB

IBM PC 300 PL

- CPU: PENTIUM II 400 MHz or PENTIUM III 450 MHz
- RAM: 64 or 128MB
- HDD: 6,4 GB ULTRA ATA – 33 with S.M.A.R.T.

IBM NetVista

- CPU: Celeron 600MHz
- RAM: 64 SDRAM
- HDD: 10 GB

IBM IntelliStation

- CPU: Pentium III 800MHz
- RAM: 128 SDRAM
- HDD: 1 x 10 GB and 1 x 14GB

Some old PCs still exist with 4/586 CPU running in various support departments (accounting, secretaries etc.)

Servers that are used at BCA are mainly two groups according to their architecture:

- PC based servers – approximately 125
- RISC servers

PC based servers are with following parameters:

Low Class

IBM Netfinity 5000 8659-22Y

- CPU: PENTIUM II – 400 MHz – Upgradable to 2CPU
- RAM: 128MB SDRAM ECC Memory Upgradable to 1GB
- HDD : 9,1 GB Wide Ultra SCSI

Middle class

IBM Netfinity 5000 8659 –31Y with RAID

- CPU: PENTIUM II – 450 MHz - Upgradable to 2CPU
- RAM: 256MB SDRAM ECC Memory Upgradable to 1GB
- HDD : 3x 9,1 GB Wide Ultra2 SCSI

IBM Netfinity 5100 with RAID

- CPU: PENTIUM III – 800 MHz
- RAM: 256MB SDRAM ECC Memory Upgradable to 1GB
- HDD : 6 x 9,1 GB

RISC servers are IBM RS6000 family models.

1. Customs Points/Customs Bureaus: workstations used – IBM PC 300GL and IBM PC Netvista, servers- 1 x IBM Netfinity 5000 22Y (low class), in heavy loaded IBM Netfinity 5000 31Y (middle class)
2. Customs Houses: workstations used – IBM PC 300 GL/PL, IBM Netvista, servers – mainly middle class PC based IBM Netfinity 5000 – 31Y and IBM Netfinity 5100. At Customs House Sofia Airport as heaviest loaded site there is IBM RISC 6000-F80
3. Regional Customs Directorates: workstations used – mainly IBM PC 300 PL and IBM PC Netvista. For system administration needs IBM IntelliStations are used. Servers – IBM RISC 6000-F80, F50, E20.
4. Central Customs Directorate: workstations used – IBM PC 300 PL and IBM PC Netvista. For system administration needs IBM IntelliStations are used. Servers:
  - 1 for replication and I/F w/other systems (Bulstat etc.),

- 1 for storing consolidated data IBM RISC 6000-S7A, 4 processors, 1GB RAM, 4x9GB HDDs SSA in RAID and second RAID massive 10x36 GB,
- 1 for Internet services which is IBM Netfinity 5000 31Y and 1 IBM Netfinity 5000 22Y for proxy services,
- 1 IBM Netfinity 5000 31Y for File services at CCD level,
- 1 IBM PC based server for centralized anti-virus protection which is at CCD level.

### **OPERATING SYSTEM**

The operating systems used on workstations, are basically Windows NT4 and some Windows2000. Old PC's are using Windows 95/98.

PC Based Servers are on SCO Unixware 7.0.1. At CCD there is one Netfinity running Novell 5.0 because it is used as fileserver.

All RISC servers at BCA are running AIX 4.3.3.

### **DATABASE**

Currently for main RDBMS is used Informix 7 on UNIX platform.

Each Customs site supports own DB instance for processing documents. The data moves to each Customs level above in accordance with approval procedure. Synchronization among different levels is maintained with feedback connection mechanism – confirmation messages, which guarantee information integrity.

### **COMMUNICATIONS INFRASTRUCTURE**

At present in each Customs Site there is a TCP/IP based LAN. At the CCD level and the Sofia region there is some Fiber Optics lines with minimum 2Mb through-put. The rest are either Leased lines (mainly at the Varna RCA) or dial-up connections at maximum 33.6KB.

Communication hardware that is used mainly consists of switches BAYSTACK 150, modems min. 14400 KB max 56000Kb through put capacity, different dial-up modems.

Currently data is transferred from one level to another using PGP encryption via Internet and the Customs data is extracted from each server by an application module of BICIS and the final file is sent as mentioned above. The files move to each Customs level above, a consequent extract (appl) sends them to each level. At each level there is a production of a confirmation status report.

### **CURRENT APPLICATIONS**

The current system covers a **Customs Clearance System with its' Reference Data requirements** such as Tariffs, Tariff and Non-Tariff measures and other legislative information. Additionally, there is a **Control Module**, which assigns administrative and access rights to the Customs staff. A **Reporting** system has also been designed and implemented. These applications have been implemented in all the Customs sites.

In detail, the system as it is today, handles the following functions:

- **Customs Clearance functions** handling all types of Customs approved treatment and use of goods according to the law and its' implementing provisions.
  - **Manifest** (the whole procedure).
  - **Customs procedures** using SAD.
    - Import
    - Export
    - Temporary import and export
    - Inward and outward Processing
    - Customs warehouses
    - Processing under Customs control
    - Transit covering office of departure and destination
      - SAD Transit
      - ? R Carnet
      - ? ? ? Carnet
      - CIM and CMGC (Russian) Transit
      - Postal Transit
      - TR Transit (large rail containers)
      - Cargo Manifest Transit (air and sea)
  - **Re-export.**
  - **Destruction under Customs control.**
  - **Abandonment of goods.**
- **Reference data functions**, covering information used by the Clearance system
  - **Tariffs system.**
    - Tariff Nomenclature

- Duty rates (MFN and GSP)
- **Tariff and Non-Tariff measures.**
  - Agreements (economic, Washington and Montreal conventions, etc.)
  - Preferential duties
  - Quotas
  - Restrictions/Prohibitions
  - Licenses
  - Other
- **Other legislative information.**
  - VAT
  - Excises
  - Economic taxes
  - Sanitary
  - Other
- **Codes and Nomenclatures.**
  - ISO Country codes
  - ISO Currency codes
  - Codes of Customs procedures
  - Other
- **Company info** received from BULSTAT.
- **Administrative functions.**
  - Reference Data updating from the CCD to all Customs Sites
  - Assigns administrative and access rights to the Customs staff
  - Reporting functions for the Reference data system
- **System Functions.**
  - Collection of data (SAD, etc.) from the Customs sites to CCD
  - Collection of TIR data from Customs sites to CCD and then forwarding the data to the International Road (Transport) Union (IRU).
- **A Reporting system.**
  - Pre-defined reports
  - Ad-hoc reports using a report generator
  - Ad-hoc reports using an initial and recently defined configuration of OLAP.

## ***FUTURE ARCHITECTURE***

### **TECHNICAL INFRASTRUCTURE**

Workstations

No change planned except some upgrades concerning RAM memory.

Servers

According to the growing need of capacity and performance in processing data at customs sites, some of the servers can be upgraded with more RAM, additional disk space and CPU.

At the CCD level for firewall an IBM RISC 6000-B50 model will be deployed.

For centralized system management and monitoring an IBM RISC 6000-F80 will be used.

### **OPERATING SYSTEM**

? perating systems used for the servers mainly will remain the same – AIX and SCO Unix Ware, as mention above. There are some services that will possibly migrate to LINUX.

Concerning the workstations Windows NT/2000 only will be used.

### **DATABASE**

For the time being no change of RDBMS is planned. RDBMS will remain the same – Informix, as mention above.

The RDBMS change will be possible after basic analysis, which has to include: detailed report for growing needs of the BCA, technical advantages and financial conditions. If such change will be undertaken, it has to take into account the trends of the information technology markets.

### **COMMUNICATIONS INFRASTRUCTURE**

A communication infrastructure based on Ministry of finance WAN network project is in progress and scheduled to be completed by mid 2002.

TIVOLI products are in process of deployment for centralized management and monitoring.

The physical infrastructure will provide main and alternative routes between two points, which will guarantee high availability of network. The logical part of infrastructure will provide information flows adequate to the real customs processing and assure opportunity for easier management and monitoring. For security reasons a strong encryption will be realized in communications between the CS. For encryption processing will be used IBM RISC6000 model B50 distributed between the CS. The detailed information about this is in Customs communication infrastructure.

This organization of communication infrastructure will help in centralized application deployment, easier updating of reference data and maintenance.

Current communication infrastructure will be used as back-up for emergency cases and diagnostics.

All communications are projected to be TCP/IP based.

### **CURRENT DEVELOPMENTS & FUTURE APPLICATIONS**

#### **Current (2001-2002/2003)**

The current developments aim at continuing the computerization of the Customs business as specified in the BICIS Stage\_2 & 3 Project Plan. This contract has been awarded to Information Services (IS), an IT contractor of the Ministry of Finance (MF). In addition, a Technical assistance contract has been signed under PHARE funds and a Project Support Team (PST) has been implemented (15/01/01) to provide support to the NCA staff. The main activities of this Project Plan can be summarized and will be reported as follows:

- **Corrective maintenance of BICIS Stage\_1.** This activity is progressing as planned and involves some system fine tuning as well as additional functionality to the system
- **Pure BICIS Stage\_2 & 3 sub-systems development.** This activity is at the Analysis Phase. It involves the development of **Transit (Phase I), Customs Debt (Financial subsystem), Enforcement, Authorizations, Inspectorate and Human Resources** systems. The main priority is Transit and currently there is a draft version of Analysis documents ready. The development of Transit has been Phased-out, with the first phase covering all National Transit aspects at the core level of the business.
- **BICIS Stage 2 - Re-engineering of BICIS Stage\_1.** This activity involves the re-programming of the BICIS Stage\_1 applications with a UML (modularity) approach using the Rational Rose tools. This activity also involves the development of a data communications sub-system. However, a decision to re-engineer the BICIS Stage\_1 applications using a Web-based approach will minimize the communications sub-system development volume of work since web-applications servers already include a major part of data communications software.
- **Communications infrastructure.** The Ministry of Finance (MF) is developing a WAN (Wide Area Network), which will handle all the MF communications needs (Customs and Tax Agencies). This project is expected to be materialized by mid 2002 and to provide the adequate throughput required for the Customs Business.
- **Miscellaneous activities.** This involves the implementation of OLAP (a global reporting system serving as a data warehousing facility) and some additional hardware acquired through PHARE funds.
- In addition to the above, a contract has been signed with Euro-Customs, which will address the requirements for the **interconnectivity with the DG TAXUD systems**.

#### **Intermediate Requirements (2003–2005/2006)**

**REMARK: This section does not cover EXCISE (SEED/EMCS) requirements, since the Tax Administration currently manages this function.**

#### ***Development of the Reference Data Module (RD) – Integrated Tariff Management System (ITMS)***

##### **SECTION**

The RD Module covers all data that serves The Customs Systems, such as the Clearance System, the Transit System, the Enforcement System, etc. This Module will include Risk Analysis and Selectivity Criteria, Customs Offices lists and all kind of data required by other systems. The ITMS also is a major part of this Module.

This specific Activity will cover all the DG TAXUD requirements of the Tariff related systems at the National Level **only**. All the data requirements of these functions will be met at the National Level. Two years before accession to the EU, development of the Interface requirements will start. The Functions to be covered are the following:

- Taric
- BTI/BOI
- ECICS
- Quotas

- Surveillance data (Ceilings, Trigger levels, Reference volumes, Export data)
- IPR
- Tariff Suspensions

In addition to these systems, the RD module will include the TCO national requirements development. **This project has been agreed with the EC to be included in the Phare 2003 project request.**

***Development of the Bulgarian Transit Management System (BTMS) phase-2 = COMMON/Community Transit (NCTS).***

This Activity will finalize the development of all the Common Domain requirements for NCTS as follows:

- The adaptation and integration of MCC into the BTMS (part of BICIS), initially for MCC phase 3.1. This will be performed by integrating in the BTMS the NCC requirements under the MCC 3.1 phase, which are not covered under the national transit Phase 1 project (see above). This project will ensure the full integration of MCC 3.1 into the BICIS platform, which will include the re-engineering of MCC according to the environmental needs and tools used by BICIS, its' centralization/web based approach and its translation to Bulgarian.
- Following the completion of MCC phase 3.2, the same adaptation and integration to BTMS will take place.

**This project has been included in the Phare 2002 request**

***Remaining BICIS Needs***

This Activity will finalize the BICIS development at the National level and will include:

- Direct Trader Input (DTI) for the Customs Clearance System (except transit, which is developed under the transit project).
- Development of an Internet Data Dissemination System for the trade. This system will not duplicate work already displayed on the EC Europa Server DDS System.

**The above two requirements have been included in the Phare 2002 request**

- Customs Intra-mail with attachments development.
- Implementation of the AFIS system.

***Human Resources System – Common and Interface requirements with the Customs Offices.***

This Activity will finalize the development of the Human Resources System, which will cover the connection of all the Customs Sites with the Central System.

**Future Requirements (2006–2007)**

This section describes the additional needs of BICIS, in order to achieve Interconnectivity with the DG TAXUD Systems

***Development of the Interfaces with the DG TAXUD Systems***

This Activity will deal with the Interface development of all the related systems with the DG TAXUD systems:

- TARIC
- ECICS
- EBTI
- BOI (If any system (ORNET) exists by that date)
- TCO/TCT
- Tariff Suspensions (If any system exists by that date)
- IPR
- ETM (Quotas and Surveillance data)
- CCN/CSI (**This system might be required sooner than the above dates due to NCTS testing requirements**). This system should be requested by the MF IT department, which manages common IT activities in various subordinate Agencies, in this case Customs and Tax Agencies.

**REMARK: Currently the Customs administration has the authority to collect Excises for imported goods. The legal framework for Excises, inland Excises collection and overall legal application control are within the competence of the Tax Administration. If by the time of Accession to the EU there is a decision for Customs to manage Excises, the NCA will notify the Commission in the Future NPAA plans**

ANNEXES

***ANNEX 1. IT STRATEGY PLAN***

APPROVED:

**E. DIMITROV  
DIRECTOR OF  
THE NATIONAL CUSTOMS AGENCY**

**STRATEGY  
FOR RATIONALISATION OF BULGARIAN CUSTOMS ADMINISTRATION'S BORDER OPERATIONS  
IN THE PERIOD 2001-2006**

## **INTRODUCTION**

- .1. *The Strategy for rationalization of the BCA border operations is based on the Business Strategy (BS) of the BCA and the Detailed Financial Plan of the budget and human resources, necessary for the total implementation of the BS of the BCA, the objectives of the state fiscal policy, the national legislation and the criteria for preparation of the Republic of Bulgaria for accession to the European Union (EU). It defines the main priorities, objectives and areas of BCA activity in the field of reinforcement of border control and defines the methods for their achievement, in compliance with the Customs Blueprints for Border and Inland Control and with the strategic objectives set in the Business Strategy of the Bulgarian Customs Administration.*

Taking into consideration the fact that Bulgaria is in a higher extent transit country, as well as the prospect of future membership in the European Union, it is necessary a review of the control methods applied at the borders to be performed. This Strategy and the related Action Plan establish the framework of the activities for preparation of the Republic of Bulgaria to ensure proper and uniform application of the European Legislation along the future external borders of the European Union.

### **2. General conditions in the field of border control in the Republic of Bulgaria and role of the Bulgarian Customs Administration at conducting border control**

The control along the Bulgarian borders has always been and will be a high priority for the Republic of Bulgaria, considering its geographic location as a bridge between Europe and Asia, the variety of transit roads and variety of borders (sea – Black Sea, river – Danube River, land – with 5 countries, international airports), the high level of passenger flow and freight flow, and the risk of illegal traffic of people, goods and drugs.

The Bulgarian Customs Administration performs basic functions in the frame of border control along the Bulgarian borders. Its priority task is the conduction of customs control over goods and vehicles and relevant activities – customs clearance, fight against customs and currency violations and fraud, protection of intellectual property rights, cooperation with the market surveillance authorities, etc.

The Bulgarian Customs Administration applies customs legislation, which has adopted the principles of the EU Acquis Communautaire and is harmonized in high extent with it. The customs clearance is performed at border and inland customs premises, which facilitates the procedures on the border. The considerable improvement of the border operations will be achieved with the implementation of the Bulgarian Integrated Customs Information System (BICIS).

Another high priority task of the Bulgarian Customs Administration is the fight against customs and currency violations and fraud. The Bulgarian Customs Administration for the last years is one of the top three customs administrations in Europe in number of seizures and confiscated heroin quantity along the so-called “Balkan road”.

The Bulgarian Customs Administration endeavours in implementation of risk analysis methods, complied with the ones applied in the Member States. The applied border controls are based on selectivity of suspicious goods, passengers and vehicles techniques. Risk profiles of the separate customs border check points have been developed, considering the specifics of the relevant region. The factors related to a concrete type of risk, causing the relevant risk level of the risk region, have been analysed. Selectivity profiles have been developed at a regional level, with the purpose of channelling the control of vehicles, passengers and freights. The next objective is the improvement of the efficiency of the border control operations through development of “Risk analysis and selectivity” module of the Bulgarian Integrated Customs Information System (BICIS), which is



planned for year 2002. Supplementary positive effect over the border customs control is coming from the rationalization of the inland control along the country territory through implementation of control via mobile groups and post clearance control.

The Republic of Bulgaria has adopted a legal framework, guaranteeing the protection of intellectual property rights, fully harmonized with the EU Acquis Communautaire, including border measures for protection of intellectual property rights. A satisfactory level of cooperation between all institutions involved in the fight against piracy and intellectual property rights violations has been achieved.

Performing its powers in the field of border control, the Bulgarian Customs Administration applies a policy of optimisation the staff number and improvement of its qualification. The Bulgarian border checkpoints have almost similar structure, considering the specifics of the relevant transport mode. Currently, the border checkpoints are 51, and 7 new ones are to be opened. Actions for improvement of the information exchange and communications between the separate border check points and the separate customs administration units, have been undertaken.

Apart from the Customs Administration, some other authorities perform border control in Republic of Bulgaria. The National Border Police Service authorities are responsible for the security of the state border and the control of passengers. The Medico-Sanitary, Veterinary, Phytosanitary, authorities and other border control authorities also perform their specific duties within the framework of the border operations.

Cooperation with other administrations, performing border control, including the National Border Police Service, shall be developed in the line of effective distribution and clear distinction of the competencies between the authorities, in conformity with the International Convention for harmonization of border control of goods and the Instruction for cooperation between the customs and Ministry of Interior authorities, which is currently in a process of amendment. It is necessary and currently on-going an updating of the normative basis in that field, and therefore Interministerial Council on the border control check points issues was established, where all border control authorities are presented. Main task of the Council is the improvement of the coordination between these services with the aim of speeding-up the border crossing.

There is a very good cooperation between the Bulgarian Customs Administration and the administrations of the neighbouring countries along all land borders of the country. The intention is further improvement of the work in this field through development of common border checkpoints with neighbouring countries.

The BCA's border operations are in close relation to its anticorruption activity. There is a number of measures taken to implement contemporary legal base, to strengthen the internal control and monitoring, to implement independent monitoring of the customs activity and strengthening the self regulating mechanisms in the administration, which will lead to sharp decrease of the level of corruption at the border posts and in the customs administration as a whole.

## **II. Main Objectives of the Bulgarian Customs Administration in the field of border control**

The Main objectives of the Bulgarian Customs Administration are:

- Facilitating the legal traffic of passengers and goods, by performing systematic, efficient and effective customs control at the ports, airports and land border posts and in this way securing the collection of the incomes and protection of the people.

- BCA concentrating major efforts on the future external borders of the European Union

The fact that the majority of the Bulgarian borders will become external borders of the expanded European Union and the variety of borders (land, sea, river and air borders) requires the strategic objectives for action of the BCA to be directed to:

1. Strengthening the fight against customs and currency violations and crimes
2. Improvement of the co-operation with the customs administrations of the neighbouring countries and reducing customs clearance and waiting times at the borders
3. Improvement of the co-operation with the other border control authorities
4. Ensuring sufficient and qualified staff for supporting the border control
5. Provision of necessary and suitable infrastructure, technical facilities and equipment to support customs control, to allow physical checks and to improve working conditions
6. Development of regular relations and exchange of information with the trade and public

### **III. Strategic objectives and tasks**

The objectives and tasks of the BCA are defined on the basis of the following main strategic documents:

- European Association Agreement /ECA/
- Accession Partnership
- National Strategy for Membership of the Republic of Bulgaria in EU
- European Commission Chapter Position on Chapter 24 “Justice and internal affairs” and Chapter 25 “Customs Union”
- National Program for Adoption of the Acquis
- Declaration of Endorsement of the Pre-accession Preparation Strategy for the Customs and Tax Administration
- National Strategy for Preparation of the Bulgarian Customs Administration for Membership in EU and its implementation Programme
- Co-ordination between the Republic of Bulgaria and EU in taking up of positions in international negotiations related with customs area
- International convention for harmonization of the border control of goods
- Customs blueprints for Border and Inland Control
- Business Strategy of the Bulgarian Customs Administration
- Detailed Financial Plan of the budget and human resources, necessary for the total implementation of the BS of the BCA
- Plan- program “Border and Internal Control”

- Detailed Plan of the activities for implementation of the objectives and tasks, included in the BCA's Business Strategy
- Final Report of Mr. Rainer Beussel, chief expert under the Phare project "Reinforcement of Border Controls"
- National Strategy for fight against corruption
- National Plan for Adoption of Acquis in relation to the Convention for applying the Schengen Agreement

<b>Objective 1:</b> Strengthening the fight against customs and currency violations and fraud
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- 1.1. Optimisation of the activities on implementation and functioning of risk analysis and customs control selectivity techniques, assuring systematic, comprehensive, flexible and consistently applied customs control.
- 1.2. Improvement of intelligence and investigation activities and establishment of teams for intelligence and investigation of smuggling and customs fraud.
- 1.3. Improvement of intelligence and investigation of drug-trafficking and further development of the administrative structures for fight against drug trafficking.
- 1.4. Provision of wider range of customs powers in the field of intelligence and adoption of relevant amendments to the legislation.
- 1.5. Implementation of inland control via mobile customs groups and adoption of relevant amendments to the legislation.
- 1.6. Provision of wider range of customs powers allowing the performance of independent controlled deliveries.
- 1.7. Improvement of the Instruction regulating the terms for co-operation between customs authorities and the Ministry of Interior in relation to prevention and investigation of customs and currency violations.
- 1.8. Establishment of Post Clearance Control and adoption of relevant amendments to the legislation.

<b>Objective 2:</b> Improvement of the co-operation with the customs administrations of the neighbouring countries and reducing customs clearance and waiting times at the borders
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**Tasks:**

- 2.1. Awarding of bilateral agreements with the neighbouring countries and implementation of joint border posts/operations with the neighbouring countries.
- 2.2. Alleviation of the customs formalities at the border posts by implementing common border posts/joint border operations with the neighbouring countries.
- 2.3. Establishment and development of a 24 hour working Operative centre within NCA.

<b>Objective 3:</b> Improvement of the co-operation with the other border control authorities
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**Tasks:**

- 3.1. Development of a new Normative regulations for the organization of the border posts, in compliance with the International Convention for harmonization of the border control of goods, that is going to replace the currently applied legal base.
- 3.2. Improvement of the co-operation and information exchange with the Ministry of Interior, including the National Border Police Service.
- 3.3. Improvement of the co-operation and information exchange with the other border control authorities.

**Objective 4:** Ensuring sufficient and qualified staff for supporting the border control**Tasks:**

- 4.1. Improvement the professional qualification of the customs officers and organisation of specialized training in the field of border and internal control in the framework of the Strategy for organization and management of the Human resources.
- 4.2. Development of a Plan for dissemination of tasks in the customs offices at the border considering their specifics and the existing equipment.
- 4.3. Development of a system for providing additional personnel in the border check points considering the strengthening the future borders of the European Union, the widening of the control functions in relation to the Common agricultural policy and the increased traffic volume.
- 4.4. Publication of Manuals for the customs officer's activities.

**Objective 5:** Provision of necessary and suitable infrastructure, technical facilities and equipment to support customs control, to allow physical checks and to improve working conditions**Tasks:**

- 5.1. Establishment of a specialized unit in the Customs Administration, for organisation, planning and development of infrastructure, installations and technical equipment, as well as for technical co-operation with the neighbouring countries and creating a database for modernization of the control techniques.
- 5.2. Improvement of the check points infrastructure, with particular attention on the future external borders of the European Union; greater attention to the improvement of the infrastructure of Kapitan Andreevo border post should be paid
- 5.3. Improving the technical facilities of the border checkpoints based on the performed analysis of their activities.
- 5.4. Achieving full operational capacity of the Bulgarian Integrated Customs Information System (BICIS).

**Objective 6:** Development of regular relations and exchange of information with the trade and public

- 6.1. Provision of regular, clear and timely information to the trade operators and the public about the changes in the legislation, procedures and required documentation.
- 6.2. Maintenance of an informational column for the border operations in the NCA's web page.
- 6.3. Issue of border operations informational brochures.

#### **IV. Financing**

The detailed financial data are given in the Annex, grouped by strategic objectives and deadlines for their implementation.

The activities given in the Annex and revised according to the strategic objectives and tasks under the Strategy for rationalisation of BCA's border operations, will be financed by the State Budget, PHARE and TAIEX programmes, as well as from the World Bank "Trade and Transport Facilitation in the South Eastern Europe" Project and other resources.

Part of the projects will be implemented without additional investments. In 1998 and 2000 some of them have already been financed by Phare funds, including 1998, 2001 and 2002 National Phare Programmes, Phare 2000 Cross-border Co-operation between Bulgaria and Romania Programme, 1998 – 2001 Joint UNDCP/Phare Programme. The remaining funds under these programmes will be allocated mainly for training, consultations and delivery of equipment. The estimated amount for financing under Phare 2002 Programme depends on the agreement to be reached between the Ministry of Foreign Affairs of the Republic of Bulgaria and the European Commission. Therefore, the financial sources for 2003 – 2004 are subject to change.

#### **Conclusion**

The Strategy for rationalization of the BCA's border operations defines the customs activities, considered by the NCA as key ones in its development and in the pre-accession period.

Possible risks for the implementation of the objectives and tasks could be the limited state budgetary resources, limited supplementary resources, insufficient efforts by the administration, insufficient public support.

The Strategy for rationalization of the BCA's border operations specifies and develops the Business Strategy of the BCA. It is a basic document for the BCA border control activities and is a result of the Activity 1 of the Reinforcement of Border Controls Project. It is subject of approval by the NCA Phare Steering Committee and endorsement by the NCA. The Strategy will be periodically updated.

Amendments to the Strategy for rationalization of the BCA's border operations will be made on the basis of BCA needs analysis, legality of the conclusions at managerial level and calculation of the costs for the required amendments.