

Standard Summary Project Fiche- IPA decentralised National Programme

Project number:

1. Basic Information

- 1.1 CRIS number : TR2009/0329.01
1.2 Title : Modernisation of Turkish Customs Administration VI
1.3 ELARG Statistical Code : Customs (29)
1.4 Location : Turkish Customs Administration, Turkey

Implementing arrangements:

1.5 Implementing Agency:

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

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1.6 Beneficiary (including details of SPO):

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

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1.7 Overall cost: EUR 15.6 million.

1.8 EU contribution: EUR 13.34 million.

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

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

1.11 Final date for disbursements: 1 year after the end date for the execution of contracts

2 Overall Objective and Project Purpose

2.1 Overall Objective

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

2.2 Project Purposes

To strengthen the customs surveillance and control function of the TCA throughout the Turkish customs territory by increasing its patrolling, searching, and intervention capacity in order to deal with both intended and committed offences more promptly and efficiently.

2.3 Link with AP/NPAA/EP/ SAA

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

The Accession Partnership with the Republic of Turkey identifies the need for strengthening of all law enforcement institutions and aligning their status and functioning with European standards in general and specifically, strengthening the enforcement capacity of the customs administration, particularly regarding the fight against illegal trade and counterfeiting.

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

In the 2007 Regular Report on Turkey's progress towards accession, it is stated that the administrative and operational capacity of TCA continued to be strengthened and efforts towards modernisation, particularly the training of customs officers in regional offices, need to be extended to all regions. Additionally, it is stated in the 29th chapter of the 2008 Regular Report on Turkey's progress towards accession that good progress has been made by the Undersecretariat for Customs to strengthen its administrative and operational capacity. Five vehicle and container scanning systems were deployed at Gurbulak customs office and the ports of Istanbul Ambarli, Izmir, Alsancak, Mersin and Samsun.

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

2.4 Link with MIPD

In the Multi-annual Indicative Planning Document (MIPD) 2008-2010 for Turkey, the obligations stemming from the Customs Union Agreement are referred among the main priorities and objectives under “Component I- Transition Assistance and Institution Building”. These priorities are expressed as state aid monitoring, steel sector restructuring, implementation of the customs code, administrative capacity of the customs administration, development of IT systems for the exchange of data with the EU and its Member States, protection of intellectual and industrial property rights and free movement of goods.

2.5 Link with National Development Plan (where applicable)

The 9th National Development Plan of Turkey for the years 2007-2013 was approved by the Turkish Parliament and brought into force with the promulgation of the Plan in the Official Gazette dated 11.07.2006 and numbered 26215. Although, there are some statements regarding combating drug smuggling efforts, there is no multi-annual investment plan for the supply of various technical equipment to be used for anti-smuggling activities. Nevertheless, the enactment of the Public Financial Management and Control Law No. 5018, which aims to obtain and use public resources in an effective, economic and efficient way, obliges the public administrations to prepare Strategic Plans in order to create missions and visions in the framework of development plans, programs, relevant legislations and main principles, determine strategic goals and measurable targets, measure the performance in accordance with the indicators and monitor and evaluate the process. Therefore, TCA prepared and sent its Strategic Plan to the State Planning Organisation for approval. The Strategic Plan for 2010-2014 of TCA has not been officially approved as of writing. However, the Plan foresees among its major goals to reduce the loss of income, to contribute in ensuring the human and environmental health and to contribute in preventing the financing of terrorism by preventing illicit trafficking. Within this goal, multi-annual investment plans are indicated in detail. Further detail of the Plan is explained below in section 2.6.

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

In 2008, TCA initiated a study in order to analyze all relevant documents and to develop its Administrative Action Plan. In this respect, 14 other documents (some of which are: EU Commission Customs Blueprint, 60th Government Programme Action Plan, 9th National Development Plan, World Customs Organization Framework Standards, etc.) were analyzed and TCA’s Action Plan was prepared. The Action Plan came into force on the 4th of July 2008 with the approval of the Undersecretary for Customs. In the Action Plan, specifically “Reinforcement of Technical Capacity” section, the 10th action envisages the supply of mobile inspection systems, patrol vehicles, patrol boats and train inspection systems for customs posts within a period of two years. In addition, in the “Reinforcement of Human Resources Capacity” section, the 1st action commits the planning of the personnel for the central and regional units. The 7th action of the same section states that the quality and the quantity of the personnel will be increased in order to meet the requirements of TCA. Moreover, the 6th action foresees the determination of business analysis and job description, which is expected to serve to the specialization of enforcement personnel such as X-Ray operators, dog handlers, technical personnel, etc.

Furthermore, the Strategic Plan for 2010-2014 of TCA, which is prepared in conjunction with the articles of Public Financial Management and Control Law No. 5018, has, as its third goal, “to reduce the loss of income, to contribute in ensuring the human and environmental health and to contribute in preventing the financing of terrorism by preventing illicit trafficking.” The Plan emphasizes that TCA has an essential mission in the fight against illicit trafficking and corruption through eliminating the negative impacts of goods which are banned to be imported, goods in low quality and having hazardous effects on human health; protecting the domestic economic sectors; preventing the economic recession which may be occurred due to the importation of low valued goods and unfair effects of smuggled goods; and hindering the undesired results of the unfair income obtained from illicit trafficking and corruption on the deterioration of the income distribution. Within the scope this project, the relevant strategies indicated under the third goal are as follows;

- To improve capacity in the fight against illicit trafficking (Strategy 3.1.1);
- To put intelligence systems into action (Strategy 3.1.2);
- To establish mobile teams (Strategy 3.1.3);
- To establish operation contact and control central (Strategy 3.1.4).

Detailed tables showing the performance indicators per years for strategies 3.1.1, 3.1.2, 3.1.3 and 3.1.4 are attached as Annex VII to this Project Fiche.

Finally, the second goal of the Strategic Plan is expressed as “To Become a Powerful, Modern and Dynamic Customs Administration”. The Strategy 2.2.1 of this goal foresees the improvement of human resources capacity of TCA by certain percentages per year for the next five years, which complements the personnel requirements of this project.

3 Description of project

3.1 Background and Justification

While the process towards the removal of the trade barriers undermined the relative importance of the revenue functions of customs, it brought to the foreground the “*protective*” role of customs in contributing to the health and security of the national economy, society and the environment. TCA fulfils its protective functions, on one hand, by controls and checks of goods, vehicles and passengers at the customs posts and, on the other hand, by surveillance throughout the customs territory to ensure that all the customs formalities have been completed in line with the *acquis*.

In order to efficiently combat illegal activities, TCA is using a variety of technical equipment such as vehicle and container scanning systems, narcotic and explosive trace detectors, videoscopes, fiberscopes, density measuring devices, radiation portal detectors, radiation hand-held detectors, gas data devices, etc. TCA installed 2 re-locatable and 1 mobile vehicle and container scanning systems at some high-risk border crossing points/gates and seaports, namely Kapikule (Bulgarian Border), Ipsala (Greek Border) and Istanbul (Ambarli Seaport) funded by World Bank and national budget in 2003. The mobile system in Istanbul Ambarli Seaport was first sent to Habur (Iraqi Border) and then to Kapikule (Bulgarian Border) based on threat assessments and security priorities.

With the help of these scanning systems, a great amount of contraband goods, illegal drugs, and cigarettes have been seized so far. To give a case in point, while the amount of

the heroin seized by TCA was 343 kg in 2002, with the installation of the X-Ray equipment in early 2003 this amount increased to 1.258 kg in 2003. This figure went up to 2.569 kg in 2004. Furthermore, illegal migrants have been detected either by the scanning systems or by the confession of the drivers that illegal migrants were hidden inside the vehicle just before the scanning of the vehicle. Hence, it is worth mentioning that this technical equipment plays a vital role in prevention besides detection.

The success of these systems encouraged TCA to expand the scope of their installation. In this regard, five more X-Ray systems were procured within the framework of the 2004 EU Pre-Accession Financial Aid Programme. These systems were generally preferred to be installed at seaports since our intelligence assessments pointed out that the smuggling activities were diverted to seaports with the installation of the previous three scanning systems. These five new re-locatable systems were deployed in Istanbul Ambarli Seaport, Samsun Seaport, Izmir Alsancak Seaport, Mersin Seaport and Gurbulak (Iran) bordergate. Additionally, one Gamma-Ray system was supplied by the port authority in Istanbul Pendik Seaport. The recent decision of TCA to reconstruct all land bordergates within the framework of a Built-Operate-Transfer (BOT) system resulted in the standardization of the land bordergates. This standardization included the installation of vehicle and container-scanning systems, construction of search sheds with cold storage facilities, automated plate recognition systems and closed circuit television systems (CCTV), etc. In this framework, two re-locatable systems in Habur and one re-locatable system in Cilvegozu were installed in 2008. Consequently, as of 2008, TCA was using in total 12 vehicle and container scanning systems. As expected, the seizures of heroin were dramatically increased (in quantity) up to 31% in 2007 and 48% in 2008 compared to the previous years, respectively.

Since all the land borders will be equipped with re-locatable scanning systems within BOT Projects and some major seaports have been already equipped within 2004 EU Pre-Accession Financial Aid Programme, TCA determined the urgent need for mobile scanning systems to use in inland customs, air cargo posts and in seaports having numerous docks. The technology of mobile scanning systems allows the user to deploy rapidly the systems from one point to another. Hence, TCA will be able to move the scanning systems from one customs post to another. This mobility function not only facilitates control in more than one area, but also creates the uncertainty for the smugglers to predict where they will be subjected to any scanning control. Furthermore, mobile scanning systems will also help TCA to deal with the seasonal fluctuations in the traffic of goods and vehicles at some customs posts and changes of routes in criminal activities, which require the mobilization of personnel and relevant inspection equipment at some periods.

Therefore, mobile scanning systems and patrol vehicles will improve the institutional capacity of TCA to react the urgent needs at customs posts. Moreover, the time allocated for complete physical search per vehicle will be decreased. The scanning period of the vehicles and containers lasts at around 2 minutes and the analysis of the image at around 10 minutes depending on the experience of the operator. The physical search of the certain parts of the vehicle as per directions of the scanning operator takes much less time compared to the unguided physical search of the whole vehicle which takes minimum 3-4 hours.

As is mentioned above, the second important role of TCA is the surveillance over the customs posts. This surveillance function necessitates mobile, patrol and tracking equipments and systems. Taking this fact into consideration, a Project under the 2006 EU

Pre-Accession Financial Aid Programme provided for the supply of a vehicle tracking system together with tracking patrol vehicles. In accordance with the implementation schedule of the Project, 14 tracking patrol vehicles will be operational in the second half of 2009. This was the first step of the strategy concerning the establishment of mobile teams in TCA. Based on the 2010-2014 Strategic Plan of TCA, 54 mobile teams are expected to be established at the end of 2010. Thus, taking into account the patrol vehicles to be obtained by the 2006 Project of TCA and other financial resources, TCA determined the need for 25 more patrol vehicles. In this regard, TCA designed two types of vehicles in accordance with the needs of both a judicial law enforcement agency and a customs administration. The Vehicle Type-1 has been designed to provide for the secure transfer of persons under arrest both in case of an intervention to a smuggling case or illegal activity and during the judicial procedures such as transferring the persons to the public prosecutor's office and court. Since TCA has 18 Anti-Smuggling, Narcotics and Intelligence Customs Enforcement Directorates within each regional directorate, it is intended to deploy this kind of vehicle at each directorate. The other 7 vehicles were designed similar to the vehicles procured under the 2006 EU programme and named as Vehicle Type-2. In accordance with the feasibility studies annexed to the Project Fiche, the Regional Directorates subject to a high volume of trade and flow of illicit trafficking were selected and it was revealed that seven vehicles are required to be operational in the short run.

In conjunction with the definitions in the relevant legislation, TCA is responsible for preventing smuggling not only at the border crossing points but also throughout the national territories of Turkey, including territorial waters. Hence, TCA has also surveillance work in territorial waters. Turkey is a peninsula, surrounded by water on three sides and bounded by six bodies of water: Aegean Sea, Mediterranean Sea, Black Sea, Sea of Marmara, and the straits of the Dardanelles and the Bosphorus which are important waterways that connect the Black Sea with the rest of the world. There are 69 fully functional seaports. The number increases to 286 if we take into account all the docking and anchoring points. In 2008, 73.244.972 tons of exports and 151.531.311 tons of imports has been realized throughout these 69 seaports affiliated with 12 Regional Directorates. Currently, TCA has 10 old (no longer responding to the needs) patrolling and service boats and 7 relatively new fast intervention boats. TCA needs to increase its capacity and improve its fleet of boats to tackle this amount of trade made in Turkish seas, seaports and coastline. For the time being, TCA is only able to monitor in average 10 seaports with each fast intervention boat. However, taking into consideration the geographical settlement of the seaports, docking and anchoring points, TCA would like each boat to be able to intervene a maximum of 4 seaports and their surroundings in case of any smuggling attempts. Furthermore, TCA needs to patrol its extensive coastline (8,333 km) more effectively both to intervene in intended crimes and prosecute the committed ones. Currently, TCA cannot effectively patrol most of its Black Sea and Aegean Sea coastline, whereas it is in a better position in the straits, Sea of Marmara and Mediterranean Sea, where the seaports are concentrated, but that still needs improvement. In any case, 7 fast intervention boats are certainly not adequate to cover such a long coastline. Neither are they suitable for this task. Hence, TCA requires at least 10 more patrolling boats to monitor the seaports and patrol the coastline which will be a step towards building up the kind of fleet that lives up to this challenge.

However, building up the fleet is not sufficient enough in itself to deal with sea-based crimes. It takes considerable amount of expertise to be effective in sea operations which

necessitates training of seaport and boat personnel on issues like national and international legislative framework, operation of boats, general structure of trading vessels, documents peculiar to trading vessels and yachts, rummage of vessels and relevant cargo parts, features and types of containers, tracking of containers and vessels, and rummage of containers and bulk cargo. This is also crucial to assure that the investment in capital equipment is sustainable.

It should also be stated that the customs controls at border check points are based on different sources such as tip offs, behavioural indicators, routine checks and surveillance and especially risk analysis. The risk analysis capacity of TCA is one of the important issues for the successful results of the enforcement activities.

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

The Project will directly increase the administrative capacity of TCA. It will help TCA to strengthen, modernize and develop its operational activities, its surveillance and control functions. Additionally, with the help of this Project, TCA will take another major step in fulfilling its tasks and obligations towards its accession to EU by protecting the future external borders of EU.

This project will contribute to the effective prevention of smuggling, i.e., illegal trafficking of vehicles, goods and passengers. Moreover, the strengthened and modernized customs enforcement units will also contribute to react immediately on the detection and prevention of customs offences (value, tariff, origin and counterfeit products).

Increasing trade volume and the elimination of trade barriers means that Customs Administrations have to meet increasing demands with limited resources. As in many countries, TCA also confronts an important challenge, namely insufficient number of personnel. However, the wide use of technical equipment and establishment of mobile teams and equipment will be one of the efficient solutions in order to overcome this challenge. With a basic calculation, 3 personnel for 3 shifts for the proper use of mobile scanning systems necessitate 9 personnel for each scanning systems and totally 45 personnel for five mobile scanning systems. Patrol boats require 3 personnel including captain; hence, 30 personnel for ten patrol boats in total. Patrol vehicles are designed to carry at least two personnel; hence, 50 personnel in total. When these requirements are added, the total personnel requirement of TCA for the equipment to be supplied within this project amounts to 125. In 2008, 250 customs enforcement officers have been recruited in TCA. More than 250 customs enforcement officers are expected to be recruited in 2009; however the human resources planning for 2009 have not been concluded yet. Consequently, more than the required personnel for this equipment would be recruited within 2009.

Finally, the strengthened customs enforcement capacity would be beneficial for the neighbouring EU members to prevent illegal trade and to better protect EU frontiers.

3.3 Results and measurable indicators:

In relation with Activity 1:

Results:

- Customs surveillance function has been strengthened in Turkish Customs Territory including territorial waters, seaports, airports and inland customs posts with improved capacity to patrol, search and intervene in crimes;
- Enhancement of operational practice and expertise.

Measurable indicators (2 years after the completion of the implementation period):

- At least 5% increase in the quantity of the seizures by TCA;
- At least 15% decrease in reaction time to suspicious cases both at seas and inland;
- Number of successful inspections and investigations carried out by mobile teams and patrolling boats increased.

In relation with Activity 2:

Results:

- Inspection capacity improved through provision of mobile scanning systems;
- Timely response to changes in smuggling routes achieved;
- Duration of complete physical searches decreased.

Measurable indicators (2 years after the completion of the implementation period):

- Number of scanned vehicles and containers increased by 20%;
- Detections increased by 10%.

In relation with Activity 3:

Results:

- A credible, professional, and effective in-shore customs maritime capability to monitor the seaports and patrol the Turkish coastline and external EU maritime border;
- Maritime customs enforcement officers confident in their legal powers;
- Expertise gained regarding sea operations and surveillance;
- E-learning module is operational and accessible continuously at headquarters and Regional Directorates having seaports.

Measurable indicators:

- Strategy documents, procedural manuals and guidelines regarding sea operations and surveillance drafted, and revised and approved by TCA by the end of the implementation period;
- Cost of training on sea operations decreased after e-learning module is operational.

3.4 Activities

Activity 1:

- i) Provision of 10 patrol boats for seaports to support maritime inspection for Aegean Sea, Mediterranean Sea, Black Sea, Sea of Marmara, and the straits of the Dardanelles and the Bosphorus.
- ii) Provision of 25 patrol vehicles to support the operational capacity of mobile teams.
(Supply Contract EUR 4.8 million, 15% of which will be co-financed with national budget)

Activity 2:

Provision of 5 mobile inspection systems (for vehicles and containers) including relevant software and documentation, installation and putting into operation, and training of the staff on non-intrusive inspection techniques and procedures.

(Supply Contract EUR 10 million, 15% of which will be co-financed with national budget).

Activity 3:

i) Training of the seaport personnel on sea operations:

1. national and international legislative framework,
2. operation of boats and general structure of trading vessels,
3. documents peculiar to trading vessels and yachts,
4. rummage of vessels and relevant cargo parts,
5. features & types of containers, tracking of containers and vessels (by the shipping lines),
6. rummage of containers and bulk cargo.

ii) Preparation of an e-learning module on customs related sea and port operations.

(Twinning Contract EUR 0.8 million, 5% of which will be co-financed with national budget)

3.5 Conditionality and Sequencing

Beneficiary commits to provide with adequate number of staff at the regions for the enforcement department and other resources to operate effectively.

3.6 Linked activities

i) Twinning Project (TR03/F1/05)

Twinning Project TR03/FI/05 was launched by TCA to align itself with the standards, procedures and practices of EU Member States on customs. The aim was first to review the legislation (component 1), to strengthen the administrative and organisational capacity (component 2) and then to establish an effective training system for TCA (component 3) to guarantee the sustainability of the project.

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

As part of the ongoing Public Administration reform process, TCA has set up a border modernisation project known as GUMSIS. Part of the project was financed through a World Bank Credit. Within the scope of 2003 Financial Cooperation Programme, the GUMSIS Project was accepted by the European Commission to support the extension of the systems covered under the project. GUMSIS is to supply priority customs sites (not covered by the World Bank programme) with an integrated detection system consisting of the following activities, equipment and facilities: Close Circuit TV System (CCTV), License-plate

registration system at border posts; Vehicle tracking system; Network security to detect smuggling and project management and command unit; automation structure and staff training.

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

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

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

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

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

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

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

Provision of patrol vehicles to support the operational capacity of mobile teams within this project builds upon and complements the aforementioned Component 2 of the Project TR0603.07 which includes the establishment of a Vehicle Tracking System.

v) Business Change Management Plan (BCMP)

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

1. Legislation;
2. Organisation;
3. Human Resources;
4. Ethics;
5. Training;
6. Revenue Collection;
7. Border and Inland Control;

8. Investigation;
9. Laboratory;
10. Infrastructure and Equipment;
11. Trade Facilitation;
12. Transit; and
13. Computerisation.

Among these, ‘Border and Inland Control’ and ‘Infrastructure and Equipment’ are directly related with the purposes of this project.

vi) Risk Based Control Mechanism (TR0403.01)

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

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

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

vii) Capacity Building-Post Clearance Control Twin. (TR 0603.07)

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

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

3.7 Lessons Learned:

The most important lessons learnt from the previous projects regarding the inspection systems, especially the Modernisation of Customs Administration Project – II (TR 0403.01), are as follows:

1. Fixed and re-locatable systems require significant space within the customs area. Finding such an area and rearranging the traffic flow and all the procedures may not be easy task for every customs office since these areas sometimes may belong to other government agencies and private entities. Therefore mobile systems will give us flexibility for allocating these machines much more easily and efficiently in smaller sized but strategic customs offices.
2. Allocating fixed or re-locatable systems can have direct effect on the route of illicit trafficking of drugs and other illegal goods and/or immigrants. Then this results in investing another system on the new route of the illegal trade. However, mobile systems will provide TCA with the flexibility of using these machines seasonally or intelligence/risk based approach when needed.

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

The administrative capacity to have a customs structure with practices in line with EU requirements has continuously improved with the other projects. The Twinning Project, for instance, has improved the administrative structure especially in the field of the legislative alignment and re-structuring of the TCA. However, it is obvious that this initial activity would not be sufficient to align and harmonize all areas for an EU compatible customs administration. It became clear that much more is still needed, especially in the field of customs enforcement. The border controls in Turkey as the future external borders of the EU should certainly be enforced and improved. On the way to harmonization, equipment and training of the enforcement staff have crucial priority.

4. Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING										
			TOTAL EXP.RE	TOTAL PUBLIC EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Activity 1													
contract 1.1	-	X	4 000 000	4 000 000	3 400 000	85	600 000	15	600 000				-
contract 1.2	-	X	800 000	800 000	680 000	85	120 000	15	120 000				-
Activity 2													
contract 2.1	-	X	10 000 000	10 000 000	8 500 000	85	1 500 000	15	1 500 000				-
Activity 3													
contract 3.1	X	-	800 000	800 000	760 000	95	40 000	5	40 000				-
TOTAL IB			800 000	800 000	760 000	95	40 000	5	40 000				
TOTAL INV			14 800 000	14 800 000	12 580 000	85	2 220 000	15	2 220 000				
TOTAL PROJECT			15 600 000	15 600 000	13 340 000		2 260 000		2 260 000				

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

Amounts net of VAT

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

(2) Expressed in % of the **Public** Expenditure (column (b))

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

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

Contracts	Start of Tendering	Signature of	Contract
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		contract	Completion
Contract 1.1 (supply)	II Quarter 2010	IV Quarter 2010	I Quarter 2012
Contract 1.2 (supply)	II Quarter 2010	IV Quarter 2010	II Quarter 2011
Contract 2.1 (supply)	II Quarter 2010	IV Quarter 2010	IV Quarter 2011
Contract 3.1 (twinning)	II Quarter 2010	IV Quarter 2010	I Quarter 2012

Duration of the project: 24 months

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

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity

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

6.2 Environment

Mobile scanning systems and some equipment require the permission of Turkish Atomic Energy Agency (TAEK) for radiation protection. In this frame, all processes will be realized in conjunction with current national and international legislation.

6.3 Minority and vulnerable groups

According to the Turkish Constitutional System, the word minorities encompasses only groups of persons defined and recognized as such on the basis of multilateral or bilateral instruments to which Turkey is a party. The project will apply the policy of equal opportunities for all groups including vulnerable groups.

6.4 Civil Society

Not applicable

ANNEX 1: LOGICAL FRAMEWORK MATRIX IN STANDARD FORMAT

		Programme name and number	
LOGFRAME PLANNING MATRIX FOR “MODERNISATION OF TURKISH CUSTOMS ADMINISTRATION VI”		Contracting period expires: 2 years after the date of signing the Financing Agreement.	Disbursement period expires: 1 year after the end date for the execution of contracts
		TOTAL BUDGET: EUR 15.6 million	IPA BUDGET: EUR 13.34 million
Overall Objective:	Objectively verifiable indicators	Sources of Verification	
Proper protection of the future external borders of the EU through a modernised Turkish Customs Administration (TCA) to ensure that it is in a position to fulfil the tasks and obligations of an EU Member States Customs Administration.	<ul style="list-style-type: none"> International and National Smuggling Routes changed 2 years after the completion of the implementation period. 	<ul style="list-style-type: none"> EC progress Report TCA annual report TCA web site Official statistics of TCA WCO Customs Enforcement Network WCO Reports Balkan Info System Feed Back Reports Developments on TCA’s Action Plan Report of Anti-Smuggling Police on Illicit Drug Trafficking IRU Statistics 	

Project Purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
To strengthen the customs surveillance and control function of the TCA throughout the Turkish customs territory by increasing its patrolling, searching, and intervention capacity in order to deal with both intended and committed offences more promptly and efficiently.	<ul style="list-style-type: none"> • At least 10% increase in the quantity of the seizures by TCA 2 years after the completion of the implementation period. • Decrease in the seizures made by neighbouring countries and trading partner countries in vehicles and goods departed from Turkey. 	<ul style="list-style-type: none"> • TCA website and reports • TCA annual report • Development on TCA's Action Plan • EC progress report • Official statistics from TCA • Interim and final evaluation reports 	<ul style="list-style-type: none"> • Turkey remains on schedule to meet its target date for EU membership. • Adequate financial resources available. • Senior management of TCA remains committed to the project. • Constructions of land bordergates in the framework of BOT continue within the planned schedule. • Recruitment of personnel and procurement of equipment are conducted in accordance with 2010-2014 Strategic Plan and Action Plan.
Results	Indicators of Achievement for the Results:	Sources of Verification	Assumptions
<p><i>Activity 1:</i></p> <ul style="list-style-type: none"> • Customs surveillance function has been strengthened in Turkish 	<p><i>Activity 1 (2 years after the completion of the implementation period):</i></p> <ul style="list-style-type: none"> • At least 5% increase in the quantity of the seizures by TCA; 	<ul style="list-style-type: none"> • TCA website and reports • TCA annual report • Development on TCA's 	<ul style="list-style-type: none"> • Adequate resources will be timely available. • Turkish Government

<p>Customs Territory including territorial waters, seaports, airports and inland customs posts with improved capacity to patrol, search and intervene in crimes;</p> <ul style="list-style-type: none"> • Enhancement of operational practice and expertise. <p><i>Activity 2:</i></p> <ul style="list-style-type: none"> • Inspection capacity improved through provision of mobile scanning systems; • Timely response to changes in smuggling routes achieved; • Duration of complete physical searches decreased. <p><i>Activity 3:</i></p> <ul style="list-style-type: none"> • A credible, professional, and effective in-shore customs maritime capability to monitor the seaports and patrol the Turkish coastline and external EU maritime border; • Maritime customs enforcement 	<ul style="list-style-type: none"> • At least 15% decrease in reaction time to suspicious cases both at seas and inland; • Number of successful inspections and investigations carried out by mobile teams and patrolling boats increased. <p><i>Activity 2 (2 years after the completion of the implementation period):</i></p> <ul style="list-style-type: none"> • Number of scanned vehicles and containers increased by 20%; • Detections increased by 10%. <p><i>Activity 3:</i></p> <ul style="list-style-type: none"> • Strategy documents, procedural manuals and guidelines regarding sea operations and surveillance drafted, and revised and approved by TCA by the end of the implementation period; • Cost of training on sea operations 	<p>Action Plan</p> <ul style="list-style-type: none"> • EC progress report • Official statistics from TCA • Interim and final evaluation reports • Annual report prepared by the Training Department of TCA. 	<p>will provide relevant co-financing of the investment support.</p> <ul style="list-style-type: none"> • Project Management Group has adequate expert staff. • Senior management of TCA will give appropriate priority to the establishment of operational systems and specialized units. • Specialized units at all levels will be stable.
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<p>officers confident in their legal powers;</p> <ul style="list-style-type: none"> • Expertise gained regarding sea operations and surveillance; • E-learning module is operational and accessible continuously at headquarters and Regional Directorates having seaports. 	<p>decreased after e-learning module is operational.</p>		
Activities	Means	Costs	Assumptions
<p>Activity 1:</p> <p>Supply of surveillance vehicles:</p> <p>i) Provision of 10 patrol boats for sea ports to support maritime inspection for Aegean Sea, Mediterranean Sea, Black Sea, Sea of Marmara, and the straits of the Dardanelles and the Bosphorus;</p> <p>ii) Provision of 25 patrol vehicles to support the operational capacity of mobile teams.</p> <p>Activity 2:</p> <p>Provision of 5 mobile inspection systems (for vehicles and containers) including relevant software and documentation, installation and putting into operation, and training of the staff on non-intrusive inspection techniques</p>	<ul style="list-style-type: none"> • Supply Contract (supply of patrol boats, patrol vehicles and mobile inspection vehicles) • Twinning Contract (training) 	<p>Activity 1:</p> <p>i) EUR 4 million ii) EUR 0.80 million <i>(Supply Contract EUR 4.8 million, 15% of which will be co-financed with national budget)</i></p> <p>Activity 2:</p> <p>EUR 10 million <i>(Supply Contract EUR 10 million, 15% of which will be co-financed with national budget).</i></p>	<ul style="list-style-type: none"> • Turkish Government will provide relevant co-financing of the investment support. • Customs enforcement officers are sufficiently trained to use new equipment and software. • Relevant trainees will fully participate. • Adequate resources will be timely available.

<p>and procedures.</p> <p>Activity 3:</p> <p>i) Training of the seaport personnel on maritime duties & operations;</p> <p>ii) Preparation of an e-learning module on customs related sea and port operations.</p>		<p>Activity 3:</p> <p>EUR 0.8 million <i>(Twinning Contract EUR 0.8 million, 5% of which will be co-financed with national budget)</i></p>	
<p><u>Pre- conditions</u></p> <p>EU financing to this project is conditional upon national co-financing being ensured. Continued support to the EU for the accession of Turkey</p>			