

Project Fiche – IPA National programmes / Component I

1 IDENTIFICATION

Project Title	Upgrading the capacities of the Albanian Customs Administration
CRIS Decision number	2013 / 024-190
Project no.	04
MIPD Sector Code	Public Administration Reform
ELARG Statistical code	02.29 - Customs
DAC Sector code	33110 – Trade policy and administrative management
Total cost (VAT excluded)¹	EUR 4 920 000
EU contribution	EUR 4 500 000
Management mode	Centralised
EU Delegation in charge	EU Delegation to Albania
Implementation management	Ministry of Finance Mr. Flamur Gjymishka Director General/Directorate General of Customs Tel: +355 (0) 4 2264912/Fax: +355 (0) 4 2243914 E-mail: fgjymishka@dogana.gov.al Ms. Eliana Gjinali Specialist for Management of Projects Tel: +355 (0) 4 2243917/Fax: +355 (0) 4 2243917 E-mail: e_gjinali@dogana.gov.al
Implementing modality	Stand-alone project
Project implementation type	- Twinning Contract / 1,8 M Euro - Technical Assistance Contract / 1,5 M Euro - Supply Contract / 1.2 M Euro
Zone benefiting from the action(s)	Albania

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

The project aims are to further align the custom legislation with the EU legislation, to upgrade the administrative capacity of the Albanian Customs Administration and to introduce the fully integrated tariff management system (ITMS) as per EU legislation, which is mandatory for accession purposes.

¹The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

The areas covered by the project were identified during a customs blueprints exercise, which included an assessment of criteria based on EU best practice and recommendation for technical and financial assistance, as the most important areas requiring further assistance.

The project will introduce a fully EU compliant system due to the fact that no important changes of the IT package called ITMS (tariff, quotas, binding itineraries, chemical substances, etc) are forecasted in the near future (the target architecture is stable and will not involve more than normal maintenance and law alignment purposes).

As a result, new legislation, procedures, guidelines and instructions that are in line with EU standards for tariff will be drafted; training delivered; software will be developed as well as management support will be provided. The project builds on the results of the IPA 2008 twinning project in Albania in the field of the "Support to the alignment of Customs procedures with EU standards".

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

In the **Multi-annual Indicative Planning Document (MIPD) 2011-2013**, related to the sector of Public Administration Reform, is stated that: "Albania should continue to be assisted in the modernization of its customs administration. Priority areas in this respect are intellectual property rights, risk analyses, post-clearance, laboratories and security rules." Also, as Sector Objectives for EU support over next three years are: "Bolster the capacity of the Ministry of Finance, the Ministry of the Economy and other relevant bodies. Enhance the cooperation between relevant bodies and government institutions responsible for economic and fiscal policies as well as improve the reporting of these institutions."

The **National Strategy for Development and Integration 2007-2013** aims to reduce corruption in a gradual and notable manner, institutions integrity, to strengthen and promote the values of good governance. For the period 2011-2013, the Public Finance Sector has as vision: "Customs and tax administrations that apply policies for revenues with professionalism, integrity and honesty at a standard to be reliable for citizens and local and international government partners and business community". Some of the Strategic Priorities and Policies related to this sector are: "Enhancement of performance and reliability of the custom and tax agencies". The policies related to this strategic objective aim to modernize both administrations, to increase operative efficiency, etc. In Custom Administration it will be applied e-customs, to facilitate preparation of custom declarations and to offer an easier possibility of exchanging information.

2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

The **European Partnership** asks for further alignment of customs legislation and procedures with EU practices, in particular in ensuring approximation of rules and procedures for transit, customs warehouses, customs valuation, physical controls and risk analysis with EU standards. Also, ensure that national tariff is timely updated on the basis of the most recent Combined Nomenclature.

The **EU 2012 Progress Report** of 10th October 2012, Part 4 "Ability to Take on the Obligations of Membership", under Chapter 29 Customs Union, states as conclusion that:

“There was progress in legislative approximation in the field of the Customs Union. Shortcomings remain in the overall administrative and operational capacity, including the compatibility of IT systems with EU requirements. Further efforts are required on customs valuation and trade facilitation. Overall, preparations are moderately advanced.”

2.4 PROBLEM ANALYSIS

The **Albanian Customs Administration (ACA)** is expected to meet the conditions of Interconnectivity and Interoperability of the EU IT systems. In the frame of the EU accession process, the national tariff system should be compatible with TARIC EU and ready well in advance before full membership is granted.

The **Integrated Tariff functionality** is currently covered by ASYCUDA World, (8 normalised digits + 3 digits extending CN classification of EU for national needs). That means that there are some 3000 additional sub-classification headings used for national measures for tax rates (VAT and excise), duty rates and for other tariff and non-tariff restrictions and prohibitions. There is a separate Tariff Committee established at the level of the Albanian government comprising of representatives from Customs, National Statistical Office and all ministries relevant for establishing tariff measures.

ACA is responsible for the maintenance and dissemination and implementation of all tariff measures. This functionality is not fully EU compliant as the underlying concept of tariff measures in ASYCUDA is considerably different from the rather complicated concept of EU tariff and non-tariff measures with each of them directly linked to the relevant EU legal act. Also, the national headings must give way to EU sub-classifications immediately after the accession. As already stated, ASYCUDA tariff module covers the present needs in terms of tariff management functionalities.

The implementation of this IPA 2013 Project will contribute to define all ITMS (Integrated Tariff Management System) Initiatives by establishing tariff measures towards EU ready arrangement and an ITMS multi ministry workflow; it will develop ITMS software including all EU systems (tariff, BOI, BTI, ECICS, etc) and also will provide assistance for the management of the system and methodological management of the project.

The **project will introduce a fully EU compliant system** due to the fact that no important changes of the IT package called ITMS (tariff, quotas, binding itineraries, chemical substances, etc), as stated above, are forecasted in the near future (the target architecture is stable and will not involve more than normal maintenance and law alignment purposes). As a result, new legislation, procedures, guidelines, and instructions that are in line with EU standards for tariff will be drafted and training delivered.

Support will be provided to the Albanian Customs Administration in ITMS-related project management on related business change management. This support will encompass the management of all business and functional aspects of systems implementation, surrounding the introduction of the new computerized system, particularly in the areas of organizational restructuring and procedural reforms.

Under a service contract for ITMS Development/Adaptation, the TARIC-compatible modules will be upgraded/developed.

Further to the Customs' mission for protecting the safety of the country and to its functions of border control on entrance-exit of all goods, there is a need for radioactivity portals and the scheme of reaction in the case of detection of radioactive substances.

Control of goods for radioactivity at the border is the duty of Customs, even though the Center of Nuclear Applied Physics, Office of Protection from Radiation and Border Police are in charge of proceeding in case of legal and/or illegal sources. Actually, there are in place radioactivity detection portals in 7 Border Crossing Points (BCP) and portable equipments are used in all the others. In some of these BCPs where these detecting equipments/portals already exist, the radioactivity problem is still not solved because either they are old and have technical problems or are damaged and out of order because of accidents. Also, an integrated plan is still missing which would be the basis for distributing, coordinating and cooperating adequately at national level the roles, functions and responsibilities of the respective law enforcement and expertise agencies.

Under IPA 2013 the Albanian Customs Administration aims at purchasing a number of **radioactivity detection portals** for the BCPs which are missing them at all or are heavily damaged from the accidents (such as in Durres, Shengjin, Bajze, Hani I Hotit, Morine, Bllate, Qafe -Thane, Kapshtice and Qafe – Bote). Also, under this project it is foreseen to create and make operational a central unit for monitoring and management of problematic situations on real time in all BCPs of the country.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

The proposed Project under IPA 2013 is necessary to:

1. Continue modernisation of ACA by preparing a fully integrated tariff system as per EU legislation which is mandatory for accession purposes. This Project will follow the IPA 2012 Project of ACA (which was related to the development of the National Transit Application compatible with the EU NCTS System) in the spirit of Integration of the Albanian Customs Information Systems with the EU Customs Information Systems to ensure full compatibility and interoperability of the Albanian Customs Information systems with the related EU Customs IT systems.
2. Ensure continuity of the work commenced with the twining Project under IPA 2008: "Support to the alignment of Customs Procedures with EU Standards". Under this Project was prepared the Draft BCMP (Business Change Management Plan), Customs Strategy and IT strategy. This IPA 2013 Project complies with the objectives drafted in the strategic Documents related to IT development, anti- trafficking.
3. Comply with the high priority recommendations and subjects to be focused during 2012-2017, given by the Multi-beneficiary IPA 2009 Project: "Regional Blueprints Exercise on Customs and Taxation", from which benefits Administrations of Western Balkans and Turkey, including Albania. The IPA 2009 Regional Blueprints Report gives a picture of how the transfer of knowledge and best practices of ACA should be provided by TA programs. Our proposed IPA 2013 Project is mainly focused on Programs related to IT technology, Infrastructure and Equipment, Border and Inland Control.

4. Follow the recommendations of DG TAXUD and IT workshop 12-13 September 2011 at ACA premises. This IPA 2013 Project follows the Recommendations of the workshop on the preparations for NCTS and ITMS, two very important Business/IT related objectives for the ACA.
5. Support and complement the assistance given to ACA for combating the illicit trafficking under IPA 2008 project: “VSS- Video Surveillance System” and “Purchase of one maritime vessel for the customs operations” with specialised vehicles for border and inland controls of the anti-contraband Directorate.

2.6 LESSONS LEARNED

As far as the Project management capacity of the Albanian Customs Administration is concerned, during the implementation time of the IPA 2008 project, the Albanian Custom Administration has gained broad experience in managing EU Projects. Albanian experts were involved during various project phases such as preparation of project documents (action plans/reports/activities), timing and budgeting control of the project, coordination of project activities with different national/international institutions etc.

In order to develop strategies and customs policies, to coordinate national and international projects, to give assistance to projects management etc., is judged and recommended by the twinning partner and DG TAXUD that a Strategic Development Unit should be established.

The first step to set-up this unit is to appoint an International Projects Management Specialist, who for the moment is positioned at the Foreign Affairs Directorate. This Project Management specialist will act as constituent of a separate Strategic Development Unit (composed by 3 persons), which is expected to be set up within the Directorate General of Customs.

Effective implementation/use of the recommendations/expertise and equipment provided by external assistance is mandatory. Also, as previous assistance (e.g. of the IPA 2008 project, Component II: Logistic support / Supplies: Improvement of infrastructure, logistics and information & monitoring systems, but not only) has shown, **sufficient training should be planned** for the use of equipment and adequate funds allocated for the maintenance.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

The overall objective is to contribute to the further alignment with EU requirements in the area of customs.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

The specific objective is to further approximate customs legislation to the EU acquis and strengthen the institutional capacity of the Albanian Customs Administration.

3.3 RESULTS

- Result 1:** Customs legislation and procedures related to Tariff closer aligned with the EU standards.
- Result 2:** Modules compatible with the Integrated Tariff Management System developed.
- Result 3:** Anti-Trafficking Directorate capacities increased with radioactive detection portals at the Border Crossing Points and with the set-up of a central emergency control unit.

3.4 MAIN ACTIVITIES

Activities related to Result 1 1: Supporting alignment of customs legislation and procedures with EU standards.

- Building administrative capacity in the EU customs tariff related areas.
- Drafting of legislative provisions related to the EU Customs ITMS.
- Preparation of a TOR for a ITMS service contract on TARIC development/adoption together with user requirement.
- Support to the use of IT infrastructure related to ITMS.
- Updating of the Albanian legislation or practices in line with new EU legislation including capacity building on supply chain security measures.

The ITMS twinning project will cover primarily the completion of the legislative framework in the EU customs tariff related areas, in particular on classification, valuation of goods, customs procedures, with economic impact and EU quotas. It will also deal with the improvement of the administrative capacity in the EU Customs tariff related areas (including the setting up of procedures, responsibilities - especially ITMS team with appropriate job profiles - drafting procedure manuals, etc.). Other activities will be addressed to preparing training programmes and providing training (with train-the-trainer component) on the EU Customs tariff related areas, preparing and organizing study visits and preparing a basic awareness programme on EU simplified customs and declaration procedures for the management of the Customs Administration and the trade community.

This twinning project will also provide overall ITMS project management support to:

- i) assist the Customs Administration in planning and development of necessary operational capacity and achievement of positive control over IT developments and projects (systems, infrastructure and services)
- ii) support with ITMS-related liaison with the European Commission, Member State Customs Administrations and the Contractor for the service contract;
- iii) review and follow up the entry into force of all necessary legal, administrative and procedural arrangements and advice on any necessary changes as far as it relates to project objectives;
- iv) assist in coordinating and monitoring of activities conducted by the Contractor of the Project 2;
- v) technical expertise during various stages of IT system development;

vi) provide training for Customs Administration staff on operation, management and maintenance of ITMS and any other relevant EU information systems.

The above activities will be implemented through the following two contracts:

Contract 1.1: Twinning Contract: Aligning Customs legislation and procedures related to tariff, with the EU *acquis*.

Contract 1.2: Service Contract: National contribution: a co-financing of 5% will be provided by the Albanian Custom Administration according to the work plan that will be jointly prepared with the selected Member State. The co-financing will be in addition to the contribution in kind (office space, facilities, etc). Contribution in kind is not included in the budget table (section 4).

Activities related to Result 2 2: Development of computerized tariff modules that are fully compatible with the EU Integrated Tariff Management System.

Activities will cover the software design, development and implementation as well as the use training and the production of all the necessary documentation including user requirements, software installation, system administration and user manuals. It is supposed to start 6 to 12 months after start of the twinning

The list and characteristics of the needed software/gateways/hardware to make operational the ITMS will be defined by the twinning partner

The above activities will be implemented through the following two contracts:

Contract 2.1: Service contract: development of computerized national ITMS modules that are fully compatible with the EU Integrated Tariff Management System.

Contract 2.2: National contribution: Supply of hardware/software for ITMS-IT application.

Activities related to Result 3 3: Supply of radioactive detection portals at priority Border Crossing Points and a central emergency control unit.

Activities will include the purchase of the radioactivity and nuclear detection equipment for a number of BCPs (with most traffic of goods as well as the ones with high risk of illegal movement of goods/radioactive and nuclear sources), and also will create and make operational a central emergency control unit for monitoring and management in real time of problematic situations in all BCPs of the country.

The above activities will be implemented through the following two contracts:

Contract 3.1: Supply Contract: Implementation of the scheme of reaction in case of alarm for radioactivity in all BCP and supply of radioactive portals for the priority BCP-s together with hardware.

Contract 3.2 National contribution: Supply of additional portable radioactivity equipment (IdentiFinder model) for the Anti- Trafficking Directorate.

3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT

The alignment of national legislation with EU legislation and standards as well as the improved administrative capacity of the customs administration and improved ICT infrastructure adaptability will affect positively the trade. In this regard, the producers will export their products and services internationally easily, while having less unfair competition from contraband at the domestic market. Importing will also be possible at lower costs and more quickly. These lower costs will have an impact on traded volumes, and also on the advantages that Albania can reap. Further, public safety will be improved due to the reduction of supply of radioactivity materials of which the quality and safety is not verified to meet Albanian and European standards.

Implementation of the third activity: Supply of radioactive portals at priority Border Crossing Points and a central emergency control unit will have a direct cross border impact aiming to reduce the illegal traffic of goods.

3.6 SUSTAINABILITY

The introduction of the fully integrated tariff management system ITMS as per EU legislation, is mandatory at the/ for accession purposes. The projects comply with EU norms and standards. The project experts will provide concrete assistance and knowledge transfer to the Customs managers in the area of IT project management methodologies and quality management assurance. This will ensure a longer term capacity of Customs to sustain complex IT projects in the customs area and manage them effectively. So, the project will increase the efficiency and effectiveness of tariff procedures and also improves the situation (insofar as fraud is concerned).

The safe and secure BCPs, are mandatory for accession purposes. The proposed supply component will contribute to increase the efficiency and effectiveness of custom procedures and also improves the situation in the area of nuclear safety and security.

The project implementation will not have any adverse effects on the environment.

The beneficiary is aware of the obligations arising from this project and, taking in consideration the experiences so far with supply projects funded by EU, will dedicate all the necessary budgetary and staff resources to ensure the smooth implementation of the project, maintenance of the provided infrastructure and equipment, aiming at the sustainability of results.

3.7 ASSUMPTIONS AND PRE-CONDITIONS²

The Albanian authorities will continue to demonstrate commitment to adopt and implement the EU *acquis* and standards in the field of Customs.

Before the practical start of implementation of the project the tasks and responsibilities of all involved services will be defined and approved by Customs top management. Considerable experience has already been gained in making such arrangements. At this stage the services

² Assumptions are external factors that have the potential to influence (or even determine) the success of a project but lie outside the control of the implementation managers. Such factors are sometimes referred to as risks or assumptions but the Commission requires that all risks shall be expressed as assumptions. Pre-conditions are requirements that must be met before the sector support can start.

involved have already exchanged preliminary information about future project implementation and the respective division of tasks/responsibilities. Projects being implemented through Twinning require full commitment and involvement on behalf of senior level officials of the beneficiary institution.

Therefore, the Albanian Customs Administration commits to provide adequate staff and support to the twinning partner (incl. translation and interpretation) as well as to introduce the institutional changes identified as needed for the successful implementation of the project. The necessary conditions will be provided for monitoring the project implementation by EC and for complying with its corrective instructions.

Adequate financial resources are allocated for maintenance costs related to the radioactive portals equipment.

The strict conditionality associated with the programme includes the following:

1. The Customs Administration IT strategy and Business Change Management Plan is in place and updated prior to the start of contracting.
2. National Interoperability Implementation Strategy is in place and updated prior to the start of contracting.
3. Full-time ITMS teams are in place and sustainable prior to the start of contracting, including as a minimum 4 IT people.

4 IMPLEMENTATION ISSUES

4.1 INDICATIVE BUDGET

The preliminary estimated costs to be funded by IPA are 4,5 M Euro divided:

- 1,8 M Euro (Twinning Contract)
- 1,5 M Euro (TA Contract)
- 1.2 M Euro (Supply Contract)

The estimated value of National co-financing is 420.000 Euro divided respectively:

Service contract - **90.000 Euro** (5 % co financing of twinning which will be in addition to the contribution in kind (office space, facilities, etc).

Supply for ITMSIT application (hardware/software) - **150.000 Euro**

Supply of additional (portable radioactivity equipment (IdentiFinder model) for the Anti-Contraband Directorate - **180.000 Euro**

Indicative Project budget (amounts in EUR)(for centralised management)

PROJECT TITLE			SOURCES OF FUNDING									
			TOTAL EXPENDITURE	IPA CONTRIBUTION		NATIONAL CONTRIBUTION						PRIVATE CONTRIBUTION
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR(c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1			1,890,000									
Twinning contract 1.1	X			1,800,000	95							-
contract 1.2 (national)	X					90,000	5					-
Activity 2			1,650,000									
TA contract 2.1	X			1,500,000	90							-
Supply contract 2.2 (national)		X				150,000	10					-
Activity 3			1,380,000									
Supply Contact 3.1		X		1,200,000	85							
Supply Contract 3.2 (national)		X				180,000	15					
TOTAL IB			3,390,000									
TOTAL INV			1,530,000									
TOTAL PROJECT			4,920,000	4,500,000		420,000						

Amounts net of VAT

- (1) In the Activity row, use "X" to identify whether IB or INV
(2) Expressed in % of the **Total** Expenditure (column (a))

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Contract 1.1 (twinning)	1Q 2014	4Q 2014	4 Q 2016
Contract 1.2	1Q 2014	4Q 2014	4 Q 2016
Contract 2.1 (TA)	3Q 2014	4Q 2015	4 Q 2016
Contract 2.2 (supply national)	3Q 2014	4Q 2015	4 Q 2016
Contract 3.1 (supply)	1Q 2014	4Q 2014	2Q 2015
Contract 3.2 (supply national)	1Q 2014	4Q 2014	2Q 2015

The Directorates of Directorate General of Customs, will be responsible for project preparatory activities (including preparation of Terms of References, Twinning fiche, technical specifications,...etc) in close collaboration with EU Delegation and DG TAXUD experts.

External professional expertise will be needed for the Anti- Trafficking Directorate to prepare the Terms of Reference and Technical Specifications for the Supply Contracts 3.1 and 3.2. This assistance can be arranged under TAIEX or PPF funds.

Contract 2.1 (TA contract) will start after Contract 1.1 (twinning) so that the twinning advisor could assist the ACA staff in coordinating and monitoring the activities conducted by the Contractor of the component 2.2 (Provide technical expertise during various stages of IT system development; Provide training for Customs Administration staff on operation, management and maintenance of ITMS and any other relevant EU information systems).

4.3 CROSS CUTTING ISSUES

4.3.1 *Equal Opportunities and non discrimination*

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability and age. All contractors shall be requested to provide monitoring data recording the participation of men and women in terms of expert inputs (in days) and of trainees benefiting under the project (in days) as an integral component of all project progress reports.

4.3.2 *Environment and climate change*

The key environmental effects of the project will be the enhanced technical and methodological competency of the Anti-Traffic Directorate thus ensuring environmental protection during everyday activities of the anti- traffic officers.

4.3.3 Minorities and vulnerable groups

The project does not directly involve activities with a minority's impact.

4.3.4 Civil Society/Stakeholders involvement

The following **stakeholders** are consulted in preparing the Project and also will be involved during its implementation: Ministry of Finance and Albanian Customs Administration – Directorates of IT, Origin, Tariff and VAT, Anti- Trafficking. Also are consulted the reports and findings of the Centre of Nuclear Applied Physics, Office of Protection from Radiation, and Border Police.

These agencies/directorates will be also consulted to finalise the Technical Specifications of the radioactivity detection equipments.

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ANNEXES

Documents to be annexed to the Project fiche

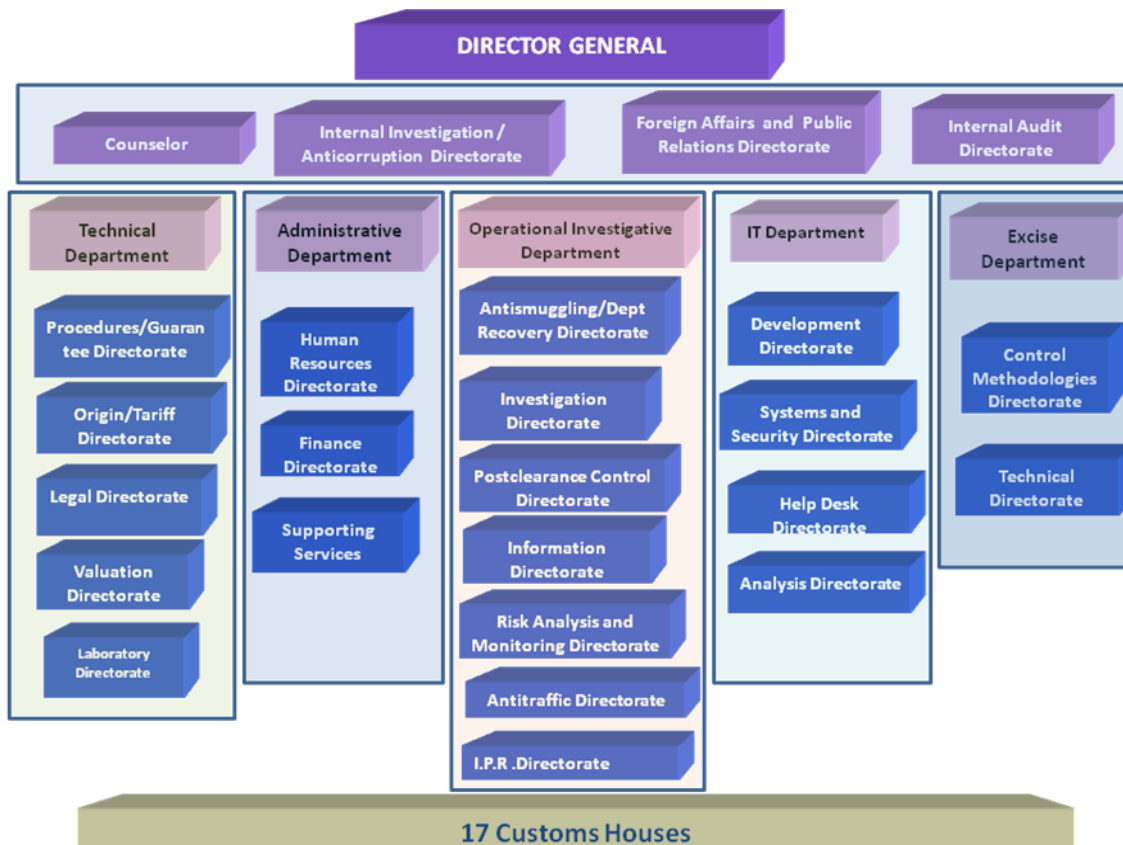
1. Log frame

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number		Modernisation of the Albanian Customs Administration/7
		Contracting period expires No later than three years from the date of conclusion of the Agreement		Execution period expires within a maximum of two years from the end date of contracting
		Total budget	EUR 4,92 mil	
		IPA budget:	EUR 4,5 mil	
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification		
Contribute to the further alignment with EU requirements in the area of customs.	Positive evaluation of progress in the field of Customs.	EU progress report		
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification		Assumptions
To further approximate customs legislation and strengthen institutional capacity of the Albanian Customs Administration.	1. Procedures, guidelines and instructions, in line with EU standard for tariff and simplified procedures, drafted. 2. National Tariff Management System operational.	Annual Report of Customs General Directorate to the Ministry of Finance and Ministry of Integration. The EC updated country reports on IT interoperability and IT Interconnectivity.		Continuous review and alignment of implementation methods and understanding throughout organization of requirements for the acquis.
Results	Objectively verifiable indicators (OVI)	Sources of Verification		Assumptions
<p>Result 1: Customs legislation and procedures related to tariff closer aligned with EU standards.</p> <p>Result 2: Modules compatible with the Integrated Tariff Management System developed</p> <p>Result 3: Anti-Trafficking Directorate capacities increased with radioactive portals at Priority Border Crossing Points and a central emergency control unit</p>	<ul style="list-style-type: none"> • Annual number of customs staff that participated in trainings or workshops on EU customs tariff related areas. • Laws and by-laws drafted by the end of the project together with guidelines, reports, manuals on relevant procedures; • TOR prepared for the launching procedure and ITMS service contract launched according to timetable; • Centralised (ITMS) team with both IT and business experts set up and operational; • No. of documents, plans and reports related to updating of the Albanian legislation or practices with EU legislation. • ITMS modules in accordance with interoperability strategy are in place. • Reaction scheme in case of alarm from radioactivity for all BCPs set up and operational; • Operational capacity of Anti-Trafficking Directorate; • Number of radioactivity portals purchased. 	<ul style="list-style-type: none"> - Training reports and evaluations; - Copies of laws and related drafted documents; - Final ToR; - Periodic Project Implementation reports to Director ; General of Albanian Custom Administration; - Copies of documents. - EC updated country reports on IT interoperability and IT interconnectivity; - DG TAXUD reports on acceptance and conformance tests. - Documents on handing over the equipment/technical literature (provisional/final acceptance notes); - Training materials and evaluation forms - Regular project reports 		<ul style="list-style-type: none"> - full commitment and involvement of senior level officials of ACA - Low turnover of trained customs and IT staff; (1) - Service available on market - Sufficient operation infrastructure available (internet, spare parts etc) - Adequate financial resources are allocated for maintenance costs related to the radioactive portals equipment.

Activities to achieve results	Means / contracts	Costs	Assumptions
Activity 1: Supporting alignment of customs legislation and procedures with EU standards	<p><i>Contract 1.1:</i> Twinning Contract for aligning Customs legislation and procedures related to tariff with the EU <i>acquis</i>,</p> <p><i>Contract 1.2 Service Contract. National Contribution</i></p>	<p>1.8 Mln Eur</p> <p>90.000 Eur</p>	- Effective liaison with DG TAXUD
Activity 2 Development of computerized tariff modules that are fully compatible with the EU Integrated Tariff Management System.	<p><i>Contract 2.1:</i> Service Contract to develop the computerized National ITMS modules fully compatible with the EU ITMS (starting 6 to 12 months approx after twinning).</p> <p><i>Contract 2.2:</i> Supply contract (national contribution): Supply of hardware/software for ITMS–IT application.</p>	<p>1.5 Mln Eur</p> <p>150,000 Eur</p>	
<u>Activity 3:</u> Supply of radioactive portals at Priority Border Crossing Points and a central emergency control unit.	<p><i>Contract 3.1:</i> Supply contract for Implementation of the scheme of reaction in case of alarm for radioactivity in all BCP and supply of radioactive portals for 9 BCP-s together with hardware.</p> <p><i>Contract 3.2:</i> National contribution: Supply of additional portable radioactivity equipment (IdentiFinder model) for the Anti-Trafficking Directorate.</p>	<p>1,2 Mln Eur</p> <p>180,000 Eur</p>	

2. Description of Institutional Framework

Organizational Chart of Directorate General of Customs, Ministry of Finance



Directorates within Directorate General of Customs which are involved and benefiting from the Project are: IT, Origin, Tariff, VAT, Legal Directorate for the Activities 1 & 2 (Contract 1.1 and 2.1) and Anti-Trafficking Directorate for the Activity 3 (Contract 3.1).

Coordination with Units/Directorates involved will be done by the International Projects Management Specialist, who for the moment is positioned at the Foreign Affairs Directorate.

This Project Management specialist, will act as constituent of a separate Strategic Development Unit (composed by 3 persons) which is expected to be set up within the Directorate General of Customs and located next to the Director General.

The officers of the Directorates of Directorate General of Customs, responsible for implementing their project activities, will conduct the necessary work for carrying out the project through its different processes, including preparation of Terms of References, technical specifications,...etc.

3. Political, legal and institutional framework:

List:

EU legislation related to ITMS

National legislation in force in the period of project implementation related to:

Customs,

VAT and other taxes,

Excise

Other legislation related to safety and security, prohibitions, restrictions etc.

National IBM Strategy No.668, dt 29.09.2007 “Integrated border Management Strategy and Action plan”.

Note:

The national laws above are not mentioned with their specific references because at the moment of implementation the references could be different. Some of the existing legislation related to tariff is:

1. *Law No. 8449, dated 27.01.1999 “The Customs Code of the Republic of Albania” and the sublegal acts pursuant to it.*
2. *Decision of the Council of Ministers No. 205 dated 13. 04. 1999 "On Implementing Provisions of the Customs Code" as amended.*
3. *Combined Nomenclature, edition 2012.*
4. *Law no. 61/1012 “On excise in the Republic of Albania”*
5. *Law 7928 “On VAT”.*

4. Details per EU funded operation(*) where applicable:

Contract 1.1: Twinning Contract to Albanian Customs Administration for aligning Customs legislation and procedures related to tariff, with the EU *acquis*.

The twinning project intends to assist the Albanian Customs Administration in **capacities building** and the **management of the implementation** of the Integrated Tariff Management System (ITMS), which is essential to ensure that the national tariff system is compatible with TARIC EU and ready well before the EU accession.

The execution of contract is in principle after two years following the contracting date.

Indicative profiles and account of tasks expected from the team leader, resident twinning advisor and short term experts

Profile and tasks of the Project Leader (PL):

This project requires a Project Leader who will be responsible for the overall coordination of the project activities. The project leader is expected to closely work with the resident twinning advisor and the short-term experts as well as with the counterpart of the beneficiary institution.

a) Tasks of the PL:

- Overall project co-ordination,
- Supervision of the implementation of the project in coordination with the Albanian TL counterpart,
- Mobilising short-term experts,
- Closely work with the resident twinning advisor and the short term experts,
- Executing administrative issues (i.e. signing reports etc.),
- Advising on the future plans and reporting to the relevant authorities on the progress of the project.

Profile and tasks of the Resident Twinning Advisor (RTA):

This project requires a RTA for the management of the project The RTA will work on a day-to-day basis with ACA *and* support the co-ordination of different actions.

a) Tasks of the RTA:

- design a work plan for the implementation of project,
- assist in the preparation of all strategic project documents and training manuals, quarterly monitoring reports and final project report etc,
- ensure the day-to-day management of the project working on the daily basis with the ACA staff to implement the project,
- to ensure that all activities are implemented in a professional way,
- to plan and organise study visits, training activities,
- to provide detailed reports on the impact of the programme,

Profile and tasks of the short-term experts:

The PL and the RTA will be assisted by international short-term experts. The short-term expert shall assist the PL and the RTA in delivering the activities within the project.

A co-financing of 5 % will be provided by the Albanian Custom Administration according to the work plan that will be jointly prepared with the selected Member State. The co-financing will be in addition to the contribution in kind (office space, facilities, etc). Contribution in kind is not included in the budget table (section 4).

Contract 2.1: Technical Assistance Contract to develop the computerized National ITMS modules, fully compatible with EU ITMS (starting 6 to 12 months approx. after twinning).

This project will consist in a service contract to develop the necessary IT systems fully compatible with EU NCTS.

The execution of contract is in principle after one year following the contracting date.

The Albanian Government will finance 10.0 % of the total value of the project through contract 2.2. Out of this contract, additional costs for VAT will be also covered by the Government of Albania.

Contract 3.1: Supply contract to implement a scheme of reaction in case of alarm for radioactivity in all BCP and supply of radioactive portals for Priority BCP-s together with hardware.

The beneficiaries/institutions involved in this project implementation are Ministry of Finance **Directorate General of Customs** – Anti Traffic Directorate and Custom Houses.

Also, from the project will benefit the Ministry of Interior (Border and Migration Department), Ministry of Finance (Directorate General of Tax – Tax Investigation Department), the Centre of Nuclear Applied Physics, the Office of Protection from Radiation and the Albanian Citizen and European Citizen.

The Albanian Government will finance 15.0 % of the total value of the project through contract 3.2. Out of this contract, additional costs for VAT will be also covered by the Government of Albania.

5. Possible visibility activities

The EC rules for the visibility will be implemented, all vehicles/equipment supplied will have a sticker and report from the contractor and consultant will have the logo with EU visibility requirements.