

Project Fiche – IPA National programmes / Component I

1 IDENTIFICATION

Project Title	Strengthening the operational and institutional capacities of the Customs Administration
CRIS Decision number	2013/024-109
Project no.	4
MIPD Sector Code	2. Justice and Home Affairs
ELARG Statistical code	03-29
DAC Sector code	15110
Total cost	2013: EUR 2,000,000
EU contribution	2013: EUR 1,820,000
Management mode	Decentralised
Responsible Unit or National Authority/Implementing Agency	<p>The Central Financing and Contracting Department (CFCD) will be the implementing agency and will be responsible for all procedural aspects of the tendering process, contracting matters and financial management including payment of project activities. The Head of CFCD will act as the Programme Authorising Officer (PAO) of the project.</p> <p>Contact: Mrs. Radica Koceva (PAO) Central Finance and Contracts Department Ministry of Finance Tel: +389 2 3231 219 Fax: +389 2 3106 612 e-mail: radica.koceva@finance.gov.mk</p>
Implementation management	<p>The beneficiary of the project will be: Customs Administration of the former Yugoslav Republic of Macedonia (CARM).</p> <p><u>Contacts:</u> Mr. Ilija Janoski, Senior Programming Officer (SPO) Tel.: +389 2 3293 925 Fax: +389 2 3237 832 E-mail: ilija.janoski@customs.gov.mk</p>
Implementing modality	Stand alone project
Project implementation type	1 Twinning contract, 1 supply contract
Zone benefiting from the action(s)	Nationwide

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

This project addresses the need to continue further implementation of the reforms in the area of Customs, taking due account of EU regulations and best practices, revised EC Customs Blueprints as well as priorities described in other relevant strategic documents. These priorities are set in terms of strengthening of the capacities of CARM, in order to bring them in line with the EU requirements.

The project will address the areas of strengthening of the controls as an important component of the overall activity to strengthen the CARM's capacity in the fight against fraud, corruption and drug trafficking. This will be done through two methods. The first one will refer to the revision of customs post-clearance audit and risk management, as a support to customs operations to protect the security of the country borders and safety of the citizens, introduction of joint customs control operations whenever possible, and by assisting the further enhancement of the work of the customs laboratory reaching required EU standards. The second one will focus on capacity building in management and organisation with the aim to increase the administrative capacity through full implementation of strategies adopted, further development and implementation of the customs procedures, including training, in line with the EU standards and best practices.

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

The **MIPD 2011-2013** in the description of the sector Justice, Home Affairs and Fundamental Rights stipulates that "Continuation of the fight against corruption and organised crime is identified as a key strategic priority of the Government for 2011". Furthermore the global objective for the coming years is capacity building to confront organised crime and corruption, as well as better rule of law, which will contribute to improved business environment, increased growth and competitiveness. This shall reduce the length of procedures to cross borders both for trade and travellers, contributing to the implementation of the Integrated Border Management.

In the **National Programme for the Adoption of the Acquis as revised in 2011**: Chapter 24 states the need for further strengthening of the capacities in more effective investigations. Under Chapter 29, planned medium term priority activities to be conducted, in addition to measures already taken by the Government, are to further facilitate cross-border trade by improving customs controls, simplification of administrative procedures, strengthening of the capacities based on risk and general improvement of conditions for cross-border trade. The customs laboratory for successful and continuous implementation of ISO 17025 standards, shall introduce adequate support and training to the experts that will be able to perform analyses through adjustment according to the relevant EU regulations and directives and required EU standards.

The project directly links to the following key Strategies and Action Plans in the sector:

- Pre-Accession Economic Programme 2011-2013;
- Strategic Plan of the Customs Administration 2011-2014;
- Training and Professional Development Strategy 2011-2013;
- Strategy for the integrity and fight against corruption 2011-2014;
- Risk Management Strategy of the Customs Administration 2011-2014.

The Pre-Accession Economic Programme underlines the key importance of the protection of citizens and the fight against organized crime and modernization of CARM. Another strategic priority is the increased percentage of use of simplified procedures by economic operators in order to facilitate their operations. Furthermore, CARM has set up the following as priorities – cooperation with the economic operators, other customs administrations and EU institutions, fight against illicit trade and organised crime, as well as improvement of the capacity in detection of different forms of customs frauds. The role of CARM of safeguarding the health, the environment and intellectual property rights will also be strengthened. The priorities for the customs laboratory will be the improvement of the work environment and accreditation of laboratory methods in the defined scope of analysis. CARM will continue to enhance the institutional and administrative capacities through continuous training system and improvement of its human resources.

CARM is undergoing a reform process in accordance with its **Strategic Plan 2011-2014**, the NPAA and using the EC Customs Blueprints. Among the objectives of the reforms are increased organisational and operational efficiency, enhanced integrity, further implementation of harmonised customs legislation, more transparent and efficient customs procedures, greater client oriented approach and better cooperation with the business community. The strategic objectives also include: development and upgrade of the Risk Management (analyses and selectivity) and increase of the rate of detection and fight against illegal trade and crime, facilitation of international trade, revenue collection, as well as application of efficient measures to protect the borders and health of the citizens using IT technology. To achieve these priorities sound training system significantly improve the overall service performance and results.

The Training and Professional Development Strategy underlines that the development of human resources will strengthen the institutional development to achieve the strategic objectives.

Risk Management Strategy has defined the overall objective to manage risks applying a harmonized model in accordance with the best EU practices to provide permanent and effective level of controls based upon risk assessment in order to enhance the law compliance. The objective is to update the work in this area, especially to implement an approach to the common priority risks, locating the risks, their mitigation as well as strengthening of the relationship between the ranking of the risks and the trade facilitation measures.

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

The project will address the **Accession Partnership** as follows: increase administrative capacity to implement customs legislation and to fight cross-border crime and pursue implementation of the reforms of the law enforcement agencies. For all areas of the public administration there is an explicit mention of the necessity to undertake measures to strengthen the administration's capacity and to provide training to achieve the identified objectives.

The programme will reinforce the **Stabilisation and Association Agreement** Article 88, which refers to achieving the approximation of the customs system of the country to that of the Community and to the simplification of inspections and formalities in respect of the carriage of goods and support for introduction of modern customs information systems.

The **EC Progress Report for 2011** notes that the country is advanced in the field of fighting organised crime. However, efforts of relevant law enforcement bodies including CARM in

fighting organised crime should be strengthened. The Report also notes that several strategies were adopted for the period 2011-2014, including on training and professional development of customs officers, integrity and anti-corruption, risk management, prevention of smuggling of tobacco and tobacco products and protection of intellectual property rights.

2.4 PROBLEM ANALYSIS

At present the customs legislation is well aligned with the Acquis. The alignment of the customs procedures with the EU standards, especially in the part of the procedures with economic impact and the simplified procedures, is in accordance with the obligations undertaken with the Stabilization and Association Agreement. The use of simplified procedures and the applied risk management has had a significant impact on the facilitation of the economic activities. This positive impact, however, requires further enhancement of the capacities in the area of control of the law compliance and effective customs authorities which need to ensure the correct, uniform application of customs rules and, where appropriate, of other provisions applicable to goods subject to customs supervision. In parallel with the rising economic and trade relationships, there is a trend of diversification in the scope of international trade accompanied with an increase in illegal movement of goods, vehicles and human beings. The methods and techniques of committing customs fraud and smuggling are becoming more and more sophisticated and complicated.

For the legitimate trade it is of crucial importance to develop and implement a trade facilitation mechanism to minimise the costs, data and documentation requirements, the time to complete customs and other border formalities and to increase the security of the supply chain. Reinforcement of customs border controls has been given a high priority to improve controls of illegal and prohibited goods in order to protect both national and EU citizens.

Appropriate techniques shall be further improved for systematic risk identification and implementation of all measures needed to limit exposure to risk, and to implement international and national strategies, in accordance with the relevant legislation, for the collection of data and information, analysing and assessing risks, prescribing action and monitoring outcomes in order to facilitate, improve and streamline control procedures. This will allow relevant controls to take place at the right time and the right place with all the necessary resources.

CARM needs to further develop effective and efficient post-clearance control and audit service which allows implementation clearance and control of goods and revenue collection and further facilitation of trade by keeping a balance with efficient customs control.

Customs controls will be more effective if supported by customs laboratory, in line with the overall customs business strategy, by establishing the nature, tariff classification, origin and value of goods, for the following purposes: customs duties and revenue collection, commercial policy, antidumping, security measures, environmental and citizens' protection, as well as agricultural goods controls.

Current Training and Professional Development Strategy underlines the importance of continuous training in conducting operations, permanent re-evaluation of the working methods, internal procedures and motivation in order to strengthen the organization as a whole. CARM' training system provides realisation of the legal and strategic objectives, proper management of available human resources, and achievement of higher professionalism capable to provide high quality services. Further development of a sustainable and stable training system with clearly defined training objectives in relation to the needs of the target groups, improved training coordination system and development of the

culture of life-long learning and professional development is needed. The last EU support in this area has taken place through EU funded CAFAO project that came to an end in 2007.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

The IPA 2007 Project "Support to the implementation of the Customs Reform Strategy" had the overall objective of further alignment of the Acquis in the customs area, and to strengthen administrative capacity of the CARM and its capacity to meet the EU requirements. It contributed to enabled appropriate implementation of reforms in the area of legislative approximation, reinforcement of the border controls and improving the customs IT system taking due account of EU regulations, requirements and best practices.

Under ongoing IPA 2008 Project: "Interoperability of the Customs Administration's IT system with the EU customs IT systems" CARM will have implemented the Customs Transit Control System in conformity with the Common Transit Convention (CTC), in order to control and manage the movement of goods by the electronic exchange of transaction information between CTC countries, and operate the systems effectively and efficiently, being prerequisite for EU accession.

The IPA 2009 Project "Strengthening the capacity of the Customs Administration" has an objective – country's compliance with the EU requirements concerning the Community Integrated Tariff Environment (CITE), in order to bring the country closer to the EU market, the Customs Union and strengthen the competitiveness of the economy. Providing up-to-date and clear information on customs tariffs, procedures and requirements to trade will increase transparency and reliability having a positive impact on the general business environment.

IPA 2010 Project "Strengthening the capacity of the Customs Administration for implementation of the customs and excise legislation" has the overall objective to further align the legislation with the Acquis in the area of excise and customs, as well as to additionally strengthen the administrative and operational capacities of CARM in the process of fulfilling the EU standards in these areas. This project aims to finalise the preparation for the accession to the Common Transit System.

The objectives of IPA 2011 Project "Reinforcement of Administrative Capacity to meet the obligations of membership" are to further strengthen the capacity of the institutions dealing with intellectual property rights (IPR) and efficient enforcement of the IPR.

The new laboratory equipment, procured under the technical assistance through the CARDS 2005 Programme was delivered to CARM in July 2008 and installed (together with the existing laboratory equipment) upon mutual agreement for cooperation in special premises of the Chemistry Institute at the Faculty of Natural Sciences and Mathematics in Skopje, where joint experts' team of scientific and research staff of the faculty and CARM perform the analyses. Activities for accreditation and standardisation of the laboratory are under way.

The Co-operation Project between the Netherlands and Customs Administration has provided training for the customs laboratory personnel on the application of documentary requirements regarding ISO 17025 standard, as well as short term training on application of certain procedures and techniques used in analytical methods.

In the period 2008-2010 foreign consultants, implementing a nationally funded project, were engaged in several domains: introduction/implementation of control systems and procedures based on risk analysis, on-the filed training and support and technical management of the Control and Investigation Sector in activities for detection of illicit trade, smuggling and

economic crime, development of the interagency cooperation in the country and abroad, as well as development and efficient implementation of the Anti-Corruption Strategy.

In 2009 a process for accreditation of the methods of analysis and testing of the Customs laboratory has been initiated in front of the accreditation body, in order to assess and fulfill the requirements according to ISO 17025. In this direction, a consultancy firm has been engaged and the draft documentation of the quality management system (procedures, guidelines and records) has been prepared, in conformity with those requirements.

In the past years personnel involved in post-clearance controls and audit, risk management and laboratory have been involved in different forms of trainings. All available instruments such as TAIEX and bilateral projects on customs cooperation have been utilised.

2.6 Lessons learned

In general is it important to strengthen public administration capacities at all levels in order to ensure sustainability of the activities and enhance full ownership on behalf of the beneficiary institutions through stronger participation along the project cycle. Namely, one of the key lessons learned from the implementation concerns the inadequate administrative capacity due to the frequent changes in managerial positions, as well as level and quality of project management. These shortcomings were additionally addressed through the IPA 2007 and currently under IPA 2008 support. In this respect, one of the major benefits will not only be improved management of the other IPA Projects, but also enhanced transfer of skills from the experts of the new IPA Programmes deployed to the Customs management staff.

The past experience implementing the EU funded projects has shown the need of: a) allocation of dedicated administrative staff engaged on permanent basis to work on the project, thus improving staff capacity and providing a sustainability of the project activities; b) well defined objectives and activities throughout the life cycle of the project; c) providing the appropriate working conditions for the consultants, d) involvement of the beneficiary from the very beginning in the evaluation of the background and the experience of the experts to be engaged, so that they will be able to provide adequate expertise and ensure delivery of high quality results; e) flexibility and readiness to adopt the project activities applying methodologies to deliver results in line with the latest development in the relevant field; f) coordination and cooperation with other ongoing or upcoming projects; and g) the involvement and commitment of high-level strategic decision making management defining the project, as well as permanent monitoring and follow-up of the project, are important and essential for success and sustainability of the project results.

Strong commitment from senior management and various final beneficiaries remains crucial for the overall implementation of the project activities.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

The overall objective of the project is to additionally strengthen the administrative capacity of the CARM and its capacity to implement the Acquis and reforms to meet the EU requirements in the area of customs and bring the country closer to the EU Market and the Customs Union.

The development of effective and efficient controls (including post-clearance) and audits service of CARM allows to implement its tasks (clearance and control of goods, revenue collection, protection of the borders and the safety and security of the citizens) and to further facilitate trade by keeping a balance between trade facilitation and efficient customs control.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

The purpose of the project is to strengthen the institutional and administrative capacity of the CARM and to meet the EU requirements in the enforcement of the Acquis in the area of customs to hinder illegal trading of goods, to facilitate trade and to introduce further improvements in the area of organization and management through the implementation of adopted strategies for further development of customs operations and procedures.

3.3 RESULTS

The project will consist of 4 measures:

Measure 1: Post-clearance Controls and Audit

Results within Measure 1:

- An organisational structure which enables auditors dealing with post-clearance controls (including internal auditors and internal control units) and their managers to carry out their duties with the maximum efficiency and effectiveness enhanced;
- A post-clearance controls and audit management system which ensures efficient, quality-controlled audits using appropriate methods and establishes an operational quality assurance programme ensuring that standards of an acceptable quality are being applied to audit activity enhanced;
- A training strategy to ensure that auditors dealing with post-clearance controls (including internal auditors and internal control units) and managers have all the necessary knowledge and skills to plan and implement their duties improved;
- A national customs post-audit controls planning policy with planned short and long-term controls, in line with priorities based on risk analysis and risk assessment developed;
- Officers involved in post-clearance controls and audit (including internal auditors and internal control units) trained to conduct and conduct post-clearance controls and audit in an efficient and effective manner aligned with the EU requirements and best practices.
- Guidelines for auditors / audit manual prepared.

Measurable indicators

- An effective organisational structure recommended;
- Efficient, quality-controlled audits using appropriate methods and operational quality assurance programme ensuring that standards of an acceptable quality prepared and adopted;
- Number of training on appropriate methods of audit controls applying acceptable quality

delivered and number of methods introduced;

- A training programme to ensure that auditors dealing with post-clearance controls have all the necessary knowledge and skills to plan and implement their duties amended and incorporated into the Action training plan;
- A national post-clearance control and audit planning policy with planned short-term and long-term controls, in accordance with priorities based on risk analysis and risk assessment drafted and delivered;
- Number of officers involved in post-clearance controls and audit (including internal auditors and internal control units) trained to conduct post-clearance controls and audit in a efficient and effective manner aligned with the EU requirements and best practices;
- Number of officers (a pool) to deliver training on post-clearance and audit established, trained and curriculum prepared.
- Number of Guidelines for Auditors and Post-clearance and Audit Manual prepared.

Measure 2: Risk Management

Results related to Measure 2:

- EU Harmonised model of risk management to target commercial traffic for customs control and test the effectiveness of the risk analysis undertaken, in accordance with international standards, with the aim of ensuring compliance with the laws and regulations that customs are responsible for enforcing reviewed and established;
- Appropriate measures to determine the areas that are most exposed to risks and to support management decisions on how to allocate limited resources effectively established;
- Cooperation at policy and operational levels between the different national and international agencies and establishment of relationships with other administrations and agencies to ensure that information is exchanged effectively, efficiently and securely further developed;
- Effective internal communication and cooperation between the intelligence functions within the national administration in order to maintain the highest possible level of efficiency in customs services nationwide and create an environment where all employees assume responsibility for managing risks reviewed and introduced;
- Components of the risk-management process reviewed, and the existing risk management tools reviewed and upgraded;
- Officers involved in customs controls trained to conduct an efficient and effective controls aligned with the EU requirements and best practices based on risk analyse and assessment;
- Appropriate training programs according to the latest standards and techniques in the area of risk management drafted and a pool of trained trainers in this area established.
- Guidelines with working methods for risk management/risk analysis prepared.

Measurable indicators

- EU harmonised model of risk management to target commercial traffic for customs control and test the effectiveness of the risk analysis undertaken, in accordance with international standards, with the aim of ensuring compliance with the laws and regulations that customs are responsible for enforcing, revised and applied;
- Number of appropriate measures to determine the areas that are most exposed to risks and to support management decisions on how to allocate limited resources effectively applied;
- Components of the risk-management process and the existing risk management tools reviewed and number of recommendations drafted;
- Percentage of physical controls decreased and average time for customs controls shortened;
- Number of officers involved in customs controls trained to conduct an efficient and

effective controls in a manner aligned with the EU requirements and best practices based on risk analyse and assessment;

- Appropriate training programmes according the latest standards and techniques in the area of risk management drafted and a Number (pool) of trained trainers established.
- Guidelines on working methods for risk management/risk analysis prepared and implemented.

Measure 3: Laboratory

Results related to Measure 3:

Operation 3.1

- Laboratory management policies, quality systems, procedures and working methods in line with the legislation and/or standard and/or best practices revisited and updated;
- Training and cooperation programmes to meet the specific needs of customs laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis) and to maximise the effectiveness of laboratory operations developed;
- Training programmes for Customs officers on correct sampling (particularly for hazardous substances, chemicals, wastes etc.), labelling, packing and transporting of samples, and all relevant health and safety requirements designed, developed and delivered;
- Written guidelines for sampling procedures, laboratory safety, security and hygiene procedures developed;
- Regulations for handling narcotic substances (sampling, health & safety, security requirements, destruction etc.), in line with the EU best practice developed and disseminated;
- Laboratory Information Management System (LIMS) set up, including sampling;
- Training on analytical methods for analysis of narcotic substances, precursors and excise goods designed and delivered for customs laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis);
- Training on the use and maintenance of LIMS delivered to laboratory personnel, IT maintenance personnel and other users organised and delivered;
- Needs for further purchase/upgrade of equipment including LIMS for the laboratory identified, assistance in drafting the technical specification provided;

Operation 3.2

- Laboratory equipment including Laboratory Information Management System (LIMS) to upgrade its functionality, according to the drafted technical specification from the operation 3.1 procured;
- Training of the laboratory personnel (incl. the Chemistry Institute's personnel involved in customs laboratory analysis) on the use of the procured laboratory equipment delivered.

Measurable indicators

Operation 3.1

- Updated laboratory management policies, quality systems, procedures and working methods in line with the legislation and/or standard and/or best practices;
- Delivered developed training and cooperation programmes to meet the specific needs of all customs laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis);
- Training programmes for Customs officers on correct sampling (particularly for hazardous substances, chemicals, wastes etc.), labelling, packing and transportation of samples, and

all relevant health and safety requirements designed, developed and delivered to a number (all) operational Customs officers;

- A number (group) of officers to deliver training on correct sampling established and trained and curriculum prepared;
- Number of written guidelines for sampling procedures, laboratory safety, security and hygiene procedures drafted and disseminated;
- Number of Regulations for handling narcotic substances (sampling, health & safety, security requirements, destruction etc.), in line with the EU best practice drafted;
- Laboratory Information Management System (LIMS) set up, including sampling;
- Training on analytical methods for analysis of narcotic substances, precursors and excise goods delivered to number of laboratory personal.
- Training to number of laboratory personnel (all), IT maintenance personnel and other users of LIMS delivered.
- Needs for further purchase/upgrade of equipment for the laboratory identified and documented, and technical specification drafted.

Operation 3.2

- Laboratory equipment including LIMS in accordance with the drafted technical specification from the operation 3.1 procured and operational,
- Number of laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis) and other relevant personnel trained and use the procured equipment for analysis and LIMS;

Measure 4: Training

Results related to Measure 4:

- Review of the existing training strategy and draft of a long-term training strategy that integrates with the customs business strategy;
- Sustainable training structures and activities which operate systematically, and are based on training policies, systems and procedures to facilitate delivery of the training strategy strengthened;
- Objectives of the training function reviewed and clear objectives to high quality and higher level of knowledge and skills defined;
- Training programmes and needs reviewed, if needed revised and further developed;
- Target groups for the programmes and modules identified;
- Role and responsibility of all participant within the training cycle defined;
- Training delivered to a pool of trained trainers from the CARM;
- Follow up mechanism on the quality of the training prepared and delivered.

Measurable indicators

- Long-term training strategy that integrates with the customs business strategy drafted;
- Training programmes and needs reviewed, if needed revised, drafted and developed;
- Target groups for the programmes and modules identified;
- Role and responsibility of all participant within the training cycle defined;
- A number of (pool) of trained trainers from CARM selected and trained;
- Follow up mechanism on the quality of the training developed and delivered.

3.4 MAIN ACTIVITIES

The main activities foreseen to be carried out under this Project are:

Measure 1: Post-clearance Controls and Audit

- Provide proposal for enhanced post-clearance controls and audit organisational structure;
- Assist CARM to adopt appropriate methods to ensure efficient, quality-controlled post-clearance controls and audits;
- Assist to establish operational quality assurance programme ensuring that standards of an acceptable quality are being applied to post-clearance and audit activity;
- Review a training strategy to ensure that auditors dealing with post-clearance controls (including internal auditors and internal control units) and managers have all the necessary knowledge and skills to plan and implement their duties enhanced;
- Develop a national post-clearance and audit planning policy with planned short-term and long-term controls, in accordance with priorities based on risk analysis and risk assessment developed;
- Provide training for all officers and trainers involved in post-clearance controls and audit (including internal auditors and internal control units) to conduct post-clearance controls and audit in an efficient and effective manner aligned with the EU requirements and best practices.
- Assist the CARM in preparing guidelines for auditors / audit manual.

Measure 2: Risk Management

- Perform SWOT analysis of the existing risk management system in CARM;
- Introduce the improved EU harmonised model of risk management to target commercial traffic for customs control;
- Test the effectiveness of the risk analysis in accordance with international standards;
- Assist to establish improved appropriate measures to determine the areas that are most exposed to risks;
- Provide additional support and train management on making decisions on how to allocate limited resources effectively;
- Provide assistance on establishing enhanced cooperation at policy and operational levels to ensure that information is exchanged effectively, efficiently and securely;
- Review and recommend a more effective internal communication and cooperation module within the national administration where all employees assume responsibility for managing risks;
- Review components of the risk-management process and the existing risk management tools and recommend improvements/upgrades;
- Assist to design and implement appropriate training programs according to the latest standards and techniques in the area of risk management;
- Provide training for all officers involved in customs controls to conduct an efficient and effective controls in a manner aligned with the EU requirements and best practices based on risk analysis and assessment;
- Assist to deliver training and train a pool of trained trainers in the area of risk management.
- Assist the CARM in preparing guidelines with working methods for risk management/risk analysis.

Measure 3: Laboratory

Operation 3.1

- Review and update the customs laboratory management policies, quality systems, procedures and working methods;
- Develop a training and cooperation programmes to meet the specific needs of customs laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis);

- Design, develop and deliver training programmes for customs officers on correct sampling (particularly for hazardous substances, chemicals, wastes etc.), labelling, packing and transportation of samples, and all relevant health and safety requirements;
- Develop written guidelines for sampling procedures, laboratory safety, security and hygiene procedures;
- Draft regulations for handling narcotic substances (sampling, health & safety, security requirements, destruction etc.), in line with the EU best practice;
- Defining and setting-up of Laboratory Information Management System (LIMS), including sampling;
- Provide training to customs laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis) on analytical methods for analysis of narcotic substances, precursors and excise goods;
- Identify needs for further purchase/upgrade of equipment for the laboratory, including assistance in drafting technical specification.

Operation 3.2

- Preparation of technical specification for procurement of necessary equipment including LIMS based on detailed technical specification from Operation 3.1;
- Preparation of detailed requirements for maintenance and operational support (including minimum requirements for training for the laboratory personnel on its use, to be provided by the Contractor) of the equipment, to be included in the specification;
- Procurement of the necessary equipment;
- Installation, configuration and testing of the equipment according to requirements of the operational requirements;
- Training on the operation of the equipment and its maintenance;
- Training on use and maintenance of LIMS;
- Acceptance test activities and acceptance.

Measure 4: Training

- Review of the existing training strategy;
- Provide a draft long-term training strategy integrated with the customs business strategy;
- Assist in strengthening the training structures and activities which operate systematically, and are based on training policies, systems and procedures to facilitate delivery of the training strategy;
- Provide expertise to define objectives of the training function to ensure high quality and higher level of knowledge and skills;
- Assist to review training programmes and needs;
- Advise to define role and responsibility of all participant within the training cycle;
- Deliver training and train a pool of trained trainers from CARM;
- Assist to prepare and establish a follow up mechanism on the quality of the training.

Main activities will be implemented through one twinning contract and one supply contract. Measures 1, 2, 4 and Operation 3.1 will be implemented through one twinning contract that has an expected duration of 18 months. Operation 3.2 will be implemented through one supply contract that has an expected duration of 6 months plus 12 months warranty period bringing the total contract duration to 18 months.

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

The project complies with EU norms and standards. The project will provide concrete assistance and knowledge transfer to the Customs managers and officers, taking due account

of EU regulations and best practices, revised EC Customs Blueprints as well as priorities described in other relevant strategic documents in the areas of strengthening of the controls as an important component of the overall activity to strengthen the CARM's capacity in the fight against fraud, corruption and drug trafficking.

Undertaking of the strategic priority activities regarding the development of administrative capacities and enforcement of the Acquis aim at efficient external border control to protect the security of the country borders and safety of the citizens.

The immediate impact of the proposed project is to strengthen the administrative and operational capacity of CARM in the area of controls to fight against fraud, crime and corruption on one side, while facilitating legitimate regional and global trade on the other. This will provide for protection of the society and citizens, and ensuring uninterrupted movement of goods through the borders conducting effective controls of the international trade supply chain.

Customs has a crucial role in providing greater security of the global supply chain and contributes to social and economic development by collecting revenues and controlling the trade. The improved customs system will most certainly have a positive impact on the general business environment and competitiveness of the economy, and will hopefully further stimulate investments (both foreign and domestic).

Cross-border agency cooperation is very complex and relies on a robust legal framework shared by neighbouring countries which guarantees the efficient protection adjusted to threats against illegal trade and other forms of border crime in balance with the trade facilitation and smooth traffic of goods.

There is a clear recognition that harmonised Customs procedures and their implementation exert a great impact on world trade and the international movement of goods across borders, giving certainty and creates a stable environment for the trade community on the legal requirements applied in the country. This could also give an advantage to the traders to conduct their business operations abroad, in the countries that have aligned their customs legislation. On the other hand this shall contribute to enhanced movement of consignments across the borders in secure and uniform manner, as well as possible application of trade and transport simplifications.

3.6 SUSTAINABILITY

The beneficiary institution has competences, experience and established structural framework required to implement, sustain and improve the results of this project. The beneficiary institution will continue to work towards further promotion of project results in regard to fulfil EU requirements without delay in forthcoming period.

Personnel will be dedicated towards fulfilment of the project activities, achievement of project results and all further activities in this regard in order to achieve its sustainability. The cooperation with the economic operators and relevant institutions involved in controls will be strengthened by introduced enhanced methodologies, programmes and transferred skills. The controls will be more effective and the trade facilitation will be improved. The revised strategies and documents produced will enhance the procedures and working processes. The knowledge and skills acquired will be the main deliverables of the project that will secure the sustainability of the activities once the project is completed.

The reforms in the project's areas will introduce changes in CARM's operations on the long-term basis.

3.7 ASSUMPTIONS AND PRE-CONDITIONS¹

Assumptions: Commitment of national authorities; willingness and capacity of Customs to introduce changes; appropriate cooperation with all stakeholders; provision of the training facilities; availability of appropriate staff for project activities and training; availability of appropriate expertise (where there is evident expertise with the final beneficiary and national public administration available).

Preconditions: Endorsement by all key stakeholders of the project work plan; organisation, selection, appointment and training of personnel from the organizational units involved in implementation of the project activities and steering committees; provision of suitable training facilities; appointing the relevant staff by the beneficiaries to participate in training activities as per work plan; availability of funds for co-financing. Implementation of Operation 3.2 depends upon input from Operation 3.1.

Mitigating measures: All preparation activities will be done on time, well in advance of their commencement. Role of the all involved parties will be clearly defined. CARM will appoint appropriate resources available for project activities. Available resources from the national public administration will be identified during the preparation of the implementation contracts.

4 IMPLEMENTATION ISSUES

The project will be implemented in a decentralised manner. The beneficiary institution will be CARM. The Central Financing and Contracting Department (CFCD) will be the contracting authority.

4.1 INDICATIVE BUDGET

One Twinning Contract (funded from budget allocation for the 2013) will be concluded for Measures 1, 2, 4 and Operation 3.1 that has an expected duration of 18 months related and a budget of approximately EUR 1,600,000 (IPA funds will be EUR 1,520,000 and the national co-financing EUR 80,000). The Twinning fiche will be developed by the final beneficiary.

One Supply Contract (funded from budget allocation for the 2013) will be concluded for provision of necessary equipment. The duration of the contract will be 6 months plus 12 months warranty period bringing the total contract duration to 18 months. The contract value will be approximately EUR 400,000. The IPA contribution will be EUR 300,000 and the national co-financing will be EUR 100,000. Technical specification for the Supply Contract will be prepared by the partner implementing the Twinning Contract.

¹ 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.

Indicative Project budget 2013 (amounts in EUR)

PROJECT TITLE			SOURCES OF FUNDING										
			TOTAL EXPENDITURE	TOTAL PUBLIC EXPENDITURE	IPA CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
	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)
Twining Contract	x	/	1,600,000	1,600,000	1,520,000	95	80,000	5	80,000				-
Supplies: Laboratory equipment (under operation 3.2)	/	x	400,000	400,000	300,000	75	100,000	25	100,000				-
TOTAL IB			1,600,000	1,600,000	1,520,000	95	80,000	5	80,000				
TOTAL INV			400,000	400,000	300,000	75	100,000	25	100,000				
TOTAL PROJECT			2,000,000	2,000,000	1,820,000	91	180,000	9	180,000				

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

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))

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Dates indicated in the schedule cannot go beyond the contracting and execution deadlines in the financing proposal

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Twinning Contract	Q3 2015	Q3 2016	Q1 2018
Supply Contract	Q4 2015	Q3 2016	Q1 2018

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

4.3 CROSS CUTTING ISSUES

4.3.1 Equal Opportunities and non-discrimination

The project preparation and implementation will ensure the observance of the principles of equal opportunities and non-discrimination. Equal gender opportunities will be fully respected in the composition of the Steering Committee and where necessary. In addition to this, the internal policies, structure or operating procedures of the beneficiaries, as well as products and outputs produced by the beneficiaries (e.g. laws, regulations, policies, and strategies) will conform to the relevant principles of equal opportunities and non-discrimination.

4.3.2 Environment and climate change

Where relevant the project will aim to take on board best practice vis-à-vis environmental activities and considerations.

4.3.3 Minorities and vulnerable groups

Where the main reference is the Ohrid Framework Agreement, in an EU context, the training activities will include a specific component to train beneficiary staff in the different aspects of mainstreaming minority and vulnerable groups in programme and project development as well as monitoring and evaluation.

4.3.4 Civil Society/Stakeholders involvement

Relevant stakeholders of this project, such as associations of economic operators, will be invited to cooperate with the beneficiary institution, in the process of consultancy and training whenever needed, in accordance with the project objectives.

ANNEXES

Documents to be annexed to the Project fiche

- 1. Log frame**
- 2. Description of Institutional Framework**
- 3. Reference list of relevant laws and regulations only where relevant**
- 4. Details per EU funded contract(*) where applicable**
- 5. Project visibility activities**

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number	
		Contracting period expires two years from the date of the conclusion of the Financial Agreement	Execution period expires two years from the final date for contracting
		Total budget	: EUR 2,000,000
		IPA budget:	: EUR 1,820,000
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification	
To additionally strengthen administrative capacity of the CARM and its capacity to implement the <i>Acquis</i> and reforms to meet the EU requirements in the area of customs and bring the country closer to the EU Market and the Customs Union	Strengthen administrative capacities to implement EU <i>Acquis</i> and reforms to meet EU requirements and bring country closer to the EU Market and Customs Union	<ul style="list-style-type: none"> - Documentation; - Government progress reports; - EU Assessment and progress reports 	
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
To strengthen the institutional and administrative capacity of the CARM and to meet the EU requirements in the enforcement of the <i>Acquis</i> in the area of customs to hinder illegal trading of goods, to facilitate trade and to introduce further improvements in the area of organization and management implementing adopted strategies for further development of customs operations and procedures.	Improved capacities of the CARM in accordance with <i>Acquis</i> , EC Blueprints and best EU practices in the area of hindering illegal trading of goods, facilitating of trade, implementation of the adopted strategies for further development of customs operations and procedures.	<ul style="list-style-type: none"> - Documentation; - Government progress reports; - EU Assessment and progress reports 	<ul style="list-style-type: none"> - Commitment of national authorities; - Willingness and capacity of Customs to introduce changes; - Availability of appropriate staff for project activities and training; - Availability of appropriate expertise.
Results	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions

<p>Measure 1 – Post-Clearance Controls and Audit</p> <p>An organisational structure which enables auditors dealing with post-clearance controls (including internal auditors and internal control units) and their managers to carry out their duties with the maximum efficiency and effectiveness enhanced;</p> <p>A post-clearance controls and audit management system which ensures efficient, quality-controlled audits using appropriate methods and establishes an operational quality assurance programme ensuring that standards of an acceptable quality are being applied to audit activity enhanced;</p> <p>A training strategy to ensure that auditors dealing with post-clearance controls (including internal auditors and internal control units) and managers have all the necessary knowledge and skills to plan and implement their duties improved;</p> <p>A national customs post-audit controls planning policy with planned short-term and long-term controls, in accordance with priorities based on risk analysis and risk assessment developed;</p> <p>Officers involved in post-clearance controls and audit (including internal auditors and internal control units) trained to conduct and conduct post-clearance controls and audit in an efficient and effective manner aligned with the EU requirements and best practices.</p> <p>Guidelines for auditors / audit manual prepared.</p>	<p>An effective organisational structure recommended;</p> <p>Efficient, quality-controlled audits using appropriate methods and establishes an operational quality assurance programme ensuring that standards of an acceptable quality are being applied to audit activity prepared and adopted;</p> <p>Number of training on appropriate methods to apply acceptable quality are being applied to audit activity delivered and methods introduced;</p> <p>A training programme amended and incorporated into the Action training plan;</p> <p>A national post clearance control and audit planning policy drafted and delivered;</p> <p>Number of officers involved in post-clearance controls and audit trained to conduct and conduct post-clearance controls and audit in a efficient and effective manner aligned with the EU requirements and best practices;</p> <p>Number of officers (a pool) to deliver training on post-clearance and audit established, trained and curriculum prepared.</p> <p>Guidelines for auditors / audit manual prepared.</p>	<ul style="list-style-type: none"> - Regular progress reports; - EC Country reports; - Project documents and reports. 	<ul style="list-style-type: none"> - Full compliance of the parties involved
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<p>Measure 2 - Risk Management</p> <p>EU Harmonised model of risk management to target commercial traffic for customs control and test the effectiveness of the risk analysis undertaken, in accordance with international standards, with the aim of ensuring compliance with the laws and regulations that customs are responsible for enforcing reviewed and established;</p> <p>Appropriate measures to determine the areas that are most exposed to risks and to support management decisions on how to allocate limited resources effectively established;</p> <p>Cooperation at policy and operational levels between the different national and international agencies and establishment of relationships with other administrations and agencies to ensure that information is exchanged effectively, efficiently and securely further developed;</p> <p>Effective internal communication and cooperation between the intelligence functions within the national administration in order to maintain the highest possible level of efficiency in customs services nationwide and create an environment where all employees assume responsibility for managing risks reviewed and introduced;</p> <p>Components of the risk-management process reviewed and the existing risk management tools reviewed and upgraded.</p> <p>Officers involved in customs controls trained to conduct an efficient and effective controls in a manner aligned with the EU requirements and best practices based on risk analyse and assessment.</p> <p>Appropriate training programs according to the latest standards and techniques in the area of risk management drafted and a pool of trained trainers in this area established.</p> <p>Guidelines with working methods for risk management/risk analysis prepared.</p>	<p>EU harmonised model of risk management to target commercial traffic for customs control revised and applied;</p> <p>Number of appropriate measures to determine the areas that are most exposed to risks and to support management decisions on how to allocate limited resources effectively applied;</p> <p>Components of the risk-management process reviewed and number of recommendations drafted:</p> <p>Percentage of physical controls decreased, and an average time for customs controls shortened.</p> <p>Number of officers involved in customs controls trained to conduct an efficient and effective controls in a manner aligned with the EU requirements and best practices based on risk analyse and assessment.</p> <p>Appropriate training programmes according the latest standards and techniques in the area of risk management drafted</p> <p>Number (pool) of trained trainers in the area established.</p> <p>Guidelines with working methods for risk management/risk analysis prepared and implemented.</p>	-	-
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<p>Measure 3 - Laboratory</p> <p>Operation 3.1</p> <p>Laboratory management policies, quality systems, procedures and working methods in line with the legislation and/or standard and/or best practices revisited and updated;</p> <p>Training and cooperation programmes to meet the specific needs of customs laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis) and to maximise the effectiveness of laboratory operations developed;</p> <p>Training programmes for Customs officers on correct sampling (particularly for hazardous substances, chemicals, wastes etc.), labelling, packing and transporting of samples, and all relevant health and safety requirements designed, developed and delivered;</p> <p>Written guidelines for sampling procedures, laboratory safety, security and hygiene procedures developed;</p> <p>Regulations for handling narcotic substances (sampling, health & safety, security requirements, destruction etc.), in line with the EU best practice developed and disseminated;</p> <p>Laboratory Information Management System (LIMS) set up, including sampling;</p> <p>Training on analytical methods for analysis of narcotic substances, precursors and excise goods designed and delivered</p> <p>Training on the use and maintenance of LIMS delivered to laboratory personnel, IT maintenance personnel and other users organised and delivered</p> <p>Needs for further purchase/upgrade of equipment for the laboratory identified, assistance in drafting the technical specification provided;</p>	<p>Operation 3.1</p> <p>Updated laboratory management policies, quality systems, procedures and working methods in line with the legislation and/or standard and/or best practices;</p> <p>Delivered developed training and cooperation programmes to meet the specific needs of all customs laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis);</p> <p>Training programmes for Customs officers designed, developed and delivered to a number (all) operational Customs officers;</p> <p>A number (group) of officers to deliver training on correct sampling established and trained and curriculum prepared;</p> <p>Number of written guidelines for sampling procedures, laboratory safety, security and hygiene procedures drafted and disseminated;</p> <p>Number of regulations for handling narcotic substances in line with the EU best practice drafted;</p> <p>Laboratory Information Management System (LIMS) set up, including sampling;</p> <p>Training on analytical methods for analysis of narcotic substances, precursors and excise goods delivered to number of laboratory personal.</p> <p>Training to number of laboratory personnel (all), IT maintenance personnel and other users of LIMS delivered.</p>	<p>-</p>	
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<p>Operation 3.2</p> <p>Laboratory equipment including Laboratory Information Management System (LIMS) to upgrade its functionality, according to the drafted technical specification from the operation 3.1 procured;</p> <p>Training of the laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis) on the use of the procured laboratory equipment delivered.</p>	<p>Operation 3.2</p> <p>Laboratory equipment including LIMS in accordance with the drafted technical specification from the operation 3.1 procured and operational</p> <p>Number of laboratory personnel (including the Chemistry Institute's personnel involved in customs laboratory analysis) and other relevant personnel trained and use the procured equipment for analysis and LIMS.</p>	-	
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<p>Measure 4 - Training</p> <p>Review of the existing training strategy and draft of a long-term training strategy that integrates with the customs business strategy;</p> <p>Sustainable training structures and activities which operate systematically, and are based on training policies, systems and procedures to facilitate delivery of the training strategy strengthened;</p> <p>Objectives of the training function reviewed and clear objectives to high quality and higher level of knowledge and skills defined;</p> <p>Training programmes and needs reviewed, if needed revised and further developed;</p> <p>Target groups for the programmes and modules identified;</p> <p>Role and responsibility of all participant within the training cycle defined;</p> <p>Training delivered to a pool of trained trainers from CARM;</p> <p>Follow up mechanism on the quality of the training prepared and delivered.</p>	<p>Measure 4 - Training</p> <p>Long-term training strategy that integrates with the customs business strategy drafted;</p> <p>Training programmes and needs reviewed, if needed revised, drafted and developed;</p> <p>Target groups for the programmes and modules identified;</p> <p>Role and responsibility of all participant within the training cycle defined;</p> <p>A number of (pool) of trained trainers from CARM selected and trained;</p> <p>Follow up mechanism on the quality of the training developed and delivered.</p>	-	
<p>Activities to achieve results</p>	<p>Means / contracts</p>	<p>Costs</p>	<p>Assumptions</p>

<p>Measure 1 – Post-clearance Controls and Audit</p> <p>Provide proposal for enhanced post-clearance controls and audit organisational structure;</p> <p>Assist CARM to adopt appropriate methods to ensures efficient, quality-controlled post-clearance controls and audits;</p> <p>Assist to establish operational quality assurance programme ensuring that standards of an acceptable quality are being applied to post-clearance and audit activity;</p> <p>Review a training strategy to ensure that auditors dealing with post-clearance controls (including internal auditors and internal control units) and managers have all the necessary knowledge and skills to plan and implement their duties;</p> <p>Develop a national post-clearance and audit planning policy with planned short-term and long-term controls, in accordance with priorities based on risk analysis and risk assessment;</p> <p>Provide training for all officers and trainers involved in post-clearance controls and audit to conduct post-clearance controls and audit in an efficient and effective manner aligned with the EU requirements and best practices.</p> <p>Assist the CARM in preparing guidelines for auditors/ audit manual.</p>	<p>Twinning contract</p> <p>Supply contract (Operation 3.2)</p>	<p>One Twining Contract will be concluded, in total amount of approximately EUR 1,600,000 (EUR 1,520,000 from IPA and EUR 80,000 national co-financing).</p> <p>One Supply contract for provision of necessary equipment, in total amount of approximately EUR 400,000 (EUR 300,000 from IPA and EUR 100,000 national co-financing)</p>	
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<p>Measure 2 -Risk Management</p> <p>Perform SWOT analyses of the established risk management system in CARM</p> <p>Introduce the improved EU harmonised model of risk management to target commercial traffic for customs control;</p> <p>Test the effectiveness of the risk analysis in accordance with international standards;</p> <p>Assist to establish improved appropriate measures to determine the areas that are most exposed to risks;</p> <p>Provide additional support and train management on making decisions on how to allocate limited resources effectively;</p> <p>Provide assistance on establishing enhanced cooperation at policy and operational levels to ensure that information is exchanged effectively, efficiently and securely;</p> <p>Review and recommend a more effective internal communication and cooperation module within the national administration where all employees assume responsibility for managing risks;</p> <p>Review components of the risk-management process;</p> <p>Assist to design and implement appropriate training programs according the latest standards and techniques in the area of risk management;</p> <p>Provide training for all officers involved in customs controls to conduct an efficient and effective controls in a manner aligned with the EU requirements and best practices based on risk analyse and assessment;</p> <p>Assist to deliver training and train a pool of trained trainers in the area of risk management;</p> <p>Assist the CARM in preparing guidelines with working methods for risk management/risk analysis.</p>			
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<p>Measure 3 – Laboratory</p> <p>Operation 3.1</p> <p>Review and update the customs laboratory management policies, quality systems, procedures and working methods;</p> <p>Develop a training and cooperation programmes to meet the specific needs of customs laboratory personnel;</p> <p>Design, develop and deliver training programmes for customs officers on correct sampling (particularly for hazardous substances, chemicals, wastes etc.), labelling, packing and transportation of samples, and all relevant health and safety requirements;</p> <p>Develop written guidelines for sampling procedures, laboratory safety, security and hygiene procedures;</p> <p>Draft regulations for handling narcotic substances (sampling, health & safety, security requirements, destruction etc.), in line with the EU best practice;</p> <p>Defining and setting-up of Laboratory Information Management System (LIMS), including sampling</p> <p>Provide training on analytical methods for analysis of narcotic substances, precursors and excise goods</p> <p>Identify the needs for further purchase/upgrade of equipment for the laboratory, including assistance in drafting the technical specification.</p> <p>Operation 3.2</p> <p>Preparation of the technical specification for procurement of necessary equipment including LIMS based on detailed technical specification from Operation 3.1;</p> <p>Preparation of detailed requirements for maintenance and operational support (including minimum requirements for training for the laboratory personnel on its use, to be provided by the Contractor) of the equipment, to be included in the specification;</p>			
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<p>Measure 4 - Training</p> <p>Review of the existing training strategy;</p> <p>Provide a draft long-term training strategy that integrates with the customs business strategy;</p> <p>Assist in strengthening the training structures and activities which operate systematically, and are based on training policies, systems and procedures to facilitate delivery of the training strategy;</p> <p>Provide expertise to define objectives of the training function to ensure high quality and higher level of knowledge and skills;</p> <p>Assist to review training programmes and needs;</p> <p>Advise to define role and responsibility of all participant within the training cycle;</p> <p>Deliver training and train a pool of trained trainers from CARM;</p> <p>Assist to prepare and establish a follow up mechanism on the quality of the training;</p> <p>Training on the operation of the equipment and its maintenance;</p> <p>Training on use and maintenance of LIMS</p> <p>Acceptance test activities and acceptance;</p> <p>Maintenance of equipment.</p>			
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Annex II - Description of Institutional Framework

The Customs Administration (CARM) is a state administration authority within the Ministry of Finance with a status of a legal person. CARM carries out its powers throughout the entire territory of the country. CARM carries out the activities that are under its competence in accordance with the Law on Customs Administration, the Customs Law, the Customs Tariff Law, the Law on Customs Measures for Protection of Intellectual Property Rights, the Law on Excises, the Law on tax procedures and other laws governing the importation, exportation and transit of goods, as well as for the performance of all other activities that are vested under its competence with other laws.

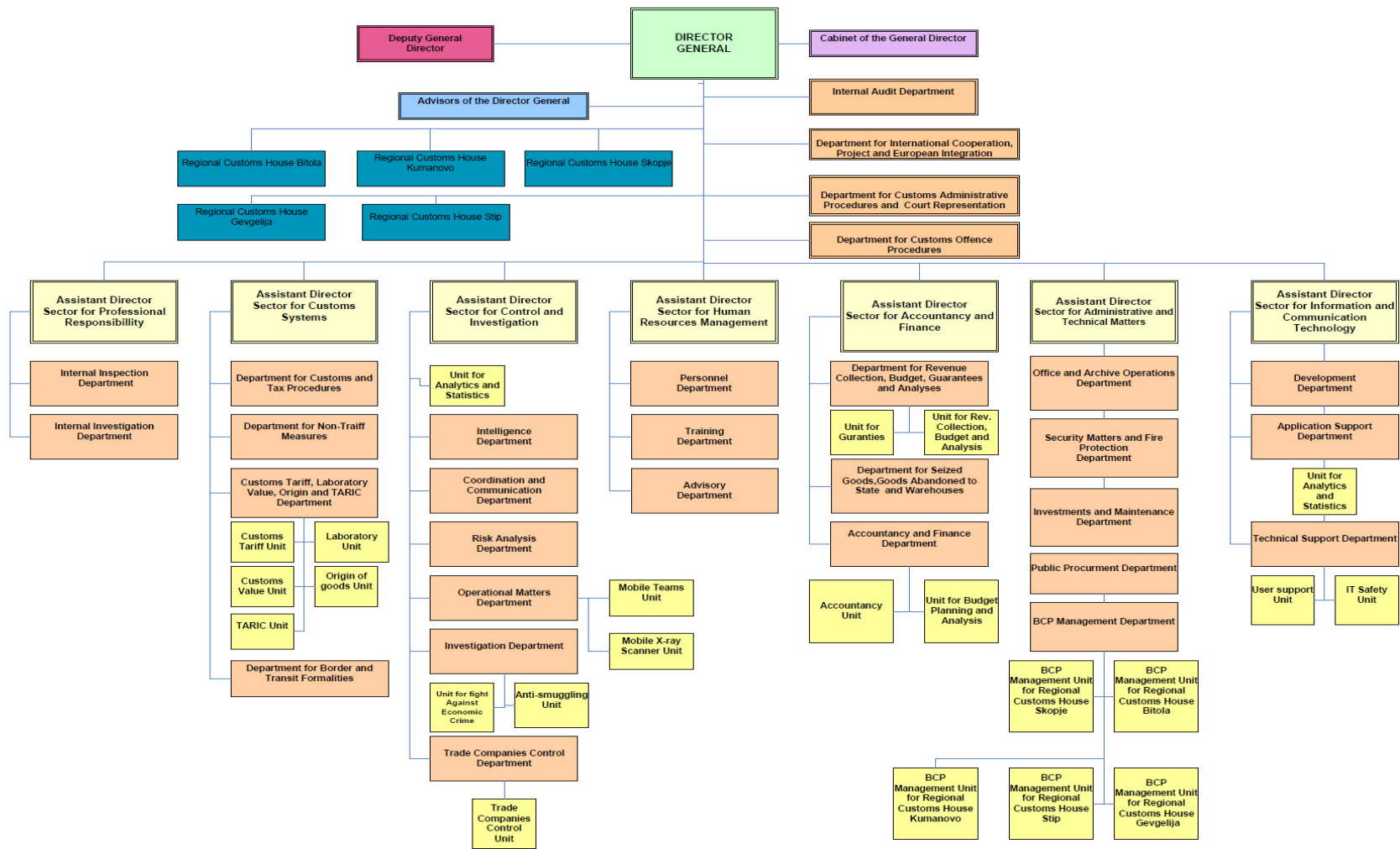
The basic powers of CARM are:

- To conduct customs supervision;
- To conduct customs control;
- Customs clearance of goods;
- To conduct customs control, investigation and intelligence measures for the purpose of prevention, detection and investigation of customs offences and crimes;
- To initiate a procedure for customs and other offences, as well as for crimes determined by law and to collect mandatory fines;
- To calculate and collect or repay the import and export duties, taxes and other public levies on importation, exportation or transit of goods, as well as to conduct forcible collection of the above in accordance with law;
- To conduct the customs-administrative procedure in first degree;
- To monitor and control movements of excise goods;
- To conduct the control of the entering and exiting of cash in domestic and foreign currencies, cheques and monetary gold;
- To conduct the control of the importation, exportation and transit of goods for which special measures are prescribed in the interest of security and public morality, protection of people's health and lives, animals and plants, protection of the living environment, protection of items of temporary protection or cultural heritage or natural rarities, protection of copyright and other related rights and industrial property rights, as well as other measures of commercial policy prescribed by law;
- To organise the customs information system and provide data on imports and exports for statistical purposes;
- To organise and conduct control of the professional liability of the employees;
- To draft legislation in the area of Customs competence;
- To organise and carry out training, testing of the knowledge and professional skills of Customs officers, as well as human resource management;
- To give expert assistance for the application of the customs regulations for the purpose of which it organises seminars and public platforms with the right for compensation;
- To conduct storage and safe-keeping of goods, as well as procedure of sale of confiscated, abandoned or discovered goods;
- To carry out monitoring of customs goods with compensation of costs;
- To conduct chemical-technological examination of goods with compensation of costs;
- To cooperate with other state authorities;
- To cooperate with foreign customs administrations and international organisations;
- To exercise powers prescribed by the Law on Customs Administration and other laws.

The total number of employees in CARM is around 1170.

Organisation structures

The Organizational Chart of CARM is presented in the picture bellow.



ANNEX IV - Details per EU funded contract where applicable:

This project will be implemented through one Twinning Contract and one Supply Contract. The knowledge and experience that will be exchanged with an EU Member States will allow CARM to further strengthen the institutional and administrative capacity of CARM and to meet the EU requirements in the enforcement of the Acquis in the area of customs to hinder illegal trading of goods, to facilitate trade and to introduce further improvements in the area of organization and management through the implementation of adopted strategies for further development of customs operations and procedures. Through the project CARM will get first hand understanding of the practical implementation of the process in the area of controls and the best practices within the EU, relevant expertise, as well as additional know how and on the job training, advice for further strengthening the administrative and operational capacity in the process of fulfilling the EU standards in these area.

The twinning arrangement will follow the regular operational instructions as documented in the Twinning Manual. Two different project steering committees will be established to oversee the implementation process of the project activities, while it is expected that the MS twinning partner(s) will bring in expertise linked with the project purpose – *inter alia* - on the issues arising from the project and the so-called bilateral screening of the Customs chapter. The twinning arrangement will also allow for administrative capacity building, training, integrity, legal development and addressing the cross-cutting issues.

The project leaders (PL) will be responsible for the overall management, representation (co-ordination with the EU and other international bodies) as well as reporting to the Contracting Authority.

CARM will be directly responsible for co-ordination and management of the project from the beneficiary side and will support the Twinning project team, in organisational and technical matters.

Contact persons and contact details:

Beneficiary Country (BC) Project Leader

To be defined prior to launching the Twinning Fiche.

Resident Twinning Advisor (RTA) counterpart

RTA will be defined following a selection procedure organised by the Contracting Authority from the MS countries responding to the launched fiche.

The co-ordination of the activities foreseen to be carried out under the different components is of key importance. Therefore, the management structure will be established so as to oversee the overall implementation of the project and to ensure appropriate coordination between the different activities supported by the project.

For the Twinning, the Project Steering Committee (SC) will be established, responsible for reviewing the project progress and advising on the possible measures to be taken in order to ensure that results will be attained. The SC will meet once every three months and will include the Member State (MS) and Beneficiary Country (BC) Project Leaders, Resident Twinning Adviser (RTA) and RTA counterpart, representatives from the different departments within the CARM.

The MS Project Leader will detail, coordinate and supervise the overall thrust of the project, lead project activities, and ensure attainment of the projected output. He/she is

expected to ensure that all the support from the management and staff of the MS side is available for the project. He/she will act as the counterpart of the BC Project Leader and will ensure in close co-operation the overall steering and co-ordination of the project - the Project Steering Committee (the Project Steering Committee will meet in Skopje every three months). The BC Project Leader will act as the counterpart of the MS PL and will ensure close cooperation in the overall steering and co-ordination of the project. He/she will also coordinate the Project Steering Committee (PSC) on behalf of the BC. The role of the BC Project Leader and the MS PL counterpart are complementary. The BC Project Leader and the RTA counterpart will be appointed from the CARM. Additional expertise short-term experts, next to a RTA, will assist in key tasks, e.g. in the field of administrative capacity building, procedures and procedural compliance, training, legal development and others. Some of these experts will address cross-cutting issues. The MS Project Leader is fully responsible for co-ordination of the work of the experts.

The RTA will be responsible for the direct coordination and implementation of the project activities on the ground, under the overall supervision of the Project Leader. The Resident Twinning Adviser will have a critical role in coordination of inputs in project.

During the inception phase of the project, a detailed work plan will be developed by the Twinning partners. Reports will be prepared by the MS Project Leader, using the reports provided by the RTA, the national counterparts and any other sources.

The Twinning contract will assist the CARM in the design of the technical specifications of the laboratory equipment to be procured.

The core project team – consisting of the team leader and other experts will be placed within the CARM.

The co-ordination of activity development in the different components of the activity is significantly important. The team leader is responsible for an appropriate management of resources. During the inception phase of the project, a detailed deployment plan will be developed under the coordination of a Steering Committee.

The supply contract will be implemented by the Central Financing and Contracting Department (CFCD) that will be the implementing agency and will be responsible for all procedural aspects of the tendering process, contracting matters and financial management including payment of project activities. As foreseen in the main activity under Operation 3.1 following the provisions of the technical specification, the tender for the supply of equipment will be launched. The equipment and the Laboratory Information Management System (LIMS) needed for the main laboratory analyses will be used for analyses of patrol derivatives, alcohol beverages, FTIR analyses, as well as analyses of sugars and alcohols and necessary miscellaneous equipment for its functioning. The contract shall also envisage the delivery of training to the customs laboratory personnel on the effective use and maintenance of the delivered equipment, as well as the methods to be applied. The contract shall also foresee a 12 month warranty period following the instalment and start of its operation.

The expected contracting arrangements are:

- One Twining Contract for Measures 1, 2, 4 and Operation 3.1 that has an expected duration of 18 months related and a budget of approximately EUR 1 600 000 (IPA funds will be EUR 1 520 000 and the national co-financing EUR 80 000).
- One Supply Contract for provision of necessary equipment. The duration of the contract will be 6 months plus 12 months warranty period bringing the total contract duration to 18 months. The contract value will be approximately EUR 400 000. The IPA contribution will be EUR 300 000 and the national co-financing will be EUR 100 000.

Supply of Customs Laboratory Equipment²

Indicative list of items/Cost estimate

1. Analysis of petrol products

No	Type of supply	Quantity	Unit price in EUR)	Total in EUR
1	Automatic Distillation unit for petroleum products (ASTM 86)	1	28 000	28 000
2	Middle Infrared Spectrofotometer for octane number determination	1	40 000	40 000
3	Octane and Cetane Analyzer	1	11 000	11 000
4	GC instrument with ECD and FID for the petrochemical products for petroleum products	1	50 000	50 000

2. Analysis of alcoholic beverages

No	Type of supply	Quantity	Unit price in EUR)	Total in EUR
5	Digital Distillation Unit for alcoholic beverages	1	19 000	19 000

3. FTIR Analysis

No	Type of supply	Quantity	Unit price in EUR)	Total in EUR
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² Prices are approximate (VAT excluded) according to current market prices, the list is indicative and might vary due to the need to further determine the needs and the technical specification, as well as having in mind the possible technological development, at the time the project and the supply procedure begins, as specified under Operation 3.1 of the Project Fiche

6	FTIR-ATR Library spectra for Polymers, Drugs, Lubricants, Paints, Hazardous/Toxic substances, Chemicals FTIR-ATR	1	50 000	50 000
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4. Moisture balance analyses

No	Type of supply	Quantity	Unit price in EUR)	Total in EUR
7	Automatic digital moisture balance	1	6 000	6 000

5. Analyses of sugars, alcohols, denaturants in alcohols etc.

No	Type of supply	Quantity	Unit price in EUR)	Total in EUR
8	HPLC instrument (Binary pump, Degasser, Auto sampler, Column thermostat (80°C), Diode Array Detector, Refractive index detector, Software)	1	95 000	95 000
9	Hi-Plex Ca 300x6.5 mm HPLC column	1	1 400	1 400
10	C8 HPLC column	1	1 000	1 000

6. Other equipment

No	Type of supply	Quantity	Unit price in EUR)	Total in EUR
11	Magnetic stirrers without heating	1	1 400	1 400
12	Hot plate/Stirrer	1	1 200	1 200
13	Xsample 122 sampe filling unit for Anton Paar DMA 5000 density meter	1	11 000	11 000

7. Laboratory Information Management System (LIMS)

No	Type of supply	Quantity	Unit price in EUR)	Total in EUR
14	Laboratory Information Management System (LIMS)	1	85 000	85 000
GRAND TOTAL (No 1-14)				400 000 EUR

Intended beneficiary - The equipment and the Laboratory Information Management System (LIMS) needed for the main laboratory analyses will be used by the Customs Laboratory located in special premises of the Chemistry Institute at the Faculty of Natural Sciences and Mathematics in Skopje, where joint experts' team of scientific and research staff of the faculty and CARM perform the analyses. The equipment and the LIMS will be used, as supplement to the already delivered assistance through the CARDS 2005 Programme to CARM in July 2008, for analyses of petrol derivatives, alcohol beverages, FTIR analysis, as well as analysis of sugars and alcohols and necessary miscellaneous equipment for its proper functioning.

Indication on how detailed technical specifications will be prepared - As foreseen in the main activity under Operation 3.1 following the provisions of the technical specification, the tender for the supply of equipment will be launched.

The contract shall also envisage the delivery of training to the customs laboratory personnel on the effective use and maintenance of the delivered equipment, as well as the methods to be applied. The contract shall also foresee a 12 month warranty period following the instalment and start of its operation.

Provisions for maintenance + section to be filled in on assets' ownership current and after project completion – After the guarantee period is expired, the maintenance will be provided by the CARM. For that purpose funding will be provided through the national budget.

ANNEX V - Project visibility activities

All requirements to ensure the visibility of EU financing will be fulfilled in accordance with the Commission Regulation (EC) No. 718/2007 of 12 June 2007 Implementing the Council Regulation (EC) No 1085/2006 Establishing an Instrument for Pre-accession Assistance (IPA IR) and the National IPA Communication Strategy prepared by NIPAC relevant under DIS .

During the implementation of the Project the necessary measures will be taken to ensure the visibility of the EU financing or co-financing. Such measures must be in accordance with the applicable rules on the visibility of external action laid down and published by the Commission. The Project must observe the latest Communication and Visibility Manual for EU External Actions concerning acknowledgement of EU financing of the project (http://ec.europa.eu/europeaid/work/visibility/index_en.htm). Particular attention should be given to ensuring the sustainability and dissemination of project results. The visibility issues must be addressed in all types of communications, written correspondence and preparation of deliverables (brochures, posters, new letters pamphlets and other type of promotion material). All the deliverables to be published / issued will respect and comply with visibility guidelines.