ACTION FICHE FOR 2007 ENPI-EAST ANNUAL ACTION PROGRAMME

1. IDENTIFICATION

Title	EC Programme Supporting integrated border management systems in the South Caucasus (SCIBM)		
Total cost	6 M€		
Aid method / Management mode	Direct centralised management		
DAC-code	15210	Sector	

2. RATIONALE

2.1. Sector context

For the three Southern Caucasus countries[1] located on the traditional 'Silk Road' transit route, border management has always been a key issue, with the goal of having a secure system where criminal flows are efficiently prevented whereas legitimate transit flows are facilitated. With the region now bordering the EU, this is also a concern for the Union. However, the break up of the Soviet Union and the resulting overall disruption of the previous border management system has led to the challenge to establish new border management policies and capacities across the region. Recent political tensions and weak relations between some of the concerned countries have added a certain instability to the region and only served to close the borders even more.

In terms of border management capacity, the countries lack comprehensive strategies making in particular inter-agency cooperation rare and border management activities often inefficient and ineffective. In addition, staff and equipment are not up to EU standards. At regional level, the approach is fragmented and non-cooperative with each country acting independently and not sharing information with each other. As a result, criminal flows are not efficiently prevented whereas legitimate transit flows are difficult and time-consuming. Political tensions have led to little trust and weak relations between the countries.

Although various activities are being undertaken at the national level, the regional scope of the problem is not being dealt with. This regional project would not only help develop EU standard border management systems nationally, but also on a regional scale, leading to improved trade and security at the borders, while at the same time contribute to building trust and help tone down tensions in the region.

It fits well into the objectives of the European Neighbourhood Policy of which improved border management is a keystone and clearly noted in the EC ENPI Eastern Regional Strategy. It is a priority in all three national ENP Action Plans with relevant regional cooperation as well as improving national institutional capacities as objectives.

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[1] Armenia, Azerbaijan, and Georgia.

All three countries are committed to reforming their border management systems in line with EU standards. The national strategies on border management are at different levels of development, with Georgia being the most comprehensive. Generally however, all three countries have demonstrated their commitment to reform in this sector through their support of the national donor projects currently under implementation. This commitment was further confirmed at a technical level meeting in Tbilisi in December 2006, discussing the objectives of this project. A ministerial meeting is planned in Brussels in October 2007 to officially endorse this project.

2.2. Lessons learnt

Regional activities have been limited thus far, TRACECA[2] and INOGATE[3] offering wider regional experience and only SCAD (Southern Caucasus Anti Drug Programme) offering experience with these countries specifically. They all come to similar conclusions, however, and show that regional activities that deal with sensitive issues like energy, border management and cross borders movements are feasible also in the Southern Caucasus region, but could be implemented at different levels, i.e. both at national, bilateral and regional level.

On the other hand, however, they demonstrate that closer cross border cooperation between all of the countries is very unlikely, as is the exchange of potentially sensitive information, although there seem to be scope for limited cooperation. It should be noted, however, that progress may be achievable: whereas it was initially very difficult to bring all the South Caucasus countries together in the same room, this has changed very much over time.

These lessons are supported by the findings of the 2006 regional border management assessment[4], which concluded that the countries of the region are ready to participate in a common endeavour relating to national sovereignty and security issues only to a certain extent. Consequently, the implementation of the regional aspects have to be achieved via a more limited bilateral or national approach.

In addition, some general lessons can be taken from other EC funded regional border management projects, such as in the Western Balkans, Ukraine/Moldova/Belarus and Central Asia (BOMCA). These include:

- • The implementation of pilot projects at selected Border Crossing Points (BCPs) permits efficient use of limited resources and allows for a phased introduction of new processes and tools. It also allows to demonstrate new methods in reality prior to expanding it to further BCPs.

- • All relevant partner country authorities must be fully committed, i.e. not only endorsement of the project documents but full involvement in preparing and implementing the project activities. Without ownership activities will not be sustainable and new approaches introduced might be perceived as imposed and will have no positive impact

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[2] Transit Corridor to the EU - includes the three South Caucasian Republics as well as the five Central Asian republics.

[3] Energy cooperation between the EU, the Littoral States of the Black & Caspian Seas and their neighbouring countries – includes Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation (which has only an observer status), Turkey, Turkmenistan, Ukraine and Uzbekistan. Tajikistan joined in 2006

[4] Integrated Border Management and Cross Border Crime Assessment of Situation in the South Caucasus from 30 July 2006 by D. Lapprand and F. Prutsch.

- Coordination of all international as well as bilateral assistance is crucial. A regular mechanism for donor coordination in the area of border management (including on border infrastructure) should be in place and projects should be discussed concretely.

2.3. Complementary actions

The project complements ongoing EC border management programmes to the west (Moldova/Ukraine/Belarus) and to the east (Central Asia) of the region. The project also supports ongoing regional projects (SCAD and TRACECA) by strengthening their border and security dimensions.

The project will be consistent with current national level activities in the region, most notably the EUSR support mission in Georgia, the EC funded IBM-project in Azerbaijan, US Embassy projects in both Georgia and Armenia on Maritime Borders, as well as upcoming projects by OSCE in Georgia and at the regional level. Other donors active in the area include IOM, Germany, France, and the UK.

2.4. Donor coordination

Donor coordination frameworks vary starkly across the region, with Georgia having the most developed system, with regular meetings between donors. Bearing in mind that currently the coordination framework for border management projects in Azerbaijan, Armenia and the regional level could be strengthened, this project, with its regional and national scopes, offers an opportunity to improve this.

During the technical level meeting with the beneficiary authorities in Tbilisi, the current project was presented and discussed with all MS representatives as well as other donors in the region.

3. DESCRIPTION

3.1. Objectives

3.1.1. Overall Objective

To enhance inter-agency and regional cooperation in the area of border management both within and among the countries of the South Caucasus region; as well as between those countries and EU Member States and other international actors; and to facilitate the movement of persons and goods across borders in the region while at the same time maintaining secure borders.

3.1.2 Specific objectives

(1) To enhance strategic border management capacities across the region with the goal of introducing a coherent regional IBM system;

(2) To develop and establish broad BCP level procedures and operations to effectively identify and process suspicious cases without hampering legitimate movements;

(3) To implement specific pilot projects at identified BCP's that demonstrate the benefits of cross-border IBM activities, in particular mobile checks.

3.2. Expected results and main activities

(1.1) Strategic leadership and technical capacity of beneficiary country's border management officials (border guards, customs, and other relevant services) is enhanced.

- provide training at regional level to decision makers on IBM concepts to enhance their strategic and managerial capacities so that they incorporate this knowledge in their institutions and national strategies.

(1.2) Adoption of IBM standards and development of regionally coherent national strategies.

- Reach consensus on regional IBM implementation in the region;

- Support the development and implementation of national IBM strategies in line with this consensus;

- Organise regional training activities on the technical level ("train the trainers") where possible, reverting to national activities if necessary;

- Encourage cooperation between various national training institutes.

(2) BCP level operations in identifying and processing suspicious cases without disturbing legitimate movements improved among the beneficiaries.

- Initiate, where feasible and acceptable, border guard information exchange between countries;

- Initiate customs information exchange systems between countries;

- Initiating cooperation and exchange of information with traders;

- Develop risk management systems;

- Introducing the concept of authorised economic operator to facilitate legitimate trade while enhancing security of the supply chain;

- Establish first and second line control systems for commercial and individual traffic;

- Develop capacity in dealing with fraudulent documents.

(3) Pilot projects put in place to efficiently process trans-regional movements along key routes.

- Promote mobile border checks in international rail or sea transport;

- Encourage the establishment of a risk information exchange system between customs administrations, and where feasible and acceptable, border guard administrations.

General Points on Implementation

- *Gap Analysis*

The project inception phase will deliver a comprehensive technical gap analysis that, taking into account the findings of the assessment report, will document the current situation,

identify gaps and shortcomings and further specify relevant project activities at national and regional level.

- *Management*

    The overall guidance and monitoring of the project will be the task of three national Project Steering Committees, each including the Commission and other relevant stakeholders, whereas day to day project operations will be implemented and coordinated by a project management team. Taking into account the uneasy situation in the region, it is anticipated that a project team is set up in each country, while an overall regional project leader will be in charge of co-ordinating the national as well as regional activities under the project and reporting to the Project Steering Committee.

- *Strategy*

    The uneasy political situation in the region, however, requires that national sovereignty and security concerns must be respected, meaning that the actual application of regionally coherent standards may only be able to be achieved via bilateral or national frameworks. Work on the regional level will most likely be, at least at the beginning, very limited.

    In this context, the project must aim to bring the national border management systems of all three countries to a similar level of standards via parallel national or bilateral activities with the expectation that at one point it will be possible to combine them and implement regional activities. It also makes sense to focus on a few regionally coherent areas of cooperation where possible to give practical examples of the benefits of regional IBM systems and in this way encourage regional cooperation. With such an approach, account must be taken of the varied level of development in border management between the countries, and the possibility that full national implementations may be at different pace.

3.3. Stakeholders

Ultimately, the core stakeholders are the people of the region and the commercial operators who have a common interest in the facilitation of legitimate movements in an open and secure environment. Bulk and transit cargo shipments would benefit from any improvement, but retailers and individual travellers would be the greatest beneficiaries since delays and queues will be reduced, while procedures will be harmonised.

Nevertheless, the intermediate and targeted stakeholders are the institutions in each country that are involved most directly in border management, essentially the customs and border guard services. Their interest is in successful institutional development through a smooth and harmless transition in compliance with the Governments' commitments to the ENP Action Plans.

All three countries' customs agencies are already involved in several forms of international cooperation since they are trade minded. They have also achieved a stable and sustainable institutional position in their countries, either as an independent body (State Customs Committees in Armenia and Azerbaijan) or a well defined structure (directorate within the Ministry of Finance in Georgia.) They are all in need, however, to enhance their technical capacities and their operational participation in the international customs network.

The situation is rather different as regards the border guards. All come from the former soviet model and are engaged in building a new institutional model, but are at different stages. Armenia is currently in the middle with the national border guard being in charge of only parts of the border and is still integrated in the framework of the Ministry of National

Security. Azerbaijan has a clear strategy to transform their border guard into a EU styled body but implementation is at an early stage. Georgia is moving in a similar direction with strong international support, but has not yet achieved a stable and sustainable system. As regards regional cooperation, a security culture prevails and regional cooperation is reduced and limited to very few bilateral contacts.

Finally, in Azerbaijan, the recently created State Migration Service has been given a coordination role regarding border coordination, and should also be included in the project.

It should be noted that some international organisations (UN, NATO, OSCE) and at least three non EU-MS (US, Russia and Turkey) are also highly committed to border management across the region must be taken into account.

3.4. Risks and assumptions

3.4.1. Assumptions

The main assumption is that the countries of the region will continue to commit themselves to regional co-operation as acknowledged by the EU Council on 25 April 2005 and as they agreed in the framework of the ENP Action Plans.

It is assumed that the countries of the region will remain committed to the reform of their border guard services, customs agencies and other relevant agencies, providing the proper level of participation in terms of officials and national staff and permitting the incorporation/adaptation of relevant national strategies and legislation where deemed necessary.

In addition, it is assumed that other IBM projects in the countries of the region currently underway or planned to be implemented during this project will cooperate and coordinate their activities with this project.

3.4.2. Risks

The main risk is that of a major crisis or conflict within or in the vicinity of the region that would make the three countries revert to the existing restrictive system and delay the implementation of their national strategies or commitment for regional co-operation.

Another important risk would be a severe instability in one country with it eventually withdrawing from activities, consequently ending the regional aspect of the project.

Finally, it is a risk that a major non EU actor would impose its views and disrupt the successful implementation of the project.

3.5. Crosscutting Issues

Crosscutting issues are at two levels. First are issues that are part of the substance of the project, and will be taken into account and indirectly addressed by the project. Second are those issues that are relevant to the general principles of EC assistance as regards implementation and will be impacted by the project.

3.5.1. Relevant to the substance of the project

All efforts that apply to border management will also contribute to implement EU commitments in other fields. Therefore the project will help the fight against terrorism, transnational organised crime including trafficking of human being and drug smuggling. It

will also help to address illegal immigration while on the same time promoting free movements of persons.

As regards pure security matters the project will help to build safe borders. This will ensure greater efficiency against weapons of mass destruction, chemical biological radiological and nuclear substances.

3.5.2. *Relevant to the implementation of the project*

The project is fully part of the overarching approach to the strengthening of the rule of law. That means that the beneficiary institutions will have their standards better complying with the respect of human rights. At the same time, the adoption of the EU practices in the field of border management jointly with the emphasis on managerial capacities and the participation of the beneficiaries in the management of the project will introduce good governance models. Last the gender equality will be fully respected as regards the individuals who will, at all levels, be involved in the implementation of the project.

4. IMPLEMENTATION ISSUES

4.1. Implementation Method

Direct centralised management. The beneficiary will be selected through a call for proposals that will be open to consortia of Member State Agencies and International Organisations. The MS Agencies will deliver a higher profile and the necessary expertise, while the International Organisation can bring specialised experience and project management background to the picture. This is based on experiences with other regional IBM projects (such as the Western Balkans.)

4.2. Grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. The maximum possible rate of co-financing for grants is 95%. Full financing may only be applied in the cases provided for in Article 253 of the Implementing Rules of the Financial Regulation where financing in full is essential to carry out the action in question.

4.3. Budget and calendar

The project will be one or more grants up to a total maximum value of 6 000 000 EUR.

Beneficiaries will offer facilities when needed for activities and officials/students time will not be charged.

The duration of the project is 30 months with a 3 month inception period. Activities will follow after.