SUMMARY PROJECT FICHE

1. BASIC INFORMATION

1.1. Desiree Number: BG 0203.09

1.2. Title: Strengthening border control capacities

1.3. Sector: Finance

1.4. Location: Bulgaria, Ministry of Finance, National Customs Agency (NCA)

2. OBJECTIVES:

2.1. Overall Objective

The overall coordination of the activities for implementation the “Strategy for rationalisation of the Bulgarian Customs Administration’s border operations in the period 2001-2006 and their covering with adequate measures for enforcing the border control efficiency and effectiveness. This will allow the BCA to increase its capacity to ensure correct and efficient collection of revenue and to play its role as a barrier to smuggling the illegal traffic of goods (e.g. incl. drugs and precursors, intellectual property rights, cultural goods, rare plants and animals), considering the strategic situation of the Republic of Bulgaria between Europe and Asia and the strategic role of the international transport corridors, big part of which cross the country territory.

2.2. Project Purpose

• Implementation of correct, systematic and effective customs control at the border posts, facilitating the legal traffic of passengers and goods and ensuring the revenues collection, as well as the public security.

2.3. Accession Partnership and NPAA priority

This project proposal addresses the areas defined in the Accession Partnership (AP) and the National Programme for Adoption of the Acquis (NPAA) as short- and medium-term priorities for Bulgaria’s membership preparation.

In relation to Strategic justification, the Accession Partnership objectives, part 4 “Priorities and immediate objectives”, section “Customs Union” states that: “Fully implement the Bulgarian customs code and its implementing provisions, guarantee the stability and strengthen the administrative and operational capacity of the customs administration to enable it to enforce legislation and improve co-operation with law enforcement bodies. Continue to upgrade infrastructure at borders.”

NPAA

25.8. Bulgaria strictly abides to its commitments in the context of the European Association Agreement. The mutual assistance between the administrative authorities of the EU member countries and Republic of Bulgaria is carried out in accordance with the provisions of Protocol 6 on Mutual Administrative Assistance in Customs Matters.

25.10.6. The aim of BCA is to develop straightforward and efficient customs control operational at ports, airports and land borders, and inland, capable of facilitating a legal flow of passengers and trade while ensuring collection of national and EU revenue and the social protection of national and EU citizens. Attention should be primarily concentrated on the future external borders of the European Union.
25.10.6.1. Adoption of Decree on administrative co-operation concerning border control – Harmonisation of legislation concerning co-operation between administrations of frontier controls

25.10.7. The aim of the Bulgarian Customs Administration is to develop an effective and efficient customs service expertise in detection, prevention and investigation of fraud, and preparation of cases for the prosecution of offenders. This service must be flexible enough to respond to an intelligence-led strategy based on the latest methods of targeted risk assessment to safeguard the revenue and protect society.

25.10.9. BCA aims to develop an suitable infrastructure and to provide a modern equipment which will support the business strategy of the customs administration as a whole and will contribute to improve the activity through the application of modern technology and its proper distribution.

25.10.9.2. Restructuring/Reconstruction of national border crossing points to fulfil the EU requirements. Development of plan for restructuring of the national border crossing point into the external EU border points.

25.10.10. BCA aims to develop and implement trade facilitation mechanisms, which will minimize the costs of customs procedures for the trade as well as creating effective and efficient customs procedures.

3. DESCRIPTION

3.1. Background and justification

3.1.1. Background.
All activities, under this project, are follow-up activities, which have already been done under the Phare contract BG 9806-02-03-0004 – “Reinforcement of the Border Controls”. The main goal of this project is to increase efficiency and capacities of the customs control at the borders, with a priority on the border checkpoints, which in future would be the outer border of the enlarged European Union. In the frames of a.m. project, a “Strategy for Rationalisation of the Bulgarian Customs Administration’s Border Operations in the period of 2001-2006” was elaborated and an implementation plan has been drafted. Follow-up activities and additional specialised technical equipment are indicated to improve the performance of Bulgarian Customs administration, based on the following, already finished, projects:

- Phare contract BG 9806-02-03-0004 – “Reinforcement of the Border Controls”. The main goal of this project is to increase efficiency of the customs control at the borders, with a priority on the border checkpoints, which in future would be the outer border of the enlarged European Union. In the frames of a.m. project, a “Strategy for Rationalisation of the Bulgarian Customs Administration’s Border Operations in the period of 2001-2006” was elaborated and an implementation plan has been drafted. Specialised technical equipment have been identified

- Phare contract 9806.02.01 – “Harmonisation of the Customs Legislation” – in the frames of this project, the harmonisation of the Bulgarian Customs Legislation with the European Legislation is implemented successfully. Draft Instruction, regulating the activities of the “Customs Intelligence and Investigation” Directorate at the National Customs Agency was developed, as a part of this project, as well as Rules for the activity of the customs authorities in implementing some border measures for the protection of the intellectual property rights. The practical implementation of these instructions is connected with the necessity of
implementation of the practical European experience, in the field of intelligence and investigation;

- Phare contract 9812-03 – “Fight against corruption within the BCA” – Instruction for organisation and activities of the “Customs Intelligence and Investigation of smuggling and customs fraud” Department has been drafted, in the frame of this project, which practical implementation is connected with providing a resource and administrative capacity support to these structures within the country.

- “Customs Information and Intelligence” Phare MCP – this project has finished with an assessment “highly unsatisfactory”, due to the complete lack of legal and administrative prerequisites for its implementation at that time. It is necessary, the restarting of the work on most of the tasks under this project, having in mind their strategic importance and the already existing legal guarantee of this activity.

3.1.2. Project justification.

Implementation of the Border Control Strategy
The aim of the Project is to start activities for implementation the “Strategy for rationalisation of the Bulgarian Customs Administration’s border operations in the period of 2001-2006” enforcing the border control efficiency.

Concerning the border control, within the Detailed plan of the activities for implementation of the objectives and the tasks included in the “Strategy for rationalisation of the BCA border operations in the period of 2001-2006”, are foreseen some activities directed at optimisation of the border control, including the supply of technical equipment and development of border check points infrastructure, that will be the future outer borders of the enlarged European Community.

The fact that most of the Bulgarian borders will become outer borders of the enlarged European Union and that these borders are very different of type (land, sea, river and airway borders) made the strategic objectives, included within the “Strategy for rationalisation of the BCA border operations in the period of 2001-2006” to be directed to:

- Improvement of the co-operation with the customs administrations of the neighbouring countries and reducing the time for customs clearance at the border;
- Improvement of the co-operation with the other border control authorities;
- Strengthening the fight against customs and currency violations and crimes;
- Ensuring sufficient and qualified staff for supporting the border control;
- Provision of infrastructure, technical facilities and equipment for supporting the customs control;
- Development of relations with the trade and public.

The project also aims drafting of amendments in the customs legislation in respect to the penalty regulations/provisions concerning customs violations in compliance with the best European practices in this field.

On the basis of the recommendations given in the final report under the Activity 1 of the “Reinforcement of the border controls” Project, this Project will support the draft of methodology and a model of bilateral agreements for exchange of information in accordance with the best European practices with the customs administrations of the neighbouring countries. In this respect all deliverables under CBC Project Bulgaria/Romania “Facilitation of Danube River Border Crossing” will be base for elaboration of the above-mentioned documents taking into consideration the specifics of the difference between the organisation of the border check points, the recommendations for improvement of the applying procedures and the type of agreement. The exchange of information makes border operations transparent and gives clear evidence of all
obstructions occurred during clearance. That transparency may be helpful to reduce corruption, as experience shows that the power to delay border clearance is crucial for the amount of unofficial payments.

This Project aims to establish prerequisites for long-term improvement of the border check points’ infrastructure, with the priority on the future outer borders of the enlarged EU, and especially on Kapitan Andreevo. In compliance with the “Strategy for rationalisation of the BCA border operations in the period of 2001-2006” and the Detailed Plan of the activities for implementation of the objectives and the tasks included in the “Strategy for rationalisation of the BCA border operations”, the Project will finance the Feasibility Study for improvement of the infrastructure and heavy equipment of the strategic checkpoints with the special attention to the Kapitan Andreevo and Malko Tarnovo, including elaboration of the methodology for improvement of the infrastructure and schedule for improvement of the infrastructure in co-operation with other border agencies.

It is important that the final study report will contain a description of the next steps to be taken to fulfill all requirements for improvement of the infrastructure. It shall also include recommendations for administering and managing a future project for construction/reconstruction and for improvement of the organizational process in respect of better cooperation and coordination with other border control agencies and the neighboring countries.

It shall also include recommendations for improvement of the organizational process in respect of better cooperation and coordination with other border control agencies and for administering of the future project for construction/reconstruction.

It will also include an assessment of the possibility to install the container x-ray system purchased by Bulgaria from the United States in 1996 (taking into account cost effectiveness, costs for installation, special infrastructure needs, eventual repair, evaluation of technology).

As the Capitan Andreevo Border Check Point is one of the most important checkpoint with a big need to improved infrastructure, the first step which is the development of Conceptual Design (identification of needs of all border agencies, main characteristics, general plans for construction/reconstruction, rough calculation of the necessary financial resources for Development of Construction Design as well as for the construction/reconstruction works, timetable) is included under the project activities.

This part of the project will be implemented in cooperation and coordination with all agencies represented at the borders. The mechanism for this kind of activities has already been established in Bulgaria. It includes the Joint Committee for the Border Check Points and the Expert Working Group assign to this Committee.

The was established with the Council of Ministers’ Decision N 70/1998 (State Gazette 39/1998) and includes representatives from the agencies involved at the border. This Committee takes the decisions at national level concerning all issues related to border crossings, reconstructions and reorganizations of the Border Check Points. The Secretary of the Joint Committee is the Director of the National Border Police Service. An Expert Working Group was established under the Joint Committee. It meets regularly on monthly basis.

All deliverables under the feasibility study will be subject of discussions in the Expert Working Group. The Conception Design results shall be approved by the Joint Committee for the Border Check Points upon submission of proposal for approval from the Expert Working Group.

In order to assure proper expertise for the feasibility study Eurocustoms shall provide Member states experts from all authorities represented at the border.

For the Conception Design Eurocustoms shall provide (sub-contract) local experts (civil engineer or architect), who can deliver the professional expertise and the experience needed.

In order to improve the quality of vehicle checks and other means of transport and to increase
efficiency and capacities of the customs control at the borders training on control of means of transport / vehicles, ships and airplanes has to be performed.

Supply of equipment
The specialised equipment to be financed under this project is based on the analysis performed and considering the recommendations made in the Final Report under the Activity 1 of the ‘Reinforcement of Border Control’ Project.

The following equipment have to be supplied under the a.m. project (for more detailed information see Annex 8 to the PF):

1. Container - scanner – 1 pc.
2. Stationary X-ray inspection system with the tunnel size 100/170 cm to be used for checking Euro-pallets and barrels – 1pc.
4. Suspect documents examination facility to be used for checking customs documents (such as customs declarations, CMR, TIR carnet, Bills of lading, invoices, etc., and also other documents like licences, passports, counterfeit banknotes) – 7 pcs.
5. Endoscopes – 10 pcs.

3.2. Linked activities.
EU Phare Multi-country Customs Programme/Transit Facilitation & Customs Modernisation
- Customs Intelligence and Information finished
- 2000 Multi-beneficiary Drugs Programme

EU Phare National Programme
- BG 9806-02-03 Reinforcement of border controls
- BG 9806-02-01 Harmonization of Bulgarian Customs Legislation (IB – Twinning with German Customs Administration) finished
- BG 9806-02-02-0008 Technical assistance for implementation of BICIS and IT training for BCA
  This project will continue for the future developments as specified in the request. BCA will ensure with this project that proper management for the requested developments will be in place as well as proper technical control for the subcontracted technical deliverables.
  The above project assisted BCA in acquiring the knowledge for producing this request. The “Interconnectivity with DG TAXUD Systems” project funded by DG TAXUD, Unit D2, from which BCA was also a beneficiary, also assisted in the completion of this project request.

Pre-Ins Facility 1998
- BG 9812-03-01 Fight against Corruption within the Bulgarian Customs Administration (IB – Twinning with French and UK Customs Administrations finished

Other Projects
- Joint UNDCP-Phare program for strengthening drug combating enforcement capacities in South-East Europe
- Loan Agreement with the World Bank under the Trade and Transport Facilitation in South-East Europe
- BG 0007 CBC Project Bulgaria/Romania “Facilitation of Danube River Border Crossing”
- Contract between the Bulgarian Ministry of Finance and Crown Agents
JHA linked projects:

• BG9911.01 Institutional strengthening of the Bulgarian border police;
• BG0005.02 Modernising Border police equipment at the Turkish border;
• BG0012.02 Strengthening Control of the Bulgarian Black Sea maritime border;
• CBC 2000 and 2001 projects (upgrading of existing BCPs; construction of new BCPs and the facilitation of Danube river crossing).

3.3 Results

3.3.1 Implementation of the Border Control Strategy

• Drafted amendments in the customs legislation in respect to the penalty provisions/regulations concerning customs violations;
• Administrative instructions on penalty provisions/regulations prepared;
• Drafted Methodology for elaboration of a model and drafted model for bilateral agreements between the NCA and the neighbouring customs administrations;
• Completed Feasibility Study for improvement of the infrastructure and heavy equipment of the strategic checkpoints with special attention to Kapitan Andreevo border crossing point.
• Methodology for improvement of the infrastructure and schedule for improvement of the infrastructure in co-operation with other border agencies developed.
• Rough evaluation of the necessary financial resources for improvement of the infrastructure of the a.m. checkpoints and estimated timetable.
• Described next steps to be taken to fulfill all requirements for improvement of the infrastructure. Drafted recommendations for administering and managing a future project for construction/reconstruction and for improvement of the organizational process in respect of better cooperation and coordination with other border control agencies and the neighboring countries.
• Assessment Report for the possibility to install the container x-ray system purchased by Bulgaria from the United States in 1996 (taking into account cost effectiveness, costs for installation, special infrastructure needs, eventual repair, evaluation of technology).
• Conceptual Design for the Capitan Andreevo Border Check Point (main characteristics, general plans for construction/reconstruction, rough calculation of the necessary financial recourses for Development of Construction Design as well as for the construction/reconstruction works) elaborated.
• Performed training on control of means of transport / vehicles, ships and airplanes.

3.4.2 Supply of equipment

• Equipment delivered, installed and put into operation
• Trained customs officers to use specialized equipment
3.3 Activities

3.4.1 Implementation of the Border Control Strategy

- Drafting of amendments in the customs legislation in respect to the penalty provisions/regulations concerning customs violations in compliance with the best European practices in this field;
- Drafting of administrative instructions on penalty provisions/regulations concerning customs legislation;
- Drafting of Methodology for elaboration of a model and drafting model for bilateral agreements between the NCA and the customs administrations of Macedonia, Greece, Turkey and Federal Republic of Yugoslavia;
- Analysis of the infrastructure of the important checkpoints with the special attention to the Kapitan Andreevo and development of methodology for improvement of the infrastructure and schedule for improvement of the infrastructure in co-operation with other border agencies;
- Description of the next steps to be taken to fulfill all requirements for improvement of the infrastructure. Drafting recommendations for administering and managing a future project for construction/reconstruction and for improvement of the organizational process in respect of better cooperation and coordination with other border control agencies and the neighboring countries;
- Assessment of the possibility to install the container x-ray system purchased by Bulgaria from the United States in 1996 (taking into account cost effectiveness, costs for installation, special infrastructure needs, eventual repair, evaluation of technology);
- Development of Conceptual Design for the Capitan Andreevo Border Check Point (main characteristics, general plans for construction/reconstruction, rough calculation of the necessary financial recourses for Development of Construction Design as well as for the construction/reconstruction works including time table);
- Training on control of means of transport / vehicles, ships and airplanes.

3.4.2 Supply of equipment

- Supply of equipment.
- Training customs officers to use specialized equipment;

4. Institutional Framework

The NCA is a part of the Ministry of Finance and is responsible for the collection of Customs duties, Excise duties and VAT on imports and the prevention of illegal imports and exports. It collects about 40% of the revenues of the state budget. The organisational structure of BCA is presented in detail in the attached IT Strategy Section 3.

The NCA is structured in four hierarchical levels:
- Central Customs Directorate;
- 5 Customs Regions co-ordinated by Regional Customs Directorates;
- 17 Customs houses;
- 101 Customs bureau and Customs posts.
The existing Training centres in Sofia, Plovdiv and Russe will be used for organising of training
curses and seminars.

Over 3,800 staff is employed by NCA.

The new Customs Law and Implementing Regulations have been enforced since 01.01.1999.

The NCA has supported, from the very beginning the Commission’s Pre-accession Strategy for
the Customs and Taxation Sector. A Pre-accession Unit (PAU) has been created. The NCA
performed the gap- and needs-analyses vis-à-vis the Commission’s Customs Blueprints in the key
areas of the Customs business. Subsequently, the NCA Business Strategy was developed (1999)
and approved by the Ministry of Finance (October 1999). The revised Business Strategy has been
submitted to the Ministry of Foreign Affairs at the end of October 2001. Annex to this Strategy is
the Detailed Financial Plan of the budgetary and human resources needed to fully implement the
business strategy of the Bulgarian customs administration, which defines precise tasks,
responsibilities, deadlines and required financial and human resources.

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

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

5. Detailed Budget

<table>
<thead>
<tr>
<th>Component</th>
<th>Investment**</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>Recipient***</th>
<th>IFI</th>
<th>TOTAL</th>
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<tr>
<td>01 IB –Implementation of the Border Control Strategy</td>
<td>0.40</td>
<td>0.40</td>
<td>0.40</td>
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<tr>
<td>02 Supply of equipment</td>
<td>1.10</td>
<td>1.10</td>
<td>0.40</td>
<td>1.50</td>
<td>0.40</td>
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<tr>
<td>TOTAL</td>
<td>1.10</td>
<td>0.40</td>
<td>1.50</td>
<td>0.40</td>
<td>1.90</td>
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</tbody>
</table>

(*) In relation to changes in management, organisation, procedures, legislation, training etc.

(**) In relation to infrastructure, equipment, software, documentation and related services
(installation, testing, training etc.)

(*** ) Equipment, planned to be delivered under the Contract between Ministry of Finance and Crown Agents

6. Implementation Arrangements

6.1 Implementing agency

This will be the responsibility of the Central Financing and Contracting Unit (CFCU), PAO
- Mr. Katev, Deputy Minister, Ministry of Finance; 102, Rakovsky str. Sofia 1040, Bulgaria;
phone +359 2 9859 2772, 359 2 9859 2777, fax +359 2 9859 2773.

The overall technical responsibility is under National Customs Agency.

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

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

The SC monitors, supervises and co-ordinates the overall progress and implementation of the program. The Director of the NCA chairs this Committee. The SC provides guidance for the different phases of the project, approves the results, and defines priorities. The PIU carries out the day-to-day management of the project. Its role is to administer and resolve all issues, concerned with the management of the project, including planning and identification of tasks, reporting, preparation of Terms of Reference, participation in tendering, monitoring and evaluation of the activities. The PIU director reports to the chairman of the SC.

The part of the project linked with the improvement of the infrastructure of the key check points will be implemented in cooperation and coordination with all agencies represented at the borders. The mechanism for these activities has already been established in Bulgaria. It includes the Joint Committee for the Border Check Points and an Expert Working Group assign to this Committee.

Contact person – Ms. Rumyana Tonchovska
Head of “Institutional Building and Phare Program” Department
22 Maria-Louisa Blvd., 1000 Sofia, Bulgaria
Tel: +359 2 9859 4508
fax: +359 2 980 2830

6.2. Twinning
Not applicable

6.3 Non standard aspects

The project will be a direct follow up of the ‘Reinforcement of Border Control’ Project which was implemented via a negotiated procedure with Eurocustoms. Against this background, the NCA has expressed a preference for negotiating a new contract with Eurocustoms. Such a contract would ensure continuity, complement ongoing activities and allow for the use of the same key experts. It would also ensure the most efficient use of resources, facilitate the preparatory work and avoid delays as regards the start of the project. Eurocustoms is only provider of technical assistance which has direct access to Member States customs officials and can deliver the professional expertise and experience needed.

6.4 Contracts

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

**Contract 1:** TECHNICAL ASSISTANCE – Negotiated procedure with Eurocustoms

**Contract 2:** SUPPLY OF SPECIALISED EQUIPMENT

7. IMPLEMENTATION SCHEDULE

7.1 Start of tendering
7.1.1. Drafted Terms of Reference for TA: October 2002
7.1.2. Start of tendering for supply of specialised equipment: November 2002
7.2 Start of project activity: March 2003.

7.3 Project completion: February 2005.

8. EQUAL OPPORTUNITY

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

9. CONDITIONALITY AND SEQUENCING

- Projects implemented through twinning require the full commitment and participation of the senior management of the beneficiary institution. In addition to providing the twinning partner with adequate staff and other resources (incl. translation and interpretation) to operate effectively, the senior management must be whole-heartedly involved in the development and implementation of the policies and institutional change required to deliver the project results.
- Full commitment from the beneficiary to transparently co-operate with external project experts
- Operational and maintenance costs are covered and ensured from national budget
- The co-operation and co-ordination with all agencies represented at the borders, including the trade, will be done through the Joint Committee for the Border Check Points under initiative and supervision of the BCA as far as this project is concerned. An Expert Working Group was established under the Joint Committee. (see p. 3.1.2)
- Ensure financing of maintenance costs of equipment purchased

ANNEXES

1. Log-frame in standard format.
2. Detailed implementation time chart in standard format.
3. Cumulative contracting and disbursement schedule
4. Strategy for rationalisation of the BCA border operations
5. Updated Detailed plan of the activities for implementation of the objectives and the tasks included in the Strategy for rationalisation of the BCA border operations
6. Inventory of available equipment purchased under BG 9806-02-03 “Reinforcement of border controls” Project
7. Inventory of available equipment purchased under other investment projects (EU and other donors)
8. The equipment which will be provided under “Strengthening border control capacities” Project
9. Financing for improving of the existing infrastructure
## ANNEX 1: LOGFRAME PLANNING MATRIX FOR

### PROJECT: STRENGTHENING BORDER CONTROL CAPACITIES

<table>
<thead>
<tr>
<th>Contracting period expires:</th>
<th>Disbursement period expires:</th>
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<tbody>
<tr>
<td>November 2004</td>
<td>November 2005</td>
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</table>

**Total Budget: 1.8 MEURO**

**Phare budget: 1.5 MEURO**

### Overall Objective

The overall co-ordination of the activities for implementation of the “Strategy for rationalisation of the Bulgarian Customs Administration’s” border operations in the period 2001-2006 and their covering with adequate measures for enforcing the border control efficiency and effectiveness. This will allow the BCA to increase its capacity to ensure correct and efficient collection of revenue and to play its role as a barrier to smuggling the illegal traffic of goods (e.g. incl. drugs and precursors, intellectual property rights, cultural goods, rare plants and animals), considering the strategic situation of the Republic of Bulgaria between Europe and Asia and the strategic role of the international transport corridors, big part of which cross the country territory.

### Objectively Verifiable Indicators

- Improved border and inland control measured through increased revenue influx, effective interception of customs offences and crimes as well as the illegal traffic of drugs and precursors

### Sources of Verification

- Regular Customs Administrative and Operational Capacity Reports.
- European Commission’s Regular reports on the Status of Preparation of Bulgaria for Accession.

### Project Purpose

<table>
<thead>
<tr>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Implementation of systematic and effective customs control at the border posts, facilitating the legal traffic of passengers and goods and ensuring the revenues collection, as well as the public security.</td>
<td>Regular Commission and Bulgarian Government review viz. the relevant Blueprints’ standards.</td>
<td>Bulgarian Government maintains consistent policy viz. the Customs Agency, in line with the ‘Declaration of Endorsement of the Commission’s Pre-accession Strategy for Customs and Tax administrations’.</td>
</tr>
<tr>
<td>• Improved legal basis of the customs procedures</td>
<td>Regular Customs Administrative and Operational Capacity Reports, as part of the Screening process, and reports of the EU-Bulgaria Customs Sub-committee.</td>
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<tr>
<td>• Developed systematic, comprehensive and flexible controls</td>
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<td>• Highly-developed co-operation and co-ordination of customs procedures</td>
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<td>• Increased in-depth relations with the commerce</td>
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<tr>
<td>• Increased in-depth relations with the public</td>
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<tr>
<td>• Operational modern facilities, equipment and computerisation</td>
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<td>• Improved and further developed management, personnel and training systems</td>
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<tr>
<td>• Improved NCA’s human resource management.</td>
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<tr>
<td>• Increased efficiency of NCA in trade facilitation and fight against fraud.</td>
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<tr>
<td>• Revenue collection increased.</td>
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<tr>
<td>Results</td>
<td>Objectively Verifiable Indicators</td>
<td>Sources of Verification</td>
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<tr>
<td>------------------------------------------------------------------------</td>
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<td>-------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Drafted amendments in the customs legislation in respect to the penalty provisions/regulations;</td>
<td>• Achieved amendments of the current customs legislation;</td>
<td>The Bulgarian State Gazette. Published Decisions of the Bulgarian Government and of the Ministry of Finance.</td>
</tr>
<tr>
<td>• Administrative instructions prepared;</td>
<td>• Relevant information is routinely shared between two neighbouring border check points;</td>
<td>Adopted third-level Customs legislation: Instructions to Customs staff.</td>
</tr>
<tr>
<td>• Drafted Methodology for elaboration of a model and drafted model for bilateral agreements between the NCA and the neighbouring customs administrations;</td>
<td>• Systematic, comprehensive and flexible controls;</td>
<td>Regular reports of the Commission’ services.</td>
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<tr>
<td>• Improved co-operation between the authorities performing border control;</td>
<td>• Joint operations together with the other border control authorities;</td>
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<tr>
<td>• Completed Feasibility Study for improvement of the infrastructure of the important checkpoints with the special attention to the Kapitan Andreevo.</td>
<td>• Insure conditions for improvement of the infrastructure;</td>
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<tr>
<td>• Drafted next steps for fulfillment of the requirements for improvement of the infrastructure, recommendations for improvement of the organizational process in respect of better cooperation and coordination with other border control agencies and for administering of the future project for construction/reconstruction.</td>
<td>• Analysis of the needs for improvement of the infrastructure in order to facilitate freight clearance of inward and outward traffic</td>
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<tr>
<td>• Completed Methodology for improvement of the infrastructure and schedule for improvement of the infrastructure in co-operation with other border agencies developed.</td>
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<tr>
<td>• Rough evaluation of the necessary financial resources for improvement of the infrastructure of the a.m. checkpoints.</td>
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<td>• Conceptual Design for the Capitan Andreevo Border Check Point (main characteristics, general plans for construction/reconstruction, rough calculation of the necessary financial recourses for Development of Construction Design as well as for the construction/reconstruction works) elaborated.</td>
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<tr>
<td>• Developed training modules for control of means of transport / vehicles, ships and airplanes and performed training of the trainers.</td>
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<tr>
<td>• Equipment delivered, installed and put into operation</td>
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<td>• Trained customs officers to use specialized equipment;</td>
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<tr>
<td>Activities</td>
<td>Means</td>
<td>Assumptions</td>
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<tr>
<td>• Drafting of amendments in the customs legislation in respect to the penalty provisions/regulations in compliance with the best European practices in this field;</td>
<td>Twinning covenant or Direct contract with Eurocustoms</td>
<td>Twinning covenants</td>
</tr>
<tr>
<td>• Drafting of administrative instructions on penalty provisions/regulations concerning customs legislation;</td>
<td>Supply and service contracts</td>
<td>Customs legislation and procedures compliant with the developments of the EU legislation and procedures.</td>
</tr>
<tr>
<td>• Drafting of Methodology for elaboration of a model and drafting model for bilateral agreements between the NCA and the customs administrations of Macedonia, Greece, Turkey and Federal Republic of Yugoslavia.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Implementation of the best European practices in the field of co-ordination and co-operation between the border control authorities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Analysis of the infrastructure of the important checkpoints of the future outer EU land with the special attention to the Kapitan Andreevo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Development of methodology for improvement of the infrastructure and schedule for improvement of the infrastructure in co-operation with other border agencies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Description of the next steps for fulfillment of the requirements for improvement of the infrastructure, recommendations for improvement of the organizational process in respect of better cooperation and coordination with other border control agencies and for administering of the future project for construction/reconstruction.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Development of Conceptual Design for the Capitan Andreevo Border Check Point (main characteristics, general plans for construction/reconstruction, rough calculation of the necessary financial recourses for Development of Construction Design as well as for the construction/reconstruction works).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Development of training modules for control of means of transport / vehicles, ships and airplanes and training the trainers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Supply of equipment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Training customs officers to use specialized equipment;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Preconditions | |
|--------------| |
| Full commitment from the beneficiary to transparently co-operate with external project experts | |
| Operational and maintenance costs are covered and ensured from national budget | |
ANNEX 2: DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT

PROJECT: STRENGTHENING BORDER CONTROL CAPACITIES

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of the Border Control Strategy</td>
<td>D</td>
<td>D</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Supply of equipment</td>
<td>D</td>
<td>C</td>
<td>C</td>
<td>C</td>
</tr>
</tbody>
</table>

D = Design of Terms of Reference and Technical Specifications
C = Contracting
I = Implementation
X = Closure

ANNEX 3

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE
PROJECT: STRENGTHENING BORDER CONTROL CAPACITIES

All figures in million EURO

<table>
<thead>
<tr>
<th></th>
<th>31/12/02</th>
<th>31/03/03</th>
<th>30/06/03</th>
<th>30/09/03</th>
<th>31/12/03</th>
<th>31/03/04</th>
<th>30/06/04</th>
<th>30/09/04</th>
<th>31/12/04</th>
<th>31/03/05</th>
<th>30/06/05</th>
<th>30/09/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTED</td>
<td>0.40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DISBURSED</td>
<td>0.12</td>
<td>0.06</td>
<td></td>
<td>0.06</td>
<td>0.06</td>
<td>0.06</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.04</td>
</tr>
<tr>
<td>CONTRACTED</td>
<td>1.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DISBURSEMENT</td>
<td>0.66</td>
<td>0.33</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NB: 1. All contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of the FM.
2. All disbursements must be completed within 36 months of signature of the FM.
INVENTORY OF EXPECTED EQUIPMENT
TO BE PURCHASED UNDER BG 9806-02-03 “REINFORCEMENT OF BORDER CONTROLS” PROJECT

The following equipment is expected to be delivered and located in the following customs offices:

- Container - scanner – 1 pc., Customs Bourgas, attends also CP Malko Tarnovo;
- Stationary X-ray Inspection System for checking Euro-pallets and luggage with dimensions and weight less than height – 1 700 mm; width-1 000 mm; weight – 1200 kg – 2 pcs., as follows:
  - Customs Kalotina – 1 pc.;
  - Customs Point Kapitan Andreevo – 1 pc.,
- Personal Gamma and Beta Radiation Dose Rate Meter – 2 pcs., as follows:
  - Customs Varna – 1 pc.;
  - Customs Bourgas – 1 pc.;
- Endoscope of Flexible Fiber Optic – 5 pcs., as follows:
  - Customs Kalotina – 1 pc.;
  - Customs Airport Sofia – 1 pc.;
  - Customs Point Kapitan Andreevo – 1 pcs.;
  - Customs Point Malko Tarnovo – 1 pc.;
  - Customs Point Dunav most – 1 pcs.
INVENTORY OF AVAILABLE EQUIPMENT PURCHASED UNDER OTHER INVESTMENT PROJECTS
(EU AND OTHER DONORS)

The National Customs Agency received the following equipment:
1. 2/pcs. X-ray systems “Rapiscan 17” for checking luggage - Phare MCP Contract No. 94 – 0620 with the European Commission – CP Dunav most (Danube bridge) and Vidin;
2. 1/pcs. X-ray appliance “Rapiscan 17” for checking luggage - Phare MCP Contract No. BCC.001/95 with the European Commission – Kulata CP;
3. Equipment delivered under Joint UNDCP Phare programme for strengthening drug combating enforcement capacities in South-East Europe:
   - Kits for search, model “Search Kit” CT – 30 – 9 pcs.;
   - They are located in the following customs offices: Kalotina – 1 pc.; Vidin – 1 pc.; Kulata – 1 pc.; Silistra – 1 pc.; CP Varna – East – 1 pc.; CP Dunav most – 1 pc.; CP Kapitan Andreevo – 1 pc.; CP Malko Tarnovo – 1 pc.; Central Customs Directorate – 2 pcs.;
   - Kits for search, model “Comprehensive Search Kit” – 21 pcs.;
   - They are located in the following customs offices: Varna – 7 pcs.; Bourgas – 7 pcs.; Svilengrad 2 pcs.; Vidin – 1 pc.; Central Customs Directorate – 1 pc.;
   - Contraband Detector type “Buster” model K910B – 10 pcs.;
   - They are located in the following customs offices: Varna – 3 pcs.; Bourgas – 3 pcs.; Svilengrad – 2 pcs.; Vidin – 1 pc.; Central Customs Directorate – 1 pc.;
   - Contraband Detector type “Buster” model “RadRefleks” – 11 pcs.;
   - They are located in the following customs offices: Bourgas – 2 pcs.; Varna – 2 pcs.; Blagoevgrad – 1 pc.; Vidin – 1 pc.; Kyustendil – 1 pc.; Lom – 1 pc.; Rousse – 1 pc.; Svilengrad – 1 pc.; Central Customs Directorate – 1 pc.;
   - Endoscopes/Fiberscopes – 8 pcs.;
   - They are located in the following customs offices: Bourgas – 2 pcs.; Varna – 2 pcs.; Blagoevgrad – 1 pc.; Vidin – 1 pc.; Lom – 1 pc.; Svilengrad – 1 pc.;
   - NIK drug test kits – 44 pcs.;
   - They are located in the following customs offices: RCD Bourgas – 8 pcs.; RCD Varna – 8 pcs.; RCD Plovdiv – 12 pcs.; RCD Rousse – 8 pcs.; RCD Sofia – 8 pcs.;
   - Digital camera – 1 pc.; it is located in Customs Svilengrad.
THE EQUIPMENT WHICH WILL BE PROVIDED UNDER “STRENGTHENING BORDER CONTROL CAPACITIES” PROJECT (PHARE 2002)

Regarding the necessary equipment to be financed under this project should be mentioned that on the basis of analysis performed and considering the recommendations made in the Final Report under the Activity 1 of the 'Reinforcement of Border Control’ Project, the purchase of the following equipment is foreseen:

<table>
<thead>
<tr>
<th>TYPE OF EQUIPMENT</th>
<th>PCS</th>
<th>APPROXIMATE PRICE</th>
<th>WHERE TO BE LOCATED (*)</th>
<th>JUSTIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Container - scanner</td>
<td>1</td>
<td>750 000 EURO</td>
<td>Initially at CP Kulata, consequently – Varna</td>
<td>It will give a chance to check the huge quantity of high risks transports of goods by the reasons of the strengthened traffic through CP Kulata at present and at middle term perspective. After the declining of the need of the system in CP Kulata it will be settled in Varna as a future outside border of the enlarged European Union.</td>
</tr>
<tr>
<td>2. Stationary X-ray inspection system with the tunnel size 1000/1700 mm to be used for checking Euro-pallets and barrels</td>
<td>1</td>
<td>100 000 EURO</td>
<td>CP Bourgas Sea Port</td>
<td>Stationary X-ray inspection system will be placed in the vehicle and container inspection building of CP Bourgas Sea Port (the construction is envisaged under the “Trade and Transport Facilitation in South-East Europe” Project). The stationary X-ray inspection system will be used for checking pallets.</td>
</tr>
<tr>
<td>3. Cargo elevating fork machine with a motor engine</td>
<td>10</td>
<td>10 X 12 000 EURO = 120 000 EURO</td>
<td>CP Capitan Andreevo – 2 pcs., CP Malko Tarnovo, Bourgas – 2 pcs., Varna – 2 pcs.; CP Kulata – 1 pc.; Customs Silistra – 1 pc.; Customs Russia – 1 pc.</td>
<td>The equipment is recommended as priority by the Project coordinator of the “Reinforcement of the border control project”</td>
</tr>
<tr>
<td>4. Suspect documents examination facility</td>
<td>7</td>
<td>7 X 2 000 EURO = 14 000 EURO</td>
<td>CP Capitan Andreevo – 2 pcs., CP Malko Tarnovo - 1, Bourgas – 2 pcs., Varna – 2 pcs.</td>
<td>The suspect documents examination facility will be used to analyse customs documents (such as customs declarations, including CMR, TIR carnet, Bills of lading, invoices, etc., and also other documents like licences, passports, counterfeit banknotes).</td>
</tr>
<tr>
<td>5. Endoscopes</td>
<td>10</td>
<td>10 X 10 000 EURO = 100 000 EURO</td>
<td>CP Capitan Andreevo – 2 pcs., CP Malko Tarnovo - 1, Bourgas – 2 pcs., Varna – 2 pcs.; CP Kulata – 1 pc; Customs Silistra – 1 pc.; Customs Kyustendil – 1 pc.</td>
<td>Most existing endoscopes are rather old, stiff and mostly broken. The expenses for the repair of the existing endoscopes will cost a lot. Endoscopes would significantly facilitate thorough inspections.</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>29</td>
<td><strong>1 084 000 EURO</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
- Mobile X-ray Container Inspection System – will be placed in a garage;
- Stationary X-ray Euro-pallets Inspection System – it will be installed in the container inspection building, which is included in the ‘Trade and Transport Facilitation in South-East Europe’ Project;
- Cargo elevating fork machine with a motor engine – they will be placed in a garage;
- Document Examiner – they will be safe kept in the sheltered places;
- Endoscopes – they will be placed in metal lockers in the cool storages.

FINANCING FOR IMPROVING OF THE EXISTING INFRASTRUCTURE

ANNEX 9

1. Trade and Transport Facilitation in South-East Europe Project:

<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kapitan Andreevo</td>
<td>Renovation, modernisation and rehabilitation of a major border station, consisting of: repair of the canopies, including painting, replacements and repairs of canopy boards, lighting and utilities; repair of five buildings including waterproofing, exterior work, painting, interiors and utilities; a new canopy with control booths; overhaul and reconstruction of the precast concrete warehouse; and construction of a building for waiting passengers.</td>
<td>875,000 USD</td>
</tr>
<tr>
<td>Kulata</td>
<td>Construction of a new truck inspection building and a new administration building; construction of a new parking area and truck terminal; and water supply and drainage lines.</td>
<td>950,000 USD</td>
</tr>
<tr>
<td>Bourgas</td>
<td>Construction of a vehicle and container inspection building, administration building, parking area, including fencing and utilities.</td>
<td>900,000 USD</td>
</tr>
</tbody>
</table>

2. 2002 State budget
- Enlargement of the Border Check Point “Dunav most” (on the Danube bridge).
- Reconstructing of building of the Customs Bureau Oryahovo.
- Administrative building with terminal and warehouses in the Customs Blagoevgrad.
- Reconstruction and reorganisation of administrative building of the Regional Customs Directorate Varna.
- Repair and reorganisation of administrative building of the Regional Customs Directorate Bourgas.
- Border Check Point Iovkovo – reconstruction, enlargement and modernisation.
- Reorganisation of administrative building of the Customs Svishtov.

3. Bilateral agreements:
- Cool storage, financed by UK customs

4. Phare and other donors are planed to be used for further improvement of the infrastructure at the key border check-points.