1. **BASIC INFORMATION**

1.1. CRIS Number: BG2003/004-937.09.02

1.2. Title: EU STANDARDS AND PRACTICES COMPUTERISATION OF THE BULGARIAN CUSTOMS AGENCY (BCA) IN RELATION TO DG TAXUD SYSTEMS (ITMS).

1.3. Sector: Customs and Finance

1.4. Location: Bulgarian Customs Agency (BCA)

2. **OBJECTIVES:**

2.1. Overall Objective

The overall objective of the Bulgarian Customs Administration for the period of 2003 –2006 is as follows:

- To allow BCA Tariffs, and Information Technology (IT) departments to adopt the EU standards and practices of the DG TAXUD business as a requirement for accession and to computerize these business in order to achieve compatibility with the DG TAXUD systems.

2.2. Project Purpose

This project proposal aims to:

1. Assist BCA in automatically applying the above EU requirements promptly and efficiently as it is specified in the EU legislation. To achieve this BCA needs to computerize the necessary EU standards and practices for the specific DG TAXUD systems at National level. This computerisation will affect the BCA Integrated Tariff Management System (ITMS) and other applications that serve as reference data to the system. The specific applications affected by the computerisation are: Taric and national Tariffs, Quotas, Ceilings and other surveillance measures, Tariff suspensions, Binding tariff and origin data, ISPP, ECICS and TCO (SMS).

2.3. Accession Partnership and NPAA priority

In the annex of COUNCIL DECISION of 28 January 2002 on the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with Bulgaria (2002/83/EC), point 4 Priorities and Intermediate Objectives, Customs Union, is stated “in need of particularly urgent action: continue the implementation of the IT strategy of the Bulgarian Customs Administration. Develop IT systems so as to allow for the exchange of computerised data between the Community and Bulgaria”

The current NPAA Report Chapter 25 Customs Union, Section 11 – Computerisation, states exactly the requested project under the “Medium term priorities (2003-2006)” – Chapter 25, Section 11, Priority 2.

Regarding the accession related needs the requested project is a vital project and will allow the Bulgarian Customs Administration to apply correctly and in timely manner EU interconnectivity requirements as specified in EU legislation. The project aims to computerize the necessary EU related functions at the national level, in order to be prepared in the future to exchange this information with the EC and the other member States.
The BCA approach to the EU Interconnectivity requirements is to adjust the Bulgarian Integrated Customs Information System (BICIS) in order to be able to apply the EU requirements. Substantial modifications and new developments are necessary on BICIS to adapt to the EU requirements and this project aims at addressing this issue. Consequently BCA will address the actual data interface with DG TAXUD ITMS developments.

3. **DESCRIPTION**

3.1. **Background and justification**

3.1.1. **Background.**

The proposed projects have been identified in the **BCA Business and IT Strategies**. The Business Strategy, a document approved by the Minister of Finance states specifically the need for development of Integrated Customs tariffs in compliance to the EU standards and practices. The IT Strategy plans for the computerisation of the above system to start at the time the current BICIS computerisation related activities will conclude (April 2003). These activities involve the modernization of the existing system, which includes the Customs Clearance and current tariff systems, into a centralized web-based approach.

3.1.2. **Project justification**

The requested project is justified due to the following reasons:

- As a requirement for Accession to the EU.
- The legal basis for the DG TAXUD systems requires the national Customs Administrations to have the data necessary for interconnectivity with the EU systems and the Member states ready to be sent and received electronically at national level. Furthermore, the computerisation of most of these systems is an EU legal requirement and an accession prerequisite.
- The correct and prompt application of Tariff related data, thus applying the correct duties and measures immediately.

3.2. **Linked activities.**

- Phare 9806 Project Computerisation of BCA – Contract “Technical assistance for implementing BICIS and IT training for BCA”
- Phare 2001 Project Reformed and Automated Transit and Reform in the Customs Regimes with Economic Impact
- Phare 2002 Project EU standards and practices legal basis, implementing procedures and computerisation at National level, in relation to DG TAXUD systems – Component 4 “Management, Coordination and Evaluation Assistance”
- Phare 2002 Project Development of rules for administration of measures introduced in accordance with the Bulgarian agricultural, trade and other policies relating to import and export of goods using the concept on which the EU TARIC and other tariff related practices are based
- Phare 2002 Project Completion of the Bulgarian Transit Management System (BTMS) including all the common NCTS requirements
- Phare 2002 Project Trade and Customs officers facilitation enhancements
- EU interconnectivity preparation. A Phare project (Contract No. BG 9806-02-01-0005), which has contracted Eurocustoms to assist BCA in identifying the preparation tasks needed for the interconnectivity requirements as well as in gathering the main interconnectivity requirements. Initial work in this project has assisted BCA in identifying the needs for the requested project. Due to this
project also, BCA will be able to draft comprehensive Terms of Reference for the requested project (See attached BCA IIS Strategy).

- MoF BICIS Maintenance and enhancements contract.
- Project for development of BCA-WAN that is related to WAN-MF project and NANGA project. (NANGA – National ATM Network Government Administration)

3.3 Results
The results of this service contract addressing:

- The **Computerisation** of the following systems as specified in the DG TAXUD predefined requirements AND the additional national user requirements:
  - Tarif Intégré Communautaire (TARIC)
  - Tariff Quotas and Surveillance (TQS)
  - European Binding Tariff Information (EBTI)
  - Specimen Management System (SMS)
  - Information System for Processing Procedures (ISPP)
  - European Customs Inventory of Chemical Substances (ECICS)
  - Binding Origin Information (BOI)
  - Unit Values
  - **Tariff Suspensions.**

- **Trained** 250 customs officers responsible for these procedures (approximately 2 officers from every customs site). For this purpose 60 customs officers from CCD, RCD and Customs Houses will be trained as trainers.

- **Operational** and turnover to **maintenance** tasks completed for support by the MoF contractor handling these activities and ensuring system integrity, operation and deployment during the project period.

3.4 Activities

*Development and enhancement of the national ITMS computer sub-system and other reference data in relation to the DG TAXUD requirements and EU standards and practices.*

The impact of the EU standards and practices in relation to the DG TAXUD system(s) for TARIC, TQS, TCO (SMS), EBTI, ORNET, ISPP, ECICS and Tariff Suspensions to BICIS can be summarized as follows:

1. The interface levels, in which the actual interface applications are developed, in order to exchange data with DG TAXUD and consequently the Member States.

2. The BICIS central level, in which the Central Customs Directorate Tariff, Origin and other central departments’ applications are affected by the introduction of these practices.

3. The BICIS trader input level, in which that central data automatically validates the input fields of the declarations and automatically calculates the duties. Additionally, this is the level that consultation of that data occurs for control purposes and validity of requests.

**Point 1** will address the development of an interface between DG TAXUD and the BG ITMS system with the possibilities of on line and paper reporting.

**TARIC Impact:** will result for **point 2** in the creation of an application which, based on the current DG TAXUD interface specifications, BICIS at the central level will include the following:

- Database, which will accommodate the TARIC data from DG TAXUD in the future,
according to the requirements specifications. In the mean time BCA will populate this database with the DG TAXUD CD-ROM test data and all tests will be conducted with the 10 daily update files or more, if provided by DG TAXUD.

- This database will be complimented with the necessary business logic to allow the Central Tariff department to view this information only and produce reports on-line and on paper for data validation checking in order to alert DG TAXUD on possible data errors.

- Develop a historical database with the same structure, in order to keep track of TARIC data changes. This will be useful for trade reimbursement validation in the case of having received an error from the EC and a time period has lapsed until DG TAXUD has sent a correction. BCA will develop the necessary logic that will check the faulty declaration(s) in this database to ensure that the trader(s) requesting reimbursement is within that error period.

- BCA will revise the National tariffs database in a way that will allow it to function like the TARIC one and to also include the National data which Taric does not include (VAT rates, excise rates, etc.). It is foreseen that at the time of accession most of this data will be handled by TARIC, but all the additional data that Taric does not include such as VAT and Excise rates will remain.

- This database will have the necessary logic to allow for new records insertion, record deletion, updates and reporting, since it deals with national requirements and not with Taric data, which can only be amended by DG TAXUD.

**Taric impact:** will result for point 3 in the revision of the validation and duty calculation modules at the trade input level of BICIS as follows:

- The declaration validation module will be revised in accordance to the above set of databases. Raw data from the BICIS ITMS will directly be validated and transferred to the necessary declaration fields automatically as specified by the new central ITMS.

- The calculation module will be revised to automatically calculate duties according to the new ITMS system structure. New calculations will be developed for new business introduced by TARIC such as agricultural and antidumping measures. The new calculation will be developed but not applied until real TARIC data will be introduced at the time of accession.

**TQS impact:** will include the computerisation of the quotas and surveillance data as follows:

- For Quotas in relation to Points 2 and 3 the system will automatically check Box the specific field in the declaration assigned for quota request
  Once a quota request is present the system will automatically check for the validity of the request in the ITMS, in respect to the CN, origin, opening and closing dates, etc.
  The system will prompt the Customs officer to ensure the validity of the supporting documents and authorize the Quota request.
  The system then will check the volume availability in the specific database, which will accumulate and allocate quotas according to the EU legal basis.
  The system then will grant the benefit of the drawings and forward it to the Trader and Customs officer.
  The above development will facilitate the accession requirements as the main change of the system at the time of accession and interface development with DG TAXUD will be the elimination of the module that draws quotas nationally and the process will be handled by the ETM system in Brussels.

- For Surveillance data BCA will implement the necessary logic into BICIS for collecting all the necessary import figures and store the data required by DG TAXUD centrally. National
surveillance data will also be included in this process.
**Tariff Suspensions** impact to BICIS will be minor. Small development will be undertaken to track the possible requests, store them and report on them. This development aims at collecting the approved requests and at the time of accession to forward them to DG TAXUD.

**ECICS** impact at the national level is confined to the inclusion of an ECICS consultation module into BICIS. A database will be developed and according to DG TAXUD future plans, the DDS download facility will be used to update the BICIS ECICS database.

**ISPP (IPR mainly)** impact: A national register will be created in BICIS to support the procedure as required by the EU legal base. In summary the register will record the new cases including all the required information and automate the national decision procedure on the case. *This register will facilitate the process at accession period as it will hold all the data required to be interfaced with DG TAXUD, leaving only the actual interface development outstanding to be concluded prior to accession.*

**EBTI** impact: BCA will develop its own system in BICIS for BTI management and storing according to the EU legal base. This will involve:

- The automation of BTI requests by the applicant, using the Standard application Form.
- The automation of BTI issuing.
- The automation of BTI invalidation.

Furthermore, BCA will develop in BICIS an image database accessible to all customs officers in which national BTI images will be stored. Possible inclusion of the complete EU image database for internal consultation will be examined.

For consultation, BCA will use the consultation facility provided by DG TAXUD. *This development will assist BCA at the time of accession, when only the interface specifications will be developed (using the new XML interface specifications) to send the data to DG TAXUD. However, BCA will assess by that time the volume of nationally issued BTIs and will decide if an automated interface is necessary. If not, then the data will be manually entered into the EBTI system, via the on-line interface provided by DG TAXUD. Images will be sent electronically.*

**ORNET (BOI)** impact: BOI handling of BICIS at national level will be an extension of the BTI computerization activities. BCA is well aware that the volume of BOI requests will be minimal. The procedure is very similar to the BTI thus, *minor* modifications of the BTI system will allow for BOI handling, in case it will be required in the future.

**TCO** (SMS) impact: BCA will develop in BICIS a database in which all the origin stamps will be held and will be available for consultation by the Customs officers. The data will be received from the new DG TAXUD system using the new (XML) interface specifications. This will ensure the best possible image quality and avoid paper dissemination to the customs offices.

The **TCT** (SMS) computerisation will most probably use the same image database as the TCO, but it will *NOT* be handled by this project. It will be developed under the project, which deals with NCTS requirements.

Training of 250 customs officers responsible for these procedures (approximately 2 officers from every customs site). For this purpose 60 customs officers from CCD, RCD and Customs Houses will be trained as trainers.

Study visits in EU Member States will be organised.
3.5 Lessons learned

The 2003 Phare Programming exercise places particular emphasis on those actions supporting the computerisation of the EU standards and practices in relation to the DG TAXUD systems.

Programmes design should be further improved. Particular attention should be devoted to the definition of Indicators of achievement which are both measurable and of relevant quality.

With reference to the process of further BCA computerisation:

System design should be further improved in order to fully achieve object-oriented BICIS model;

Pre-defined methodology standards should be strictly followed and especially RUP as well as business modelling and testing methodologies;

The Bulgarian authorities should adhere in a timely manner to the conditionalities to the project and take appropriate actions.

4. Institutional Framework

The BCA 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 organizational structure of BCA is presented in detail in the attached IT Strategy Section 3.

The BCA is structured in four hierarchical levels:

- Central Customs Directorate;
- 5 Customs Regions coordinated by Regional Customs Directorates;
- 17 Customs houses;
- 102 Customs bureaus and Customs posts.

The existing Training centres in Sofia, Plovdiv and Russe will be used for organizing of training curses and seminars.

Over 3,800 staff is employed by BCA.

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

The BCA 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 BCA performed the gap- and needs-analyses vis-à-vis the Commission’s Customs Blueprints in the key areas of the Customs business. Subsequently, the BCA Business Strategy was developed and approved by the Ministry of Finance. The revised Business Strategy has been submitted to the Ministry of Foreign Affairs. 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 BCA 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 Evolutive 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** (in MEUR):

| Component | Phare Support | | | | |
| --- | --- | --- | --- | --- | |
| | Investment Support | Institution Building | Total Phare (=I+IB) | National Co-financing* | IFI TOTAL | |
| Development and enhancement of the national ITMS and other reference data in relation to the DG TAXUD requirements and EU standards and practices | 1.763 | 1.763 | 0.588 | 2.351 | |
| TOTAL | 1.763 | 1.763 | 0.588 | 2.351 | |

(*) The funds under “National Co-financing” column reflect the Bulgarian National contribution to the implementation of the project. These are not intended to be used for running costs. These funds will be joint co-financing to be tendered in a single tender together with Phare funds.

6. **Implementation Arrangements**

6.1 Implementing agency

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

The overall technical responsibility is under Bulgarian Customs Agency.

Project owner and implementers: Bulgarian Customs Agency, Ministry of Finance.

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

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

The SC monitors, supervises and co-ordinates the overall progress and implementation of the programme. The Director of the BCA 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, and participation in tendering, monitoring and evaluation of the activities. The PIU director reports to the chairman of the SC.

Contact person – Ms. Milena Doncheva

Head of “Institutional Building and Phare Programme” Department

“European Integration and International Co-operation” Directorate

Central Customs Directorate

22 Maria-Louisa Blvd., 1000 Sofia, Bulgaria

Tel: +359 2 9859 4508

Fax: +359 2 980 2830
6.2 Twinning
N/A

6.3 Non standard aspects
N/A

6.4 Contracts
1. **Strict service contract with clearly stated deliverables.**

Although this is an investment contract, it does not include supply of hardware or standard software. The project activities are focused on software development. Therefore, to achieve quality of the deliverables, the Terms of Reference will follow strictly the service contract Terms of Reference.

7. **IMPLEMENTATION SCHEDULE**

7.1 **Start of tendering:** end 2003

7.2 **Start of project activity:** 3rd Quarter 2004

7.3 **Project completion:** June 2006 (+ four months contingency)

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. **ENVIRONMENT**
N/A

10. **RATES OF RETURN**
N/A

11. **INVESTMENT CRITERIA**

11.1 **Catalytic effect**

The Phare support is essential for the implementation of the targets identified in the BCA Strategic documents and to meet the accession criteria in accordance with the acquis in Chapter 25.

11.2 **Cofinancing**

The project will be co-financed with 25% of the total project value from the National budget.

11.3 **Additionality**

The Phare intervention does not displace other financiers as no alternative funds have been allocated for the proposed project.

11.4 **Project readiness and size**

According to the BCA IT Strategy Project Plan, all the detailed preparatory tasks for this project will be performed within a six-eight month period prior to the project initiation (estimated initiation date: mid 2004). Extensive Terms of Reference will be prepared for the Invitation to Tender phase in time to meet the proposed implementation schedule.
11.5 Sustainability

The project comply with the EU norms and standards as the legal basis for the DG TAXUD systems requires the national Customs Administrations to have the data necessary for interconnectivity with the EU systems and the Member states ready to be sent and received electronically at national level. The ITMS system will be an integral part of the BICIS, ensuring the correct and prompt application of Tariff related data. Interchanged Tariff related information will be used for the proper operation of the BICIS modules.

Operational and maintenance costs for the requested computerisation project will be covered from national budget.

The BCA will ensure the appropriate administrative capacity to be able to manage the maintenance of the system and ensure the continuous training of new users.

11.6 Compliance with state aid provisions

N/A

11.7 Contribution to National Development Plan or Structural Funds Development Plan

N/A

12. Conditionality and Sequencing

The project has been prepared and specified initially in the course of the preceding Phare Programme (BG9806). Subsequently, it has been amended to take into account the Commission’s Pre-accession Strategy in the Customs sector.

12.1 Conditionality

- Clear co-operation and communication with the Ministry of Finance is necessary and currently well established.
- The BICIS Project Steering Committee, chaired by the Director General of Customs, will manage the project.
- Full commitment from the beneficiary to transparently co-operate with external project experts
- Operational and maintenance costs are covered and ensured from national budget
- An updated version of the BCA IT Strategy has been produced, which details the project management and organizational structure, roles and responsibilities of the various players and project control techniques to be employed.
- A technical precondition is also the completion of the current BICIS 2.1 developments, which are part of BICIS 2 and 3 works. BICIS 2.1 includes among other Customs Clearance works, the completion of currently undertaken works on National tariffs developments. These works are foreseen to end in April 2003. In accordance with the updated BICIS project plan the documents will be delivered are Transit documentation and BICIS 2.1 documentation in the beginning of November 2003. Engagements have been taken that the infrastructure will be ready by the time of the implementation of BICIS 2.1. BICIS 2.2 project includes Customs debt, Enforcement, Authorization Subsystems. BICIS 3 project includes Human Resources and Inspectorate Subsystems. There is no dependency on works undertaken by BICIS 2.2 and 3. These applications do not represent a dependency to the EU ITMS requirements.
- A new high-level BICIS project monitoring and management group has been established. A Deputy Minister of Finance, the Director General of Customs Agency, the General Secretary of the Ministry of Finance (who is also Chairman of Steering Committee of IS), a Deputy Director of Customs Agency and the Executive Director of IS are members of this group. This group has analyzed the
reasons for the delay in the implementation of the project and has set up measures to minimize these reasons. The group also set up measures to activate all IS resources in order to implement all necessary activities. An updated Project Plan has been elaborated for the year 2003 stipulating that BICIS 2.1 should be finalised by April 2003. Measures have been planed and recommended to minimize risks and to improve control on the implementation of the project.

- This project will be started one year after the Bulgarian Transit Management System developments, financed under Phare 2002. The scope of the BTMS project is to continue developments on the NCTS aspects of BTMS currently covering NCTS 2.0 scope. It is a 2-year project with 1-year contingency. Dependencies between the projects are not anticipated in respect to ITMS, since ITMS analysis will be concluded at the time of BTMS developments completion and ITMS can be developed independently to BTMS.

However, the BTMS validation module with ITMS data structure will have to be revised after the ITMS project completion, since the BTMS utility for the calculation of the individual guarantee will refer to the ITMS data.

12.2 Sequencing

The requested computerisation development project will follow the Rational Unified process (RUP) methodology sequence as follows:

- Inception phase
- Elaboration, Construction and Transition Phases

Within the phases the following standard activities/disciplines will be performed:

- Business Modelling
- Requirements
- Analysis & Design
- Implementation
- Testing
- Deployment
- Training

ANNEXES

1. Log-frame in standard format.
2. Detailed implementation time chart in standard format.
3. Cumulative contracting and disbursement schedule

ATTACHMENTS

1. BCA Business Strategy
2. BCA IT Strategy
3. BCA IIS Strategy
## ANNEX 1: LOGFRAME PLANNING MATRIX FOR

### PROJECT:
**EU STANDARDS AND PRACTICES COMPUTERIZATION OF THE BULGARIAN CUSTOMS AGENCY (BCA) IN RELATION TO DG TAXUD SYSTEMS (ITMS)**

<table>
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<tr>
<th>Overall Objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
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<tbody>
<tr>
<td>To allow BCA Information Technology (IT) departments to adopt the EU standards and practices of the DG TAXUD business as a requirement for accession and to computerize these business in order to achieve compatibility with the DG TAXUD systems.</td>
<td>BCA in full compliance with accession requirements and the Blueprints standards in the key areas of the Customs business addressed by this project.</td>
<td>BCA legal basis and implementing procedures in relation to these projects. BCA users and member state users (through the Tariff- Phare 2002 and Procedures Phare 2001user departments projects) will verify the results. DG TAXUD specialists will evaluate the results. Technical assistance will ensure the realization of the objective. Regular reporting on the progress of the project.</td>
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### Project Purpose

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<th>Assumptions</th>
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<td>Assist BCA in applying the EU requirements promptly and efficiently as it is specified in the EU legislation. To achieve this BCA needs to computerize the necessary processes according to EU standards and practices for the specific DG TAXUD systems. This computerization will affect the BCA Integrated Tariff Management System (ITMS).</td>
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<thead>
<tr>
<th>Objectively Verifiable Indicators</th>
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<td>Improved BCA operational capacity in respect of implementation and administration of the various measures at importation and exportation prior to accession to the EU.</td>
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<td>Increased volume of information provided to the trade community by ensuring access of the traders to the tariff environment open interface systems.</td>
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<td>Reduction of processing time.</td>
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<td>Revenue collection and transparency increased.</td>
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<tr>
<td>Regular Commission and Bulgarian Government review viz. the relevant Blueprints’ standards and DG TAXUD systems requirements.</td>
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<td>Regular Customs Administrative and Operational Capacity Reports, as part of the Screening process, and reports of the EU-Bulgaria Customs Steering committee.</td>
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<tr>
<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>
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<td>Sufficient administrative capacity well trained personnel.</td>
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### Results

<table>
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<tr>
<th>Computerized:</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
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<tbody>
<tr>
<td>• Taric and additional national tariff related requirements  &lt;br&gt; • Quotas  &lt;br&gt; • Surveillance of specific economic and/or preferential tariff measures  &lt;br&gt; • Binding tariff and Origin information  &lt;br&gt; • Inward Processing Relief  &lt;br&gt; • Tariff Suspensions  &lt;br&gt; • European Customs Inventory of Chemical Substances  &lt;br&gt; • Origin stamps and Transit stamps and seals</td>
<td>Bulgarian legislation adapted to the logical structure and system for management of the measures integrated in the ITMS.  &lt;br&gt; Quality, completeness and traceability of the project deliverables.  &lt;br&gt; Stability, modularity, quality and maturity of the system that is being developed.  &lt;br&gt; Degree of conformity of the delivered solution with the business needs in terms of functionality required.  &lt;br&gt; Time reduction for internal communication within BCA through access to information related to quotas, issued BTIs, issued authorisations for customs procedures with economic impact, etc.  &lt;br&gt; Customs officers satisfaction with the training programme delivered.</td>
<td>Regular reports of the Commission’ services.  &lt;br&gt; Technical Assistance reports.  &lt;br&gt; BICIS progress report.  &lt;br&gt; BCA Quality review reports after each iteration.  &lt;br&gt; Minutes of project tracking meetings.  &lt;br&gt; Training evaluation results.</td>
<td>Close co-ordination with other initiatives in the sector.  &lt;br&gt; Close co-ordination between the BCA business departments (Tariff, Transit, etc.) and the BCA IT department.</td>
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Trained 250 customs officers responsible for these procedures (approximately 2 people in every customs site). For this purpose 60 customs officers from CCD, RCD and Customs Houses will be trained as trainers.

### Activities

| Development and enhancement of the national ITMS and other reference data in relation to the DG TAXUD requirements and EU standards and practices.  <br> The impact of the EU standards and practices in relation to the DG TAXUD system(s) for TARIC, TQS, TCO/TCT (SMS), EBTI, ORNET, ISPP, ECICS and Tariff Suspensions to BICIS can be summarized as follows:  <br> TARIC  <br> • Development of a database, which will accommodate the TARIC data from DG TAXUD.  <br> • On line viewing and reporting on the above database.  <br> • Develop a historical database with the same structure and logic.  <br> • Revision the National tariffs database in a way that will allow it to function like the TARIC one and to also include the National data which Taric does not include (VAT rates, excise rates, etc.).  <br> • Develop the necessary logic to allow for new records insertion, record deletion, updates and reporting for the National database.  <br> • Revise of the existing validation and duty calculation modules at the trade input level of BICIS according to the above developments. | Strict service contract with clearly stated deliverables | Customs legislation and procedures compliant with the developments of the EU legislation and procedures.  <br> The current BICIS 2.1 developments, which are part of BICIS 2 and 3 works, to be concluded (foreseen to end in April 2003) prior to project initiation (mid 2004). |
| Measures | Assumptions |

| Development and enhancement of the national ITMS and other reference data in relation to the DG TAXUD requirements and EU standards and practices.  <br> The impact of the EU standards and practices in relation to the DG TAXUD system(s) for TARIC, TQS, TCO/TCT (SMS), EBTI, ORNET, ISPP, ECICS and Tariff Suspensions to BICIS can be summarized as follows:  <br> TARIC  <br> • Development of a database, which will accommodate the TARIC data from DG TAXUD.  <br> • On line viewing and reporting on the above database.  <br> • Develop a historical database with the same structure and logic.  <br> • Revision the National tariffs database in a way that will allow it to function like the TARIC one and to also include the National data which Taric does not include (VAT rates, excise rates, etc.).  <br> • Develop the necessary logic to allow for new records insertion, record deletion, updates and reporting for the National database.  <br> • Revise of the existing validation and duty calculation modules at the trade input level of BICIS according to the above developments. | Strict service contract with clearly stated deliverables | Customs legislation and procedures compliant with the developments of the EU legislation and procedures.  <br> The current BICIS 2.1 developments, which are part of BICIS 2 and 3 works, to be concluded (foreseen to end in April 2003) prior to project initiation (mid 2004). |
**TQS impact:**

- For Quotas the system will automatically check for quota request
- Once a quota request is present the system will automatically check for the validity of the request in the ITMS,
- The system will prompt the Customs officer to ensure the validity of the supporting documents and authorize the Quota request
- The system then will check the volume availability in the specific database, which will accumulate and allocate quotas according to the EU legal basis.
- The system then will grant the benefit of the drawings and forward it to the Trader and Customs officer.
- For Surveillance data BCA will implement the necessary logic into BICIS for collecting all the necessary import figures and store the data required by DG TAXUD centrally. National surveillance data will also be included in this process.

Include of an **ECICS** consultation module into BICIS.

A national **IPR** register will be created in BICIS to support the procedure as required by the EU legal base. Develop a system in BICIS for **BTI** management and storing according to the EU legal base. **BOI** (ORNET) handling of BICIS at national level will be an extension of the BTI computerization activities. **TCO** (SMS): BCA will develop in BICI a database in which all the origin stamps will be held and will be available for consultation by the Customs officers. The **TCT** computerization will use the same image database as the TCO, but it will NOT be handled by this project. It will be developed under the project, which deals with NCTS.

- **Training** of customs officers responsible for these procedures

<table>
<thead>
<tr>
<th>Preconditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full commitment from the beneficiary to transparently co-operate with external project experts</td>
</tr>
<tr>
<td>Operational and maintenance costs are covered and ensured from national budget.</td>
</tr>
</tbody>
</table>
**ANNEX 2: DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT**

EU STANDARDS AND PRACTICES COMPUTERISATION OF THE BULGARIAN CUSTOMS AGENCY IN RELATION TO DG TAXUD SYSTEMS (ITMS)

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>D = Design of tender procedure</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td>D</td>
</tr>
<tr>
<td>C = Contracting period</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td>D</td>
</tr>
<tr>
<td>I = Implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X = Closure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Service Contract with clearly stated deliverables.
Development and enhancement of the national ITMS and other reference data in relation to the DG TAXUD requirements and EU standards and practices

D = Design of tender procedure
C = Contracting period
I = Implementation
X = Closure
CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

EU STANDARDS AND PRACTICES COMPUTERISATION OF THE BULGARIAN CUSTOMS AGENCY IN RELATION TO DG TAXUD SYSTEMS (ITMS)

<table>
<thead>
<tr>
<th></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>
<th>31/12/05</th>
<th>31/03/06</th>
<th>30/06/06</th>
<th>30/09/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTED (1)</td>
<td>2.35</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 (2)</td>
<td>0.705</td>
<td>1.0575</td>
<td>1.41</td>
<td>1.7625</td>
<td>2.115</td>
<td>2.35</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All figures in million EUROS

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.
BUSINESS-STRATEGY

OF THE CUSTOMS ADMINISTRATION OF

THE REPUBLIC OF BULGARIA
CONTENTS

Introduction

I. General directions of development of the Customs administration until the end of 2006.
II. Strategic goals and objectives of the Bulgarian Customs administration /BCA/.
III. Financing

Conclusion
Introduction

The Business Strategy is based on the state fiscal policy, national legislation and the preparation criteria for the full membership of the Republic of Bulgaria to the European Union. The Business Strategy gives the key priorities, goals and the main fields of the Bulgarian Customs Administration’s (BCA) activity, and defines the approach for their achievement, with a view to correspond to the EU membership requirements.

Economic conditions and the development of the new trends in the international trade affect the functions of the Customs Administration. The BCA participates in the national customs policy making and its implementation, and facilitates the legal economic activity. Our administration plays an advanced role in the protection of the state’s economic interests. We have new customs control method and new customs clearance approach. Now, the control is focused on high-risked goods and procedures, and the procedures on customs clearance of goods are to be alleviate gradually.

The Customs Administration plays an important and traditional significant role in protecting security and order in the State, the life and health of its society, as well as its Nature environment. With the restrictions and prohibitions, applied on import, export and transit the BCA protects its citizens. It combats against the customs and currency offences and crimes, the smuggling and the illicit drug traffic.

The main function of the Customs administration is the collection of the customs duties and other relevant state receivables within its competency. The BCA contributes for protection of the state’s cultural heritage and intellectual property rights. The administration collects and analyses the statistical data on international trade, participates in the development process and fulfillment of the international treaties related with the customs activity fields, and performs the international customs relations.

The BCA activity is carried out under the regular and equal implementation of the legal base, including the international agreements, observing the principles of objectivity, honesty and professionalism.

The new direction in the BCA development is related with the willingness of our country to become a full member of EU. The preparation for EU membership is one of the main priorities of the Bulgarian Government policy, and in turn of the Customs Administration. Concerning the customs field, this process includes the fulfillment of the EU requirements within 13 areas, specified by the European Commission (the Customs Blueprints). The
ambition of the Customs Administration to take this policy was declared in the National Strategy for Preparation of the Customs Administration for Membership in EU and its Implementation Program. The Bulgarian Government approved the European Commission’s Declaration of Endorsement of the Pre-Accession Preparation Strategy for Customs and Tax Administration in Bulgaria with special decision. The Republic of Bulgaria has supported in fully the proposal of the European Commission about co-ordination between Bulgaria and EU in taking up of positions in international negotiations related with customs area.

I. General directions of development of the Customs Administration until the end of 2006

The Bulgarian Customs Administration is established in 1978 and it is one of the oldest Bulgarian public institutions. It is centralised system with 3826 employees, who are structurally allocated in Central Customs Directorate, five Regional Customs Directorates, 17 Customs Houses and 102 Customs Bureaux and Customs Points. It collects 45 % of the revenues for the State Budget, including its traditional own resources and VAT collected on border. For a years, it is one of the three leading European customs administrations in terms of revealed cases and seized quantities of heroin on so-called Balkan route for drugs. Since 1973 the BCA is active member of the World Customs Organisation.

Regarding the Customs Union area, in its negotiation position Bulgaria declares that accepts the acquis communautaire and will be able to implement it in fully by its accession. One full year before the estimated accession date for the Republic of Bulgaria - 01.01.2006, the complete implementation capacity of the Community customs legislation will be achieved.

Considering the present conditions and the leading role of our country as future external border of EU, the ambition of the BCA is to become more effective and efficient, as changing itself during its pre-accession period to ensure to the fullest harmonisation of the legislation, operational and technological compatibility with the operative customs systems in the EU members. The Customs Administration should be prepared to take the managing powers in the customs policy area related with the EU functioning /legislation and administrative capacity/. The BCA must train human and prepare technical resources to provide the EU budged with the revenues from its traditional own resources. With respect to the future responsibilities of the Republic of Bulgaria, as external border of the EU, the customs administration should prepare itself for the abolition of the internal borders with EU member states and the strengthening of the external borders with countries, which are not EU members. It should implement standards in the law enforcement area, exchange of information, organisational settlements and staff training, corresponding to the relevant standards in the EU member states.
The mission of the Customs Administration is determined by the development of the society, of its extended needs of existing of an optimal beneficial economic environment, determined by liberal and effective trade policy. Simultaneously, the society requires the customs administration to protect its freedom and rights, as confronting effectively offences and crimes against fiscal interests, cultural heritage and intellectual products, and to protect the life and health of the citizens.

II. Strategic goals and objectives

The goals and the objectives of the BCA are formulated on the basis of the following strategic documents:

- European Association Agreement /ECA/
- Accession Partnership
- National Strategy for Membership of the Republic of Bulgaria in EU
- Position Paper on Chapter 25 “Customs Union”
- National Program for Adoption of the Acquis
- Declaration of Endorsement of the Pre-accession Preparation Strategy for the Customs and Tax administrations
- National Strategy for Preparation of the Customs Administration for Membership in EU and its Implementation Program
- Co-ordination between the Republic of Bulgaria and EU in taking up of positions in international negotiations related with customs area

**Goal 1: Adaptation of the Customs Administration to the EU requirements set up for the member states**

Objectives:

1.1. Harmonisation of the Bulgarian customs legislation with the EU customs regulations;
1.2. Implementation of the legal base by the BCA, in accordance with the practice of the EU member states:
1.3. Measures undertaken by the Customs Administration for functioning of the future external border of EU
1.4. Providing of technical and organisational compatibility with the EU – communication and technological adaptation
1.5. Connection of the Bulgarian transit system with the Community transit systems
1.6. Preparation of the Customs Administration to perform the tasks resulting from the Common Agricultural Policy of the EU
1.7. Human resources organisation and management improvement
1.8. Adaptation of the training system to the changes within the Customs Administration
1.9. Fight against corruption. Customs ethics

Goal 2: Strengthening the co-operation between Customs Administration, economic operators, trade sector and public

Objectives:

2.1. Implementation of customs procedures facilitating the legal traffic

2.2. Ensuring transparency of the Customs Administration’s activity and improvement of communication and the feed – back with economic operators, trade sector and public

Goal 3: Improvement of the efficient collection of customs duties and other state receivables within the competency of BCA

Objectives:

3.1. Ensuring the collection of the revenues for the budget, to the higher extent
3.2. Building of customs laboratories network

Goal 4: Implementation of the state customs policy in the combat against the customs and currency offences and crimes

Objectives:

4.1 Strengthening of the border and inland control.
4.2 Optimising the activity on ceasing the illicit traffic of narcotic substances and precursors
III. Financing

The financial data is indicated in details in the Annexes, allocated to the relevant objected and years.

The activities under the strategic goals, listed in the Annexes will be financed by the State Budged, PHARE and TAIEX program’s funds, financing from the World Bank and European Commission Trade and Transport Facilitation in the South Eastern Europe Project.

Part of the projects will be realised without additional investments. In 1998 and 2000, some of them have been already financed with PHARE funds, including 1998, 2001 and 2002 National PHARE Programs, 2000 PHARE Trans-border Co-operation between Bulgaria and Romania, 1998 – 2001 Joint UNDCP – PHARE Program for Strengthening Drug Law Enforcement Capacities in South Eastern Europe. The remaining funds under these programs will be allocated mainly for training, consultations and equipment. The estimated sums for financing under 2002 PHARE Program funds are dependent on the agreement to be reached between the Ministry of Foreign Affairs of the Republic of Bulgaria and European Commission. Due to that reason, the financing for 2003 – 2004 is subject to change.

Conclusion

The activities, crucial for the development of the BCA in the pre-accession period are indicated in the Business strategy.

The achievement of the strategic goals and objectives could be affect by limited budgetary resources, limited resources within the assistance funds, insufficient efforts by the administration, insufficient public support.

The BCA Business Strategy is the basic document for the Customs Administration functioning during the pre-accession period. The Minister of Finance approves the Business Strategy and the Council of Ministers should approve it. The financing securing is guaranteed by the Government. The Business Strategy is periodically updated.

The Business Strategy changes will be made on the grounds of analysis conclusions on the Customs Administration needs, lawfulness of the conclusions
of the Customs Administration management, calculation of the cost of the changes and their approval by the Minister of Finance.
DETAILED FINANCIAL PLAN

OF THE BUDGETARY AND HUMAN RESOURCES
NEEDED TO FULLY IMPLEMENT THE BUSINESS STRATEGY
OF THE BULGARIAN CUSTOMS ADMINISTRATION
**Goal 1: Adaptation of the Customs Administration to the EU requirements set up for the member states**

**Objective 1.1.** Harmonisation of the Bulgarian customs legislation with the EU customs regulations

Additional strategic papers:
- Blueprint “Legislation”

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation date</th>
<th>Performance indicators</th>
<th>Responsible units</th>
<th>External cooperating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working out of amendments of the legal base to be achieved national harmonisation and harmonisation with the <em>acquis</em></td>
<td>01.01.2006</td>
<td>• Promulgation, publishing and entry into force of legislation, corresponding to the relevant European legislation; • Development of system based on the core conception of TARIC, concerning the rules for administration of measures implemented in compliance with the agricultural, commercial and other State policies</td>
<td>Administrative, legal and Information Service Directorate (ALIS) in cooperation with all Directorates</td>
<td>All Ministries, Council of Ministers</td>
<td>• the State Budget (SB) – 236,4 thousands €/per year; • 0.2 millions € under Phare 2002 Program – Project “EU standards and practices legal basis, implementing procedures and computerisation at national level, in relation to DG TAXUD systems”</td>
<td><a href="#">47</a></td>
</tr>
<tr>
<td>1.1. Amendments of the Customs Act and its relevant regulations for the maintenance of the level of harmonisation achieved</td>
<td>Annually by 2006</td>
<td>• Promulgation, publishing and entry into force of legislation, corresponding to the relevant European legislation; • Amendments of the Customs Act and its Implementing Regulations in connection with the ongoing reform of the customs economic regimes</td>
<td>ALIS in cooperation with all Directorates</td>
<td></td>
<td>• the SB – 75,5 thousands €/per year; • 0.25 millions € under Phare 2001 Program (including obj. 1.5, p.1 and p.3) Project “Reformed and automated transit procedure and reform in the customs procedures with economic impact”</td>
<td><a href="#">15</a></td>
</tr>
<tr>
<td>1.2. Conclusion of intergovernmental agreements for cooperation and mutual assistance in the customs area</td>
<td>Permanently by 2006</td>
<td>Achievement of higher degree of cooperation between the Parties</td>
<td>ALIS in cooperation with all Directorates</td>
<td>Ministry of Foreign Affairs, Ministries concerned</td>
<td>the SB –15,1 thousands €/per year</td>
<td>3</td>
</tr>
<tr>
<td>1.3. Amendments in the legislation, required for extension of the customs authorities powers in the field of customs intelligence and investigation, as well as for combating against illicit traffic of narcotic substances and precursors</td>
<td>The end of 2002</td>
<td>Amendments in the legislation</td>
<td>ALIS in cooperation with all Directorates</td>
<td>Ministry of Interior, Specialised Investigation Service</td>
<td>the SB – 50,3 thousands €/per year</td>
<td>10</td>
</tr>
<tr>
<td>1.4. Organisational arrangements on implementation of new institutions to prepare and harmonise customs legislation drafts and to estimate the “economic conditions” in decision making process</td>
<td>2006</td>
<td>Functioning of newly established institutions</td>
<td>National Customs Agency (NCA), Central Customs Directorate (CCD)</td>
<td>Ministry of Finance</td>
<td>the SB – 40,2 thousands €/per year</td>
<td>8</td>
</tr>
<tr>
<td>1.5. Amendment in the legislation, required for the introduction and implementation of the post-clearance control, in accordance with the European legislation</td>
<td>31.12.2003</td>
<td>• Amendments in the Customs Act and its Implementing Regulations, NCA Rules for Internal Procedures, Rules for Organisation and Activities of RCD; • Making out of Regulations and Instructions for implementation of the post-clearance control</td>
<td>Post-Clearance Controle Directorate (PCC), ALIS in cooperation with all Directorates</td>
<td>Ministry of Finance, Council of Ministers</td>
<td>• the SB – 55,3 thousands €/per year, •0.55 millions € under Phare Project (including obj. 1.8, p.2.2) Twinning Project “Human Resource Management, Organisation and Management and Post Clearance Control”</td>
<td>11</td>
</tr>
<tr>
<td>Preparation of provisions regulating customs matters not covered by the Community legislation</td>
<td>01.01.2005</td>
<td>Existence of national legislation further developing the EU legislation</td>
<td>ALIS in cooperation with all Directorates</td>
<td>All Ministries, Council of Ministers</td>
<td>the SB – 181 thousands €/per year</td>
<td>36</td>
</tr>
<tr>
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</tr>
<tr>
<td>3. Revision of the legislation in force in the area of international agreements related to customs activities and adoption of the required arrangements for integration of the Republic of Bulgaria to international conventions on customs area, of which EU is Party, but Bulgaria is not contracting party yet (Istanbul Convention, CCT, CSAD, Nairobi Convention, Kyoto Convention, etc.)</td>
<td>2006</td>
<td>• Publishing in the State Gazette; • Withdrawal and adoption of reservations</td>
<td>ALIS in cooperation with all Directorates</td>
<td>Ministry of Foreign Affairs, the Ministries concerned</td>
<td>• the SB – 15,1 thousands €/per year, • external funds needed</td>
<td>3</td>
</tr>
<tr>
<td>4. Preparation of verified translations of all regulations of Community customs legislation and starting of procedures for their entering into force</td>
<td>2006</td>
<td>Available verified translations in the State Gazette’s editorial office</td>
<td>ALIS in cooperation with all Directorates</td>
<td>Translation centre within the Council of Ministers</td>
<td>• the SB – 30,2 thousands €/per year; • external funds needed</td>
<td>6</td>
</tr>
</tbody>
</table>

- Human resources administrative capacity in total: 139 = 0.699 millions €/per year
### Objective 1.2. Implementation of the legal base by the BCA, in accordance with the practice of the EU member states

**Additional strategic papers:**
- Blueprints

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementations date</th>
<th>Performance indicators</th>
<th>Responsible units</th>
<th>External co-operating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Creation of proper organisational system to provide uniformity in the law enforcement by the customs authorities</td>
<td>2002</td>
<td>Lack of reasonable claims from home and foreign business operators against the variety of interpretation on one and the same regulations</td>
<td>ALIS, Regional Customs Directorates (RCD)</td>
<td>Ministry of Finance, Business organisations, European Commission, the member states customs administrations</td>
<td>the SB – 70,4 thousands €/per year</td>
<td>14</td>
</tr>
<tr>
<td>2. Improvement of the communication system within the BCA</td>
<td>Permanently</td>
<td>Lack of any delays in circulation of the information, both from the CCD to the other customs and from the customs to the CCD</td>
<td>ALIS, Customs Statistics and Automation Directorate (CSA)</td>
<td>Ministry of Finance – Information Service AD</td>
<td>the SB – 603,6 thousands €/per year</td>
<td>120</td>
</tr>
<tr>
<td>3. Preparation and maintenance of manuals and instructions on customs legislation, to cover in fully all activities in case of non-functioning of IT system</td>
<td>2006</td>
<td></td>
<td>ALIS – Human Resources Department (HR), Tariff Policy Directorate (TP), Customs Regimes and Procedures Directorate(CRP), National Training Centre (NTC)</td>
<td>Ministry of Finance</td>
<td>the SB – 301,8 thousands €/per year</td>
<td>60</td>
</tr>
<tr>
<td>4. Creation of administrative structures with respect to the future devolution of management powers in the customs matters to the EC institutions after the EU accession</td>
<td>2006</td>
<td>• Approved rules for internal discipline</td>
<td>ALIS – HR, TP, CRP, Customs Intelligence and Investigation Directorate (CII), CSA</td>
<td>Ministry of Finance, Ministry of Foreign Affairs, Ministry of Justice</td>
<td>the SB – 60,4 thousands €/per year</td>
<td>12</td>
</tr>
</tbody>
</table>

*Human resources administrative capacity in total: 206 = 1.036 millions €/per year*
Objective 1.3. Measures undertaken by the Customs Administration for functioning of the future external border of EU

Additional strategic papers:
- International Convention on harmonisation of border control on goods
- TTFSE Project
- Strategy for rationalisation of the border operations, applied by the BCA
- Blueprints

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation date</th>
<th>Performance indicators</th>
<th>Responsible units</th>
<th>External co-operating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing of technical conditions for the customs on the future external</td>
<td>2002</td>
<td>• Capital investment:</td>
<td>Finance-Economic Activities and Property Management</td>
<td>Ministry of Finance – Capital Investment Directorate, Ministry of Interior, Border Police,</td>
<td>• the SB – 402,4 thousands €/per year, • external funds needed</td>
<td>80 Cross border cooperation between Bulgaria and Rumania 2000 (incl. in</td>
</tr>
<tr>
<td>borders – Eastern, Western, Northern (the Danube river), part of the</td>
<td></td>
<td>• Purchase of special equipment</td>
<td>Directorate (FEAPM), RCD</td>
<td>Local authorities representatives</td>
<td></td>
<td>Objective 4.1, p.3)</td>
</tr>
<tr>
<td>Southern border</td>
<td></td>
<td>• Effective use of the purchased equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Organisational arrangements for strengthening of the customs points</td>
<td>2006</td>
<td>• 10 % increasing of the staff, working in the customs on the future external border;</td>
<td>ALIS - HR, RCD</td>
<td>MF – Capital Investment Directorate, the relevant border authorities</td>
<td>the SB</td>
<td></td>
</tr>
<tr>
<td>situated on the future external border. The increased number of personnel, as well as the officials working on the Bulgarian-Greek border will be involved in the CAP</td>
<td></td>
<td>• Transference of the officials working on the Bulgarian-Greek border</td>
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<tr>
<td>3. Amendments in the legislation (Penal Code and Penal Procedure Code, etc.) required for implementation of effective and harmonised with the relevant European penal procedures to protect the future EU external border</td>
<td>2005</td>
<td>• Getting additional and extended powers for border and inland control on individuals, goods, means of transport, documentation and corporate records on the border and inland • Improvement of the Instruction for Cooperation with Ministry of Interior</td>
<td>NCA, CII, ALIS, European Integration and International Cooperation Directorate (EIIC)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Ministry of Finance, Ministry of Interior, Specialised Investigation Service</td>
<td>the SB – 100.6 thousands €/per year</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

• Human resources administrative capacity in total: 100 = 0.503 millions €/per year
**Objective 1.4.** Providing of technical and organisational compatibility with the EU – communication and technological adaptation

Additional strategic papers:

- Strategy for building, introduction and development of BICIS
- Blueprints “Computerisation” and “Infrastructure and equipment”

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation date</th>
<th>Performance indicators</th>
<th>Responsible units</th>
<th>External co-operating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
</table>
| 1. Elaboration, adoption and periodical updating of long-term program on capital investments for the required infrastructure, equipment and system’s software (by 2006, including development of WAN – national extended network for information data exchange) | Gradually by 2006   | • Well-functioning needs planning methodology  
• Organisation and equipment arrangement of customs, situated on EU external border and its implementation  
• Existence of plans indicating the fulfilled activities under the following points:  
  * building  
  * equipment  
  * the effective use of the latter;  
• Functioning communication procedures in all BCA units | FEAPM, CSA, RCD | Ministry of Finance – Capital Investment Directorate, Ministry of Regional Development and Public Works, Ministry of Interior, Information service AD | • the SB – 125,8 thousands €/per year;  
• 6, 9 millions € from WB;  
• 2,5 millions € from Cross border cooperation under 2000 Phare | 25 |
| 1.1. Implementation of methodology for analysis on expenses-benefits concerning the assessment of supplies needs                                                                                           | 2004               |                                                                                                                                                                                                                         |                   |                                                                                                                                                        | • the SB – 35,2 thousands €/per year  
• NPAA:  
  * 12 thousands € under Phare 2003,  
  * 25 thousands € under Phare 2004 (incl. p.1.2) | 7 |
<p>| 1.2. Implementation of stock available administrating system                                                                                                                                                  | 2004               |                                                                                                                                                                                                                         |                   |                                                                                                                                                        | Included in p. 1.1.                                                     |                        |</p>
<table>
<thead>
<tr>
<th>2. Development of IT connection with GD TAXUD of the European Commission and the Member States</th>
<th>31.12.2005</th>
<th>Functioning technical devices and communication procedures</th>
<th>CSA</th>
<th>Ministry of Finance – Capital Investment Directorate Information Service AD</th>
<th>the SB – 477.9 thousands €/per year, NPAA: 0.5 millions €/per year from the SB, 3 millions € under Phare 2002 Applicable development of the requirements for connection with the EU systems at national level as a part of the BICIS – 4.8 millions € (to be approved)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Implementation of BICIS (Automation of key activities of the BCA, as well as automation of the customs information resources management Development of BICIS modules:</td>
<td>Gradually up to 2006</td>
<td>Functioning IT systems, automating the NCA’s activity</td>
<td>NCA, CSA, EIIC - PHARE Department, FEAPM, RCD</td>
<td>- Ministry of Finance - Information Service AD - other state agencies, - National Statistics Institute, - Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</td>
<td>the SB – 477.9 thousands €/per year, NPAA: 1 million € from the SB, NPAA: 1,5 millions € from the SB</td>
</tr>
<tr>
<td>- Customs clearance</td>
<td>- 2002</td>
<td>- Ministry of Finance - Information Service AD - other state agencies, - National Statistics Institute, - Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</td>
<td>- 2004</td>
<td>the SB – 477,9 thousands €/per year, NPAA: 0.5 millions €/per year from the SB, 3 millions € under Phare 2002 Applicable development of the requirements for connection with the EU systems at national level as a part of the BICIS – 4.8 millions € (to be approved)</td>
<td></td>
</tr>
<tr>
<td>- Transit management</td>
<td>- 2002</td>
<td>- National Statistics Institute, - Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</td>
<td>- 2003</td>
<td>“EU standards and practices legal basis, implementing procedures and computerisation at national level, in relation to DG TAXUD systems”</td>
<td></td>
</tr>
<tr>
<td>- Customs debt (financial sub-system)</td>
<td>- 2003</td>
<td>- Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</td>
<td>- 2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Customs intelligence and investigation</td>
<td>- 2003</td>
<td>- Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</td>
<td>- 2005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Customs authorities decisions</td>
<td>- 2005</td>
<td>- Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</td>
<td>- 2005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Human resources</td>
<td></td>
<td>- Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</td>
<td></td>
<td></td>
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<tr>
<td>- Inspectorate</td>
<td></td>
<td>- Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</td>
<td></td>
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</tr>
<tr>
<td>- Referent data module – systems for Integrated Tariff management</td>
<td></td>
<td>- Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Human resources administrative capacity in total: 222 = 1.117 millions €/per year
**Objective 1.5.** Connection of the Bulgarian Transit Systems with the Transit Systems of the Community

Additional strategic papers:

- Convention on Common Transit
- Convention on the simplification of formalities in trade in goods (Convention on Single Administrative Document)
- Strategy for building, introduction and development of BICIS
- Blueprint “Transit”

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation date</th>
<th>Performance indicators</th>
<th>Responsible unit</th>
<th>External cooperating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Further development of the Convention on Common Transit and Convention on</td>
<td>31.01.2004</td>
<td>Participation in the working groups under CCT and CSAD, considering the special status of</td>
<td>CRP, CSA, EIC,</td>
<td>Ministry of Finance</td>
<td>• 2001 National Phare Program, Project “Reformed and automated transit</td>
<td>7</td>
</tr>
<tr>
<td>the simplification of formalities in trade in goods accession activities</td>
<td></td>
<td>observer</td>
<td>CII, ALIS, RCD</td>
<td></td>
<td>procedure and reform in the customs procedures with economic impact” (incl.</td>
<td></td>
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<td></td>
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<td></td>
<td>Objective 1.1, p.1.1)</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>• the SB – 35,2 thousands €/per year</td>
<td></td>
</tr>
<tr>
<td>Transit centre building</td>
<td>31.01.2004</td>
<td>Exploitation of a specific centre, in accordance with the transit systems development</td>
<td>CRP, CSA, EIC,</td>
<td>Ministry of Finance</td>
<td>the SB - 40,2 thousands €/per year</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CII, ALIS, RCD</td>
<td></td>
<td></td>
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<tr>
<td>Development of national transit system, corresponding to the Common transit</td>
<td>01.01.2004</td>
<td>• Implementation of the provisions in the national legislation;</td>
<td>CRP, CSA, EIC,</td>
<td>Ministry of Finance</td>
<td>• 2001 National Phare Program, Project “Reformed and automated transit</td>
<td>7</td>
</tr>
<tr>
<td>system which is currently reformed</td>
<td></td>
<td>• Adoption and entering into force of the relevant legislation</td>
<td>CII, ALIS, RCD</td>
<td></td>
<td>procedure and reform in the customs procedures with economic impact” (incl.</td>
<td></td>
</tr>
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<td></td>
<td></td>
<td>Objective 1.1, p.1.1)</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>• the SB – 35,2 thousands €/per year</td>
<td></td>
</tr>
</tbody>
</table>

Note: The date on which the CCT and CSAD will become operative for the Republic of Bulgaria is conditional, depending on the concrete invitation for accession

- Human resources administrative capacity in total: 22 = 0,111 millions €/per year
**Objective 1.6.** Preparation of the Customs Administration to perform the task resulting from the Common Agricultural Policy of the EU

Additional strategic papers:

- The CAP papers

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation dates</th>
<th>Performance indicators</th>
<th>Responsible units</th>
<th>External co-operating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Analysing the customs control manners, related with CAP in the member states and choosing the appropriate one to be applied in the Republic of Bulgaria</td>
<td>2003</td>
<td>Choose of the proper control and development of action plan</td>
<td>ALIS – HR, TP, RCD</td>
<td>Ministry of Finance, Ministry of Agriculture and Forestry, Relevant Agencies, European Commission</td>
<td>• external funds needed (anticipated funding under a Phare Project) • the SB – 80,5 thousands €/per year</td>
<td>Human resources: 16</td>
</tr>
<tr>
<td>(※) regarding the human resources and training see p.1.7 and p.1.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Infrastructure &amp; Equipment:</td>
</tr>
</tbody>
</table>

2005

- Implementation of the relevant customs control regulations;
- Working out of the required expertise on CAP measures;
- Development of the appropriate organisation at local level

ALIS – HR Department, TP, RCD

Ministry of Finance, Ministry of Agriculture and Forestry, Relevant Agencies, the customs administration of the EU Member States, European Commission

• external funds needed
• the SB

- Human resources administrative capacity in total: 16 = 0,081 millions €/per year
### Objective 1.7. Human resources organisation and management improvement

**Additional strategic papers:**
- Strategy on human resource organisation and management
- Strategy on qualification and specialisation of the staff the Customs Administration
- Blueprints “Organisation and management” and “Human resource management”

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation dates</th>
<th>Performance indicators</th>
<th>Responsible units</th>
<th>External co-operating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Elaboration of a Plan on human resources required upon accession to the EU</td>
<td>2002-2003</td>
<td>Existence of the relevant papers</td>
<td>ALIS – HR Ministry of Finance</td>
<td>• the SB – 60,4 thousands €/per year • 0.5 millions € under Phare 2001 “Human Resource Management, Organisation and Management and Post Clearance Control” Project (incl. p.2,3,4)</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>2. Achievement of full conformity of employment rules and contracts with national and EU legislation</td>
<td>2006</td>
<td>• Alignment of status and remuneration of customs • Employment rules and contracts are updated in line with national provisions, corresponding to the EU legislation</td>
<td>ALIS – HR Ministry of labor and social policy</td>
<td>• the SB – 60,4 thousands €/per year • Phare 2001 (incl. in p.1), “Human Resource Management, Organisation and Management and Post Clearance Control” Project</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>3. Development of distinct and integrated personnel systems for recruitment, management and assessment of the professional performance, promotion and career progression, training and development, transfer, severance, dismissal, retirement, remuneration and working conditions</td>
<td>Gradually by 2005</td>
<td>• National PHARE 2001 program Project HR Management and Organisation and Management • Balanced recruitment of specialised experts to ensure the needs of the relevant functional departments • Performance assessment criteria • Prepared job descriptions for all classes officials and for their positions</td>
<td>ALIS – HR, RCD Ministry of Finance</td>
<td>• the SB – 40,2 thousands €/per year • Phare 2001 (incl. in p. 1), “Human Resource Management, Organisation and Management and Post Clearance Control” Project</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>
| 4. Development of a system for motivation, sanctioning and providing of conditions stimulating the high qualified officials to work within the BCA | • Questionnaires for assessment of system functioning fulfilled by the officials. The results are indicators for personnel policy improvement | ALIS, the Management of the NCA | • the SB – 25,2 thousands €/per year,  

- Human resources administrative capacity in total: 37 = 0,186 millions €/per year
**Objective 1.8. Adaptation of the training system to the changes within the Customs Administration**

**Additional strategic papers:**

- Strategy on qualification and specialisation of the staff the Customs Administration
- Blueprint “Training”

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation date</th>
<th>Performance indicators</th>
<th>Responsible units</th>
<th>External cooperating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular analysis of training priorities and needs</td>
<td>Permanently</td>
<td>• Annually fulfilled questionnaires by all Heads of Customs and customs officials;</td>
<td>NTC, RCD</td>
<td></td>
<td>the SB – 201,2 thousands €/per year</td>
<td>40</td>
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<tr>
<td></td>
<td></td>
<td>• Reports on the training needs analysis submitted to the top management</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Training plans reflecting the training needs analysis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular updating of the BCA personnel Qualification and Specialisation</td>
<td>Permanently</td>
<td>• Each official to be familiar with the relevant for his/her responsibilities <em>aquis</em></td>
<td>NTC, RCD</td>
<td></td>
<td>the SB – 25,2 thousands €/per year</td>
<td>5</td>
</tr>
<tr>
<td>Strategy in line with the tasks, related to the EU future membership,</td>
<td></td>
<td>• Knowledge of at least one foreign language on medium level by all customs officials</td>
<td></td>
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<tr>
<td>including the increased number of foreign languages courses</td>
<td></td>
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</tr>
<tr>
<td>2.1 Customs officials training on new functions and responsibilities</td>
<td>Gradually by 2006</td>
<td>• Development of training modules on CAP;</td>
<td>NTC, CRP, TP, RCD</td>
<td>Ministry of Finance,</td>
<td>the SB – 25,2 thousands €/per year</td>
<td>5</td>
</tr>
<tr>
<td>resulting from the CAP</td>
<td></td>
<td>• Training courses performed in all Customs</td>
<td></td>
<td>Ministry of Agriculture and Forestry, relevant State Agencies</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• external funds needed</td>
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</tbody>
</table>

Lecturers from CCD or pay-roll trainers are required.
| 2.2 Training of personnel for the performance of the Post-clearance control | Gradually by 2003 | Skilled experts in corporate audits | NTC, PCC | • the SB – 50.3 thousands €/per year  
|---|---|---|---|---|---|
| 2.3 Training of personnel working with the BICIS Customs Debt module, as well as training on implementation of European deferring, recovery and remission of customs debts practices | Gradually by 2006 | • Development of Customs Debt training module  
• Courses for customs officials from all customs on implementation of European deferring, recovery and remission of customs debts practices | FEAPM, NTC | • the SB – 321,9 thousands €/per year  
• external funds needed | 64 |
| 2.4 Development of training programs for officials working in the State Revenue Collection and Management Departments | Gradually by 2006 | Annual courses for personnel working in the State Revenue Collection and Management Departments | Ministry of Finance, Court of Auditors (Training centre) | • the SB – 301.8 thousands €/per year  
• external funds needed | 60 |
| 2.5 Development of specialised training programs for personnel working in the Customs laboratories | • Adoption of training and development strategy for experts to improve their efficiency  
• Development of training modules for the customs laboratories' officials  
• Specialisation of customs laboratories' officials  
• Specialisation of customs officers to take samples for analysis  
• Providing of training for the personnel working in the Customs drugs trafficking intelligence and investigation departments, so that a specialised qualification and specialisation to be achieved | Central Customs Laboratory (CCL), NTC | Ministries and Agencies concerned | • the SB – 20.1 thousands €/per year  
• the Phare 2002 Program “Further Development of National Customs Agency Laboratory Network” Project (IB Part – 0.5 millions €) | 4 | Need of equipment for the purpose of customs officials training in taking of samples for analysis |
|---|---|---|---|---|---|---|
| 3. Providing the opportunity for additional qualification, including skills for work with computer | Permanently | • 150 officials educated in International Economic Affairs and Customs Policy  
• Computer literacy | NTC | University for National and World Economy, Foreign languages training centres, Computer literacy training centres, Eurocustoms | • the SB – 85.5 thousands €/per year  
• external funds needed | 17+2 trainers under Phare Program |
4. Training of trainers

Gradually by 2006

- 25 trained trainers in CAP
- 10 trained trainers in each subject approved in the National training program of BCA, including retraining
- 60 trained trainers in Customs Debt module
- 60 trained trainers in the training modules on State Revenues Collection and Management

NTC, RCD, Ministries and Agencies concerned

- the SB – 286.7 thousands €/per year
- external funds needed

57 Increasing the number of NCT trainers and external experts

5. Improvement of technical equipment, required for the qualification needs

Gradually by 2006

Appropriate equipment for onsite study

NTC, FEAPM

- external funds needed
- the SB – 5,03 thousands €/per year

1 Additional equipment for study process

- Human resources administrative capacity in total: 263 = 1.323 millions €/per year
Objective 1.9. Fight against corruption. Customs ethics.

Additional strategic papers:

- WCO Declaration on integrity (Arusha, July 1993)
- Strategy of the BCA for fighting against corruption and other illegal actions of the customs officials
- Code on customs ethics
- Blueprint “Customs ethics”

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation date</th>
<th>Performance Indicators</th>
<th>Responsible unit</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development and implementation of Customs Ethics Code</td>
<td>2002</td>
<td>• Making all officials familiar&lt;br&gt;• Reducing the number of the reasonable claims against the work of the customs officials</td>
<td>ALIS – HR and NTC, Inspectorate</td>
<td>• the SB – 25,2 thousands €/per year&lt;br&gt;• the Phare 1998 Program, Project “Fight against corruption within the BCA”&lt;br&gt;• <a href="global">Crown Agents budget - 951,6 thousands €</a> (incl. p 2, p 3, p 4)</td>
<td>5</td>
</tr>
<tr>
<td>Elaboration and implementation of Program for promotion and support of the honest and professional conduct of the personnel</td>
<td>Gradually by 2006</td>
<td>• Working mechanism for ethics policy implementation control&lt;br&gt;• Positive change in the BCA image before the public&lt;br&gt;• Significant reduction of the claim number</td>
<td>Inspectorate, Disciplinary Commission, ALIS&lt;br&gt;Customs Administrations of the EU Member States</td>
<td>the SB – 100,6 thousands €/per year</td>
<td>20</td>
</tr>
</tbody>
</table>
3. Organisation and procedures implementation, relegating to the minimum extent the corruption possibilities

- Regular and random inspections and audits
- Existence of systems, indicating to the managers about the risk factors within the structure and personnel
- Existence of the systems for mutual exchange of information between the enforcement authorities and the customs administration about customs officers suspected of, or convicted for, criminal offences
- Existence of services for receipt of claims and signals for frauds and misconduct of customs officers

| Inspectorate Disciplinary Commission, ALIS, RCD | the SB – 603.6 thousands €/per year | 120 |

4. Implementation of Customs ethics training module

Gradually by 2006 | Trained officials | NTC, Inspectorate | the SB – 25.2 thousands €/per year | 5 |

- Human resources administrative capacity in total: 150 = 0.755 millions €/per year
Goal 2: Strengthening of the cooperation between Customs Administration, economic operators, trade sector and public

Objective 2.1. Implementation of customs procedures facilitating the legal traffic

Additional strategic papers:
- Convention on the simplification of formalities in trade in goods
- International Convention on harmonisation of border control on goods
- International Convention on the simplification and harmonisation of Customs procedures (Kyoto Convention)
- TTPSE Project

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation date</th>
<th>Performance indicators</th>
<th>Responsible unit</th>
<th>External cooperating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
</table>
| 1. Undertaking of measures for reducing of waiting time, needed for risk-analysis - led customs control | 2002 - 2003         | • Implementation of “one – window” tax payment system   
• Forming of control mobile groups and strengthening of the investigations structures efficiency  
• Reorganisation – seasonal schedules                                      | CRP, CII, RCD      | Ministry of Interior, Ministry of Agriculture and Forestry, Ministry of Transport, Bulgarian Industry Association (BCCI) | • WB, the SB – 462,8 thousands €/per year      | 92                     |
| 1.1. Implementation of facilitated customs clearance procedures           | 2003                | Launch of the system for facilitated customs clearance and “one – window” tax payment | CRP, CSA, IIC   | BCCI, Economic operators  | • WB, the SB – 347,1 thousands €/per year      | 69                     |
| 1.2. Implementation of customs control on the basis of risk analysis       | 2003                | • Decreasing with 50% the number of controlled vehicles on border                     | RCD              | the SB – 392,3 thousands €/per year |                                               | 78                     |
| 2. Conclusion of agreements for cooperation between the Customs Administration and economic operators | Permanently         | Existence of procedures for expedition of urgent delivery                              | NCA, ALIS, TP, CRP, CSA, CII | the SB – 25,2 thousands €/per year |                                               | 5                      |
| 3. Signing of Memoranda of Understanding with trade companies and associations |                      | Procedures for carrying out of preliminary controls on the loading site               | NCA, ALIS, EIIC, CRP | the SB – 25,2 thousands €/per year |                                               | 5                      |
| 4. Regularly provided briefs to the customs officials on the last developments in trade, on local and international level | 2002                | Procedures for providing information to the customs officials                         | ALIS, TP, RCD   | Bulgarian Industry Association, BCCI | the SB – 125,8 thousands €/per year           | 25                     |

• Human resources administrative capacity in total: 274 = 1.378 millions €/per year

TTFSE Project
Objective 2.2. Ensuring transparency of the Customs Administration’s activity and improvement of communication and feedback with economic operators, trade sector and public

Additional strategic papers:

- TTFSE Project
- Blueprint “Trade facilitation and relation with business”

<table>
<thead>
<tr>
<th>Activities</th>
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<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Launching of partnership policy between the customs administration and economic operators, as well as with other governmental institutions</td>
<td>2002</td>
<td>• Establishment of Customs Consultative Committee • At least 4 meetings each year</td>
<td>NCA</td>
<td></td>
<td>the SB–75,5 thousands €/per year</td>
<td>15</td>
</tr>
<tr>
<td>2. Periodical and timely provided information to the economic operators and public about the proposed customs legislation amendments, procedures and documentation</td>
<td>Permanently</td>
<td>• Available feedback with the Press-Services • Development (by 31.1.2002) and maintenance of BCA Web-page</td>
<td>CSA, ALIS</td>
<td></td>
<td>the SB – 75,5 thousands €/per year</td>
<td>15</td>
</tr>
<tr>
<td>3. Working out and regular updating of booklets containing information about the customs administration powers, to be used by public and economic operators</td>
<td>Permanently</td>
<td>Available booklets in all customs and available information in the Internet</td>
<td>ALIS, CSA, Customs Chronicle Magazine</td>
<td></td>
<td>the SB – 75,5 thousands €/per year</td>
<td>15</td>
</tr>
</tbody>
</table>

- Human resources administrative capacity in total: 45 = 0.226 millions €/per year
**Goal 3: Improvement of the efficient collection of customs duties and other state receivables within the competency of BCA**

**Objective 3.1.** Ensuring the collection of the revenues for the budget, to the higher extent

Additional strategic papers:

- Check-list of required administrative conditions for collection of EC own resources
- Blueprint Revenue collection

<table>
<thead>
<tr>
<th>Activities</th>
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<th>Performance indicators</th>
<th>Responsible unit</th>
<th>External co-operating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
</table>
| 1. Development and implementation of strategy for revenues collection and management | 2002                | • Implementation of the EC accounting system to indicate the customs liabilities on the basis of their A or B type  
• Implementation of accounting system using the standard codes to identify Budget revenues by tariff headings, by types of liabilities (Common Customs Duty TARIC related, VAT on imports, excise, etc.) by methods of payment, by customs procedures and by liable persons | NCA, FEAPM, CSA, ALIS, RCD | the SB – 191,1 thousands €/per year  
• Crown Agents budget - 702 thousands € (in global) (incl. p.2) | 38 |
| 2. Harmonisation of the customs auditing system with the EU requirements regarding the accounting register and control over the own resources of EC Budget |                      | • Implementation of the EC accounting system to indicate the customs liabilities on the basis of their A or B type  
• Implementation of accounting system using the standard codes to identify Budget revenues by tariff headings, by types of liabilities (Common Customs Duty TARIC related, VAT on imports, excise, etc.) by methods of payment, by customs procedures and by liable persons | FEAPM, CSA | the SB – 407,4 thousands €/per year | 81 |
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<tbody>
<tr>
<td>4. Establishment of administrative structures for customs post-clearance control performance</td>
<td>31.12.2003</td>
<td>• Establishment of post-clearance control units in all customs; • 10% of total international trade flows to be examined by the post-clearance control units</td>
<td>PCC</td>
<td>the SB – 855,1 thousands €/per year</td>
<td>170</td>
</tr>
<tr>
<td>5. Implementation of the customs liability deferred payment</td>
<td>Approved procedure for permission, way of payment, deadlines and control of deferred payment of customs liabilities</td>
<td>FEAPM, CSA, ALIS, RCD</td>
<td>the SB – 25,2 thousands €/per year</td>
<td>5</td>
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<tr>
<td>6. Full powers given to the Customs Authorities in administrating the excises</td>
<td></td>
<td>NCA</td>
<td>Ministry of Finance</td>
<td></td>
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</tr>
<tr>
<td>7. Implementation of internal audit system, required for making of audits on calculation and accounting of traditional own resources and training of internal auditors for joint audits with European Commission,</td>
<td>2004</td>
<td>• Proper calculation of customs duties • Well-functioning system for carrying out of regular and random checks of customs offices • Plain definition of powers, responsibilities and tasks of the authorities for internal financial control • Analysis, control and reduction to the minimum level the cases of non-collected state receivables</td>
<td>FEAPM</td>
<td>• the SB – 689,1 thousands €/per year • NPAA: the SB – 40000 €</td>
<td>137</td>
</tr>
<tr>
<td>8. Securing legal base established for scrutiny of Customs Administration by EU and European Court of Auditors</td>
<td></td>
<td>ALIS, NCA</td>
<td>Ministry of Finance</td>
<td>the SB – 75,5 thousands €/per year</td>
<td>15</td>
</tr>
</tbody>
</table>

- Human resources administrative capacity in total: 520 = 2.616 millions €/per year
### Objective 3.2. Building of customs laboratories network

**Additional strategic papers:**
- Blueprint “Customs laboratories”

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation date</th>
<th>Performance indicators</th>
<th>Responsible unit</th>
<th>External co-operating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
<th>Infrastructure &amp; Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Elaboration of strategy for building, further development and improvement of customs laboratories</td>
<td>31.12.2001</td>
<td>Approval of Strategy for building of customs laboratories network</td>
<td>CCL</td>
<td>NCA, Ministry of Finance</td>
<td>• the SB – 20.1 thousands €/per year; • 0.5 millions € under the IB Part of the Project “Further development of National Customs Agency Laboratory Network”, Phare 2002</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>1.1. Further equipment of the existing Central Customs Laboratory in Sofia and the Regional Customs Laboratory in Rousse with the required analytical devices and facilities</td>
<td>Gradually by 2006</td>
<td>Purchase of laboratory equipment for accomplishing at least 70% of the necessary examinations and customs laboratory expertise, according to the Customs Administration responsibilities</td>
<td>CCL</td>
<td>NCA, Ministry of Finance</td>
<td>the SB – 20.1 thousands €/per year</td>
<td>4</td>
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</table>

- Total for all customs laboratories per year:
  - 2002 – 35.5 000 €
  - the State Budget - Sofia: 2003 – 30 000 €
    - 2004 – 25 000 €
    - 2005 – 20 000 €
    - 2006 – 35 000 €
  - 2002 – 20 000 €
    - 2004 – 10 000 €
    - 2005 – 10 000 €
    - 2006 – 10 000 €
1.2. Building of Regional Customs Laboratories in Plovdiv, Bourgas (mobile) and Varna and equipment with the required analytical devices and facilities

- Increasing of customs laboratories capacity and achievement of minimum 90% of the analytical work for support of Customs Administration in finding out the nature of goods and prevention of illicit traffic and goods
- Providing of additional capacity for analyses of petroleum produces in the Regional Laboratory in Bourgas

<table>
<thead>
<tr>
<th>Gradually by 2006</th>
<th>CCL</th>
<th>NCA, Ministry of Finance</th>
<th>the SB – 15,1 thousands €/per year</th>
<th>3</th>
<th>the State Budget</th>
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<td>Plovdiv:</td>
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<td>2003 – 20 000 €</td>
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<td>Bourgas:</td>
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<td>2003 – 15 000 €</td>
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<td>Varna:</td>
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<td>2003 – 20 000 €</td>
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<td>2006 – 15 000 €</td>
</tr>
<tr>
<td>2. Development and implementation of well-functioning customs laboratories and obtaining of accreditation of the National Accreditation Service (NAS)</td>
<td>31.12.2006</td>
<td>• Customs laboratories working as a system supplied with the required analytical equipment methods for analysis considering the tariff classification, origin of goods, binding tariff information, and the combat against illicit traffic; • Implementation of a control system on quality and accreditation of laboratory methods, in accordance with ISO EN 17025 standards • Customs laboratories are in position to provide the required technical and scientific support to the Customs Administration enabling the accomplishment of its strategic goal for reorganisation and modernisation in line with EU requirements</td>
<td>CCL</td>
<td>NCA, Ministry of Finance, NAS</td>
<td>the SB – 40,2 thousands €/per year</td>
</tr>
<tr>
<td>4. Implementation of unified system for finding out and making available to customs staff and stakeholders of the laboratory analysis reports</td>
<td>Gradually by 2006</td>
<td>• Implementation of standards for finding out and making available to customs staff and stakeholders of the laboratory analysis reports; • Development of unified laboratory information system (LIMS)</td>
<td>CCL, CSA</td>
<td>NCA, Ministry of Finance</td>
<td>the SB – 40,2 thousands €/per year</td>
</tr>
<tr>
<td>4. Development of customs methods for examination corresponding to the main objectives of the strategy and their harmonisation with the European and world practices</td>
<td>Gradually by 2006</td>
<td>Adoption of analytical procedures laid down in the EU legislation</td>
<td>CCL</td>
<td>NCA, Ministry of Finance</td>
<td>the SB – 60,4 thousands €/per year</td>
</tr>
</tbody>
</table>
• Human resources administrative capacity in total: 39 = 0.196 millions €/per year
**Objective 4.1. Strengthening of the border and inland control**

Additional strategic papers:
- International Convention on harmonisation of border control on goods
- International Convention on mutual administrative assistance for the prevention, investigation and repression of customs offences (Nairobi Convention)
- Strategy for rationalisation of the border operations, applied by the BCA
-Blueprints Investigation and Enforcement and Border and Inland Control

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation date</th>
<th>Performance indicators</th>
<th>Responsible unit</th>
<th>External co-operating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
</thead>
</table>
| 1. Development of overall system for customs intelligence and information exchange supporting the investigation and law enforcement authorities | 31.12.2002 | • Reduction of state revenues gaps, unfair competition and risks for users  
• Risk analysis method implementation to the fullest extent | CII, CSA |  | • the SB - 1649,8 thousands €/per year,  
• the Phare Program, (incl. in ?bj. 1.4., p.3)  
• Crown Agents budget - 982 thousands € (in global)  
• Crown Agents budget - 858 thousands € (in global) (incl. p.6) | 328 |
<table>
<thead>
<tr>
<th>2. Implementation of the Strategy for rationalisation of the border operations</th>
<th>2003</th>
<th>• Joint customs operations; • Establishment and development of units working on customs intelligence and units working on customs investigation of smuggling and customs fraud • Establishment of mobile control groups</th>
<th>ALIS, CII, RCD</th>
<th>• the SB – 3270 thousands €/per year. • 0.5 millions € under the Phare 2002 Program, Project “Border and inland control”</th>
<th>650</th>
<th>- 2.5 millions € under the Phare 2002 Program, Project “Border and inland control”</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Improvement of the interaction between the Customs Administration and the other border and inland control authorities</td>
<td></td>
<td>Amendments in the CM Regulation No 213</td>
<td>NCA</td>
<td>•NPAA: 0.002 millions € under the SB • the SB – 50,3 thousands €/per year</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>4. Improvement of cooperation between the control authorities on both sides of the State borders</td>
<td>2003</td>
<td>• Introduction of customs exchange of information list; • Exchange of teams</td>
<td>NCA, RCD</td>
<td>Bulgarian Industrial Association, Ministry of Regional Development and Public Works, Customs Administrations concerned</td>
<td>• Cross border cooperation between the Republic of Bulgaria and Rumania - the SB • the SB – 181.1 thousands €/per year • Phare - 2.5 millions € (for Bulgarian Customs - 0.65 millions €) under the Joint Project with the Border Police</td>
<td>36</td>
</tr>
<tr>
<td>5. Effective protection of the State territory against the importation and exportation of prohibited and restricted goods with a view to the human and animal safety, environment preservation, national security, cultural heritage and intellectual property rights protection</td>
<td>2003</td>
<td>• Timely provided exchange of information on protected species; • Building of special premises for temporary storage and salvation of seized prohibited species</td>
<td>CII, TP, ALIS, EIIC, RCD</td>
<td>Ministry of Interior, Ministry of Environment and Waters, Ministry of Agriculture and Forestry, Joint Committee on Military Industry</td>
<td>• the Phare Project - EU/338/97 Regulation on trade of wild flora and fauna species implementation</td>
<td>Incl. in p. 2</td>
</tr>
<tr>
<td>6. Development, implementation and regular updating of risk profiles for each customs check point</td>
<td></td>
<td>Updating of risk profiles for each customs check point</td>
<td>CII in cooperation with other the directorates, RCD</td>
<td></td>
<td>• Project under the Phare Program (incl. Obj. 1.4., p.3) • the SB – 392.3 thousands €/per year</td>
<td>78</td>
</tr>
</tbody>
</table>
• Human resources administrative capacity in total: 1102 = 5,543 millions €/per year
**Objective 4.2.** Optimising the activity on ceasing the illicit traffic of narcotic substances and precursors

**Additional strategic papers:**
- Strategy for rationalisation of the border operations, applied by the BCA
- International Convention on harmonisation of border control on goods
- National Customs Agency Rules on the organisation of the activities for ceasing and detection of the illicit traffic of narcotic substances and precursors
- Basic principles of the National Customs Agency on the implementation of the WCO Program Alliance between the customs and trade sector in the combat against drugs trafficking
- Blueprints Investigation and Enforcement and Border and Inland Control

<table>
<thead>
<tr>
<th>Activities</th>
<th>Implementation dates</th>
<th>Performance indicators</th>
<th>Responsible unit</th>
<th>External cooperating units</th>
<th>Financing</th>
<th>Administrative capacity</th>
</tr>
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<tbody>
<tr>
<td>1. Achievement of the standards settled by the EU on technical and employment capacity for ensuring the activity</td>
<td>By the end of 2003</td>
<td>Establishment and development of units working on customs intelligence and investigation of crimes related with narcotic substances and precursors; Establishment and implementation of criteria in compliance with the European standards for personnel recruitment; Development of Bulgarian customs Kynology (establishment and functioning of Customs training school in the Balchik area)</td>
<td>CII – Customs Intelligence and Investigation of Drugs Trafficking Department (CIIDT)</td>
<td>Ministry of Finance</td>
<td>• the SB – 1911210 €/per year • Joint UNDCP – Phare Program for Strengthening Drug Law Enforcement Capacities in South Eastern Europe; • Contract under the Phare Program – Reinforcement of the border control Project – p. 3.</td>
<td>347</td>
</tr>
<tr>
<td>2. Participation in specialised international units for combating the illicit drugs trafficking</td>
<td>Permanently</td>
<td>NCA officials attached to the international units</td>
<td>CII – CIIDT</td>
<td>Units concerned</td>
<td>• the SB – 25148 €/per year • Program on the partnership for development of National strategy on combating illicit drugs trafficking</td>
<td>5</td>
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<tr>
<td>3. Strengthening of the cooperation and the exchange of information with the law-enforcement authorities and the judiciary</td>
<td>By the end of 2004</td>
<td>Participation of the NCA in the establishment of national intelligence centre on drugs, together with the specialised services of the Ministry of Interior; Participation of the NCA in the development of national strategy on combating illicit drugs trafficking</td>
<td>CII – CIIDT</td>
<td></td>
<td>• the SB – 25148 €/per year • Program on the partnership for development of National strategy on combating illicit drugs trafficking</td>
<td>5</td>
</tr>
</tbody>
</table>
• Human resources administrative capacity in total: \(357 = 1.796 \text{ millions } €/\text{per year}\)
BULGARIAN CUSTOMS AGENCY

IT STRATEGY

UPDATED VERSION 6.0 FOR THE PERIOD OF: 2001-2007
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<th>Ver.</th>
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<td>4</td>
<td>2</td>
<td>16/05/02</td>
<td>Border control project – Information exchange and border crossing facilitation between BG and RO</td>
<td>I</td>
<td>5.2.5.2.5, Plan</td>
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<td>5</td>
<td>0</td>
<td>28/05/02</td>
<td>Update and fine-tune the Strategy in all sections with more information to make it more explanatory</td>
<td>I</td>
<td>All, except 4.4 and 4.5 (Security and Maintenance, currently under review and update)</td>
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<tr>
<td>6</td>
<td>0</td>
<td>01/11/02</td>
<td>Update the status of the future applications development preparation activities CCL system, CCA system and Post Clearance Control System</td>
<td>R, I</td>
<td>5.4.1, 5.4.2, Plan</td>
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*Action: I = Insert, R = Replace*
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<th>TITLE/DEPARTMENT</th>
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<tr>
<td>Mr. Assen Assenov</td>
<td>Director General of NCA</td>
</tr>
<tr>
<td>Mr. Georgi Grigorov</td>
<td>Deputy Director of NCA</td>
</tr>
<tr>
<td>Mr. Aleksandar Rakov</td>
<td>Deputy Director of NCA</td>
</tr>
<tr>
<td>Mr. Dimitar Tolev</td>
<td>Deputy Director of NCA</td>
</tr>
<tr>
<td>Ms. Anelia Angelova</td>
<td>Director of Tariff Policy Directorate</td>
</tr>
<tr>
<td>Ms. Marina Popova</td>
<td>Director of European Integration and International Cooperation Directorate</td>
</tr>
<tr>
<td>Mr. Christo Christov</td>
<td>Director of Finance-economic Activities and Property Management Directorate</td>
</tr>
<tr>
<td>Mr. Rumen Danev</td>
<td>Administrative-legal and Information Service Directorate</td>
</tr>
<tr>
<td>Mr. Ivaylo Stefanov</td>
<td>Director of Customs Intelligence and Investigation Directorate</td>
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<tr>
<td>Ms. Aleksandra Naumova</td>
<td>Director of Central Customs Laboratory Directorate</td>
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<tr>
<td>Mr. Spas Shopov</td>
<td>Head of Inspectorate</td>
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<tr>
<td>Mr. Ivaylo Stefanov</td>
<td>Institutional Building and Phare Program Department</td>
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<tr>
<td>Mr. Ivan Sariev</td>
<td>Head of Information technologies Department, MF</td>
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<tr>
<td>Mr. I. Dascalu</td>
<td>DG TAXUD, Head of Unit D3</td>
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<tr>
<td>Ms. Christiane Klahr</td>
<td>DG TAXUD, Unit D2</td>
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<tr>
<td>Mr. Frank Janssens</td>
<td>DG TAXUD, Unit D2</td>
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<tr>
<td>Ms. Jaqueline Church</td>
<td>EC Delegation</td>
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<tr>
<td>Project Support Team</td>
<td>File</td>
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<tr>
<td>Mr. Sandro Lenochi</td>
<td>Eurocustoms</td>
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INTRODUCTION

PURPOSE AND SCOPE OF THE DOCUMENT

The purpose of this document is to define the overall IT strategy of the Bulgarian Customs Agency, locally called National Customs Agency (NCA) as the Customs Business Strategy requires it. It also serves as a Management tracking document of the IT Strategy implementation progress. The Strategy covers a fully computerized system, known as the Bulgarian Integrated Customs Information System (BICIS). The validity period of the Strategy stretches to the assumed Accession date of January 1st, 2007 and covers all the National Business and EU Business requirements. This document will be updated on a regular basis to reflect the progress of the Computerization as well as changes to the Strategy. The updates will be recorded in the Revisions table above.

DOCUMENT STRUCTURE

This document has been structured into five sections, which are divided into sub-sections.

Section 1. INTRODUCTION – describes the purpose and the scope of this document

Section 2. ABBREVIATIONS AND ACRONYMS – contains the abbreviations and terms used in this document

Section 3. ORGANISATION and IT HUMAN RESOURCES POLICY – divided into two main parts, as follows:

Subsection 3.1. GENERAL CUSTOMS ORGANIZATION – describes the general organization of the Bulgarian Customs Administration, customs structure and functions, organization of the Central Customs Directorate

Subsection 3.2. CUSTOMS IT ORGANIZATION and H/R POLICY – describes the levels of NCA and CCD IT organization

Section 4. MANAGEMENT AND METHODOLOGY POLICY – in the subsections are defined: project organization and management, main principles and standards of quality management and methodology, common strategy for applications development, summaries of security and maintenance policy

Section 5. TECHNICAL ENVIRONMENT AND APPLICATIONS – this section is divided in two main parts:

Subsection 5.1. CURRENT ENVIRONMENT AND APPLICATIONS – describes the current status of the technical infrastructure, currently used operating systems and database, communications infrastructure and functions of the currently implemented applications.

Subsection 5.2. FUTURE ENVIRONMENT AND APPLICATIONS – describes the trends in the future development of technical and communications infrastructure, the possible changes in the used operating systems and databases, future software applications development stages, including interfaces with other systems and development of interfaces with the DG TAXUD systems.

ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>ABBREVIATIONS AND ACRONYMS</th>
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<tr>
<td>AFIS</td>
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<tr>
<td>AIS</td>
</tr>
<tr>
<td>ASYCUDA</td>
</tr>
<tr>
<td>BCA</td>
</tr>
<tr>
<td>BICIS</td>
</tr>
<tr>
<td>BICIS Steering Committee</td>
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<tr>
<td>BTMS</td>
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<tr>
<td>CS</td>
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<td>CSA</td>
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<td>CCA</td>
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<td>DG TAXUD</td>
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<td>EU</td>
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</table>
The Bulgarian Customs Administration is established in 1879 and it is one of the oldest Bulgarian public institutions. It is centralised system with 3826 employees, who are structurally allocated in Central Customs Directorate, five Regional Customs Directorates, 17 Customs Houses and 102 Customs Bureaux and Customs Points.

The new direction in the BCA development is related with the willingness of our country to become a full member of EU. Regarding the Customs Union area, in its negotiation position Bulgaria declares that accepts the “acquis communautaire” and will be able to implement it in full by its accession. Concerning the customs field, this process includes the fulfilment of the EU requirements within 13 areas, specified by the European Commission (the Customs Blueprints). The ambition of the Customs Administration to take this policy was declared in the National Strategy for Preparation of the Customs Administration for Membership in EU and its Implementation Program. The Bulgarian Government approved the European Commission’s Declaration of Endorsement of the Pre-Accession Preparation Strategy for Customs and Tax Administration in Bulgaria with special decision.

Considering the present conditions and the leading role of our country as future external border of EU, the ambition of the BCA is to become more effective and efficient, as changing itself during its pre-accession period to ensure to the fullest harmonisation of the legislation, operational and technological compatibility with the operative customs systems in the EU members. In this respect, a Customs Tariff harmonised in 1992 with the Harmonised System and with Combined Nomenclature in 1996 was adopted. In 1999, the SAD version was completely harmonised. In 1995, the BCA officially applied for accession to the Common Transit Convention and Convention for Simplification of Formalities in trade in goods. In 1996 the accession procedure to this convention was started.
REVENUE COLLECTION STATISTICS

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenues Collected (millions BGN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>1,794.2</td>
</tr>
<tr>
<td>1999</td>
<td>1,784.9</td>
</tr>
<tr>
<td>2000</td>
<td>2,368.0</td>
</tr>
<tr>
<td>2001</td>
<td>2,528.1</td>
</tr>
</tbody>
</table>
TAX REVENUE COLLECTED BY THE CUSTOMS ADMINISTRATIONS AS A PERCENTAGE OF THE TOTAL BUDGET

TAX REVENUE

Year 1998
Tax Revenues Collected by The Customs Administration 44.3% 1 769.6 (millions BGN)
Other Tax Revenues 55.7%

Year 1999
Tax Revenues Collected by The Customs Administration 43.7% 1 754.5 (millions BGN)
Other Tax Revenues 56.3%

Year 2000
Tax Revenues Collected by The Customs Administration 50.5% 2 286.0 (millions BGN)
Other Tax Revenues 49.5%

Year 2001
Tax Revenues Collected by The Customs Administration 52.4% 2 482.0 (millions BGN)
Other Tax Revenues 47.6%

NUMBER OF REGISTERED SINGLE ADMINISTRATIVE DOCUMENTS

Year 1998: 604 622
Year 1999: 1 013 965
Year 2000: 1 172 402
Year 2001: 1 344 438
TAX REVENUES COLLECTED BY THE CUSTOMS ADMINISTRATION

Year 1998

- VAT: 71% 1,264.1 millions BGN
- Excise: 4% 55.8 millions BGN
- Customs Duties: 29% 440.2 millions BGN

Year 1999

- VAT: 82% 1,438.1 millions BGN
- Excise: 3% 65.6 millions BGN
- Customs Duties: 15% 298.4 millions BGN

Year 2000

- VAT: 86% 1,965.7 millions BGN
- Excise: 4% 100.0 millions BGN
- Customs Duties: 10% 220.3 millions BGN

Year 2001

- VAT: 89% 2,209.8 millions BGN
- Excise: 3% 70.8 millions BGN
- Customs Duties: 8% 196.5 millions BGN
CUSTOMS STRUCTURE AND FUNCTIONS

The Bulgarian customs administration is a centralized administrative structure, organized within National Customs Agency (NCA) under the Minister of Finance. NCA is a legal person financed by the state budget. NCA is managed and represented by a Director General who is assisted by four Deputy Directors.

The overall function of NCA is the performance of customs supervision and control of the customs territory of Bulgaria. NCA consists of a four-layer structure:

- The Central Customs Directorate (CCD), located in Sofia, currently divided in two physical locations. During 2003, both NCA offices will move to a new Customs Headquarters building.
- The Regional Customs Directorates (RCD), currently five (5), located in the main cities of the country.
- The Customs Houses (CH), currently seventeen (17), which handle the majority of the clearance processing (approximately 60-70%).
- Customs Offices and Border Points, currently hundred two (102).

NCA currently employs 3,826 Customs officers and supporting staff. The functions and structure at each layer are as follows:

- CCD – overall functions of CCD are to organize, manage, control and report about the activities of the customs administration. To cover these functions CCD consist of the following Directorates – Customs regimes and procedures, Tariff Policy, Post Clearance Control, Central Customs Laboratory, Customs Intelligence and Investigation, Customs Statistics and Automation, European Integration and International Cooperation, Administrative- legal and Information Service, Finance- economic activities and property management, Inspectorate.

- RCD - overall functions of RCD are to organize, manage, control and report about the activities of the customs houses included in RCD structure. To cover this functions RCD consist of departments, which have the same name and functions as CCD directorates, but at the regional level.

- Customs Houses - overall functions of CH are to organize, manage, control and report about the activities of the customs offices and border points included in CH structure and together with them to perform customs supervision and control. To cover this functions Customs Houses consist of the following departments: Customs regimes and procedures, Tariff Policy, Customs Statistics and Automation, Customs Intelligence and Investigation, Customs Intelligence and Investigation of Drug Traffic, Administrative- legal and Information Service, Finance- economic activities and property management, Inspectorate.

- The Customs Offices and Border Points are operative units performing customs supervision and control.
CUSTOMS IT ORGANISATION and H/R POLICY

BACKGROUND

The computerization is one of the strategic objectives of BCA and also an important pre-requisite for achieving the required administrative capacity for adoption of Aquis. In the time the process of BCA computerization progressed in two directions – Program Phare and Program for technological re-innovation of Ministry of Finance. As result of both programs the following results were achieved:

- In 1996 the system AIS Customs 1.0 was developed and implemented in Customs House Airport Sofia. This was the first system in BCA based on new technologies – client server, UNIX, Informix. At this time a lot of legacy were used in different customs offices.

- With Government Decision ? 1186/96 the software product Asycuda was selected as a core of the Bulgarian customs information system. The decision was taken in relation with the approved Phare project BG 9305 “Computerization of BCA”

- By reason of dynamic development of the information technologies and the forthcoming legislation harmonization in 1997 BCA made an analysis of Asycuda, which finished with the conclusion that Asycuda is not meeting the requirements of BCA in technological, functional, organizational and financial aspects. In general the reason for this conclusion is that Asycuda is based on old information technologies, some important functionality is missing and the implementation of the product requires a lot of time and unclear amount of financial resources. As result of the above mentioned analysis the Decision ? 1186/96 for selection of Asycuda as a core of the Bulgarian customs information system was abolished with a government Decision ? 522/99. The decision to create an own system was taken.

- After the decision to create an own system BCA continued to develop and improve AIS Customs

- In 1998 the Program for technological re-innovation of Ministry of Finance started. Under this program until May 1999 the required infrastructure for BICIS was built – LAN in all customs offices, servers, workstations, printers, UPS and other equipment

- In October 1998 the BCA IT organization structure was created – in addition to directorate “Customs statistics and automation” in CCD, departments “Customs statistics and automation” were created in Regional customs directorates and in Customs Houses

- The development of AIS Customs continued under the Program for technological re-innovation of Ministry of Finance. In relation with the new customs legislation (in force from 1999) AIS Customs 3.0 was developed and implemented in 9 customs offices at the beginning of 1999.

- With the contract from 28 December 1998 Information Services Plc. was selected by Ministry of Finance as a system integrator of BICIS

- In the middle of 1999 the BICIS Steering committee was established.

- BCA IT strategy was developed and approved by the BICIS Steering committee. According to this strategy AIS Customs 3.0 was selected as core of BICIS

- In November 1999 the European Commission initiated a mission targeted to evaluate the BICIS development. As result of the positive evaluation the European Commission decided to continue the implementation of the Phare project BG 980602 “Computerization of BCA”

- In January 2000 the European Commission initiated a short term technical assistance project, targeted at the preparation of all the documentation required for the implementation of the project BG 980602 “Computerization of BCA” – project fiche, BICIS Project Initiation Document and tender documents. All the documents were developed by May 2000 and approved by the BICIS Steering committee
In the final Project fiche for the project BG 980602 “Computerization of BCA” the following sub-projects were defined – “Additional hardware and system software for BICIS”, “Communication equipment”, “Customs functional training – interconnectivity with the Brussels systems” and “Technical assistance for the computerization of BCA”.

According to BICIS PID and the current development status, the period from 2000 to 2003 is set as phase 1 of BICIS development and implementation, which phase is divided into three stages:

- Stage 1 (year 2000) – including sub-systems: Customs clearance, Reference data, Report and System control
- Stage 2 (year 2001-mid 2003) – including stage 1 systems plus: Transit – national level, Customs debt (financial sub-system), Enforcement, Decisions of customs authorities
- Stage 3 (year 2002-mid 2003) – Human resources management and Inspectorate

For the implementation of the phase 1 in May, 2000 a Complementary agreement was signed between Ministry of Finance and Information services Plc. PID and the BICIS stage 1 Project Plan were annexed to the Complementary agreement.

For the Developments of BICIS stage 2 and 3, complementary agreements have been signed until the end of 2002 and a maintenance and enhancements contract exists until the end of 2003.
CCD IT ORGANIZATION

The CCD IT Department is one of the two Departments under the Directorate of Customs Statistics and Automation (CSA). It is consisted of 3 Units: Technical Environment, Applications and Methodology/Support. The Structure of the Department provides the minimum staff required for the best possible preparation and management of IT projects and adequate User support. It includes profiles to manage Technical Environment and Application Development projects as well as Maintenance contracts. It is currently employing 23 staff.

The Director of the Directorate also acts as the IT Department Director supported by an Administrative Assistant and the following Units:

Applications support unit
This Unit is consisted of IT experts with Project management and Customs business skills. The Unit deals solely with Applications of Customs Business and other supporting Applications not related to the actual Customs Business such as Human Resources, Payroll, etc. The staff under this Unit is responsible for the following tasks:
- Applications Development overall Project Management Plus:
  - User Liaison
  - User Requirements
  - Pre-Study/Analysis phase
  - Partial involvement in the Analysis and Design process
  - Testing
  - Training
  - System deployment/roll-out activities, mainly logistic activities from the NCA part
  - Acceptance activities
  - Quality control activities within the above areas supporting the Methodology Unit.
- Applications maintenance overall management as part of the Maintenance structure and ensuring the proper process of maintenance tasks in relation to the applications only:
  - Fault report management
  - Change Request management
  - Enhancements development management
  - Training new Customs officers
  - User support on Applications issues.

Environment support unit
This Unit is consisted of IT experts specializing in technical environment areas and able to manage IT infrastructure deployment and maintenance projects. The Unit is comprised of two Sections: the Systems and Operations sections. The Systems Section deals with main Hardware Operating Systems, with Database(s) and Networks and Environment Security (Hardware, Networks, etc.). The Operations Section deals with all the Hardware activities, Standard Software such as PC S/W, e-mail, etc. and the Internal Help-Desk for Maintenance co-ordination. The main responsibilities of this Unit are:
- Technical Environment deployments overall Project Management plus:
  - Pre-Study/Analysis phase
  - Implementation management
  - Testing management
  - Site Acceptance
- Technical Environment maintenance projects
  - Internal Help-Desk for co-ordination of maintenance with the contractor(s) and tracking all types of maintenance documentation
  - Warranty management
  - Inventory management
  - Day to day operations (Reports, back-ups, data replication, etc.)
  - Performance of actual maintenance tasks when the contractor is Information Services Plc. as part of the contractor maintenance structure.

Methodology support unit
This Unit mainly deals with Quality Assurance and Control and Contract Management. It is currently consisted of a Quality manager and a Contracts Manager and aims to support the Developments and Maintenance projects managed by the other two Units. The main tasks of this Unit are as follows:
- Quality Management
  - Adopts, Implements and Maintains a complete IT Methodology to be applied internally were applicable and by the contractors.
  - Participates in all the Pre-Study/Analysis phase.
  - Evaluates the contractor’s Quality Plans.
- Performs Quality Assurance activities by following the projects life cycles and ensure that developments occur according to the predefined standards and guidelines as per the PQP(s).
- Performs Quality Control activities by periodically checking the contractor deliverables and participate in the evaluation and acceptance of contracted deliverables.
- Evaluates Maintenance plans and ensure that maintenance activities perform according to the plans.

**Contract Management**
- Participates in the Methodology implementation related to Contract Management
- Participates in the Pre-Study/Analysis phase.
- Prepares the Tender Dossiers
- Participates in the tenders evaluation
- Manages the contracts from the payments and financial reporting/control aspects
NCA IT ORGANIZATION
The NCA IT Organization reflects the IT Structure in the Regional Directorates and Customs Houses and Customs Offices and Posts. The Regional Directorates and Customs houses include a Department of Customs Statistics and Automation. The Customs Offices and Posts include a System Administrator, represented by a Customs Officer with IT experience.

The CCD IT Directorate does not directly manage the Departments and Administrators. They are part of the Structure of the Regions and Customs Sites and are managed by the local Regional and Customs Sites Directors. Strong cooperation exists between the CCD Directorate of Statistics and Automation and the Regional Structures. The Directors of the IT Departments form the Operating Committee (OC) and participate in various tasks during Development and Maintenance life cycles.

In summary the Regional and Customs Houses IT departments are responsible to:

- Organize, manage and control the provision of BICIS information for the department;
- Organize, manage and control the implementation of new information, communication and management technologies;
- Control the condition of Program and IT equipment
- Plan and monitor the performance of the information projects and the relevant changes
- Search the information needs of the department, analyze and offer to the CCD IT and Statistics department of the National Customs Agency projects for development of the information systems in the regional directorate
- Organize, manage and provide the customs statistic activities on regional level
- Develop analysis reports, which are presented every three months to the IT and Statistics department of the National Customs Agency

The System Administrators of the Customs Offices and Posts provide technical and application support to the users and are supported by the IT and Statistics Departments of the Regions and Customs Houses.
Central Customs Directorate

Directorate "Customs Statistic and Automation"

Regional Customs Directorate

Department "Customs Statistic and Automation"

Customs House

Department "Customs Statistic and Automation"

Customs office and Customs post

System Administrator
All the projects concerning the development and improvement of BICIS are managed mainly at the CCD level, involving the RCD IT departments in various areas of Development and Maintenance projects as stated in 0. Each project is based on a request by the “Users” and is initiated by the Pre-Analysis phase, which includes the creation of the Project Initiation Document (PID). The document defines the requirements and the plan of approach as well as the Management Structure. CCD appoints a Project Manager(s) (PM) from the Applications Support Unit or the Environment/Technical Support Section, depending on the nature of the project. The PM assumes ownership of the Project and together with the main Users, the Quality Manager, the Contracts Manager, the Operating Committee and the Environment/Technical Support Team staff create the ToR for the request.

The ToR follows specific Standards, mainly drawn by the Phare and DG TAXUD (TEMPO) guidelines. One of the ToR requirements for the contracting party is the completion of the Project Quality Plan, extracted from the TEMPO methodology standards. In the PQP, the contractor is requested to complete the Project Management/Tracking Section, in which the contractor’s management and the NCA management structures are merged.

For the current BICIS works, the Customs Applications PQP includes a Project Management/Tracking Section, in which the specific management layers, meetings and meeting materials are specified. The following chart shows the generic NCA BICIS Management/Tracking Groups based on which the full management structure is prepared in each PID.

<table>
<thead>
<tr>
<th>PM/PT Groups</th>
<th>Monthly</th>
<th>Bi-weekly</th>
<th>Weekly</th>
<th>Monthly</th>
<th>Weekly</th>
<th>Weekly</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDG</td>
<td>S.C.</td>
<td>USER GROUPS</td>
<td>OC</td>
<td>PMs</td>
<td>QA</td>
<td>CM</td>
</tr>
<tr>
<td>Project Directors Group</td>
<td>Steering Committee</td>
<td></td>
<td>Operating Committee</td>
<td>Applications</td>
<td>Quality</td>
<td>Contracts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ad-hoc</td>
</tr>
</tbody>
</table>

The **Light-Green** layer represents the Groups which track the progress of the detailed Plan activities. The PM group records Minutes, Actions, issues requiring Management Attention, and tasks Status. It also applies and updates the detailed project plans.

The Quality group records Minutes and Actions within the group as well as Issues. It also organises the acceptance of the contracted deliverables.

The Contract Management group tracks payments following deliverables acceptance. This group also meets with the MF IT and Information Services Plc. counterparts and assists in the implementation of contract procedures based on Phare experience as well as TEMPO standards.

The **Dark-Green** layer represents the Project Director Group, the main Users Group and the Operating Committee consisted of Regional IT Directors. The PDG meets at least once per month and receives as an input the Tasks Status, the Issues Requiring Management Attention and the Summary Project Plan with all the BICIS activities/contracts. This group records Minutes and Actions, resolves Issues and reviews the BICIS Monthly Report and Risk Management Plan. Issues resolution and Risks assessments also involve the Users and the OC. This Group is further assisted by the Operating Committee, which meets centrally once per month to discuss and assess development and maintenance issues and tasks.
The **Yellow** layer represents the Steering Committee consisted of NCA Directors, MF IT Director and Contractor Directors. For National Contracts this Committee meets on a monthly basis. For Phare contracts meets as required for deliverables approvals (Reports, etc.). The SC is presented with the BICIS activities/contracts progress and is expected to assist in Risk resolution.

Following the ToR, Invitations To Tender (ITT) or Direct Contracts are issued. The current BICIS works is consisted of the following contracts:

- **National Contracts** issued by the Ministry of Finance (MF) to the Information Services Plc. (IS), a company owned over 99% by the MF. IS Plc. act as the systems integrator for the majority of the individual Agencies/Administrations under the MF as well as common projects such as the Communications Infrastructure project. These contracts are Framework Contracts with specific/supplementary Agreements and for a specific duration and scope. Currently, under the scope of BICIS, the MF has issued two contracts for NCA and one common MF Communications Infrastructure project, which directly affect NCA. These contracts are:
  
  - The development of BICIS, which is divided in Stages and is currently covering Stage 2 and 3 (*see the Current Applications section and the IT Strategy plan*). The complementary agreement for these stages ends in December 2002.
  
  - The Maintenance of BICIS, a contract that covers all the BICIS maintenance and Enhancement needs, including maintenance of the current developments, until December 2003.
  
  - The development of an updated and modern communications infrastructure, to cover the needs of all the MF and subordinate Agencies, including Customs.

- **Contracts issued under the Phare assistance**, which follow strictly the DIS procedures. Currently NCA manages four Phare IT contracts:
  
  - A Technical Assistance contract, which has implemented a Project Support Team, to assist NCA in Project, Quality and Contracts Management. This contract ends on 30/11/2002.
  
  - Communications infrastructure improvement contract, under which communications Hardware (mainly Modems) have been purchased for Customs only and are being installed together with the MF Communications project progress.
  
  - Additional infrastructure improvements for BICIS, which involves major hardware improvements (mainly major computer purchases) for the BICIS project. The hardware has been purchased and installed. The completion of this project is foreseen for the end of 2002. The financing memorandum ends at the end of 2002.
  
  - A Euro-Customs project, under which the initial user requirements and plans are addressed for the IT and user departments preparation and interconnectivity requirements assessments with the EC (DG TAXUD and OLAF) and Member States (MS) systems.

The figure bellow summarizes the contracts under BICIS 2 and 3 Stages and specific activities under these contracts.
Graph 4.1.1 below, represents the management structure of BICIS 2 and 3 Stages, as a SYNOPTIC VIEW of the Works of which have been described in the above sections the NCA staff involved within the NCA IT STRUCTURE and the CONTRACTED STRUCTURES. Specific staff positions for the tasks of these stages can be seen in the CCD IT Organization Structure (3.2.2), corresponding to each sub-system of these stages. MF is represented in Dark Green. NCA is represented in Light Green. Phare Contracts are represented with a Blue Shadow. The Gray Areas represent Information Services Plc. and their sub-contractors. The Steering Committee includes high-level staff from all parties involved.
METHODOLOGY STANDARDS AND POLICY

The overall IT Methodology is currently under evaluation in NCA. The DG TAXUD “TEMPO” standards and guidelines have been received and are being examined. Evaluating and implementing comprehensive IT Methodology in NCA is a priority. It is envisaged that “TEMPO” will be adapted in most areas. Various areas though will use parts of other type of standards and these areas are the Applications Development areas and Contract issuing standards. For Applications Development Projects NCA is using the Rational Unified Process (RUP) standards. This is due to the development strategy, which in these areas is following the iterative approach. Contract issuing depends on the Contracting Authority and the Standards used. For Phare contracts NCA is obliged to use the Phare standards, which enhances with additional “TEMPO” guidelines, such as the inclusion of a Project Quality Plan (PQP) template and the request to be completed by the contractor within a time period from the contract initiation. For National Contracts, NCA is depending on the MF Methodology and is currently involved in implementing common standards through the Quality and Contracts Management groups. Rarely NCA is the contracting authority and it is envisaged that when this will occur, TEMPO guidelines will be used in conjunction with the Bulgarian law. Technical Environment/Infrastructure projects also include PQPs or Quality Criteria, depending on the size of the projects. “Tempo” is the methodology to be applied in these contracts in conjunction with Phare procedures when applicable. Maintenance Projects are based on a Maintenance Plan. “TEMPO” guidelines are being examined with an emphasis on Service Level Agreements (SLA).

The document standards used by NCA are in the process of being harmonized with “TEMPO” standards by the CCD IT Quality manager.

DEVELOPMENT STRATEGY

The general policy of NCA is to subcontract development projects. NCA strategy is to manage projects. NCA rarely subcontracts directly to the private sector. The National contracts for developments and maintenance are handled by the Ministry of Finance (MF) and are currently contracted to Information Services Plc. a company the majority of which is owned by the MF (99.7%) and acts as the MF system integrator. When contracts are awarded for NCA using Phare funds, the Phare contract standards and guidelines are followed. The specific Application Development strategy of NCA is to develop and implement a system using the latest technological means. The Customs Business Applications are developed following the OMG standards. The analysis is performed using “the UML” standards (Unified Modeling Language) and the tool used is Rational Rose. The Development platform is based on J2EE standards (Java 2 Enterprise Edition) and the system is currently migrating from a “client-server” to Web-based “centralized” approach. Currently the MF has issued a tender for the Central Development Platform selection. The decision to change the applications architecture was not based only on following modern standards and techniques. Other trends also influenced this decision and the main one is the rapid Communications infrastructure improvement, which in turn affects positively the NCA IT human resource policy, provides for a better information control within the system and also reduces technical changes dependency (RDBMS, Business logic, etc.).

In respect to H/R policy, the system will require less technical maintenance in the Customs Offices and especially in areas such as database management, business logic issues, back up and recovery, etc. It is envisaged that when the system will be fully centralized, the main support required in the Customs sites will be concentrated in application support to the Customs officers (training, navigation assistance, etc.) and Hardware support with main emphasis on system communications issues. Furthermore, all types of messages currently transferred from the CCD level to all the other levels will be eliminated. Information such as tariff changes and updates will be entered once in the central system and will be available for consultation and validation to all the other levels. This will cut down significantly in operational procedures within NCA IT as well as additional H/R required for this process.

Regarding information control, the system will be able to handle synchronous and asynchronous messages, in comparison with the current situation, which only handles FTP data transfers. This means that any entry of data to the system will be immediately available for consultation and reporting throughout the certified levels of NCA. XML will be used as a standard for the exchange of messages. Finally, any software changes to the system (databases, business logic, etc.) will be done centrally and will be transparent to the users. This will reduce deployment/roll-out periods and overhead works.

The MF is managing Communications Infrastructure improvement project, which will ensure the success of the NCA development strategy. This project however, is not progressing as fast as it was initially planned. The completion of the communications infrastructure improvement was initially planned to coincide with the deployment of the current BICIS works and specifically with the BICIS 2.1 release. This deadline has not been met and NCA was forced to create alternative solutions in achieving a centralized system. The messaging sub-system has been developed in a
way to support a “clustered” deployment of the applications. Emphasis has been given in developing asynchronous messages and although the business logic has been taken off the “client”, application and web servers will be deployed in areas that do not have adequate communications infrastructure. The application server platform suggested by the system integrator for this approach is “Jboss” version 2.4.4 and has been developed to handle the regional requirements. As the communications infrastructure improves, these servers will gradually be removed until full system centralization is achieved.

This approach does not impact financially the H/W infrastructure, since through National and mainly Phare contracts and due to the current “client/server” approach, all the necessary H/W have been deployed in all the Customs sites and adequate servers exist to host the web and application logics.

The following 3 charts attempt to express the current, intermediate and future Development platform.

The blue BICIS boxes represent the application, which is shared between the servers and the workstations (clients). Communication of data top-to-bottom and bottom-to-top occurs using File Transfer Protocols (FTP), an automated process called internally “server to server communications” and occurs each night.
Legend:
1. Server IBM RS/6000 model 7017-S85, 4 CPU, 16 GB RAM
2. J2EE Application Server (TBD - BEA WebLogic / IBM WebSphere / Oracle iAS)
3. JMS Server – SwiftMQ 2.1.3
4. RDBMS - IBM Informix Dynamic Server 7.31
5. OLAP server - TBD
6. Data Warehouse - TBD
7. Server IBM RS/6000 model 7025-F80 / F50
8. JBoss application server 2.4.4
9. JMS asynchronous communication – Report distribution
10. JMS asynchronous communication – Data replication from regional offices to the central DB
11. Server IBM Netfinity 5000 model 31Y / 22Y

Regional Offices in the chart represent all 124 Customs Sites
FUTURE (CENTRALIZED) APPLICATIONS ARCHITECTURE

Regional Office LAN

Central Office

J2EE Application Server

Report Server (OLAP)

Intranet communication (Min. 2MB)

Regional Office LAN

Legend:
1. Server IBM RS/6000 model 7017-S85, 4 CPU, 16 GB RAM
2. J2EE Application Server (TBD - BEA WebLogic / IBM WebSphere / Oracle iAS)
3. JMS Server – SwiftMQ 2.1.3
4. RDBMS - IBM Informix Dynamic Server 7.31
5. OLAP server - TBD
6. Data Warehouse - TBD
7. Server IBM RS/6000 model 7025-F80 / F50
8. Server IBM Netfinity 5000 model 31Y / 22Y

Regional Offices represent all 124 Customs Sites
SECURITY POLICY

The measures taken in respect of the NCA security policy are in line with the existing legislation. Updates of this section will be constructed according to the future amendments in the legal base and the pending current law implementation of administrative arrangements in NCA.

The information and information systems and services are an essential and vitally important asset for the Customs Agency. The Customs Agency, as the owner of information and information systems, requires safe, reliable and appropriate security of the information and information systems it possesses, maintains and administers. The earning of respect and reputation of the Customs Agency is directly connected with the manner in which the information and information systems are being administered. The maintenance of an adequate security level is one of the most important aspects both for the information management, and for the information system management.

For its efficiency, the Information Security System has to be developed with common efforts including the participation, understanding and support of all personnel members of the Customs Agency, who work with information and/or information systems. Due to the necessity of team work, the policy specifies the consumer’s obligations and the activities they are due to execute, for the assistance of the Customs Agency information and information system protection.

According to the document “Organization of the activity and the internal order in Customs Agency” all the customs officer are obliged to follow the Information Security Policy, approved by the Director General.

The purpose of the Information Security Policy is to set the preventive measures and reactions to different types of information and information system threats, which may include unauthorized access; hacker attacks; malicious actions; lost, multiplied or stolen information; data modification, destruction or erasure; alteration, misuse or crash of programs.

This policy is valid for all computer and network systems, owned and/or administered by the Customs Agency. It is also valid for all platforms (Operating Systems), all types of computer systems (from personal computers to large servers) and all Application Systems (irrespective of the fact whether they are developed by the Customs Agency or following an order to an outsourcing firm). This document is valid only for the information managed by computer and/or network systems. Even if this document specifies further points, e.g. verbal or written information exchange, it is not directly addressed to the security of information in these forms.

The management, direction, authorization and activities related with the Customs Agency information security, are organizationally concentrated in the “Customs Statistics and Automation” Directorate (CSA Directorate) and performed in coordination with the Information Security Unit within NCA. The CSA Directorate is responsible for the development, implementation and maintenance of the Information Security (safety) policy (strategy), the standards, user manuals and procedures, referring to the organization as a whole. The periodical examinations aiming at the correct functioning of the organizational departments according to the rules specified in these requirements are the responsibility of the “Technical support unit” of the IT deportment of Directorate CSA and the respective regional structures. The CSA Directorate and the CSA regional departments administrate the investigation of unauthorized access to the Customs systems and other Information Security incidents, in a joint effort with the “Inspectorate” Directorate. The proposals for disciplinary measures, which are the result of the violation of the Information Security requirements, are a joint responsibility of the Central Customs Directorate Directors or the Regional Customs Directorate Directors, and the Inspectorate.

All representatives of the Customs Agency personnel, regardless of their status (directors, inspectors, specialists, consultants, external experts, etc.) have to be informed, to accept and to follow the Information Security policy, stipulated in this document and other papers of the same kind. The personnel members who break repeatedly and intentionally these and other Information Security regulations are liable to disciplinary measures, dismissal included.

MAINTENANCE POLICY AND MAINTENANCE PLAN

For the successful functioning and exploitation of the Bulgarian Integrated Customs Information System (BICIS), it is necessary that the organizational-technical measures, leading to permanent and reliable maintenance of its structural elements be implemented. With the purpose of preventing any system failures, a system for the efficient help organization - BICIS Maintenance - has been developed and put into practice under the BICIS Program.

The basic purpose of Maintenance is the provision or completion of the prompt solving of any problem, which has appeared in the utilization of the system by the end user in the problem’s unparalleled presentation. Detailed description of the maintenance activity is available in the document “BICIS MAINTENANCE PLAN”.

The contract supporting the BICIS Maintenance activities has been directly awarded to the IS Plc. by the MF and expires on 31/12/2003.
FUNCTIONS OF THE MAINTENANCE SYSTEM

The basic Maintenance functions focus on the creation of conditions for the normal functioning of the consumer’s work environment elements that are namely the following:

- To give answers to different questions in the appearance of a problem in the BICIS user work;
- To solve all problems as fast as possible;
- To prevent the future problem appearance;
- To guarantee efficient help, provided by the maintenance personnel;

The organization of the efficient help – Maintenance under the BICIS Program is directed towards problem solving connected with:

- System software and technical environment;
- Networks and communications;
- Application software products

For the specification of the competence area of the Maintenance System, it is necessary to define the “user work environment” concept, i.e. to summarize the cases in which a potential user problem may arise in the implementation of the BICIS Program.

The “user work environment” concept includes all software engineering elements (design, implementation, exploitation, etc), which determine the possibility of the BICIS Project implementation. Detailed description of “user work environment” is given in document “BICIS MAINTENANCE PLAN”.

ORGANIZATIONAL CHART

DESCRIPTION OF LEVELS, FUNCTIONS AND RESPONSIBILITIES.

The exploitation of the national information systems assumes the necessity of periodical reaction to “typical” problems appearing at recurrent periods of time. With the purpose of the quick and reliable reaction to such problems, it is necessary that the Maintenance system acquire the elements of an Expert System. This condition presupposes the necessity of the creation of “Knowledge” database, whose use will increase the efficiency of the Maintenance system. For this purpose, standard documents (detailed descriptions are in Appendix 2 of document “BICIS MAINTENANCE PLAN”) have been drawn up for the Maintenance system, which are issued and completed in accordance with the competence level and the issuing place in the solving of a given problem. Every document is specified for its respective level.

The problem solving process is progressed through 5 levels from local to external expertise.
Level “1” comprises the solving of a problem by an administrator, working in the concrete customs office (Customs house, Custom border point or Customs bureau) without a direct or an indirect participation of any other officials (external to the customs office) working under the BICIS Program. The activities connected with the elimination of the problem are registered in the BICIS Maintenance system with the completion of Document 1. At this level, despite the fact that no help for the elimination of the problem has been requested, the information about this problem has to be described for the future taking of timely measures in the eventual recurrence of the problem. Depending on the fact whether the problem has been eliminated or not, DOCUMENT 1 has to be completed for a solved (unsolved) problem at Level “1”, the information of which is transmitted to Level “2”.

Level “2” of the elimination of a given problem is characterized by the inability of the administrator within the customs office to solve the problem and the necessity for the elimination of the problem by another official (external to the customs office), working under the BICIS Program.

In cases of an unsolved problem, the Level “1” Administrator connects with the respective BICIS Maintenance Team Leader or with the working person on duty, specified by the director and furnishes him with the information about the unsolved problem and his own activities. If the BICIS Team is not able to remotely eliminate the reasons for the given problem, a representative of the team visits the respective customs office personally.

In cases of activities at Level “2”, the representative of the respective BICIS team has to complete Document 2 and the information is transferred to the upper level - Level “3”.

In the cases of Level “3” problem solving, the elimination of the problem is completed by the respective regional coordinator within the Regional Customs Directorate.

The regional coordinator of the respective Regional Customs Directorate under the BICIS Program coordinates the completion of the problem elimination, by employing the full capacity of the Maintenance system.

In cases of Level “3” problem elimination, DOCUMENT 3 of a solved (unsolved) problem is issued, and the information is transferred to the upper level - Level “4”.

In the Level “4” problem elimination, the activities are executed by the BICIS personnel within the Central Program Administration department within the Information Center of the Customs Agency. The personnel of the Central Administration have to make an overall monitoring and management of the part of the user work environment, which falls within the limits of the Help Maintenance system.

At Level “4” the BICIS functionality problems are directed for their solving to the Application Support Unit. The Application Support Unit analyses the problems in connection with the BICIS functionality, determines the priorities for the elimination of the given problems, makes assignments for the elimination of the functional problems, and informs the regional coordinators about these procedures.

Level “4” is the last internal BICIS Program competence level in the solving of a given problem.

When necessary, organizational-technical activities for the employment of an external organization to the BICIS Program, like firms supplying technical equipment, software, etc. have to be executed. In the elimination of a Level “4” problem, DOCUMENT 4 for a solved (unsolved) problem at Level “4” has to be issued.

In the Level “5” problem elimination, the activities are executed by external organizations to the BICIS Maintenance system.

The competence of Level “5” is determined by the contracts with the respective external organizations.

In the elimination of a given problem at Level “5”, the service maintenance organizations determined by the System Integrator issue DOCUMENT 5 for a solved (unsolved) problem, while all other firms have to complete DOCUMENT 6.

TECHNICAL ENVIRONMENT AND APPLICATIONS

CURRENT TECHNICAL ENVIRONMENT

Hardware acquisitions have been supported by a Phare contract, which is currently at its completion stages.

**COMPUTER HARDWARE INFRASTRUCTURE**

**Workstations** at BCA are approximately 2000. They are mainly 5 types with following characteristics:

**IBM PC 300 GL:**
- **CPU:** Celeron 333 MHz
- **RAM:** 32MB SDRAM
- **HDD:** 3,2 GB

**IBM PC 300 PL:**
- **CPU:** PENTIUM II 400 MHz or PENTIUM III 450 MHz
- **RAM:** 64 or 128MB
- **HDD:** 6,4 GB ULTRA ATA – 33 with S.M.A.R.T.

**IBM NetVista**
- **CPU:** Celeron 600MHz
- **RAM:** 64 SDRAM
- HDD: 10 GB

**IBM IntelliStation**
- CPU: Pentium III 800MHz
- RAM: 128 SDRAM
- HDD: 1 x 10 GB and 1 x 14 GB

Some old PCs still exist with 4/586 CPU running in various support departments (accounting, secretaries etc.)

**Servers** that are used at BCA are mainly two groups according to their architecture:
- PC based servers – approximately 125
- RISC servers

**PC based servers** are with following parameters:

**Low Class**
- IBM Netfinity 5000 8659-22Y
  - CPU: PENTIUM II – 400 MHz – Upgradeable to 2CPU
  - RAM: 128MB SDRAM ECC Memory Upgradeable to 1GB
  - HDD: 9,1 GB Wide Ultra SCSI

**Middle Class**
- IBM Netfinity 5000 8659 –31Y with RAID
  - CPU: PENTIUM II – 450 MHz - Upgradeable to 2CPU
  - RAM: 256MB SDRAM ECC Memory Upgradeable to 1GB
  - HDD : 3x 9,1 GB Wide Ultra2 SCSI
- IBM Netfinity 5100 with RAID
  - CPU: PENTIUM III – 800 MHz
  - RAM: 256MB SDRAM ECC Memory Upgradable to 1GB
  - HDD: 6 x 9,1 GB

**RISC servers are IBM RS6000 family models.**

1. Customs Points/Customs Bureaus: workstations used – IBM PC 300GL and IBM PC NetVista, servers- 1 x IBM Netfinity 5000 22Y (low class), in heavy loaded IBM Netfinity 5000 31Y (middle class)
2. Customs Houses: workstations used – IBM PC 300 GL/PL, IBM NetVista, servers – mainly middle class PC based IBM Netfinity 5000 – 31 Y and IBM Netfinity 5100. At Customs House Sofia Airport as heaviest loaded site there is IBM RISC 6000-F80
3. Regional Customs Directorates: workstations used – mainly IBM PC 300 PL and IBM PC NetVista. For system administration needs IBM IntelliStation are used. Servers – IBM RISC 6000-F80, F50, E20.
4. Central Customs Directorate: workstations used – IBM PC 300 PL and IBM PC NetVista. For system administration needs IBM IntelliStation are used. Servers:
   - 1 for replication and I/F w/other systems (Bulstat etc.),
   - 1 for storing consolidated data IBM RISC 6000-S7A, 4 processors, 1GB RAM, 4x9GB HDDs SSA in RAID and second RAID massive 10x36 GB,
   - 1 for Internet services which is IBM Netfinity 5000 31 Y and 1 IBM Netfinity 5000 22 Y for proxy services,
   - 1 IBM Netfinity 5000 31 Y for File services at CCD level,
   - 1 IBM PC based server for centralized anti-virus protection, which is at CCD level.

**OPERATING SYSTEM**
The operating systems used on workstations, are basically Windows NT4 and some Windows2000. Old PC’s are using Windows 95/98.

PC Based Servers are on SCO UnixWare 7.0.1. At CCD there is one Netfinity running Novell 5.0 because it is used as fileserver.

All RISC servers at BCA are running AIX 4.3.3.

**DATABASE**
Currently the main RDBMS used is Informix 7 on UNIX platform.

Each Customs site supports its own DB instance for processing documents. The data moves to each Customs level above in accordance with an approved procedure. Synchronization among different levels is maintained with a feedback connection mechanism – confirmation messages, which guarantee information integrity.

**COMMUNICATIONS INFRASTRUCTURE**

At present in each Customs Site there is a TCP/IP based LAN. At the CCD level and the Sofia region there is some Fiber Optics lines with minimum 2Mb throughput. The rest are either Leased lines (mainly at the Varna RCD) or dial-up connections at maximum 33.6KB.

Communication hardware that is used mainly consists of switches BAYSTACK 150, modems min. 14400 KB max 56000Kb throughput capacity and various dial-up modems.

Currently data is transferred from one level to another using PGP encryption via Internet and the Customs data is extracted from each server by an application module of BICIS and the final file is sent as mentioned above.
The files move to each Customs level above, a consequent extract (Application) sends them to each level. At each level there is a production of a confirmation status report.

**CURRENT APPLICATIONS**

The current system covers a **Customs Clearance System with its Reference Data requirements** such as Tariffs, Tariff and Non-Tariff measures and other legislative information. Additionally, there is a **Control Module**, which assigns administrative and access rights to the Customs staff. A **Reporting** system has also been designed and implemented. These applications have been implemented in all the Customs sites.

In detail, the system as it is today, handles the following functions:

- **Customs Clearance functions** handling all types of Customs approved treatment and use of goods according to the law and its’ implementing provisions.
  - Manifest (the whole procedure).
  - **Customs procedures** using SAD.
    - Import
    - Export
    - Temporary import and export
    - Inward and outward Processing
    - Customs warehouses
    - Processing under Customs control
    - Transit covering office of departure and destination
      - SAD Transit
      - ? R Carnet
      - ?? Carnet
      - CIM and CMGC (Russian) Transit
      - Postal Transit
      - TR Transit (large rail containers)
      - Cargo Manifest Transit (air and sea)
  - Re-export.
  - Destruction under Customs control.
  - Abandonment of goods.

- **Reference data functions**, covering information used by the Clearance system
  - **Tariffs system**.
    - Tariff Nomenclature
    - Duty rates (MFN and GSP)
  - **Tariff and Non-Tariff measures**.
    - Agreements (economic, Washington and Montreal conventions, etc.)
    - Preferential duties
    - Quotas
    - Restrictions/Prohibitions
    - Licenses
    - Other
  - **Other legislative information**.
    - VAT
    - Excises
    - Economic taxes
    - Sanitary
    - Other
  - **Codes and Nomenclatures**.
    - ISO Country codes
    - ISO Currency codes
    - Codes of Customs procedures
    - Other
  - **Company info** received from BULSTAT.

- **Administrative functions**.
  - Reference Data updating from the CCD to all Customs Sites
  - Assigns administrative and access rights to the Customs staff
  - Reporting functions for the Reference data system

- **System Functions**.
  - Collection of data (SAD, etc.) from the Customs sites to CCD
o Collection of TIR data from Customs sites to CCD and then forwarding the data to the International Road (Transport) Union (IRU).

- **A Reporting** system.
  - Pre-defined reports
  - Ad-hoc reports using a report generator
  - Ad-hoc reports using an initial and recently defined configuration of OLAP.

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**FUTURE ENVIRONMENT**

**COMPUTER HARDWARE INFRASTRUCTURE**

**Workstations**

No change planned except some upgrades concerning RAM memory.

**Servers**

According to the growing need of capacity and performance in processing data at customs sites, some of the servers can be upgraded with more RAM, additional disk space and CPU capacity.

- At the CCD level for **firewall** an IBM RISC 6000-B50 model will be deployed.
- For **centralized system management** and monitoring an IBM RISC 6000-F80 will be used.

**OPERATING SYSTEM**

Operating systems used for the servers mainly will remain the same – AIX and SCO UnixWare, as mentioned above. There are some services that will possibly migrate to LINUX.

Concerning the workstations Windows NT/2000 only will be used.

**DATABASE**

For the time being no change of RDBMS is planned. RDBMS will remain the same – Informix, as mentioned above.

Following a suggestion of the system integrator, NCA is considering the possibility to move on an upper version of the Informix RDBMS.

The RDBMS change will be possible after pre-analysis, which has to include: detailed report for growing needs of the BCA, technical advantages and financial conditions. If such change will be undertaken, it has to take into account the trends of the information technology markets.

**COMMUNICATIONS INFRASTRUCTURE**

A communication infrastructure based on Ministry of Finance WAN network project is in progress and scheduled to be completed by the end of 2002.

TIVOLI products are in process of deployment for centralized management and monitoring.

The physical infrastructure will provide main and alternative routes between two points, which will guarantee high availability of network. The logical part of infrastructure will provide information flows adequate to the real customs processing and assure opportunity for easier management and monitoring. For security reasons a strong encryption will be realized in communications between the CS. For encryption processing will be used IBM RISC6000 model B50 distributed between the CS. The detailed information about this is in Customs communication infrastructure.

This organization of communication infrastructure will help in centralized application deployment, easier updating of reference data and maintenance.

Current communication infrastructure will be used as back-up for emergency cases and diagnostics.

All communications are projected to be TCP/IP based.

Contracts currently running for Communications improvements and Communications Hardware acquisition:

- A **Communications infrastructure improvement contract** issued by the MF to IS Plc., which in turn has subcontracted LIREX, a communications company to implement the project. This project aims to cover all the MF needs.
- A **Phare contract** for the acquisition of modems, nearing completion.

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**CURRENT APPLICATION DEVELOPMENTS & FUTURE APPLICATIONS**


In the process of continuing the computerization of Customs business and upgrading the current system BCA is involved currently in performing and managing the following activities under the scope of BICIS Stages 2 and 3:

- A **Development contract** issued by the Ministry of Finance to Information Services Plc. This contract covers the development and implementation of the following Applications specified by release versions:
  - BICIS 1 enhancements covering additional developments performed on the production system due to new business requirements as a result of legal changes/harmonization. This activity was completed at the end of 2001.
  - BICIS 2.1 developments expected to be completed at the end of 2002 and covering:
• The re-engineering of the current system to a web based approach following OMG specifications and using RUP development methodology standards. Specific activities also include the complete documentation of the system, security enhancements and a data communications sub-system development. This activity includes all the functionality of the BICIS 1 system as well as the above-mentioned enhancements.

• BICIS 2.1 also includes the re-engineering of the existing BTMS (Bulgarian Transit Management System) functions as well as new developments in compliance to the NCTS (New Computerized Transit System), which covers Common/Community Transit requirements. These works are called ‘BTMS Phase I’ developments. The functions covered by this phase ailing BTMS with the majority of the functionality of MCC (Minimum Common Core) covering NCTS 3.1 requirements and can be summarized as follows:
  ▪ National Functionality at OoDep
  ▪ National Functionality at OoDes
  ▪ National Diversions
  ▪ Amendments at OoDep
  ▪ Process Cancellation at national level
  ▪ Central National Transit Data Management
    o Traders Data Management
    o National Transit Reference Data
  ▪ National Statistics
  ▪ National Enquiry
  ▪ Comprehensive Guarantee Management

Analysis is currently carried out by NCA with the aim to decide whether MCC will be implemented as an interim solution in order to meet the CTC joining requirements earlier than achieving NCTS 3.1 full functionality with BTMS phase 2 (under Phare 2002 plans).

  o BICIS 2.2, which includes the computerization of Enforcement, Customs Debt, Customs Authorizations. This development was initially planned for completion by the end of 2002. Current estimation extends the completion date to mid 2003. As a result to that an interim solution is being implemented. With the implementation of the “Crown Agents” contract, the TIMS system will be implemented and use BICIS data to extract Enforcement needs. An outstanding issue exists which might risk the completion of BICIS 2.2 and consequently BICIS 3 (being developed in parallel with BICIS 2.2). The BICIS 2 & 3 development contract, awarded to IS Plc., expires at the end of 2002. Currently, there are no plans for extension. The possibility to include these works under the “Maintenance and Enhancements” contract, also awarded to IS Plc. and expiring at the end of 2003, is being examined as a possible resolution.
  o BICIS 3, including Human Resources at Central level and Inspectorate applications which are being developed in parallel to BICIS 2.2.

  ➢ The developments are also supported by a Technical Assistance contract under Phare, directly contracted for the NCA via the Phare procedures, to Lambard Management Consultants. In this contract, the NCA benefits Project, Quality and Contract management support. Additionally, this contract provides short-term expert support for all types of issues either technical or business that the project requires. Furthermore, this contract handles a technical training budget for the NCA IT staff.


interconnectivity with ec and eu member state systems

Remark: This section does not cover EXCISE (SEED/EMCS) requirements, since the Tax Administration currently manages this function. Currently the Customs administration has the authority to collect Excises for imported goods. The legal framework for Excises, inland Excises collection and overall legal application control are within the competence of the Tax Administration. NCA has requested and received from DG TAXUD/D3 the EMCS feasibility. The document will be examined and any further plans will be forwarded to the Commission.

This activity is also supported by the “Functional training” contract with Euro-Customs under Phare. This contract aims to gather the initial requirements in order to plan for the interconnectivity and interoperability with the EC systems (DG TAXUD and OLAF).
CCN/CSI IMPLEMENTATION

The CCN/CSI gateway has been estimated to start functioning on 01/01/2004 and no later than 01/07/2004. One pair of CCN/CSI gateways will be installed in Bulgaria to be shared between the BCA and the GTD. It will be provided through the Phare Networking Programme and, based on information forwarded by the EC, is expected to be delivered by the end of 2002.

The Ministry of Finance took the decision to install the CCN/CSI communication centre at BCA premises. BCA was entrusted with responsibility for the implementation of the CCN/CSI gateway as the first business requirement for CCN/CSI has been identified with the BTMS, which requires testing with the EC and the counterpart Convention Member States. The BTMS full functionality (=NCTS 3.1) testing is planned to commence in 2004. The co-ordination of this activity will be performed by BCA with the cooperation of the MF.

Following is a table with the main milestones to achieve CCN/CSI implementation prior to the BTMS testing requirements.

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Comments</th>
<th>Estimated Period</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Strategy inclusion</td>
<td>Not applicable in detail</td>
<td></td>
<td>Not included</td>
</tr>
<tr>
<td>IT Strategy inclusion</td>
<td>Included</td>
<td>2001</td>
<td>Completed</td>
</tr>
<tr>
<td>Pre-study phase</td>
<td>The co-ordination of this activity will be performed by NCA with the assistance of the MF</td>
<td>4th qtr. 2002 – 1st Qrt. 2003</td>
<td>This phase has started with the establishment of the project team, the preparation of the implementation plan is in progress.</td>
</tr>
<tr>
<td>Implementation Phase</td>
<td>Deployment preparation</td>
<td>1st Qrt. 2003 – 2nd Qrt. 2003</td>
<td>Outstanding</td>
</tr>
<tr>
<td></td>
<td>Deployment</td>
<td>2nd Qrt. 2003 – 3rd Qrt. 2003</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Testing</td>
<td>4th Qrt. 2003</td>
<td></td>
</tr>
</tbody>
</table>
Development Of The Bulgarian Transit Management System (BTMS) Phase 2 = Common/Community Transit (NCTS).

This Activity will finalize the development of all the currently developed NCTS as follows:

- **Integration of the NCTS 3.1 functionality into BICIS, based on a gap analysis of what is currently covered under the national BTMS Phase 1 project and what remains to be developed, in order to bring the National transit level to the NCTS 3.1 level and allow NCA to join the transit convention. Roughly, the nationally undertaken development of Transit Phase 1 covers the MCC for NCTS phase 3.1 requirements.**

- **Adaptation/integration of the future MCC developments, geared to cover functionality of NCTS specified under phase 3.2**

NCA is currently exploring the possibilities offered by the MCC – BICIS integration feasibility study results and will evaluate the suggested approach which will ensure the integration of MCC into the BICIS platform, including the re-engineering of MCC according to the environmental needs and tools used by BICIS, its’ centralization/web based approach and its translation to Bulgarian.

*This project has been included in the Phare 2002 request*

The table below summarizes the main project milestones and their current status:

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Comments</th>
<th>Estimated Period</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Strategy inclusion</td>
<td>Here there is a conflict between the Business Strategy and the IT Strategy. In the Business strategy the deadline for joining the transit convention is 01/01/2004. According to the IT Strategy Plans, a more realistic date suggested is 01/01/2005. Even the suggested date is “tight” and could be achieved only with well organized and iterative testing, assuming that the EC requested testing period does not depend on the system deployment phase.</td>
<td>2001</td>
<td>Completed but not revised according to the reality of computerization demands and testing periods.</td>
</tr>
<tr>
<td>IT Strategy inclusion</td>
<td>Included</td>
<td>2001</td>
<td>Completed</td>
</tr>
<tr>
<td>Funds allocation for Business preparation</td>
<td>• Phare 2001 project request “Reformed and Automated Transit procedures and Reform in the Customs Regimes with Economic impact”</td>
<td>2002 - 2003</td>
<td>Completed and Approved by the EC.</td>
</tr>
<tr>
<td>Business Phare 2001 project</td>
<td>Two years duration. Direct agreement with Eurocustoms</td>
<td>4th qtr. 2002 – 4th qtr. 2004</td>
<td>Eurocustoms offer evaluation completed in October. The contract is being signed.</td>
</tr>
<tr>
<td>Funds allocation for BTMS Phase 2 Computerization</td>
<td>This project is included in the Phare 2002 request “component 2”.</td>
<td>End of 2002.</td>
<td>The project has been approved by the EC.</td>
</tr>
<tr>
<td>BICIS 2 &amp; 3 delivery related dependencies</td>
<td>To have the BICIS release 2.1 current developments completed prior to the BTMS Phase 2 project initiation (IT contract).</td>
<td>Estimated BICIS 2.1 development completion date: 4th qtr. 2002</td>
<td>The estimated BICIS 2.1 completion dates are well before the IT contract initiation. No apparent risks foreseen even with major BICIS 2.1 development delays. This release is currently in the testing phase with some minor construction occurring simultaneously (security, statistical reports, etc.). The deployment period of BICIS 2.1 is not in the critical path for the initiation of the BTMS IT. In the critical path is the termination of the development/construction</td>
</tr>
</tbody>
</table>
Pre-study phase

<table>
<thead>
<tr>
<th>This Phase will include the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Finalization of the pre-analysis &amp; Study reports</td>
</tr>
<tr>
<td>• Pre-study strategies and technical documents</td>
</tr>
<tr>
<td>• PID</td>
</tr>
<tr>
<td>• ToR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3rd and 4th qrt. 2002</th>
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<tbody>
<tr>
<td>PID and ToR are being prepared.</td>
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</table>

ITT phase

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<thead>
<tr>
<th>This phase has been separated from the pre-study phase in order to identify the Phare procedural requirements. It will include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tender Dossier preparation</td>
</tr>
<tr>
<td>• ITT publication</td>
</tr>
<tr>
<td>• Proposal evaluation</td>
</tr>
<tr>
<td>• Contractor(s) selection</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4th qrt. 2002 – 1st qrt. 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
</tr>
</tbody>
</table>

BTMS IT development project

<table>
<thead>
<tr>
<th>Certain aspects of this life cycle will strictly follow RUP (Rational Unified Process) standards (ex. Iterative development approach, etc.).</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project will consist of the following development phases:</td>
</tr>
<tr>
<td>• Phase I = BTMS 2.1 (= NCTS 3.1):</td>
</tr>
<tr>
<td>o NCTS 3.1 Inception/ECT phases</td>
</tr>
<tr>
<td>• Phase II = BTMS 2.2 (= NCTS 3.2):</td>
</tr>
<tr>
<td>o Inception (full scope)/ECT phases (MCC scope)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2nd/3rd qrt. 2003 – 3rd qrt. 2005 (Possibility of 1 year contingency)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
</tr>
</tbody>
</table>

EC Testing period (1 year prior to convention joining) prerequisites in order to meet the suggested convention joining deadline of 01/01/2005

<table>
<thead>
<tr>
<th>CCN/CSI Installed</th>
</tr>
</thead>
<tbody>
<tr>
<td>No later than 01/01/2004</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The project is currently in the pre-study phase.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
</tr>
</tbody>
</table>


The ITMS development will change the current BICIS ITMS in order to align BICIS with the DG TAXUD requirements and will cover the development of the following business:

- Integrated Community Tariff (TARIC).
- Tariff Quotas and Surveillance (TQS).
- European Binding Tariff Information (EBTI).
- Specimen Management System (SMS).
- Information System for Processing Procedures (ISPP).
- European Customs Inventory of Chemical Substances (ECICS).
- Binding Origin Information (BOI).
The table below summarizes the main project milestones and their current status:

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Comments</th>
<th>Estimated Period</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Strategy inclusion</td>
<td>Included</td>
<td>2001</td>
<td>Completed</td>
</tr>
<tr>
<td>IT Strategy inclusion</td>
<td>Included</td>
<td>2001</td>
<td>Completed</td>
</tr>
</tbody>
</table>
| Funds allocation for Business preparation | Phare Projects Fiche requests:  
- Phare 2001 “Reformed and Automated Transit procedures and Reform in the Customs Regimes with Economic impact”  
- Phare 2002 “component 1”, which deals with legislation harmonization in accordance to EU tariff related functions” | 2002 - 2003 | Completed and Approved by the EC. |
| Business Phare 2001 project | Two years duration. Direct agreement with Eurocustoms | 4th qrt. 2002 – 4th qrt. 2004 | Eurocustoms offer evaluation completed in October. The contract is being signed. |
| Business Phare 2002 project | Six-month duration. Direct agreement with Eurocustoms | 3/2003 – 9/2003 | The ToRs will be completed by the end of 2002. The evaluation procedures will be completed by 02/2003 and the works will start on 03/2003 |
| Funds allocation for Computerization | In the Phare 2002 FICHE this project is mentioned as a follow-up project, to be financed under Phare 2003 resources. | End of 2003. | Initially this project was included in the Phare 2002 request. It was decided to give priority to the Business “component 1” project and the NCTS computerization. Thus, the ITMS computerization has been included in the Phare 2003 request. |
| BICIS 2 & 3 delivery related dependencies | To have the current developments completed prior to the ITMS development project initiation (IT contract). | Estimated BICIS 2 & 3 completion date: Mid 2003. Estimated ITMS IT contract initiation date: 3rd qrt. 2004 | The estimated BICIS 2 & 3 completion dates are well before the IT contract initiation. No apparent risks foreseen, even with major BICIS 2 & 3 development delays. |
| Pre-study phase | To commence after the termination of the business project: Phare 2002 “component 1”. This Phase will include the following:  
- Finalization of the pre-analysis & Study reports  
- The user requirements prepared by the Business project (Phare 2002 “component 1”)  
- Pre-study strategies and technical documents  
- PID  
- ToR | 3rd and 4th qrt. 2003 | Outstanding. No funds have been estimated nor allocated for this phase to date, other than the user requirements, which will be completed under the business project Phare 2002 “component 1” |
| ITT phase | This phase has been separated from the pre-study phase in order to identify the Phare procedural requirements. It will include:  
- Tender Dossier preparation  
- ITT publication  
- Proposal evaluation  
- Contractor(s) selection | 4th qrt. 2003 – 3rd qrt. 2004 | Outstanding |
| ITMS IT development | Certain aspects of this life cycle will strictly follow RUP (Rational Unified | 3rd qrt. 2004 – 3rd qrt. 2006 – | Outstanding |
Note: The project of the ITMS system development has been agreed with the EC to be included in the Phare 2003 project request. This agreement is highlighted in the strategy, since due to that NCA is not pursuing other financing possibilities.

**AFIS IMPLEMENTATION**

The Status of AFIS implementation at the moment in NCA is at the initial phases. So far one workstation has been implemented in CCD and a second one is expected. Unfortunately, OLAF does not provide yet Technical Assistance to Bulgaria in the same form as DG TAXUD and the AFIS implementation is not managed with the same approach as the Interoperability with DG TAXUD systems.

NCA IT has requested form OLAF a suggestive Implementation Plan, which is expected in the near future.

**TRADE AND CUSTOMS OFFICERS FACILITATION DEVELOPMENTS**

This project consists of the following main activities

- Direct Trader Input (DTI) for the Customs Clearance System (except transit, which will be developed under the BTMS Phase II project).
- Development of an Internet Data Dissemination System for the trade. This system will not duplicate work already displayed on the EC Europa Server DDS System.
- Implementation of National Customs Intra-mail with attachments development.

The above requirements have been included in the Phare 2002 request

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Comments</th>
<th>Estimated Period</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Strategy inclusion</td>
<td>Simplified procedures legislation harmonization is a prerequisite for this project (first bullet).</td>
<td>2001</td>
<td>Completed</td>
</tr>
<tr>
<td>IT Strategy inclusion</td>
<td>Project included</td>
<td>2001</td>
<td>Completed</td>
</tr>
<tr>
<td>Funds allocation for Business preparation</td>
<td>Preparation for legislation harmonization has been finalized under a twining project with the German customs.</td>
<td>2000 - 2001</td>
<td>Completed</td>
</tr>
<tr>
<td>Legislation harmonized</td>
<td>NCA has harmonized the legal and administrative aspects. NTA however has not done so for VAT related issues.</td>
<td>Outstanding in NTA. A Committee has been installed by the MF to resolve this issue. NTA legislative harmonization is expected before the end of 2002.</td>
<td></td>
</tr>
<tr>
<td>Funds allocation for the Computerization project</td>
<td>This project is included in the Phare 2002 request “component 3”.</td>
<td>End of 2003.</td>
<td>The project has been approved by the EC.</td>
</tr>
<tr>
<td>BICIS 2 &amp; 3 delivery related dependencies</td>
<td>To have the BICIS release 2.1 current developments completed prior to the project initiation (IT contract).</td>
<td>Estimated BICIS 2.1 development completion date: 4&lt;sup&gt;th&lt;/sup&gt; qrt. 2002 Estimated IT contract initiation date: 3&lt;sup&gt;rd&lt;/sup&gt; Qrt. 2003</td>
<td>The estimated BICIS 2.1 completion dates are well before the IT contract initiation. No apparent risks foreseen, even with major BICIS 2.1 development delays. This release is currently in the testing phase with some minor construction occurring simultaneously (security, statistical reports, etc.). The deployment period of BICIS 2.1 is not in the critical path for the initiation of the IT project. In the critical path is the termination of the development/construction and its quality. The testing phase aims at correcting problems and finishing the minor (in volume) construction undertaken concurrently. The estimated end date of these tasks mark also the deployment initiation and are expected in the 4&lt;sup&gt;th&lt;/sup&gt; qrt.</td>
</tr>
</tbody>
</table>
| **Pre-study phase** | This Phase will include the following:  
- Finalization of the pre-analysis & Study reports  
- Pre-study strategies and technical documents  
- PID  
- ToR  

Emphasis will be given on the services already offered by the EC DDS, in order to avoid duplication of functionality developments. | 3rd and 4th Qrt. 2002 | PID and ToR are being prepared. |
| **ITT phase** | This phase has been separated from the pre-study phase in order to identify the Phare procedural requirements. It will include:  
- Tender Dossier preparation  
- ITT publication  
- Proposal evaluation  
- Contractor(s) selection | 4th Qrt. 2002 – 1st Qrt. 2003 | Outstanding |
| **IT development project** | In relation the DDS system, services already offered by the EC DDS system will be excluded from this project. | 2nd/3rd qrt.2003 – 3rd qrt.2005  
(The dates reflect the financing memorandum period. The development period is expected to be less) | Outstanding |

**HUMAN RESOURCES SYSTEM – Common and Interface requirements with the Customs Offices**

This Activity will finalize the development of the Human Resources System, which will cover the connection of all the Customs Sites with the Central System.

**LABORATORY SYSTEM**

The following main activities have been identified to be implemented under the CCL computerization project:

1. Development of BICIS module for management of the information flows and CCL activities from NCA staff external to the CCL directorate including:  
   - management and optimization of the information flows among the NCA structural units and the CCL.  
   - automation and synchronization of the functional flows Customs Clearance and Customs Control of the substances Online from every BICIS point.

2. Development of BICIS module for management and optimization of the CCL activities including:  
   - management of the samples movement,  
   - planning of the CCL activities,  
   - management of the samples inventory,  
   - management of the samples archive,  
   - management of the chemical laboratory automata,  
   - automation of the laboratory staff activities – planning of their activities and preparation of recipes and methodologies for chemical analysis of the samples,  
   - optimization of the laboratory automata workload with the aim to reduce the time for sample analysis.

**CENTRAL CUSTOMS ARCHIVE SYSTEM**

The following main activities have been identified to be implemented under the CCA computerization project:

1. Development of BICIS module for management of the information flows and CCA activities from NCA staff external to the CCA unit including:  
   - management and optimization of the information flows among the NCA structural units and the CCA.  
   - automation and synchronization of the functional flows Customs Clearance and Customs Archive Online from every BICIS point.

2. Development of BICIS module for management and optimization of the CCA activities including:  
   - Management of the movement of the information units,  
   - planning of the CCA activities,
- management of the archive for information units,
- automation of the CCA staff activities – planning of their activities and preparation of archiving methodologies,
- optimization of the reporting activity with the aim to reduce the time for preparation of reports.

**POST CLEARANCE CONTROL SYSTEM**

This project is stated in the IT Strategy as a necessary project. No immediate plans exist at the moment. It will be considered after the completion of the Twinning project under Phare 2001 programme.

**INFORMATION EXCHANGE AND TECHNICAL FACILITIES**

This project will be implemented under the Phare Cross-Border Co-operation programme between Bulgaria and Romania.

The main request of the Business Strategy (Border Control Strategy) involves an application development to facilitate the needs of the Customs and Border Police of Bulgaria and their Romanian counterparts and will do the following:

- Extract data from the main systems
- Format the data and forward to the counterpart systems as per the counterpart request.
- Request data from the counterpart system based on a specific request form(s).
- Comply to the technical architecture of the main systems
- Comply to the legal basis in respect to the security requirements for information exchange.

The development of this application with its’ environment infrastructure aims at facilitating the prompt exchange of information between the parties involved and support the prompt and correct application of the requested business. The success of this application depends on having the data available in the BICIS System. The new application will extract the predefined data from the BICIS system, format it accordingly and use it for information exchange between the parties involved.

The Technical environment required for this application has to comply with the BICIS technical environment as stated in Chapters 5.2.1 – 5.2.4 as well as the Development Policy. All the equipment and their operating software to be purchased for this project will meet the above chapters’ requirements in order to harmonize and minimize technical Maintenance costs.

The table below summarizes the main project milestones and their current status:

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Comments</th>
<th>Estimated Period</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Strategy inclusion</td>
<td>Included in “Border Control Strategy”</td>
<td>2002</td>
<td>Completed</td>
</tr>
<tr>
<td>IT Strategy inclusion</td>
<td>Project included</td>
<td>2002</td>
<td>Completed</td>
</tr>
<tr>
<td>Funds allocation for Business preparation</td>
<td>Performed with the Facilitation of Danube River Border Crossing Project under Phare 2000 Cross-Border Co-operation between Bulgaria and Romania</td>
<td>2000</td>
<td>Completed and approved by the EC.</td>
</tr>
<tr>
<td>Legislation harmonized</td>
<td>Existing Agreements exist between the Ministry of Interior and Customs as well as their counterparts. Further analysis will occur on a business project, which will concur with the IT Project. The IT development will proceed with the existing legislation as Phase I development and conclude with the results of the Business project as Phase II development.</td>
<td></td>
<td>In progress.</td>
</tr>
<tr>
<td>Funds allocation for the Computerization project</td>
<td>Performed with the Facilitation of Danube River Border Crossing Project under Phare 2000 Cross-Border Co-operation between Bulgaria and Romania</td>
<td>2000</td>
<td>The project has been approved by the EC.</td>
</tr>
<tr>
<td>BICIS 2 &amp; 3 delivery related dependencies</td>
<td>To have the BICIS release 2.1 current developments completed prior to the project initiation (IT contract). The main dependency is to have in BICIS all the data required to be extracted for this project.</td>
<td>Estimated BICIS 2.1 development completion date: 4th Qrt. 2002 Estimated IT contract initiation date:</td>
<td>The estimated BICIS 2.1 completion dates are well before the IT contract initiation. No apparent risks foreseen, even with major BICIS 2.1 development delays. This release is currently in the testing phase with some minor construction</td>
</tr>
</tbody>
</table>
The deployment period of BICIS 2.1 is not in the critical path for the initiation of the IT project. In the critical path is the termination of the development/construction and its quality. The testing phase aims at correcting problems and finishing the minor (in volume) construction undertaken concurrently. The estimated end date of these tasks mark also the deployment initiation and are expected in the 4th qrt. 2002.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
<th>Period</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-study phase</td>
<td>This Phase will include the following:</td>
<td>3rd and 4th Qrt.</td>
<td>ToR completed, basic pre-study information included in the ToR. Strategies and technical documents will constitute the first part of the Analysis Phase in the IT contract. This project does not constitute an extension of BICIS. It will be a separate project and enough technical information is provided in the ToR for the contractor(s) to estimate the budget required.</td>
</tr>
<tr>
<td></td>
<td>• Finalization of the pre-analysis &amp; Study reports</td>
<td>2002</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Pre-study strategies and technical documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• PID</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ToR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITT phase</td>
<td>This phase has been separated from the pre-study phase in order to identify the Phare procedural requirements. It will include:</td>
<td>4th Qrt. 2002 –</td>
<td>Outstanding</td>
</tr>
<tr>
<td></td>
<td>• Tender Dossier preparation</td>
<td>1st Qrt. 2003</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ITT publication</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Proposal evaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Contractor(s) selection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT development project</td>
<td></td>
<td>2nd/3rd qrt. 2003–3rd qrt. 2004</td>
<td>Outstanding</td>
</tr>
</tbody>
</table>

**ANNEXES**

**ANNEX 1. IT STRATEGY KEY INDICATORS**

**ANNEX 2. IT STRATEGY PLAN**

**END OF DOCUMENT**
ANNEX 1. IT STRATEGY KEY INDICATORS

The situation in the field of Computerization was found to be quite advanced towards meeting EU requirements. Most of the requirements of the relevant Blueprint are either already achieved or will be achieved after reaching full operational capacity of BICIS /Bulgarian Integrated Customs Information System/. Progress is required in terms of timely implementation of the IT strategy of BCA, as well as of the PHARE supported project “Computerization of BCA” and the IT components of other PHARE projects.

13.1 Aim

BCA aims to develop an Information Technology (IT) service and integrated IT system environment, which fully supports the business strategy of the customs administration, facilitates trade, ensures that customs business is conducted to the highest level of efficiency and provides value for money.

13.2. Key Indicators

13.2.1. IT Management Policy

1. Appointment of a top-level manager responsible for the IT function in the customs administration

Achieved. A Deputy Director is responsible for the top-level management of computerization as well as the IT Director.

2. IT strategy developed, published and regularly reviewed

Achieved. The Strategy for development and implementation of Bulgarian Integrated Customs Information System (BICIS) has been approved by the Steering Committee and regularly reviewed.

   o The Strategy includes the full scope of Customs computerization, including the works required for accession to the EU issues.

3. IT Human Resources policy developed, published and regularly reviewed

Achieved. IT Human Resources policy is one of the three main chapters of the IT Strategy. A central Customs Directorate IT Organization structure has been proposed, which will cover all the current and future staff requirements for the department.

   o The mechanism of motivation is described and applied.

4. The IT function is clearly identified throughout the organisational structure and its roles and responsibilities defined and published

Achieved.

   o The IT function is clearly identified within the organisational structure of the customs administration

   o A Steering Committee has been established as a structure in the General Customs Directorate.

   o The Departments of Customs Statistics and Automation in Regional Customs Directorates and in Customs houses have been established and they will be subject for review (as
mentioned in point 3 above), following the implementation of the centralized system versus the current client/server distributed system.

- The Project Team has been established and job descriptions are included in the PID (Project Initiation Document). However, following the approval of the newly proposed IT Organization Structure, complete job descriptions will be prepared for all the approved positions.

5. Systems development priorities and related dependencies are defined

Achieved.

- BCA main priority is the development of Bulgarian Integrated Customs Information System (BICIS).
- The priorities and the phases of the National system are defined in Project Initiation Document and the IT Strategy. The latest document describes also the plans for EU accession works.
- Bulgarian Customs Administration (BCA) has system integrator (“Information Services” Plc) based on the Contract between IS plc and the MF and complementary agreement dated 08.05.2000 year on BICIS.

6. Provision is made for the financing of IT projects and procedures are in place for estimating and reviewing associated budgets

Achieved.

- Provisions for financing of IT Projects are defined in the State Budget Law.
- The organisation of BICIS implementation is assigned to “Information Servicing” SA according to the Contract between them and the Ministry of Finance dated 28.12.1998 and Addendum to this Contract dated 31.05.1999.
- There are provisions for financing of PHARE IT projects in the areas of hardware acquisition support and computerization works in relation to EU accession business.

7. Project Management methodologies are agreed and documented

- Project Management methodology is in process of development.
- Some elements of Project Management methodologies are defined in PID.
- The Technical Assistance Project, financed by Phare, is assisting in the implementation of Maxim” methodology.
- The DG TAXUD “Tempo” IT methodology will also help in complete IT methodology implementation.

8. An IT procurement policy is defined and published

- Ministry of Finance determines the IT procurement policy. Most of the BICIS hardware requirements have been procured. Phare contracts have also assisted that.

9. Security, contingency, fallback and recovery policies are defined and documented

- Security, contingency, fallback and recovery policies are being reviewed in line with the preset phase development of BICIS 2.1. The procedures are part of the Project Quality Plan.
10. Training requirements for users and technical IT experts are identified and documented

Achieved. Training requirements for users and technical IT experts are defined and documented.

- The “Customs training – interconnectivity with the Brussels systems” (Phare project: BG 9806-02-01-0005) is in progress
- Technical training currently occurs under the Technical Assistance contract on pre-defined terms of reference (6 technical courses for the NCA IT staff). Additional technical training occurs under the MF budget. Training for users is also handled under the MF budget.

11. Procedures for monitoring the functionality of existing systems are documented and applied

- Procedures for monitoring and control of the existing information systems functionality are part of the Project Quality Plan
- There is an appointed User Functional Requirements Team.

13.2.2. IT Technical Policy
1. Standard system design methodologies and procedures are documented and applied throughout the systems development life-cycles

- Standard system design methodologies and procedures are applied, based on software products Rational Rose, Power Designer and JAVA standards on a centralized/web-based platform. This is defined in the IT Strategy also.
- The development methodologies are also included in detail in the Development Quality Plans.

2. Documentation standards are developed, documented and applied

- Documentation standards in relation to application development documentation are stated in the Project Quality Plans.
- General IT department documentation standards will be improved in accordance re- DG TAXUD Tempo standards.
- Contractual documentation standards for national projects are applied in accordance with Bulgarian standards. For Phare projects the Phare documentation procedures are followed.

3. An IT telecommunications policy is defined and published with appropriate IT infrastructure in place to support it

- Ministry of Finance determines the telecommunication policy, which is based on VSAT and ATM.
- A telecommunications infrastructure improvements project has been initiated by the MF and is expected to be finalized at the same time the Customs new centralized system will be implemented (mid 2002).

4. Quality assurance methodology is documented and applied for all new applications

- Production and maintenance of the Quality Plan(s) is a part of the duties of the Quality Manager in NCA, who is assisted by the QM advisor of the Technical Assistance team. A base lined QP exists for the BICIS developments. Quality criteria for environmental implementation projects (H/W, Comm. etc.) are also being developed. Maintenance and Security plans also exist.
Upon the reception of the Tempo methodology, NCA will re-examine the current Quality Plan templates used.

5. Appropriate IT systems capable of receiving Electronic Data Interchange (EDI) messages and exchanging data electronically with the trade are in place

- Appropriate IT systems capable of receiving electronic data are available only at local level by diskettes.
- Electronic DTI will be developed with the new centralized system by giving security access to the trade, entering forms via a browser. This project has been included in the Phare 2002 project fiche.

6. Appropriate IT systems capable of interfacing with EU systems (TARIC, NCTS, EU Import Quota and CIS/SCENT etc) are in place

- The IT strategy includes the necessary development plans for this business.
- The Phare project 2002 and 2003 requests cover all the aspects to bring the BICIS system at a compatible level for interfacing with the EU and the Member States.
- NCA is developing its own NTA compatible with the EU MCC phase 3.2. This is the computerization requirement for joining the convention. Works additional to that Phase have been included in the Phare 2002 project request.

7. Appropriate IT systems capable of using the EU CCN and CSI transmission standards/system are in place

- As it is described in detail in the IT Strategy, the current hardware infrastructure of BICIS is fully compatible with the technical requirements of CCN/CSI
- The CCN/CSI system will be needed for NTA testing, scheduled for mid 2003. This is also foreseen and described in the IT strategy and the IT strategy project plan.

13.2.3. IT Application Policy

1. A computerised customs declaration processing system is implemented

- Computerized customs declaration processing system is developed and implemented in all customs offices. The release of this system is called BICIS 1.
- BICIS 2.1 is under preparation and includes the re-engineering of BICIS 1 to a centralized/web-based approach, plus NTA (NCTS Transit) phase 1. This system is scheduled for deployment in the second part of 2002.

2. A computerised revenue collection and accounting system is implemented

- A computerized revenue collection and accounting system is being developed now, as an element of the BICIS, according to the Plan approved by the Steering Committee.

3. A computerised transit control system is implemented and integrated with the customs declaration processing system

- A computerized transit control system is part of BICIS 1 (current system) and includes all types of transit and also SAD based functions.
- As mentioned in point 1 above, under the scope of BICIS release 2.1, these functions are enhanced in the NTA phase 1 to cover NCTS developments at national level first.
- NTA Phase 2.1 will cover NCTS developments for International needs and it will bring the scope of the NTA (Called in BG BTMS = Bulgarian Transit Management System) at the same level as the EU developed NCTS 3.2.
- Additional works such as Guarantee management and other, beyond the EU NCTS 3.2, have been included in the Phare 2002 project request.

4. A computerised selectivity system is implemented

- A computerized selectivity system is being developed now, as a part of the BICIS-2.

5. Computerised information and intelligence systems are implemented. They are compatible with the standards developed in the framework of PHARE TFCMP Customs Information and Intelligence project

- Computerized information and intelligence system(s) aren't developed but will be an element of the National Integrated Customs Information System and will be based on standards developed under the Phare TFCMP Customs Information and Intelligence project.

6. External trade data for statistics are delivered to agreed schedules

- Foreign trade statistical data is delivered by the BICIS release 1 system. This system is collecting data automatically since its implementation date 01/01/200.
- Historical data exists in the system. The Information Centre of Ministry of Finance, was in the past manually entering the customs declarations into a data base.

7. Computerised tools for analysis of data generated by customs control activity are in use

- Computerized systems for analysis of data generated as a result of customs control activity are using currently the OLAP tool. This is expected to change with the BICIS 2.1 release.

8. EU policy on Freedom of Information, Data Protection and Health & Safety is implemented

- Specific aspects of that policy are regulated by the national legislation.
- Need to study the policy on Freedom of Information, Data Protection and Health & Safety.
- BCA needs literature and training.

9. International Trade Data Element codes, HS Tariff, UN EDIFACT message standards and other data element codes adopted by the Commission are used in all applicable IT systems

- International codes and nomenclatures are used in all applicable IT systems, except UN EDIFACT message standards. They will be included in the BICIS 2.1 release, which will also include XML message standards.
- The elements of UN EDIFACT standards have been used in common SAD data format, approved by the Steering Committee.

10. Applications and associated hardware tested and certified Year 2000 compliant
AIS Customs software - the core of BICIS was tested for the problem Year 2000.
There are no problems in the beginning of 2001 year.

11. Capacity to change to a new currency system (national currency/Euro) ensured

Capacity to change to a new currency system (national currency/Euro) ensured.

12. A computerised INTRASTAT system is developed and tested (Pre-Accession Candidate Countries only)
The computerized INTRASTAT system is not developed.
The government will decide which institution should be responsible for this system.

13.2.4. IT information policy

1. User acceptance testing procedures are applied when new systems are implemented.

Achieved.
These procedures are part of the PQP
Rational Unified Process, A tool set of Rational Rose, is the selected Methodology.
Deliverables include test plans, test models, test cases, workload analysis document and test evaluation summary.

2. User manuals are produced and approved by users when new systems are implemented.

Achieved.
Users Guide for existing system is created. It will be enhanced for the new developed subsystems.

3. Ownership for new systems is clearly identified and documented.

Achieved
Ownership and responsibilities concerning the new systems are clearly identified and documented.

4. Appropriate systems are capable of audit by the national state and, where necessary, by the Commission.

Achieved
The existing systems provide possibilities of audit at all levels.

5. Procedures for the maintenance of systems and the provision of central and local office support for IT systems and their associated components are in place and documented.

Achieved
Procedures for the maintenance of systems have been developed at national level and are included in the maintenance plan. This plan will be reviewed in line with the deployment of the new BICIS 2.1 centralized technology.

6. A system for feedback (e.g. through the operation of Help Desks, Hotlines, Customs and Trade User Groups, etc) is in place.

Tivoli Enterprise Management Software is delivered and implemented now at the national level.

A system for feedback is established at the national level. The information is sent from bottom to top, to User Requirements Team.
<table>
<thead>
<tr>
<th>BULGARIAN CUSTOMS AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMS STATISTICS AND AUTOMATION DIRECTORATE</td>
</tr>
<tr>
<td>INTER-CONNECTIVITY/OPERABILITY STRATEGY</td>
</tr>
<tr>
<td>WORKING DOCUMENT</td>
</tr>
<tr>
<td>BCA IIS STRATEGY AND PROGRESS STATUS</td>
</tr>
</tbody>
</table>

Created by: BCA CCD IT Department  
Approved by: BCA BICIS Steering Committee
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Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFIS</td>
<td>Anti-Fraud Information System</td>
</tr>
<tr>
<td>BCA</td>
<td>Bulgarian Customs Agency</td>
</tr>
<tr>
<td>BOI</td>
<td>Binding Origin Information</td>
</tr>
<tr>
<td>BTMS</td>
<td>Bulgarian Transit Management System</td>
</tr>
<tr>
<td>CC</td>
<td>Candidate Country</td>
</tr>
<tr>
<td>CCD</td>
<td>Central Customs Directorate</td>
</tr>
<tr>
<td>CCN / CSI</td>
<td>Common Communications Network / Common Systems Interface</td>
</tr>
<tr>
<td>CFCU</td>
<td>Central Finance and Contracts Unit</td>
</tr>
<tr>
<td>CTC</td>
<td>Common Transit Convention</td>
</tr>
<tr>
<td>DDS</td>
<td>Data Dissemination System</td>
</tr>
<tr>
<td>DG TAXUD</td>
<td>European Commission Directorate General responsible for Taxation and Customs Union</td>
</tr>
<tr>
<td>DTI</td>
<td>Direct Trader Input</td>
</tr>
<tr>
<td>EBTI</td>
<td>European Binding Tariff Information</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>ECICS</td>
<td>European Customs Inventory of Chemical Substances</td>
</tr>
<tr>
<td>ECT</td>
<td>Elaboration/Construction/Transition phases (RUP Methodology)</td>
</tr>
<tr>
<td>EMCS</td>
<td>Excise Movement Control System</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GTD</td>
<td>General Tax Directorate</td>
</tr>
<tr>
<td>IIS</td>
<td>Inter-operability Implementation Strategy</td>
</tr>
<tr>
<td>IPR</td>
<td>Inward Processing Relief</td>
</tr>
<tr>
<td>ISPP</td>
<td>Information System for Processing Procedures (for Inward and Outward Processing Relief)</td>
</tr>
</tbody>
</table>

**INTRODUCTION**

**Document Purpose**

This document is an extract of the BCA IT Strategy and describes BCA plans for achieving interoperability status with the EC and MS (business and technical) requirements. The document also presents the status of the strategy and it is updated accordingly.

Within the scope of **Business** and **Technical** plans, this document addresses interoperability requirements with the following partners and areas:

- EC and MS
  - DG TAXUD
    - CCN/CSI
    - NCTS
    - ITMS
    - EMCS\(^1\)
  - OLAF
    - AFIS/CIS\(^2\)

---

\(^1\) To be decided between GTD and BCA with the support of MF

\(^2\) CIS will be addressed upon accession to EU
Background

The creation of this document has been supported by the outputs of the following parties/activities:

- DG TAXUD/D2 Technical Assistance (Interconnectivity project)
- Phare Technical Assistance (Customs Functional Training project with Eurocustoms)
- Phare Technical Assistance (TA to the BCA computerization)
- DG TAXUD/D3 provision of “TEMPO” Methodology
- BCA IT and related Business Departments
- DG TAXUD/D2 comments received after the mission to BCA in June 19-20 2002.

BCA IT department with the support of the Business departments have developed the IIS from experience gathered from the above parties so far. Certain contracts related to this process have not been concluded yet. This document will be amended following:

- Eurocustoms comments, following the migration strategy phase of the Customs Functional Training project which is expected to be completed by November 2002. However BCA IT has discussed implementation strategy issues with the MS staff during their missions and their views have been incorporated in this document.

Projects

Following are the projects currently identified by BCA for implementation:

<table>
<thead>
<tr>
<th>PROJECTS</th>
<th>PRIORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Communications Network (CCN) / Common Systems Interface (CSI)</td>
<td>1</td>
</tr>
<tr>
<td>New Computerised Transit System (NCTS)</td>
<td>1</td>
</tr>
<tr>
<td>Integrated Tariff Management System (ITMS) which will incorporate the following systems:</td>
<td>2</td>
</tr>
<tr>
<td>Tarif Intégré Communautaire (TARIC)</td>
<td></td>
</tr>
<tr>
<td>Tariff Quotas and Surveillance (TQS)</td>
<td></td>
</tr>
<tr>
<td>European Binding Tariff Information (EBTI)</td>
<td></td>
</tr>
<tr>
<td>Specimen Management System (SMS)</td>
<td></td>
</tr>
<tr>
<td>Information System for Processing Procedures (ISPP)</td>
<td></td>
</tr>
<tr>
<td>European Customs Inventory of Chemical Substances (ECICS)</td>
<td></td>
</tr>
<tr>
<td>Binding Origin Information (BOI)</td>
<td></td>
</tr>
<tr>
<td>Unit Values</td>
<td></td>
</tr>
<tr>
<td>Tariff Suspensions</td>
<td></td>
</tr>
<tr>
<td>Excise Movement Control System (EMCS)</td>
<td>(*)³</td>
</tr>
<tr>
<td>Anti-Fraud Information System/Customs Information System (AFIS/CIS)</td>
<td>2</td>
</tr>
<tr>
<td>Extrastat</td>
<td>1</td>
</tr>
<tr>
<td>Own Resources</td>
<td>(*)³</td>
</tr>
</tbody>
</table>

³ Ongoing analysis for future planning and selection of approach.
| Data Dissemination System (DDS) | 1 |
**Document Structure and Strategy Approach**

The BCA IIS document describes the main steps to be taken in order to achieve Interoperability for each area as mentioned in 0. The project completion life cycle is based on hierarchical steps and when applicable (Pre-study and IT project life-cycles) is following “RUP” and/or “TEMPO” methodology. The following diagram describes the main tasks to be performed as well as the main outputs and standards for Application Development Projects.

---

**Business Preparation Activities**

This activity defines the business needs and includes it in the BCA Business Strategy and Plans

**Business Plan(s) Implementation**

Once the need is stated in the Business Strategy and the implementation period has been identified in the plans, certain projects are initiated to adopt and implement the necessary legal basis and administrative procedures. When necessary, User or Business Requirements are produced in these projects. BCA addresses this phase through:

---

4 CCN/CSI does not follow the full life cycle.
• Phare Twinning arrangements with the MS.
• Phare projects either to the private sector but most commonly, direct contracts with Eurocustoms.

**IT preparation Activities**
When a Business project requires computerization, it is included in the BCA IT Strategy and indicative implementation plans are produced for this project(s) to ensure the best possible achievement of the Business plans. As mentioned in the IT strategy and based on initial Tempo evaluations, BCA IT follows all three methodologies (Tempo, RUP, Phare) where applicable. The methodology approach is further described in the following paragraphs.

**IT Plans Implementation**
To implement the computerization plans BCA ensures funding through the MF (national funding) or other donor parties (Phare, DG TAXUD, World Bank, etc.). Regarding Phare projects, the request also includes the main project requirements, number and type of contracts and estimated financial resources.

In this document and specifically in relation to DG TAXUD business, financial estimations have been produced based on BCA and DG TAXUD (IIS suggested approach) estimates. The IT Project Phase, as it will be further explained below, will consist of two main Phases/Lots, first one being the “Inception Phase”. This part of the project is equivalent to the majority of the Tempo Pre-Study and System Specification disciplines. The Inception phase/project can be accurately estimated from the financial point of view. One of the results of this phase will be the accurate financial estimation for the Elaboration, Construction and Transitions phases and the generation of a Phase 2/Lot 2 contract with a fixed price. Corrective financial actions will then be taken, either by not consuming the whole budget or by proceeding with additional funds. An alternative solution is given in 0.

**Pre-Study Phase**
Having established financial resources and defined the necessary contract(s) certain pre contract activities are initiated with the main goal to support the correct contract issuing and implementation. These activities are the following:

- **Pre-Study Reports**
  - User/Business requirements
  - Hardware considerations
  - Proposed System Justification
  - Indicative Project Plan(s)
  - Development policy
  - Financial evaluation. This evaluation will estimate the “Inception project phase/Lot”
  - Risk Analysis
- **PID(s) preparation**
- **ToR preparation** following Phare guidelines for Phare projects, enhanced with Tempo guidelines, such as the inclusion of the PQP template. Two types of ToR will be prepared where applicable.

**ITT Phase**
The ITT Phase follows strictly Phare standards for Phare projects and is consisted of:

- Tender Dossier preparation
- ITT Publication
- Proposal(s) evaluation
- Contact(s) selection

**IT Project/Contract Phase**

**Inception Project**
This Project or Phase performs the majority of the disciplines necessary for the application development life cycle (Business Modeling, Requirements, Analysis and Design, Implementation, Testing, Deployment as well as supporting disciplines as the Configuration and Change Management, Project Management and Environment)\(^2\). Outputs of this Project/Phase will be all the necessary requirements in order to estimate the time period, the financial and human resources for the Elaboration/Construction/Transition (ECT) Project/Phases. The methodology used in this project’s workflows is strictly RUP and the activities and outputs could be compared with the Tempo Pre-study and System Specification phases.

Financial estimation for this project will be performed in the Pre-Study Phase as mentioned in 0. This type of project requires mainly Analysts, Technical Environment and S/W Designers, Technical Writers, and if necessary Prototype Developers. BCA has the resources to identify the needs of this project and estimate a realistic budget.

**ECT Project/Phases**
This project will also follow the RUP disciplines as the one above. The diagram above (0) shows the varying emphasis of the disciplines within each Phase.

**Phare procedural dependencies**

---

\(^2\) RUP Project Management activities, complement the PID activities for detailed tasks within the contractor’s group and under no circumstances interfere with the predefined management structures in the PID.
For projects financed under the Phare rules certain logistic difficulties exist, which have forced BCA to pursue alternative ways in order to avoid delays and meet the Business Plan deadlines. In order to achieve correct project estimations and quality results, the Inception project has to precede the ECT project. Under Phare rules however, the time required for the ITT Phase between projects is 6-9 months. This conflicts with the financing memorandum expiration periods often extending the two projects outside of the standard 2+ 1 years allowed by Phare. The most important conflict though, relates to the ITMS and NCTS Projects, which are bounded by EU and BCA CTC joining deadlines. Given the time plans for completion of these projects (see IT Strategy Plan), a further 6-9 month delay will impact the Business plans.

To resolve this issue, BCA has included the Inception and ECT phases in the Phare requests as one component. To achieve quality and correct budget estimation, BCA will include in the ToR and ITT Phases an additional request for the ECT Contract. This request will be an Initial or Start-up phase, under which the selected contractor will be asked to re-evaluate the initial project resources and plans based on the outputs of the Inception project.

Depending on the outcome of re-evaluation, corrective financial actions will be the taken by BCA.

**Maintenance Project**

Maintenance projects follow the full planning life cycle from the IT Preparation Phase and on. This group of activities has not been addressed yet by BCA. When addressed it will be included in the IT and IIS strategies.

**Assumptions**

The BCA IIS is prepared taking into consideration the following assumptions:

- EU (Helsinki) current accession date for BG: 01/01/2007
- BG accession goal date to EU: 01/01/2006
- Transit Convention joining date: 01/01/2004
- Phare project requests will be approved

**EC and MS – DG TAXUD Area**

**DG TAXUD Systems – Current Situation**

DG TAXUD has identified 12 systems that require inter-operability with the Member States on the date of accession of the Candidate Countries:

- **CCN/CSI**: these gateways, whenever needed are mandatory for the communication between the DG TAXUD IT systems and their Member States counterparts. DG TAXUD and DG ENLARG together with the Phare Committee have agreed to provide and pay for minimum one pair of CCN/CSI gateways (depending on the available financial resources: not clear yet) in each CC during the pre-accession period (until 01/07/04).
  The Ministry of Finance took the decision to install the CCN/CSI communication centre at BCA premises. BCA was entrusted the responsibility for implementation, administration and maintenance of the CCN/CSI gateway, which will be shared by BCA and the GTD, as the first business requirement for CCN/CSI has been identified with the BTMS, which requires testing with the EC and the counterpart Convention Member States.

- **EMCS reference tables**: The current SEED system will be replaced by the EMCS reference tables (phase 1 of the EMCS project). However, at this time it is not clear if the EMCS reference tables will be operational by 01/01/04 and therefore the CCs may still have to comply with the current SEED system at the time of accession A national development will be required for the EMCS and this is foreseen as a major system development for all Member States.

- **NCTS**: there are several options available to CCs as to how they will achieve Inter-

---

6 This date conflicts with the computerization plans, which at best will conclude on 01/01/2005. Suggested resolution to this issue is to change the Business date to the computerization completion date.
operability with NCTS. However, DG TAXUD strongly recommends the adoption of the MCC Phase 3.1 solution (any Phare funded request for another solution will receive a negative advice from DG TAXUD).

- **TARIC**: the reception of the daily Taric files and the integration of the received data within the national CDPS will be one of the major tasks of the CCs during the pre-accession period. Only the technical interface is documented today and a close co-operation will be required between the IT and tariff experts. Assistance from external expert(s) is strongly recommended (see [RD9]).

- **TQS** is currently under review by DG TAXUD Unit D3 and the MS as TQS is part of the plan for an “Integrated Tariff Management System”. The estimation of the availability of the new open interface for TQS is 2003 – 2004. CC are expected to: Implement and test the conformance of the quota interface; Use the surveillance web interface; Integrate the CCN/CSI network with their national quota and surveillance web application.

- **EBTI**: the user requirements and the functional specifications of the EBTI open interface with light client counterpart were presented in May 2002. Following that, the design and development process is expected to start by November 2002. The deployment of the new EBTI open interface is scheduled for November 2003. DG TAXUD recommends CC to use the light client solution.

- **ISPP and SMS**: the specifications for both systems were available at the end of 2001 and their operability is foreseen for the end of 2002 – beginning of 2003. The CCs will have to decide if they want to develop national counterparts or if they are going to use the web sites possibilities.

- **ECICS**: the system is still "maintained" by Unit D3 for development/maintenance/support, but the data is no longer kept up-to-date by unit B5 and therefore the data available on the DDS web site is sometimes outdated. There is a possibility that DG TAXUD will discontinue ECICS in the future (discussions are ongoing). No national development required.

- **BOI and Tariff Suspensions**: no IT interfaces. National procedures must comply with EU regulations.

- **Unit Values**: calculation of average unit values for “perishable” goods (mainly fruits and vegetables). Requires periodical exchange of information via fax/email.

### BCA CCN/CSI Plans and Status

#### Business Preparation Activities

N/A

#### Business Plans Implementation

N/A

#### IT Preparation Activities

- Included in the BCA IT Strategy and plans as well as the BCA IIS document.

- The Ministry of Finance took the decision to install the CCN/CSI communication centre at BCA premises.

#### IT Plans Implementation

The CCN/CSI gateway has been estimated to start functioning on 01/01/2004 and no later than 01/07/2004. One pair of CCN/CSI gateways will be installed in Bulgaria to be shared between the BCA and the GTD. It will be provided through the Phare Networking Programme and, based on information forwarded by the EC, is expected to be delivered by the end of 2002.

The Ministry of Finance took the decision to install the CCN/CSI communication centre at BCA premises. BCA was entrusted the responsibility for the implementation of the CCN/CSI gateway as the first business requirement for CCN/CSI has been identified with the BTMS, which requires testing with the EC and the counterpart Convention Member States. The BTMS full functionality (=NCTS 3.1) testing is planned to commence in 2004.

The co-ordination of this activity will be performed by BCA with the cooperation of the MF.

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7 Information System for Processing Procedures (ISPP) and Specimen Management System (SMS) are the new systems that will replace IPR and TCO/TCT respectively. The IPR name has been changed as Outward Processing Relief is now also included.
Dependencies

None.

Pre-Study Phase
This phase has already started and is expected to be completed in the 1st Qrt. 2003.

ITT Phase
N/A

IT Project Phase
This phase will consist of the following:

- Deployment preparation
- Deployment activities
- Testing

Dependencies
None.

Maintenance Project
Not included in the plans yet. Expected to be addressed in the Pres-Study phase with DG TAXUD.

Main Plan Summary Table

<table>
<thead>
<tr>
<th>Planned Activity Reference</th>
<th>Planned Activity</th>
<th>Milestones and Outputs</th>
<th>Start Date</th>
<th>End date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA001 Business Preparation</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA002 Business plans Implementation</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA003 IT preparation</td>
<td>IT Strategy + Plan BCA IIS</td>
<td>2001-2002</td>
<td>2002</td>
<td>Baselined</td>
<td></td>
</tr>
<tr>
<td>PA004 IT Plans Implementation</td>
<td>BCA Implementation Plans</td>
<td>01/01/2003 – 01/07/2003 (latest date)</td>
<td>31/12/2003</td>
<td>Outstanding</td>
<td></td>
</tr>
<tr>
<td>PA005 Pre-Study</td>
<td>Pre-Analysis PID</td>
<td>4th Qrt. 2002</td>
<td>1st Qrt. 2003</td>
<td>This phase has started with the establishment of the project team, the preparation of the implementation plan is in progress.</td>
<td></td>
</tr>
<tr>
<td>PA006 ITT Phase</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>PA007 IT Project Phase</td>
<td>Deployment preparation</td>
<td>1st Qrt. 2003</td>
<td>2nd Qrt. 2003</td>
<td>Outstanding</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deployment</td>
<td>2nd Qrt. 2003</td>
<td>3rd Qrt. 2003</td>
<td>Outstanding</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Testing</td>
<td>4th Qrt. 2003</td>
<td>4th Qrt. 2003</td>
<td>Outstanding</td>
<td></td>
</tr>
<tr>
<td>PA008 Maintenance Project</td>
<td>Not defined</td>
<td>Not defined</td>
<td>Not defined</td>
<td>Outstanding. To be discussed with DG TAXUD</td>
<td></td>
</tr>
</tbody>
</table>

BCA NCTS Plans and Status

Business Preparation Activities
The need for legislation harmonization and implementing procedures has been identified for the NCTS systems/functions and it has been included in the Business strategies and Plans. DG TAXUD Technical Assistance missions and Eurocustoms Functional Training missions have evaluated the current Status of the NCTS functions in BCA.

Business Plans Implementation
Further business harmonization needs will be covered by the Phare 2001 project: “Reform and Automated transit Procedures and Reform in the Customs Regimes with economic impact”.

For the IT project, Business/User Requirements in relation to NCTS needs are not expected from this project, since full documentation already exists from DG TAXUD. What is expected though is a
Functional Gap Analysis of what is currently handled by BTMS and what is needed to reach NCTS 3.1 full functionality.

Dependencies
- Phare 2001 project delayed due to evaluation procedures. The ITT phase was completed in October 2002.

IT Preparation Activities

Included in the BCA IT Strategy and Plans as well as the BCA IIS document.

IT Plans Implementation

To Implement the NCTS Plans, BCA has requested the following Phare assistance:

- **Phare 2002 request: Includes the completion of the Bulgarian Transit Management System (BTMS) including all the common NCTS requirements.** The developments will occur in two Phases:
  - Integration of the NCTS 3.1 functionality into BICIS, based on a gap analysis of what currently exists in BICIS and what remains to be developed, in order to bring the National transit level to the NCTS 3.1 level and allow NCA to join the transit convention. Roughly, the nationally undertaken development of Transit Phase 1 covers the MCC for NCTS phase 3.1 requirements.
  - Adaptation/integration of the future MCC developments, geared to cover functionality of NCTS specified under version 3.2

- **Phare 2002 request for Technical Assistance:** for Project Advisor, additional Technical Experts and Technical Training as sub-contracts of the TA contract. (Contract duration 2 years, expected to start in mid/end 2003).

Dependencies
- Approval of the Phare 2002 project tender documentation
- BTMS phase 1 completed and fully documented

Pre-Study Phase

This phase has started and is expected to be completed in November 2002.

NCA is currently exploring the possibilities offered by the MCC – BICIS integration feasibility study results and will evaluate the suggested approach which will ensure the integration of MCC into the BICIS platform, including the re-engineering of MCC according to the environmental needs and tools used by BICIS, its’ centralization/web based approach and its translation to Bulgarian.

ITT Phase

This phase will start after the completion of the Pre-Study Phase.

IT Project Phase

This project will follow the ITT Phase and it will consist of the following development phases:
- Phase I = BTMS 2.1 (= NCTS 3.1):
  - NCTS 3.1 Inception/ECT phases
- Phase II = BTMS 2.2 (= NCTS 3.2):
  - Inception (full scope)/ECT phases (MCC scope)

Dependencies

The estimated BICIS 2.1 completion dates will occur well before the IT contract initiation. No apparent risks are foreseen. This release is currently in the final Testing discipline of the Construction Phase. Minor Implementation\(^9\) occurs at the moment addressing security and statistical reports. The Transition phase of BICIS 2.1 is not in the critical path for the initiation of the BTMS phase 2.1 IT Project. In the critical path is the termination of the Construction Phase and its quality. The Testing discipline aims at correcting problems and finishing the minor (in volume) Implementation undertaken concurrently. The estimated end date of these tasks is expected in the 3\(^{rd}\) Qrt. 2002. The current BTMS functionality is registered in the BTMS Overview document.

Maintenance Project

Not included in the plans yet. Expected to be addressed in 2003.

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\(^8\) Same TA contract as for the ITMS.

\(^9\) RUP term for programming/development.
### Main Plan Summary Table

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<tr>
<th>Planned Activity Reference</th>
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### BCA ITMS Plans and Status

#### Business Preparation Activities

The need for legislation harmonization and implementing procedures has been identified for the ITMS systems/functions and it has been included in the Business strategies and Plans. DG TAXUD Interconnectivity and Eurocustoms Functional Training missions have evaluated the current Status of the ITMS functions in BCA.

#### Business Plans Implementation

Further business harmonization needs will be covered by the following projects:

- **Phare 2001 request**: “Reform and Automated transit Procedures and Reform in the Customs Regimes with economic impact”.
- **Phare 2002 request (Component 1)**: Legislation harmonization in accordance to EU tariff related functions.

For the IT project the expected outputs are the Business/User Requirements (with the exception of the Transit project in relation to NCTS needs, since full documentation already exists).

#### Dependencies

The IT project is expected to start in the 3rd quarter of 2004 and depends on the completion of:

- Phare 2001 project (relating to customs regimes with economic impact).
- Phare 2002 project for harmonization with EU TARIC and other tariff related practices.
IT Preparation Activities

Included in the BCA IT Strategy and plans as well as the BCA IIS document.

IT Plans Implementation

To Implement the ITMS Plans, BCA has requested the following Phare assistance:

- **Phare 2003 request**: Initially included in the Phare 2002 request. It has however been agreed with the EC, to include this project in the Phare 2003 request, due to financial issues relating to the total Phare budget allocated for BG. Furthermore, although BCA considered both NCTS and ITMS projects as a priority, EC representatives suggested that NCTS should be finalized first.

- **Phare 2002 request for Technical Assistance**: for Project Advisor, additional Technical Experts and Technical Training as sub-contracts of the TA contract. (Contract duration 2 years, expected to start in mid/end 2003).

Dependencies

- Pending Phare 2003 Project request approval
- BICIS 2.1 development completion scheduled for the end of 2002.

Pre-Study Phase

This phase has not started yet and is expected to start after the completion of the Phare 2002 “component 1” Business project and Phare 2001 Business project (relating to Customs procedures with economic impact).

ITT Phase

This phase will start after the completion of the Pre-Study Phase.

IT Project Phase

This project will follow the ITT Phase and it will consist of the following development phases:

- Inception
- Elaboration
- Construction
- Transition

Dependencies

- BICIS 2.1 developments have to be concluded and specifically the Construction Phase. BICIS 2.1 includes the BCA ITMS subsystem. This application includes all the capabilities required for BG and a fully automated calculation module. BICIS 2.1 is currently in the last stages of the Construction Phase and undergoes Testing and Deployment disciplines/workflows. The Construction Phase conclusion is expected in September 2002, when BICIS 2.1 will be well into the Transition phase. Full system transition is expected at the end of 2002. The ITMS IT project Phase is expected to commence in mid 2004, following Phare 2003 financial arrangements (end of 2003), Pre-Study and ITT Phases conclusion (mid 2004).

Maintenance Project

Not included in the plans yet. Expected to be addressed in 2003.

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10 The TA requested will cover all IT projects under Phare 2002 and 2003 requests
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<table>
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</table>

**BCA EMCS Plans and Status**

The General Tax Directorate is currently managing the activities in relation to SEED (System for Exchange of Excise Data) as the Excise responsibility is under the Tax Administration. The EMCS computerization project will be considered by MF, GTD and BCA, to assess who will be managing this process fully or partially in the future.

BCA has requested the EMCS documents from DG TAXUD/D3 and has received them. The documents will be studied by BCA to assess possible suggestions to the MF.

**EC and MS – OLAF Area**

**OLAF AFIS/CIS System – Current Situation**

The “Functional Training” project performed by Eurocustoms has not been successful in coordinating this activity with OLAF. A mission however, has been conducted for this system in BG (NL experts) and valuable information has been produced as to the system’s current status and implementation requirements.

AFIS can be implemented in BG prior to accession. CIS implementation requires EU membership.

BCA has made contact with OLAF and suggestive implementation plans as well as system specification documents are expected in the near future.

**BCA AFIS/CIS Plans and Status**

Currently one AFIS terminal/client has been installed in the BCA CCD Enforcement Department. The application currently supported is AFIS mail. A Communications line according to AFIS specifications has not been installed yet.
The system is not CCN/CSI dependent at the moment. A link can be achieved directly to OLAF CCN gateways. OLAF supports the communications and security needs for the client. Following the reception of the AFIS plans, BCA will organize a project team and the BCA IIS document will be updated accordingly.

**EC – eurostat Area**
The National Statistical Institute (NSI) is the Bulgarian responsible administration for the interoperability with Eurostat. BCA commitments are to provide NSI with the necessary information for the purposes of Extrastat. NSI forward this information to Eurostat in a specified format.

**EC – DG budget Area**
BCA will address this area in the near future and include it in the plans.

**trade in respect to dg taxud DDS**

**EC DG TAXUD DDS System – Current Status**
Not much is known about the current DDS status and future plans other than what it can be observed on the web site (http://www.europa.eu.int/comm/taxation_customs/databases/database.htm).
Prior to the Pre-Study phase initiation, BCA will contact DG TAXUD/D3 and D2 to request information and plans for this system.

**BCA DDS System – Plans and Status**
The DDS system will be developed under the “Trade and Customs officers facilitation enhancements” Phare 2002 Project which includes:

- Customs Data Dissemination System (DDS)
- Direct Trader Input
- Customs Public Information System
- Customs Internal Administration System

**Business Preparation Activities**
The need to allow the trade view electronically non-confidential Customs data has been identified and included in the Business Strategy.

**Business Plans Implementation**
During the Pre-Study Phase the EC DDS system will be examined as well as the current status of the BCA web site. A Needs Analysis will be prepared.

**Dependencies**
More information is required about the EC DDS status and plans.

**IT Preparation Activities**
Included in the BCA IT Strategy and plans as well as the BCA IIS document.

**IT Plans Implementation**
BCA has requested Phare assistance for the DDS Project (Phare 2002)

**Dependencies**
None. Phare 2002 project request approved.

**Pre-Study Phase**
This phase has already started and is expected to be completed in the 4th Qrt. 2002.

**ITT Phase**
This phase will start after the completion of the Pre-Study Phase.

**IT Project Phase**
This project will follow the ITT Phase and it will consist of the following development phases:

- Inception
- Elaboration
- Construction
- Transition

**Dependencies**
The estimated BICIS 2.1 completion dates will occur well before the IT contract initiation. No apparent risks are foreseen. This release is currently in the final Testing discipline of the Construction Phase. Minor Implementation\(^\text{11}\) occurs at the moment addressing security and statistical reports. The Transition phase of BICIS 2.1 is not in the critical path for the project.

\(^{11}\) RUP term for programming/development.
initiation of the BCA DDS Project. In the critical path is the termination of the Construction Phase and its quality. The Testing discipline aims at correcting problems and finishing the minor (in volume) Implementation undertaken concurrently. The estimated end date of these tasks is expected in the 3rd Qrt. 2002.
DDS depends on the completion of the BICIS 2.1 project, since data form these developments will be displayed on the BCA web site.

**Maintenance Project**
Not included in the plans yet. Expected to be addressed in 2003.
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