Standard Summary Project Fiche

Project number: TR 06 03 07

Twinning numbers:
TR 06 IB FI 01 (NTCS Component)
TR 06 IB FI 02 (ITMS Component)
TR 06 IB FI 03 (Training Component)

1. General Information

1.1 CRIS number:

1.2 Title: Modernisation of the Turkish Customs Administration III

1.3 Sector: Customs Union and Justice and Home Affairs

1.4 Location: Turkish Customs Administration, Ankara, Turkey

1.5 Duration: 36 months

1. Objectives

1.1 Overall Objective

Proper protection of the future external borders of the EU through a modernised Turkish Customs Administration (TCA) to ensure that it is in a position to fulfil the tasks and obligations of an EU Member States Customs Administration.

2.2 Project Purposes

The main outcome of ongoing Twinning Project-TR03/FI/05 under 2003 Programme is to continue to modernise the TCA-Turkish Customs Administration. Within this framework, the main strategy documents which clearly plan the next coming years of the Turkish Customs have been produced. The strategy documents including BCMP-Business Change Management Plan, NAP-National Action Plan are to be endorsed at the political level in July 2006 at the latest.

This project is devoted to the most important objectives of the BCMP and NAP to ensure that EU’s IT system, enforcement and administrative capacity are in place on the way to the full membership.

In order to comply with these objectives, the following is required from TCA;

Component 1: EU compatible Customs IT systems (including CCN/CSI, ITMS and NCTS applications) installed and fully operational at the end of the project and in line with the EU requirements in terms of interconnectivity and interoperability;
Component 2: While achieving the objectives of the EU’s IT interconnectivity requirements; Customs enforcement operations reinforced and improved in a synergetic manner to meet the responsibilities for the protection and control of external borders of the enlarged EU;

Component 3: The human resources management system, enforcement, operational and administrative capacity mainly in the training domain strengthened in order to have sufficient capacity to implement and to enforce the acquis.

2.3 AP and NPAA Priority

The projects are in line with the AP’s and NPAA’s priorities, Regular Reports of the EU Commission for Turkey and the ongoing Twinning Project of the TCA (TR03/FI/05)

Sub-Component 1; Customs IT Systems

Accession partnership with the Republic of Turkey (The Council Decisions of 19th March 2003) underlines the necessity to ensure the interconnectivity of Turkey’s information technology (IT) systems with the Community IT systems (installation of CCN/CSI, developments required for NCTS, integrated tariff management system).

Similarly, National Programme of 24th July 2003, specifies the further improvement of customs administration for alignment of its computer systems and TARIC.

In the 2005 Regular Reports on Turkey’s progress towards accession, it is stated that Under-secretariat of Customs does not only need to undertake these modernisation activities of IT infrastructure, but also needs to attach particular importance to strengthening its administrative structures, aligning its business procedures and improving the training quality of Customs officials.

Accession partnership of 23rd January 2006 states the aligning of internal procedures with the EU standards and necessary preparations for the exchange of electronic data with the EU and its Member States, beginning with transit and tariff areas.

Sub-Component 2; Customs Enforcement

Regular Report of 09th November 2005 declares that the administrative and operational capacity of TCA continued to be strengthened and the increased use of non-intrusive inspection devices such X-Ray devices, CCTV-Closed Circuit TV, License Plate Scanner and Vehicle Tracking Systems helped to detect more drugs and smuggled goods in 2004 compared to 2003.

On the other hand, the Report states that due to the size of the country further efforts are needed to make all customs officials have similar automations structure. The Report involved a recommendation for the extension of the electronic vehicle monitoring system developed in 2001 and became operational at Turkey’s western border posts in generally 2004 to other customs border posts.
Furthermore, in the BCMP and NAP documents of TR03/FI/05 which will be endorsed shortly, the enforcement capacity of TCA is planned to be improved and further developed according to the schedule of the plan.

**Sub-Component 3; Capacity Building**

Accession Partnership (AP) of 19th March 2003 declares the importance of strengthening the efforts to develop sustainable training programmes on the *acquis* with a view to increasing administrative capacity and improving inter-agency cooperation.

2004 Regular and 2005 Regular Reports in a similar way state that enhancement of interagency cooperation and the introduction of mobile surveillance units and development of risk analysis using the existing Customs co-operation agreements with neighbouring countries and others should be taken forward.

Under the related activity of the Twinning Project TR03/FI/05, post clearance control system was elaborated and comparison was made between the national implementation and that of EU. As an outcome of the work, a draft legislation was produced to be submitted to the Parliament in due time. However, the administrative capacity in the related area is strongly recommended to be improved by the Twinning team. These developments were resulted in the preparation of a post clearance control twinning project hereby.

### 2.4 Contribution to National Development Plan

Not Applicable (For Economic and Social Cohesion Projects only)

### 2.5 Cross Border Impact

Not Applicable

### 3 Description

#### 3.1 Background and Justification

See Annex 6 for “General Background and Justification”.

**Integrated Strategy Documents (BCMP, NAP, Strategy Paper)**

The strategic framework, Business Change Management Plan, National Plan and IT Strategy have been finalised in the twinning working groups and they are attached to this project (please see the Annex 10. The endorsed documents will be submitted to the EU Delegation and other related institutions after approval at the highest level.

#### 3.1.1 Sub-Component 1; Customs IT Systems

Turkey is a party to TIR Convention and uses TIR carnet for transit operations. Turkey will incorporate the provisions of the EC Customs Code and Implementing Regulations with regard to Community transit into its Customs Law and regulations, therefore its transit applications will be aligned with Community transit procedures after the amendments in Turkish Customs Law. For common transit, TCA issued a Common Transit Regulation in July 2003 to establish national common transit implementation. The Regulation was amended as of May 2006 to adopt the Common Transit Legislation. Since the Transit Module of the
BILGE System (Turkish computerized system) is not compatible with Common Transit Regulation, a Common Transit Program compatible with the Common Transit Regulation has been prepared.

National common transit implementation was initiated as a pilot project between TIR Customs Directorate in Ankara and the Customs Directorate in İzmir in 29 September 2003. Common Transit Program is used for this implementation. However, the program and its applications produced are not NCTS compatible since TCA’s computerized system doesn’t have the necessary module to perform required functions. The implementation of the Common Transit Convention (CTC) and New Computerized Transit System (NCTS) require common transit implementation that enables the exchange of messages between the EU Commission and the contracting parties. CCN/CSI is the communication platform that ensures this network among the parties. Turkey lacks the network to exchange data between contracting parties and the EU Commission. As a result it does not comply with CTC, NCTS and other EU requirements. The central national servers would be connected to the central EU databases through the CCN/CSI interfaces. Therefore, BILGE will be modified to include an NCTS compatible transit module allowing transit operations in accordance to the Common Transit Convention (CTC).

Therefore, Turkey needs the development of NCTS compatible transit module based on the functional and technical specifications available in the EU and integrated into web based BILGE. Gap and need analysis on Common Transit Convention will be conducted under the EU project of 2004 TR0403.01. In this framework the evaluation committee will meet on July of 18, 2006. Following the signature of the contract with the selected company in due time, the service will be initiated in November 2006 at the latest. This will facilitate and create the base for the development of NCTS in the following period. In the end of the development phase, all technical solutions and specifications with required software and hardware will be in place.

Because of the vast amount of money involved, the transit systems have always been the focus of fraud. Turkey is the second country issuing TIR carnets in Europe and its geographical location welcomes great volumes of transit of goods from east to west. However, TIR carnet system is not trusted anymore. Inefficient paper-based systems and incapability in high risk cases has made it necessary to manage and control the transit system which is based on the use of advanced computer systems and the electronic processing of data. That’s why Turkey deems it crucial to render its transit implementation through the tools of NCTS and be compatible with the EU standards. Moreover, as the part of the acquis, Common Transit Convention is required for EU membership.

The installation of CCN/CSI communication platforms will not only help to establish NCTS applications in TCA but also result in the development of the integrated Tariff Management System. (ITMS) ITMS development will change BILGE to align it with the EU (DG TAXUD) requirements and will cover the development of the following systems;

- Integrated Community Tariff (TARIC).
- Tariff Quotas and Surveillance / Surveillance II (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).
• Tariff Suspensions.

The current IT system of TCA is the following: The hardware, software, communication and infrastructure requirements for the Customs Headquarters and 125 Directorates have been met and ‘Client/Server-based’ local networks have been interconnected so as to create a Wide Area Network (WAN) for these locations. The network structure has been established using Frame Relay, Leased Line and ADSL circuits provided by Türk Telekom. The main computer system server has a UNIX based platform and all applications, including the BILGE software, utilise a Relational Database Management System (RDBMS). This configuration and the WAN allow 99.5% of export, import and transit transactions in value and some 5 million in number to be electronically processed on a real-time basis. This is a significant result from the distribution of data and transactions through automation. The WAN enables interconnectivity with external IT systems and particular importance is placed on the facility for TCA to store and process the export/import declaration data submitted electronically by traders, Customs brokers and operators. The volume of Customs transactions handled in small Customs Directorates does not justify connection to the WAN and so these declarations (approximately 0.5% of all transactions) are currently processed manually. Procedures exist for the data from these declarations to be input to the Customs database so as to ensure that complete statistical and management information is available.

The EU Commission requires the implementation of a common IT platform; Common Communication Network/Common System Interface (CCN/CSI) by all candidate countries before becoming a Member State. Access to CCN/CSI will be awarded to each candidate country having signed relevant contract with the EU. Development of national segment of CCN/CSI will be initiated in the framework of the Pre-accession Financial Assistance for Turkey. Furthermore, NCTS as an integral part of the Common Transit System (Convention) will be in place in the end of the project life time.

The procedural alignment for the possible accession to the Common Transit Convention will be conducted during the implementation phase of the 2004 project package (TR.0403.01). This component will ensure the automated functioning of the transit system taking into account the gap and need analysis of the service work under 2004 project.

Furthermore, the activities of this project strongly linked to the outcome of the 2003 Twinning Project and its supplementary documents referred as BCMP and NAP.

To modify and improve the current Turkish Customs Integrated IT system (BILGE) in order to include the functionality and interfaces required for the accession of Turkey to the EU - mainly CCN/CSI and NCTS- by extending CCN-CSI interface platform as well as developing an ITMS and NCTS which automate various customs functions. The IT Systems Project will also ensure developing an IT strategy for TCA to be in line with the requirements of EU accession in terms of IT interconnectivity and interoperability principles of the EU. The business alignment with the assistance of a member state(s) will be a main part of the project to achieve a smooth and concrete implementation of the EU’s IT standards.

TCA’s intention is to integrate the abovementioned EU systems (CCN/CSI, ITMS, NCTS) into BILGE with maintaining the current advantages of the national applications to form an integrated, common environment. With the establishment of these systems, the Turkish customs officials register the goods crossing the border of EU Member Turkey into NCTS.
system, the data then reaches the central national NCTS database through data transmission of
BILGE and are forwarded to the EU database through CCN/CSI gateway. If the goods are
cleared for Turkey than the customs officer in Turkey cancels the entry from the
NCTS system and put the item into the customs business application. The local server for the
customs clearance will refer to the daily updated TARIC database for the calculation and
collection of payable EU customs duty and related fees.

To achieve these aims, TCA established the project unit on 4.1.2006 that brings together the
IT experts, customs experts that have worked on computerisation of Turkish customs and the
EU experts. The division of work was done as a result the responsibilities of the project
manager, project coordinator-sub-coordinators and the project owners are made clear. The
project owners report all their activities on ITMS, NCTS and CCN/CSI in 15 days period to
project manager and the coordinators and the Steering Committee will also be informed about
the projects and their evaluation and approval will be sought.

3.1.2 Sub-component 2; Customs Enforcement

The customs control mechanism used by many of the largest economies in the world
courage an efficient and effective use of the limited resources available, such as personnel
and equipment, rather than maintaining a high level or volume of the physical controls. The
increase in the workload of TCA as a result of increase in trade and passenger volumes can be
processed effectively only by establishing pro-active, risk-based and technically equipped
control mechanisms. Within this framework, TCA has initiated the GÜMSİS Project in 2001
by the national budget to facilitate legal trade and to strengthen its operational capacity.

At the early stage of GUMSIS, TCA has installed 3 vehicle and container scanning systems in
some high risk border crossing/gates. The success of the systems, in terms of increasing the
amount of seizures of contraband goods, drugs, cigarettes and detection of illegal migrants
proved itself immediately as mentioned in the Regular Report for 2005.

With a strong commitment to the overall purpose of GUMSIS, TCA has decided to extent
ongoing project in collaboration with the EU. As a result 2003 and 2004 Projects were
introduced to bring GUMSIS to a larger and broader context. By the extension of GÜMSIS
Project it was expected to significantly increase the number of detection activities by
furnishing Customs sites with appropriate equipments and vehicles for surveillance and
detecting any kind of smuggling.

Although the 2003 Project was covering the supply of CCTV and License Plate Scanning
systems and 14 VTS Vehicles, one of the lots of the project failed in the tendering stage. The
mentioned failed lot was covering the procurement of the 14 mobile tracking vehicles.
However, due to the vital importance of this failed lot, TCA has added these 14 tracking
vehicles to the scope of 2006 Project. Procurement and the installation of the other above
mentioned systems has increased the security measures in the customs areas and established a
basic infrastructure to monitor the movement of high risk goods and vehicles throughout the
country.
Project 2004 has also a scope of improving infrastructure and equipment by constructing 2 vehicle search sheds with cold storage and one cold storage at main border points of Turkey. It is also covering the supply of 4 Vehicle and Container Scanning Systems for three main seaports and a land border gate.

In addition to all of these EU projects, TCA is developing two new software for tracking containers and vessels. The movements and transactions of the containers will be monitored by means of ‘Container Tracking Software’ and the information regarding the identification of a ship, its arrival time and arrival ports, its cargo, crew and number of passengers will be monitored throughout ‘Vessel Tracking Software’, in order to increase the security regarding containers and vessels for the national and global trade.

With a strong commitment to GUMSIS as mentioned above, TCA has now reached to a new stage for improving its surveillance capacity and taking those efforts mentioned above one step forward. Project 2006 will help TCA to increase the efficiency and capacity of surveillance teams for the fight against any criminal activity taking place at sea or land by the supply of necessary equipments (See Annex 8)

3.1.3 Sub-Component 3; Capacity Building

(Please see Annex 6 for the broad justification and Annex 7 for the Training Strategy)

Considering that Turkey will form the external borders of the EU in the future and the sensitivity of her geographical location, it is impartial that the EU Customs legislation be uniformly applied throughout the Community. This may only be realized if the administrative capacity of the Turkish Customs Administration is upgraded to the level of its counterparts in the Union and if the training capacity recommended in the different legal documents is in place in Turkey.

Furthermore, increasing the administrative capacity through training will highly contribute to the correct, proper and harmonized implementation of the EU Customs legislation in the trade with the Middle East neighbouring countries. In addition, successful results of this project will ensure the full implementation of EU policies on border security, preventing illegal trade and controlling revenues.

In accordance with the outcome of the Twinning TR03/FI/05, TCA will undertake economic (tariff) polices and procedures of the EC through strategic planning, computerisation, supporting Customs control systems, training and further modernisation of technical infrastructure. To achieve this, TCA should comply with the EU standards in relation to exchange of information, organisational arrangements, procedures and human resources policy.

Effective customs border controls, sufficient collection of duties, fight against fraud and other customs offences, efficient implementation of a post clearance control system, facilitating simultaneously legal trade and transit are among the most important tasks of TCA. These tasks and priorities can only be achieved if the training services, the administrative capacity and the physical training infrastructure of the TCA are strengthened and improved.

Article 73 of the Turkish Customs Law (TCL) No. 4458 is in line with the Article 78 of the EC Customs Code. The latter Article defines post clearance examination in general terms as does Article 73 of TCL. Since the EC leaves the application of post clearance system to
member states EC Implementing Provisions (IP) doesn’t cover post clearance control system. Whereas Article 207 of Turkish IP gives a further explanation as to the implementation of Article 73 of TCL. However, this only provides a control on the customs declarations and related documents and if necessary on the goods cleared though computerized customs offices in accordance with the simplified procedures. Only the customs approved operators can benefit from simplified procedures. The goods that are selected by BILGE as a result of risk assessment and sent to “blue line” benefit from simplified procedures. No physical checks and control on documents are rendered for those goods at the clearance stage. If the after mouth check on the declaration and commercial documents necessitate a physical check on the goods, then the physical check of the goods realized at the operators premises or storage, if still available.

Other than post clearance control based on simplified procedures, there is also another check rendered by the Directorate General for Customs Control in headquarters of TCA on the customs declarations and documents submitted to customs offices throughout Turkey.

Although the customs provisions on post control are in compliance with the Community, what is in operation is not a post clearance control that is common in the EU. In conclusion, Turkish Customs Administration doesn’t have a systematic post clearance control system.

Therefore, a post clearance control unit is required within the organization of the TCA to undertake a function that comprises in itself all systematic control activities on the goods, to improve simplified procedures, to guarantee the revenues of the budget through controls on customs valuation (customs valuation in particular necessitates post clearance audit, as anticipated by WCO in its revised customs control handbook, and more in general post clearance audit also emphasized in Revised Kyoto Convention; General Annex, Chapter VI and its guidelines, and in WCO Guideline for Post Clearance Audit), origin and duty relieves and also to maintain fair competition among economic parties. As a result, TCA’s organization and management structure will improve, its operational and human capacity will develop with putting in place a systematic customs control at post clearance stage.

The project of modernising a Training Centres aims to develop an EU compatible training strategy for TCA that will ensure conducting training programs by Turkish customs experts, experts from foreign trade agencies, institutions, other organisations for Turkish Customs officials at local offices and headquarters and for Customs brokers. There will be programs for trainers who are later going to train the provincial personnel and prepare manuals for Customs officers working at the border gates. The preparation of standard working material for different areas of specialization is very desirable as it has the advantage of creating standard dossiers benefited by different trainers. Technical equipments are also needed for effective programs. The Centre will serve for interactive learning purposes such as e-learning.

Turkish Customs Administration needs technical assistance from Pre-Accession Funds to establish a post-clearance control system to realise the necessary administrative structure for the above mentioned reasons and targets. By this way TCA will strengthen its administrative and operational capacity in accordance with the EU implementation and standards.

TCA has decided to submit the Customs Modernisation Project III to close this gap on the way to the full integration to the EU. Only highly skilled and qualified personnel including Customs brokers will ensure the application of EU legislation, will improve the effectiveness and efficiency of the Turkish Customs in the enforcement of EU regulations and in the delivery of quality service to business community, to society and to the government. This will
help TCA to reform and modernise its organisation by introduction of better management and organisational skills.

3.2 Sectoral rationale
For sector programmes only

3.3 Results
3.3.1 Sub-Component 1: Customs IT Systems

1) CCN/CSI gateways have been installed and configurated
2) NCTS has been developed and integrated into BILGE
3) ITMS has been developed and integrated into BILGE
4) Legislation, working procedures and related business alignment have been developed and conducted

3.3.2 Sub-Component 2; Customs Enforcement

1) Necessary equipments have been strengthened within the area of Customs posts
2) Customs surveillance function has been strengthened (extension of GÜMSİS Project -See Annex 5

3.3.3 Sub-component 3; Capacity Building

1) The training services in the fields of post clearance control and customs enforcement and global administrative capacity of TCA have been improved and extended
2) The physical conditions of the training services of TCA has been strengthened and improved

3.4 Activities

3.4.1 Sub-component 1: Customs IT systems

Installation and configuration of the CCN/CSI gateways

- Pre-study will be conducted by contracted experts to evaluate the current IT system in 2008 (2nd quarter)
- A direct contract will be signed with contractor(s) selected by DG TAXUD for CCN/CSI parts
- Physical evaluation for the installation of the technical infrastructure (location, cabling, etc) will be done in 2008 (3rd quarter)
- Relevant equipments and services (installation, configuration, tests, operation, helpdesk, maintenance, …) will be purchased from the contractor(s) selected by DG TAXUD in 2008 (3rd quarter)
- Access to Helpdesk will be established in 2008 (3rd quarter)
- The technical infrastructure to extend CCN/CSI to TCA will be installed with the help of physical installation support in 2008 (3rd quarter)
• Assistance for the operational support of the gateway will be received in after installation
• Access to all EU IT sub-systems will be (such as TARIC, NCTS, EBTI, Ceilings etc.) ensured in 2008 (4th quarter)
• Sufficient staff will be trained in 2008 (4th quarter)

**Development of NCTS and integration into BILGE**

Taking into account the results of the gap and need analysis on the possible accession to Common Transit Convention under the 2004 Project TR0403.01 on the transit domain, following minimum activities with the indicative list of the equipments will be conducted under this component. Additionally, new development will be based on revised and web-based BİLGE platform

- Pre-study will include:
  o Comparison of the BILGE and NCTS (data models, functions etc);
  o Description of the options for integration between BİLGE and NCTS and their various implications;
  o Organisation of seminars, training and information sessions with the relevant Countries (in the Countries and/or in Turkey) will be done as required by TCA User Requirements in 2007 (4th quarter) Before any training-related activities begin, the beneficiary will satisfy the EC Delegation that adequate premises have been made available.
  o Description of the selected solution for the integration of NCTS into BİLGE;
  o Project Initiation Document (methodology) will be conducted in 2007 (4th quarter)

- NCTS Functional (compatible FTSS) and technical (compatible DDNTA) specifications to integrate NCTS into BİLGE will be prepared in 2008.
- The development and production platform will be procured and installed in the TCA headquarter in 2008 (1st quarter)
- A new NCTS software including trader module will be developed by selected contractor in close co-operation with TCA experts in 2008 (1st and 3rd quarter) (Source code and the related know-how will be delivered to TCA at the end of activity)
- Successful processing of the national tests (Mode-0) will be done in 2008 (4th quarter)
- Accession to the helpdesk will be established in 2008 (4th quarter)
- Successful processing of the pre-conformance and conformances tests will be finalised in 2009 (1st quarter)
- Deployment of the pilot TCA NCTS compatible transit module for the national transit operations will be implemented in 2009 (1st quarter)
- Trader module to traders will be available 2009 (1st quarter)
- NCTS fully compatible transit module will be placed in transit offices in 2009 (2nd quarter)
- Technical documentation of the National Transit Application (NCTS) will be provided in 2009 (2nd quarter)
• Operational support for the TCA NCTS transit module for the national transit movements will be given to TCA at least 6 months after deployment.
• Manuals will be produced for the TCA staff in 2009
• This component will therefore assist TCA to complete the functional implementation of the National Transit Application
• Continuous management support and advice will be ensured

**NCTS Twinning**

Twinning activities should be initiated around one month before the NCTS development

The TCA and the selected Twinning Partner from a EU Member State (for 18 months) will decide on the final list of activities, keeping in mind the achievement of the following specific objectives. This support will encompass the management of all business and functional aspects of systems implementation surrounding the introduction of the new computerized system, particularly the areas of organizational restructuring and procedural reforms.

- At the start of the Project, SWOT analysis of the TCA will be performed regarding the available resources for the Community transit procedures and with recommendations for further action.
- Based on the needs and gaps analysis of the Turkish Customs Legislation with regard to the transit procedures, advice will be provided in legal drafting (primary, secondary, tertiary legislation) if necessary, to complete the legal framework for implementation of Community compatible transit procedure
- The national legislation, the organisational structure, the working procedures, the methodologies and the information flows, as well as the authorization of staff and the corresponding job description will be amended and re-defined.
- TCA will be assisted in setting up stable and sufficient administrative capacity (NCTS IT and business team) in the area of Community transit (e.g. provide training on the Project management, job profiles for NCTS and business team, help desk specifications etc).
- Training programmes will be prepared and implemented (included train the trainers programme) for Community transit, including trade awareness (e.g, training modules on principles of the Community transit, simplified procedures, guarantee management and enquiry, implementation plan, risk analysis etc).
- A number of guidelines, reports, manuals will be prepared on customs transit procedures in 2008.
- Community transit study missions to a Member State(s), including specific modules/traineeships in the above-mentioned areas will be implemented in 2008.
• High-level awareness meetings for the stakeholders to the customs operations will be organised in 2008.

• Companies involved in transit operations, trained and prepared to use the new procedures in parallel to the availability of trader modules in 2009.

The twinning team will be composed of a Resident twinning advisor (RTA) and a team of at least 5 short term experts

Development of ITMS and integration into BILGE

Taking into account the results of the gap and need analysis of the 2004 Project-TR0403.01 on the ITMS (technical pre-study), following minimum activities will be conducted through a service contract which will be available which available by mid 2007;

Adapt the existing software BİLGE or develop the following TARIC-compatible modules as first part of ITMS Implementation in close co-operation with TCA experts in 2008 (Source code and the related know-how will be delivered to TCA at the end of activity)

• Module 0: Skeletons (GUI, Report Layout, …)
• Module 1: Loader and merger
• Module 2: Tariff Management
• Module 3: Calculation / CDPS Interface

The main activities concerning the development of each of the modules as part of a single software application include:

• Preparation of the Project Quality Plan
• Realise detailed functional specification (System Specification Phase)
• Realise detailed technical specification (Design Phase)
• Development of each of the modules (Build and Test Phase)
• Realise all the software testing according to the used methodology (Build and Test Phase)
• Installation of the training and operational environment (Running and Maintenance Phase)
• Realise user training (Running and Maintenance Phase)
• Hand-over of the application and documentation and perform corrective maintenance (Running and Maintenance Phase)

Specific summarized activities under the ITMS Development

Develop the following TARIC-compatible modules:
• Module 1: Internet Access
• Module 2: Quotas
• Module 3: Surveillance
• Module 4: ISPP
• Module 5: SMS
• Module 6: EBTI-3
• Module 7: System Administration & other Tools (RIF, …)
• Future developments

**ITMS Twinning**

Twinning activities should be initiated around one month before the ITMS development starts.

The TCA and the selected Twinning Partner from a EU Member State (for 18 months) will decide on the final list of activities, keeping in mind the achievement of the following specific objectives. This support will encompass the management of all business and functional aspects of systems implementation surrounding the introduction of the new computerized system, particularly in the areas of organizational restructuring and procedural reforms.

• Based on the legal gaps and needs analysis finalised under the Twinning Light of 2004 Project (TR/2004/IB/FI/02), all necessary legal provisions (primary, secondary legislation and executive orders) in the EU Customs ITMS related issues will be drafted or relevant regulations amended to support the implementation of interoperability with the EU systems (ITMS)

• TCA’s organisational structure, rules, working procedures, methodologies, information flows, staff responsibilities and job description will be adapted and manuals for the TCA staff will be produced.

• The Turkish Customs inter-operability strategy with the EU systems in relation with the IT development and inter-operability strategy will be reviewed.

• Train-the-trainers programme for the TCA will be designed and delivered. Common awareness amongst the participants to the customs operations, through high-level meetings will be created

• Implementation of a comprehensive training programme on the EU Customs tariff related areas on at least the following topics;
  a. Classification and valuation of goods
  b. Binding tariff information
  c. EU customs procedures with economic impact
  d. EU simplified customs procedures
  e. Quotas, risk management…etc

• The number of ITMS related missions/internships to a Member State(s) will be implemented. The number will be co-decided with the Twinning Partner.

The twinning team will be composed of a Resident twinning advisor (RTA) and a team of at least 5 short term experts
3.4.2 Sub-component 2: Customs Enforcement

As an essential part of the modernisation of TCA, the ongoing GUMSIS Project initiated in 2001 which includes enhancing the efficiency of customs surveillance, the following special technical equipments and means are foreseen to be procured through this project as the next phase of GUMSIS. (Please see the justification on the Vehicle Tracking System in Annex 5)

- 1 system software which requires the monitoring of the trucks, TIR (and other type of vehicles if needed) at the Customs Headquarters using the satellite through GPS, GSM, GPRS and SMS signals & messages transmitted by specially designed devices will be procured in 2008 (1st quarter)
- The surveillance teams will be provided with the necessary means and equipment in 2008 (2nd quarter)
- Tracking vehicles (Vehicle type 1-10 units, vehicle type 2-4 units) to perform for ordinary and covert tracking activities will be procured in 2008 (2nd quarter)

Developing and conducting training programmes to meet the specific needs of Customs border control staff will be conducted under the Capacity Building Component through twinning activities

3.4.3 Sub-component 3: Capacity Building

Above stated activities envisaged under Sub-Component 3 will be conducted together under a Twinning Contract. Therefore, a RTA and when necessary short term experts should be seconded to TCA for a period of 18 working months (1.2008-6.2009). Primary activities conducted under Sub-Component 3 of this twinning are stated below;

Standard Twinning Contract
- The training modules prepared under the TR03/FI/05-Twining Project will be further developed (2008 1st Q)
- The application of legal regulations in a way which is uniform and consistent with the practice of EU member states will be improved by the preparation, printing and dissemination of updated handbooks and instructions concerning Customs regulations, (2008 1st Q)
- The training strategy conformant with EU developed under the TR03/FI/05-Twining project will be better put into practice (2008 2nd Q)
- The administrative capacity and personnel management system strengthened by further development of training. TCAs technical and organisational compatibility with EU communication and technological adjustments will be further developed (2008 3rd Q)
- The Business Change Management Plan and the National Action Plan developed under Component 2 of the Twinning Tr03/FI705 will be developed and necessary adjustments will be made, (2008 4th Q)
- The Action Plan on Strengthening Border Controls and the resulting organisational, administrative changes will be brought in line with the overall strategy (2008 1st Q)
• IT training support system developed and the staff management system will be improved (2009 2nd Q)
• An overall strategy will be drafted including initiation of a pilot practice for dog training and tactical training (2008 2nd Q)
• IT strategies concerning E- and B-learning possibilities will be put in place (2008 1st Q)
• The administrative structure of the post clearance control unit in accordance with the existing structure of the TCA will be defined in 2007 (3rd and 4th quarter)
• Strategy on Post Clearance Control will be prepared taking into account the results of the ongoing Twinning Project (TR03/F1/05) on the post control in 2008 (1st quarter)
• Existing auditing structure of TCA both in legal and administrative aspects will be examined in 2008 (2nd quarter)
• The factors considered having impacts on the establishment of the unit will be assessed in 2008 (2nd quarter)
• Personnel and material requirements of the unit will be determined in 2008 (2nd quarter)
• Necessary human resources for Customs Audits will be assessed and ascertained in 2008 (2nd quarter)
• EU compatible Post Control Legislation will be prepared in 2008 (3rd quarter)
• Legal framework relating to the post clearance control unit and functioning of the system will be drafted. (Legislation related to the necessary control responsibilities of the Customs administration reviewed and completed) in 2008 (4th quarter)
• Instructions and manuals for auditors will be prepared in 2009 (1st quarter)
• Current risk analysis activities of TCA will be examined and a risk analysis approach dedicated to post clearance control will be developed in 2008 (4th quarter)
• Instructions for auditors will be prepared.
• Training programme related to post clearance control and customs audit will be prepared and fulfilled in 2009 (1st and 2nd quarter). Before any training-related activities begin, the beneficiary will satisfy the EC Delegation that adequate premises have been made available.
• Customs audit training programme prepared and fulfilled.
• Project management of all the actions required to implement the Customs Enforcement Component within the agreed time frame and to the required level of quality in 2008 (3rd quarter)
• Developing and conducting training programmes on the investigation methods, cross border crime and law enforcement to meet the specific needs of Customs border control staff. 2008 (4th quarter)

**Strengthening and improving physical training infrastructure of TCA**

Required physical infrastructure (buildings) will be made available by TCA

An indicative list of equipments including the number of units required and the costs for each of them to justify the IT budget is attached herewith. See Annex 8
• Specific technical training equipments; will be procured and installed (2009 1st Q)

• Specific technical training equipments for the training of sniffer dogs/handlers and gun/rifle polygon will be procured and located (2008 3rd Q)

3.5 Linked activities

e-Transformation Turkey Project

Urgent Action Plan (UAP) lies on the core of the 58th and 59th Turkey’s Government Program. “Information society” is declared as one of the most significant purposes mentioned in Urgent Action Plan's Public Management Reform Section. “E-Transformation Turkey Project” aims to coordinate information society activities, which were previously carried out under different topics by different institutions. The institution for this specific project is State Planning Organization (SPO), which is responsible for overall coordination of countrywide economic and social development programs, allocation of funds to public investment projects. The time frame set for “E-Transformation Turkey Project” is 6 months for an Action Plan and continuous for the entire project term. Prime Ministry, NGOs, and all public institutions are identified as affiliated organizations for this project. To increase the participation and the level of success, an Advisory Board with 41 members has been established. This consulting body consists of the representatives of public institutions, non-profit organizations, and universities.

The objectives of this project stated in Prime Minister's Circular, dated February 27, 2003 and are as follows: Policies, laws and regulations regarding ICT will be re-examined and changed if necessary, with respect to the EU eEurope+ Action Plan, initiated for the candidate countries, will be adapted to Turkey, mechanisms that facilitate the participation of citizens to decision-making process in the public domain via using ICT will be developed, transparency and accountability for public management will be enhanced, Good governance principles will be put in place in government services through increased usage of ICT, ICT diffusion will be promoted, Public IT projects will be coordinated, monitored, evaluated and consolidated if necessary in order to avoid duplicating or overlapping investments, Private sector will be guided according to the above-mentioned principles.

In line with the government's schedule, to implement specific tasks Short Term Action Plan (STAP) prepared which covers 2003-2004. There are 73 action items under 8 sections. In this short term action plan TCA’s responsibilities and goals are mentioned. The IT sub-component of 2006 programming of TCA under Pre-accession Funds of the EU will no doubt support Turkey’s goals that are defined under “E-Transformation Turkey Project –STAP” and will help Turkey not only meet the EU requirements and standards but also transform its society closer to an information society.

i) Twinning Project (TR03/F1/05)

Twinning Project TR03/F1/05 was launched by TCA to align itself with the standards, procedures and practices of EU Member States on customs. The aim was first to review the legislation (component 1), to strengthen the administrative and organisational capacity (component 2) and then to establish an effective training system for TCA (component 3) to
guarantee the sustainability of the project. Under this project, a training strategy to be set up, a training programme for Train-the-Trainer seminars to be elaborated and TCA trainers to be trained as trainers (multipliers) on the legislative fields according to Component 1 and Component 2.

Under Component 1 customs legislation to be drafted in conformity with the Acquis or the current legislation to be amended on the customs fields: Introduction of Goods into the Territory of the Customs Union, Post Clearance Control, Origin of Goods, Inward – and Outward Processing, Customs Value of Goods, Free Zones, IT supported Customs Clearance Systems, Harmonised System - Combined Nomenclature – Customs Tariff “TARIC”, Transit Procedures (NCTS), Customs Enforcement / Border Controls, Dual Use Goods, Counterfeited and Pirated Goods, Industrial Property Rights. Post- Clearance Control Group 1.3.1.1 in co-operation with German Customs studied the requirements of Turkish Customs and prepared a Draft Implementing Regulations regarding Post Control Audits in compliance with the German legislation.

The aim of Component 2 is to improve the administrative capacity of TCA to ensure that the modernisation process is aligned with the standards, procedures and practices of EU Member states. These are the Customs Blueprint objectives and key indicators. Special focus is given on administrative changes concerning administrative and organisational structures of post clearance control, archiving, customs laboratories and IT sections. Gap and Needs Analysis Organisational Affairs- Post Clearance Control 2.2.1.3 examined the current auditing structure of Turkish Customs, and studied on developing a new structure for post-clearance purposes in conformity with the German model.

The aim of Component 3 is to review and to improve the training system to support the TCA to spread the knowledge on the changing legislation and regulations as far as possible. Under this component, an overall training strategy set-up, secondly a training programme ensured and Train-the–Trainer approach systemized and thirdly TCA trainers who are chosen to act as multipliers will be trained in the respective fields of changing legislation according to Component 1.

With Experts from German Customs Administration, which is TCA’s twining partner under 2003 programming, Turkish experts prepared a “Business Change Management Plan (BCMP)” which indicates the gap and needs analysis of Turkish customs legislation and organisational and management structure compared to AQ and EU standards. On some customs fields, such as post clearance control, new draft legislation prepared and on other customs fields, a report prepared to indicate the inconsistencies between the two legislations. These differences are now turned into draft provisions to be incorporated into Turkish legislation and many of them are sent in draft proposals to the Parliament. There is also the strategy paper as an integral part of the NAP and BCMP produced under the current Twinning Project indicates the time table for legislative harmonisation. Therefore, the work on harmonising the Turkish customs legislation with that of the EC and efforts on improving managerial and organisational structure of TCA with a solid training strategy will be complementary to Sub-component 1, 2 and 3 of 2006 programming.

**ii) Modernisation of Customs Administration Project -I (TR 0303.01)**

As part of the on-going Public Administration reform process, Turkish Customs Administration has set up a border modernisation project known as GÜMSİS. Part of the
The project was financed through a World Bank Credit. Within the scope of 2003 Financial Cooperation Programme, the GÜMSİS Project was accepted by the European Commission to support the extension of the systems covered under the project. GÜMSİS is to supply priority customs sites (not covered by the World Bank programme) with an integrated detection system consisting of the following activities, equipment and facilities: Close Circuit TV System (CCTV), License–plate scanning system at border posts; Vehicle tracking system; Vehicle scanning systems, network security to detect smuggling and project management and command unit; automation structure and staff training.

Tendering for some parts of the project (TR 0303.01) has been failed. However, the equipments foreseen to be procured under the project is extremely essential in fighting against smuggling and in having an EU compatible implementation in Turkey. Therefore, the GÜMSİS project coverage has been re-programmed and submitted to the EUSG to be taken into consideration for the 2006 Programming Year.

**iii) Modernisation of Customs Administration Project-II (TR 0403.01)**

The project was offered and accepted in 2004 Financial Cooperation Programme includes the following main activities:
1. **Customs IT systems component**
   - Consultancy for the analysis to migrate BILGE to web-based technology
2. **Customs Enforcement component**
   - Further development of risk based control mechanism
   - Further development of specialized enforcement units at regional level
   - Development of infrastructure at border posts
   - Development of Vessel and Container Tracking Software
3. **Customs Laboratories component**
   - Furnishing and equipping of Istanbul laboratory
   - Development of laboratory procedures
4. **Customs Archive component**
   - Creation of a centralized automated customs archive facility

**Customs IT Component Activities of 2004 Project-TR0403.01**

**Legislative study in the transit domain**

Before starting the works on the development of NCTS as foreseen in the second component of this project, TCA aims to finalise “gap and need analysis” in the transit area and the outcome of the service will create a reference to the technical preparations envisaged in 2004 project fiche. So the service contract for 2004 project on alignment in the transit domain will be on analysis and comparison of current national legislation, secondary regulations and internal administrative procedures in terms of compliance with the CTC requirements. The TOR for this service contract can be addressed to see what is needed to be done in detail. As the study on TCA’s compliance with CTC is a prior condition set by the EC for Turkey to start further work on NCTS, the achievements under 2004 programming on the legislation check would establish a background for the realisation of NCTS and BILGE under 2006 programming.
This component will take the results of the Twinning Light of 2004 Project-TR0403.01 on “Analysis of the integration of the ITMS sub-systems into BILGE” as a main reference.

A gap and need analysis will be conducted under the 2004 project-TR0403.01. The main purpose of the activity will be definition of the current situation in the ITMS domain (service contract) and to review the current national legislation, secondary legislation and related administrative procedures (Turkish legislation and mainly TARIC). (twinning light)

Gaps and needs analysis of legislation, secondary regulations and internal administrative procedures in terms of compliance with the ITMS requirements, including using IT applications and training will be done under ITMS Twinning Light. Based on the legal ‘gaps and needs’ analysis, all necessary legal provisions (primary, secondary, tertiary legislation) drafted in the EU Customs tariff related areas. (refer twining light documents to see the details)

In addition to the Twinning Light stated above, a service contractor will provide analysis of the current situation, analysis of BILGE for the integration of the ITMS sub-systems, identify system development options and propose appropriate technical solutions for the implementation of the ITMS sub-systems. (refer the service TOR for details)

The technical work done under service contract and twinning light will provide a basis for the studies performed under 2006 programming.

iv) TCSG-Customs 2007 Programme

Customs 2007 is an EU Commission Programme covering the customs administrations of the EU and Candidate Countries. It is designed to help Member States to create a uniform application of customs rules throughout the Community.

To ensure a common approach on customs training, TCSG-Training Coordination and Steering Group, a sub-group of the Programme, in its last meeting held on 23 November 2004 in Brussels discussed the importance of having minimum training standards for a customs administration to be able to implement common rules of the Union in the customs area. And Turkish Customs has been encouraged to modernise its infrastructure to align its training policy and facility. The item 9.1 of the Minutes of the TCSG Meeting held on 23rd November 2004;

“There is a need for an appropriate learning environment to train ca. 8000 customs officials as well as ca. 8000 customs brokers.” The TCSG supports the initiative because it goes in line with the live long learning strategy (Lisbon Strategy). There is a need for common training standards in MS and CC. Because of the geographical situation of Turkey, customs need to invest in high standards training of officials in order to protect the internal market.”

The EU realises the necessity for Turkey to improve its training capacity. As suggested by the EU, Turkey will aim to invest on training and improve it under 2006 programming.

v) Other Linked Activities
Customs 2007 Programme
Seminars and training programmes provided by DG TAXUD
Bilateral training programmes with EU Member States
Matra Programme
Bilateral assistance from the UK on enforcement issues

3.6 Lessons Learned:

The ongoing Customs Modernization projects give the Customs the opportunity to gain experience in the field of development and management of EU funded projects. The numbers of staff involved in project the TCA have been increased and trained to professionally handle future projects.

The administrative capacity to have a customs structure with practices in line with EU requirements has continuously improved with the other projects. The ongoing Twinning Project, for instance has improved the administrative structure especially in the field of the legislative alignment and re-structuring of the TCA. However, it is obvious that, this initial activity would not be sufficient to align and harmonize the all areas for a EU compatible customs administration. It became clear that much more is still needed, especially in the field of interoperability. The interconnectivity infrastructure of the EU member states does not include the TCA’s IT applications and therefore TCA lags behind the all operational activities functioning via CCN/CSI. As far as the enforcement practices are concerned, the border controls in Turkey as the future external borders of the EU, no doubt, should be enforced and improved. On the way of the harmonization, equipments and training of the enforcement staff have crucial priority. Customs Modernization Project I has created the conscious in this respect. In addition, harmonized legislation can not be valuable without dispersing the knowledge and new rules to across the regional customs offices. Thus, the improvement of the training structure will highly contribute to the harmonized and smooth application of the EU legislation throughout the country.

Furthermore, having the assistance of a Member State has gained the TCA the perspective of the an integrated customs administration. So, this project mainly is focusing on the twinning support from the Member States to enhance the TCA administrative capacity to meet the requirements of the EU applications.

4 Institutional Framework-

This is an institution building and investment support project.

The Turkish Customs Administration (TCA) is the beneficiary institution of this programme. The responsibility of TCA is the protection of the state economy, domestic market and society by controlling the movement of prohibited goods across the border of Turkey. The TCA is also responsible for the production of foreign trade and of Customs statistics. An organisation chart is shown at Annex 5.

The project will be implemented within TCA under the supervision of the European Union Secretariat General\(^1\) (EUSG). During the implementation of the project, close co-operation will be assured with EUSG. For the implementation of this project a Project Steering Committee (PSC), comprising key stakeholders from TCA and EUSG will be set up to monitor, supervise and co-ordinate the overall progress and implementation of the project. The PSC will provide guidance for the different Sub-components of the project, approve the

\(^1\) The EUSG is a separate administrative body allied to the office of the Prime Minister
results and define priorities. There will be also working groups for each component under the Steering Committee.

**Project Implementation Unit**

As far as the Project management capacity of the TCA is concerned, it is very obvious that during the implementation life time of the 2003 and 2004 projects, TCA has gained broad experience in managing the EU Projects. This practical experience has recently resulted in establishment of “EU Project Management Unit” which is reported to the EU Delegation on a number of occasions and it is mentioned in the Twinning Project Q-reports.

The staff number of the new Unit which is assigned to deal with the project management only is about 18 officials who have been trained in the EU project management principles. Furthermore, the running Twinning Project has sophisticated the TCA from the twinning point of view.

Proposals for project initiation are provided from different departments of the TCA. These proposals are gathered at EU Project Office established under the DG for the EU and External Relations, and forwarded to the Project leader. EU Project leader after his first assessment on the proposals summons the EU Project Unit in TCA. After brief evaluations on the proposals by the Project Leader, they are presented to Project Coordinator and his approval is requested.

The officers responsible for implementing their project proposal conduct the necessary work for carrying out the project through its different processes, including preparation of TOR, technical specifications,…etc. These documents are sent to CFCU through Project Coordinator or Leader. The above mentioned officers participate in evaluations committees. EU Project evaluation committee meets twice a month to elaborate the progress. Additionally, meetings are held once a month with CFCU and EC Delegation in Turkey to have a general assessment on the process.

**Overall management of all components will be conducted by;**

- **Bülent ERTEM**  
  Acting Undersecretary of Customs

Other institutions involved in the implementation will be as following:

- **EUSG**-European Union Secretariat General
- **EUR**-European Union Representation in Ankara
- **CFCU**-Central Financing and Contracting Unit
- **NF**-National Fund
- **SPO**-State Planning Organisation

**5 Detailed Budget**

Summary (See Annex 8 for the Equipment Lists. Please be informed that the cost for the supplies in the equipment list in annex is indicative. Slight differences may occur)
<table>
<thead>
<tr>
<th>Year 2006 - Investment support jointly co-funded</th>
<th>Phare/Pre-Accession Instrument support</th>
<th>Co-financing</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>National Public Funds (*)</td>
<td>Other Sources (**)</td>
</tr>
<tr>
<td>Customs IT systems component</td>
<td>1.950.000</td>
<td>650.000</td>
<td>-</td>
</tr>
<tr>
<td>Customs Enforcement component</td>
<td>2.625.000</td>
<td>875.000</td>
<td>-</td>
</tr>
<tr>
<td>Customs Capacity Building Component</td>
<td>2.907.854</td>
<td>969.285</td>
<td>-</td>
</tr>
<tr>
<td>Investment support – sub-total</td>
<td>7.482.854</td>
<td>2.494.285</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of total public funds</th>
<th>max 75%</th>
<th>min 25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment support – sub-total</td>
<td>9.977.139</td>
<td></td>
</tr>
</tbody>
</table>

| Year 2006 Institution Building support | | |
|---------------------------------------|---------------------------------|----------------|----------------|
| Customs IT systems component          | 7.050.000                       | -              | -              | 0 | 7.050.000 |
| Customs Capacity Building Component   | 2.000.000                       | -              | -              | 0 | 2.000.000 |
| IB support                            | 9.050.000                       | 0              | 0              | 0 | 9.050.000 |

| Total project 2006 | | |
|-------------------|----------------|----------------|----------------|
|                   | 16.532.854     | 2.494.285      | 0              | 2.494.285 | 19.027.139 |

(*) contributions form National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises

(**) private funds, FIs loans to private entities

1. All investment sub-projects supported by PHARE must receive co-financing from national public funds. Minimum requirement for co-financing from national public funds is 25% of the combined PHARE and national contributions to the overall investment support.

Turkish Customs Administration

22
2. Many Institution building projects will also have a degree of co-financing – this should be quantified and included wherever possible.

3. Expenditure related to equipment (regulatory infrastructure or ESC-related) and to Technical Assistance supporting investment (e.g. pre feasibility study / supervision of works / technical specifications) should be considered as Investment support in the project fiche.

4. All co-financing must be provided on a joint basis. Parallel co-financing will, in a principle, not be accepted. Exceptions to this rule have to be agreed with the Commission in advance.

5. All co-financing should be clearly quantified, also the degree of certainty of such co-financing (i.e. for National Public Funds: is it already earmarked in local or national budget, for FIs Loans, private funds: are they already approved/ under appraisal, etc...).

6. Where parallel co-financing is accepted and justified per exception to the normal rule it should be provided in monetary form. If this is not possible there should be clear criteria set out for the valuation of any non-monetary contributions (that should be quantified in the table).

7. If twinning is involved, clearly state the expected budget of the twinning covenant.

8. The financial engineering of the project should be closely monitored against actual delivery during implementation and against the objectives that were set in the project fiche so that corrective actions may be taken where required.

<table>
<thead>
<tr>
<th>Customs IT systems component</th>
<th>EU Support (M €)</th>
<th>National Co-financing</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-component 1: CCN/CSI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCN/CSI Gateways + 3 year support</td>
<td>650.000</td>
<td></td>
<td>650.000</td>
</tr>
<tr>
<td>Sub-component 2: NCTS and BİLGE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply Contract (IT Equipment &amp; Software - including training)</td>
<td>1.950.000</td>
<td>650.000</td>
<td>2.600.000</td>
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<tr>
<td>Service Contract (NCTS System development and integration into BİLGE)</td>
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<td>2.400.000</td>
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<tr>
<td>Twinning(NCTS)</td>
<td>1.000.000</td>
<td>1.000.000</td>
<td></td>
</tr>
<tr>
<td>Sub-component 3: ITMS and BİLGE</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Service Contract (ITMS System development and integration into BİLGE)</td>
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<td>2.000.000</td>
<td></td>
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<tr>
<td>Twinning(ITMS)</td>
<td>1.000.000</td>
<td>1.000.000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>1.950.000</strong></td>
<td><strong>7.050.000</strong></td>
<td><strong>9.650.000</strong></td>
</tr>
</tbody>
</table>
### Customs Enforcement Component

<table>
<thead>
<tr>
<th>EU Support (M €)</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>National Co-financing</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Contract (GÜMSİS)</td>
<td>2.625.000</td>
<td>0</td>
<td>875.000</td>
<td>3.500.000</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>2.625.000</td>
<td>0</td>
<td>875.000</td>
<td>3.500.000</td>
</tr>
</tbody>
</table>

### Capacity Building Component

<table>
<thead>
<tr>
<th>EU Support</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>National Co-financing</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twinning</td>
<td>2.000.000</td>
<td></td>
<td></td>
<td>2.000.000</td>
</tr>
<tr>
<td>Supply Contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Supply of training equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Supply of computer system &amp; equipments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other equipments</td>
<td>2.907.854</td>
<td></td>
<td>969.285</td>
<td>3.877.139</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>2.907.854</td>
<td>2.000.000</td>
<td>969.285</td>
<td>5.877.139</td>
</tr>
</tbody>
</table>
6 Implementation Arrangements

6.1 Implementing Agency

The Central Finance and Contracts Unit (CFCU) will be the Implementing Agency and will be responsible for all procedural aspects of the tendering process, contracting matters and financial management (including payments) of the project activities. The Project Authorizing Officer (PAO) will be Mr. Muhsin Altun, Director of CFCU.

Contact Person:

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Address: Ehlibeyt Mah. 6. Sok. No: 16/8
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Tel: +90 312 472 37 00
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Project Leader

Name: Mr. Riza Mehmet KORKMAZ, DG for the EU and External Relations
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Hükümet Caddesi No:1 Ulus, Ankara-TURKEY
Telephone: 00 90 312 306 82 82
Fax: 00 90 309 37 37
E-Mail: rkorkmaz@gumruk.gov.tr

6.2 Twinning

Customs IT Systems Component

Twinning partnership is going to be very useful for this project. Detailed objectives about twinning are explained under activities title.

Twinning for NCTS 1,000,000 €
Twinning for ITMS 1,000,000 €

Capacity Building Component

Twinning for training and post control 2,000,000 €

The Undersecretariat of Customs is the beneficiary of the Twinning Project.

RTAs Profiles

RTAs for NCTS and ITMS  TWINNINGS
• University degree or equivalent experience
• Minimum 10 years experience in a tax/customs administration of a EU Member State (in case of a New Member State, having been involved for at least 3 years in aligning tax/customs core business to the *acquis communautaire*)
• Sound knowledge of legislation and policies of the European Union, in relation to the inter-operability with the EU systems issues and in the field of Community transit
• Sound knowledge of the DG TAXUD Project Management Methodology for IT/customs transit-NCTS projects and previous experience as project coordinator/project manager;
• Understanding of the Turkish environment (legislation, TARIC, NCTS implementation status, ICIS functionalities and performances, IT development and inter-operability strategy).
• Sound knowledge of English, appropriate knowledge in writing strategic documents and carrying out training on methodology of strategy development and good computer skills.

**RTA for Training-Administrative Capacity and Post Control Twinning.**

• University degree
• Professional experience and deep knowledge in the member states customs administration
• Practical knowledge of the TCA and its specific needs (desirable)
• Experience of working in international and EU programmes and at least 5 years experience in Customs auditing service or having a good knowledge of the tasks and the structure of the Customs auditing service
• Experience of managing staff and budgets
• Fluency in English and working knowledge of Turkish (desirable)
• Positive commitment to the Twinning programme
• Extensive programme and project management experience
• Analytical, problem solving and creativity skills
• Team worker, motivator and good communicator, co-operative and flexible
• Preferably Management Expert

**6.4 Non Standard Aspects**

**Sub-Component 1; Customs IT System**

IT Component is mainly dedicated to the installation, operation and 3-year support (operation costs, helpdesk, maintenance …) of the CCN/CSI gateways (the EU DG TAXUD Common Network spread in all the Member States and Countries members of the Common Transit Convention). The specifications of these gateways are identical for all the Member States and the two Contractors selected by DG TAXUD after open tender must be the same for every Country.

**6.5 Contracts**

**Sub-Component 1; Customs IT Systems**

1. Service contract for CCN/CSI (contractors selected by DG TAXUD):
- Installation, operation and support: 650,000
  2. Supply contract (NCTS&BILGE): 2,600,000
  3. Service contract (NCTS): 2,400,000
  4. Twinning contracts (NCTS-ITMS) 2,000,000
  5. Service contract (ITMS): 2,000,000
  **Total:** 9,650,000

**Sub-Component 2; Customs Enforcement**

  2. Supply contract (GÜMSIS): 3,500,000

  **Total** 3,500,000

**Sub-Component 3; Customs Capacity Building**

Twinning 2,000,000
Supply Contracts 3,877,139
**Total** 5,877,139

*All contracts and technical specifications will be prepared according to PRAG Practical Guide to Contract Procedures for EC External Actions*

### 7 Implementation Schedule

#### Sub-Component 1; Customs IT systems

<table>
<thead>
<tr>
<th>Service contract: CCN/CSI</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>III Quarter 2007</td>
<td>II Quarter 2008</td>
<td>III Quarter 2008</td>
</tr>
<tr>
<td>Supply contract (CCN/CSI and NCTS)</td>
<td>III Quarter 2007</td>
<td>I Quarter 2008</td>
<td>II Quarter 2008</td>
</tr>
<tr>
<td>Service Contract: NCTS</td>
<td>III Quarter 2007</td>
<td>I Quarter 2008</td>
<td>II Quarter 2009</td>
</tr>
<tr>
<td>Twinnings ( NCTS-ITMS)</td>
<td>III Quarter 2007</td>
<td>I Quarter 2008</td>
<td>III Quarter 2009</td>
</tr>
<tr>
<td>Service Contract (ITMS)</td>
<td>III Quarter 2007</td>
<td>I Quarter 2008</td>
<td>I Quarter 2009</td>
</tr>
</tbody>
</table>

#### Sub-Component 2; Customs Enforcement

<table>
<thead>
<tr>
<th></th>
<th>Start of</th>
<th>Start of Project</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>
8 Equal Opportunity

Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed. Male and female participation in the project will be based on EU standards and assured by official announcements published to recruit the necessary staff for the project. The main criteria for recruitment will be qualifications and experience in similar projects, not sex or age. Both men and women will have equal opportunities and salaries.

9 Environment

Not relevant to this project.

10 Rates of Return

Not relevant to this project.

11 Investment Criteria

11.1 Catalytic effect

Overall the project will aid and assist the TCA to strengthen and develop its operational activities and help prepare it to meet the expectations of the EU Customs Blueprint and the EU IT system interoperability requirements.

The Customs Enforcement component will enable the prevention of the illegal vehicle, goods and passenger trafficking effectively. This Project also aims at facilitating the legal foreign trade and will contribute to the development of foreign trade.

The restructuring and modernisation of the customs training infrastructure will provide an efficient facility to implement the EU rules uniformly as well as providing support for the prevention of illegal traffic of goods. The Project will therefore provide a good momentum for the improvement of customs operations in Turkey and enhance its capacity to better compete with international standards and to fight against customs offences in a more effective way. Furthermore, the project will contribute to the implementation of EU legislation, to transfer the information and knowledge to all customs staff, the facilitation of the legal trade
and strengthen the anti-smuggling efforts by providing training especially in transposition of the EU law into the national law, Community Customs Code and its implementing provisions, Combined Nomenclature, Common Customs Tariff and steadily changed customs duty relief, duty suspensions, certain tariff quotas, counterfeit and pirated goods, drug precursors and cultural goods.

11.2 Co-financing

The Turkish Government will provide 25% of co-financing of the investment support of the IT and enforcement components.

The Turkish Government will provide 25% of co-financing to the supply contracts of the training component.

11.3 Additionality

Pre-accession financial assistance shall not displace other support especially from the private sector or International donors.

11.4 Project readiness and size

This project will be financed by pre-accession financial assistance in case they are ready for contracting and all necessary technical studies and infrastructure works are completed. All the technical specifications will be prepared according to the “Practical Guide to Contract Procedures for EC External Actions”. A EU Project Unit was established under TCA on 01.04.2006 and there are 20 people assigned for the implementation of the project(s). These officials are trained on the EU’s project cycle management rules.

11.5 Sustainability

Future maintenance and operating costs for all equipment included in the IT Systems, Enforcement, Training Centre, Post- Clearance Control System components shall be paid by TCA. However, CCN/CSI and related systems functioning through these applications will benefit from the Commission’s support and maintenance.

The training of trainees’ activity under Sub-Component-3 will guarantee customs officers trained on various customs legislation that will ensure the sustainability of efforts extended by the EU and TCA under this project. It is necessary to note here that the equipments and software to be procured under IT component of this project will be in harmony with the already established IT infrastructure of TCA. Furthermore, the results of this project will be complementary to the existing software so that the efforts made so far in TCA concerning IT technology and applications would not be jeopardized and wasted.

11.6 Compliance with state aids provisions

Not applicable.
12 Conditionality and sequencing

The main conditions for success of the project are:

EU financing to this project is conditional upon national co-financing being ensured.

A Project Quality Plan (PQP) will be established between TCA and the contractors from the outset of the project. The purpose of a Project Quality Plan is the description of the measures to be taken to meet the quality and technical requirements of the user.

Other conditions for success of the overall project are the smooth evolution from study to the next phases of the project (e.g. system development, construction, procurement, delivery, twinning lights etc.) and good close liaison maintained by the relevant Secretariats throughout the Project.

The success of the Twinning project (TR03/F1/05) will directly influence the outcome of the project proposed in this project fiche.

As far as the premises under the Component 3 (Capacity Building) is concerned, the buildings will be made available by TCA in due time.
ANNEXES TO THE PROJECT FICHE

1. Logical framework matrix in standard format.
2. Detailed implementation chart.
3. Contracting (Commitment) and disbursement schedule by quarter for full duration of programme (including disbursement period).
4. Organisational chart of the Turkish Customs Administration
5. Vehicle trafficking system
6. Background
7. Training Strategy
8. Equipment Lists
9. Related Legislation
Annex 1: Logical Framework Matrix

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR</th>
<th>Programme name and no.:</th>
<th>Date of Drafting:</th>
</tr>
</thead>
<tbody>
<tr>
<td>“MODERNISATION OF TURKISH CUSTOMS ADMINISTRATION III”</td>
<td>Contracting period expires:</td>
<td>Disbursement period expires:</td>
</tr>
<tr>
<td></td>
<td>I/2008</td>
<td>QIV/2008</td>
</tr>
</tbody>
</table>

Project Number

<table>
<thead>
<tr>
<th>Overall Objective:</th>
<th>Indicators of Achievement:</th>
<th>Sources of information:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proper protection of the future external borders of the EU through a modernised Turkish Customs Administration (TCA) to ensure that it is in a position to fulfil the tasks and obligations of an EU compatible Customs Administration.</td>
<td>1. Full integration with the EU IT systems by the end of 2009.</td>
<td>1, 2, 3 EC progress Report.</td>
</tr>
<tr>
<td></td>
<td>2. At least 30 % reduction in the level of trans-border crime by the end of 2008.</td>
<td>EC strategy paper.</td>
</tr>
<tr>
<td></td>
<td>2. Effective controls established at customs border locations by end 2009, according to customs legislation and strategy, to support the overall aim.</td>
<td>TCA annual report</td>
</tr>
<tr>
<td></td>
<td>3. Fully functional Customs Training Services;</td>
<td>Field studies</td>
</tr>
<tr>
<td></td>
<td>3. 80% integration with the EU customs operations and practices by the end of 2010.</td>
<td>Official statistics of TCA</td>
</tr>
<tr>
<td></td>
<td>3. At least 30 % reduction in the level complaints of customer and traders.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. 50% increase per year in the level of trained personnel by the end of 2010.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. It is expected that false declarations on tariff, valuation, origin etc. considerably decrease in the medium-term period.</td>
<td></td>
</tr>
<tr>
<td>Project Purposes:</td>
<td>Indicators of Achievement:</td>
<td>Sources of information:</td>
</tr>
<tr>
<td>------------------</td>
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<tr>
<td>The purposes of this project are, Component 1: EU compatible Customs IT systems (including CCN/CSI, ITMS and NCTS applications) installed and fully operational at the end of the project and in line with the EU requirements in terms of interconnectivity and interoperability; Component 2: While achieving the objectives of the EU’s IT interconnectivity requirements; Customs enforcement operations reinforced and improved in a synergetic manner to meet the responsibilities for the protection and control of external borders of the enlarged EU; Component 3: The human resources management system, enforcement, operational and administrative capacity mainly in the training domain strengthened in order to have sufficient capacity to implement and to enforce the acquis.</td>
<td>1. Systems (CCN/CSI, NCTS, ITMS) are operational and functional by the end of 2009. 2. At least 30 % increase in the number of prevented perpetrations of the Customs border gates by the end of 2009. 3. 20 technical staff trained by the end of 2009. 3. Customs Training Services facilities ready including locations, buildings, classes and equipment by the end of 2009. 3. 50% increase per year in the level of trained personnel by the end of 2010. 3. First (pilot) phase of e- and b-learning training is finalised by the end of 2010. 3. 50% increase in the level of implementation of the rules of integrity by the end of 2010. 3. The accessibility to the training databases of EU (autodata, e-learning data base) is provided by the end of 2010 3. The starting to benefit from the training technical assistance of EU Programmes (TAIEX, Customs 2007.) by 2010. 3. Post Clearance Control Mechanism is operational and functional by the end of 2009. 3. A risk based post control is functional by the end of 2009. 3. Regional post control offices are in place by the end 2010</td>
<td>1, 2, 3 TCA website and reports TCA annual report EC progress report Official statistics from TCA Interim and final evaluation reports 1 and 2 Official Gazette Project Steering Committee meeting minutes 1 and 3 Field studies. 1. BILGE system documentation Project methodology adopted RTA’s</td>
</tr>
</tbody>
</table>
| Verification reports | available.  
|----------------------|---------------------------------------------------|
| 3. Twinning reports | 1, 2, 3 Senior management of Undersecretariat for Customs remain committed to the project.  
|                      | 1, 2 & 3. The government remains committed to develop the infrastructure of border/gates. |
### Anticipated Results:

<table>
<thead>
<tr>
<th>Sub-Component 1: Customs IT Systems</th>
<th>Indicators of Achievement for the Results:</th>
<th>Assumptions &amp; Risks:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• CCN/CSI gateways have been installed and configured</td>
<td><strong>CCN/CSI gateways have been installed and configured</strong></td>
<td><strong>1,2,3</strong> The success of the Twinning project (TR03/F1/05) will directly influence the outcome of the project proposed in this project fiche.</td>
</tr>
<tr>
<td>• NCTS has been developed and integrated into BILGE</td>
<td>• CCN/CSI gateways and other communication and support equipments installed at TCA headquarters in 2008</td>
<td></td>
</tr>
<tr>
<td>• ITMS has been developed and integrated into BILGE</td>
<td>• A coherent method of access used by the Commission and member states under CCN/CSI ensured in 2008</td>
<td></td>
</tr>
<tr>
<td>• Legislation, working procedures and related business alignment have been developed and conducted</td>
<td>• Accession to all other EU IT sub-systems (such as TARIC, EBTI, Quotas, Ceilings etc.) ensured in 2009</td>
<td></td>
</tr>
<tr>
<td>• CCN/CSI gateways have been installed and configured</td>
<td>• Sufficient number of TCA staff trained to operate CCN/CSI gateways in 2008</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Component 2; Customs Enforcement</strong></td>
<td><strong>NCTS has been developed and integrated into BILGE</strong></td>
<td><strong>1,2,3</strong> That adequate resources will be timely available.</td>
</tr>
<tr>
<td>• Necessary equipments have been strengthened within the area of Customs posts</td>
<td>• Requirements identified to integrate NCTS to BILGE to ensure compatible transit module in 2008</td>
<td></td>
</tr>
<tr>
<td>• Customs surveillance function has been strengthened (extension of GÜMSIS Project -See Annex 5</td>
<td>• Development &amp; production platforms procured and installed in 2008</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-component 3; Capacity Building</strong></td>
<td>• Adhesion to the Common Transit Convention and NCTS ready for conformance test in 2009</td>
<td></td>
</tr>
<tr>
<td>• The training services in the fields of post clearance control, customs enforcement and global</td>
<td>• Conformance tests for NCTS compatible transit module</td>
<td></td>
</tr>
</tbody>
</table>
The physical conditions of the training services of TCA have been strengthened and improved.

Successfully performed in 2008:
- Trader module to traders will be available (1st quarter)
- Source-code and know how was transferred to TCA and necessary information was given in 2009
- Manuals produced for the TCA staff in 2009
- Organisation of seminars, training and information sessions with the relevant countries (in the Countries and/or in Turkey) as required by TCA held in 2009

ITMS has been developed and integrated into BILGE:
- User requirements identified to integrate TARIC to BILGE to be compatible with EU TARIC system in 2008
- ITMS software written in cooperation between the contracted experts and Turkish experts in 2008 in accordance with the system and design analysis completed under 2004 project.
- Turkish IT officials trained on TARIC software system in 2008
- ITMS developed and disseminated to customs operational staff and Turkish integrated Customs tariff (TICT) fully compatible with TARIC completed in 2008
- TICT integrated into BILGE
- Relevant regulations amended to support the implementation of interoperability with the EU systems in investment support.

2. Customs and enforcement officers are sufficiently trained to use new equipment.
2. Project Management Group has adequate expert staff.
2. Senior management of TCA will give appropriate priority to the establishment of operational systems and specialized units.
2. Specialized units at all levels will
### 2008
- Rules, working procedures, methodologies, information flows, staff responsibilities and job description, documented in 2008.
- Manuals produced for the TCA staff in 2008.
- Turkish Customs staff (customs and IT) selected, trained and evaluated in 2009
- Train-the-trainers programme designed and delivered in 2009
- High-level awareness meetings organised for the participants to the customs operations in 2009

#### Sub-Component 2; Customs Enforcement
- The number of smuggling attempts detected increased by 55% in 2009
- Intervened smuggling attempts increased by 45% in mid-2009
- 40% increase in the mobility capacity needed during the smuggling cases ensured by mid-2009
- The objectives and key conditions and indicators contained within the Customs pre-accession Blueprints for Border and Inland Control, and Infrastructure and Equipment achieved by the end of 2010.
- Effective controls at Customs border posts established by the end of 2009.

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<table>
<thead>
<tr>
<th>3.</th>
<th>Relevant trainees will fully participate.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>That Customs Training officers will be sufficiently trained to use new equipment.</td>
</tr>
<tr>
<td>3.</td>
<td>That the sufficient financial resources will be allocated by the Turkish government to ensure the sustainability of the Centres</td>
</tr>
<tr>
<td>3.</td>
<td>That the training modules of</td>
</tr>
</tbody>
</table>
### Sub-component 3: Capacity Building

- The number of trained sniffer dogs and dog handlers increased in 2008
- The training modules prepared under the TR03/FI/05-Twinning Project further developed in 2008
- The application of legal regulations in a way which is uniform and consistent with the practice of EU member states improved by the preparation, printing and dissemination of updated handbooks and instructions concerning Customs regulations in 2008
- The training strategy conformant with EU developed under the TR03/FI/05-Twinning project better put into practice in 2008
- The administrative capacity and personnel management system strengthened by further development of training and technical support as continuation and extension of components with the framework of the Twinning TR03/F/05. TCAs technical and organisational compatibility with EU communication and technological adjustments further developed in 2008
- The Business Change Management Plan and the National Action Plan developed under Component 2 of the Twinning TR03/FI705 further developed and necessary adjustments made in 2009
- The Action Plan on Strengthening Border Controls and the resulting organisational, administrative changes are
brought in line with the overall strategy in 2008

- The number of well trained and highly skilled Customs officers and brokers increased in 2009
- Sustainability of having well trained personnel achieved in 2009 (2nd quarter)
- IT training support system developed and the staff management system improved in 2009
- The trainers trained under above component are able to bring the knowledge to the regional Customs offices where facilities and rooms are in place to conduct training in 2008
- An overall strategy drafted including initiation of a pilot practice for dog training and tactical training in 2008
- IT strategies concerning E- and B-learning possibilities put in place 2008
- Physical training infrastructures for sniffer dogs and dog handlers located (2008 )
- Office equipments; (DVDs, electronic boards, projections, photocopy machines, audio system, etc) installed,
- Training equipments installed(2009)
- Computer systems, hardware and software (i.e. Servers, PCs, printers, auto data system, LMS system, data and power lines etc.) procured and installed. Other equipment (trucks to handle the documents, phone switches etc.) (2009)
- Strategy for the TCA on Post Clearance Control prepared in 2008 (1st quarter)
- Existing overlapping of powers, tasks and responsibilities with other departments within TCA and/or other administrations ascertained in 2008
- Necessary human resources and job profiles for Customs Audits defined in 2008
- Turkish legislation reviewed to define the deficiencies in 2008
- EU compatible Post Control Legislation prepared in 2008
- A risk assessment approach for post clearance control purposes developed in 2008
- An administrative and related legislative structure of the post clearance control and customs audit function put in place within the framework of the existing system of TCA in 2009
- Customs audit training programme (including training and trainers) prepared and fulfilled in 2009
- Instructions and manuals for auditors prepared in 2009

### Activities:

<table>
<thead>
<tr>
<th>Sub-component 1: Customs IT systems</th>
<th>1. Service contract for CCN/CSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installation and configuration of the CCN/CSI gateways</td>
<td>1. Supply contract for NCTS</td>
</tr>
<tr>
<td>Pre-study will be conducted by contracted experts to evaluate the current IT system in 2008 (2nd quarter)</td>
<td>1. Service contract for NCTS</td>
</tr>
<tr>
<td>A direct contract will be signed with contractor(s) selected by DG TAXUD</td>
<td>1. Service Contract ITMS</td>
</tr>
<tr>
<td>1. Twinning for NCTS</td>
<td>1. Twinning for ITMS</td>
</tr>
</tbody>
</table>

### Inputs

3. The Turkish Government will provide 25% of co-financing of the investment support.

3. The allocation of
for CCN/CSI parts

- Physical evaluation for the installation of the technical infrastructure (location, cabling etc) will be done in 2008 (3\textsuperscript{rd} quarter)
- Relevant equipments and services (installation, configuration, tests, operation, helpdesk, maintenance, …) will be purchased from the contractor(s) selected by DG TAXUD in 2008 (3\textsuperscript{rd} quarter)
- Access to Helpdesk will be established in 2008 (2\textsuperscript{nd} quarter)
- The technical infrastructure to extend CCN/CSI to TCA will be installed with the help of physical installation support in 2008 (2\textsuperscript{nd} quarter)
- Assistance for the operational support of the gateway will be received in after installation
- Access to all EU IT sub-systems will be (such as TARIC, NCTS, EBTI, Ceiling etc.) ensured in 2008 (4\textsuperscript{th} quarter)
- Sufficient staff will be trained in 2008 (4\textsuperscript{th} quarter).

**Development of NCTS and integration into BILGE**

- Pre-study will include:
  - Comparison of the BILGE and

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2. Supply contract-special software devices
2. Supply contract GÜMSİS –Equipments for tracking system.
3. Twinning-Capacity building
3. Supply contracts-Capacity building

---

adequate buildings and territory will be available (by the Turkish Government)

3. This project is the third phase of a comprehensive customs modernisation programme, to be implemented over the next three/five years.
| NCTS (data models, functions etc); |
| o Description of the options for integration between BİLGE and NCTS and their various implications; |
| o Organisation of seminars, training and information sessions with the relevant Countries (in the Countries and/or in Turkey) will be done as required by TCA User Requirements in 2007 (4th quarter) Before any training-related activities begin, the beneficiary will satisfy the EC Delegation that adequate premises have been made available. |
| o Description of the selected solution for the integration of NCTS into BİLGE; |
| o Project Initiation Document (methodology) will be conducted in 2007 (4th quarter) |

- NCTS Functional (compatible FTSS) and technical (compatible DDNTA) specifications to integrate NCTS into BİLGE will be prepared in 2008.
• The development and production platform will be procured and installed in the TCA headquarter in 2008 (1st quarter)
• A new NCTS software including trader module will be developed by selected contractor in close co-operation with TCA experts in 2008 (1st and 3rd quarter) (Source code and the related know-how will be delivered to TCA at the end of activity)
• Successful processing of the national tests (Mode-0) will be done in 2008 (4th quarter)
• Successful processing of the pre-conformance and conformance tests will be finalised in 2009 (1st quarter)
• Helpdesk will be established in 2009 (4th quarter)
• Deployment of the pilot TCA NCTS compatible transit module for the national transit operations will be implemented in 2009 (1st quarter)
• Trader module to traders will be available (1st quarter)
• NCTS fully compatible transit module will be placed in transit offices in 2009 (2nd quarter)
• Technical documentation of the National Transit Application (NCTS) will be provided in 2009 (2nd quarter)
Operational support for the TCA NCTS transit module for the national transit movements will be given to TCA at least 6 months after deployment.

Manuals will be produced for the TCA staff in 2009.

This component will therefore assist TCA to complete the functional implementation of the National Transit Application.

Continuous management support and advice will be ensured.

**NCTS Twinning**

- At the start of the Project, SWOT analysis of the TCA will be performed regarding the available resources for the Community transit procedures and with recommendations for further action.

- Based on the needs and gaps analysis of the Turkish Customs Legislation with regard to the transit procedures, advice will be provided in legal drafting (primary, secondary, tertiary legislation) if necessary, to complete the legal framework for implementation of Community compatible transit procedure.

- The national legislation, the
organisational structure, the working procedures, the methodologies and the information flows, as well as the authorization of staff and the corresponding job description will be amended and re-defined.

- TCA will be assisted in setting up stable and sufficient administrative capacity (NCTS IT and business team) in the area of Community transit (e.g. provide training on the Project management, job profiles for NCTS and business team, help desk specifications etc).

- Training programmes will be prepared and implemented (included train the trainers programme) for Community transit, including trade awareness (e.g. training modules on principles of the Community transit, simplified procedures, guarantee management and enquiry, implementation plan, risk analysis etc).

- A number of guidelines, reports, manuals will be prepared on customs transit procedures in 2008.

- Community transit study missions to a
Member State(s), including specific modules/traineeships in the above-mentioned areas will be implemented in 2008.

- High-level awareness meetings for the stakeholders to the customs operations will be organised in 2008.

- Companies involved in transit operations, trained and prepared to use the new procedures in parallel to the availability of trader modules in 2009.

**Development of ITMS and integration into BİLGE**

Adapt the existing software BİLGE or develop the following TARIC-compatible modules as first part of ITMS Implementation in close co-operation with TCA experts in 2008 (Source code and the related know-how will be delivered to TCA at the end of activity)

- Module 0: Skeletons (GUI, Report Layout, …)
- Module 1: Loader and merger
- Module 2: Tariff Management
- Module 3: Calculation / CDPS Interface
The main activities concerning the development of each of the modules as part of a single software application include:

- Preparation of the Project Quality Plan
- Realise detailed functional specification (System Specification Phase)
- Realise detailed technical specification (Design Phase)
- Development of each of the modules (Build and Test Phase)
- Realise all the software testing according to the used methodology (Build and Test Phase)
- Installation of the training and operational environment (Running and Maintenance Phase)
- Realise user training (Running and Maintenance Phase)
- Hand-over of the application and documentation and perform corrective maintenance (Running and Maintenance Phase)

Specific summarized activities under the ITMS Development

Develop the following TARIC-compatible modules:
- Module 1: Internet Access
- Module 2: Quotas
- Module 3: Surveillance
- Module 4: ISPP
- Module 5: SMS
- Module 6: EBTI-3
- Module 7: System Administration & other Tools (RIF, …)
- Future developments

**ITMS Twinning**

- Based on the legal gaps and needs analysis finalised under the Twinning Light of 2004 Project (TR/2004/IB/FI/02), all necessary legal provisions (primary, secondary legislation and executive orders) in the EU Customs ITMS related issues will be drafted or relevant regulations amended to support the implementation of interoperability with the EU systems (ITMS).

- TCA’s organisational structure, rules, working procedures, methodologies, information flows, staff responsibilities and job description will be adapted and manuals for the TCA staff will be produced.

- The Turkish Customs inter-operability strategy with the EU systems in relation with the IT development and
inter-operability strategy will be reviewed.

- Train-the-trainers programme for the TCA will be designed and delivered. Common awareness amongst the participants to the customs operations, through high-level meetings will be created

- Implementation of a comprehensive training programme on the EU Customs tariff related areas on at least the following topics;
  
  f. Classification and valuation of goods
  g. Binding tariff information
  h. EU customs procedures with economic impact
  i. EU simplified customs procedures
  j. Quotas, risk management….etc

- The number of ITMS related missions/internships to a Member State(s) will be implemented. The number will be co-decided with the Twinning Partner.

**10.4.3 Sub-component 2: Customs**
Enforcement

- 1 system software which requires the monitoring of the trucks, TIR (and other type of vehicles if needed) at the Customs Headquarters using the satellite through GPS, GSM, GPRS and SMS signals & messages transmitted by specially designed devices will be procured in 2008 (1st quarter)

- The surveillance teams will be provided with the necessary means and equipment in 2008 (2nd quarter)

- Tracking vehicles (Vehicle type 1-10 units, vehicle type 2-4 units) to perform for ordinary and covert tracking activities will be procured in 2008 (2nd quarter)

Sub-component 3: Capacity Building

Standard Twinning Contract

- The training modules prepared under the TR03/F1/05-Twining Project will be further developed (2008 1st Q)

- The application of legal regulations in a way which is uniform and consistent
with the practice of EU member states will be improved by the preparation, printing and dissemination of updated handbooks and instructions concerning Customs regulations, (2008 1st Q)

- The training strategy conformant with EU developed under the TR03/FI/05-Twinning project will be better put into practice (2008 2nd Q)
- The administrative capacity and personnel management system strengthened by further development of training. TCAs technical and organisational compatibility with EU communication and technological adjustments will be further developed (2008 3rd Q)
- The Business Change Management Plan and the National Action Plan developed under Component 2 of the Twinning Tr03/FI705 will be developed and necessary adjustments will be made, (2008 4th Q)
- The Action Plan on Strengthening Border Controls and the resulting organisational, administrative changes will be brought in line with the overall strategy (2008 1st Q)
- IT training support system developed and the staff management system will
<table>
<thead>
<tr>
<th>Actions</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>An overall strategy will be drafted including initiation of a pilot practice for dog training and tactical training</td>
<td>2008 2nd Q</td>
</tr>
<tr>
<td>IT strategies concerning E- and B-learning possibilities will be put in place</td>
<td>2008 1st Q</td>
</tr>
<tr>
<td>The administrative structure of the post clearance control unit in accordance with the existing structure of the TCA will be defined</td>
<td>2007 (3rd and 4th quarter)</td>
</tr>
<tr>
<td>Strategy on Post Clearance Control will be prepared taking into account the results of the ongoing Twinning Project (TR03/F1/05) on the post control in 2008</td>
<td>1st quarter</td>
</tr>
<tr>
<td>Existing auditing structure of TCA both in legal and administrative aspects will be examined</td>
<td>2008 (2nd quarter)</td>
</tr>
<tr>
<td>The factors considered having impacts on the establishment of the unit will be assessed</td>
<td>2008 (2nd quarter)</td>
</tr>
<tr>
<td>Personnel and material requirements of the unit will be determined</td>
<td>2008 (2nd quarter)</td>
</tr>
<tr>
<td>Necessary human resources for Customs Audits will be assessed and ascertained</td>
<td>2008 (2nd quarter)</td>
</tr>
</tbody>
</table>
- EU compatible Post Control Legislation will be prepared in 2008 (3rd quarter)
- Legal framework relating to the post clearance control unit and functioning of the system will be drafted. (Legislation related to the necessary control responsibilities of the Customs administration reviewed and completed) in 2008 (4th quarter)
- Instructions and manuals for auditors will be prepared in 2009 (1st quarter)
- Current risk analysis activities of TCA will be examined and a risk analysis approach dedicated to post clearance control will be developed in 2008 (4th quarter) (A risk assessment approach for post clearance control purposes developed)
- Instructions for auditors will be prepared.
- Training programme related to post clearance control and customs audit will be prepared and fulfilled in 2009 (1st and 2nd quarter). Before any training-related activities begin, the beneficiary will satisfy the EC Delegation that adequate premises have been made available.
- Customs audit training programme prepared and fulfilled.
- Project management of all the actions required to implement the Customs Enforcement Component within the agreed time frame and to the required level of quality in 2008 (3rd quarter)
- Developing and conducting training programmes on the investigation methods, cross border crime and law enforcement to meet the specific needs of Customs border control staff. 2008 (4th quarter)

**Strengthening and improving physical training infrastructure of TCA**

- Specific technical training equipments; will be procured and installed (2009 1st Q)
- Specific technical training equipments for the training of sniffer dogs/handlers and gun/rifle polygon will be procured and located (2008 3rd Q)

**Pre-conditions**

The main conditions for success of the project are:

- For the IT Component (Component 1) a Project Quality Plan (PQP) will be established between TCA and the contractors from the outset of the project. The purpose of a Project Quality Plan is the description of the measures to be taken to meet the quality and technical
requirements of the user.

- Land and the construction of the buildings for the training centres in Ankara and İstanbul will be provided by the national budget
- **Continued support to the EU for the accession of Turkey**
### 1. Customs IT systems component

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### Annex 3: Commitment and Disbursement Schedule EU support (€)

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NOTE: Department of Data Processing and Communication is responsible for IT Component.

Directorate General of Customs Enforcement is responsible for Enforcement Component
Department of Training is responsible for Training Centre Component
Directorate General of Customs Control is responsible for Post-Clearance Control Component
ANNEX 5

GUMSIS-Increasing Surveillance Capacity

While the process towards the removal of the trade barriers undermined relative importance of the revenue functions of customs, it brought on the foreground the “protective” role of customs in providing the health and security of national economy, society and the environment. TCA fulfils its protective functions on one hand by controls and checks of goods and passengers, on the other hand by surveillance over the customs post, vehicles and persons that all the customs formalities have been completed in line with the acquis.

Customs surveillance requires mobile and patrolling teams, both on sea and land, who are well equipped with the necessary means and equipment. However TCA does not have enough equipment and vehicles to perform this function effectively. By the support of the relevant equipment, which is foreseen to be procured by this project, TCA will better realize the customs surveillance activities at the customs posts and improve its institutional capacity.

In order to combat and tackle illegal trade and trafficking efficiently, TCA installed 3 vehicle and container scanning systems at some high risk border crossing points/gates and sea ports. By the help of these scanning systems, a great amount of contraband goods, illegal drugs, and cigarettes have been seized. Besides, hundreds of illegal migrants have been detected either by the scanning systems or by the confession of the drivers that illegal migrants were hidden inside the vehicle just before the scanning of the vehicle. As these systems are being used in land borders and seaports, the air cargo, inland customs and should also be supported with mobile inspection teams in order to increase the efficiency of the efforts to fight against the cross border criminal activities, as well as to facilitate the legal trade. Besides, there are some seasonal fluctuations in the traffic of goods and vehicles at some customs posts and changes of routes in criminal activities, which require the mobilization of personnel and relevant inspection equipment at some periods. The support of mobile teams with mobile inspection systems will improve the institutional capacity to react the urgent needs at customs areas.

As a transit country between the Western European countries and Middle East and Asian countries, Turkey has a huge volume of transit trafficking of goods and vehicles. TCA has developed a system to monitor the suspicious vehicles during their presence in the country. The system uses the satellite technology and has been developed by TUBİTAK (Scientific & Technological Research Council of Turkey). The vehicle tracking system is based on tracking of trucks from the Customs Headquarters in Ankara using the satellite through GPS, GSM, GPRS and SMS signals & messages transmitted by special devices. These devices would be placed on trucks at custom posts where they are entered in Turkey. These transmitting devices will have different parts and antennas to send detailed information to the Headquarters. Any unexpected event such as leaving from the normal path, staying more than a reasonable time at the same location, opening of the doors, detaching of the container part from the carrier, taking off the transmitter system or blocking it electronically, etc will be able to be observed from the Headquarters. If one of those
events occurs, a Customs operation teams need to be sent to the last known location of the truck from the closest Customs post. Such teams require surveillance or special purpose vehicles which are equipped with crypto phones, binoculars, night vision devices, image taking and hand held cameras, in-vehicle notebooks, drugs and explosive trace detectors and video scope machines in order to intervene on time and effectively.

The Vehicle Tracking System also includes hidden tracking of some trucks which may or may not carry the transmitting devices. Hidden tracking of risky trucks need to be performed by chasing those trucks from a reasonable distance by the guidance of a covert surveillance system installed into the special purpose vehicles. Hidden tracking operations require of being close to the potential risk to be able to intervene when a problem occurs. Hidden tracking system transmitters are special and need to be placed in an unseen part of trucks with the help of a powerful magnet. Receiver installed in the vehicles of Customs operation teams is another part of the hidden tracking system. These two parts have signal communication on a secret frequency with each other. Secret frequency based signal communication is preferable for hidden communication instead of public networks like GSM and GPRS. GSM or GPRS based communication which is open to jamming easily. Having taken into account the insufficiency of the existing car park of the Customs Authority in order to perform the above mentioned tasks properly, TCA is to be supplied with 14 special purpose vehicles which will be equipped with the required special devices and patrolling vehicles. These vehicles will have the devices needed to perform for ordinary tracking activities.

On the other hand, as Turkey is surrounded with seas from three sides, TCA has to pay a great attention on the container and vessel traffic to secure both national and international trade, security and welfare in terms of preventing criminal actions such as any kind of smuggling and terrorist activities.

TCA is developing two new software for tracking containers and vessels. The movements and transactions of the containers will be monitored by means of ‘Container Tracking Software’ and the information regarding the identification of a ship, its arrival time and arrival ports, its cargo, crew and number of passengers will be monitored throughout ‘Vessel Tracking Software’.

ANNEX 6

General Background Information

The Customs Union between Turkey and the EU was established as of 1st January 1996 in accordance with Decision No.1/95 of the EU-Turkey Association Council. Decision No. 1/95 also suggested adopting wide-ranging legislation in the field of trade, as well as being party to conventions in the fields of industrial, intellectual and commercial property rights.

As a consequence of the Customs Union, the Turkish Customs Legislation was revised and modernised accordingly and the Customs Tariff System was harmonized to the EU Combined Nomenclature. The EU Single Administrative Document (SAD) was introduced throughout Turkey on the establishment of the Customs Union.
The Customs Law No. 4458, with Customs Regulations, Notifications and Circulars, has been in force since February 2000. A new Customs Regulation was issued in May 2002 and came into force on 1st July 2002. Furthermore, the Revised Customs Law, which is compatible with the EU’s revised Custom Code, has been submitted to the Parliament for ratification and Customs Regulation will be amended accordingly. Additionally the Law No. 1918 on the Interdiction and Pursuit of Smuggling was repealed and a new Anti-Smuggling Code No. 4926, which is consistent with the Customs Law No. 4458 and the new regulation, was put in to effect on 10th July 2003.

A new Customs Enforcement Regulation, which is aligned to the Anti-Smuggling Code No. 4926, was issued on 7th November 2003.

Turkish Government underpins its legislative harmonisation and e-customs activities. It allocates increasing funds from its national budget for the target of customs modernisation within the framework of e-government.

Since the beginning of 1990s, as a result of economic and social necessities the countries have increased their efforts to transform their societies into information societies. The US has increased its productivity and economic growth though use of information and communication technologies from the early 1990s. European Union (EU) is also emerging as a significant player in this field. European Council in 2000 decided to make Europe the most competitive and dynamic knowledge-based economy in the world in ten years under Lisbon Strategy. With respect to this strategy, on June 19-20, 2000 at Fiera, eEurope Program and Action Plan were initiated which are believed to be one of the most important projects of the Community.

Later on, this initiative was broadened to a group of candidate countries, including Turkey so that their participation in the program is ensured. This has speeded up Turkey’s the efforts to turn into Turkish society an information society. Unfortunately, there has not been much progress on this field in Turkey. Instead of giving priority to national necessities, single organizational needs and priorities have had negative impact on course of projects. Therefore, all information society activities needed to be carried out in a participatory manner and coordinated in such a way as to increase economic value and social welfare. Besides, projects should have concrete goals and selected according to their capacity to meet the needs of the society as a whole.

**Capacity Building Component**

**Background Information**

As a result of recent changes in world economy and increase in the volume of international trade, customs administrations are not only expected to fulfil their main functions effectively but also face the necessity to facilitate the movement of goods and passengers. Efficient and effective use of human and capital resources has become essential to cope with these recent developments.

The purpose of this project is to contribute to the implementation of EU legislation, following the changing rules systematically, transfer the information and knowledge to all Customs people, the facilitation of the legal trade and strengthen the anti-smuggling efforts by providing training especially in transposition of the EU law into the national law, Community Customs Code and its implementing provisions, Combined Nomenclature, Common Customs Tariff and steadily changed Customs duty relief, duty
suspensions, certain tariff quotas, counterfeit and pirated goods, drug precursors and cultural goods and so on.

Taking into consideration the volatile geographical location of Turkey and the fact that Turkey’s existing borders with third countries would become the borders of the enlarged EU, Turkey’s uniform and proper application the EC Customs Legislation has become crucial for both Turkey and the Europe at large.

Today only 500 out of more than 8,000 (plus 2000 new recruits from 2005 to 2006) Customs officials and other stakeholders can enjoy training services. Such services include classical training application under very poor conditions. This level is far below the EU required standards. This situation is clearly reported through the recommendations given within the Twinning TR03/FI/05 and also through the “Measurement of Results Project” within the Customs 2007 Programme.

Customs brokers as the major stakeholders in the Customs field are operators of the Customs legislation and followers of the daily operations at Customs borders and offices. They are authorized by the Turkish Customs authorities by TCA and are the implementers of Turkish customs legislation which is inline with the EC’s customs legislation. Thus, it is essential that Customs brokers follow latest modifications in legislation and new technologies and developments in the Customs field.

The new EC’s Customs Code consisting of IT applications in conducting Customs formalities will be in force on 1.1. 2007. Therefore, TCA will need to adapt itself the Turkish Customs will adapt itself to the new EU customs legislation which might require a new administrative capacity with a sound training facility to provide the Customs people with new legislation, IT applications and operations. Regarding the latest regulations on Custom Code no. 4458 all authorizations of exports and imports will be put in force after 01.01.2008 by Customs Administrations, which will allow finalise Customs procedures through Single Window. This means that all implementations and authorizations will be transferred to the Customs Offices. Therefore, Turkey has not only adapted itself with the new IT applications of the EU and takes on new functions with the new implementations stemming from the amendments in Turkish customs legislation. This will only be possible with well trained customs officers.

This new capacity and infrastructure can be absorbed and adopted if only the Turkish Customs transposes this new structure and put these changes into practice. Undoubtedly, Customs officials have to be familiarized with the new system through increased administrative capacity, training and other linked activities. Therefore, all these latest developments have directed the Turkish Customs to focus on the capacity building and increasing its administrative capacity.

With a training strategy and the pedagogical equipments provided with the Project, TCA will obtain a training facility that is similar to its counterparts in EU countries. This will ensure the studies to be more effective for the trainers and trainees. TCA training centre currently has got 2 projectors, 2 cameras, 1 DVD player, 8 pc that can be considered as pedagogical equipment which are far less than what is necessary for a customs administration which is expected to fulfil the requirements of an enlarged EU population and customs territory in the future. The suggestions of the reports written by
the experts of Twinning project TCA undertakes with German Customs Administration and all other EU-TAXUD related advisory opinion underlines the importance of an effective functioning training facilities for customs.

Following the recommendations given within the Twinning TR03/FI/05 so far the capacities in the existing Training Centre will not be anymore sufficient in the foreseeable future. Therefore it would be very recommendable to develop a long-term strategy for the enhancement or reconstruction of the Training Centre.

Although the TCA has a Training Strategy, the weakness of infrastructure and equipments prevents the implementation of the Strategy and despite all efforts and successful results achieved; the Turkish Customs has been lagging behind in terms of implementation of the EU Customs rules uniformly throughout the Country. This emanates from the failure to provide the Customs officials with the implementation principles.

**TRAINING**

**Recent Developments in the sector**

In parallel to the recently changing economical trends, the increasing foreign trade volume the customs administrations are expected to fulfil their protective role effectively, they also face in principle the necessity of facilitating the movement of goods and passengers in international trade. The control mechanisms of the economically most powerful countries are also in favour of efficiently and effectively use of the resources such as personnel and equipment and training in line with the increasing administrative capacity, instead of increasing the number of the controls.

Considering that Turkey will form the external borders of the EU in the future and the sensitivity of her geographical location, it is important that the EU customs legislation be uniformly applied throughout the Community. This may only be realized if the training capacity recommended in the different legal documents is in place in Turkey.

Today only 500 out of more than 8,000 (plus 2000 new recruited from 2005 to 2006) customs officials and other stakeholders can enjoy training services. Such services only include classical training application under very poor conditions. This level is far below the EU required standards. This situation is clearly reported through the recommendations given within the Twinning Project TR03/FI/05 and also through the “Measurement of Results Project” within the framework of Customs 2007 Programme.

As it is known, customs brokers as the major stakeholders in the customs field, are operators of the customs legislation and followers of the daily operations at customs borders and in regional offices. They are authorized by the Turkish Customs authorities and are the implementers of EU customs legislation and general customs rules. For this reason, it is essential that customs brokers follow latest developments, changes and new technologies in the customs field. Training should be provided in the facilities of the TCA and by the trainers of the TCA.

The new and revised EU Customs Code consisting of IT applications in conducting customs formalities will be in force in 2007 at the latest. In addition, the Turkish
Customs will adapt itself to the new EU structure through the projects approved by the EU Commission for having a compatible infrastructure to that of EU. The latest IT technologies will more efficiently be used in the near future. This will require high quality training programs which will have to be approached as a forthcoming priority.

Since the legislative harmonization has been completed up to 95% to date and new IT aspect of the EU will be in place through the projects mentioned above. These new capacity and infrastructure can be absorbed and adopted if only the Turkish Customs transposes this new structure and put these changes into practice. Undoubtedly, customs officials have to be familiarized with the new system through increased administrative capacity, training and other linked activities. Therefore, all these latest developments have directed the Turkish Customs to focus on the capacity building and increasing its administrative capacity especially in terms of providing efficient and well equipped training facilities.

Taking the other critics into account, during the EU Pre-accession Financial Assistance Programming TCA proposed “Customs Modernization Project I and II” in 2003 and 2004 and these proposals have been aimed at “to modernize the Turkish Customs Administration through the development of EU compatible Customs IT systems, strengthening and improvement of the Customs Enforcement operations, establishment of a network of regional Customs laboratories and creation of a centralized automated Customs Archive facility”.

Thus, the purpose of this project is to contribute to the implementation of EU legislation, following the changing rules systematically, transfer the information and knowledge to all customs people, the facilitation of the legal trade and strengthen the anti-smuggling efforts by providing training especially in transposition of the EU law into the national law, Community Customs Code and its implementing provisions, Combined Nomenclature, Common Customs Tariff and steadily changed customs duty relief, duty suspensions, certain tariff quotas, counterfeit and pirated goods, drug precursors and cultural goods and so on.

The project of establishing a Training Centre is based on the approach in order to develop an EU compatible training strategy for Undersecretariat of Customs and for Customs Brokers and to perform training programs, by experts within Undersecretariat of Customs and from other foreign trade related agencies, institutions, official organisations, for provincial customs officials, customs brokers and for officials in the Headquarter. The Centre will also serve for the personnel of interactive learning and for trainers who are later going to train the provincial personnel and to prepare manuals for customs officers working at the border gates.

The preparation of standard working material for the different areas of specialization is very desirable as it has the advantage that the other instructors (especially the new ones) can also refer to this material. But the duplication of working material still causes problems because of missing technical equipment.

Although the TCA has a Training Strategy which include multidimensional training, the insufficiency of infrastructure and equipments prevents the implementation of the Strategy and despite all efforts and successful results achieved; the Turkish Customs has been lagging behind in terms of implementation of the EU customs rules uniformly
throughout the Country. This emanates from the failure to provide the customs officials with the implementation principles.

In the view of the recommendations given under Twinning TR03/FI/05, the new training strategy to be drafted under Twinning TR03/FI/05 and the Vision Statement for 2005-2010 the priorities for TCA focus on the adoption of the acquis through the alignment and application of legislation and economic (tariff) polices and procedures, through strategic planning, computerisation, supporting customs control systems, training and further modernisation of technical infrastructure.

TCA has decided to submit the Customs Modernization Project III to close this gap on the way to the full integration to the EU. Only highly skilled and qualified personnel including customs brokers will ensure the application of EU legislation, will improve the effectiveness and efficiency of the Turkish Customs in the enforcement of EU regulations and in the delivery of quality service to business community, to society and to the government and will help TCA to reform and modernize its organisation by employing modern technologies and introducing better management practices.

**JUSTIFICATION FOR TRAINING EQUIPMENTS:**

Audio-visual technological tools and equipment are deemed to be of great importance for an efficient in-service training of TCA.

At present there are slight projector, documentary camera, overhead projector, TV, video, tape recorder, DVD, computer, camera, video camera, scanner, CD writer, printer, photocopy machine, image screen, microphone, simultaneous translation system in the training premises. However, existing training materials are lacking meeting needs since an average of 1500 persons a year are subject to in-service training.

Some of the aims determined by the training centre in accordance with the studies carried out in the EU harmonization process are as follows:

- to provide continuity of the in-service training activities at the Headquarters and regional directorates within a system,
- to use active and participatory training methods in training activities; to search developments and new approaches in that field, and make use of the appropriate ones,
- to secure and use modern equipment necessary for training activities,
- to establish e-learning system,
- to continue efforts for establishing proper environment in the regional directorates for training,
- to develop the training modules to be used by TCA.

The foreseen equipment is required for the achievement of both mentioned aims and the aims set in the EU harmonization process (targets set in the Blueprint and in Twinning Project), for establishment of an efficient training process, and implementation of this process at enabled centres, and more important for the proper application of the training methods during programs.
In addition, in the report of meetings of “Working Group for Determination of Gaps and Requisites of Training System of Turkish Customs Administration” held on 27 June-8 July 2005 within Twinning Project, it is decided that;

- the equipment (computer, projector, image screen, overhead projector, air conditioner etc.) necessary for the training activities to be conducted in regional directorates in the framework of the Twinning Project and other occasions be supplied after determination of necessities,
- the physical infrastructure of the library in the training premises be improved, computers be bought and 15 internet connections be provided,
- 15 laptop computers and 5 cameras will be bought for the trainers to use during seminars to be held at regional directorates.

In that context, necessary equipment to fulfil mentioned tasks and aims related to training of Customs officers are as follows:

Equipment for General Use and Offices:

1. Audio Systems
   Audio system in all classes compliant with the visual system in order that the training is conducted more efficient.

2. Note-books (100 pieces)
   Customs legislation has a wide content, is frequently revised and in close relation with the legislations of other institutions. Therefore, trainees need note-books for easy access and use of that legislation and for research purposes, in addition to after class studies about the subject matter.

3. DVD Player/Rewriter
   There is only one DVD Player available in the existing training premises, which restricts efficient use of this instrument by various training groups.

4. Teleconference system via satellite
   That system used for establishing remote training system will allow distributing standard information from the training centre to the personnel on duty in the regional directorates. Thus, constant training activities will be generalized throughout TCA via least loss of time.

5. Electronic boards, multiple use writing boards and image screens.
   a. Projectors.

ANNEX 7
TRAINING STRATEGY
Taking into account the last priorities stated by the Commission and the new Governmental policy, “the Strategic Plan for the Customs”, among others, has been drawn up for the period of 2005-2010.

The new strategy paper of the TCA defines following goals targeting 2010 in term of training:

- A qualified and well-trained staff is stipulated under the title of Fight against Customs Fraud and Corruption

However training is included in this strategy as a separate title as follows:

Training
Training programmes suggested in the EU harmonization process
Training programmes on customs legislation
Training programmes on improvement of services and efficiency
Training programmes on legal principles of conduct and ethical values
Training programmes for trainers
Training programmes on PC and foreign language
Create a “Customs Virtual Academy”
Re-train 25% of personnel per year
Triple the number of qualified personnel

The project aims to train the TCA personnel in order to reach the goals in the "Strategic Plan for Customs 2005-2010". TCA staff needed to be trained for alignment to the EU implementations in the sector and to give the best service to the customers.

Identification of Project

Analysis of the existent situation and notification of the necessity

Two buildings performing the training services are not the property of the Undersecretariat of Customs. The location of the mentioned buildings at a trade centre causes adverse effects on environment and further makes the provision of training services difficult. On the other hand, the fact that the two buildings concerned are very old and thus require a frequent restoration and maintenance leads to certain service shortcomings and hinders the rendering of qualified training services.

The area allocated by the DG for National Housing at the Ministry of Finance in view of forming the infrastructure of the training and archives services of the Undersecretariat of Customs is convenient for providing service for a staff of approximately 1500 people.

The existing Department of Training contains no such facilities as Shooting Polygon, Dog Training Unit, Vehicle Controlling Sections, Scenario Rooms for Combating Smuggling, E-Learning Unit and Classrooms and such others related with units of legislation and implementation.

Due to the age and ineligibility of the infrastructure of our premises, no national and international electronic connections (internet) are available.
Briefly, the existing Training Centre is unable to comply with the EU standards. For this reason, the Undersecretariat of Customs surely necessitates new and extended training facilities for both national and international training activities including the training of dog handlers and facilities for tactical training.

Various training programs such as dog training, and the training on shooting, narcotics training and nuclear smuggling are performed with the help of other institutions and organisations opportunities. Joint training activities related to legislation and smuggling issue could only be conducted in a limited manner and in collaboration with such institutions as the Directorate General of Security, Turkish Atomic Energy Authority, and General Command of Gendarmerie, Ministry of Culture, and Undersecretariat of Foreign Trade. The requests of the Customs Brokers and Assistants concerning meetings, discussions and training on issues like legislation trainings and implementations could not always be met. The lack of capacity leads to the failure to carry on sound relations with Exporters’ Unions, Association of Traveller Agencies, Union of Chambers and Commodity Exchanges, Association of Transporters and similar business environments which are in relation to customs services.

The training service of the Undersecretariat of Customs is currently being conducted by a staff of 37, namely 1 Head of Department, 5 heads of section, 1 expert, 6 chiefs, 8 D.P.C.O. and 16 officers. Trainers are composed of the specialists from the Undersecretariat of Customs, staff of public institutions and organisations, and members of the universities according to the training subject. As a consequence, there is a rich and unlimited source of trainers who could be provided according to needs and if new Training facilities are established, it is expected that there will be no difficulties in obtaining trainers.

To ensure harmonization of the standards of Turkish Customs Training facilities with those of the EU in respect of physical structure and implementation units the aim will be to set up new Training Centres composed of the following units:

Theoretical Training Classrooms
Computer and Foreign Language Classrooms
Conference and Meeting Halls (with simultaneous interpretation system)
Library and e-Learning Rooms
Shooting polygon
Detection Dog Training Unit
Vehicle Examination Rooms
Smuggling Scenario Rooms
Model Customs Administration
Model Customs Laboratories

As an output of the a.m. Vision Strategy of TCA in combination with the recommendations given under Twinning TR03/FI/05 the necessity appears to provide the annual attendance of 8000 customs employees to the training programs, which would take at least 5 working days and which are related to the employee’s duties; and to provide such training study at a permanent level. Promotional Training should be arranged at least once a year on a three-week basis, and to train an average staff of 150 with different titles.
To further fulfil the tasks and obligations of TCA as future EU member state the necessity appears to arrange candidate officials and professional training programs for an average number of 150 personnel of official customs enforcement, official customs inspectors, Customs and EU Expert assistant for every year; to arrange training and study programs three times per year for the staff of countries with which Technical and Administrative Assistance Agreements have been concluded; to further provide the attendance of total 30 guests (10 for each) for every program; to provide trainers’ certificates to a staff of 50 who have been charged as trainees in the Trainee’s training Program and in-duty programs which would be held twice a year; to arrange training programmes for customs officials working for maritime customs; to organize special training courses to fight against terrorism, and illegal trade of nuclear substances and weapons; to provide training for dog-handlers; to provide the knowledge of export controls legislation formed and stipulated in the Committees’ of the EU Commission; to organize foreign language training twice a year in order to provide the attendance for the training facilities, of a staff of 40 who are in charge especially in the regions in which trade and tourism activities are intense; to train customs officials and brokers on protection of environment, CITES, protection of cultural and historical heritage and on intellectual property rights; to train annually an average number of a staff of 480 in the field of Computerized Customs Operations, with a view to provide the harmony with the changing programs, to train 12 Trainers in the fields of Tariff, Valuation, Origin, Post-Control, Transit, Border Controls, Industrial Property Rights besides providing training for nearly the whole staff (8000 persons) from the end of the year 2006 to the year 2009, to use the active participation methods (workshops) in training; to benefit from the IT infrastructure for training purposes; to provide a staff of 12 trainers on basic issues; to provide a group of 5 trainers who have adequate knowledge on legislation and practice in order to provide the content in basic issues; to provide training to the personnel of the other relevant organisations, private sector institutions and associations on the customs issues to their interest; to provide the circumstances to attain to necessary knowledge through written documents and via Internet; to consider the suggestions and views of the trainees who have participated in vocational in-service training; to improve relations between professional organisations and related public institutions for training and internship, and arrange joint activities; to provide international connections and to establish computer technology systems for sustainable nationwide training services in the field of customs.

ANNEX 8

INDICATIVE EQUIPMENT LIST OF IT COMPONENT

<table>
<thead>
<tr>
<th>EQUIPMENT</th>
<th>Quantity</th>
<th>UNIT PRICE</th>
<th>TOTAL PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCN/CSI Specific Technical Equipment and Services</td>
<td>1</td>
<td>650</td>
<td>650</td>
</tr>
<tr>
<td>CCN/CSI TOPLAM</td>
<td></td>
<td></td>
<td>650</td>
</tr>
<tr>
<td>BILGE WEB, TARIC, NCTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Web server (2 for BILGE, 2 for NCTS )</td>
<td>4</td>
<td>35.000</td>
<td>140.000</td>
</tr>
<tr>
<td>2 Load Balancer</td>
<td>2</td>
<td>45.000</td>
<td>90.000</td>
</tr>
<tr>
<td>6 Application Server (4 for BILGE, 2 for NCTS )</td>
<td>6</td>
<td>50.000</td>
<td>300.000</td>
</tr>
</tbody>
</table>
### CUSTOMS ENFORCEMENT COMPONENT-EQUIPMENT LIST

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Properties</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>GUMSIS and Customs Surveillance (Vehicle tracking system, design and furnishing of Mobil vehicle)</td>
<td>Item</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VTS System Software</td>
<td></td>
<td>1</td>
<td>100.000</td>
<td>100.000</td>
</tr>
<tr>
<td>VTS Mobile Unit</td>
<td></td>
<td>1000</td>
<td>600</td>
<td>600.000</td>
</tr>
<tr>
<td>VTS Vehicle (VTS vehicle including Videoscope device, Explosive and Narcotics Trace Detector, Density Measurement device, strong Laptop Computer, Mobile Data System for vehicles and design and furnishing of Mobil vehicle)</td>
<td></td>
<td>14</td>
<td>200000</td>
<td>2.800.000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>3.500.000</td>
</tr>
</tbody>
</table>

Note: The items, quantities and budget are all indicative.

### COST SHEET OF EQUIPMENT THAT WILL BE USED IN PREMISES OF ANKARA & ISTANBUL TRAINING CENTERS WHICH ARE PLANNED TO BE ESTABLISHED WITHIN THE CONTEXT OF CUSTOMS TRAINING CENTER PROJECT (AS OF 04.04.2006)

<table>
<thead>
<tr>
<th>EQUIPMENT</th>
<th>ANKARA TRAINING CENTER (Unit)</th>
<th>ISTANBUL TRAINING CENTER (Unit)</th>
<th>QUALIFICATION</th>
<th>UNIT COST (€)</th>
<th>TOTAL COST (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROJECTION</td>
<td>25</td>
<td>25</td>
<td>2500 ANSILUMEN</td>
<td>3000</td>
<td>150.000</td>
</tr>
</tbody>
</table>

Note: The items, quantities and budget are all indicative.
<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Board</td>
<td>13</td>
<td>3000</td>
<td>78000</td>
</tr>
<tr>
<td>DVD Writer</td>
<td>4</td>
<td>306</td>
<td>2142</td>
</tr>
<tr>
<td>DVD Player</td>
<td>11</td>
<td>160</td>
<td>3360</td>
</tr>
<tr>
<td>Photocopy Machine</td>
<td>2</td>
<td>50000</td>
<td>200000</td>
</tr>
<tr>
<td>Note-Book</td>
<td>50</td>
<td>1666</td>
<td>166600</td>
</tr>
<tr>
<td>TV</td>
<td>6</td>
<td>5076</td>
<td>60912</td>
</tr>
<tr>
<td>TV</td>
<td>5</td>
<td>3175</td>
<td>31750</td>
</tr>
<tr>
<td>Sound (Audio) System</td>
<td>25</td>
<td>1835</td>
<td>91750</td>
</tr>
<tr>
<td>Digital Camera</td>
<td>5</td>
<td>980</td>
<td>9800</td>
</tr>
<tr>
<td>Blackboard</td>
<td>20</td>
<td>300</td>
<td>12000</td>
</tr>
<tr>
<td>Automatic Screen (Curtain)</td>
<td>20</td>
<td>1000</td>
<td>40000</td>
</tr>
<tr>
<td>Overhead Projector</td>
<td>15</td>
<td>750</td>
<td>18750</td>
</tr>
<tr>
<td>Document Camera</td>
<td>15</td>
<td>750</td>
<td>18750</td>
</tr>
<tr>
<td>Network System for Computers (Switch, UTP cabling)</td>
<td>647 data entrance</td>
<td>647 date entrance</td>
<td>189400</td>
</tr>
</tbody>
</table>
(1+1)x 122.320:
244.640
UPS per unit:
70.000
(1+1) x 70.000:
140.000
384.640
TOTAL 2.157.794

COST ACCOUNTING OF MENTIONED EQUIPMENT IS MADE BY USING ARITHMETIC MEANS OF STATE SUPPLY OFFICE PRICES AND PRICES OBTAINED FROM MARKET SURVEY

SNIFFER DOG TRAINING CENTRE-foreseen budget: 400.000 euro

It is a known fact that a trained dog and a handler are very effective and efficient force multipliers. They have a capability of covering areas that; might require more personnel otherwise or sometimes where no other equipment (X-ray, CCTV, ion-scans and etc.) can be deployed.

By using their highly developed sense of smell, sniffer dogs reveal out drugs hidden on passengers, in baggage and or vehicles. They can also carry out large scale of searches in a fraction of the time it would take for 5 or 6 customs officers.

Today the sniffer dog needs of TCA are met in coordination with Turkish Police Department (TPD). The dogs and their handlers are put through an intensive training course in Gölbaşı Ankara National Dog Training Centre of the TPD. Upon the completion of the course the dogs and the handlers are taken into a sufficiency exam. Unfortunately if the dog fails the exam, TCA can not substitute another dog for the failure due to the fact that the training centre works on a quota principle.

Therefore establishing a training centre for sniffer dogs and their handlers in Ankara, TCA will have an overall control capability for management of the organisation’s sniffer dog resources.

Such a facility will help TCA to fulfil its own needs, create better and independent strategies in terms of deploying more sniffer dogs at all shipping ports and airports and border gates across the country for the combat against illicit actions.

Currently, two TCA officers have completed their instructor course for training ‘Tobacco and Money’ detection dogs. Therefore the training centre will help TCA to train ‘Tobacco and Money’ detection dogs for itself and also other national agencies.

Having such a centre will also equip TCA with future ability of training:

- ‘Protection Dogs’, to provide controlled aggression in the apprehension of intruders at restricted customs areas,

Special Technical Equipments for dog training
1. Dog shelter: 50,000 Euro
2. Dog ventilation place 10,000 Euro
3. Veterinary 25,000 Euro
4. Teaching Rooms 20,000 Euro
5. Meeting Rooms 15,000 euro
6 Resting Rooms 25,000 euro
7. Trainees Rooms 50,000 Euro
8. Puppy unit centre 25,000 euro
9. 2 minibus: 100,000 euro
10. 2 small vehicle 50,000 euro
11. Steel covered room where the particles put in. 10,000 euro
12. Dog shower place 10,000 euro
13. Men shower place 10,000 Euro
14. Pentlanton 20,000 euro

**GUN/RIFLE RANGE**

Customs enforcement officers are legally authorised to carry out fire arms however TCA does not have a gun rifle range. Currently customs personnel have a chance to practice shooting two times a year (during May and September) at other government agency owned facilities. Establishing such a facility in Ankara will help TCA to equip its personnel with comprehensive information and experience for ‘safer, legal, ethical, and practical’ ways of using fire arms against criminal attacks without any time or administrative limitation.

Such a facility will help customs officers to get useful information from professional lecturers and gain experience by practicing about;

- Firearms and the related legislation,
- Selection of appropriate defence equipment,
- Safe and responsible firearms handling,
- How to respond quickly and accurately to threats,
- Care and maintenance,
- Situation analysis and tactics,
- Defensive shooting techniques,

A gun rifle range will also make it possible to arrange individual and team competitions and or leagues within the organisation to create a competitive environment and increase the morale of the staff.

**Basic specific equipment required in Gun/Rifle Range**

1. Railing and rolling target system: 50,000 Euro
2. Ear Phones: 20,000 Euro
3. Stable Target System: 70,000 Euro
4. Other equipments for shooting rooms: 100,000 Euro
ANNEX 9

The relevant applicable EU documents

- Community Customs Code (Council Regulation (EEC) No 2913/92 as amended), Title IV, Chapter 2, Sections 3, B (Articles 91-97) and Title IV, chapter 4, Section 5 (Articles 163-165), and in the Implementing Provisions to the Community Customs Code (Commission Regulation (EEC) No 2454/93) in Part II, Title II (Articles 313-462) and in Annexes 31 to 38 and 42 to 58