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Inland Transport Committee

Working Party on Customs Questions affecting Transport

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Item 10 (b) (i) of the provisional agenda

**Customs Convention on the International Transport of Goods
under Cover of TIR Carnets (TIR Convention, 1975):**

**Revision of the Convention – Preparation of
Phase III of the TIR revision process**

Financing arrangement of the eTIR cost-benefit analysis and overview of the project “Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration”

Note by the secretariat

I. Background

1. At its previous session, the Working Party on Customs Questions affecting Transport (WP.30) was informed about the progress in conducting a cost-benefit analysis (CBA) of the eTIR project and that the CBA report should be finalized on time for presentation at the twentieth session of the GE.1 and will be later submitted to WP.30 and TIR Executive Board (TIRExB) for consideration. The Working Party also took note that the United Nations Economic Commission for Europe (UNECE) Transport Division's project “Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration” had been approved by the United Nations General Assembly for funding under the United Nations Development Account (UNDA). This project aims at extending the use of international standards and the latest information and communication technologies to increase cooperation between Customs authorities and Customs to Customs (C2C) electronic information exchange. WP.30 took note of possible synergies between this project and eTIR and requested the secretariat to prepare, for the next session, a document

providing more details on the UNDA project as well as on the financial arrangements of the cost-benefit analysis (ECE/TRANS/WP.30/260, paras. 29 and 30).

2. This document is for information only.

II. Financing arrangement of the eTIR cost-benefit analysis

3. At its forty-eighth session, further to requests from the Inland Transport Committee (ITC), WP.30 and Informal Ad hoc Expert Group on Conceptual and Technical aspects of Computerization of the TIR Procedure (GE.1), the TIR Executive Board mandated the secretariat to conduct a cost-benefit analysis of the eTIR Project. (TIRExB/REP/2011/48final para. 10). Consequently, taking into account the funds available in the TIRExB consultancy budget line and the task to be undertaken, the TIR secretariat requested the relevant services in the United Nations Office at Geneva (UNOG) to issue a tender. In line with the applicable United Nations procurement principles, rules and procedures, UNOG sent out a request for quotes to 5 companies. Two companies submitted a bid, which were evaluated. Subsequently, the contract was awarded to the qualified bidder whose bid substantially conformed to the requirements set forth in the solicitation documents and had been evaluated to be the one with the lowest cost to the United Nations. The contract was awarded for a value of USD 27,000, which was well within the estimated budget.

III. Overview of the project “Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration”

A. Background

4. Crossing borders has always been a problem in international transport and trade. Despite recent improvements, international transport still faces obstacles, costs and difficulties at borders. Border crossing problems most severely affect landlocked developing countries, as they seriously impede access of those countries to the global market and lead to substantial losses for the national economies. The competitiveness of those countries is undermined by cumbersome customs and other control procedures. Overall, limitations to trade and transport facilitation are detrimental to economic growth, regional cooperation and integration.

5. Control authorities at borders face security challenges with smuggling, terrorism, illegal trade and immigration. In view of the large volume of cross-border transport operations nowadays, Customs authorities are no longer in a position to control every vehicle or container. Instead, they have to apply risk management and identify high risk consignments on the basis of data available. However, the data provided for risk analysis in a given country could potentially be falsified or intended to mislead Customs officials. Often, the most reliable data on the goods transported is available at the Customs offices of departure at the origin of a transit movement following an export procedure. To the extent possible, these data should be captured and then made available to the Customs authorities of transit and destination countries through a common Electronic Data Interchange (EDI) system, prior to the arrival of the goods. The availability of advance electronic cargo information and the establishment of Customs-to-Customs network arrangements have been

identified as cornerstones of the global supply chain security by the World Customs Organization.

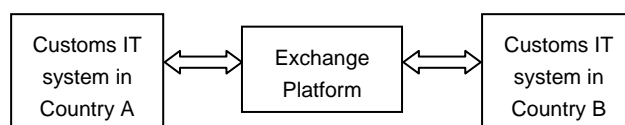
6. Today, only a few international conventions provide a legal basis for the exchange of information related to the international transport of goods. Among those, the UNECE Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) has the broadest geographical scope (67 countries worldwide). The exchange of electronic information is being addressed in the framework of the so-called eTIR project, which has been administered by UNECE since 2002. The eTIR project aims at full computerization of the TIR procedure and will eventually replace Customs paper documents by exchange of a set of electronic messages. The requirements of the necessary electronic systems have already been determined, including the establishment of a centralized Customs-to-Customs information network.

7. On the basis of the work already done by the eTIR project and its innovations, proposed project aims at implementing and strengthening the capacity to use a versatile Customs-to-Customs information network in developing countries and countries with economies in transition this will ensure a secure exchange of information related to goods in transit under cover of the TIR procedure. The network will be designed to facilitate, in the long term, the exchange of Customs-to-Customs and Business-to-Customs information globally. The sustainability of such a network will be ensured through a minimal fee-for-use. The secure electronic exchange of Customs-to-Customs information will lead to increased security and reduced border crossing delays.

B. Objective

8. To strengthen the capacities of developing countries and countries with economies in transition to facilitate border crossing, by means of increased exchange of secure electronic information between Customs administrations.

C2C information exchange via an independent centralized exchange platform



C. Main activities

(a) Delivering a first interregional Expert Group Meeting aimed at assessing the legal and technical needs of candidate developing countries and countries with economies in transition to extend the exchange of electronic information among each other and with their neighbour countries. The linkages with major existing national and regional computerized transit systems will also be assessed and explored. On the basis of a study to be prepared by an independent consultant, the Expert Group will determine the selection criteria and nominate at least five pilot countries.

(b) Developing and deploying a secure C2C versatile electronic exchange platform, taking due account of the specific challenges faced by developing countries and countries with economies in transition.

(c) Providing technical assistance to national experts in at least five pilot countries to link national or regional Customs IT systems (e.g. Automated System for Customs Data (ASYCUDA)) to the C2C exchange platform and deliverance of five

technical workshops to build capacity of developing countries and countries with economies in transition to maximise the benefits offered by the C2C exchange platform, to increase their electronic exchange of Customs information with neighbouring countries as well as to adopt international standards when it comes to electronic messages (the project will provide funding for twenty-two participants at each workshop).

(d) Delivering a second interregional Expert Group Meeting and seminar at the end of the project to promote the electronic exchange of Customs information and the adoption of standard electronic messages, with special focus on the specific requirement of developing countries and countries with economies in transition as well as the presentation of the results achieved in the five pilot countries (the project will provide funding for fifty participants from developing countries and countries with economies in transition).
