

**Strengthening the capacities of developing countries
and countries with economies in transition to
facilitate legitimate border crossing, regional
cooperation and integration**

US\$ 750'000

**United Nations Economic Commission for Europe
Transport Division**

Project implemented in partnership with Customs administrations

6 December 2012

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1. Executive summary

Project Title:	Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration
Duration:	Three years (2013-2015)
Beneficiary Countries:	Developing countries and countries with economies in transition, particularly Contracting Parties to the TIR Convention
Executing Entity:	UNECE/Transport Division
Co-operating Agencies:	ESCAP, ESCWA, ECA, ECLAC
Project code and Development Account fascicle:	1213AA

Brief description:

The objective of the project is to strengthen the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, by means of increased secure electronic exchange of information between Customs administrations. Simultaneously, the project will further secure the supply chain and the government revenues related to the international transport of goods. Ultimately, this project will contribute to increasing the cooperation between Customs administrations and promote the use of international standard electronic messages, in particular, for transit operations.

On the basis of existing international standards on transit related information, such as those used and defined in the framework of the eTIR project, the project will deliver a Customs-to-Customs (C2C) exchange platform. Moreover, at least five pilot countries will be provided with technical assistance contracts to connect their ICT systems with the newly developed platform. Furthermore, technical workshops to be held in each region will 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. Such cross-border electronic exchange of transit related Customs information will not only streamline border crossing procedures but also improve risk management. The adoption of existing international standards for electronic transit related messages will also be promoted and will further facilitate the work of transport operators.

Expert groups, workshops and a seminar will ensure during the whole project the exchange of best practices, capacity building and, at the end, the dissemination of the project results. The pilot countries will serve as examples and their experience will encourage additional countries to link up to the C2C exchange platform with the view to, ultimately, fully computerize transit operations globally.

The proposal is consistent with the scope and priorities of the strategic frameworks for 2012-2013 of relevant subprogrammes of UNECE, UNESCAP, UNECA, UNESCWA and UNECLAC and is directly linked to the Internationally Agreed Development Goals (IADGs), including the Millennium Development Goals (MDGs) and Development Agenda.

The project builds on the experience of the UNECE Working Party on Customs Questions affecting Transport (WP.30) and, in particular, eight years of work of the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure (WP.30/GE.1).

2. Background

2.1 Introduction

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 their 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.

Control authorities at borders face security challenges related to 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 C2C network arrangements have been identified as cornerstones of the global supply chain security by the World Customs Organization.

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 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 the exchange of electronic messages. The requirements of the necessary electronic systems have already been determined, including the establishment of a centralized C2C information network.

On the basis of the work already done by the eTIR project and its innovations, the proposed project aims at implementing and strengthening the capacity to use a versatile C2C information network in up to five pilot developing countries and countries with economies in transition with their neighbouring countries and trading partners. This will ensure a secure exchange of information related to goods in transit, *inter alia* those under cover of the TIR procedure. The network will be designed to facilitate, in the long term, the exchange of C2C and Business-to-Customs (B2C) information globally. The sustainability of such a network could easily be ensured by means of a minimal fee-for-use that would provide the necessary funds for the maintenance of the system. The secure electronic exchange of C2C information will lead to increased security and reduced border crossing delays.

2.2 Link to the programme budget

The proposal is consistent with the scope and priorities of the strategic frameworks for 2012-2013 of: (a) **UNECE Subprogramme 2: Transport**¹; (b) **UNESCAP Subprogramme 3: Transport**²; (c) **UNECA Subprogramme 5: Economic cooperation and regional integration, and Subprogramme 3: Trade, finance and economic development**; (d) **UNESCWA Subprogramme 3: Economic development and integration**³; (e) **UNECLAC Subprogramme 1: Linkage with the global economy, integration and regional cooperation**.

2.3 Link to the Internationally Agreed Development Goals (IADGs), including the Millennium Development Goals (MDGs) and Development Agenda

The project is linked directly to the **Millennium Development Goal 1: Target 1a: Reduce by half the proportion of people living on less than a dollar a day; Target 1b: Achieve full and productive employment and decent work for all, including women and young people. Goal 8: Target 8a: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system; Target 8c: Address the special needs of landlocked developing countries and small island developing States; Target 8f: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications**.

3. Analysis

3.1 Problem analysis

The development of the European Union (EU) New Computerised Transit System (NCTS) system as well as various national computerized transit systems (e.g. the Turkish Bilge system) have proved that paper-based transit systems can be efficiently replaced by electronic procedures. So far, these different national and regional systems do not communicate with each other when goods are transported beyond national or regional borders, except in a few cases where bilateral agreements have been signed (e.g. EU and European Free Trade Association (EFTA) countries in the framework of the Common Transit Convention). Consequently, international transit systems, TIR being the best, if not the only, example of truly international transit, rely on old-fashioned paper documentation where information is keyed in and extracted manually by both transport operators and Customs officers.

Developing countries and countries with economies in transition could greatly benefit from increased and more secure international inland transport. However, despite numerous bilateral, multilateral or international agreements, border crossing remains a major obstacle to fast and cost effective inland transport of goods⁴. The lack of effective and efficient risk assessment methods remains one of the factors leading to unnecessarily long waiting times at Customs offices and triggers in some countries an extensive and expensive use of Customs escorts. Moreover, limitation in the levels of current international guarantees together with frequent

¹ UNECE's participation in the project will contribute to enhance national capacity for the development of the pan-European and transcontinental transport infrastructure, in particular in the countries of Eastern and South-Eastern Europe, Caucasus and Central Asia as well as for the introduction of transport facilitation measures, with special attention to landlocked transition economies and their neighbours (Expected accomplishment 3(c) of the Subprogramme 3 "Transport" of UNECE Strategic Framework for the period 2012-2013).

² ESCAP's participation in the project will contribute to increased capacity among ESCAP member States and the private sector to implement measures to improve the efficiency of international transport operations and logistics (Expected accomplishment 3(c) of the Subprogramme 3 "Transport" of ESCAP Programme of Work for the Biennium 2012-2013).

³ ESCWA's participation in this project will be a continuation of ESCWA's efforts in supporting its member countries in: (1) establishing and activating the National Committees for Transport and Trade Facilitation (NTTFC) (10 countries out of 14 have established their NTTFC), (2) supporting neighbouring member countries in establishing joint customs/custom union (example Jordan and Egypt), and (3) border crossing facilitation.

⁴ See, for example, *Overcoming Border Bottlenecks. The Costs and Benefits of Trade Facilitation* OECD Trade Policy Studies, OECD, February 2009

miss-declaration and undervaluation undermines the potential of revenue collection linked, in particular, with import taxes and duties.

While national electronic Customs systems are a prerequisite for the establishment of efficient risk assessment procedures, timely and reliable data are required to adequately assess the risks related to international transport and ultimately reduce the losses in government revenues. Today, the supply chain is largely computerized, but Customs still largely rely on paper based documents, like the TIR Carnet, to obtain the information necessary to assess the risks. Furthermore, when additional data are required or when information is required prior to the arrival of the goods, e.g. security requirements, countries set up ad-hoc, non-harmonized regulations. The different systems for providing advanced cargo information in EU countries and in the Russian Federation are recent examples of this practice. The lack of cooperation between countries with regard to data exchange together with the absence of international standards to be used is consequently a direct cause of inadequate risk assessment.

In parallel, the lack of collaboration and standards opens the doors to corruption practices, which have severe negative effects on government revenues. Simultaneously, the lack of collaboration between countries forces each and every country along the supply chain to process information from paper documents, thus wasting resources that could further improve risk assessment and, ultimately, reduce the number of smuggling cases.

The problem tree below helps understanding the consequences of a limited cooperation between border crossing agencies and the limited use of international standards.

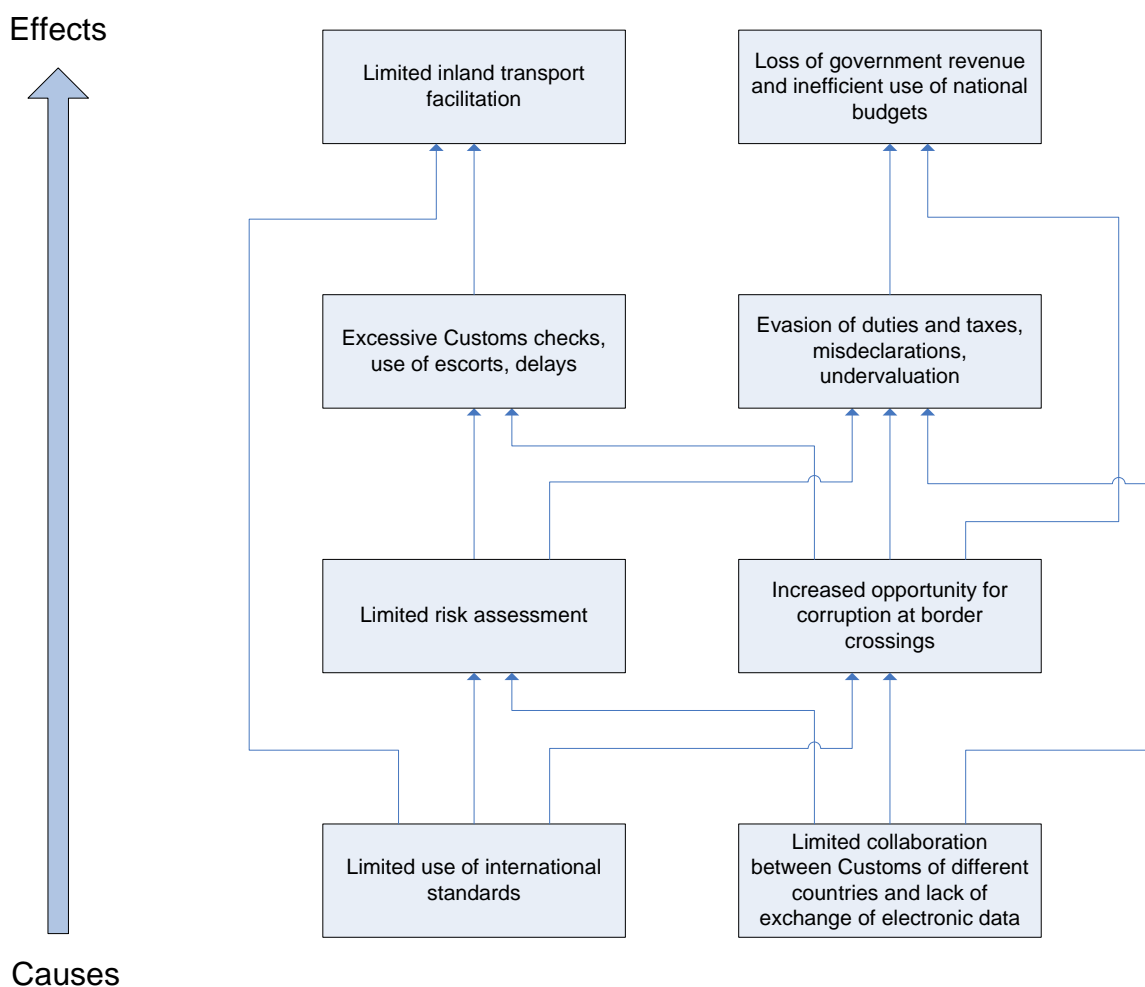


Figure 1 – Problem Tree

3.2 Stakeholders analysis and capacity assessment

The electronic exchange of transit information among Customs administrations will have multiple impacts on the direct beneficiaries of this project, i.e. (a) legitimate international trade and transport companies, (b) Customs administrations and other cross-border agencies and (c) organizations and companies providing guarantees, thus securing the payment of duties and taxes of goods in transit in case of irregularities.

Furthermore, international trade and transport are key vectors of economic development. Through increased competition they are of benefit to consumers and, thanks to increased exports volumes, they generally ensure additional revenues for producers. This project, in view of its objective to further facilitate and secure the cross border movement of goods, including the reduction of delays at border crossings, will ultimately not only impact most economic sectors in the countries involved but will also increase the purchasing power and well-being of citizens.

The target groups of the present project are Customs administrations as well as transport and trade companies but guarantors will also indirectly benefit from the project.

3.2.1 *Customs administrations*

Customs administrations and other border agencies, thanks to the availability of standard electronic information, will not be required to systematically key in all transit related information in their systems, thus freeing precious resources for other more substantive activities. Furthermore, risk assessment will be improved through the availability of information prior to the arrival of goods at Customs offices, thus allowing easy identification of potential abusers of transit procedures. Customs administrations will not only increase their efficiency but also the level of service they provide.

3.2.2 *Transport and trade companies*

Transport and trade companies will face a single and internationally uniform data request for starting an international transit procedure. Having in mind that numerous companies, in particular medium and large ones, are already extensively computerized, the provision of electronic information is certainly less resource intensive than the manual filling in of several paper national transit declarations or a multi-voucher paper TIR Carnet. Furthermore, the advanced screening of electronic declarations by Customs will further facilitate and speed up the procedures at borders and lead to significant cost reductions for transport and trade.

3.2.3 *Guarantors*

The organizations and companies providing transit guarantees face considerable risks, in particular, when goods are transported through countries with less rigorous controls. If it is recognized that the use of well-designed Customs computerized systems can also reduce the risks of corruption, then an international real-time electronic exchange of transit information, standard codes and messages will further secure transit operations, in particular, from the point of view of those who provide guarantees. The recent introduction of Annex 10⁵ to the TIR Convention has also proved that guarantors are in need of up-to-date, ideally real-time, data on the transports they guarantee. The establishment of a C2C electronic network will allow the provision of more accurate and timely information to guarantors.

Although all three target groups will benefit from this project, the main implementation partners of this project are Customs administrations. Nowadays, Customs administrations worldwide are increasingly using ICT to improve Customs procedures. For countries with limited financial resources, Customs systems like ASYCUDA allow Customs administration to

⁵ Annex 10 to the TIR Convention introduces the obligation for Contracting Parties to provide information on the termination of TIR operations to the guarantor by the fastest mean of communication.

computerize their procedures at reasonable costs. More and more, the need to exchange information among Customs administrations is identified as an essential element to improve the efficiency of Customs procedure. In this area, a number of countries have already started projects to enable C2C information exchange. Unfortunately, developing countries and countries with economies in transition often lack the capacity and the means to develop similar C2C information exchange projects to further facilitate international trade from, to and through their countries.

3.3 Analysis of objectives

The activities undertaken in the framework of this project have two major expected results, the increased use of international standards, in particular when it comes to the submission of B2C electronic information, as well as the increased collaboration between Customs of different countries and C2C exchange of relevant electronic information.

The increased use of international standards will first of all directly facilitate the work of transport companies in their effort to provide the necessary information to Customs, in particular if the standard messages for transit purposes are part of a broader Single Window⁶ concept. Moreover, the use of standard electronic messages (received prior to the arrival of the goods and vehicles) composed of standard data elements and using standard international codes, will also allow Customs to improve risk assessment. Furthermore, resources currently used for the processing of paper declarations will also be freed and could strengthen the quality of risk assessment. Finally, the use of standard uniform messages will leave less room for ad-hoc data requests that provide opportunities for unofficial payments.

Increased collaboration among Customs authorities will have a direct impact on resources currently used by Customs offices to repeat procedures that have been performed in previous countries along the supply chain, e.g. the manual input of the declaration. Additionally, having data provided from previous countries will also reduce human errors and opportunities for seeking illegal rents at border as well as improve risk management and processes, thus allowing legitimate transport to cross borders much faster. Finally, the use of electronic information securely obtained from previous Customs administrations, will reduce, if not remove, the risk of fraud linked to counterfeited paper document, and thus further secure the proper collection of duties and taxes.

The objective tree below helps to understand how the expected results, i.e. the increased cooperation between Customs administrations and use of international standards, will contribute to wider outcomes and general objectives.

⁶ According to UN/CEFACT Recommendation 33, a Single Window is defined as “a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once.”

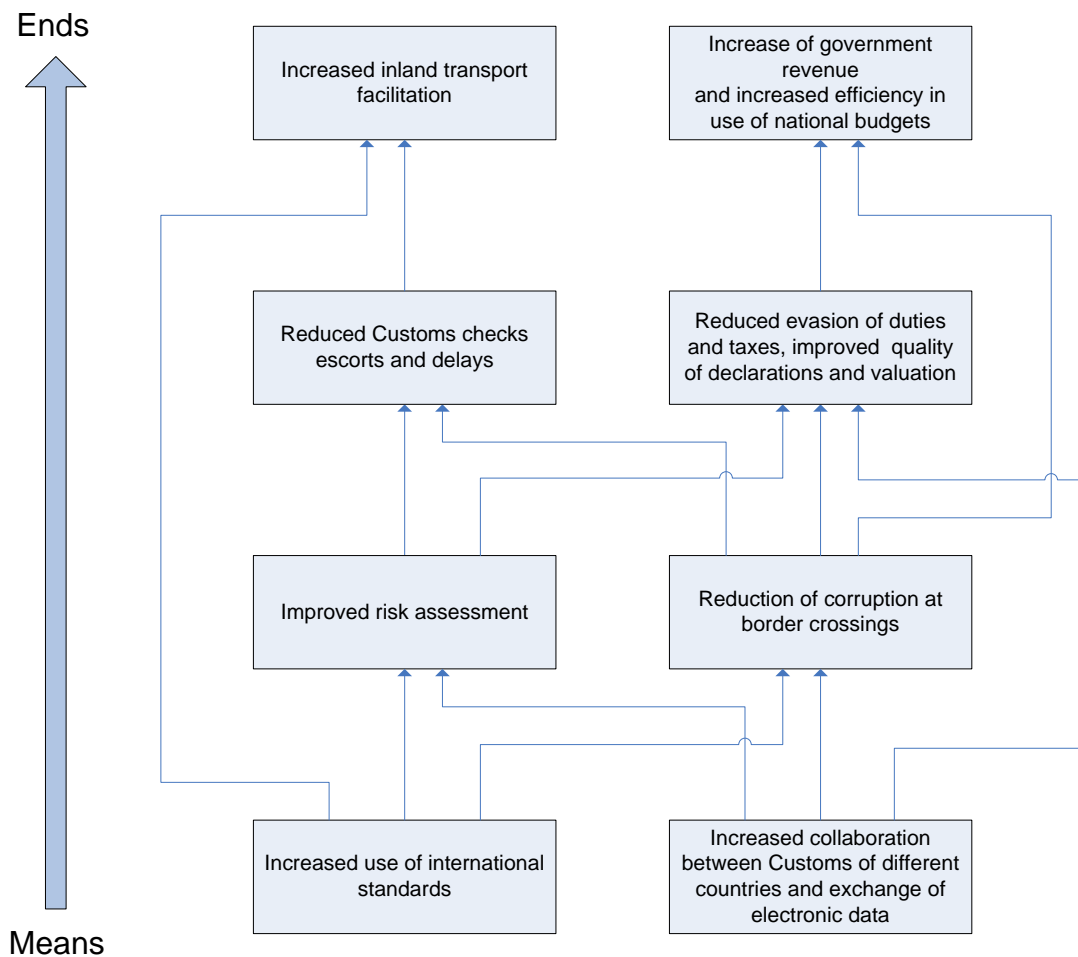


Figure 2 – Objectives Tree

4. Project strategy: objective, expected accomplishments, indicators, main activities

(a) Objective

Facilitate legitimate trade and transport from and to developing countries and countries with economies in transition through an extended use of international standards and making use of the latest information and communication technologies to increase cooperation between Customs authorities and C2C electronic information exchange, while further securing the collections of duties and taxes by Customs.

(b) Expected accomplishments

The project's specific and measurable expected accomplishments (EA) are:

EA1 Increased capacity to exchange secure electronic C2C transit information by the pilot countries with their neighbouring countries and trade partners.

EA2 Increased capacity to utilize international standard electronic messages in the field of transit procedures by the pilot countries and their neighbouring countries, in particular B2C information.

(c) Indicators of achievement

The implementation of the project will be monitored and evaluated using the following indicators of achievement (IA):

IA1 the five pilot countries will either start or increase the exchange of C2C electronic information on transit with neighbouring countries or trade partner by the end of 2015 or develop an Action Plan setting out the steps needed to introduce a new C2C platform to exchange information and ensure its sustainability over time.

IA2 five developing countries or countries with economies in transition increase or make concrete plans to increase the use of standard electronic messages for transit procedures by the end of 2015.

(d) Main activities

The expected accomplishments will be achieved by carrying out the following broad groups of activities (A):

A1.1 Delivering a first inter-regional Expert Group Meeting (two days) aimed at the assessment of the legal and technical needs of candidate developing countries and countries with economies in transition to extend the exchange of electronic information with other countries (“gap” analysis). The linkages with major existing national and regional computerized transit systems will also be assessed and explored. On the basis of studies to be prepared by independent consultants, the Expert Group will determine the selection criteria and nominate at least five pilot countries.

A1.2 Development and deployment of a secure C2C versatile electronic exchange platform, taking due account of the specific challenges faced by developing countries and countries with economies in transition.

A1.3 Provision of technical assistance to national experts in at least five pilot countries to link national or regional Customs IT systems (e.g. ASYCUDA) to the C2C exchange platform or to development of an Action Plan setting out the steps needed to introduce a new C2C platform to exchange information and ensure its sustainability over time.

A1.4 Deliverance of five technical workshops (two days) 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 participants at each workshop).

A2.1 Delivering a second inter-regional Expert Group Meeting (one day) at the end of the project to present and evaluate the results achieved in the five pilot countries.

A2.2 Delivering a seminar (one day and back to back with the second inter-regional Expert Group Meeting) 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 on the basis of the results achieved in the five pilot countries (the project will provide funding for 45 participants from developing countries and countries with economies in transition, in particular from countries other than the pilot countries).

(e) Assumptions and risk assessment

The success of the project is contingent on the full commitment of the secretariats of the involved agencies. It is assumed that the targeted beneficiaries in participating countries are genuinely interested in improving trade and transport facilitation, in building up the necessary

legislative and technical infrastructure and that adequate resources are provided at the national level to support the project.

The absence of international agreements could prevent some countries to exchange electronic data. Nevertheless, the initial assessment should provide the necessary information to mitigate this risk and possibly allow for alternative bilateral agreements.

(f) Multiplier effect and sustainability

The project will provide assistance to at least five pilot countries to link national or regional Customs IT systems to the C2C exchange platform and allow holding five technical workshops and a seminar to promote the use of the electronic exchange of Customs information as well as the adoption of standard electronic messages. Furthermore, the project will allow the establishment of an electronic exchange platform that could easily be maintained after the end of the project by means of a minimal fee-per-use. The existence of the exchange platform, the increased awareness of the benefits of C2C information exchange in the field of transit and the successful example by the pilot countries will bring more countries to exchange transit data electronically on the basis of existing international standards. This project has good chances to pave the way for the full computerization of international transit procedures such as the TIR procedure.

(g) Lessons learned and good practice

The project builds on the experience of the UNECE Working Party on Customs Questions affecting Transport (WP.30) and, in particular, eight years of work of the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure (WP.30/GE.1) that has prepared detailed documentation, both conceptual and technical, on the computerization of the TIR procedure (the eTIR project). Furthermore, on the basis of the work of the WP.30/GE.1, Turkish Customs have launched a pilot project to enable C2C data exchange with selected EU countries. The idea has been welcomed by the European Commission, indicating the increased interest of developed countries in C2C information exchange. Along the same lines, the “Globally Networked Customs” project initiated at the WCO also shows the increased global need for increased exchange of Customs data.

5. Monitoring and evaluation

The project team composed of representatives of the UNECE and all the other regional commissions involved, will monitor the implementation of the project activities. It will discuss progress by holding teleconferences and meetings in the margins of the various events organized. Questionnaires will be distributed to gather information and assess the opinion of the participants in expert groups, workshops and seminars about the utility of the project activities. At the end, the project will be evaluated by an independent professional evaluator.

6. Implementation arrangements

The project will be implemented by the UNECE secretariat in collaboration with all participating regional commissions.

At the start of the project, each regional commission will designate a staff member to be part of the project team that will steer and monitor the project. Based on the knowledge of their regions, the project team members will propose at least one candidate pilot countries in each region. Furthermore, the project team will identify the best location to hold the first inter-regional Expert Group meeting. Considering proposals by the project team, each RC will hire a consultant to prepare a study aimed at identifying in the candidate countries in their region the legal and technical gaps that prevent C2C information exchange of transit data, in particular about TIR transports for those Countries that are Contracting Parties to the TIR Convention, 1975. The project team will decide jointly on the most important aspects of the terms of

reference for the studies to ensure their comparability.

The first inter-regional Expert Group meeting will assess the legal and technical requirements of developing countries and countries with economies in transition to extend the exchange of electronic C2C information among each other and with neighbouring countries, on the basis of the gaps identified in the studies prepared by the consultants, the expertise of participants and the requirements of the various candidate countries. On the basis of this assessment, the Expert group will select at least five countries that will be granted technical assistance contracts to either connect to the C2C exchange platform to exchange transit related data or develop a concrete Action Plan aimed at overcoming the obstacles that impede such connection. It is expected that each regional commission will have a pilot country in its region. Furthermore, on the basis of the recommendation by the project team, the Expert Group will select the location of the five technical workshops (preferably one per region), the second inter-regional Expert Group as well as the hosting location of the exchange platform.

On the basis of the findings of the assessment, the work undertaken by the Expert Group working on the computerization of the TIR procedure and standards such as the WCO data model and the UN Trade Data Element Directory (UNTDDED), a versatile Customs to Customs (C2C) electronic exchange platform will be developed by consultants.

Each regional commission will be responsible to hire national/regional consultants to assist Customs administrations of the pilot countries in their region to link up national or regional ICT customs systems to the exchange platform. For pilot countries using ASYCUDA, UNCTAD will be invited to take part in technical assistance missions. Furthermore and unless the Expert Group would decide otherwise, each regional commission will be responsible to organize a technical workshop to help countries in the region, in particular neighbours of the pilot countries, to promote and assist the linkage their national or regional Customs IT systems to the C2C exchange platform and to promote the exchange of the electronic Customs information as well as the adoption of standard electronic messages.

Each regional commission will prepare a report on the results achieved in their pilot country(ies) and the outcome of their workshop. UNECE, together with all other regional commissions involved, will organize, back to back, a second inter-regional Expert Group meeting and a seminar at the end of the project to further promote the electronic exchange of Customs information and the adoption of standard electronic messages as well as to present the results of the project in each region.

Finally, the project will be independently evaluated against the targets presented in this document.

7. Annexes

Annex 1: Simplified logical framework

Intervention logic	Indicators	Means of verification	Risks/Assumptions
Objective: Increased inland transport facilitation and further secured revenue collection and use of government budget.			
EA1 Increased capacity to exchange secure electronic C2C transit information by the five pilot countries with their neighbouring countries and trade partners.	IA1 The five pilot countries will either start or increase the exchange of C2C electronic information on transit with neighbouring countries or trade partner by the end of 2015 or develop an Action Plan setting out the steps needed to introduce a new C2C platform to exchange information and ensure its sustainability over time.	(1) Monitoring of the project by the project team on the basis on direct contacts with Customs officials responsible for the project, questionnaires circulated at each event and pilot country reports at the end of the project.	(1) The absence of international agreements could prevent some countries to exchange electronic data. Nevertheless, the initial assessment should provide the necessary information to mitigate this risk and allow for the development of an Action Plan.
<p>1. Main activities:</p> <p>A1.1. Delivering a first inter-regional Expert Group Meeting (two days) aimed at the assessment of the legal and technical needs of candidate developing countries and countries with economies in transition to extend the exchange of electronic information with other countries (“gap” analysis). The linkages with major existing national and regional computerized transit systems will also be assessed and explored. On the basis of studies to be prepared by independent consultants, the Expert Group will determine the selection criteria and nominate at least five pilot countries. A1.2. Development and deployment of a secure C2C versatile electronic exchange platform, taking due account of the specific challenges faced by developing countries and countries with economies in transition A1.3 Provision of technical assistance to national experts in at least five pilot countries to link national or regional Customs IT systems (e.g. ASYCUDA) to the C2C exchange platform or to development of an Action Plan setting out the steps needed to introduce a new C2C platform to exchange information and ensure its sustainability over time. A1.4 Deliverance of five technical workshops (two days) 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 participants at each workshop).</p>			

<p>EA2 Increased capacity to utilize international standard electronic messages in the field of transit procedures by the pilot countries and their neighbouring countries, in particular B2C information.</p>	<p>IA2 Five developing countries or countries with economies in transition increase or make concrete plans to increase the use of standard electronic messages for transit procedures by the end of 2015.</p>	<p>(1) Monitoring of the project by the project team on the basis on direct contacts with Customs officials responsible for the project, questionnaires circulated at each event and pilot country reports at the end of the project.</p>	<p>(1) The absence of international agreements could undermine the use of standards. Delay in the preparation of the standards also presents a risk for the project.</p>
<p>2. Main activities: A2.1 Delivering a second inter-regional Expert Group Meeting (one day) at the end of the project to present and evaluate the results achieved in the five pilot countries. A2.2 Delivering a seminar (one day and back to back with the second inter-regional Expert Group Meeting) 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 on the basis of the results achieved in the five pilot countries (the project will provide funding for 45 participants from developing countries and countries with economies in transition, in particular from countries other than the pilot countries).</p>			

Annex 2: Result-based work plan

Expected accomplishments	Main activity	Timeframe by output/activity		
		2013	2014	2015
<p>EA1: Increased capacity to exchange secure electronic C2C transit information by the five pilot countries with their neighbouring countries and trade partners.</p>	<p>A1.1 Delivering a first inter-regional Expert Group Meeting (two days) aimed at the assessment of the legal and technical needs of candidate developing countries and countries with economies in transition to extend the exchange of electronic information with other countries (“gap” analysis). The linkages with major existing national and regional computerized transit systems will also be assessed and explored. On the basis of studies to be prepared by independent consultants, the Expert Group will determine the selection criteria and nominate at least five pilot countries.</p>	X		
	<p>A1.2. Development and deployment of a secure C2C versatile electronic exchange platform, taking due account of the specific challenges faced by developing countries and countries with economies in transition.</p>	X	X	
	<p>A1.3 Provision of technical assistance to national experts in at least five pilot countries to link national or regional Customs IT systems (e.g. ASYCUDA) to the C2C exchange platform or to development of an Action Plan setting out the steps needed to introduce a new C2C platform to exchange information and ensure its sustainability over time.</p>	X	X	
	<p>A1.4 Deliverance of five technical workshops (two days) 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 participants at each</p>		X	X

	workshop).			
Expected accomplishments	Main activity	Timeframe by output/activity		
		2013	2014	2015
EA2: Increased capacity to utilize international standard electronic messages in the field of transit procedures by the pilot countries and their neighbouring countries, in particular B2C information.	A2.1 Delivering a second inter-regional Expert Group Meeting (one day) at the end of the project to present and evaluate the results achieved in the five pilot countries.			X
	A2.2 Delivering a seminar (one day and back to back with the second inter-regional Expert Group Meeting) 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 on the basis of the results achieved in the five pilot countries (the project will provide funding for 45 participants from developing countries and countries with economies in transition, in particular from countries other than the pilot countries).			X

Annex 3: Result-based budget

Total budget: US\$ 750 000

EA1	A1.1	602 General temporary assistance	4,000
		604 (0111) International Consultants	-
		604 (0140) National/Regional Consultants	18,500
		604 (2602) Travel of national and international consultants	-
		604 (2602) Expert groups	13,500
		608 Travel of staff	13,500
		612 Contractual services	3,000
		616 Operating expenses	500
		618 Equipment and supplies	-
		621 (7202) Seminars and workshops	-
		Subtotal	53,000
	A1.2	602 General temporary assistance	27,000
		604 (0111) International Consultants	-
		604 (0140) National/Regional Consultants	-
		604 (2602) Travel of national and international consultants	-
		604 (2602) Expert groups	-
		608 Travel of staff	-
		612 Contractual services	90,000
		616 Operating expenses	500
		618 Equipment and supplies	50,000
		621 (7202) Seminars and workshops	-
		Subtotal	167,500
	A1.3	602 General temporary assistance	-
		604 (0111) International Consultants	-
		604 (0140) National/Regional Consultants	150,000
		604 (2602) Travel of national and international consultants	-
		604 (2602) Expert groups	-
		608 Travel of staff	16,800
		612 Contractual services	-
		616 Operating expenses	-
		618 Equipment and supplies	-
		621 (7202) Seminars and workshops	-
		Subtotal	166,800
	A1.4	602 General temporary assistance	-
		604 (0111) International Consultants	-
		604 (0140) National/Regional Consultants	-
		604 (2602) Travel of national and international consultants	14,000
		604 (2602) Expert groups	-
		608 Travel of staff	21,000
		612 Contractual services	15,000
		616 Operating expenses	3,500

		618 Equipment and supplies	-
		621 (7202) Seminars and workshops	140,000
		Subtotal	193,500
EA2	A2.1	602 General temporary assistance	6,000
		604 (0111) International Consultants	-
		604 (0140) National/Regional Consultants	-
		604 (2602) Travel of national and international consultants	5,000
		604 (2602) Expert groups	13,500
		608 Travel of staff	-
		612 Contractual services	1,500
		616 Operating expenses	500
		618 Equipment and supplies	-
		621 (7202) Seminars and workshops	-
		Subtotal	26,500
	A2.2	602 General temporary assistance	-
		604 (0111) International Consultants	-
		604 (0140) National/Regional Consultants	-
		604 (2602) Travel of national and international consultants	-
		604 (2602) Expert groups	-
		608 Travel of staff	13,500
		612 Contractual services	1,500
		616 Operating expenses	500
		618 Equipment and supplies	-
		621 (7202) Seminars and workshops	112,500
		Subtotal	128,000
External evaluator (consultancy)		604 (0111) International Consultants	14,700
		Total	750,000

Annex 4: Allotment request

4.1 Summary table

Object Class	Object code	Object description	Allotment (USD)	Explanation of changes compared to the concept paper
602	0051-0059	General temporary assistance	37,000	10,000 USD have been added for the organization of the Expert Groups and Seminar (administration).
604	0111	International Consultants	14,700	The development costs of the exchange platform have been moved to 612.. This provision is for external evaluation fees by international consultant
604	0140	National/Regional Consultants	168,500	The amount for the study was increased to allow for 5 regional consultants to undertake the study for the candidate countries in their region. The use of national/regional consultants to assist for the development of the exchange platform was abandoned. Finally, the technical assistance contracts have been moved from 612 to this budget line.
604	2601	Travel of national and international consultants	19,000	All travel costs have been revised (differentiating international / regional travel and including DSA)
604	2602	Expert groups	27,000	All travel of experts groups
608	2302	Travel of staff	64,800	The estimate of the cost of mission to the interregional expert group meetings was increased to 3000USD. Moreover, the number of technical assistance mission was increased as well as the number of staff that can take part on the workshops.
612	3908	Contractual services	111,000	In the concept paper translation and interpretation was accounted under 621. Furthermore translation and interpretation was reduced from 6000 to 3000USD per event.
616	4707/8229	Operating expenses	5,500	The communication and supplies budget was reduced.
618	5041/5043/5512	Equipment and supplies	50,000	Considering the availability of open source software and cloud solutions the provision for equipment and supplies was reduced.
621	7202	Seminars and workshops	252,500	In the concept note travel cost had been underestimated and DSA not taken into account. Consequently, the number of paid participants to the workshops/seminar had to be decreased to 20/45 and the costs per participant was increased to 1400/2500USD.
Total			750,000	

4.2 Expected distribution of funds⁷

Object Classes & Object codes	ECE	ESCAP	ESCWA	ECLAC	ECA	Total
602 (0051-0059) General temporary assistance	37,000					37,000
604 (0111) International Consultants (external evaluation)	14,700					14,700
604 (0140) National/Regional Consultants	33,700	33,700	33,700	33,700	33,700	168,500
604 (2601) Travel of national and international consultants	7,800	2,800	2,800	2,800	2,800	19,000
604 (2602) Travel of Expert groups	27,000					27,000
608 (2302) Travel of staff	12,960	12,960	12,960	12,960	12,960	64,800
612 (3908) Contractual services	99,000	3,000	3,000	3,000	3,000	111,000
616 (4707/8229) Operating expenses	1,500	1,000	1,000	1,000	1,000	5,500
618 (5041/5043/5512) Equipment and supplies	50,000					50,000
621 (7202) Seminars and workshops	140,500	28,000	28,000	28,000	28,000	252,500
Total	424,160	81,460	81,460	81,460	81,460	750,000

⁷ This distribution of funds assumes that each regional commission will have at least a pilot country in its region and will organize a technical workshop.

4.3 Detailed justification by object code

602 0051-0059 General temporary assistance	
Salaries of staff to assist in the organization of Expert Groups and Seminars (A1.1, A2.1 and A2.2) (1 man/month x 10000)	10,000
Salaries of staff to assist in the project management (A1.2) (2 man/month x 13000)	27,000
Total Object class: 602	37,000
604 Consultants	
0111 International Consultants	
External evaluation (2% of total)	14,700
Sub-Total	14,700
0140 National/Regional Consultants	
Gap analysis of candidate countries (A1.1) (5 studies x 3700)	18,500
Technical assistance to connect to the exchange platform (A1.3) (5 contracts x 30000)	150,000
Sub-Total	168,500
2601 Travel of national and international consultants	
Travel to workshops and expert group (A1.4 and A2.1) (6 events x 2 persons x 1400/2500)	19,000
Sub-Total	19,000
2602 Travel of Expert groups	
Participation of experts to the expert group (A1.1 and A2.1) (2 events x 5 experts x 2700)	27,000
Sub-Total	27,000
Total object class: 604	229,200
608 2302 Travel of staff	
for the Expert Group meetings and seminar (A1.1,A2.1 and A2.2) (2 events x 5 staff x 2700)	27,000
for the technical assistance (A1.3) (15 travels x 1400)	16,800
for the 5 workshops (A1.4) (5 events x 3 staff x 1400)	21,000
Total Object Class: 608	64,800
612 3908 Contractual services	
Interpretation services at workshops/seminars/expert groups and translation of documents (A1.1,A1.4,A2.1 and A2.2) (6 events x 3000 and 2 back-to-back events x 1500)	21,000
Design and development of the exchange platform (A1.2) (12 man/months x 7500)	90,000
Total Object class: 612	111,000
616 4707/8229 Operating expenses	
Communication (A1.1, A1.2, A1.3 A1.4, A.2.1 and A2.2)	3,000
Supplies (A1.1, A1.2, A1.3 A1.4, A.2.1 and A2.2)	2,500
Total object class: 616	5,500
618 5041/5043/5512 Equipment and supplies	
Infrastructure for the exchange platform (Servers, Operating system, Softwares, RDBMS, ..) (A1.2)	50,000
Total Object class: 618	50,000
621 (7202) Seminars and workshops	
Travel of participants to the seminar (A2.2) (45 participants x 2500)	112,500
Travel of participants to workshops (A1.4) (5 workshops x 20 participants X 1400)	140,000
Total object class: 621	252,500
Total	750,000