



EUROPEAN UNION - TACIS

Technical Assistance to the Southern Republics of the
CIS and Georgia - TRACECA

TRADE AND TRANSPORT SECTORS

Contract No 01-0167

PROJECT REFERENCE: SCR-E/111963/C/SV/WW

Terms of Reference

**HARMONISATION
OF
BORDER CROSSING PROCEDURES**

Final Recipients:
National Customs Authorities
National Commissions TRACECA
and Ministries of Transport

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I. Background

1.1 Needs of Beneficiaries

During May 1993, a conference organised by the European Commission was held in Brussels at which the states of Armenia, Azerbaijan, Georgia, Turkmenistan, Uzbekistan, Kazakhstan, Kyrgyzstan and Tadjikistan were represented.

The objectives of the Conference were:

- To promote co-operation among the participating states in all matters pertaining to the development of trade and transport in the region.
- To promote the Central Asian-Trans-Caucasian-Europe transport corridor.
- To identify problems and deficiencies in the regional trade and transport systems.
- To define in terms of content and timing a Technical Assistance Programme to be financed by the EU.

From this conference the TRACECA (Transport Corridor Europe Caucasus Central Asia) programme was created as a component of the TACIS interstate programme.

On September 7-8, 1998, delegations of 32 countries and 13 international organisations gathered in Baku for the International TRACECA Conference. Nine Presidents and one Prime Minister, Ministers, Ambassadors and heads of delegation discussed the importance of the TRACECA programme as the shortest way of integration into the international economic structures, as a guarantee of political and economic stability and also as a means to improve regional co-operation.

During this Conference, 12 countries:

Azerbaijan Republic	Republic of Moldova
Republic of Armenia	Romania
Republic of Bulgaria	Republic of Tadjikistan
Georgia	Turkish Republic
Republic of Kazakhstan	Republic of Uzbekistan
Kyrgyz Republic	Ukraine

signed a Multi-Lateral Agreement (MLA) on International Transport in the transport corridor Europe-Caucasus-Central Asia (and four supplementary technical annexes on Customs, road, maritime and rail transport), which has been ratified by 10 countries. It is anticipated that Turkey and Kazakhstan will ratify the Agreement by the end of 2000.

In accordance with the MLA a Permanent Secretariat in Baku was set up.

On 10-11 March 2000 in Tbilisi the First Conference of the TRACECA Intergovernmental Commission (IGC) was held. The Conference adopted the Intergovernmental Commission rules and procedures as well as the statutes of the Permanent Secretariat and elected its first Secretary-General.

National TRACECA Commissions have been set up and a National Secretary appointed in most of the TRACECA States and it is anticipated that all will be in place by the beginning of

2001. The National Commissions have been asked to make comment on proposals for new projects and their comments and recommendations are reflected in the content and structure of these Terms of Reference.

It must be noted that Turkmenistan was not present in Baku and Mongolia which was represented has not yet signed the MLA. However, article 14 provides that the basic Agreement is "open for accession of any state". This provision is clearly intended to make room for them, once they have considered the benefits they may obtain from membership.

1.2 Problems to be addressed.

Since the break-up of the Soviet Union TRACECA states have entered into a series of agreements to regulate transit traffic between and across their territories. These may be summarised as:

- bilateral agreements, which are the most prolific, and somewhat difficult to catalogue and administer.
- multi-lateral agreements, such as the "Sarakhs agreement" of May 1996 which is a rare example but working proof of the regional will to regulate transit traffic on a broad basis. Other agreements exist within the framework of the OCJD for rail transport, and there is also the Customs Union which links, at least nominally, certain of the TRACECA states with Russia.
- International conventions, such as TIR.

Most states are in the process of adhering to the main international conventions sponsored by such bodies as UN-ECE and ESCAP.

In the absence of detailed application of the MLA a somewhat chaotic situation exists at the operator level, particularly in road transport. Carriers are confronted by a confusing, fluid regulatory environment and transit fee structure, sometimes administered at both national and oblast level and this continues to lead to delays and inefficiencies at border crossings.

1.3 Relation to past and present TACIS projects

Past and present TRACECA projects have analysed the current situation of the transport sector in the region. The projects of most relevance to border crossing harmonisation include:

- A project to establish a road transport training centre under the overall control of the National Association of Road Hauliers/Carriers, who are the IRU members, in each TRACECA state. This included an element to assist in the establishment or expansion of TIR and SafeTIR (the computerised component of TIR), wherever possible.
- A project to provide assistance in the establishment of a Transport Legal Framework in each TRACECA state. The project worked with local experts to propose and assist in the implementation of national legislation for the transport sector; on a draft multi-lateral agreement; and to secure adherence to the most useful international conventions.
- A project entitled "Trade Facilitation" which carried out a detailed survey of current trade documentation usage, border-crossing conditions and recommended streamlined procedures. These recommendations have already been partially implemented in the region.

- A project to set up a database and forecasting model of freight movements within the region (Traffic Forecasting).
- The Central Asian Rail restructuring project which considered the reorganisation of the concerned operating companies to become more commercially oriented, and determined investment packages of interest to IFIs to support their development.
- Two projects to assist Road Transport operators and support service providers in the region that also addressed regulatory issues in the sub-sector.

Training and familiarisation in international transport practices including customs and transit procedures, has been included in the content of most TRACECA projects.

At the time of writing, two new TRACECA projects and one national TACIS project sharing certain domains of interest with this project should be commissioned within the time frame of the project:

- The Unified Policy on Transit Fees and Tariffs project will investigate rail, port and maritime tariffs and road transit fees, including border costs and propose a more rational basis to be used in the setting of such fees and tariffs.
- The Common Legal Basis for Transit Transport project will give guidance in the organisation of a common legal basis for transit traffic in each TRACECA State.
- The TACIS national project in Kazakhstan on "Support to the development of a Transit Corridors Policy, in the Republic of Kazakhstan" will look at specific aspects of transit transport including a review of goods and passenger flow statistics. They will also look at the application of on-line transport management systems.

The Contractor should closely co-ordinate its work with the above mentioned projects. It is to be noted that the activities of the present project are to concentrate on the technical and operational aspects of achieving the stated objectives. To the extent that any legislative consequences might arise from aspects of the project work these should be the concern of the Common Legal Basis for Transit Transportation project.

Relation with other donors

There appears to be a number of other agencies that are either active in the region currently, or have plans to become active shortly. The consultant carrying out this project will be expected to co-operate with other donors to fullest degree possible. The present project will be particularly attentive to complementary actions, collaboration, exchange of information and cross referencing in reports, with the other donors initiatives.

A report entitled "Trade Facilitation in the Caucasus" (November 2000) has been prepared by World Bank. Its content should be taken into consideration by this project. Likewise, several reports have been published by ESCAP and should be considered.

2. Rationale and Objectives

2.1 Overall Objectives

A previous TRACECA project entitled "Trade Facilitation" identified many inconsistencies in the border crossing procedures applied by TRACECA states. These concerned, for example, the documents used, the control processes, the legal basis for the various documents in use, and the overall effectiveness of the controls applied.

In practice there remain serious contradictions between policy and practice at border crossings. On the one hand, TRACECA Governments are very concerned that their economies should be linked to world-wide markets, while on the other hand, inefficient border crossing procedures and incompatible documentary requirements impose wasteful costs on international transport operators, and impede international trade.

The objective of this project will be to **harmonise** procedures within the region, and to **align** them with EU practice.

The emphasis of the project will be on the **implementation** of new procedures, building on the previous investigative work and recommendations of the TRACECA Trade Facilitation Project where necessary seeking authority from the IGC to decide changes, where these are required. It is not intended that the Contractor should repeat the survey work done by the Trade Facilitation project that reported, in exhaustive detail (including photographic evidence), on all relevant border posts. Neither will it be necessary to canvass recommendations from counterparts as the recommendations of the previous project were endorsed at high level and remain broadly valid. Detailed implementation will require day to day collaboration by the Contractor with the TRACECA National Commissions and their National Secretaries to facilitate inputs to individual National governments.

Results

The expected final result of the project will be an appreciable improvement in efficiency in border crossing procedures reflected in reduced costs and reduced delays for commercial parties concerned, notably carriers, exporters, importers, and increased efficiency within state agencies such as Customs. It must be appreciated that full delivery of these benefits cannot be guaranteed during the project timescale and that on-going monitoring and evaluation by the IGC and the National Commissions will be required over a number of years following completion of the project tasks.

0 Project Purpose and Deliverables

In order to reach the above stated overall objectives the project purpose and deliverables are defined as follows:

- To prepare model documents in two languages, one of which is to be English and the other based on the recommendations contained in the key document package from the Trade Facilitation Project.
- To propose a harmonised list of controls and documents required in respect of transit traffic that conforms to international norms and satisfies national and regional objectives.
- To set performance targets for the proposed controls that are specific, measurable, achievable and realistic within the timeframe of this project.

To establish, country by country, an implementation programme, in agreement with the national authorities (legal basis, model amendments to laws, documents to be scrapped, publishing procedures for informing officers and users on new rules).

- To produce a Manual for Customs Officers and a User Guide for transport operators and traders.
- To provide on-the-job training and assistance with such re-organisation as may be needed to introduce new procedures and documents.
- In accordance with the MLA, to create an Institute of Customs Brokers in each State with close links to the Freight Forwarders' Associations established by the previous Trade Facilitation and Legal Framework projects.
- To assess the feasibility of establishing a system of common transit procedures in the region adapted from the Convention on a Common Transit Procedure of 20.5.87.

Results

Results should consist of the achievement of the above project deliverables.

3. Risks and Assumptions

The principal assumption is that the ratification of the MLA, and approval of these Terms of Reference, provides a sufficient mandate for the National Commission in each state to resolve the many issues (including infrastructure and other investment and manning levels) that will arise at National level in attempting to implement more coherent and efficient documentation and border crossing procedures. It is assumed that in the majority of states the Beneficiary will be the National TRACECA Commission and that in those where the government designates an alternative Beneficiary the same support structures will be available to the Contractor and on the same basis as would be the case if a National Commission were the designated Beneficiary.

Risks are several:

- That decisions contrary to the MLA are taken by National Authorities, possibly in pursuit of other initiatives being taken in the region through other international organisations.
- That the IGC and its Working Groups are used as a mere talking forum by the National Delegations, without members taking any decisions on key issues.
- That Oblasts or National Agencies are not informed about, or do not respect, the engagements of the MLA and its Annexes.
- That decisions prove incapable of implementation because of insufficient financial resources in individual States.
- That back up on legal issues may not be available from the planned Common Legal Basis for Transit Transportation project if this does not come on-stream in parallel with this project.

4 Main Components

4.1. Tasks

4.1.1 Working Groups

The MLA provides for the establishment of a TRACECA Customs Working Group and it is likely that the IGC will authorise the creation of this body during the timeframe of this project. The Contractor in close co-operation with the Permanent Secretariat in Baku will design ToR for such a working group and will set up a Customs Working Group (CWG) attached to each of the National Commissions. The Contractor should ensure that the representative bodies of transporters, including Freight Forwarding Associations and National Road Transport Associations are included in the CWGs to discuss relevant issues and to obtain reports from their

members on any improvements resulting from the project. The Customs Working Groups should meet at approximately monthly intervals and their members should be deeply involved in all project activities. Where site visits or information gathering are necessary to meet project objectives, the primary responsibility for executing these should rest with members of the CWGs and not with the Contractor, who should principally act in an advisory capacity. As TRACECA programmes enter their mature phase counterparts will increasingly assume both operational and moral responsibility for day to day project activities.

Following completion of the project the CWGs should remain in place with the triple task and status of continuing input to the work of the IGC and Permanent International Secretariat, constituting the CWG of the National Traceca Commissions, and being officially recognised by the Customs authorities of the individual States as future Customs Consultative Committees.

4.1.2 Review of previous work and recommendations

The Contractor and each CWG should, prior to inception report, together confirm and refine the findings and recommendations of the previous Trade Facilitation Project as an aide- memoir. These were:

In respect of Customs Border Control Points

- Equal opportunities should exist at all borders for use by any international transporter.
- Customs posts should be refurbished to create a positive image.
- Layout at border facilities should be based on "Form follows Function" principles.
- Refurbishment needs to be prioritised.
- Low traffic volume posts should be upgraded or closed to freight traffic. Shared facilities should be considered.
- Customs posts at rail crossings should be refurbished and secured by long tenn tenancy agreements.
- Customs posts at Ports should be improved and in some cases relocated.
- Approach roads at major border crossings should be widened.
- Control of commercial activities close to border posts should be strengthened.
- Border Control Zones should have restricted access.
- Road signs should be improved, with possible installation of TRACECA route signs to UN format.
- Regulations should promote the use of Customs approved terminals and bonded warehouses to reduce border work.
- Computerised live-entry Management Information Systems (MIS) should be introduced for planning.
- Staff retention is as important as recruitment.
- Shorter work shifts should be introduced where possible.
- Specialised training is required.
- Key borders should have satellite telephone linkage.
- Customs border posts should have emergency generators.
- More detection equipment, training and systems are required.
- Fewer documentation checks should aim to achieve a target of 5-minute processing time per vehicle.
- All organisations present at border posts should co-operate to achieve faster service levels.
- A prioritised investment programme should be initiated.
- External funding should be sought where required and justified

In respect of Customs Computerisation

- The ERMIS report should be used as a basic source of detail.
- There should be a specialist study of power and communications systems so that practical and economic decisions can be taken on computerised developments.
- Seminars should be organised on EDI and computerisation for both Customs and Traders to improve awareness of the potential benefits that can result.
- Input of cargo detail to existing networks should be done at the earliest stage possible. Software to extract specific detail from the data input should be obtained.
- Computer developments should aim for a National Trade Data Transfer System (NTDTS).
- TRACECA countries should co-operate to achieve a harmonised NTDTS, in order to save cost and improve regional compatibility.
- The ASYCUDA system should be considered where no network exists and where another system has been selected or is under consideration, a comparison with ASYCUDA should be made.
- There should be an independent Information Technology Department within Customs, to develop the needs of Customs and their customers, the Traders.
- There should be a review of the manner in which statistics are gathered in relation to an integrated NTDTS and compared to the requirements of the receiving agencies to ensure only useful information is provided.
- When designing the systems architecture for a NTDTS, consideration must be given to establishing a pilot scheme in the main clearance centre in the capital city, leading to full implementation in the main clearance centre and perhaps one regional office. This should be followed by progressive implementation at regional level and then at key borders.
- Compliance with international standards in the completion of declarations and in computer systems and protocols is essential.
- WCO should be approached for assistance in the development of this programme.

In respect of Trade Documentation and Customs Procedures.

- The cargo declaration should remain the key Customs document in its current form.
- The Certificate of Origin should be standardised and consideration should be given to reduce the necessity to use this form.
- All countries should work towards implementing the 1995 TIR convention, and eventually SafeTIR.
- A second type of "Community transit" system should be devised and considered for adoption for traffic movements which cross one or two borders.
- The use of UN aligned commercial documentation should be encouraged, particularly by the relevant trade associations.
- All countries should sign the CMR Convention and actively consider signing the COTIF Convention, as this would formalise the widespread usage of relevant documentation in the region.
- All key international trade documentation should be in two languages, one of which should be English. The second language should be national or Russian.
- National implementation plans should be developed which recognise the different stages of development in the various countries towards reaching a common goal.
- A programme of additional technical assistance, particularly in relation to training, should be developed.
- A TRACECA Customs Co-ordinating Committee should be established to co-ordinate and promote standardisation of Customs documentation and harmonisation of procedures as

identified in the report. This should include a senior Customs official from each administration.

- An internal review should be undertaken by each Customs administration of their documentation requirements with the objective of simplification and a reduction in the number of documents required to effect a customs procedure for transit.
- A similar internal review should be undertaken with the objective of reducing the requirement to submit technical certificates and documents at the borders and in connection with a clearance.
- Where a secure transit system is in use, border documentation requirements should be limited to production of the transit document.
- The trend towards a regional clearance system should continue, thus reducing the role of the border post to that of a checkpoint.
- A review should be undertaken as to the role of the internal Customs control points along the roads and at city boundaries with the objective of reducing or eliminating this activity.
- Customs should examine the potential to introduce a pre-entry clearance system to clear goods before they arrive, subject to examination.
- Customs should introduce a "routing" system with clearance without examination on certain traffic based on the principle of risk assessment. This may require strengthening of penalties in some countries to support the system.
- The incidence of convoys should be reduced to essential traffics only and CIS and non-CIS vehicles should be treated identically.
- Customs should promote the establishment or enhancement of Customs brokering services and issue licences to appropriate individuals and organisations.
- A review should be undertaken of the demand and format of Customs statistics and to which organisations they are supplied, to reduce unnecessary reporting
- When a Community Transit System is agreed, further contacts should be established with banks and insurance companies to determine their ability to provide appropriate transit and transfer guarantees.

Valid recommendations which cannot be taken forward within the present terms of reference should be restated in the Contractor's final report to be incorporated in future action programmes. Counterparts have requested that particular attention should also be paid to the issue of illegal immigration, physical controls on vehicles and the role of the traffic and security police, border guards, regional and city authorities and any other entity collecting fees from traffic at borders or elsewhere, and also the requirements of the phytosanitary and veterinary authorities.

4.1.3 Preparation of Documents

The Contractor will prepare model documents in two languages, one of which is to be English and the other based on the recommendations contained in the key document package from the Trade Facilitation Project.

4.1.4 List. of controls and implementation plan

The Contractor will propose a harmonised list of controls and documents required in respect of transit traffic that conforms to international norms and satisfies national and regional objectives. It will:

- Set performance targets for the proposed controls that are specific, measurable, achievable and realistic within the timeframe of this project.

- Establish, country by country, an implementation programme, in agreement with the national authorities (legal basis, model amendments to laws, documents to be scrapped, and publishing procedures for informing officers and users on new rules).

4.1.4 Management development and training

The Contractor will produce:

- a Manual for Customs Officers
- a User Guide for transport operators and traders.

The contractor will provide on-the-job training and assistance in the region with such re-organisation as may be needed to introduce new procedures and documents. It is not envisaged that any training will take place outside the region within this project though the Contractor is welcome to assess what *long-term* on-the-job training might usefully be provided in Europe for specific categories of Customs personnel in the future. The concept of job exchange with (say) Customs in Europe could be explored. There has been sufficient Europe-based familiarisation training and study tours organised by numerous previous projects for such initiatives to be considered superfluous in the present environment.

4.1.5 Establish an Institute of Customs Brokers

In accordance with the MLA, the Contractor will create an Institute of Customs Brokers in each State with close links to the Freight Forwarders' Associations established by the previous Trade Facilitation and Legal Framework projects. It is hoped that this profession would only be a transitional instrument and that over time the function of freight forwarder and Customs Broker would be merged. Consequently the Contractor should attempt to organise the profession in co-operation with the National Forwarders' Associations sharing as many common facilities such as office accommodation and training structures as appear appropriate.

4.1.6 Pre-feasibility study for a common transit procedure

The difficulties and complexities of seeking to establish an autonomous common transit procedure in a region which is only just familiarising itself with very old established international systems such as TIR should not be under-estimated. Although it is possible that the volume of interstate trade is too low at present to justify immediate action, a common transit system is a laudable long-term goal, so a detailed description of the concept should be provided. The concept is strongly supported by counterparts.

The Contractor should therefore seriously consider the issues involved and present a detailed memorandum and recommendations as part of the final report (or as a separate deliverable if preferred) with particular regard to:

- whether it is realistic to introduce such a system in the present context and if so over what timescale-5/10/15 years.
- The security implications of moving to such a system both in terms of revenue protection for the Customs authorities and state security issues such as narcotics and other smuggling activities.
- The cost and cost-benefit implications of implementation.

The advantages and disadvantages of the system relative to continued use of TIR carnets Whether progressive integration with the system of common transit

procedures provided by the Convention on a Common Transit Procedure of 20.5.87, with eventual ratification of that convention, would offer a better long-term solution than seeking to create an additional system. (This is particularly relevant given the expansion of the TRACECA programme into countries also within the PHARE sphere and close to the sphere of operation of the existing convention).

The above six tasks 4.1.1 to 4.1.6 are not necessarily to be carried out sequentially. The Contractor is welcome to enlarge upon the activities described in its proposal and to introduce its own approach to achieve the overall project objectives.

4.2 Implementation Procedures

4.2.1 Staffing requirements

Proposing the exact composition of the team of experts is left to the discretion of the Contractor, but it should include a qualified transport practitioner with wide practical experience of road, rail and maritime transport as full time Project Manager. The Project Manager will be assisted by two key experts (Transport Customs/Lawyer and Transport Economist) and a range of part time specialists for short to medium term assignments.

The contractor is free to compose its team of specialists for short and medium term visits. However, although not exclusive, the following domains of expertise should be clearly visible in its proposed staff list:

- General Transport Legislation knowledge
- International Conventions - road, rail, sea and multimodal
- International freight and logistics knowledge
- International Insurance Law and Practice
- Freight forwarding-Legal aspects and codes of practice
- Transport Economics and planning
- Environmental issues e.g. noise, exhaust, axle loading
- Customs Legislation and procedures, world wide
- Documentary requirements and systems including EDI

The Contractor's proposal must fully describe the experts to be assigned to the project, their precise domain of expertise applicable to the project, their individual roles in the achievement of the project objectives, the timing, duration and location of their assignments. Time spent in the beneficiary states and at home office is to be clearly shown.

Counterparts (and in particular the National TRACECA Commissions) will be expected to provide assistance and to participate fully to meetings and discussions and to provide copies of previous relevant studies and documentation. For this to be effective, some personnel from the National Commissions will need to be seconded to the Contractor to ensure the necessary level of management authority and to provide the element of on-the-job-training.

The proposed time-cost element for such contributions should be clearly visible in the Contractor's proposal. There should aim to be a reasonable balance between inputs from local experts in different TRACECA states.

4.2.2 Project Management

The project is to be managed from a regional centre. The Contractor will work closely with the Permanent secretariat in Baku at all times, with National competent authorities, primarily the TRACECA Commissions at local level, and where appropriate, with other relevant National and International institutions and organisations. In designing project deliverables it may be appropriate for the Contractor's staff to work for periods alongside staff of the Permanent Secretariat.

The principal objective of this project is regional harmonisation and the majority of deliverables will be uniform and applicable to all the participating states. Therefore activity in each individual state should always be clearly focussed on the international dimension. The Contractor should regard individual national counterparts as sources of verification of proposed overall regional solutions and should not be diverted into advising and working on purely local problems, which are the responsibility of national TACIS programmes.

The Contractor should bear in mind this regional rather than local emphasis in planning its travel and staffing requirements and a draft schedule of visits including flight requirements and overall travel budget should accompany its proposal. It is appreciated that this may need to be adjusted at inception report stage or later with the agreement of the task manager.

The ratio of working time spent in the Contractor's home office, at the Permanent Secretariat, at a regional centre (if a centre other than Baku is selected) and on mission in the region should be clearly visible in the Contractor's proposal.

The Contractor will be required to attend occasional co-ordination meetings in Brussels.

4.2.3 Project kick-off meeting

The Contractor will organise a project kick-off meeting in Baku to agree the pre-inception report phasing of the work and to establish priorities in discussions with the Permanent Secretariat. It will be helpful if the Permanent Secretariat can organise attendance of at least some of the National Secretaries for this initial round of meetings and brainstorming.

4.2.4 Informing National Commissions through presentation of reports

The Contractor will attend at request the Working Group meetings of the Permanent Secretariat in order to inform, evaluate and discuss reports and comments with the General Secretary and the National Secretaries.

4.2.5 Logistics

The Contractor shall be responsible for arranging necessary living accommodation, travel, telecommunications and other expenses of project experts as well as interpretation, translation, the cost of printing, photocopying and similar office expenses required for the purposes of the work. This shall include the arrangements for regional meetings other than in Baku, as more particularly described in 4.2.4.

It is assumed that office accommodation and services will be available to the Contractor at the Baku Permanent Secretariat and by arrangement with each of the National Commissions.

The Contractor should budget for an appropriate sum of money to reimburse these arrangements following the guidelines set out in 4.4 below.

4.3 Rough Timetable

The project is to be substantially completed within 24 months.

4.4 Global Budget

A maximum budget of 2,000,000 Euro is available.

The Contractor is free to indicate in its proposal the proportion of the global budget which it proposes to allocate to each task but it is appreciated that the exact emphasis may not be clear until presentation of the project inception report.

This project does not envisage the specific purchase of equipment for counterparts, as this has been a major component of previous projects. Also the Contractor will have access to the resources of the Permanent Secretariat in Baku and also to those of the National Secretariats. Therefore there should be no requirement for separate office accommodation and indeed the Contractor is strongly encouraged to integrate its project activities within the above mentioned bodies.

Providing on-the-job training for Customs personnel in key locations

Providing any presentations of the project or its recommendations on a country by country basis that the Contractor may feel would enhance the overall sustainability of the project.

5. Reporting

All reports are to be delivered in the numbers, languages and locations as follows:

	Bound English	Russian	Loose-leaf English	Russian	Diskette (Eng.+Rus)
Brussels	2	0	0	0	1
Permanent Secretariat in Baku	3	3	1	1	1

12National Secretaries 1 1 0 0 1

The contractor is to provide reports directly to key beneficiaries, which may substitute for some of the reports to be distributed other than according to the table above. Lists of addressees for each issue of the reports are to be provided to Brussels and the Permanent Secretariat.

Copies of the Delivery Notes to the recipient(s) are to be provided by fax or mail to the Permanent Secretariat.

The importance of high quality Russian texts, delivered on time, cannot be over emphasised. The reporting dates in these ToR are for the delivery of the Russian and English language text to be provided at the same time.

5.1 Computerisation

In order to include reports on the TRACECA web. site and to allow further data processing, each report must be provided by the contractor under an electronic file ".doc" (Microsoft Word) or ".pdf" (Adobe Acrobat). In any case, all texts must be composed with CONIMON and SCALEABLE fonts in order to include photographs, booklets, maps, diagrams and drawings.

Only photographs, logos and facsimiles of original documents will be accepted under a bitmap graphic format (inside the ".doc" or "pdf **file**) though in this case they cannot be used in the document data processing. The resolution of bitmap files must be 150 dpi or less.

Each report must correspond to one ".doc" or "pdf **file**". Reports transmitted in multiple files and files of a different kind will be refused

Contractors are invited to contact the Webmaster before any **file** transfer is attempted.

All information to obtain the necessary software (Adobe Acrobat Pro 4.0 or higher) for creating Acrobat Reader files can be obtained at the following Internet address:

<http://www.adobe.com/store/products/lacrobot.html>

5.2 Project inception report

An Inception Report in Russian and English shall be issued within 4 months of the start of the project. It must summarise initial findings and propose any modifications to the methodology and work plan, in accordance with TACIS Guidelines.

It will also confirm or modify those bodies to be directly involved in the implementation.

5.3 Deliverables

In addition to the specific deliverables mentioned in 4. 1, Working Papers on the many issues covered by the project should be issued regularly and discussed with the beneficiaries.

5.4 Project progress reports

These reports will be submitted at the end of month 10, and month 16 and 22 and shall be in accordance with TACIS Guidelines. The third progress report will be the draft Final. Each report should be presented in the region as discussed in 4.2.4 above.

In order to meet TACIS reporting requirements a brief administrative report will also be required on a quarterly basis (the inception, month 10,16 and 22 progress reports shall be deemed to satisfy their respective quarterly requirement). Production of the quarterly reports should not be allowed to take resources away from the principal task of achieving project deliverables and objectives.

A monthly information report, the format of which is left to the Contractor's discretion and which should not normally exceed 5 pages in length, should in addition be provided to Brussels, the Permanent Secretariat in Baku and National Secretaries.

5.5 Final Report

The Final Report will be submitted at month 24.

All Reports required to be in accordance with TACIS Guidelines must include an Executive Summary. Progress reports and quarterly reports should note any deviation from the Contractor's schedule and any difficulties encountered as well as actions proposed to overcome them.

6. Factors Ensuring Sustainability

6.1 Institutional appraisal

The project poses a considerable institutional challenge, both at the national and regional level. The harmonious development of the present situation is the core objective of the project. The signature and ratification of the MLA indicates that the beneficiaries are themselves placing the highest priority on achieving concrete results, which TRACECA wishes to support by this project. The Contractor should not hesitate to invoke the support of the IGC via the Permanent Secretariat in Baku where local impediments cannot be overcome via the TRACECA National Commissions though it is assumed that these Commissions will themselves have all necessary authority to deal with situations which arise.

6.2 Economic and financial appraisal

Most of the beneficiary countries have already created a National TRACECA Commission comprising personnel from key Government Ministries and National Associations. The TRACECA States will benefit from the long term financial viability of the project, as its main aim is to reduce delay, minimise unauthorised payments and facilitate quicker delivery times thereby reducing inventory costs that are inevitably passed on to the consumer in the form of higher prices. The volume of trade will have the potential to be increased within the same infrastructure cost, which should result in economies of scale for the traders, lower prices for the consumer and with increased

volume of better managed trade there should be an increased tax revenue to the government.

6.3 Political Environment

The signature and ratification of the MLA indicates a positive political environment with potential for the highest level support.

7. Environmental Impact

The opportunity should be taken to improve the environment around border crossings. Reduction in waiting time of road vehicles at such crossings could have significant environmental benefits for the local environment.

8. Monitoring and Evaluation

Key indicators:

- Model trade documents available in two languages
- A harmonised list of controls and documents for transit traffic
- A series of performance targets for the proposed controls
- A country by country implementation programme of agreed changes
- A manual for Customs and a User Guide for transport operators and traders.
- The establishment of effective on-the-job training in key areas
- An Institute of Customs Brokers in each State
- An assessment of the feasibility of a Common Transit Procedure