



**TRACECA: Harmonisation of  
Border Crossing Procedures  
Monthly Report**

**November - December 2002**

---

Published December 2002  
Copyright © 2002 by Tacis Services DG 1A, European Commission

Enquiries concerning reproduction should be sent to  
The Tacis Information Office  
European Commission, Aarlenstraat 88 1/ 06 Rue d'Arlon, B-1040 Brussels.

This report has been produced by Scott Wilson/Compass/NEA/Sema. The findings, conclusions, interpretations expressed in this document are those of Scott Wilson/Compass/NEA/Sema alone and should in no way be taken to reflect the policies or opinions of the European Commission

## TABLE OF CONTENTS

<b>1.0</b>	<b>PROJECT SYNOPSIS</b>
<b>2.0</b>	<b>MONTHLY OVERVIEW OF THE PROJECT</b>
2.1	Introduction
2.2	Borders Audit
2.3	IGC and National Secretaries
2.4	Working Groups
2.5	Working Groups ToR
2.6	Other IFI's
2.7	Project Future Planning
2.8	EU Monitors
<b>3.0</b>	<b>TABLES</b>
3.1	CWG's Indicative Progress Synopsis Table
3.2	Project Activities Table

## 1.0 Project Synopsis

**Wider Objectives:** To promote and develop a harmonised TRACECA Transport Corridor within the region and between the Caucuses/Central Asia and Europe

**Specific Project Objectives:** To create a platform for harmonised border crossing procedures within the region. To work towards regional integration with international transport and trade practices and to promote the movement of traffic along the TRACECA corridor and to lay the foundations for convergence with EU practices.

**Outputs:** The following outputs will be provided:

- Institutional deliverables: IGC Coordination Development, Customs Working Groups, Institutes of Customs Brokers, Training in modern border procedures within the Working Groups;
- Technical: Border Procedures Evaluation and Database, Border Documentation Report, Harmonised Controls and Implementation Plan, Manual for Customs Officers, User Guide for transport operators and traders, Pre-Feasibility Report on Development of Common Transit Procedures;

**Activities:**

1. Development of a Coordination Mechanism with the IGC and the National Commissions.
2. Review of Previous Work and Recommendations.
3. Audit of Designated Border Crossings and Procedures.
4. Development of Reports on Designated Documentation and Harmonisation Controls.
5. Establishment of Customs Working Groups and Brokers Institutes.
6. Training in Modern Border Procedures within the Working Groups.
7. Proposals for a Common Transit Procedural System.
8. Production of User-Guides and Manuals (Russian/English)

**Target Group:** The direct Beneficiary is the National TRACECA Commissions (or their equivalent) and the Inter Governmental Commission. The indirect beneficiaries will be the various border organisations, traders and transport organisations through harmonised and simplified procedures.

**Inputs:** Technical assistance will include 960 person-days of long-term experts, 490 person-days of short-term experts. A project office will be established in Baku within the IGC and there will be a Focal Point within the National Commissions in each country. Visits will be made to all relevant organisations and selected border crossings. Liaison will be maintained with other TRACECA projects and the other IFIs active in the region.

**Assumptions:**

- TRACECA National Commissions have sufficient influence to implement changes in border procedures and facilitate the work of the project;
- National Customs will be fully supportive of Customs Working Groups and allow external involvement in meetings;
- Customs Broking Institutes can be formed and established as legal entities.



## **Harmonisation of Border Crossing Procedures Project (HBCPP)**

### **Monthly Report November - December 2002.**

#### **2.0 Project Activities – Overview.**

##### **2.1 Introduction.**

The HBCP Project produced and distributed the First Project Progress Report in October 2002 to all thirteen TRACECA Programme National entities. The Project Progress Report (PR) covered Project events and inputs from the end of the Inception Phase in April 2002 to the end of the Borders Audit Phase in October 2002. The Progress Report was very comprehensive and included extensive Borders Harmonisation recommendations and training material for the use of the National Secretaries in their Customs Working Groups.

There were three very significant project events towards the end of the period and they were:

- Borders Audit Completion including the BordAudit Database
- Borders Harmonisation Evaluation Workshop (BHEW)
- Establishment of the Customs Working Groups (CWG's)

The Project is now consolidating the work of the Working Groups and formulating the strategies to further harmonise systems and documentation at the borders posts. See CWG's Progress Synopsis Table.

##### **2.2 Borders Audit.**

The Borders Audit was completed, in the majority of TRACECA countries in September 2002 and the final borders were visited in October 2003. The total number of TRACECA transit borders that were audited in the Caucasus and the Black Sea Region and the Asian Region were 67. The information on Border Procedures and Process has been entered into the dedicated Project Borders Database (HBCP-BordAudit Database). The quality of information was excellent and ensured that the Borders Harmonisation Evaluation Workshop (BHEW) had current and accurate material on which discussions were based and that led to the final extensive practical recommendations. All the recommendations were presented, initially, to a selected number of entities and were then produced in the First Progress Report together with other Borders discussion papers and case studies. These Discussion Papers and Case Studies form a basis of material for the Training in Modern Borders Procedures practices within the Working Groups.

## 2.3 IGC and National Secretaries.

During the Project progress, it has become increasingly obvious that the role of the IGC and the National Secretaries is vital to the sustainability of the TRACECA structure when related to current and future Trade Facilitation.

It has also been found that there is, in many cases, a conflict of interests for National Secretaries (NS) whereby they are involved in other tasks that take their time and resources away from the function of the post of NS or they are not given full support and authority by their own ministries and governments. The perceived future role of the National Secretaries will have much wider scope and broader responsibilities.

It is foreseen that the three current Projects of Borders Harmonisation, Transit Fees and Tariffs and Common Legal Basis will be the fundamental platform on which regular National Working Groups will be held. The current Customs Working Groups, held under the Borders Harmonisation, will evolve into a three dimensional Working Group to support Trade Facilitation under the Chairmanship of the NS.

It is imperative that this evolving role of National Secretaries is tied very effectively to a close interface with the Secretary General and the IGC to ensure regional synergy.

It is also imperative that the National Secretaries have sufficient authority, funding, resources and support from their National Commissions to carry out their function in an efficient and effective manner. Without this support, the National Secretaries will not be able to carry forward the recommendations of the three Projects, the Coordination Team or other relevant entities.

The criteria for National Secretaries was recorded in the Project First Progress Report and due to its importance is repeated below:

*There must be a process, whereby the National Secretary has sufficient authority and perhaps more important, easy access to the senior members of their respective Governments so that recommendations can be processed and implemented.*

*The post of National Secretary must filled by persons who are professionals in transport, have excellent management skills, are computer literate and are seriously interested in carrying forward the aims of TRACECA for their own country and the other member states.*

*There must be a strict and active process of two-way information dissemination between the IGC and the National Secretaries. In the case of CWG's, there must be a transfer of meeting protocol information, to the IGC, that concerns aspects of Borders Harmonisation. In particular, information that concerns TRACECA as a whole providing that this information is not of a sensitive national nature.*

*It is vital that the structure of the CWG's is fully representative of both the Government and Private sectors. This combination of both public and private entities will act as a catalyst to Border Harmonisation but it is important that the CWG's do not become a 'fight arena' for complaints from either side. However, there should always be room for constructive criticism that may give examples of negative Border Harmonisation and Trade Facilitation.*



## 2.4 Working Groups.

***“The future success of TRACECA, as a viable functioning Transport Corridor, will be greatly influenced by the establishment of professional TRACECA National Secretaries who understand the full meaning of Trade Facilitation and who have the authority to influence change at Government level”***

HBCP Project Management – September 2002.

The Project Activity of establishing Working Groups, under the Chairmanship of the National Secretaries and orientating those current Customs Working Groups (CWG's) towards becoming Trade Facilitation Working Groups is of paramount importance. There are now three related Projects that were designed and recommended by the consensus of the TRACECA member states that can create a realistic platform to develop a solid institutional structure of TRACECA for the future. To this end we intend to involve the current three projects progressively into the Working Groups.

This would mean that there would be one Chairman (NS) but three distinct but interfacing groups with possibly having some of the same group members but focusing on different themes:

- Borders Harmonisation
- Tariffs and Transit Fees
- Common Legal Basis.

As the Common Legal Basis Project has started and will be partly involved in the review of the Multilateral Agreement, there is an opportunity to request them to address the official change of title of the Customs Working Group to Trade Facilitation Working Group. The strategy for this change is to create a platform for Trade Facilitation discussion that will be sustained after the projects are completed (sustainability) Also part of the strategy is to build the institutional capability of the IGC and the National Secretaries of TRACECA for the future.

There was already an announcement of the proposed direction at the Roads Working Group held in Baku by the Tariffs Project and this theme was also introduced into the Customs Working Group documents. The TRACECA Coordination Team is preparing a 'Policy Discussion Paper' for circulation.

Sustainability is one of the most important factors of all three Projects and this combined strategy can serve as a catalyst to the continuation of the Project work within the Working Groups.

## **Extracts from the proposed Policy Discussion Paper for early evaluation.**

### **Institutional Mechanism**

(a) It should be noted that there is already established an Institutional Mechanism within the TRACECA Institutional Framework. This framework is structured under the TRACECA IGC, Member State National Commissions and the respective National Secretaries.

(b) The National Secretaries, in each Member State, are Chairmen of the Trade Facilitation Working Group that is currently designated 'Customs Working Group' (CWG's) in accordance with the TRACECA Multilateral Agreement (MLA).

(c) These Working Groups will be responsible for carrying forward the work carried out by the three TRACECA Institutional Projects, which are:

- Harmonisation of Border Crossing Procedure
- Unified Policy on Transit Fees and Tariffs
- Common Legal Basis

(d) Initially there will be consolidated Modal Working Groups held in the IGC Baku where the focus will be on a common basis and agreements to enable the various discussions to move forward at National and Regional level.

(e) Each of the National Trade Facilitation Working Groups (TFWG's), under the Chairmanship of the TRACECA National Secretary, will undertake meetings with each of the relevant groups encompassed within the sectors of the three TRACECA Projects.

(f) Therefore, all activities resulting from the IGC Baku Working Groups and Seminars should be addressed to the TRACECA National Secretaries in the respective Member States.

(g) Additionally, the IGC and relevant Project Experts are available for any queries or advice but this should be, where possible, carried out through the National Secretaries.

### **2.5 Working Group Terms of Reference (CWG-ToR)**

The CWG-ToR is currently being redesigned so that there is a set of specific guidelines to formulate and carry out the functions, enhanced activities and responsibilities of the adaptation of CWG's into TFWG's. These new guidelines will be developed in close cooperation of the TRACECA IGC, Coordination Team and the Project Experts. The CWG-ToR will be finalised and presented to the IGC for approval at the end of January 2003.



## **2.6 Other International Funding Institutes (IFI's).**

The professional relationships that have been established with other funding agencies have created a system of information exchange and mutual cooperation in the important areas of Trade Facilitation.

Current relationships exist with:

- World Bank
- ADB
- ESCAP
- UN

There has been particularly good cooperation with the World Bank Trade Facilitation Project and the Asian Development Bank with the exchange of information and meetings in the IGC in Baku in November 2002.

The Project Experts also carried out Borders Training Seminars in cooperation with UNDP in Termez, Uzbekistan in late October 2002.

## **2.7 Project Future Planning.**

With the completion of the Borders Audit Phase, the Borders Harmonisation Evaluation Workshop (BHEW) in September and the First Progress Report in October the future planning of the Project will focus on the Consolidation of the Trade Facilitation Working Groups. The Project Manager and the two Regional Team Leaders, acting as 'advisors' will ensure they put maximum input into these Working Groups.

The first and very important event of the New Year will be the meeting in Baku of all the TRACECA National Secretaries where the augmented focus on Trade Facilitation will be discussed together with the work of the Common Legal Basis Project.

It is not envisaged that there will be any significant changes in the planning of the Project as depicted in the Project Activities Table.

## **2.8 EU Monitoring Team.**

Discussions are ongoing with the representative from the EU Monitoring Team, who is responsible for Regional Projects and based in Tblisi, Georgia. There are currently two areas of discussion concerning the Monitoring role. The first being the concern of the Contractor on the completeness of the Project Monitoring where the Project concerns 13 countries but the Monitoring does not, as yet, cover all of these and uses a 'horizontal' technique that relies on local Monitors giving local opinions and not Regional ones. The second concerns Project Cycle Management, although welcomed by the Project Management it requires careful adaptation to successfully Monitor Technical Assistance Projects. Both these topics have also been discussed with the Project Task Manager.

## TABLES

- CWG's Indicative Progress Synopsis Table
- Project Activities Table

### HBCP Customs Working Groups Progress Indicative Synopsis

TOPIC PHASE	Azerbaijan		Armenia		Bulgaria		Georgia		Kazakhstan		Kyrgistan		Moldova		Romania		Tadjikistan		Turkey		Turkmenistan		Ukraine		Uzbekistan		
	10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02		10-Dec-02
<b>National Commission</b>																											
Proportional involvement in Border Procedures																											
<b>National Secretary</b>																											
Proportional involvement in Chairmanship of Customs Working Groups																											
Nomination of candidates for formation of the Customs Working Group																											
Establishment of the Customs Working Group composition																											
<b>Customs working Group</b>																											
Meeting Protocol																											
Assessment of agreement on recommendations																											
Evaluation and detailed review of implications of harmonization of border crossing procedures																											
Global Working Group work on discussion papers and training material packages																											
Establishment of Working Sub Groups for discussion papers and training material packages																											
Elaboration of Agenda of working sub groups																											
Work on Creation of customs Brokers Institute																											
Work on customs modernisation																											
Work on IT border crossing procedures																											
Work on Trade Facilitation																											
Reporting																											
Agenda for next Customs Working Group Meeting																											

**Legend**

Waiting for start -	
Starting -	
In progress -	
Advanced -	
Established -	

**Note 1:** Some countries reached status "established" during the first CWG visit of the Consultant

**Note 2:** Global Working Groups should include all members including private sector entities.





**Project Activities Table – October 2002**

**Harmonisation of Border Crossing Procedures**

SUB-ACTIVITY	ACTIVITY	VERIFIABLE INDICATORS	VERIFICATION PROGRESS	ASSUMPTIONS
<b>Task 1</b>	<b>Inception</b>			
1.1	Brussels Kick-Off Meeting	Discussions with Task Manager - Brussels	COMPLETE	Indicators of New Systems
1.2	Mobilisation	Timely Site Arrival – Office Established	COMPLETE	Equip Budget Review
1.3	Project Methodology Assessment	Consensus with IGC and Contractor	COMPLETE	To Remain Flexible
1.4	Border Audit Methodology Assessment	Consensus with IGC and Contractor	COMPLETE	To Remain Flexible
1.5	Regional Visit Programme Preparation	Consensus with IGC and Contractor	COMPLETE	Can Be Varied
<b>Task 2</b>	<b>Inception Meetings</b>			
2.1	Project Programme Discussions at IGC	Consensus with IGC and Contractor	COMPLETE	To Remain Flexible
2.2	Project Presentation - Tbilisi – Georgia	Presentation to 13 Member States & EC	COMPLETE	TOR Amended (initial)
2.3	Project Presentation – Ashgabat - Turkmenistan	Full Presentation to Members States & EC	COMPLETE	None
<b>Task 3</b>	<b>Review of Previous Work and Recommendations</b>			
3.1	Review of TRACECA – Related Documents	Documents Reviewed Including Websites	COMPLETE	None
3.2	Review of Other Project / Entities Documents	Other Projects/Entities Documents Reviewed	COMPLETE	Awareness of New Projects
3.3	Provisional and Final Recommendations	Included in the BHEW Recommendations	COMPLETE	Borders Audit Complete
<b>Task 4</b>	<b>Working Groups (Customs Working Groups, CWG's)</b>			
4.1	Evaluate Logistics and Funding for CWG's	Final Review and discussions complete	COMPLETE	Funds Allocated
4.2	Evaluate Rationale for Development of CWG's	Draft TOR's complete and distributed	UNDER REVIEW BY CWG'S	Full or Partial Acceptance
4.3	Commence Progress of Holding CWG's	Country by Country structuring	REVIEW PROGRESS	Full or Partial Establishment
<b>Task 5</b>	<b>Inception Report</b>			
5.1	Complete Inception Phase Evaluations	Completed with Stakeholder Cooperation	COMPLETE	Delay due to 'Visa' work
5.2	Compile Relevant Data for the Inception Report	Completed with Stakeholder Cooperation	COMPLETE	Delay due to 'Visa' work
5.3	Prepare Report in English / Russian / CD and Distribute	Report Prepared, Delivered and Signed for by all recipients	COMPLETE & APPROVED	None

SUB-ACTIVITY	ACTIVITY	VERIFIABLE INDICATORS	VERIFICATION PROGRESS	ASSUMPTIONS
<b>Task 6</b>	<b>Border Procedures Audit</b>			
6.1	Determine Designated Border Crossing Points	Consensus with IGC on Crossing Points	COMPLETE	None
6.2	Carry Out Initial Border Audit (Red Bridge – Azerbaijan)	Initial Audit Carried-out Both Sides	COMPLETE	None
6.3	Prepare Audit Database Parameters and Programme	Initial Database in English Complete	ON-GOING	None Audit Complete
6.4	Summarise Audit Results and Recommendations	BHEW Created Recommendations	COMPLETE	None Audit Complete
6.5	Finalise Database and Define Web-Site Input	Database Eng. Version – Website Defined	ON-GOING	None Audit Complete
<b>Task 7</b>	<b>Document Preparation</b>			
7.1	Collection of Documentation	NAS Documentation to be finalised	ON-GOING	None
7.2	Correlation and Processing of Documentation	Awaiting Final Documentation	On-GOING	None
<b>Task 8</b>	<b>List of Harmonised Controls and Implementation Plan</b>			
8.1	Initiative on Afghan Aid – Transit Visa	Progressive Country Development	ON-GOING	Sufficient Drive and Authority by CWG's
8.2	Development of Transit Visa and Alternatives (Process)	Progressive Country Development	ON-GOING	Sufficient Drive and Authority by CWG's
8.3	Review Best Practices / EU Standards / Kyoto Convention	BHEW Recommendations Advocate this	ON-GOING	Customs Enthusiastic
<b>Task 9</b>	<b>Management Development and Training</b>			
9.1	Development of Customs Manual – CD ROM	BHEW Included Material for this purpose	ON-GOING	Customs open-minded on this.
9.2	Development of Users Guide - CD ROM	Data Assimilation and user enquiries	ON-GOING	Database will be supportive
<b>Task 10</b>	<b>Establish an Institute of Customs Brokers</b>			
10.1	Evaluation of and Institute as a Discussion Platform or Entity	Evaluation Documentation Prepared	COMPLETE	None
10.2	Develop Parameters for an Institute Foundation Documents	Foundation documents under review	ON-GOING	Introduction to CWG's
10.3	Prepare Recommendations for Institute Foundation Documents	Awaiting initial feedback from CWG'S	ON-GOING	None



SUB-ACTIVITY	ACTIVITY	VERIFIABLE INDICATORS	VERIFICATION PROGRESS	ASSUMPTIONS
Task 11	<b>Prefeasibility Study for a Common Transit Procedure</b>			
11.1	Development of TRACECA Common Documents	Assimilation of Data	ON-GOING	None
11.2	Development of TRACECA Transit Visa	Progressive with countries and CWG's	ON-GOING	Available Legal Base and CWG's acquire Authority
Task 12	<b>Liaison With Other Projects and IFIs</b>			
12.1	Interaction With Other Relevant Projects	World Bank. USAID, ADB, EU	ON-GOING	
12.2	Liaison and Interchange of Data / Information	World Bank. USAID, ADB, EU	ON-GOING	
Task 13	<b>Progress Reports</b>			
13.1	Preparation and Distribution of 1 <sup>st</sup> Progress Report	Complete and Distributed	Awaiting Comments	None
13.2	Preparation and Distribution of 2 <sup>nd</sup> Progress Report	Due March 2003		None
Task 14	<b>Final Report</b>			
14.1	Preparation and Distribution of Draft Final Report	Due September 2003		None
14.2	Preparation and Distribution of Final Report	Due November 2003		None
Task 15	<b>Computerisation</b>			
15.1	Development of Project Website	Basic Development and Parameters	COMPLETE	None
15.2	Correlate and Filter Website Data	Under current development	ON-GOING	None
15.3	Launch Website	Due February / March 2003	ON-GOING	None
15.4	Review and Ascertain Website Sustainability	Through rest of Project timeframe		None