

Document provided by Bulgaria

**SUPPLEMENTARY INFORMATION TO
NEGOTIATING POSITION
ON CHAPTER 25 – CUSTOMS UNION
(CONF-BG 56/00, 2/01)**

Bulgaria wishes to refer to its Negotiating Position on Chapter 25 “Customs Union” (CONF-BG 56/00 and 2/01) and to the European Union Common Position on Chapter 25 (CONF-BG 29/01) and to provide supplementary information on issues raised in Document CONF-BG 29/01.

Bulgaria would like to confirm that it accepts the *acquis* on chapter 25 “Customs Union” adopted in the year 2000 and will implement it by the date of accession.

DEVELOPMENTS IN COMMUNITY LEGISLATION ON DUAL-USE GOODS - REGULATION (EC) 1334/2000.

By the end of 2002 the Law on Foreign Trade in Arms and Dual-Use Goods will be amended to fully reflect Regulation 1334/2000.

PREFERENTIAL RULES OF ORIGIN NEEDED TO ENABLE THE PAN-EUROPEAN CUMULATION SYSTEM TO FUNCTION

On 08.05.2001 a Free Trade Agreement between Bulgaria and Lithuania was signed. It was ratified by the Parliament and will be in force as of 01.01.2002. Negotiations on a Free Trade Agreement between Bulgaria and Latvia and a Free Trade Agreement between Bulgaria and Estonia are almost completed. It is expected that these agreements will enter into force as of 01.01.2002, which would enable the Pan-European cumulation system to function as of that date.

IMPLEMENTATION OF THE BUSINESS STRATEGY FOR THE NATIONAL CUSTOMS AGENCY

The Business Strategy for the National Customs Agency (A summary of the Strategy is presented in Attachment 1) has been updated to reflect the strategic goals that need to be accomplished to enable the Bulgarian customs services to fully implement the *acquis* upon accession. The Strategy identifies the administrative structures responsible for the accomplishment of the strategic goals and sets out the financial framework of the adjustment process. A detailed financial plan of the budgetary and human resources needed to fully implement the business strategy (Attachment 2) has been prepared.

DEVELOPMENT OF THE CUSTOMS COMMUNICATIONS INFRASTRUCTURE

Currently the customs communications infrastructure is based on commuter lines, connecting all customs offices. By the end of 2001 this system will be replaced by a high-speed wide area network. The new network will connect all services of the Ministry of Finance. By the date of accession the customs communications infrastructure will be completely upgraded to meet the implementation needs of the customs *acquis*.

INSTALLATION AND IMPLEMENTATION OF THE CUSTOMS-RELATED IT APPLICATIONS NECESSARY FOR THE IMPLEMENTATION OF THE ACQUIS

The core of the Bulgarian Integrated Customs Information System (BICIS) is currently operational. The relevant customs related information technology (IT) applications necessary for the smooth implementation of the *acquis* will be gradually added to the core as modules to produce a fully functioning EU-compatible IT system at least one year before accession.

INTERCONNECTION WITH THE EU CUSTOMS IT SYSTEMS

To ensure full interconnection with the EU customs IT systems upon accession, a Strategy for development and implementation of BICIS (Attachment 3) has been adopted. This strategy will be implemented in the framework of a Phare project under which full interconnectivity with the EU customs IT systems will be achieved.

REDUCTION OF WAITING TIMES AT BORDER

To reduce waiting time at border the following measures have been taken:

- An Interdepartmental Council on the Border Checkpoints comprised of high-ranking officials from all services in charge of border control is in place. Among its main priorities is ensuring highly efficient and fast border control through improving the co-ordination between the relevant services (*see Internal co-ordination within the customs administration and between the customs administration and the other related enforcement bodies (including the police/the border police and judicial authorities)*), and
- In the framework of a Phare project BG 98-06-02-03-0004 on border control improvement, a Strategy for Rationalization of the Bulgarian Customs Administration's Border Operations has been adopted (A summary of the Strategy is presented in Attachment 4). The Strategy will be updated by the end of 2001.

The following measures are envisaged:

- In 2002 an Ordinance on the organisation of border management activities in line with the International Convention on the Harmonisation of Frontier Controls of Goods will be adopted, and
- In the framework of the Trade and Transport Facilitation in South-East Europe Project of the World Bank, the capacity and infrastructure of some border crossings on the future external border of the EU will be enhanced. Further raising of funds is deemed necessary for fully upgrading all border crossings along the future external border of the EU.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

As regards the legislative and administrative framework of intellectual property rights protection, Bulgaria would like to refer to the information already presented in the context of the accession negotiations on Chapter 5 "Company Law" (provisionally closed on the basis of the existing *acquis*).

An Ordinance on border control measures related to the protection of intellectual property rights, introducing Regulation 3295/94 is in force. It empowers the customs authorities to apply border control measures related to the protection of intellectual property rights.

Measures related to the implementation of intellectual property rights protection will be integrated at national level in the Integrated Customs Tariff in 2003.

FIGHT AGAINST ECONOMIC CRIME AND ORGANISED CRIME

A major priority in the context of the fight against economic crime and organised crime is the improvement of the co-operation between the customs authorities, the police, the Prosecution and the Investigation Office.

As of 01.10.2001 mobile customs groups perform customs control over the customs territory of Bulgaria.

On 09.05.2001 an Instruction on co-operation between the customs authorities and the services of the Ministry of Interior in the field of prevention of customs offences and currency violations was adopted.

Since 1999 a Programme for Partnership between the Customs Authorities and the Commercial Sector for Fighting Illegal Trafficking is being implemented. In this context four Memoranda of Understanding between the customs authorities and commercial airlines have been signed as well as two Memoranda of Understanding between the customs authorities and companies providing express delivery services. Negotiations on signing such memoranda with shipping companies and container carriers are under way.

Under Phare project BG 98-06-02-03-0004 on improvement of border control, border crossings will be equipped with special technical equipment to provide for more efficient fight against economic and organised crime.

IMPLEMENTATION OF RISK ANALYSIS AND SELECTIVITY METHODS

The checks, performed by the Bulgarian customs, are based on risk analysis and selectivity methods compliant with those applied by the EU member states.

Regional risk profiles of border crossings have been prepared on the basis of certain specific features of the region in which the border crossings operate. The amount of the proper factors, specified for any particular risk, which increase or decrease to the risk degree of each risk sector are taken into account when preparing the profiles. Selectivity profiles on local level have also been prepared.

To provide for more efficient implementation of risk analysis and selectivity methods units specialised in the application of these methods have been established at all regional customs directorates.

The IT basis of the implementation of the risk analysis and selectivity methods will be provided through the introduction of the risk analysis module of BICIS. This would allow for application of risk analysis and selectivity methods fully compliant with the EU practice.

POST-CLEARANCE CONTROLS

To provide for the smooth functioning of post clearance-controls, a specialised post-clearance controls directorate was established at the headquarters of the customs administration. The legislative basis, necessary for the introduction of post-clearance controls, fully compatible with the EU practice, will be established by the end of 2002 through the adoption of following legislation:

- An amendment to the Customs Act,
- An amendment to the Administrative Violations and Sanctions Act,
- An amendment to the Implementing Regulation to the Customs Act,

- An amendment to the Rules of Procedure of the Customs Agency, providing for efficient implementation at central level of the post-clearance controls related amendments to the Customs Act, the Administrative Violations Sanctions, Act and the Implementing Regulation to the Customs Act, and
- An amendment to the Rules of Procedure of the Regional Customs Directorates, providing for efficient implementation at regional and local level of the post-clearance controls related amendments to the legislation.

A Phare 2001 project on the introduction of post-clearance controls has been approved.

By the end of 2002 the central, regional and local administrative units in charge of post-clearance controls will be in place and operational.

By the end of 2003 third level post-clearance controls will be established through the adoption of Ordinances and Instructions, aimed at achieving the highest possible degree of introduction of the relevant EU practices. Full harmonisation will be achieved as of the date of accession.

PROFESSIONAL INTEGRITY AND TRAINING SYSTEMS

With regard to professional integrity Bulgaria develops and implements appropriate training systems to further strengthen the capacity of a professional and motivated customs administration. Training systems are developed in co-operation with experts from the member states. They are based on the Strategy for Organization and Management of the Human Resources (A summary of the Strategy is presented in Attachment 5) and the Strategy for Qualification and Specialization of the Staff in the Customs Administration (A summary of the Strategy is presented in Attachment 6).

Bulgaria will further align the human resources policy of the customs administration with EU standards and practice through:

- Ensuring stable conditions of employment through gradual granting of Civil Servant Status to customs inspectors by the end of 2004, and
- Enhancing the system of career development incentives.

Under the Fight Against Corruption in the Bulgarian Customs Administration project, developed in co-operation with experts from EU member states, a training module on customs ethics was prepared. The module will become an integral part of the national and regional training programmes.

To further strengthen customs ethics and to efficiently combat fraud and corruption, a Strategy of the Bulgarian Customs Administration for Fight Against Corruption and other Illegal Activities Performed by Customs Officers was adopted (A summary of the Strategy is presented in Attachment 7). By the end of 2001 an Instruction on Internal Control of the Customs Administration will be adopted.

DIVISION OF RESPONSIBILITIES

Under Article 223 of the Customs Act the customs authorities examine, determine and penalise violations or attempts at violations of the customs legislation where such violations are not criminal offences under the Penal Code. The penalties applied by the customs authorities are specified in Chapter 30 of the Customs Act.

Cases of suspected criminal offences, including those related to corruption or illegal trafficking of drugs, arms, ammunitions, etc., established by the customs authorities or the police/border police, are transferred to the Prosecution and the Investigation Office. Light criminal offences could be investigated by the police under urgent procedures, rather than by the Investigation Office. Upon sufficient evidence criminal offences are passed to the court.

The customs authorities are not entitled to perform investigation activities. The Investigation Office or the police are in charge of investigation. They can:

- Collect evidence under the Penal Procedure Code,
- Search for, chase or arrest suspects, and
- Use special intelligence devices.

The border police are in charge of border security and passenger flow control. They do not perform customs control.

The customs authorities and the police/border police can establish customs offences both on the state border and in the interior of the country. In the framework of the established co-operation they notify each other on established criminal or customs offences.

All penalties applied by the customs or the judicial authorities can be appealed.

By the end of 2001 an Action Plan to transfer additional powers to the customs authorities to fight customs offences will be drafted. Emphasis will be put on aligning with the relevant EU practice by providing additional rights to the customs authorities as regards investigation of smuggling, fraud and illegal drug trafficking.

INTERNAL COORDINATION WITHIN THE CUSTOMS ADMINISTRATION AND BETWEEN THE CUSTOMS ADMINISTRATION AND THE OTHER RELATED ENFORCEMENT BODIES (INCLUDING THE POLICE/THE BORDER POLICE AND JUDICIAL AUTHORITIES)

Bulgaria attaches high importance to the development of an integrated border management system, based on efficient co-operation between all services in charge of border control.

To improve the co-ordination of the activities of the services in charge of border control and to promote further co-operation between them, an Interdepartmental Council on the Border Checkpoints was established by virtue of Council of Ministers' Decree 70. It comprises of high-ranking officials from the services performing customs control, passport control, sanitary control, veterinary control, phytosanitary control, and motor vehicle control. The major tasks of the Council are:

- Elaborating and monitoring of the implementation of a Border Control Development Programme,
- Making proposals on passing new legislation to improve border management,
- Setting out the financial framework for development of border management and notifying the services in charge of state budget planning of its findings, and
- Solving ad hoc issues related to border management.

By virtue of Ordinance 70 of 1998 the decisions of the Council are mandatory to the services in charge of border control.

Key measures related to the improvement of the internal co-ordination within the customs administration are described under the following headings of this document:

- Implementation of the Business Strategy for the National Customs Agency,
- Development of the customs communications infrastructure,
- Reduction of waiting times at border,
- Professional integrity and training systems, and
- Uniform application of customs procedures in the whole of the Bulgarian customs territory.

A Memorandum of Understanding between the Customs Agency and the Ministry of Interior was signed in October 2001. It sets out a framework of mutual co-operation in the fields of border control, fight against organised and economic crime and protection of intellectual property rights.

Joint teams of the Customs Agency and the Ministry of Interior have been put together to improve the efficiency of the fight against drug trafficking.

A Memorandum of Understanding between the Customs Agency and the Ministry of Justice is under preparation. It is aimed at setting out conditions for more efficient co-operation between the customs authorities and the judicial system. The draft Memorandum envisages:

- Legislative amendments to speed up judicial proceedings,
- Training of magistrates on customs law enforcement,
- Setting up teams of judges specialised in customs law,
- Prosecutor's monitoring of cases related to customs issues, and
- Improving the operational links between the Customs Agency and the Ministry of Justice.

IMPROVING THE RELATIONSHIP BETWEEN THE CUSTOMS SERVICES AND THE BUSINESS

With EU financial assistance and in co-operation with customs administration of EU member states, instructions on the application of the customs legislation especially designed for business operators have been prepared. These instructions guarantee transparency and uniformity of the implementation of the customs law.

By the end of 2001 a Web page providing detailed information on all legislative aspects of the customs activities, accompanied by instructions on their application, will be launched.

By the end of 2001 a Customs Consultative Committee will be established. The Committee will institutionalise the meetings between representatives of the customs administration and business communities. The Committee will play a significant role in the development of the customs policies.

UNIFORM APPLICATION OF CUSTOMS PROCEDURES IN THE WHOLE OF THE BULGARIAN CUSTOMS TERRITORY

Under the Customs Act the customs procedures are valid and should be uniformly applied on the whole of the Bulgarian customs territory. The customs administration will continue its efforts to guarantee the uniform application of the customs procedures. To that effect it envisages to:

- Develop and implement efficient training systems,

- Adopt clear and detailed rules on the application of all customs procedures, and
- Introduce the procedure modules of BICIS in 2002. This will guarantee uniform application of the customs procedures at all customs offices.

CUSTOMS LABORATORIES

The customs administration has a central customs laboratory in Sofia and a regional one in Russe. By the end of 2001 a Strategy for building and upgrade of customs laboratories will be adopted. The implementation of this strategy will provide for the introduction of efficient methods of analysis. A mobile chemical laboratory will be created.

By the end of 2004 the unified customs laboratory information system will be upgraded to provide for:

- Improved application of tariff classification and the Common Customs Tariff, and
- Proper storage and presentation of test results.

PROPER COLLECTION AND CONTROL OF FUTURE EU OWN RESOURCES

The currently applied provisions related to customs debt are in full compliance with the *acquis*.

A system for customs debt registration has been set up. It records information on the registered customs duties, the customs debt outstanding balance and the payments made. A customs debt module of BICIS is being implemented. It uses standardised codes for identification of budget revenues under different types of liabilities, methods of payment and indebted entities.

As of the date of accession the Customs Agency will be in charge of the proper collection, administration and control of the EU traditional own resources, including those related to the implementation of the Common Agricultural Policy. This will be done in full compliance with the *acquis*.

Budgetary accounts corresponding to “A” and “B” accounts will be opened in compliance with Regulation 1150/2000. Procedures for keeping the necessary documentary archives will be developed.

Upon accession Bulgaria will calculate, collect and make available the customs duties and levies constituting the EU traditional own resources in full compliance with the *acquis*. The necessary reports and declarations will be duly presented to the Commission.

MANAGEMENT OF ALL COMMUNITY POLICIES MANAGED BY THE CUSTOMS AUTHORITIES, AND IN PARTICULAR THE COMMON AGRICULTURAL POLICY

As of the date of accession Bulgaria will ensure proper management of all Community Policies managed by the customs authorities, and in particular the Common Agricultural Policy (CAP).

CAP Management

Common Customs Tariff and nomenclatures

Determination of import duties on mixtures and sets containing agricultural products

Regulation 3324/80 will be applied as of the date of accession with the introduction of the Common Customs Tariff.

Procedure for adjusting the Common customs Tariff nomenclature for agricultural products

Regulation 234/79 will be applied as of 2005 through the introduction in the Bulgarian Customs Tariff of direct and indirect specific rates of duty corresponding to those of the Common Customs Tariff.

Agricultural product nomenclature for export refunds

Regulations 1766/92 and 3846/87 will be applied as of the date of accession.

CAP Financing

By the end of 2005, in compliance with Regulations 1258/99, 1663/95 and 296/26, a Paying Agency will be set up. In this context, the customs administration will implement customs control on licensing and payment of export subsidies.

Licensing system

The Ministry of Agriculture will be in charge of licensing in compliance with Regulation 1291/2000. The customs administration will control exports of products that are subject to licensing.

Payment of export subsidies

The customs administration will provide the information necessary for controlling export subsidies payments in full compliance with Regulations 386/90, 2221/95 and 800/99.

PROVISIONS THAT THE EU CONSIDERS NECESSARY TO BE INCLUDED IN THE ACCESSION TREATY WITH BULGARIA

Bulgaria agrees to have the provisions mentioned in Document (CONF-BG 29/01) included in its Accession Treaty.

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The Bulgarian Government proposes the negotiations on this chapter to be provisionally closed on the basis of the existing *acquis*.

Should new elements of the *acquis* make it necessary, Bulgaria recognizes the possibility of opening supplementary negotiations before the end of the Intergovernmental Conference.

LIST OF ATTACHMENTS

- Attachment 1: Updated Business Strategy for the National Customs Agency, Summary of
- Attachment 2: A detailed financial plan of the budgetary and human resources needed to fully implement the business strategy
- Attachment 3: Strategy for development and implementation of BICIS
- Attachment 4: Strategy for Rationalization of Bulgarian Customs Administration's Border Operations. Summary of
- Attachment 5: Strategy for Organization and Management of the Human Resources, Summary of
- Attachment 6: Strategy for Qualification and Specialization of the Staff in the Customs Administration, Summary of
- Attachment 7: Strategy of the Bulgarian Customs Administration for Fight Against Corruption and other Illegal Activities Performed by Customs Officers, Summary of

ATTACHMENT 1

Summary of the

Business-Strategy

Of the customs administration of

The Republic of Bulgaria

INTRODUCTION

The Business Strategy outlines the key priorities, goals and streamlines the activities of the Bulgarian Customs Administration's (BCA) with a view to provide for the efficient implementation of the Customs Union acquis.

FACT SHEET

BCA is a centralised system with 3826 employees, who are structurally allocated in the Central Customs Directorate, five Regional Customs Directorates, seventeen Customs Houses and 102 Customs Bureaux and Customs Points. It collects 45 % of the revenues for the State Budget, including the traditional own resources and VAT collected on border. BCA ranks high among the European customs administrations in terms of revealed cases and seized quantities of drugs. Since 1973 the BCA is a member of the World Customs Organisation.

GENERAL DIRECTIONS OF DEVELOPMENT OF THE CUSTOMS ADMINISTRATION

One year before the date of accession, the complete implementation capacity of the Community customs legislation should be achieved.

To guarantee efficient implementation of the customs acquis, in the pre-accession period the BCA will adjust its structures to ensure to the highest possible degree of harmonisation and implementation of the acquis. Upon accession BCA will have adequate human and technical resources to properly manage all relevant Community policies and to provide the EU budgeted with the revenues from traditional own resources.

STRATEGIC GOALS AND OBJECTIVES

The goals and the objectives of the BCA are formulated on the basis of the following strategic documents:

- Europe Association Agreement;
- Accession Partnership;
- National Strategy for Membership of the Republic of Bulgaria in EU;
- Position Paper on Chapter 25 "Customs Union";
- National Programme for Adoption of the Acquis;
- Declaration of Endorsement of the Pre-accession Preparation Strategy for the Customs and Tax administrations;
- National Strategy for Preparation of the Customs Administration for Membership in EU and its Implementation Program;

Goal 1: Adaptation of the Customs Administration to the EU requirements

Objectives:

- 1.1. Full harmonisation of the Bulgarian customs legislation with the acquis;
- 1.2. Implementation of the legal base, in accordance with the practice of the EU member states;
- 1.3. Providing efficient control of the future external borders of the EU;

- 1.4. Providing of technical and organisational compatibility with the TAXUD systems – communication and technological adjustment;
- 1.5. Connecting the Bulgarian transit system with the Community transit systems;
- 1.6. Preparation of the Customs Administration to perform the tasks related to the implementation of the Common Agricultural Policy;
- 1.7. Improvement of human resources management;
- 1.8. Adaptation of the training system to the development of the Customs Administration;
- 1.9. Fight against corruption.

Goal 2: Strengthening the co-operation between the Customs Administration, the economic operators, and the public

Objectives:

- 2.1. Implementation of customs procedures facilitating the legal traffic;
- 2.2. Ensuring transparency of the Customs Administration's activity and improving the communication with the economic operators and the public.

Goal 3: Improvement of the efficiency of the collection of customs duties and other state receivables within the competency of BCA

Objectives:

- 3.1. Improving the collection of budget revenues;
- 3.2. Building of customs laboratories network.

Goal 4: Implementation of the state policy as regards combat against customs violations, currency offences and organised crime

Objectives:

- 4.1 Strengthening of the border and inland control;
- 4.2 Optimising the activity on ceasing the illicit traffic of narcotic substances and precursors.

FINANCING

The financial data is indicated in details in the Annexes, allocated to the relevant objected and years.

The activities under the strategic goals, listed in the Annexes, will be financed by:

- the State Budget;
- PHARE and TAIEX program's funds;
- the World Bank and
- the European Commission's Trade and Transport Facilitation in the South Eastern Europe Project.

Part of the projects will be realised without additional investments. In 1998 and 2000, some of them were financed with PHARE funds, including 1998, 2001 and 2002 National PHARE Programs, 2000 PHARE Trans-border Co-operation between Bulgaria and Romania, 1998 – 2001 Joint UNDCP – PHARE Program for Strengthening Drug Law Enforcement Capacities in South Eastern Europe. The remaining funds under these programs will be allocated mainly for training, consultations and equipment. The financial needs under 2002 PHARE Program are dependent on the agreement to be reached between the Ministry of Foreign Affairs of the Republic of Bulgaria and European Commission. For that reason, the financing for 2003 – 2004 is subject to changes.

CONCLUSION

The activities, crucial for the development of the BCA in the pre-accession period are indicated in the Business strategy. The Strategy is regularly updated on the basis of new developments of the acquis and the Bulgarian customs legislation. The Strategy is approved by the Council of Ministers, and the Government guarantees its funding.

DETAILED FINANCIAL PLAN

OF THE BUDGETARY AND HUMAN RESOURCES

NEEDED TO FULLY IMPLEMENT THE BUSINESS STRATEGY

OF THE BULGARIAN CUSTOMS ADMINISTRATION

Goal 1: Adaptation of the Customs Administration to the EU requirements

Objective 1.1. Full harmonisation of the Bulgarian customs legislation with the *acquis*

Additional strategic papers:

- Blueprint “Legislation”

Activities	Implementation dates	Performance indicators	Responsible units	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
Drafting amendments of the legal base to be achieved national harmonisation and harmonisation with the <i>acquis</i>	01.01.2006	<ul style="list-style-type: none"> • Promulgation, publishing and entry into force of legislation, corresponding to the relevant European legislation; • Development of system based on the core conception of TARIC, concerning the rules for administration of measures implemented in compliance with the agricultural, commercial and other State policies 	Administrative-legal and Information Service Directorate (ALIS) in cooperation with all Directorates	All Ministries, Council of Ministers	<ul style="list-style-type: none"> • the State Budget (SB) – 236387 €/per year; • 0.2 millions € under PHARE 2002 Program 	47	
1.1. Amendments of the Customs Act and the relevant regulations to reflect changes in the <i>acquis</i>	Annually by 2006	<ul style="list-style-type: none"> • Promulgation, publishing and entry into force of legislation, corresponding to the relevant European legislation; • Amendments of the Customs Act and its Implementing Regulations in connection with the ongoing reform of the customs economic regimes 	ALIS in cooperation with all Directorates		<ul style="list-style-type: none"> • the SB – 75443 €/ per year; • 0.25 millions € under PHARE 2001 Program (including obj. 1.5, p.1 and p.3) 	15	
1.2. Conclusion of international agreements for cooperation and mutual assistance in the customs area	Permanently by 2006	Achievement of higher degree of cooperation between the Parties	ALIS in cooperation with all Directorates	Ministry of Foreign Affairs, Ministries concerned	the SB –15088 €/per year	3	

1.3. Amendments to the legislation, required for extension of the customs authorities powers in the field of customs intelligence and investigation, as well as for combating against illicit traffic of narcotic substances and precursors	The end of 2002	Amendments in the legislation	ALIS in cooperation with all Directorates	Ministry of Interior, Specialised Investigation Service	the SB – 50295 €/per year	10	
1.4. Organisational arrangements on implementation of new institutions to prepare and harmonise customs legislation drafts and to estimate the “economic conditions” in decision making process	2006	Functioning of newly established institutions	NCA, CCD	Ministry of Finance	the SB – 40236 €/per year	8	
1.5. Amendment to the legislation, required for the introduction and implementation of the post-clearance control, in accordance with the European legislation	31.12.2003	<ul style="list-style-type: none"> • Amendments in the Customs Act and its Implementing Regulations, NCA Rules for Internal Procedures, Rules for Organisation and Activities of RCD; • Making out of Regulations and Instructions for implementation of the post-clearance control 	ALIS in cooperation with all Directorates	Ministry of Finance, Council of Ministers	<ul style="list-style-type: none"> • the SB – 55325 €/per year, • 550000 € under PHARE Project (including obj. 1.8, p.2.2) 	11	
Preparation of provisions regulating customs matters not covered by the Community legislation	01.01.2005	Existence of national legislation further developing the EU legislation	ALIS in cooperation with all Directorates	All Ministries, Council of Ministers	the SB – 181062 €/per year	36	
3. Revision of the legislation in force in the area of international agreements related to customs activities and adoption of the required arrangements for integration of the Republic of Bulgaria to international conventions on customs area, of which EU is Party, but Bulgaria is not contracting party yet (Istanbul Convention, CCT, CSAD, Nairobi Convention, Kyoto Convention, etc.)	2006	<ul style="list-style-type: none"> • Publishing in the State Gazette; • Withdrawal and adoption of reservations 	ALIS in cooperation with all Directorates	Ministry of Foreign Affairs, the Ministries concerned	<ul style="list-style-type: none"> • the SB – 15089 €/per year, • EU PHARE Program • WCO 	3	

4. Translating all regulations of Community customs legislation and starting of procedures for their entering into force	2006	Available verified translations in the State Gazette's editorial office	ALIS in cooperation with all Directorates	Translation centre within the Council of Ministers	<ul style="list-style-type: none"> the SB – 30177 €/per year; EU, PHARE 	6	
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- Human resources administrative capacity in total: 92 = 463 000 €/per year

Objective 1.2. Implementation of the legal base in accordance with the practice of the EU member states

Additional strategic papers:

- Blueprints

Activities	Implementations date	Performance indicators	Responsible units	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Creation of proper organisational system to provide uniformity in the law enforcement by the customs authorities	2002	Lack of reasonable claims from home and foreign business operators against the variety of interpretation on one and the same regulations	ALIS, RCD	Ministry of Finance, Business organisations, European Commission, the member states customs administrations	<ul style="list-style-type: none"> the SB – 70413 €/per year, EU, PHARE 	14	
2. Improvement of the communication system within the BCA	Permanently	Lack of any delays in circulation of the information, both from the CCD to the other customs and from the customs to the CCD	ALIS, Customs Statistics and Automation Directorate (CSA)	Ministry of Finance – Information Service AD	the SB – 603540 €/per year	120	
3. Preparation and maintenance of manuals and instructions on customs legislation, to cover all activities in case of mal functioning of the IT system	2006		ALIS – Human Resources Department, Tariff Policy Directorate (TP), Customs Regimes and Procedures Directorate (CRP),	Ministry of Finance	the SB – 301770 €/per year	60	

Activities	Implementations date	Performance indicators	Responsible units	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
			National Training Centre (NTC)				
4. Creation of administrative structures with respect to the future devolution of management powers in the customs matters to the EC institutions after the EU accession	2006	<ul style="list-style-type: none"> • Approved rules for internal discipline • Sufficient number of skilled experts 	ALIS – Human Resources Department, TP, CRP, Customs Intelligence and Investigation Directorate (CII), Customs Statistics and Automation Directorate (CSA)	Ministry of Finance, Ministry of Foreign Affairs, Ministry of Justice	the SB – 60354 €/per year	12	

- Human resources administrative capacity in total: 206 = 1.04 millions €/per year

Objective 1.3. Providing efficient control of the future external borders of the EU

Additional strategic papers:

- International Convention on harmonisation of border control on goods
- TTFSE Project
- Strategy for rationalisation of the border operations, applied by the BCA
- Blueprints

Activities	Implementation dates	Performance indicators	Responsible units	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
Providing of technical equipment for the customs on the future external borders – Eastern, Western, Northern (the Danube river), part of the Southern border	2002	<ul style="list-style-type: none"> • Capital investment: • Purchase of special equipment • Effective use of the purchased equipment 	Finance-Economic Activities and Property Management Directorate (FEAPM), RCD	Ministry of Finance – Capital Investment Directorate, Ministry of Interior, Border Police, Local authorities representatives	<ul style="list-style-type: none"> • the SB – 40236 €/per year, • external funds 	80	Transborder cooperation between Bulgaria and Rumania 2000 (incl. in Objective 4.1, p.3)
2. Organisational arrangements for strengthening of the customs points situated on the future external border. The newly employed personnel, as well as the officers working on the Bulgarian-Greek border will be transferred to CAP management	2006	<ul style="list-style-type: none"> • 10 % increasing of the staff, working in the customs on the future external border; • Transference of the officials working on the Bulgarian-Greek border 	ALIS-Human Resources, RCD	MF – Capital Investment Directorate, the relevant border authorities	the SB		
3. Amendments to the legislation (Penal Code and Penal Procedure Code, etc.) required for the efficient implementation of the relevant European penal procedures to protect the future EU external border	2005	<ul style="list-style-type: none"> • Getting additional and extended powers for border and inland control on individuals, goods, means of transport, documentation and corporate records on the border and inland • Improvement of the Instruction for Cooperation with Ministry of Interior 	NCA, CII, ALIS, European Integration and International Cooperation Directorate (EIIC)	Ministry of Finance, Ministry of Interior, Specialised Investigation Service	the SB – 100590 €/per year	20	

- Human resources administrative capacity in total: 92 = 463 000 €/per year

Objective 1.4. Providing of technical and organisational compatibility with the with the TAXUD systems – communication and technological adjustment

Additional strategic papers:

- Strategy for building, introduction and development of BICIS
- Blueprints “Computerisation” and “Infrastructure and equipment”

Activities	Implementation dates	Performance indicators	Responsible units	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Elaboration, adoption and regular updating of long-term program on capital investments for the required infrastructure, equipment and system software (by 2006, including development of WAN – national extended network for information data exchange)	Gradually by 2006	<ul style="list-style-type: none"> • Well-functioning needs planning methodology • Organisation and equipment arrangement of customs , situated on EU external border and its implementation • Existence of plans indicating the fulfilled activities under the following points: <ul style="list-style-type: none"> * building * equipment * the effective use of the latter; • Functioning communication procedures in all BCA units 	FEAPM, CSA, RCD	Ministry of Finance – Capital Investment Directorate, Ministry of Regional Development and Public Works, Ministry of Interior, Information service AD	<ul style="list-style-type: none"> • the SB– 125738 €/per year; • 6, 9 millions € from WB; • 2,5 millions € from Transborder cooperation under 2001 PHARE 	25	
1.1. Implementation of methodology for analysis on expenses-benefits concerning the assessment of supplies needs	2004				<ul style="list-style-type: none"> • the SB – 35207 €/per year • NPAA: <ul style="list-style-type: none"> *12 000 € under PHARE 2003, *25 000 € under PHARE 2004 (incl. p.1.2) 	7	
1.2. Implementation of a system for managing the stock available	2004				Included in p. 1.1.		

<p>2. Development of IT connectivity with GD TAXUD of the European Commission</p>	<p>31.12.2005</p>	<p>Functioning technical devices and communication procedures</p>	<p>CSA</p>	<p>Ministry of Finance – Capital Investment Directorate Information Service AD</p>	<ul style="list-style-type: none"> • the SB - 477803 €/per year • NPAA: 0.5 millions €/per year from the SB, 3 millions € under PHARE 2002 <p>Applicable development of the requirements for connection with the EU systems at national level as a part of the BICIS – 4.8 millions € (to be approved)</p>	<p>95</p>	<p>- 250 000 € from the State Budget</p>
<p>3. Implementation of BICIS (Automation of key activities of the BCA, as well as automation of the customs information resources management)</p> <p>Development of BICIS modules:</p> <ul style="list-style-type: none"> • Customs clearance - 2002 • Transit management - 2004 • Customs debt (financial sub-system) - 2002 • Customs intelligence and investigation - 2003 • Customs authorities decisions - 2003 • Human resources - 2003 • Inspectorate - 2005 • Referent data module – systems for Integrated Tariff management - 2005 	<p>Gradually up to 2006</p>	<p>Functioning IT systems, automating the NCA's activity</p>	<p>NCA, CSA, EIIC-PHARE Department, FEAPM, RCD</p>	<p>- Ministry of Finance - Information Service AD - other state agencies, - National Statistics Institute, - Customs Administrations of the Member States, - Customs administration of the associated countries - European Commission</p>	<ul style="list-style-type: none"> • the SB – 477803 €/per year • PHARE 2002 Program • 1 million € from the SB • NPAA: 4 millions € under PHARE - 1, 5 millions € from the SB 	<p>95</p>	<p>Modernisation of the working places</p>

• Human resources administrative capacity in total: 222 = 1.12 millions €/per year

Objective 1.5. Connecting the Bulgarian Transit Systems with the Transit Systems of the Community

Additional strategic papers:

- Convention on Common Transit
- Convention on the simplification of formalities in trade in goods (Convention on Single Administrative Document)
- Strategy for building, introduction and development of BICIS
- Blueprint “Transit”

Activities	Implementation dates	Performance indicators e	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Accession to the Convention on Common Transit and Convention on the simplification of formalities in trade in goods accession activities	31.01.2004	Participation in the working groups under CCT and CSAD, considering the special status of observer	CRP , CSA, EIIC, CII, AIS, RCD	Ministry of Finance	•2001 National PHARE Program (incl. Objective 1.1, p.1.1) •the SB – 35207 €/per year	7	
Transit centre building	31.01.2004	Exploitation of a specific centre, in accordance with the transit systems development	CRP , CSA, EIIC, CII, AIS RCD	Ministry of Finance	the SB - 40236 €/per year	8	
Development of national transit system, corresponding to the Common transit system which is currently reformed	01.01.2004	<ul style="list-style-type: none"> • Implementation of the provisions in the national legislation; • Adoption and entering into force of the relevant legislation 	CRP , CSA, EIIC, CII, AIS, RCD	Ministry of Finance	•2001 National PHARE Program (incl. Obj. 1.1, p.1.1) •the SB – 35207 €/per year	7	

Note : The date on which the CCT and CSAD will become operative for the Republic of Bulgaria is conditional, depending on the concrete invitation for accession

- Human resources administrative capacity in total: 22 = 111 000 €/per year

Objective 1.6. Preparation of the Customs Administration to perform the tasks related to the implementation of the Common Agricultural Policy.

Additional strategic papers:

- The CAP papers

Activities	Implementation dates	Performance indicators	Responsible units	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Analysing the customs control related with CAP in the member states and choosing an appropriate model one to be implemented in Bulgaria	2003	Choose of the proper control and development of action plan	ALIS – Human Resources Department, TP, RCD	Ministry of Finance, Ministry of Agriculture and Forestry, Relevant Agencies, European Commission	<ul style="list-style-type: none"> • Necessary external funding (anticipated funding under a PHARE Project) • the SB – 80472 €/per year 	16	
Active cooperation with the responsible ministries for the implementation of CAP, in particular with respect to the border control measures (*) regarding the human resources and training see p.1.7 and p.1.8	2005	<ul style="list-style-type: none"> • Implementation of the relevant customs control regulations; • Working out of the required expertise on CAP measures; • Development of the appropriate organisation at local level 	ALIS – Human Resources Department, TP, RCD	Ministry of Finance, Ministry of Agriculture and Forestry, Relevant Agencies, the customs administrations of the EU Member States, European Commission	<ul style="list-style-type: none"> • Necessary external funding • the SB 		

- Human resources administrative capacity in total: 16 = 80 000 €/per year

Objective 1.7. Improvement of human resources management.

Additional strategic papers:

- Strategy on human resource organisation and management
- Strategy on qualification and specialisation of the staff the Customs Administration
- Blueprints “Organisation and management” and “Human resource management”

Activities	Implementation dates	Performance indicators	Responsible units	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Elaboration of a Plan on the human resources needed to implement the aquis as of the date of accession to the EU	2002-2003	Existence of the relevant papers	ALIS – Human Resources Department	Ministry of Finance	<ul style="list-style-type: none"> • the SB – 60354 €/per year • 0.5 millions € under PHARE 2001 (incl. p. 2,3,4) 	12	
2. Achievement of full conformity of employment rules with the EU standards	2006	<ul style="list-style-type: none"> •Alignment of status and remuneration of customs • Employment rules and contracts are updated in line with national provisions, corresponding to the EU legislation 	ALIS – Human Resources Department	Ministry of labor and social policy	<ul style="list-style-type: none"> • the SB – 60354 €/per year • PHARE 2001 (incl. in p.1) 	12	
3. Development of integrated personnel management systems for recruitment, management and assessment of the professional performance , promotion and career development, training, transfer, dismissal, retirement, remuneration and working conditions	Gradually by 2005	<ul style="list-style-type: none"> •National PHARE 2001 program Project HR Management and Organisation and Management •Balanced recruitment of specialised experts to ensure the needs of the relevant functional departments • Performance assessment criteria •Prepared job descriptions for all classes officials and for their positions 	ALIS – Human Resources Department, RCD	Ministry of Finance	<ul style="list-style-type: none"> •the SB – 40236 €/per year • PHARE 2001 (incl. in p. 1) 	8	
4. Development of a system for motivation, penalties and providing of conditions stimulating highly qualified personnel to work at the Customs Administration		<ul style="list-style-type: none"> •Questionnaires for assessment of system functioning fulfilled by the officials. The results are indicators for personnel policy improvement 	ALIS, the Management of the NCA		<ul style="list-style-type: none"> •the SB – 25148 €/per year, • PHARE 2001 (incl. in p.1) 	5	

- Human resources administrative capacity in total: 37 = 186 000 €/per year

Objective 1.8. Adaptation of the training system to the development of the Customs Administration

Additional strategic papers:

- Strategy on qualification and specialisation of the staff the Customs Administration
- Blueprint “Training”

Activities	Implementation dates	Performance indicators	Responsible units	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
Regular analysis of training priorities and needs	Permanently	<ul style="list-style-type: none"> • Annually fulfilled questionnaires by all Heads of Customs and customs officials; • Reports on the training needs analysis submitted to the top management • Training plans reflecting the training needs analysis 	NTC, RCD		the SB – 201180 €/per year	40	
Regular update of the BCA personnel Qualification and Specialisation Strategy in line with the tasks, related to the EU membership, including the increased number of foreign language courses	Permanently	<ul style="list-style-type: none"> • Each official to be familiar with the relevant for his/her responsibilities <i>acquis</i> • Knowledge of at least one foreign language on medium level by all customs officials 	NTC, RCD		the SB – 25148 €/per year	5	
2.1 Customs officials training on new functions and responsibilities resulting from the CAP	Gradually by 2006	<ul style="list-style-type: none"> • Development of training modules on CAP; • Training courses performed in all Customs 	NTC, CRP, TP, RCD	Ministry of Finance, Ministry of Agriculture and Forestry, relevant State Agencies	<ul style="list-style-type: none"> • the SB – 25148 €/per year • the PHARE Program 	5 Lecturers from CCD or pay-roll trainers are required	
2.2 Training of personnel on Post-clearance control	Gradually by 2003	Skilled experts in corporate audits	NTC, Post-clearance control Directorate (PC)		<ul style="list-style-type: none"> • the SB – 50295 €/per year • the PHARE 2001 Program (incl. Objective) 	10	

Activities	Implementation dates	Performance indicators	Responsible units	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
					1.1, p. 1.5)		
2.3 Training of personnel working with the BICIS Customs Debt module, as well as training on implementation of European deferring, recovery and remission of customs debts practices	Gradually by 2006	<ul style="list-style-type: none"> •Development of Customs Debt training module •Courses for customs officials from all customs on implementation of European deferring, recovery and remission of customs debts practices 	FEAPM, NTC		<ul style="list-style-type: none"> •the SB – 321888 €/per year • the PHARE Program 	64	
2.4 Development of training programs for officials working in the State Revenue Collection and Management Departments	Gradually by 2006	Annual courses for personnel working in the State Revenue Collection and Management Departments		Ministry of Finance, Court of Auditors (Training centre)	<ul style="list-style-type: none"> •the SB – 301770 €/per year • the PHARE Program 	60	
1.5 Development of specialised training programs for personnel working in the Customs laboratories	31.12.2002	<ul style="list-style-type: none"> • Adoption of training and development strategy for experts to improve their efficiency • Development of training modules for the customs laboratories officials •Specialisation of customs laboratories officials • Specialisation of customs officers to take samples for analysis •Providing of training for the personnel working in the Customs drugs trafficking intelligence and investigation departments, so that a specialised qualification and specialisation to be achieved 	Central Customs Laboratory (CCL), NTC	Ministries and Agencies concerned	<ul style="list-style-type: none"> • the SB – 20118 €/per year • the PHARE Program 	4	Need of equipment for the purpose of customs officials training in taking of samples for analysis

3. Providing the opportunity for additional qualification, including skills for work with computer	Permanently	<ul style="list-style-type: none"> •150 officials educated in International Economic Affairs and Customs Policy •Computer literacy 	NTC	University for National and World Economy, Foreign languages training centres, Computer literacy training centres, Eurocustoms	<ul style="list-style-type: none"> • the SB – 95561€/per year • the PHARE Program 	17+2 trainers under PHARE Program	
4. Training of trainers	Gradually by 2006	<ul style="list-style-type: none"> •25 trained trainers in CAP • 10 trained trainers in each subject approved in the National training program of BCA, including retraining • 60 trained trainers in Customs Debt module • 60 trained trainers in the training modules on State Revenues Collection and Management 	NTC, RCD	Ministries and Agencies concerned	<ul style="list-style-type: none"> •the SB – 286682 €/per year •the PHARE Program 	57 Increasing the number of NCT trainers and external experts	
5. Improvement of the technical equipment, required for the qualification needs	Gradually by 2006	Appropriate equipment for onsite study	NTC, FEAPM		<ul style="list-style-type: none"> • the PHARE Program • the SB – 5029 €/per year 	1	Additional equipment for study process

• Human resources administrative capacity in total: 265 = 1.333 millions €/per year

Objective 1.9. Fight against corruption.

Additional strategic papers:

- WCO Declaration on integrity (Arusha, July 1993)
- Strategy of the BCA for fighting against corruption and other illegal actions of the customs officials
- Code on customs ethics
- Blueprint “ Customs ethics”

Activities	Implementation date	Performance Indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human Resources	Infrastructure & Equipment
1. Development and implementation of Customs Ethics Code	2002	<ul style="list-style-type: none"> •Making all officials familiar •Reducing the number of the reasonable claims against the work of the customs officials 	ALIS – Human Resources Department and Training Department, Inspectorate	Customs Administrations of the EU Member States	<ul style="list-style-type: none"> • the SB – 25148 €/per year •the PHARE Program 	5	
2. Elaboration and implementation of Program for promotion and support of honest and professional conduct of the personnel	Gradually by 2006	<ul style="list-style-type: none"> •Working mechanism for ethics policy implementation control •Positive change in the BCA image before the public •Significant reduction of the claim number 	Inspectorate, Disciplinary Commission, ALIS	Customs Administrations of the EU Member States	the SB – 100590 €/per year	20	

Activities	Implementation date	Performance Indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human Resources	Infrastructure & Equipment
3. Organisation and procedures implementation, relegating to the minimum extent the corruption possibilities		<ul style="list-style-type: none"> •Regular and random inspections and audits •Existence of systems, indicating to the managers about the risk factors within the structure and personnel •Existence of the systems for mutual exchange of information between the enforcement authorities and the customs administration about customs officers suspected of, or convicted for, criminal offences •Existence of services for receipt of claims and signals for frauds and misconduct of customs officers 	Inspectorate Disciplinary Commission, ALIS, RCD		the SB – 603540 €/per year	120	
4. Implementation of Customs ethics training module	Gradually by 2006	Trained officials	NTC, Inspectorate		<ul style="list-style-type: none"> • the SB – 25148 €/per year •the PHARE Program 	5	

• Human resources administrative capacity in total: 150 = 0.755 millions €/per year

Goal 2: Strengthening of the cooperation between Customs Administration, economic operators and the public

Objective 2.1. Implementation of customs procedures facilitating the legal traffic

Additional strategic papers:

- Convention on the simplification of formalities in trade in goods
- International Convention on harmonisation of border control on goods
- International Convention on the simplification and harmonisation of Customs procedures (Kyoto Convention)
- TTFSE Project

Activities	Implementation dates	Performance indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Undertaking of measures for reducing of waiting times	2002 - 2003	<ul style="list-style-type: none"> • Implementation of “one – window” tax payment system • Forming of control mobile groups and strengthening of the investigations structures efficiency • Reorganisation – seasonal schedules 	CRP, CII, RCD	Ministry of Interior, Ministry of Agriculture and Forestry, Ministry of Transport. Bulgarian Industry Association (BCCI)	<ul style="list-style-type: none"> • WB, • the SB - 46271€/per year 	92	
1.1. Implementation of simplified customs clearance procedures	2003	Launch of the system for facilitated customs clearance and “one – window” tax payment	CRP, CSA, EIIC	BCCI, Economic operators	<ul style="list-style-type: none"> • WB, • the SB – 347035 €/per year 	69	
1.2. Implementation of customs control on the basis of risk analysis	2003	<ul style="list-style-type: none"> • Decreasing with 50 % the number of controlled vehicles on border • Facilitation of the traffic of transit passing and empty lorries 	RCD		the SB – 392301 €/per year	78	
2. Conclusion of agreements for cooperation between the Customs Administration and economic operators	Permanently	Existence of procedures for expedition of urgent delivery	NCA, ALIS, TP, CRP, CSA, CII		the SB – 25148 €/per year	5	
3. Signing of Memoranda of Understanding with trade companies and associations		Procedures for carrying out of preliminary controls on the loading site	NCA, ALIS, EIIC, CRP		the SB – 25148 €/per year	5	

4. Regularly provided briefs to the customs officials on recent developments in trade, on local and international level	2002.	Procedures for providing information to the customs officials	ALIS, TP, CRD	Bulgarian Industry Association, BCCI	the SB – 125738 €/per year	25	
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- Human resources administrative capacity in total: 274 = 1.378 millions €/per year

Objective 2.2. Ensuring transparency of the Customs Administration’s activity and improvement of communication with the economic operators and the public

Additional strategic papers:

- TTFSE Project
- Blueprint “Trade facilitation and relation with business”

Activities	Implementation dates	Performance indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Launching of partnership policy between the customs administration and economic operators, as well as with other governmental institutions	2002	<ul style="list-style-type: none"> •Establishment of Customs Consultative Committee •At least 4 meetings each year 	NCA		the SB– 75443 €/per year	15	
2. Periodical and timely provided information to the economic operators and the public about the proposed amendments to the customs legislation, procedures and documentation	Permanently	<ul style="list-style-type: none"> • Available feed-back with the Press-Services •Development (by 31.1.2002) and maintenance of BCA Web-page 	CSA, ALIS		the SB – 75443 €/per year	15	
3. Working out and regularly updating of booklets containing information about the customs administration powers, to be used by the public and the economic operators	Permanently	Available booklets in all customs and available information in the Internet	ALIS, CSA, Customs Chronicle Magazine		the SB – 75443 €/per year	15	

- Human resources administrative capacity in total: 45 = 226 000 €/per year

Goal 3: Improvement of the efficiency of the collection of customs duties and other state receivables within the competency of BCA

Objective 3.1. Improving the collection of budget revenues

Additional strategic papers:

- Check-list of required administrative conditions for collection of EC own resources
- Blueprint Revenue collection

Activities	Implementation dates	Performance indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Development and implementation of a strategy for revenues collection and management	2002		NCA, FEAPM, CSA, ALIS, RCD		the SB - 191121€/per year	38	
2. Harmonisation of the customs auditing system with the EU requirements regarding the accounting register and control over the own resources of EC Budget		<ul style="list-style-type: none"> •Implementation of the EC accounting system to indicate the customs liabilities on the basis of their A or B type •Implementation of accounting system using the standard codes to identify Budget revenues by tariff headings, by types of liabilities (Common Customs Duty TARIC related, VAT on imports, excise, etc.) by methods of payment, by customs procedures and by liable persons 	FEAPM, CSA		the SB – 407389 €/per year	81	
3. Implementation of instruments for reduction of non-collected receivables, to ensure maximum efficiency		Post-clearance control implementation	TP, PC	Ministry of Finance – Agency for State Receivables	the SB – 372183 €/per year	74	

4. Establishment of administrative structures for customs post-clearance control performance	31.12.2003	<ul style="list-style-type: none"> •Establishment of post-clearance control units in all customs; •10% of total international trade flows to be examined by the post-clearance control units 	PC		the SB – 855015 €/per year	170	
5. Implementation of the customs liability deferred payment		Approved procedure for permission, way of payment, dead lines and control of deferred payment of customs liabilities	FEAPM, CSA, ALIS, RCD		the SB – 25148 €/per year	5	
6. Full powers given to the Customs Authorities in administrating the excises			NCA	Ministry of Finance			
7. Implementation of internal audit system, required for making of audits on calculation and accounting of traditional own resources and training of internal auditors for joint audits with European Commission,	2004	<ul style="list-style-type: none"> •Proper calculation of customs duties •Well-functioning system for carrying out of regular and random checks of customs offices •Plain definition of powers, responsibilities and tasks of the authorities for internal financial control •Analysis, control and reduction to the minimum level the cases of non-collected state receivables 	FEAPM	Ministry of Finance	<ul style="list-style-type: none"> •the SB – 689042 €/per year •NPAA: the SB – 40000 € 	137	
8. Providing the legal base for audits of the Customs Administration by the EU and the European Court of Auditors			ALIS, NCA		the SB – 75443 €/per year	15	

- Human resources administrative capacity in total: 520 = 2.616 millions €/per year

Objective 3.2. Building of customs laboratories network

Additional strategic papers:

- Blueprint “Customs laboratories”

Activities	Implementation dates	Performance indicators	Responsible unit	External co operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1.Elaboration of a strategy for building, further development and improvement of customs laboratories	31.12.2001	Approval of Strategy for building of customs laboratories network	CCL	NCA, Ministry of Finance	<ul style="list-style-type: none"> •the SB – 20118 €/per year ; •0.5millions € under the PHARE 2002 	4	Including for p. 1.1 and p. 2.2 - 2.65millions € under the PHARE 2002 Program
1.1. Further equipment of the existing Central Customs Laboratory in Sofia and the Regional Customs Laboratory in Rousse with the required analytical devices and facilities	Gradually by 2006	Purchase of laboratory equipment for accomplishing at least 70 % of the necessary examinations and customs laboratory expertise, according to the Customs Administration responsibilities	CCL	NCA, Ministry of Finance	the SB – 20118 €/per year	4	Total for all customs laboratories per year: 2002 –35.5 000 € the State Budget - Sofia: 2003 – 30 000 € 2004 – 25 000 € 2005 – 20 000 € 2006 – 35 000 € - Rousse: 2003 – 20 000 € 2004 – 10 000 € 2005 – 10 000 € 2006 – 10 000 €
1.2. Building of Regional Customs Laboratories in Plovdiv, Bourgas (mobile) and Varna and equipment with the required analytical devices and facilities	Gradually by 2006	<ul style="list-style-type: none"> • Increasing of customs laboratories capacity and achievement of minimum 90% of the analytical work for support of Customs Administration in finding out the nature of goods and prevention of illicit traffic and goods •Providing additional capacity for analyses of petroleum produces in the Regional Laboratory in Bourgas 	CCL	NCA, Ministry of Finance	the SB – 15089 €/per year	3	the State Budget - Plovdiv: 2003 – 20 000 € 2004 – 10 000 € 2005 – 10 000 € 2006 – 10 000 € - Bourgas: 2003 – 15 000 € 2004 – 5 000 € 2005 - 5 000 € 2006 – 5 000 € - Varna: 2003 – 20 000 € 2004 – 15 000 € 2005 – 10 000 € 2006 – 15 000 €

Activities	Implementation dates	Performance indicators	Responsible unit	External co operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
3. Development and implementation of well-functioning customs laboratories and obtaining of accreditation of the National Accreditation Service (NAS)	31.12.2006	<ul style="list-style-type: none"> •Customs laboratories working as a system supplied with the required analytical equipment methods for analysis considering the tariff classification, origin of goods, binding tariff information, and the combat against illicit traffic; •Implementation of a control system on quality and accreditation of laboratory methods, in accordance with ISO EN 17025 standards •Customs laboratories are in position to provide the required technical and scientific support to the Customs Administration enabling the accomplishment of its strategic goal for reorganisation and modernisation in line with EU requirements 	CCL	NCA, Ministry of Finance, NAS	the SB – 40236 €/per year	8	
3.Implementation of unified system for finding out and making available to customs staff and stakeholders of the laboratory analysis reports	Gradually by 2006	<ul style="list-style-type: none"> • Implementation of standards for finding out and making available to customs staff and stakeholders of the laboratory analysis reports; • Development of unified laboratory information system (LIMS) 	CCL, CSA	NCA, Ministry of Finance	the SB – 40236 €/per year	8	
4. Development of customs methods for examination corresponding to the main objectives of the strategy and their harmonisation with the European and world practices	Gradually by 2006	Adoption of analytical procedures laid down in the EU legislation	CCL	NCA, Ministry of Finance	the SB – 60354 €/per year	12	

• Human resources administrative capacity in total: 39 = 0.2 millions €/per year

Goal 4: Implementation of the state policy as regards combat against the customs violations, currency offences and organised crime

Objective 4.1. Strengthening of the border and inland control

Additional strategic papers:

- International Convention on harmonisation of border control on goods
- International Convention on mutual administrative assistance for the prevention, investigation and repression of customs offences (Nairobi Convention)
- Strategy for rationalisation of the border operations, applied by the BCA
- Blueprints Investigation and Enforcement and Border and Inland Control

Activities	Implementation dates	Performance indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Development of overall system for customs intelligence and information exchange supporting the investigation and law enforcement authorities	31.12. 2002	<ul style="list-style-type: none"> • Reduction of state revenues gaps, unfair competition and risks for users • Risk analysis method implementation to the fullest extent 	CII, CSA		<ul style="list-style-type: none"> • the SB - 1649676 €/per year , • the PHARE Program (incl. in obj. 1.4., p.3) 	328	
2. Implementation of the Strategy for rationalisation of the border operations	2003	<ul style="list-style-type: none"> • Joint customs operations; • Establishment and development of units working on customs intelligence and units working on customs investigation of smuggling and customs fraud • Establishment of mobile control groups 	ALIS, CII, RCD		<ul style="list-style-type: none"> • the SB – 3069180 €/per year, • 0.5 millions € under the PHARE 2002 Program 	650	- 2.5 millions € under the PHARE 2002 Program
3. Improvement of the cooperation between the Customs Administration and the other border and inland control authorities		Amendments in the CM Regulation No 213	NCA	Ministry of Interior, Ministry of Health, Ministry of Agriculture and Forestry, Ministry of Regional Development and Public	<ul style="list-style-type: none"> • NPAA: 0,002 millions € under the SB • the SB – 50295 €/per year 	10	

Activities	Implementation dates	Performance indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
				Works, Ministry of Transport and Communications, Council of Ministers – State Metrology and Standardisation Agency, Joint Committee on Border Control Check Points			
4. Improvement of cooperation between the control authorities on both sides of the State borders	2003	<ul style="list-style-type: none"> • Introduction of customs exchange of information list; • Exchange of teams 	NCA, RCD	Bulgarian Industrial Association, Ministry of Regional Development and Public Works, Customs Administrations concerned	<ul style="list-style-type: none"> • Transborder cooperation between the Republic of Bulgaria and Rumania - the SB • the SB State Budget – 181062 €/per year • PHARE - 2.5 millions € (for Bulgaria 0.65 millions €) under the Joint Project with the Border Police 	36	-Transborder cooperation between the Republic of Bulgaria and Rumania - the State Budget - the PHARE Program - 2.5 millions € (for Bulgaria 0.6 millions €) under the Joint Project with the Border Police

Activities	Implementation dates	Performance indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
5. Effective protection of the State territory against the importation and exportation of prohibited and restricted goods with a view to the human and animal safety, environment preservation, national security, cultural heritage and intellectual property rights protection	2003	<ul style="list-style-type: none"> • Timely provided exchange of information on protected species; • Building of special premises for temporary storage and salvation of seized prohibited species 	CII, TP, ALIS, EIIC, RCD	Ministry of Interior, Ministry of Environment and Waters, Ministry of Agriculture and Forestry, Joint Committee on Military Industry	<ul style="list-style-type: none"> • the PHARE Project - EU/338/97 Regulation on trade of wild flora and fauna species implementation • the SB – 2876874 €/per year 	Incl. in p. 2	
6. Development, implementation and regular updating of risk profiles for each customs check point		Updating of risk profiles for each customs check point	CII in cooperation with other the directorates, RCD		<ul style="list-style-type: none"> • Project under the PHARE Program (incl. Obj. 1.4., p.3) • the SB – 392301 €/per year 	78	

- Human resources administrative capacity in total: 1102 = 5.34 millions €/per year

Objective 4.2. Optimising the activity on ceasing the illicit traffic of narcotic substances and precursors

Additional strategic papers:

- Strategy for rationalisation of the border operations, applied by the BCA
- International Convention on harmonisation of border control on goods
- National Customs Agency Rules on the organisation of the activities for ceasing and detection of the illicit traffic of narcotic substances and precursors
- Basic principles of the National Customs Agency on the implementation of the WCO Program Alliance between the customs and trade sector in the combat against drugs trafficking
- Blueprints Investigation and Enforcement and Border and Inland Control

Activities	Implementation dates	Performance indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
1. Achievement of international standards as regards technical and human resource capacity	By the end of 2003	<ul style="list-style-type: none"> • Establishment and development of units working on customs intelligence and investigation of crimes related with narcotic substances and precursors • Establishment and implementation of criteria in compliance with the European standards for personnel recruitment; • Development of Bulgarian customs Kynology (establishment and functioning of Customs training school in the Balchik area) 	CII – Customs Intelligence and Investigation of Drugs Trafficking Department	Ministry of Finance	<ul style="list-style-type: none"> • the SB – 1911210 €/per year • Joint UNDCP – PHARE Program for Strengthening Drug Law Enforcement Capacities in South Eastern Europe; • Contract under the PHARE Program – Strengthening of the border control Project – p. 3. 	347	
2. Participation in specialised international units for combating against illicit drugs trafficking	Permanently	<ul style="list-style-type: none"> • NCA officials attached to the international units 	CII – Customs Intelligence and Investigation of Drugs Trafficking Department	Units concerned	<ul style="list-style-type: none"> • the SB – 25148 €/per year 	5	

Activities	Implementation dates	Performance indicators	Responsible unit	External co-operating units	Financing	Administrative capacity	
						Human resources	Infrastructure & Equipment
3. Strengthening of the cooperation and the exchange of information with the other law-enforcement authorities and the judiciary	By the end of 2004	<ul style="list-style-type: none"> • Participation of the NCA in the establishment of national intelligence centre on drugs, together with the specialised services of the Ministry of Interior; • Participation of the NCA in the development of national strategy on combating illicit drugs trafficking 	CII – Customs Intelligence and Investigation of Drugs Trafficking Department		<ul style="list-style-type: none"> • the SB – 25148 €/per year • Program on the partnership for development of National strategy on combating illicit drugs trafficking 	5	

- Human resources administrative capacity in total: 357 = 1.97 millions €/per year

ATTACHMENT 3

STRATEGY

FOR SETTING UP, IMPLEMENTATION AND DEVELOPMENT OF THE BULGARIAN INTEGRATED CUSTOMS INFORMATION SYSTEM (BICIS)

Objective of the strategy – development and implementation of the Bulgarian Integrated Customs Information System (BICIS).

Need of a strategy – the above-mentioned objective can be reached by a combination of activities subject (subordinate) to an integrated strategy needed to upgrade from obsolete to recent information technology.

INITIAL SITUATION

Legislation – the customs activities and the functions and tasks of the customs administration related to them are regulated by the Customs Act, the Implementing Regulation of the Customs Act and other legislative provisions.

Structure and organisation of the customs administration – centralised system comprising of four levels:

- General Customs Directorate
- Regional Customs Directorates (5)
- Customs houses (7)
- Customs bureau's and customs border points (97)

Information technologies – the information technologies that are currently used comprise of:

- Centralised coverage of the customs declarations in the Data Processing Centre of the Ministry of Finance, where after processing various information reports, necessary for the General Customs Directorate and other institutions, are extracted and the obtained database is submitted to the National Statistical Institute for the purpose of foreign trade statistics production.
- Various products based on DOS/Clipper which are not linked into an integrated system – Plovdiv, Rousse, Kjustendil, Vidin, etc.
- AIS Customs 3.0 product based on a modern platform – UNIX/INFORMIX and operating at the Airport Sofia Customs House and Trade Complex Europe Customs Bureau, Silistra Customs House, Varna Regional Customs Directorate and four of the customs bureau's in it. This product is in compliance with the criterion for a BICIS base.

Hardware and basic software – due to the low technical level of hardware and basic software in the customs administration which cannot cover the requirements for development of a modern information system under the guidance of the Ministry of Finance and through financing under Decision of the Council of Ministers N 488 of 17.09.1998:

- In 1998 modern hardware and basic software were purchased.
- From 01.01.1999 to 31.05.1999 IMB built cable systems for all customs offices were delivered as complete computer networks with computers, servers and printers installed according to the deployment in Annex 1.

In the buildings of the General Customs Directorate (1, Aksakov str. and 22, Maria Louisa str.) structured cable systems have been built, the active network equipment was upgraded. The speed and capacity of the network was increased. Within the fibre-optic backbone which is being developed for the state administration in Sofia the leased line between the two buildings was replaced with fibre-optical line and fibre-optic line was provided linking the GCD with the Ministry of Finance and thus with all other ministries and state institutions in Sofia.

Target situation – development and implementation of Integrated Customs Information System corresponding (compliant) both to the accession requirements laid down in the Blueprint and to the specific national requirements in two aspects:

- **Territorial** – to be operational in all customs offices, defined for automation.
- **Functional** – to cover all the functions and tasks of the customs administration, defined by the Customs Act, the Implementing Regulation of the Customs Act and other legislative provisions, designated for automation.

Components of the Strategy and development and implementation of the BICIS – the Strategy consists of two main components – project management and project implementation.

PROJECT MANAGEMENT

Operational management – the operational management of the project for development of the Integrated Customs Information System will be carried out by the specialised IT units within the customs administration – “Customs Statistics and Automation” Directorate in the General Customs Directorate and “Customs Statistics and Automation” Divisions in the Regional Customs Directorates and customs houses.

Global management – in the different stages of the BICIS development important decision beyond the competencies of the officers responsible for the operational management will have to be taken. This kind of management is assigned to the Steering Committee for development and implementation of BICIS, established with an Order of the Director General of GCD.

Decisions – the decisions of the Steering Committee for development and implementation of BICIS enter into force after co-ordination with “Management and Information Technologies” General Directorate within the Ministry of Finance in view of co-ordination with the overall IT policy of the Ministry of Finance.

PROJECT IMPLEMENTATION

Implementation of the technical environment

Hardware – servers, computers, printers and other equipment have been purchased and integrated into computer networks on the basis of the structural cable systems established in the customs offices. On specific stages of the BICIS development it may be possible additional equipment to have to be bought, the networks in the customs offices and the General Customs Directorate to have to be extended as well as new equipment to have to be purchased and new structural cable systems to have to be developed in newly established customs offices as foreseen at the frontiers with Turkey, Greece and Macedonia.

Basic software – after the selection and delivery of the operating system (UNIX) Database management system (DBMS) should be selected and delivered. According to the Contract between the Ministry of Finance and “Information Servicing” SA of 28.12.1998 and Addendum N 2 to it (Annex 2), the delivery of Database management system will be carried out by “Information Servicing” SA and the selection will be made through tender procedures, approved by the Ministry of Finance. For the purposes of the development of the competitive procedures for selection of DBMS the GCD submits to the Ministry of Finance a document “DBMS for the BICIS selection criterion specific for the Bulgarian Customs Administration” endorsed by the Steering Committee for building up (establishment), implementation and development of BICIS.

Communications – the BICIS needs communications compliant with the requirements for high speed of transfer, reliability and data protection. The development of such communications requires a considerable amount of resources – funds, time, and human resources and for this reason it is economically feasible to develop a common communication solution within the Ministry of Finance which to serve the BICIS too. The selection of contractors for the communication solution will be done in the same way as for the DBMS (laid out above). For the purposes of the relevant competitive procedures development the GCD submits to the Ministry of Finance a document “Requirements for the BICIS communication solution”, endorsed by the Steering Committee for development and implementation of BICIS.

Implementation of the application environment – the customs administration develops Bulgarian Integrated Customs Information System (BICIS) using as a core of the application environment the AIS Customs software product that is in compliance with the new customs legislation (version 3.0) and is owned by the General Customs Directorate. This decision is based on the Proposal by the members of the PHARE Steering Committee from the meeting carried out on 13.01.1999 approved by the Director General of Customs (Annex 3) and the consequent (following a proposal by the General Customs Directorate) Decision N 522/21.07.1999 of the Council of Ministers for cancellation of Decision N1186/17.09.1996 for selection of the software product ASYCUDA as a core of the customs information system (Annex 4)

Development of a Business (Technological) model of the customs activities

Approach – the complete Business model of the customs activities is a technological description of the variety of functions and tasks assigned to the customs administration with the Customs Act, the Implementing Regulation of the Customs Act and other legislative documents of the first and second level. The development of a complete Business (Technological) model of this complex and compound activity will require considerable time and will delay the short-term achievement of advantageous (beneficial, effective) results from the information system. For this purpose, in view of speeding up the process of development of the BICIS and taking into account the availability of the AIS Customs software product, the development of the complete Business model of customs activities will be done in stages. Following this approach, the stages of development of the Business model determine to a great extent the stages of development and implementation of the BICIS and for that reason, the scope of each stage of the Business model development (the groups of functions and

tasks which will be described in the stage) is defined by the Steering Committee for building up (establishment), implementation and development of BICIS taking into account the priorities of the customs administration and the international obligations it has undertaken on one hand and the availability of resources on the other – IT experts, funds, etc.

Contractors – the stage-by-stage development of the Business model is completed jointly by experts competent in the scope of the corresponding stage and IT specialists.

Endorsement – each stage is endorsed by the Steering Committee for development and implementation of BICIS and becomes an integral part of this Strategy.

Development of the Target model of the BICIS

Approach – the complete Target model of BICIS is a detailed description, at the levels of the customs administration, of the functions of the information system grouped in sub-systems that cover the complete Business model of the BICIS. In this reference the development of the Target model of the BICIS will be done in stages identically with the approach for development of the Business model of the customs activities. The scope of the Target model in each of the stages includes a complete description, at the levels of the customs administration, of the functions of the BICIS that cover the part of the customs activities included in the corresponding stage of the Business model development.

Conformity with the accession requirements in the field of customs – each stage of the Target model development considers the blueprint requirements in the key area of Computerisation of customs and takes into account the results of the gaps analysis.

Contractors – the stage-by-stage development of the Target model is completed jointly by experts competent in the scope of the corresponding stage and IT specialists.

Endorsement - each stage is endorsed by the Steering Committee for development and implementation of BICIS and becomes an integral part of this Strategy.

Definition of the stages of development and implementation of the BICIS – the stages are time planning of the consecutive (consistent) and gradual realisation of the Target model and its implementation in specific customs offices. Each stage consists of the following basic elements:

Functional scope – the functions from the BICIS Target model, which will be developed and/or implemented within the stage.

Territorial range – the customs offices in which the functions included in the functional range of the stage will be implemented and put into operation.

Period – the whole period for development and/or implementation of the functions from the functional range of the stage in the customs offices from the territorial range of the stage.

The basic elements of each stage are defined by the Steering Committee for development and implementation of BICIS taking into account the priorities of the customs administration and the international obligations it has undertaken on one hand and the availability of resources on the other (IT experts, funds, etc.) and the dependence on the fulfilment of other activities related to the development of the BICIS (development of communications by the Ministry of Finance, organisation of training by “Information Servicing” SA, etc.)

The basic elements of each stage are described in an Action Plan for the stage, which is endorsed by the Steering Committee for development and implementation of BICIS.

Implementation of stage I of the development and implementation of the BICIS – the implementation of the stage observes the following sequence of activities:

- **Assignment of the organisation of the stage implementation** – the organisation of the stage implementation is assigned to “Information Servicing” SA according to the Contract between it and the Ministry of Finance dated 28.12.1998 and Addendum N 2 to this Contract dated 31.05.1999.
- **Development of a Plan for stage I of the BICIS development and implementation** – it is endorsed by the Steering Committee for development and implementation of BICIS and comprises functional range of the stage (the functions included in the Target model for the first stage), territorial range of the stage (the customs offices which the first stage will cover), description of the activities and their allocation throughout the whole period of the stage (timetable), evaluation of the resources necessary for the stage – staff, funds, etc.
- **Selection of sub-contractors** – according to art. 7 of Addendum N 2 of 31.05.1999 to the Contract between “Information Servicing” SA and the Ministry of Finance dated 28.12.1998 the selection of sub-contractor is made through competitive procedure endorsed by the Ministry of Finance. For the purposes of carrying out the competitive procedures for selection of sub-contractors the General Customs Directorate submits to the Ministry of Finance an endorsed “Action Plan for stage I of the BICIS development” with annexed BICIS Target model for the first stage, Business model of the customs activities for the first stage, legislative documents regulating the customs activities as well as the complete documentation of the AIS Customs software product which will be the core of the BICIS.
- **Development of Technical-economic project for the stage** – on the basis of the documents submitted at the selection of sub-contractors and after gaps analysis between AIS Customs 3.0, defined as a core of the BICIS and the Target model of the BICIS for the first stage the organiser of the implementation of the stage and the selected sub-contractors develop a Technical-economic project for the stage which is endorsed by the Steering Committee for development and implementation of BICIS.
- **Actual implementation of the stage** – implementation of the activities designated (determined, specified) for this stage according to the Plan – development of functions of the system, implementation, testing operation (exploitation). This is carried out under the supervision of the officers under p. V.1 of the Strategy.
- **Training** – the training is conducted following a Training Programme, which will be endorsed by the Steering Committee for development and implementation of BICIS and will become an integral part of this Strategy. The Training Programme will comprise three parts: training of system administrators (OS, DBMS), training of application administrators, and training of BICIS users. After the endorsement of the training programme its implementation will be provided by “Information Servicing” SA according to art. 2-6 of the Contract between “Information Servicing” SA and the Ministry of Finance dated 28.12.1998.
- **Acceptance of the results of the stage and putting into normal operation** – commissions assigned by the Director General of the General Customs Directorate evaluate and record the results achieved during the stage and on this basis the Steering Committee for development and implementation of BICIS endorses the overall acceptance of the stage and permits (authorises) the putting of the system into normal operation (exploitation).

- **Carrying out of activities related to the normal operation (exploitation) of the BICIS** – from the moment of putting the system into normal operation specific exploitation activities have to be carried out continuously in order to ensure its correct (regular) and reliable operation. For this purpose a document “BICIS operation activities” is developed in coordination with the “Management and Information Technologies” General Directorate within the Ministry of Finance and taking into account the Contract between “Information Servicing” SA and the Ministry of Finance dated 28.12.1998. This document describes in detail the BICIS exploitation activities and indicates the officers responsible for their accomplishment. It is endorsed by the Steering Committee for development and implementation of BICIS and becomes an integral part of this Strategy.

Implementation of the next stages of the development and implementation of the BICIS – it is carried out following the above-described sequence of activities the contents of which can be changed before the start of the stage taking into account the specific nature of the stage.

ANNEXES (NOT ATTACHED)

Annex 1 –Allocation of computer equipment and basic software

Annex 2 –Addendum N 2 dated 31.05.1999 to the Contract between the Ministry of Finance and “Information Servicing” SA and the Contract between the Ministry of Finance and “Information Servicing” SA of 28.01.1998

Annex 3 –Memorandum from Mrs. Tonchovska, Head of “Institutional Building and PHARE Programme” Department to Mr. Minev, Director General of the GCD reference Summary minutes from the PHARE Steering Committee meeting of 13.01.1999; Summary minutes from the PHARE Steering Committee meeting of 13.01.1999 and Proposal by the members of the PHARE Steering Committee

Annex 4 –Decision N 522/21.07.1999 of the Council of Ministers

ATTACHMENT 4

SUMMARY OF THE STRATEGY FOR RATIONALISATION OF BULGARIAN CUSTOMS ADMINISTRATION'S BORDER OPERATIONS

INTRODUCTION

The Strategy for rationalization of the BCA border operations is based on the Business Strategy (BS) and the Detailed Action Plan for the implementation of the objectives and tasks included in the BS, the objectives of the state fiscal policy, the national legislation and the preparation of the Republic of Bulgaria for accession to the European Union (EU). It defines the main priorities, objectives and areas of BCA activity in the field of reinforcement of border control and defines the methods for their achievement.

Taking into consideration the fact that Bulgaria is a transit country, as well as the prospect of future membership in the European Union, it is necessary a review of the control methods applied at the borders to be performed. This Strategy and the related Action Plan establish the framework of the activities for preparation of the Republic of Bulgaria to ensure proper and uniform application of the European Legislation along the future external borders of the European Union.

THE ROLE OF THE BULGARIAN CUSTOMS ADMINISTRATION IN CONDUCTING BORDER CONTROL

The Bulgarian Customs Administration is in charge of the border customs control over goods and vehicles and relevant activities – customs clearance, fight against customs and currency violations and fraud, protection of intellectual property rights, etc.

The Bulgarian Customs Administration applies customs legislation that is to a great extent harmonised with the EU Acquis Communautaire. The customs clearance is performed at border and inland customs premises, which facilitates the procedures on the border. Considerable improvement of the border operations will be achieved through the implementation of the Bulgarian Integrated Customs Information System (BICIS).

The Bulgarian Customs Administration attaches high importance to the fight against customs fraud, illegal trafficking and currency violations. The Bulgarian Customs Administration has achieved good results in terms of number of seizures and confiscated heroin.

The Bulgarian Customs Administration is in the process of introducing risk analysis methods, fully compliant with those applied by the Member States. Border controls are based on selectivity of suspicious goods, passengers and vehicles techniques. Individual risk profiles of the customs border check points have been developed, taking into account the specificities of the relevant region. The factors related to a concrete type of risk, related to the risk level of the risk region, have been analysed. Selectivity profiles have been developed at a regional level, with the purpose of channelling the control of vehicles, passengers and freights.

Further improvement of the efficiency of the border control operations through development of "Risk analysis and selectivity" module of the Bulgarian Integrated Customs Information System (BICIS) is planned for year 2002. Additional positive effect over the border customs control will be achieved through the rationalization of the inland control in the country territory through implementation of control via mobile groups and post clearance control.

The Republic of Bulgaria has adopted a legal framework, guaranteeing the protection of intellectual property rights, fully harmonized with the Acquis Communautaire, including border measures for protection of intellectual property rights. A satisfactory level of cooperation between all institutions involved in the fight against piracy and intellectual property rights violations has been achieved.

Performing its functions related to border control, the Bulgarian Customs Administration has a policy of staff reallocation and appropriate staff training. The Bulgarian border check-points have unified infrastructure, depending on the specifics of the relevant transport mode.

Currently, the border check-points are 51, and 7 new ones are to be opened. Actions for improvement of the information exchange and communications between the border check points and the customs administration units, have been undertaken.

Border control is performed and by The National Border Police Service authorities who are responsible for the security of the state border and the control of passengers. The Medico-Sanitary, Veterinary, Phytosanitary, Standardisation authorities and other border control authorities also perform their specific duties within the framework of the border operations.

Cooperation with other administrations, performing border control, including the National Border Police Service, will be developed in the line of efficient distribution and clear distinction of the competencies between the authorities, in conformity with the International Convention for harmonization of border control of goods and the Instruction for cooperation between the customs and Ministry of Interior authorities, which is currently in a process of amendment.

The legal basis of the institutional cooperation in the context of border control is being updated. An Interministerial Council on the border control check points issues was established, where all border control authorities are presented. The main task of the Council is the improvement of the coordination between these services with the aim of speeding-up the border crossing.

A very good cooperation between the Bulgarian Customs Administration and the administrations of the neighboring countries along all land borders of the country has been established. Further improvement in this field will be achieved through development of common border check-points with neighboring countries.

MAIN OBJECTIVE OF THE BULGARIAN CUSTOMS ADMINISTRATION IN THE FIELD OF BORDER CONTROL

The Main objective of the Bulgarian Customs Administration is facilitating the legal traffic of passengers and goods, by performing systematic and effective customs control at the ports, airports and land border posts. In that context highest priority is attached to the future external borders of the European Union.

The fact that most of the Bulgarian borders will become external borders of the expanded European Union and the variety of borders (land, sea, river and air borders) requires the strategic objectives of the BCA to be directed to:

- Improvement of the co-operation with the customs administrations of the neighbouring countries and reduction of the time for customs clearance at the border;
- Improvement of the co-operation with the other border control administrations;
- Strengthening the fight against customs and currency violations and fraud;
- Ensuring sufficient and qualified staff for supporting the border control;
- Provision of infrastructure, technical facilities and equipment for supporting the customs control;
- Development of relations with the trade and public.

STRATEGIC OBJECTIVES AND TASKS

The objectives and tasks of the BCA are defined on the basis of the following main strategic documents:

- Europe Association Agreement;
- Accession Partnership;
- National Strategy for Membership of the Republic of Bulgaria in EU;
- Position Paper on Chapter 25 “Customs Union”;
- National Program for Adoption of the Acquis;
- Declaration of Endorsement of the Pre-accession Preparation Strategy for the Customs and Tax Administration;
- National Strategy for Preparation of the Bulgarian Customs Administration for Membership in EU and its implementation Programme;
- Business Strategy of the Bulgarian Customs Administration;
- Detailed Plan of the activities for implementation of the objectives and tasks, included in the BCA’s Business Strategy;
- Final Report of Mr. Rainer Beussel, co-ordinator under the project “Reinforcement of Border Controls”;

Objective 1: Improvement of the co-operation with the customs administrations of the neighboring countries and reducing the time for customs clearance at the border

Tasks:

- Development of the legal basis, including bilateral agreements, necessary for the establishment of common border posts with the neighbouring countries in order to facilitate and speed up the border control and to create set up an IT network, providing possibilities for real-time information exchange.
- Concluding bilateral agreements and implementation of common border posts/joint border operations with the neighbouring countries.
- Alleviation of the customs formalities at the border posts by implementing common border posts/joint border operations with the neighbouring countries.

Objective 2: Improvement of the co-operation with the other border control administrations

Tasks:

- Development of a new piece of legislation on the organization of the border posts, in compliance with the International Convention for harmonization of the border control of goods.
- Improvement of the co-operation with the Ministry of Interior, including the National Border Police Service.
- Improvement of the co-operation with the other border control authorities.

Objective 3: Strengthening the fight against customs and currency violations and fraud

- Optimisation of the activities on implementation and functioning of risk analysis and customs control selectivity techniques, assuring systematic, comprehensive, flexible and uniformly applied customs control.
- Improvement of intelligence and investigation activities and establishment of teams for intelligence and investigation of smuggling and customs fraud.
- Improvement of intelligence and investigation of drug-trafficking and further development of the administrative structures for fight against drug-trafficking.
- Provision of the necessary customs powers in the field of investigation and adoption of relevant amendments to the legislation.
- Implementation of inland control via mobile customs groups and adoption of relevant amendments to the legislation.
- Provision of the necessary customs powers allowing the performance of independently controlled deliveries.
- Improvement of the Instruction on the terms of co-operation between customs authorities and the Ministry of Interior in relation to prevention and investigation of customs and currency violations.
- Establishment of Post Clearance Control.

Objective 4: Ensuring sufficient and qualified staff for supporting the border control

Tasks:

- Improvement of the professional qualification of the customs officers and organisation of specialized training in the field of border control in the framework of the Strategy for organization and management of the Human resources.
- Development of a Plan for dissemination of tasks in the customs offices at the border considering their specifics.
- Development of a system for providing additional personnel in the border check points considering the increased traffic volume.
- Issuing of Manuals for the customs officers activities.

Objective 5: Provision of infrastructure, technical facilities and equipment for supporting the customs control

Tasks:

- Establishment of a specialized unit in the Customs Administration, for organisation, planning and development of infrastructure, installations and technical equipment, as well as for technical co-operation with the neighbouring countries and creating a database for modernization of the control techniques.
- Improvement of the check points infrastructure, with particular attention on the future external borders of the European Union.
- Improving the technical facilities of the border check points based on the performed analysis of their activities.

- Achieving full operational capacity of the Bulgarian Integrated Customs Information System (BICIS).

Objective 6: Development of relations with the trade and public

- Issuing of border operations informational brochures.
- Provision of clear and timely information to trade and public on changes in law, procedures and documentation requirements

FINANCING

The activities under the strategic objectives and tasks will be financed by the State Budget, PHARE and TAIEX programmes, as well as by the World Bank Project “Trade and Transport Facilitation in the South Eastern Europe”.

Part of the projects will be implemented without additional investments. In 1998 and 2000, some of them have been already financed by Phare funds, including 1998, 2001 and 2002 National Phare Programmes, Phare 2000 Cross-border Co-operation between Bulgaria and Romania Programme, 1998 – 2001 Joint UNDCP/Phare Programme for Strengthening Drug Law Enforcement Capacities in South Eastern Europe. The remaining funds under these programmes will be allocated mainly for training, consultations and delivery of equipment. The estimated amount for financing under Phare 2002 Programme depends on the agreement to be reached between the Ministry of Foreign Affairs of the Republic of Bulgaria and the European Commission. Therefore, the sources of funds for 2003 – 2004 are subject to change.

ATTACHMENT 5

SUMMARY OF THE STRATEGY FOR ORGANIZATION AND MANAGEMENT OF HUMAN RESOURCES

It is a major priority of the Bulgarian Customs Administration (BCA) to develop highly efficient customs administration on the basis of well-trained staff, fully capable of implementing the customs acquis.

The main tasks of BCA in the field of human resource management are:

- Drafting proposals for human resources management projects on the basis of a assessment of the currently applied system and of the Business Strategy of the BCA;
- Adopting instructions targeted at improving of the legal basis of the human resource management at the National Customs Agency;
- Updating of the internal regulations and further clarification of the respective responsibilities of the customs employees;
- Updating the system of motivations;
- Guaranteeing performance-based career development;
- Promoting public awareness of the prestige associated with the career in the customs administration.
- Development of a methodology of additional motivation of the customs officers;
- Development of a methodology for efficient human resource reallocation and appointment of new staff.
- Regular update of job structures, loadings, gradings and pay scales;
- Development of a performance based management and assessment system;
- Update of the job descriptions for all administrative levels and positions in the administration;
- Developing a system of unified criteria for the selection and appointment of employees in the system of the BCA.

ATTACHMENT 6

SUMMARY OF THE STRATEGY FOR QUALIFICATION AND SPECIALIZATION OF THE STAFF IN THE CUSTOMS ADMINISTRATION

The main objectives of the Bulgarian Customs Administration (BCA) as regards staff training at are:

- to develop training service which supports the implementation of the Business Strategy of the BCA;
- to provide for the smooth introduction of innovations;
- to motivate the customs officers in their professional development;
- to introduce long-term planning of training based on in-depth analyses of the needs and priorities.

The National Training Centre (NTC) coordinates and controls all training forms and activities both on national and regional level. The NTC is in charge of:

- design and implementation of training programmes for trainees, trainers and supervisors;
- development of rules for identification of training needs;
- development of training modules on certain topics in order unification of training methodology;
- organisation of courses for refreshment of knowledge of trainers on practical problems;
- update of training programs for supervisors;
- basic training of the customs officers
- training of operational staff;
- training of supervisors;
- language training, including languages of Balkan states;
- training of trainers.

TRAINING, GAINING A HIGHER QUALIFICATION

Specialised training for gaining a higher qualification ensures the minimum level of professional training needed to adapt to new requirements of the workplace. Apart from training on the newly introduced customs rules, specialised training can be delivered when:

associated with rotation or change in position;

there is a need for ad hoc training on a certain topic;

specific customs activities related to the economical profile of the region where the customs establishment is situated require additional training;

international trade issues connected with customs activities require further training. Currently a 1-year correspondence courses on International economic relations and customs policy is offered in cooperation with the University for National and World Economy - school of higher education on foreign economy and international law.

Specialisations abroad and other options for further training are also open.

OTHER TRAINING

Training also includes:

computer courses and

intensive language courses on customs problems;

TRAINING EVALUATION

Training evaluation provides the opportunity to assess whether training is effective and cost-efficient. It helps improve future training.

Evaluation criteria for the training effectiveness are:

skills acquired by trainees at the end of a particular course;

improvement of job performance as a result of skills acquired;

rate of information learnt versus information presented during a course;

the extent to which training has helped management achieve its training objectives.

SELECTION AND TRAINING OF TRAINERS

Trainers should have:

high professional qualification;

ability to deliver information in a clear way;

good communication and teaching skills;

ability to give an impartial assessment;

The minimum EU standards related to the achievement of effective customs training require it to be delivered by trainers who are trained in:

delivering information to a group of people;

using the methods - " role plays" and "case studies";

making visual presentations;

motivating people and to keeping them interested in the training matters;

planning, management and assessment of training sessions;

team working;

performance evaluation.

Selection of supervisors that will train probationer customs officers at their workplaces must be very precise. The EU requirements to supervisors should be applied:

professional knowledge: theoretical and practical experience;

willingness to work with trainees;

effective communication skills and team working;

to have authority with the colleagues;

professional skills - key values: honesty, impartiality, courtesy, loyalty, etc.

ATTACHMENT 7

SUMMARY OF THE STRATEGY OF THE BULGARIAN CUSTOMS ADMINISTRATION AGAINST CORRUPTION AND OTHER ILLEGAL ACTIVITIES OF THE CUSTOMS OFFICERS

The fight against corruption is a top priority for the Bulgarian Customs Administration. The goal of this Strategy is to outline the measures and activities envisaged to prevent corruption or other illegal actions performed by the customs employees.

The measures limiting the possibilities for corruption and other illegal actions of the customs officers (the prevention approach) envisage the introduction of:

- amendments to the legislation related to the fight against the corruption;
- improved cooperation with other law enforcement bodies;
- improved cooperation with customs administrations from other countries;
- a transparent staff selection policy, based on a clear and simple criteria;
- testing period for all newly appointed employees;
- adequate career training with emphasis on ethics and integrity issues;
- appropriate wages within the affordable limits;
- establishment of motivation funds;
- further social benefits (housing and health care facilities);
- improvements to the system for rotation of the personnel;
- improvements to the internal penalty system to reflect the anti-corruption priorities;
- a system for attestation of the personnel;
- improvements to the system for internal and external auditing including:
strengthening of the Inspectorate engaged with the functions of the internal audit;
organizing of special groups /teams/ for monitoring and tracing;
creating a unit for post-clearance control;
- improvements to the system for receiving, collecting and reacting to complaints related to illegal actions performed by customs officers;
- provision of technical equipment;
- automated the customs procedures guaranteeing uniform implementation of the legislation;
- an open and transparent relationship with the business operator and the society.