

# ANNUAL PROGRESS REPORT

<b>I. Project title</b>	Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration
<b>II. Project DA code</b>	12/13AA; ROA-231-8, IMIS ID: 2922
<b>III. Executing entity</b>	UNECE Co-operating Agencies: UNESCAP, UNESCWA, UNECA, UNECLAC
<b>IV. Reporting period covered</b>	January 2013 – December 2013
<b>V. Financial Implementation rate</b> <i>(in % of the total budget)</i>	4.8%

## VI. SUMMARY OF ACHIEVEMENTS TO DATE

UNECE in close collaboration with UNESCAP, UNESCWA, UNECA and UNECLAC started to implement this project at the beginning of 2013. UNECE developed a project website ([http://www.unece.org/trans/themes/unda\\_customs-to-customs.html](http://www.unece.org/trans/themes/unda_customs-to-customs.html)) to improve information sharing and communications on the project objectives, activities and results. Several countries agreed to be considered as candidate countries for the project. These are Armenia, Azerbaijan, Georgia and Turkey in the UNECE region, Morocco and Tunisia in the UNECA region and Tunisia, Morocco, Jordan, and Lebanon in the UNESCWA region.

In 2013, UNECE, UNESCWA and UNECA also initiated gap-analyses to accurately assess the candidate countries' capacities to electronically exchange transit-related data with their neighboring countries. The gap-analyses are currently being conducted according to standardized criteria and principles to ensure that findings and recommendations can be compared and coherently analysed. Information and data from the gap analyses will be used at the first expert group meeting, which will aim to select the pilot countries (among the candidates). The meeting will also explore the opportunity to start or enhance the exchange of customs-to-customs (C2C) electronic information on transit with neighbouring countries or trade partner, or to develop an Action Plan to introduce a new C2C platform to exchange information.

## VII. REVIEW OF PERFORMANCE INDICATORS AND ACTIVITIES

**Table 1 – Review of Performance Indicators**

<b>Expected Accomplishment</b>	<b>Indicator of achievement (T0)</b>	<b>Indicator of achievement (T1)</b>	<b>Comments</b>
EA1. Increased capacity to exchange secure electronic C2C transit information by the five pilot countries with their neighbouring countries and trade partners.	The five pilot countries will either start or increase the exchange of C2C electronic information on transit with neighbouring countries or trade partner by the end of 2015 or develop an Action Plan setting out the steps needed to introduce a new C2C platform to exchange information and ensure its sustainability over time.  Baseline not yet available.	Planned for 2014-2015	The engagement by the candidate countries has shown their interest in achieving the project objectives.  3 gap analyses were initiated in the UNECE, UNECA and UNESCWA regions and are expected to be completed in early 2014.
EA2. Increased capacity to utilize international standard electronic messages in the field of transit procedures by the pilot countries and their neighbouring countries, in particular B2C information.	Five developing countries or countries with economies in transition increase or make concrete plans to increase the use of standard electronic messages for transit procedures by the end of 2015.  Baseline not yet available.	Planned for 2014-2015	The engagement by the candidate countries shows their interest in achieving the project objectives.  3 gap analyses were initiated in the UNECE, UNECA and UNESCWA regions and are expected to be completed in early 2014.

**Table 2 – Review of Completed Activities**

<b>Activities</b>	<b>Comment</b>
A1.1 - Delivering a first inter-regional Expert Group Meeting (two days) aimed at the assessment of the legal and technical needs of candidate developing countries and countries with economies in transition to extend the exchange of electronic information with other countries (“gap” analysis). The linkages with major existing national and regional computerized transit systems will also be	The activity was partially completed.  A website for the project was developed and launched in July 2013. ( <a href="http://www.unece.org/trans/themes/unda_customs-to-customs.html">http://www.unece.org/trans/themes/unda_customs-to-customs.html</a> )  General Terms of Reference (ToR) outlining standard criteria and common principles for the gap-analysis

<p>assessed and explored. On the basis of studies to be prepared by independent consultants, the Expert Group will determine the selection criteria and nominate at least five pilot countries.</p>	<p>were developed and shared with all cooperating agencies in April 2013.</p> <p>Region-specific TORs for the gap-analysis were prepared by UNECE, UNECA and UNESCWA.</p> <p>Consultants to conduct the gap analysis were hired by UNECE, UNECA and UNESCWA in November and December 2013.</p> <p>The first Expert Group Meeting was postponed to 2014 to allow all Regional Commissions (RCs) to make progress with the preparation of the necessary material for the meeting.</p>
<p>A1.2. Development and deployment of a secure C2C versatile electronic exchange platform, taking due account of the specific challenges faced by developing countries and countries with economies in transition.</p>	<p>Postponed to 2014-2015</p>
<p>A1.3. Provision of technical assistance to national experts in at least five pilot countries to link national or regional Customs IT systems (e.g. ASYCUDA) to the C2C exchange platform or to development of an Action Plan setting out the steps needed to introduce a new C2C platform to exchange information and ensure its sustainability over time.</p>	<p>Postponed to 2014-2015</p>
<p>A1.4. Deliverance of five technical workshops (two days) to build capacity of developing countries and countries with economies in transition to maximise the benefits offered by the C2C exchange platform, to increase their electronic exchange of Customs information with neighbouring countries as well as to adopt international standards when it comes to electronic messages (the project will provide funding for twenty participants at each workshop).</p>	<p>Planned for 2014-2015</p>
<p>A2.1 Delivering a second inter-regional Expert Group Meeting (one day) at the end of the project to present and evaluate the results achieved in the five pilot countries.</p>	<p>Planned for 2015</p>
<p>A2.2 Delivering a seminar (one day and back to back with the second inter-regional Expert Group Meeting) to promote the electronic exchange of customs information and the adoption of standard electronic messages, with special focus on the specific requirement of developing countries and countries with economies in transition on the basis of the results achieved in the five pilot countries (the</p>	<p>Planned for 2015</p>

project will provide funding for 45 participants from developing countries and countries with economies in transition, in particular from countries other than the pilot countries).	
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### VIII. CHALLENGES/PROBLEMS ENCOUNTERED SO FAR

Project implementation has been challenging in view of the significant differences across the participating regions.

**Table 3 – Challenges and actions**

Description of challenge	Action(s) taken to solve the issue, if any
<p>Most implementing agencies considered the budget initially planned for the gap-analysis consultancies as insufficient.</p> <p>Due to the limitation of the 2013 consultancy budget, UNESCAP could not recruit a consultant for the gap analysis.</p>	<p>The 604 (0140) National/Regional Consultants budget for activity 1.1. was increased from USD 18,500 to USD 25,000 (i.e. USD 3,700 to USD 5,000 to each RC). As a result a reduction of the same budget line occurs for activity A1.3. which decreased from USD 150,000 to USD 143,500 (i.e. USD 30,000 to USD 28,700 to each RC).</p> <p>A budget reallocation will be undertaken in 2014 to ensure sufficient funds for ESCAP's gap analysis.</p>
<p>UNECLAC encountered problems in identifying interested candidate countries for the project.</p>	<p>UNECLAC liaised with the nine most active countries in the area of customs integration and presented the project to some participants in a seminar on trade facilitation that took place in Santiago on 23-26 September 2013. Uncertainties about the results of the WTO Ministerial Meeting in Bali had an impact on the countries' reservation to join the project. Additional follow-up with these countries will be ensured.</p> <p>Political differences in the region may also prevent some countries from working together.</p> <p>If no country expresses its interest to join the project, UNECLAC will hire a consultant to conduct a gap-analysis of a group of countries in the region. Based on the results, the RC will liaise with those countries which would benefit the most from joining the project, and will advocate for their engagement.</p>
<p>Late response to questionnaires by candidate countries caused a delay in undertaking the gap analyses.</p>	<p>RCs used their own channels/network to facilitate and speed up the work of the consultant, including liaising with government officials in candidate countries.</p>

### IX. SUPPLEMENTARY FUNDING

No supplementary funding was received in 2013.

In the framework of the eTIR project, Turkey and Italy have started a pilot project to implement an actual electronic exchange of data about TIR transports involving both countries. Turkey and UNECE are now looking for synergies between the UN Development Account (UNDA) project 12-13AA and the e-

TIR pilot project, in particular as concerns the development and deployment of a secure C2C versatile electronic exchange platform (activity A.1.2). These synergies could lead to supplementary funding in the future.

## X. REVISIONS

The 604 (0140) National/Regional Consultants budget line for A1.1 was increased from USD 18,500 to USD 25,000 (i.e. from USD 3,700 to USD 5,000 to each RC) to ensure more funds for the gap-analysis consultancies. The same budget line for activity A.1.3 was reduced from USD 150,000 to USD 143,500 (i.e. from USD 30,000 to USD 28,700 USD to each RC).

## XI. WORK PLAN FOR REMAINING ACTIVITIES

**Table 4 – Remaining activities**

Remaining Activities	Start date	Date of completion
A1.1 Delivering a first inter-regional Expert Group Meeting (two days) aimed at the assessment of the legal and technical needs of candidate developing countries and countries with economies in transition to extend the exchange of electronic information with other countries (“gap” analysis). The linkages with major existing national and regional computerized transit systems will also be assessed and explored. On the basis of studies to be prepared by independent consultants, the Expert Group will determine the selection criteria and nominate at least five pilot countries.	Started in April 2013 with the preparation of common ToR for the gap-analysis	August 2014
A1.2. Development and deployment of a secure C2C versatile electronic exchange platform, taking due account of the specific challenges faced by developing countries and countries with economies in transition.	As soon as the First Expert Group ensures that at least in some pilot countries actual information exchange using a centralized electronic exchange platform is possible. (tentatively by September 2014)	3-4 months later
A1.3 Provision of technical assistance to national experts in at least five pilot countries to link national or regional Customs IT systems (e.g. ASYCUDA) to the C2C exchange platform or to development of an Action Plan setting out the steps needed to introduce a new C2C platform to exchange information and ensure its sustainability over time.	September 2014	March 2015
A1.4 Deliverance of five technical workshops (two days) to build capacity of developing countries and countries with economies in	2014	2015

transition to maximize the benefits offered by the C2C exchange platform, to increase their electronic exchange of Customs information with neighbouring countries as well as to adopt international standards when it comes to electronic messages (the project will provide funding for twenty participants at each workshop).		
A2.1 Delivering a second inter-regional Expert Group Meeting (one day) at the end of the project to present and evaluate the results achieved in the five pilot countries.	2015	2015
A2.2 Delivering a seminar (one day and back to back with the second inter-regional Expert Group Meeting) to promote the electronic exchange of Customs information and the adoption of standard electronic messages, with special focus on the specific requirement of developing countries and countries with economies in transition on the basis of the results achieved in the five pilot countries (the project will provide funding for 45 participants from developing countries and countries with economies in transition, in particular from countries other than the pilot countries).	2015	2015

## **XII.ADDITIONAL INFORMATION**

UNECE developed a website for the project ([http://www.unece.org/trans/themes/unda\\_customs-to-customs.html](http://www.unece.org/trans/themes/unda_customs-to-customs.html)) to enhance the project's visibility and to support communications concerning its objectives, activities and results.

### XIII. FINANCIAL INFORMATION

Object Class	Description	A. Budget/Allotment	B. Actual disbursements	C. Commitments outstanding	D. Total Expenditure	E. Balance Remaining	F. Revisions to allotments (if any)	G. Explanations to revisions
602	General Temporary Assistance	37,000	0	0	0	37,000		
604	Consultants and Expert Groups	0111-Int. consult.:	14,700	0	5,000 <sup>1</sup>	5,000	9,700	
		0140-Nat./reg. consult.:	168,500	0	20,000	20,000	148,500	
		2601-Consult. travel:	19,000	0	0	0	19,000	
		2602-Expert Group (travel):	27,000	0	0	0	27,000	
608	Travel of staff	64,800	0	10,800	10,800	54,000		
612	Contractual services	111,000	0	0	0	111,000		
616	Operating expenses	5,500	0	400	400	5,100		
618	Supplies, Materials etc.	50,000	0	0	0	50,000		
621	Fellowships, grants and contributions	7202 - Workshops:	252,500	0	0	0	252,500	
		7203 - Study Tours:		0	0	0	0	
	<b>Total</b>	<b>750,000</b>	<b>0</b>	<b>36,200</b>	<b>36,200</b>	<b>713,800</b>	<b>0</b>	<b>0</b>

Implementation rate (%)	= 4.8%
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<sup>1</sup> By mistake UNECE charged budget line 0111-Int. consult. instead of 0140-Nat./reg. consult. for the consultancy undertaken by the Georgian consultant in Georgia. This will be corrected in 2014.