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| ANNEX C1: Twinning Fiche**Project title:** Supporting the Accession of Georgia to the Conventions on Transit Area and Launching of the New Computerised Transit System (NCTS) **Beneficiary administration:** Revenue Service, Ministry of Finance of Georgia **Twinning Reference:** GE/16/ENI/EC/01/17(GE 31)**Publication notice reference:**  |

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| **EU funded project*****TWINNING INSTRUMENT*** |

**List of abbreviations**

* AA - Association Agreement
* AEO – Authorized Economic Operator
* AP – Action Plan
* BC – Beneficiary Country
* BCP - Border Crossing Points
* CCP - Customs Crossing Point
* CCZ - Customs Clearance Zones
* CTC – Common Transit Convention
* DCFTA - Deep and Comprehensive Free Trade Area
* DG – Director General
* EaP - Eastern Partnership
* ENPI - European Neighbourhood and Partnership Instrument
* EU – European Union
* EXBS – Export Control and Related Border Security
* G4G – Governing for Growth
* GRS - Georgia Revenue Service
* IBM – Integrated Border Management
* ICT - Information and Communication Technologies
* IFC – International Finance Corporation
* IOM – International Organization for Migration
* IPR – Intellectual Property Rights
* ISACA – Information Systems Audit and Control Association
* IT – Information Technology
* NCTS - New Computerized Transit System
* OOP - Object Oriented Programming
* PAO - Programme Administration Office
* PAR – Public Administration Reform
* PCA - Partnership and Cooperation Agreement
* PCA – Post Clearance Audit
* RAD - Rapid Application Development
* RTA - Resident Twinning Advisor
* SAD – Single Administrative Document
* SME - Small and Medium-size Enterprise
* SPS - Sanitary Phyto-Sanitary
* SSADM - Structured Systems Analysis and Design Method
* STE – Short Term Expert
* TAIEX – Technical Assistance and Information Exchange instrument
* TIR - Transports Internationaux Routiers
* UML - Unified Modelling Language
* USAID – United States Agency for International Development programme
* WTO –World Trade Organization

**1. Basic Information**

1.1 **Programme:** Technical Cooperation Facility II ENI/2016/039-337 / direct management

1.2 **Twinning Sector:** Trade

1.3 **EU funded budget:** *N/A*

**2. Objectives**

**2.1 Overall Objective(s):**

The overall objective of the project is to facilitate Georgia’s connectivity with existing EU customs systems in line with the provisions envisaged under AA/DCFTA.

2.2 **Specific objective:**

The specific objective of the project is to assist Customs Administration of Georgia in setting up the relevant legal, administrative and technical environment in support of Accession of Georgia to the Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods, the Convention of 20 May 1987 on a common transit procedure and preparing for the implementation of the New Computerised Transit System (NCTS).

2.3 **The elements targeted in strategic documents i.e. National Development Plan/Cooperation agreement/Association Agreement/Sector reform strategy and related Action Plans**

This Twinning project is fully in line with the Government Platform 2016-2020 “Freedom, Rapid Development, Prosperity”, Revenue Service Strategy 2017-2020, as well as with the obligations envisaged under the Association Agreement (AA) and Deep and Comprehensive Free Trade Area (DCFTA) and contributes to the implementation of specific goals described in the relevant documents.

**Government Platform 2016-2020**

The Government Programme is based on four-point plan of reforms which will be implemented for rapid development of the country, in order to fully meet the key challenges of building a modern government and spurring economic growth.[[1]](#footnote-1)

The four-point plan focuses on the development of business as the main driver of economic growth, maximal use of human resources in the development of the country, and the implementation of open governance principles.

Establishing free trade relations with the European Union and to ensure compliance with the EU requirements is one of the key priorities of Georgia’s economic policy. The government intends to improve the export potential of the country, and full participation in the international economic process. The government will also support further development of the transit and transportation sector of the country in order to fully utilize Georgia’s potential.

Through the public governance reform the government ensures the improvement of quality of public services including online services, which will simplify procedures for different businesses.

Correspondingly, prospective accession of Georgia to the above mentioned conventions and readiness for the implementation of the New Computerised Transit System (NTCTS) will be a step forward in the process of fulfilling planned reforms.

Proper implementation of the conventions ensures a harmonized application of the transit provisions and an equal treatment of all operators. The acceleration of simplified transit procedures, non-paper based environment, traceability of the guarantees and easier border crossing process have been the main advantages of the conventions.

**Revenue Service Strategy 2017-2020**

 According to the Revenue Service Strategy 2017 – 2020, one of the main objectives of the administration is the strong support and commitment to the EU integration process of the country which envisages the approximation to the specific European directives, regulations as well as accession of international conventions, introduction of international principles of the tax and customs legislation policy, etc.

**Association Agreement and its technical part on Deep and Comprehensive Free Trade Area**

Customs has been identified as one of the priority areas of the AA envisaging a number of EU regulations to be approximated in Georgia. . Georgia is committed to make the gradual approximation to the EU regulations in the reasonable timeframe, namely country takes the obligation to approximate with: Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code; Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods and Convention of 20 May 1987 on a common transit procedure; Council Regulation (EC) No 1186/2009 of 16 November 2009 setting-up a Community system of reliefs from customs duty; Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights. Besides, taken into account the fact that Georgia Revenue Service GRS is responsible for Sanitary Phyto-Sanitary (SPS) Control on the border, according to the Association Agreement and its technical part on DCFTA, Georgia is committed to adopting EU standards in key areas – specifically chapter 4 on sanitary and phytosanitary measures conveying in itself the conduction of the proper control activities and the provision with the relevant infrastructure and techniques on the Border Inspections Posts.

Georgia has got the transition period from September, 2014 to approximate with the provisions of the above mentioned Conventions (Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods and Convention of 20 May 1987 on a common transit procedure), including through a possible accession to those Conventions within four years following the entry into force of this Agreement (Annex XIII *Approximation of Customs Legislation* of AA). The relevant legislative amendments will require the consequent changes of primary and secondary legislation of Georgia. From the operations perspective, the technical structural amendments of the existing automated system will be required for the perspective integration on NCTS. Proper implementation of NCTS will further streamline safe, smooth and fast movement of goods through the Border Crossing Points (BCPs) and less cumbersome, less time-consuming and less costs compliance for stakeholders.

**3. Description**

3.1 **Background and justification:**

 Background

Revenue Service is the legal entity of public law of the Ministry of Finance of Georgia. The agency reflects in itself the integrated approach from its administrative and executive competence. The mission of the organization highlights the importance of the mobilization of the budget revenues through fair and transparent tax and customs administration and high quality services; participation in economic, public safety and environmental protection events. Being the integrated agency, the Revenue Service is the united tax and customs administration. Besides, it should be noted that currently the border crossing related control is under the responsibility of two agencies - Revenue Service (Tax and Customs Administration, SPS Border Control Agency of Georgia) of the Ministry of Finance of Georgia and the Patrol Police Department of the Ministry of Internal Affairs of Georgia. The Patrol Police Department conducts the passport control and is in charge of migration issues and the Revenue Service conducts the whole customs procedures including phytosanitary border-quarantine, veterinary border-quarantine, sanitary and quarantine procedures and takes the responsibility of carrying out the passport control partially, namely the passport control of lorry drivers at land border crossing points. The existing management approach guarantees the comfortable and effective environment for the economic operators benefiting from one shop stop principle and under one umbrella policies. The obligations and mandate of the service has been distributed among the relevant structural unites.

Promotion of the public welfare, creation of the most favourable environment for enhancing the voluntary compliance are the milestones of the vision being adopted by the Revenue Service.

Strategic tasks of the Revenue Service are the unity of measures directed towards the enforcement of the key objectives foreseen by the vision and their coherent performance conditions to the success of the Service as well as our country. The majority of the economic operators, individuals crossing the state border, voluntarily pay their taxes fulfil the requirements of the rules of border crossing and ensure own contribution to the development of the country; however, there are always individuals, who deliberately or unintentionally do not fulfil statutory obligations due to variety of subjective and objective reasons. At the same time number of economic operators, individuals crossing the state border and the resources of the tax authority are unequal. That is why the Revenue Service Strategy is based on the new approaches approved in the world’s leading tax authorities to maximally simplify conformity with the law and complicate the law infringements.

The unique location of Georgia represents a natural preference as a transit hub and at the same time a great challenge for the country’s security. Accordingly, there is a danger that harmful objects dangerous for the human life, health, the environment to be transported through the thousands of vehicles passing the territory of Georgia on a daily basis. Lack of attention may cause the irreparable damage to the flora and fauna of Georgia. Therefore, the service interacts with the people with the lot of different interests who have various legal interests. Together with the timely detection and prevention of violation the daily task of the agency is balancing the abovementioned various interests. Thus, the Service has to control conflicting goals and at the same time create environment ensuring promoting interoperability. Performance of such a complex controversial function requires identification of all persons involved in the process, study of their needs and adequate response.

Considering the challenges of the new reality from the perspective of the digital economy and digitalization of the administrative processes, in order to be effective, it is essential for the Revenue Service to be equipped with the latest technology, both from the material as well as information-technological point of view. In terms of the size of an electronic database and access to the relevant database, the Revenue Service is the leading governmental organization across the country which is due to the fact that the administration managed to fully transfer communication with the economic operators in the electronic format – economic operators enjoy the electronic declaration, electronic primary documentation and many other services. In 2017 – 2020 improvement of information data bases and electronic systems is the highest priority for the Service. The greatest importance is given to quality of information and its flexible structure. Exchange of information in the agency should be ensured continuously and easily, so that each activity carried out towards the payer were linked together.

Justification

In terms of planned activities, the Georgia Revenue Service commits to ratify multilateral conventions according to the defined deadlines: Convention on a Common Transit Procedure 1987 (accession within four-year period after the Association Agreement between Georgia and EU comes into force); Convention on the simplification of formalities in trade in goods - SAD Convention 1987 (accession within four-year period after the Association Agreement between Georgia and EU comes into force).

Therefore, to achieve above mentioned targets Georgia Revenue Service needs support in different directions, such as: development of better regulatory legal basis, enhancing technical capacities of exciting national IT systems as well as enriching human resources capacities within GRS and relevant stakeholders.

Nowadays Georgia is a Contracting Party to a number of multilateral international conventions and agreements, *inter alia*, directly dealing with transit, namely:

* Within the scope of the World Trade Organization - GATT 1994 (Article V “Freedom of Transit”);
* Customs Convention of the International Transport of Goods Under Cover of TIR Carnets 1975;
* International Convention on Harmonization of Frontier Controls of Goods 1977;
* United Nations Convention on the Law of the Sea 1982;
* Trade Facilitation Agreement – Article 11 “Freedom of Transit” (within the scope of the World Trade Organization).
* Bilateral agreements concluded with neighboring countries.

The freedom of transit is ensured by Article 230 of the Tax Code of Georgia and secondary legislation.[[2]](#footnote-2) Pursuant to the Georgian legislation, the transit is free of any customs duties and does not require a guarantee in a form of surety, deposit or other monetary or non-monetary means. Nevertheless, as the Contracting Party to the 1975 TIR Convention, subjects involved in trade can provide a guarantee in a form of the TIR Carnets in the Georgian customs crossing point of entry, albeit this is not mandatory by the Georgian national legislation. Furthermore, the maximum days for transit is defined as 20 days from the moment of entry into the customs crossing point to the final customs crossing point of destination. However, from the statistical perspective, it usually takes 2-3 days to complete the transit customs procedure in Georgia.

With respect to transit formalities, the Georgian Customs Administration aims to reduce as much customs bureaucracy as needed for a better trade facilitation. In this context, following documents shall be submitted for transit customs procedure:

* CMR;
* Invoice (if it not apparent from the CMR the type of goods transited);
* In case of animals products, the vet certificate;
* Technical passport of vehicle;
* Driver’s passport/driving license.

In general, the transit customs procedure in Georgia can be summarized as based on the “one stop shop” principle, meaning that all necessary transit documents shall be submitted only once and at one customs crossing point of entry. The transit formalities are reduced to that extent that it allows better trade facilitation, albeit keeping in mind a proper balance between a facilitation of legitimate trade and control over such movement of goods. With respect to transit control, the Georgia Revenue Service carries out the control of transit goods based on time evaluation (maximum 20 days of transit), seals verification, verification of weight of vehicles and X-Ray inspection that is in accordance with the selectivity criteria of the customs risk profiles. While considering the solid capacity of Georgia being the transit hub, further relevant international standards, best practice and technical provisions should be in place while guaranteeing the smooth, safe and transparent movement of goods. The successful implementation of the Twining project will be the profound instrument while supporting strongly the accession of Georgia to the Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods, the Convention of 20 May 1987 on a common transit procedure and launching of the New Computerised Transit System (NCTS); being the top priories on its way towards the European economic integration process.

Specific attention will be paid to ensure that legal approximation process supported under this Twinning project will be according to the national framework on policy development and to the better regulation approach supported also at the EU level[[3]](#footnote-3). A better regulation approach requires that policies and legislation are prepared on the basis of the best available evidence (impact assessments) and according to an inclusive approach involving both internal and external stakeholders.

Furthermore, building on the lessons learnt and the Better Regulation agenda promoted at the EU level[[4]](#footnote-4), this Twinning project will contribute to the overall public administration reform in Georgia by ensuring the introduction of an inclusive and evidence-based approach to policy-making and legal drafting in the respective sector. It will also pay specific attention to accountability and reporting lines between concerned institutions (agencies and ministries).

3.2 **Ongoing reforms:**

**Strategic Framework for EU-Georgia Customs Cooperation**

In 2015 the EU presented the Strategic Framework for EU-Georgia Customs Cooperation. The document had been elaborated as the flexible instrument of cooperation. In March, 2015 in conjunction with the first meeting of the EU-Georgia Customs Sub-Committee, the European Union and the Government of Georgia enforced officially the STRATEGIC FRAMEWORK FOR EU-GEORGIA CUSTOMS COOPERATION. The document gives the possibility to create the new platform of collaboration and sharing the practical experience with the EU member states highlighting the priority areas of cooperation in order to make the joint actions in support of Georgia’s accession to CTC; to further develop robust risk management system in combating fraud and facilitating trade; to collaborate in establishment of trusted partners institute of AEO and to support the advance customs information exchange for streamlining the customs procedures in due time and with high quality of data processing.

**Other Developments**

Based on the liabilities envisaged in the Annex XIII and Chapter 5 of Association Agreement Georgian customs has been gradually making the relevant steps in approximating the EU provisions:

* Working version of the draft Customs Code has been elaborated in 2016. The draft has been provided to the European commission (DG TAXUD) for review and the project was further developed based on the feedback provided. Updated project was reviewed during the Customs Project Working Group Meeting of the Customs Sub-Committee as provided by the Association Agreement between Georgia and the EU, which took place on November 29, 2016. Draft code is being considered by various units of the Ministry of Finance after which the plans are in place to forward it to other government agencies. The agreed draft will be published for review by non-government organizations and private stakeholders alike.
* Authorized Economic Operator AEO - Legislative process is ongoing with the assistance from USAID G4G project and taking into consideration the best practices of EU and the World Customs Organization WCO. Draft project of amendments to the Order 290 of the Minister of Finance (July 26, 2012) has been elaborated
* Roadmap for preparation for the accession to the common transit convention and convention on the simplification of formalities in trade in goods has been elaborated. It covers main issues to be implemented for years 2015 - 2018. Roadmap was positively assessed by EU DG TAXUD transit division experts and on the basis of their comments and recommendations the final version of the roadmap was adopted.
* An internal working group was set up within Revenue Service (made up of representatives from Customs, Law and International Relations Departments). The working group elaborated a compatibility matrix between current Georgian Intellectual Property Rights (IPR) legislation and the EU regulations in force. Based on the compatibility matrix draft legislative amendments have been developed and are undergoing further review by relevant governmental stakeholders. Main changes specified while comparing Law of Georgia on Border Measures Related to Intellectual Property to the corresponding EU regulation (No 608/2013) have been the following:
	+ Addition of customs procedures in the Law of Georgia on Border Measures Related to Intellectual Property , under which intellectual property will be protected at the Georgian border;
	+ Addition of additional intellectual property rights protected at the border to the law of Georgia;
	+ Implementation of the Ex-officio principle in the Law of Georgia on Border Measures Related to Intellectual Property which gives the possibility to the customs authority to detain goods suspected in infringing IP rights which are not registered in the national registry of IP objects for customs protection reasons;
	+ Definition of customs responsibilities, application timeframes and etc.
* On 28 September, 2016 a session of the Pan-Euro-Med Convention Committee was held in Brussels, Belgium. During the session the Convention member states (48) were unanimous in the decision to invite Georgia to accede to the Convention. This is a crucial part of the accession process as the necessary formalities are carried out automatically by the Convention depositary the European Council. Formalities required for the accessions to the convention are underway.
* Approved Exporter Institute was introduced in 2016. By the Resolution N507 of the Government of Georgia from November 14, 2016, the program foreseen under Protocol I of the Association Agreement had been introduced. Accordingly, Approved exporters having obtained the status from the Revenue Service are no longer required to use Movement Certificate EUR.1 and can make Origin declaration to confirm the preferential originating status of the goods.

3.3 **Linked activities:**

In the recent years, a number of projects financed by different donors have been contributing for development and strengthening of the Georgian Revenue Service.

**EU Assistance**

**Project title:** Support to the development of Red Bridge border crossing point between Azerbaijan and Georgia; EU funded; 2016 – 2017; Main activities:Joint Training in EU SPS border check norms for key personnel of Azerbaijani State Customs Committee and Georgia Revenue Service. Infrastructure and equipment support to Azerbaijani State Customs Committee to facilitate movement and increase security at Red Bridge. Infrastructure and equipment support to Georgia Revenue Service to facilitate movement and increase security at Red Bridge.

**Project title:** The Eastern Partnership Integrated Border Management Capacity Building Project (EaP IBM Capacity Building Project); EU funded; 2014 – 2017; Main activities:The project is focusing on enhancing the capacity building and the training capacities of the immediate project beneficiaries who are the national agencies in each EaP country that are involved in border management. This is done mainly through:

* Improvement of IBM training capacity;
* Enhancing IBM capacity through specialist training;
* Horizontal initiatives related to good governance and respect for fundamental rights.

**Project title:** Comprehensive Institutional Building CIB program Support to the National Food Agency of the Ministry of Agriculture of Georgia phase II and III;EU funded; 2015-2017;

Main activities:Purchasing of equipment for Border Inspection Posts; Providing study visits and trainings.

**Project title:** Twinning project: Strengthening Administrative Capacity of the Georgia Revenue Service in Taxation, EU Funded; May 2014 – November 2015;Main activities:Taxcontrol – to continue improving the risk analysis system and strengthen the control capacity of staff, and to introduce computer audit in the control work; Enforcement of tax debts – to improve and implement measures that will increase tax collection; Taxpayers’ services – improve the public trust and legal certainty; Legislation – to provide analysis, recommendations and road maps in the fields of VAT and Excise to ensure implementation according to EU acquis and Association Agreement; Human resources – to improve and implement techniques that will provide professional development for Revenue Service staff.

**Project title:** Twinning project: Strengthening the National Customs and Sanitary and Phyto-sanitary Border Control System in Georgia (Partners: Denmark, Estonia, Italy);EU Funded,

2011 – 2013;Main activities:Training strategic plan activities; Customs legislation – cooperative analysis; Trainings: Customs control procedures, SPS control measures, relation with traders, risk management, post – clearance control and audit, prevention of smuggling, protection of intellectual property rights at border, rules of origin and body Language; Comparative analysis of SPS Border control related legislation; SPS infrastructure provisions and guidelines;

**Project title:** Enhanced Cooperation for Secure Borders and Safe Migration; EU Funded,

2014 – 2016; Main activities: Cooperation with IOM in the framework of “Enhanced Cooperation for Secure Borders and Safe Migration” project started in 2014. The project supported Revenue Service with trainings in Document Security, Body Language, Presentation skills, Smuggling of Migrants and study visit to British Royal Revenue and Customs authority.

**TAIEX**

**Workshop** - Preparation for the accession to the Convention on a common transit

**Duration**: 09.06.2015 - 11.06.2015;Main activities:workshop on understanding legal and administrative requirements for preparatory process in order to become member country of Common Transit Convention

**Workshop -** Strengthening the capacity of phytosanitary officers

**Duration**: 24.02.2014 – 25.02.2014;Main activities:Training regarding phytosanitary controls at Border inspection points in accordance to EU regulations and standards

**Workshop -** Veterinary checks at Border Inspection points

**Duration**: 27.01.2014 – 28.01.2014; Main activities**:** Training regarding veterinary controls at Border inspection points in accordance to EU regulations and standards

**Other Donors**

**Project title:** Establishment of AEO Institute; Source of funding: USAID G4G;Duration: 2015 – ongoing;Main activities: G4G Project has been assisting Revenue Service with the implementation of the AEO Programme in Georgia. A joint working group has been set-up within which is tasked with the situation assessment and development of an action plan for the implementation of AEO institution in Georgia.

G4G Project developed an AEO Programme Concept Analysis and Authorized Economic Operator Program Implementation Action Plan

**Project title:** Development of PCA System; Source of funding: USAID G4G; Duration: 2015 – 2016

Main activities:G4G Project has been assisting Revenue Service with development of Post Clearance Audit system. With the assistance of German experts, three missions to Georgia and one study tour to German customs was organized. Experts assisted in streamlining and refinement of PCA performance while introducing new record keeping, audit preparation and execution methods. Guidelines for field audit have been elaborated and will be in practice starting from 2017.

**Project title:** Customs Valuation; Source of funding: IFC; Duration: October 19 -21, 2016; October 2016 – Currently;Main activities:Customs Valuation workshop aimed the development of Customs Valuation Manual for Customs officers of the Revenue Service. IFC experts are carrying out evaluation and drafting of the Customs Valuation Manual based on the document developed during the Workshop.

**Project title:** Development of Risk management system;Source of funding: IFC;Duration: 2015 – 2016; Main activities:In 2015, IFC assisted in comprehensive reform of Customs Risk Management system. Within the framework of the new strategy the following documents have been developed: Risk management policy; General control policy; Operational instructions for policy development; Risk analysis and Inspection, other relevant documents

**Project title:** Export Control and Related Border Security EXBS;Source of funding: US;Duration: 2013 – current;Main activities: Theprogram supports Revenue Service with trainings and study visits locally and to the US University of Athens especially concentrated on export control and Weapons of Mass Distraction; Contributed in creating the Supsa Joint Maritime Operations Coordination Centre, gradually supporting professional development of its members;

EXBS granted Georgian customs the mobile X-Ray system for small and medium size vehicles located in most busy land CCP

**Related Programmes and Projects**

The reform of Public Administration (PAR) is of utmost importance for the country and the process is supported through donor community. The EU total contribution to the “Support to the Public Administration Reform in Georgia” 2016-2019, is 30 000 000 euro. Out of which 20 000 000 EUR is budget support share and 10 000 000 EUR for complementary support. The objective of the programme is to improve the efficiency, accountability and transparency of the public administration of Georgia, in line with the key Principles of Public Administration that have been developed by OECD/SIGMA in close cooperation with the European Commission. It will have a particular focus on the improvement of the policy planning and coordination capacities and processes in the central public administration. The professionalisation of the civil service (including the reform of the civil service training system) will also be supported through the programme.

**Project Title:** Facility for the implementation of the Association Agreement in Georgia; EU Funded; Duration: 2015-2018; Description: The project provides policy advice and capacity building support to the Georgian Government in coordinating the implementation of the Association, strengthening the institutional capacities of the line ministries and other public institutions to carry out the required reforms, including on policy development and legal approximation processes.

**Project Title:**  Legislative Impact Assessment, Drafting and Representation; EU Funded;

Duration: 2015-2017; Description: The project aims to improve the legal drafting process at the central level of government (through promoting better coordination among relevant entities, and introduction of the regulatory impact assessment of draft legislation) as well as the Government's international representation and reporting functions with special emphasis on the Ministry of Justice.

These two projects: AA Facility and Legal drafting support the elaboration of a unified methodology and provide capacity building to key institutions in the legal approximation processes.

**Policy and legislative process**

The National Policy Planning System Reform Strategy, adopted by the Government of Georgia in August 2015 recognises the current weak link between the policy planning process and legislation drafting, the absence of practice of legislative impact assessment and the weak institutional capacity of ministries in legal drafting. In the same line, the OSCE has published an assessment of the legislative process in Georgia in 2015, highlighting a number of weaknesses in the current (policy-making) and legislative process. The assessment specifically notes the reoccurring problem with implementation of laws, which can be attributed to the low quality of laws due to weaknesses in the law-making process. There is a pressure to complete numerous legal reforms in the shortest possible time: "This situation inevitably places enormous pressure on the combined law-making resources of the Government and the Parliament and leaves little time for essential elements of a well-ordered law-making process, such as regulatory impact assessments or proper consultation with civil society." Improvement of the legislative drafting process and quality of legislation is now a priority area of action for the Administration of Government under the Prime Minister (steering the policy-making process) and all line ministries. This primarily involves the Administration of Government, Ministry of Justice, and Ministry of Economy and Sustainable Development. The Government, with international support, is currently developing a uniform methodology for regulatory impact assessments, to be used by all legal drafters. Similar effort is being made with regards to developing a uniform approach to legal approximation.

To sustain the legal approximation process the Ministry of Justice (MoJ) with the support of the EU assistance (under above mentioned projects Association Agreement Facility and Legal Drafting projects) elaborated Legal Approximation Guidelines and Manual. These documents provide key principles and techniques of approximation that will guide and orient legal drafters throughout the approximation process.

These documents should be used consistently, not only by MoJ, but also by all line ministries, and institutions tasked with the approximation exercise. Such proceedings will help to ensure the achievement of a steady and sustainable approximation path.

This Twinning project will support the development of the legal, regulatory framework in regards to the requirements of the Common Transit Convention CTC and Single Administrative Document SAD as well as other relevant EU legislation, upgrade existing IT system of Georgia Revenue Service and strengthen institutional and human capacity of the beneficiary institution in relation to the application of the common transit procedure and the NCTS system.

3.4 **List of applicable *Union acquis*/standards/norms:**

* Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods
* Convention of 20 May 1987 on a common transit procedure

The approximation process will be automatically reflected in the legislative acts, namely in Tax Code of Georgia, in Order N290 of 26 July 2012 of the Minister of Finance of Georgia on Instruction on Movement and Clearance of Goods across the Customs Territory of Georgia and in Order No. 12858 of 1 August 2012 of the Director General of the Georgia Revenue Service on Instruction for Implementation of Procedures Related for entering Goods into the Customs Territory of Georgia, for Leaving Goods from the Customs Territory of Georgia and for Declaring Goods.

3.5 **Results per component**

The Twinning project will provide advisory support to the Georgia Revenue Service in three main directions:

**Result 1: GRS supported in development of relevant legal framework to be aligned with Common Transit Convention CTC and Single Administrative Document SAD as well as other interrelated EU legislation**

Key output indicators:

* Feasibility outreach of the existing legislative basis of the beneficiary country conducted by the Twinning experts; the proposed suggestion of the experts provided in accordance with the obligations envisaged under the CTC and SAD;
* National legislative amendments in the field of transit prepared in an inclusive and evidence-based approach under the leadership of the beneficiary;
* Report on gap analysis on existing legislation prepared in order to meet requirements of CTC/SAD and the relevant NCTS systems and agreed with the beneficiary;
* Recommendations on implementing provisions for alignment with CTC/SAD Convention and EU legislation prepared and agreed with the beneficiary;
* Detailed gaps/needs assessment report on relevant primary and secondary legislative acts of Georgia developed and assessment presented to the relevant GRS authorities;
* Report on gap analyses of national legislation to accommodate computerised procedures presented and agreed with the beneficiary;
* Action plan setting out the requirements for ensuring the relevant primary and secondary legislation of Georgia to meet the obligations of CTC/SAD and NCTS prepared and agreed with relevant authorities;
* Based on the recommendations suggested by the Twinning experts amendments to the relevant primary and secondary legislation developed by the beneficiary in an inclusive process and agreed with all concerned stakeholders;

**Result 2: Existing IT system of Georgia Revenue Service clearly envisaging the country ICT strategy upgraded in order to meet New Computerized Transit System NCTS requirements**

Key Output Indicators:

* Established technical capacities for data exchange with the EU and current IT system of Georgia Revenue Service adapted to new business operations and new practices of data exchange;
* Fully electronic transit procedure introduced within existing national system;
* Report on gaps and needs in IT system of Georgia Revenue Service to meet NCTS requirements developed together with the recommendations;
* Proposal for upgrading existing setting developed;
* Working procedures, methodologies and information flow possibilities elaborated and presented to GRS responsible staff;
* Current operational environment (functionally and technically) adapted to the new requirements.
* Specifications for technical requirements for NCTS implementation and introduction of fully electronic transit procedure drafted and agreed with relevant authorities;
* Action plan for introducing NCTS prepared and approved by Georgia Revenue Service;
* Changes to the IT system introduced and tested;
* Advice provided on ICT procurement, development, customisation and integration in ASYCUDA World, testing and piloting provided upon the agreement with the GRS (additional financial support for ICT procurement beyond the project);[[5]](#footnote-5)

**Result 3: Institutional and human capacity of the GRS strengthened in relation to the application of the common transit procedure and the NCTS system and of the use of the procedure, including integrated system promoted to the target groups**

Key Output Indicators:

* The appropriate administrative structure including Central, Regional, Local, IT, Help Desk developed;
* A Contact Group responsible for the prospective comprehensive functioning of CTC and NCTS set up;
* Recommendations for amendments in existing administrative structure at all level (central, regional, local, IT, help desk) proposed and agreed with relevant authorities;
* Organisational structure, rules and procedures, staff responsibilities and job descriptions prepared and agreed with GRS authorities;
* Training programme including training materials for GRS personnel on application of the new computerised system developed;
* NCTS system promoted and trade awareness activities conducted for relevant target groups;
* Guideline on the procedures of the introduced IT system developed and presented to the GRS staff;
* Training module for the trade community for the effective use of introduced system elaborated;
* Promotion materials for the use of trade community and other stakeholders developed and disseminated on local and regional level;

3.6 **Means/input from the EU Member State Partner Administration(s)**\*:

Member State(s) is/are kindly requested to develop activities in the submitted proposal which are needed in order to achieve the results stipulated in the fiche.

The MS PL will be expected to devote a minimum of 3 days per month to the project in his/her home administration. In addition, he will coordinate from the Member state side the work of the Project steering Committee (PSC). MS Project Leader may participate in the project also as short-term expert (STE). In this case the MS Project Leader should satisfy requirements stipulated in the fiche for both the Project Leader and the relevant STE profile.

The RTA will be located in the premises of the GRS in the beneficiary country on a full time basis and will be responsible for the direct implementation of the project under the overall supervision of the MS Project Leader.

The RTA will maintain day-to-day cooperation with the beneficiary administration and coordinate the work performed by the STEs. The RTA will have a key role in the coordination of the inputs required for the successful implementation of all the project activities.

Minimum two visibility events will be organized in the course of the implementation of the project; Kick-off meeting at the start of the implementation and the Final meeting at the end of the implementation of the project activities.

The required MS experts must either be civil/public servants of the relevant MS administration or be permanent staff of authorised mandated bodies. All experts must comply with the requirements set in the Twinning Manual 2017.

The RTA should be supported by a permanent RTA Assistant. The RTA assistant should be in close collaboration with the BA. The RTA assistant will perform general project duties and providing translation and interpretation services as necessary, practical arrangements for the project, such as organizational issues of expert missions, conferences, training, seminars, maintaining project records and etc. Until the RTA can select and hire an assistant, the Beneficiary administration makes a member of its staff available to support the RTA in his/her daily tasks.

A full-time language assistant should also be recruited. She/he should perform most of the required interpretation/translation services. She/he will provide day-to-day interpretation/translation to the RTA and project experts during missions.

Whenever required and needed for simultaneous interpretation during seminars and workshops, translation of large volume of documents additional interpretation may be procured and funded by the project.

Proposals shall include only the CVs of the proposed PL, of the RTA and of the Component Leaders

**3.6.1 Profile and tasks of the Project Leader**

Profile:

* A high ranking Member State official or assimilated agent with a sufficient rank to ensure an operational dialogue at political level;
* Broad experience at least 7 years in the area of operational functioning of an EU Customs Administration;
* A good knowledge of customs IT systems, legislation and control procedures;
* Deep understanding of the EU’s common transit procedure;
* Overall understanding of the relevant issues in the sector and area related to customs; administration and its relevant procedures;
* Good leadership skills;
* Experience with working in transition countries and countries in the region will be considered an advantage.

Tasks:

* Overall direction, supervision, guidance and monitoring of the project; ability to mobilise the necessary expertise in support of the efficient implementation of the project;
* Signature of project progress reports and the final report prepared with the support of RTA;
* Timely achievement of the project results;
* Co-Chairing of project steering committees; Provision of legal and technical advice and analysis whenever needed.

**3.6.2 Profile and tasks of the Resident Twinning Adviser (RTA)**

Profile:

* In-depth knowledge of customs procedures as well as working experience with an EU Customs Administration;
* Minimum 7 years of experience in customs IT systems and control procedures;
* Knowledge of the issues relating to the introduction of a Software;
* A sound and proven capacity in customs IT systems, law, regulations and operational instructions;
* Knowledge of IT systems in other public agencies that interact with Customs;
* A wide knowledge of EU Customs Blueprints and the *EU Acquis*;
* Previous experience in project management would be an asset;
* Experience in CTC and NCTS implementation/development;
* Communication and advisory skills;
* Relevant university degree, preferably in public administration/finance area;
* Experience in EU procurement rules will be considered an advantage;
* Experience of working in transition countries and countries in the region would be an asset.

Tasks:

* Overall coordination project implementation and of all activities, ;
* Coordination of the activities of the team members in line with the agreed work plan to enable timely completion of project outputs;
* Provide technical input to the project whenever needed and provision of advice in his field of expertise;
* Liaise with MS and BC PLs and daily contacts with BC RTA counterpart;
* Preparation of the initial and subsequent work plan(s) and project progress reports, together with PL, to be submitted to the Steering Committees;
* Liaison with EUD Project Manager and PAO;
* Liaison with other relevant projects and relevant Georgian institutions;

**3.6.3 Profile and tasks of Component Leaders*:***

**Component 1: GRS supported in development of relevant legal framework to be aligned with Common Transit Convention CTC and Single Administrative Document SAD as well as other interrelated EU legislation**

Profile:

* A university degree in a relevant subject;
* Minimum 3 years of experience in customs control and IT related procedures;
* Good command of written and spoken English;
* Demonstrated good report writing and communication skills
* A good knowledge of customs legislation and control procedures;
* A wide knowledge of EU Customs Blueprints and the *EU Acquis*;
* Deep understanding of the EU’s common transit procedure;
* Experience in CTC and NCTS implementation/development;
* Drafting legislation, taking into account the role of Customs IT systems;
* Overall understanding of the relevant issues in the sector and area related to customs; administration and its relevant procedures;
* Previous experience in similar projects would be an asset;
* Communication and advisory skills;

Tasks:

* Component coordination, guidance and monitoring;
* Provision of legal and technical advice and analysis whenever needed;
* Timely proposals for any corrective measures;
* Liaise with MS and BC PLs and coordination with RTA and BC counterpart;

**Component 2: Existing IT system of Georgia Revenue Service upgraded in order to meet New Computerized Transit System NCTS requirements**

Profile

* A university degree in a relevant subject;
* Minimum 3 years of experience in customs control and IT related procedures;
* Good command of written and spoken English;
* Demonstrated good report writing and communication skills
* Deep understanding of the EU’s common transit procedure;
* Experience in CTC and NCTS implementation/development;
* A sound and proven capacity in customs IT systems, law, regulations and operational instructions;
* Knowledge of IT systems in other public agencies that interact with Customs;
* Drafting legislation, taking into account the role of Customs IT systems;
* Previous experience in similar projects would be an asset;
* Communication and advisory skills;

Tasks:

* Component coordination, guidance and monitoring;
* Provision of legal and technical advice and analysis whenever needed;
* Timely proposals for any corrective measures;
* Liaise with MS and BC PLs and daily contacts with BC RTA and BC counterpart;

**Component 3:**

**Institutional and human capacity of the GRS strengthened in relation to the application of the common transit procedure and the NCTS system and of the use of the procedure, including integrated system promoted to the target groups**

Profile

* Minimum 3 years of experience in customs control and IT related procedures;
* A university degree in a relevant subject;
* Good command of written and spoken English;
* Demonstrated good report writing and communication skills
* Deep understanding of the EU’s common transit procedure;
* Experience in CTC and NCTS implementation/development;
* Experience in training development programs and curricula;
* Previous experience in similar projects would be an asset;
* Communication and advisory skills;

Tasks:

* Component coordination, guidance and monitoring;
* Training coordination and conduction based the practical needs of the beneficiary administration
* Timely proposals for any corrective measures
* Liaise with MS and BC PLs and daily contacts with RTA and BC counterpart;

**3.6.4 Profile and tasks of other short-term experts*:***

Specialist civil servants/staff of approved mandated bodies will be made available by the Twinning Partner (MS) to support the implementation of the activities and agreed with the beneficiary administration. Specific and technical matters relevant to this Twinning project will be taken over by a pool of STEs. The detailed expert input shall be established when drawing up the Twinning work plan.

Below some indicative qualifications and tasks: NB STEs CV should not be included in the MS proposal.

Qualifications of short term experts

* Minimum of 3 years of experience in the field of customs administration and related procedures
* A university degree in a relevant subject;
* Good command of written and spoken English;
* Excellent knowledge of integrated IT systems;
* Demonstrated good report writing and communication skills and be familiar with various approaches in implementation of the EU legislation;
* Drafting legislation, taking into account the role of Customs IT systems;
* Experience in preparing regulatory and fiscal impact assessments would be an asset;
* An excellent knowledge of customs operational control procedures;
* Experience in preparing operational instructions;

Tasks of short term experts

* Contributing to the sustainability of the project by ensuring that aspects of the project related to their field of expertise are implemented timely
* Supervision and on-site coordination of all activities related to their field of expertise and performed under this project
* Timely proposals for any corrective measures
* Assistance with drafting of strategic documents and preparation of trainings, study tours, workshops, seminars, etc.

**4. Budget**

Maximum Budget available for the Twinning Grant 1, 500,000 Euro

**5. Implementation Arrangements**

5.1 The European Union Delegation in Tbilisi, Georgia, will be responsible for the tendering, contracting, payments and financial reporting, and will work in close co-operation with the Beneficiary. The person in charge of this project at the Delegation of the European Union to Georgia is:

Mr.Irakli Khmaladze

Project Manager, Economics, Regional Development and Public Finance

Delegation of the European Union to Georgia

38 Nino Chkheidze St, 0102 Tbilisi, Georgia

Tel: +995 32 2943 763

E-mail: irakli.khmaladze@eeas.europa.eu

**5.2 Institutional framework**

The beneficiary institution of the project is Georgia Revenue Service which is the integreted agency under the Ministry of Finance of Georgia comprising in itself the customs, tax and sanitary and phyto-sanitary border control related obligations. The main beneficiary departments will be the Customs Department and legal departments responsible for the implementation of the procedural and legal aspects; Staff Office responsible for the capacity building of the human resources; IT Center responsible for adoption, management and maintenance of NCTS; and Department for International Relations responsible for the overall coordination and project management. The organisational chart of Georgia Revenue Service is attached in Annex 4 and the number of staff of each department, can be found also in Annex 3.

**5.3 Counterparts in the Beneficiary administration:**

The PL and RTA counterparts will be staff of the Beneficiary administration and will be actively involved in the management and coordination of the project.

5.3.1 Contact person:

Mr. Mikheil Peikrishvili

Chief Specialist, International Relations Department

Georgia Revenue Service

68a, Kostava St., 0179 Tbilisi, Georgia

Web: [www.rs.ge](http://www.rs.ge/)  [www.mof.ge](http://www.mof.ge/)

5.3.2 PL counterpart

Mr. Samson URIDIA

Head of International Relations Department

Georgia Revenue Service

68a, Kostava St., 0179 Tbilisi, Georgia

Web: [www.rs.ge](http://www.rs.ge/)  [www.mof.ge](http://www.mof.ge/)

5.3.3 RTA counterpart

Ms. Maka KHVEDELIDZE

Deputy Head of International Relations Department

Georgia Revenue Service

68a, Kostava St., 0179 Tbilisi, Georgia

Web: [www.rs.ge](http://www.rs.ge/)  [www.mof.ge](http://www.mof.ge/)

6. **Duration of the project**

**Duration of the execution period**: 27 months. [The execution period will end 3 months after the implementation period of the Action (work plan) which will take 24 months].

**7. Sustainability**

The achievements of the Twinning project (mandatory results) will be maintained as a permanent asset to the Beneficiary Institution even after the end of the Twinning implementation. The prerequisite for this is, inter alia, that effective mechanisms are put in place by the Beneficiary Institution to disseminate and consolidate the results of the project.

Horizontally to all planned measures, the action will adopt an approach intended to maximise the capacity building effect and ensure sustainability of results. In particular:

* Any development of new strategic document and legislation/amendments will be carried out respecting all national procedures, especially those related to (fiscal/ regulatory) impact assessments, public consultations, inter-ministerial coordination; fast-track adoption procedures will be avoided. Prior to legislative drafting support, assistance will facilitate early stage stakeholder involvement and will provide analytical prerequisites (concept support, option analysis). Actual development of policy and legislatives outputs will be mainly done by the beneficiaries and even if particular textual drafting is partly done by experts, this work should be paired with capacity building of the beneficiary (introduction of international examples, detailed explanation of proposed texts etc.);
* Any manual/guidelines will be mainly developed by the beneficiary institutions and will be simple enough to be regularly reviewed and updated by the beneficiaries without further external support. Any guidelines or procedures developed under this action will not contradict any legal provision of the country.

The Beneficiary Institution is fully committed to ensure the long term impact of the Twinning project. Staff benefiting from trainings/study visits shall transfer knowledge through subsequent trainings to their colleagues. Where relevant, the training programmes could be included in the training curriculum of the national training institution. Smooth and effective functioning of the achieved results will be guaranteed by the relevant human and financial resources contribution. The relevant legislative changes will be introduced based on the dialogues with the trade community in a reasonable timeframe. Staff should have lifelong learning opportunities to acquire the knowledge and skills they need to fulfil their tasks.

The trade community is considered to be the indirect beneficiary of the project, as the trade community will be provided with the faster transit procedures while benefiting from the transparent automated system and having the benefit of the single guarantee system though whole chain of CTC countries.

Since results should be sustainable, the Beneficiary should describe how in its budget planning (Medium-Term Business Planning or alike) it has planned necessary resources ensuring the sustainability.

**8. Crosscutting issues** *(equal opportunity, environment, climate etc…)*

The principles and practice of equal opportunity will be guaranteed so as to ensure equitable gender participation in the project. The principle of equal opportunity shall apply both to the GRS staff involved in the project and project members participating from contracting authority/ies. Every effort will be made to ensure broad gender representation among all participants.

The principle of implementation of this Twinning project will based on a paperless work environment. This means, in particular, minimising paper use during project implementation by the maximum feasible use of emails and, if available, project web-site and/or project electronic data base for co-operation between partners.

**9. Conditionality and sequencing**

Georgia Revenue Service commits itself to provide the contributions stated in the Fiche. They include such as:

* Strong commitment and support of GRS management to the Project implementation
* Strong involvement and commitment of GRS staff at all levels
* Assigning dedicated staff to activities connected with the Project
* Ensuring coordination between departments and institutions connected with the Project
* Ensuring access to indispensable information and documents
* Adequate conditions for the STEs to perform their work while on mission to the BI
* Providing suitable venues and equipment for the training sessions and meetings that will be held under the Project
* Strong coordination with other technical assistance programs
* In time and strong coordination and acknowledgement with the beneficiary country’s EU-Georgia AA action plan

**10. Indicators for performance measurement**

* Dedicated staff from Customs Department and legal departments responsible for the implementation of the procedural and legal aspects; from Staff Office responsible for the capacity building of the human resources; from IT Center responsible for adoption, management and maintenance of NCTS; and from Department for International Relations responsible for the overall coordination and project management.
* Providing the information/documents in regards with the national regulatory basis and arranging the relevant informative meetings
* Appropriate area and facilities prepared and provided in project implementation process
* Training facilities provided
* Coordination and meetings with other donor organizations conducing the technical assistance programs for the Revenue Service
* Action Plan reports provided and updated

**11. Facilities available**

The BC commits itself to deliver the following facilities:

* Adequately equipped office space for the RTA and the RTA assistant(s) for the entire duration of their secondment.
* Supply of office room including access to computer, telephone, internet, printer, photocopier.
* Adequate conditions for the STEs to perform their work while on mission to the BC.
* Provide suitable venues for the training sessions and meetings that will be held under the Project.
* Security related issues will be assured according to the standards and practices applicable for all Georgian public institutions.

**ANNEXES TO PROJECT FICHE**

1. Organisational Structure

2. Logical framework matrix in standard format

**Annex 1. Organisational Structure**



**Annex 2. Logical framework matrix in standard format**

|  |  |  |
| --- | --- | --- |
| Supporting the Accession of Georgia to the Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods, the Convention of 20 May 1987 on a common transit procedure and launching of the New Computerised Transit System (NCTS) | Programme name and number | Technical Cooperation Facility II ENI/2016/039-337 |
| Georgia Revenue Service, Ministry of Finance | Total budget: 1.500,000.00 EUR  | Financing: 100%1,500,000.00 EUR |
| **Overall objective** **(impact)** |  **Objectively Verifiable Indicators** | **Source of Verification** | **Assumptions** |
| The overall objective of the project is to support Georgia in the process of approximation with the EU provisions envisaged under AA/DCFTA to facilitate connectivity with existing EU customs systems.  | * The relevant legislation amended in accordance with the EU provisions;
* A common transit procedure and the supporting IT system in place and operational;
 | * GRS/MoF Reports;
* Monitoring/assessment reports by international organisations;
* Statistic reports;
* AA implementation report;
 |  |
| **Specific Objective(s ) (outcome)** | **Objectively Verifiable Indicators** | **Source of Verification** | **Assumptions** |
| To assist Customs Administration of Georgia in setting up the relevant legal, administrative and technical environment in support of Accession of Georgia to the Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods, the Convention of 20 May 1987 on a common transit procedure and preparing for the implementation of the New Computerised Transit System (NCTS). | * Legal amendments prepared in the field of transit;
* Action Plan in place for software and hardware upgrade covering procedural, organisation and IT aspects;
* Administrative structure of GRS modified in relation to the new requirements;
* Institutional and human capacity of the GRS enhanced in line to the application of the computerised systems introduced;
 | * Order of the Minister of Finance of Georgia;
* Guidelines;
* Lists of participants from various meetings (workshops, trainings, discussions)
* Project documentation (analysis reports, training programmes, materials, recommendations and etc).
* Project interim and final reports;
 | * Strong support and commitment from the senior management of GRS
* Strong support and commitment from the Government side regarding amendment of the relevant legislation
* Strong support and commitment from twinning partner(s)
* Relevant staff of GRS available and involved in the process
 |
| **Mandatory Results (outcomes)** | **Objectively Verifiable Indicators** | **Source of Verification** | **Assumption** |
| **Results 1**. GRS supported in development of relevant legal framework to be aligned with Common Transit Convention CTC and Single Administrative Document SAD as well as other interrelated EU legislation  | * Feasibility outreach of the existing legislative basis of the beneficiary country conducted by the Twinning experts; the proposed suggestion of the experts provided in accordance with the obligations envisaged under the CTC and SAD
* National legislative amendments in the field of transit prepared in an inclusive and evidence-based approach under the leadership of the beneficiary;
* Report on gap analysis in existing legislation prepared in order to meet requirements of CTC/SAD and the relevant NCTS systems and agreed with the beneficiary;
* Recommendations on implementing provisions for alignment with CTC/SAD Convention and EU legislation prepared and agreed with the beneficiary;
* Detailed gaps/needs assessment report on relevant primary and secondary legislative acts of Georgia developed and assessment presented to the relevant GRS authorities;
* Report on gap analyses of national legislation to accommodate computerised procedures presented and agreed with the beneficiary;
* Action plan setting out the requirements for ensuring the relevant primary and secondary legislation of Georgia to meet the obligations of CTC/SAD and NCTS prepared and agreed with relevant authorities;
* Based on the recommendations suggested by the Twinning experts amendments to the relevant primary and secondary legislation developed in an inclusive and evidence-based process and agreed with all concerned stakeholders;
 | * Project documentation, interim and final reports;
* Project activity reports (consultations, discussion);
* STE mission reports;
* Assessment reports (including SIGMA);
* Action plan;
* Legislative amendments;
 | * Government commitment on Fulfilment of AA/DCFTA requirements continued;
* Strong support and commitment from the senior management of GRS;
* Twinning MS partner commitment;
* Availability of local staff;
* All relevant documentation available;
 |
| **Result 2.** Existing IT system of Georgia Revenue Service **clearly envisaging the country ICT strategy** upgraded in order to meet New Computerized Transit System NCTS requirements | * Established technical capacities for data exchange with the EU and current IT system of Georgia Revenue Service adapted to new business operations and new practices of data exchange;
* Fully electronic transit procedure introduced within existing national system;
* Report on gaps and needs in IT system of Georgia Revenue Service to meet NCTS requirements developed together with the recommendations;
* Proposal for upgrading existing setting developed;
* Working procedures, methodologies and information flow possibilities elaborated and presented to GRS responsible staff;
* Current operational environment (functionally and technically) adapted to the new requirements.
* Specifications for technical requirements for NCTS implementation and introduction of fully electronic transit procedure drafted and agreed with relevant authorities;
* Action plan for introducing NCTS prepared and approved by Georgia Revenue Service;
* Changes to the IT system introduced and tested;
* Advice on ICT procurement, development, customisation and integration in ASYCUDA World, testing and piloting provided upon the agreement with the GRS;
 | * Report on gap/needs analysis;
* Action Plan for introduction of NCTS;
* Project documentation (working procedures, methodologies, activity reports and etc.);
* Specifications for technical requirements for NCTS implementation;
 | * Government commitment on fulfilment of international obligation continued;
* Strong support and commitment from the senior management of GRS;
* Availability of local staff;
* Good communication between the Beneficiary and other stakeholders;
* All relevant documentation available.
 |
| **Result 3.** Institutional and human capacity of the GRS strengthened in relation to the application of the common transit procedure and the NCTS system and the use of the procedure, including integrated system promoted to the target groups  | * The appropriate administrative structure including Central, Regional, Local, IT, Help Desk developed;
* A Contact Group responsible for the prospective comprehensive functioning of CTC and NCTS set up;
* Recommendations for amendments in existing administrative structure at all level (central, regional, local, IT, help desk) proposed and agreed with relevant authorities;
* Organisational structure, rules and procedures, staff responsibilities and job descriptions prepared and agreed with GRS authorities;
* Training programme including training materials for GRS personnel on application of the new computerised system developed;
* NCTS system promoted and trade awareness activities conducted for relevant target groups;
* Guideline on the procedures of the introduced IT system developed and presented to the GRS staff;
* Training module for the trade community for the effective use of introduced system elaborated;
* Promotion materials for the use of trade community and other stakeholders developed and disseminated on local and regional level;
 | * Assessment /Analysis reports;
* Project documentation (relevant training materials, training reports, training evaluation and checklists , list of participants);
* Guidelines;
* STE mission reports;
* Study visit reports;
* Promotional materials;
 | * Strong commitment from GRS and high ownership;
* Availability of local staff both from beneficiary institution and stakeholder side;
* Good communication between the Beneficiary and other stakeholders;
 |
| **Activities** | **Means** | **Specification of costs** | **Inputs** |
| Activities to achieve result 1 |  |  |  |
| * 1. Conduct Gap Analysis of the existing legal provisions to meet requirements of CTC/SAD and the relevant NCTS systems;
	2. Conduct Gap Analysis of Implementing Provisions and present recommendations for alignment with CTC/SAD Convention and EU legislation presented;
	3. Gap Analyses on current legislation for alignment with CTC/SAD Convention and EU legislation related to guarantee system;
	4. Detailed gaps/needs assessment of relevant primary and secondary legislative acts of Georgia;
	5. Gap Analyses of national legislation to accommodate computerised procedures;
	6. Action plan setting out the requirements for ensuring the relevant primary and secondary legislation of Georgia to meet the obligations of CTC/SAD and NCTS prepared and agreed with relevant authorities;
	7. Development of amendments to the relevant primary and secondary legislation in an inclusive process;
	8. Number of consultations delivered with internal and external stakeholders and consultation reports prepared.
 | RTA, STEs, BC counterparts and relevant staff |  |  |
| **Activities to achieve result 2** |  |  |  |
| 1. 2.1 Conduct GAP and Needs Analysis Tech Specs for compatibility with Common Transit/NCTS and present report on gaps and needs in IT system of GRS to meet NCTS requirements;
	1. Compare current conditions with EU acquis, Customs Blueprints and best NCTS practice; 2.3 Elaborate working procedures, methodologies and information flow possibilities;
	2. Current operational environment (functionally and technically) adapted to the new requirements;

2.4. Draft specifications for technical requirements for NCTS implementation and introduction of fully electronic transit procedure;2.5 Develop an action plan for introducing NCTS; 2.6 Conduct workshop on proposed system and changes introduced for the relevant GRS staff;2.7 Introduce changes to the IT system and testing; 2.8 Testing and piloting of ASYCUDA World, (upon the agreement with the GRS) (additional financial support for ICT procurement beyond the project); | RTA, STEs, BC counterparts and relevant staff |  |  |
| **Activities to achieve results 3** |  |  |  |
| 3.1 Perform analysis of existing administrative structure at all level (central, regional, local, IT, help desk); 3.2 Prepared amendments for organisational structure, rules and procedures, staff responsibilities and job descriptions; 3.3 Internal and external consultation meetings held on introduction of new plans and processes within GRS; 3.4 Organise study visits to MS partner administration to get acquainted with institutional and functional arrangements of similar entities and to review the aspects of common transit procedure and operation of NCTS; 3.5 Develop Training programme including training materials for GRS personnel on application of the new computerised system; Conduct series of trainings, seminars, workshops for relevant GRS personnel;3.6 Provide trainings for specialised GRS stuff in order to deal with all aspects of common transit procedure and NCTS;Provide on the job trainings of the relevant GRS staff; 3.7 Prepare guideline on common transit procedure and the procedures of the introduced IT system; 3.8 Develop Training module for the trade community for the effective use of introduced system; 3.9 Organise series of information sessions, seminars, workshops for interested trade partners, guarantors (banks, insurance companies), exporters, importers, forwarding companies, railway companies, software vendors organised;  | RTA, STEs, BC counterparts and relevant staff |  |  |

1. http://gov.ge/files/41\_61087\_816118\_GoG\_Platform\_LKF\_19\_05\_2017.pdf [↑](#footnote-ref-1)
2. Instruction on Movement and Clearance of Goods across the Customs Territory of Georgia, approved by Order No. 290 of 26 July 2012 of the Minister of Finance of Georgia and Instruction for Implementation of Procedures Related for entering Goods into the Customs Territory of Georgia, for Leaving Goods from the Customs Territory of Georgia and for Declaring Goods, approved by Order No. 12858 of 1 August 2012 of the Director General of the Georgia Revenue Service. [↑](#footnote-ref-2)
3. http://ec.europa.eu/info/strategy/better-regulation-why-and-how\_en [↑](#footnote-ref-3)
4. http://ec.europa.eu/info/files/better-regulation-better-results-eu-agenda-0\_en [↑](#footnote-ref-4)
5. The project envisages the prospective implication of Twinning experts in the possible ICT development and integration in ASYCUDA World, providing the relevant assessments and recommendations in the testing and pilot phase. GRS will work on the separate project proposal on ICT procurement within the scope other technical assistance programs. [↑](#footnote-ref-5)