



ANNEX C1bis: Twinning Light Fiche

Project title: Support to the Revenue and Customs Administration in preparation for upgrading TARICG to EU TARIC latest version and related ITMS subsystems

Beneficiary administration: Revenue and Customs Administration of Montenegro

Twining Reference: MN 17 IPA EC 02 21 TWL

Publication notice reference: EuropeAid/172217/ID/ACT/ME

EU funded project

TWINNING TOOL

LIST OF ABBREVIATIONS

BTI	Binding Tariff Information
CFCU	Ministry of Finance and Social Welfare, Directorate for Finance and Contracting of the EU Assistance Funds
CCN	Common Communications Network
CIS	Customs Information System
CSI	Common Systems Interface
CTC	Convention on a Common Transit Procedure
DEU	Delegation of the European Union in Montenegro
EC	European Commission
EU	European Union
EU TARIC	Integrated tariff of the European Union
ITMS	Integrated Tariff Management System
MFSW	Ministry of Finance and Social Welfare
NIPAC	National IPA Co-ordinator
PRAG	Practical Guide for EU External Actions
RCA	Revenue and Customs Administration of Montenegro
QA	Quality assurance
QC	Quality control
SAD	Convention on Facilitation of Trade in Goods
SC	The Steering Committee
SPO	Senior Programme Officer at the Ministry of Finance and Social Welfare
TARICG	Integrated tariff of Montenegro

1. Basic Information

1.1 Programme:

ID of the Action Document of the Instrument for European Integration within which the project is financed: IPA 2017/040-216.01/ME/EU Integration Facility Management Mode: Indirect management with ex-ante control

For UK applicants: Please be aware that following the entry into force of the EU-UK Withdrawal Agreement¹ on 1 February 2020 and in particular Articles 127(6), 137 and 138, the references to natural or legal persons residing or established in a Member State of the European Union and to goods originating from an eligible country, as defined under Regulation (EU) No 236/2014² and Annex IV of the ACP-EU Partnership Agreement³, are to be understood as including natural or legal persons residing or established in, and to goods originating from, the United Kingdom⁴. Those persons and goods are therefore eligible under this call.

1.2 Twinning Sector: Standardisation and certification, Trade and Industry (EC)

1.3 EU funded budget: EUR 250 000

1.4 Sustainable Development Goals (SDGs): This project will address the following SDGs:

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;

SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

2. Objectives

2.1 Overall Objective(s):

To contribute to Montenegro's goals of customs modernization, by enhancing trade facilitation and revenue collection.

2.2 Specific objective:

To support the Revenue and Customs Administration of Montenegro in preparation for upgrading Integrated tariff of Montenegro (TARICG) to Integrated tariff of the European Union (EU TARIC) latest version and related Integrated Tariff Management System (ITMS) subsystems.

¹ Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community.

² Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action.

³ Annex IV to the ACP-EU Partnership Agreement, as revised by Decision 1/2014 of the ACP-EU Council of Ministers (OJ L196/40, 3.7.2014).

⁴ Including the Overseas Countries and Territories having special relations with the United Kingdom, as laid down in Part Four and Annex II of the TFEU.

2.3 The elements targeted in strategic documents

Proposed action will contribute to the achievement of the following objectives defined by the Trade facilitation Strategy of Montenegro 2018-2022⁵: improve transparency and access to information, alignment and rationalization of formalities, documents and fees, implement simplified and expedited declaration and release processes, strengthening cooperation and enhancing the effectiveness of border authorities controls and expand automated processing and electronic data exchange.

Furthermore, proposed action will contribute to the realisation of the goals of the Government of Montenegro stipulated in Montenegro's Programme of Accession to the European Union 2020 – 2022. Pursuant to the EU Common Position for Chapter 29 Customs Union: *The EU underlines that accession to the European Union requires that a number of customs procedures are fully computerised and that IT systems used by the Customs Administration are interconnected with European Union systems, in particular the New Computerised Transit System (NCTS), the Integrated Tariff Management System (ITMS), the Export Control System (ECS) and the Import Control System (ICS)*". (Benchmark: "Montenegro reaches sufficient progress in developing all the required IT interconnectivity systems, in particular the New Computerised Transit System (NCTS), the Integrated Tariff Management System (ITMS), the Export Control System (ECS) and the Import Control System (ICS)."

Proposed activity would contribute to the achievement of the objectives of the Business Strategy of Customs Administration 2019-2021⁶ as well as the IT Strategy of Customs Administration 2014-2020: development of information systems in accordance with Montenegro legislation harmonized with the EU Acquis, protection of society, security and facilitation of international trade, including the simplification and harmonization of customs procedures as well as efficient and effective revenue collection.

Proposed activity would also contribute to the achievement of the objectives of the Public Finance Management Reform Programme⁷ such as strengthening fiscal stability and accountability and the fight against the gray economy.

Implementation of the proposed activity will contribute to the preparation of the Revenue and Customs Administration for the future implementation of one of the most important systems of customs administrations EU TARIC, as well as related subsystems that make up the Integrated Tariff Management System-ITMS. This activity will contribute to the further fulfillment of the closing benchmarks in Chapter 29 Customs Union.

3. Description

3.1 Background and justification:

Customs Law (Official Gazette of the Republic of Montenegro 7/02, 38/02, 72/02, 21/03, 31/03, 29/05, 66/06, 21/08, 39/11, 40/11, 28/12, 62/13, 71 /17), regulates customs procedure, the rights and obligations of persons participating in customs procedure and rights, obligations and powers of the authorities in charge of customs clearance of goods (hereinafter referred to as customs authorities). The Customs Law stipulates that the customs authority, on the basis

⁵ <https://www.gov.me/dokumenta/5a86c490-80bd-4706-8ef1-9e626fd3808e>

⁶ <https://upravacarina.gov.me/en/library/strategije?alphabet=lat>

⁷ <https://www.gov.me/dokumenta/b332d73c-a394-4718-a298-100d71750d79>

of a written request from the interested person, issues binding information on the classification of goods in the customs tariff. The Regulation for the Implementation of the Customs Law prescribes, among other things, the management and distribution of tariff quotas, as well as the procedure for issuing binding information on the classification of goods in the customs tariff.

The Law on Customs Tariff (Official Gazette of Montenegro, No. 28/2012) stipulates that goods imported into the customs territory of Montenegro are subject to customs duty at rates and in the amounts set by the customs tariff.

Pursuant to the Decree on the Customs Tariff, customs duties are paid on goods imported into the customs territory of Montenegro. The Decree determines the amount of customs duty rates for the year for which it is adopted in accordance with the dynamics determined by the Law on Ratification of the Protocol on Accession of Montenegro to the Marrakech Agreement on the Establishment of the World Trade Organization. (Official Gazette of Montenegro, International treaties, 5/2016) For the purposes of conducting foreign trade operations, additional national classifications of the customs tariff are performed in the Integrated Customs Tariff of Montenegro / TARICG /, in accordance with the Decree on the Customs Tariff.

According to the Rulebook on Internal Organization and Systematization of the Customs Administration⁸, the Department of Customs Tariff and TARICG operates within the Sector for Customs Legal Affairs. It has systematized 6 work posts for customs officers, including the Head of the Department. The tasks performed in the Department also refer to the monitoring of regulations of the European Union and the World Customs Organization related to the Customs Tariff, cooperation with line ministries in the drafting of laws and bylaws related to the customs tariff; providing Binding information on the classification of goods according to the customs tariff; data entry and its control, updating of TARICG, etc.

Authorities responsible for enacting regulations that are directly related to the customs tariff are: the Ministry of Economic Development, the Ministry of Agriculture, Forestry and Water Management, the Ministry of Finance and Social Welfare, etc.

At the end of the each year Montenegro's customs tariff is harmonized with the EU Combined Nomenclature and every fifth year with the Harmonized system. The Decree on Customs tariff for the year 2021 is adopted by the Government of Montenegro. Also, each year the customs duty rates are adjusted according to the dynamics determined by the Stabilization and Association Agreement between the EU and Montenegro, as well as according to the free trade agreements. The Customs Administration has developed the TARICG- application in 2010, with the support of the Republic of Slovenia, which donated TARIC software. Bearing in mind that the European version of the TARIC application has meanwhile been significantly modified and improved, the Revenue and Customs Administration will be obliged to establish a system that will be fully compatible with the current version of the EU TARIC. This application is an integral part of the Customs IT System and contains the nomenclature of customs tariffs with customs duty rates, national measures/prohibitions and restrictions, permits, certificates of competent inspection authorities, excise, value added tax, dual-use goods, quotas. This application can be accessed through the website of the Revenue and Customs Administration.

⁸ By Government decree amending the Decree on the organization and functioning of the state administration, as of 15/04/2021 the Customs Administration merged with the Revenue Administration into Revenue and Customs Administration (RCA). New systematisation is expected to be adopted end of July 2021.

It is necessary for the test version of the application to be functional one year before Montenegro's accession to the EU, in order to acquire IT knowledge before putting it into production. Specifically, it is necessary to develop the Integrated Tariff Management System, in order to achieve compatibility, interconnectivity and interoperability of national and EU IT systems, in order to fulfill the Chapter 29 closing benchmarks.

Within the given Project, national legislation analysis will be performed in relation to EU legislation as well as TARICG analysis in relation to EU TARIC latest version and related ITMS subsystems, analysis of RCA organizational structure as well as RCA human resource structure related to customs tariff and will be provided recommendations for strengthening capacity of RCA in this area. Furthermore, by this Project, the documents (Terms of Reference, technical and functional specification) for future project for implementation of EU TARIC latest version and related subsystems will be prepared in accordance with EU PRAG provisions and templates.

Annex 1 – Former Customs Administration organizational structure

3.2 Ongoing reforms:

Montenegro is in the intensive process of fulfillment of the closing benchmarks regarding Chapter 29 - Customs union. Revenue and Customs Administration continuously implement activities for further alignment with and implementation of the *acquis* covered by the chapter Customs union, applying customs rules consistently and efficiently across its customs offices, in the areas of declaration processing, origin, simplified procedures, intellectual property rights, and selectivity of controls and risk analysis and developing the required IT interconnectivity systems.

In the area of harmonization of legislation, the Ministry of Finance and Social Welfare and the Revenue and Customs Administration continuously monitor changes in customs regulations and, in accordance with them, harmonize the customs legislation of Montenegro. Draft of the new Customs Law aligned with the Union Custom Code has been prepared and it is expected that the consultations with line ministries and the European Commission will be completed in the coming months. The Customs Tariff of Montenegro for 2021 is harmonized with the Combined Nomenclature of the EU for 2021, and it is implemented in TARICG and it is applied as of 01/01/2021. The Ministry of Finance and Social Welfare and Revenue and Customs Administration initiated activities aimed at preparation of the new Decree for the implementation of the Customs Law.

3.3 Linked activities:

In April 2016 a working visit of representatives of the Customs Administration of Slovenia to RCA has been organized through Bilateral Technical support of Slovenia to Montenegro. The aim of the visit was to present the experience of the Customs Administration of Slovenia in development of ITMS Projects before Slovenia's accession to the EU.

The EU has been the largest donor supporting and allocated for Montenegro under IPA II (2014-2020) around 7 million EUR to support the reforms and modernisations of the customs service. The Project "Support to the Customs Administration" from IPA 2014 for implementation of NCTS is ongoing and will be finalised until the end of 2021. With this action Montenegro will fulfill conditions for accessing Convention on a Common Transit

Procedure (CTC) and Convention on Facilitation of Trade in Goods (SAD). One year before accession to the European Union Montenegro is obliged to access the two mentioned Conventions. Through this Project, besides other relevant activities, the communication network CCN/CSI between EU and Montenegro has been established and will be used also when the future TARIC and ITMS subsystems will be integrated in RCA CIS because through CCN/CSI the information on updating Tariff EU will be sent to RCA system. Furthermore, through the NCTS Project the Enterprise service bus architecture was delivered, which is crucial for communication between all future IT systems integrated into CIS.

Furthermore, through the IPA 2018 project “Support to the Revenue and Customs Administration of Montenegro in upgrading the Customs Information System (CIS) “ the RCA plans to introduce new functionalities which imply the complete digitalization of the submission of customs declarations by economic operators / holders of qualified digital certificates, which will enable greater interaction of business entities with customs offices. Businesses / holders of qualified certificates will electronically, paperless submit / change their declarations in a valid manner, based on the approval of the customs authority and submit by electronic means the documents accompanying the customs declaration. This system will be connected also with future TARIC and ITMS subsystems.

Considering that the National Tariff system should be compatible with EU TARIC and related ITMS subsystems and it has to be operational before Montenegro 's EU Accession, one of the next projects that Revenue and Customs Administration plans to implement through IPA III is the implementation of the EU TARIC latest version and related ITMS subsystems. The project will include implementation of EU TARIC latest version and related ITMS subsystems into the Customs Information System, as well as trainings for customs officers and business.

Implementation of this project is of utmost importance for the Revenue and Customs Administration having in mind that it includes preparatory activities to create preconditions for the future phase of connecting the national IT system with the European IT system, which will be realized through the mentioned future project planned under IPA III funds. GAP analysis regarding the legislation, organization, human resources and IT systems (TARIC and ITMS subsystems), preparing the Action plan for strengthening administrative capacity and drafting Terms of Reference with technical and functional specification for implementation of the future project are the bases that will enable the Revenue and Customs Administration to readily welcome the implementation of future Project which will have as results implemented EU TARIC latest version with all subsystems related (EBTI, Surveillance, Quotas, CLASS (ITMS) in CIS and all systems will be fully compatible with the EU IT systems in this area.

3.4 List of applicable *Union acquis*/standards:

Regulation (EU) No 952/2013 (OJ (EU) L 269, p. 1 of 10 October 2013) lays down the Union Customs Code (UCC) and Regulation (EU) 2019/474 of the European Parliament and of the Council of 19 March 2019 amending Regulation (EU) No 952/2013 laying down the Union Customs Code.

Delegated Regulation (EU) 2015/2446 of July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code which is supplemented by Regulations Commission Delegated Regulation (EU) 2016/341 of 17 December 2015as regards transitional rules for certain provisions of the United Customs Code where the relevant electronic systems are not yet operational and amending Delegated Regulation (EU) 2015/2446.

Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code,

Commission Implementing Regulation (EU) 2019/1776 of 9 October 2019 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

Commission Implementing Regulation (EU) 2020/1577 of 21 September 2020 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

Regulation (EU) 2020/2159 of 16 December 2020 published in Official Journal of the European Union L 431/34 -amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.

3.5 Components and results per component

Component 1 – Result 1: National legislation related to customs tariff further aligned with EU legislation

The following indicative sub-results should be achieved:

Sub-Result 1.1. - Analysis of national legislation in the field of customs tariff (contingents, quotas, anti-dumping), in relation to EU legislation conducted

Sub-result 1.2 Recommendations for full alignment with the EU legislation drafted;Indicator: Drafted recommendations for full alignment with the EU legislation.

Component 2 – Result 2: Intitutional and administrative capacities of RCA further strenghtened

The following indicative sub-results should be achieved:

Sub-Result 2.1. – Analysis of organizational and personnel structure in RCA related to customs tariff and TARICG conducted and recommendations drafted.

Sub-Result 2.2. – Action plan for strengthening administrative capacities of RC based on analysis and recommendations provided

Sub-Result 2.3. Staff knowledge on EU TARIC and related ITMS subsystems enhanced

Component 3 – Result 3: IT capacities for implementing EU TARIC and ITMS subsystems strengthened

The following indicative sub-results should be achieved:

Sub-Result 3.1. - TARICG application in relation to EU TARIC and related ITMS subsystems assessed and recommendations drafted for future implementation of the EU TARIC latest version and related ITMS subsystems;

Sub-Result 3.2. Transition roadmap for the implementation of the future IT Projects related to implementation of the EU TARIC latest version and related ITMS subsystems drafted.

Sub-Result 3.3. - Terms of Reference for the future IT Projects for implementation of EU TARIC latest version and related ITMS subsystems based on the produced Action plan and transitional roadmap

Sub-Result 3.4. - Technical and functional specifications for the future IT projects for implementation of EU TARIC latest version and related ITMS subsystems prepared.

3.6 Expected activities:

The below activities are the minimum indicative requirements to achieve the above results. The MS will take these into account when developing its own methodology and complement them with its own and other relevant best practise experience and examples so that the above results can be sustainably achieved.

Component 1 – Result 1: National legislation related to customs tariff (contingents, quotas, anti-dumping) further aligned with EU legislation and recommendations for further alignment drafted.

Activities:

Activity A.1 (sub-results 1.1. and 1.2)	Prepare analysis of current legislation in the area of customs tariff (contingents, quotas, anti-dumping and other measures) and provide recommendations for full alignment of national legal framework with the EU legislation
Time Schedule	Quarter IV 2021
Subject	National legislation
Methods	Experts mission / Workshop or Videoconference (only if pandemic is still ongoing), it will be agreed between Twinning Partners at the beginning of the Project implementation
Resources	MS: Project leader, Component leader and MS experts (business and

	IT) BC: Project Leader and experts
Duration	15 days
Output	National legislation related to customs tariff (contingents, quotas, anti-dumping and other measures) further aligned with EU legislation
Indicators of Achievement	Analysis of national legislation in the area of customs tariff (contingents, quotas, anti-dumping and other measures) and recommendations drafted

Component 2 – Result 2: Institutional and administrative capacities of RCA further strengthened

Activities:

<u>Activity A.2</u> <u>(sub-result 2.1)</u>	Conduct the analysis of RCA organizational and human resources capacities and draft recommendations for necessary RCA organizational changes and human capacities with job description, roles and responsibilities in line with EU best practices
<u>Time Schedule</u>	Quarter I 2022
<u>Subject</u>	National legislation and human resource capacities
<u>Methods</u>	Experts mission / Workshop or Videoconference (only if pandemic is still ongoing), it will be agreed between Twinning Partners at the beginning of the Project implementation
<u>Resources</u>	MS: Project leader, Component leader and MS experts (business and IT) BC: Project Leader and experts
<u>Duration</u>	10 days
<u>Output</u>	Drafted analysis of RCA organizational and human resources capacities and recommendations for necessary RCA organizational changes and human capacities with job description, roles and responsibilities in line with EU best practices
<u>Indicators of Achievement</u>	Analysis of organizational and personnel structure in RCA and recommendations drafted

<u>Activity A.3</u> <u>(sub-result 2.3)</u>	Deliver seminar for at least 8 customs officers on EU TARIC and related ITMS subsystems with the way forward to their implementation
<u>Time Schedule</u>	Quarter IV 2021
<u>Subject</u>	Presentation/seminar for officers working/will work in the area of customs tariff (legislation and IT applications)

<u>Methods</u>	Seminar or Videoconference (only if pandemic is still ongoing) it will be agreed between Twinning Partners at the beginning of the Project implementation
<u>Resources</u>	MS: Project leader, Component leader and MS experts (business and IT) BC: Project Leader and experts
<u>Duration</u>	5 days
<u>Output</u>	Deliver seminar for at least 8 customs officers on EU TARIC and related ITMS subsystems with the way forward to their implementation and improved knowledge of officers to work on TARICG and other ITMS sub-systems
<u>Indicators of Achievement</u>	Seminar /Videoconference conducted and at least 8 customs officers trained

<u>Activity A.4 (sub-result 2.2)</u>	Draft the Action plan for strengthening administrative capacities of RCA based on the provided analysis and recommendations
<u>Time Schedule</u>	Quarter I, 2022
<u>Subject</u>	Administrative capacities
<u>Methods</u>	Experts mission / Workshop or Videoconference (only if pandemic is still ongoing), it will be agreed between Twinning Partners at the beginning of the Project implementation
<u>Resources</u>	MS: Project leader, Component leader and MS experts (business and IT) BC: Project Leader and experts
<u>Duration</u>	10 days
<u>Output</u>	Drafted Action plan for strengthening administrative capacities of RCA based on the provided analysis and recommendations
<u>Indicators of Achievement</u>	Action plan for strengthening administrative capacities in the area of customs tariff drafted

<u>Activity A.5 (sub-result 2.3)</u>	Conduct study visit to the EU Member state (twinning country) on EU TARIC and related ITMS subsystems. Study visit should include at least four customs officers from Department of Customs tariff and TARICG and at least two officers from Customs Information System Sector.
<u>Time Schedule</u>	Quarter I 2022
<u>Subject</u>	Customs officers from Department of Customs tariff and TARICG and at least two officers from Customs Information System Sector.

<u>Methods</u>	Study visit Only if pandemic is still ongoing it will be agreed between Twinning Partners to organise a videoconference instead
<u>Resources</u>	MS: Project leader, Component leader and MS experts (business and IT) BC: Project Leader and experts
<u>Duration</u>	3-5 days
<u>Output</u>	Conducted study visit to the EU Member state (twinning country) on EU TARIC and related ITMS subsystems
<u>Indicators of Achievement</u>	RCA staff familiarised with functioning of customs tariff and related ITMS subsystems in an EU member state

Component 3 – Result 3: IT capacities for implementing EU TARIC and ITMS subsystems strengthened

<u>Activity A.6</u> <u>(sub-results 3.1. and 3.2)</u>	Drafted analysis of the existing TARICG application in relation to EU TARIC latest version and related ITMS subsystems conducted, and provided recommendations
<u>Time Schedule</u>	Quarter I 2022
<u>Subject</u>	TARICG, EU TARIC and related ITMS subsystems
<u>Methods</u>	Experts mission / Workshop or Videoconference (only if pandemic is still ongoing), it will be agreed between Twinning Partners at the beginning of the Project implementation
<u>Resources</u>	MS: Project leader, Component leader and MS experts (business and IT) BC: Project Leader and experts
<u>Duration</u>	20 days
<u>Output</u>	Conducted analyse of the existing TARICG application in relation to EU TARIC latest version and Transition roadmap for the implementation related to upgrade of TARICG / implementation of the EU TARIC latest version drafted
<u>Indicators of Achievement</u>	Analysis and recommendations drafted

<u>Activity A.7</u> <u>(sub-result 3.3)</u>	Transition roadmap for the implementation related to upgrade of TARICG / implementation of the EU TARIC latest version with the possible dynamics, duration and approximate necessary funds for its implementation
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<u>Time Schedule</u>	Quarter II 2022
<u>Subject</u>	TARICG, EU TARIC and related ITMS subsystems
<u>Methods</u>	Experts mission / Workshop or Videoconference (only if pandemic is still ongoing), it will be agreed between Twinning Partners at the beginning of the Project implementation
<u>Resources</u>	MS: Project leader, Component leader and MS experts (business and IT) BC: Project Leader and experts
<u>Duration</u>	15 days
<u>Output</u>	Drafted Transition roadmap for the implementation related to upgrade of TARICG / implementation of the EU TARIC latest version with the possible dynamics, duration and approximate necessary funds for its implementation
<u>Indicators of Achievement</u>	Transition roadmap drafted

<u>Activity A.8 (sub-result 3.4)</u>	Drafting the Terms of Reference for upgrade of TARICG implementation of EU TARIC latest version and related ITMS subsystems with technical and functional specifications based on the recommendations and transitional roadmap
<u>Time Schedule</u>	Quarter II 2022
<u>Subject</u>	TARICG, EU TARIC and related ITMS subsystems
<u>Methods</u>	Experts mission / Workshop or Videoconference (only if pandemic is still ongoing), it will be agreed between Twinning Partners at the beginning of the Project implementation
<u>Resources</u>	MS: Project leader, Component leader and MS experts (business and IT) BC: Project Leader and experts
<u>Duration</u>	30 days
<u>Output</u>	Drafted Terms of Reference for upgrade of TARICG implementation of EU TARIC latest version and related ITMS subsystems with technical and functional specifications based on the recommendations and transitional roadmap
<u>Indicators of Achievement</u>	Terms of Reference with functional and technical specifications drafted

3.7 Means/input from the EU Member State Partner Administration*:

- expertise and knowledge of EU best practice in the field of customs tariff, TARIC, quotas, BTI, surveillance, contingents, quotas, anti-dumping;
- Capacity building (seminar, study visit, on the job training while preparing the following documents - Gap analysis, Action plan, Terms of Reference, technical and functional specifications for future project);
- Visibility and communication.

The project will be implemented in the form of a Twinning Light contract envisaged to provide exchange of experience and know-how with a MS Institution with good practice in the stated project activities. The project team will consist of a project leader- at the same time being the key business expert and three Components leader- at the same time being the key IT experts, as well as pool of experts for ad hoc assignments. All experts shall meet the formal conditions as set out in the Twinning Manual. The interested MS Partner Institution shall include in its proposal the CVs of the designated Project Leader, Components Leader and the proposed Short-term Experts as well as their specific tasks to which they will be assigned to. The MS Project Leader and the BC Project leader will ensure, that any difficulties that could hamper the implementation of the activities are identified at an early stage and effectively resolved. Both should also ensure close cooperation with the Delegation of the European Union to Montenegro and coordination with other ongoing and linked projects.

At the beginning of the Project implementation the Initial Rolling Work plan should be presented and agreed with the BC counterparts. All visibility actions, proposed in the project, should be in accordance with the visibility guidelines of the European Commission and twinning manual.

Profile and tasks of the PL:

Profile of the Project Leader/ Customs business

Requirements:

- University level education or equivalent professional experience of at least 8 years in the customs procedures;
- Minimum 3 years of professional experience in the area of Customs tariff and TARIC, quotas, BTI, surveillance and related ITMS subsystems;
- Proven contractual relation to public administration or mandated body, as defined under Twinning manual;
- Experience in project management;
- Fluency in English, both written and spoken;
- Computer literacy.

Assets:

- Experience as a project leader or expert in at least 1 project in candidate/potential candidate countries in the area of Customs tariff TARIC, quotas, BTI, surveillance and related ITMS subsystems;
- Knowledge of local language.

Tasks of the Project Leader:

- Support and coordination of all activities in the Beneficiary Country;
- Leading, actively participating, overseeing and co-managing the implementation of the project with the Project Leader from the Beneficiary Country;
- Leading, actively participating, overseeing, co-managing and coordinating the implementation of the project with the component leaders;
- Ensure the attainment of the projected outputs;
- Quality control of all inputs delivered;
- Organization of visibility events (kick-off and final event)
- Participation in Steering Committee meetings;
- Project reporting;
- Ensuring backstopping and financial management of the project in the MS.
- Organisation of a study visit to an EU Member State

3.7.1 Profile and tasks of Component Leader

The Twinning Team will include a team of 3 Component Leaders.

One of the Component Leaders may act at the same time as the Project Leader responsible for general coordination.

Each Component Leader will comply with the minimum requirements presented below.

Profile of the component Leader 1, 2 and 3:

- University level education or equivalent professional experience of at least 8 years in the customs procedures;
- Knowledge of QA/QC procedures;
- Proven contractual relation to public administration or mandated body, as defined under Twinning manual;
- Computer literacy;
- Fluency in English, both written and spoken.

Specific requirements for Component leader 1:

- Minimum 3 years of experience in legislative alignment in customs matters

Asset: Experience in legislative alignment related to customs tariff.

Specific requirements for Component leader 2:

- Minimum 3 years of experience in setting up/revision of institutional framework/capacity building in the customs areas, preferably those defined under this procedure

Specific requirements for Component leader 3:

- Minimum 3 years of experience in design/development/upgrade of software tools related to EU customs IT systems,
- Experience in preparation of technical and functional specifications and drafting Terms of Reference

Asset:

- Experience in drafting Terms of Reference and technical specifications as well as designing, development and upgrade of IT applications/systems in area of Customs tariff (EU TARIC) and ITMS subsystems;

Assets for all experts:

- Experience as an expert in at least 1 project in candidate/potential candidate countries in the area of Customs tariff, TARIC, quotas, BTI, surveillance and related ITMS subsystems;
- Knowledge of local language.

Tasks:

- Actively participating and supporting the Project leader in coordination of activities related to relevant component;
- Organizing the activities with the Project leader in the Beneficiary Country;
- Development and implementation of QA/QC procedures;
- Delivery of results of the activities;
- Reporting on the activities;
- Organization of the meetings within the Project in close cooperation with and Beneficiary PL;

3.7.2. Profile and tasks of other short-term experts

The twinning partners will decide on the profile, number and involvement of short-term experts during the drafting of the project work plan. There should be a pool of short-term experts to ensure smooth implementation of the project during the overall implementation period. STEs should be identified by the Project Leader and have to be agreed with the beneficiary administration in the course of designing and delivery of the project. Team of short-term experts should be mobilized according to agreed work plan.

Qualifications and skills:

- University level education or equivalent professional experience of at least 8 years in the customs procedures;

- At least 3 years of professional experience working in the areas of customs tariff /TARIC/ quotas/ BTI/surveillance/ related ITMS subsystems;
- Fluency in English, both written and spoken;
- Excellent communication skills;
- Proven contractual relation to public administration or mandated body, as defined under Twinning manual;
- Computer literacy.

STEs will provide specialized know-how for the individual tasks and individual sectors, needed in the area of customs tariff, TARIC, quotas, BTI, surveillance and related ITMS subsystems; therefore, the team of experts should have a relevant professional experience in an equivalent body and minimum qualifications required, as well as specific skills needed for individual task. As a general approach, the STEs will take the responsibility for the achievement of the results, each for his/her individual mission tasks. They will also prepare the required reports and the output described. They can provide long-standing experience in all relevant fields.

Detailed profiles and tasks of short-term experts will be provided in the Twinning Work Plan.

Tasks:

- Closely work with Montenegrin partners in implementing all Twinning Project activities;
- Provide specialised assistance and support to Revenue and Customs Administration of Montenegro in the activities identified by this Twinning Light Fiche in order to have the best possible results;
- Prepare the deliverables according to instructions from the component and project leader, familiarising themselves with relevant documentation, and drafting supporting materials,
- Diligently perform the activities in order to deliver the results, according to the component leaders instructions and considering the requests by Montenegrin partners;

At the end of the mission, draft a brief mission report and handle all deliverables prepared.

4. Budget

EUR 250 000

5. Implementation Arrangements

5.1 Implementing agency responsible for tendering, contracting and accounting

Directorate for Finance and Contracting of the EU Assistance Funds (CFCU), Ministry of Finance and Social Welfare of Montenegro

Ms Marija Vukčević, Director General

Address: Stanka Dragojevića 2

81000 Podgorica, Montenegro

Email: cfcu@mif.gov.me

Telephone number: +38220 230 657

5.2 Institutional framework

Revenue and Customs Administration of Montenegro

Sector for customs and legal affairs, Department of Customs tariff and TARICG, Department of protection of intellectual property rights and monitoring prohibitions and restrictions, Department of valuation and origin of goods, Department for excise and tax, Sector for customs information system, Department of development of Customs information system.

The main organizational unit in charge for the implementation of project will be Department of Customs tariff and TARICG and Department of development of Customs information system. Other mentioned organizational units will give support to that departments in the process of analysing of customs national legislation as well as other national legislation related to customs tariff.

Revenue and Customs Administration has appointed project leader counterpart, contact person as well as customs officers which will be in charge of implementation of this project who will closely cooperate with the PL and his team, as well as Ministry of Finance and Social Welfare.

5.3 Counterparts in the Beneficiary administration:

The PL counterpart will be a civil servant of the Beneficiary administration and will be actively involved in the management and coordination of the project.

5.3.1 Contact person:

Mr. Albian Siništaj, Independent Advisor I for TARICG,

Department of Customs tariff and TARICG

Revenue and Customs Administration of Montenegro

Oktobarske revolucije 128, 81000 Podgorica

Montenegro

5.3.2 PL counterpart

The PL counterpart will be a civil servant of the Beneficiary administration and will be actively involved in the management and coordination of the project.

Dženana Tuzović

Head of Department of Customs Tariff and TARICG

Revenue and Customs Administration of Montenegro

Oktobarske revolucije 128, 81000 Podgorica

Montenegro

6. Duration of the project

Six months

7. Sustainability

For the reason of preparation for mentioned future complex Project planned within IPA III programming, we consider that this is the optimal time to prepare the Revenue and Customs Administration of Montenegro for this future complex project by making GAP analysis regarding the legislation, organization, human resources and IT systems (TARIC and ITMS subsystems), preparing the Action plan for strengthening administrative capacity and drafting Terms of reference with technical and functional specification for implementation of the future project. In that manner we will be fully ready to implement the future Project which will have as results implemented EU TARIC latest version with all ITMS subsystems BTI, Surveillance, Quotas...) in CIS and all systems will be fully compatible with the EU IT systems in this area.

One of the results of GAP analysis will determine whether the upgrading of TARICG version to EU TARIC latest version will be needed or will be needed the implementation of EU TARIC latest version. The implementation of EU TARIC and ITMS subsystems directly affects the effectiveness and efficiency of the customs service as it affects the implementation of customs procedures, the operations of customs officers and shortens the time required to complete procedures in international trade.

Based on the results of conducted Analysis of organizational and personnel structure in RCA related to customs tariff and TARICG and recommendations provided for future implementation of EU TARIC and related ITMS subsystems as well as prepared Action plan for strengthening administrative capacity of Revenue and Customs Administration in this area, Revenue and Customs Administration in cooperation with the Ministry of Finance and Social Welfare will plan necessary changes of Rulebook on Internal Organization and Systematization of RCA as well as recruitment of new staff.

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

Equal participation of women and men will be secured during the implementation of the project. Institutions benefiting from this Project are equal opportunity employers. Special attention to minorities and vulnerable groups will be an integral part of any activity. There will be regular monitoring to ensure these issues are given due prominence. The activities envisaged under the project should not negatively affect the environment. For this purpose, the production of printed material will be kept to the strictest minimum.

9. Conditionality and sequencing

This project will contribute in the area of trade facilitation, which will lead to accomplishment of the benchmarks regarding Chapter 29 – Customs union.

10. Indicators for performance measurement

- 1) State of national legislation in the field of customs tariff (contingents, quotas, anti-dumping) – linked to Result 1, Sub-results 1.1 and 1.2, Activity A1;

Baseline: no assessment of national legislation

Target: Analysis of national legislation in the area of customs tariff (contingents, quotas, anti-dumping and other measures) conducted and recommendations drafted

- 2) Improved organizational and personnel structure in RCA in the area of customs tariff – linked to Result 2, Sub-result 2.1, Activity A2;

Baseline: Rulebook of internal systematization and organization of RCA

Target: Analysis of organizational and personnel structure in RCA and recommendations drafted,

- 3) Number of customs officers trained/seminar conducted in the area of customs tariff and related ITMS subsystems – linked to Result 2, Sub-result 2.3, Activity A3;

Baseline: no presentations/seminar or videoconference in the area of customs tariff and related ITMS subsystems

Target: seminar conducted and at least 8 customs officers trained

- 4) State of administrative capacities in the area of customs tariff in the RCA – linked to Result 2, Sub-result 2.2, Activity A4;

Baseline: Rulebook of internal systematization and organization of RCA

Target: Action plan for strengthening administrative capacities in the area of customs tariff drafted

- 5) RCA staff familiarised with functioning of customs tariff and related ITMS subsystems in an EU member state – linked to Result 2, Sub-result 2.3, Activity A5;

Baseline: No study visit in the area of customs tariff and related ITMS subsystems

Target: Study visit for at least 6 customs officers conducted

- 6) State of TARICG in relations to EU TARIC and related ITMS subsystems – linked to Result 3, Sub-results 3.1 and 3.2, Activity A6;

Baseline: no analysis

Target: Analysis and recommendations drafted

- 7) Drafted Transition roadmap for the implementation related to upgrade of TARICG / implementation of the EU TARIC latest version with the possible dynamics, duration

and approximate necessary funds for its implementation – linked to Result 3, Sub-result 3.3, Activity A7;

Baseline: no Transition roadmap

Target: Transition roadmap drafted

- 8) Drafted Terms of Reference for upgrade of TARICG implementation of EU TARIC latest version and related ITMS subsystems with technical and functional specifications based on the recommendations and transitional roadmap – linked to Result 3, Sub-result 3.4, Activity A8;

Baseline: No Terms of Reference and technical and functional specifications for EU TARIC latest version and related ITMS subsystems

Target: Terms of Reference with functional and technical specifications drafted

11. Facilities available

The Beneficiary institution will provide office accommodation for experts working on the Project (one office), including the equipment (computer, office supplies, copier, telephone, Internet connection, air conditioner, etc.)

Furthermore, beneficiary institution will provide a meeting room and training facilities for the purpose of trainings of the customs officers, in the RCA headquarter and RCA Training centre. In cooperation with the Chamber of Commerce, beneficiary will make available training facilities for the business community, whenever this is required during the course of the project.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix as per Annex C1b (compulsory)
2. Annex 1 Organizational scheme of former Montenegrin Customs Administration⁹

⁹ New organigramme of the new Revenue and Customs Administration shall be shared as soon as it is adopted

ANNEX C1b: Levels of an intervention logic – Twinning Light

Annex C1b: Simplified Logical Framework

	Description	Indicators (with relevant baseline and target data)	Sources of verification	Risks	Assumptions (external to project)
Overall Objective	<i>The overall objective is to contribute to the accomplishment of the goals of the Government of Montenegro in the area of customs modernization process aimed at enhancing trade facilitation and revenue collection in accordance with Montenegro trade facilitation Strategy</i>	<i>RCA made further progress in relation to the fulfilment of closing benchmark in Chapter 29 Customs and towards realisation of the goals from Trade facilitation strategy</i>	<i>EC Progress Report for Montenegro Montenegro annual report for the implementation of the Trade facilitation strategy Action plan. Revenue and Customs Administration annual Report</i>	<i>Delays in fulfilling the obligation from Chapter 29 Customs union</i>	<i>Government maintains consistent policy and commitment to the digitalization of customs procedures. Adopted new Montenegro Customs Law and Decree on Customs tariff</i>
Specific (Project) Objective(s)	<i>To support to the Revenue and Customs Administration of Montenegro in preparation for upgrading TARICG to EU TARIC latest version and related ITMS subsystems.</i>	<i>Revenue and Customs Administration prepared for the future implementation of one of the most important systems of customs administrations EU TARIC as well as related subsystems that make up the Integrated Tariff Management System-ITMS).</i>	<i>EC Progress Report for Montenegro Annual report for the implementation of the Trade facilitation strategy Action plan. Revenue and</i>	<i>Delays in fulfilling the obligation from Chapter 29 Customs union</i>	<i>Commitment, good and continuous cooperation of all stakeholders at all levels; Willingness and capacity of Customs high level management to introduce changes into the Project area</i>

			<i>Customs Administ ration annual Report</i>		
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<p>Mandatory results/outputs by components</p>	<p><u>Component 1 – Result 1:</u> National legislation related to customs tariff further aligned with EU legislation and recommendations for further alignment drafted</p> <p><u>Component 2 – Result 2:</u> Intitutional and administrative capacities of RCA further strenghtened</p> <p><u>Component 3 – Result 3:</u> IT capacities for implementing EU TARIC and ITMS subsystems strenghtened</p>	<p><i>National legislation further aligned with EU legislation</i></p> <p><i>Strenghtened administrative capacities in relations to customs tariff</i></p> <p><i>Drafted Transitional roadmap, terms of reference and for EU TARIC and ITMS subsystems</i></p>	<p><i>Annual report of the Revenue and Customs Administration of Montenegro</i></p>	<p>Covid-19 pandemic-travel restrictions (for experts)</p>	<p>Employment of additional officials in related organizational unit of RCA</p>
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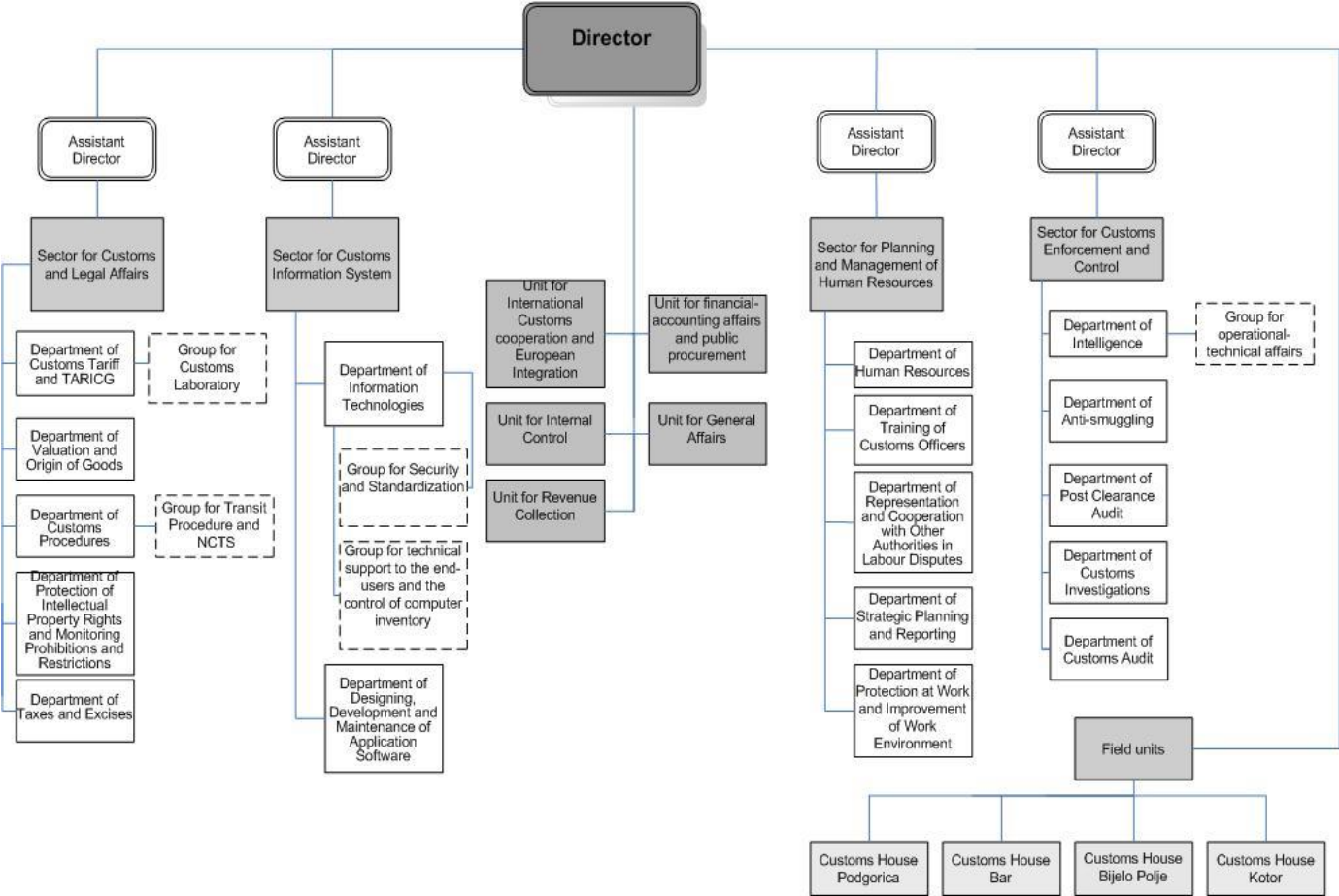
<p>Activities</p>	<p>A1.Prepare analysis of current legislation in the area of customs tariff (contingents, quotas, anti-dumping and other measures) and provide recommendations for full alignment of national legal framework with the EU legislation</p> <p>A2.Conduct the analysis of RCA organizational and human resources capacities and draft recommendations for necessary RCA organizational changes and human capacities with job description, roles and responsibilities in line with EU best practices.</p> <p>A.3.Deliver seminar for at least 8 customs officers on EU TARIC and related ITMS subsystems with the way forward to their implementation</p> <p>A.4.Draft the Action plan for strengthening administrative capacities of RCA based on the provided analysis and recommendations</p>	<p>R 1.1. and R 1.2. Indicator 1: State of national legislation in the field of customs tariff (contingents, quotas, anti-dumping) Baseline: no assessment of national legislation Target by Q4 2021: Analysis of national legislation in the area of customs tariff and recommendations drafted</p> <p>R 2.1.Indicator 2: Improved organizational and personnel structure in RCA in the area of customs tariff Baseline: Rulebook of internal systematization and organization of RCA Target by Q1 2022: Analysis of organizational and personnel structure in RCA and recommendations drafted</p> <p>R 2.3. Indicator 3: Number of customs officers trained/seminar conducted in the area of customs tariff and related ITMS subsystems Baseline: no presentations/seminar or videoconference in the area of customs tariff and related ITMS subsystems Target by Q4 2021: seminar conducted and at least 8 customs officers trained</p> <p>R 2.2. Indicator 4: State of administrative capacities in the area of customs tariff in the RCA subsystems Baseline: Rulebook of internal systematization and organization of RCA Target by Q1 2022: Action plan for strengthening administrative capacities in the area of customs tariff drafted</p>	<p>Project report</p>	<p>Covid-19 pandemic-travel restrictions (for experts)</p>	
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	<p>A.5. Conduct study visit to the EU Member state (twinning country) on EU TARIC and related ITMS subsystems. Study visit should include at least four customs officers from Department of Customs tariff and TARICG and at least two officers from Customs Information System Sector.</p> <p>A.6. Drafted analysis of the existing TARICG application in relation to EU TARIC latest version and related ITMS subsystems conducted, and provided recommendations</p> <p>A.7. Transition roadmap for the implementation related to upgrade of TARICG / implementation of the EU TARIC latest version with the possible dynamics, duration and approximate necessary funds for its implementation</p> <p>A.8. Drafting the Terms of Reference for upgrade of TARICG implementation of EU TARIC latest version and related ITMS subsystems with technical and functional specifications based on the recommendations and</p>	<p>R 2.3. Indicator 5: RCA staff familiarised with functioning of customs tariff and related ITMS subsystems in an EU member state <i>Baseline: No study visit in the area of customs tariff and related ITMS subsystems</i> Target by Q1 2022: Study visit for at least 6 customs officers conducted</p> <p>R 3.1. and 3.2. Indicator 6: State of TARICG in relations to EU TARIC and related ITMS subsystems <i>Baseline: no analysis</i> Target by Q1 2022: Analysis and recommendations drafted</p> <p>R. 3.3. Indicator 7: Drafted Transition roadmap for the implementation related to upgrade of TARICG / implementation of the EU TARIC latest version with the possible dynamics, duration and approximate necessary funds for its implementation <i>Baseline: no Transition roadmap</i> Target by Q2 2022: Transition roadmap drafted</p> <p>R 3.4. Indicator 8: Drafted Terms of Reference for upgrade of TARICG implementation of EU TARIC latest version and related ITMS subsystems with technical and functional specifications based on the recommendations</p>			
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	transitional roadmap	<p>and transitional roadmap</p> <p><i>Baseline: No Terms of Reference and technical and functional specifications for EU TARIC latest version and related ITMS subsystems</i></p> <p>Target by Q2 2022: <i>Terms of Reference with functional and technical specifications drafted</i></p>			
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ORGANIZATIONAL CHART OF CUSTOMS ADMINISTRATION



ORGANISATIONAL CHART OF FIELD UNITS

