This action is funded by the European Union

ANNEX 2

of the Commission Implementing Decision on the ENI East Regional Action Programme 2016 and 2017, Part I

Action Document for Eastern Partnership Integrated Border Management Flagship Initiative: introduction of an automated intelligent video-control system at road border crossing point Novaya Huta – Novi Yarylovychi at the Belarus-Ukraine frontier

1. Title/basic act/ CRIS number	Eastern Partnership Integrated Border Management Flagship Initiative: introduction of an automated intelligent video-control system at road border crossing point Novaya Huta – Novi Yarylovychi at the Belarus-Ukraine frontier CRIS number: ENI/2016/038-708 financed under European Neighbourhood Instrument
2. Zone benefiting from the action/location	Eastern Europe Region Beneficiary counties are Belarus and Ukraine The action shall be carried out at the road border crossing point Novaya Huta (in Russian: Novaya Guta) – Novi Yarylovychi (Belarusian-Ukrainian border)
3. Programming document	Regional East Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)
4. Sector of concentration/ thematic area	Integrated Border Management
5. Amounts concerned	Total estimated cost: EUR 947 600 Total amount of EU budget contribution: EUR 800 000 Parallel co-financing by Belarus (EUR 72 600) and by Ukraine (EUR 75 000)
6. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with the International Organization for Migration (IOM)

7 a) DAC code(s)	15210 - Security system management and reform 33120 - Trade facilitation		
b) Main Delivery Channel	47066 - International Organization for Migration		
8. Markers (from CRIS DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Main objective**
	Participation development/good governance	☐	☐	X
	Aid to environment	X	☐	☐
	Gender equality (including Women In Development)	X	☐	☐
	Trade Development	☐	☐	X
	Reproductive, Maternal, New born and child health	X	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Main objective**
	Biological diversity	X	☐	☐
	Combat desertification	X	☐	☐
	Climate change mitigation	X	☐	☐
	Climate change adaptation	X	☐	☐
9. Global Public Goods and Challenges (GPGC) thematic flagships	Integrated Border Management Flagship Initiative		

SUMMARY

This project will support Belarus' and Ukraine's customs and border guard services working at one road border crossing point (BCP) on the countries' common frontier (Novaya Huta – Novi Yarylovychi).

The proposed automated intelligent video-control system will have pilot character, to be rolled out at the entire Belarusian-Ukrainian border in the coming years. Currently, neither Ukraine nor Belarus has a similar structure in place. The system will be hooked up to the EU-funded PRINEX project – an electronic information exchange network, launched in 2015, which sends details such as weight and type of goods transported to the customs of the neighbouring country prior to the arrival of a vehicle on the other side of the border. The new system will provide the number plate, the country of registration, the vehicle make, the number of persons in the vehicle and an image of the vehicle to the customs and border guard services on both sides of the frontier by automatically scanning the number plate and photographing the vehicle when it approaches the video-control system before the first boom barrier of the BCP.

In order to guarantee system coherence with PRINEX, soft- and hardware compatibility and a simultaneous execution pace in both beneficiary countries, the project team will organise a series of expert-level coordination meetings for Belarus and Ukraine customs and border guard services through the whole project implementation period. It is expected that about 60% of the project funds will be spent on items such as IP (internet protocol) cameras, equipment for recognising vehicle number plates and software. Activities will also include testing / fine-

tuning of relevant national software modules to ensure operational stability and the organisation of system administrator training sessions for customs' and border guards' staff working at that BCP.

Ukraine's and Belarus' financial contributions (outside the delegation agreement) will fund the construction documentation development, its certification, construction works, scales and the lightning conductor systems.

This project is expected to achieve the following results: (1) the time needed to carry out customs and border guard formalities for travellers and trucks will be reduced, (2) the countries' capacities to prevent and fight cross-border crimes will be improved, (3) levels of smuggling of illicit goods will be reduced, (4) the conditions for the free movement of persons, goods and means of transport will improve and (5), due to shorter vehicle queues, the environmental situation in the areas adjacent to the border crossing point will be enhanced.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic

In 2014, Belarus had a population of 9.5 million living on a territory of 207,600 square km. In the same year, Ukraine had 44.3 million inhabitants. It has an area of 603,500 square km.

According to World Bank figures for 2013, Belarus' Gross Domestic Product (GDP) at Purchasing Power Parity (PPP) per capita was USD 17,620 (64th out of 185 countries) and its GDP (at PPP) USD 167 billion. The corresponding figures for Ukraine are USD 8,790 (105th country in the world; figure of 2013) and USD 371 billion (2014), respectively.

In 2013, Belarus' HDI (Human Development Index) value, which is a UN composite statistic of life expectancy, education, and per capita income indicators, was 0.786, which gave the country a rank of 53 out of 187 states with comparable data. Ukraine's HDI was 0.734 (ranked 83th). The HDI of the region "Europe and Central Asia" stood at 0.738 in that year, placing Belarus above and Ukraine slightly below the regional average.

1.1.1 Public Policy Assessment and EU Policy Framework

Ukraine

In 2010 and 2011, the cabinet of Ministers of Ukraine approved the Integrated Border Management (IBM) Concept on 27 October 2010 and its Action Plan on 5 January 2011. By listing its five main dimensions, the IBM Concept contains a clear reference to the EU IBM Strategy approved by an EU Council Conclusion in December 2006. According to the Concept, the State Border Guard Service of Ukraine has the overall responsibility for implementation of the tasks contained therein. Other stakeholders are the State Fiscal Service (formerly State Customs Service), State Migration Service, Ministry of Foreign Affairs and the State Security Service. Ukraine's Action Plan on the implementation of the IBM Concept consists of a list of specific tasks in the field of enhancement of the legal framework (national and international), creating a four-tier control system for entry and stay in Ukraine of foreigners and stateless persons, enhancing cooperation with national and international stakeholders, creating a single information system of subjects of integrated border management, bringing the procedure of border crossing of persons, vehicles and goods in line with EU standards, improving the system of border protection, improving the professionalism of personnel and ensuring cooperation and coordination of activities of subjects of IBM. Moreover, the project addresses directly Priority "Investment in Customs Modernisation" of the EU-Ukraine Association Agreement.

Belarus

Belarus has not adopted an IBM Strategy yet but work on it is progressing: a second draft of the document, prepared by the State Border Committee, is currently being discussed with the State Customs Committee (SCC BY). Its adoption by both services in the format of a "joint decision" *(sovmestnoe postanovlenie)* is expected to take place in the near future. Currently, the following strategic documents relate directly to the project: "Decision of the Customs Union Commission No. 688 of June 2011[1], "Order of the SCC BY On the Ratification of the

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[1] Its exact name is: "On Common Requirements for Equipment and Hardware to be Installed in Buildings, Premises and Facilities Used For Border, Customs, Sanitary, Veterinary, Quarantine, Phyto-Sanitary and

Main Development Directions of the SCC BY in the Period 2016-2020 and Forecast until 2025" (not adopted yet), "Development Programme on the Transit Capacity of the SCC BY at Road and Railway Border Crossing Points in 2016-2020" (not adopted yet) and the "Order of the SCC BY № 460 "On the Ratification of the Concept for the Development of Information and Communication Technologies during the Years 2014-2020" of 16 September 2014.

Cooperation between Belarus and Ukraine

Cooperation between Belarus and Ukraine in the sphere of customs information exchange is based on the "Protocol on Information Exchange between the State Customs Committee of the Republic of Belarus and the State Fiscal Service of Ukraine Concerning Goods and Vehicles Crossing the Customs Border of Belarus and Ukraine", which entered into force on 12 September 2004. While this Protocol does not detail the exact type of data to be transferred to the neighbouring country and, therefore, prevented them from exchanging any data, the "Regulation on the Interaction of Information Systems during Pre-Arrival Information Exchange between the State Customs Committee of the Republic of Belarus and the Ministry of Revenue and Taxes of Ukraine" (now State Fiscal Service), which was negotiated in the framework of the EU-funded PRINEX project and signed on 20 June 2014, provides nowadays for a solid legal basis for the data exchange between the customs services of the two countries.

EU Policy Framework: Ukraine

The last meeting of the EU-Ukraine Sub-Committee on Customs and Cross-Border Cooperation took place in Kyiv in October 2015. Along with the alignment of Ukraine's customs legislation to the EU customs acquis, the EU's cooperation with Ukraine is focused on the following issues:

- Development of risk management systems, including a programme for authorised economic operators, and promoting exchanges of customs information;
- Assistance in the accession to the Common Transit Convention;
- Assistance in working towards accession to the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin, thereby fostering regional economic integration for trade in goods.

Developing an authorised economic operator (AEO) concept in line with the EU legislation is one of the commitments taken by Ukraine in the Association Agreement. The current focus is on a comparative analysis of the respective AEO legislations conducted by European Commission and EU Member States experts. Exchange of experience and best practices will be shared by enabling participation in AEO Network meetings and conducting study visits to EU Member States. In order to improve risk management and facilitate trade between the EU and its Eastern neighbours, the Project Group on Exchanges of Information decided to launch a pilot project with Ukraine and Moldova on the transmission of TIR Carnet data. The ultimate objective of the exchanges of information before vehicles arrive is to allow the authorities to carry out risk analysis at central level in advance, to facilitate and to accelerate the border-crossing of goods consignments. Future accession of Ukraine to the common transit procedure would imply an important step forward in the country's integration into the

Transport Control At the Border Crossing Points Located At the External Border of the Customs Union Member States, and On the Classification of the Border Crossing Points Across the External Border of the Customs Union Member States and On the Certificate Template for a Border Crossing Point On the External Border of the Customs Member States"

EU customs system. Moreover, Ukraine has the status of an informal observer in the EU-EFTA Working Group on "Common Transit and the Simplification of Formalities in Trade in Goods". The country has informed the European Commission about its internal discussions regarding the potential accession to the Pan-Euro-Mediterranean Convention on Preferential Rules of Origin (PEM).

EU Policy Framework: Belarus

Currently, EU customs cooperation with Belarus is rather limited. The Council has agreed to normalise EU-Belarus relations, and in January 2015, COREPER approved a list of possible concrete measures to deepen the EU's policy of critical engagement with Belarus, including in the area of customs. Also, TAXUD has offered to Belarus Customs to resume more regular customs cooperation. However the reaction of Belarus has been restrained for the time being.

1.1.2 Stakeholder analysis

The State Customs Committee of the Republic of Belarus (SCC BY) has about 5000 employees. Currently, this Belarusian service is administratively divided into nine "customs houses" (one in each territorial entity, Minsk international airport and HQ in Minsk). Customs officers are located at 25 road border crossing points (BCPs), 13 BCPs at railway stations, 7 international railway transfer stations, 7 BCPs at airports and 3 BCPs at river ports. Budgetary funding to this service by the government was stable over the past years. However, there is a tendency in the past 1-2 years that funding decreases due to the economic crisis the country is currently confronted with. The strategic focus of the SCC BY changed significantly when the Customs Union (CU) between Belarus, Kazakhstan and Russia was created in 2010. Apart from further harmonisation efforts linked to the formation of the CU, the creation of a pre-arrival info exchange system with EU countries appears to be the government's main priority as to Europe at the moment. The main objective is to reduce the processing time of goods shipped into, through and/or out of the country at Belarusian border crossing points. The border guard system is founded on a ten-year strategy covering the years 2008-2017, which, among others, foresees the transformation of the border guard into a service, which is based entirely on professionals in the coming four years (15 per cent of the staff are still conscripts). While the first five years of the strategy were dedicated to the establishment of the legal foundations for the reform, the years 2013-2017 will be focussed on the implementation of activities (such as strengthening and demarcation of the Belarus-Ukraine border, abolishment of the use of conscripts, etc.). On 9 August 2013, the Belarusian President endorsed by decree the new state programme "On the Development and Modernisation of Infrastructure on the State Border of the Republic of Belarus and Border Zones 2014-2022", which is supposed to complement the Strategy.

In Ukraine, the Cabinet of Ministers approved the Integrated Border Management (IBM) Concept on 27 October 2010 and its Action Plan on the 5 January 2011. By listing its five main dimensions, the IBM Concept contains a clear reference to the EU IBM Strategy approved by the Council Conclusions of 4-6 December 2006. According to the Concept, the State Border Guard Service of Ukraine has the overall responsibility for the implementation of the tasks arising from it. Currently, the customs department of the State Fiscal Service of Ukraine (SFS UA) has approximately 17,300 employees. Current reform plans of the Ukrainian government stipulate a reduction of staff by 30% in the foreseeable future. These decreases are mainly linked to budgetary constraints. However, the government has the intention to compensate these losses in human resources by concentrating its efforts on the introduction of electronic processing systems at border crossings and central levels. Customs

officers work at 183 border crossing points. There are 27 customs houses and 255 customs clearance offices located all over the country. The SFS UA, contrary to the SCC RB and many other customs services in Europe, does not have investigative powers, since these functions are with the state prosecutors' offices and the State Security Service (SBU). It is important to mention that the SFS UA is a major contributor to the country's state budget.

1.1.3 Priority areas for support/problem analysis

The Belarus-Ukraine border stretches for 1,084 km and runs mainly across a flat land terrain. However, around 250 km run along different rivers like Pripyat, Dnepr and Sozh. There are six railway, nine international road and three river border crossing points (BCPs) as well as 16 border crossing points for local traffic (open only for nationals of Belarus and Ukraine).

While trade flows at the Belarusian-Ukrainian border are not as significant as at other borders of the region, in particular from an Ukrainian perspective[2], it is important to mention that the BCP Novaya Huta – Novi Yarylovychi is located at branches A and B of the Pan-European (Transport) Corridor IX (Helsinki – St. Petersburg – Moscow/Pskov/Kaliningrad/Klaipeda – Kiev – Chisinau – Bucharest – Dimitrovgrad – Alexandropouli). In 2015, 4500 people in 1020 vehicles (cars, busses and trucks) crossed this BCP per day in average with 1.128 million tons of cargo (figure of 2014), making Novaya Huta – Novi Yarylovychi the busiest BCP on the entire Belarusian-Ukrainian frontier.

Currently, customs checking of vehicles at the Belarusian-Ukrainian border is being implemented manually. Automation and digitalization of data input in working processes of the customs services of the two countries will not only reduce the number of errors caused by the "human factor" but must also be seen as an effective preventive measure against corruption since the system reduces the number of opportunities for misconduct by state authorities. While there are six BCPs in Belarus equipped with video control installations at the border with Poland and Lithuania, which are not technically linked with the neighbouring countries, the project proposed would introduce an *integrated* system combining all customs and border guard checking procedures into one for the first time in the beneficiary countries' history. Moreover, the system is expected to reduce significantly processing time.

2   RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Corruption spreading among customs officials will undermine the expected results of this actions	L to M	An EU-funded Twinning project supports the SFS UA to fight corruption in Ukraine. However, corruption levels in Belarus are lower. Moreover, the basic idea of this project (automation and digitalization of working processes) is an anti-corruption measure in itself.
The counterparts may not fully	L	The risk that counterparts may not fully

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[2] For Ukraine, the most important border as regards arriving and departing goods are the ports in Odessa and Illichivsk.

endorse (or take considerable time when endorsing) programme activities		endorse activities is close to zero, not least since the project idea came originally from the two beneficiary countries. The registration of the project might, however, take indeed considerable time, in Belarus in particular. Experience shows that the *timely* involvement of beneficiaries in project activities is the best way to address this risk.
Trained personnel may leave project beneficiary institution	**L to M**	The risk of staff fluctuations in Belarus is low compared to Ukraine where a medium level risk exists. The best way to address this matter is to involve significant numbers of beneficiary representatives in project activities.
Assumptions		
1. There is commitment and interest on the part of the two beneficiary countries' administrations to share information, harmonise procedures/systems/practices amongst each other in accordance with EU standards and/or project recommendations. 2. The two beneficiary countries will make sufficient numbers of appropriate qualified personnel available for project activities. 3. Project participants of the two beneficiary countries will keep working in their institutions for sufficient time so that the skills and knowledge obtained can be properly applied and transferred to colleagues.		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Lessons learned from previous assistance provided in both countries include:

Assistance in a sensitive area such as border management needs to be developed through a constant and often time-consuming dialogue with beneficiary governments.

A regional approach provides coherence and encourages harmonisation of global procedures among beneficiary countries.

However, assistance projects have to be tailor-made and needs have to focus on specific requirements of the beneficiary countries, which, about 25 years after the collapse of the Soviet Union, have become very diverse as to their development levels and foreign policy orientation.

The provision of equipment has to be linked to training sessions dedicated to the equipment's use and maintenance.

Donor assistance needs a mid- to long-term perspective. "One-shot" interventions, implemented over a period of two-three years often lack sustainability.

3.2 Complementarity, synergy and donor coordination

Complementarity and synergies

Eastern Partnership Integrated Border Management (EaP IBM) Flagship Initiative:
Assistance by the European Union or other international donors directed to the border
between Belarus and Ukraine, in contrast to the borders of the same countries with EU
Member States, has been somewhat scarce. For the time being, there have been only three
interventions in recent years which were dedicated explicitly to that border: Under the budget
for 2011, the EU allocated EUR 2.6 million for the strengthening of the Belarus-Ukraine
"green" border: The 27-month "SURCAP" (Strengthening Surveillance Capacity) project was
split into two components - one on training (EUR 0.7 million) and one on equipment (EUR
1.9 million). Implementation took place during the period 2012 – 2014. SURCAP was
followed up by a 30-month second phase, which started activities in spring 2014 (EU
contribution: EUR 5.1 million). While SURCAP supports the border guards of the two
countries, another EaP IBM Flagship Initiative, PRINEX (Pre-Arrival Information Exchange),
provides assistance to the customs services. This 3.667-million euro intervention can be seen
as the "sister" of the automated intelligent video-control system project: It will be hooked up
to the system established under PRINEX and create therefore significant synergies. PRINEX
started activities in spring 2013 and finished in February 2016. The present project will be
closely coordinated with the regional 3-year Eastern Partnership – Integrated Border
Management – Capacity Building Project, which started activities in July 2014 (budget: EUR
4.48 million). It is implemented by Frontex in partnership with WCO, IOM, UNHCR and
ICMPD. Activities take place in the six Eastern Partnership countries and are focused on
trainings and study visits which, *inter alia*, support the beneficiary countries' implementation
of the concept of integrated border management in their national system, the strengthening of
training capacities and fight against corruption. It does not provide for any investments in
equipment or infrastructure.

The EU-funded ***EUBAM*** programme (European Border Assistance Mission) for Moldova
and Ukraine has been supporting improvement in border management standards in Moldova
and Ukraine by providing technical input, *inter alia*, for the settlement process of the
Transnistrian conflict since late 2005. This project in the area of freedom, security and justice
was commended in a Court of Auditors report as contributing greatly to building capacity in
the Moldovan and Ukrainian border guard and customs services. EUBAM has made
recommendations on legislative and structural reform of the customs and border guard
services.

The EU financed several projects under the ***Cross-Border Cooperation Programmes***
"Poland-Belarus-Ukraine" and "Latvia-Lithuania-Belarus" (2007-2013), in the framework of
which five major interventions (mainly reconstruction of border crossing points) worth
approximately EUR 20.15 million in total have been financed in Belarus during the years
2013-2015. In Ukraine, three Cross Border Cooperation Programmes (2007-2013) are
currently operational. For the first one – the Poland-Ukraine-Belarus programme – many
large-scale projects concern border management. These projects are estimated to amount to
approximately EUR 16.718 million in total. The implementation of other large-scale projects
in the framework of the Romania-Moldova-Ukraine programme and the Hungary-Slovakia-
Romania-Ukraine programmes are expected to finish activities before the end of 2015. It is
noteworthy that the EC has started drafting the next round of 7-year strategies on the CBC
programmes. It is likely that they will include support measures for agencies working on the
state border. However, it is also likely that the focus will not be on activities at the Belarus-
Ukraine border, making the EaP IBM Flagship Initiative the only EU-funded programme
which directs assistance to that frontier.

Under the ENPI 2010 Annual Action Programme for Ukraine, the European Commission signed a EUR 60 million *Sector Policy Support Programme* in the field of border management, in particular of the Integrated Border Management (IBM) strategy (implementation period: 2011-2015). As complementary measures, a Twinning project for the State Border Guards Service and one for the Customs were funded. Also, several supply contracts for both the customs and the border guards are being implemented at the moment.

Frontex has bilateral working arrangements on the establishment of operational cooperation with the relevant authorities of Belarus and Ukraine. According to these arrangements, cooperation focuses geographically on external EU borders and thematically on the exchange of information & experience, risk analysis, joint operations, training, joint activities and secondment of border guards to EU Member States units responsible for border control. Frontex does not provide equipment to the two beneficiary countries.

It is expected that the two *beneficiary countries* will contribute EUR 72,600 (Belarus) and EUR 75,000 (Ukraine) to the strengthening of the Belarus-Ukraine border outside the agreement to be signed with IOM.

Donor coordination

The specific political circumstances in Belarus have resulted in a quasi-monopoly position of the European Commission with regard to the State Customs Committee. Assistance activities by other donors in this particular area are very limited and scarce. The only international organisations, which are active in this field and permanently present in Belarus, are the International Organisation for Migration (IOM) and the UNDP, which both mostly implement EC-funded projects. It should be noted, though, that also Russia provides significant aid to both services but its extent is very difficult to assess.

As regards border management, the U.S. is the only major active donor, apart from the EU, in Ukraine. Close cooperation and coordination of activities are taking place on a permanent basis to ensure synergy effects. Coordination with beneficiaries and donors is also achieved through the EUBAM Advisory Board and bi-annual EUBAM Coordination meetings on Border Management Training. Moreover, the EU Delegation in Kiev has regular consulting meetings with other main actors, such as IOM, UNHCR and the customs liaison officers in EU embassies. A new mechanism for coordination in the field of civilian security sector reform under the lead of the EU Assistance Mission to Ukraine has been recently initiated (bi-annual Border Management Assistance Group meetings).

3.3   Cross-cutting issues

Good governance: The project is expected to be based on good governance principles ("ownership" and "fighting corruption" in particular). Through the organisation of numerous coordination meetings between beneficiaries, it will promote the dialogue between different levels of the two state administrations involved. Moreover, it will help strengthen the partner countries' capacities to better deal with the management of international borders in line with European best practice.

Environment: The project is expected to reduce waiting time of trucks, busses and private cars, which will have a positive impact on the nature adjacent to BCP Novaya Huta – Novi Yarylovychi (reduced levels of car exhaust fumes and litter).

Gender: The system to be installed and hooked up to PRINEX might help officers working at the border fight the problem of human trafficking.

The expected *long-term impact* is to contribute to the strengthening of good neighbourly relations as well as the facilitation of trade and migration flows.

4   DESCRIPTION OF THE ACTION

4.1   Objectives/results

Overall Objectives

- To help improve international cooperation between the customs and border guard services of the two beneficiary countries
- To help beneficiary countries increase levels of legal trade, tourism and, as a consequence, tax revenue
- To contribute to the enhancement of security levels at the Belarusian-Ukrainian border

Project Purpose

- To help increase efficiency and effectiveness of the work of the Belarusian and Ukrainian customs and border guard services working at road border crossing point Novaya Huta – Novi Yarylovychi

Results

- Time needed to carry out customs and border guard formalities for travellers and trucks at the three border crossing points reduced
- Capacities of the countries to prevent and fight cross-border crimes at the border crossing point enhanced
- Number of attempts to smuggle illicit goods at the border crossing point reduced
- Conditions for free movement of persons, goods and means of transport at the border crossing point improved
- Due to shorter vehicle queues and waiting time, environmental situation in the areas adjacent to the border crossing point improved

4.2   Main activities

- Organisation of expert-level coordination meetings by IOM for Belarus and Ukraine customs and border guard agencies through the whole project implementation period (i) to guarantee coherence in system development as well as soft- and hardware compatibility on both sides of the border and (ii) to ensure a simultaneous execution pace in both countries; this process will be accompanied also by an external expert under IOM contract
- Identification and recruitment of procurement (technical specifications) and IT experts by IOM
- Assessment of Belarusian and Ukrainian equipment and infrastructure needs, to be coordinated with both beneficiary countries and carried out in Minsk and Kyiv (agencies' headquarters) as well as at the Novaya Huta – Novi Yarylovychi BCP by external expert under IOM contract
- Elaboration of technical specifications on IP (internet protocol) cameras and equipment for recognising vehicle number plates by external expert under IOM contract
- Organisation of the tender, procurement of the equipment, supervision of its installation by IOM
- Development of the terms of reference for the procurement of software in close coordination with the beneficiaries to ensure compatibility with the system established

under the PRINEX project and with other IT systems already in place by external expert under IOM contract
- Procurement of the software by IOM
- After installation of equipment, provision of expertise before system launch, including testing and fine-tuning of relevant national software modules as well as testing of the updated PRINEX system in both beneficiary countries to ensure operational stability by equipment supplier and an external expert under IOM contract
- Organisation of end-user and system administrator trainings for customs' and border guards' staff working at the BCP by IOM with the involvement of an external expert under IOM contract
- Organisation of visibility event by IOM

4.3   Intervention logic

This project is about the procurement of equipment, accompanying training on its use as well as the provision of expertise before, during and after installation/launch of the video-control system.

The equipment will be installed at the road border crossing point (BCP) Novaya Huta – Novi Yarylovychi which is the busiest BCP along the entire Belarusian-Ukrainian frontier. Further, this BCP is located at the Pan-European Corridor IX. Due to the significant distance between the vehicle checking installations of the two beneficiary countries (they are separated by about two kilometres), it is considered being a high risk BCP susceptible to illegal actions when goods and vehicles are moved from one checking point to the other.

The proposed automated intelligent video-control system would have pilot character to be rolled out at the entire Belarusian-Ukrainian border. Currently, neither Ukraine nor Belarus have a similar system in place. It is noteworthy that Belarus has the intention to establish a similar system also at its border with EU Member States.

The automated video-control system will be based on the PRINEX project – an electronic information exchange network established to send details such as weight and type of goods transported to the customs of the neighbouring country prior to the arrival of a vehicle on the other side of the border. The proposed video system will be hooked up to PRINEX and provide the number plate, the country of registration, the vehicle make, the number of persons in the vehicle[3] and an image of the vehicle to the customs and border guard services on both sides of the frontier by automatically scanning the plates and photographing vehicles when they approach the video-control system, which will be installed at the entrance of the border crossing point immediately before the first boom barrier operated by a border guard.

All data collected electronically will be released and made accessible for the neighbouring country's services by the responsible border guard as soon as a vehicle has passed the last boom barrier on one side of the border. An earlier release would not make sense since the electronic PRINEX system is fed with data throughout the whole checking process starting with the data produced by the video-control system, continuing with the border guard (at the boom barrier and later at the BCP itself) and customs (including the weighing of trucks) checks. Any electronic data on vehicles is being transferred to the neighbouring country's checkpoints via Minsk and Kyiv in real-time mode.

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[3] The date on the vehicle make and the number of persons will be manually fed into the system by the border guard at the first boom barrier.

In Belarus, the SCC has plans to store all data in its central server in Minsk for one year, which is the typical period for keeping the hard copy customs declarations.[4] As soon as the new electronic system is in place, the hard copy declarations on the vehicles and travellers, which the responsible border guard fills in at the first boom barrier currently by hand, will be abolished.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Indirect management with an international organisation

This action may be implemented in indirect management with the International Organization for Migration (IOM) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation encompasses the introduction of an automated intelligent video-control system as described in section 4 above. The implementation through IOM is justified for the following reasons:

- There are very few other international organisations which are physically present in both beneficiary countries (none of them have specific expertise in customs projects);
- IOM can build on its long-term relationship with project beneficiaries, something that is particularly important when working with law enforcement agencies in Belarus;
- Procurement of equipment will not take place at the beginning of the project but will start in the second half of its implementation period, since the project needs a lot of coordination and harmonisation between the two beneficiary countries at technical and regulative levels before procurement can be launched – a rather complicated process which will need to be accompanied and closely supervised by IOM's consultants in a flexible manner;
- IOM has significant experience in supporting governments in related areas such as data management;

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[4] It is important to mention that a study on Belarus' and Ukraine's data protection regimes in 2015 concluded that while "there are several elements of data protection existent in the legal system of the Republic of Belarus, … they do not afford a level of protection which is in any way comparable to EU standards" («Comparison of the Data Protection Provisions in the Legislation of the Republic of Belarus and Ukraine vis-à-vis the Regulations in the Schengen/Visa Information System», ENI/2015/361-672).

- Prior experience and very good performance of IOM in a similar project under the EaP IBM Flagship Initiative implemented in 2013-2016 (PRINEX): this Action will have to be hooked up to PRINEX and feed data into the electronic data processing system already established;
- Very good performance of IOM in other projects under the EaP IBM Flagship Initiative implemented in 2012-2016 (SURCAP and SURCAP Phase 2);
- It is planned that project activities will start soon after the adoption of the Financing Decision; due to IOM's extensive experience in implementing projects in Belarus, project registration procedures with the Ministry of Economy, which are rather complicated and time-consuming, will not significantly delay the project start.

The entrusted entity would carry out the following budget-implementation tasks: recruitment of external experts, running the public procurement, concluding and managing the resulting contracts, including making of the related payments.

The entrusted international organisation has successfully passed the ex-ante assessment in Accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012.

5.4   Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

5.5   Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution (amount in EUR)
5.3.1. – Indirect management with the International Organisation for Migration (IOM)	800 000	-
Parallel co-financing by Belarus	-	72 600
Parallel co-financing by Ukraine	-	75 000
Totals	800 000	147 600

The financial commitments made by the beneficiary countries (parallel cofinancing) will finance the construction documentation development, its certification, construction works, scales and the lightning conductor systems.

5.6 Organisational set-up and responsibilities

A Steering Committee will be set up to oversee and validate the overall direction and policy of the project (or other responsibilities to be specified) and will be convened twice a year. The project steering committee shall be made up of representatives of the Beneficiary countries, of the entrusted entity (IOM), of the Delegations of the European Union to the Republic of Belarus and Ukraine.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the importance of the action, an ex-post evaluation will be carried out for this action via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that significant numbers of equipment has been delivered to beneficiary countries in the past.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and *inter alia* provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation report shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The provisions of the Framework Administrative Agreement concluded between the European Commission and IOM shall apply where relevant.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The provisions of the Framework Administrative Agreement concluded between the European Commission and IOM shall apply where relevant.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. The 100% funding of the Action will ensure full EU visibility.This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the procurement contracts and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Communication and visibility expenditure will be financed under the budget of the Delegation Agreement.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact						
	To help improve international cooperation between the customs and border guard services of the two beneficiary countries	Number of cases of legitimate border crossings (traders, tourists) at the border crossing point increased	For all indicators: reference year 2016 (exact figure to be established by baseline study	For all indicators: reference year 2018 For the first, second and fifth indicators: Increase of 5% For the third and fourth indicator: any increase of contacts and agreements facilitated by the project	Operative customs services reports, official statistics, periodic customs services reports, internet media websites, baseline study	N/A
	To help beneficiary countries increase levels of legal trade, tourism and, as a consequence, tax revenue	Customs fee collection at the border crossing point increased				
		Number of contacts between the customs services of the two countries increased				
	To contribute to the enhancement of security levels at the Belarusian-Ukrainian border	Number of agreements achieved between the customs services of the two countries increased				
		Number of violations of the border legislation of the two countries dropped				

Specific objective(s): Outcome(s)					
To help increase efficiency and effectiveness of the work of the Belarusian and Ukrainian customs and border guard services working at road border crossing point Novaya Huta – Novi Yarylovychi	Equipment procured, technically linked to existing systems of the two beneficiary countries and in use	Baseline study at the beginning of the project describing situation in reference year 2016	Delivery of equipment as described in documentation, section 4 in 2018	Baseline study, tender documentation, media reports reporting on the public handover of equipment, operative customs services reports	There is commitment and interest on the part of the two beneficiary countries' administrations to share information, harmonise procedures / systems practices amongst each other in accordance with EU standards and/or project recommendations

Outputs					
Time needed to carry out customs and border guard formalities for travellers and trucks at the border crossing point reduced	Time recorded for crossing the border crossing point by travellers and trucks	Baseline study at the beginning of the project describing situation in reference year 2016	Full delivery of equipment as described in documentation, section 4 in 2018	Baseline study, tender documentation, media reports reporting on the public handover of the equipment, operative customs and services reports	The two beneficiary countries will make sufficient numbers of qualified personnel available for project activities.
Capacities of the countries to prevent and fight cross-border crimes at the border crossing point enhanced	Delivery of the equipment				
Number of attempts to smuggle illicit goods at the border crossing point reduced	Number of cases, and amounts, of smuggled goods				Project participants of the two beneficiary countries will keep working in their institutions for sufficient time so that the skills and knowledge obtained can be properly applied and transferred to colleagues.
Conditions for free movement of persons, goods and means of transport at the border crossing point improved	Weight of rubbish dumped along the road leading to the border crossing point reduced				
Due to shorter vehicle queues and waiting time, environmental situation in the areas adjacent to the border crossing point improved					