

**GRANT AGREEMENT WITH AN INTERNATIONAL ORGANISATION
- EXTERNAL AID -**

AGREEMENT IDENTIFICATION NO: LBN/B7-4100/IB/97/0687/04/01

The Minister of State for Administrative Reform of the Government of Lebanon,
(the Contracting Authority), with his office at OMSAR, 5th Floor, STARCO Building, Georges
Picot Street, Beirut, Lebanon
of the one part,

and

The United Nations Conference on Trade and Development (UNCTAD), with its Head office at
1211 Geneva 10, Switzerland, ("the Organisation"),
of the other part,

have agreed as follows:

Special Conditions

Article 1 - Subject

- 1(1) The subject of this Agreement is a Community grant¹ for the implementation of the operation entitled: "Extension of the ASYCUDA system in Lebanon" ("the Operation").
- 1(2) The Organisation will be awarded the grant on the terms and conditions set out in this Agreement, which consists of these special conditions ("Special Conditions") and their annexes.
- 1(3) The Organisation accepts the grant and undertakes to carry out the Operation under its own responsibility.

Article 2 - Duration of execution

- 2(1) Implementation of the Operation will begin within one month following the receipt of the funds by UNCTAD
- 2(2) The Operation's duration of execution, as laid down in Annex I, is 24 months.

Article 3 - Financing the Operation

- 3(1) The total cost of the Operation eligible for Community financing is estimated at EUR 213,371 (Two hundred thirteen thousand three hundred and seventy one Euros) as set out in Annex III.

¹ Where the grant is financed out of the European Development Fund, please replace "Community" by "European Development Fund" wherever the text deals with financial contribution (Articles 1(1), 3(1), 3(2), 4(2)).

3(2) The Community undertakes to finance a maximum of EUR 213,371 equivalent to 100% of the estimated total eligible cost specified in paragraph 1; the final amount will be established in accordance with Article 17 of Annex II.

Article 4 - Technical and financial reporting and payment arrangements

4(1) Technical and financial reports shall be produced to back up payment requests, in compliance with Articles 2 and 15(1) of Annex II and in accordance with Articles H 3, 4 and 5 of Annex I Description of the Operation.

4(2) Payment will be made in accordance with Article 15 of Annex II. Of the options referred to in Article 15(1), the following will apply:

Advance (80% of the part of the forecast budget for the first 12 months of implementation financed by the Community excluding contingencies):	EUR 97,240
Forecast intermediate annual payments: (subject to the provisions of Annex II)	EUR 89,638
Forecast final payment (subject to the provisions of Annex II)	EUR 16,332

Article 5 - Contact addresses

Any communication relating to this Agreement shall be in writing, shall state the number and title of the Operation, and shall use the following addresses.

For the Contracting Authority:

Payment requests and attached reports, including requests for changes to bank account arrangements shall be sent to:

Procurement Unit
Office of the Minister of State for Administrative Reform (OMSAR),
5th Floor, STARCO Building,
Georges Picot Street, Beirut, Lebanon.
Tel: 961-1-371508/09/10
Fax: 961-1-371599
E-mail:

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

The Delegation of the European Commission,
Imm. Matta et Jaroudi, P.O.Box 11-4008
Ashrafieh,
Beirut, Lebanon

For the Organisation:

John Burley
Head of Resource Management Service
UNCTAD,
Palais des Nations, 1211 Geneva 10, Switzerland
Fax: (41) 22 907 0058

Article 6 - Annexes

6(1) The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

- Annex I: Description of the Operation plus *Appendices 01, 02 & 03*
- Annex II: General Conditions applicable to European Community grant agreements with international organisations for external aid
- Annex III: Budget for the Operation
- Annex IV: Contract-award procedures
- Annex V: Standard request for payment and financial identification form

6(2) In the event of a conflict between the provisions of the Annexes and those of the Special Conditions, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other annexes, the provisions of Annex II shall take precedence.

Article 7 - Other specific conditions applying to the Operation

- 7(1) The following shall supplement the General Conditions: None
- 7(2) The following derogations from the General Conditions shall apply: None

Done at Beirut in three originals in the English language, two originals being for the Contracting Authority and one original being for the Organisation.

For the Contracting Authority:

For the Organisation:

Fouad El Saad,
Minister of State for Administrative Reform

John Burley
Head, Resources Management
Service

Date:

Date:

Endorsed by the Head of Delegation of the European Commission in Lebanon:

Signature:

Name:

Date:

ANNEX I

Description of the Operation (Prodoc)
- plus Appendices 01, 02, & 03



PROJECT FOR THE GOVERNMENT OF LEBANON

NUMBER AND TITLE:	LBN/B7-4100/IB/97/0687/04/01 Completion of the Implementation of ASYCUDA ++ in Lebanon
DURATION:	24 months
GOVERNMENTAL SECTOR:	General Administration
SUB-SECTOR:	Customs and foreign trade
CONTRACTING AUTHORITY:	Minister of State for Administrative Reform (OMSAR)
ORGANIZATION:	UNCTAD
BENEFICIARY:	Ministry of Finance/Customs
STARTING DATE:	01/07/2002
PROJECT BUDGET:	EUR 213,371

1. EXECUTIVE SUMMARY

- 1.1. This project forms part of a proposal to the Minister of State for Administrative Reform of the Government of Lebanon to provide Technical Assistance to the Ministry of Finance/Customs. The Supervisor of the project will be the Office of the Minister of State for Administrative Reform (OMSAR). The United Nations Conference on Trade and Development (UNCTAD) will provide appropriate technical services and other resources for the completion of the implementation of UNCTAD's latest Automated System for Customs Data (ASYCUDA ++) in Lebanon.
- 1.2. The project will be funded by the European Community through the ARLA (Assistance to the Rehabilitation of the Lebanese Administration) Programme to rebuild public sector capacity in Lebanon and will take the form of a Grant Agreement between OMSAR and UNCTAD. The Ministry of Finance/Customs will contribute resources in kind, including accommodation, consumables and full time project staff.
- 1.3. In an effort to streamline and harmonize the Customs procedures, the Ministry of Finance/Customs selected ASYCUDA++ in 1994 as a tool for the modernization of Customs. In 1997, the Ministry of Finance/Customs implemented the first pilot site at the port of Beirut and subsequently rolled-out the system to a total of two stations (Tripoli and Beirut International Airport).
- 1.4. The implementation of ASYCUDA/NAJM has led to significant improvements in a number of areas, ranging from effective, structured declaration processing, easier access to detailed customs and statistical data. The clearance time was reduced from 15 to 4 days. In addition, the Ministry of Finance/Customs benefited from exposure to computerization.
- 1.5. The project aims to assist the Ministry of Finance/Customs in strengthening the efficiency and effectiveness of customs operations, in order to facilitate trade, to improve the competitiveness of Lebanese businesses, to improve collection of customs and customs-related revenues, and to improve the timeliness and quality of trade statistics.
- 1.6. The Ministry of Finance/Customs has requested the assistance of UNCTAD for the execution of a programme, which will prepare and guarantee the establishment of advanced modern Customs practices using the latest modules of ASYCUDA++. This program will aim at expanding the deployment of Direct Trader Input techniques, enhancing risk assessment methods, completing the automation of Warehousing and automating Transit processes as well as the electronic transfer of Manifest and Customs declarations.
- 1.7. The project will last **24 months**. In the initial stage (1 month) a technical evaluation will be conducted by UNCTAD in order to assess the current status of the Customs automation process and establish a programme for the implementation of ASYCUDA++ advanced functions. A second stage will include a number of UNCTAD technical and functional courses with a view to assisting in the execution of this programme.

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A. PROJECT SUMMARY

1. Background

- 1.1 The Ministry of Finance/Customs is embarked on a fiscal policy and reform programme to further improve Government finances and to strengthen the economy of the country.
- 1.2 The Ministry of Finance/Customs immediate objective is to maximise efficiency in the Customs clearance process and improve quality of international trade data through the installation of a modern, complete, computerised system for Customs control and clearance, consistent and compatible with international standards and requirements of Middle East and North Africa (MENA) region.
- 1.3 The Ministry of Finance/Customs in Lebanon has to date successfully implemented ASYCUDA++ base modules (Declaration processing, Cash payment, Selectivity, and Direct trader input) at 3 sites. This has been achieved between July 1997 and July 2001 and includes updating the system and hardware to be Y2K compliant at the end of 1999.
- 1.4 Following a number of years of continuous operational use in the country, several short UNCTAD missions were conducted in Lebanon in order to assess the status of the implementation and study the potential for enhancement. The National Project Manager of the ASYCUDA/NAJM project visited UNCTAD on a few occasions in order to prepare this project extension.

2. Project description

- 2.1 The introduction of a modern data processing system into the Customs clearance process brought about faster clearance of cargo, improved revenue control and provided up-to-date accurate information on trade in goods. Within the framework of this project extension, linked to an associated programme of trade facilitation and continuing administrative reform, the introduction of advanced automated functions of the ASYCUDA++ system will be the cornerstone of the programme to improve the performance of the Ministry of Finance/Customs in Lebanon. The use of adequate communication structure throughout Lebanon will greatly facilitate the effectiveness of the Direct Trader Input (DTI) facility by the trading community as well as the Transit Control.
- 2.2 The primary aims of the project are:
 1. The introduction of new procedures for traders and brokers that will minimize clearance steps, and provide faster clearance for goods. These will include:
 - Consolidation of storage and registrations steps through self-assessment;
 - Providing the opportunity for Prepayment or Deferred Payments of customs declarations;
 - More selective assessment of customs controls (though new documentary checks, consignment valuations, Risk Analysis, and post clearance audit);

2. Extension of the ASYCUDA system to all points of entry, in particular, Masnaa, Abbodieh, Sidon and Tyre. This extension will include:
 - 1) Procurement and installation of hardware, software and communications facilities into these entry points, together with operator training;
 - 2) Roll-out of Transit/TIR systems to border offices;
 3. System enhancement and upgrading in order to improve the accuracy and completeness of the customs revenue collection. New modules will be added to the ASYCUDA system at all points of entry, specifically:
 - 1) Upgrading to the latest version of ASYCUDA++; Currently Lebanon is running version 1.15
 - 2) Addition of a Electronic Manifest and Suspense Regime modules;
 - 3) Improved Management Reports;
 - 4) Improved database consolidation, archiving, and backup;
 4. Improved linkages between offices and HQ, in order to provide consolidated data more quickly, and to provide for automatic updating of remote sites reference files. This will be achieved through:
 - 1) Implementation of improved communications infrastructure (WAN);
 - 2) Implementation of a statistical and customs reference table data transfer module (A++GATES);
 5. Introduction of new Electronic Data Interchange (EDI) facility which will facilitate trade, including:
 - 1) Electronic submission of declarations for express carriers and brokers;
 - 2) Automatic on-line release of containers after payment (links with Port Authority);
 - 3) Electronic payments
- 2.3 To achieve these objectives and results, the key outputs of the project are:
- Enhanced skills of the ASYCUDA team and reactivation of Project Steering Committee.
 - ASYCUDA++ latest version installed in the Project Team office and training

room at the Customs IT Division (Beirut).

- All the ports upgraded with the latest version of ASYCUDA++ with the assistance of UNCTAD.
- Visit of a Technical Evaluation Mission comprising one UNCTAD consultant for one month at the beginning of the project who will evaluate the status of the implementation and will describe the guidelines for the successful completion of all of the objectives.
- Technical and Functional Foundation training courses using the latest version of ASYCUDA++ held at Customs Headquarters to enable the national project team to install and configure the computerised system.
- The provision by UNCTAD of an experienced international IT expert who will during three months in Lebanon help at designing the tools needed to complete the objectives and train local personnel.
- On going missions from UNCTAD consultants and IT specialists in order to monitor the project.

3. Technical Assistance and Project Funding

The Ministry of Finance/Customs is receiving support from the European Community for improvements to its Revenue institutions through the ARLA Programme.

- 3.1 Funding for Technical Assistance and Training to support the completion of the implementation of the ASYCUDA++ system in Lebanon will be made available to UNCTAD from the ARLA programme.
- 3.2 UNCTAD will provide an *Evaluation Adviser* and an *IT Adviser* in Lebanon (for a total of 4 man/months) to assist the ASYCUDA/NAJM team at key stages in the project's implementation as well as a Technical Information Supervisor and a Project Co-ordinator. ATDI Geneva will provide technical training programmes including Base Training, Advanced Training as well as Quality Assurance missions. An UNCTAD *Customs Adviser* will deliver a functional course on the latest version of ASYCUDA++. For this and other ASYCUDA training see *Appendix 03*
- 3.3 In addition, UNCTAD will provide a support team in Geneva to elaborate, establish and configure the national ASYCUDA++ software. UNCTAD will also ensure project backstopping at the technical level and project co-ordination in Geneva. The project team in Lebanon will receive the latest releases of the software, when available, together with the corresponding documentation and upgrade utilities. For more details of 3.2 & 3.3 see section E Inputs and *Appendix 02*.

B. PROJECT JUSTIFICATION

1. ASYCUDA++ advanced solutions and objectives

1.1 The operations involved in the Customs clearance of goods include:

- Recording and control of goods entering, leaving and transiting through Lebanon;
- Recording and control of goods in transit between the respective clearance offices;
- Recording and control of goods entering into and removed from warehouses;
- Verification that goods are declared correctly;
- Processing of the Customs Declaration;
- Classification of goods according to the Harmonised System (HS);
- Assessment of Customs Value (WTO system);
- Physical examinations;
- Calculation and collection of duties and taxes payable;
- Payment of duties and taxes;
- Production of office accounts, and
- Monitoring of trade, and other controls.

Most of these functions are already automated in Lebanon through the use of the ASYCUDA++ software and specifically the Declarations Processing, Accounting and Selectivity modules. The warehousing module could be fully automated as well as deferred payment facilities.

1.2 The clearance time could be improved with the introduction of Direct Assessment, Prepayment and possibly Physical Examination on delivery and Documentary check. A major step forward could be achieved through the adoption of DTI and the Electronic Transfer of the Manifest data. A broker interface for Express Carriers would also be an asset.

1.3 The establishment of a Connectivity system based on A++ GATE would be essential for the transfer of statistical data and would prepare the introduction of the Transit facility (including TIR).

1.4 A number of tools, such as a Risk Management Reporting facility or an Automatic Release of Container system would also increase efficiency.

1.5 A number of Customs stations are not computerised yet, it is necessary to capture all of the declaration data through the statistical module of ASYCUDA++ in order to get accurate statistics. A roll out to all of the important non-computerised offices should take place.

1.6 Achievements over the past five years have been quite substantial but somehow, the ASYCUDA implementation in Lebanon (NAJM) still appears like a computerisation of manual procedures rather than a first class integrated system.

1.7 The Ministry of Finance/Customs will use the opportunity of this new project to integrate all of these advanced functions into the Customs clearance process.

Information for transit, manifest, valuation, warehousing and selectivity should be integrated in the software. This can only be achieved through the full automation of Customs procedures.

2. Advantages of the technical ASYCUDA++ features

2.1 In developing ASYCUDA++, UNCTAD has deliberately designed the software to run on the latest ranges of UNIX compatible computers linked together within a local or wide area network. Software development on ASYCUDA++ is using UNIX as the base operating system and a true client/server, open architecture designed to communicate with other computer systems. Major advantages of ASYCUDA++ are that:

- The ASYCUDA++ software is available on a wide range of software and hardware platforms;
- Both the RDBMS Oracle and Informix are fully supported;
- Installation and on-going maintenance costs are minimised;
- System resilience is maximised by the use of the client/server architecture;
- If the local communication infrastructure is in transition, the system can still transfer information using other electronic media. However, where reliable telecommunications exist, then ASYCUDA++ can take advantage of them for the benefit of Users.

9. Project Strategy

An implementation Work Plan, outlining the principal implementation activities to be undertaken, is attached in *Appendix 01*.

3.1 In the first stage of the project UNCTAD will provide an Evaluation Expert who will produce a document describing the objectives and the different solutions to achieve these objectives.

3.2 In the second stage of the project UNCTAD will carry out:

- The installation of the latest version of the ASYCUDA++ software in all of the computerised ports;
- The recruitment by UNCTAD of an EDP expert for a duration of three months;
- The assignment by the Government of a Project Team including a local IT expert;
- The delivery of the technical and functional courses.

3.3 In the third stage UNCTAD will carry out:

- The Expansion of the implementation of DTI
- The implementation of the Electronic Declaration for Express Carriers

- The implementation of the Electronic Manifest and automatic write-off

3.4 In the fourth stage UNCTAD will carry out:

- The implementation of Prepayment facility
- The implementation of the Transit facility between Tripoli and Beirut
- The rollout to other sites.

9. Target Beneficiaries

4.1 This is an administrative institution-building project designed to benefit the economy of Lebanon, and thus ultimately the population, in overall terms. The major practical result will be a streamlined Ministry of Finance/Customs providing an efficient service to trade and Government. For the purposes of this project document, the target beneficiaries are defined as:

- The Ministry of Finance/Customs through the introduction of efficient Customs procedures and controls, producing increased revenue and reliable data and reducing fraud;
- The Ministry of Finance/Customs and its personnel through the elimination of tedious manual procedures, and eventually their possible transfer to more important aspects of Customs work.
- The trading community through faster clearance of goods by the use of the ASYCUDA computerised system (including DTI) and simplified Customs and trade procedures;

9. Project Management and Execution Arrangements

5.1.1 The Ministry of Finance/Customs will manage and implement the project and OMSAR will manage the funding provided by the EU.

5.1.2 A **Project Steering Committee (PSC)** will be established by the Ministry of Finance and OMSAR. The role of the PSC will be to direct, facilitate and review the successful development, implementation and maintenance of the ASYCUDA system.

The PSC will be chaired by the National Project Director and includes further:

- o Senior representative of customs.
- o An OMSAR representative;
- o A representative of the EC Delegation;

Additionally, the Chairman may invite other participants according to the agenda. Normally this committee will meet formally every 3 months. However, depending on programme developments, it may be necessary for the committee to meet more frequently.

- 5.3 A **National Project Director (NPD)** will be appointed by the Minister of Finance, and will be responsible for the overall project co-ordination within the Customs Administration.

The Director should have direct interest in the project, and should be sufficiently senior within the organisation to ensure that relevant resources are made available and necessary decisions taken and implemented.

- 5.4 A **National Project Manager (NPM)** will be responsible for the management and control of the project as well as for the communication within the project teams and external suppliers. The Project Manager will report directly to the Project Director.

The Project Manager is a full-time post and will effectively have responsibility for the day-to-day running of the project.

- 5.5 **UNCTAD Advisers**, provided through the project funds, will complement the above structure at key points in the implementation as resource persons at their respective levels in order to ensure the highest project quality and to achieve the full transfer of know-how and skills.

9. Counterpart Support Activities

- 6.1 The philosophy, suitability and use of ASYCUDA/NAJM in Lebanon have been fully endorsed by the Ministry of Finance/Customs. The Government has formally requested the system and UNCTAD support.

- 6.2 A **National Project Implementation team** will be provided by the Government. See Section E. Inputs and *Appendix 02*, Job descriptions.

- 6.3 Providing that:

- (i) Qualified full-time national staff will be allocated to the project;
- (ii) Competent local technical support will be available; and
- (iii) The Customs Administration demonstrates strong political commitment;

The system should be fully sustainable after the end of the project.

C. DEVELOPMENT OBJECTIVE

The overall aim of this project is to improve Government finances and to strengthen the economy of Lebanon through increased efficiency in the foreign trade environment. In addition, the programme aims to support the Ministry of Finance/Customs by the introduction of a harmonised and integrated Customs Information System for imports, exports and transit in Lebanon consistent with international and regional standards.

D. OBJECTIVES AND OUTPUTS OF THE PROJECT**1. IMMEDIATE OBJECTIVE NO. 1**

New procedures for traders and brokers that will eliminate clearance steps and provide faster clearance for goods.

Output 1: Consolidation of storage and registration steps through self-assessment;

Output 2: Implement the Prepayment or Deferred Payments facilities for importers and Customs brokers;

Output 3: More selective assessment of customs controls (through new documentary checks, consignment valuations, Risk Analysis, and post clearance audit);

2. IMMEDIATE OBJECTIVE NO. 2

Roll out of the ASYCUDA++ system to all points of entry, namely Masnaa, Abbodieh, Sidon and Tyre.

Output 1: Procurement and installation of hardware, software and communications facilities into these entry points, together with operator training;

Output 2: Roll-out of Transit / TIR systems to border offices;

3. IMMEDIATE OBJECTIVE NO. 3

System enhancement and upgrading in order to improve the accuracy and completeness of the customs revenue collection. New modules will be added to the ASYCUDA system at all points of entry

Output 1: Upgrading to the latest version of ASYCUDA++;

Output 2: Implementation of an Electronic Manifest

Output 3: Implementation of the Suspense Regime modules;

Output 4: Improved Management Reports;

Output 5: Improved database consolidation, archiving, and backup;

4. IMMEDIATE OBJECTIVE NO. 4

Improved linkages between offices and HQ, in order to provide consolidated data more quickly, and to provide for automatic updating of remote sites' reference files.

Output 1: Implementation of improved communications infrastructure (WAN);

Output 2: Implementation of a statistical and customs reference table data transfer module (A++GATES);

5. IMMEDIATE OBJECTIVE NO. 5

Introduction of new Electronic Data Interchange (EDI) facility which will facilitate trade

Output 1: Electronic submission of declarations for express carriers and brokers;

Output 2: Automatic on-line release of containers after payment (links with Port Authority);

Output 3: Electronic payments

6. IMMEDIATE OBJECTIVE NO. 6

To maximise the use by the trading community of the Direct Trader Input (DTI) facility within the ASYCUDA++.

Output 1: Expand the infrastructure tools and mechanisms to support the introduction and use of Direct Trader Input (DTI).

Output 2: Trading community familiarised and trained in the use of DTI functionality.

E. REQUIRED INPUTS

a) **Provided by UNCTAD**

With funding provided by ARLA, UNCTAD will, in close consultation with the Ministry of Finance/Customs, provide the following Technical Assistance inputs based on the technical needs of the Beneficiary and the project.

1. UNCTAD Project Co-ordinator (see Annex III Budget Line 1.2) (3 person/months in Geneva with missions to Lebanon), who will be responsible for the co-ordination of all project activities, assuring homogeneity at a regional level of technical/functional related matters and quality assurance, including project monitoring, supervision/backstopping and various administrative arrangements such as EDP expert selection, recruitment and technical/functional training course organisation. The UNCTAD project co-ordination will be conducted by the Customs co-ordinator and the IT co-ordinator in Geneva.

2. A Technical Information Supervisor (see Annex III Budget Line 1.2) (4 person/months in Geneva). The IT staff member who will be responsible for the analysis and programming activities relating to the system functionality in the Ministry of Finance/Customs and of the preparation of the requirements to interface ASYCUDA++ with other Governmental information systems.

3. An Information Technology (IT) Adviser (see Annex III Budget Line 1.2) (90 person/days in Lebanon) will assist the Project Team at key stages during the project. The UNCTAD IT Adviser will design extensions to the ASYCUDA/NAJM core and will provide related documentation. The IT adviser will also conduct relevant course to the Project Team.

4. An Evaluation Adviser (see Annex III Budget Line 1.2) (31 person/days in Lebanon) who will come at the early stages of the project to conduct a technical review of the current implementation and will draft a program for the next two years with guidelines.

The above positions are to be filled by the personnel proposed by UNCTAD and whose CVs are attached to this Grant Agreement (see Appendix 02). Any replacement of personnel must be approved by OMSAR and the Ministry of Finance/Customs.

5. Duty travel costs (see Annex III Budget Lines 1.3.1 and 2.1)
(Travel and Daily allowances/reimbursable) A maximum provision of EUR 49,535 has been allocated for expenditure on Duty Travel Costs and is included in the budget as a reimbursable item. These costs are to cover all travel and Daily Subsistence Allowance for the short term IT and Evaluation experts in Lebanon and Geneva staff visiting the project.

6. A provision of EUR 4,800 for other logistical costs is included in Annex III Budget Line 4.4

7. **Technical / Functional Training Courses (see Annex III Budget Line 7)** A maximum provision of EUR 10,000 has been allocated for the supply of Technical and Functional Training Courses and is included in the budget as a reimbursable item. UNCTAD will be responsible for planning, organising and implementing these activities.

8. **UNIX & RDBMS training (see Annex III Budget Line 7)** A maximum provision of EUR 7,000 has been allocated for the supply of UNIX and RDBMS Training and is included in the budget as a re-imbursable item. UNCTAD will be responsible for implementing these activities

9. A provision of EUR 14,000 for administrative costs is included in **Annex III Budget Line 9** in accordance with EC General Conditions for Grant Agreements.

b) **Provided by the Beneficiary (Ministry of Finance/Customs)**

1. A **National Project Director (NPD)** who will be responsible for the overall co-ordination of the project.

2. A **full-time National Project Manager (NPM)** who will be appointed responsible for the full implementation programme and the establishment and maintenance of all liaison with third parties.

3. A **full-time National Project Implementation Team** of at least 6 persons (excluding the NPM), comprising;

- Three experienced Customs Officers, who, ideally, will be computer orientated and following training, will be able to build and configure the ASYCUDA++ system. All of these officers should have training skills, as they will be responsible for the elaboration of training documentation and the definition and organisation of the Customs procedures
- Three officers will be IT experts responsible for physical installation of the software and hardware, backup and archiving of Customs data. In addition the technical experts will have the responsibility of designing extraction tools, extension to the core program of ASYCUDA/NAJM as well as customised printouts. They will participate in the design of extensions to the core of ASYCUDA++.

To ensure system integrity and on-going sustainability, it is recommended that the team must remain together as part of a new unit within Customs HQ and be responsible for the roll-out and on-going support of the system beyond the life cycle of this project.

4. A **full-time project secretary** who will have access to, and be experienced in, the use of word processing on micro computers.

5. Within a single office environment, **suitable physical accommodation** for all the

project team and office automation equipment.

6. **Maintenance costs** for equipment.
7. **Project Consumables** (paper, printing, fuel for project vehicles, communications, etc.).
8. **Travel and subsistence** for national project staff within the country.
9. **Essential office computer equipment** for HQ (national team and international experts) and for pilot sites.
10. **Travel costs** for any national staff project member participating in an ASYCUDA training abroad or Study tour.

F. PRIOR OBLIGATIONS AND PRE-REQUISITES

1. Prior Obligations

- 1.1 EU to agree and make available the funding of the project/operation budget as set out in Annex III.
- 1.2 The following national pre-project activities take place:
 - (i) Selection of a full-time National Project Team.
 - (ii) Training of technical experts in UNIX and the selected RDBMS.
 - (iii) Availability and preparation of project office requirements.

G. RISKS

While the project addresses a set of problems of vital importance to the future revenue base of the Government, it also touches on a number of issues of a highly sensitive nature. Among the risks, which might affect the achievement of its objectives, the most important ones are:

- 1) Failure of the Ministry of Finance/Customs to take appropriate action on key administrative/operational recommendations emanating from the project, or to make full use of all available administrative measures already at its disposal to ensure consistent and effective use of advanced programmes and technology.
- 2) Failure of the Ministry of Finance/Customs to provide the requisite numbers of full time trained project personnel.
- 3) Failure of the Ministry of Finance/Customs to ensure the adequate provision of suitable accommodation at each of the identified pilot locations.
- 4) Failure of the Lebanese trading community to appreciate and accept the importance of having a consistent, efficient, and customer-friendly Customs Administration.
- 5) Failure of the Ministry of Finance/Customs and/or UNCTAD to identify high-quality project inputs (expertise, equipment and training) and make them available on time.

H. PROJECT REVIEW, REPORTING AND EVALUATION

1. As indicated in Section B a **Project Steering Committee** (PSC) will be established. It will be chaired by the National Project Director, and will consist of members and/or representatives drawn from the Ministry of Finance/Customs and/or UNCTAD.
2. Project activities will be managed day-to-day on the basis of Work Plans drawn up by the **National Project Manager** and approved by the Project Steering Committee.

3. UNCTAD shall provide OMSAR and the Ministry of Finance/Customs with full information, Intermediate Reports and a Final Report on the implementation of the Operation in accordance with Article 2 of the General Conditions of this Grant Agreement. These reports shall consist of a technical part and a financial part and conform to the content and format requirements stated in Article 2 of the General Conditions.
4. In accordance with Article 2(4) B of the General Conditions of this Grant Agreement:
 - an Intermediate Report shall accompany every payment request to EC with a copy being sent to the Ministry of Finance/Customs; and
 - the Final Report shall be forwarded to OMSAR and the Ministry of Finance/Customs within six months of the end of the Operation's duration of execution.
5. Any additional information requested by OMSAR at any time shall be supplied by UNCTAD within 30 days of the request.

I. REVISIONS TO THIS PROJECT DOCUMENT

UNCTAD may make the following revisions to this project document, provided that OMSAR, the Ministry of Finance/Customs and the EC have formally accepted the changes proposed:

- Revisions in, or the addition of, any of the Annexes and Appendices to the project document;
- Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the re-arrangement of inputs already agreed;
- Mandatory annual revisions, which re-phase the delivery of, agreed project inputs or increase experts or other costs due to the increased in the cost of living, which may adversely affect the project budget outlined in Annex III

Revisions, which involve significant changes to the immediate objectives, outputs and activities of the project, will be approved by the Project Steering Committee.

J. BUDGET

A detailed breakdown of the resources, to be made available by UNCTAD through funding provided by EC for the implementation of the planned activities, is provided in the attached project budget Annex III.

**Ministry of Finance - Customs Administration
ASYCUDA / NAJM Work Plan
UNCTAD Technical Assistance
EU ARLA Program**

	Project Core Activity	Result
	Integration of Services and Operations	<ul style="list-style-type: none"> • Linking Customs HQ and Customs Offices • Full integration of all customs Clearance procedures
	Expansion into new Customs Offices	<ul style="list-style-type: none"> • Automated and Homogenous Clearance Procedures across Lebanon • Accurate and up to date MIS for Decision Making
	Enhancing Risk Management capacity	<ul style="list-style-type: none"> • Minimizing Fiscal Risks • Facilitating Compliant Trade
	Client Connectivity Products	<ul style="list-style-type: none"> • Transparency of Customs Rules, Regulations and Procedures • Provision of e-government services ,EDI

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UNCTAD REGIONAL PROJECT COORDINATOR (BL 11.04)

TITLE OF THE POST: Regional Project Co-ordinator (Customs/Technical)

DUTY STATION: Geneva (with travel to the region as required)

DURATION: 3 months in a period of 24 months

COMMENCEMENT DATE: Project starting date

SALARY AND CONDITIONS: In accordance with UNCTAD terms and conditions

Note : **This position can be occupied by the Customs and/or the Technical project Coordinator**

DUTIES: The Regional Project Coordinator will be responsible for:

1. Project liaison
 - (a) liaison with the Customs Administration to contact or follow up;
 - (b) liaison with UNCTAD's Resources Management Service for administrative matters related to the project;
 - (c) liaison with Donor agencies or other interested institutions;
2. Project monitoring
 - (a) evaluating project resource requirements;
 - (b) preparing project budget forecasts and statements;
 - (c) monitoring monthly reports and work plans prepared by the National Project Manager;

3. Co-ordination and follow-up of implementation
- (a) proposes candidates and arranges recruitment of in country expert posts;
 - (b) Reviews work of UNCTAD experts;
 - (c) Co-ordinates training activities with the UNCTAD Training Co-ordinator and field experts;
 - (d) Organizes the delivery of in country customs/technical/functional training courses;
 - (e) Monitors monthly progress reports prepared by NPM;
 - (f) Attends progress review/steering group meetings.

QUALIFICATIONS:

At least five years' overall experience with assignments in the following:

- (a) implementation of a computerized system for Customs operations;
- (b) system analysis and design for Customs operations;
- (c) Customs accounting and trade statistics;
- (d) ASYCUDA project Implementation and related activities at a national or regional level.

(Desirable)

Experience of working in an international environment.

LANGUAGES:

A perfect working knowledge of English.

PERSONAL:

Outgoing and lively personality. Good communication skills. Able to work up to Ministerial level.

TECHNICAL INFORMATION SUPERVISOR (BL 11.02)
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- TITLE OF THE POST:** Technical Information Supervisor, ASYCUDA Projects
- RESPONSIBLE TO:** Head, ATDI Unit, UNCTAD
- DUTY STATION:** Geneva
- DURATION:** 4 months in a period of 24 months
- COMMENCEMENT DATE:** Starting date of the project
- SALARY AND CONDITIONS:** In accordance with UNCTAD terms and conditions
- DUTIES:** The Analyst/Programmer will be required to:
- (a) Analyse and document specific national requirements;
 - (b) Assist with software releases for installation;
 - (c) Participate in the development and support of the ASYCUDA++ software; and
 - (d) Assist, if required, to install ASYCUDA++ software versions.
- QUALIFICATIONS:**
- (a) Graduation from a recognised post-secondary institute with a degree or a diploma in computer science or equivalent;
 - (b) Must have a good working knowledge of UNIX and PC based operating systems;

- (c) At least three years of experience in C-language programming and in RDBMS;

(Desirable)

Experience in one of the following areas:

- (a) implementation of a computerized system (preferably ASYCUDA) for Customs operations;
- b) administration and programming of a RDBMS for Customs operations;
- (c) system analysis and design for Customs operations;

LANGUAGES:

A perfect working knowledge of English is mandatory. Knowledge and ability to work in French is desirable.

UNCTAD IT ADVISER (BL 11.02)

TITLE OF THE POST: Information Technology (IT) Adviser,
ASYCUDA Project

RESPONSIBLE TO: National Project Manager, and to the UNCTAD
IT Project
Co-ordinator

DUTY STATION: Beirut

DURATION: 3 Months

COMMENCEMENT DATE: Starting date of the project

SALARY AND CONDITIONS: In accordance with UNCTAD terms and
conditions

DUTIES:

The IT Adviser will be required to:

- (a) assist with the preparation of the functional specifications in accordance with the Customs Administrations requirements and the standards promoted by the ASYCUDA project;
- (b) support the national project team in the development of system extensions to ensure a consistent integration with the architecture of the ASYCUDA system;
- (c) in conjunction with the national project team and ATDI Unit in Geneva, liaise and monitor progress of system development in respect of (a) and (b);
- (d) advise the Customs Authority on suitable system configurations;
- (e) advise and assist on the technical installation of the ASYCUDA system;
- (f) advise and train country experts on technical requirements and problem solving; and

- (g) assist with the preparation of technical requirements for any appropriate purpose.

Reporting: The IT Adviser will submit monthly IT progress reports to the Director General of Customs and to the UNCTAD IT Project Co-ordinator, Geneva.

QUALIFICATIONS:

(Mandatory)

equivalent.

- (a) Graduation from a recognised post-secondary institute with a degree or diploma in computer science or
- (b) Must have a good working knowledge of operating systems including PC operating systems and UNIX.
- (c) At least three years experience in C-language programming and in RDBMS.
- (d) A good experience in systems analysis and design.

(Desirable)

- (e) At least three years experience in implementing ASYCUDA Version 2 at a national or regional level.

LANGUAGES:

A perfect working knowledge of English.

EVALUATION ADVISER (BL 11.05)

TITLE OF THE POST:	Evaluation Advisor
RESPONSIBLE TO:	ational Project Director, through the UNCTAD Project Co-ordinators, Geneva
DUTY STATION:	Beirut
DURATION:	1 month
COMMENCEMENT DATE:	project starting date
SALARY AND CONDITIONS:	In accordance with UNCTAD terms and conditions
DUTIES:	The Evaluation Advisor, under general supervision of the NPD will be required to:

Describe the status of the current project and lessons learnt, this evaluation will focus on what proportion of the ASYCUDA software is used in Lebanon. If needed, the expert will propose a strategy for improving the existing functional set-up and procedures, the final target being a faster clearance time.

In co-operation with the NPD or the IT/functional local team leaders, the expert will focus on a possible extension of ASYCUDA to further functionalities such as: Transit, Electronic transfer of Manifest, Direct trader input, Warehousing, Electronic transfer of declarations, Selectivity and Payment facilities.

The expert will identify the need for Customs Built Extensions of the core system i.e. house utilities designed to respond to local requirements not covered by the standard ASYCUDA system.

The expert will write a final report explaining his findings.

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1. INTRODUCTION

In any ASYCUDA project, the success of the implementation and the ability of the Customs Administration to continue to sustain the system without external support will only be achieved through the appointment of a dedicated, full time national Project Manager and Team, and supplemented by the provision of a comprehensive training programme for both the Team and Customs users.

The national Project Team will include national training experts, who will receive any necessary additional training in training skills in the early stages of the project. The national Project Team will then become responsible for the training of national Customs users, and in presenting the system to the trading community. The Team will also be responsible for the production and maintenance of national training manuals.

2 ASYCUDA MOBILISATION SEMINAR

The activities of the Mobilisation Seminar will aim at promoting a more open and effective decision-making process. This will be achieved by exposing the Customs management and other staff to the developments that have occurred in other administrations, balancing the interests of the Customs Administration with those of the trading community.

This should lead to an understanding of the need for simplified and co-ordinated Customs procedures and the specific role of ASYCUDA within this context.

The **ASYCUDA Project Mobilisation** activities will include a seminar to be held in the country.

2.1 *Objectives and Outputs*

The objectives and outputs of the Project Mobilisation activities are:

- to provide senior policy and decision makers, together with other key staff (principally the Project Implementation Team) and representatives of the trading community with an awareness of how other Customs Administrations have achieved national objectives in the areas of fiscal management, trade facilitation and community protection;
- to advise on the changes to establish procedures and habits necessary to maximise the benefits of the ASYCUDA++ system;
- to create an awareness of the functionalities, managerial output and technical configuration of ASYCUDA++;

- to discuss the implementation strategy; and
- to ensure transparency and mutual commitment to the project by all associated parties.

After the seminar/workshop the participants will:

- be aware of their roles and responsibilities in the areas of fiscal management, trade facilitation and community protection;
- be aware of the benefits of implementing ASYCUDA++;
- be able to identify possible risks (e.g. the lack of commitment from external and internal players);
- have prepared an outline project work-plan;
- know the functionalities, managerial output and technical configuration of ASYCUDA++; and
- be able to estimate how the implementation of ASYCUDA++ will affect the rest of the organization as regards staff, organization and procedures.

2.2 *Time Table*

Day 1

Introduction

09.00 - 12.00	Initial individual meetings with various parties as considered appropriate, including Senior Government officials, the donor(s), UNDP (if applicable), representatives from the Ministry of Finance and other Ministries/ Government Departments (e.g. Statistics, Trade, etc.), in order to: <ul style="list-style-type: none"> - provide an awareness of the ASYCUDA++ project activities and - to encourage and reinforce the need for their support and commitment to ensure the success of the project.
14.00 - 16.00	Meeting with the Director General of Customs and his senior staff to discuss the contents of the proposed work-shop and seminar, including all practical matters.
16.00 - 18.00	Installation of the ASYCUDA++ client and test of the

presentation equipment.

Day 2 **Work-shop for the Project Manager and his/her team, together (if required) with other key persons within the Customs Administration**

Outline Discussion of the developments that have occurred in Customs Administration throughout the world and of the operational level matters concerned in the Customs Reform and automation Project.

Participants National Project Manager;
National implementation team;
Staff from other Customs divisions (as considered appropriate), and
International advisers.

Agenda

- 09.00 - 12.00 - Brief presentation of UNCTAD's Trade Efficiency Programme:
- Trade Facilitation;
 - ASYCUDA Projects.
 - Customs modernization:
 - Role of service provider to the trading community;
 - Simplification of procedures;
 - ASYCUDA++ - the national system
- 14.00 - 16.00 - ASYCUDA++
- Introduction and explanation of the SAD input screen;
 - Presentation of technical configuration
 - Familiarization with ASYCUDA++ functionalities.
- 16.00 - 17.00 - Questions/answers

Day 3 **Workshop (Continued)**

- 09.00 - 11.00 - Project presentation:
- Implementation strategy;
 - The Role of the National Project Team;
 - Project Monitoring, and
 - Training Programme and determination of needs.

- 11.00 - 12.00 - Training in translation activities;
 - 14.00 - 16.00 - Outline Work Plan (Discussions in syndicate).
 - Development of ASYCUDA++ component activities;
 - Consideration of other external entities,
 - Integration into single project workplan.
 - 16.00 - 17.00 - Question/answers
- Conclusions

Day 4 Awareness Seminar for Senior Policy and Decision Makers in Customs and the Trading Community

Outline The awareness seminar aims to make the senior management within Customs aware of the potential and implications of the introduction of ASYCUDA++, the changes it will bring and how it may be used to best advantage.

Discussions will focus on the role of a Customs Administration and those policy level matters concerned in the Customs Reform Project. This may include results of the work-shop to be confirmed by the policy makers.

Participants Director General;
National Project Director;
National Project Manager;
Directors from other divisions of the Customs Administration;
Representatives of the trading community;
International advisers.

Further, if applicable, high level representatives from the Ministry of Finance, Trade and Statistical Departments, the donor(s) and/or other trade bodies (e.g. Chamber of Commerce, etc.).

Duration One day.

Agenda

- 09.00 - 12.00
- Customs Modernization
 - Customs as a service provider, including trade facilitation.
 - Importance of commitment to change:
 - Resistance to change;
 - Change management;
 - Commitment by internal players;
 - Cooperation with external parties such as:
 - Statistical Department;
 - Department of Trade
 - Chamber of Commerce
 - Brokers' Union.
 - Pre-requisites:

- Amendments to the Customs Law;
 - Changes in procedures (incl. simplification);
 - Refurbishment;
 - Resource implications;
 - Training of staff/trading community.
- 14.00 - 16.00 - ASYCUDA++
- The national system
 - Brief introduction and explanation of the SAD input screen;
 - Brief presentation of technical configuration;
 - Brief demonstration of functionalities;
 - Examples of use of management information.
- Discussions concerning the ASYCUDA Implementation Plan.
- 16.00 - 17.00 Questions/answers
- Conclusions

Day 5 **Debriefing - including a presentation of the report of immediate actions to the Director General of Customs and his senior staff.**

3. ASYCUDA TRAINING

3.1 Objectives

The strategic cornerstone of an ASYCUDA project is the provision of appropriate training which has been specifically designed to enable the:

- project's team of experts, to build and test the prototype and subsequently install the system successfully at the pilot sites;

- national users, to develop the essential skills to maximise benefits of the software package and to ensure that Customs is fully able to configure, operate and manage the system independently on a day-to-day basis in particular with regard to legal, fiscal and administrative changes; and

system support team, to maintain and develop the software in accordance with the specific needs of the national Customs Administration.

Experience has shown that the training programme for Customs computerisation projects has above all to instil confidence in the users of the system. Only a programme within which both users and their line managers are fully involved will be successful. Thus, this training programme aims to provide training and familiarisation on all aspects of the system on a "top-down" basis - from the senior managers, through the supervisory grades to the data input operators.

All the courseware and documentation will be provided in English or French for translation locally (if necessary) into the national language. Where a general or core implementation course is provided, it will be given in English, if necessary through the use of interpreters. Internal ASYCUDA training courses provided by the project team will be delivered in the national language.

3.2 Pre-Requisites

Technical Training (UNIX & RDBMS)

In order to satisfactorily build and install the ASYCUDA system it will be a necessary pre-requisite to ensure that the programmers/technicians assigned to the Project Team have the skills and expertise in the installation and maintenance of both **UNIX and RDBMS**.

Accordingly, it may be necessary for a number of individuals to undertake the appropriate training, which can often be provided by commercial computer organisations, in country. Where it is not possible to obtain the necessary training in country, arrangements must be made to obtain the relevant tuition, elsewhere.

The following courses are normally available:

UNIX training

- Introduction to UNIX
- UNIX SVR4 - Administration
- UNIX - Extended Administration
- UNIX - Shell programming
- TCP/IP communication

RDBMS training

- Server RDBMS
- SQL, 4GL
- E-SQL/C
- RDBMS Administration

Other IT course options

- RDBMS Programming
- C language

3.3 ASYCUDA++ - Technical Course (Foundation course)

The ASYCUDA technical training courses are intended for the IT personnel working on the national Project Team. The courses may be delivered in a variety of locations. This course will be given at the commencement of the project. The course will provide the technical information required for the installation, translation and maintenance of the ASYCUDA system. It will be delivered in English as the base language (using a suitable interpreter if necessary). All course material will be provided to the students.

Target population

The course is designed for those technicians responsible for installing, administering and maintaining the system. The course will be given to a team of up to 6 programmers/technicians from the national Computer Department of the Customs Administration.

Participants must be familiar with RDBMS, and operating systems, including PC operating systems and UNIX.

Objectives

Following the course participants will be able to:

- 1 Describe the structure of the ASYCUDA software.
- 2 Install and upgrade the system.
- 3 Describe the steps required for translation of the system.
- 4 Configure the system at a technical level.
- 5 Describe the Database structure.
- 6 Write queries on the databases and generate customized reports.
- 7 Problem solving using a systematic approach to trouble shooting.
- 8 Customize the printouts from the system (SAD, receipts, etc...)
- 9 Interface locally written applications with the ASYCUDA software.
- 10 Create archiving and backup procedures

Duration

Minimum of 15 days (can be organized in several training session by theme)

Course format

The course will consist of informal lectures and one or several training workshops. The teaching objectives will be validated by the successful completion of an installation of the ASYCUDA software on the server and client machines.

This will be complemented by graded computer exercises covering the other require teaching objectives.

Equipment requirements

A list of the equipment necessary for the running of this course will be advised by UNCTAD.

3.4 ASYCUDA++ - Functional Course (Foundation course)

This course will be given at the commencement of the project but following the successful completion of the Technical Foundation course. This will ensure that the system translation is completed before the commencement of this course. The initial course will be held in country and will be delivered in English, utilizing a suitable interpreter if necessary.

The course is designed for all those (Customs and IT) responsible for building, installing and maintaining the system. The training is critical to the on-going stability of the software and its ability to respond to legal, fiscal and administrative changes.

The foundation course is intended to illustrate how the taxation system, tariff, tables and associated manual systems can be implemented on ASYCUDA and to teach participants how to set up, operate and implement the ASYCUDA Customs system.

Target population

The training will initially be for the National Project Manager and team members from the national Customs Administration (Customs/IT) who will work in the ASYCUDA project team to set up and implement the ASYCUDA Computer system, together with the UNCTAD experts. Subsequently, regional and local managers from the Customs Service, who will be associated with the implementation at the pilot sites, will be provided with the required training by the National Project Team and/or the Training Division of the national Customs Administration.

Participants will have a sound working knowledge of their country's import and export procedures and be familiar with all aspects of their tariff. Previous experience in using a computer would be extremely useful

Objectives

Following the course participants will be able to:

- ✓ Structure of the Manifest tables
- ✓ Asycuda++ security mechanisms

New topics can also be covered such as:

- ✓ Programming the ASYCUDA++ Gateway

In order to programme the exchange of data between sites, it will be necessary to provide appropriate skills training to the technical staff attached to the national Project implementation team.

- ✓ Programming the ASYCUDA++ Development platform

This is a course for high-level programmers needed when it comes to build a new Asycuda-like module

- ✓ Programming of interfaces between Asycuda++ and external bodies such as banks, airline companies, etc...

This specialist training, lasting one week or more, will be undertaken by a Geneva/Regional Centre -based technician in-country or the UNCTAD IT adviser. It will be delivered after the prototype has been completed and when the required analysis of the national system has been finalised.

3.6 ASYCUDA++ - Functional Course (Advanced course)

This course is designed to provide the national project team with the further knowledge and skills necessary for the continuing implementation of the system and will form part of a technical support mission following on from the foundation courses.

This course aims at validating the work already undertaken during the initial installation phase of the system or simply introducing advanced functionalities of Asycuda++ in preparation of the implementation a particular module of the system.

This course is usually not as formal as the Foundation course and consists in hands-on training sessions. It is usually conducted by the UNCTAD IT or Customs adviser or any expert coming for a Quality assurance mission.

- 1 Configure and process the national Customs declaration using various Customs procedures, eg imports, exports, etc., together with the accounting and Manifest functions of the system;
- 2 Use all the available ASYCUDA applications (Manifest, Accounting, Warehousing, Selectivity, Declaration processing);
- 3 Define the procedures and tables;
- 4 Set up the Tariff and program the necessary taxation rules to enable the system to function;
- 5 Process trade statistics and obtain management information using the reporting functions and the SQL interface;
- 6 Set up the access controls on the system. Configure the user list and authorizations

Duration

Up to three weeks.

Course format

The course will be a mixture of lectures and a training workshop. The majority of the teaching points will be validated by the successful completion of graded computer exercises using a training system which will be a simplified version of the Tables containing data which conforms to the United Nations Trade Data Elements Directory (UNTDDED).

The initial course will be delivered in English (using a suitable interpreter if necessary).

3.5 ASYCUDA++ - Technical Course (Advanced course)

The content of this advanced course is the decision of the IT regional coordinator together with the UNCTAD IT advisor.

As part of the on-going system building activities a number of topics that were covered during the foundation course can be reviewed and detailed such as:

- ✓ Programming the ASYCUDA++ Filters (customized client printouts)
- ✓ Programming of server reports
- ✓ Structure of SAD transaction tables
- ✓ Structure of the Accounting tables

Target population

The advanced training activity will be delivered to the national Project Team approximately starting three months after the ASYCUDA functional foundation course has been completed. The course will be undertaken in country and will be delivered in English (utilizing a suitable interpreter if necessary).

Duration

Up to two weeks.

Course format

The course will consist of a mixture of ad hoc discussions and lectures, as deemed appropriate and necessary, together with a number of validation and acceptance exercises.

3.7 ASYCUDA - User Training Courses

The courses listed below are aimed specifically at the Managers, Supervisors and day-to-day users of the system. It is intended that the pre-developed training packages are modified (as necessary) and delivered to the national Customs personnel in-country, by members of the implementation team, with the assistance and support of the Customs Training Division (if applicable) and in-country UNCTAD project experts.

- . Supervisor and system managers
- . Data operator training
- . Cashier and Accounts

Detailed descriptions are below.

3.7.1 Supervisor and System Manager Training***Aims:***

The module aims to provide an overview of the main system functions and to teach supervisors and system managers how to run the system and control the users on a day-to-day basis. Its delivery will be timed to immediately precede the introduction of the system at each location.

Target population

Managers and supervisors at operational ASYCUDA++ sites who are responsible for the day to day running of the system.

Objectives

Following the course participants will be able to:

1. Understand the implications, benefits and requirements of the ASYCUDA system;
2. Use appropriate Guided learning packages to train all ASYCUDA users engaged in the Customs office procedures and controls applicable to declaration processing, including accounting procedures;
3. Manage all ASYCUDA users engaged in the Customs office procedures and controls applicable to declaration processing, including accounting procedures;
4. Set up controls and passwords;
5. List the methods available to supervise operators and to handle queries;
6. Recognize and report hardware/software faults;
7. Perform first-level backup and recovery routines, in conjunction with FALLBACK instructions;
8. Perform routine statistical processing requests;
9. Use the Query facilities to answer queries and generate control reports.

Duration

2 Days

Course format

This will take the format of a training workshop with a mixture of formal lectures, hands on computer exercises and syndicate exercises.

3.7.1 Data Entry Operator Training

Aims:

The module aims to introduce operators to the ASYCUDA system, including the hardware used and to teach them how to process declaration transactions. Its delivery will be timed to immediately precede the introduction of the system at each location.

Target population

Data input operators

Objectives

Following the course participants will be able to:

- 1 Describe the office procedures and controls applicable to Declaration processing;
- 2 Process Declaration transactions with local storage and validation to Registration and Assessment;
- 3 Use all the Declaration processing and printing functions within the Customs Office module;
- 4 Action errors.

Duration

2 Days

Course format

The course will be delivered as a Guided Learning workbook used in conjunction with the ASYCUDA system. It will satisfy all the objectives by taking the student through each step involved in declaration processing, under the direction of the Systems Manager and/or Supervisor at the operational site.

3.7.3 Cashier and Accounts Officer Training***Aims:***

The module aims to introduce cashiers to the ASYCUDA system, including the hardware used and to teach them how to process declaration payments and produce the necessary day books and accounting records. Its delivery will be timed to immediately precede the introduction of the system at each location.

Target population

Cashiers

Objectives

Following the course cashiers and accounts officers will be able to:

- 1 Describe the office procedures and controls applicable to Declaration processing;
- 2 Process payments through the system and issue receipts;
- 3 Perform the daily accounting procedures and produce the required accounting reports;
- 4 List the main accounting master files.

Duration

2 Days

Course format

The course will be delivered as a Guided Learning workbook used in conjunction with the ASYCUDA system. It will satisfy all the objectives by taking the student through all the steps in declaration processing under the direction of the System manager and/or Supervisor at the operational site.

It should be noted that the pre-developed training packages outlined above are not exhaustive and the responsible training facilitator(s) may be required to develop other training activities to satisfy local needs by utilising and adapting the material contained within a series of documents designed for this purpose.

4. OPTIONAL COMPLEMENTARY TRAINING**4.1 Risk Analysis, Targeting and Freight Intelligence**

In order to improve the efficiency and effectiveness of Customs controls on goods consignments into, out of and through the country, thereby improving the detection rate of commercial fraud, prohibitions and restrictions, etc., consideration should be given to the provision of appropriate training in risk assessment and selectivity techniques to staff of all levels, including senior Customs officers, responsible for enforcement, cargo processing, etc.

This will ensure the positive and productive utilisation of the module (MODSEL) contained within the ASYCUDA++ system.

Details of this training are as follows:

Target Audience

Customs staff having the responsibility of validating declarations and goods inspection, together with their Unit Managers.

Objective

To improve the detection rate of commercial fraud, prohibitions and restrictions.

At the end of the course participants will:

- . be committed to the philosophy and benefits of risk analysis and freight intelligence;
- . be able to list and define areas of risk;
- . understand the need for, and use of, cargo information;
- . be able to identify information required from the computerised declaration processing systems;
- . be able to establish, operate and manage FASTs (Flexible Anti-smuggling Teams) and GETs (General Examination Teams).

Course content

- . Identifying and minimising risk;
- . Identifying information and intelligence requirements;
- . Working to profiles;
- . Collection and dissemination of information;
- . ASYCUDA++ selectivity module (MODSEL);
- . Security;
- . FAST and GET teams - strategy, objectives, structure and operations.

Duration:

One week

4.2 Trainer skills training

In order to deliver the courses outlined in paragraphs 3.3.5 and 3.3.6 above, relating to the running and managing of the ASYCUDA++ system, it will be necessary to ensure that Customs personnel (Project Team and/or Training Division) who will be responsible for undertaking the training during the implementation phases, have the requisite trainer skills. To this end, it may be necessary for a number of individuals to be provided with an appropriate course to enhance their ability to design and deliver the training required throughout the implementation.

The course will improve students' confidence and skills as trainers and to teach them how to prepare training sessions and train from pre-produced training modules.

Objectives:

Following the course, instructors will be able to:

- Use the necessary trainer skills and methods required to be efficient and capable trainers;
- Prepare and present training material and courses using the "Systematic Approach" to training;
- Adapt the basic ASYCUDA++ training modules to their own specific needs and circumstances;
- Create a supportive climate where both students and instructors can give and receive feedback on performance.

Course content:

- Trainers' responsibilities;
- Use of Question and Answer techniques;
- Feedback;
- Use of Buzz Groups;
- Advantages of participative training;
- Barriers to learning;
- Systematic Approach to training;
- Preparation and development of training modules; and
- Presentation of pre-prepared modular course material.

Duration: Two weeks

It should be noted that provision has to be made within the project budget for the undertaking of these courses which may be held in-country or elsewhere.

ANNEX II

General Conditions applicable to European Community
Grant Agreements with International Organisations
for External Aid.

ANNEX II

General Conditions applicable to European Community grant agreements with international organisations for external aid

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GENERAL AND ADMINISTRATIVE PROVISIONS

Article 1 – General obligations

- 1(1) The Organisation shall ensure that the Operation is carried out in accordance with the Description of the Operation contained in Annex 1, either alone or in partnership with one or more institutions.

The Organisation may subcontract parts of the Operation (works and services), preferably to local operators.

If implementation of the Operation involves the conclusion of contracts by the Organisation, the contract-award procedures of the Organisation shall apply, provided they are at least as stringent as those set out in Annex IV.

The partners, the subcontractors, the experts and the supplies, the cost of which are financed out of the Community contribution¹, shall originate in the Community or the country or countries eligible for grants under the programme of which the Operation is part. They may also originate from the country or countries of any other donors, provided such donors accept that their contributions be used to cover costs related to partners, subcontractors, experts or supplies originating from the Community. However, minor acquisitions (supply, services and works) for urgent local requirements may be procured from other sources up to a total volume of 200 000 Euro. Any other departing from the rules of origin set out above is subject to prior written approval from the Commission, which shall deal expeditiously with any request accompanied with proper justification.

The Community recognises no contractual link between itself and the Organisation's partner(s) or between itself and a subcontractor. The Organisation alone shall be accountable to the Commission for the implementation of the Operation. The Organisation undertakes to ensure that the conditions imposed upon him under this Agreement also apply to all partners and subcontractors involved.

- 1(2) The Organisation shall implement the Operation with the requisite degree of care, efficiency, transparency and diligence, as required by best practice in the field concerned, and in compliance with this Agreement.

To that end, the Organisation shall mobilise all the financial, human and material resources required for full implementation of the project, as specified in the Description of the Operation, endeavouring to use local human and material resources.

- 1(3) If any of the Organisation's partners, subcontractors or agents indulges in corrupt practices in connection with this or any other Operation financed by the Commission, the latter may suspend the Operation or terminate the Agreement in accordance with Article 11(3).

Article 2 – Obligations regarding information and financial and technical reports

- 2(1) The Organisation shall provide the Commission with full information on the implementation of the Operation. To that end, the Organisation shall draw up intermediate reports and a final report. These reports shall consist of a technical part and a financial part. The Commission may request additional information at any time; that information shall be supplied within 30 days of the request.

¹ Where the grant is financed out of the European Development Fund, mentions of Community financing must be read as referring to European Development Fund financing.

- 2(2) The Organisation shall send the Commission intermediate reports in accordance with the provisions below. Every report shall provide a complete account of all aspects of implementation for the period covered.

The report shall be laid out in such a way as to allow comparison of the objective(s), the means envisaged or employed (in particular all expenses actually incurred by the Organisation), the results expected and obtained and the budget details for the Operation. The report shall contain a plan of action for the next phase of the Operation's implementation.

- 2(3) The final report shall contain a detailed description of the conditions in which the Operation took place, information on the measures taken to identify the Community as the source of financing and on considerations which could be used to evaluate the Operation's impact, details on the transfers of property mentioned in article 7(3), plus a full summary of the Operation's income and expenditure and payments received.
- 2(4) The reports shall be presented in the same language as the Agreement. They shall be submitted at the following intervals:
- A if payments follow option 1 in Article 15(1): a single and final report shall be forwarded to the Commission within six months of the end of the Operation's duration of execution as defined in Article 2 of the Special Conditions;
- B if payments follow option 2 in Article 15(1):
- an intermediate report shall accompany every request for payment;
 - the final report shall be forwarded to the Commission within six months of the end of the Operation's duration of execution as defined in Article 2 of the Special Conditions.
- 2(5) The Special Conditions may stipulate that the Organisation must supply an extra copy of the reports for the Commission Delegation in charge of monitoring the Operation.
- 2(6) If the Organisation fails to supply a final report by the final report deadline laid down in Article 2(4), and fails to furnish an acceptable and sufficient written explanation of the reasons why it is unable to comply with this obligation, the Commission may terminate the Agreement in accordance with the first indent of Article 11(3) and recover the amounts already paid.

Furthermore, where payments follow option 2 in Article 15(1) and the Organisation fails to present an intermediate report and a request for payment by the end of each twelve-month period following the date laid down in Article 2(1) of the Special Conditions, the Organisation shall inform the Commission of the reasons why it is unable to do so, and shall provide a summary of the state of progress of the Operation. If the Organisation fails to comply with this obligation, the Commission may terminate the Agreement in accordance with the first indent of Article 11(3) and recover the amounts already paid.

Article 3 - Liability

- 3(1) The Community cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Organisation while the Operation is being carried out. The Community cannot therefore accept any claim for compensation or increases in payment in connection with such damage or injury.
- 3(2) Subject to the rules governing the Organisation's privileges and immunities, the Organisation shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Operation is being carried out. The Organisation shall discharge the Community of all liability associated with any claim or action brought as a result of an infringement by the Organisation or the Organisation's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's rights.

Article 4 – Conflict of interests

The Organisation undertakes to take all precautions necessary to avoid conflicts of interests and shall inform the Commission immediately of any situation giving rise to or likely to give rise to any such conflict.

Article 5 - Confidentiality

The Commission and the Organisation undertake to preserve the confidentiality of the reports referred to in Article 2 and of any document, information or other material communicated to them in confidence.

Article 6 - Publicity

6(1) Unless the Commission requests otherwise, any notice or publication by the Organisation concerning the Operation, including at a conference or seminar, shall specify that the Operation has received funding from the European Community.

The Organisation shall take all necessary measures to publicise the fact that the Community has financed or co-financed the Operation. To that end, the Organisation shall refer to the Operation and the Community financial contribution in information given to the final recipients of the Operation, in internal and final reports and in any dealings with the media. In addition, the Organisation shall display the European logo (twelve yellow stars on a blue background) in the field at least as prominently as its own logos.

6(2) Any publication by the Organisation, in whatever form and by whatever medium, including the Internet, shall carry the following or a similar warning: "This document has been produced with the financial assistance of the European Community [and name of other donors if any]. The views expressed herein are those of [name of Organisation] and can therefore in no way be taken to reflect the official opinion of the European Community [and name of other donors if any]."

Article 7 – Ownership/use of results and equipment

7(1) Ownership, title and industrial and intellectual property rights in the results of the Operation and the reports and other documents relating to it shall vest in the Organisation, as the case may be together with third parties.

7(2) Notwithstanding the provisions of the first paragraph, the Organisation shall grant the Commission the right to use freely and as it sees fit all documents deriving from the Operation, whatever their form.

7(3) By the end of the implementation period for the Operation, the equipment, vehicles and supplies paid for by the Community grant shall be transferred to any local partners of the Organisation or to the final recipients of the Operation. The final report shall specify in detail to whom they have been transferred, and the documentary proof of those transfers shall be kept for inspection along with the documents mentioned in article 16.3.

Article 8 - Evaluation of the Operation

8(1) If the Commission performs an intermediate or subsequent (ex-post) evaluation, the Organisation shall undertake to provide the Commission or its authorised agents with any document or information likely to help that evaluation to be successfully concluded.

- 8(2) If one party carries out or commissions an evaluation in the context of the Operation, it shall provide the other party with a copy of the evaluation report.

Article 9 - Amendment of the Agreement

- 9(1) Any modification of the Agreement, including the annexes thereto, shall be set out in writing in an amendment.

If the request for an amendment comes from the Organisation, the latter shall submit that request to the Commission one month before the amendment is intended to enter into force, except in cases which are duly substantiated by the Organisation and accepted by the Commission.

- 9(2) Where the amendment does not affect the basic purpose of the Operation and the financial impact is limited to a transfer within a single budget heading, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of less than 10% of the amount originally entered under a heading for eligible costs, the Organisation may apply the amendment and shall inform the Commission accordingly. This method may not be used to amend headings for administrative costs or the contingency reserve.

Changes of address and changes of bank account may simply be notified. Changes of bank account must be specified in the request for payment, which must conform to the model attached as Annex V.

Article 10 – Assignment

The Agreement and the payments attached to it may not be transferred or assigned to a third party in any manner whatsoever without the prior written consent of the Commission.

Article 11 - Termination of the Agreement

- 11(1) The Organisation may terminate the Agreement at any time by serving two months' written notice. In this event, the Organisation shall be entitled to payment of the grant only for the part of the Operation carried out, although this does not affect the Commission's right in cases of wrongful termination to claim full or partial repayment of amounts already paid out.

- 11(2) In exceptional and duly justified cases, the Commission may decide to terminate the Agreement by serving two months' written notice, without being required to pay compensation. In this event, the Organisation shall be entitled to payment of the grant only for the part of the Operation carried out, and to reimbursement of commitments entered into by the Organisation for the implementation of the Operation, which the Organisation cannot reasonably terminate on legal grounds.

- 11(3) The Commission may terminate the Agreement, without giving notice and without paying compensation of any kind, where the Organisation:

- fails, without justification, to fulfil any of the obligations imposed and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of sending of the letter;
- fails to comply with articles 4 or 10 or falls into the situation described in Article 1(3);
- makes false or incomplete statements to obtain the grant provided for in the Agreement or provides reports that do not reflect reality;
- commits financial irregularities.

In that event the Commission may demand full or partial repayment of the amounts already paid out under the Agreement.

Prior to or instead of terminating the Agreement as provided for in this Article, the Commission may suspend payments as a precautionary measure, without prior notice.

Article 12 – Duration of execution of the Operation, extension, suspension and end date

- 12(1) The Organisation shall inform the Commission without delay of any circumstances likely to hamper or delay the implementation of the Operation. The Organisation may make a duly justified request, no later than one month before the end of the Operation's duration of execution, for the latter to be extended.
- 12(2) The Organisation or the Commission may suspend implementation of all or part of the Operation if circumstances (chiefly *force majeure*) make it too difficult or dangerous to continue. The party suspending shall inform the other without delay and provide all the necessary details. The Commission may terminate the Agreement in accordance with Article 11(2). If the Agreement is not terminated, the Organisation shall endeavour to minimize the duration of the suspension and may resume implementation of the Operation once the conditions are right, with the prior approval of the Commission. The Operation's duration of execution is extended by an amount of time equivalent to the duration of the suspension. This is without prejudice to any amendments to the Agreement which may be required to adapt the Operation to new circumstances of implementation.
- 12(3) The Agreement shall come to an end 24 months after the end of the Operation's duration of execution, as defined in Article 2 of the Special Conditions.

The Commission notifies the Organisation of any postponement of the end date.

Article 13 – Arbitration

- 13(1) Any dispute or complaint relating to the interpretation, application or fulfilment of this Agreement, including its existence, validity or termination, which cannot be settled amicably between the parties shall be referred to arbitration in accordance with the optional arbitration regulation of the Permanent Court of Arbitration for International Organisations and States in force at the date of this Agreement.
- 13(2) The Court of Arbitration shall reach its decision in accordance with the terms and conditions of the Agreement in the light of the general legal principles recognised by States.
- 13(3) There shall be one arbitrator.
- 13(4) The language(s) to be employed during arbitration is/are English and/or French.
- 13(5) In the absence of agreement between the two parties, the arbitrator shall be designated by the Secretary General of the Permanent Court of Arbitration following a written request submitted by either party. The arbitrator's decision shall be binding on all parties and there shall be no appeal.

FINANCIAL PROVISIONS

Article 14 - Eligible costs

14(1) To be considered eligible in the context of the Operation, costs must:

- be necessary for carrying out the Operation, be provided for in the Agreement and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
- have been incurred during the duration of execution of the Operation, as defined in Article 2 of the Special Conditions;
- have actually been incurred, be recorded in the Organisation's or Organisation's partners' accounts, be identifiable and verifiable, and be backed by originals of supporting evidence.

14(2) Subject to the above, the direct costs listed in Appendix A to these General Conditions shall be eligible.

14(3) A fixed percentage of the Organisation's overheads up to the maximum percentage of the amount of eligible direct costs specified in Appendix B to these General Conditions shall be eligible as indirect (overhead) costs.

Indirect costs shall be eligible provided that they do not include costs assigned to another heading of the budget provided for by the Agreement.

Indirect costs shall not be eligible where the Agreement concerns the financing of an Operation conducted by a body which is already receiving a running cost grant from the Commission.

14(4) The following costs shall not be considered eligible:

- provisions for possible future losses or debts;
- interest owed by the Organisation to any third party;
- purchases of land or buildings, except where necessary for the direct implementation of the Operation, in which case ownership shall be transferred to the Organisation's local partners (where applicable) or the final recipients of the Operation once the latter has come to an end;
- currency exchange losses;
- Taxes which the Organisation is able to reclaim.

14(5) Any contributions in kind made by the Organisation and listed separately in Annex III shall not be considered eligible costs for Community financing.

The Organisation shall, however, undertake to make such contributions in accordance with the terms of this Agreement.

Article 15 – Payment

15(1) Payment procedures are set out in Article 4 of the Special Conditions and follow one of the two options below:

Option 1 : Operations not exceeding 12 months' duration or involving Community financing of less than EUR 100 000

The Commission will make grant payments to the Organisation in the following manner:

- an advance of 80% of the sum referred to in Article 3(2) of the Special Conditions less contingencies within 60 days of receipt by the Commission of the Agreement signed by both parties and a request for payment conforming to the model attached as Annex V;

Where necessary the advance may be increased to a maximum of 95 % of the sum referred to in Article 3(2) of the Special Conditions.

- the balance within 60 days of the authorising department's recording a request for payment, conforming to the model attached as Annex V and accompanied by the final report, subject to approval of that report in accordance with Article 15(2).

Option 2 : Operations exceeding 12 months' duration and involving Community financing of EUR 100 000 or more

The Commission will make grant payments to the Organisation in the following manner:

- an advance of 80% of that part of the forecast budget for the Operation's first 12 months which is being financed by the Community (excluding contingencies), as specified in Article 4 of the Special Conditions, within 60 days of receipt by the Commission of the Agreement signed by both parties and a request for payment conforming to the model attached as Annex V;

Where necessary the advance may be increased to a maximum of 95 % of the sum referred to in Article 3(2) of the Special Conditions.

- intermediate payments of the remainder of the budget for the preceding 12 months of operation plus 80% of that part of the forecast budget for the Operation's next 12 months which is being financed by the Community, within 60 days of the authorising department's recording a request for payment, conforming to the model attached as Annex V and accompanied by an intermediate report, subject to approval of that report in accordance with Article 15(2);

Where necessary the payment may be increased to a maximum of 95 % of that part of the forecast budget for the Operation's next 12 months which is being financed by the Community, except in the final year of the Operation.

- the balance within 60 days of the authorising department's recording a request for final payment, conforming to the model attached as Annex V and accompanied by the final report, subject to approval of that report in accordance with Article 15(2).

Intermediate payments can be made only if the expenditure actually incurred represents at least 70% of the amount of the previous payment, as proven by the relevant intermediate report. The amount of the advance and the intermediate payments cannot exceed 90% of the amount referred to in Article 3(2) of the Special Conditions.

Reports shall be presented in accordance with the stipulations of Article 2.

- 15(2) The payment deadline of 60 calendar days referred to in Article 15(1) above shall expire on the date on which the Commission's account is debited. Without prejudice to the terms of Article 11(3), the Commission may halt the countdown towards this deadline by notifying the Organisation that the request for payment is inadmissible, either because the amount in question is not due or because the relevant report cannot be approved and the Commission thinks it necessary to conduct further checks. In such cases, the Commission may request clarification, alteration or additional information, which shall be produced within 30 days of the request. The countdown towards the deadline will resume on the date on which a correctly formulated request for payment is recorded.

- 15(3) Payments due from the Commission shall be made into the bank account referred to in the financial identification form in Annex V.
- 15(4) The Commission will make payments in EUR. Where necessary, actual expenditure will be converted into EUR at the rate published by the European Central Bank in the "C" series of the Official Journal on the first working day of the month in which the request for payment is made. In the case of currencies not quoted in the Official Journal, conversion shall be based on the rates published in the Financial Times on the first Tuesday of the month in which the request for payment is made.
- 15(5) Any interest accruing from the advances paid to the Organisation by the Commission shall be considered income for the purposes of Article 17(3). It may be used to cover eligible costs of the Operation; it may not be used to finance the Organisation's indirect (overhead) costs. Interest foregone due to payment made after the deadline mentioned in article 15.2 shall be deducted from the amount of interest accrued. The late payment interest shall apply to the time which elapses between the date of the payment deadline (inclusive), and the date on which the Commission's account is debited (exclusive).

Article 16 – Accounts and technical and financial checks

- 16(1) The Organisation shall keep accurate and regular records and accounts of the implementation of the Operation using a dedicated double-entry book-keeping system as part of or as an adjunct to the Organisation's own accounts. This dedicated system shall follow the procedures dictated by professional practice. Separate accounts shall be kept for each Operation, and shall detail all income and expenditure. They shall provide precise details of interest accruing on funds paid by the Commission.
- 16(2) Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of the Organisation. A copy of the audited financial statements shall be submitted to the European Commission by the Organisation.
- 16(3) The Organisation shall, until at least five years after the end date as specified in article 12(3):
- keep financial accounting documents concerning the activities financed by the Community and,
 - make available to the competent bodies of the Community, upon request, all relevant financial information, including statements of accounts concerning the programme/project, whether they are executed by the organisation or by subcontracting.
- 16(4) In conformity with its Financial Regulation, the Community may undertake, including on the spot, checks related to the operations financed by the Community.

Article 17 – Final amount of Community financing

- 17(1) The total amount to be paid by the Commission to the Organisation may not exceed the maximum grant established by Article 3(2) of the Special Conditions, even if the overall actual expenditure exceeds the estimated total budget set out in Annex III.
- 17(2) If the eligible costs at the end of the Operation are less than the estimated total cost specified in Article 3(1) of the Special Conditions, the Community contribution shall be limited to the amount produced by multiplying the actual expenditure by the percentage laid down in Article 3(2) of the Special Conditions.

17(3) The Organisation accepts that the grant can under no circumstances result in a surplus for the Organisation, and shall be limited to the amount required to balance income and expenditure for the Operation.

Article 18 – Repayment of the grant

18(1) In the cases referred to in Articles 11(1) (except wrongful termination), 11(2) and 17, the Organisation undertakes to repay to the Commission within 60 days of receiving a request from the latter any amounts paid in excess of the final amount due.

18(2) In the event of wrongful termination of the Agreement by the Organisation, and in the cases specified in Article 11(3), the Commission may request full or partial repayment of amounts paid to the Organisation. The Commission shall determine the manner and the deadline for such full or partial repayment.

18(3) Bank charges incurred by the repayment of amounts due to the Commission shall be borne entirely by the Organisation.

18(4) Amounts to be repaid to the Commission may be offset against amounts of any kind due to the Organisation. This shall not affect the parties' option to agree on payment in instalments.

Appendix A for UN Agencies parties to the EC-UN Framework Agreement of 9 August 1999
Standard list of eligible costs

1. Staff

A. Expatriate: monthly lump sum per person. Costs connected with the management and/or training of expatriate staff at the entity's headquarters are not eligible under this heading.

Expenditure covered by the lump sum:

- Remuneration: salaries or emoluments, taxes, social security contributions, briefing, debriefing, overlapping, rest periods and insurance.
- Transport: international return trip to the place of operation, pre and post forwarding, visas, airport taxes, transit costs, travel for briefing and debriefing.
- Stay: accommodation, per diem, food and/or allowances.
- Other: any other type of expenditure linked directly to the expatriate (medical costs, job licence).

B. Local: monthly lump sum per person.

Expenditure covered by the lump sum:

- Remuneration: salaries, taxes, social security contributions, rest periods and insurance.
- Where appropriate: accommodation, food and/or allowances, per diem, training, medical costs, equipment, recruitment costs.

Establishment of lump sum for expatriate and local staff:

- lump sums are established in Euro per month;
- to obtain a fraction of a month: lump sum divided by 30 x number of days;
- staff costs are calculated by month or fraction of a month.

SUPPLIES

2. Food

3. Agricultural inputs and implements

4. Medical

5. Essential relief items

- Direct purchase: unit purchase price;
- Purchases from organisation's stock: price of product plus percentage;
- Purchases via purchasing centre controlled by the organisation: price of product plus percentage.

6. Temporary shelter

7. Water and sanitation

8. Emergency rehabilitation

- Service: price of the service.
- Direct purchase: unit purchase price.
- Purchases from organisation's stock: price of product plus percentage.
- Purchases via purchasing centre controlled by the organisation: price of product plus percentage.

9. Distribution costs

Real costs connected with distribution of products as part of the operation such as: local storage, watch men, day labour for loading and unloading, loading and unloading facilities, palettes, small distribution tools, expenditure incurred in information about distribution towards beneficiaries.

10. Transport

International and/or local transport undertaken by the organisation (with means of transport owned by the organisation, with the exception of air transport).

- Monthly lump sum - composition covers contribution to vehicle depreciation as well as running costs (insurance, maintenance and petrol);
- Lump sum is established in Euro;
- Forwarding costs, handling, customs clearance and other tax formalities : real costs in cases duly justified by the organisation.

Sub-contracted international and/or local transport:

- Price of sub-contracted service including local travel;
- Running costs if not covered in the service price: insurance, maintenance and petrol on the basis of lump sum for two-wheel vehicles, passenger automobiles or 4x4 or, on the basis of real costs, for any other means of transport.

11. Evaluation

Carried out by a member of the organisation:

- Actual expenditure incurred by the organisation, including communication costs, with the exception of salaries, taxes and social contributions.

Carried out by a third person:

- Price of service.

12. External audit

- Price of service.

13. Feasibility studies

Carried out by a member of the organisation:

- Actual expenditure incurred by the organisation, including communication costs, with the exception of salaries, taxes and social contributions.

Carried out by a third person:

- Price of service.

14. Training

Educational material:

- Direct purchase: unit purchase price;
- Purchases from organisation's stock: price of product plus percentage;
- Purchases via purchasing centre controlled by the organisation: price of product plus percentage.

Training services:

- Price of service.

15. Security

- Real costs with the exception of specific training of staff.

16. Other services

Communications equipment:

- Monthly lump sum;

- Composition of lump sum: depreciation or rent of equipment, maintenance and insurance and communications costs.

Establishment of lump sum:

- the lump sum is established in Euro per month,
- to obtain a fraction of a month: lump sum divided by 30 x number of days,
- amount of lump sum: different according to the type of equipment.

Local storage

- Real costs;
- Where appropriate: costs of assembling, packaging, labelling and marking.

Monitoring

- Price of service.

Quantity/quality control

- Price of service.

Insurance

- Price of service.

Specialised services or expertise

- Price of service.

17. Visibility programme

- Real costs.

18. Other direct costs: expenditures needed to implement the operation not included in the preceding items and provided that they are detailed.

19. A contingency reserve of no more than 5% of eligible direct costs, which can be used only with the prior written (by letter) authorisation of the Commission.

Personnel costs shall be eligible within the amounts set out below:

Maximum reimbursable amounts for personnel

1. Long-term contracts

Category I	Senior specialist (more than 20 years experience):	€ 6 900-11 000/month
Category II	Specialist (between 10 and 20 years experience):	€ 5 500-8 900/month
Category III	Specialist (between 5 and 10 years experience):	€ 4 200-6 900/month
Category IV	Junior (between 3 and 5 years experience):	€ 3 500-4 800/month

These rates cover the expenditure items listed in Appendix A point 1.

2. Short-term contracts for experts (feasibility study, ex post evaluation, etc. - of maximum three months duration)

Category I	Senior specialist (more than 20 years experience):	€ 375/day
Category II	Specialist (between 10 and 20 years experience):	€ 325/day
Category III	Specialist (between 5 and 10 years experience):	€ 275/day
Category IV	junior (between 3 and 5 years experience):	€ 250/day.

+ daily allowance: UN daily subsistence allowance rates

Appendix A for other international organisations
Standard list of eligible costs

- the cost of staff assigned to the Operation, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Organisation, and rates must not exceed those generally accepted on the market in question; daily allowances for missions abroad (per diems) shall be those prevailing in the Organisation at the time they are incurred;
- travel and subsistence costs for staff taking part in the Operation, provided they correspond to market rates and do not exceed the rates generally accepted by the Commission (including economy-class air fares);
- purchase costs for equipment (new or used) and services (transport, rent, etc.), provided they correspond to market rates;
- costs of consumables and supplies;
- expenditure on subcontracting or expenditure incurred by the Organisation's partners;
- costs deriving directly from the requirements of the Agreement (dissemination of information, specific evaluation of the Operation, translation, reproduction, insurance, targeted training for those involved in the Operation, etc.) including financial service costs (in particular the cost of transfers);

A contingency reserve of no more than 5% of the total amount of eligible costs may be included in the Budget for the Operation. It can be used only with the prior written (by letter) authorisation of the Commission.

Appendix B - Calculation of indirect costs

(sliding scale in €)

RANGE OF DIRECT COSTS		Rate %	AMOUNT	Accumulated Amount
Amount A	Amount B			
0	200 000	7.0%	14 000	14 000
200 000	400 000	6.5%	13 000	27 000
400 000	600 000	6.0%	12 000	39 000
600 000	800 000	5.5%	11 000	50 000
800 000	1 000 000	5.0%	10 000	60 000
1 000 000	1 500 000	4.5%	22 500	82 500
1 500 000	2 000 000	4.0%	20 000	102 500
2 000 000	3 000 000	3.0%	30 000	132 500 (max.)

ANNEX III

Budget for the Operation

3. Project Budget*****

Expenses	All Years						Year 1						Year 2					
	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)		
1. Human Resources																		
1.1 Salaries (gross amounts, local)																		
1.1.1 Technical	Per month			0	Per month			0	Per month			0	Per month			0		
1.1.2 Administrative/ support Staff	Per month			0	Per month			0	Per month			0	Per month			0		
1.2 Salaries (gross amounts, expat/int. staff)																		
Technical Information Supervisor	Per month	4	11000	44000	Per month	2	11000	22000	Per month	2	11000	22000	Per month	2	11000	22000		
Project Co-ordinator	Per month	3	11000	33000	Per month	2	11000	22000	Per month	1	11000	11000	Per month	1	11000	11000		
IT advisor	Per Day	90	325	29250	Per Day	45	325	14625	Per Day	45	325	14625	Per Day	45	325	14625		
Evaluation Expert	Per Day	31	375	11625	Per Day	31	375	11625	Per Day	31	375	11625	Per Day	31	375	11625		
1.3 Per diems for missions/travel																		
1.3.1 Abroad (project staff)	Per diem	165	179	29535	Per diem	100	179	17900	Per diem	65	179	11635	Per diem	65	179	11635		
1.3.2 Local (project staff)	Per diem			0	Per diem			0	Per diem			0	Per diem			0		
1.3.3 Seminar/conference participants	Per diem			0	Per diem			0	Per diem			0	Per diem			0		
Subtotal Human Resources				147410				88150				59260				59260		
2. Travel																		
2.1. International travel																		
2.2 Local transportation (over 200 km)	Per flight	10	2000	20000	Per flight	6	2000	12000	Per flight	4	2000	8000	Per flight	4	2000	8000		
Subtotal Travel	Per month			20000	Per month			12000	Per month			8000	Per month			8000		
3. Equipment and supplies**																		
3.1 Purchase or rent of vehicles	Per vehicle			0	Per vehicle			0	Per vehicle			0	Per vehicle			0		
3.2 Furniture, computer equipment				0				0				0				0		
3.3 Spare parts/equipments for machines, tools				0				0				0				0		
3.4 Other				0				0				0				0		
Subtotal Equipment and supplies				0				0				0				0		
4. Local office/project costs																		
4.1 Vehicle costs	Per month			0	Per month			0	Per month			0	Per month			0		
4.2 Office rent	Per month			0	Per month			0	Per month			0	Per month			0		
4.3 Consumables - office + medical supplies	Per month			0	Per month			0	Per month			0	Per month			0		
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month	24	200	4800	Per month	12	200	2400	Per month	12	200	2400	Per month	12	200	2400		
Subtotal Local office/project costs				4800				2400				2400				2400		
5. Other costs, services																		
5.1 Publications**				0				0				0				0		
5.2 Studies, research**				0				0				0				0		
5.3 Auditing costs				0				0				0				0		
5.4 Evaluation costs				0				0				0				0		
5.5 Translation, interpreters				0				0				0				0		
5.6 Financial services (bank guarantee costs etc.)				0				0				0				0		
5.7 Costs of conferences/seminars**				0				0				0				0		
Subtotal Other costs, services				0				0				0				0		

Expenses	All Years				Year 1			Year 2				
	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)
6. Real Estate and works****												
6.1 Purchase of land				0				0				0
6.2 Purchase of building				0				0				0
6.3 Construction works				0				0				0
Subtotal Real estate and works				0				0				0
7. Other				0				0				0
Technical/Functional training course				10000				5000				5000
Unix and ROBMS training				7000				7000				7000
Subtotal Other				17000				12000				6000
8. Subtotal direct project costs (1-7)				189210				114550				74660
9. Administrative costs (maximum 7 % of 8., direct eligible project cost)				14000				7000				7000
10. Total eligible project costs (8.+9.)				203210				121550				81660
11. Contingency reserve* (maximum 5 % of 10., total eligible project costs)				10161				6078				4083
Commission				213371				127628				85743

* Contingency reserve can only be used after written approval of the Commission

** Only indicate here when fully subcontracted

*** Costs of purchase or rental

**** The purchase of land or purchase/construction of buildings is only permitted if indispensable for implementing the project

***** All items must be broken down into their individual components. The number of units for each component must be specified.

ANNEX IV

Contract Award Procedures

**ANNEX IV
CONTRACT-AWARD PROCEDURES**

SERVICES	SUPPLIES	WORKS
<p style="text-align: center;">$x \geq 200,000 \text{ €}$ Restricted international tender. 4 to 8 service providers invited.</p>	<p style="text-align: center;">$x \geq 150,000 \text{ €}$ Open international tender.</p>	<p style="text-align: center;">$x \geq 5,000,000 \text{ €}$ 1. Open international tender. 2. Restricted international tender (special case).</p>
	<p style="text-align: center;">$30,000 \text{ €} \leq x < 150,000 \text{ €}$ Open local tender.</p>	<p style="text-align: center;">$300,000 \text{ €} \leq x < 5,000,000 \text{ €}$ Open local tender.</p>
<p style="text-align: center;">$x < 200,000 \text{ €}$ 1. Simplified procedure after consultation with at least 3 service providers. 2. $x \leq 5,000 \text{ €}$: one single offer.</p>	<p style="text-align: center;">$x < 30,000 \text{ €}$ 1. Simplified procedure after consultation with at least 3 suppliers. 2. $x \leq 5,000 \text{ €}$: one single offer.</p>	<p style="text-align: center;">$x < 300,000 \text{ €}$ 1. Simplified procedure after consultation with at least 3 contractors. 2. $x \leq 5,000 \text{ €}$: one single offer.</p>

ANNEX V

- a) Standard Request for Payment form
- b) Financial Identification form

ANNEX V

Request for payment for grant agreement for external aid with an international organisation

Date of the request for payment [.....]

For the attention of
The European Commission
EuropeAid Co-operation Office
[Financial unit indicated in the Agreement]¹

Reference number of the grant Agreement: ...

Title of the grant Agreement: ...

Name and address of the Beneficiary: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of the advance/intermediary payment/balance² under the Agreement mentioned above.

The amount requested is [as indicated in Article 4.2 of the Special Conditions of the Agreement/the following: ...]³

Please find attached the following supporting documents:

- signed Agreement (for the payment of the advance)
- technical and financial intermediate report (for intermediate payment)
- final implementation report (for final payment)⁴

The payment should be made to the following bank account:...⁵

Yours faithfully,

[signature]

¹ Please do not forget to address a copy of this letter to the management unit and if appropriate to the Commission delegation mentioned in Article 5.1 of the Special Conditions of the Agreement.

² Delete the two options which do not apply.

³ Delete the option which does not apply.

⁴ Delete the items which do not apply.

⁵ Indicate the account number shown on the identification form annexed to the Agreement. In the event of change of bank account, please complete and attach a new identification form as per attached model.

FINANCIAL IDENTIFICATION

ACCOUNT HOLDER

NAME UNCTAD
ADDRESS PALAIS DES NATIONS
AVENUE DE LA PAIX 8.14
TOWN/CITY GENEVA 10
POSTCODE CH1211
CONTACT PERSON JOHN BURLEY
TELEPHONE 0041229074484
FAX 0041229070057
VAT NUMBER

BANK

NAME UBS SA, GENEVA
ADDRESS RUE DES NOI RETTES 35
PO BOX 2600
TOWN/CITY GENEVA 2
POSTCODE CH1211
ACCOUNT NUMBER 240 00590163.1
CURRENCY USD
BIC CODE UBSWCHZH12A

BENEFICIARY

(only if different from account holder)

NAME
ADDRESS
TOWN/CITY
POSTCODE

REMARKS :
DATE :
SIGNATURE BENEFICIARY :