



**EUROPEAN UNION**

DELEGATION TO THE REPUBLIC OF MOLDOVA

Head of Delegation

Chişinău,

Ms. Dafina Gercheva  
UN Resident Coordinator  
**UNDP Moldova**  
131, 31 August 1989 Str.,  
MD-2012, Chisinau, Moldova

**Our ref: Addendum NO 2 to Contract 2014/355-024 "Construction of the Jointly Operated Border Crossing Point Palanca on the territory of the Republic of Moldova"**

Dear Ms. Gercheva,

Please find enclosed two originals of the contract addendum mentioned above. I would be grateful if you could sign and date the two originals, retain one for your records and return the other one to the following address:

*Delegation of the European Union to the Republic of Moldova  
Finance, Contracts and Audit Section  
12, Kogalniceanu Street  
Chisinau, MD-2001, Republic of Moldova*

Please use a reliable courier service or registered mail to avoid any delays or loss of the documents.

Your attention is drawn to the fact that the Contracting Authority will not be obliged to honour the signed contract in the event of any of the following:

- the contract is not returned to the above address within 30 days of the date of this letter, duly signed and dated by a signatory authorised to represent you;
- any modifications to the text of the contract or its annexes.

The Legal Entity number which has been attributed to you is: 6000055554.

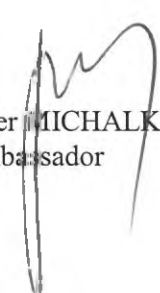
You are informed that, should you be in one of the situations mentioned in:

- Financial Regulation, Article 106 of the Financial Regulation (FR) and Art. 108 on the Early Detection and Exclusion System (EDES) for the use of authorising officers of the Commission and the executive agencies

your personal details may be registered in the Early Detection and Exclusion System (EDES) Database.

Your personal details may also be communicated to the persons and entities listed in the above-mentioned Regulation.

Yours sincerely,

  
Peter MICHALKO  
Ambassador

Encl: Addendum NO 2 (2 copies in original)

# ADDENDUM NO 2 TO CONTRIBUTION AGREEMENT

NO 2014/355-024

The European Union, represented by **the European Commission**, itself represented by the Delegation of the European Union to the Republic of Moldova, located at 12 Kogalniceanu Street, Chisinau, MD 2001, Republic of Moldova,

(**'the Contracting Authority'**),

of the one part,

and

the **United Nations Development Programme (UNDP)** with its Head office at One UN Plaza, New York, NY 10017, represented by the **United Nations Development Programme in Moldova**, with its office at 131, August 1989 street, Chisinau, Republic of Moldova

(**'the Organisation'**),

of the other part,

have agreed as follows:

The following provisions of the Agreement 2014/355-024 "Construction of Jointly Operated Border Crossing Point Palanca on the territory of the Republic of Moldova" concluded between the Contracting Authority and the Organisation on 22/12/2014 (the "Agreement") are hereby replaced /completed as follows:

## **Special Conditions**

### **Article 3 – Financing the Action**

#### **Article 3(1)**

The following text:

*"The total cost of the Action eligible for financing by the Contracting Authority is estimated at EUR 5,560,000.00, as set out in Annex III".*

is hereby replaced as follows:

*"The total cost of the Action eligible for financing by the Contracting Authority is estimated at EUR 6,189,912.00, as set out in Annex III".*

#### **Article 3(2)**

The following text:

*"The Contracting Authority undertakes to finance a maximum of EUR 4,500,000.00, equivalent to 80.94% of the estimated total eligible cost specified in paragraph 1; the final amount will be established in accordance with Articles 14 and 17 of Annex II".*

is hereby replaced as follows:

*"The Contracting Authority undertakes to finance a maximum of EUR 4,500,000.00, equivalent to 72,69% of the estimated total eligible cost specified in paragraph 1; the final amount will be established in accordance with Articles 14 and 17 of Annex II".*

**Annex I: Description of the Action**

The new version of Annex I: Description of the Action is attached to this addendum.

**Annex III: Budget for the Action**

The new version of Annex III: Budget for the Action is attached to this addendum.

All other terms and conditions of the Contribution Agreement remain unchanged. This addendum shall form an integral part of the Contribution Agreement and it shall enter into force on the later date of signature by the Parties.

Done in English in two originals: one original being for the Contracting Authority and one original being for the Organisation.

**For the Organisation**


Name: *DAFINA GERCHEVA*

Title: *UN Resident COORDINATOR*

*UNDP Resident REPRESENTATIVE*

Signature

Date

  
*2.07.2018*

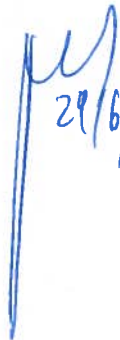
**For the Contracting Authority**

Name: Peter MICHALKO

Title: Ambassador, Head of Delegation

Signature

Date

  
*29/6/2018*

Annex I



European Commission

**Eastern Partnership  
Integrated Border Management project  
Construction of jointly operated border  
crossing point Palanca on the territory  
of the Republic of Moldova**

Description of Action

Implemented by:	United Nations Development Programme
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## Description

### 1.1 Title

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Eastern Partnership Integrated Border Management project - Construction of jointly operated border crossing point Palanca on the territory of the Republic of Moldova

### 1.2 Beneficiary Country

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The Republic of Moldova, Ukraine

### 1.3 Contracting Authority

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The European Union represented by the Delegation of the European Union to the Republic of Moldova

### 1.4 Cost of the Action

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Total Eligible Cost of the Action	Amount requested from the Contracting Authority	Government of Moldova contribution
<b>EUR 6.18 million</b>	<b>EUR 4.5 million</b>	<b>EUR 1.68 million</b>
<b>100%</b>	<b>73%</b>	<b>27%</b>

## 2 Background and justification

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The project supports trade facilitation in the region of Palanca with the creation of a jointly operated border crossing point (JOBCEP) at Palanca, on the territory of Republic of Moldova (hereinafter Moldova), which meets all EU standards and principles of a JOBCEP, and can contribute to the economic stabilization and sustainable development of the region.

### 2.1 General context

After the demise of the Soviet Union in the early 90's of the past century, Ukraine and Moldova pass through similar development challenges, such as limited economic growth, poverty, corruption and conflict of interest. In spite of positive growth rates, the majority of population of Moldova and Ukraine face difficult living conditions linked to poor infrastructure, low salaries, limited work opportunities and poor housing, educational and health facilities, as compared to the soviet times. High emigration rates and decreasing population figures confirm that both countries remain among the poorest in Europe.

These factors also explain the continuous flow of irregular migrants and the development of cross border crime including smuggling and trafficking of human beings, weapons and drugs.

The Moldova-Ukraine common border (total length = 1222 km) consists of 955 km of green border and 267 km of blue border and represents one of the most problematic border segments in the

region, being used by irregular migrants heading westwards, whereas the adjacent border area is vulnerable to border and related crime, such as smuggling. To date, there are 68 official border crossing points along the Moldova-Ukraine border, including international, inter-state and local ones. At the Moldova-Ukraine border, a section of 453,4 km is under control of the so-called Transnistrian authorities, including 25 official crossing points (5 international, 8 inter-state and 12 local). There is an internal / administrative “boundary” (which is basically the Dniester River) between the so-called Transnistria and the Republic of Moldova where 14 Internal Customs Control Posts have been established. Moldovan border police does not control this “internal boundary”.

The self-proclaimed Transnistrian republic has been for the last twenty-three years a grey area increasing the risks of illegal activities in the region, particularly along the Ukrainian-Moldovan border. The Transnistrian segment on the Ukraine-Moldova border is a serious obstacle for the passenger and cargo flows between two countries, increasing the role of the BCPs outside Transnistria and raising the demand for their use.

## **2.2 Regional development policy**

Moldova and Ukraine are partner countries of the European Union within the European Neighbourhood Policy (ENP). The EU-Moldova and EU-Ukraine ENP Action Plans, signed in 2005, lay out the strategic objectives based on commitments to shared values and effective implementation of political, economic and institutional reforms.

The EU has signed the Association Agreement with the Republic of Moldova as well as with Ukraine in 2014 to replace the Partnership and Co-operation Agreements (PCA). These Association Agreements will significantly deepen Moldova’s and Ukraine's political association and economic integration with the EU.

## **2.3 Sector context: policies and challenges**

Strengthening the border management and control on the borders applying Integrated Border Management (IBM) Concepts was one of the pre-requisites for advancing the relations between the EU and both countries (Republic of Moldova and Ukraine). Both States emphasise as the priority issue enhancing cooperation with the neighbouring countries, which could contribute to improvement of border management and security at common border.

**Moldova.** The Government of Moldova approved the National Strategy on Integrated State Border Management<sup>1</sup> (IBM Strategy) by a Decision on the 27 December 2010 for the period of 2011-2013. The Action Plan<sup>2</sup> for the implementation of the National Strategy on Integrated State Border Management was approved by a Government Decision on 16 May 2011. The Republic of Moldova IBM Strategy clearly refers to the dimensions of the EU IBM Strategy approved by the European Council Conclusion on 4-6 December 2006.

The overall responsibility to implement tasks arising from the Strategy and Action Plan is on the National Council on IBM that coordinates the activity of the agencies involved in the implementation of the IBM, on which the Border Police of Moldova annually presents an assessment report. Five working groups have been set up to deal with the specific tasks stipulated

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<sup>1</sup> Government Decision No. 1212 of 27.12.2010

<sup>2</sup> Government Decision No. 342 of 16.05.2011

in the Strategy and Action Plan: Border Control and Surveillance, Customs, Visa Liberalization, Infrastructure and Equipment, and Prevention of Corruption. The involved organizations created and approved their own institutional plans.

The Action Plan lists 92 specific tasks in the field of enhancement of the regulatory framework, improvement of the institutional system, enhancement of the state border control and surveillance, intra-agency, inter-agency and international cooperation, and implementation of the best human resources system, ensuring logistic development and development of the risk analysis system.

In the Republic of Moldova IBM Strategy is a part of visa liberalization process (block II of the Visa Liberalization Action Plan is creating the integrated border management system), and it is strongly linked to the Institutional Development Plan<sup>3</sup> of the Border Guard Service under the Reform Concept of the Ministry of Internal Affairs (Mol).

As a result of the reform process from 1 July 2012 the former State Border Guard Service has been integrated under the Ministry of Internal Affairs (Mol), keeping it as a separate authority with the name of Mol Border Police Department (MD BP). The new agency is carrying out its tasks based on the new Law on State Border and the Law on Border Police entered into force on 1 July 2012.

**Ukraine.** In Ukraine, the Cabinet of Ministers has approved the Integrated Border Management Concept on 27 October 2010.<sup>4</sup> The Action Plan on the implementation of the IBM Concept was approved by the Cabinet of Ministers on 5 January 2011.<sup>5</sup> With listing the five main dimensions, the IBM Concept contains a clear reference to the EU IBM Strategy approved by the European Council Conclusion on 4-6 December 2006. According to the Concept, the Ukraine State Border Guard Service (UA SBGS) has the overall responsibility for implementation of the tasks arising from it.

The Action Plan on the implementation of the IBM Concept consists of a list of specific tasks in the field of enhancement of the legal framework (national and international), creating a four-tier control system for entry and stay in Ukraine of foreigners and stateless persons, enhancing cooperation with national and international stakeholders, creating a single information system of subjects of integrated border management, bringing the procedure of border crossing of persons, vehicles and goods in line with EU standards, improving the system of border protection, improving the professional level of personnel and ensuring cooperation and coordination of activities of subjects of IBM.

The IBM Concept of Ukraine is closely linked to the implementation of the Action Plan on Visa Liberalization (under the title “illegal immigration of block II of the Visa Liberalization Action Plan”), as well as to the Concept of Development of the State Border Guard Service of Ukraine for the period till 2015.

Both countries’ IBM Concept papers consider as a priority the enhancement of the cooperation with neighbouring countries, which can contribute to the improvement of border management and border security along the common border. More specifically, constructing/reconstructing border crossing points (BCPs) according to the needs, organizing JOBCP using EU principles, or

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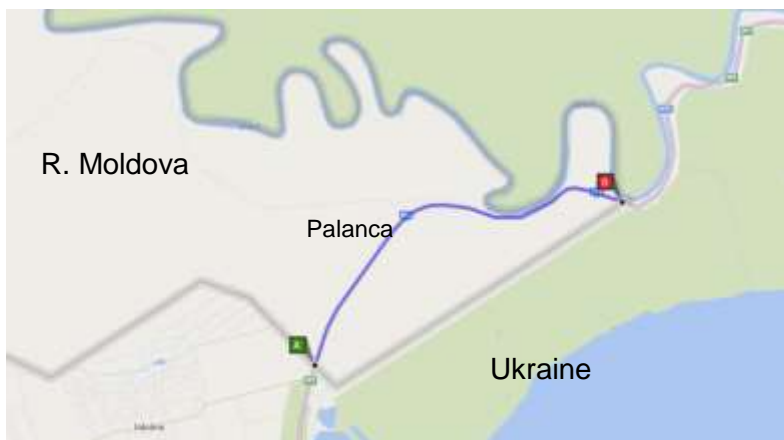
<sup>3</sup> Decision of the Government of the Republic of Moldova No. 476 of 28.06.2011

<sup>4</sup> Order of the Cabinet of Ministers of Ukraine No. 2031-r of 27.10.2010

<sup>5</sup> Order of the Cabinet of Ministers of Ukraine No. 2-p of 05.01.2011

optimizing the number of control agencies are important objectives followed continuously by both parties, as it is prescribed in the Strategic Development Program of the Border Guard Service of the Republic of Moldova for the period 2012-2014,<sup>6</sup> and in the Development Concept of the Ukraine Border Guard Service for the period up to 2015.<sup>7</sup>

**Palanca.** Palanca international road border crossing point (BCP) is one of the BCPs between Moldova and Ukraine that experiences a high workload due to the passenger and cargo traffic avoiding Transnistria. It was built in 1990 and is located at the Moldovan side of the border on the edge of Palanca village. At present, border guard and customs controls are carried out at three places (by control authorities of Moldova at 'Palanca' BCP and by control authorities of Ukraine at 'Mayaki' BCP which is located 3,5 km from BCP Palanca and 'Udobne' BCP' which is located 4.3 km from BCP Palanca). A 7.6 km portion of the Ukrainian highway Odessa-Reni between Mayaki and Udobne passes through the territory of the Republic of Moldova. This highway is an important road infrastructure and transport corridor that links Odessa and major cities from the region, as Belgorod-Dnestrovsk, Reni, and Kilia.



On the basis of the Agreement from 1997<sup>8</sup> the Palanca BCP operated as a Jointly Operated Border Crossing Point from March 1997 until August 2001, when the Ukrainian party unilaterally terminated the "Joint Border Control" operation. As a consequence, in 2001 Mayaki (UA) and Udobne (UA) BCPs were established at the two sides of the transit road with the aim of carrying out checks by the Ukrainian border control agencies in these places to ensure that the predominantly domestic traffic did not illicitly cross into Moldova.

On 18 August 1999 Moldova and Ukraine concluded a Bilateral Agreement/Treaty on the State Border No. 1808<sup>9</sup> (entered into force on 18.11.2001). Article 10 of this Agreement stipulated that the Republic of Moldova was transferring the portion of the road Odessa-Reni that passes through the territory of the Republic of Moldova into the ownership of Ukraine, including the adjacent land plots. The Treaty also stipulated that the parties would sign an additional protocol to this Treaty that would settle the mechanisms of transmission of ownership as well as the use of land, as at that time the parties were not able to come to a mutually acceptable formula and

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<sup>6</sup> Internal Order of the Head of the Border Guard Service of the Republic of Moldova

<sup>7</sup> Resolution of the Cabinet of Ministers of Ukraine on State Targeted Law-enforcement Programme "State Border Development and Reconstruction" for the period till 2015 No. 831 of 13.06.2007

<sup>8</sup> Agreement between the Government of the Republic of Moldova and the Government of Ukraine on the establishment of the Joint Control at BCPs on the Ukrainian-Moldovan Border of 11.03.1997

<sup>9</sup> Additional Protocol to the Agreement on the State border between Ukraine and the Republic of Moldova, Official Monitor of the Republic of Moldova, 18.08.1999, <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=314298&lang=1>



mechanisms on the road use, maintenance, and access of Moldovan farmers to land beyond the road. The negotiations on this protocol ended only in 2011, when the parties were able to agree on all aspects of the treaty and finally concluded the road ownership transfer. On 30 June 2011<sup>10</sup>, the Moldovan Agency for Cadaster and Land Relations and the Odesa Road Administration Agency signed an Act through which the parties agreed on the final transfer of the road portion and defined all on-the-ground issues of delimitation and use of the road and land plots.

Due to the transfer of the ownership, the Ukrainian vehicles passing between Mayaki and Udobne shall not be the subject to border guard and customs checks, but because of the geographical location of the Ukrainian BCPs, a significant number of persons, vehicles and goods moving along the transit road from one region of Ukraine to other region of Ukraine along the road from Mayaki village (Ukraine) to Udobne village (Ukraine), are obliged to stop and undergo certain forms of control.

The conclusion of the Agreement on the road ownership has allowed to the parties to start negotiations with the aim of re-establishing the JOBCP in Palanca on the territory of the Republic of Moldova in line with EU standards in July 2011. The parties developed a draft protocol, a draft technological scheme and the infrastructural plan for the future JOBCP.

The establishment of Palanca JOBCP on the territory of the Republic of Moldova will resolve the problem of the internal Ukrainian traffic, because all types of cross-border control of both countries will be fulfilled in one place, namely at Palanca JOBCP, without further control at 'Mayaki' BCP (Ukraine) and 'Udobne' BCP (Ukraine). As the plan is to establish and equip a modern JOBCP in compliance with the EU standards, this will also contribute to removing currently existing in BCP Mayaki and BCP Udobne restrictions on the cargo of goods under the groups 1-24 of the Combined Nomenclature of Goods (transportation of animal, plants and food stuff made of them) imposed by the Ukrainian part due to the limited control capacity for these types of goods.

Palanca is a very important BCP in the South of Moldova (Tables 1 and 2 below) located on the TRACECA route opening the way to the passenger and cargo traffic to the Southern Ukrainian regions and to Ilyichevsk port on the Black Sea. However, due to the poor infrastructure it is used at a limited extent (table 3 below), while the neighbouring Tudora-Starokazache BCP has reached the limits of its capacity.

**Table 1. Comparative table on truck flow / volume of traffic<sup>11</sup>**

Rank	BCP	Volume	BCP	Volume		
				2011	2012	2013
		2003				
1	Palanca - Mayaki - Udobne	20 926	Palanca - Mayaki - Udobne		12 158	12 498
2	Otaci - Mohiljev-Podolskiy	20 789	Otaci - Mohiljev-Podolskiy	37 694	33 178	44 258
3	Criva - Mamaliga	10 349	Giurgiulesti – Reni	30 250	30 563	34 650

<sup>10</sup> Press Release from 30 June 2011 of the Ministry of Foreign Affairs of RM: <http://www.mfa.gov.md/comunicate-presamd/487370/>

<sup>11</sup> Data in Tables 1-3 collected from partner services

4			Tudora - Starokazache	73 745	73 948	78 804
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**Table 2. Comparative table on all means of transport (cars, buses, trucks) / volume of traffic**

Rank	BCP	Volume			
		2003	2011	2012	2013
1	Palanca - Mayaki - Udobne	409 792	182 066	209 602	226 810
2	Otaci - Mohiljev-Podolskiy	162 372	268 577	269 266	290 105
3	Tudora - Starokazache	57 204	233 835	246 904	241 688

**Table 3. Ranking of truck flow**

Rank	BCP	Increase 2013/2012	2013	2012	2011	2003	Increase 2013/2003
1.	Tudora - Starokazache	6,5 %	78 804	73 948	73 745	5768	1178 %
2.	Otaci - Mohiljev- Podolskiy	33,3%	44 258	33 178	37 694	20 789	81 %
3.	Giurgiuleshti - Reni	13,4%	34 650	30 563	30 250	1795	1585 %
4.	Kryva - Mamalyga	12%	19 923	17 793	20 347	10 349	96 %
5.	Bricheni - Rossoshani	7%	11 341	10 573	13 324	4574	191 %
6.	Palanca - Mayaki - Udobne	2,7	12 498	12 158	10 422	20 926	-50 %

## 2.4 Complementary actions

The European Commission has been financing EUBAM (European Border Assistance Mission to Moldova and Ukraine) - flanking measures under the Regional Action Programmes 2003, 2005 and 2006, as well as under the Cross-Border Cooperation (CBC) 2006 with a total of EUR 11.5 million; furthermore, under the bilateral AAPs 2007 and 2008 for the Republic of Moldova and Ukraine amounting to EUR 19 million and EUR 5 million respectively. The major objective of these projects is to support the Moldovan and Ukrainian partner services in their efforts to approximate to EU standards in border management. The EUBAM programme has been supporting improvements of border management standards in Moldova and Ukraine also by providing technical input in the settlement process of the Transnistrian conflict since late 2005.

EUBAM supported Partners in introducing the tool of jointly operated border crossing points along the Moldovan-Ukrainian Border. In the framework of Joint Working Group on JOBCP established by EUBAM, assistance was provided to partners in creating the new normative documents, such as:

- Draft “Agreement between the Government of the Republic of Moldova and the Cabinet of Ministers of Ukraine on conducting joint control of persons, vehicles and goods on the Ukrainian-Moldovan state border”;
- “Protocol between Border Guard Service of the Republic of Moldova, Customs Service of the Republic of Moldova and Administration of the State Border Guard Service of Ukraine, State Customs Service of Ukraine on implementation of the Joint Control Pilot Project at the BCP "Rossoshany-Briceni", signed on the 21<sup>st</sup> of December, 2011;
- The Pilot Technological Scheme on the implementation of joint control of persons, vehicles, goods and items at the BCP ‘Rossoshany-Briceni’, signed on the 07<sup>th</sup> of January in Rossoshany, 2012.

EUBAM also piloted the first JOBCP at Briceni (MD) – Rossoshany (Ukr). The pilot provides the methodological basis and the lessons learnt to be applied in the operationalization of the Palanca JOBCP.

From 2006 to 2010, the European Commission was funding IOM implemented and U.S. co-funded projects aiming at reforming the Ukrainian State Border Guard Service’s human resources management (AAP 2003, EUR 4.3 million; AAP 2006, EUR 1 million; HUREMAS projects). The projects targeted border management legislation, as well as recruitment, training and career development of border guard personnel.

At the Ukrainian-Moldovan State border, the U.S. Defence and Threat Reduction Agency is funding a programme amounting to USD 28 million targeting the fight against proliferation of weapons of mass destruction, nuclear material and components of dual use. Under the U.S. Millennium Challenge Account, USD 46 million was made available for anti-corruption measures in Ukraine until the end of 2009.

As part of the 2013 Annual Action Programme (AAP) in favour of Moldova and in line with the priorities of the EU - Moldova political dialogue, EU allocated EUR 21 million through the Sector Budget Support Programme for the implementation of the EU – Moldova Visa Liberalisation Action Plan (VLAP). The overall objective of this programme is to contribute to the improvement of the mobility of Moldovan nationals, while ensuring public order and security, consolidating the rule of law and strengthening human rights protection in line with European standards and best comparative practices. As a result of the progressive implementation of the Plan, Moldovan citizens holding the biometric passports received a visa free regime for travelling to the Schengen countries in April 2014.

Under the 2010 AAP in favour of Ukraine, a EUR 66 million Sector Budget Support Programme is implemented in the field of border management, in support to the improvement of the sector's management in Ukraine, in particular of the integrated border management strategy. As complementary measures, a Twinning project for the State Border Guards Service and one for the

Customs Service are under preparation. Several supply contracts for both the customs and the border guards are ongoing.

The Integrated Border Management (IBM) Flagship Initiative under the Eastern Partnership (EaP) is now in its implementation phase, with a large regional training project and six pilot projects on border management, three of which involve Ukraine and two involve the Republic of Moldova. An extension of the FIT project focused on capacity building and possibly managed by Frontex, as well as more pilot projects are considered for implementation over the next few years.

## **2.5 Stakeholders, target groups and beneficiaries**

The key beneficiaries and stakeholders of the Action are the Customs Service under the Ministry of Finance of the Republic of Moldova (MD CS), the State Customs Service of Ukraine (UA SCS), the Border Police under the Ministry of Internal Affairs of the Republic of Moldova (MD BP), the State Border Guard Service of Ukraine (UA SBGS), as well as food safety authorities (veterinary and phytosanitary agencies) from both countries.

MD CS is directly subordinated to the Ministry of Finance. Its organizational structure consists of the Headquarters, which includes the management, represented by Director General, 2 departments, formed by divisions and sections and separate divisions<sup>12</sup>. Each division includes sections and/or sectors. On the territorial level there are 7 customs houses and 106 customs posts (internal and border ones). Customs houses and customs posts operate in the field, levy the import/export duties, conduct the customs control, fight the customs frauds and carry out other duties. Total manpower of MD CS is about 1,614 customs officers, 300 in the Central Apparatus and 1314 in the customs houses.

Customs Service of the Republic of Moldova extends its efforts in increasing the efficiency of customs administration, particularly in collection of customs revenues, fighting the illegal cross-border traffic, simplification of customs procedures and development of the international customs cooperation.

Border Police of the Republic of Moldova is the autonomous national authority subordinated to the Ministry of Interior of the Republic of Moldova. The Border Police is created on basis of reorganization of the Border Guards Service of Moldova (from 1 July 2012), which has at the moment a total manpower of 3,553 persons that were demilitarized and granted a special status.

The total manpower of the State Border Guard Service of Ukraine is about 50,000, including 8,000 civilians. The UA SBGS switched to a contracted personnel system in 2008. The organisational structure of the UA SBGS has four levels: Central Administration in Kiev, Regional Directorates (Northern, Western, Eastern, Southern and Azov-Black Sea), Border Guard Detachments under command of the Regional Directorates and Border Guard (BG) Units (BCPs, Border Surveillance Posts and Marine Guards). The UA SBGS is currently going through an intensive organisational and logistical reform process based on the Concept for the UA SBGS Development until 2015. This comprehensive document provides a reform plan of the UA SBGS divided into three stages to reach compliance with European standards and border regulations. So far, noticeable progress has already been achieved in transforming the UA SBGS from a paramilitary to an EU-type law enforcement service in the fields of legislation, recruitment, training and career development.

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<sup>12</sup> Government Decision Nr. 4 from 02.01.2007 on approving the structure and the personnel of the Customs Service

At present, UA SCS is under reform process in accordance with the Decree of the President of Ukraine of 24.12.2012. By reforming the UA SCS and the State Tax Service of Ukraine, the Ministry of Income and Revenues of Ukraine has been created.

The National Food Safety Agency of the Republic of Moldova subordinated to the Ministry of Agriculture and Food Industry had been established on January 16, 2013 on the basis of the Law No.113 from May 18, 2012 through the reorganisation of a number of institutions responsible for the control and supervision in the food safety area. It is responsible for the implementation of the state policies related to the food safety in the sanitary-veterinary, animal breeding and plants protection standards. The Agency is also responsible for the control of the exports and imports of the food and related goods to ensure their compliance to the norms and standards as per the EU-Republic of Moldova Deep and Comprehensive Free Trade Area (DCFTA) commitments.

The final target groups and beneficiaries of this action will be individuals and economic actors that cross borders legally.

## **2.6. Cross-cutting issues**

Good Governance: The project is based on good governance principles (particularly ownership, equity, transparency and anti-corruption). It will promote the dialogue between different levels of the state administration. Also, it will help strengthen the partner countries' capacities to better deal with the management of their international borders as well as bilateral and multilateral co-operation issues through the organisation of regional training sessions and actions (main ideas of the IBM principles).

Human Rights and Gender: The project will promote the respect of best practice in border management, including fight against trafficking in human beings and protection principles for asylum seekers. This project also will support the on-going efforts by both countries aimed at raising awareness of border management officials on the needs of particularly vulnerable parts of the population, especially women, minors and individuals at risk of falling victim to human trafficking.

Environment: UNDP considers the environmental sustainability as fundamental to the achievement of development outcomes and the environment considerations are systematically mainstreamed into UNDP's Programme and Project Management Cycles. UNDP Programmes and Projects enhance positive social and environmental opportunities and benefits as well as ensure that adverse social and environmental risks and impacts are avoided, minimized, and mitigated. The detailed Environment screening is foreseen, as per the national legislation, at the stage of obtaining the authorization for the construction works. At this stage it can be stated that the construction of the JOBCP will diminish the negative effects on the environment, since the time for the border crossing will be reduced, and the vehicles will have to stop for the control only once. The construction works include the construction of the external sewage network, while the works on the sewage pump station and used water clearance station had been completed by the Government of Moldova.

## **2.7. Lessons learnt**

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In Ukraine, a multi-project Results Oriented Monitoring (ROM) report, published in 2008, gave a positive assessment of the work of the border guard service, in particular regarding the implementation of the strategy on becoming fully compatible with the Schengen system by 2015. A sector readiness assessment was carried out in 2010, analysing the Ukrainian border management sector in the context of the sector budget support. In Moldova, successful

implementation of the Visa Liberalisation Action Plan led to lifting the visa regime for citizens of Moldova travelling to Schengen zone as from April 28, 2014, as the recognition of high standards of border management achieved by respective services.

Lessons learned from previous assistance provided in this area include:

- Assistance in a sensitive area such as border management needs to be developed through a constant and often time-consuming dialogue with beneficiary governments.
- A regional approach provides coherence and encourages harmonisation of global procedures among beneficiary countries.
- Assistance projects have to be tailor-made and needs have to focus on each country's specific requirements.
- The provision of equipment has to be linked to training sessions dedicated to the equipment's use and maintenance.
- Assistance in a particular area needs a mid- to long-term perspective. "One-shot" interventions, implemented over a period of two-three years often lack sustainability.
- Assistance provided needs to be coordinated with other assistance projects: this is being guaranteed by the fact that the "IBM FIT" (Flagship Initiative Training) project is being implemented by the International Centre for Migration Policy Development (ICMPD).
- As a result of the implementation of the pilot joint control in Briceni-Rossosani BCP the principle of one stop shop at the border crossing point was successfully introduced; control of persons, vehicles and goods is performed as a rule by the party of entry; time of registration of persons and vehicles had decreased by 15-20%; and conditions of performing the control had significantly improved.

The European Court of Auditors (CoA) Special Report No. 9 of 2008 "The Effectiveness of EU Support in the Area of Freedom, Security and Justice for Belarus, Moldova and Ukraine" confirm "satisfactory achievements" of the EU technical assistance in the area of border management in the region. In the report's "conclusions and recommendations", the Court identified two main issues highly relevant for this particular intervention:

- Lack of speed: "Progress was slower than expected by the Commission, the great majority of projects was extended by several months, some even by over a year."
- Need to focus more on management and EU practice questions: "The long-term goal of a modern system of border management approximating European good practice is still some way off."
- Need to ensure sustainability through credible commitments from the partner services regarding the use of procured equipment. Before the launch of any supply procurement notices, a formal commitment regarding the running costs (fuel, maintenance etc.) will be sought.

The need of further EU-funding for the improvement of the border management sector continues to be fundamental for the protection and security of Moldova's and EU's external frontiers. Funds should be focused and directed on activities that have been already initiated and need continuous allocation of resources in order to achieve a more significant impact. These actions proved to be essential to the development of the integrated border management approach, as well as to the development of the border infrastructure (in line with the Infrastructure Development Plan of state borders for 2011-2014 approved by the Government of Moldova in June 2011).

## **2.8. Donor Coordination**

In Ukraine and Moldova, besides the European Union, there is only one major donor active on border management, the United States. In the framework of the Paris Declaration agenda, a sub-working group on border management issues was established by the Government of Ukraine to coordinate donor assistance. Although this working group is not active at the moment due to continuous changes in the aid coordination mechanisms, the EU Delegation and the US Embassy maintain close contacts at technical level.

In Moldova, the Ministry of Interior hosts regular (twice per year) Donor coordination meetings that also coordinate the assistance provided to the Border Guards Service subordinated to the Ministry of Interior.

Coordination with beneficiaries and donors in both countries is also achieved through EUBAM Advisory Board and bi-annual EUBAM coordination meetings on border management with the participation of all donors and implementing agencies involved in the sector.

The Republic of Moldova and Ukraine were among the countries involved in the Söderköping process, aimed at facilitating cross-border co-operation between EU Member States and the Western NIS on asylum, migration and border management issues. Although the EU support to the Söderköping process has come to an end, the Secretariat of the Eastern Partnership Panel on Migration and Asylum managed by IOM continues acting as a resource center for all countries and international organizations participating in the process.

## **2.9. Joint management with an international organisation**

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The action will be implemented in joint management with UNDP.

This implementation is justified because UNDP (Moldova Country Office) offers the specific capacity required for the management of such a large and specialised project. The organisation has a regional experience, including on bi-national projects involving Ukraine and/or Moldova and a strong sector expertise (including the management of EUBAM during the last seven years), as well as a neutral status recognised by all stakeholders and access to appropriate level of authorities in both countries.

Joint management with UNDP in accordance with Article 53d of Financial Regulation 1605/2002 is possible because it is bound by a long-term framework agreement (FAFA) and the project is elaborated jointly between the organisation and the Commission.

## **2.10. Rationale for UNDP involvement**

Border management is a major focus of UNDP multi-country programming in the CIS region. UNDP understands border management as a significant line of external assistance of the European Union and a component of the political strategy of the European Union in the region. Over the last ten years, UNDP has implemented national and sub-regional projects on border management in CIS worth over Euro 200 million. These joint initiatives encompass introduction of international norms and standards through policy advice, institutional reform and capacity development, specialized training and coaching for border guards, customs and other officials, provision of modern equipment and improvement of border crossing infrastructure. UNDP's multi-disciplinary development approach allows for linkages and synergies between border management and democratic governance, anti-corruption, local and regional development, institutional capacity building, and trade and regional cooperation.

UNDP is well placed to implement the project due to the following factors: over the past years of work in implementing various border management projects in Moldova<sup>13</sup> and border infrastructure development projects across the region<sup>14</sup>, UNDP has gained wide expertise, capacity and knowledge related to the substantive and managerial aspects in border management issues, in BCPs construction/rehabilitation works and equipment procurement, as well as regarding collaboration with the border management national partner services.

- Since 1992, through numerous projects, UNDP Moldova has reached wide presence and has developed considerable knowledge on the situation and expertise in working with the central administration institutions and at the local level. Well-established partnerships are in place together with the capacity and mechanisms to efficiently deliver assistance.
- UNDP has significant experience in implementing EU-funded border management projects by promoting the IBM concept and providing expertise on EU acquis.
- From the project management perspective, UNDP Moldova has effective structures and procedures to ensure results-based management and delivery against the agreed plans.
- Through EUBAM, UNDP has developed strong internal capacities and understanding of the JOBCPs operation modalities.
- Through the Confidence Building Measures Programme (CBM), Energy and Biomass programme (MEBP) and the Joint Integrated Local Development programme (JILDLP) UNDP had developed experience, capacities and procedures for the implementation of complex construction works based on the internationally recognised standards as described in FIDIC Conditions of Contract.
- The UNDP country office, including its Operations Unit, is highly experienced with large scale procurement and recruitment at national and international level, including with regards to constructions and procurement of different types of specialised high quality equipment.

UNDP Moldova brings to this project not only its own expertise and capacity, but also the expertise, knowledge and best practices from the region, made available through the collaboration with other UNDP Offices from CIS countries, with UNDP Regional Centre in Istanbul and with the UN Office in Brussels.

### 3 Detailed project description

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#### 3.1. Objectives

##### 3.1.1. Overall objective

The **overall objective** of the Action is to create a jointly operated border crossing point (JOBCP) at BCP Palanca, on the territory of Moldova, respecting all EU standards and principles of a JOBCP, ensuring improved conditions for business and trade, safe, secure, gender friendly and facilitated movement of people and goods across the border, thus contributing to the economic stabilization and sustainable development of the region.

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<sup>13</sup> Enhancing Border Management at the Moldovan-Ukrainian Border (BOMMOLUK); Enhancing Border Control Management in the Republic of Moldova; Prevention of Drug Abuse and Fight against Drug Trafficking in Belarus, Ukraine and Moldova (BUMAD); European Border Assistance Mission to Ukraine and Moldova (EUBAM), etc.

<sup>14</sup> South Caucasus Integrated Border Management (SCIBM); Border Management in Northern Afghanistan (BOMNAF); Border Management in Central Asia (BOMCA); Modernization of BCPs in Armenia, etc.



The project will also contribute to a wider objective, namely "safer and more open borders" between Ukraine and Moldova. The expected long-term impact is to contribute to the strengthening of good neighbourly relations, as well as to the facilitation of trade and migration flows between two countries.

### **3.1.2. Specific Objectives**

1. Acceleration of traffic flow due to simplified border crossing procedures. With unification of joint activities and by avoiding duplication of functions, with using the hand-to hand and one-stop-shop principle at BCPs, the average time of the border crossing can be reduced by 20%.
2. Enhancing cooperation among the two countries' agencies responsible for border control. Carrying out activities "under one roof" gives the opportunity for the border control agencies (border guard and customs agencies) and other relevant authorities (veterinary, phyto - sanitary agencies) to raise the level of trust and to come to a common understanding. With a common, well-coordinated activity, agencies can reach a higher level of efficiency in trade facilitation and combating cross-border crime.
3. Establishment of a more rapid and secure exchange of information on persons, vehicles and goods, as well as other issues related to border control procedures. The JOBCP offers the possibility to create local inter-agency networks for direct information exchange which can significantly contribute to efficiency.
4. Reduction of risks related to such phenomena as corruption. As all border control agencies are working in the same environment, the level of transparency is higher, therefore JOBCP in itself is an effective tool for fight against corruption.
5. Reaching a higher level of efficiency and transparency of border guard and customs control through common procedures, and commonly accepted standard operational procedures.
6. Improvement of combating cross border crime by the enhanced level of cooperation and possibility to solve these issues on the spot, immediately involving all relevant agencies.
7. Reduction of functioning costs due to the abolishment of the BCPs Mayaki and Udobne in the territory of Ukraine.

### **3.2. Expected results and main activities**

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#### **Results:**

1. JOBCP hosting the partner services from both Moldova and Ukraine will improve border management: allowing for a better mutual control, exchange of information and data, and as a result will contribute to reducing corruption cases, fighting cross-border organised crime and illegal trafficking of goods and passengers.
2. By implementing EU principles on excluding duplication of functions, new methods of cooperation based on mutual trust, as well as by introduction of one-stop-shop and single window concept, the cross-border traffic will be accelerated, which is auspicious as the JOBCP is located on the busy TRACECA route aiming to reach the Black Sea.

3. The advanced level of cooperation raises the efficiency of the control agencies in the fight against cross-border crime, in coordination with other on-going projects in the region, in particular EUBAM and other capacity building projects.
4. The establishment of the JOBCP in Palanca will significantly increase the cross-border traffic capacity through provision of the needed modern engineering equipment and infrastructure, will simplify and optimise the border procedures, will reduce legal border crossing time, and will contribute to a more even distribution of the traffic flows between Palanca and Tudora BCPs.
5. The border guards/police of both states will jointly perform their duties 'shoulder-by-shoulder' in one booth, handling the documents over 'hand-to-hand'. By saving human resources, released staff will be available to perform other tasks, such as risk analysis or improving the quality of vehicles examination.
6. The establishment of the JOBCP gives the possibility to UA CS and UA SBGS to reduce costs related to human resources, as border control can be terminated in two BCPs (Mayaki and Udobne), which are located on domestic transit roads and equipped with temporary premises. After relocating the necessary number of personnel to Palanca JOBCP, the remaining personnel can be employed in other places.
7. Internal traffic in Ukraine will be facilitated once the checks in Mayaki and Udobne will be terminated and the vehicles will not be stopped any more by border control agencies on the domestic transit road.
8. The endowment of the JOBCP with the modern control equipment and the increased capacity will result in lifting the existing restrictions on the types of goods that can be transported and in this way, will increase the volume of the transported goods.

The above estimation of the results to be achieved is also based on the experience gained in the pilot JOBCP Bricheni - Rossoshani in the North of Moldova. The results achieved in the sixth-month trial period in 2012 in this JBCP demonstrated a decrease in crossing time of the border by persons, vehicles and goods by 15%-20%, enhanced cooperation of the participating border agencies, and an improvement in the efficiency proven by several common detections and apprehensions by the partner services.

The expected **long-term impact** will be in strengthening of good neighbourly relations between the Republic of Moldova and Ukraine, in increased trade between two countries and beyond, facilitation of the free movement of people and better controlled migration flows.

The action will take into consideration the environmental sustainability dimension of the region.

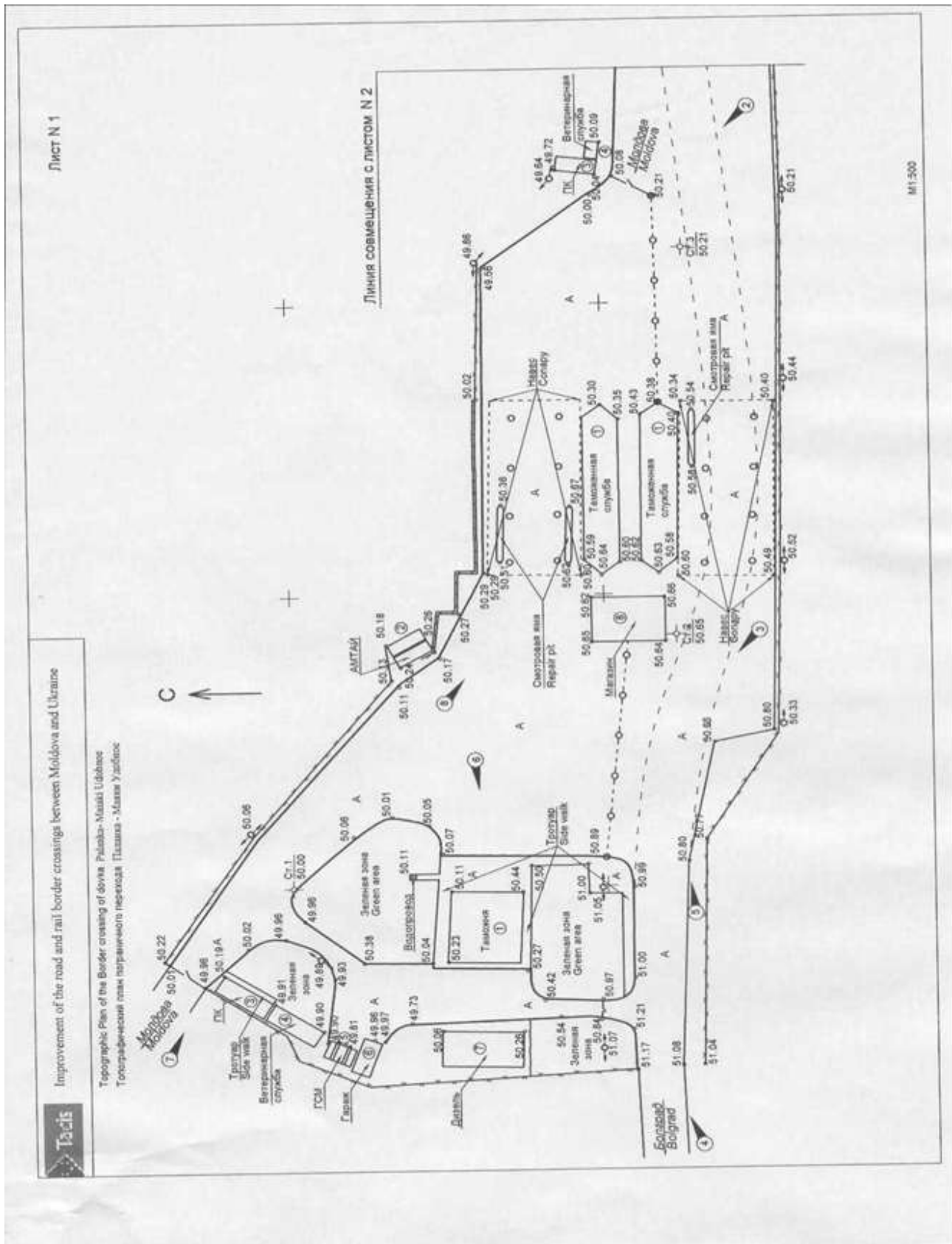
Sustainability will be ensured by the Republic of Moldova, as the owner of this project. The Customs Service of the Republic of Moldova is responsible for the administration and implementation of the project.

### **3.3. Activities**

Currently, the total Customs' area in Palanca BCP is 0.9 Hectare, fenced and asphalted. There are 3 lanes for entrance and exit of the road transport, one administrative building and 2 old service buildings (each 122, 46 m<sup>2</sup>), used by the MD CS and MD BP. The administrative building is a three-floor construction, approximately 322, 05 m<sup>2</sup>, built in 1998 and repaired in 2013. There are offices for the Head of the Customs Post, for EUBAM experts, broker companies and an office used for the cargo clearance in the administrative building. Because of some serious deficiencies in the

infrastructure (lack of arrest room, rooms for refugees, lack of inspection bridges and queuing facilities), the BCP often faces difficulties in the organization of the daily work.

**Figure 1. Graphical layout of the current Palanca BCP**



The personnel of Border Police consist of 36 Border Police (BP) officers including the Head and Deputy Head of the BCP, while during the summer season staff is reinforced with 8 BP officers. Their duty scheme is 12 duty /36 recreation hours. The personnel of Customs Service consist of 21 Customs (CU) officers working in four shifts (including the Head of the CU Post). The duty scheme of CU is 24 duty/72 recreation hours.

For the construction of the JOBCP the area is going to be extended by 1,074 hectares from the adjacent land. Total area of the new JOBCP is estimated to 2,182 hectares, 1,749 being allocated for customs and border control zone. The Government of Moldova will be responsible for the acquisition of the land.

The design of the JOBCP, infrastructure and equipment will correspond to the 2013 Schengen Border Code amendments, in particular, with regard to One Stop Shop design, and will include specific conditions for asylum related issues. JOBCP will comprise five lanes for entrance and exit into/from Moldova each. For each direction it is planned to have three pavilions: two for passenger and one for cargo customs and border control. The pavilions are going to be equipped with modern computers, real-time traffic video-surveillance systems, etc. At the entrance into Moldova a separate lane for a block of detailed inspection of trucks, inspection with mobile scanner, as well as a scale for all vehicle types is going to be built. At the border on both directions parking lots are going to be provided.

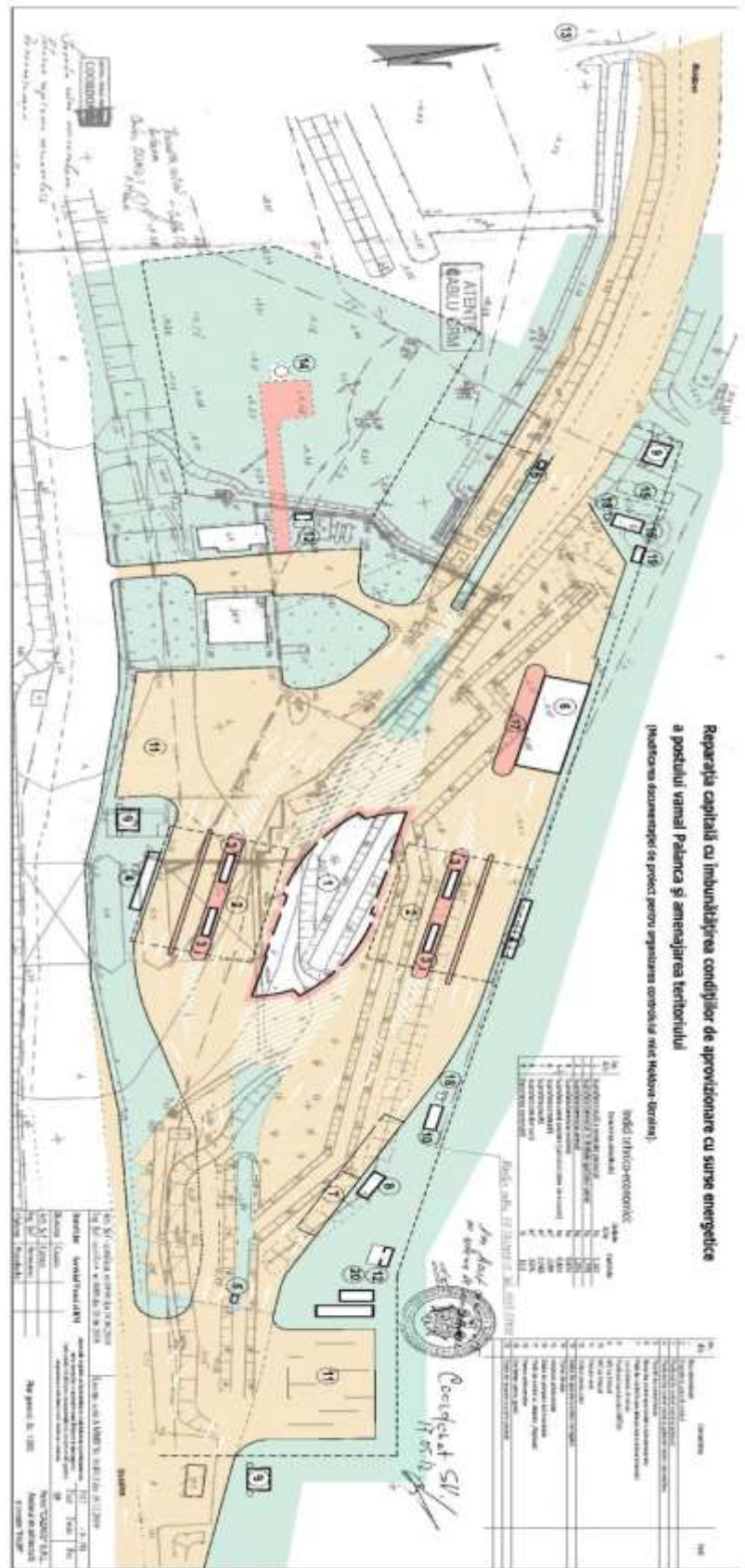
Two-floor service building, for all four customs and border services of Moldova and Ukraine is planned between entrance/exit lanes, the old one being demolished. The first floor of the service building will contain: counters for document control, control rooms, inclusively with 1 luggage control scanner for each direction, Moldovan and Ukrainian bank's offices and other offices (as for phytosanitary and veterinary services or for asylum related issues) necessary for control purposes. The second floor is offered for the working and auxiliary rooms for all control services of Moldova and Ukraine. Administrative building which is currently under repair will contain offices for control services of Moldova and Ukraine and a conference room.

The Moldovan Customs Service had elaborated a design plan of the JOBCP (Figure 2) and the list of objects to be build that will serve as a basis for works (Appendix 1). The JOBCP will be equipped with a modern informational systems and tools for technical control, such as real-time traffic video-surveillance system, scanners for examination of luggage and vehicles, equipment for advance examination of documents and vehicles, etc. The attached list of equipment to be installed at the JOBCP (Appendix 2) was compiled by beneficiaries based on their professional needs and in line with the EU standards.<sup>15</sup> In 2018, the Government of Moldova made a decision to provide additional funding to the project for constructing the road junction from JOBCP to Odessa-Reni high way.

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<sup>15</sup> The list was compiled during the 25<sup>th</sup> working group meeting on JOBCP held in Odessa on the 7-8 February 2013.

Figure 2. Graphical layout of the future JOBCP



**Table 4. Forecasted number of working places and staff at JOBCP Palanca in the territory of the Republic of Moldova<sup>16</sup>**

<b>Administrative building, working places</b>			<b>No. of staff</b>
	MD CS	7	1+(6x4)=25
	MD BP	9	1+1+(7x4)=30
	UA CS	7	1+(6x4)=25
	UA BG	9	1+1+(7x4)=30
	MD PS&VS <sup>17</sup>	To be confirmed	
	UA PS&VS	<b>To be confirmed</b>	
	<b>Total</b>	<b>32</b>	<b>110</b>
<b>Pavilion on the passenger control lane, Entrance/exit</b>			
	MD CS	8 (4+4)	8x4=32
	MD BP	8 (4+4)	8x4=32
	UA CS	8 (4+4)	8x4=32
	UA BG	8 (4+4)	8x4=32
	<b>Total</b>	<b>32</b>	<b>128</b>
<b>Pavilion on the cargo control lane, Entrance/exit</b>			
	MD CS	6 (3+3)	6x4=24
	MD BP	2 (1+1)	2x4=8
	UA CS	6 (3+3)	6x4=24
	UA BG	2 (1+1)	2x4=8
	<b>Total</b>	<b>16</b>	<b>64</b>
		<b>Total nr. of working places</b>	<b>Total nr. of staff</b>
		MD CS – 21	MD CS – 82
		MD BP – 19	MD BP – 70
		UA CS – 21	UA CS – 82
		UA BP – 19	UA BP – 70

### Activity 1: Infrastructural works

- 1.1 Inception phase – recruitment of the Project Management Team (PMT)
- 1.2 Review and updating the JOBCP outline design plan and elaboration of the Employer Requirements;
- 1.3 Elaboration of the package of documentation:
  - technical specifications (TOR) for the Request for Proposals (tender) for the detailed design of the JOBCP that will include securing of design approvals as required by the national legislation and the description of the quality and quantity of works, materials and equipment in compliance with performance specifications;
  - TOR (technical specifications) for the build-in and portable equipment procurement and staff training on its use;
  - TOR for the Supervision Engineer (company), as per the FIDIC Red Book;
- 1.4 Carrying out the tender on the detailed design work and contract the design company;
- 1.5 Elaborate the detailed design of the JOBCP, including:

<sup>16</sup> Data provided by the MD CS. Number of staff corresponds to the number of the working places and is multiplied to 4 shifts accordingly. 8 working places are envisaged for the brokers and/or representatives of other control services.

<sup>17</sup> PS&VS stays for Phyto-Sanitary and Veterinary Services

- Bill of quantities;
  - Schedule of prices;
- 1.6 Carrying out the tender and contract the Supervision Engineer (company)
  - 1.7 Elaboration of the technical specifications (TOR) for the Request for Proposals (tender) for the construction of the JOBCP based on the detailed design, including the following requirements:
    - filling in and maintaining project site documentation (certificates, acts, site logbook, etc.);
    - engineering setup, service testing and putting in operation of the infrastructure equipment (electricity, water, gas supply, etc.) in compliance with the project design and with the national norms and standards;
    - installation of the build-in equipment;
    - participation in preliminary and final commissioning of completed project;
    - labour security during execution of works, compliance with the fire protection and environmental protection standards
  - 1.8 Carrying out the tender for the construction works and contracting the construction company
  - 1.9 Obtain the authorisation for the construction works
  - 1.10 Implement the construction works under the supervision of the Supervision Engineer (company)
  - 1.11 Acceptance of construction works and works on equipment installation
  - 1.12 Elaboration of the technical specifications for the construction of the road junction between the JOBCP entry/exit to the Ukrainian side and Odessa-Reni highway, carrying out the tender on the road construction works and implementation of the road construction ensuring the technical supervision in line with the national legislation
  - 1.13 Transfer of the ownership on the buildings and the road junction to the beneficiary

**Activity 2: Procurement of equipment:**

- 2.1 Announcement of the RfP (tender) for the procurement of the build-in equipment
- 2.2 Selection of the equipment suppliers and signing the contracts
- 2.3 Announcement of the RfP (tender) for the procurement of the portable equipment
- 2.4 Training the relevant JOBCP staff on the use of the equipment
- 2.5 Transfer of the ownership on the portable equipment to the beneficiary

**Activity 3: Project management**

- 3.1 Ensuring the implementation of the project activities in compliance with the Work Plan and the timely delivery of the budget in compliance with UNDP rules and procedures and applying the Value for Money principle
- 3.2 Draft the Annual Work Plans to be submitted to the Donor and the Steering Committee
- 3.3 Draft the narrative and financial Annual Progress Reports and the Final Project Report to be submitted to the Donor and to the Steering Committee
- 3.4 Ensure project visibility and communication

**4. Implementation issues**

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**4.1. Implementation period**

The indicative operational implementation period of this action is **48 months**, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. An

important pre-condition for starting the construction work is the procurement of the additional land by the Government of Moldova within maximum 6 months after the allocation of finances.

## **4.2. Project partners and their roles**

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### **United Nations Development Programme**

The EU's implementing partner for this project is the Office of the United Nations Development Programme (UNDP) in the Republic of Moldova. UNDP will ensure the implementation of the project, including the provision of general management, administrative, financial management and logistical services, in accordance with the existing agreements between the EC and the UNDP<sup>18</sup>. UNDP will be in charge of the management of EU funds, payments (liquidation of eligible costs), recovery and cancellation of debts. UNDP will perform such budget implementation tasks, as launching calls for tenders and proposals, award of contracts and financial instruments, concluding and managing contracts, and carrying out payments.

UNDP Moldova, in consultation with the EU Delegation and the Moldovan partner services, will:

- Implement the project on behalf of the European Union
- Make resources available to the project as per UNDP rules and procedures
- Make payments in accordance with the project budget
- Prepare budget revisions and submit them to the EU Delegation
- Prepare the financial and technical reports
- Provide all necessary arrangements for the procurement and contracting of all goods, services and personnel within the limits of the budget (Annex III)
- Ensure the administration of human resources (as provided for in Annex III) according to UNDP regulations and rules
- Carry out such other duties as may be necessary to ensure the efficient and effective project implementation

### **European Union**

The European Union, represented by the Delegation of the European Union to the Republic of Moldova, will:

- Manage the project on behalf of the European Union
- Provide the financial resources necessary to cover the costs of the project
- Receive and approve the annual work plans
- Receive and approve progress reports in a timely manner

### **Beneficiaries**

The beneficiaries will:

- Delegate members of the Steering Committee
- Countersign Annual Work Plans and Budgets
- Purchase additional land required for the construction
- Timely deliver access to the project construction site to the contractor
- Facilitate obtainment of the necessary permissions for executing construction works
- Monitor and supervise Contract execution
- Authorize Contractor's Statements of Accomplished Works

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<sup>18</sup> Financial and Administrative Framework Agreement, signed between the European Community, represented by the Commission of the European Communities, and the United Nations



- Be responsible, together with the UNDP and the EU Delegation, for the identification of assistance needs, the definition of the consultants' Terms of Reference and Work Plans
- Be involved in the procurement processes under the project

#### 4.3. Project Management

A **Project Steering Committee (SC)** will manage the Project at the highest level. The Project Steering Committee will be made up of representatives of the Moldovan Customs Service (Senior Executive and Chair of the SC), the Border Police, UNDP, and the EU Delegation to Moldova. The Project Steering Committee will meet once in half year, unless there are needs for more frequent meetings, during the course of the Project. The meetings of the Project Steering Committee will be chaired by the National Project Coordinator (Director General of the Customs Service or a high-level official delegated by the Director General of the Customs Service).

The Project Steering Committee will be responsible for making management decisions for the project, including recommendation for UNDP/Implementing Partner approval of project plans and budget revisions. In order to ensure UNDP's ultimate accountability, Project Steering Committee decisions should be made in accordance to standards that shall ensure best value for money, fairness, integrity, transparency and effective international competition. Project reviews by this group are made at designated decision points during the running of a project or as necessary when raised by the Project Manager.

Based on the approved Annual Work Plan (AWP), the Project Steering Committee may review and approve project quarterly plans when required and authorize any major deviation from these agreed quarterly plans. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. Formal minutes shall be prepared and adopted for each meeting of the Steering Committee, detailing any proposals made and decisions taken.

A **Project Management Team (PMT)** will be established and staffed with a project manager and a project officer/engineer supported by the project assistant and a clerk/driver performing adequate administrative, secretarial, IT, logistical and interpreting support, or other services. The PMT will ensure results-based project management and successful implementation of the project during the lifetime of the project, close monitoring and evaluation of project progress, observance of procedures, transparency and efficient use of funds, quality of works, and involvement of stakeholders and beneficiaries in the decision-making processes. The project manager should preferably have a construction/ engineering background, and have a successful track record of implementing local community development/civil works projects.

**Project Assurance** is the responsibility of each Project Steering Committee member; however, the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. On behalf of UNDP, the function is delegated to a UNDP Portfolio Manager. Specific 'Assurance' tasks are to:

- Ensure that funds are made available to the project;
- Ensure that risks and issues are properly managed and monitored, and that the logs are regularly updated;
- Ensure that Project Progress/Financial Reports are prepared and submitted on time and according to standards in terms of format and content quality and submitted to the Project Steering Committee.

Responsibility for the day-to-day implementation of the project and provision of narrative and financial reports rests with the Project Manager. This includes the management and supervision of the activities of the backstopping staff, including the consultants-engineers.

#### **4.4. Project Budget**

The budget is attached to this Description of Action (Annex III).

#### **4.5. Procurement**

Recruitment and procurement will be carried out according to UNDP rules and procedures. As such, UNDP will bear the overall accountability for delivering the project in accordance with its applicable regulations, rules, policies and procedures (<http://content.undp.org/go/userguide/results>), in light of Article 6.1 of the FAFA between the European Community and the United Nations.

#### **4.6. Project Monitoring and Reporting**

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##### **4.6.1. Monitoring**

The project will be monitored according to standard procedures of the European Union. Project monitoring and evaluation will be based on periodical assessment of the activities to fulfil the objectives set in the Description of Action.

The UNDP will carry out regular internal monitoring of project performance in accordance with its own methodology.

UNDP will respond promptly to any EU services' requests on project monitoring and verification requests, per applicable rules and practices.

##### **4.6.2. Reporting**

UNDP will provide narrative and financial reports to the European Union Delegation to Moldova on a regular basis as determined by the Special and General Conditions for this action.

#### **5. EU Visibility**

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All Action's activities will adhere to the requirements for communication and visibility as described in:

- Art. 11 of the Financial and Administrative Framework Agreement between the European Community and the United Nations
- Art. 6 of the General Conditions of this Agreement
- The Joint Visibility Guidelines for EC-UN Actions in the Field

The visibility measures shall be applied to: press releases and press briefings; reports; events; websites; and any promotional items. All press releases will be sent to the Delegation of the European Union to Moldova for review and approval before being distributed. All communication products will be made available to the Delegation when and as they are issued. All communications materials will feature the EU logo equal in size and prominence to those of the partner organizations, clearly identifying the project as being part of an EU-funded programme. Structures funded by this project shall display the required EU plaques and equipment paid for by this project will have EU panels. Events financed under this project will have an EU flag

prominently displayed. All publications produced under this project shall display the EU logo and include the text: *“The project is funded by the EU”*. The text shall also contain the disclaimer:

*“This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of <name of the author/contractor/implementing partner> and can in no way be taken to reflect the views of the European Union.”*

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**APPENDICES:**

**Appendix 1.** – Infrastructural requirements for implementation of joint control at Palanca BCP

**Appendix 2.** – List of equipment updated in consultations with the partner services and EUBAM enclosed as a separate file

**Appendix 3.** – Results and Resources Framework (Logframe)

**Appendix 4.** – Risk Log

**Appendix 5.** – Detailed Activity Plan

**Infrastructural requirements for implementation of joint control at 'Palanca' BCP**

No	Title	Quantity	Estimated price, MDL	Price in EUR, Indicative
1.	Construction of administrative building	1	13.234.980	700,263.49
2.	Customs and border guard control booth	2	5.580.200	295,248.68
3.	Booth for Customs and BG control of cargo vehicles	2	286.030	15,133.86
4.	Control point on entry	2	150.910	7,984.66
5.	Premises for advanced inspection of cargo vehicles	1	1.727.440	91,398.94
6.	Axial stationary scales for all types of vehicles	1	728.230	38,530.69
7.	Parking place	2	607.590	32,147.62
8.	Service Dogs kennel	2	144.720	7,657.14
9.	Vertical planning	n.a.	2.660.400	140,761.90
10.	Demolishment of the existing buildings	n.a.	87.980	4,655.03
11.	Acquisition of additional land to be used for construction	n.a.	2.000.000	105,820.11
12.	Elaboration of Customs Post design layout	n.a.	1.500.000	79,365.08
13.	Designer supervision	n.a.	55.930	2,959.26
14.	Design layout assessment	n.a.	120.000	6,349.21
15.	Fencing the territory	n.a.	870.000	46,031.75
16.	Technical surveillance	n.a.	279.630	14,795.24
17.	WCs	4	850.410	44,995.24
18.	Anti-fire reservoirs	2	912.260	48,267.72
19.	Disinfection system	2	12.770	675.66
20.	Anti-fire pumping station	1	509.610	26,963.49
21.	Automatic barriers equipped with video cameras	3	163.020	8,625.40
22.	External electrical cables	n.a.	431.280	22,819.05

23.	External plumbing	n.a.	404.420	21,397.88
24.	Equipment for wastewater treatment:	n.a.		-
25.	Sewage pump station	1	142.530	7,541.27
26.	Clearance station	1	224.000	11,851.85
27.	External sewerage network	n.a.	1067.240	56,467.72
28.	External gas network	n.a.	914.440	48,383.07
29.	Landscaping the territory	n.a.	3.753.600	198,603.17
30.	Planting the greenery in the area for garbage containers	n.a.	16.050	849.21
		<b>Total:</b>	<b>39.435.670</b>	<b>2,086,543</b>

**Appendix 2 - Separate file of the updated list of equipment enclosed**

APPENDIX 3.

**RESULTS AND RESOURCES FRAMEWORK**

<b>Intended Outcome as stated in the UN Partnership Framework: Increased transparency, accountability and efficiency of central and local public authorities</b>				
<b>UNDP Country Programme Outcome: Increased transparency, accountability and efficiency of central and local public authorities</b>				
<b>Indicator:</b> Level of confidence in public institutions <b>Baseline:</b> Government: 23%; Parliament: 19%; Local Public Administration: 47%; <b>Target:</b> Government: 45%; Parliament: 40%; Local Public Administration: 60%.				
<b>Partnership Strategy:</b> UNDP will seek and forge close collaboration with the national partner border management services, international and donor organisations in preparation, monitoring and implementation of the activities. Main Government counterpart will be the Customs Service of the Republic of Moldova				
<b>Project title and ID (ATLAS Award ID):</b> Construction of a jointly operated border crossing point Palanca on the territory of the Republic of Moldova				
<b>INTENDED OUTPUTS</b>	<b>OUTPUT TARGETS</b>	<b>INDICATIVE ACTIVITIES</b>	<b>RESPONSIBLE PARTIES</b>	<b>INPUTS</b>
<p><b>Output</b> Physical capacity of government institutions in Moldova and Ukraine to manage border, migration, combat trafficking and effectively protect human rights enhanced</p> <p><b>Baseline:</b> Border crossing point Palanca - Mayaki - Udobne underdeveloped and border crossing conditions inefficient; Existing equipment does not allow</p>	<p><b>Target:</b> Palanca JOBCP on the territory of the Republic of Moldova built and equipped in line with international standards</p> <p><b>Target 2015:</b> Detailed design of the BOCP elaborated; Tender for the construction works carried out and the construction company identified</p>	<p><b>Activity 1: Infrastructural works</b></p> <p>1.1 Inception phase – recruitment of the Project Management Team (PMT) 1.2 Review and updating the JOBCP outline design plan and elaboration of the Employer Requirements; 1.3 Elaboration of technical specifications for the tender on the detailed design of the JOBCP; for the tender on the procurement of the build-in and portable equipment and staff training on its use; for the tender to select a Supervision Engineer (company);</p>	<p><i>UNDP, Customs Service of the Republic of Moldova</i></p>	<p><i>Contractual Services - International consultants</i> <i>Contractual Services - Companies</i> <i>Contractual Services - Individuals</i> <i>Equipment</i></p>



<p>for the transportation of a wider list of goods; Staff capacity in using the modern equipment reduced.</p> <p><b>Indicators:</b> Technical specifications on the detailed design developed; Tender on the detailed design carried out and the contractor identified; Tender on the constructions carried out and the construction company identified; Supervision company contracted; Technical specifications for the build-in and portable equipment developed; Tender on the procurement of the build-in and portable equipment carried out; No. of JOBCP staff trained on the use of new equipment/IT systems developed; Constructions works finalised.</p>	<p>and contracted</p> <p><b>Target 2016:</b> Construction works started</p> <p><b>Target 2017:</b> Build-in equipment procured and installed</p> <p><b>Target 2018:</b> Portable equipment procured JOBCP Staff trained in the use of equipment Ownership of JOBCP buildings and equipment transferred to the Government</p>	<p>1.4 Tender on the detailed design work and contract the design company; 1.5 Elaboration of the detailed design of the JOBCP; 1.6 Tender on selection of the Supervision Engineer (company) 1.7 Elaboration of technical specifications for tender to select the construction company 1.8 Tender on the construction works and contracting the construction company 1.9 Obtain the authorisation for the construction works 1.10 Construction works under the supervision of the Supervision Engineer (company) 1.11 Acceptance of construction works and works on equipment installation 1.12 Elaboration of the technical specifications for the construction of the road junction between the JOBCP entry/exit to the Ukrainian side and Odessa-Reni highway, carrying out the tender on the road construction works and implementation of the road construction 1.13 Transfer of the ownership on the buildings and the road junction to the beneficiary</p> <p><b>Activity 2: Procurement of equipment:</b></p> <p>2.1 Tender on the procurement of the build-in equipment</p> <p>2.2 Signing the contract/s on the equipment supply</p> <p>2.3 Tender on the procurement of the portable equipment</p> <p>2.4 Training the relevant JOBCP</p>		
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		<p>staff on the use of the equipment</p> <p>2.5 Transfer of the ownership on the portable equipment to the beneficiary</p> <p><b>Activity 3: Project management</b></p> <p>3.1 Implementation of the project activities in compliance with the Work Plan and timely delivery of the budget</p> <p>3.2 Draft the Annual Work Plans to be submitted to the Donor and the Steering Committee</p> <p>3.3 Draft the narrative and financial Annual Progress Reports and the Final Project Report to be submitted to the Donor and to the Steering Committee</p> <p>3.4 Ensure project visibility and communication</p>		
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#### Appendix 4. Risk Log

#	Risk	Probability/ Impact (L/M/H)	Mitigation measures	Responsible party
1	Technical specifications for tenders are not duly/in timely elaborated	L/H	International company for developing the documentation for tenders and a short-term international expert in FIDIC to evaluate the quality of documentation will be contracted	UNDP
2	The four beneficiaries cannot come to a common understanding on design	L/M	Detailed design elaborated in collaboration with all participating partner services	Customs Service of the Republic of Moldova
3	Procedure on land acquisition is longer than estimated due to bureaucracy	M/M	Procedures started before the project launch	Government of Moldova
4	Procedure on land acquisition fails due to the lack of funds	H/H	Funds secured in the public budget	Government of Moldova
6	There will be no appropriate contractor	L/M	Call for the Expression of interest published on the UNDP international website and circulated through the internal networks	UNDP
7	Authorization procedure is longer than estimated due to bureaucracy	L/M	Authorization procedure started in parallel with the tender announcement	Government of Moldova
8	Low quality of construction works	L/M	International construction supervision company will be contracted	UNDP
9	Tender procedure on equipment procurement fails	L/M	Equipment in the procurement process will be divided into specific lots	UNDP
10	Delays in the implementation of the project due to insufficient funds	L/H	Additional resource mobilisation efforts to be undertaken	UNDP, EUD, Government of Moldova

Appendix 5.

**ANNUAL WORK PLAN**

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME						RESPONSIBLE PARTY	INPUTS	
		2015				2016	2017			2018
		Q 1	Q 2	Q 3	Q 4					
<p><b>Output:</b> Physical capacity of government institutions in Moldova and Ukraine to manage border, migration, combat trafficking and effectively protect human rights enhanced</p> <p><b>Baseline:</b> BCP Palanca – Mayaki -Udobne underdeveloped and border crossing conditions inefficient; Existing equipment does not allow for the transportation of a wider list of goods; Staff capacity in using the modern equipment reduced.</p> <p><b>Indicators:</b> Technical specifications on the detailed design developed; Tender on the detailed design carried out and the contractor identified; Tender on the constructions carried out and the construction company identified; Supervision company contracted; Technical specifications for the build-in and portable equipment developed; Tender on the procurement of the build-in and portable equipment carried out; No. of JOBCP staff trained on the use of new equipment/IT systems</p>	<b>Activity 1: Infrastructural works</b>									
	1.1. Recruitment of the Project Management Team							UNDP	Technical assistance (TA)	
	1.2 Review and update the JOBCP design plan and elaboration of the Employer Requirements							UNDP	TA	
	1.3 Elaboration of technical specifications for the tenders on the detailed design, build-in and portable equipment and on the Supervision Engineer							UNDP	TA	
	1.4 Tender on the detailed design work and contract the design company;							UNDP	TA	
	1.5 Elaboration of the detailed design of the JOBCP							UNDP	TA	
	1.6 Tender on selection of the Supervision Engineer (company)							UNDP	TA	
	1.7 Elaboration of technical specifications for tender to select the construction company							UNDP	TA	
	1.8 Tender on the construction works and contracting the construction company							UNDP	TA	
	1.9 Obtain the authorisation for the construction works							Customs Service		
	1.10 Construction works under the supervision of the Supervision Engineer (company)							UNDP	Civil works	
	1.11 Acceptance of construction works and works on equipment installation							UNDP	TA	
	1.12 Elaboration of the technical specifications for the construction of the road junction between the JOBCP entry/exit to the Ukrainian side and Odessa-Reni highway, carrying out the tender on the road construction works and implementation of the road construction							UNDP	Civil works	

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME						RESPONSIBLE PARTY	INPUTS	
		2015				2016	2017			2018
		Q 1	Q 2	Q 3	Q 4					
developed; Road junction to Odessa-Reni high way constructed; Constructions works finalised. <b>Target 2015:</b> Detailed design of the BOCP elaborated; Tender for the construction works carried out and the construction company identified and contracted <b>Target 2016:</b> Construction works started <b>Target 2017:</b> Build-in equipment procured and installed <b>Target 2018:</b> Portable equipment procured Road junction to Odessa-Reni highway constructed JOBCP Staff trained in the use of equipment Ownership of JOBCP buildings, equipment and the road junction transferred to the Government	1.13 Transfer of the ownership on the buildings and the road junction to the beneficiary							UNDP	TA	
	<b>Activity 2: Procurement of equipment</b>									
	2.1 Tender on the procuremet of the build-in equipment								UNDP	TA
	2.2 Signing the contract/s on the equipment supply								UNDP	TA
	2.3 Tender on the procurement of the portable equipment								UNDP	Equipment
	2.4 Training the relevant JOBCP staff on the use of the equipment									TA
	2.5 Transfer of the ownership on the portable equipment to the beneficiary									
	<b>Activity 3: Project management</b>									
	3.1 Implementation of the project activities in compliance with the Work Plan and timely delivery of the budget								UNDP	TA
	3.2 Draft the Annual Work Plans to be submitted to the Donor and the Steering Committee									TA
	3.3 Draft the narrative and financial Annual Progress Reports and the Final Project Report to be submitted to the Donor and to the Steering Committee									TA
	3.4 Ensure project visibility and communication									