



## ANNEX C1bis: Twinning Light Fiche <sup>1</sup>

**Project title:** Drafting EU Union Customs Code (UCC) Implementing Regulations in North Macedonia

**Beneficiary administration:** Ministry of Finance – Customs Administration

**Twinning Reference:** MK 24 IPA FI 02 26 TWL

**Publication notice reference:** EuropeAid/185955/DD/ACT/MK

**EU funded project**

***TWINNING TOOL***

## 1. Basic Information

1.1 **Programme:** *EU Integration Facility; Annual action plan in favour of North Macedonia for 2024; CRIS IPA III/ 2024 /045-609; OPSYS ACT-62395 (JAD.1354913 ) (direct management)*

1.2 **Twinning Sector:** Customs and Taxation

1.3 **EU-funded budget:** Maximum amount of the grant 250,000 EUR

1.4 **Sustainable Development Goals (SDGs):** SDG 16 Peace, Justice and Strong Institutions

## 2. Objectives

### 2.1 Overall Objective

To enhance North Macedonia's Customs Administration capacity facilitating EU integration and improving trade facilitation.

### 2.2 Specific Objective

Develop a comprehensive National Implementing Regulation, inclusive of all annexes such as customs forms, to fully harmonize with the consolidated EU Union Customs Code (UCC) and its Implementing Act (IA), Delegated Act (DA), and Transitional Delegated Act (TDA) into the legal framework of North Macedonia.

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

#### Link with 2025 EC Country Progress Report

The customs legislation is highly aligned with the EU acquis. In the field of customs legislation, progress was made in aligning to the EU combined nomenclature.

The EU's recommendations for Customs in North Macedonia in the 2025 report underscore the importance of continuing digitalization efforts, upgrading IT systems, and enhancing the capacity of customs administration to align with EU standards and facilitate trade efficiently.

#### Link with IPA III (2021-2027)

The general objective of the IPA III instruments is to support the beneficiaries in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership, thereby contributing to their stability, security and prosperity.

**Link with National Programme for Adoption of the Acquis (NPAA) 2024-2027** is the primary strategic document outlining the country's legislative and institutional reforms necessary for European Union accession. The NPAA 2024-2027 specifically details the planned activities, timelines, and responsible institutions for transposing and implementing the EU acquis communautaire, including the complex and comprehensive body of customs legislation. This alignment is crucial because the EU Customs Code establishes the general

rules and procedures applicable to goods brought into or out of the customs territory of the Union, aiming for a harmonized and efficient customs union. The NPAA, therefore, acts as a roadmap for North Macedonia to adopt these standards, ensuring that its customs procedures, tariffs, origin rules, and enforcement mechanisms become compatible with those of the EU.

**North Macedonia Reform Agenda** - Customs modernization component is highly relevant to the alignment of customs regulations with the EU Customs Code, as it directly addresses the legislative, procedural, and technological gaps between North Macedonia's current customs system and the standards required for EU accession. This component is a critical pillar in North Macedonia's broader EU integration efforts, aiming to facilitate trade, enhance security, and ensure compliance with the *acquis communautaire* in the customs domain. The EU Customs Code sets out the general rules and procedures applicable to goods brought into or out of the customs territory of the Union, and its adoption is a prerequisite for any aspiring member state.

### **Link with sector reform strategies**

#### **Development Strategy of the Customs Administration of the Republic of North Macedonia for the period 2025-2027**

The main objectives of the Strategy are centered on modernizing customs operations, enhancing efficiency, strengthening security, and aligning with European Union standards. This comprehensive strategy aims to transform the Customs Administration into a more effective and transparent institution, capable of meeting the demands of international trade and combating illicit activities.

**The Digital Transformation Strategy of North Macedonia 2024-20230** - Customs digitalization pillar is relevant since digitalization is a fundamental prerequisite for achieving the interoperability and efficiency standards mandated by the EU Customs Code (UCC). The UCC emphasizes the use of electronic data processing techniques for customs declarations, decisions, and exchanges of information between customs authorities and economic operators. North Macedonia's efforts to digitalize its customs processes directly address this requirement, aiming to streamline procedures, enhance data accuracy, and facilitate faster trade, all of which are core tenets of the UCC.

**The Economic Reform Programme(s) (ERP)** – specifically its trade facilitation measures directly address the necessary reforms and legislative changes required for North Macedonia to integrate into the European Union's customs framework. The ERP serves as a strategic roadmap for North Macedonia to harmonize its customs procedures, legislation, and administrative capacity with the EU's established standards, thereby facilitating trade and preparing for EU membership.

### 3. Description

#### 3.1. Background and justification

The Republic of North Macedonia has a strategic objective of accessing the European Union (EU). A cornerstone of this integration process is the alignment of its national legislation with the extensive body of EU law, known as the *acquis communautaire*. Within this framework, the customs sector plays an essential role, as it directly impacts trade facilitation and revenue collection. The EU Union Customs Code (UCC), along with its Implementing Act (IA), Delegated Act (DA), and Transitional Delegated Act (TDA), represents the modern legal framework governing customs procedures and operations across the EU. Full harmonization of these complex regulations of North Macedonia's legal system is not merely a technical exercise but a fundamental prerequisite for achieving customs union with the EU and ensuring seamless trade flows upon accession.

Chapter 29 of the *acquis*, specifically concerning the Customs Union, demands full alignment with the UCC and its implementing provisions. Failure to do so would represent a significant obstacle in the accession negotiations and could delay the country's integration into the EU. A unified legal framework ensures North Macedonia's Customs Administration operates under the same rules and procedures as EU Member States, facilitating future integration into EU customs systems and networks.

The UCC aims to modernize and simplify customs procedures, reducing administrative burdens for businesses and promoting legitimate trade. By adopting the UCC, North Macedonia will streamline its customs processes, leading to faster clearance times, reduced costs for traders, and increased predictability in international trade. This will enhance the competitiveness of North Macedonian businesses, attract foreign direct investment, and stimulate economic growth. The use of standardized customs forms and annexes, as prescribed by the UCC, will further reduce errors and accelerate processing.

The project will prioritize ensuring that North Macedonia's customs IT systems are proficient in interoperating with relevant EU systems. Detailed technical specifications will be devised for the necessary enhancements to the ICT systems, which will encompass support for the procurement process to ensure that new software and hardware solutions meet the established requirements and are compatible with the current infrastructure.

The project will catalyse the modernization of the Customs Administration of North Macedonia. The UCC promotes the use of electronic customs procedures and data exchange, requiring significant upgrades to IT infrastructure and training. The development of the Implementing Regulation will necessitate a thorough review and update of existing operational procedures, ensuring they are aligned with international best practices and EU standards. This includes the development and adoption of standardized customs annexes and forms that are compatible with EU systems.

Currently, North Macedonia's customs legal framework requires modernization to align with UCC requirements and facilitate trade facilitation measures. It is expected that the new Customs Law will be adopted in 2026 and will serve as the basis for the development of a new Implementing Regulation, along with its annexes. Without clear, legally defined forms,

the process of declaring goods, applying for specific customs procedures, or providing necessary information would be inconsistent and prone to delays.

The implementation of electronic customs forms and the development of IT specifications for new IT systems within the MK Customs system are crucial for enhancing efficiency, transparency, and compliance with international standards. Modernizing these systems is essential to facilitate trade, improve revenue collection, and combat illicit activities. The digital transformation aligns with global trends in customs administration, where electronic data exchange and automated risk management are becoming standard practices.

To implement the new regulations and annexes, it is essential to enhance the existing IT systems to electronically support these regulations and their requirements. Initially, it is crucial to identify the new IT system requirements and translate them into IT specifications, which will serve as the foundation for developing a new IT system within Customs.

The IT specifications for the new systems should cover several key areas to ensure a comprehensive and robust solution, including System Architecture, Electronic Forms and Data Exchange, Risk Management System, Revenue Management and Accounting, User Management and Access Control, Integration with External Systems, Data Security and Privacy, Reporting and Analytics, and Training and Support.

**Current Key Challenges identified with the Customs Administration:**

- Lack of comprehensive implementing regulations covering all aspects of the UCC supporting acts
- Need for customs forms aligned with EU requirements
- Lack of knowledge, understanding, and experience for drafting complex customs regulatory provisions and their practical implementation into the appropriate ICT system
- Need for a digitalization-ready legal framework supporting ICT system development

### **3.2 Ongoing Reforms in North Macedonia**

North Macedonia's Customs Administration is undergoing significant reforms, primarily driven by its aspiration for European Union (EU) membership. These reforms aim to harmonize national customs laws and practices with EU standards, enhance trade facilitation, and strengthen enforcement capabilities, particularly in combating illicit trade.

One key area of reform involves the harmonization of customs laws and regulations with EU norms. This ongoing alignment ensures greater transparency and predictability for businesses engaged in international trade. Beyond national reforms, North Macedonia is also impacted by broader EU initiatives, particularly the Union Customs Code (UCC). The UCC aims to modernize, simplify, and speed up customs procedures across the EU, moving towards a fully electronic customs environment. While North Macedonia is not yet an EU member, its status as an EU candidate means it is aligning with these developments. The UCC's transition phase was expected to be completed in near future, with a shift to paperless operations and the introduction of systems like the New Computerised Transit System (NCTS). North Macedonia is a signatory to the Common Transit Convention and uses the NCTS for electronic transit declarations. This requires the submission of accurate Harmonized System (HS) codes and goods descriptions for shipments.

### **3.3 Linked activities:**

The project on EU Customs IT systems capable of functioning at the national and EU level is currently implemented with the Customs Administration:

- The project plans to introduce key EU Customs IT systems, with a primary focus on the Economic Operators Registration and Identification Subsystem 2 (EORI2). The Economic Operators Registration and Identification Subsystem 2 (EORI2) is a crucial component of the EU legislation aimed at establishing a unique registration and identification system for economic operators. Future developments may extend this access to other initiatives. The latest objectives require all traders to provide specified data, including their EORI number, and address data protection on a case-by-case basis through a series of mini-projects.
- Additionally, the Uniform User Management & Digital Signatures (UUM&DS) System facilitates traders' access to EU-wide services under Customs IT initiatives. The project, highlighted in MASP Annex 2, aims to provide a unified interface to multiple central services, enhancing secure access management by merging Member States' Identity and Access Management systems. Key objectives include offering traders direct access to central systems, enabling known individuals to act as mandated representatives, and supporting electronic signatures. The system is designed to address inconsistencies in interfaces and redundant services at the Member State level, with potential expansion to other domains like Excise or Taxation in the future.

The World Bank's supported **New Single Window system (NSW)** project under the Western Balkans Trade and Transport Facilitation Project, which is currently being implemented to integrate with the existing ICT platform for paperless customs clearance in import-export procedures. It will facilitate advanced services for the electronic issuance of import, export, and transit licenses, and introduce centralized services for joint customs risk assessments with other institutions. The system will also support the central electronic registration of economic operators and the e-payment of fees.

**The New Computerized Transit System** is a Europe-wide digital system for better management and control of goods under Union and Common Transit. An NCTS 6 is to be developed in North Macedonia as a part of the Reform Agenda process.

**Customs Declaration and Excise Processing System (CDEPS) and Integrated Tariff Environment (ITE)** are currently operational systems that need to be adjusted to the new Customs Law and National Implementing Regulation.

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

As part of the accession process, candidate countries are required to adopt and implement the entire body of EU law, known as the *acquis communautaire*. This includes significant alignment with the EU's customs legislation, of which the Union Customs Code (UCC) and

its delegated and implementing acts are central components. The following are core pieces required in the area of Chapter 29 - Customs Union, among other:

**The Regulation (EU) No 952/2013, known as the Union Customs Code (UCC),** is fundamentally relevant to the alignment of customs regulation within the European Union because it serves as the primary legal framework that governs all customs procedures and rules across the EU's customs territory. It replaced the Community Customs and its implementing provisions, aiming to modernize and simplify customs legislation, enhance efficiency, and improve legal certainty for both customs authorities and economic operators. The UCC's direct applicability in all Member States ensures a uniform approach to customs matters, thereby aligning national customs regulations with a single, overarching EU standard.

**Commission Delegated Regulation (EU) 2015/2446,** known as the UCC Delegated Act (UCC DA), is fundamentally relevant to the alignment of Macedonian Customs regulations primarily because North Macedonia is a candidate country for accession to the European Union (EU). The UCC, established by Regulation (EU) No 952/2013, and further detailed by the Delegated Act (EU) 2015/2446 and the Implementing Act (EU) 2015/2447, represents the modern framework for customs procedures and rules within the EU. Therefore, for North Macedonia to integrate into the EU's single market and customs union, its national customs legislation must converge with these EU regulations.

**Commission Implementing Regulation (EU) 2015/2447** - UCC Implementing Act is highly relevant to the alignment of the customs regulations, particularly due to North Macedonia's status as a candidate country for accession to the European Union. This includes the comprehensive legal framework governing customs, which is primarily defined by the Union Customs Code (UCC) and its implementing and delegated acts. The UCC Implementing Act provides detailed rules for the application of the UCC, covering areas such as customs procedures, declarations, origin of goods, customs value, and customs debt. Therefore, to align its customs regulations with EU standards, North Macedonia must progressively incorporate the provisions of the UCC Implementing Act into its national legislation. This involves significant legislative and administrative reforms to ensure compatibility with EU customs procedures, IT systems, and operational practices.

**Commission Implementing Regulation (EU) 2016/341** - known as the UCC Transitional Delegated Act, is relevant to the alignment of Macedonian customs regulations as North Macedonia progresses towards full integration with the European Union (EU). This regulation lays down transitional rules concerning certain provisions of the Union Customs Code (UCC) that were not yet operational when the UCC entered into force on May 1, 2016. For North Macedonia, a candidate country for EU membership, aligning its customs legislation with the EU *acquis communautaire* is a fundamental requirement.

### 3.5 Components and results per component

The project will provide support to the Customs Administration's Customs System Department and ICT Department. The project is structured in 2 (two) components reflecting

the needs of Customs Administration for adopting new EU-aligned regulation and improving its ICT hardware and software according to the EU UCC:

**Component 1: Support the Customs Administration in the development of the secondary legislation and relevant annexes, in line with the newly drafted Customs Law and relevant EU legislation and enhance the capabilities of Customs Administration for the practical implementation.**

**Component 2: Modernization of the current Customs ICT systems to align with EU standards, effectively implement national requirements and technical preparation of Customs Administration staff for the transformation of the existing Customs Administration ICT systems.**

The twinning light project will be implemented by close co-operation between the partners, aiming to achieve the following results:

**Mandatory results for Component 1:**

- **Mandatory Result 1.1.:** Prepared final version of the National Implementing Regulation, ensuring alignment with the UCC Delegated Act, Implementing Act, and Transitional Delegated Act, including all annexes.
- **Mandatory Result 1.2.:** Comprehensive understanding of the EU UCC provisions and strengthened capabilities of the relevant customs administration staff for effective implementation and utilization of the new primary and secondary legislation.

**Mandatory results for Component 2:**

- **Mandatory Result 2.1.:** Prepared framework for the upcoming harmonization of ICT systems with ECC ICT systems
- **Mandatory Result 2.2.:** Improved capacity of Customs Administration staff for the transformation of the existing ICT system to the EU ICT requirements.

### **3.6 Expected activities**

The Twinning project should be implemented jointly and not as a one-way assistance from a Member State to the Beneficiary Country. The selected MS shall transfer the requested hands-on expertise to the Beneficiary Country, introducing and sharing EU-wide best practices in connection with the EU Acquis. The Twinning assistance will be provided in the form of know-how transfer, and could be delivered through the activities that will include:

**Component 1: Support the Customs Administration in the development of the secondary legislation and relevant annexes, in line with the newly drafted Customs Law and relevant EU legislation and enhance the capabilities of Customs Administration for the practical implementation.**

**Mandatory results and related activities:**

**Mandatory Result 1.1:** Prepared final version of the National Implementing Regulation, ensuring alignment with the UCC Delegated Act, Implementing Act, and Transitional Delegated Act, including all annexes.

*Activity 1.1.1.: Development of the National Implementing Regulation structure and definition of a systematic approach for drafting the National Implementing Regulation*

*Activity 1.1.2.: Drafting of National Implementing Regulation, aligned to UCC and its associated implementing and delegated acts, based on Regulation gap analysis (indicatively prepared in 2019 and might require to be updated within duration of this TWL) provided by Customs Administration.*

**Mandatory Result 1.2.:** Comprehensive understanding of the EU UCC provisions and strengthened capabilities of the relevant Customs Administration staff for effective implementation and utilization of the new primary and secondary legislation

*Activity 1.2.1.: Conducting workshops and practical simulation exercises for relevant Customs Administration staff and other relevant institutions to understand EU UCC provisions.*

*Activity 1.2.2.: Development of a Concept for a Training Program with clear guidance on EU experiences and future national rules for the selected target groups*

**Component 2: Modernization of the current Customs ICT systems to align with EU standards, effectively implement national requirements, and technical preparation of Customs Administration staff for the transformation of the existing Customs Administration ICT systems.**

**Mandatory results and related activities:**

- **Mandatory Result 2.1.:** Prepared framework for the upcoming harmonization of ICT systems with ECC ICT systems

*Activity 2.1.1.: Perform a comprehensive **Gap analysis** to identify the necessary upgrades for the existing Customs ICT systems, including data sets and models. This analysis should align with the key provisions of the new Customs Law and EU requirements, which influence the systems design.*

*Activity 2.1.2. Development of a **Roadmap** for ICT system transformation in accordance with EU-mandated electronic procedures*

**Mandatory Result 2.2.:** Improved capacity of Customs Administration staff for the transformation of the existing ICT system to the EU ICT requirements

*Activity 2.2.1.: Knowledge transfer on drafting technical specifications for upgrading or developing new Customs ICT systems*

*Activity 2.2.2.: Providing advice in drafting technical specifications for upgrade or development of new Customs ICT systems.*

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

The project will be implemented in the form of a Twinning Light contract, envisaged to provide an exchange of experience and know-how with an MS Custom Administration that has good practices in the stated project activities. The Twinning Partner shall provide an

adequate team of experts, comprising one MS Project Leader responsible for the overall coordination of project activities, Component Leaders (CLs), and a pool of Short-Term Experts (STEs) with suitable knowledge to carry out the described activities.

The interested Member State institution shall include in its proposal the CV of the designated Project Leader, component leaders, and the CVs of the proposed STE profiles (experience, education) available in the administration for implementing the activities for each of the mandatory results/outputs.

The MS Partner Administration should demonstrate experience in the delivery of services in the relevant project fields mentioned above. This experience should be described in the proposal.

Twinning procedures are to be used in line with the Twinning manual.

### **Profile and tasks of the Project Leader (PL):**

Qualifications and skills:

- University degree in the field relevant for this project, or equivalent experience of minimum 8 years in the relevant field;
- At least 3 years of specific professional experience in the area relevant to the project;
- Experience in project coordination in international and/or EU-funded projects will be considered as an asset.
- Fluency in the written and oral English language;
- Computer literacy;

The main tasks of the Member State Project Leader are:

- Conceive, supervise, and coordinate the overall Twinning project;
- Coordinate and monitor the overall implementation of the project, including coordination and direction of the MS Twinning partner;
- Coordinate MS experts' work and availability;
- Permanent contacts with the main counterpart in the BC;
- Ensure the backstopping functions and financial management;
- Guarantee from the MS administrative side, the successful implementation of the Project's Work Plan; participate in meetings of the Project Steering Committee with the BC PL;

#### **3.7.1 Profile and tasks of Component Leaders (CL):**

Qualifications and skills:

- University degree in the field relevant for this project, or equivalent experience of minimum 8 years in the relevant field;
- At least 3 years of specific professional experience in the area relevant to the project;
- Project experience;
- Fluency in the written and oral English language;

- Computer literacy;

Tasks of Component Leaders:

The MS CLs will manage the project team of selected member state's experts and supervise and coordinate the implementation of project activities by components.

- Assist in the preparation of the draft legislation;
- Plan and coordinate outputs and ensure proper quality of outputs;
- Together with the Project Leader, will nominate, mobilize, and supervise the short-term experts;
- Coordinate and organize training activities, workshops;
- Ensure quality control of outputs;

**3.7.2. Profile and tasks of other short-term experts:**

Qualifications and skills:

- Have a university degree in an area relevant to the project, or equivalent professional experience of 8 years;
- At least 3 years of working experience in areas relevant to their specific assignment;
- Possess relevant ICT knowledge in relation to UCC Customs systems;
- Knowledge of the EU legislation in relation to UCC;
- Experience in managing training;
- Be fluent in English, both oral and written;
- Good reporting and communication skills.

The Short-Term experts will:

- Prepare and implement specific tasks based mainly on practical cases and experience in compliance with their mission description and in accordance with project activities;
- Provide practical expertise/advice to relevant staff for the execution of different tasks related to the project;
- Assist in key tasks, e.g., in the field of transitioning the BC toward EU requirements;
- Preparation and reporting work, before and after missions to the Beneficiary Country;
- Address cross-cutting issues.

The short-term experts are expected to have qualifications and skills as detailed hereafter, respectively covering the following areas:

- Drafting and implementing EU UCC regulations
- Performing gap analysis
- Training and mentorship skills
- UCC Customs systems
- If justified by the needs of the assignment, additional relevant expert profiles may be proposed

## 4. Budget

The project will be implemented through a Twinning Contract estimated at a maximum of 250,000 EUR.

Twinning Contract	Total (EUR)	IPA contribution	
	250,000	EUR	%
		250,000	100

## 5. Implementation Arrangements

### 5.1 Implementing Agency responsible for tendering, contracting and accounting

The Delegation of the European Union in North Macedonia will be responsible for tendering, contracting, accounting, monitoring and evaluating.

Mr Steffen Hudolin  
Head of Cooperation  
Delegation of the European Union  
Sv. Kiril I Metodij 52b, 1000 Skopje  
Republic of North Macedonia

The contact person on behalf of the EU Delegation is:

Ms Emilija Belogaska  
Programme Manager  
Delegation of the European Union  
Sv. Kiril I Metodij 52b, 1000 Skopje  
Republic of North Macedonia

### 5.2 Institutional framework

Main Beneficiary is the Ministry of Finance, Customs Administration. Main departments, relevant to this project are Customs System Department and ICT Department. Customs Administration will be responsible for the overall coordination and implementation of the project activities. They will collaborate with relevant stakeholders, including the EU Member State Partner Administration, to ensure effective project management and coordination.

### 5.3 Counterparts in the Beneficiary administration:

#### 5.3.1 Contact person:

##### **Ms Sladjana Damjanoska**

Assistant Director to the Sector for International Cooperation  
Customs Administration of the Republic of North Macedonia  
Address: Lazar Lichenoski 13, 1000 Skopje  
North Macedonia

### 5.3.2 Project Leader counterpart

#### **Ms Maja Baric**

Chief of Projects, Sector for International Cooperation  
Customs Administration of the Republic of North Macedonia  
Address: Lazar Lichenoski 13, 1000 Skopje  
North Macedonia

### 5.3.3

#### Component Leader 1 (CL1)

#### **Mr Mitko Dimitrovski**

Assistant Director to the Sector for Customs System  
Customs Administration of the Republic of North Macedonia  
Address: Lazar Lichenoski 13, 1000 Skopje  
North Macedonia

#### Component Leader 2(CL2)

#### **Mr Jane Sazdov**

Assistant Director to the Sector for Information and Communication Technologies  
Customs Administration of the Republic of North Macedonia  
Address: Lazar Lichenoski 13, 1000 Skopje  
North Macedonia

## 6. Duration of the project

The **implementation period of the Action will last 8 months**, taking into account the comprehensive set of activities envisaged within the project and the necessity for their realization in order to achieve substantial progress in the field of UCC. The execution period of the contract shall enter into force upon the date of notification by the Contracting Authority of the contract signed by all parties, whereas it shall end **3 months after the implementation period of the Action**.

## 7. Sustainability

The project will be executed in accordance with strategic objectives, applicable laws, and EU regulations relevant to the Customs Administration.

With a notable emphasis on capacity building, the project aspires to contribute to the sustainability of the Customs Administration by instituting standardized processes for permanent application. This endeavour will entail the creation of accessible documentation, including procedures, guidelines, and tools, for ongoing utilization by the beneficiary administration.

The accomplishments of the twinning project will serve as a lasting asset for the beneficiary administration, thereby ensuring that regulations and mechanisms are established to disseminate and consolidate results following the project's conclusion. In particular, the

formulation of EU-aligned regulations, in tandem with the delineation of the ICT reform process within the Customs Administration, will facilitate modernization and harmonization efforts. This, in turn, will enhance customs procedures, rendering them more efficient, secure, and coordinated with EU member states, while also improving revenue collection from duties, taxes, and fees.

Customs Administration personnel engaged in legal drafting will receive targeted training and mentorship to refine their skills in developing legislation that complies with EU standards. This initiative ensures the sustainability of the legislative development process.

The project encompasses the drafting, review, and finalization of specific regulations that clarify the provisions of the primary Customs Law, which are essential for the practical enforcement of this legislation. Such efforts will ensure that North Macedonia's legal framework aligns with EU standards, a prerequisite crucial for EU accession.

The project will prioritize ensuring that North Macedonia's customs IT systems are proficient in interoperating with relevant EU systems. Detailed technical specifications will be devised for the necessary enhancements to the ICT systems, which will encompass support for the procurement process to ensure that new software and hardware solutions meet the established requirements and are compatible with the current infrastructure.

The overall outcome of this project is a modernized and EU-compliant Customs Administration in North Macedonia, capable of efficiently enforcing the new Customs Law and facilitating legitimate trade while effectively combating illicit activities. This will contribute significantly to North Macedonia's progress towards EU integration.

An adequate time for preparatory work and careful adoption procedures are essential to ensure successful implementation and enforcement. The beneficiary must also plan for the allocation of necessary resources to ensure that experts engaged are fully utilized, well supported and have conditions to provide planned results.

## **8. Crosscutting issues**

### **Equal opportunity**

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Customs Administration is committed to promoting equality of opportunity for women and men in terms of employment, service delivery and involvement. This project should ensure adequate representation of women in the activities of the project.

### **Environment**

The environmental impact of this project will be limited, but positive in its nature. It will not have a negative impact on the environment nor jeopardize the environment, health and security in the future. The project will be delivered in the most environmentally friendly way possible, including recycling of paper and reduction of paper-based activities to the absolute minimum, through the distribution of project materials by uploading them on the intranet/internet. The project has no negative effect on the environment.

## Digitalisation

The Government of North Macedonia is fully committed to implementing digitalisation of the public administration and services to the public and the companies. The Customs Administration is one of the front runners among the public bodies that implements digital services, which will be further expanded by implementing the future IT systems. The implementation of this project will have a positive impact to this end.

## 9. Conditionality and sequencing

The implementation of this project is linked with the adoption of the new Customs law by the Parliament of the Republic of North Macedonia, as it will serve as a basis for drafting implementing regulation. Nevertheless, work on implementing regulation can go in parallel.

The project will require the full commitment and participation of the senior management of the final beneficiary institution. In addition to providing the twinning partner with adequate staff and other resources to operate effectively, the senior management must be actively involved in the development and implementation of the policies and institutional change required to deliver the project results.

### Conditionality

- Appointment of suitable counterpart personnel by the beneficiary before the launch of the call for proposals and guaranteeing the continuity of the appointed and trained staff;
- Allocation of working space and facilities by the final beneficiary within the premises of the final beneficiary before contract signature;
- Participation by the beneficiary in the selection process in line with the Twinning manual;
- Organization, selection and appointment of members of working groups, steering and coordination committees, events by the beneficiaries;
- Use and application of project outputs.

## 10. Indicators for performance measurement

Definition of project-specific, realistic, verifiable targets and indicators, complementing point 9.

### Component 1

#### Mandatory Result 1.1

##### *Indicators of Achievement:*

- Developed structure of the National Implementing Regulation
- Developed Methodology and Approach to the development of the National Implementing Regulation
- Prepared final version of the National Implementing Regulation, aligned to UCC and its associated implementing and delegated acts.

#### Mandatory Result 1.2.

***Indicators of Achievement:***

- At least 10 workshops and practical simulation exercises conducted
- Concept for a Training Program developed

**Component 2**

**Mandatory Result 2.1**

***Indicators of Achievement:***

- A Gap Assessment Analysis for the necessary upgrade of the current Customs ICT systems prepared
- A clear Roadmap for the ICT system transformation in accordance with EU-mandated electronic procedures developed

**Mandatory Result 2.2.:**

***Indicators of Achievement:***

- At least 10 of workshops for developing technical specifications for EU-compliant Customs ICT legislation performed
- At least 10 persons of relevant Customs Administration Personnel trained on the transformation of the existing ICT system to the EU ICT requirements
- Instructions for drafting technical specifications for the upgrade or development of new Customs ICT systems provided.

**11. Facilities available**

**Office Space:** The beneficiary will provide the MS Twinning partner with appropriate office space, meeting rooms, and necessary equipment for expert activities and trainings as outlined in the Twinning fiche.

**ANNEXES TO PROJECT FICHE**

Logical framework matrix

## Annex C1a: Simplified Logical Framework

	<b>Description</b>	<b>Indicators (with relevant baseline and target data)</b>	<b>Sources of verification</b>	<b>Risks</b>	<b>Assumptions (external to project)</b>
<b>Overall Objective</b>	To enhance North Macedonia's CA capacity and align the national customs legislation with the EU UCC requirements, facilitating EU integration and improving trade facilitation	National customs legislation is harmonised with the EU UCC requirements	CA approval of the drafted National Implementing Regulation, including annexes	Changes in EU UCC regulations during implementation	<ul style="list-style-type: none"> <li>EU UCC framework remains stable during project implementation</li> <li>Political commitment to EU integration remains stable</li> </ul>
<b>Specific (Project Objectives(s)</b>	Develop a comprehensive National Implementing Regulation, inclusive of all annexes such as customs forms, to fully harmonize with the consolidated EU Union Customs Code (UCC) and its Implementing Act (IA), Delegated Act (DA), and Transitional Delegated Act (TDA) into the legal framework of North Macedonia.	The current national implementing regulation is not in line with UCC. The target is to develop NIR in line with the UCC Delegated Act, Implementing Act, and Transitional Delegated Act.	CA approval of the drafted National Implementing Regulation, including annexes	<ul style="list-style-type: none"> <li>Limited availability of national experts</li> <li>Technical complexity exceeding available expertise</li> </ul>	<ul style="list-style-type: none"> <li>National Customs Administration maintains current staffing levels</li> <li>ICT system development proceeds as planned under the Reform Agenda</li> </ul>
<b>Mandatory results/outputs by components</b>	Mandatory Result 1.1 Final version of the National Implementing Regulation, ensuring alignment with the UCC Delegated Act, Implementing Act, and Transitional Delegated Act, including all annexes, prepared.	The National Implementing Regulation, based on the new Customs Law, is drafted and approved by the Customs Administration	Customs Administration approval of NIR	<p>Complexity and Dynamic Nature of EU Customs Legislation</p> <p>Given the highly technical and detailed nature of EU customs law, there is a</p>	<p>Stakeholder cooperation and engagement remain consistent</p> <p>The capacity of the TA team and the local counterpart is sufficient to draft NIR</p>

				significant risk of misinterpreting specific provisions during the drafting process.	
	Mandatory Result 1.2. Comprehensive understanding of the EU UCC provisions and strengthened capabilities of the relevant Customs Administration staff for effective implementation and utilization of the new primary and secondary legislation	The CA staff fully understands EU UCC provisions and the newly developed NIR, and is ready to practically implement them	Training evaluation reports	The continuous updates to legal standards and the large volume of these regulations pose a significant challenge for the Macedonian CA to fully grasp and integrate into its national legislation  Insufficient training programs may lead to errors, delays, and potential non-compliance	Close collaboration between TA and CA  CA delegates relevant staff for improving their understanding of EU UCC provisions  TA is experienced and knowledgeable in how to do capacity building
	Mandatory Result 2.1. Prepared framework for the upcoming harmonization of ICT systems with ECC ICT systems	A clear Roadmap for the harmonization of ICT systems with ECC ICT systems is defined	Roadmap is adopted by CA and becomes part of CA's long-term strategic plan	Development of a harmonization Framework based on non-realistic assumptions	The CA has a clear strategy for future development of its ICT systems and available experts and funds to realise the harmonisation process
	Mandatory Result 2.2. Improved capacity of Customs Administration staff about the transformation of the existing ICT system to the EU ICT requirements	The relevant staff from CA are trained on how to implement the transformation of the existing ICT system to EU ICT requirements	Training program reports	Insufficient and inadequate training was implemented by the TA	CA has sufficient capacity to absorb support from TA

