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# **USAID PAKISTAN TRADE PROJECT (PTP)**

## **INFRASTRUCTURE AND CAPACITY DEVELOPMENT REQUIREMENTS FOR THE CUSTOMS BORDER TERMINAL AT ANGOOR ADDA (SOUTH WAZIRISTAN AGENCY)**

2010

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# ACRONYMS

<b>ATA</b>	Admission Temporary Admission
<b>CCTV</b>	Closed-circuit television
<b>HT</b>	High Tension
<b>ISAF</b>	International Security Assistance Force
<b>L.S.</b>	Lump Sum
<b>LT</b>	Low Tension
<b>OGA</b>	Other Government Agencies
<b>PTP</b>	Pakistan Trade Project
<b>RCC</b>	Reinforced Cement Concrete
<b>TA</b>	Technical Assistance
<b>USAID</b>	United States Agency International Development
<b>WCO</b>	World Customs Organization
<b>FBR</b>	Federal Board of Revenue
<b>CBR</b>	Central Board of Revenue

# Introduction

This paper outlines the infrastructure and capacity building requirements to reduce the dwell time of cargo through the customs border post at Angoor Adda (South Waziristan Agency). The infrastructure and capacity building requirements outlined in this paper are based on the basic data assessments of the infrastructure and customs specialists from the USAID / Pakistan TRADE Project (PTP).

The infrastructure and capacity building needs are also based on the estimates for green field development of Customs Post aiming to reduce the time it takes for transit cargo to cross the border through the newly proposed customs post at Angoor Adda in south Waziristan.

The subsequent sections of this report will briefly present the methodology used for arriving at the infrastructure and capacity building needs for the proposed border post at Angoor Adda (South Waziristan Agency); keeping in view the current status of the infrastructure; the proposed infrastructure development; and the required capacity building, policy and procedural reforms for minimizing the dwell time of transit across the border post. The annexes at the end of this paper provide a detailed break up of estimated cost of infrastructure development for the customs border post at Angoor Adda.

## Approach

PTP's assessment of the infrastructural and policy / procedural and capacity building requirements for Angoor Adda Border Post is based on the following approach:

- Detailed discussions were held by PTP subject matter experts with the Collector Customs Peshawar and the relevant Customs staff at the border to gather infrastructural, policy and procedural information. These discussions also highlighted the current operational and infrastructural constraints at the Post that affect the throughput time of the cargo through the Post
- The PTP developed a Conceptual Infrastructure Plan for a modern border post at Angoor Adda, keeping in view the gaps identified by the Customs staff and in light of the desired customs procedures and policies deemed as international best practices in light of their contribution to the reduction of cargo dwell time at the Customs.

# Current Status

Angoor Adda border station is located in South Waziristan (SWA) and the road from Wana to Angoor Adda connects Afghanistan Border through Paktika Province (Afghanistan). Angoor Adda was notified by Customs / FBR in December, 2004 for all types of trade between Pakistan and Afghanistan except goods on which duty drawback is admissible. Due to the security challenges in SWA, trade volumes through this border post have been negligible.

Given the improvement in the security environment in SWA / Wana, trade from Pakistan to Afghanistan in the following products may increase through Angoor Adda Border Post:

- i. Cattle/ livestock
- ii. Packing material
- iii. Vegetables
- iv. Food/food stuff
- v. Iron and iron products

Similarly, flows from Afghanistan to Pakistan can potentially include:

- i. Iron scrap
- ii. Onions
- iii. Potatoes
- iv. Dry Fruit
- v. Fresh Fruit
- vi. Animal hides
- vii. Timber

Angoor Adda can become a significant border post for trade and transit between Pakistan and Afghanistan. The prerequisite for this, however, is an enabling infrastructure, equipment, policies and procedures at the Customs Border.

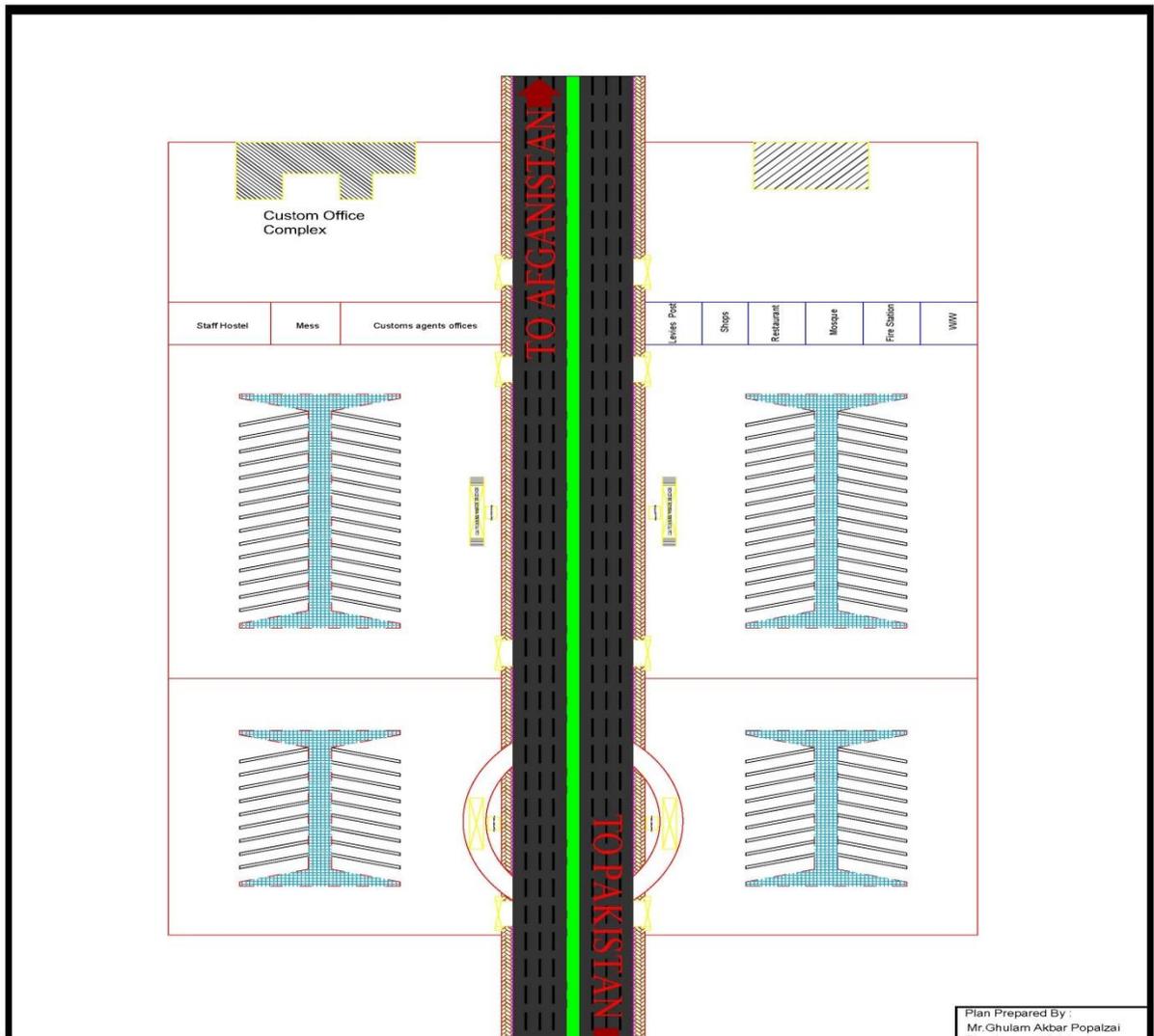
Currently, no significant infrastructural development has taken place at this Customs Border Post to minimize the transit dwell time. The following challenges / gaps indicate the lack of infrastructure that creates bottlenecks for trade / transit across borders:

1. Non-availability of equipment (long vehicle scanners, 120 tons computerized weighbridges for loaded long vehicles), logistical infrastructure including godowns / sheds, parking space and customs inspection area restrict the ability

of the customs staff to clear trade / transit cargo efficiently. This results in long cargo dwell time at the border.

2. Narrow and ill maintained unpaved road leading to Angoor Adda from Wana.
3. Non-availability of electricity not only shortens the hours of operations at the Customs Post but also disrupts the processes in between.
4. Absence of common services like firefighting station, levies post, Customs testing laboratory, miscellaneous shops/restaurants and properly planned parking enclosures makes the border post location less inhabitable. Therefore, many customs officials prefer to commute from Wana to Angoor Adda for work. This and the lack of suitable accommodation and messing facility for customs staff at the border increases absenteeism, reduces the manpower available at customs and therefore reduces the operational capacity of the Customs Border Post at any given time.
5. The Customs Post is also ill-equipped to carry out current procedures efficiently. Lack of reliable telephone and internet broadband connectivity and adequate computers and accessories hamper the ability of the Post to record and share real time trade, transit and passenger related data, including the daily revenue statements to respective authorities such as the FBR. The customs staff also lack official vehicles, adequate furniture and requisite office equipment to support basic operations.
6. Non availability of land for border terminal renders the customs staff to security risks. However land acquisition process has been initiated by Customs Department.
7. Congested, narrow and deteriorated, un metaled main approach road leading to Afghan border stretches transit time.
8. Lack of office accommodation for Customs clearing agents also restricts the availability of adequate provision of services for cargo clearance at the border.
9. Lack of space to establish a single business window facility that may facilitate processing such as the scrutiny of immigration documents and the details of goods loaded in trucks and trailers; or the room to establish a bank facility to deposit Customs dues; or a quarantine facility for export of animals etc.

# A Modern Customs Complex at Angoor Adda



The salient features of the conceptualized modern Customs Complex at Angoor Adda, based on international best practices, include:

1. Improved, multi lane dual carriage way with central median, street lights and wide footpaths on both sides.
2. Separate Customs office complex with single business window facility, cabins for Customs examination staff, immigration and levies staff, space for Customs Clearing Agents, toilets and car parking facilities etc.
3. Separate parking enclosures to accommodate export/imports trucks/ trailers/ long vehicles, for fruit and perishable goods, ISAF trucks/trailers, transit goods, animals, cement and other export goods and idle parking area for trucks and trailers.
4. Separate Passengers handling complex with biometric facility, waiting hall, toilets, CCTVs and scanning equipments for passengers and their baggage
5. Common facilities like landline telephone, levies post , staff hostel with messing facility, fire brigade, toilets and 24 hours electricity.
6. A modern long vehicle scanner, and one 120 tons weighing bridge.
7. Customs testing laboratory, sheds, cold storages etc.
8. Boundary wall, watch towers and search lights all around the parking enclosures.
9. Main entrance / exit gates with cabins for immigration and security staff.

## Infrastructure Cost

The infrastructural development for the modern Customs Border Terminal at Angoor Adda will include the following:

- I. **Roads:** Construction of multi lane dual carriageway main approach road, blacktopped secondary roads, trailers parking bays with blacktopped circulation space in each parking enclosure.
- II. **Water supply system:** Construction of tube well, underground and overhead water reservoirs and laying of underground water pipelines with manholes etc.
- III. **Comprehensive Sewerage System:** Laying of underground RCC sewer pipes of sizes with manholes, disposal station and trunk sewer etc.

- IV. **Electrification System:** Laying of HT/LT electric lines with transformers and street lights etc. including two backup generators having 200 KVA capacities each. A H/T feeder from the nearest grid station for the border terminal.
- V. **Building Structures:** Construction of Customs Office Complex, biometric building having waiting hall, CCTV cameras, toilets, personnel and baggage scanners, Customs testing laboratory, firefighting station, covered sheds /warehouses, cold storage, guard rooms etc.

The estimated cost of the total proposed infrastructure development is **USD13.25Millions.**

**Table 1:** Summary of the Cost of the Infrastructure development for a Modern Customs Terminal at the Angoor Adda Border Post

GROUP	DESCRIPTION	COST
1	Land acquisition of project area	\$ 0.02 Million
2	Building Structures/Godowns	\$ 1.55 Millions
3	Infrastructural development works	\$ 2.04 Millions
4	Machinery and Equipment	\$ 8.75 Millions
5	Consultancy, Maintenance & Other Charges	\$ 0.89 Million
Total		\$ 13.25 Millions

**Note:** Cost details are provided in the Annexure

## Customs and Trade Related Capacity Building Program

This section indicates procedural, policy and capacity building initiatives required to ensure that the modern Customs Terminal at the Angoor Adda Border operates efficiently while minimizing cargo dwell time at the border. *The procedural, policy and capacity building initiatives, once designed and implemented at one border post, can be easily replicated for implementation at other border post at considerably lower cost.*

The policy and procedural reforms should include the following:

- **Single Business Window:** To implement the single business window, technical assistance (TA) would be required to develop legal and technical framework, including relevant standard operational procedures (SOPs).

Single Business Window Portal will need to be developed for real time information and data exchange amongst various concerned agencies / organizations and for web-based processing of cases.

Extensive capacity building program targeting the Customs personnel, the Customs Agents, other governmental bodies and the traders will need to be launched for the Single Business Window to be effectively implemented.

- **Risk Based Profiling and Assessment of Cargo:** Legal and technical framework will need to be developed for risk based profiling and assessment of the cargo. Implementing risk based profiling and assessment will reduce the time an average cargo has to wait to pass through the Customs inspection. Currently, all cargo is treated with equal scrutiny. Introduction of the risk based profiling and assessment system at the border post will need to be accompanied by extensive training of the Customs Personnel on risk profiling/targeting of consignments.
- **Other Capacity development for requirements for border management include:**
  - Training for use of cargo scanners and weighbridges
  - Training for use of detection equipments (Explosives, Radioactive materials etc)
  - Training for border management techniques
  - Training for customs officers on examination techniques
  - Training for effective information exchange and related coordination
  - Trade facilitation measures at border customs stations
  - Training for warehousing /storage/security as per WCO guidelines and standards at border stations

# Annexure

The annexure section contains the following information:

- Annexure 1:** Details of Land under the project area (Group -1)
- Annexure 2:** Details of Building Structures (Group -2)
- Annexure 3:** Details of Infrastructural Development Works (Group -3)
- Annexure 4:** Details of Machinery and Equipment (Group -4)
- Annexure 5:** Details of Consultancy and other Charges (Group -5)

# Annexure 1

## Land under the project area (Group-1):

- The total cost of 15 acres land for Customs Border Post at Angoor Adda is  
= **USD \$ 17,647**

# Annexure 2

Building Structures			\$1.55 Millions	
S. No	Description	Area/Qty	Total Cost (PKR)	Total Cost (USD) @ Rs85
1	Customs Office Complex (One window business facility)	8000 sq. ft	24,000,000	282,353
2	Levies Post	800 sq. ft	2,400,000	28,235
3	Fire Brigade	1600 sq. ft	4,800,000	56,471
4	Shops	2000 sq. ft.	6,000,000	70,588
5	Restaurant	800 sq. ft.	2,400,000	28,235
6	Mosque	800 sq. ft.	2,400,000	28,235
7	Toilets	5400 sq. ft.	16,200,000	190,588
8	Staff Rooms	4080 sq. ft.	12,240,000	144,000
9	Staff Mess	2160 sq. ft	6,480,000	76,235
10	Biometric Building (Hall + 2 Rooms + Toilets)	2200 sq. ft	6,600,000	77,647
11	Covered Sheds + guard rooms	9040 sq. ft.	27,120,000	319,059
12	Watch Towers	8	4,000,000	47,059
13	Main Entrance Gates	2	1,000,000	11,765
14	Parking Enclosure gates	10	2,500,000	29,412
15	Searchlights	24	360,000	4,235
16	Boundary wall	3300 RFT	13,200,000	155,294
<b>Sub Total:</b>			<b>\$1,549,412</b>	

# Annexure 3

Infrastructural development works \$ 2.04 Millions			
S.No	Description	Total Cost (PKR)	Total Cost (USD) @ Rs85
<b>a. ROADS</b>			
1	Construction of Multi lanes main road leading to Afghan border	67,800,000	797,647
2	Footpaths on both sides of multi lanes main road leading to Afghan border	1,854,000	21,812
3	Paved circulation area in parking enclosures	30,236,097	355,719
4.	Metaled area in Customs complex and biometric area	4,240,000	49,882
<b>b. Water supply system (complete)</b>			
1	Water supply system	2,288,265	26,921
2	Quarter One	3,000,000	35,294
3	Overhead Reservoir	4,000,000	47,059
4	Tube well One	4,000,000	47,059
<b>c. Comprehensive underground RCC pipes sewerage/ drainage system (complete)</b>			
1	underground sewerage system with disposal station	3,342,410	39,322
2	open surface drainage system (complete)	261,960	3,082
<b>d. Electrification system (complete)</b>			
1	External electrification ,11KV line upto border post	49,600,000	583,529
2	Internal electrification (HT/LT lines with street lights)	3,000,000	35,294

**Sub Total: \$2,042,620**

## Annexure 4

Machinery and Equipment			\$ 8.75 Millions	
S.No	Description	Qty	Total Cost (PKR)	Total Cost (USD) @ Rs85
1	Vehicle Scanners	1	650,000,000	7,647,059
2	120 Tons Weigh Bridges	1	5,000,000	58,824
3	Rapid Baggage Scanners.	4	24,000,000	282,353
4	Walk Through Metal Detectors	4	1,600,000	18,824
5	Body search detectors	8	200,000	2,353
6	Computers with all the accessories	10	2,500,000	29,412
7	Office Furniture and Fixtures	L.S.	10,000,000	117,647
8	Vehicles	3	12,000,000	141,176
9	Backup Generators (200KVA capacity)	2	8,000,000	94,118
10	VSAT facility for broadband internet and phone services	L.S	30,000,000	352,941

**Sub Total: \$ 8391766**

## Annexure 5

Consultancy and other charges		\$ 0.89 Millions
S. No	Description	Total Cost (USD) @ Rs85
1	Escalation charges (10%) per year for 2 years	716406
2	Consultancy charges (3%)	107460
4	Maintenance charges for 2 years after completion of Border Terminal (2%)	71640

**Sub Total \$ 895,506**

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