



USAID
FROM THE AMERICAN PEOPLE

USAID PAKISTAN TRADE PROJECT (PTP)

INFRASTRUCTURE AND CAPACITY DEVELOPMENT REQUIREMENTS FOR THE CUSTOMS BORDER TERMINAL AT NAWA PASS (BAJAUR AGENCY)

2010

This publication was produced by Deloitte Consulting, LLP under USAID Pakistan Trade Project for review by the United States Agency.

USAID PAKISTAN TRADE PROJECT (PTP)

**INFRASTRUCTURE AND
CAPACITY DEVELOPMENT
REQUIREMENTS FOR THE
CUSTOMS BORDER TERMINAL
AT NAWA PASS (BAJAUR
AGENCY)**

December 2010

USAID PAKISTAN TRADE PROJECT

CONTRACT # EEM-I-00-07-00005

DELOITTE CONSULTING, LLP

USAID/PAKISTAN, ECONOMIC GROWTH OFFICE

DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Table of Contents

Introduction.....	5
Approach	5
Current Status	6
A Modern Customs Complex at Nawa pass	8
Infrastructure Cost.....	9
Customs and Trade Related Capacity Building Program	10
Annexure	12

ACRONYMS

ATA	Admission Temporary Admission
CCTV	Closed-circuit television
HT	High Tension
ISAF	International Security Assistance Force
L.S.	Lump Sum
LT	Low Tension
OGA	Other Government Agencies
PTP	Pakistan Trade Project
RCC	Reinforced Cement Concrete
TA	Technical Assistance
USAID	United States Agency International Development
WCO	World Customs Organization
FBR	Federal Board of Revenue
CBR	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 Nawa pass (Bajaur 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 gaps identified against the best practices and desired policy and procedural reforms aiming to reduce the time it takes for transit cargo to cross the border through the customs post.

The subsequent sections of this report will briefly present the methodology used for arriving at the infrastructure and capacity building needs for the infrastructural development of the Customs border post at Nawa pass (Bajaur Agency); the assessment of the current status of the border post infrastructure; and the required capacity building, policy and procedural reforms for minimizing the dwell time of transit across the border post. The annexures at the end of this paper provides a detailed break up of estimated cost of infrastructure development for the customs border post at Nawa pass.

Approach

PTP's assessment of the infrastructural and policy / procedural and capacity building requirements for the newly developed Nawa Pass 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 Nawa Pass, 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

The Nawa Pass Customs Border Post is located in Bajaur Agency and is about 400 kilometers in distance (road distance) from another Customs Post in Tank. Nawa Pass connects Afghanistan Border through Kunar province. The nearest town from Afghan side is Chagha Sarai. Nawa Pass was notified in December, 2004 by the FBR for all types of trade between Pakistan and Afghanistan except goods on which duty drawback is applied. However, due the security challenges in Bajaur Agency, trade volumes through Nawa Pass are negligible. Key imports from Afghanistan to Pakistan through Nawa Post include timber and dry fruit.

Due to lack of a Customs Office complex, the Pakistani Customs personnel prefer to commute daily from a nearby town, Chamar Kand, to Nawa Pass.

Currently the Customs Department neither has the prerequisite border post infrastructure (including no office building, electricity, access to telephone exchange..etc) nor does it have the ownership of land for developing the required infrastructure. The land acquisition proceedings are, however, underway and the Customs Department is looking to purchase approximately XXXXX to develop the border post infrastructure on.

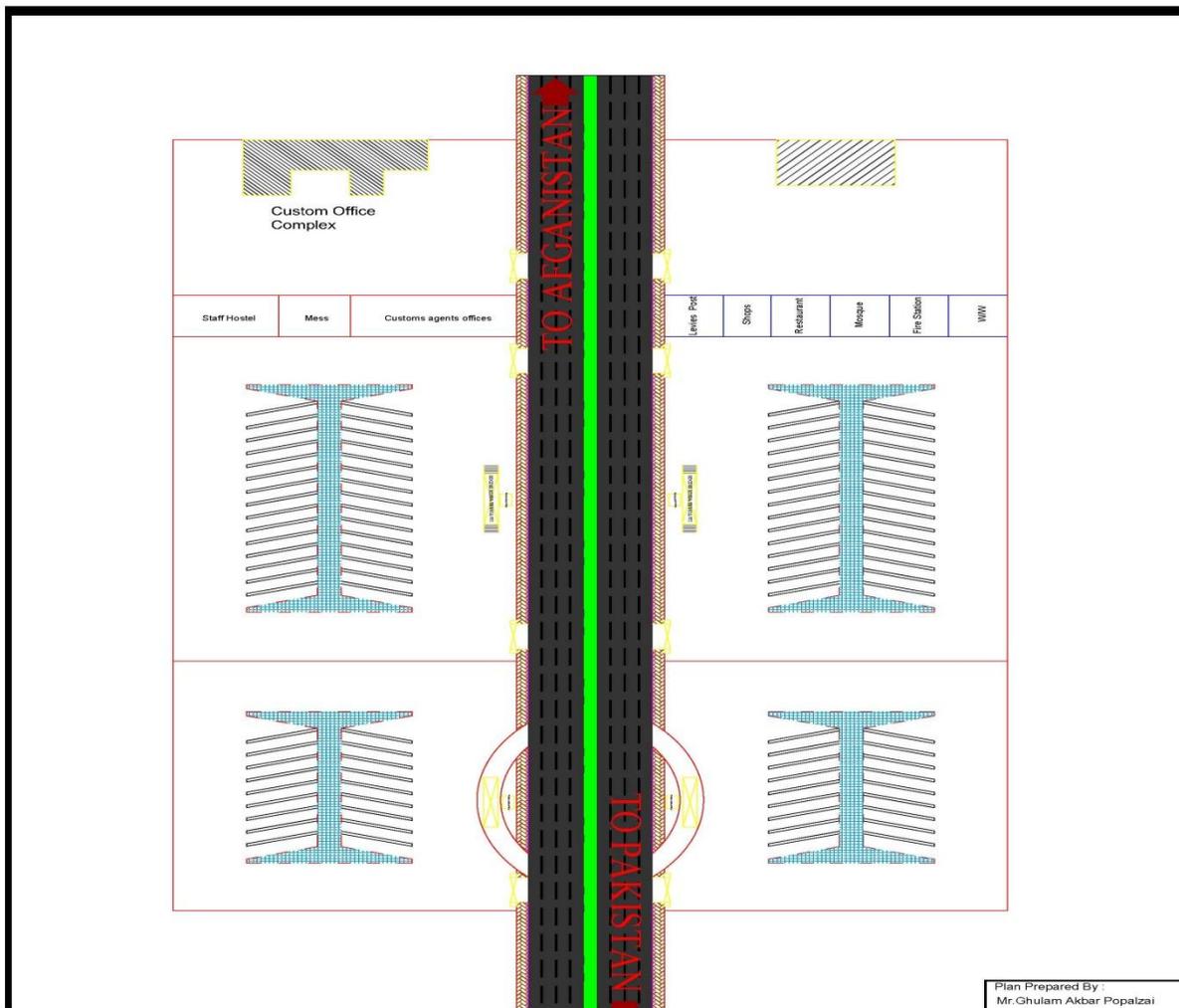
The following challenges / gaps indicate the lack of infrastructure that creates bottlenecks for trade / transit across borders

1. Although efforts are under way to acquire land for the development of the border post, currently, the Customs Department is without land at Nawa Pass.
2. 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.
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. 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 at Nawa Pass is devoid of electricity, and proper office building. 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 lacks official vehicles, adequate office furniture and requisite office equipment to support basic operations.
6. In the absence of land for border terminal at present, it is entirely devoid of compound wall, gates, watch towers and search lights all around the customs terminal renders the custom post and the trade / transit cargo vulnerable to security threats.
7. Congested, narrow and deteriorated main approach road leading to Afghan border stretches transit time.

A Modern Customs Complex at Nawa pass



The salient features of the newly developed conceptualized modern Customs Complex at Nawa pass, are based on international best practices, and these include:

1. Improved, multi lane dual carriage way with, 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 VSat facility, levies post , staff hostel with messing facility, fire brigade, toilets and 24 hours electricity.
6. Modern long vehicle scanner, 120 tons weighing bridge.
7. Customs testing laboratory, sheds, cold storages etc.
8. Boundary wall, watch towers and search lights all around the proposed border terminal.
9. Main entrance / exit gates with cabins for immigration and security staff.

Infrastructure Cost

The infrastructural development for the modern Customs Border Terminal at Nawa pass 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 from Grid station up to site. Internal H/T and L/T lines with transformers and street lights etc. including two backup generators having 200 KVA capacities each.

- 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 **USD12.72Millions.**

Table 1: Summary of the Cost of the Infrastructure development for a Modern Customs Terminal at the Nawa pass Border Post

GROUP	DESCRIPTION	COST
1	Land acquisition of project area	\$ 0.02 Million
2	Building Structures/Godowns	\$ 1.55 Million
3	Infrastructural development works	\$ 1.67 Million
4	Machinery and Equipment	\$ 8.7 Million
5	Consultancy, Maintenance & Other Charges	\$ 0.78 Million
Total		\$ 12.72 Million

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 Nawa pass 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 Nawa pass 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
			Total: \$1549412	

Annexure 3

Infrastructural development works \$ 1.67 Millions			
S.No	Description	Total Cost (PKR)	Total Cost (USD) @ Rs85
a. ROADS			
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. Water supply system (complete)			
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
c. Comprehensive underground RCC pipes sewerage/ drainage system (complete)			
1	underground sewerage system with disposal station	3,342,410	39,322
2	open surface drainage system (complete)	261,960	3,082
d. Electrification system (complete)			
1	External electrification ,11KV line upto border post	18,100,000	212,941
2	Internal electrification (HT/LT lines with street lights)	3,000,000	35,294

Annexure 4

Machinery and Equipment		\$ 8.7 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

Total: \$ 8744707

Annexure 5

Consultancy, escalation, maintenance & other charges.		\$ 0.78 Million	
S.No	Description	Total Cost (PKR)	Total Cost (USD) @ Rs85
1	Escalation charges (10%) per year for 2 years	53064480	624288
2	Consultancy charges (3%)	7959655	93643
4	Maintenance charges for 2 years after completion of Border Terminal (2%)	5306380	62428

Total \$ 780359

USAID Pakistan Trade Project
Deloitte Consulting, LLP
www.pakistantrade.org