Computerisation of Customs
ASYCUDA PROJECTS

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PRESENTATION AIMS

• To describe certain ASYCUDA projects in order to identify the “Lessons to be Learned”.

• Projects will include
  • AFGHANISTAN
  • LIBERIA
  • BOSNIA & HERZEGOVINA
  • JORDAN
  • IRAN
GREATEST LESSON LEARNED

AUTOMATION WITHOUT REFORM
Automation Without Reform

- Traditional systems - are profitable to officers but result in slow clearance times & high trade costs;
- Automation with outdated legislation leads to:
  - Retention of traditional manual procedures;
  - Greater burden, more processing steps & less benefit;
  - Paper declarations, rubber stamps and manuscript signatures remain an obsession;
  - Brokers continue to carry papers from desk to desk.
- Traditional Systems:
  - Do not encourage professional brokers or compliance;
  - Do encourage bribery and corruption;
  - Are unaware of traders making frequent errors.
Main Achievements:

• ASY++ Installed and Rolled-Out to Main Sites:
  – Transit System Installed - 400% revenue increase
  – DPS installed – Further 300% revenue increase
  – 100% DTI with release controlled by the system
  – Banks Linked - Further revenue increase
  – Vehicle Licensing linked – many vehicles found smuggled

• AW installed and rolled out all sites:
  – Valuation
  – Statistics
  – Selectivity
  – Gate Control
  – Massive improvements in maintenance.
# ASYCUDA Project AFGHANISTAN 2005-10: Achievements

<table>
<thead>
<tr>
<th>Summary</th>
<th>Performance Indicators</th>
<th>Baseline Value 09/2003</th>
<th>End of Project Target Value</th>
<th>Progress Value 03/2010 (SY 1388)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measuring ACD's performance at national level</strong></td>
<td>Customs revenue</td>
<td>US$ 50-60 mil</td>
<td>$280 mil</td>
<td>US$ 766 mil</td>
</tr>
<tr>
<td></td>
<td>Declarations per staff</td>
<td>91</td>
<td>200</td>
<td>235</td>
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<tr>
<td></td>
<td>Revenue per declaration</td>
<td>US$500-600</td>
<td>US$700</td>
<td>US$1,699</td>
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<tr>
<td></td>
<td>ASYCUDA implementation Transit</td>
<td>0</td>
<td>1 complete transit axis</td>
<td>5 complete transit axes</td>
</tr>
<tr>
<td></td>
<td>Electronic declarations</td>
<td>0</td>
<td>1 DPS implementation</td>
<td>5 DPS implementations</td>
</tr>
<tr>
<td><strong>Measuring trade and transit regime</strong></td>
<td>Trade volume</td>
<td>US$ 2 bil/year</td>
<td>US$ 5 bil/year</td>
<td>US$ 6 bil/year</td>
</tr>
<tr>
<td></td>
<td>Truck release time Kabul ICD: 18h (overall)</td>
<td></td>
<td>Kabul ICD: 90 min</td>
<td>Torkham BCP: 91% of trucks cleared in less than 90 min (all checks, customs time not measured separately)</td>
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<td></td>
<td></td>
<td>7h 8min (cust) Other BCPs/ICDs: N/A</td>
<td>BCPs: 40 min (customs)</td>
<td></td>
</tr>
</tbody>
</table>

Clearance of private vehicles: from 1 month to 1 day
How Was Revenue Increased?

- Reference data for System is updated at HQ.
  - Law is applied nationally and consistently;
  - Statistics now reliable and accurate.
- Customs duties are calculated by the system.
- Customs cashier has been eliminated.
  - Resulting in a large revenue increase due to accurate and correct calculation of duties.
- Documentary Requirements are controlled by the system.
  - For licenses, permits and health certificates etc. thus eliminating corruptible human judgement.
- Capacity has been built.
  - ACD is now able to operate and administer the system;
  - Buildings have been constructed and Infrastructure has been installed.
  - DTI 100% from broker’s own buildings.
- Selectivity & Valuation Introduced.
  - 30% Green Lane accounts for 75% of revenue
Problems

- Very high level of corruption – even auditors are corrupt;
- Border is not secure – illegal crossing points account for half of the trade flow;
- Legal tariff is not used;
- Project team cannot be sustained;
- Selectivity not trusted or effective;
- Valuation implementation a success but traders are declaring minimum values.
LIBERIA

• AW computerisation:
  - 3 main offices and 8 border offices computerised with more than 95% of declarations covered
    • Sea Port
    • Oil Terminal
    • Airport
  - 100% DTI from Broker’s own Bureau;
  - Electronic manifest linked to declarations;
  - Selectivity with automated release;
  - Banks linked;
  - “Performance Indicators” Employed.
Problems

- No secured electrical supplies
- Lightning destroyed network, servers and many PCs
- Selectivity – 50% red
- High level of staff corruption with 40% of red trucks just driving out of the gate without being examined.
JORDAN

- Very successful implementation;
- All offices covered with full functionality;
- Eight Government Ministries connected and select their own controls/examinations;
- 98% of goods selected - thousands of selectivity rules;
- 5 processing steps now 15 steps;
- Two transit Regions & two Customs Authorities - excessive complexity.
Bosnia & Herzegovina:

- Post conflict - three separate entities: RS & Federation of Croats & Muslims
- Project team could not co-operate and system was different in all three entities.
- Payments made to many different government accounts.
- Transit problematic.
- ITA – one authority but no co-operation until hardliners were eliminated.
- Then SRA and excellent system resulted.

•
IRAN

• Ran ASY++ for many years with good co-operation UNCTAD – DG/Customs;
• Government and DG changed & project team all dismissed:
  – Tariff too difficult to update so was abandoned;
  – Incredibly bad DPP;
  – No statistics since servers all out of synchronisation.
• Later Iran piloted AW – great success achieved in Bandar Abbas with 2 MB/s communications to Tehran.
• Rolled out to 13 other sites – but transit and exports communications using ASY++ communications.
• Official line was that AW did not work and so new Iranian system replaced AW – millions spent – but system does not work well.
Lessons Learned

• Political support for project is vital;
• There must not be a funding gap;
• Secure the electrical supplies;
• Business Process re-engineering essential;
• Project team must be sustained – can be achieved by privatised company;
• Selectivity:
  – Officers must be convinced
  – Cannot select more than resources can cope with.
  – Risk management team must be practical.
• Valuation:
  – Don’t bite off more than can be chewed!
Asycuda Selectivity

High risk intruder selected for full examination.

The swim of declarations in the processing office.

Traditional Customs approach

Catch worthy of additional checking.

Small fry pass through to achieve rapid automatic clearance.