

SASEC Customs reform and
Modernization for Trade Facilitatio
Program and Risk Management

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Outline

- Try to cover the below questions;
 1. What is the Risk Management Context in Nepal?
 2. What is the SASEC CRM Program?
 3. What is the Policy Action on Risk Management?
 4. How Risk Management will be implemented?
 5. How RM is integrated with the risk based centralised clearance system?
 6. Where will be the Nepal Customs by 2022?

1. What is the Risk Management Context in Nepal?

Context

- RKC and WTO Accession.
- Revised Kyoto Convention (General Annex Standard 6.3, 6.4 and 6.5)
- WTO Trade Facilitation Agreement. (Section I, Article 7.4.)
- Customs Reform and Modernization Strategies and Action Plan. (Strategy 9, Strategic Objective)

2. What is the SASEC CRM for Trade Facilitation Program?

Customs Reform and Modernization for Trade Facilitation Program (ADB)

Executing Agency	Department of Customs
Sector	Industry and Trade (Trade Facilitation)
ADB Financing	<u>PBL: \$ 21 million</u> <ul style="list-style-type: none">• <i>Tranche 1 (September 2017)</i> <i>= \$10 million</i>• <i>Tranche 2 (September 2019)</i> <i>= \$11 million</i> <u>JFPR TA Grant: \$1 million</u>
Program period	July 2017 - July 2021
Policy Actions	1 st Tranche 10 Policy Actions 2 nd Tranche 10 Policy Actions

Program Scope

Focus on Customs reforms which

- Transform customs operations to risk-based, paperless e-Customs; and
- Introduce CPEI to promote exports.

Specifically, 20 policy actions covering;

- Customs to adopt National Strategy for CRM
- Legislative Reform to aligned with WTO TFA, RKC & other international standards compliance. (6 WTO TFA Priority areas + RKC General Stanadards)
- Automation
- Organization restructuring
- Capacity building and pool of expert.

3. What is the Policy Action on Risk Management?

Policy Action on Risk Management

- Tranche 1 (July 2017)- Selectivity Exercise – Completed.
- Tranche 2 (September 2019)
 - (2-6) Adopt Risk Management Framework and a Risk Management Standard Operating Procedure to integrate risk management into the customs clearance procedures.

4. How Risk Management will be implemented?

Risk Management Implementation

Draft Work Plan (Key Tasks)

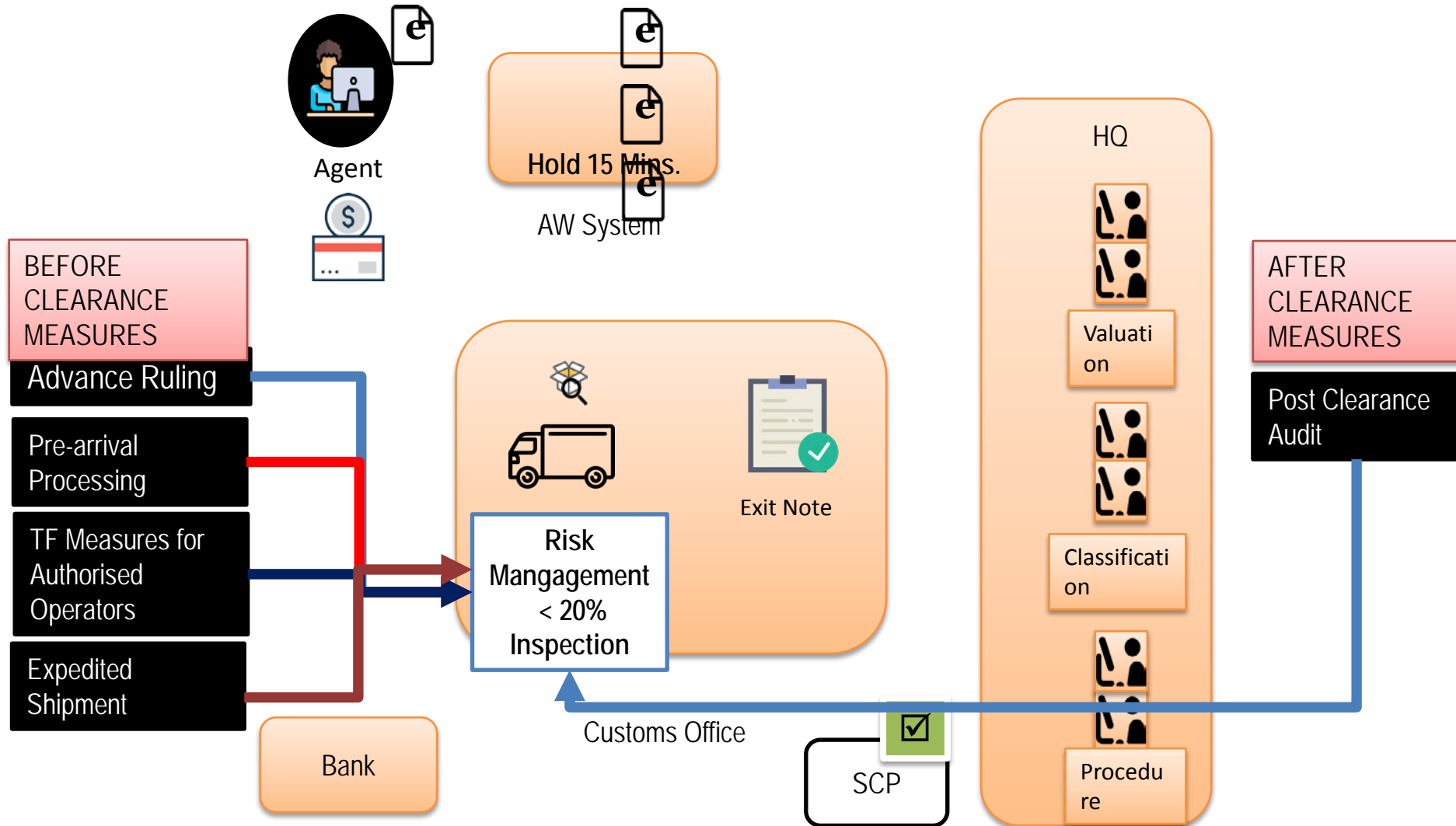
Preparatory Actions	Timeline
Develop risk management framework and associated SOP.	Jan. 2018 - Jul. 2018
Develop TSC code	Jan. 2018 - Nov. 2018
Establish selectivity indicators and criteria and configure into Selectivity Module.	Jan. 2018 - Jul. 2018
Implement centralized clearance.	July 2019 - Dec. 2019

Thematic Group: Risk Mangt.

Convener	Mr. Ganesh Aryal, Director	Intelligence Division
Member	Mr. Ashok Guragai. Section Officer	CRM Division
Member	Ms. Ambika K.C. (Section Officer)	Valuation Division
Member	Mr. Ramesh Khatiwada Section Officer	Intelligence Division
Member	Mr. Pramod Paudel Section officer	PCA Office

5. How RM is integrated with the risk based centralised clearance system?

Risk Based Centralized Processing (Customs Act 23.a)



6. Where will be the Nepal
Customs in 2022?

Target and Baseline (Outcome level)

- **Green lane clearance >70%. (2016 Baseline: 22%) [CRMSAP - >80% Green and Yellow]**
- ASYCUDA World coverage 90% declarations. (2016 Baseline: 6%)
- 30% decrease in average cargo clearance time. (2016 Baseline: Imports: 18 hours 54 minutes; for exports: 11 hours 49 minutes)
- OECD TFIs 1.3 attained. (2015 Baseline: 0.8)

Expectation

- ADB expects this workshop would also contribute the Risk Management policy action under 2nd Tranche.

Thanks