



Customs Reform and Modernization Strategies and Action Plan (CRMSAP)

2017-2021



Government of Nepal
Ministry of Finance
Department of Customs
Kathmandu, Nepal
January 26, 2017



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Government of Nepal
MINISTRY OF FINANCE



Krishna Bahadur Mahara

Deputy Prime Minister and Finance Minister



SINGHADURBAR
KATHMANDU, NEPAL

Message from the Deputy Prime Minister and Finance Minister

I am very glad to know that Department of Customs has prepared its four year Customs Reform and Modernization Strategies and Action Plan (CRMSAP) 2017-21. This plan has outlined the expected outcomes namely professional and competitive Customs service, fair and accurate revenue collection and social safety and security which are in line with overall economic and fiscal policies of the Government of Nepal.

The vision, mission, values, guiding principles and strategies of the plan are guided by Government's policies, priorities and international and regional commitments and agreements. This plan has covered wide areas of Customs reform issues to transfer Nepal Customs towards international standard. I hope successful implementation of the plan would lead Department of Customs towards more transparent, service oriented and accountable institution.

Effective implementation of the plan depends on availability of adequate resources. For the implementation of this plan, adequate resource is being committed. I also believe that all the officials of the Department will carry out their defined roles to ensure the achievement of the plan. I would like to ensure that Ministry of Finance will provide its full-fledged support to make this plan implementable.

At last, I would like to thank Department of Customs and its management for coming up with solid reform and modernization strategies for coming four years and appreciate their commitments towards "**Excellence in Customs services to support the economic and social prosperity of Nepal**". I wish for successful implementation of the plan and achievement of expected outcomes.

Thank you

January 26, 2017

(Krishna Bahadur Mahara)
Deputy Prime Minister and Finance Minister



Government of Nepal
MINISTRY OF FINANCE



SINGHADURBAR
KATHMANDU, NEPAL

Message from Secretary

It is indeed a matter of pleasure that Customs Reform and Modernization Strategies and Action Plan (2017-2021) has been formulated. This is a continuation of Government of Nepal's effort in reforming customs management. This plan complies the provisions of WTO Trade Facilitation Agreement, Revised Kyoto Convention, World Customs Organization's SAFE Framework, DATA Model, Risk Management and Single Window Compendia, Immediate Release Guidelines and other international conventions, agreements and best practices in the Customs areas. I believe that this plan would be a milestone to transform Department of Customs to the world standard in terms of physical infrastructure, human resources and Customs procedures.

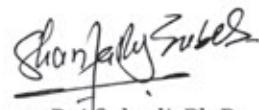
I am pleased to note that significant progress in the reform and modernization programs has resulted in improved revenue performance, trade facilitation and enforcement over past few years. This plan has given priority to make efficient and effective Customs administration, trade facilitation through Customs automation, complying with the standards of Revised Kyoto Convention and WTO Trade Facilitation Agreement, building human resource capacity, consolidating databases in Customs, improving Customs valuation, and making post clearance audit effective as well as ensuring protection of society, safety and security through coordinated border management.

Department of Customs has major role in the implementation of this plan, which is really a challenging task ahead. I am confident that successful implementation of this plan further improves the ongoing reform initiatives and provides more significant results in Customs Administration. This will result in a prompt and quality customs service by making it systematic, transparent and accountable institution so as to benefit both the revenue security and trading community.

Finally, I appreciate rigorous exercise and involvement of government agencies, development partners, private sectors and other concerned stakeholders during the plan formulation process. I wish successful implementation of this action plan.

Thank you

26th January 2017


Shanta Raj Subedi, Ph.D.
Secretary



Government of Nepal
MINISTRY OF FINANCE



SINGHADURBAR
KATHMANDU, NEPAL



Message from Secretary (Revenue)

It gives me pleasure and satisfaction to come to know that the first phase Customs Reforms and Modernization Strategies and Action Plan (CRMSAP) 2017-21 prepared by Department of Customs for coming four years. The Department is one of the leading agencies in terms of Government's revenue mobilization and implementation of fiscal programs and policies. The Department alone accounts around forty four percent of total revenue and fifty percent of tax revenue of the country. Besides revenue mobilization, its responsibilities are directed towards trade facilitation by adopting international standards and best practices and protection of society, safety and security by controlling illicit goods.

The Department has followed the participative planning process since its first strategic plan formulation phase. Different government agencies, development partners, private sectors and other concerned stakeholders were involved at central and local level. The wider consultation with the stakeholders will ensure the effective implementation of the plan.

The plan is looking forward to creating conducive environment for economic prosperity of Nepal by reducing transaction costs, improving trade facilitation, and developing human resources for professional stewardship, while at the same time improving revenue collection and border security. The plan has aimed to be recognized as a modern administration that is responsive to the needs of the clients of 21st century. For this, the activities will be directed towards e-customs and procedures in the area of Customs valuation, post clearance audit, advance rulings, pre-arrival clearance, expedited shipment, risk management and trusted traders program will meet the international standards.

I wish Department of Customs all success to implement the plan and hope it will be able to give the message of "**Responsive Customs Administration**" to its clients.

Thank You.

January 26, 2017

Rajan Khanal
Secretary (Revenue)
Ministry of Finance



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MESSAGE FROM DIRECTOR GENERAL



Department of Customs (DOC) has started planned efforts to reform and modernize Customs administration for many years. The core areas of reforms include trade facilitation, automation, capacity enhancement and infrastructure development which are directed towards reducing time and cost of international trade and are fully in line with relevant international best practices. These reform initiatives have been formalized through a series of periodic three and four yearly action plans dating back to the first plan in 2003. The ongoing fourth Customs Reform Modernization Strategies and Action Plan (CRMSAP) is under implementation from July 2013 and will be completed by July 16, 2017. The department has achieved remarkable achievements during this period in the areas of trade facilitation, enforcement, organization development and automation. However, reform is a continuous process to learn from the weaknesses and adapt with changing national and international environment though the updated Customs strategic plan implementation.

The department is proud to announce the fifth Customs Reform and Modernization Strategies and Action Plan (CRMSAP) covering from July 2017 to July 2021. This important initiative is fundamental to DOC's reform agenda for the immediate and medium term futures and is built around a series of national documents such an Approach Paper of 14th Three Year Plan 2016, Trade Policy 2015, NTIS 2016 and international standards and best practice such as the WTO Trade Facilitation Agreement, the Revised Kyoto Convention (RKC) and other instruments such as the WCO's- SAFE Framework, the Data Model, Risk Management and Single Window Compendia and the Immediate Release Guidelines.

The CRMSAP 2017-21 has been formulated around the DOC's vision, mission, values and guiding principles following a rigorous interaction with concerned stakeholders, officials from the department and officials from Customs offices and national and international experts. This plan rests on three outcomes, namely i) professional and competitive Customs service, ii) fair and accurate revenue collection and iii) social safety and security. It has outlined a series of important principles that should underpin moves to modernize Customs administrations including the adoption of risk management, audit based controls, the maximum use of information technology, cooperation with other border agencies, other administrations and the private sector and the adoption of appropriate international standards. Through the implementation of this plan, we will achieve greater economic efficiency, enhanced export performance and improved prosperity fully aligned with Government policies and priorities.

The department firmly believes that this CRMSAP would serve as a blueprint of Customs reform for the next four years by assimilating all our efforts towards achieving a common vision "Excellence in Customs services to support the economic and social prosperity of Nepal."

I would like to extend my sincere gratitude to Deputy Prime Minister and Finance Minister, Finance Secretary and Secretary (Revenue) for their encouragement, guidance and support to formulate this plan. My special thanks goes to Deputy Director General Mr. Shreekrishna Nepal for leading the entire formulation process. I wish to express my sincere thanks to the World Customs Organization for their expert support. I also extend by sincere thanks to the Asian Development Bank for their technical and financial support under JFPR. I appreciate Deputy Director General, Directors, Chief Customs Audit Administrator, Chief Customs Administrators, Chief Customs Officers, Customs Officials, National and International Experts and stakeholders for their inputs to formulate this plan. My special thanks goes to the Customs Reform and Modernization Section and CRMSAP formulation taskforce led by Customs Reform and Modernization section Director Mr. Mimangsa Adhikari for their untiring effort to make it ready within the short time frame.

Sishir Kumar Dhungana
Director General
26 January 2017

ACRONYMS

AEO	Authorized Economic Operator
APIS	Advance Passengers Information System
ADB	Asian Developments Bank
ASYCUDA	Automated System for Customs Data
CA	Customs Agent
CBM	Coordinated Border Management
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COs	Customs Offices
CPEIs	Customs Procedure with Economic Impacts
CRM	Customs Reform and Modernization
CRMSAP	Customs Reform & Modernization Strategies and Action Plan
CSD	Clients Service Desk
DOC	Department of Customs
DMLI	Department of Money Laundering Investigation
DRI	Department of Revenue Investigation
e-CMP	e-Customs Master Plan
EDI	Electronic Data Interchange
FTIR	Fourier Transform Infrared Spectroscopy
GATT	General Agreement on Tariff and Trade
HR	Human Resources
HRD	Human Resources Development
HRIS	Human Resources Information System
HS	Harmonized System
ICT	Information Communication Technology
ICP	Integrated Check Post
ICD	Inland Container/Clearance Depot
IRD	Inland Revenue Department
IT	Information Technology
LAN	Local Area Network
MOC	Ministry of Commerce
MOF	Ministry of Finance
MOU	Memorandum of Understanding
NECAS	Nepal Customs Automation System

NIRTP	Nepal India Regional Trade and Transport Project
NII	Non-Intrusive Inspection Equipment
NNSTW	Nepal National Single Window
ODS	Ozone-Depleting Substances
OGA	Other Government Agencies
OLAP	Online Analytical Processing
PCA	Post Clearance Audit
PIIMP	Physical Infrastructure Improvement Master Plan
RKC	Revised Kyoto Convention
RM	Risk Management
SASEC	South Asia Sub-regional Economic Cooperation
SAD	Single Administrative Document
SHEES	Security, Health, Economy, Environment and Society
SOP	Standard Operating Procedure
TEPC	Trade and Export Promotion Centre
TFA	Trade Facilitation Agreement
TFI	Trade Facilitation Indicators
TIA	Tribhuvan International Airport
TOR	Terms of Reference
TRS	Time Release Study
TSC	Tariff Specification Codes
TPP	Trusted Traders Program
UNCTAD	United Nations Conference on Trade and Development
UNCITRAL	United Nations Commission on International Trade Law
UNCEFACT	United Nations Centre for Trade Facilitation and Electronic Business
VAT	Value Added Tax
WAN	Wide Area Network
WCO	World Customs Organization
WTO	World Trade Organization

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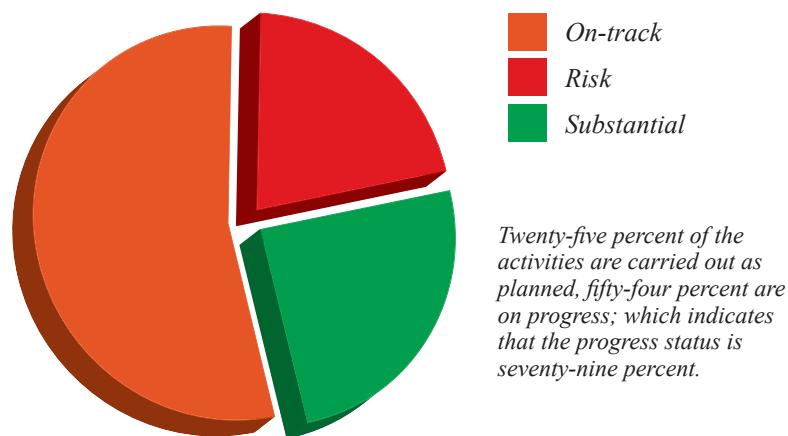
Executive SUMMARY

A. INTRODUCTION:

Department of Customs (DOC) has been moving towards making its administration more adept, service oriented and transparent. This is essential since timely improvements in its role are necessitated to meet the changes and challenges brought about in the national and international arena and to fulfill its important responsibility of improving government finances through improved tax collection required for economic development. DOC have been introducing Customs Reform and Modernization Strategies and Action Plan (CRMSAP) since 2003. The ongoing fourth plan started in 2013 and is under implementation till 15th July 2017. This CRMSAP have been prepared for a period of four years covering 6th July 2017 to 15th July 2021.

B. PROGRESS:

The progress achievements of the CRM 2013-2017 are given below:



C. RATIONALE:

The rationales for CRMSAP 2017-2021 are i) facilitating trade for economic wellbeing through import and export ii) complying to the standards of Revised Kyoto Convention, iii) restructuring tariff rate, iv) strengthening Customs procurement, v) building HR capacity, vi) consolidating database in Customs, vii) improving Customs valuation, viii) making post clearance audit effective, ix) minimizing revenue leakage, and x) preparing corporate plan.

D. VISION:

Excellence in Customs services to support the economic and social prosperity of Nepal.

E. MISSION:

'We strive for Customs services to respect clients' time and value for money' building conducive environment for global economic activity to ensure growth friendly Customs policy for socio-economic development, social safety and security.

Values: (1) Honesty and Integrity, (2) Impartiality, (3) Responsiveness, (4) Transparency, (5) Mutual Respect and Courtesy, 6) Professionalism, and (7) Dedication and Excellence.

Guiding Principles: (1) Reducing Compliance Costs and Time, (2) Help Fair Operation of the Market, (3) Helping Export Promotion, (4) Enhancing Risk Management based Approach, (5) Establish Conducive Environment for Investment, (6) Right Taxation for Sound Fiscal Framework, and (7) Coordination

F. RESULTS FRAMEWORK

Objective: The objectives of the CRMSAP are to make conducive environment for economic prosperity in Nepal.

Goal (Impact): Responsive Customs administration - 'Customs to be recognized as a modern administration that is responsive to the needs of the 21st century customers.

Outcome	Strategies
Outcome 1. Professional and Competitive Customs Service: Strengthened Customs management to enhance its image and to support trade facilitation and travelers.	Strategy 1: Expedited legitimate Trade Facilitation Major activities are - reform legislations to implement effective and efficient import export and transit procedures, review documents required for import and export, introduce Trusted Traders Program (TTP) and plan Authorized Economic Operators (AEO), study deferred payment system, review Customs tariff, develop and implement Advance Ruling, conduct Time Release Study (TRS), establish and operate effective Client Service Desks, improve and update Customs website, promote and improve cooperation with Customs stakeholders, implement exchange of information with other Customs administration, establish grievance redressal mechanism, and execute expedited shipment.
	Strategy 2: Promoted Integrity and Good Governance Major activities are - perform an organizational self-assessment, prepare integrity plan, introduce reward, recognition and punishment system, develop Performance-based Management System in Customs, integrate CRMSAP in DOC annual plan, monitor performances of the CRMSAP, plan and manage procurement, and arrange appropriate provision for adequate capital funds to DOC to enable it to carry out its roles and responsibilities effectively and efficiently.
	Strategy 3: Enhanced Customs Automation and Data Management Major activities include - improve NECAS, improve connectivity to major Customs, upgrade the operational effectiveness of Customs utilizing computerization, enhance the capability of Customs in all areas of its operation utilizing ICT infrastructure, develop mobile application of NECAS functionalities, develop and implement Single Window System, prepare secure data warehouse for all Customs Data, carry out periodic checks and system audit, disseminate information, and develop broker management system.
	Strategy 4: Strengthened HR Management Capacity Major activities are - approve and implement the Human Resources Master Plan (HRMP), approve and implement the Human Resources Master Plan (HRMP), revisit organogram, establish and develop the core technical capacity of Customs administration, upgrade inventory and record keeping, provide training and education for non-revenue related tasks, facilitate/ provide support to expand performance of Customs Agents/ stakeholders in transacting Customs business, build capacity on CBM, compliance management (including Voluntary Compliance) and risk management, enhance leadership, management and professional capacity, retain staff in Customs,

create Customs sub-group, establish autonomous Revenue Board to improve institutional capacity of Customs, and reassess job rotation (functional) system.

Strategy 5: Developed Infrastructure and Physical Facilities

Major activities are - approve and implement the Physical Infrastructure Improvement Master Plan (PIIMP), design uniform layout for Customs with the emphasis on construction of ICP and ICD, procure/arrange land for various Customs offices, construct the Customs buildings to improve working environment, establish and modernize Customs laboratory, maintain optimal usage of modern technology led physical facilities for ensuring automated Customs systems, and renovate the infrastructures of northern sides Customs

Strategy 6: Enhanced Passenger Clearance Services

Major activities are - develop passenger lane, enhance the facilitation of passenger clearance to improve border security, designate a separate Customs unit for courier cargo clearance, and establish the Advance Passengers Information System/PNR

Strategy 7: Fair and Accurate Revenue Collection

Major activities include improve compliance environment for Customs valuation, interface valuation database module with the cargo clearance system, provide access to valuation officers to import database and relevant reports, establish and maintain a central valuation database in DOC and provide access to Customs and designated other offices, carry out risk based checks of declared values on import declarations in DOC, develop Tariff Specification Code (TSC) in ASYCUDA World system to interface valuation database module with the cargo clearance system, improve the HS classification, promote system to operate import trade under proper banking channel, update the manuals for Valuation & PCA to ensure that they reflect best practices, strengthen the PCA office, establish PCA units at main Customs offices under PCA office, and strengthen monitoring of revenue systems.

Strategy 8: Strengthened Compliance Management/Voluntary Compliance

Major activities are - develop a compliance strategy document, set criteria for compliance management, implement compliance management/voluntary compliance, evaluate effectiveness of compliance system, inform & communicate compliance plan, build institutional collaboration, and measure performance of compliance management.

Strategy 9: Advanced Risk Management

Major activities are - develop and implement RM strategy, exchange intelligence, risk management information, strengthen the border Customs clearance monitoring system, establish the principles of risk management across the Customs organizations with particular emphasis on cargo clearance, arrange to better control the movement of containers through a Customs seal system, and broaden and fully integrate risk management throughout DOC policies and operations.

Outcome 3. Social Safety and Security:

Strategy and other measures for surveillance and control over the movement of goods, means of transport, and transport equipment (containers, pallets, crates) to prevent illegal trade and trafficking of harmful items in the country.

Strategy 10: Protected Society/ Safety & Security

Major activities are prepare strategy of Customs in the field of protecting society; collaborate/ coordinate among border agencies, local agencies, local security wings & Regional Revenue Investigation Units; design interface model lab in Customs offices; develop mechanism, plan, policy and programs to reduce illegal trade; review the need to form a separate Customs Security force under the Customs Chief command; and establish a mechanism to effectively control the illicit drugs, fake currencies, pirated and counterfeit goods.

Strategy 11: Streamlined Co-ordinated Border Management (CBM)

Major activities are - define Customs role in national CBM process, instigate inter-agency agreements and arrangements, enter into Memorandum of Understanding (MOU) with national trade and industry organizations, develop corporate social responsibility programs of Customs at border areas, develop guidelines on level of competency, working hour harmonization and other possible areas for harmonization amongst concerned border agencies

G. IMPLEMENTATION STRATEGIES

The DOC will prepare CRMSAP 2017-2021 plans in ten major Customs offices and all DOC sections and will monitor implementation of the CRMSAP. Change management programs will be introduced in Customs with incorporation of change related measures in the annual plan of the DOC and COs. Resources required for the implementation of the CRMSAP will be arranged and distributed accordingly to the Customs offices. Tangible change and improvements achieved in the CRMSAP implementation will be documented and disseminated. A communication strategy will be used to raise awareness of the Customs team on the positive benefits of the reforms.

H. FINANCIAL MANAGEMENT

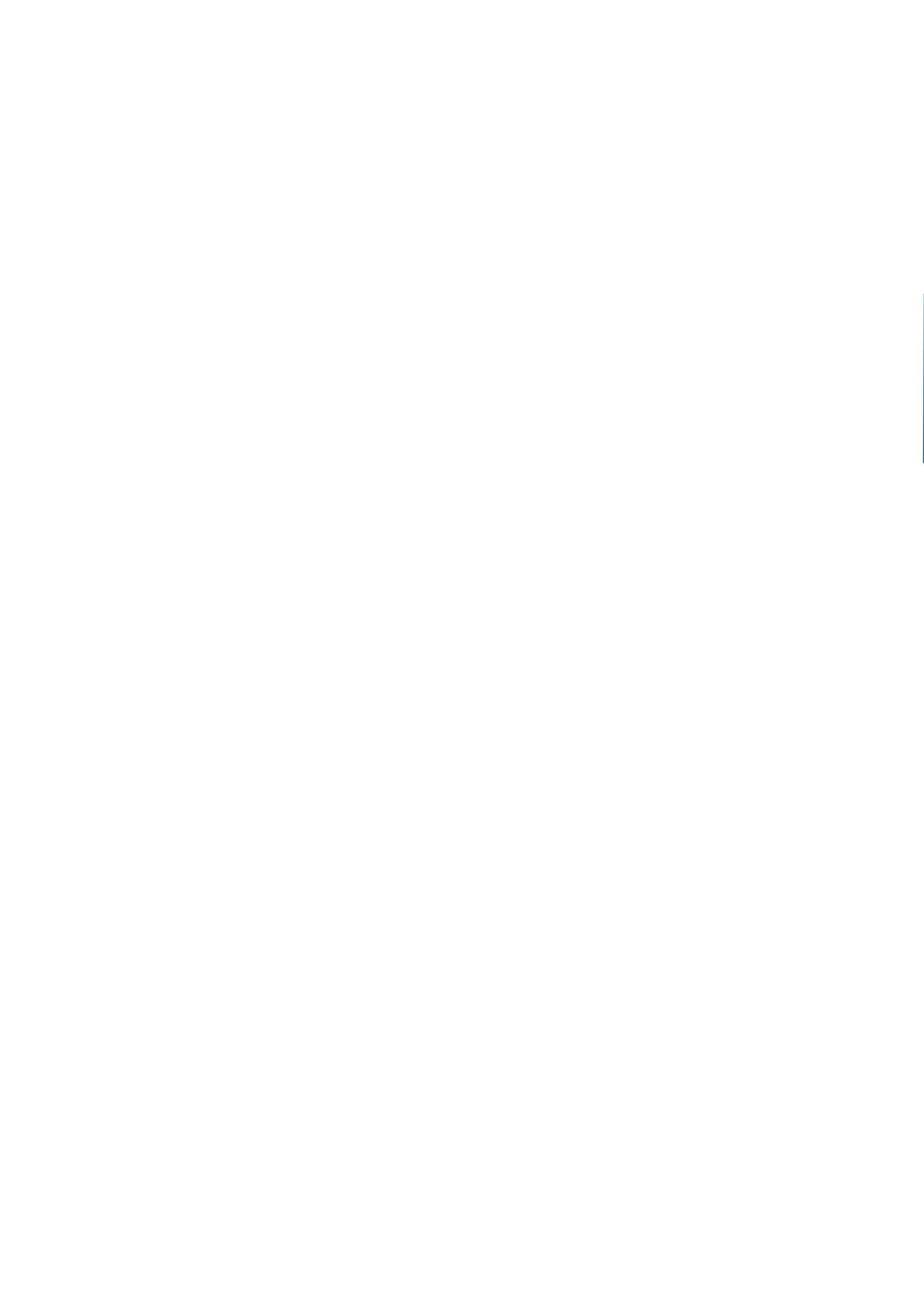
The estimated resources required for the implementation of CRMSAP 2017-2021 will be Rs. 10,206 million. The available resources are estimated to be around NRs. 9,683 million and the resource gap will be Rs. 523 million. Where there are funding gaps remaining after Development Partners' financial and technical support commitments, the Government will step in and fill those gaps.

I. MONITORING

CRMSAP results and activities will be linked with the DOC monitoring process at the center and at COs. A CRMSAP monitoring software will be developed for monitoring of progress. Field surveys and use of management information systems (MIS) tools will be used for the monitoring of quality indicators to support input, output and outcome monitoring. A formal reporting mechanism will be instituted with each monitoring of CRMSAP. The DOC will be responsible for self-evaluation of all the activities carried out under the CRMSAP. This will ensure self-assessment, evaluation and continuous improvement for the CRMSAP operations.

Thematic Framework of Customs Reform and Modernization Strategies and Action Plan (CRMSAP) (2017-2021)

		<p>Guiding Principles: (1) Reducing Compliance Costs and Time, (2) Help Fair Operation of the Market, (3) Helping Export Promotion, (4) Enhancing Risk Management based Approach, (5) Establish Conducive Environment for Investment, (6) Right Taxation for Sound Fiscal Framework, and (7) Coordination</p>			
Vision	Excellence in Customs services to support the economic and social prosperity of Nepal.				
Mission	"We strive for Customs services to respect clients' time and value for money" building conducive environment for global economic activity to ensure growth friendly Customs policy for socio-economic development, social safety and security.				
Goal (Impact)	Responsive Customs administration - 'Customs to be recognized as a modern administration that is responsive to the needs of the 21st century customers.'				
Outcomes	Outcome 1. Professional and Competitive Customs Service: Strengthened Customs management to enhance its image and to support trade facilitation and travelers.	Outcome 2: Fair and accurate revenue collection: Enhanced enforcement and compliance for high revenue yield / minimum leakages through the collection of customs duty, Value Added Tax, Excise Duty and other taxes on imported goods.	Outcome 3: Social Safety and Security: Strategy and other measures for surveillance and control over the movement of goods, means of transport, and transport equipment (containers, pallets, crates) to prevent illegal trade and trafficking of harmful items in the country.		
Strategies	Strategy 1: Expedited legitimate Trade Facilitation Strategy 2: Promoted Integrity and Good Governance	Strategy 7: Fair and Accurate Revenue Collection	Strategy 10: Protected Society/ Safety & Security	Strategy 11: Streamlined Co-ordinated Border Management (CBM)	
	Strategy 3: Enhanced Customs Automation and Data Management Strategy 4: Strengthened HR Management Capacity	Strategy 8: Strengthened Compliance Management/Voluntary Compliance	Strategy 9: Advanced Risk Management		
	Strategy 5: Developed Infrastructure and Physical Facilities Strategy 6: Enhanced Passenger Clearance Services				
Values: (1) Honesty and Integrity, (2) Impartiality, (3) Responsiveness, (4) Transparency, (5) Mutual Respect and Courtesy, 6) Professionalism, and (7) Dedication and Excellence.					



1

INTRODUCTION

Department of Customs (DOC) has been gradually changing its traditional roles towards making its management more adept, service oriented and transparent. This is in response to the need to go on making timely improvements in its role according to changes brought about in international trade, technological development, national needs, bilateral and multilateral commitments, open and to foster a liberal economy. In addition, DOC must fulfill its important responsibility of improving government finances through internal resource mobilization for economic development and the minimization of revenue leakage.

The government has recognized the importance of trade facilitation and its links to Customs reform and modernization to attain the nation's economic wellbeing. The embrace of trade facilitation, especially to improve import and export performance, involves streamlining and simplifying border procedures, in particular for Customs, but also the many other relevant border regulatory agencies. These broad principles also embrace moves to modernize Customs administrations such as the adoption of risk management, audit based controls, the maximum use of information technology, cooperation with other border agencies, other administrations and the private sector and the adoption of appropriate international standards.

In line with its determination to achieve excellence in Customs performance, the DOC has been modernizing its activities, procedures, automation and client services for many years, fully in line with relevant international best practices. That determination has been formalized through a series of periodic action plans that list the several strategies, activities and tasks DOC would pursue in each four-year period in its efforts to modernize dating back to the first such program in 2003.

To this end, the DOC intends to accomplish implementation of the fourth Customs Reform and Modernization Strategies and Action Plan (CRMSAP) 2013-2017 in July 15, 2017; formulation of the CRMSAP 2017-2021, with support from the Asian Development Bank (ADB) and inputs from the World Customs

Organization (WCO) Representative¹, outlines a set of core values reflecting the current social and economic priorities of the country.

The new CRMSAP covers the four-year period from 16 July 2017 to 15 July 2021. This important initiative is fundamental to DOC's reform agenda for the immediate and medium term futures and is built around a series of international standards and best practices such as the World Trade Organization (WTO) Trade Facilitation Agreement (TFA), the Revised Kyoto Convention (RKC) and other instruments such as the WCO's SAFE Framework, the Data Model, Risk Management and Single Window Compendia, the Immediate Release Guidelines, WTO TFA Nepal Gap Assessment and Implementation Action Plan 2015, Fourteenth National Development Plan 2016/17 - 2019/20, Trade Policy 2015, Nepal Trade Integration Strategy 2016, South Asia Subregional Economic Cooperation (SASEC) Operational Plan, CRMSAP 2013-2017 Midterm Review Report 2016, Central and Field level consultations, OECD (Organization for Economic Cooperation and Development) Areas of Action etc.

The CRMSAP 2017-21 has been built around the DOC's vision, mission, values and guiding principles following a rigorous and proven methodology that is inclusive of the views of all stakeholders in the public and private spheres. Through the adoption of this plan, DOC will help Nepal to achieve greater economic efficiency, enhanced export performance and improved prosperity.

METHODOLOGIES

The methodologies followed in the formulation of CRMSAP 2017-2021 were:

- Review of documents;
- Preparation of questionnaire for data/information collection;
- Brainstorming with the DOC Management, Directors, Officers and other staff;
- Central level consultation with government agencies i.e. Ministry of Finance, Ministry of Commerce, Ministry of Agriculture Development,
- Department of Food Technology and Quality Control;
- Central level consultation with the private sector, National Customs Trade Facilitation Committee members and representatives of trade and industry associations; and
- Field level consultation with Customs staff, private sector traders, Chamber of Commerce and Industry representatives, Customs Agents and Local Customs Trade Facilitation Committee members in Nepalganj, Krishnanagar, Bhairahawa and Birgunj.

¹ Inputs from the WCO Expert provided in the CRMSAP validation workshop (Nov 26-28, 2016 In Sauraha Chitwan)

PROGRESS OF CRMSAP 2013-2017

AUTOMATION

- Testing of Data Warehouse Module has been completed under Republic of Korea assistance and implementation is awaited. Currently Information is integrated manually in one place.
- Revenue statistics are generated daily from Customs Offices.
- Annual Foreign Trade and Statistics has been published in time and also availed through DOC website.
- The e-CMP is prepared by DOC.
- Staffing levels and expertise of the IT section to reflect the current and planned developments in computerisation has been reviewed for strengthening during O&M survey for organisational restructuring.
- Computer and related equipment are available at all the sections of DOC and main Customs Offices.
- ASYCUDA++ with Broker module has been implemented in 16 Customs Offices.
- ASYCUDA World piloted in Mechi Customs and Dryport Customs.
- List and requirement of equipment and infrastructure is available in the Customs Infrastructure Master plan.
- Development of suitable infrastructure for ICT application is underway with the design, piloting and implementation of the ASYCUDA World.
- A National National Single Window (NNSW) Committee is formed and functional at DOC.
- Fourteen agencies have been identified as stakeholders for the first phase of the NNSW system.
- Preparation of a Nepal Trade Information Portal has been initiated with the lead of Trade and Export Promotion Centre and the DOC as co-lead.
- ICT supported risk based ‘selectivity’ module is implemented in 6 COs.

Trade Facilitation

- The accession to RKC has been ratified by the parliament.
- Study and recommendation for the Tariff restructuring has been completed.
- Policy Analysis Unit has been created at DOC.
- Legislation and other Customs related information are available in DOC Website for public consumption.
- DOC has reviewed TOR of the Trade Facilitation Committee (TFC) including membership provisions.
- Client Service Centre (CSC) is well functional in the DOC. Clients are found satisfied with the services provided by the CSC.
- Client Service Desk (CSD) is established in 5 Customs Offices.
- Interactions are conducted with TFC frequently and as per needs.

Organizational Development and Capacity Development

- Customs organisation has been restructured and the management is functional with new organogram.
- Personnel Information Software has been developed and implemented including linkage of personnel profile with Department of Civil Personnel Record.
- Annual training calendar, courses and training modules in different subjects e.g. Valuation, PCA, Classification, ASYCUDA and its operation, procedures, investigation and enforcement, risk management etc. is prepared and training programmes are ongoing. On-the job training is provided in coordination with Revenue Administration Training Centre.
- The Customs Infrastructure Master plan (CIMP) is available at DOC, which provides recommendations for the development of infrastructure facilities in Customs.
- Yards have been improved in few Customs. Design of the building for DOC is on progress.
- Studies have been completed for the arrangement of appropriate non-intrusive equipment including scanner for major 10 Customs.
- Existing Code of Conduct has been updated to make it compatible with the Civil Servants' Code of Conduct 2068 and submitted to MOF for approval.
- Integrity Promotion Unit has been created at DOC.
- Separate lane for the clearance of cargo and passenger is operational in 2 Customs Offices

Revenue Yields

- Risk management system has been redefined in the Customs Act.
- Regulatory compliance for Risk-based management i.e. red and green channels has been introduced in 6 Customs Offices.
- Most of the Customs offices and officials are equipped with computer accessories (one officer one laptop).
- Modernisation of Laboratory Section of DOC has been initiated with the installation of GCMS and Fourier Transform Infrared Spectroscopy (FTIR) with FTIR microscope.
- Meetings with cross border agencies are organised as per needs.
- Action plan to increase searches & surprise visits of bonded and non-bonded warehouses, suspected of holding illegally, is prepared and partially implemented.
- Construction of the Inland Customs Depot (ICD) in Sindhupalchowk and ICP in 4 Customs Offices is ongoing.
- IP camera has been installed in 9 Customs Offices.
- Connectivity has been arranged in 15 major Customs.
- Scanner machine has been installed in 2 Customs Offices
- Single entry, as per invoice items, has been started through Customs agents in 18 Customs Offices and 2 Sub-Customs Offices where ASYCUDA is implemented.
- Target for general Post Clearance Audit (PCA) has been set by DOC and is conducted by PCA Office and Customs Offices (COs).
- Tariff structure based on HS Code and integrated tariff is translated in Nepali language and made web-based access provision in place through DOC website. Mobile apps have also been developed and implemented.

2

RATIONALE FOR CRMSAP 2017-2021

The Department of Customs has a traditional commitment to addressing the challenges of revenue collection which accounts for almost half of the government's total tax revenue. The main challenges for the Customs Management, over the coming four years, are to provide a Customs service that is systematic, transparent and accountable. The corresponding rationales for CRMSAP 2017-2021 are:

Facilitating trade for economic wellbeing through modernizing import and export procedures: In Nepal, there has been recognition at all levels of Government of the importance to the nation's economic wellbeing associated with embracing trade facilitation, especially to improve export performance, through streamlining and simplifying border procedures, in particular for Customs, but also the many other relevant border regulatory agencies.

Trade facilitation is heavily reliant on the ability of the Customs administration to raise the entryway in an effort to achieve an effective balance between trade facilitation and regulatory intervention.

As illustrated in 'Doing Business 2015 Nepal'², the time taken for Customs clearance in terms of export is 4 days and in terms of import is 5 days; the transaction costs to complete such procedures is about US\$ 300. Similarly, ports and terminal handling control for export is 4 days and for import is 6 days; the transaction costs to complete such procedures is about US\$ 300 taking into account of the involvement of Customs at Kolkata, India and at the India/Nepal border. Reducing the time and associated costs for these procedures is urgent and vital.

Complying with the standards of Revised Kyoto Convention: Customs operations are governed by the Customs Act, Customs Regulations, Fiscal Act and other provisions. These legislative provisions must be simple and comprehensive. Transparency and predictability are commonly

² Doing business 2015, Going Beyond Efficiency, Economy Profile 2015, Nepal, A World Bank Group Flagship Report (12th Edition)

raised issues in Customs administration. Further simplification and harmonization of Customs procedures and documents will have to be conformed through the adoption of risk management, minimal data and documentary requirements, simplified and streamlined procedures etc.

Restructuring tariff structure: Subsequent work on tariff simplification has to demonstrate the same level of sophistication relative to methodology and indicators on tariff policy. Traders raised substantial concerns on the tariff structure during consultations. Tariffs can be low, but high tariff dispersion and escalation can create a disincentive to industries and cause inefficient allocation of resources, which has not been duly recognised in the past

Strengthening Customs procurement: It appears that despite of the DOC allocating increasing funds and initiatives, Customs Offices are still equipped with less than optimal levels of equipment. This implies a clear need to improve procurement planning and procedures at DOC and Customs Offices (COs) level.

Building HR capacity: Human resources strengthening require acceleration including the organization of training programs. The Customs administration is losing its experienced and technically competent staff with the current government transfer and retirement policy. The integration of resources available from different sources such as government and development partners is necessary to scale up capacity building initiatives.

Consolidating databases in Customs: The CRMSAP since 2003 aimed at a step change in effectiveness across the Customs sector focusing on Customs reform and modernization for trade facilitation that has achieved accelerated progress over the years. The e-Customs Master Plan prepared by the DOC intends to initiate paperless Customs in its proposition through deployment of ASYCUDA World as the core system and other subsystem development. ASYCUDA World is the new web based version of ASYCUDA. It provides more controls on customization of the software and aims to operate in paperless environment. ASYCUDA World would assist all stakeholders involved in customs reform. DOC has developed and piloted ASYCUDA World as interfacing modules to cover all Customs processes/procedures and to develop a combined

MIS/operational database for statistical and reporting purposes. Implementing it throughout all the Customs Offices is necessary. CRMSAP should also focus to work with other Customs stakeholders to ensure that the ASYCUDA World reforms are promptly implemented.

Improving Customs Valuation: Customs valuation has remained a subject of dispute between the government and trading community. The trading community complains that valuation policy and procedures are neither transparent nor neutral. The Customs official position contends that traders will work to find ways to undervalue the goods they import. The application of the WTO Agreement on Customs Valuation can address this issue, provided that the importers declare the price actually paid or payable for the goods imported. The Customs Administration cannot use its discretionary power to determine the customs value under the WTO valuation agreement. The system relies on post clearance audit for all types of customs control, including valuation. There is a need for necessary preparations because the valuation procedures are highly technical and demand high skills. Because of the multi-sectoral roles of different agencies in this process such as banks, business houses etc., the DOC has difficulty applying transaction value method because procedures for determining that value are not fully developed or understood by all parties. Developing infrastructure and adopting appropriate valuation automation modules to cope up with the provisions of WTO Valuation Agreement are also necessary.

Making Post Clearance Audit (PCA) effective: Post Clearance Audit is a process which enables customs officers to verify the accuracy of declarations through examination of the books, records, business system and all relevant commercial data held by persons/companies directly and indirectly involved in international trade after all clearance procedures have been completed. It is one of the customs control measures to enhance trade facilitation. It is conducted to verify the accuracy of all legislative requirements in the goods declaration and any other legal requirements including customs value. Thus, the effective implementation of PCA is necessary to properly manage the collection of customs revenue and other taxes while facilitating the customs clearance at border. It is conducted, after customs clearance, to confirm the accuracy of declared value and all provisions stipulated in the Customs Act. There

is inadequate structure and trained manpower for audit purpose in the DOC. The post clearance audit is the most effective tool to assess fraud and, if developed properly, it can combat the risk of revenue leakage.

Minimizing Revenue Leakage: Revenue leakage has been frequently raised problem by different stakeholders specifically by the traders and the business communities. Full implementation of WTO valuation system, accurate classification and compliance with adequate legal, human and technical support will exert positive impact on trade and revenue.

Preparing the Corporate Plan: Formulation of the CRMSAP will have to be accompanied by systematic organizational corporate planning at Customs Office level and DOC section level so that individual performance plans can be aligned with corporate strategic directions.

3

VISION, MISSION, VALUES AND GUIDING PRINCIPLES

Vision

Excellence in Customs services to support the economic and social prosperity of Nepal.

Mission

'We strive for a Customs service that respects clients' time and value for money' by building conducive environment for global economic activity to ensure growth friendly Customs policy for socio-economic development, social safety and security.

To attain this mission, the DOC will focus its attention on facilitating and promoting legitimate trade, affording leadership in protecting the health and welfare of society through effective control and seamless coordinated border management, and collecting accurate and fair revenue.

Values

To accomplish the mission, DOC professional relationships with the commercial community, the public and other organizations will be based on:

- **Honesty and Integrity:** Nepal Customs officials would demonstrate high moral standards in all facets of their work to ensure objectivity, fairness and transparency and uphold public interest over personal interest.
- **Impartiality:** Nepal Customs operation will be guided by fairness and impartiality.
- **Responsiveness:** Nepal Customs will be responsive and transparent in facing and overcoming challenges resourcefully and with enthusiasm and passion for achieving the best possible results towards nation building.
- **Transparency:** DOC will demonstrate transparency in its interactions and operations to the greatest extent possible with maximum utilization of Information Technology (IT).
- **Mutual Respect and Courtesy:** Nepal Customs working environment will be based on mutual respect and courtesy.
- **Professionalism:** Customs professionals will be enabled to handle current socio-economic challenges and to perform their functions efficiently and accurately supported by determination and sense of challenges.
- **Dedication and Excellence:** Nepal Customs staff will perform their job with dedication and excellence.

Guiding Principles

To realize the mission, the DOC role will be focused towards protecting citizens, the economy and the environment for national economic wellbeing by stimulating voluntary compliance for traders and aiming to ensure the safety and security of the international supply chain.

These guiding principles will be based on the following initiatives:

Reducing Compliance Costs and Time:

The DOC will promote simplicity, efficiency and predictability in Customs operation and will coordinate with concerned agencies in eliminating complexities and delays in securing permits, licenses and reporting systems and will work within the specified revenue structure of the country, thereby reducing administrative costs and time for the provision of services. Time Release Study (TRS) will be a continual feature for this endeavor.

Helping Fair Operation of the Market: DOC will promote a sound and fair environment towards an ethical code of conduct in Customs services, by promoting beneficial activities and discouraging unfair market competition, to ensure that those who should be paying revenues are complying.

Helping Export Promotion: Customs policies and actions will be directed towards creating conducive environment for export promotion.

Enhancing Risk Management based approach: Risk management will be effectively and efficiently embedded in the management practices and Customs operations to minimize disruption and cost to legitimate trade and the public.

Establishing Conducive Environment for Investment: The DOC will facilitate the imports of raw materials and export of finished goods in such a way that it will facilitate inclusive growth of enterprises and promote a favorable investment climate for prospective industries.

Right Taxation for Sound Fiscal Framework: The DOC will be committed to revenue maximization with due consideration to trade facilitation.

Coordination: Coordination and collaboration with key stakeholders for systems development will be a prime concern of DOC.

4

CRMSAP 2017-2021 RESULTS FRAMEWORK

Objective: The objectives of the CRMSAP are to create a conducive environment for economic prosperity in Nepal by reducing transaction costs, improving trade facilitation, and developing human resources for professional stewardship and facilitation in Customs, while at the same time improving revenue collection and border security.

Goal (Impact): Responsive Customs administration.

The goal (impact) of the CRMSAP 2017-2021 is 'Customs to be recognized as a modern administration that is responsive to the needs of the 21st century customers.' Customs procedures such as Valuation, PCA, Advance Rulings, pre-arrival clearance, expedited shipment, risk management and TTP will be automated to attribute to the desired goal. Similarly, the aim is to make clients more satisfied by improving trade facilitation services.

Outcome 1 –Professional and Competitive Customs Service: Strengthened Customs management to enhance its image and to support trade facilitation and travelers.

The key focus will be towards: a) promoting certainty, predictability and security of the international movement of goods and goods accompanying people by establishing clear and precise standards; b) reducing duplication and delays in international supply chains such as multiple reporting requirements and inspections; c) strengthening cooperation between Customs administrations as well as between Customs and business and Customs and other government agencies by creating meaningful and beneficial partnerships; and d) providing Customs administrations with the capacity to promote regulatory compliance in a manner that facilitates legitimate trade.

The focus of Customs will be towards making national legislation fully compliant with the Revised Kyoto Convention General Annex and WTO TFA. A Trusted Traders Program will be operational to expedite legitimate trade. Similarly, key performance indicators will be developed and results interfaced with an annual performance evaluation of staff to enhance integrity at Customs. CRMSAP will be fully consolidated into Customs' annual program and budget (one annual plan in Customs).

Customs automation and data management will be enhanced by processing the majority of declarations (import and export) through NECAS. Centralized Customs clearance will be introduced. A NNSW System will be developed, piloted & interfaced with ASYCUDA World and selected agencies.

Human resources management capacity of Customs will be strengthened. The organization will be restructured with provisions of functional experts from within and outside Customs staff, and made functional in different thematic areas i.e. HS, Valuation, PCA, Risk Management, TRS, Trusted Traders, Expedited Shipments, Advance Rulings, Pre-arrival Processing, Coordinated Border Management etc. The Human Resource Management Plan will be revisited including the development of a capacity development plan for the short, medium and longer terms. Capacity of the Customs staff and key stakeholders will be strengthened according to a rigorous needs assessment. Technical and functional experts will also be provisioned as "Pool of Expert Scheme" in the new organizational structure.

Infrastructure and physical facilities will be developed in all the main Customs offices. Procurement functions will be strengthened in Customs. Passengers' lanes will be developed in the main Customs Offices with the installation of non-intrusive equipment in major Customs offices. Passenger Name Record (PNR)/ Advanced Passenger Information System (APIS) will be initiated at international airport(s) to assist in the risk assessment of relevant baggage and other goods importations/exportations.

Outcome 2: Fair and Accurate Revenue Yield: Enhanced enforcement and compliance for high revenue yield/minimal leakage through the collection of customs duty, Value Added Tax, Excise Duty and other taxes on imported goods.

Recognizing the emerging trends of globalization, proliferation of regional trade agreements and expanding intra-company trade, Customs administrations are required to make a concerted effort for fair, effective and efficient revenue collection.

The process of efficient and effective collection of revenue has become an even greater priority - both from the Customs and trade point of view. Minimization of revenue leakage will be a basis for this phase of CRMSAP. Reform of Customs administration will be at the heart of strengthening revenue mobilization—essential for enhanced and fairer revenue mobilization for wider governance improvement. The DOC will strive for improving the efficiency and effectiveness of revenue collection in compliance with rules, standards and guidelines laid down in relevant international agreements, conventions and supporting tools and instruments.

Delivery of capacity building and training will be

vital for efficient and effective revenue collection and will be reinforced within CRMSAP 2017-2021. This includes not only the fundamentals of Customs modernization (e.g. infrastructure, organizational matters and compliance management), but also technical aspects, including valuation and origin. Greater efficiency and effectiveness in revenue collection will also contribute to improved trade facilitation. To that end, customs administrations will also seek further engagement with tax administrations.

Compliance Management/Voluntary Compliance will be strengthened to increase client compliance levels. Awareness of importers and exporters will be raised about their rights and obligations within a voluntary compliance regime that will reduce the number of amended declarations and penalties through increased accuracy and overall compliance.

NECAS will be functional in Customs for risk management in cargo clearance. A Risk management organization structure will be in place commensurate with effective NECAS, PCA, Valuation and Trusted Traders Program (TTP). All selectivity lanes (Red, Yellow, Blue and Green) will be applied in major Customs offices. Eighty percent of import cargo will be cleared through Yellow and Green channel.

Outcome 3: Social Safety and Security: Strategies and other measures for surveillance and other types of control over the movement of goods, means of transport, and transport equipment (containers, pallets, crates) to prevent illegal trade and trafficking of harmful items in the country.

The Customs administration will pursue the common globally accepted mission of Customs i.e. to develop and implement an integrated set of policies and procedures that ensure increased safety and security, as well as effective trade facilitation and revenue collection. This will be achieved through efficient and effective use of tools and information in dealing with the international movement of goods, conveyances and people connected with the goods.

DOC will play an important role at border crossings to mitigate serious threats to security and safety of people through the proliferation of weapons and materials of mass destruction, trafficking of small arms and explosives, and illicit diversion of dual use goods. Major Customs offices will be equipped with Non-Intrusive Inspection (NII) equipment.

5

STRATEGIES AND MAJOR ACTIVITIES

Outcome 1 –Professional and Competitive Customs Service:
Strengthened Customs management to enhance its image and to support trade facilitation and travelers. The strategies and activities to attain this outcome are given below:

STRATEGY 1 EXPEDITED LEGITIMATE TRADE FACILITATION

The DOC will enact appropriate legal, policy, and administrative measures to implement WTO/TFA, and General Annex of Revised Kyoto Convention and other relevant International Conventions and Standards. Time and cost of trade will be reduced through easier and simplified Customs clearance and other core procedures to support doing business. The major activities under the strategy are:

- Reform legislations to implement effective and efficient import export and transit procedures
- Review documents required for import and export
- Introduce TTP and plan AEO
- Study deferred payment system
- Review Customs tariff
- Develop and implement Advance Ruling
- Conduct Time Release Study (TRS)
- Establish and operate effective Client Service Desks (CSD)
- Improve and update Customs Website
- Promote and improve cooperation with Customs stakeholders
- Implement exchange of information with other Customs administration
- Establish grievance redressal mechanism
- Execute expedited shipment
-

STRATEGY 2 PROMOTED INTEGRITY AND GOOD GOVERNANCE

Integrity will be improved by the development of an organizational culture that will encourage high levels of integrity. The image of Customs will be enhanced as a reliable and integral partner in society through improving credibility and by fulfilling its social obligations (e.g. business oriented behavior, business service standards) and Customs accountability (more transparency and highly qualified/trained staff). The major activities under this

strategy are:

- Perform an organizational self-assessment
- Prepare an integrity plan
- Introduce a reward, recognition and punishment system
- Develop a Performance-based Management System in Customs
- Integrate CRMSAP in the DOC annual plan
- Monitor performances of the CRMSAP
- Plan and manage procurement
- Arrange appropriate provision for adequate capital funds to DOC to enable it to carry out its roles and responsibilities effectively and efficiently

STRATEGY 3 ENHANCED CUSTOMS AUTOMATION AND DATA MANAGEMENT

DOC will develop an appropriate ICT infrastructure to support trade facilitation including a system to interface with NNSW when it is in operation. The ASYCUDA World system will be rolled out to several Customs offices. The major activities under this strategy are:

- Improve NECAS
- Improve connectivity to major Customs offices
- Upgrade the operational effectiveness of Customs utilizing computerization
- Enhance the capability of Customs in all areas of its operation utilizing ICT infrastructure
- Develop mobile application of NECAS functionalities
- Develop and implement NNSW System
- Prepare secure data warehouse for all Customs data
- Carry out periodic checks and system audit
- Disseminate information
- Develop Broker Management System

STRATEGY 4 STRENGTHENED HR MANAGEMENT CAPACITY

The aims of the strategy are towards improving leadership and management capacity of Customs, with a focus on change management, to ensure integrity and building and sustaining a knowledge based professional institution. Similarly, planning and management capacity of DOC will be strengthened. The organisation will have a fully functional human resource planning and management policy in place. The major activities

under the strategy are:

- Approve and implement the Human Resources Master Plan (HRMP)
- Revisit the Organogram
- Establish and develop the core technical capacity of Customs administration
- Upgrade inventory and record keeping
- Provide training and education for non-revenue related tasks
- Facilitate/ provide support to expand the performance of Customs Agents/ stakeholders in transacting Customs business
- Build capacity on CBM
- Build capacity in compliance management (including Voluntary Compliance)
- Build capacity on risk management
- Enhance leadership, management and professional capacity
- Retain staff in Customs
- Create Customs sub-group
- Establish an autonomous Revenue Board to improve the institutional capacity of Customs
- Re-assess the job rotation (functional) system

STRATEGY 5 DEVELOPED INFRASTRUCTURE AND PHYSICAL FACILITIES

Under this strategy, physical facilities will be improved in Customs to provide a modern and efficient working environment. The DOC will implement physical infrastructure improvement plans to ensure the proper functioning of a modernized Customs administration. The major activities are:

- Approve and implement the Physical Infrastructure Improvement Master Plan (PIIMP)
- Design uniform layout for Customs with the emphasis on construction of ICP and ICD
- Procure/arrange land for various Customs offices
- Construct the Customs buildings to improve the working environment for all parties
- Establish/modernize Customs laboratory
- Maintain optimal usage of modern technology led physical facilities for ensuring automated Customs systems
- Renovate the infrastructures of Customs offices on the northern borders

STRATEGY 6 ENHANCED PASSENGER CLEARANCE SERVICES

Under this strategy, passenger baggage clearance services will be improved at TIA and major Customs Offices to streamline control and facilitation. The DOC will develop passengers' lanes in main Customs Offices and the automated Customs clearance system will be made operational. The main activities are:

- Develop passenger lanes
- Enhance the facilitation of passenger clearance
- Designate a separate Customs unit for courier cargo clearance
- Establish the Advance Passengers Information System/PNR

Outcome 2: Fair and Accurate Revenue

Collection: Enhanced enforcement and compliance for high revenue yield/minimum leakage through the collection of customs duty, Value Added Tax, Excise Duty and other taxes on imported goods. The strategies and activities to attain this outcome are given below:

STRATEGY 7 FAIR AND ACCURATE REVENUE COLLECTION

The DOC will develop mechanisms for the easy access to online valuation database for Customs Offices and strengthen the Central Monitoring Section for regular and on-line monitoring of main Customs Offices. It will also execute monthly grading of Customs Offices and make the necessary amendments in the Customs law to ensure confidentiality with regard to value declarations and residual powers in the department for valuation rulings. Valuation, tariff classification, origin, and other revenue related legislative provisions will be properly enforced for fair and accurate revenue collection. The main activities under this strategy are:

- Improve compliance environment for Customs valuation
- Provide access to valuation officers to the import database and relevant reports
- Establish and maintain a central valuation database in DOC and provide access to Customs and designated other offices
- Carry out risk based checks of declared values on import declarations in DOC

- Develop Tariff Specification Code (TSC) in ASYCUDA World system to interface the valuation database module with the cargo clearance system
- Improve the HS classification
- Promote a system to operate import trade under proper banking channels
- Update the manuals for Valuation & PCA to ensure that they reflect best practices
- Strengthen the PCA Office
- Establish PCA units at main Customs Offices under the central PCA office
- Strengthen monitoring of revenue systems

STRATEGY 8 STRENGTHENED COMPLIANCE MANAGEMENT/VOLUNTARY

COMPLIANCE

Customs voluntary compliance will be strengthened and aligned with the Inland Revenue Department (IRD) to maintain a well-balanced combination of preventive and enforced measures to stimulate voluntary compliance. The DOC will enhance the efficiency and effectiveness of the overall Customs management system and encourage voluntary compliance by providing web based declaration submission to the clients including access to all information on Customs procedures. The major activities under this strategy are:

- Develop a compliance strategy document
- Set criteria for compliance management
- Implement compliance management/voluntary compliance
- Evaluate effectiveness of compliance system
- Inform & communicate compliance plan
- Build institutional collaboration
- Measure performance of compliance management

STRATEGY 9 ADVANCED RISK MANAGEMENT

Risk Management (RM) will be effectively implemented adopting international standards and best practices. The DOC will establish selectivity indicators and criteria, prepare reference database/ risk engine for risk management and implement selectivity / RM System. The major activities are:

- Develop and implement RM strategy
- Exchange intelligence, risk management

- information with relevant partners
- Strengthen the border Customs clearance monitoring system
- Establish the principles of RM across Customs with particular emphasis on cargo clearance.
- Arrange to better control the movement of containers through a Customs seal system
- Broaden and fully integrate RM throughout DOC policies and operations

Outcome 3: Social Safety and Security:

Strategies and other measures for surveillance and other type of control over the movement of goods, means of transport, and transport equipment (containers, pallets, crates) to prevent illegal trade and trafficking of harmful items in the country. The strategies and activities to attain this outcome are given below:

STRATEGY 10 PROTECTED SOCIETY/ SAFETY & SECURITY

DOC functions will be assimilated towards protecting society, the non-regulatory requirements focused upon five segments e.g. Security, Health, Economy, Environment and Society (SHEES). The main Customs offices will be equipped with NII equipment and lab facilities. Customs command will be strengthened in order to better control border smuggling activities including an expected increase in the number and extent of illegal detections. The main activities are:

- Prepare a strategy for Customs in the field of protecting society
- Enhance the capacity of Customs lab to test the controlled and hazardous goods to control border smuggling and illegal trade including environment protection in the areas of CITES and ODS
- Collaborate/ coordinate among border agencies, local agencies, local security wings & Regional Revenue Investigation Units
- Design an interface model laboratory in Customs Offices
- Develop mechanisms, plans, policies and programs to reduce illegal trade
- Review the need to form a separate Customs Security force under the Customs Chief command
- Establish a mechanism to effectively control illicit drugs, counterfeit currencies, pirated and other counterfeit goods

STRATEGY 11 STREAMLINED CO-ORDINATED BORDER MANAGEMENT

Under this strategy, joint initiatives, policies, programs and activities will be developed, formulated and implemented with other border agencies to harmonize and simplify procedures at the border and improving trade facilitation by avoiding duplication/overlap, improving coordination, and reducing dwell time and costs. The major activities are:

- Define the Customs role in a national CBM process
- Instigate inter-agency agreements and arrangements
- Enter into MOU's with national trade and industry organizations
- Develop corporate social responsibility programs of Customs at border areas
- Develop guidelines on levels of competency, working hour harmonization and other possible areas for harmonization amongst concerned border agencies

RISKS AND ASSUMPTIONS

The major risks and assumptions are:

- National policy remains favorable to the Customs priorities.
- Support of the Development Partners is maintained for DOC.

The Results Framework of the CRMSAP is given in Annex 1.

6

IMPLEMENTATION

CRMSAP activities will be implemented from DOC and Customs Offices. The annual budget allocated to the DOC from GON will be used to implement CRMSAP activities. DOC will work with Development Partners to review each externally supported activity in order to gauge consistency. The implementation strategies will be that:

- The DOC will prepare corporate plans built in line with the CRMSAP i.e. CRMSAP 2017-2021 in ten major Customs Offices (COs). The COs' plan will be closely linked with the CRMSAP 2017-2021 annual action plan for the relevant sections of the DOC. The COs and DOC sections will closely monitor implementation of the progress of the CRMSAP annual action plan in its trimester and annual progress review.
- A monitoring software of the CRMSAP 2017-2021 will be prepared by July 2018 by the Monitoring Section of the DOC and monitor the progress including reporting to the DOC management about its status every year.
- The CRMSAP 2017-2021 implies several reforms that demand formal change management programs in Customs at the central as well as field level. Such results and activities will be identified and change related measures will be incorporated in the annual action plan of the DOC and COs. Any unforeseen conflicts that might arise during this stage will be resolved by the DOC through scheduling activities and identifying potential bottlenecks including its measures for solution.
- The DOC and the COs will make sure that new infrastructure, new institutions and new resources are absorbed in every aspect of the CRMSAP 2017-2021 implementation, ensuring that the financial resources are available and distributed accordingly.
- Tangible change and improvements achieved in the CRMSAP implementation will be documented and disseminated through different medias. Transparency will be ensured in this process
- A communication strategy will be used to raise awareness of the Customs team on the positive benefits of the reforms, as well as explaining that there are necessary trade-offs, such as the usefulness of the trade facilitation for Customs revenue management, which will not please everybody. This will help to further strengthen local ownership of the CRMSAP and encourage participation of the key stakeholders in its implementation. It is therefore important that actions are visible and demonstrate tangible results early to build confidence in the process.

The CRMSAP Implementation Plan is given in Annex 2.

7

FINANCIAL MANAGEMENT

The DOC will propose a program & financial planning framework to the GON with clearly defined budget lines. DOC will focus on facilitating, guiding and regulating Customs services. Where there are funding gaps for the implementation of CRMSAP, Development Partners will be urged to support. The DOC will follow Financial Administration Rules and Regulations of the Government. The audit will be carried out by the Office of the Auditor-General.

Development Partners will provide their support through the Government system (Redbook). For those Development Partners who wish to offer their support in other forms, they will be invited to offer financial support or direct technical assistance to the DOC, as per prevailing GON rules and regulations. The estimated resource requirements for the CRMSAP 2017-2021 will be NRs 10,206 million or USD 94 million as summarized below:

S. No.	Strategy	Amount (NRs. '000')
1.	Expedited Legitimate Trade Facilitation	152,850
2.	Promoted Integrity and Good Governance	36,840
3.	Enhanced Customs Automation and Data Management	2,078,500
4.	Strengthened HR Management Capacity	185,810
5.	Developed Infrastructure and Physical Facilities	6,957,700
6.	Enhanced Passenger Clearance	267,540
7.	Fair and Accurate Revenue Collection	86,880
8.	Strengthened Compliance Management/Voluntary Compliance	22,400
9.	Advanced Risk Management	83,460
10.	Protected Society/Safety & Society	298,060
11.	Streamlined Coordinated Border Management	36,320
12.	Total	10,206,360

A number of development partners have expressed a wish to support the GON in the Customs sector.
 Estimated budget commitments by GON and Donors for CRMSAP 2017/2021

Agencies	Total (in million)	
	NRs	US\$
GON	5,691	52
ADB	2,284	21(Pipeline)
World Bank	1708	16
Total budget available	9,683	89
Total Budget required for CRMSAP	10,206	94
Resource Gap	523	5

Exchange rate: 1 US\$=108.78

Refer to Annex 3 for calculation

The total resources gap for the implementation of the CRMSAP 2017-2021 is estimated to be NRs. 523 million. However, there are possibilities to reduce the resources gap with Technical Assistance (TA) from Development Partners i.e. ADB³, WCO etc. DOC will also attempt for further fundraising. Where there are funding gaps remaining after Development Partners' commitments, the Government will step in and fill those gaps. If this is not possible, then the Government will review the situation with Development Partners and reach agreement on a course of action.

³ US\$ 1 million is in the pipeline from ADB

8

MONITORING, REPORTING AND EVALUATIONS

CRMSAP results and activities will be linked with the DOC monitoring process at the centre and at Co. The monitoring will focus on:

- activities planned;
- budget allocations to core programs; and
- process followed to attain outputs indicators and activity including progress towards achievements of outcome and purpose level indicators.

A CRMSAP monitoring software will be developed for monitoring of progress. Field surveys and use of Management Information Systems (MIS) tools will be used for the monitoring of quality indicators to support input, output and outcome monitoring. A formal reporting mechanism will be instituted with each monitoring of CRMSAP.

Baseline surveys will be conducted to establish baselines, as necessary, for monitoring and evaluation purposes. The status of operational activities and processes will have to be recorded before or at the start of works and during implementation.

MONITORING OF OUTPUTS AND ACTIVITIES WILL COVER AT LEAST

- Whether or not the planned activities have been implemented on schedule,
- Whether or not a regular supervision has been made if the activity requires such supervision, Whether or not their progress in implementation is in proportion to the expenditures incurred in the annual plan of operations, and
- Whether or not the particulars, bills, receipts, documents of the expenditure have been duly kept.

The DOC will be responsible for self-evaluation of all the activities carried out under the CRMSAP. This will ensure self-assessment, evaluation and continuous improvement for the CRMSAP operations.

The CRMSAP 2017-2021 Strategic Action Plan is given in Annex 4.

ANNEX

ANNEX 1

CRMSAP 2017-2021 RESULTS FRAMEWORK

Results		Indicators	Means of Verification	Risks and Assumptions
Impact	Responsive Customs management established.	<p>By the end of July 2021: Customs procedures⁴ automated Increased number of satisfied clients on Customs services</p> <p>An overall score of 1.3 on OECD TFIs attained (2015 Baseline: 0.8)</p>	<p>DOC Annual Progress Report Client satisfaction Survey Report (Baseline and End line) OECD Trade Facilitation Indicators (TFIs)</p>	
Outcome 1	Professional and Competitive Customs Services: Strengthened Customs management to enhance its image and to support trade facilitation and travelers.	<p>Document requirement for import and export is at par of the document required in one of the best countries in South Asia.</p> <p>Time Release Study (TRS) based time adjusted in Customs</p> <p>NECAS new functionalities⁵ introduced</p>	<p>DOC Annual Progress Report</p> <p>DOC Annual Progress Report</p>	<p>National policy remains favorable to Customs priorities.</p> <p>Continued support of Development Partners to Customs.</p>
Outcome 2	Fair and accurate revenue collection: Enhanced service delivery and enforcement for high revenue yield/minimum revenue leakage through the collection of customs duty, Value Added Tax, Excise duty and other taxes on imported goods.	Percentage of revenue ⁶ to GDP	Customs Statistics	

⁴ Procedures refers to e.g. Valuation, PCA, Advance Ruling, pre-arrival clearance, expedited shipment, risk management and TTP.

⁵ Refer to footnote 1

⁶ Revenue refers to total revenue collected from Customs offices

Results		Indicators	Means of Verification	Risks and Assumptions
Outcome 3	Social Safety and Security: Strategies and other measures for surveillance and control over the movement of goods, means of transport, and transport equipment (container, pallets, crates) to prevent illegal trade and trafficking of harmful items in the country.	Customs lab (Animal, Food and Plant) interfaced (under one roof) and functional in 7 major Customs Trace detecting equipment used in 10 major Customs offices to identify traces of such materials	DOC Annual Progress Report DOC Annual Progress Report	
Strategies				
Outcome 1: Professional and Competitive Customs Services: Strengthened Customs management to enhance its image and to support trade facilitation and travelers.				
Strategy 1	Expedited legitimate Trade Facilitation	National legislation made fully compliant with the Revised Kyoto Convention General Annex and WTO TFA No. of Trusted Traders functional by the end of July 2021.	Legislation DOC Annual Progress Report	
Strategy 2	Promoted Integrity and Good Governance	KPI developed and results interfaced with performance evaluation of staffs from the year 2019/20 CRMSAP fully consolidated into Customs annual program and budget (one annual plan in Customs) from the year 2018/19. Progress of CRMSAP annual plan reviewed (Trimester) and published annually.	Annual KPI Report Annual Consolidated Plan DOC Annual Progress Report	
Strategy 3	Enhanced Customs Automation and Data Management	90% of all declarations (import and export) processed through NECAS Centralized Customs clearance introduced. NNSW system developed, piloted & interfaced with ASYCUDA World and selected agencies	DOC Annual Progress Report DOC Annual Progress Report DOC Annual Progress Report	

Results		Indicators	Means of Verification	Risks and Assumptions
Strategy 4	Strengthened HR Management Capacity	Customs technical and functional experts provisioned in new organizational structure and capacity developed, from within the Customs staffs	DOC Annual Progress Report	
		Technical and functional experts provisioned as "Pool of Experts Scheme" under DOC in the new organizational structure.	DOC Annual Progress Report Restructured organogram of DOC	
		Accredited WCO experts developed in all the thematic areas	DOC Annual Progress Report	
Strategy 5	Developed Infrastructure and Physical Facilities	Main Customs offices functional with necessary equipment and tools	DOC Annual Progress Report	
		Attained 90% physical progress of the annually planned programs	DOC Annual Progress Report	
Strategy 6	Enhanced Passenger's Baggage Clearance Services (Accompanied and Unaccompanied)	Developed the passenger's lane in main Customs Offices		
		Equipment-based clearance system adopted in 6 major Customs offices	DOC Annual Progress Report	
		Initiated Passenger Name Record (PNR)/ Advanced Passenger Information System (APIS) in international airport(s).	DOC Annual Progress Report	
Outcome 2: Fair and accurate revenue collection: Enhanced enforcement and compliance for high revenue yield/minimum revenue leakage through the collection of customs duty, Value Added Tax, Excise duty and other taxes on imported goods.				

Results		Indicators	Means of Verification	Risks and Assumptions
Strategy 7	Fair and Accurate Revenue Collection	No. of e-payment users annually Managed temporary admission of vehicles at all Customs offices Costs of Customs clearance reduced as compared to Doing Business Nepal 2015 data	DOC Trade Statistics Report DOC Annual Progress Report DOC Trade Statistics Report	
Strategy 8	Strengthened Compliance Management/ Voluntary Compliance	60 % of importers and exporters found aware of their rights and obligations to voluntary compliance Reduced number of amended declarations and penalties by increased compliance	Survey Report NECAS Statistics	
Strategy 9	Advanced Risk Management	NECAS functional in Customs for risk management Applied all selectivity lanes (Red, Yellow, Blue and Green) in major Customs Eighty percent of the import cargo cleared through yellow and Green channel	NECAS Statistics DOC Annual Progress Report DOC Annual Progress Report	
Outcome 3: Social Safety and Security: Strategies and other measures for surveillance and control over the movement of goods, means of transport, and transport equipment (containers, pallets, crates) to prevent illegal trade and trafficking of harmful items in the country.				
Strategy 10	Protected Society/ Safety & Security	By the end of 2020, 7 Customs offices equipped with NII	DOC Annual Progress Report	
Strategy 11	Streamlined Co-ordinated Border Management	Legislative provisions enforced for CBM Integrated various border management agencies under CBM ⁷ A minimum of 2 Customs offices shifted to ICP	Legislation DOC Annual Progress Report DOC Annual Progress Report	

⁷ Border management agencies refer to Customs, Security agencies, quarantines, (food, animal and plant), immigration, banks, port/terminal operators, local administration etc.

ANNEX 2: CRMSAP IMPLEMENTATION PLAN

Outcome 1. Professional and Competitive Customs Services: Strengthened Customs management to enhance its image and to support trade facilitation and travellers.
Strategy 1: Expedited Legitimate Trade Facilitation

Activity	Target/Milestone (Performance Indicators)	Time Frame						Estimated Costs (Rs. '000)	Responsibility	
		2017/18 (Trimester)	2018/19 (Trimester)	2019/20 (Trimester)	2020/21 (Trimester)	1	2	3		
1.1 Reform Legislations to implement effective and efficient import export and transit procedures	Legislation available								11,080	Director, Tariff Section
1.2 Review documents required for import and export	Legislative draft available to reduce document requirements								7,390	Director, Tariff Section
1.3 Introduce TTP Program and Plan AEO	No. of functional Trusted Traders								16,290	Director, CRM Section
1.4 Study deferred payment system	Revised legislation available								870	Director, Intelligence Section
1.5 Review Customs Tariff	Recommended for tariff restructuring								1,870	Director, Tariff Section
1.6 Develop and implement Advance Ruling	Agreed Advance Rulings provisions implemented								2,450	Director, Tariff Section
1.7 Conduct TRS	TRS conducted in 4 Customs Offices								18,320	Director, CRM Section
1.8 Establish and operate effective Client Service Desks	CSD functional in 6 main Customs ⁸								65,580	Director, CRM Section
1.9 Improve and update Customs website.	Upgraded DOC central Customs and major COs' Website								5,360	Director, Planning and Service Section
1.10 Promote and improve cooperation with Customs stakeholders	No. of meetings/ interaction organized at central and field level								18,670	Director, CRM Section
1.11 Implement exchange of information with other Customs administration	Software available								3,360	Director, CRM Section
1.12 Establish grievance redressal mechanism	No. of disputes handled								1,070	Director, Monitoring Section
1.13 Execute expedited shipment.	Enactment of legislation with regard to expedited shipment								540	Director, CRM Section
	Estimated Total Costs								152850	

⁸ Main/major Customs refers to highest ranked revenue collecting Customs offices

Strategy 2: Promoted Integrity and Good Governance

Activity	Target/Milestone (Performance Indicators)	Time Frame									Estimated Costs (Rs. '000')	Responsibility
		2017/18 (Trimester)			2018/19 (Trimester)			2019/20 (Trimester)				
1	2	3	1	2	3	1	2	3	1	2	3	
2.1 Perform an organizational self-assessment	Reform measures with timeline approved and implemented											3,100 Director, CRM Section
2.2 Prepare an integrity plan	Implemented and complied to the plan.											4,060 Director, Administration Section
2.3 Introduce a reward, recognition and punishment system	Customs reward paid on time (at least by next month)											1,680 Director, Administration Section
2.4 Develop a Performance-based Management System in Customs	Incorporated performance report in trimester monitoring report											2,200 Director, Monitoring Section
2.5 Integrate CRMSAP in the DOC annual plan	One consolidated annual plan of Customs made functional											11,020 Director, Planning and Services Section
2.6 Monitor performances of the CRMSAP	Trimester and annual review conducted as per Monitoring Framework											6,310 Director, Monitoring Section
2.7 Plan and manage procurement	Performance on procurement included under performance indicators											7,280 Director, Administration Section
2.8 Arrange appropriate provision for adequate capital funds to DOC to enable it to carry out its roles and responsibilities effectively and efficiently.	Proposal submitted to MOF											1,190 Director, Administration Section
Estimated Total Costs												36,840

Strategy 3: Enhanced Customs Automation and Data Management

Activity	Target/Milestone (Performance Indicators)	Time Frame									Estimated Costs (Rs. '000)	Responsibility
		2017/18 (Trimester)			2018/19 (Trimester)			2019/20 (Trimester)				
1	2	3	1	2	3	1	2	3	1	2	3	
3.1 Improve NECAS	NECAS rolled up to all major Customs											253,840
3.2 Improve connectivity to major Customs offices	At least 3 levels connectivity in major Customs to DOC											47,320
3.3 Upgrade the operational effectiveness of Customs utilizing computerization	Computer/equipment purchased/ handover document											165,930
3.4 Enhance the capability of Customs in all areas of its operation utilizing ICT infrastructure	Necessary infrastructure available in Customs											2,340
3.5 Develop mobile application of NECAS functionalities	Software functional											4,510
3.6 Develop and implement Single Window System	Customs system interfaced with at least with 10 agencies											1,580,380
3.7 Prepare secure data warehouse for all Customs Data	Data warehouse operational on a separate server											430
3.8 Carry out periodic checks and system audit	Report of annual periodic checks available at DOC and Customs offices											10,800
3.9 Disseminate information	Harmonized data published annually											6,350
3.10 Develop Broker Management System	Established a team, with TOR, to develop the system											6,600
	Estimated Total Costs											2,078,500

Strategy 4: Strengthened HR Management Capacity

Activity	Target/Milestone (Performance Indicators)	Time Frame									Estimated Costs (Rs. '000)	Responsibility
		2017/18 (Trimester)			2018/19 (Trimester)			2019/20 (Trimester)				
1	2	3	1	2	3	1	2	3	1	2	3	
4.1 Approve and implement the Human Resources Master Plan (HRMP).	HRMP Action plan approved and implemented											1,310 Director, Administration Section
4.2 Revisit Organogram.	Restructured Customs Administration functional by the end of 2019											7,000 Director, Administration Section
4.3 Establish and develop the core technical capacity of Customs administration.	80% of the staffs of the Customs offices trained											134,200 Director, Administration Section
4.4 Upgrade inventory and record keeping.	Inventory record used in decision making											4,520 Director, Administration Section
4.5 Provide training and education for non-revenue related tasks.	No. of training programs											2,880 Director, Administration Section
4.6 Facilitate/ provide support to expand performance of Customs Agents/ stakeholders in transacting Customs business.	A minimum of 2 trainings organized annually											4,790 Director, Administration Section
4.7 Build capacity on CBM.	CBM training provided to the staffs of all Customs offices											7,700 Director, CRM Section
4.8 Build capacity in compliance management (including Voluntary Compliance).	75% of the staffs trained in compliance management											3,570 Director, Administration Section
4.9 Build capacity on risk management.	One person from all Customs Offices trained in RM											970 Director, Administration Section
4.10 Enhance leadership, management and professional capacity.	Staffs from a minimum of 20 Customs offices attend short-term training abroad											10,720 Director, Administration Section

Strategy 5: Developed Infrastructure and Physical Facilities

Activity	Target/Milestone (Performance Indicators)	Time Frame									Estimated Costs (Rs. '000)	Responsibility	
		2017/18 (Trimester)			2018/19 (Trimester)			2019/20 (Trimester)					
		1	2	3	1	2	3	1	2	3	1	2	3
5.1	Approve and implement the Physical Infrastructure Improvement Master Plan (PIIMP).	PIIMP functional									1,073,650	Director, CRM Section	
5.2	Design uniform layout for Customs with the emphasis on construction of ICP and ICD.	ICP and ICD constructed									1,907,450	Director, CRM Section	
5.3	Procure/arrange land for various Customs offices	9 customs offices									1,579,640	Director, Administration Section	
5.4	Construct the Customs buildings to improve working environment.	10 Customs offices and DOC building constructed									920,490	Director, Administration Section	
5.5	Establish/modernize Customs laboratory.	Customs laboratory functional in 7 Customs Offices									218,920	Director, Laboratory Section	
5.6	Maintain optimal usage of modern technology led physical facilities for ensuring automated Customs systems.	Safety sample drawing corner established in 10 major Customs offices									893,050	Director, Planning and Services Section	
5.7	Renovate the infrastructures of Customs offices on the northern borders.	Physical infrastructures improved in 5 Customs offices									364,500	Director, CRM Section	
		Estimated Total Costs									6,957,700		

Strategy 6: Enhanced Passenger Clearance Services

Activity	Target/Milestone (Performance Indicators)	Time Frame									Estimated Costs (Rs. '000)	Responsibility	
		2017/18 (Trimester)			2018/19 (Trimester)			2019/20 (Trimester)					
1	2	3	1	2	3	1	2	3	1	2	3		
6.1 Develop passenger lanes.	Functional in 10 major Customs offices											95,720	Director, CRM Section
6.2 Enhance the facilitation of passenger clearance.	Green and red channel established in 10 Customs											162,960	Director, CRM Section
6.3 Designate a separate Customs unit for courier cargo clearance.	Legislation available											1,780	Director, Tariff Section
6.4 Establish the Advance Passengers Information System/PNR.	Enacted through Legislative changes											7,080	Director, CRM Section
	Estimated Total Costs											267,540	

Outcome 2: Fair and accurate revenue collection: Enhanced service delivery and enforcement for high revenue yield/minimizing revenue leakage through the collection of customs duty, Value Added Tax, Excise duty and other taxes on imported goods.

Strategy 7: Fair and Accurate Revenue Collection

Activity	Target/Milestone (Performance Indicators)	Time Frame						Estimated Costs (Rs. '000)	Responsibility	
		2017/18 (Trimester)		2018/19 (Trimester)		2019/20 (Trimester)				
		1	2	3	1	2	3	1	2	3
7.1	Improve Compliance environment for Customs Valuation.	Internal audit report available.								5,040
7.2	Provide access to valuation officers to import database and relevant reports.	Finalized data table with necessary formatting.								1,080
7.3	Establish and maintain a central valuation database in DOC and provide access to Customs and designated other offices.	Updated web based valuation software with international price index available.								59,880
7.4	Carry out risk based checks of declared values on import declarations in DOC.	System established to monitor additional revenue amount.								390
7.5	Develop Tariff Specification Code (TSC) in ASYCUDA World system to interface valuation database module with the cargo clearance system.	Tariff Specification Codes (TSC) used								4,010
7.6	Improve the HS classification.	Disseminated to the stakeholders.								3,210
7.7	Promote a system to operate import trade under proper banking channel.	Banking channel used in import export								2,100
7.8	Update the manuals for Valuation & PCA to ensure that they reflect best practices.	Manual disseminated and implemented as a working document.								1,570

Strategy 8: Strengthened Compliance Management/Voluntary Compliance

Activity	Target/Milestone (Performance Indicators)	Time Frame									Estimated Costs (Rs. 000)	Responsibility
		2017/18 (Trimester)			2018/19 (Trimester)			2019/20 (Trimester)				
1	2	3	1	2	3	1	2	3	1	2	3	
8.1 Develop a compliance strategy document.	Compliance management guidelines approved with review of rules											6,030
8.2 Set criteria for compliance management.	Client segments used in risk management by all Customs											4,450
8.3 Implement compliance/ voluntary compliance.	Trimester progress report compiled by DOC											5,240
8.4 Evaluate effectiveness of compliance system.	Report with recommendations available											260
8.5 Inform & Communicate compliance plan.	No of programs conducted through the TFC with different traders and stakeholders											1,580
8.6 Build institutional collaboration.	MOU signed with IRD and DRI and implemented											3,090
8.7 Measure performance of compliance management.	Performance report available with recommendations for improvements											1,750
Estimated Total Costs												22,400

Strategy 9: Advanced Risk Management

Activity	Target/Milestone (Performance Indicators)	Time Frame									Estimated Costs (Rs. '000)	Responsibility
		2017/18 (Trimester)			2018/19 (Trimester)			2019/20 (Trimester)				
1	2	3	1	2	3	1	2	3	1	2	3	
9.1 Develop and implement RM strategy.	Document on risk finding to risk evaluation/RM cycle available											11,240
9.2 Exchange intelligence, Risk management information with relevant partners.	Information exchanged through letters, consultation forums, meetings etc.											4,160
9.3 Strengthen the Customs clearance monitoring system.	IP cameras used in additional 6 Customs											10,460
9.4 Establish the principles of RM across the Customs organization with particular emphasis on cargo clearance.	Selectivity module/ RM System implemented(Software developed)											4,700
9.5 Arrange to better control the movement of containers through a Customs seal system.	Implemented containerized cargo system											49,490
9.6 Broaden and fully integrate Risk Management throughout DOC policies and operations.	Software available											3,410
	Total Costs											83,460

Outcome 3: Social Safety and Security: Attempted for surveillance and control over the movement of goods to prevent illegal trade and trafficking of harmful items in the country.

Strategy 10: Protected Society/ Safety & Security

Activity	Target/Milestone (Performance Indicators)	Time Frame									Estimated Costs (Rs. '000)	Responsibility	
		2017/18 (Trimester)			2018/19 (Trimester)			2019/20 (Trimester)					
1	2	3	1	2	3	1	2	3	1	2	3		
10.1 Prepare strategy of Customs in the field of protecting society.	Strategy paper disseminated and applied by all Customs offices											1,770	Director, CRM Section
10.2 Enhance the capacity of Customs lab to test the controlled and hazardous goods to control border smuggling and illegal trade including environment protection in the areas of CITES and ODS.	Draft guidelines prepared and submitted to the concerned ministries											580	Director, Monitoring Section
10.3 Collaborate/ coordinate among border agencies, local agencies, local security wings & Regional Revenue Investigation Units.	At least 4 meeting conducted annually in main Customs Offices											9,850	Director, Monitoring Section
10.4 Design interface model lab in Customs offices.	Lab functional in 10 Customs offices											5,180	Director, Laboratory Section
10.5 Develop mechanism, plan, policy and programs to reduce illegal trade.	No. of illegal detections annually											9,000	Director, Monitoring Section /Chief Customs Officer
10.6 Review the need to form a separate Customs Security force under the command of Customs Chief.	Security force deployed											269,900	Director, Monitoring Section
10.7 Establish a mechanism to effectively control illicit drugs, counterfeit currencies, pirated and other counterfeit goods.	Multi-sectoral coordination established with relevant other agencies											1,780	Director, Monitoring Section
	Total Costs											298,060	

Strategy 11: Streamlined Co-ordinated Border Management

Activity	Target/Milestone (Performance Indicators)	Time Frame									Estimated Costs (Rs. '000)	Responsibility
		2017/18 (Trimester)			2018/19 (Trimester)			2019/20 (Trimester)				
1	2	3	1	2	3	1	2	3	1	2	3	
11.1 Define Customs role in national CBM process	Gap assessment report available with action plan for implementation											8,320
11.2 Instigate inter-agency agreements and arrangements.	Border activities coordinated by Customs offices											9,980
11.3 Enter into MOU with national trade and industry organizations	MOUs signed with a minimum of 6 national trade and industry organizations											650
11.4 Develop corporate social responsibility programs of Customs at border areas.	Social activities carried out in 20 Customs Offices											15,470
11.5 Develop guidelines on level of competency, working hour harmonization and other possible areas for harmonization amongst concerned border agencies.	Guidelines approved and implemented											1,900
	Estimated Total Costs											36,320

ANNEX 3: BUDGET ESTIMATE

Partners	Fiscal Year and Commitments (in millions)						Total US\$ (million)	TA ✓	Remarks			
	2017/18		2018/19		2019/20							
	NRs.	US\$	NRs.	US\$	NRs.	US\$						
GON	1263		12	1364	13	1473	14	1591	14	5691	52	
ADB	1,087.8	10	0	0	1196.6	11	0	0	2,284	21	✓	
World Bank								1708		16	NIRTTP	
WCO										-	✓	
IFC										-	NA	
IMF										-	✓	
Total								9683		89		
CRMSAP Costing								10,206		94		
Funding Gap								523		5		

Note

- 1 Government of Nepal financing: The average increment in GON budget allocation for the last four years (2013/14-2016/17) is around 8 percent. The same level of increment has been projected for the next 4 years taking the FY 2016/17 as the base year. NRs. 1170 million is the allocation from the Government of Nepal in the Fiscal Year 2016/2017.
 - 2 ADB financing: US\$ 21 million and US\$ 1 million Technical Assistance are in pipeline.
 - 3 The World Bank Financing: USD 16 million is composed of US\$ 14.00 million for NNSW and US\$1.7 million for ICT Capability Enhancement for Nepal Department of Customs component of NIRTTP.
 - 4 Some of the CRMSAP activities will be funded by TA.
- Exchange Rate: 1 US\$ = NRs. 108.78

ANNEX 4: CRMSAP 2017-2021 STRATEGIC ACTION PLAN

Outcome 1: Professional and Competitive Customs Services: Strengthened Customs management to enhance its image and to support trade facilitation and travelers.

Strategy 1: Expedited Legitimate Trade Facilitation

Strategic Objectives:

- Appropriate legal, policy, and administrative measures to implement WTO/TFA, General Annex of Revised Kyoto Convention and other relevant International Conventions and Standards will be enacted.
- Time and cost of trade will be reduced through easier and simplified Customs clearance and other core procedures to support doing business.

Activities	Actions/Tasks	Performance Indicators	Due Date	Costs (Rs.'000)	Estimated Responsibility
1.1 Reform legislations to implement effective and efficient import export and transit procedures ⁹ .	1.1.1 Revise Customs Legislation (Act, Rules, Administrative Decision) to comply with the General Annex of Revised Kyoto Convention and WTO Trade Facilitation Agreement. <ul style="list-style-type: none"> a. Constitute the intergovernmental committee to review the draft. b. Finalize the draft formulation c. Submit the draft to Ministry of Finance. d. Enact new Customs Act and Regulation 	Enacted Customs Legislation	July 2021	3,060	Director, Tariff Section
	1.1.2 Form a Task Force and Study and prepare a report on the appropriate measures and standards of the Specific Annex of RKC, ATA Convention, Istanbul Convention, TIR Convention, WCO Immediate Release Guidelines and other international conventions aim to develop Customs Procedure with Economic Impacts (CPEIs) ¹⁰ for exports promotion	Meeting Minute.	July 2017		Director, Tariff Section
	1.1.3 Study the CCPEIs for export promotion and submit recommendations focusing on procedures. ¹¹	Study conducted and recommendations submitted	July 2019	1,910	Director, Tariff Section
	a. Constitute a task force to study the Customs Procedure with Economic Impacts and review relevant existing procedures and/or recommend new procedures for implementation. <ul style="list-style-type: none"> b. Review the existing procedures and gaps in CPEIs. c. Recommend with work plan an appropriate procedures to introduce identified CPEIs. d. Implement the CPEIs. 	Task force formed.	Dec. 2017		Director, Tariff Section
		CPEIs gaps identified.	July 2018		Director, Tariff Section
		Work Plan prepared.	Dec 2018		Director, Tariff Section
		Implementation commenced.	July 2019		Director, Tariff Section

⁹ As indicated in the RKC, WTO TFA Study Report

¹⁰ Customs procedures that facilitate an evolving export oriented market economy encouraging the promotion of investment and facilitating increasing exports from the country are broadly known as Customs Procedures with Economic Impacts (CPEIs).

¹¹ Procedure includes but not limited to (i) Storage procedures - Storage warehousing or customs warehousing, (ii) Processing procedures - Temporary importation for inward processing, Temporary exportation for outward processing, (iii) Procedures permitting Temporary importation/ Temporary exportation, (iv) Customs transit and (v) Drawback

Activities	Actions/Tasks	Performance Indicators		Due Date	Estimated Costs (Rs. '000)	Responsibility
1.2 Review documents required for import and export.	1.2.1 Conduct detailed study of all necessary Customs documents for import and export. 1.2.2 Prepare time bound action plan to achieve the trade document reduction target 1.2.3 Prepare legislative draft to reduce document requirements. 1.2.4 Submit proposal to MOF for revision in legislation. 1.2.5 Submit legislative draft to Cabinet.	Report available Action Plan available Draft prepared Proposal submitted to MOF Proposal submitted to Cabinet. Study report available	September 2017 July 2018 Dec 2018 July 2019 Dec 2018	Sept. 2017 July 2018 Dec 2018 July 2019 Dec 2018	4,940 930 210 1,010 1710	Director, Tariff Section Director, Tariff Section Director, Tariff Section Director, Tariff Section Director, CRM Section Director, CRM Section Director, CRM Section
1.3 Introduce TTP Program and Plan AEO.	1.3.1 Conduct study including review of international best practices a. Form a study group with TOR b. Conduct study	Group formed with TOR Report submitted with recommendations Enact legislation Number of Trusted Traders in operation	Dec 2017 Dec 2018 July 2020 July 2018	Dec 2017 Dec 2018 Dec. 2018	14,100	Director, CRM Section Director, CRM Section Director, CRM Section
	1.3.2 Design/implement Trusted Traders program a. Determine benefits procedural, financial, administrative criteria for TT b. Design and implement communication plan c. Determine eligibility criteria for Trusted Traders d. Design a Mutual Recognition Agreement strategy			Dec. 2018 Dec. 2018		Director, CRM Section Director, CRM Section
	e. Design an adequate organization structure including roles and responsibilities f. Design a pilot plan to test and implement the TT in a preliminary stage g. Design TT process, (application, validation, revalidation) h. Implement TTP		July 2019	July 2019		Director, CRM Section
	1.3.3 Conduct Feasibility of Authorized Economic Operator including mapping of stakeholders' capacity	Feasibility for AEO Assessed and report available	Dec. 2020	July 2020	480	Director, CRM Section
1.4 Study deferred payment system.	1.4.1 Conduct prefeasibility study on deferred payment of duties, taxes and fees for trusted traders 1.4.2 Review legislation for introduction of deferred payment system	Feasibility report with draft legal framework available Legislation available	July 2018 July 2019	July 2018 July 2019	420 450	Director, Intelligence Section Director, Intelligence Section

Activities	Actions/Tasks	Performance Indicators		Due Date	Estimated Costs (Rs. '000)	Responsibility
1.5 Review Customs Tariff.	1.5.1 Review the Customs Tariff to make it investment friendly and assist legitimate commercial /industrial enterprises a. Review the available study report and recommend the Tariff restructuring	Reviewed Tariff structure Reviewed Report received	Reviewed Report received	July 2018	1,870	Director, Tariff Section
1.6 Develop and implement Advance Ruling.	1.6.1 Study legal and infrastructure gaps to implement the Advance Rulings provisions. 1.6.2 Amend existing legal provision for Advance Rulings on country of origin and commodity classification 1.6.3 Implement Advance Rulings	Study Report received. Legal Provision drafted	Study Report received. Legal Provision drafted	Dec. 2017 July 2018	1,010 430	Director, Tariff Section
1.7 Conduct Time Release Study.	1.7.1 Conduct a TRS 1.7.2 Report conclusions and recommendations to CBM committee 1.7.3 Evaluate implementation priorities and develop a workable schedule 1.7.4 Implement the TRS-recommendations to improve the clearance process at the border 1.7.5 Monitor and report progress on implementation of TRS study reports	Advance Rulings implemented Report of 4 Customs offices submitted Report discussed in the committee meeting and 90 percent decisions of the meeting implemented Mandated by Committees	Report of 4 Customs offices submitted Report discussed in the committee meeting and 90 percent decisions of the meeting implemented Report Implemented.	July 2021 Dec 2019 July 2020 October 2020	1,010 17,110 50 300	Director, Tariff Section Director, CRM Section Director, CRM Section Director, CRM Section
1.8 Establish and operate effective Client Service Desks.	1.8.1 Strengthen CSD in 6 major Customs Office and DOC 1.8.2 Rollout Client Service Desk	Dedicated desks strengthen at a minimum of 6 main Customs point with ICT facility Dedicated desks established (adjacent to passenger lane) at a minimum of 10 main Customs point	Dedicated desks strengthen at a minimum of 6 main Customs point with ICT facility Dedicated desks established (adjacent to passenger lane) at a minimum of 10 main Customs point	July 2018 July 2019	260 65,320	Director, Planning and Service Section Director, Planning and Service Section

Activities	Actions/Tasks	Performance Indicators		Due Date	Estimated Costs (Rs. '000)	Responsibility
1.9 Improve and update Customs Website.	1.9.1 Upgrade DOC central Customs Website to provide greater access to, and increased level of, Customs information relevant to importers and exporters	DOC website linked with major 10 Customs offices	Regular	Dec 2017	Included in DP&S training	2,240 Director, Planning and Service Section
	1.9.2 Ensure all information is aligned with the Nepal Trade Information Portal and include references to OGA's as necessary	Agreement between DOC and TEPC, DOC and OGA Management	Regular	July 2018		
	1.9.3 Develop SOP for the information, publication and availability in the website.	Information available in DOC website	Regular			460 Director, Planning and Service Section
	1.9.4 Make Information available through digital formats in English and Nepali (including to the policy makers)	Information available through digital and hard copy formats.	Regular			2,660 Director, IT Section (Opr)
	1.9.5 Update homepage of major Customs offices	Information available in COs' website	Regular			Included in Director, IT Section 1.9.1 (Opr)
1.10 Promote and improve cooperation with Customs stakeholders.	1.10.1 Sign MOU with the agencies involved in supply chains	Identified actors involved in supply chain, defined their roles and MOU signed	Regular	Sep 2018		660 Director, CRM Section
	1.10.2 Conduct interactions program with stakeholders through National Customs Trade Facilitation Committee at DOC	Meetings held, at least four times, as per TOR	Quarterly			1,810 Director, CRM Section
	1.10.3 Organize regular meeting with stakeholders through Local Customs Trade Facilitation Committee (LCTFC) and report the recommendation to National Customs Trade Facilitation Committee to promote Customs-Business relationship	Meetings organised bi-monthly Interactions organized with the grassroots level traders through LCTFC	Bi-monthly			7,840 Chief Customs Officers
	1.10.4 Conduct cross border (regular) meeting with counterpart Customs Administration	Conducted meetings at least 4 times annually	Quarterly			5,920 Chief Customs Officers
	1.10.5 Draw up & implement public relations and communication policy	Communication and public relations policy implemented	July 2018			260 Director, CRM Section
	1.10.6 Establish Customs Cooperation Agreement with other Customs Administrations	Customs Cooperation signed with additional 4 trading partners	March 2021		Ref to 1.10.4	Director, CRM Section
	1.10.7 Study and recommend for action as per the Customs Cooperation agreement with the bordering countries and other regional and multilateral agreements.	Agreed recommendations implemented at least with 4 Customs administrations	March 2021		2,180	Director, CRM Section

Activities	Actions/Tasks			Performance Indicators	Due Date	Estimated Costs (Rs. '000')	Responsibility
1.11 Implement exchange of information with other Customs administration.	1.11.1 Conduct prefeasibility study on electronic exchange of import/export data and information.	Study report with recommendations available		July 2020		3360	Director, CRM Section
	1.11.2 Exchange of information and data with neighboring customs administrations.	Software functional		July 2021	Ref to 3.1	Director, CRM Section	
1.12 Establish grievance redressal mechanism.	1.12.1 Conduct feasibility Study to establish stakeholders Grievance redressal mechanism	Study conducted		Dec. 2017		930	Director, Monitoring Section
	1.12.2 Consult with all stakeholders, form committee and put information on DOC website	Committee formed with SOP		July 2018		40	Director, Monitoring Section
1.13 Execute expedited shipment.	1.12.3 Handle disputes	No. of grievances handled annually		Dec. 2018		100	Director, Monitoring Section
	1.13.1 Study and Amendment of existing Customs Act and Customs Regulation to incorporate contemporary best practices with regard to Expedited shipment.	Draft Proposal		Dec. 2017	Ref to 1.1.1	Director, Tariff Section	
1.13 Execute expedited shipment.	1.13.2 Prepare Draft Proposal including Customs Tariff at flat rate for goods imported by courier.	Legislation submitted for approval		July 2018	Ref to 1.1.1	Director, Tariff Section	
	1.13.3 Submission to Ministry of Finance for approval.	Submitted to MOF		July 2018	Ref to 1.1.1	Director, Tariff Section	
1.13 Execute expedited shipment.	1.13.4 Enactment of the Customs Act and Regulation.	Flat Rate introduced and Separate unit established		July 2019		540	Director, Tariff Section
		Estimated Total Costs				152,850	

Strategy 2: Promoted Integrity and Good Governance

Strategic Objectives:

- The integrity will be improved by development of an organizational culture that will lead to encourage high levels of integrity.
- The image of Customs will be enhanced as a reliable and integral partner in society through improving credibility and by fulfilling its social obligations (e.g. business oriented behavior, business service standards) and Customs accountability (more transparency and highly qualified/trained staff)

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000')	Responsibility
2.1 Perform an organizational self-assessment.	2.1.1 Conduct organizational self-assessment	Annually one event held during DOC Management Seminar	Regular	1,310	Director, CRM Section
	2.1.2 Prepare improvement/reform measures	Reform measures with timeline approved and implemented	Regular	1,790	Director, CRM Section
2.2 Prepare an integrity plan.	2.2.1 Develop integrity plan based on Revised Arusha Declaration plus other relevant sources and ensure compliance	Integrity plan developed and approved	Dec 2018	460	Director, Administration Section
	2.2.2 Develop integrity tools for administrative and management audit to enhance integrity	Tools developed and approved	July 2019	460	Director, Administration Section
2.2.3 Supervise & monitor integrity	Implemented and complied with the plan.	Implemented and complied with the plan.	Dec 2019	270	Director, Administration Section
2.2.4 Conduct marketing of Customs integrity	a. Prepare a marketing strategy based on the renewed integrity plan.	Marketing plan approved	Dec 2019	1,910	Director, Monitoring Section
	b. Establish relationship with media for marketing	Media campaigns initiated	Dec 2019	800	Director, Monitoring Section
	c. Conduct interactions with media and other stakeholders to get support in integrity marketing	No. of interaction programs	July 2021	160	Director, Monitoring Section

Activities	Actions/Tasks		Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
2.3 Introduce a reward, recognition and punishment system.	2.3.1	Review the code of conduct with reassessment on implementation approach	Code of Conduct Reviewed.	July 2018	170	Director, Administration Section
	2.3.2	Update functional indicators	Report available	Dec 2017	170	Director, Monitoring Section
	2.3.3	Create a Compliments and Complaints Register <ul style="list-style-type: none"> a. Put register at CSD b. Include the provision in citizen charter c. Compile and report monthly data 	System operational and data made available to executive management	Dec 2017	40	Director, Planning and Service Section
	2.3.4	Implement reward and punishment system based on functional indicators.	Reward and penalty systems operated	July 2018	10	Director, Administration Section
	2.3.5	Conduct a study (Survey) of Client Satisfaction and implement the findings	Client satisfaction survey conducted and findings implemented	Dec 2018	950	Director, Planning and Service Section
	2.3.6	Incorporate client satisfaction report as one of the indicators for Customs performance incentive.	Customs reward paid on time (at least by next month)	Dec 2018	340	Director, Monitoring Section
2.4 Develop a Performance-based Management System in Customs.	2.4.1	Sign performance agreement with DOC Section Chiefs and Chief Customs Officers	Included implementation and monitoring of attainment of numbers or percentages of actions planned in the MOU in the PBIS indicators.	Annually	400	Director, Monitoring Section
	2.4.2	Develop cascading organizational planning from the top level DOC Plan, COs Plans, Section Plans down to individual performance assessment plans so that all are linked.	Revised planning structure in place and personal plans assessed on regular basis	Jan 2018	860	Director, Planning and Service Section
	2.4.3	Prepare performance management guidelines in Customs	Guidelines approved	July 2019	680	Director, Monitoring Section
	2.4.4	Monitor attainment of performances in trimester review <ul style="list-style-type: none"> a. Introduce digital performance monitoring system b. Introduce internal competition mechanisms to measure performance c. Introduce prepayment system 	Incorporated performance report in trimester monitoring report	Regular	260	Director, Monitoring Section

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
2.5 Integrate CRMSAP in the DOC annual plan.	2.5.1 Inbuilt CRMS Action Plan as Annual Program and Budget of DOC 2.5.2 Prepare Annual Action Plan of the DOC sections and Customs Offices with clear tangible, financial and other performance targets for implementation	One consolidated annual plan of Customs made functional	July 2017 onwards annually	220	Director, Planning and Services Section
2.6 Monitor performances of the CRMSAP.	2.6.1 Prepare Results-based Monitoring Framework of CRMSAP 2.6.2 Monitor CRMSAP and seek to ensure that all objectives have clear implementation paths 2.6.3 Develop software that will facilitate the DOC management to upload and monitor the progress on annual plan/CRMSAP	Action plan available with trimester milestone/targets Monitoring Framework available with realistic performance measurement indicators in place	July 2017 onwards annually July 2018	10,800 2,990	Director, Planning and Services Section Chief Customs Officer Director, Monitoring Section
2.7 Plan and manage procurement.	2.7.1 Prepare procurement plan 2.7.2 Recruit procurement expert as adviser to executive management and day-to-day manager of procurement policy and decisions. 2.7.3 Monitor procurement functions at all levels i.e. procurement of equipment and construction of infrastructure in Customs Offices	Trimester and annual review of CRMSAP conducted Software developed Procurement plan available together with annual program and budget planning	Regular July 2020	1,090 2,230 870	Director, Monitoring Section Director, Monitoring Section Director, Administration Section
2.8 Arrange appropriate provision for	2.8.1 adequate capital funds to DOC to enable it to carry out its roles and responsibilities effectively and efficiently.	Planned procurement functions completed annually	TOR Jan 2018, position filled July 2018	5230	Director, Administration Section
	Estimated Total Costs			36,840	

Strategy 3: Enhanced Customs Automation and Data Management

Objective: Develop an appropriate ICT infrastructure in DOC to support the overall trade facilitation including a system to interface with Single window in operation.

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs. 000)	Responsibility
3.1 Improve NECAS.	<p>3.1.1 Assess and extend NECAS functionality including for expedited shipment, pre-arrival processing, digital signature, e-payment, selectivity module, performance module¹².</p> <p>3.1.2 Reengineer Declaration Processing Path to support NECAS functionalities with following features:</p> <ul style="list-style-type: none"> a. Prepare standard path for both imports and exports b. Adapt for specific procedures c. Work-out efficiency improvements measures to proceed to paperless Customs procedures.— e.g. DTI, broker self-assessment (after implementation of gate control/manifest), etc. d. Restructure Post Clearance Audit to enable a major reduction in red lane entries e. Update/adjust the path for expedited shipment, pre-arrival processing, digital signature, e-payment, selectivity module, performance module relating to 3.1.1 <p>3.1.3 Improve e-Customs master plan and Operationalize activities outlined by the e-Customs master plan.</p> <p>3.1.4 Develop and implement EDI and modern web-form facilities to be used among internal stakeholders</p> <p>3.1.5 Roll out NECAS and subsystem (including Deposit Management System and Gate Control) to main Customs offices.</p> <p>3.1.6 Interface EXIM Code to NECAS</p>	<p>Software functional</p> <p>Declaration Processing Path reengineered based upon the task list.</p> <p>Elimination of signed hard copy SAD and documents.</p>	July 2018 Dec 2020 Dec 2018 Dec. 2018	21,830 910 225,440 1,090	Director, IT Section (Dev) Director, IT Section (Dev) Director, IT Section (Opr) Director, IT Section (Dev) Director, IT Section (Opr) Director, IT Section (Dev)

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It should be noted that several enhancements will need to be developed externally to AW such as NECAS audit and detention notification.

Activities	Actions/Tasks			Performance Indicators	Due Date	Estimated Costs (Rs.000)	Responsibility
3.2 Improve connectivity to major Customs offices.	3.2.1 Upgrade and improve Fiber/ wireless link	At least 3 levels connectivity in major Customs to DOC			July 2018	22,640	Director, IT Section (Opr)
	3.2.2 Recruit network/communications technology specialists	TOR developed, experts recruited and in place			July 2018	10,240	Director IT Services (Opr)
	3.2.3 Sign Service Level Agreement with service providers	Improved uptime to 99%			July 2018	14,440	Director, IT Section (Opr)
3.3 Upgrade the operational effectiveness of Customs utilizing computerization.	3.3.1 Assess needs	Identified present status of ICT infrastructure in Nepal Customs; ICT Replacement plan			July 2018	4,280	Director, IT Section (Opr)
	3.3.2 Review the staffing levels and expertise of the IT and Statistics section to reflect the current and planned developments in computerization.	Restructured organogram of IT and Statistics section functional			Dec 2018	110	Director, Administration Section
	3.3.3 Provide computer and related equipment to DOC and Customs offices	Computer/equipment purchased/ handover	Regular			161,540	Director, IT Section (Opr)
3.4 Enhance the capability of Customs in all areas of its operation utilizing ICT infrastructure.	3.4.1 Compile available stocktaking of infrastructure throughout Customs including assessment of available physical and ICT infrastructure	List of necessary infrastructure available by the end of July 2017			Dec 2018	2,290	Director, Administration Section
	3.4.2 Prepare list & specification of equipment & infrastructure	List available			Dec 2018	50	Director, IT Section (Opr)
	3.4.3 Prepare replacement plan	Plan approved			Dec 2018	Refer to 3.3.1	Director, IT Section (Opr)
3.5 Develop mobile application of NECAS functionalities	3.5.1 Prepare mobile application software for relevant functionalities.	Software functional			Dec 2019	4,510	Director, IT Section (Dev)

Activities	ACTIONS/TASKS	Performance Indicators	Due Date	Estimated Costs (Rs. 000)	Responsibility
3.6 Develop and Implement Nepal National Single Window System.	<p>3.6.1 Conduct legal review on Single Window and make required conforming amendments. Those amendments concern, for example, sharing and protection of confidential data, recognition of electronic signature, electronic records and record keeping, and so forth</p> <p>3.6.2 Implement technical infrastructure and integrate relevant agency systems and services</p>	Action plan developed as per recommendations of the review report. Review international law and other guidance at UNCITRAL, UNCEFACT and WCO	Dec 2019	1910	Director, IT Section (Dev)
	3.6.3 Implement WCO data-model/harmonizing data requirements	Aligned NSW with Nepal Trade Information Portal WCO data-model adopted.	July 2020	4,380	Director, IT Section (Dev)
	3.6.4 Customs system interfaced with Single window in operation.	Interfaced with at least with 10 agencies	July 2021	7,610	Director, IT Section (Dev)
	3.6.5 Establish change management, project implementation, and a transition plan, referring to Nepal India Regional Trade and Transport Project (NIRTTP)	No. of programs organized by Customs offices	Dec 2019	270	Director, CRM Section
	3.6.6 Pilot NSW with selected stakeholder agencies	Report of trial at least with two selected stakeholder agencies available	July 2021	270	Director, CRM Section
	3.7 Prepare secure data warehouse for all Customs Data.	Data warehouse operational on a separate server so as to allow operations to run unaffected by statistical or report creation	Dec 2017	Ref to 3.3.3	Director, IT Section (Dev)
	3.7.1 Develop data warehouse utilizing the AW OLAP functionality	Accurate and timely statistics published	Regular	170	Director, Statistics Section
	3.7.2 Publish annual / web based trade and revenue statistics in accurate and timely basis.	Daily commodity statistics generated	Regular	130	Director, Statistics Section
	3.7.3 Generate daily commodity statistics by the Customs Office	Monthly commodity statistics generated	Regular	130	Director, Statistics Section
	3.7.4 Generate monthly commodity statistics and analysis by the Customs				

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.000)	Responsibility
3.8 Carry out periodic checks and system audit.	<p>3.8.1 Form a team for System Audit</p> <p>3.8.2 Prepare periodic System Audit Manual including audit logs/trail, archiving strategy and access controls</p> <p>3.8.3 Provide Training as needed</p> <p>3.8.4 Conduct the periodic system audit</p>	Report of annual periodic checks available at DOC and Customs offices	Dec. 2017 April 2018 July 2018 July 2019	2,110 40 820 7,830	Director, IT Section (Dev/Opr) (Dev/Opr) (Dev/Opr)
3.9 Disseminate information.	<p>3.9.1 Develop Trade Volume Projection and Analysis system</p> <p>3.9.2 Disseminate predictable merchandise and revenue statistics on periodic basis to public, policy makers and researchers</p>	System developed	Regular	1,910	Director, Statistics Section
	3.9.3 Harmonize merchandise trade statistics among major players, namely DOC, NRB and TEPC including dissemination of authentic national level trade data	Multi-sectoral Team formed and Harmonized data publishing carried out annually	Dec 2018	2,220	Director, Statistics Section
3.10Develop Broker Management System.	<p>3.10.1 Establish a team, with TOR, to develop the system</p> <p>3.10.2 Design and Develop the System</p> <p>3.10.3 Test and Validate the System</p> <p>3.10.4 Implement the system</p>	<p>Report submitted</p> <p>System developed</p> <p>Validation completed</p> <p>Developed and implemented the system with training (5 trainings)</p>	<p>Regular Dec 2018 Sep 2018 Dec 2018 July 2019</p> <p>Refer to 3.10.2 (Dev)</p>	<p>1,510 2,180</p> <p>2,910</p>	<p>Director, IT Section (Dev) (Dev) (Dev)</p> <p>Director, Monitoring Section</p>
	Estimated Total Costs			2,078,500	

Strategy 4: Strengthened HR Management Capacity

Objective: Management capacity will be improved to ensure integrity with a focus on change management, building and sustaining knowledge based professional institution.

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
4.1 Approve and implement the Human Resources Master Plan (HRMP).	4.1.1 Review, update and approve the HRMP 4.1.2 Develop Capacity Development Plan for core Customs areas - Trade Facilitation, Risk Management, Customs Automation, Valuation, PCA, Advance Ruling, Pre-arrival Processing, expedited shipment and commercial fraud. 4.1.3 Implement HRMP	Action plan for HRMP implementation approved Capacity development plan for CRMSAP 2017-2021 prepared by all DOC sections HRMP implemented	Dec 2017 July 2018 July 2018 onwards	970 260 80	Director, Administration Section Director, Administration Section Director, Administration Section
4.2 Revisit Organogram.	4.2.1 Revisit DOC organogram from Customs be in line with the task requirements of CRMSAP strategic priorities covering but not limited to Risk Management, Customs Automation, Valuation, PCA, Advance Ruling, Pre-arrival Processing, expedited shipment and commercial fraud and Federal perspectives. 4.2.2 Restructure Sub-Customs Offices. 4.2.3 Realignment of the staff allocation as per revised Organization Structure. 4.2.4 Establish HRD unit in DOC	Restructured Customs Administration functional by the end of 2019 930 July 2020 Refer to 4.2.1 July 2020 Refer to 4.1.1	Dec 2019	5,960	Director, Administration section
4.2.5	Make functional Risk Management Committee at DOC to review appropriate organizational structure for effective Risk Management	Functional Committee with recommendations decisions of its meetings	July 2018	110	Director, Intelligence Section
4.2.6	Design an organizational RM structure (strategic, tactical and operational and including a RM Unit focusing on intelligence, analysis and targeting to work closely with all relevant operational areas)	Organization restructured with defined roles and responsibilities	July 2019	Ref to 4.2.1	Director, Intelligence Section

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
4.3 Establish and develop the core technical capacity of Customs Administration.	<p>4.3.1 Formulate a capacity development plan.</p> <p>4.3.2 Endorse the training plan for the respective units</p> <p>4.3.3 Prepare annual calendar of training requirements and appropriate courses to meet those needs.</p> <p>4.3.4 Develop Training modules on various subjects e.g. Valuation, PCA, Classification, NECAS and its operation, procedures, Investigation and Enforcement, Risk Management etc.</p> <p>4.3.5 Formulate and commenced implementation of the “pool of expert” scheme.</p> <p>4.3.6 Conduct technical capacity training as per the approved training calendar, courses and modules.</p> <p>4.3.7 Train customs officers on relevant international standards and recommendations, in particular the WTO customs valuation agreement.</p> <p>4.3.8 Arrange financial and TA support from development partners (DPs) for technical capacity development (short term training in other countries)</p> <p>4.3.9 Train customs officers on tariff classification rules based on newly developed course and module</p> <p>4.3.10 Conduct on-the-Job training for operational level's officials at the Customs offices based on newly developed course and module</p> <p>4.3.11 Conduct training for research and quality enhancement of data and intelligence analysis for customs staff/stakeholders</p> <p>4.3.12 Conduct training on trade volume projection and analysis</p> <p>4.3.13 Provide NECAS training to staffs and stakeholders of all Customs offices</p>	<p>Capacity Development Plan formulated.</p> <p>Training plan endorsed.</p> <p>3 trainings organized</p> <p>Training modules developed</p> <p>Pool of expert scheme formulated and commenced.</p> <p>6 trainings organized</p> <p>Training report available</p> <p>Consolidated capacity building (CB) plan and annual CB action plan available (all sections such as PMU, CRM provides details on capacity development support received from DPs to Admin Section)</p> <p>2 trainings organized annually</p> <p>Training report available</p> <p>On the Job training conducted in 10 major Customs offices (skilled experts used to conduct on-the job training at field level)</p> <p>25 persons trained</p> <p>25 persons trained</p> <p>NECAS training provided to the staffs of all Customs offices</p>	<p>July 2019</p> <p>July 2019</p> <p>Dec 2017</p> <p>Dec 2018</p> <p>July 2019</p> <p>Jan 2019 onwards</p> <p>Jan 2019 onwards</p> <p>July 2019</p> <p>Jan 2019 onwards</p> <p>Jan 2019 onwards</p> <p>Regular</p> <p>Regular</p>	<p>430</p> <p>350</p> <p>1,250</p> <p>3,920</p> <p>140</p> <p>11,090</p> <p>36,690</p> <p>76,220</p> <p>Refer to 4.3.7</p> <p>1,170</p> <p>330</p> <p>Ref to 4.3.7</p> <p>2,610</p>	<p>Director, Administration Section</p> <p>Director, Statistics Section</p> <p>Director, Statistics Section</p> <p>Director, IT Section (Opr)</p>

Activities	Actions/Tasks		Performance Indicators		Due Date	Estimated Costs (Rs. '000)	Responsibility
4.4 Upgrade inventory and record keeping.	4.4.1	Upgrade and automate the inventory, record keeping and archiving systems.	List of necessary infrastructure available		July 2018	3,540	Director, Administration Section
	4.4.2	Maintain record keeping and archive management system in manual and digital formats	Record keeping and archive management system maintained		Dec 2018	220	Director, Administration Section
	4.4.3	Maintain individual staff profile	Staff profile available in Customs		Sept 2019	540	Director, Administration Section
	4.4.4	Revise and upgrade HRIS	Updated HRIS functional		Sep 2018	220	Director, Administration Section
4.5 Provide training and education for non-revenue related tasks.	4.5.1	Establish a sustainable training program – in close cooperation with the relevant ministry/ agency- for all non-revenue related task	Updated manuals available		July 2018	1,440	Director, Monitoring Section
	4.5.2	Provide trainings to border officers	No. of trainings organised	Regular		1,440	Chief Customs Officer
	4.6.1	Prepare code of conduct for Customs Agents	Disseminated Code of Conduct	Dec 2017		330	Director, Planning and Service Section
4.6 Facilitate/ provide support to expand performance of Customs Agents/ stakeholders in transacting Customs business	4.6.2	Select new Customs Agents	No. of new Customs agents	Feb 2019		2,190	Director, Planning and Service Section
	4.6.3	Prepare a calendar of operations of training	Calendar of operation in place	Dec 2018		130	Director, Planning and Service Section
	4.6.4	Prepare training manual	Training manual prepared and updated	July 2019		1,490	Director, Planning and Service Section
	4.6.5	Conduct training locally and centrally based on newly developed training manual.	Conduct at least two training annually	Regular		650	Director, Planning and Service Section
4.7 Build capacity on CBM.	4.7.1	Train customs officers on SOPs related to common border procedures and uniform document requirements	Training provided to all Customs offices	Regular		450	Director, Planning and Service Section
	4.7.2	Organize study visit to acquire knowledge and information sharing of international best practices for effective implementation of CBM	Observation report available with recommendations	Regular		2,890	Director, CRM Section
	4.7.3	Organize training to Customs officials and stakeholder on NNSW implementation	No. of training programs organized	Regular		2,890	Director, CRM Section
	4.7.4	Conduct training program for customs inspector to identify raw materials, chemicals, counterfeit goods, drugs and other illegal goods.	10 trainings organized	Regular DOC Annual Progress Report	1,470	Director, CRM Section	
			90% OGAs provided support and cooperation to Customs				

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs. '000)	Responsibility
4.8 Build capacity in compliance management (including Voluntary Compliance).	4.8.1 Conduct training program on compliance management to Customs staff at central and local level 4.8.2 Conduct training program on compliance management to private sector stakeholders at central and local level 4.8.3 Conduct training on change management	No. of trainings conducted annually All the key stakeholders from the private sectors trained All managers at the Central and local level trained	Regular Regular Regular	450 450 2,670	Director, Administration Section Chief Customs Officer Chief Customs Officer
4.9 Build capacity on risk management.	4.9.1 Provide training in risk analysis and profiling 4.9.2 Provide training in accordance with Action 9.8 in terms of organizational risk management	One person from all Customs Offices trained in RM	Regular	450	Chief Customs Officer
	4.9.3 Provide specific RM-related change management training for management and staff.		Regular	260	Chief Customs Officer
4.10 Enhance leadership, management and professional capacity.	4.10.1 Provide internal training in strategic/ change/ project management to the management level of DOC 4.10.2 Provide behavioral training to officials and managers in operational level 4.10.3 Conduct study and observation tour of best Customs practice countries 4.10.4 Arrange scholarship program to abroad studies / training in Customs management, public and financial policies for competent Customs officials	Strategic/ change/ project management training provided Annual training calendar prepared and implemented Study and observation tour conducted Scholarship program arranged; (Short term training abroad)	regular regular regular	1,440 1,440 6,530 1,310	Director, Administration Section Director, Administration Section Director, Administration Section Director, Administration Section
4.11 Retain staff in Customs.	4.11.1 Set internal policy for staff posting and transfer in Customs 4.11.2 Update/Implement the employees transfer policy	Made computer literacy an eligibility criteria in the posting and transfer of officers in Customs	Regular	260	Director, Administration Section
4.12 Create Customs sub-group.	4.12.1 Liaise for the formation of Nepal Customs Service or Customs sub-group	Customs Sub-group created	July 2021	90 540	Director, Administration Section Director, Administration Section

Activities	Actions/Tasks			Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
4.13 Establish autonomous Revenue Board to improve institutional capacity of Customs.	4.13.1 Procure experts	Report available – Board's charter	July 2019	5,990	Director, Administration Section		
	4.13.2 Review Board Formation Order			260			
	4.13.3 Submit to MOF			720			
4.14 Re-assess job rotation (functional) system.	4.14.1 Assess impact of the job rotation system in Customs Offices noting the views of all external stakeholders	Assessment report available with recommendations	March 2018	160	Director, Administration Section		
	4.14.2 Prepare guidelines for improvement and implement		July 2018	130	Director, Administration Section		
	Estimated Total costs			185,810			

Strategy 5: Developed Infrastructure and Physical Facilities

Objective: Physical facilities will be improved in Customs to provide a modern and efficient working environment.

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs. '000)	Responsibility
5.1. Approve and implement the Physical Infrastructure Improvement Master Plan (PIIMP).	5.1.1 Review and approve the PIIMP 5.1.2 Implement the PIIMP	PIIMP draft report reviewed PIIMP approved	Dec 2017	2,050	Director, CRM Section
5.2. Design uniform layout for Customs with the emphasis on construction of ICP and ICD.	5.1.1 Develop Uniform Customs Layout plan (followed by design for Customs building) 5.1.2 Approve the Uniform Customs Layout plan 5.1.3 Develop separate accommodation for brokers and some DOC non-essential staff for clearance operations(admin, PCA, valuation) owing to space shortage in ICP Customs building 5.1.4 Set-up the NII x-ray facility in a manner that maximizes risk assessment without too much negative impact on flow through 5.1.5 Check all network and communications infrastructure is working well before going live at ICP 5.1.6 Implement the uniform layout in customs 5.1.7 Follow up the construction of ICP and realign to facilitate the movement of cargo and passengers at Birgunj, Biratnagar, Bhairahawa and Nepalganj and ICD at Tatopani and Rasuwa 5.1.8 Improve yard in the major Customs offices	Action plan with timeline for the implementation of PIIMP available PIIMP functional Customs uniform layout available (prototype) Uniform all customs layouts developed Uniform layout approved Separate accommodations available in major 6 Customs Installed in 6 major Customs Inspection report available with recommendations Uniform layout implemented Task force meeting conducted. Action plan with timeline available and yards improved in 10 COs	July 2018 July 2018 Dec 2018 July 2021 July 2019 Jan 2018 Jan 2019 Refer to 5.2.2 Regular	1,071,600 70,710 130 567,720 565,790 23,710 900 678,490	Director, CRM Section Director, CRM Section Director, CRM Section Director, CRM Section Director, CRM Section Director, CRM Section Director, CRM Section Chief Customs Officer

Activities	Actions/Tasks		Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
5.3. Procure/ arrange land for various Customs offices.	5.1.1	Acquisition of land in Rasuwa, Thadi, Sarlahi, Dryport, Suthauli, Sati, Janakpur Mahespur, Lumbini etc. Customs.	Adequate budget allocated for land purchase and procurement attained as per plan	July 2020	1,467,990	Chief Customs Officer
	5.1.2	Construct the fencing wall at the acquired land	Fencing wall constructed	July 2021	111,650	Chief Customs Officer
5.4. Construct the Customs buildings to improve working environment for all parties.	5.1.1	Prepare drawing and design of the Customs buildings	Drawing and design prepared	July 2018	6,790	Director, Administration Section
	5.1.2	Construct the Customs building and godown in Sunsari, Thadi, Siraha Madar, Jaleshwor, Sarlahi, Rasuwa Mahespur, Suthauli, Sati and as deemed necessary	Customs building constructed	July 2021	544,960	Director, Administration Section
5.5. Establish/ modernize Customs laboratory.	5.1.3	Construct staffs quarter with sound hygienic fitness center in major Customs	Staff quarter available to staff in Biratnagar, Birgunj, Bhairahawa and Nepalganj.	July 2021	163,170	Director, Administration Section
	5.1.4	Construct building for DOC (including central laboratory, Customs Museum, PCA Office and Customs in house training center)	DOC building constructed	July 2021	205,570	Director, Administration Section
5.6. Develop the safety sampling corner	5.1.1	Prepare implementation Plan	Action plan available	Dec 2018	3,410	Director, Laboratory Section
	5.1.2	Establish lab in Customs offices	Implemented in 7 Customs Offices	July 2020	43,630	Director, Administration Section
5.7. Develop the safety sampling corner	5.1.3	Construct/upgrade the central laboratory building.	Appropriate office building for laboratory constructed	July 2021	Refer to 5.4.4	Director, Administration Section
	5.1.4	Install modern scientific equipment in the Central Laboratory and other Customs labs.	Modern equipment deployed in center and a minimum of 4 Customs offices.	Dec 2020	75,710	Director, Laboratory Section
	5.1.5	Develop the safety sampling corner	Safety sample drawing corner established in 10 major Customs offices.	Dec 2020	96,170	Director, Laboratory Section

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs. '000)	Responsibility
5.6. Maintain optimal usage of modern technology led physical facilities for ensuring automated Customs systems.	<p>5.1.1 Construct necessary physical facilities for the installation of non-intrusive inspection equipment</p> <p>5.1.2 Utilize the existing ICD x-ray machine</p> <p>5.1.3 Arrange appropriate non-intrusive inspection equipment (baggage scanner, body scanner, walk through and container scanner) for major Customs stations/offices.</p> <p>5.1.4 Coordinate to upgrade link road to Customs areas</p> <p>5.1.5 Install weighing bridge in major land customs</p> <p>5.1.6 Deploy and train the technical staff for equipment operations.</p>	<p>10 Customs offices</p> <p>Deployed and used</p> <p>Adequate modern technology led equipment arranged in 10 Customs offices</p> <p>Coordination established with Roads Office</p> <p>Machine installed and in operation</p> <p>Equipment managed by appropriately trained staff.</p>	<p>July 2020</p> <p>July 2017</p> <p>March 2021</p> <p>March 2021</p> <p>March 2021</p>	<p>522,140</p> <p>22,520</p> <p>282,900</p> <p>220</p> <p>65,270</p>	<p>Director, Planning and Services Section</p> <p>Chief Customs Officer</p> <p>Director, Planning and Services Section</p> <p>Director, Planning and Services Section</p> <p>Director, Planning and Services Section</p>
5.7. Renovate infrastructures of Customs offices on northern borders.	5.1.1 Improve and reconstruct the infrastructure of Tatopani, Olanchunggola, Kimathanka, Yarinaka and possible Customs at northern side.	Customs Action plan with timeline available	Regular	364,500	Director, CRM Section
	Estimated Total Costs			6,957,700	

Strategy 6: Enhanced Passenger Baggage Clearance Services (Accompanied and Unaccompanied)

Objective: Passenger baggage clearance services will be improved at the Airport and major Customs Offices to streamline control and facilitation.

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.000 ¹³)	Responsibility
6.1 Develop passenger lanes.	<p>6.1.1 Construct passenger lane (Gender friendly).</p> <p>6.1.2 Manage temporary admission of vehicles</p>	Passenger lane functional in 10 major Customs ¹³ offices	Dec 2020	65,270	Director, CRM Section
	6.1.3 Introduce RM for passengers clearance, baggage clearance	Managed admission of vehicles in all Customs office	Dec 2017	30,450	Director, IT Section (Dev)
	6.2 Enhance the facilitation of passenger clearance.	RM for passenger clearance practiced in all major Customs	July 2018	Included under Director, Intelligence strategy 9 Section	
	6.2.1 Establish the Green and Red Channel system.	Green and red lane established in at least in 10 Customs	Dec 2020	330	Director, CRM Section
	6.2.2 Install automated system for Passenger clearance	Liaison established with all Customs stakeholders – Immigration, Quarantine, Airport Operator, carriers, ground handlers.	Dec 2020		
	6.3 Designate a separate Customs unit for courier cargo clearance.	Adequate equipment provided in at least 10 Customs	Mar 2021	162,630	Director, CRM Section
	6.3.1 Study and amend existing Customs Act and Customs Regulation to incorporate contemporary best practices with regard to of separate unit.	Study report available with recommendations	Dec 2018	Included in 1.1.1	Tariff Section
	6.3.2 Prepare Draft Proposal including Customs Tariff at flat rate for goods imported by courier.	Draft Proposal available	Mar 2019	1,250	Tariff Section
	6.3.3 Submission to Ministry of Finance for approval	Submitted to MOF	May 2019	90	Tariff Section
	6.3.4 Enact the Customs Act and Regulation.	Flat Rate introduced and Separate unit established	Dec 2020	440	Tariff Section

¹³ Define 10 Major customs and selectivity channel on the basis of passenger flow

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000*)	Responsibility
6.4 Establish the Advance Passengers Information System/PNR	<p>6.4.1 Study and Amendment of existing Customs Act and Customs Regulation to incorporate contemporary best practices with regard to of APIS/PNR.</p> <p>6.4.2 Prepare strategy to manage the data privacy, data protection and integrity issues that arise from access to API/PNR data.</p> <p>6.4.3 Analyze IT requirements for management of API/PNR data</p>	<p>Study conducted</p> <p>Liaison established between DOC, Immigration and the Civil Aviation authorities plus private sector stakeholders.</p> <p>Analyzed AW and external system compatibility</p> <p>Prepared report</p> <p>Implement data transfer</p> <p>a. Prepare of Draft Proposal.</p> <p>b. Submit to Ministry of Finance for approval.</p> <p>c. Enact the Customs Act and Regulation.</p> <p>d. Introduce pre-declaration through mobile/web</p> <p>e. Conduct web based monitoring of passenger by receiving information from airline company</p>	<p>July 2019</p> <p>July 2019</p> <p>July 2019</p> <p>Oct 2019</p> <p>Dec 2020</p> <p>Dec 2019</p> <p>July 2019</p> <p>July 2020</p> <p>July 2020</p>	<p>Included in 1.1.1</p> <p>1,860</p> <p>5,220</p>	<p>Director, CRM Section</p> <p>Director, CRM Section</p> <p>Director, IT Section (Dev)</p>
	Estimated Total Costs			267,540	

Outcome 2: Fair and accurate revenue collection: Enhanced enforcement and compliance for high revenue yield/minimal revenue leakage through the collection of customs duty, Value Added Tax, Excise duty and other taxes on imported goods.

Strategy 7: Fair and Accurate Revenue Collection

Strategic Objectives: Valuation, tariff classification, origin, and other revenue related legislative provisions will be properly enforced for fair and accurate revenue collection.

Activities	Actions/Tasks		Performance Indicators	Due Date	Estimated Costs (Rs.000'')	Responsibility
7.1 Improve compliance environment for Customs valuation.	7.1.1	Make mandatory for value declaration for all consignment above certain threshold.	Value declaration form implemented.	Dec 2017		330 Director, Valuation Section
	7.1.2	Develop feedback mechanism of valuation fraud to Risk based clearance (DRI).	On-line sharing of valuation fraud mechanism in place (including from DRI).	Dec 2018	2,180	Director, Valuation Section
	7.1.3	Develop manual for internal audit system	Internal audit manual prepared.	Dec 2019	1,410	Director, Valuation Section
	7.1.4	Conduct periodic internal audit from DOC	Internal audit report available	Sept 2020	1,120	Director, Valuation Section
	7.1.5	Make internal audit units functional in Customs offices	Unit created in new DOC restructuring	Sept 2020	Included in 4.2.1	Director, Valuation Section
7.2 Provide access to valuation officers to import database and relevant reports.	7.2.1	Update the data requirement format.	Finalized data table with necessary formatting	July 2018	540	Director, Valuation Section
	7.2.2	Provide access to the database and relevant hard copies.	Access provided to Valuation Officers	Dec 2018	540	Director, Valuation Section
7.3 Establish and maintain a central valuation database in DOC and provide access to Customs and designated other offices.	7.3.1	Maintain a central valuation data base	Installation and operation of WAN.	Dec 2018	54,390	Director, Valuation Section
	7.3.2	Prepare mechanism for easy access to online valuation database for Customs offices	Valuation Database software in place.	July 2019	2,180	Director, Valuation Section
	7.3.3	Establish mechanism for monthly dissemination of data to other Customs offices	Updated web based valuation software	Dec 2019	1,090	Director, Valuation Section
	7.3.4	Prepare an international price index	International price index available	Dec 2020	2,220	Director, Valuation Section

Activities	Actions/Tasks	Performance Indicators		Due Date	Estimated Costs (Rs.'000')	Responsibility
7.4 Carry out risk based checks of declared values on import declarations in DOC.	7.4.1 Designate competent valuation officers in DOC 7.4.2 Establish a system to monitor additional revenue/revenue leakage realized/measured as a result of these checks.	Officers designated System established to monitor additional revenue amount Monitoring data available		July 2018 July 2018	220 170	Director, Intelligence Section Director, Intelligence Section
7.5 Develop Tariff Specification Code (TSC) in ASYCUDA World system to interface valuation database module with the cargo clearance system.	7.5.1 Develop TSC for each high risk product 7.5.2 Update TSC in system 7.5.3 Establish TSC unit under Valuation Section 7.5.4 Interface valuation database with cargo clearance system	TSC developed TSC updated weekly Unit included in new DOC restructured organogram TSC codes used		July 2018 July 2018	2,590 330	Director, valuation Section Director, valuation Section
7.6 Improve the HS classification.	7.6.1 Transform HS 2012 to HS 2017 7.6.2 Provide access to HS classification.	Transformed. Access provision in place		July 2017 July 2019	1,090 1,610	Tariff Section Director, Tariff Section
7.6.3 Provide training on HS classification.		Training on HS classification to staff of all Customs offices		July 2018	1,060	Tariff Section
7.6.4 Provide Classification Decisions to all customs offices and stakeholders		System in place to ensure on-going provision		July 2019	Refer to 7.7.2	Tariff Section
7.7 Promote a system to operate import trade under proper banking channels.	7.7.1 Develop concept paper for the need to implement the provision of mandatory banking channel. <ul style="list-style-type: none">• Discuss with stakeholders.• Finalize modalities.• Implement the provision.	Action plan with timeline available Concept paper developed		Dec. 2017	2,100	Tariff Section
		Discussion Minute Modality document.		July 2018 July 2018		Director, Tariff Section Director, Tariff Section
		Banking channel used in import export		July 2019		Director, Tariff Section

Activities	Actions/Tasks		Performance Indicators		Due Date	Estimated Costs (Rs.'000')	Responsibility
7.8 Update the manuals for Valuation & PCA to ensure that they reflect best practices.	7.8.1	Update and disseminate the manual including for non-compliers	Valuation Manual disseminated and implemented as a working document.	PCA Manual disseminated and implemented as a working document	Regular	1,570	Director, Valuation Section
7.9 Strengthen the PCA Office.	7.9.1	Conduct risk based Post Clearance Audits of the importers.	No of PCA conducted annually	Number of audits carried out at importers premises	Regular	1,110	Director, Valuation Section/PCA Office
	7.9.2	Carry out majority of audits at the premises of the importers.			Refer to 7.9.1		Director, Valuation Section/PCA Office
	7.9.3	Align PCA unit operations with the Risk Management Unit so that all findings are fed back into the intelligence, analysis and targeting loop.	Aligned data available		Regular	220	Director, Intelligence Section/PCA Office
7.10 Establish PCA units at main Customs offices under the central PCA office.	7.10.1	Establish/operate PCA Units at Customs	PCA Offices operational in all Customs		Dec 2017	2,720	Director, Valuation Section/PCA Office
	7.10.2	Provide Information to traders on the PCA procedures.	Number of seminars held and information sheets distributed.	Minutes of formal meetings	Dec 2017 ongoing	2,720	Director, Valuation Section
	7.10.3	Liaise and coordinate with IRD.			Dec 2018 ongoing	130	Director, Valuation Section
7.11 Strengthen monitoring of revenue systems.	7.11.1	Build capacity of the Central Monitoring Section for regular and on-line monitoring of main Customs Offices	Monitoring software with staffs arranged		Dec 2019	2,180	Director, Monitoring Section
	7.11.2	Execute monthly grading of Customs Offices	Monthly grading report available	July annually	2018	520	Director, Monitoring Section
	7.11.3	Amend the Customs Act to ensure confidentiality with regard to value declarations.	Legislation available with residual powers in the Department for valuation rulings	July 2018	Included in 1.1.1		Director, Tariff Section
	Estimated Total Costs					86,880	

Strategy 8: Strengthened Compliance management/voluntary compliance

Strategic Objectives: The customs voluntary compliance will be strengthened and aligned with Inland Revenue Department to maintain a well-balanced combination of preventive and repressive measures to stimulate voluntary compliance

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
8.1 Develop a compliance strategy document.	8.1.1 Establish a working group to develop Compliance Management Guidelines (manuals, provisions and tools)	Working group formed with TOR	Oct 2017		130 Director, Intelligence Section
	8.1.2 Conduct gap analysis	Gap analysis report available with recommendations	Mar 2018	890	Director, Intelligence Section
	8.1.3 Prepare compliance management guidelines (including for Trusted Traders)	Guidelines available	Sept 2018	3,040	Director, Intelligence Section
	8.1.4 Consult with stakeholders	Feedback and suggestions of the stakeholders incorporated in the guidelines	March 2019	630	Director, Intelligence Section
	8.1.5 Review rules and regulations	Guidelines approved with review of rules	Dec 2019	1,340	Director, Intelligence Section
	8.2.1 Define client/trade segmentation approach	Document available	Mar 2018	790	Director, Intelligence Section
	8.2.2 Develop potential encouragement, preventive and coercive measures	Document available	Dec 2018	460	
	8.2.3 Make provision of incentive to voluntary compliance (less inspection, green lane etc.)	Legislation available	July 2019	460	Director, Tariff Section
8.2 Set criteria for compliance management.	8.2.4 Document compliance indicators and factors that apply to all parties as distinct from those that apply only to TT's and AEO's.	Compliance indicators and factors Documented.	July 2019	1,040	Director, Tariff Section
	8.2.5 Review the tariff rate for those goods which is generally non-compliant	Revised tariff rate as per list of non-complaint goods	July 2019	630	Director, Tariff Section
	8.2.6 Design possible compliance scenarios	Client segments used in risk management process by Customs	July 2019	410	Director, Intelligence Section
	8.2.7 Prepare strategies for proper treatment	Document available	July 2019	850	Director, Intelligence Section
	8.2.8 Align compliance with other strategies (RM, CBM, TF etc.)	Alignment report available	Dec 2019	850	Director, Intelligence Section

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs. '000)	Responsibility
8.3 Implement compliance management/ voluntary compliance .	8.3.1 Form a task-force group	Task group formed and is functional	Mar 2020	410	Director, Intelligence Section
	8.3.2 Prepare implementation action plan	Action plan available	June 2020	440	Director, Intelligence Section
	8.3.3 Organize consultation meetings with stakeholders	No. of programs organized	Sep 2020	650	Chief Customs Officer
	8.3.4 Conduct strong physical verification, Documentary verification, cross checking etc.	Verifications reports available and recommendations implemented	Regular	410	Chief Customs Officer
	8.3.5 Conduct regular online monitoring for non-complier	Monitoring report implemented	Regular	520	Director, Intelligence Section
	8.3.6 Prepare new instruments for compliance management	Package of simplified procedures prepared e.g. client segmentation, assessment of client behavior etc.	Mar 2021	2,810	Director, Intelligence Section
8.4 Evaluate the effectiveness of compliance system.	8.4.1 Overview prevention measures	Report with recommendations available	Annual	260	Director, Intelligence Section
8.5 Inform & communicate compliance plan.	8.5.1 Educate and communicate to importers and exporters to make themselves aware of their rights and obligations and impact of the compliance strategy	No. of programs organized by Customs offices	Mar 2020	440	Chief Customs Officer
8.6 Build institutional collaboration.	8.5.2 Communicate compliance strategy and benefits through DOC website and central and local level TFC	No of programs conducted through the TFC with different traders and stakeholders	Sep 2020	1,140	Chief Customs Officer
	8.6.1 Depute focal person for data sharing with IRD and DRI	Focal persons meetings organized quarterly	Dec 2017	260	Director, IT Section (Dev/Opr)
	8.6.2 Analyze the Customs and Tax compliance strategies.	Analysis report available	July 2020	520	Director, IT Section (Dev/Opr)
	8.6.3 Prepare inventory of common issues and differences	Software prepared	Dec 2020	2,180	Director, IT Section (Dev/Opr)
	8.6.4 Integrate information with IRD	Software prepared	Dec 2020	600	Director, IT Section (Dev/Opr)
	8.6.5 Align compliance strategy with IRD	Software functional	July 2021	130	Director, IT Section (Dev/Opr)

Activities	Actions/Tasks		Performance Indicators	Due Date	Estimated Costs (Rs. '000)	Responsibility
8.7 Measure performance of compliance management.	8.7.1	Prepare key performance indicators (KPI) to measure the results of compliance	KPI prepared by DOC Sections and all units of Customs offices	July 2019	1,530	Director, Monitoring Section Chief Customs Officer
	8.7.2	Monitor results	Report available with recommendations for improvements	Regular	110	Director, Monitoring Section Chief Customs Officer
	8.7.3	Improve compliance approach as per recommendations	Updated KPI	Dec 2020	110	Director, Monitoring Section
		Estimated Total Costs			22,400	

Strategy 9: Advanced Risk Management

Strategic Objectives: Risk-Management (RM) will be effectively implemented adopting international standards and best practices.

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
9.1 Develop and implement RM strategy.	9.1.1 Form a team with TOR 9.1.2 Incorporate the law enforcement strategy in the RM approach 9.1.3 Design and implement an information system in which information can be collected, analyzed and be converted to risks 9.1.4 Incorporate in the RM strategy other regulatory requirements like health, economy, environment and, security risks	TOR approved Software available Alignment report available Provided full cooperation and coordination from OGA senior management	Dec 2017 Dec 2018 July 2019 Dec 2018	110 860 2,180 2,110	Director, Intelligence Section Director, Intelligence Section Director, Intelligence Section Director, Intelligence Section
9.1.5 Add supply-chain risks and behavioral risks into the risk management strategy 9.1.6 Add hazard goods clearance risks into the risk management strategy		Disseminated updated strategy Time set for hazard goods clearance from the Customs and followed	July 2019 July 2019	970 910	Director, Intelligence Section Director, Intelligence Section
9.1.7 Install a working group with the task to design a revision plan to align RM with other processes like law enforcement, voluntary Compliance, Trade Facilitation and CBM 9.1.8 Design the risk management process step by step (from risk finding to risk evaluation/RM cycle)		Working group formed	July 2019	100	Director, Intelligence Section
9.1.9 Collect Information of the risk Areas, create an Intelligence Unit within a broader RMU and incorporate analysis and targeting specialists within that unit. 9.1.10 Develop risk profiles and monitor their effectiveness		Action plan with timeline available Record of information collected (DOC to assign an officer in each CO). Profiles of risk areas developed	July 2018 Dec. 2018	2,000 930	Director, Intelligence Section Director, Intelligence Section

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
9.2 Exchange intelligence, risk management information with relevant partners.	<p>9.2.1 Exchange risk management information between OGA within the proposed NINSW and bilaterally if agreed between the agencies</p> <p>9.2.2 Exchange RM information between other Customs administrations as proposed in SASEC CSS Subregional Project 5 relating to the WCO Data Model for Declarations targeting electronic exchange of Data initiatives.</p> <p>9.2.3 Invest in Customs mutual administrative assistance agreements and other forms of non-binding agreements such as MoU's as appropriate</p>	Information exchanged through letters, consultation forums, meetings etc.	July 2019	440	Director, Intelligence Section
			July 2020	2,070	Director, Intelligence Section Chief Customs Officer
9.3 Strengthen the border Customs clearance monitoring system.	<p>9.3.1 Install/update stronger IP Cameras at Customs Offices</p>	Updated list of mutually assisted programs and its implementation report	July 2020	1,650	Director, Intelligence Section
		Action plan with timeline available	July 2018	10,460	Director, Intelligence Section
		IP cameras used in additional 6 Customs			
		On-line monitoring units functional in major Customs offices			
9.4 Establish the principles of RM across Customs with particular emphasis on cargo clearance.	<p>9.4.1 Establish selectivity indicators and criteria</p> <p>9.4.2 Prepare reference database/ risk engine for risk management</p> <p>9.4.3 Implement selectivity / Risk Management System</p>	Indicators and criteria established.	July 2018	2,190	Director, Intelligence Section
		Reference database/risk engine prepared	July 2018	330	Director, Intelligence Section
		Selectivity module/ RM System implemented (Software developed)	July 2019	2180	Director, Intelligence Section
9.5 Arrange to better control the movement of containers through a Customs seal system.	<p>9.5.1 Implement the system in line with best practice such as that described in the SAFFE Framework</p> <p>9.5.2 Strengthen Port Control Unit (PCU) of Container Control Program (CCP) at Dryport Customs</p>	Containerized cargo movement in operation	Dec. 2017	48,950	Director, Monitoring Section
		No. of container inspected	Ongoing	540	Chief Customs Officer

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
9.6 Broaden and fully integrate RM throughout DOC policies and operations.	9.6.1 Develop effective automated software to identify risk areas	Software available	July 2018	Refer to 9.4.3	Intelligence Section
	9.6.2 Update manual and procedures relating to Risk Management noting.	Updated manual	July 2019	2,690	Director, Intelligence Section
	9.6.3 Establish sound legal base and setting up Risk Management team	Sound legal base in place.	July 2020	720	Director, Intelligence Section
	Estimated Total Costs			83,460	

Outcome 3: Social Safety and Security: Strategies and other measures for surveillance and other types of control over the movement of goods, means of transport, and transport equipment (containers, pallets, crates) to prevent illegal trade and trafficking of harmful items in the country.

Strategy 10: Protected Society/ Safety & Security

Strategic Objectives: Functions of the Customs will be assimilated towards protecting the society, the non-regulatory requirements focusing to five segments e.g. Security, Health, Economy, Environment and Society (SHEES).

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
10.1 Prepare a strategy of Customs in the field of protecting society ¹⁴ .	10.1.1 Compile inventory of all non-regulatory tasks (and responsible enforcement agencies/ Ministries) that are related to import, export and transit of goods.	Update inventory record available	July 2019	820	Director, CRM Section
	10.1.2 Categorize these tasks in the four mentioned categories (SHEES)	Category sheet available	Dec 2019	190	Director, CRM Section
	10.1.3 Develop a strategy how Customs can strengthen its enforcement task in these areas; in close co-operation with OGA and other relevant agencies	Strategy paper disseminated to all Customs offices	July 2020	490	Director, CRM Section
	10.1.4 Prepare an action plan for implementation	Progress report of action plan implementation compiled by DOC	July 2021	270	Director, CRM Section
10.2 Enhance the capacity of Customs lab to test the controlled and hazardous goods to control border smuggling and illegal trade including environment protection in the areas of CITES and ODS.	10.2.1 Study the legislative provisions 10.2.2 Draft the Guidelines 10.2.3 Carry out consultations with key stakeholders 10.2.4 Submit to concerned ministries	Study Report received by due date Draft guidelines available Report available Draft submitted.	July 2019 Dec 2019 Jan 2020 July 2020	Refer to 1.1.1 Director, Laboratory Section 410 170 Refer to 1.1.1 Director, Laboratory Section	Director, Laboratory Section Director, Laboratory Section Director, Laboratory Section Director, Laboratory Section

¹⁴ Puntakana Declaration – Focus on human security (France Paris Attack, 2015)

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs. '000)	Responsibility
10.3 Collaborate/ coordinate among border agencies, local agencies, security wings & Regional Revenue Investigation Units.	10.3.1 Identify agencies for liaison	Agencies identified	Jan 2018	130	Director, Monitoring Section
	10.3.2 Prepare coordination/meeting plan	Plan prepared.	July 2018	130	Director, Monitoring Section
	10.3.3 Liaise with cross border counterparts to establish a program of regular meetings.	Liaison carried out and program agreed	July 2019	780	Director, Monitoring Section
	10.3.4 Hold meetings of cross Border Agencies quarterly	At least 4 meeting conducted annually in main Customs Offices	Regular	7,830	Director, Monitoring Section
	10.3.5 Run awareness programs on Customs Risk Based Approach to the clearance of imports and exports in line with international best Customs practices.	Number of meetings organised in all main Customs Offices	Regular	980	Director, Monitoring Section
10.4 Design an interface model laboratory in Customs offices.	10.4.1 Introduce one stop service under one roof in Customs	Umbrella infrastructure designed and established with installation of necessary equipment for Customs processing incorporating concerned border agencies at selected Customs offices	July 2019	440	Director, CRM Section
	10.4.2 Prepare SOP to integrate lab testing of quarantine, food safety and animal health	Action plan prepared for SOP implementation	Dec 2019	570	Director, Laboratory Section
	10.4.3 Establish screening test type lab	Lab functional in 7 Customs offices	July 2020	Refer to 5.5.2	Laboratory Section
	10.4.4 Carry out joint inspection	Joint inspection report available	Dec 2020	700	Director, Laboratory Section
	10.4.5 Enhance the capacity of Customs Laboratories to identify the illegal movement of prohibited substances and counterfeit goods	Scientific instruments installed in Birgunj and central lab Accredited Customs lab	Regular	3,470	Director, Laboratory Section

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs. '000)	Responsibility
10.5 Develop mechanisms, plan, policy and programs to reduce illegal trade.	10.5.1 Study the causes of illegal trade 10.5.2 Consolidate Customs command on controlling the Border smuggling including increase in number and extent of illegal detections 10.5.3 Run campaigns to control illegal trade through middlemen. 10.5.4 Improve coordination among related agencies for the control of illegal trade	Implemented recommendations of the study No. of illegal detections 4 events organised in every Customs offices annually Reviewed in regular meetings with border agencies	July 2018 Jan 2019 July onwards July onwards	3,880 1,530 3,150 440	Director, Monitoring Section Chief Customs Officer Chief Customs Officer Chief Customs Officer
10.6 Review the need to form a separate Customs Security force under the Customs Chief command.	10.6.1 Prepare and approve Directive for Separate Customs Security force 10.6.2 Draw a work plan of implementation of Directive 10.6.3 Deploy security forces under the customs chief command 10.6.4 Carry out Monitoring and Evaluation of functions of the Customs security force	Approved Directive Implementation work plan prepared Security force deployed Work performance	July 2019 Dec 2019 Sept 2020 March 2020	3,230 890 262,920 2,860	Director, Monitoring Section Director, Monitoring Section Director, Monitoring Section Director, Monitoring Section
10.7 Establish a mechanism to effectively control the illicit drugs, fake currencies, pirated and counterfeit goods.	10.7.1 Prepare a SOP 10.7.2 Approve the SOP after consultation with stakeholders 10.7.3 Implement the SOP	SOP prepared. Action plan prepared to enhanced multi-sectoral coordination in Customs Approved SOP Implementation schedule	Dec. 2019 July 2020 Dec 2020	1,070 270 440	Director, Monitoring Section Director, Intelligence Section Director, Intelligence Section
	Estimated Total Costs			298,060	

Strategy 11: Streamlined Coordinated Border Management

Strategic Objectives:

- Joint initiatives, policies, programs and activities will be developed, formulated and implemented with other border agencies to harmonize and simplify procedures at the border and improving trade facilitation by avoiding duplication/overlap, improving coordination, and reducing dwell time and costs.

Activities	Actions/Tasks	Performance Indicators	Due Date	Estimated Costs (Rs.'000)	Responsibility
11.1 Define Customs role in national CBM process.	<ul style="list-style-type: none"> 11.1.1 Form CBM Steering Committee with border authorities 11.1.2 Assess existing situation of CBM process 11.1.3 Prepare inventory of Gaps and divergence 11.1.4 Prepare proposal for actions on: <ul style="list-style-type: none"> • Legislation/management & Organization, • Procedures, • HRM & Training, communications & IT, • Infrastructure & equipment, and • Budget & timetable • Automation and data sharing issues (not just NNSW) 	CBM Committee formed Gap assessed and report available with proposal for necessary actions	Dec 2018 Dec 2019	1,310 3,390 1,510 2,110	Director, CRM Section Director, CRM Section Director, CRM Section Director, CRM Section
11.2 Instigate inter-agency agreements and arrangements.	<ul style="list-style-type: none"> 11.2.1 Define responsibilities for Coordinated Border Management in the legal and administrative provisions needed for implementation 11.2.2 Prepare the required guidelines, forms, and other information 11.2.3 Exchange information with all border authorities 11.2.4 Develop and implement appropriate administrative and legal measures to coordinate national border authorities' exchange of information, controls, and procedures 11.2.5 Establish service level agreements or MOUs between the Ministry of Finance/Department of Customs and relevant border authorities 11.2.6 Formulate a policy for using and sharing information 11.2.7 Propose to MOF for the provision of Customs Consulate in major trading countries 11.2.8 Establish Customs as the Frontier Border Service 	<ul style="list-style-type: none"> Report submitted for amendment of legal and administrative provisions Updated guidelines and forms used at Customs Software available and used by all border authorities SOP prepared MOUs signed Disseminated and communicated policy on information sharing Customs Consultates created in July 2020 major trading countries All border activities coordinated by Customs offices 	July 2019 Sept 2020 Dec 2020 Dec 2020 Dec 2020 July 2021 July 2020 July 2020	2,590 2,560 2180 430 220 820 410 770	Director, CRM Section Director, CRM Section

Activities	Actions/Tasks	Performance Indicators		Due Date	Estimated Costs (Rs.'000)	Responsibility
11.3 Enter into MOU with national trade and industry organization.	11.3.1 Organize stakeholders consultation with national level agencies	MOUs signed with national trade and industry organizations		July onwards	2017	410
	11.3.2 Agree, in principle, with trading organization.			July 2018		170
	11.3.3 Enter into dialogue with the organization and sign Agreement.			July 2019	70	Director, CRM Section
11.4 Develop corporate social responsibility programs of Customs at border areas.	11.4.1 Prepare concept paper and tasks for CSR	Concept paper available	Dec 2019		450	Director, Planning and Services Section
	11.4.2 Prepare annual action plan.	Plan prepared and approved.	July 2020		450	Director, Planning and Services Section
	11.4.3 Organize at least two meeting with the bordering social and educational institutions.	Two meetings organize annually (20 Customs Offices)	Regular		1,960	Director, Planning and Services Section
	11.4.4 Organize social events	Involvement in social activities (20 Customs Offices)	Regular		1,630	Director, Planning and Services Section
	11.4.5 Organize awareness programs on safety measures and provision of penalty and legislation to control over the illicit trade in boarder	No. of programs organized	Dec 2020		10,980	Director, Planning and Services Section
11.5 Develop guidelines on level of competency, working hour harmonization and other possible areas for harmonization amongst concerned border agencies.	11.5.1 Conduct prefeasibility study on working hour harmonization and other factors	Report available with recommendations	Dec 2018		500	Director, Monitoring Section
	11.5.2 Develop draft guideline	Draft guideline prepared	July 2019		860	Director, Monitoring Section
	11.5.3 Conduct consultation meetings at center and local level with concerned agencies	Consultations carried out with all stakeholders	Dec 2019		300	Director, Monitoring Section
	11.5.4 Prepare and finalize the guideline and submit it for approval	Guidelines approved and implemented	July 2020		130	Director, Monitoring Section
	11.5.5 Implement the guideline		March 2021	110	Director, Monitoring Section	
Estimated Total Costs					36,320	

CUSTOMS REFORM AND MODERNIZATION STRATEGIES AND ACTION PLAN (CRMSAP) 2017-21 FORMULATION TASK TEAM

1.	Coordinator	Mr. Mimangsa Adhikari	Director, Customs Reform and Modernization Section, Department of Customs
2.	Sub Coordinator	Mr. Mukti Prasad Pandey	Director, Project Management Unit, Department of Customs
3.	Member	Mr. Mani Ram Paudel	Section Officer, Customs Reform and Modernization Section, Department of Customs
4.	Member	Mr. Harihar Poudel	Section Officer, Project Management Unit, Department of Customs
5.	Member	Mr. Gunaraj Subedi	Section Officer, Monitoring Section, Department of Customs
6.	Member	Mr. Ramesh Kumar Khatiwada	Section Officer, Intelligence Section, Department of Customs
7.	Member	Mr. Upendra Lamichhane	Section Officer, Valuation Section, Department of Customs
8.	Member	Mr. Gopal Prasad Bhattacharai	Customs Officer, Bhairahawa Customs Office
9.	Member	Mr. Ananta Prasad Timsina	Customs Officer, Biratanagar Customs Office
10.	Member	Mr. Prakash Pokhrel	Customs Officer, Pashupatinagar Customs Office
11.	Member Secretary	Mr. Ashok Guragai	Section Officer, Customs Reform and Modernization Section, Department of Customs

RESOURCE PERSON AND EXPERT

1.	Expert	Mr. Kapil Dev Ghimire	Planning and Evaluation Expert, ADB
2.	Expert	Mr. Shyam Dahal	Trade Facilitation Expert, ADB

CRMSAP Formulation Activities



Validation Seminar, Chitwan



Validation Seminar, Chitwan



Validation Seminar, Chitwan



Formulation Workshop, Nagarkot



Interaction Program, Bhairahawa



Brainstorming Program, Kathmandu



Interaction Program, Nepalgunj Customs



Validation Seminar, Chitwan



Interaction Program, Birgunj



Interaction Program, Krishnanagar Customs

