យុទ្ធសាស្ត្រ និង កម្មវិធីការងារកំណែទម្រង់ និង ទំនើបកម្ម របស់អគ្គនាយកដ្ឋានគយ និង រដ្ឋាករកម្ពុជា (២００៩-២０១៣)

Strategy and Work Programs on Reform and Modernization of
The General Department of Cambodia Customs and Excise (2009-2013)

អគ្គនាយកដ្ឋានគយ និង រដ្ឋាករកម្ពុជា

GENERAL DEPARTMENT OF CAMBODIA CUSTOMS AND EXCISE

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PREFACE

The Royal Government of Cambodia (RGC), in its 4th mandate, leaded by Samdech Prime Minister Hun Sen, have been undergoing and deepening its comprehensive reform program on the Triangle Strategies namely Economy and Finance, Public Administration, National Security, and Judicial System. There have been fruiful and remarkable outcomes from the 5-year period of the implementation of the Strategy and Modernization and Reform Program in the Customs Administration 2003-2008. There are, however, still a certain outstanding tasks which cannot be completed on the committed timeframe due to some constraints.

2009 is the meaningful and hopeful year to suceed another 5-year term of the Reform and Modernization Program of Customs Administration toward our ambition of a modern administration in terms of both human resources and equipments. The GDCE's goal is to develop and upgrade itself to be an effective service provider organization in line with the RGC's Reform Program, to meet all stakeholder's requirements, and to be consistent with the International Best Practices. In this regard, the GDCE has reviewed the previous program and set out the new Strategy and Reform and Modernization Program of the Cambodia Customs Administration for 2009-2013 which incorporates new developments and requirements in the national and global context, as well as experiences gained from the previous Reform and Modernization Program 2003-2008. The new Strategy and Reform Program was developed by team leaded by Dr. Kun Nhem, Deputy Director General of the GDCE and guided by recommendations form experts from JICA, IMF, WCO ROCB etc.[1]

With ideal supports and ongoing invaluable recommendations from H.E. Keat Chhun, Deputy Prime Minister, Minister of Economy and Finance together with active and bright guidance as key basis for the Reforms and Modernization of the administration from Samdech Prime Minister of the Kingdom of Cambodia, the GDCE will strive its best to sucessfully implement the Strategy and Reform and Modernization Program for the Customs Administration 2009-2013 to meet the governement's expectation.

Delegate of Royal Government of Cambodia,
Director General of Customs

Dr. Pen Siman

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[1] Please see Annex 1 of this document

INTRODUCTION

Within the context of modernization of customs administration among ASEAN member countries, the General Department of Customs and Excise of Cambodia (GDCE) needs to establish a clear sense of its strategic direction and its priorities for fulfiling its tasks in the future. In light of this, it needs a feasible road map to ensure its efforts are contributing to the achievement in line with the government's policies and to meet expectation of its many stakeholders.

The document of the Strategic, reform and modernization worm program for customs administration 2009-2013 is the third publication issued by the GDCE. It provides a clear picture of the organization's objectives, priorities, and action plans to continue and to deepen its ongoing reform and modernization program. In general, the strategic objective reflects the GDCE's commitment towards its ambition to modernize itself to reach the standard of international best practice and to become an effective service provider as part of the RGC's reform program and to meet the needs of private sector.

This document covers 8 strategic objectives which provide detailed targets and action plan in order to achieve the goals of each of those objectives namely: 1- Collection of duty and taxes, 2- Legal Framework, 3- Customs Technique and procedures, 4- Trade Facilitation, 5- Human Resource Development and Infrastructure, 6- Cooperation and Partnership, 7- Organizational Structure and Management, and 8- Management of the GDCE's Reform Program. These 8 Strategice Objectives are broken down, with precise timeframe, into 12 working targets, 44 action plans, and 107 activity indicators. Among all the action plans, some of them are the remaining tasks which have not yet been completed over the previous Strategy and Reform and Modernization Program of Customs Administration 2003-2008. The document also includes some annexes which will help provide an overview of the overall picture of the Strategy and Modernization and Reform Program at the GDCE.

1- Revenue collection, compliance and enforcement

1.1   Revenue collection:

Revenue collected by the General Department of Customs and Excise (the GDCE) is the key source of national revenue. In 2007, revenue collected by the GDCE covered more than 60% of total fiscal revenue. In year that the GDCE collected duties and taxes of more than 2.154 billion Riels, exceeding by 21% its target, and achieving an increase of around 30% compared to the year 2006. This result also reflected the effort of the implementation of its action plan within the framework of Public Finance Management Reform, such as law enforcement, enhancing of information exchange, enhancing of risk management for reducing of smuggling and illegal cross border movement, and especially implementing policies of the Cambodian government on the 10 disciplines of Public Finance Management which is a part of the Rectangular Strategy of the Royal Government. The strategy of National Revenue Management of all developed countries is targeted to decrease import/export tax by building domestic indirect taxes. However, in the case of Cambodia, the GDCE is faced with annually planning for high revenue collection but tariff restructuring reduces duty rates year by year while the local production has been replaced by importation, so in order to achieve this goal, the GDCE has no choice but to continuing the 9 measures of the Ministry of Economy and Finance (MEF) for pushing the revenue collection to meet and exceed target and determining many strategies as following:

1.1.1   Introduce an expanded taxpayer awareness program to ensure better understanding of The GDCE requirements and taxpayer obligations and rights.

Importers, exporters or taxpayers' awareness of what they should know and their responsibilities under the Law on Customs, new Customs Procedure and other regulations involved with import/export is very important for the GDCE. Participation of taxpayers with the effort of the GDCE officers can improve the effectiveness of revenue collection meet and exceed target. Understanding that awareness is very important, the GDCE has:

-Placed Customs news at information counter in front of the GDCE, Provincial Customs Branches and Sub-Branch.

-Published information through national news

-Organized training or workshops on new Customs procedures issued by MEF and other regulations issued by THE GDCE such as Single Administrative Document (SAD) and Customs Automation System (ASYCUDA) etc…..

-Arranged Interim Customs Broker training and continues to train Customs Brokers to become a legal Customs Broker through the GDCE examination and recognition by MEF

-Printing Brochures for international checkpoints or border gates on Customs procedure for passengers. Setting out suggestion boxes for passenger recommendations about the GDCE services and putting these suggestion boxes in all Customs offices and Provincial branches and Sub-branches for receiving recommendations from taxpayers to help solve any problems.

-Placing on the Customs Website: www.customs.gov.kh Customs Law, Sub-decrees, Prakas and other regulations related to Customs.

-Established a the GDCE helpline for taxpayers who need more information about Customs matters.

1.1.2   Identify potential sources and measures for enhancing revenue collection, including tax policy options.

A) Administrative measures:

-Enhancing duties and taxes paid to Customs office, Provincial Customs branches, Sub-branches and Dry Ports, through anti-smuggling efforts and maximum prevention of smuggling through non commercial trade. Customs officers who are in charge of the important gates and also headquarters clearly understand the level of the remaining potential of each gate and think that more could be collected through pushing for more correct compliance with the existing law and regulations.

-Investigation and Anti-Smuggling Office and Phnom Penh Customs branch have to arrange mobile operation teams and pursue their activities in a continuous stream to prevent and suppress smuggling around the country. It is important that these actions are transparent and applied equally to all sections of the community and that all agencies of government support the effort because Customs revenue is the key source of national funding to serve the policies and strategies of the Royal Government of Cambodia to reduce poverty among its people.

-Continuing implementation of necessary measures issued by MEF and the GDCE with flexibility to ensure a steady flow of import or export goods. At the same time, the GDCE will concentrate on capacity building such as modifying existing human resources, recruitment of new Customs officers, and finishing the legislative base for compliance.

-Implementing the Automated System for Customs Data (ASYCUDA), Risk Management and Audit through the Trader Credibility Management System (TCMS), and Customs Broker for Customs Clearance are the important measures for Trade Facilitation to international standards.

B) Fiscal Policy Measure:

In line with its ASEAN membership, Cambodia will participate to implement agreements which have been made. Tariff reductions in ASEAN`s Common Effective Preferential Tariff (CEPT) scheme and the policy to decrease import/ export duty rates could have an adverse effect on revenue collection by The GDCE. So, in order to achieve revenue collection targets in compliance with MEF planning, The GDCE has an option of recommending fiscal policy changes as follows:

B.1 Increasing Excises (Excise Tax on Import Regime):

Increasing excise is a relatively simple option in any revenue mobilization package, and would involve both raising existing excise rates and broadening the scope of excisable goods. Raising existing excise rates on luxurious goods such as cigarettes, beers, wines, perfume, petroleum products, motorcycles and cars etc…. and broadening the scope to luxurious goods such as air conditioners, mobile phones and other luxurious electronic products, and perhaps extended to taxes on telecommunications, air tickets, hotel and casino, etc…. all of those are potentially important sources of revenue collection.

B.2 Increasing VAT:

Increasing VAT is one of the easiest measures that could be considered. VAT is fixed at a rate of 10% which is for all tariff lines without discrimination between luxurious and normal products. The GDCE had considered that the VAT rate could go up to 15% on various luxurious goods in order to replace the revenue lost from the lessening import duty rates e.g. VAT on foodstuffs for everyday use is 10% and some luxurious goods like beer or wine are also 10%, so the latter could be suitably increased to 15%. Note that, in September 2003, the IMF recommended increasing the VAT rate from 10% up to 12%.

B.3 Tightening duty exemptions:

Tightening and strictly monitoring requests for exemption from duties and taxes for individuals, organizations, institutions or investors provided under the Law on Investment: this measure should see strict controls imposed before giving permits for duty and tax exemptions.

1.1.3 Continue implementation of the government revenue measures

- The GDCE has observed that the effectiveness of the Prevention and Anti-smuggling regime is not being fully realized. Beside the direct effect on national Budget revenue, smuggling can cause unfair business competition. So, in order to increase the effectiveness of prevention and anti-smuggling, The GDCE has been further more continuing to implement Government Order No 02 BB dated 10 December 2001 and 22 December 2004, provides a framework for inter-agency cooperation.

- The GDCE has made it a strategic objective to apply the 9 measures of MEF which were approved by the **Prime Minister** dated 10 January 2005 to give most effectiveness to achieving and exceeding the revenue collection targets by improving anti-smuggling efforts.

1.2. Compliance and Enforcement Capacity
1.2.1. Implementing Existing 2006 Enforcement Strategy and developing a national Smuggling Policy

Smuggling contrary to customs law and poses a serious and direct threat to the national economy by depriving the government of much-needed revenues and unfairly competing with legitimate businesses, and to the national security through the introduction into the country of dangerous drugs or prohibited articles. Because smuggling is still a hot topic for Cambodia Customs, all the measures taken in 2006 are still in use under the strategic plan against smuggling.[2]

- Develop National Anti-smuggling Policy: For the purpose of protecting the legal business community and the environment, maintaining public health, and fulfilling international obligations, The GDCE must put in place a major commitment to prevent and suppress the smuggling of contraband and prohibited articles.

- Develop a detailed operational enforcement plan in consultation with Provincial Branch offices: There shall be development and formulation of strategies, and execution of programs of action for a consolidated effort to prevent and suppress smuggling, arrest smugglers and their accessories, and cause their speedy prosecution. To achieve this goal, working groups (in each branch office) will cooperate closely with all Municipal and Provincial branches and other competent authorities to identify risk. Each working Unit at the branches must provide all necessary information and regular reports to IRU/IU in headquarters so that information on importers/exporters and transporters is collected and compiled to identify risks for future planning to fight against smuggling. In order to strengthen enforcement capabilities at the national level, the exchange of information and intelligence from all check posts across the country is essential for The GDCE to implement policy effectively. Sufficient tools and facilities should be provided to permit officers to exercise the powers of search and seizure at designated smuggling areas.

- Establish sensitive goods list: Continue to mount vigorous operations against smuggling of sensitive products. Establishment of sensitive products lists will enable customs to target its anti-smuggling forces at the very smuggling shipments and problem areas.

- Develop Mechanisms to involve the business community in the fight against smuggling: The development of a simplified customs procedure that ensures border security and timely delivery of goods needs the full cooperation of the business community. Cooperation between the public and the private sectors is necessary for trade facilitation measures to succeed in fighting against smuggling and in protecting legitimate business. Dialogue between private sector representatives and Customs will help to better define the sources of illegal traders. This mechanism also includes monetary rewards and incentives to informants who are willing to give vital and material information for building up cases for the prosecution of smuggling suspects.

- Exchange information on high value high risk sensitive products with customs in the administrations of major trading partner, domestic law enforcement agencies, and neighboring countries: HQ Anti-smuggling Division, in cooperation with the Intelligence Unit, has to arrange for the efficient exchange of information on high volume, high value, high risk and sensitive products with other customs and law enforcement agencies in the country and in the region. This can be achieved only through a closer working relationship between customs, police and all other related agencies. In turn, the capacity requirements of all organizations must be identified and met. The GDCE will continue to improve international cooperation in the light of the Greater Mekong Sub-region Cross Border Transport initiative and

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[2] Please read the extract from the "Enforcement Strategy 2006" in Annex 2 of this document.

develop a similar bilateral agreement (Memorandum of Understanding) with Thailand, Viet Nam and Laos on international cooperation to exchange information and intelligence.

- Acquire detection equipment (X rays etc.) for customs offices : Many more X-Ray machines need to be installed at the major customs checkpoints including all international airports. The application of x-ray technology has fast-tracked processing of commodities, minimized human intervention in the examination of shipments, and helped in the Customs' fight against smuggling.

- Continue to strengthen Inter-Agency cooperation: Strengthen the anti-smuggling unit within the Customs Department and establish formal assistance arrangements with the Armed Forces and the Police to enforce customs regulations, especially on sensitive products and in problem areas to ensure that there is a national campaign against smuggling wherein all involved law enforcement and counteraction agencies are operating as part of an integrated and coordinated effort in accordance with Sub-decree No 21 dated 01 March 2006.

- Implement Post Clearance Audit program and inspection mechanisms: This program will review misclassification or under-valuation of imports, carry out audit to discover customs fraud and improper disposal of confiscated goods that can lead to serious revenue loss and other risks.

- Strengthen Risk Management and intelligence capacity within the The GDCE: risk management needs further improvement in the HQs Anti Smuggling Division. Risk management strategies (i.e. profiling and selectivity) are also employed to intensify the campaign against smuggling. Selection of shipments for inspection based on profiled data is necessary. The risk assessment outcome will determine the treatment of subsequent similar shipments, for as long as the profile remains unchanged.

- **Strengthening Marine enforcement unit:** The GDCE will continue to develop plans to combat smuggling along the rivers (Mekong, Tonle Sap and Tonle Basak) and around the sea lanes (Kampot, Kohkong and KampongSom). In support of this effort, GDCE has requested JICA to make a grant for the sea-going patrol boats for the Cambodia Customs Administration.

- Improving staff integrity by implementing the Code of conduct and Ethics. In line with the norms adopted by the World Customs Organization (WCO), The GDCE has determined that integrity is a key element for Customs Administration reform. In addition to existing provisions of the law on Customs and other regulations concerning corruption and discipline issues, The GDCE has decided that it will establish more awareness courses to develop the integrity of Customs officers. In year 2005, a Code of Conduct was published and distributed to all Customs officers. Recognizing the importance of integrity in every day public service, new recruits are also required to attend a preliminary training course on the Customs Code of Conduct. *(Please see 7.6. of this document for additional information.)*

- Adequate means and facilities need to be provided: In order to succeed in all operations in the fight against smuggling, Customs officers have to seek assistance in acquiring much needed operational equipment, for example, a radio communication network, vehicles, patrol boats and training in how to collect evidence to prosecute cases in court.

1.2.2. Implement Post Clearance Audit program including Risk Management

In accordance with Prakas No.1212 MEF.BK. in 1999 and, then, No 607MEF.BK. in 2006, CED strategic plan 2003-2008 called for the establishment of a PCA Office in its headquarters; this was done, and in its early steps, the office began to implement Post Importation Control and Internal Audit (previously they were under Control Office). For the

time being, with technical assistance from JICA long-expert to GDCE, the PCA office functioned to design and develop rules and other regulations including Prakas and a Manual related to PCA matters. For the future, in order to response to the increasing foreign trade and to follow up standard measures of WCO and ASEAN, The GDCE is obliged to introduce and fully implement PCA in action plans under the 2009-2013 Strategic Objectives program.

Post-clearance audit means audit-based Customs control performed subsequent to the release of the cargo from Customs' custody. The purpose of such audit is to verify the accuracy and authenticity of declarations and covers the control of traders' commercial data, business systems, records, and books. Such an audit can take place at the premises of the trader, and may take into account of the individual transactions, so-called "transaction based" audit, or cover imports and/or exports undertaken over a certain period of time, so called "company based" audit.

Post-clearance audits can be conducted on a case by case basis focusing on targeted operators, selected on the grounds of risk analysis of the commodity and the trader[3], or in a planned, regular way, set out in an annual audit program. PCA targets not only importers but also all parties involved in international trade transactions, including customs brokers, transporters, banks, warehouse keepers etc.

Post Clearance Audit (PCA) is an important area amongst ASEAN Customs Administrations. The successful implementation of PCA in ASEAN will help to strengthen enforcement and provide the necessary support and confidence in fulfilling trade facilitation measures and simplified procedures in cargo processing, valuation and so on.

1- Initial steps in implementing PCA

As provided in the strategic plan for 2003- 2008, the introduction and implementation of a post clearance audit (PCA) mechanism is a crucial element of modernization, and particularly in the framework of membership in the WTO whereby Cambodia has to implement the WTO Customs Valuation Agreement.

Following the formation of the PCA unit, GDCEprepared a PCA Manual consistent with the ASEAN Guideline, and took initiatives to put in place the 3 phases for implementing PCA in the Cambodian Customs Administration:
1. PCA starts operating in SHV where ASYCUDA is being implemented in the first pilot project
2. PCA will apply full PCA operations/functions by auditing business or trader premises, and
3. Full implementation of will occur throughout the country.

2- PCA implementation Objectives:

The purpose of introducing post-clearance audit is to contribute to more effective and simplified Customs procedures leading to better trade facilitation within the framework of laws, regulations and procedures. This will ensure compliance with conditions and requirements of Customs bonded warehouses or under other suspension procedures, and the prohibition/restriction lists. PCA will conduct the checking and auditing of account books, account vouchers, financial reports and other relevant electronic data and related import and export goods within 1 to 3 years from the date of the release of import and export goods or within the period of Customs supervision and control over goods imported with duty exemption,

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[3] *Chapter 6 of the General Annex of the Revised Kyoto Convention sets out a large number of recommended standards relating to all aspects of Customs control, including the use of audit-based controls including the audit of traders' commercial systems (Standard 6.6. and 6.10).*

to verify the authenticity and legality of the import and export activities of the person or company being audited.

As a result, PCA will recommend the auditees to amend any incorrect declarations and encourage them to improve their degree of compliance.

3- PCA operational Units :

To strengthen Customs supervision and control, normalize the enterprises' import and export behavior, maintain the legal rights and interests of persons concerned, safeguard the state revenue and promote foreign trade, there will be established Branch and Provincial PCA Units which will oversee the operations of 'facilitated clearance' importers/exporters.

1- PCA team in Sihanukville pilot site: A pilot PCA team will be established to oversee all transactions through the ASYCUDA system. Working closely with Sihanoukville Branch officers, this pilot team has to carry out desk reviews of declarations assigned the blue processing path. If a discrepancy is found, this team will report on a customs offence record, and submit it to the Director of the Customs Risk Management and Audit Office –CRMAO[4]- in headquarters. This team will not be entitled to audit at clients' premises.

2- Municipal and Provincial Branch PCA unit: Provincial and Municipal Customs Branches will set up a PCA team to review declarations from all checkpoints under its jurisdiction by risk profiling. Unlike the Pilot PCA team, this team may conduct audits at the business operators' sites and the sites of other relevant persons within its jurisdiction, based on high risk targets under the approval of the Director General.

3- Controling Office : This office will set up a team in order to carry out the systematic and regular post clearance verification of customs declarations from all checkpoints across the country except the ones which were checked by the PCA team at Sihanukville pilot site. By not conducting audits at business premises, this office has to feed results of findings back to the checkpoints and issue notices of reassessment for additional duty and tax payment.

To ensure the transparency of cooperation, the control office ought to share information regularly with CRMA office in headquarters.

4- PCA Unit of RM and Audit office: The Customs Risk Management and Audit Office (CRMA) was created by Prakas No 607MEF dated 07/08/2008. This office has overall responsibility[1] for designing GDCE Post clearance Audit program including developing procedure and manual for program performance and preparing annual audit plans based on selectivity criteria. Besides conducting post clearance audit at the traders' premises, the CRMA will also provide direction and guidance to all PCA units/teams throughout the country. The CRMA also coordinate and liaise with control office, provincial and Municipal Branch Offices and checkpoints, investigation office and other concerned offices.

The CRMA will submit periodic/regular reports on the functioning of PCA matters to the Director General.

4- Mechanism for implementing PCA in GDCE

Introducing post-clearance audit reflects a different approach to Customs control as it has the effect of offering an immediate release of goods or reduced release times. Post clearance audits can cover all Customs regimes, i.e. temporary importation, inward processing, duty free zones,

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[4] *For more detail about the responsibility of CRMA, see Praka 3 of Prakas No 607 on Establishment and Functioning of Customs Risk Management and Audit Office*

end use tariff items, - and therefore enhance Customs control over some of these regimes which could not be checked at the border. Customs will change the approach from a purely transaction based control to a more comprehensive, company-oriented control. Moreover, Customs audit can benefit from a broader picture of the transactions over a longer period of time. Details for comparison will come from local or national databases and include information from each Customs declaration registered. By comparing prices and tariff headings for identical or similar commodities related to different companies, inconsistencies may indicate fraud.

a- Documentary checking:

Post clearance audit allows for speedier clearance of the goods with the documentary audit examination being performed subsequently at the importers' premises. In relation with the provision of Article 51 of LOC and Prakas No 113 MEF.BK dated 15 February 2008, Document means books, records, electronic data and other related information on imports and exports. Checking trade related books and records will enable Customs to find fraud of customs revenue and the level of the compliance of the importers being audited. To gain more evidence, where necessary, interviews can be carried out by customs in addition to the document examinations.

b- PCA process: There are seven (7) steps in the PCA process:

1- Preparing and planning for audit: PCA team will target traders and scheduled organizations by reviewing documents and high risk indicators. In this step, in addition to consulting with senior officers for decision making, the PCA team leader has to liaise with the control and technique offices, Enforcement/intelligence office, other concerned institutions and individuals, as necessary, to gather additional and accurate information for audit. The team will prepare an annual schedule for PCA (PCA Form 1).

2- Issuing Audit Notification: the PCA team informs an auditee about the plan to audit, via an Audit notification (PCA Form 2) An audit questionnaire (PCA Form 3) may be issued prior to an audit..

3- Approving the Audit Plan: The audit plan consisting of company profile, detail on import/export transactions. Other information and target issues (PCA Form 4) for conducting PCA will be submitted for approval of/ from the Chief of the PCA office.

4- Meeting prior to the field audit: the PCA team, in this step, will determine particular items for auditing based on the audit plan, background and questionnaires relating to the target company.

5- Conducting PCA at Auditees' premises: In this step, PCA team is encouraged to carry out an initial meeting with the company over overall administrative principles. The field audit will examine ledger sheets (all documents and records), the actual commodities to verify with those on the customs declaration (where possible), and may audit third parties if there are incomplete account ledgers and other inadequate data. If any acts of violation detected, written records must be promptly made and reported to the chief of the PCA Office or Unit. If there is no trace of violation, the PCA will simply record this.

In case the auditee has not kept up the import and export transaction records, the Auditor can issue a Warning Notice (PCA Form 5) and then PCA Form 6 (Official Report on Refusal or Non Cooperation with Audit Implementation) will be presented if they still do not cooperate. PCA Form 7 will be produced in the case of retention or return of auditee's books and records.

6- Written records of PCA conclusions: The Audit team will record PCA conclusions, gathering together all evidence and the content of written records on the company

(PCA Form 8). In case of an auditee's disagreement with a part or whole of the provisional audit findings, the team will make a Summary of Final Discussion of the audit result (PCA Form 9) and do a report to Director General as well as propose measures from the audit result(PCA Form 10).

7- Subsequent actions and follow up by PCA: the PCA team shall review the written records and study the audit report and then, if necessary, request ASYCUDA to profile the importer. The PCA records shall be kept up for monitoring the follow-up implementation and making a subsequent analysis. The periodic Report on implementation of audit will be submitted regularly to the Director General (PCA Form 11).

c- Related technical training and awareness program for PCA and RM to Customs and Public

The implementation of post clearance audit will help to increase the efficiency of Customs operations and to streamline Customs processes and procedures, minimizing intervention in trade transactions and reducing the regulatory burden on the commercial sector. To re-enforce skills and capacity in this area, The GDCE will conduct further training of officers under the technical assistance provided by JICA and Japanese Customs.

- **Providing PCA and Risk Management technical training to Customs**

Under sponsorship from Customs and Tariff Bureau of Japan (CTB)(2006-2008), a group of 15 PCA trained officers has been established to be trainers in the area of PCA. This Group was provided with additional training courses both in locally and in Japan by Japanese Customs Experts.
The next step will be for the Group to play an important role in conducting the training of relevant customs officers.

In order to implement PCA effectively, the Risk Management system needs to become part of everyday practice. Therefore, The GDCE will conduct training and prepare awareness programmes to build capacity and an awareness of risk management techniques among staff with support and assistance from JICA RM project. Through training programmes, the overall thinking pattern of the staff can be changed and also by this we can make them understand the value and effectiveness of risk management.

- **Private sector awareness seminar conducted**

Participation and awareness on the part of the public and various business operators are very essential in the reform strategy. The GDCE will disseminate all new procedures, rules, and related regulations by launching seminars which will provide an opportunity for substantive policy dialogue on the key initiatives under the Trade Facilitation Program. The seminars will effectively combine knowledge sharing, policy forums to highlight key implementation challenges and effective joint approaches to newly introduced customs controls, risk management and post-clearance audit. This will be highly relevant and informative for public and business operators.

2. LEGAL FRAMEWORK

The revised Law on Customs (LOC) that is consistent with international standards and obligations has come into effect. The Customs Law (promulgated on 20 July 2007) consists of 13 Chapters and 80 Articles.

2.1. Implement the New Law on Customs and supporting regulations

To give clarity and predictability and enforce the new Law on Customs effectively, the GDCE plays a key role in the drafting of the supporting regulations. Some drafts have already been approved by the Ministry of Economy and Finance. The subsequent performances are to provide training and disseminate the Law on Customs and related regulations, both to customs itself and to publics.

- Customs officers' training: To ensure that the implementation of the LOC and other regulations and Customs procedures are effective, short term training courses are essential. The GDCE has conducted some training courses on Customs Law and Customs related Prakas. All training courses are to include case studies for trainers to analyze and diagnose actual cases. These training courses will continue to be offered, when new Prakas is issued, to the remaining officers across the country.

- Preparation and Dissemination of PPM (Policy and Procedure Manual): A compilation of all Law on Customs, regulations and other customs procedures will be produced as a Manual on Law on Customs and Related Regulations. The Manual will be published and distributed to all Customs related business clients in order to introduce the new phase of Cambodia Customs Administration reform and modernization. In the Manual, there are four parts:

  -- Part 1: the introduction;

  -- Part 2: Law on Customs: there shall be 13 chapters and 80 Articles therein;

  -- Part 3: Regulations: there will be comprised of Anukret (Sub-Decree), Prakas (Ministerial Decisions) and Director General's Circulars; and

  -- Part 4: Explanatory Notes and Reference Materials: in the content, there are Explanatory Notes to LOC, Reference Materials, Abbreviation, Glossary, List of Customs Coded Regimes and Appendices (Customs Valuation Agreement: Explanatory Notes, etc.). *Content of the "Policy and Procedure Manual" is in Annex 3*.

- Conduct a business awareness program, and public information campaign: Shortage of copies of the Customs Law and other regulations and a consequent lack of awareness by the business community of the Law can pose obstacles and difficulties in the reform and modernization of the Customs Administration. To ensure a high standard and to improve the quality of service, laws on Customs, regulations and other customs procedures, including Customs-related news, must be provided to the public. An awareness program can be implemented in certain ways as follows:

  -- Conducting Seminars: the concepts in the Law on Customs and other regulations can be presented to all Customs Brokers, traders, entrepreneurs and other business operators' representatives, etc.

  -- Website Homepage: Through the internet, business operators can search all the information needed

-- Mass Media: The GDCE can create a Q and A program related to Customs matters, including awareness programs on Customs Law and other regulations in Radio and Television Networks.

2.2. Lawyer appointed

Since the Law on Customs and other Customs related Regulations has been newly introduced in Customs Administration, some traders are still not updated/ have yet to become aware of the new procedures. In order to deal with dispute settlement mechanisms, a professional lawyer will be appointed as a Customs representative to strengthen its appeal and dispute resolution procedures so that traders' appeals can be promptly and fairly dealt with and in a transparent manner.

3- CUSTOMS PROCEDURES AND TECHNIQUE

In order to promote trade facilitation and improve work efficiency and effectiveness, the GDCE will be required to standardize the current customs procedure in its reform. This task could be started with review and simplification of customs procedures, via the process of implementation of the Single Administrative Document (SAD), and to introduce standards of best practice stimulated by the Revised Kyoto Convention in which Cambodia will become a contracting party in near future. This task will require The GDCE to prepare the legal basis including Ministerial Prakas and government Sub-decrees relating to the customs procedure referred to the Law on Customs.

3.1 Prepare Action Plan for Accession to the Revised Kyoto Convention:

Cambodia's membership in ASEAN, WCO and WTO requires the acceptance and accession to the international conventions and agreements which are legal instruments supporting the multilateral trading system. After becoming the 155th member of the WCO on 03 April 2001, the GDCE has set itself the objective of becoming a contracting party to the international conventions and agreements, which could promote and accelerate the integration of Cambodia into the international community. The **Revised Kyoto Convention** on the simplification and harmonization of customs procedures is a significant international convention in customs operations, which requires Cambodia to accede as a party to the convention. The annex of this convention also covers the procedures and customs regimes that are currently being implemented by the member countries of the World Customs Organization. The Law on Customs, adopted on July 20, 2007 by the National Assembly is a legal instrument for application in customs operations. Certain customs procedures in harmonization with the **Revised Kyoto Convention** are also covered. This law was prepared under the TCAP project with the participation of IMF experts, so the General Department of Customs and Excise may be facilitated to be admitted as a party to the **Revised Kyoto Convention**. To be ready to become a member of the **Revised Kyoto Convention**, the General Department of Customs and Excise has prepared a number of tasks as follows:

- Preparing various legal documents including *Prakas* of the Ministry of Economy and Finance and Sub-decrees of the Royal Government to carry out smooth and coordinated implementation of the newLlaw on Customs;
- Preparing a draft action plan to become a party to the **Kyoto Convention;**
- Requesting four months technical assistance from the Asian Development Bank to assist the General Department of Customs and Excise to study the feasibility of Cambodia being admitted into the **Revised Kyoto Convention;**

This project will be started in 2009 with customs experts studying the legal systems and customs procedures currently being implemented in order to improve, reduce inappropriateness or introduce standards of best practice in harmonization with the customs procedures of the **Revised Kyoto Convention**. The General Department of Customs and Excise shall conduct the said study in cooperation with customs experts under technical assistance from the Asian Development Bank (ADB). The action plan will be prepared by customs experts after finishing the feasibility study for acceding to the Kyoto Convention and has to be submitted to the Director General of the GDCE for approval. The General Department of Customs and Excise is planning to become a contracting party of the **Revised Kyoto Convention** in 2010.

3.2 Implement Customs Policy and Procedures Manual with Simplified/Standardized Operating Procedures for:

The trend in international trade moves towards the elimination of barriers and an increase in speed and flexibility of services among international trade partners. The simplification of customs procedures should be placed high on the agenda of a customs

modernization program. Such reforms will save time, reduce costs, and speed up the flow of goods. This task started with reducing and simplifying customs procedures, and introducing standards of best practice stimulated by the Revised Kyoto Convention. The simplification is the first step in the modernization of customs procedures. It is impossible to implement the automation of customs processes without reducing and standardizing customs procedures. In order to strengthen the implementation of customs procedures and to support the Law on Customs to be efficiency and effectiveness, the GDCE has prepared certain Prakas of Ministry of Economy and Finance, conducted the awareness courses to high level officers, and disseminated to the Publics by Customs Website. In the implementation of current customs procedures for import and export operation, the GDCE has improved certain customs procedures as follow:

-Import and Export:

The import and export procedures are carried out in two ways including through manual form filling and electronic operation by Automated System for Customs Data (ASYCUDA). For the purposes of trade facilitation and simplifying customs clearance procedures, the General Department of Customs and Excise has established a new Customs Declaration called the Single Administrative Document (SAD), which applies to all regimes for customs clearance, export-import, bonded warehouse etc. In practical implementation, the General Department of Customs and Excise has prepared an Explanatory Note for filling out of all boxes in the Single Administrative Document (SAD). The Single Administrative Document (SAD) has been implemented since January 1, 2008 in accordance with the *prakas* of the Ministry of Economy and Finance on the provisions and customs declaration procedures and enclosed with the Explanatory Note.

- Customs Transit:

Customs Transit is a customs procedure in which goods are permitted to move from one customs office to another customs office under the control of customs, while payment of the import Customs duties and taxes are suspended.

International Customs Transit is a customs procedure in which goods are permitted to move from the customs office of entry in customs territory to the office of exit, and then out of the customs territory. The said goods transit is a part of movement of the goods which is started and ended outside the customs territory of the Kingdom of Cambodia.

National Transit is the customs procedure in which the goods move from one customs office or an authorized custom clearance zone to another customs office within the customs territory;

For the purpose of ensuring efficiency and effectiveness of customs control in Customs Transit operation and to promote trade facilitation, the General Department of Customs and Excise may determine the conditions related to the operation of Customs Transit in accordance with the obligations of the Kingdom of Cambodia, under the provision of the international agreement involving best practice to international standards. The said customs procedure is stipulated in the *prakas* of the Ministry of Economy and Finance and Law on Customs.

- Temporary Admission:

Temporary admission means the customs procedures under which certain articles can be temporarily imported and to be re-exported within a certain period as specified by Customs from the date of importation. These articles will be granted exemption in total or in part from payment of import duties and/or taxes, but the importers may be required to make a contract

with Customs that such articles will be re-exported within one year if exceeding one year, the importers must submitted a letter to inform the Director General of Customs and a guarantee in certain form and the amount may be required by Customs. The refund or release of such security given will be carried out after all the obligations under the contract or agreement have been fulfilled. The condition of goods under temporary admission consists of goods for exhibition, personal effects, goods for advertising etc. This procedure will be implemented by Prakas and Law on Customs.

- Management of exemptions:

The goods that are imported with exemption of duties and taxes under the provisions of the Law on Customs, for diplomatic or consular missions, International organization and agencies of technical cooperation of other governments, and for personnel of such organizations shall be re-exported after completion of their missions. Such goods are not allowed to be disposed of, sold, transferred or diverted to unauthorized uses without prior authorization from Customs. Organizations or persons who wish to dispose of, sell, transfer, or divert exempted goods, must request approval from customs and provide the reason for that action. The request shall include import document, list of goods, and other relevant documents. Disposal of the goods can only be carried out after approval is received from customs and customs observe the disposal or destruction of the goods. The detail of this procedure is under the Prakas of MEF and Law on Customs.

- Management of Customs Warehouses:

The procedure of temporary storage under bond is the customs procedure in which imported and exported goods may be kept under customs supervision in approved premises pending completion of customs formalities. Licenses for operation of a temporary storage facility are approved by the Minister of Economy and Finance. Such licenses will determine conditions for owners or operators including location, construction, lay out of premises, security requirement and procedures for the handling and control of goods. Holders of a temporary storage facility license shall pay an annual fee of 20,000,000 riel to the General Department of Customs and Excise. The time limits for the storage of goods under the temporary storage procedure is 30 days for temporary storage of goods at an airport and 45 days for temporary storage of goods at a temporary storage facility located in places other than at an airport. The detail of this procedure is under the Prakas on Temporary Storage and Law on Customs.

-Procedures in the Special Economic Zones (SEZs)

For the purpose of strengthening competitiveness and attracting investment in the Special Economic Zones of the Kingdom of Cambodia, facilitation related to customs procedures is required to implement a special customs procedure, and more simple inspection mechanisms than at other customs checkpoints, in order to facilitate the flow of goods in and out of these zones. This special customs procedure is applied to all operations of Special Economic Zones.

The Special Economic Zones are special duty-free zones for economic development gathering industries and other relevant activities, including General Industrial Zones or Export Manufacture-Processing Zones. Each Special Economic Zone consists of production zones, free-trade zones, service zones, residential zones and tourism zones. Procedures for the establishment and management of the Special Economic Zones is in compliance with the laws on investment of the Kingdom of Cambodia, the law on fiscal policy, the law on customs, and the Sub-decree on the Establishment and Management of Special Economic Zones.

The special customs procedures applied to Special Economic Zones is referred to as a simplified customs procedure carried out by competent customs officers dedicated to this work and to the administration of the Special Economic Zones concerned. For all goods imported into the zones for processing and re-export, taxes and duties are suspended. The customs procedure concerning these Special Economic Zones has been implemented in compliance with the *prakas* of the Ministry of Economy and Finance No. 734 MEF.

- Procedures of Passenger Processing:

In order to facilitate bona fide travelers and tourists, who come into Cambodia with non-dutiable, non-prohibited and non-restricted goods, the Customs Administration has established the Green Lane Channel. By passing through the customs counter on the Green Channel, the travelers' belonging will not be checked, provided they declare to the Customs that there are no dutiable, prohibited or restricted goods in their possession. The Green Channel can be recognized by the panel with words "NOTHING TO DECLARE" on it.

Travelers or passengers who have dutiable goods with them have to go into the Red Channel and the pay duties and taxes applicable. The Red Channel is identified by the panel with words "Goods to Declare" on it.

Travelers or passengers having dutiable, restricted or prohibited goods, and found using the Green Channel, will be given a penalty and/or fined.

Travelers and tourists may bring personal belongings in reasonable amounts. The conditions under which travelers and tourists should enjoy concessions are stated in the Customs Passenger form, which is available at entry checkpoints and/or through air carriers.

For outbound passengers: Travelers and tourists may bring in currency of $US 10,000. To bring in foreign currency in an amount exceeding $US 10,000 requires a permit from the National Bank of Cambodia and approval from the GDCE before exportation.

3.3 Implement international obligations:

In the process of aligning Cambodia's economy with the regional and world economies, the GDCE plays an important role in linking Cambodia's trade–with international trade. To ensure the effective performance of this important mission, the GDCE should implement a reform and modernization program for implementing its obligations and commitments especially under the framework of WTO membership. Under the framework of its implementation of international obligations, the GDCE has raised the following important work programs:

A-Implementation of AHTN 2007:

Cambodia's membership in ASEAN required the GDCE to reform the tariff in accordance with the ASEAN Harmonized Tariff Nomenclature (AHTN). This work is progress for Cambodia as the AHTN includes the amendments of the WCO's HS 2007. On the other hand, this is also an accomplishment of the obligation of Cambodia as an ASEAN member as well as a contracting party of the international Convention on the Harmonization of Commodity Description and Coding System known as the Harmonized System or HS, to which Cambodia became a contracting party in 2002. The tariff book AHTN-2004 was introduced from January 1st 2004 and consists of 10689 tariff lines and AHTN-2007 consists of 8314 tariff lines only, because of the amendment of AHTN by member countries in order to simplify and harmonize

the Tariff. The harmonization of the national tariff nomenclature with AHTN includes the correct transposition of duty and tax rates, translation into Khmer, changing the computer statistic system, etc.

- **The Publication of New Customs Tariff Nomenclature**

The new Customs tariff nomenclature which incorporates changes of the 3rd phase of tariff restructuring and the AHTN was published in May, 2007 to enable its implementation from July 1st 2007. The GDCE will have to decide on formats for the new customs tariff book whether it is in hard copy and/or CD-ROM for facilitating the users, especially in the process of implementing the automation of customs processing with the implementation of ASYCUDA.

- **To organize the HS and AHTN Training Courses**

To ensure the smooth implementation of the **new** customs tariff, the GDCE has provided training courses to customs officers and traders **in the first semester of 2007** and continue in the future. As mentioned above, the GDCE has already included the training courses on HS and AHTN in its Annual Training Plan. The GDCE has conducted three courses on the new tariff book, covering 144 customs officers with support from Japanese Custsoms. Training on HS and AHTN will be continuing in accordance with new changes and developments in agriculture, industry, technology and trade, and also with experience in their implementation.

B-Implementing WTO Valuation Agreement in accordance with Transition Plan (TP)

In the context of Cambodia's membership in the WTO, preparation for implementation of the WTO Valuation Agreement is one of the prioritized tasks. The GDCE has implemented the WTO Valuation Agreement side by side with the decentralization process for customs valuation decision. We have a grace period of 5 years moving from the existing procedures to the WTO methods. During this transitional period, we have designed a clear action plan to implement (TP), which hopefully helps to prevent a major revenue loss when we switch to fully implement the Transaction Value Concept. During these 5 years, the GDCE has implemented in accordance with Transitional Plan. We obtained significant early results; in particular, all imported goods in which customs duties and taxes are payable by the state have been cleared at transaction value. In addition, 50 percent of dutiable goods have been processed at the transaction value. The GDCE is considering whether certain imported goods will be processed at the transaction value, such as goods imported by investment companies, exempted importation, temporary imports, and goods imported by the government of Cambodia. From 1st January, 2009, the Customs Technique Office will prepare to implement three methods of customs valuation such as transaction value, identified goods, and similar goods. This is a step towards full implementation of automation (ASYCUDA) and being ready to apply the WTO customs valuation in accordance with Cambodia's commitments as a member of the WTO.

- **Implementation of PSI mechanism:**
The PSI contract was signed by the Royal Government of Cambodia and BIVAC Company on February 28, 2006 and started operation on May 1st, 2006. Many lessons have been learned during its two years of operation relating to WTO valuation, and also THE GDCE has obtained data to be used as reference data in customs valuation. In accordance with developments in the region and the world, and in the context of Cambodia's membership in the WTO, the GDCE should review and assess the PSI mechanism, and make recommendations on steps to be followed in the future which should be in conformity with the WTO Agreements and Cambodia's commitments in this respect.

- **Capacity building in WTO valuation:**

To implement WTO valuation, Customs capacity building in this area is very crucial. the GDCE has established a steering group comprised of 15 officers. The group, sponsored by Customs and Tariff Bureau of Japan from 2006 to 2008 under its Technical Assistance Program, has been provided with the WTO valuation technique. The members will end up as trainers in WTO valuation. In addition, the GDCE has offered many training courses and launched seminars to disseminate information to the business community so that it is aware of this development.

- **Development of action plan for 2 Years Extension of Transitional Plan Application (TP):**

Since there are so many obstacles and difficulties in implementing WTO valuation, the GDCE proposed to postpone a further 2 years in carrying out of this Agreement. The challenges we are facing are as follows:

- Shortage of WTO valuation related regulations and procedures
- The number of competent officers is limited -- more training is needed before the Agreement can be put in place.
- Invoices are often undervalued, leading to some difficulty in applying Transaction Value.
- Discrepancy of customs valuations have been found between the declared values and the value determined by the PSI mechanism as well as by Customs Technical Office.

Those challenges pose a big concern about national revenue losses while applying the WTO valuation method. THE GDCE is looking for TA from ADB for the period of 4 months beginning from the 1st semester 2009 in order to make a feasibility study on the consequences of the transaction value mechanism as well as other impacts. After the study, customs experts will prepare an Action Plan for 2009 and 2010 for introduction of the Transaction Value method. The WTO valuation method will be fully implemented from 1st January 2011.

C- Participate in preparing legislation respecting Intellectual Property Rights (IPR)

IPR enforcement system in Cambodia is presented as a coordinated structure of separated institutions responsible for IPR protection. Each department has its own structure and strategy to deal with IPR infringements and to settle IPR disputes. In accordance with the existing IPR law, those institutions initiate their actions ex-officially or upon complaints of the right-holders.

- **Enforcement of Border Measures**

Customs is entrusted with the enforcement of intellectual property rights at the borders. Its duty is to prevent the import/export/transit of counterfeit goods and pirated copyright goods into/out of Cambodia. Customs protection of IP rights is normally initiated by an application made by the right-holder or by their own initiatives (ex-officio action) upon prima facie evidence or strong information from the public. The application is often accompanied by sufficient information on the products covered by registered mark in question and proof of ownership of rights and the required deposit of collateral for damages in case the complaint is unjustified. If the customs officers act under ex-officio initiatives, they should get all possible information about the products, the usual distribution of product in the country, information on monitoring and inception of the suspected shipment.

In order to strengthen the protection of IPR in Cambodia, the GDCE will continuously participate in the preparing of legislation regarding the protection of IPR; especially in

introducing the new measures of enforcement at the border. Legislation has been prepared including:

· Law on Marks, Trade Name and Acts of Unfair Competition

· Law on Patents, Utility Model Certificate and Industrial Design

· Law on Copyrights and Related Rights

. Sub-Decree on Marks, Trade Name and Acts of Unfair Competition

3.4 Develop and Implement an Information Technology Strategic Plan for the period 2009-2011:

In response to the circumstances and requirements raised by internal and external factors, the GDCE has prepared strategy to utilize Information Technology (IT) in customs operations. The IT strategy is divided into short, medium, and long terms, and is part of customs administration reform and modernization.

The General Department of Customs and Excise has collaborated with the visiting IMF expert, who has assisted the GDCE to establish a new IT strategy and plan of implementation for the period (2009-2011)[5]. In general, the objective strategy on Information Technology for the GDCE consists of:

- **Implementation of ASYCUDA World:**
  The ASYCUDA World is in its second phase leading up to the pilot in Sihanoukville and then the third phase rolls out to other offices. It is the biggest and most important project from an IT perspective because it will not only provide the GDCE with its major operational application, but it also defines major components of the GDCE's IT infrastructure. (Please see point No.4.1.3). This task requires the GDCE to strengthen its IT Service Section in order to support and maintain the ASYCDA World platform, and all of the GDCE's other IT applications and infrastructure.

- **Establishment of IT Service Section:**
  The IT Service Section will be established within the GDCE in order to sustain the ASYCUDA implementation when the initial project is ended. At the end of the project, the UNCTAD experts will be gone, so the staffs of this section will be responsible for maintaining and supporting the ASYCUDA system. In addition, the staff must be trained and competent in ASYCUDA World and must have the capability of supporting the GDCE network infrastructure consisting of Customs Statistic Data Collection System (CSS), the Valuation System, the Risk Management Systems, and the Customs Website.

- **Seeking Funds for Maintenance and Upgrade of IT Systems:**
  The GDCE requires the continuing funding for maintaining and upgrading of the automated system and IT infrastructure including computer equipment and software, maintaining software licenses, network maintenance, replacement equipment, network recurrent costs, etc.

- **Communication System Across the Country:**

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[5] *Plese see IT Strategic Plan Prepared by IMF Adviser, 2008.*

The GDCE requires external E-mail to communicate with agents, brokers, and importers. In the short term, before a nation-wide network can be installed, The GDCE can also envisage external e-mail as a means to communicate across the country with many offices and checkpoints in order to exchange information. Hence more provincial desktop computers will be required and local networks and wide-area connections to HQ must be set up.

- **The Risk Management Office:**
  The GDCE will prepare certain systems to be linked with the Risk Management Office including Customs Seizures Database, Customs Statistic System (CSS), valuation database from BIVAC, and other databases in order to exchange information between Risk Management Office and the ASYCUDA system. These systems will assist the RMO to develop selectivity criteria for ASYCUDA.

- **Establishment of IT Steering Committee (ITSC):**
  The GDCE will establish an IT Steering Committee (ITSC) to take over all responsibilities for the direction, evaluation and endorsing IT strategy, policies, and standards, within the General Department of Customs and Excise.[6]

3.5 Implement the Customs Broker Program:

For the purpose of trade facilitation and to expedite the customs clearance operation, and ensuring the efficiency and effectiveness of the new law on customs implementation, the GDCE has established the customs brokers program in order to ensure customs duties and taxes or other charges in customs clearance operation are paid according to law. In addition, the customs broker plays a main role in the implementation of the pilot phase of ASYCUDA. The GDCE has prepared a customs broker program divided into two phases as follows:

A- Interim Customs Broker:

Referring to current necessary requirements in the process of implementing the pilot site of automated systems in Sihanoukville, starting from May 1st, 2008, the GDCE prepared for the selection of interim customs brokers, and prepared a number of tasks as follows:

- Customs Broker Unit with a working group consisting of 5 members was established by order letter No.788 date August 24th , 2007 to be responsible for the management of customs brokers. This unit is under the direct guidance of the Risk Management and Audit Office.
- The introduction of Interim Customs Brokers into customs clearance operations was advised by the MEF in a letter Nº 2664 dated 25 May 2007.
- Initial conditions for Interim Customs Broker have been developed to set qualifications and criteria for any legal person or individual to become an authorized Declarant/Interim Customs Broker.
- Set deposit of US 5000 for security in order to be a licensed interim customs broker.
- The announcement on the new system for Customs Brokers has been publicized and so far there are more than 100 companies applying for interim customs broker licenses.
- To ensure the sound process of clearance of goods, non customs brokers can also clear goods from customs (as existing practice) even after the Customs Broker System comes into effect. Clearance by non customs brokers will end at an appropriate time.

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[6] IT Strategy 2009-2011 is in Annex 5 of this document

B- Customs Broker:

Licensing customs brokers represents a part of Customs Reform and Modernization to ensure the streamlining of the transactions for customs clearance. An appointment program for Customs brokers will start in 2009 – 2010 in accordance with Prakas no 115 MEF dated February 15th, 2008. In this connection, the GDCE will make some preparatory arrangements as follows:

- Preparations for examination authorization which was carried out in early 2009.
- Request for TA for 2 months in 2009 in order to plan the implementation of the Customs broker appointment process.
- Continuation of the appointment program for customs brokers, at least once annually
- Conducting training courses for customs brokers in customs procedures for clearance of goods.

Setting up the conditions for qualification as a professional customs broker, such as licensing (2-year validity), and paying 2 million Riel for annual license fee, and depositing some security to the GDCE for covering customs duties and taxes and other surcharges for customs clearance operation.

4- TRADE FACILITATION, SECURITY AND PROTECTION OF SOCIETY

To promote the seamless and secure movement of goods through the international supply chain in a way that protects revenue, facilitates international trade, while providing certainty and predictability for the RGC and business in accordance with the WCO SAFE FOS.

This fourth strategic objective is focused mainly on two core components: trade facilitation, and the security and protection of society. These two components need to have the right balance between expediting national economic development and protection of social security. It strongly depends upon Customs' ability, because of its direct involvement in balancing between the two components. For that reason, the General Department of Cambodia Customs and Excise put the two components together as a major strategy among the eight Strategy and Work Program on Reform and Modernization of Cambodia Customs for the new 5 year program (2009 – 2013).

4.1 Trade Facilitation

Trade facilitation is a global agenda with a broad meaning. Nevertheless, for Customs administration, it is a key policy for inspiring reform of Customs administration management, regulations and Customs procedures. Up to now, we have established new and revised procedures and regulations in order to simplify, harmonize, expedite, and reduce costs and to meet the international standards of customs clearance. To enhance trade facilitation, the General Department of Cambodia Customs and Excise has outlined a variety of key strategic plans including: implementation of Risk Management Strategy, participation in development of ASEAN Transit Agreement and GMS Cross Border Transport Agreement, expansion of implementation of Customs Automation (ASYCUDA World), implementation of a National Single Window (NSW), and joining the ASEAN Single Window as it develops.

4.1.1 Continue implementation of the GDCE Risk Management Strategy

To comply with Anukret No 21 dated 1st March 2006 on Trade Facilitation through Risk Management, an Inter-Ministerial Working Group on Trade Facilitation through Risk Management was established by a Prakas No 1015.MEF.PRK.CED of Ministry of Economy and Finance dated 24th October 2006. This Inter-Ministerial Working Group has led to the preparation and establishment of several legal documents including the List of Prohibited and Restricted Goods which was promulgated by Anukret No. 209 ankr.bk dated 31st December 2007. In the meantime, under the good cooperation and technical assistance from JICA's Japanese Customs Experts, Customs Risk Management and Audit Office (CRMAO) has developed a number of legal documents and instructions related to Trade Facilitation through Risk Management, including the list of Risk Selectivity Criteria with 9 selectivity criteria. The List of Prohibited and Restricted Goods and List of 9 Selectivity Criteria were integrated into the ASYCUA World Phase II, Pilot Site at Sihanouk Vile Port which started the implementation on 1st May 2008.

To continue implementation of a Risk Management mechanism thoroughly and more effectively, and to comply with the theme of Anukret No 21, the General Department of Cambodia Customs and Excise has outlined the new strategic objectives as follow:

a) Continue the development of a Service Level Agreement (SLA) between the General Department of Cambodia Customs and Excise and other relevant competent authorities; the SLA is planned to be established in early 2009. The implementation of this agreement must conform to the theme of Anukret No 21 on implementation of Trade Facilitation through Risk Management. The Inter-Agency Working Group will develop,

review and revise the regulations and procedures for the management of the National Master List of Prohibited and Restricted Goods in accordance with the actual conditions.

b) Put into practice the Selectivity Criteria Management System (SCMS), with support and assistance from JICA, by fourth quarter 2009. To fully employ this system, we shall continue to coordinate with other relevant competent authorities to conduct a study, identify, analyze data, revise and upgrade the existing Risk Selectivity Criteria.

c) Continue the implementation of Trader's Credibility Management System (TCMS). By means of this system, we will continue to cooperate with the JICA's Japanese Customs Experts, extend the scope, and collect and analyze reliable information data from all sources in order to identify, revise and complement the existing Risk Indicators.

d) Develop a network between the Risk Management system and the ASYCUDA system. To perform this task, we have to continue our cooperation with the JICA's Japanese Customs Experts and ASYCUDA Experts in order to conduct a study of the possibility of networking so that data can be promptly extracted for analysis and timely operations.

e) Develop Risk Management networking between General Department of Cambodia Customs and Excise and the risk management system of other competent authorities at national level by 2011.

f) Continue conducting training for Customs officers at central office and at main checkpoints equipping them with skills competently enough to ensure the monitoring, data collection, profiling, analyzing and identifying risk and carrying out the tasks effectively.

g) Set up a risk management group at provincial Customs offices, being self-directed and assist the Risk Management Office in collecting data, profiling, analyzing and identifying the level of risks and developing risk indicators.

h) Develop a framework for a Risk Management scheme including implementation of a Customs intelligence program.

i) Continue developing guidelines, manuals and materials for central and local profiling.

j) Set up domestic and international networks for providing information to the Risk Management Office in order to efficiently employ tactical intelligence by the end of 2009.

k) Continue seeking technical support from JICA, AusAID and other development partners to support continuation of the activities.

4.1.2 Participate in Development of Transit Agreements

Beyond the Risk Management strategy, the Greater Mekong Sub Region (GMS) Cross Border Transport Agreement (CBTA) and the ASEAN Transit Agreement are other key components in trade facilitation.

CBTA was originally a trilateral agreement between and among the three countries of Lao, Thailand and Vietnam, signed on 26th November 1999 at Vientiane. Cambodia acceded to the CBTA on 29 November 2001 at Yangon, Myanmar. China and Myanmar respectively

acceded to the CBTA in 2002 and 2003. Currently, CBTA is an agreement between and among 6 countries for the facilitation of GMS Cross-Border Transport of Goods and People. CBTA entered into force with the ratification in December 2003 by the six GMS Contracting Parties, including Cambodia itself.

This agreement is a guideline for facilitating all procedures and regulations relevant to cross border transit, aiming at reducing physical inspection, reducing costs and time, and expediting the cross border transport of goods in the GMS framework. Referring to recommendations from the third summit of the GMS leaders and ADB with the trader's representatives on 30th May 2008 in Lao, the meeting encouraged the participation and implementation of this Customs transit system from both public sector and private sector.

On behalf of Cambodia, as a CBTA Contracting Party (2001), the General Department of Cambodia Customs and Excise supported and actively participated in CBTA implementation by sending technical officers and senior officers to attend every GMS meeting related to Customs. Cambodia participated fully in these activities, including participating in developing the draft protocol, annex and regulations and procedures, and participating in finalizing the draft of MOU on the GMS Customs Transit System. In addition, Cambodia worked on drafting the agreement between insurance agencies and transport operators, etc.

Besides involvement in activities under the GMS umbrella, the General Department of Cambodia Customs and Excise sent senior customs officers and technical officers to attend ASEAN platforms related to the transit facility mechanism. Those activities included:

- participating in discussions on the draft of the seventh protocol on Customs Transit System and the draft of annex 1 of the seventh protocol of the ASEAN Customs Transit Agreement of "ASEAN Customs Transit Rules and Procedures", and

- attending in the fourth ASEAN Working Group Meeting on Customs Procedure and Trade Facilitation in Yangon, Myanmar.

Through the above activities, we have realized that the Greater Mekong Sub Region Cross Border Transport Agreement (CBTA) and ASEAN Transit Agreement are two operations that are complementary and have a common goal. The main goal is to promote trade facilitation and facilitate the cross-regional transport of goods with the purpose of attracting investment and boosting national economic development. For this reason, the General Department of Cambodia Customs and Excise has outlined strategic objectives for continued implementation of the above two activities as follows:

a) Continue involving in reviewing and finalizing the draft MOU on Procedure for the GMS Customs Transit System and continue discussing the outstanding issues, at GMS meetings. Those meetings include meetings of Customs DG level, senior officer level of the National Transport Facilitation Committees (NTFC), and insurance agency DG level. The meetings facilitated signing the MOU between GMS Customs authorities and the GMS insurance agency to employ the transit system.

b) Continue the development of regulations and procedures related to the transit regime for implementing of GMS and the ASEAN Customs Transit System (2009- 2010).

c) Continue the cooperation with competent authorities in developing transit procedures, issuing licenses for transport operations in agreed, harmonized and standardized forms. Make use of national insurance mechanisms and Customs guarantee regime (GMS

agency issuing guarantee bond). Encourage implementation of Customs transit system which leads to development of GMS. CBTA agreement scheduled for pilot implementation in 2009.

d) Encourage participation and support from private sector for the implementation of this Customs transit system, including Trader Association and GMS Transport Association etc, because private sector is a key development partner in effectively implementing CBTA, creating jobs and increasing national revenue.

e) Conduct workshop on Istanbul Convention and keep Customs officers updated on progress and Customs role in implementing GMS CBTA.

f) Assign technical officers to checkpoints where transit takes place in order to facilitate transit operations. Set up a conflict resolution working group for the GMS insurance agencies in order to resolve any conflicts during the implementation of transit system.

g) Continue seeking technical assistance from development partners such as ADB, ASEAN and EU to support project implementation.

4.1.3 Implement Automated System for Customs Data (ASYCUDA World)

In recent years, the growth of the international business economy, and especially the flow of imported / exported goods, sustaining national economic, is increasingly boosting from year to year. In response to this growth and in compliance with strategy on Customs Reform and Modernization (2003-2008), General Department of Customs and Excise selected and signed a project paper on Automated System for Customs Data (ASYCUDA World - AW) with UNCTAD on April 2006 under Trade Facilitation and Competitiveness Project (TFCP) and with financial support from the World Bank. AW Customs Automation is a computerized system used for speeding process of clearing goods from Customs and producing accurate trade statistics.

Referring to project document No CMB/OT/6AG dated 18th April 2006, General Department of Customs and Excise established a National Project Team (NPT) consisting of six Customs officers as member and one Deputy Director General as National Project Director. This NPT works full time with Experts in exploring, amending, and developing forms and relevant Customs procedures to make them comply with international standards for the practice of this system. Customs' Technical Advisory Group (TAG) has duties of giving advice, reviewing and discussing on requests from NPT for amendment and addition before forwarding to Project Steering Committee (PSC) for review and endorsement.

 The result of achievements includes development of Single Administrative Document (SAD) known as Customs declaration, SAD explanatory notes, reference documents used with SAD, legal instruments and relevant instructions. Actually, the manual implementation of SAD started from the beginning of 2008 and the pilot implementation of AW system in Sihanouk Ville started on 1st May 2008.

The pilot implementation of ASYCUDA World is operating well in a noticeable manner. We can consider it is the starting point of Cambodia Customs modernized revolution, bringing along with the immense reform and changes on both technical norms and Customs procedures complying with international standards and WCO.

Continually, we will extend the usage of this system to other four Customs offices outlined in the project document and deploy to every key Customs checkpoint in nationwide and moving

forward to the implementation of National Single Window (NSW) and ASEAN Single Window (ASW) in forthcoming year 2012. To achieve the full implementation of Customs Automation System, General Department of Customs and Excise outlines the strategic objectives as follow:

a) Continue implementation of Phase III by deploying to other four Customs offices: Export, Phnom Penh International Airport, Dry Ports and Excise Office. The planned schedule is to start by the first quarter 2009 and the project is to finish in fourth quarter 2009.

b) Develop proposal for the implementation of ASYCUDA Project Phase IV which is planned to launch in fourth quarter 2009. The project will extend the scope of key functions including:

   i. Deployment of Automated System for Customs Data AW to other offices than the five offices mentioned in the project document (CMB/OT/6AG), deploying to every major Customs office, branch and sub-branch nationwide.

   ii. Employment of manifest management functions in the Automated System for Customs Data AW. This function facilitates processing of pre-clearance, basing on manifest information.

   iii. Employment of transit management functions in the Automated System for Customs Data AW.

   iv. Establishment of supportive infrastructure at the central office and building NPT members' capacity to takeover this supportive infrastructure. Supportive infrastructure is to ensure the maintenance and replacement of hardware and sustainability of the better implementation of Customs Automation system in the long run.

   v. Connection AW network with some ministries and institutions such as MOH, MAFF, MOC, MIME, and General Departments of MEF, etc.

c) Implement Project Phase IV. Phase IV including expansion of scope and functions as mentioned in point (b) above and is planned to launch in fourth quarter 2009.

d) Develop regulations for budget management to control the expenses on maintenance and replacement of hardware and system operations after the project ends.

e) Seek funding sources from World Bank/IMF for the implementation of Phase IV and other future phases (review the funding project 2006-2009).

4.1.4 Participate in development and implementation of the Cambodia National Single Window

Implementation of National Single Window (NSW) is a continuous activity consecutive from the strategy point 4.1.3 above, especially consecutively implementing from the Phase IV of Automated System for Customs Data AW. The main objective of NSW is connecting computer network between Customs and other competent authorities concerned. Networking means transforming into one single point of documentary submission, documentary processing,

documentary checking, permit/license issuance and approval on Export and Import at one single time.

To expedite the speed of NSW implementation and to comply with agreements on development and implementation of ASEAN Single Window (ASW), a National Single Window Steering Committee (NSWSC) was established on 22nd May 2008. The Committee will work on development of forms, regulations and procedures which are relevant, making them be harmonized, simplified and standardized for the implementation of NSW planned to launch in forthcoming year 2012.

In the meantime, General Department of Customs and Excise outlines the strategic objectives for participation in NSW implementation as follow:

a) Develop Work Plan to implement National Single Window (NSW) by 2009.

b) Establish inter-agency agreement between General Department of Customs and Excise with competence authorities involved in implementation of NSW.

c) Establish a consultative group between key government partners with private sector partners to ensure the single inspection of goods, avoiding overlapping inspection of goods by employing NSW mechanism.

d) Develop regulations and procedures relevant, making them harmonized, simplified and commonly standardized for the implementation of NSW through employment of Automated System for Customs Data AW as a base.

e) Develop and employ the NSW project by 2011. NSW is a phase of connecting AW Customs Automation network to relevant competent authorities, by transforming into one single point for submitting documents and processing Customs clearance.

f) Participate in development of ASEAN Single Window.

g) Implement NSW which is followed by ASEAN Single Window by 2012.

h) Seek technical assistance from development partners for project implementation.

4.1.5 To enhance the operation of Green Lane Checkpoints and establish standardized procedures

Operation of Green Lane Checkpoint can mean broadly based on sector and different mechanism of operations according to conditions of countries in region or conditions of bilateral countries. However, General Department of Customs and Excise has put into practice of eight Green Lane Checkpoints for processing Customs clearance under CEPT list, like other ASEAN countries since early 2000. Importation of goods through this Green Lane Checkpoint requires attached documents including Certificate of Origin (CO) in form D, invoice, packing list, sale contract, and transport documents, etc. In addition, General Department of Customs and Excise has employed the Automated System for Customs Data AW which can proceed the declaration processing in four lanes (red, yellow, green and blue) based on the selectivity criteria defined by the Risk Management Office since 01st May 2008. Declarations selected in green or blue lane are allowed to proceed with the duties payment and release goods immediately and not required for physical inspection, but with exception that, if during processing, there is an additional notification of high risk on goods.

To improve the operation of Green Lane Checkpoint for trade facilitation process, General Department of Customs and Excise has outlined strategic objectives by continually implementing mechanism of effective risk management and fully employing computer system. This practice will be implemented in parallel with the implementation of Automated System for Customs Data AW at main international checkpoints. Establish a monitoring system and induce PCA practice. In addition to the above tasks, we will establish standardized procedures, simplified and speedy declaration processing by continuing to revise structure management, work procedures, Officer's duties and rotation process. Encourage effective and transparent enforcement and encourage respect of Customs' code of conduct.

4.2 Security and Protection of Society

Customs duties were gradually increasing from year to year in line with growth of trading scope and technology. Meanwhile, security and protection of society also increasingly turns into Custom burden. Facing this scope of burden, General Department of Cambodia Customs and Excise is to include another two key programs into its five years strategic program (2009-2013). These strategic programs include: participating in WCO SAFE implementation and strengthening strategic enforcement capacity to combat illicit trade in arms, WMD (Chemical/Biological weapons), drugs, antique, endangered species of fauna and flora, and counterfeit products.

4.2.1 Implement WCO SAFE Framework of Standards according to the plan

Cambodia being one of the first countries to sign the SAFE Framework of Standards (FOS), General Department of Cambodia Customs and Excise requested the WCO to conduct a diagnostic study of FOS early 2006 with the financial assistance from Japanese Government.

After diagnostic study conducted, General Department of Cambodia Customs and Excise has taken some recommendations and integrated the implementation of SAFE FOS as a priority among other priorities of 5 years strategic plan as follow:

a) Continue development of intelligence network according to existing regulations.

b) Continue effective implementation of Risk Management strategy and make best use of scanning machine mechanism at international ports. These two operations focus on identifying risks on goods, especially exportation. Risk Management mechanism contains documentary check and random physical examination of all consignments including consignments with PSI.

c) Continue building Customs capacity in the implementation of border crossing security protection.

d) Continue cooperation with skilled competent authority concerned with the trade facilitation process and involve in prevention and protection of national security as well as region security.

e) Develop detailed plan for FOS by reviewing the FOS requirements and recommendations in developing detailed plan and integrating FOS implementation as a component of Strategic Plan on Customs Reform and Modernization (2009 – 2013).

f) Develop a mechanism of cooperation between Customs and private sector through the implementation of Authorized Economic Operators (AEO) program. This program enriches the partnership between Customs and operators promoting the enforcement of law and regulations. AEO is a party who has been approved by the National Customs Administration to do direct movement of goods and comply with WCO security standards. AEO includes manufacturers, importers, exporters, brokers and carriers etc.

g) To conclude mutual cooperation and assistance MOUs 2009-2011, enhancing the international cooperation and developing exchange program of technical officers through study tour, identifying mechanism and scope of exchanging information and mutual recognition with Customs institutions of key trading partner countries of Cambodia.

h) Conduct workshops to announce the FOS implementation including key points such as new procedure and legal framework, IT usage, materials fixing, Risk Management, production of manuals on FOS implementation and website and information on Customs.

i) Seek financial and technical assistance for effective and timely implementation of FOS and AEO. To do this work, General Department of Cambodia Customs and Excise will conduct a study on trade and economic potentiality in order to submit proposal, in the meeting on trade facilitation and security, to key funding partners who support FOS implementation.

j) Continually prepare monitoring reports on progress of implementation of FOS and AEO

4.2.2 Strengthen strategic enforcement capacity to combat illicit trade in arms, WMD (Chemical/ Biological weapons), drugs, antiques, endangered species of fauna and flora, and counterfeit products

So far, Customs have made lots of noticeable achievements including involvement in smuggling suppression especially at Phnom Penh International Airport checkpoint, having received acclaiming letter from WCO. However, both Customs technical capacity and materials for prevention and suppression of smuggling is still limited which are yet able to respond to the actual circumstances and requirements.

To improve participation in protection of security and society, General Department of Cambodia Customs and Excise applies the same implementation strategy as point 4.2.1 above. In addition, we will continue reinforcing inter-agency relationship in intervention along border by setting up focal point and cooperation from competent authority through superlatively concentrating on intervention along borders. Meanwhile, we need to reinforce our participation in reduction, under National Drug Strategy, of tobacco and alcoholic products. Continue to seek for funding sources for both strengthening technical capacity and installing detection equipment to ensure the effective and appropriate intervention along borders. Continue cooperation with Customs Enforcement Network (CEN) and WCO's Regional Intelligence Liaison Offices (RILO).

5- DEPARTMENTAL HUMAN RESOURCE DEVELOPMENT AND INFRASTRUCTURE

In response to the appreciable development of the Kingdom of Cambodia as well as the reform strategies of the Royal Government of Cambodia, the General Department of Customs and Excise (THE GDCE) has identified eight main strategic objectives for the GDCE during 2009-2013. This is as a part of the process of reform in the General Department of Customs and Excise. In this context, Strategic Objective 5: Departmental Human Resource Development and Infrastructure is considered to be one of the indispensable factors for effective and efficient implementation of the strategic objectives of the GDCE.

5.1. Development of Human Resource Plan

In the fast changing work environment, the tasks of the GDCE require knowledgeable people, new HR management methods to manage them, and a new focus on human capital referring to the knowledge, education, training, skills and expertise of people. As having widely known, human resource is the key factor in job performance, therefore the GDCE should regularly improve its human resource to become effective and efficient in meeting the desired objectives. In the context of strengthening and expanding the role and responsibilities of the GDCE, the improvement of its human resource should cover all levels, ranging from management to field staff officers. Therefore, the GDCE should consider its policy toward human resource development as a high priority. The GDCE should immediately implement the tasks identified below.

5.1.1 Update the GDCE Human Resource Plan

- *Training Plan:* In the changing work-environment, the delivery of customs services requires appropriate technical knowledge and adequate skills on the part of officers and staff. In this context, a detailed procedure for designing a **training plan** needs to be identified based on the information confirmed in the Training Need Analysis (TNA). For this purpose, the GDCE managers need to answer these initial questions:
(a) What is the best way to provide training to the customs officers and staff
    Formal Courses/ On-the-job/ Job rotation/ Experience learning/ others?

(b) Who should provide the training to customs officers and staff?
(c) What should be the components of the training?
(d) What is the best venue for the training?
- *Structure training according to the Training Need Analysis*
    Essentially, a training need analysis must answer the following questions:

(a) At the GDCE headquarters level:
- What changes are occurring now and are likely to occur in the near future that may require training of customs officers?
- What is being done so far in this respect?
- What are the objectives of the training?
- What specific results does the GDCE expect to achieve from the training?

(b) At the customs checkpoint level:
- Who needs to be trained?
- What is the current skill level of the customs officers at the checkpoints?

- What are the areas in which training should be imparted?

(c) At the individual level:

- What is the current skill level of each officer in the GDCE?
- What skill levels does the GDCE want them to achieve? Specify standards, quality,…etc.

(d) What is the best way to provide the training - Formal training courses/ On-the-job training/ Job rotation/ others?

On the basis of the above, in designing the training, the following should be considered:

(a) Clear statement of objectives for every component of the training, based on those identified in the TNA.

(b) Briefing for those who have to design and deliver the training (they may or may   not be the same customs officers).

(c) Detailing the training session plans for on-the-job and formal off-job training.

(d) Decisions regarding material resources and their preparation to facilitate the training.

(e) Practice by the trainers as necessary.

(f) Arrangement of the GDCE requirements, including allocation of resources, and all administrative procedures (e.g. pre-course instructions to trainees).

- ***Training policy for both on the job and off the job training:*** The GDCE must examine both on the job and off the job training which are crucial for improving the performance of customs officers and staff. On the job training should be done by the experienced customs officials, while off the job training is a formal training and needs to be carried out by qualified trainers in a place or in the Customs Training Center. Based on the training needs assessment, it is important to nominate the right people to attend the right training at the right time.

- ***Development of internal expertise****:* In the past previous years, Customs and Excise Department has received a good deal of technical assistance from both bilateral and multilateral donors, such as ASEAN member countries and International Financial Institutions. Customs officers have been sent to attend the training courses both in the country and overseas. In order to sustain the development of human resources and to expand internal expertise, the GDCE should select customs potential officers , that is, having high skills, knowledge and discipline to form a group as the internal experts on subjects, such as PCA, Customs Valuation, Risk Management, Harmonized System, Tariff Classification,…etc. The GDCE should also regularly evaluate the performance of the customs officers who have been selected as customs experts and provide rewards to those experts who maintain a high level of performance and discipline.

- ***A program for recruitment and promotion of staff (2008 and continuing):*** To meet its expanding and challenging needs, the GDCE needs to recruit competent staff. identification of the appropriate way of encouraging qualified candidates to apply for jobs in the GDCE is extremely important. Under the strategy and work programs on reform and modernization of Cambodia Customs and Excise 2003- 2008, CED in 2006 recruited 124 new customs officers with adequate general knowledge, besides computer and foreign language skills. With the steady increase in volume of trade flows and with expanding responsibilities, added to the need for replacement of separated customs officers (an average of 1.6 to 2 percent per year), the GDCE should recruit at least 50 new staff per year either among officials in the MEF/ Government institutions or from the general public. In the event of failure to meet this target, it would be quite difficult for the GDCE to carry out its activities and expanded functions effectively. Further, the

new recruitment is justified due to changes in work environment, development and modernization of technology and trade integration, which requires new skills and knowledge.

To motivate employees to achieve the GDCE's desired goals, a structured approach to advancement of customs officers and staff should be seriously considered. Further, the GDCE should carefully balance both the positive and negative effects of promotion on both the customs officers who are being promoted, and their peers. An officer who is promoted normally receives additional financial rewards and the satisfaction associated with achievement and accomplishment. Most customs officers feel good about being promoted. But those who are overlooked may slack off or even resign. Also, if the consensus of employees shows the wrong person was promoted, considerable resentment may result. Hence, the GDCE must consider promotional strategy seriously to motivate the customs officers and staff in order to achieve the desired corporate goals.

5.1.2 Develop and Implement Customs Integrity/Governance Initiative based on the WCO ARUSHA Declaration

- To strictly implement the Code of Conduct and Ethics for customs officers: On 27 December 2006, CED issued and put into practice a code of conduct and ethics for customs officers. But implementation, follow up and evaluation of those Orders and Guidelines are still limited. Therefore, the GDCE should develop/revise the Code of Conducts and Ethics based on the existing Orders and Guidelines, and experiences of other customs administrations in this area, and also the model Code of Conduct developed by the WCO- ARUSHA declaration. The best way for implementing this principle successfully requires the GDCE to strictly follow up the implementation of the code of conduct and ethics for customs officers issued by the GDCE Director General and the GDCE should also strictly follow up the implementation of the incentive and discipline program (5.1.3) and request its subordinate units for comments for improving these activities.

5.1.3 Develop a Program to Improve Incentives and Strengthen Staff Discipline

Development of a program for improving incentives: Incentive is a kind of motivation for encouraging the staff to work harder in order to achieve their individual or common goals. It is very useful to improve the performance of the GDCE as different people are motivated by different things, such as promotion, job rotation, recognition, rewards,…etc. So far there is no regulation on rewards or incentives practiced in the GDCE, but provisions of Article 65 of the Law on Customs has provided that the Ministry of Economy and Finance may by *Prakas* determine the conditions for providing rewards to customs officers who have high levels of performance, and to other competent authorities, etc. Therefore, the GDCE should draft a clear and concise incentive/reward principle for motivating customs officers who perform their role, functions, and responsibilities with high commitment and skills through professionalism and in a transparent manner.

Development of a program for strengthening staff discipline:

- To establish attendance record (work time sheet): The GDCE should produce an attendance record system and it needs to be maintained, kept, and certified by the Office-Chiefs or Directors of each Department or Unit. Satisfactory attendance must be established before making any assessment of performance. Assessment of attendance should be based on a review of attendance records to check if each customs officer has devoted the time required for their respective work, at a minimum of 20 working days per month, except for

official holidays. Individual staff should be advised to produce their own time sheet whenever they come to work in the office.

- To impose strict disciplinary measures for any wrong doing, but to appropriately honor incentives and encouragements for outstanding performance: As semi-armed government authority, the GDCE has to constantly maintain high discipline among management and staff officers. Disciplinary Committee (or Disciplinary Board) to be led by the Director General of the GDCE will be established to implement and monitor discipline issues.

In the case of any alleged wrong doing, a proper and transparent investigation should be conducted under the direct guidance of the Director General to derive a fair judgment. At the same time, the GDCE should develop an incentive bonus and encouragement scheme for officers with outstanding performance. The encouragement or incentive program should be based on clear and precise criteria and principles in order to avoid any unfair judgments and decisions. Any punishment imposed or any encouragement provided should be recorded in a *Personal Assessment Booklet* of customs officers. In the future, recording the performance profiles of customs officers will be made by using a computer system as part of reform in personnel management.

- To improve performance management by establishing a performance management system: Individual performance is critical for the improvement of the GDCE. With regard to the establishment of a performance management system, each staff member should have a record of his/her performance assessments. The assessment of performance will involve deciding whether or not *satisfactory performance* has in fact been achieved against all of the following criteria:
(a) For Customs Officers:

- Achievement of productivity in terms of results against the targets set or agreed with their Chiefs or Directors, both in terms of the quantity and the quality of the output;
- Efforts made in skills development; and
- Personal initiatives taken in work.
(b) For Senior staff including Chiefs or Directors:

- Achievement of productivity in terms of results against the targets set or agreed with the GDCE, both in terms of the quantity and the quality of the output;
- Management effectiveness;
- Efforts made in skills development; and
- Personal initiatives taken in work.
  In making the formal assessment of performance, constraints outside the customs officer's control which affected his/her performance, such as lack of resources…etc, should be taken into account so as to ensure fairness in making the assessment.

- To establish continuing performance management based on the performance management system: The GDCE should ensure that management and monitoring of organizational and individual performance become a normal and continuing part of management practice in the administration. Therefore, the Chiefs or Directors General of the GDCE need to be competent and pro-active in managing individual and team performance through continuous monitoring and by providing constructive feedback. In case problems in individual or team performance are identified, these should be thoroughly discussed and remedial actions deemed fit should be taken along with follow up. The following steps should be observed in managing performance:

(a) Discuss the problem with concerned staff so as to understand and diagnose what are the issues before providing any feedback that is required on performance improvement. Put in writing specific points for performance improvement within agreed time frame. Make sure that the proposed actions are well understood by the concerned staff.

(b) Review the progress after the agreed timeframe has passed. If there is no improvement in performance, issue a written warning on the performance improvement that is required within another given timeframe.

(c) Despite the warnings, if performance problems still continue invoke the disciplinary provisions, in coordination and consultation with the Director General of the GDCE.

The GDCE progress reports on achievement of outputs against the targets set can also be considered as a useful basis for monitoring and assessing individual and team performance. On a monthly basis, a review meeting should be held by each office established under the GDCE in order to provide staff and Chiefs with an opportunity to discuss performance issues.

- To comply with rules, principles and transparent of rotation and promotion system for Customs Officers: Appointment and promotion of customs officers are sensitive issues as mentioned above (5.1.1.). Therefore, the GDCE should carefully implement this system with established rules and principles. Promotion should also be carried out in a transparent manner in order to avoid any type of injustices and unfairness.

5.1.4 Introduce Staff Performance Appraisal System based on Job Descriptions

- Performance Appraisal: Performance appraisal (PA) of the GDCE is a formal system of periodic review and evaluation of an individual's or team's job performance relative to the performance standards. Performance appraisal not only helps in correcting any sort of deficiencies but also reinforcing things done well by the officers and staff of the GDCE. Performance appraisal is a potential mechanism in enhancing the performance of the GDCE. It is vital for the GDCE managers to realize that performance appraisal must be a comprehensive and continuous process, rather than an event that occurs once a year. An effective system can evaluate accomplishment and develop plans for individual and team development, goals, and objectives. Performance appraisal is only one technique designed to enhance performance management. Mentoring and coaching along with training and development activities are very crucial in enhancing job performance of individuals and team. It is also one of many human resource activities that must be essentially owned by checkpoint managers.

To evaluate a customs officer's current or past performance relative to the performance standards, an appraisal system for the GDCE should involve the following:

(a) Setting work standards;

(b) Assessing the officer's actual performance relative to these standards; and

(c) Providing feedback to the officer with the aim of motivating the person to eliminate deficiencies or to continue to perform above par.

The Performance Appraisal Process

As shown in the figure 5.1 below identification of specific goals is the starting point for PA process. An appraisal system can not effectively serve every desired purpose. Therefore, the GDCE should select those specific appraisal goals it believes to be the most important and

realistically achievable.

Figure: 5.1

The Performance Appraisal Process

EXTERNAL ENVIRONMENT

INTERNAL ENVIRONMENT

Identify Specific

Performance

Establish Job

Expectations

Examine Work
Performed

Appraise

Performance

Discuss Appraisal

with Employee
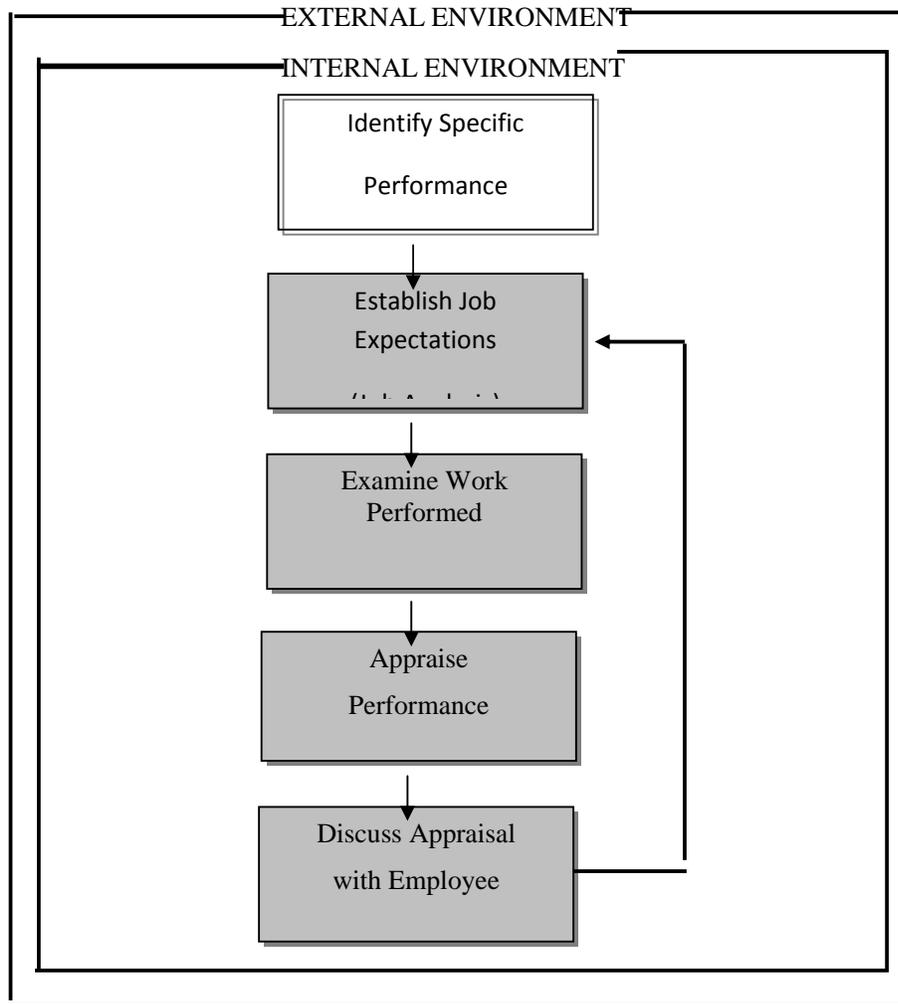
In short, the steps in the performance appraisal process include identifying the specific performance appraisal goals, establishing job expectations (job analysis), examining work performed, appraising performance, and discussing the appraisal with the officer/staff.

The aspects of person's performance that the GDCE evaluates should include traits, behaviors, and task outcomes. While making performance appraisal, the GDCE should ensure utmost fairness in every aspect to achieve the desired goal.

5.1.5 Examine Options for Improving Provisions of Legal and Physical Protection for Customs Officers

Article 61 of the Law on Customs has clearly provided that all persons are prohibited from obstructing or impeding customs officers in the legitimate exercise of their powers under this law or any other laws of the Kingdom of Cambodia. In practice, when persons abuse or assault customs officers, some customs managers do not use their rights and powers appropriately in filing a court suit against offenders. Perhaps those customs managers lack knowledge and experience in making and filing a report against the offenders. Therefore, the

GDCE should conduct training courses for its managers on provisions of legal and physical protection for customs officers, especially report writing on legal issues.

5.2 Preparation of an Updated Departmental Infrastructure Plan

For an effective implementation of its tasks, roles and responsibilities, the GDCE besides developing its human resources, must develop infrastructural facilities in a timely manner. As successful implementation of projects is dependent on both appropriate human and material resources, it is therefore necessary on the part of the GDCE to review the acquisition of infrastructure so far, based on the 2003-08 Strategic Objectives and to plan future infrastructure.

5.2.1 Update 2003 Infrastructure Plan

Some of the infrastructure acquisition plans in the 2003-2008 Infrastructure Need Assessment have not been realized due to financial constraints. In spite of that, in the new Strategic Objectives of the General Department of Cambodia Customs and Excise 2009-2013, the GDCE has identified its priority needs by updating 2003 infrastructure plan as below:

- Customs office facilities and office furniture and equipment: To carry out assigned work efficiently, adequate facilities should be provided in terms of office space, furniture and equipment at headquarters, offices, and branches, along with checkpoints. Presently, most of the customs offices, branches and checkpoints do not possess customs storage facilities, which are very important for keeping and storing contraband as well as confiscated goods. The GDCE should consider the construction of warehouses as its priority.

Further, custom offices, branches and checkpoints should be equipped with appropriate furniture and necessary tools, such as computers, printers, copying machines, telephones and faxes and other necessary office accessories and materials. These basic office fixtures should be acquired by the GDCE in a timely manner.

- Inspection areas: Inspection areas are very crucial for customs physical inspections as well as trade facilitation. Therefore, the GDCE should allocate funds for construction of different sizes of inspection yards according to trade inflow and outflow volumes of each customs office, branch, and customs checkpoint.

- Enforcement equipment and tools: In order to carry out its tasks and responsibilities more effectively, the GDCE should prepare appropriate enforcement equipment and tools for customs enforcement operation teams. Such equipment and tools must include radio communication equipment and its necessary accessories**.**

- Checkpoint security (CCTV cameras, etc.): Some busy-seaport and river-port and some other customs checkpoints, such as Phnom Penh and Sihanouk Ville ports, should be equipped with CCTV cameras, and other necessary equipments. Therefore, the GDCE should find adequate funds for installation of this equipment on a timely basis.

- Customs patrol cars and boats: As customs patrol cars and boats are extremely important for enforcement teams, these should be acquired by the GDCE.

- Non intrusive Inspection Technology (scanner, X rays, etc.) : The application of inspection-technology tools in customs operation has been encouraged by the WCO, as it can expedite clearance and ensure effectiveness in controlling imports and exports. Further, application of these technologies is important to facilitate international trade which has been significantly increasing from year to year. The   GDCE has received a donation of X –Ray

machines from the Japanese Government and from 1st January 2009, the GDCE will control and manage the technology. The X- Ray machines have been installed at Sihanouk Ville Port and Phnom Penh River Port. The GDCE should acquire and install these tools also at those checkpoints having increasing trade flows. However, as the maintenance and repair costs of these tools are quite high, the GDCE should make a proper budgetary plan to meet these requirements over the medium term.

- ***Drug Analysis equipment:*** Drug trafficking and abuse has become a worrying issue in Cambodia, because according to reports from the National Authority Combating Drug Trafficking and Abuse illicit drug trading and use have been increasing. In order to combat drug trafficking across borders, the GDCE should have its own drug analysis equipment at some customs checkpoints, especially at all international airports, such as Phnom Penh and Siem Reap International Airports. In future, the GDCE should plan to have its own laboratory for carrying out its tasks more successfully.

5.2.2 Implement a Nationwide Secure Radio Communication Network (2009)

Implementation of a nationwide secure radio communication network is crucial for exchanging important information, intelligence and best practice concerning customs matters, especially in the field of prevention and suppression of smuggling activities. In order to implement a nationwide secure radio communication network successfully, the GDCE should establish contact points at all levels of customs, such as headquarters, offices, branches and customs checkpoints. Exchange of information and intelligence on smuggling should be on time and secure. Thus, implementation of a nation-wide secure radio communication network is very important.

5.2.3 Acquire Personal Safety Equipment for Customs Officers

Safety of all customs officers is an important look out of the GDCE. In performance of a difficult task, like enforcement activities, the GDCE should provide personal safety equipment, such as bullet proof vests and personal protection devices to each customs officer. These will facilitate performing a difficult task in prevention and suppression of all kinds of smuggling activities, such as illicit drugs and weapons trafficking. Further, it will build the morale of customs officers and equip them with enough physical and psychological satisfaction to carry out high risk activities.

6- COOPERATION AND PARTNERSHIPS

6.1 Strengthen Cooperation in National Level:

General Department of Customs and Excise (the GDCE) is empowered to play an important roles and functions in exercising law and regulations for protecting the economic and social benefits through preventing and combating all kinds of smuggling activities.

In accordance with the current situation and challenges and the future direction, the GDCE will prepare and implement the strategy and law enforcement program based on the risk management system in order to facilitate trade and suppression of smuggling and other customs frauds.

In order to continue the implementing strategic and modernization and reform programs of the GDCE 2009-2013, the GDCE has established necessary work programs as follows:

6.1.1 Strengthen administration of government orders to improve relations between Customs and other Government/Local agencies (GO No. 2, Dec. 2001, 2004)

So far, the Royal Government of Cambodia has continuingly issued a number of Sub-Decrees, Government Orders or Directions, in order to enhance the effectiveness in management and economic and public financial reforms, especially involving the cooperation to prevent and combat all kinds of smuggling activities, such as Order No. 02 BB dated 19 December 2001 and Order No. 02 BB dated 22 December 2004.

Through the above two Government Orders, the GDCE has achieved a fruitful result in prevention and suppression of smuggling, and continued those achievements in the form of good cooperation with armed forces and local authorities.

In order to continue and enhance those good relations, the meeting of the inter-ministry committee, whose committee chaired by H.E. Deputy Prime Minister and Minister of Economy and Finance, should be reinforced and held the meeting regularly to sum up the result from the implementation of the above two Government Orders for more successful implementation which may lead to the minimum reduction of all customs offences.

6.1.2 Complete Service level agreement (SLA) (and MOUs) between the GDCE and other Government agencies on Risk Management

The Royal Government of Cambodia (RGC) has taken an important measure to set the priority on the implementation of the Risk Management Strategy and the Single Window Mechanism for the inspection of imported and exported goods. In order to supervise this prioritized setting, the RGC issued Sub-Decree No. 21 dated 01 March 2006 on Trade Facilitation through Risk Management.

To achieve the concept of the above Sub-Decree, the GDCE should prepare Agreements or Memorandum of Understanding with other government institutions, but it must be under the condition that the GDCE is the only national leading institution responsible for inspection of goods at the international border check points; and in case that it is obliged to be inspected by other institutions, there must be only one time inspection under the GDCE's coordination.

Inter-institutional agreements must be established to have the arrangement between the policy and the implementing institutions formalized. These Inter-institutional agreements will describe the main purposes of each institution and assign needed services at the international check points, and services to be provided by the check point institutions.

6.1.3 Develop Customs and Private Sector Cooperation Mechanisms

RGC established a forum, named as "Government and Private Sector Forum", held every six months. At the same time, GDCE created a Trade Consultative Committee to work as a partnership mechanism between GDCE and concerned parties.

On the other hand, this Consultative Committee can be regarded as a Sub-committee or Sub Working Group in charge of Tax Legislation and Governance or "D" Working Group formed under the Government and Private Sector Forum.

6.2 Strengthening International Cooperation

The GDCE plays an important role in linking the Cambodian trade into the international trades through integrating the Cambodian economy into the regional and world economy. To perform this important function efficiently, the GDCE must make the reform and modernization, so that the international standard of customs procedures under the membership of frameworks of WTO, WCO, ASEAN and GMS.

Therefore, the strengthening international cooperation in bilateral or multilateral context with other customs administrations and customs-related international organizations is necessary, thereby seizing opportunity from such cooperation is advantageous. Coincidence with most benefit taking from the above cooperation, the GDCE had to actively attend the International and Regional Customs Forum to restore and build the entity's image on the international platform.

In the framework of international cooperation strengthening, the GDCE has established work programs as follows:

6.2.1 Continue to participate actively in the international and regional customs fora (GMS, ASEAN, WCO, etc)

The Cambodia's membership in ASEAN, WCO, WTO and GMS demonstrates a necessary need for the acceptance and participation in treaties, conventions, and international agreements which are legal instruments used in regional and international trade system.

The GDCE became the 155th member of WCO on 03 April 2001 and raised working programs as a mean of participation in treaties, conventions, and number of international agreements involving customs work to fasten the speed of integrating Cambodia into the international platform.

Since 2001 to 2008, the GDCE has attended three conventions: the Convention on the Establishment of Customs Cooperation Council, the International Convention on Coding System and Harmonized Nomenclature, and the International Convention on Inter-Assistance in Customs Administration Work. The Legislative Body of the Kingdom of Cambodia also procedurally approved the above three conventions already.

In the 5-year strategic plan (2009-2013), the GDCE commits to continue attending the Revised Kyoto Convention on Simplified and Standardized Customs Procedures, the Convention on Container or Istanbul Convention, and the Convention on Temporary Importation.

In particular, the Agreement on the Facilitation of the Cross-border Movement of People and Goods under the framework of GMS in which Cambodia already became its member has about 20 annexes and protocols to be prepared. In this agreement, there are 5 annexes relating to customs work.

Therefore, the GDCE has actively prepared procedures to implement the regulations of the agreement such as the mechanism of customs single inspection and the goods transiting in the context of GMS countries and so on.

6.2.2 Negotiate further Customs to Customs MOUs with other Customs Administrations in the Region

The GDCE singed the memorandum on inter-assistance cooperation between Cambodian customs and neighboring customs administrations, including Thai on 18 October 1999 in Phnom Penh, Vietnam on 15 January 2007 in Hanoi, and lastly Laos 20 June 2008 in Vientiane on the 17th Meeting of the ASEAN Directors General of Customs.

Contents of the above three memoranda cover a wide range of cooperation in the framework of competence and customs role, including information exchange, human resource development, exchange of delegate visit in order to share work experience and technical skills in prevention and suppression of smuggling and cross-border customs offences as well as to facilitate in the regional and international cooperation work.

Through the accomplished work achieved after the memoranda with the neighboring countries have been made, the GDCE intends to further sign the memoranda with other ASEAN and worldwide customs administrations with economic and commercial potentials with Cambodia.

6.2.3 Begin discussion to establish MOUs with interested parties

After good cooperation with regional and worldwide customs administrations, the GDCE is searching for other partners such as customs-related international organizations and trade associations to negotiate and prepare to sign the memoranda between Cambodian customs administration and those partners.

In the future plan, the GDCE is ready to implement to the Authorized Economic Operator Program in the Framework of Standard to Secure and Facilitate Global Trade which Cambodia has joined and has been implementing the second step of this agreement.

6.2.4 Increase awareness of the RGC's commitment to Customs cooperation under WCO FOS

The GDCE signed on an intention letter to accept the WCO FOS agreement in 2005, and then the WCO's experts came to diagnose actions and policy of the GDCE on 10 February 2006.

After receiving good recommendations from the WCO's expert team, the GDCE has been preparing action plans to effectively implement the above agreements to facilitate the goods flow in the region and world. The detailed action plan has been explained in point 4.2.1 of the strategic plan 4.

7- ORGANIZATIONAL STRUCTURE AND MANAGEMENT

This Strategic Objective is to enhance the GDCE organization structure and management practices in order to support the GDCE Reform and Modernization Plan and the WCO Framework of Standards Program.

7.1. Undertake a review of existing the GDCE organizational structure in light of changing workload and reform and modernization initiatives: In response to the current international trade developments, and other challenges faced by Customs, the GDCE should conduct a study on improving the current organizational structure in line with the General Department's mission, roles, and structure as stipulated in the Sub-decree on the promotion of the Customs and Excise Department-CED to the General Department of Customs and Excise of Cambodia- the GDCE No. 134 dated 15 September 2008 and Sub-decree on the establishment of Department of Excise; Department of Customs Regime; and Department of Duty-free Zone Management under the General Department of Customs and Excise of the Ministry of Economy and Finance No. 152 dated 06 October 2008.

The study of this current organizational structure should be concentrated firstly on the newly established departments at headquarters level, namely:

1. Department of Administration and Management;

2. Department of Planning, Technique, and International Affairs;

3. Department of Excise;

4. Department of Customs Regime;

5. Department of Duty-free Zone Management;

6. Department of Legal Affairs, Post Clearance Audit and Public Relations;

7. Department of Anti-smuggling and Suppression; and

8. Secretariat Office/Department.

Following that, concentration should be on local customs offices, such as municipality and provincial customs and excise branches, procedural customs and excise offices, and other sub-branches.

The latest version of the GDCE mission, consistent with the provisions of the Law on Customs and other relevant laws and regulations, requires the GDCE to focus mainly on the strengthening of organizational structure, development of a training and human resource plan, integrity issues, staff remuneration, recruitment, and promotion policies etc. for effective and efficient administration. Other goals, such as the prevention and suppression of customs offenses and smuggling, the implementation of the international trade policy of the government, the implementation of international standards and best practices regarding customs control, trade facilitation, and especially the implementation of trade facilitation policy through risk management and customs automation, require more consideration from the senior management of the GDCE as well as commitment, support and incentives from the Government and from the Ministry of Economy and Finance-MEF.

For smooth implementation of the new structure, the GDCE should carry out internal administrative audit in order to compare the existing level of performance with that laid down in job descriptions.

7.2. Redefine clearly the roles, functions and jobs descriptions of Departments, Offices, Branches, and Check-points: As reflected in the previous Customs and Excise Modernization Plan of 2003-2008, the CED (currently the GDCE) will need to continue to change its management style in both technical and professional aspects and precisely redefine Customs

roles and functions, and responsibilities of headquarters, branches, and local offices. In this context and with reference to the current development of the GDCE, the implementation of the roles, functions, and responsibilities should be revised as part of the Strategy and Work Programs of the Customs Reform and Modernization 2009-2013 and they must be consistent with Sub-decree 134, Sub-decree 152, and the relevant regulations of the MEF.

Given that the above sub-decrees have stipulated functions of the departments under the GDCE, what should be incorporated into the strategy should be the practical arrangements, which in implementation will need to be consistent with both the sub-decrees and international best practices.

Furthermore, beside the functions of the departments under the GDCE, the GDCE should redefine precisely the roles, functions, and responsibilities of every of local customs offices, such as municipality and provincial customs and excise branches, procedural customs and excise offices. This revised redefinition should be designed to enable the local customs offices to make their decisions quickly and with higher level of responsibilities; referring to the existing laws, regulations, and/or notifications from the GDCE, for example, concerning customs procedures, and thus create-ing faster clearance of imports/exports—in-short establishing a better trade facilitation climate through delegation of authority.

7.3. Further decentralization of authority to local offices: For effective and efficient administration, the GDCE should decentralize power from headquarter to local offices, i.e. customs branches and/or sub-branches. As such, the rights to make technical decisions should be devolved to Customs branches and/or sub-branches in order to ensure a quick response, for example, to clearance procedures including on Customs Valuation cases and Permits.

A reporting mechanism should be established to inform the GDCE headquarters about difficulties, challenges, and/or successes faced by each branch and/or sub-branch. With this report mechanism, the GDCE headquarters will be better placed to find effective solutions to deal with the problems or challenges faced.

7.4. Establish a more transparent customs appeal system/mechanism: In order to ensure transparency and timeliness in reviewing and settling complaints and disputes, the GDCE should establish a more transparent appeal mechanism as provided for in the notice issued under the provisions of Articles 24, 54, 55 and 71of the Law on Customs. It is important to note that the appeal mechanism is an essential tool by which all legal issues are to be settled in a transparent manner and of course in accordance with provisions of the law.

Further arrangements concerning the appeal mechanism are going to be set out by Prakas (regulation) of the Ministry of Economy and Finance which would thus establish procedures regarding this appeal process.

7.5. Consider appointment of Customs Attachés abroad: Cambodia's economy, particularly in the international trade sector, has developed rapidly over the last decade, and mainly in more recent years, and this has led to an increase in revenue collections done by the GDCE. From this momentum, the GDCE should consider further plans to facilitate international trade between Cambodia and its major trading partners.

With this in mind, the GDCE should consider appointment of some Customs Attachés overseas, mainly in countries where trading volumes with Cambodia are most substantial. These appointments would contribute to effectiveness and efficiency in sharing trade information and quick access to information concerning the legal framework, customs procedures, and practices applied in each individual partner State, and thus create-ing a good market access for Cambodia.

7.6. Establish Marine Enforcement Unit (ref. Objective 1.2): International trade covers all modes of international transport ranging from road, rail, air and especially sea. The amount of trade via sea represents a large proportion of overall trade.

Likewise, with long coastal line of about 435 Km, there are many opportunities for smuggling at places along the sea border. The most serious risk of smuggling activities through this channel would be from Thailand and Vietnam where Cambodia's sea border is shared. Items such as petroleum products, household appliances, other consumer goods especially those of high tax, would be sensitive for smuggling into Cambodia.

However, due to the fact that the duty amount on imported petroleum products alone absorbs approximately 30 percent of the total revenue collected by customs, the smugglings on these petroleum products and other high-duty goods have been clearly affecting the GDCE collections.

With these scenarios and for the purpose of prevention and suppression of smuggling via the coast line, the GDCE should focus on the establishment of a Marine Enforcement Unit in order to contribute to revenue escalation for the government. The unit should be equipped with well-trained officers, facilities and equipment for ensuring proper and smooth Customs control operations along coastal line of Cambodia's sea boundaries.

An effort has been made on 26th September 2008 by the GDCE via JICA_ODA Japan, via a project application for the establishment of the Customs Marine Team through Japan's Technical Cooperation Fund.

8: MANAGEMENT OF THE GDCE REFORM PROGRAM

The MEF has set many action plans for establishing an effective Public Finance Management system which is a part of Government reforms for depressing poverty.

Customs modernization and Reform of the GDCE is a milestone of the Public Finance Management Reform of the MEF. The purpose of modernizing Cambodia Customs as other counties in the region have done or are doing is to make revenue collection more effective and more transparent and to give faster clearance of goods in term of trade facilitation.

The GDCE has achieved many goals of the Reform Program especially, Trade Facilitation through Risk Management and Implementation of the Automated System for Customs Data (ASYCUDA).

The Reform Program and Modernization of the GDCE 2009-2013 is a continuing program following on from that of 2003-2008; so, the GDCE has continued its mission with a strong commitment for implementing wide reform of the GDCE through its Action Plan for Monitoring and Implementing Reform Program.

8.1 Establish New Reform Working Group:

For the 2009-2013 the GDCE Reform and Modernization Program, the GDCE has created a new Reform Working Group to follow up the old Reform Working Group for the year 2003-2008. This new Reform Working Group has to:

- Organizing work plans and detailed schedules for implementing the GDCE Reform and Modernization Program.
- Facilitate and harmonize activities between the GDCE Strategy and Reform Program and the MEF Strategy and Reform Program and also the wider Government Reform Program.
- Prepare recommendations on new requirements for the reform Program to be considered by the Director General of Customs and Excise.
- Implementing other relevant programs related to the Reform in accordance with the direction of the Director General of Customs and Excise.
- Evaluate the challenges faced when implementing the GDCE Reform and Modernization Program and monitor and report on progress against the plan to the chief of the implementation of the GDCE Reform and Modernization Working Group.
- Determine a regular meeting schedule and clear responsibilities for each activity of the Reform Program.
- Cooperate with national and international experts and development partners for implementing the Strategy and Action Plans for the Reform Program.

8.2   Create Performance Measurement and Monitoring Mechanism for all Activities

In responding to external pressures, the GDCE has outlined its strategic objectives that set the overall direction and priorities for change in the GDCE. In order to fulfill its strategic objectives, the GDCE has outlined some action plans for reform and modernize its organization. As the action plans are executed, the GDCE will need to evaluate its action plan in order to make sure those actions continue to reflect to its strategic objectives.

Performance measurement, monitoring, and management systems are designed to permit organizations to evaluate the outputs and outcomes of their programs on a regular, continuing basis, in order to improve program management, effectiveness, and efficiency.

The GDCE also engages in three intimately connected processes to optimize their reforms performance.

There are various methods that can be used to evaluate the success or failure of a reform project for an organization. In the past twenty years, the successful of a project could be defined as the completion of an activity within the constraints of time, cost, and performance. Today this definition has been modified to include the completion:

- Within the allocate time period.
- Within the budget cost.
- At the proper performance or specification level.
- With acceptance by user.
- With minimum or mutually agreed upon scope changes.
- Without disturbing the main work flow of the organization.

I. Create Performance Measurement for all reform activities

The GDCE has set up many reform activities which reflect its strategic objectives 2009-2013. Those reform activities were summarized in its management table or its balanced scorecard[7]. The table provides a detailed description of activities that should be implemented for each objective setting. The performance indicators are attached to measure the performance of each activity. Measuring the performance of each activity is crucial for the success or failure of each reform because, the lack of performance measurement could lead to the failure of the reform project if inadequate or poorly designed activities are permitted to continue.

The GDCE has determined a performance indicator for each activity and the completion time period for some activities. The following method can be used to measure the performance of each reform activity.

- Schedule Variance
- Progress tracking

Schedule Variance: The schedule variance could be determined as the difference between the estimated time needed and actual time used to complete each stage of the project.

The GDCE has determined the time frame of its reform activities. So, the schedule variance can be used to measure the performance of each reform activity. The negative schedule means the reform activity has not been completed within the completion period. The negative schedule could be interpreted as a poor performance of that reform activity, or be explained by unexpected constraints that hindered progress.

Progress Tracking Report: Progress tracking reporting is fundamental to performance evaluation. Progress tracking reports could be used to measure the evolution of the reform activity. Through the progress tracking report, management could follow up its reform activity, and could take necessary actions to put the reform on track in case there is deviation during the reform process.

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[7] See Annex 6 of this document

Monthly, quarterly, and annual reports will be produced to evaluate the progress of each reform activity.

II. Monitoring Mechanism for all Reform Activities

Clear performance indicators spell out what the reform program aims to achieve and provide a monitoring mechanism. The performance indicators provided in the management table enable the GDCE to set up a monitoring mechanism. To achieve good performance for each activity taken, the needs to monitor those activities is crucial:

- The progress report should be read with care and corrective action should be taken in a timely manner.
- Each activity taken should be controlled in order to make sure that the action taken clearly reflects the GDCE strategic objectives.
- Set up a regular and timely basis to monitor each reform activity.
- Compare the result of each reform activity with its performance indicators, and
- Evaluation should be done as per the agreement and in accordance with the GDCE guidelines in a timely manner.

8.3 Appoint full a time Action manager responsible for day to day coordination and monitoring of all reform activities

The strategic reform could involve many departments in an organization; the cooperation between departments is required in order to achieve a smooth process during the reform period.

The need to appoint someone to play a role as project manager is important for the success of the reform project. Without delegating or appointing someone to lead and to manage, the reform project will never realize its potential. Further more, the appointed person must have management as well as technical skills.

The GDCE will appoint a project manager and his assistant who are responsible for coordinating and integrating activities across multiple, functional lines. The project manager will have the following role:

- Managing human interrelationships within the project team
- Managing human interrelationships between the project team and the functional organization
- Managing human interrelationships between the project team and senior management
- Managing human interrelationships between the project team and the customer's organization, both internal and external organization

8.4 Develop and Implement a Public Awareness Programs on Customs Reform.

Recognition and understanding of the benefits of the Customs Reform Program through cooperation with the private sector, governmental agencies and other organizations are very important to ensure the successful implementation of reform. This means that the GDCE should develop and implement public awareness programs through:

- Designing an effective public awareness program, and
- Implementing the program

I. Designing an effective public awareness program

The success of public awareness depends heavily on how well activities are designed to effectively communicate useful messages to the public about the Customs Reform Programs. Key design elements would include:

(a) Identifying primary objectives and key themes
(b) Tailoring messages for specific target audiences to ensure that the most relevant information on the CRM reaches the right people.
(c) Partnering with the private sector
(d) Developing an effective media strategy

II. Implementing public awareness Program

To implement the most effective public awareness programs on customs reform, the GDCE should adopt a comprehensive approach that ensures careful coordination between the various organizations involved and dissemination of clear, targeted, useful and consistent messages to the public.

(a) Generating public interest through the media, electronic and written   publications; are powerful opinion shapers and thus the media needs to be provided with sufficient information, which in turn assists the implementation of the customs reform program. The support will be aided by being able to demonstrate that the subject is one that has broad community interest. Furthermore using the GDCE website as a mean to highlight and share information related to the Customs Reform Management (CRM) is another avenue for raising public awareness.

(b) Holding a series of seminars or workshops for various target groups such as private sector, governmental agencies and other stakeholders to promote better understanding about CRM.

(c) Publishing books and brochures to distribute to stakeholders.

Annex 5

GENERAL DEPARTMENT OF CUSTOMS AND EXCISE OF CAMBODIA
IT STRATEGIC PLAN 2009 TO 2013

1. Background

The purpose of the ITSP Transition Plan is to propose a way forward between 2009 and 2013 that provides the necessary support and enablement for the GDCE to achieve its strategic and business goals. It directly supports the GDCE's Reform Strategy and Action Plan 2009-2013. This plan satisfies Strategy 3.4 of that plan which requires the compilation of an IT Strategic Plan for GDCE. It is intended that this IT Transition Plan be an Appendix to Reform Strategy and Action plan when it is considered by development partners in early 2009.

The following ITSP documents have been used as input to the ITSP Transition Plan:

> ➢ Prioritised Business Systems Architecture

> ➢ Business Orientation Report

> ➢ IT Service Delivery Model

The initiatives in the documents listed above have been developed into projects based on the activities required to achieve their outcomes. Projects have been grouped into logical programs of activities to achieve the outcomes related to the Department's vision and goals.

The most critical project is "Management and Provision of IT Services". This project is important because the majority of the other development projects in the Transition Plan are dependent on this activity. Additionally, without this program the current IT systems including ASYCUDA can not be supported.

2. Transition Plan Programs

In order to achieve the goals of the GDCE, the Transition Plan proposes seven programs or groups of projects and activities, to address current problems, achieve future strategies in the GDCEC's Reform Plan and to provide solutions to optimize existing GDCE business systems and technology.

1. Management and Provision of IT Services
2. Core Customs Systems
3. Effective Risk Management
4. Effective Communication
5. Trade Facilitation
6. Corporate Management Systems
7. Implementation of IT Architectures

Figure 1 – Transition Plan Programs

The programs are listed and described below:

Program	Description	Reason
1. Management and Provision of IT Services.	Implementation of an IT service delivery model that that is to be established, maintained and operated to provide competent, professional support for the Departments and operational units of the GDCE. At its core is the need to establish and maintain a fully functional IT Office for the GDCE that has the capacity to maintain the GDCE's present IT systems and IT infrastructure, and to undertake further developments of IT systems and infrastructure as outlined in the ITSP.	Essential to achieving key corporate outcomes and business plans. Enables the other projects in the Transition Plan to be undertaken. Enables maintenance of current IT systems and infrastructure. Recruits, trains and deploys sufficient suitable staff to deliver IT services. Improved return on investment in IT. Improved management of IT assets and IT staff.
2. Core Customs Systems	Maintenance and upgrade of the core Customs systems (ASYCUDA and CSS) to meet new requirements, perform better, and implement new GDCEC business initiatives.	Meets high priority GDCE strategic priorities and business plans, streamlines processing, and makes better use of resources.
3. Effective Risk Management	A number of value-added Customs intelligence systems that identify high-risk traders and shipments. These systems will assist the Risk Management Office to develop selection criteria for ASYCUDA, and identify potential smuggling cases. The ASYCUDA system uses this intelligence information to be able to identify shipments for inspection and PCA.	Increased compliance by the trade community and increased customs revenue. Better targeting of enforcement activities and better use of limited GDCE resources. Trade facilitation improved.
4. Effective Communication	Systems to support better communication with the trade community, GDCE staff, and the international community. The systems include the GDCE website, and electronic means of exchanging information and documents. Supports better service to the trade community and facilitates trade.	Better service to the trade community supported by good IT systems will increase importer/exporter compliance and customs revenue.
5. Trade Facilitation	In addition to better service to the trade community, a single window for trade facilitation is scheduled for development and implementation by 2012. It accepts and routes data from brokers, importers, banks, Customs, port authorities, and other agencies.	Improves Cambodia's competitiveness by streamlining import/export formalities and reducing the costs of trade related activities. Allows traders to submit their required import/export documentation to the government through one electronic gateway and do so only once instead of several times to different government agencies.
6. Corporate Management Systems	Analysis, acquisition and/or construction of systems to manage finances, people, resources, projects and assets.	Effective and efficient management of the GDCE's financial, human and other resources.
7. Implementation of IT Architectures	Implementation of the information systems architectures as designed, providing the flexibility to be responsive to change.	Modularisation, integrated solutions, and standard architectural components enable agility and cheaper, faster solutions.

Each of these programs will require multi-disciplined, cross-functional project teams working together to plan, implement and deliver business benefits to the GDCE from a number of projects and related activities. All elements of business systems (process, technology, people, and organisational structure) need to be considered as part of the implementation of the projects.

3. Transition Plan Projects

The projects are listed below against each of the 7 programs. Specific details of the programs and the associated projects are provided at Attachment 1 – Project Profiles. Attachment 1 also outlines 6-monthly milestones of expected achievements for each project.

Program No.	Program Name	Project Name	Priority
1	**Management and Provision of IT Services**	Establish IT Office Structure	Very High
		Secure Funding for IT Office Structure	Very High
		Put in place temporary arrangements required.	Very High
		Recruit IT and Other Development Staff	Very High
		Train Relevant IT Staff	Very High
		Implement IT Help Desk	High
		Upgrade IT Support for GDCE Training	Medium
2	**Core Customs Systems – ASYCUDA World and CSS**	Expand ASYCUDA to Phnom Penh (Phase 3)	Very High
		Download of ASYCUDA Declarations Data to CSS	Very High
		Resolve WAN and National Configuration Strategies	Very High
		Identify Priorities for National Rollout of ASYCUDA	Very High
		National Rollout of ASYCUDA to identified high priority major sites	High
		Enhancement of Procedures and Processes	High
		Deployment of SAD Deferred Input (SDI) in remaining sites	Medium
		Consolidation of National Data in ASYCUDA and Trade Statistics	Medium
		Ad-Hoc Management Information from ASYCUDA	Medium
		Customs Manifest Processing	Medium
		Customs Transit Control	Medium
		Broker System	Medium
		DTI Operations	Medium
		Warehousing and Bonds	Low
		Security and Guarantee Management	Low
		Decommission CSS as Reporter of Trade Statistics	Low
3	**Effective Risk Management**	Integrate RMO Information	High
		Management Information from ASYCUDA and CSS	High
		Customs Exemptions Management	Medium
		Upsize Customs Seizures System to MS SQL Server	Low
		Install Other Customs Intelligence Support	Low
		Introduce BIVAC's RAMSES and KnowledgeStudio	Low
		Upgrade Trader Credibility Management System	Low
		Exchange Information on Sensitive Products	Low
		IT Support for Post-Clearance Audit	Low
4	**Effective Communication**	GDCE Website for Public Information and Education	High
		Enhanced External Communications Systems	High
		Enhanced Internal Communications Systems	High
5	**Trade Facilitation**	Cambodian National Single Window	Low
		Integration with ASEAN Single Window	Very Low
6	**Corporate Management**	Develop FMIS with PFM Program	High

		Systems		
			Personnel System	Medium
			Performance Management Systems	Low
			Asset Management	Low
7		IT Architectures	Implement IT Technical Architecture	Very High
			Implement Applications and Information Architecture	High
			Introduce New GDCEC Mail Network	Medium
			Electronic Exchange of Information with Other agencies	Low
			Upgrade GDCEC Internet Facilities	Low
			Disaster Recovery and Business Continuity Plan	Low

4. Implications for the GDCE

The GDCE should now review the plan, make any necessary changes to it, and ultimately endorse the ITSP as the roadmap to take the GDCE forward.

The GDCE faces a significant challenge in implementing the Transition Plan. The actions recommended to achieve the vision and goals will involve major changes in technology, and constitute significant cultural and organisational change. The implementation of the programs within the Transition Plan will enable the GDCE to better manage its investment in information systems and infrastructure, and develop an organisation that manages its people, resources and assets effectively, and improve the way on which the GDCE achieves its business outcomes.

The leadership of senior management will be essential to the success of the implementation of the ITSP. The GDCE will need to assess its current organisational and resource capability to implement the programs and recruit additional capability where required.

There is also a financial investment required which has not been quantified at this stage. While significant funding is required, it is envisaged that savings can be achieved through efficiencies and increased revenue. The costs and benefits should be quantified as part of any funding bid that may be forwarded to the Ministry of Economy and Finance. The plan itself is an essential part of any bid for funding because it demonstrates:

- Why the funding is being sought; and
- Where the funding would be spent when obtained; and
- The priorities for the various projects in the Transition Plan; and
- What can be achieved if only partial funding is provided?

5. Cost Calculation Proposal

There should be a cost estimate for each of the projects defined in the Transition Plan. This serves two purposes. This provides the GDCE with the information that it requires to be able to answer questions like "If a certain amount of funding is made available then what can the Department achieve with that level of funding?" The answer would be a factor of the cost of a combination of projects starting with those that have highest priority.

Components of cost for projects could include the following:

- Development Team Personnel by development team Role eg. Project Manager, Business Analyst, Programmers etc...
- Training
- Travel Expenses
- Computer Hardware
- Computer System Software
- Computer Application Software
- Network – LAN and WAN
- Team Equipment
- Accommodation
- Consumables
- Maintenance
- Miscellaneous eg. Telephone, fax, internet

6. Benefits from the Program

As well as the costs, potential sources of funding will want to know what benefits will arise from the projects. Benefits normally need to be quantified but other non-quantifiable benefits will arise from projects. In a Revenue Administration environment, benefits are normally quantified in terms of savings in costs and achieving increases in revenue. They may be difficult to quantify. For example the implementation of a risk management system will undoubtedly result in an increase in revenue and more effective use of GDCE resources, but the amount may be difficult to quantify.

7. Dependencies between Projects

In scheduling the projects in the ITSP Transition Plan, the dependencies between the projects in the Plan have been taken into Account. Some of the more important dependencies are as follows:

- All projects in the plan are dependent on Program 1 "Management and Provision of IT Services" with the exception of the ASYCUDA activities that are contained in Phase 3 of the current ASYCUDA project.
- Projects within Program 1 have a natural sequence of dependencies on each-other.
- Any further work on ASYCUDA is dependent on the successful conclusion of Phase 3 of the current ASYCUDA project, and on the availability of IT resources from Program 1.
- After 2010 all projects are dependent on finding a long-term solution to the funding of the IT Office.
- Decommissioning of the CSS is dependent on the national rollout of ASYCUDA and the implementation of SAD Deferred Input (SDI) in the remaining sites.
- Enhanced external and internal communication systems are dependent on implementing a suitable Wide Area Network (WAN) strategy for ASYCUDA.
- Implementation of Customs Transit Control is dependent on the national rollout of ASYCUDA.
- Integration with the ASEAN Single Window depends on the implementation of the Cambodian national Single Window.

8. Project Scheduling and Resources

In scheduling projects, we must take account of the dependencies of projects on the critical IT management projects in Program 1 of recruitment and training. The effect of dependencies mean that certain very high priority projects will be scheduled later in the plan, or not at all, depending on whether the predecessor projects can be completed in the timeframe of the current ITSP.

Therefore we have to be realistic with our expectations. The **immediate** areas of focus are on:

1. IT Service delivery model and staffing of the IT Office and projects.
2. Completing Phase 3 of ASYCUDA.
3. Long-term solutions for the GDCEC wide-area network, and the local-area network in Headquarters.

9. New IT Architectures to Support Business

Other programs are dependent on the IT Architecture models that are flexible and responsive to supporting business needs in a changing environment. The new models will change the way information systems are developed and supported. This program involves the development or

acquisition of all of the required skills, standards, frameworks and products as defined in the IT architectures. The introduction of flexible component-based architectures enables IT solutions to be delivered faster and cheaper. The increased capability of the new architecture will also allow the organization to achieve outcomes that are presently not possible.

The benefits of such a flexible component-based architecture include:

- It enables IT to respond rapidly to business needs with less effort and cost.
- The GDCE will have access to the information and information systems it needs to more effectively undertake its business across all areas.

The IT Architectures have not yet been defined due to the necessity to produce the Transition Plan before the end of the November IMF mission so that the plan can be appended to the Reform Modernization Plan for donor review in February 2009. When the IT architectures are defined then more detail can be added to Program 7 "Implementation of IT `Architectures".

Attachment 1 – Project Profiles

Program 1: Management and Provision of IT Services

Implement the new IT services delivery model, and in particular the establishment and staffing of the IT Office.

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
Establish IT Office Structure (Priority : Very High)	Create establishment for new IT Office under the restructured GDCEC	• Develop IT Office structure and duty statements. • Approval for Sub-Decree.					
Secure funding for IT Office structure (Priority : Very High)	• Initially secure funding for until the end of 2010. • Secure funding for the long-term	Write to the World Bank requesting funding from TFCP Trust Fund. Obtain funding from the TFCP for temporary IT Office structure.			Devise strategies for the long-term funding of the IT Office.	Implement strategies for the long-term funding of the IT Office.	
Recruit IT and other development staff. (Priority : Very High)	Recruitment of new IT staff	Recruit 4 Cambodian IT contractors to initially support the IT Office.	Maintain numbers as required.	Recruit 2 additional contractors.	Maintain numbers as required.	Maintain numbers as required.	Recruit IT Office staff on a more permanent basis.
Train Relevant IT Staff (Priority : Very High)	Training for all IT staff	Train new IT staff in ASYCUDA, Linux, Oracle, and Java	Train staff according to training plans for individual IT staff.	Train staff according to training plans for individual IT staff.	Train staff according to training plans for individual IT staff.	Train staff according to training plans for individual IT staff.	Train staff according to training plans for individual IT staff.
Upgrade Support for IT Training (Priority : Medium)	It is proposed that an IT training centre be upgraded. Courses would range from basic computing skills, applications system training, and training in the use of advanced desktop tools, project management and project skills.	*Not Scheduled*					

Project	Description						Action by 30/06/2012	Action by 31/12/2012
IT Help Desk (Priority : High)	The Help Desk is the first point of contact for users who access or connect to the IT systems and services. A good, adequately equipped, resourced and trained Help Desk should be able to resolve 80% of problems at the time they are reported, and refer the other 20% to second level support.	Apply temporary solution for requests for problem resolution.					• Train new staff in service provision and technical skills • Obtain help desk software • Obtain other equipment	• Train staff in Help Desk software • Implement Help Desk

Program 2: Core Customs Systems

Maintenance and upgrade of the core Customs systems (ASYCUDA and CSS) to meet new requirements, perform better, and implement new GDCEC business initiatives.

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
Expand ASYCUDA to Phnom Penh (Phase 3) (Priority: Very High)	Expand the implementation of ASYCUDA World to PPIA, Dry Ports, and Export Office	Begin Phase 3	Complete Phase 3				
Download Of ASYCUDA Declarations to CSS (Priority: Very High)	Download declarations data from ASYCUDA to CSS so a national CSS database is maintained and national trade statistics can be produced.	Download implemented and national trade data and statistics up to date in CSS.					
Resolve WAN and National Configuration Strategies (Priority: Very High)	Review GDCE approach to wide-area network strategy and ASYCUDA server configuration. NII is to be considered. Implementation is part of implementing IT Architectures. Mail and network expansion is dependent on this.	Review Completed	WAN Strategy implemented.				
Identify Priorities for National Rollout of ASYCUDA (Priority: Very High)	Identify which offices are to be upgraded to ASYCUDA, and in what order. Other offices will use SDI.	Review completed and priorities determined.					

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
National Rollout of ASYCUDA to identified high priority major sites. **(Priority: High)**	Rollout of ASYCUDA to other sites identified in the priorities review.	Review completed and priorities determined.	• Funding secured. • WAN Strategy implemented.	• Contract signed. • Project begins.	Rollout partially completed.	Rollout complete.	
Enhancement of Procedures and Processes **(Priority: High)**	Review and upgrade procedures in ASYCUDA Offices to reflect the procedures in a revised GDPP and DDPP.	Review completed	Begin implementation of new processes and procedures.	Complete implementation of new processes and procedures in existing ASYCUDA Offices.	Expand as new offices are introduced to ASYCUDA.		
Deployment of SAD Deferred input (SDI) in remaining sites **(Priority: Medium)**	Implement SDI in those offices that will not have an operational ASYCUDA system.	Review completed and priorities determined.	Funding secured. Strategy for SDI determined i.e. Where the SDI will be performed and how data is to be transmitted. WAN Strategy implemented.	• Contract signed. • Project begins. •	National Rollout of ASYCUDA in progress.	Rollout of SDI completed.	
Consolidation of National Data in ASYCUDA and Trade Statistics **(Priority: Medium)**	National Trade data resides in ASYCUDA and national trade statistics are generated from ASYCUDA.		Funding secured. Strategy for SDI determined i.e. Where the SDI will be performed and how data is to be transmitted. WAN Strategy implemented.	• Contract signed. • Project begins.	National Rollout of ASYCUDA completed.	Rollout of SDI completed. ASYCUDA generates national Trade statistics.	
Ad-hoc Management Information from ASYCUDA **(Priority: Medium)**	IT Office is capable of retrieving specific information from ASYCUDA upon request.	IT Office training in Oracle and ASYCUDA database structure complete.	IT office capable of generating the required information from ASYCUDA.				
Customs Manifest Processing **(Priority: Medium)**	The system should provide for the acceptance of an electronic manifest file from shipping agents and carriers including the possibility of using a stand-alone module at shipping agent's premises. Manifest data should be stored as inventory information in the ASYCUDA database.					Contract signed. Project begins.	National Implementation of manifest processing.
Customs Transit Control **(Priority: Medium)**	Transit control functionality can not be implemented until the WAN is expanded and more checkpoints use ASYCUDA. Provides the		WAN Strategy implemented.			Contract signed. Project begins.	National Implementation of transit processing.

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
	capacity to log and control goods and conveyances moving in transit. Security must be provided.						
Broker Module **(Priority: Medium)**	An interim Broker system has been implemented manually in the ASYCUDA pilot. Implement the ASYCUDA Customs Broker module. More work needs to be done to ensure that VATTINs are electronically transferred to the ASYCUDA system. The system should be capable of the input and storage of registration information using the VATTIN as the key		WAN Strategy implemented.		Negotiate with Tax Department for electronic download of VATTINs.	Complete design of download of VATTINs from Tax Department. Complete design of load into ASYCUDA	System build of download of VATTINs. System build of load into ASYCUDA **Action by 30/06/2012** Implement download of VATTINs. Implement load into ASYCUDA. Implement ASYCUDA Broker Module.
DTI Operations **(Priority: High)**	Implement and expand Direct Trader Input (DTI). Expansion is dependent on the GDCE's WAN strategy and further development of Cambodia's telecommunications infrastructure.		WAN Strategy implemented.	• Contract signed. • Project begins. • Internet access to ASYCUDA reviewed.	DTI Pilots completed.	DTI expands.	DTI expands.
Warehousing and Bonds **(Priority: Low)**	The system must be able to provide for the control of goods in customs temporary stores or bonded warehouses, including controls on the duration of storage and the exit of goods from the facility within established time frames. Reports of outstanding and withdrawn items by H.S. Codes by importer in an authorized warehouse are required.						National Implementation of manifest processing. **Action by 31/12/2012** Implement warehousing and bonds

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
Security and Guarantees (Priority: Low)	Set up records for importers, warehouse operators, and carrier security deposits for licenses and securities. Manage levels of security.						**Action by 31/12/2013** Security and Guarantees implemented.
Decommission CSS (Priority: Low)	ASYCUDA will report national trade statistics after national implementation and SDI. Retain CSS as the source of historical data.						Transfer statistics function to ASYCUDA. Retain CSS as a source of historical data.

Program 3: Effective Risk Management

A number of value-added Customs intelligence systems that identify high-risk traders and shipments. These systems will assist the Risk Management Office to develop selection criteria for ASYCUDA, and identify potential smuggling cases.

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
Integrate RMO Information (Priority: High)	The Risk Management Office requires information from a number of systems including ASYCUDA, CSS, TCMS, Seizures database and other sources. This project aims to give the RMO access to all the information from a single desktop. It depends on the development of the Local Area Network in HQ.				Implement new Local Area Network for HQ.	Connect RMO to the new Local Area Network. Configure RMO desktop computers.	
Management Information from ASYCUDA and CSS (Priority: High)	RMO makes requests; IT office develops the facilities to retrieve information. Access to retrieve the information available on RMO desktops.		IT Office capable of generating the required information from ASYCUDA.	Ongoing	Ongoing	Information delivered to RMO desktops.	Ongoing
Customs Exemptions Management	Streamline processes for exemptions. ASYCUDA holds master lists, verifies	Streamline exemption procedures.	Decentralize exemption processing				Begin Project. **Action by 30/06/2013**

PROJECT	DESCRIPTION	TASKS					
(Priority: Medium)	entitlements, maintain running balances of goods, management reports.						Implement Master List processing in ASYCUDA.
Install other Customs Intelligence Support **(Priority: Low**	Value-added Customs intelligence databases that store ad-hoc intelligence information that has come into the possession of Customs.	*Not Scheduled*					
Upsize Customs Seizures Database to MS SQL Server **(Priority: Low)**	Seizures database is presently a MS Access database. This project upgrades it to the MS SQL DBMS package.			Upsize to MS SQL Server.			
IT Support for Post-Clearance Audit **(Priority: Low)**	The Customs Intelligence system should include provision for input and retrieval of PCA results, and reports for use in maintaining importer profiles and for monitoring compliance levels.	*Not scheduled.*					

Program 4: Effective Communication

Systems to support better communication with the trade community, GDCEC staff, and the international community.

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
GDCE Website for Public Information and Education **(Priority: High)**	Expand information on GDCE website as per the Customs Reform Plan. Access to ASYCUDA DTI through the Customs website in the first instance. Place tariff on website.	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing Cambodian tariff on website.
Enhanced External Communications Systems **(Priority: High)**	Communication between GDCE and the trade community, brokers, importers, other agencies, other customs administrations, and international agencies. IT support may include email, electronic exchange of	Ongoing	Ongoing	WAN Strategy implemented.	DTI pilots implemented.	Ongoing	Ongoing

	information, the GDCE and other websites, common databases, access to external databases, enhanced telephone services etc.					
Enhanced Internal Communications Systems **(Priority: High)**	Enhanced communication between HQ and operational offices, provincial checkpoints and offices. IT support includes email, intranets, website, common databases etc.	Ongoing	Ongoing	WAN Strategy implemented.	Implement new Local Area Network for HQ.	Ongoing	Ongoing

Program 5: Trade Facilitation

In addition to better service to the trade community, a single window for trade facilitation is scheduled for development and implementation by 2012. It accepts and routes data from brokers, importers, banks, Customs, port authorities, and other agencies.

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
Cambodian National Single Window **(Priority: Low)**	NSW accepts and routes data from brokers, banks, Customs, port authorities and other agencies. Dependent on ASYCUDA implementation.	TFCP IT Master Plan produced.	GDCEC Work Plan of National single window based on ASYCUDA development.	Dependant on IT Master Plan.	Dependant on IT Master Plan.	Dependant on IT Master Plan.	**Action by 31/12/2012** Cambodian National Single Window implemented.
Integration with ASEAN Single Window **(Priority: Very Low)**	Presently being designed. Little known of its functionality and technical design.	*Not scheduled due to low priority and lack of definition by ASEAN.*					

Program 6: Corporate Management Systems

Implementation of management information systems and corporate repositories, to support good decision making. Satisfies reporting requirements within and outside the organization.

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
FMIS Development with Finance **(Priority : High)**	The modules for the new FMIS are expected to be implemented according to the schedule for the PFM program. This will affect expenditure and revenue accounting in the GDCE in HQ and in the provinces. New procedures will accompany the introduction of the new FMIS.	*Implementation schedule to be advised by the PFM Program*					
Personnel System **(Priority : Low)**	Introduce a system to automate the maintenance and administration of the GDCE's Human Resource Information.	*Not Scheduled*					
Asset Management **(Priority : Low)**	The system would build and maintain an asset register, record acquisitions, depreciation and disposals of assets and provide asset management information	*Not Scheduled*					**Action by 31/12/2012** Implement IT asset management as part of IT Help Desk Management System.
Performance Management Systems **(Priority : Low)**	Key performance indicators are to be defined for all operational areas. Using IT systems, the actual performance is measured and then reported against the performance indicators.	*Implemented as management information for other systems eg. ASYCUDA.*	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing

Program 7: IT Architectures

Implementation of the information systems architectures as designed, providing the flexibility to be responsive to change.

PROJECT	DESCRIPTION	TASKS					
		Action by 30/06/2009	Action by 31/12/2009	Action by 30/06/2010	Action by 31/12/2010	Action by 30/06/2011	Action by 31/12/2011
Implement the new IT technical architecture framework **(Priority : Very High)**	This involves the creation of the new architecture framework including hardware, software, tools, methodologies, skills, standards and products. This project creates the capability to implement and integrate all new information systems in the future.	• Development of ITSP IT Technical Architecture • Review of WAN and national configuration strategies • Review HQ LAN and configuration	• Products and tools for new framework selected. • Funding identified. • IT Security Plan	• WAN strategy Implemented • Purchase IT architectural components	• Implement new Local Area Network for HQ. • Acceptance test products and tools	• Skills acquisition for IT Office	• Architecture firmly in place. All development now based on new architecture.
Implement the new applications and data architecture. **(Priority : High)**	Provide software and processes to ensure that the applications and data architecture defined during the ITSP process is implemented and maintained. System development can be undertaken in-house or outsourced, but it must follow the applications and data architectures that have been defined.	• Define Interface Standards • Define messaging system. • Define inter-application security.	• Corporate Logical Data Model. • Define change control system for applications and data base.	• Implement change control system.	Train IT staff.	• Train IT staff. • Install new Data Administration arrangements.	Install new development and testing services facilities. Define new development standards, rules, and blueprints.
Implement New GDCE Mail Network **(Priority : Medium)**	Acquire and implement new mail server to replace Microsoft Exchange Server 5.5.		• Specify requirements • Secure funding • Analyse offerings from marketplace • Decide on products	• Select Product • Purchase product	• Test new products • Accept products • Define GDCEC Mail Framework.	• Develop new mail system • Install mail Administration	Implement new mail facilities
Upgrade GDCE Internet Facilities **(Priority : Low)**	As the need arises update access to the internet from the newly installed HQ network. This would require a DNS server and later perhaps a Proxy server. Dependent on LAN and WAN network installations.			WAN strategy implemented	Implement new Local Area Network for HQ	Plan project to upgrade HQ internet facilities	

Electronic Exchange of Information **(Priority : Low)**	Physical links, and associated hardware and software to link with other organizations and agencies. Much of this may be overtaken by the implementation of the single window but there will still be the need to build dedicated exchange facilities with other agencies. Most urgent is the necessity to download VATTINs from the Tax Department.					**Action by 31/12/2011** Implementation of Cambodian Single Window. Implementation of automatic download of VATTINs from the Tax Department.
Disaster Recovery and Business Continuity Plan **(Priority : Low)**	Full disaster recovery and business continuity plan including documentation, allocation of responsibility, procedures and full test rehearsal.	*Not scheduled*				

Annex 6

CUSTOMS AND EXCISE DEPARTMENT

STRATEGIC OBJECTIVES

2009 – 2013

ACTION PLANS

CUSTOMS AND EXCISE DEPARTMENT STRATEGIC OBJECTIVES 2009-2013
ACTION PLANS

Strategic Objective 1. Revenue collection, compliance and enforcement
To achieve The Royal Government of Cambodia's (RGC) revenue collection targets through implementation of programs to improve taxpayer voluntary compliance and through effective enforcement measures to suppress smuggling.

Ref.	Objective	Activities	Performance Indicators	Due Date	Technical assistance requirements

1.1	**Revenue Collection**	**1.1.1 Introduce an expanded taxpayer awareness program to ensure better understanding of CED requirements and of taxpayer obligations and rights.**
		
		- Develop enhanced tax culture among traders
		- Improve dialogue and mutual cooperation between CED and the business community
		- Provide improved levels of assistance to tax payers
		
		    o Provide greater public access to customs and excise laws, regulations and taxpayer obligations;
		
		    o Establish a CED helpline,
		
		    o Expand information on CED website
			- Awareness Program Developed
			
			- Progress report on implementation of the program issued (semi annual)
			
			- Reports on meetings and consultations with trade.
			
			- Helpline established
			
			- Website expanded and maintained
				Q4 2009
				
				Ongoing
					3 Person months policy advisor 2009
					
					2 person months IT expert 2009

		1.1.2 Identify potential sources and measures for enhancing revenue collection, including tax policy options.	- Proposals and recommendations made to MEF by CED. Tariff and tax policy and administration reviewed	Q3 2009 On going	Tax policy advisor 2 months 2009

		1.1.3 Continue implementation of the government revenue measures	- Progress reports on:
			  ▪ GO No 2 (2001 & 2004),
			  ▪ 9 point plan (2005) to enhance revenue and suppress smuggling
				On going	LT technical advisor (peripatetic) 6 months 2009, 2010)

1.2	**Compliance and Enforcement capacity**	**1.2.1 Continue to implement all elements of the 2006 CED Enforcement strategy and develop a National Anti-Smuggling Policy.** - Develop National Anti-smuggling Policy - Develop detailed operational enforcement plan in consultation with Provincial Branch customs offices. - Establish list of smuggling sensitive goods and continue to mount vigorous operations against these products. - Develop mechanisms to involve business community in fight against smuggling. - Exchange information on high value high risk sensitive products with customs in major trading partners and domestic law enforcement agencies. (The idea is to establish and make use of contact points with other neighbouring countries to exchange enforcement information and intelligence. Based on bilateral agreements)	- Reports on enforcement activities against 2006 plan. - New Policy developed and implemented - New operational plans prepared - List of sensitive goods Established - Regular enforcement operational and statistical reports - Regional Enforcement Meeting Report - Information received from business community - Mechanisms in place and results achieved --Information management plan developed	 Q3 2009 Q2 2009 Q1 2009 2009 and ongoing 2009 and ongoing	LT Technical advisor (peripatetic basis) 6 - 8 months 2009 – 2010

			-- information data base set up -- maintenance of enforcement data base		
		1.2.2. Implement Post Clearance Audit program, including Risk Management.	- PCA unit operational - importer credibility management system implemented (see 4.1.1) - PCA technical training provided. - Private sector awareness seminar conducted. - Number of audits conducted - Risk Management mechanisms in place and working. (see 4.1.1)	Q2 2009 2009 Ongoing	JICA technical advisor 2007-2009 AusAID ST experts 2006 - 2009

Strategic Objective 2. Legal framework:
To implement the new Law on Customs (LOC) and supporting regulations that provides the legislative base for reform and modernization and meet international standards and obligations including the WCO Safe Framework of Standards, WTO, ASEAN and GMS.

Ref	Objective	Activities	Performance Indicators	Due Date	Technical Assistance Requirements
2.	**Enhancement of Legal framework**	**2.1 Implement the New Law on Customs and supporting regulations** - Train customs officers - Prepare and disseminate policy manual and operational guidance - Conduct business awareness program, and public information campaign	- LOC and regulations implemented - Number of customs officers trained - Policy and procedures manuals (PPM) prepared and published - Awareness sessions conducted. - Public information campaign completed	Q1 2009 2009 - Ongoing Q2 2009 2009 - Ongoing	Policy expert required (2 months 2009) (IMF) Funding required to produce and publish PPM.
		2.2 Appoint a lawyer for CED	- Lawyer appointed	Q3 2009	

CUSTOMS AND EXCISE DEPARTMENT STRATEGIC OBJECTIVES 2009-2013
ACTION PLANS

Strategic Objective 3. Customs procedures and technique Establish and implement standards, systems, procedures and techniques in accordance with international best practices.					
Ref	**Objective**	**Activities**	**Performance Indicators**	**Due Date**	**Technical Assistance Requirements**
3	**Customs systems, procedures and techniques**	**3.1 Prepare Action Plan for Accession to the Revised Kyoto Convention**	- Action plan prepared and approved - Accession to RKC	Q 3 2009 2010	ST TA required (4 person months 2009- 2010)
		3.2 Implement Customs Policy and Procedures Manual with Simplified /Standardized operating procedures for; - Import, export, temporary admission and transit, - Management of exemptions - Procedures in SEZs - Management of customs warehouses - Express consignment processing (courier shipments) - Passenger processing (Exemptions, currency reporting and penalties etc.) - Means of Transport control (air, sea and road) - pre-arrival clearance (tariff classification, valuation ect.)	- Revised policies and procedures implemented	2009-2011	LT TA required to develop new programs (2009-2011)

		Activities	Performance Indicators	Due Date	Technical
		3.3 Implement international obligations including: - HS 2007 (AHTN) (July 2007) - WTO Valuation Agreement in accordance with the Transition Plan (TP) - Development of Action Plan for extension of TP (additional 2 years for specific products) - Participate in preparing legislation respecting Rules of Origin, and Intellectual Property Rights (IPR) **3.4 Develop and implement an Information Technology Strategic plan for the period 2009-2011.**	- AHTN (2007) implemented - Transition plan implemented Transitional Plan extended - Input provided and legislation prepared. - Plan developed and implemented	July 2007 2009 - 2010 Q4 2008-Q1 2009 Ongoing Q2 2009	Valuation expert to advise and assist on implementation of WTO VA 4 months 2009 – 2010 ADB IMF IT advisor
		3.5 Implement the Customs Broker Program.	- Number of qualified and licensed brokers - Broker Program implemented	2009-2010	2 months TA required 2009
		**Strategic Objective 4. Trade facilitation, security and protection of society.** **To promote the seamless (smooth) and secure movement of goods through the international supply chain in a way that protects revenue, facilitates international trade, while providing certainty and predictability for the RGC and business in accordance with the WCO FOS etc.**			
Ref	**Objective**	**Activities**	**Performance Indicators**	**Due Date**	**Technical**

					Assistance Requirements
4.1	**4.1 Trade Facilitation**	**4.1.1 Continue implementation of the CED Risk Management Strategy.**	- Risk Management Office (RMO) performing all functions according to mandate.	Q4 2009	JICA AusAID (To be confirmed)
		- Implement Sub-decree 21 and other existing regulations.	-- Risk indicators and profiles for central and local profiling are developed.	Ongoing	
		- Develop framework of RM scheme including use of customs intelligence program	- Guideline, manuals and materials for central and local profiling are developed.	Ongoing	
		- Set up domestic and international networks for tactical intelligence liaison	-The number and quality of training courses conducted	Ongoing	
		- Implement Legal instruments related to RM (national Master lists of Prohibited goods etc.)	- Quality of intelligence provided to RMO	2009	
			- Intelligence network established		
			- Legal instruments implemented.		
		4.1.2 Participate in development of Transit Agreements - GMS Cross Border Transport Agreement (CBTA) and ASEAN Transit Agreement	- Transit regimes developed - GMS DG meeting - Istanbul convention workshop	2009 - 2010	ADB, ASEAN and EU

		4.1.3 Implement Customs automation (ASYCUDAWorld) - **Complete Phase III implementation** - **Develop proposal for ASYCUDA Project Phase IV implementation.** - **Implement Phase IV of the Project**	- Phase III System implemented in accordance with project plans - Project proposal developed - Phase IV implemented	Q4 2009 Q4 2008 2009	WB/UNCTAD/IMF 2006-2009 Project funding required.
		4.1.4 Participate in development and implementation of the Cambodia Single Window - Develop Work Plan to implement National Single Window (NSW) - NSW Project Implementation - Participate in development and implementation of ASEAN Single Window	- NSW Steering committee established - NSW Work Plan based on ASYCUDA developed - Single administrative document implemented (01/01/08) - participation in development ASEAN single window - NSW implemented - NSW connected to ASW	2009 2009 2008 Ongoing 2011 2012	Long term (12 month) TA needed beginning late 2009

		4.1.5 Enhance the operation of "green lane checkpoints" and establish standardized operational procedures.	- Improved procedures implemented	2009 Ongoing	
4.2	**Security and protection of Society**	**4.2.1 Implement WCO SAFE Framework of Standards according to plan.** - Develop detailed plan for FOS - Conduct workshops/seminars on FOS - Monitor implementation	- FOS detailed action plan developed and integrated into CED Strategy Plan for Reform and Modernization. - FOS standards and practices implemented - Monitoring reports	2009 – 2011 Ongoing	ST TA needed to prepared detailed plans 2009. LT TA needed for implementation
		4.2.2 Strengthen strategic enforcement capacity to combat illicit trade in arms, WMD (Chemical/Biological weapons), drugs, antiques, endangered species of fauna and flora, and counterfeit products - combat drug smuggling - Combat human trafficking - Suppress money laundering	- As above (4.2.1)	Ongoing	

CUSTOMS AND EXCISE DEPARTMENT STRATEGIC OBJECTIVES 2009-2013
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Strategic Objective 5. Departmental Human Resources Development and infrastructure:
- **Develop and implement a comprehensive human resource strategy.**
- **Modernize the departmental infrastructure to meet the demands of the CED Reform and Modernization Program and the Framework of Standards.**

Ref	Objective	Activities	Performance Indicators	Due Date	Technical Assistance Requirements
5.1	**Development of a Human Resources plan**	**5.1.1 Update the CED human resources plan including;** - **Training plan** - **Structured training according to training need analysis** - **Training policy both on the job and off the job training** - **Development of internal expertis**e - **A program for Recruitment and Promotion of staff**	- Human resources plan updated. - hierarchical training module drafted - Trainer's training course set up - New Facility of Customs training center - Management and administrative structure of CTC established - new staff recruited	Q2 2009 and Annually	ASEAN (APRIS II – EC funded assistance) Additional assistance needed to develop training capacity
		5.1.2 Develop and implement a customs integrity/Governance initiative based on the WCO ARUSHA declaration.	- Integrity action plan implemented	Q3 2009 Ongoing	WB (tentative funding under Cambodia Trade Facilitation &Competitiveness Project)
		5.1.3 Develop a program to Improve incentives and strengthen staff discipline	- Revised incentive plan developed, - Adherence by staff to CED	Q4 2009	As above

		5.1.4 **Introduce a staff performance appraisal system based on job descriptions**	Code of Conduct - Performance appraisal system implemented	Done	
		5.1.5 **Examine options for improving provisions of legal and physical protection for officers**	- Options identified and implemented	Q3 2009	
5.2	**Preparation of an updated departmental infrastructure plan**	5.2.1 **Update 2003 infrastructure plan concerning;** - **Customs office facilities,** - **Office furniture and equipment,** - **Inspection areas,** - **Enforcement equipment and tools** - **Checkpoint security (CCTV cameras etc.)** - **Customs patrol cars and boats,** - **Non intrusive Inspection technology (scanner, X rays etc.** - **Drug Analysis equipment**	- Updated plan completed and implemented - patrol cars and boats provided - X-ray machine installed - Container X ray machine - Baggage X ray machine - Scanning operation team established - training for analyzing image - Customs Laboratory - Drug testing kit equipped - training program prepared	Q3 2009 and then Annually 2009 Done	ST TA to assist in preparation of new plan Funding required to procure equipment (amount to be determined once plan is completed) Japan

CUSTOMS AND EXCISE DEPARTMENT STRATEGIC OBJECTIVES 2009-2013
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		5.2.2 Implement a nationwide secure radio communication network	- Radio system installed	2010	Funding and TA required 2009- 2010
		5.2.3 Acquire personal safety equipment for customs officers - bullet proof vests, - personal protection devices, etc	- Personal safety equipment provided to officers.	Q4 2009	Funding required

Strategic Objective 6. Cooperation and partnerships
Strengthen cooperation between the CED and concerned domestic agencies, with other customs administrations and international and regional organizations, and with business to improve capacity for detecting high risk goods and to facilitate trade.

Ref	Objective	Activities	Performance Indicators	Due Date	Technical Assistance Requirements
6.1	Strengthen Cooperation in National Level	6.1.1 Strengthen administration of government orders to improve relations between customs and other Gov /Local agencies (GO No. 2, Dec. 2001, 2004)	- Level of cooperation and assistance from local authorities improved -Regular meetings held and reports produced	ongoing	AusAID 2006 - 2009. Additional TA required in 2008 – 2009 for implementation.
		6.1.2 Complete Service level agreements (SLA) (and MOUs) between CED and other Government agencies on Risk Management.	- Service Level Agreements concluded	Q3 2009	AusAID 2006-2009 Additional TA required in 2009 – 2010 for implementation.

		6.1.3 Develop Customs and private sector cooperation mechanisms including: - **Implementation of Authorized Economic Operators (AEO) program** - **Cooperation and assistance MOUs,** - **Participation in trade consultative mechanisms**	- A E O program developed - MOUs concluded - Agreements entered into - Meetings held	2009 - 2010	LT TA (six months) needed to develop and implement these programs.
6.2	**Strengthen International cooperation**	**6.2.1 Continue to participate actively in regional and international customs fora (e.g. GMS, ASEAN, WCO, etc)**	- Participation in meetings and agreements entered into.	ongoing	
		6.2.2 Negotiate further Customs to Customs MOUs with other customs administrations in the region.	- MOUs signed	ongoing	Possible TA through ASEAN
		6.2.3 Begin discussion to establish MOUs with interested parties	- MOUs signed	2010	ST TA required
		6.2.4 Increase awareness of the RGC's commitment to customs cooperation under WCO FOS.	- Seminars held, publications issued, press statements etc.	2009-2010	WCO/ROCB

CUSTOMS AND EXCISE DEPARTMENT STRATEGIC OBJECTIVES 2009-2013
ACTION PLANS

	Strategic Objective 7. Organizational structure and Management Enhance the CED organization structure and management practices to support the CED Reform and Modernization Plan and the WCO FOS Program				
Ref	**Objective**	**Activities**	**Performance Indicators**	**Due Date**	**Technical Assistance Requirements**
7	**Improvement of CED Organizational Structure and Management**	**7.1 Undertake a review of existing CED organization structure in light of changing workload and reform and modernization initiatives.** **7.2 Redefine clearly the roles, functions and job descriptions of Offices and branches and check points**	- Organizational review conducted. - Internal administrative audit implemented - New role statements and job descriptions created	Q4 2009 Q1 2009	3 months TA 2009
		7.3 Further decentralization of authority to local offices	- Authority delegated to local levels	ongoing	
		7.4 Establish a more transparent customs appeal system mechanism	- Prakas on Appeal mechanism issued	Q3 2009	

		7.5 Consider appointment of Customs attachés abroad	- Decision made on establishment of program	2011	
		7.6 Establish Marine enforcement unit (ref. Objective 1.2)	Unit established	2011	Funding /TA needed 2010 – 2011

Strategic Objective 8. Enhanced Management of CED Reform and Modernization Program

Ref	Objective	Activities	Performance Indicators	Due Date	Technical Assistance Requirements
8	**Effective management of reform program**	**8.1 Establish new Reform Working Group**	- New Working Group established	2009	
		8.2 Create performance measurement and monitoring mechanism for all reform activities	- Performance measures implemented	2009	

		8.3 Appoint full time action manager responsible for day to day coordination and monitoring of all reform activities.	- Project manager and his assistant appointed	2009	
		8.4 Develop and implement public awareness programs on customs reform **- Produce a CRM brochure to publicize the CRM and FOS Include information on CED website, etc.)**	- Brochure issued - Website updated	2009 Ongoing	2 months TA needed 2009