

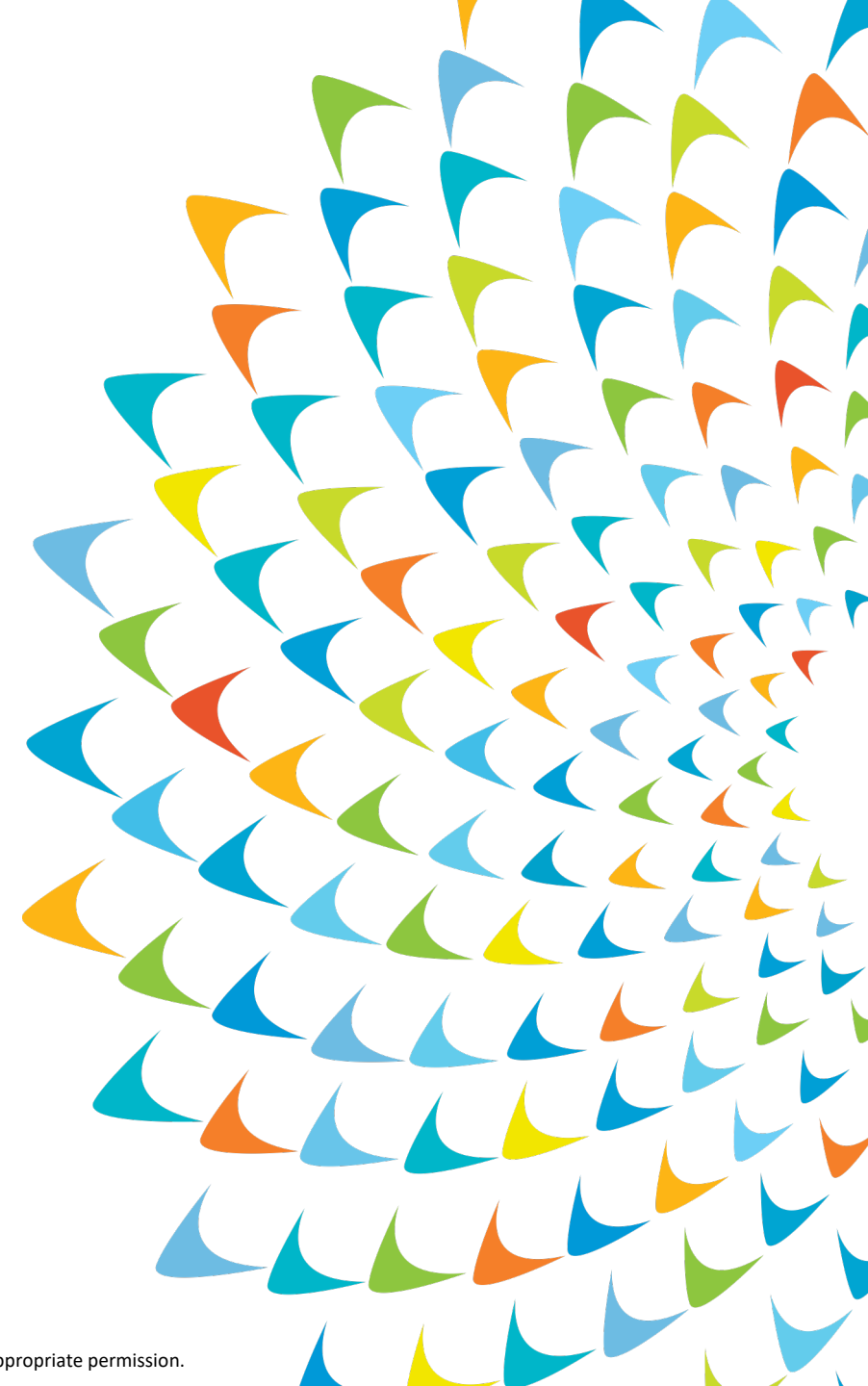


ENHANCE AND ACCELERATE THE IMPLEMENTATION OF THE AEO PROGRAM IN CENTRAL ASIA

Virtual Regional Workshop on
Authorized Economic Operator (AEO)
Program – Enhancement and Sustainability

Session 4: National Level Support Program

14:00 – 16: 00 (Manila time), via Zoom Videoconference
27 – 28 February 2024





Overview

Section A:
Overview of
the
Methodology

Section B:
Development of
the Self-
Assessment
Questionnaire and
the AEO
Operations Manual

Section C
Mapping the
current AEO
program, if any,
against the
2021 version of
the WCO SAFE
Framework

Section D
Support to Mutual
Recognition
Arrangements
(MRA)
Negotiation

Section E
Public Outreach and
setting performance-
based metrics



Section A: Overview of the Methodology

The ADB will conduct national level capacity building activities to enhance and expedite the implementation of the AEO Program.

There are still unclear AEO program areas and manual processes are still prevalent in customs operations and application of permits and licenses from PGAs need a secure pipeline. In addition, challenges exist that hamper the digitalization of processes that support the implementation of the AEO program.

Moreover, the lack of standardized data formats and interoperability among different trade-related systems across government agencies need to be addressed.

As reflected in the assessment report, majority of CAREC countries requested technical assistance in the following areas:

- Benefits for Trusted Partners
- Post validation procedures of security measures and supply chain security best practices, including on-site validation procedure, if necessary
- Raising awareness campaign within Customs
- Security and Compliance Requirements
- Post Authorization Audit, Suspension and Revocation
- Basic concepts of the AEO program
- Customs-Business Partnership and Customs-Trade Regulators (PGAs) partnership in extending the AEO benefits.
- Outreach with PGAs and Trading Community
- AEO Scheme for E-Commerce Shipment Actors
- AEO Scheme for SMEs



Section A: Data Collection

The primary method of obtaining the necessary data is through conducting a survey of the involved actors:

- National Trade Facilitation Committee – Governance, Legal and Technical Areas
- Customs Authority
- Partner Government Agencies
- Trader Exporter/Importer/Customs Broker/Agent
- Freight forwarder/Transport Operator/Carrier/Airport Authority





Supply Chain Vulnerabilities (Export)

Supply Chain Process Points	Involved Entities and Actors	Validation
Origination of cargo (supplier or factory)	Manufacturer, supplier, transport regulatory agencies and customs	Site visit, good manufacturing practices
Origination of packaging	Manufacturer, supplier, transport regulatory agencies and customs	Site visit, good manufacturing practices, identify packaging supplier
Origination of container (if containerized cargo)	Shipper, freight forwarder, transport regulatory agencies and customs	Site visit, Logistics Best Practices
Mating of cargo and packaging	Manufacturer, supplier, transport regulatory agencies and customs	Site visit, Logistics Best Practices
Consolidating of cargo or sealing of container	Manufacturer, supplier, transport regulatory agencies and customs	Site visit, Logistics Best Practices
Storage before transport	Shipping agent, freight forwarder, transport	Logistics Best Practices
Movement of cargo to port of origin	Shipping agent, freight forwarder, transport regulatory agencies and customs	Transport Best Practices
Port of origin (airport, marine terminal or facility, trucking company)	Shipping agent, freight forwarder, transport regulatory agencies, customs and carrier	Logistics Best Practices
International transportation	Carrier	Transport Best Practices



Supply Chain Vulnerabilities (Import)

Supply Chain Process Points	Involved Entities and Actors	Validation
Port of Entry (airport, marine terminal or facility, border port of entry)	Importing manufacturer, supplier	MRA (recognize the exporting actors)
Movement to deconsolidation point	Importing manufacturer, supplier	MRA (recognize the exporting actors)
Storage before processing	Importing freight forwarder, transport regulatory agencies	MRA (recognize the exporting actors)
Deconsolidation	Importing manufacturer, supplier	MRA (recognize the exporting actors)
Movement to destination	Importing freight forwarder, transport regulatory agencies	MRA (recognize the exporting actors)
Destination	Importing freight forwarder, transport regulatory agencies	MRA (recognize the exporting actors)
Information flow associated with cargo (end-to-end)	All stakeholders (customs, regulatory agencies handling transport, food safety, strategic goods regulatory agencies)	MRA (recognize the exporting actors)



Section B: Develop the Self-Assessment Questionnaire

A. Company Information

- General information
- Volume of business
- Statistics on customs matters

B. Compliance Record

C. Accounting and Logistical System

- Audit trail
- System description
- Internal control system
- Flow of goods
- Data archiving
- Information security documentation

D. Financial Solvency

E. Human Resources

- Practical standards of competence
- Professional qualifications

E. Safety & Security Requirements

- General information
- Building security and access to premises
- Acquisition of cargo units
- Logistical processes
- Storage, production and loading of goods
- Security requirements for business partners
- Personnel security and external services



Section B: Develop the AEO Operations Manual

- Introduction and Version Control
- Organizational Structure
- AEO Program Categories
- Validation Procedure
- Post Validation Procedure
- Essential Legal Areas
- Digital Data Governance
- Customs-Customs Partnership

- Customs-Business Partnership
- Customs-PGA Partnership
- Benefits
- How to Use the Management Portal?
- Public Outreach
- Setting Performance-Based Metrics
- AEO Scheme for SMEs
- Support to MRA Negotiation



Section C: Mapping the AEO program vs. 2021 WCO SAFE

- Assess the AEO program's compliance with the 2021 WCO SAFE Framework
- Establish a voluntary certification program, initially for selected economic operators, consistent and aligned with international best practices. It will be administered by the Customs Authority to help certain economic operators in the international supply chain adopt acceptable control measures to enhance the security of such chain
- Enhance Customs-Business, Customs-Customs and Customs-PGA partnerships on trade security and trade facilitation based on trust and mutual respect
- Establish accreditation procedures that offer certain benefits and incentives to certain economic operators considered as trusted allies



Pillar 1 Customs-Customs Partnership

SAFE Framework of Standards	Validating the AEO Program	Compliance
Standard 1 - Integrated Supply Chain Management		
Standard 2 - Cargo Inspection Authority		
Standard 3 - Modern Technology in Inspection Equipment		
Standard 4 - Risk Management Systems		
Standard 5 - Selectivity, profiling and targeting		
Standard 6 - Advance Electronic Information		
Standard 7 - Targeting and Communication		
Standard 8 - Performance Measures		
Standard 9 - Security Assessments		
Standard 10 - Employee Integrity		
Standard 11 - Outbound Security Inspections		



Pillar 2 Customs-Business Partnership

SAFE Framework of Standards	Validating the AEO Program	Compliance
Standard 1 - Partnership		
Standard 2 - Security		
Standard 3 - Authorization		
Standard 4 - Technology		
Standard 5 - Communication		
Standard 6 - Facilitation		



Pillar 3 Customs-PGA Partnership

SAFE Framework of Standards	Validating the AEO Program	Compliance
Standard 1 - Mutual Co-operation between Customs and PGAs		
Standard 2 - Cooperative Arrangement / Procedures		
Standard 3 - Alignment of Security Programs		
Standard 4 - Harmonization of National Control Measures		
Standard 5 - Development of Continuity and Resumptions Measures		
Standard 6 - Harmonization of Data Filing Requirements		
Standard 7 - Mutual Cooperation		
Standard 8 - Development of Cooperative Arrangements and Protocols		
Standard 9 - Harmonization of Security Programs		



Section D: Support to MRA Negotiations

Several factors should be considered before one Customs Administration engages another Customs Administration towards the goal of reaching mutual recognition:

- Trade volume - respective administrations should undertake an analysis of bilateral trade between prospective partners
- Political will
- SAFE Framework of Standards (SAFE) – signatories to SAFE, and Customs-Business pillar fundamentals should already be in place to foster a healthy negotiating environment
- Enforceable customs mutual assistance agreement or another form of common legal basis for the MRA - the usefulness of the MRA is dependent on the partners' ability to exchange information
- Senior level commitment - It is critical that high-level internal commitment within the Customs Administration exists prior to initiating into an MRA negotiation



Section D: Support to MRA Negotiations

Several factors should be considered before one Customs Administration engages another Customs Administration towards the goal of reaching mutual recognition:

- Resource Allocation and Availability - It is important to clearly define the time required/expected to complete the MRA negotiation process and availability of human and financial resources.
- Existence of a fully operational programme- a fully-operational programme that meets security standards outlined in SAFE.
- Joint Work Plan - A joint work plan should be developed and completed
- IT Solutions – Both should establish systems and applications that they can provide reciprocal benefits



Section E: Public Outreach

- Raise stakeholder awareness, especially to Customs, Partner Government Agencies and the trading community, in optimizing the uptake of the AEO Program
- Create a demand among private sector stakeholders for the adoption and continuous improvement of the AEO program while managing stakeholder expectations about its early impact and implementation
- After the successful certification of exporters and logistics actors, the outreach activities will shift to highlighting updates and milestones to show the impact of AEO program implementation and expansion
- Highlight the AEO benefits and impact for a range of stakeholders to encourage other economic operators to join the AEO trusted partner club



Section E: Setting Performance Based Metrics

Develop key performance areas (KPAs) and performance indicators (PIs) in measuring the progress of the planned activities, including its definition and parameters to be set, for review and approval. And provide the mechanism for collecting the data for each of the proposed KPIs. This performance-based metrics aim to:

- Determine whether the goals were met, the involved stakeholders delivered planned levels of benefits, addressed the specific requirements as originally defined
- Examine if further improvements can be made to optimize the benefits delivered
- Cite the lessons learned

A national implementation strategy should include provisions for review and tracking of the progress on a continual basis.



Specific Country Intervention Timeline:

A concept paper on National Support Program will be provided by the AEO Consultant to the ADB AEO team on or before 12 March 2024 for review and approval.

- A two-day national training agenda, including training materials, will be provided to the ADB AEO team on or before 26 March 2024
- Provide the mapping activity of their current AEO program vs. the 2021 WCO SAFE Framework and a survey of current AEO program areas that are in place will be transmitted to the interested CAREC member state three (3) weeks before the conduct of the two-day national training
- Conduct the two-day in-person national training as per agreed schedule
- A training report will be provided two weeks after the training



Thank you

