



# ***ADB Study to Enhance and Accelerate the Implementation of the AEO Program in Central Asia***

**22nd Meeting of the  
Central Asia Regional Economic Cooperation (CAREC)  
Customs Cooperation Committee**

**9-10 June 2023, Tbilisi, Georgia**

# Introduction



- The AEO program promotes trade facilitation and provides a seamless movement of goods across borders through a secure international trade supply chain
- Recognizes the crucial role of involved stakeholders in addressing the vulnerable points in applying the supply chain security measures through efficient validation process and border controls
- In return, the compliant traders are given incentives to expedite their goods clearance
- Enhances the coordinated interventions of both Customs and Border Regulatory Agencies for data exchange, managing business expectations, and leveraging the use of modern technology in establishing a holistic approach towards an efficient and dynamic program

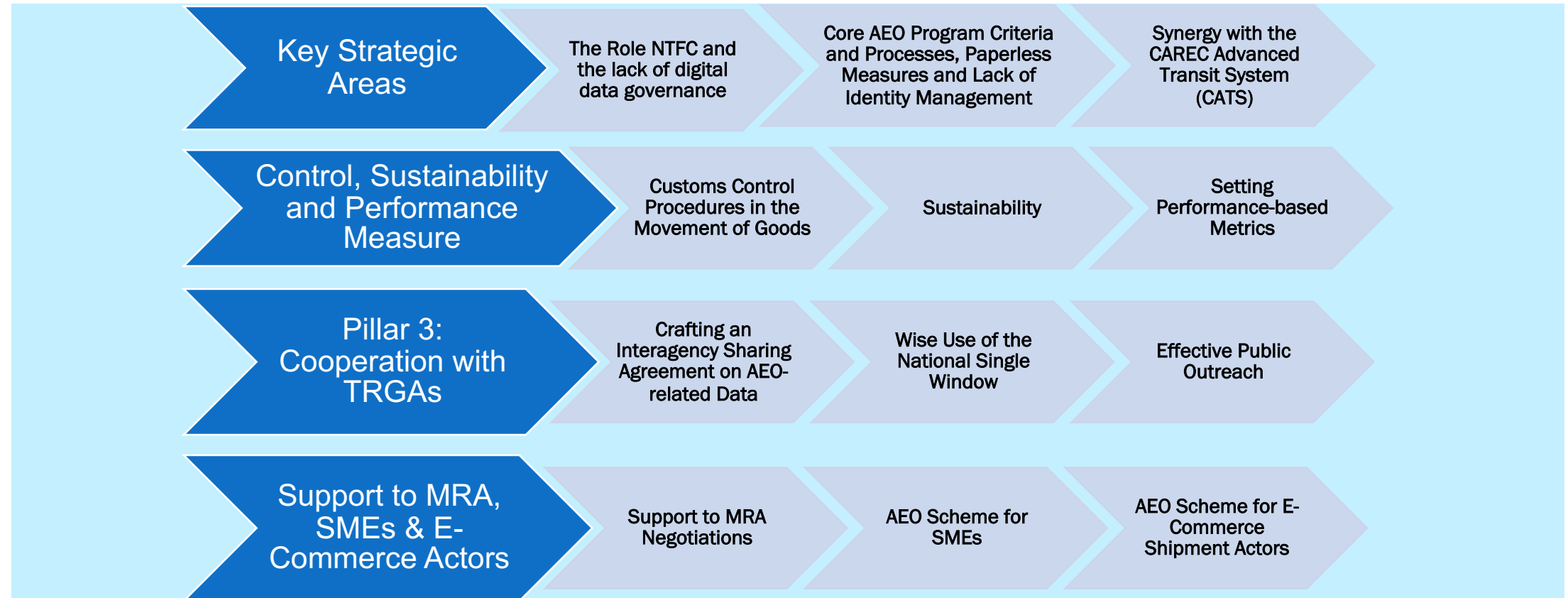
# Objectives

- Review of the current AEO schemes with the intent of sustaining the program and increasing the uptake by making it more attractive to the economic operators
- Address the development gap in CAREC since only 5 countries have operational AEO programs
- Enhance the AEO program through more informed decision-making, by ensuring that values, competencies, tools and a supportive environment form the foundation for certification that will cover evaluation, validation, responsible risk-taking, including the monitoring and review process
- Align with the 2021 WCO SAFE Framework through closer coordination between Customs and Border Regulatory Agencies





# Implementation Framework



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# The AEO Program is Positive Reinforcement

Catch the Trader when doing right not when doing wrong

Talk to the compliant trader and not to the violators

Usual practice is that management knows more the violators and not the performer

Customs – BRA cooperation should be expanded in scope, multi-layered and more effective to better facilitate trade

Data should be cross-validated along the chain using SW (Single Source of Truth Database)

Decentralized approach in trade data management

Implement a Trader's Compliance Scoresheet

Proactive monitoring of eligible economic operators for the AEO program

Well-organized compliance plans help ensure goods move swiftly and securely



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# Continuing Education of the AEO Team

Knowledge of the following:

- Revised Kyoto Convention
- The SAFE Framework of Standards
- Risk management principles and techniques
- Audit and automated auditing packages and techniques
- Bookkeeping and IT applications for financial accounting
- Information Technology including IT security
- Safety and security programs from other government or inter- governmental agencies
- Relevant commercial standards and certification
- Global supply chain and Industry's best practices

- Integrity: Requires the AEO validators to observe the principles of independence, objectivity, standards of professional conduct, and absolute honesty in their work
- Objectivity: Must exhibit a high level of professional objectivity in gathering and evaluating information during validations
- AEO validators must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments
- It is essential that AEO validators are independent and impartial, not only in fact but also in appearance

# Methodology

- i. Qualitative research method will be employed in the conduct of this activity by working closely with the Customs Cooperation Committee Focal Point designated by each customs administration involved in the AEO program
- ii. Recognize that a qualitative method is more appropriate than quantitative or mixed-method. The intent is to consider open-ended interview questions so that targeted respondents would be able to provide a more detailed and quality feedback
- iii. Will review the available AEO reference materials for CAREC countries. The initial targeted countries for the survey are Azerbaijan, Georgia, Tajikistan, Turkmenistan and Uzbekistan
- iv. The international expert will closely coordinate with the ADB Secretariat and the National Focal Point Advisor in getting the country responses to the survey. Completed questionnaires would be collated and analyzed to obtain detailed understanding of the prevailing challenges

# Deliverables

- i. Describe the components of an AEO program based on the RKC and SAFE Framework, including features, requirements, benefits, audit, and post authorization process, and other legal considerations.
- ii. Describe best practices and lessons from other country experiences
- iii. Conduct a survey to obtain relevant information from CAREC customs administrations and relevant ministries
- iv. On the basis of the survey, assess the AEO programs existing in CAREC countries vis-a-vis the key elements described in (i) above and the state of play and potential for mutual recognition agreements (MRAs)
- v. Assess the convergence in features and design elements of AEO programs in CAREC countries to identify areas in which best practice examples described in (ii) above would be applicable
- vi. Recommend ways to expand scope of existing AEO programs and increase their participation and interoperability



# Timeline

	Output	Expected Output	Date
1	Inception Report	To include tasks (i) and (ii), workplan with timeframe - 2 weeks after kick-off meeting with TA Supervising Unit held on 27 March 2023 – Document	7 April 2023
2	Survey Questionnaire	One week after submission of Inception Report – Document	11 April 2023
3	Revised Questionnaire	One week after the 22 <sup>nd</sup> Meeting of the CAREC Customs Cooperation Committee and work with the CAREC Team to disseminate the questionnaire	19 June 2023
4	Interim Report	To include the results of tasks (iv), (v), (vi) - 1 month after submission of Revised Survey Questionnaire - Document	24 July 2023
5	Final Report	To include results of task (vii) - 1 month after submission of Interim Report - Document	25 August 2023

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**Thank you!**

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