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1. PROJECT NO. 306-51-750-029.2	2. PAR FOR PERIOD: 6/30/72 TO 6/20/73	3. COUNTRY Afghanistan	4. PAR SERIAL NO. 73-15
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Financial Administration Improvement (Customs)

6. PROJECT DURATION: Began FY 1966 Ends FY 74	7. DATE LATEST PROP 10/27/69	8. DATE LATEST PIP 11/20/70	9. DATE PRIOR PAR 6/29/72
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 320,000	b. Current FY Estimated Budget: \$ 48,000	c. Estimated Budget to completion After Current FY: \$ 122,000
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME Bureau of Customs	b. CONTRACT, PASA OR VOL. AG. NO. PASA No. NESA (TC)-35-67
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I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
X	X	X	1. Approval, extension of US assistance for at least one more year.	11/73
X ^{1,4}		X ^{2,3}	2. Institutionalize Import and Export Declaration procedures.	3/74
	X ⁴		3. Provide nine man-months of on-job training in entry enforcement and duty assessment at Customs Department by 3 TDY advisors.	6/74
X ⁴		X ³	4. Implement newly-revised statistical code for Brussels Tariff.	6/74

- 1- Bureau of Census team
- 2- Central Statics Office
- 3- General Customs Department
- 4- Bureau of Customs

D. RE-PLANNING REQUIRES REVISED OR NEW. <input checked="" type="checkbox"/> PROP <input type="checkbox"/> PIP <input checked="" type="checkbox"/> PRO AG <input checked="" type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P	E. DATE OF MISSION REVIEW 6/20/73
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PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE L. W. Crain /llc	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE D:Vincent W. Brown [Signature]
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DD: FHSllgh [Signature]

ADDP [Signature]

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW		MEDIUM			HIGH
	1	2	3	4	5	6	7	1	2	3	4	5	
1. Bureau of Customs							X						X
2.													
3.													

Comment on key factors determining rating

Planning and improvement of customs procedures have been unexpectedly superior. Relations with, and receptivity of, Afghan counterparts and officials have been unprecedented by Afghan standards. Advisor developed Customs bonded-warehouse system, and enforcement manual "Duties and Functions of Mobile Traveling Inspection Unit" (Audit Procedures). Effectiveness of BuCus advisor has been recognized by:

1. Nomination by USAID for Arthur D. Fleming Award as the Mission's outstanding young civil servant.
2. Meritorious Increase Award.
3. Nomination by Ministry of Finance for Afghan Gold Medal.

4. PARTICIPANT TRAINING					X									
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Comment on key factors determining rating

AID/W, Bureau of Customs were unable to provide spaces for Customs training. Only training during period were special courses for President General of Customs and two from MOI. Airport Customs effectiveness improved considerably on return of participant Samed Azar.

5. COMMODITIES						X							X	
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Comment on key factors determining rating

U.S. procurement has been timely and adequate, and delivery to Customs has been prompt. Utilization of 30 AID-provided calculators in General Customs Department and Kabul Customs is accelerating data collection procedures and sharply improving performance and responsiveness of Customs staff.

6. COOPERATING COUNTRY	a. PERSONNEL				X									X
	b. OTHER			X										X

Comment on key factors determining rating

Government-wide problem of low salaries encourages inefficiency. The leadership and cooperation of the Minister of Finance and the President General of Customs improved overall Customs operation and revenue collection. Future emphasis on personnel training is essential to staff development, especially in enforcement and Customs Laboratory procedures.

7. OTHER DONORS (see next page)														
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(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining rating of Other Donors

At start of rating period, the British Customs advisor went home. UK was recently requested to develop (staff, train, equip) a new Customs Laboratory vital to this project, which request was forwarded to London for expected approval.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS	INDICATORS	TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT FY 73		FY 74	FY 75	
			TO DATE	TO END			
1. Customs Revenues (yearly estimates in billions of Afghanis).	PLANNED	1.98	2.38	2.38	2.84	3.40	
	ACTUAL PERFORMANCE	2.232	2.379				
	REPLANNED			-	-	-	-
2. (a) Numbers of entries, and (b) Volume imports/exports (yearly) will be determinable upon implementation of Customs Declarations and Statistical Reporting system, beginning next year.	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
3. Approval by the Afghan Govt of the five sub-project targets (qualitative indicators) listed below (cumulative).	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
4. Qualitative Indicators for Major Outputs	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
1. Systems for Assessment, Enforcement and Collection of Revenue.	COMMENT: Procedures for recording/reporting customs revenue collections will be implemented by: (1) proposed Customs Declarations, (2) proposed Customs revenue statistical reporting system, and (3) Brussels Tariff. CSO will revise Brussels statistical code numbers and write statistical code manual for tariffs. CHECCHI proposal for rate/value revision should favorably affect revenue collection.						
2. Customs Declarations.	COMMENT: Under review by Ministry of Finance.						
3. Brussels Tariff.	COMMENT: CHECCHI: led in writing rate/value revision for industrial development.						
4. Statistical Reporting System.	COMMENT: BuCen: helping to write statistical code.						
5. Internal Audit and Law Enforcement.	COMMENT: Amendment to proposed Customs Law requires detailed Customs Regulations be implemented within 6 mos. of passage, will determine Enforcement Unit actions under audit and enforcement provisions of Customs Law and penalty provisions of new Anti-smuggling Law. Import/export declarations and statistical reporting systems will facilitate audit of Customs revenue collection. Error/fraud discrepancies will be identifiable through CSO/ABM computer and traceable, through statistical copy of declarations, to particular transaction.						

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO

Improved administration ^{and} / operation of the RGA Customs will lead to increased customs revenues.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
1. Increased Customs Revenues.	Import/Export Declaration statistical reporting system proposed (but not implemented) within this period. Volume of trade/revenues cannot be quantified this period because Ministry of Commerce trade statistics not published.
2. Enforcement Capability.	Enforcement Unit reorganization in process. Government actions indicate compliance with Singley Convention (suppression of narcotic drugs). Cabinet prohibited narcotics for export, seizures of which increased. Government cooperating with UN Committee on Drug Abuse.
3. Internal Audit System.	Cabinet agreed Customs Regulations to effect internal controls will be operational within 6 mos. of Customs Law enactment.
4. Efficient Modern System of Entry and Duty Assessment.	Customs Import/Export Declarations and statistical reporting system proposed. Customs President cooperated with CSO Statistics Project 124 to develop declaration/reporting system.
5. Improved/Enforced Customs Law and Regulations.	Customs Board, Cabinet approved Customs Law. Customs Regulations, Brussels Tariff made effective within 6 mos. of Law enactment.
6. Kabul Customs Laboratory.	Customs President requested UK renew assistance by supporting Customs Laboratory project. British IA expected

V. PROGRAMMING GOAL ^{recommends 1974.}

C. Statement of Programming Goal

Increase public and private resources available for development.

D. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

Approximately 50 percent of direct^{ly} collected Government revenues is by Customs. Achievement of project purpose should result in a modern, efficient customs system, one no longer based on traditional power blocs and patronage.