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**BUSINESS CLIMATE
REFORM**

GBCR

**Technical Support and Assistance to the
Georgia Customs Department**

2006-2007



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BCR resources actively supporting Customs

- **Local Staff**
 - Olin McGill – Chief of party
 - Nato Beruashvili – Fiscal reform team leader
 - Ioana Nakashidze – Fiscal reform specialist
 - Irakli Gvenetadze – IT implementation specialist
 - David Lelashvili – Business process reengineering specialist
 - David Gvenetadze - Economist
- **International staff**
 - Robert Olson – Customs training specialist
 - Robert Holler – Customs management specialist
 - Mark Stomski – Customs risk management specialist



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Areas of Assistance

- New Customs Code
- Customs Training
- Procedural Reviews and Recommendations
- Simplified Procedures and Normative Acts
- Time Measurement Study
- Customs Website
- Public Information Efforts
- Gold List
- Risk Management



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New Customs Code

- Development of new draft
- Training in the new Customs Code
- Assistance in drafting implementing regulations



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Customs Training

- Training strategy
- Customer service training
- Authorized Economic Operator Program training
- Mission Statement, vision, core values
- Risk Management training (May 2007)
- Customs management training in cooperation with Public Administration Reform project (May 2007)
- Customs broker workshop (June 2007)
- WTO Valuation Agreement training (July 2007)



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Port Reviews and Recommendations

- Customs offices reviewed
 - Red Bridge border crossing
 - Gardabani passenger train processing
 - Poti seaport
- Recommendations
 - Improved facility utilization at Red Bridge
 - Eliminate unnecessary procedures
 - Need for adequate facilities at Gardabani railroad station
 - Need for lead agency status
 - Need for border management committee



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Simplified Procedures and Normative Acts

- Simplified border procedures
- Simplified seaport procedures
- Simplified airport procedures
- Simplified clearance office procedures
- Simplified declaration normative act
- Risk management normative act
- Simplified transit procedure normative acts



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Time Measurement Study

- Sponsored and financed by BCR project
- Conducted by AmCham and Tbilisi Business Information Center in July and August 2006
- Tbilisi airport passenger processing
- Poti seaport
- Opiza, Lazare, Barvil and Adlia clearance offices
- Sarphi and Red Bridge border crossings
- Serves as benchmark to measure processing time improvements
- Will be repeated in May 2007



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Customs Website

- BCR financial and technical support
- User friendly
- On-line access to Customs laws and procedures
- Will tie into web-based declaration processing in ASYCUDA World



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Public Information Efforts

- Public presentation on Time Measurement Study
- Communications strategy to publicize new Customs code
- Television interview
- Media workshop



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Gold List (Customs Self Assessment Program)

- Authorized Economic Operator program
- Consistent with WCO/EU/USA precedents
- Voluntary participation by high volume importers
- Business incentives
 - Simplified declaration and monthly payments
 - Direct delivery, bypassing Customs clearance office
 - Reduced delays, reduced costs
- Customs incentives
 - Businesslike/account management approach
 - Emphasis on voluntary compliance and post clearance controls
 - Emphasis on importer self assessment and internal controls



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Risk Management and Cargo Selectivity

- Customs analysis unit gathers data, identifies and evaluates risks and determines most effective controls
- Utilizes automated selectivity in ASYCUDA
 - Green channel – no Customs intervention
 - Yellow channel – document review
 - Red channel – physical examination
 - Blue channel – post clearance controls
- Allows Customs to focus resources on high risk activities
- Facilitates legitimate international trade
- Improves Customs ability to detect noncompliance



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Project interaction

- USAID/Public Administration Reform Project
- USAID Small and Medium Enterprise Project
- AmCham
- Tbilisi Business Service Center
- USAID
- U.S. Embassy
- European Union Customs advisors
- Georgia Border Security Law Enforcement Project