

**Achievement of Market-Friendly Initiatives and Results Program  
(AMIR 2.0 Program)**

**Funded By U.S. Agency for International Development**

**Customs Reform and Modernization Phase 1**

Final Report

**Deliverable for PSPI Component, Task No. 555.1  
Contract No. 278-C-00-02-00201-00**

*April 2002*

*This report was prepared by Mr. Glenn Wood, in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.*

For the period 24 January-20 February I have been working on strategic tasks for Customs Reform and Modernization (CRM) under AMIR 2.0. This process has involved one specific and three more general tasks. The Statement of Work for this activity is Attachment A to this report.

The specific and most urgent task is customs transit reform. Full details are in Attachment B to this report but briefly, USAID/AMIR and Jordan Customs are installing the ASYCUDA transit module to all transit entry/exit points with live communication through the V-SAT system.

The system has been tested and will be brought into full operation as equipment is debugged over 2-3 months then centralized control of transits will reduce revenue losses as the current paper based system is replaced. Subsequently risk management will extend many customs controls beyond the transaction level to fuller assessment of individual clients, risk management, post entry audit and integration / sharing of data across jurisdictions

Initial procedures for Customs processing of transit declarations and data input have been developed and implemented on a trial basis pending full system installation. Documentation and processes adopted are to UNDP/EU standards and within Kyoto 2000 requirements.

Current Transit control standards are in excess of Kyoto 2000. Recommendations on change are included in Attachment B and a seminar has been organized with Customs and ASEZA stakeholders to review the system after it has been operational for two months to develop a risk managed approach to improving transits controls.

Less specific strategic activity was undertaken to start the work of Customs Reform and Modernization (CRM) under AMIR 2.0 broadly defining the tasks that need to be addressed in the following areas:

*Update Customs Strategy and Work-plan*

Providing more detailed requirements in relation to the task and sub tasks and links between them as set out in Attachment C. This base work plan provides an overview of tasks, subtasks their practical order of execution and their linkages. Also attached are a number of short papers, which explain some critical aspects in more detail.

*Training Needs Analysis and Center of Excellence*

It is possible to develop an arrangement modeled on the Center for Customs Studies at the University of Canberra. This would Recognition of Current Competencies (RCC) of customs personnel (brokers and officers) and provides international standard qualification courses through a Center of Excellence linked to a Jordanian University. Details are in Attachment D.

*Develop Impact Indicators for CRM*

The draft impact indicators have been reviewed and will be replaced by more meaningful ones that may be generated from Customs data as follows on a quarterly basis:

- ?? Value of trade at border (Customs Value at CIFE).
- ?? Percentage of Declarations (SAD) finalized in 24 hours.
- ?? Total transactions at border (imports and exports separately).

A daily breakdown of activity and meetings is Attachment E

**ATTACHMENT A****Scope of Work: Customs Reform and Modernization Phase 1 AMIR 2.0**

Activity: AMIR 2.0 CRM  
SOW Title: AMIR 2.0 CRM Phase 1 AMIR 2.0  
SOW Date: On or about January 25, 2002  
Total LOE: 30 days  
Consultant: Glenn Wood

**I. Background**

Jordan has made significant strides in customs modernization over the past few years. Largely due to the implementation and rollout of the Automated System for Customs Data (ASYCUDA) at key entry points, the Department of Customs is now able to clear goods entering Jordan in as little as one day, as opposed to weeks in the past. Building on lessons learned from a recent AMIR-sponsored study tour to U.S. Customs, Jordan's Customs Department has developed a strategic plan aspiring to a U.S. model and stepped up efforts to improve entry procedures, the valuation process, and related staff training. Moreover, Jordanian leaders have come to appreciate the importance of a modern customs service for attracting investors, expanding trade, and increasing national revenues. Despite this progress, Customs still has considerable work ahead to transform itself into an organization based on international best practices.

Some of the target results under AMIR 2.0 include: Customs operations in conformity with WTO commitments and WCO guidelines; Customs performance and benchmarking standards/tracking systems in place; Customs organizational structure rationalized; improved staff skills and professionalism; mechanisms in place for private sector consultation, coordination, and customer service and information; Customs facilitating more streamlined movement of goods; improved systems for customs data and statistics in place; improved coordination with tax authorities; all customs data entry points automated and networked to central database.

**II. Objectives**

The objectives of this SOW are for the consultant to start the work of Customs Reform and Modernization (CRM) under AMIR 2.0 working with the Component leader (Charles Krakoff) defining the strategic tasks that need to be addressed. In this first phase of CRM certain specific customs requests must be addressed as part of an ongoing customs update.

What is most urgent is customs transit reform. Equipment has been procured to support implementation of the ASYCUDA customs transit module across the country. The equipment has to be installed and loaded with the ASYCUDA software, and the new program has to be launched.

AMIR requires an adviser with customs operational expertise to oversee this and troubleshoot problems that are certain to arise. For example, there is a concern that in the transition period (or longer), Customs will run the ASYCUDA program side by side with the old system, forcing truckers or other carriers to enter same information twice.

### III. Specific Tasks of the Consultant(s)

It is necessary therefore to have a consultant:

- ?? To assist Customs with conversion to the new system, including understanding and starting to resolve for the Jordanians customs the implications the new system will have on other Customs controls (for example, the bonding and guarantee system that si run separately from ASYCUDA).
- ?? Start to provide and make recommendations for a set of new procedures for Customs processing of transit declarations implied by ASYCUDA has to be developed (truckers have to be told what information must be submitted-new forms, etc.).
- ?? Draw up guidelines to inform customs officers on how to input the data and utilize these data.
- ?? An assessment and recommendations for reform of the current transit controls, in addition to data collection and transmission issues.

#### A. Background Reading

- ?? AMIR Technical Proposal
- ?? AMIR 1.0 Final Report
- ?? Burrell, David, Report on Procurement of Transport Equipment, AMIR 1.0 July 2001.

### IV. Timeframe

<i>Name</i>	<i>Start</i>	<i>Finish</i>	<i>To Post</i>	<i>From Post</i>	<i>Field</i>	<i>3<sup>rd</sup> Country</i>	<i>USA</i>
Glenn Wood	Approx. Jan. 24	March 15	Jan. 24	March 15	30		

### V. LOE

<i>Name</i>	<i>Travel Days</i>	<i>Field Days</i>	<i>USA Days</i>	<i>3<sup>rd</sup> Country</i>	<i>Total Days</i>
Glenn Wood	2	28			30

### VI. Qualifications

Specialist, lead resource

#### *Education*

BA Economics or Business  
Masters in Economics or Business

*Experience*

Minimum 10 years experience in customs administration in both developed and developing economies.

At least 5-10 years international development experience in customs.

## **ATTACHMENT B:** **Installation of ASYCUDA Transit Module**

### **Executive Summary**

USAID/AMIR and Jordan Customs agreed to install the ASYCUDA transit module to all transit entry/exit points with V-SAT to reduce revenue losses of current paper based systems which disadvantage both Customs and honest business.

ASYCUDA provides real time data and after the basic system is established. Further value can be added by extending beyond the transaction level to fuller assessment of individual clients, risk management, post entry audit and integration / sharing of data across jurisdictions. An initial seminar on this subject for Transit and Border staff is planned for April after staff have gained experience with the system.

A full review of current transit laws (Regular, Arab and TIR) is also planned. This would aim to bring Arab and “Regular” transit to the TIR standard over a period.

The system has been tested and will be brought into full operation as dedicated equipment is installed and communications are debugged. The AMIR program has purchased and supplied all equipment. Installation has started at Customs Headquarters Amman and will take 2-3 months to cover all sites.

The installation for National Customs will mirror that operating in ASEZA where Transit goods entering ASEZA from Jordan or overseas are entered into ASYCUDA at the office of arrival and subsequently written off on departure from the zone.

Shortly after full implementation, it will be possible to issue a single transit permit across both areas and subsequently it will be possible to extend the transit system and process beyond the Jordanian borders so that a single document input once issued would apply across several countries.

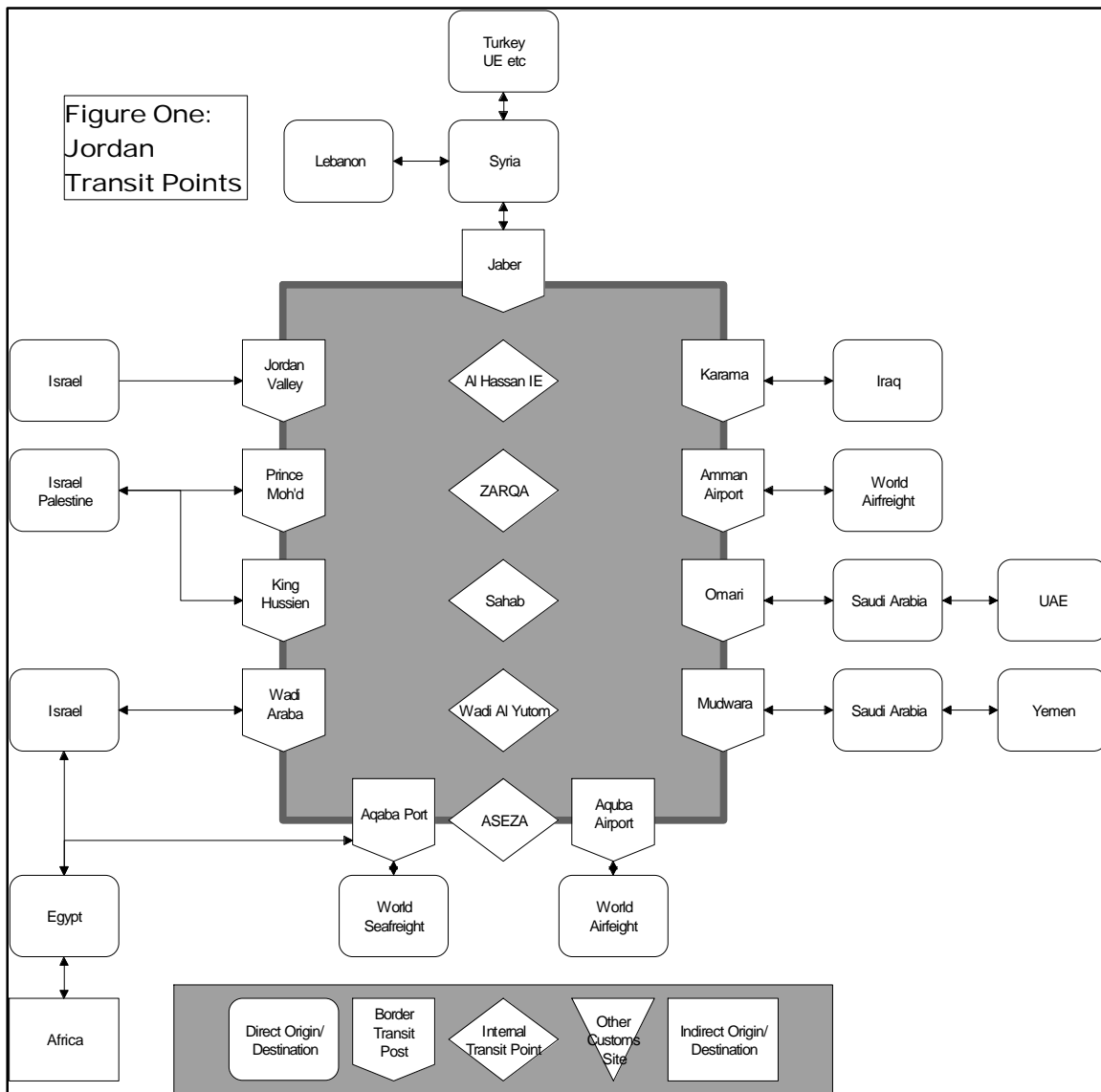
Installation of the transit module is only part of the process of improving the clearance and control of transits. Others include:

- ?? Pre entry clearance
- ?? Review and upgrade of penalty provisions
- ?? Standardization of Transit formats on TIR protocol
- ?? Review of charge and security structure
- ?? Implement Cross border transit data interchange
- ?? Outsource convoy arrangements

**Overview**

In 2000 USAID/AMIR and the Customs Department of Jordan signed a memorandum of understanding to implement the ASYCUDA++ transit module. This project will link all transit entry/exit points (on the border and internal free trade zones see figure 1) via the V SAT system. Consequently the transit processing and enforcement systems will be able to move from an ineffective paper based batch process system to real time enforcement activity and eventually pro-active compliance and enforcement targeting.

This will significantly reduce revenue loss, which may involve up to 10% of transit goods<sup>1</sup> from the approximately 150,000<sup>2</sup> vehicles transiting through Jordan annually. It will also make speedier transits possible for businesses with good compliance records reducing their operating costs proportionally.



The basic internationally acceptable principals and standard for customs transits are set out in Specific Annex E of the International Convention on the Simplification and harmonization of Customs Procedures (as amended) also called Kyoto 2000.

<sup>1</sup> Anecdotal estimates are estimated at JD15 million in revenue lost annually.

<sup>2</sup> Year 2000 data was 141244 transactions.



Jordanian Customs Instruction No 8 for the Year 1999 Governing Transit Goods covers the operation of Customs Transits in Jordan. This Instruction is presently being reviewed by AMIR to bring it to Kyoto 2000 standard<sup>3</sup>. The Kyoto 2000 standards are the target for all transits passing through Jordan as part of an overall plan to move Jordan Customs to the level of international best practice across its portfolio of responsibilities.

### **Why Change?**

Conventional paper based systems of transit control disadvantage both Customs and honest business. Customs cannot easily become aware of problems and act on cargo diverted in a paper based system. Honest business is disadvantaged in trade and may also have repayment of their security bond delayed in paper based or batch process systems.

At the individual transaction level ASYCUDA's transit module will, once installed at all sites provide a real time overview of transit data for the responsible officers and enable pro-active action by customs and speedier settlement of security arrangements for business. Data can be reviewed in real time by transit staff to target recidivists and other high-risk activities.

Once the basic system is established and running, as with other ASYCUDA modules further value can be added by intelligent development beyond the simple transaction level initially envisaged<sup>4</sup>. This can be achieved by moving to fuller assessment of individual clients, risk management, post entry audit<sup>5</sup> and integration / sharing of data across jurisdictions<sup>6</sup>. The current stand-alone electronic security register will also be migrated into the ASYCUDA system<sup>7</sup> from Foxpro once the basic system is bedded down. However this is not a high priority against other more important compliance and enforcement tasks.

Initially full commercial benefits can only be realized for "Regular" transits. This is because Arab and TIR transit processes are subject to international agreement where, outward transit is established with the inward receipt at the next country in the logistics chain<sup>8</sup>.

Both Operational and Project staff in the Customs Department feel that a full review of transits would be justified with an expected outcome to be a proposal by Jordan to bring both Arab transit to the TIR standard over a period and to encourage "Regular" transit vehicles to meet the same standard<sup>9</sup>. By providing vehicles which meet certain minimum

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<sup>3</sup> As an example Article (2) A is not congruent with Recommended practice 14 of Specific Annex E Chapter 1.

<sup>4</sup> See Attachment B for suggestions originally made by UNCTAD in 1998 and remaining relevant today.

<sup>5</sup> See Customs Audit and Risk Management Final Report for Task No. 4.2.9 completed in February 2001 for detail.

<sup>6</sup> This can be achieved through bilateral agreements under the International Convention on Mutual Administrative Assistance for the Prevention, Investigation and Repression of customs Offence (Nairobi Convention).

<sup>7</sup> Technical aspects of the migration would be handled by the Customs IT Solutions capacity within AMIR.

<sup>8</sup> As an example Arab Transit Goods traveling from Egypt to Lebanon would legally enter the Jordanian Transit System at Aqaba but cannot legally be written out until documents are endorsed and returned by Syrian Customs. This is covered by Specific Annex E Chapter 1 Para 26.

<sup>9</sup> Except under international convention Kyoto discourages customs from requiring pre-approved transport units, containers or vehicles (see Specific Annex E Chapter 1 Recommended Practice 9) This is probably to discourage artificial trade barriers that favor certain classes of trade carrier.

risk standards<sup>10</sup> to be allowed to travel outside the convoy system providing a positive benefit to the operator through reduced time waiting for transit and reduced carrying costs<sup>11</sup>.

While some of the smaller posts are not currently generating sufficient traffic to justify inclusion on stand-alone demand they are needed as part of establishing an integrated national network. They will provide an essential part of a real time cargo management and risk assessment program where the movement of data from dispatch to all possible destinations is achieved faster than the cargo involved<sup>12</sup> can move.

Also their live data input will be needed for any real time compliance or enforcement activity. Batch processing is not practical for goods “gone” from Customs control within 72 hours. Further, business for many of these sites will grow if matters stabilize beyond the western border and/or if the Customs Department of Jordan proposal for X-ray equipment is carried forward<sup>13</sup>.

Further benefits can be gained when pre clearance entry becomes legally available. Then the MODBRK component is installed. This is dealt with below.

#### **Current Status**

By the end of 2001 Jordanian Customs have met all practical components of the MOU and its associated work-plan.

Critically they have installed and successfully tested the MODTRS<sup>14</sup> component of ASYCUDA++ at all transit points on hardware presently in place for other purposes.

Training of input staff in use of the system is nearing completion.

The system has been tested and will be brought into full operation once the dedicated equipment is installed and communications systems are debugged.

Tests indicate that transmission of this data will not greatly increase the load on the V-SAT system. Once the system is in operation at all sites the current system can be phased out entirely for “Regular” transits and used to improve control over other transits<sup>15</sup>.

Backup arrangements have been made. Should V-Sat be unavailable landlines are in place and are used. In the event of total system failure a back up manual system is available which would be able to put information into the system (batch processed) when service

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<sup>10</sup> Simplistically any vehicle that meets TIR standards by its design and constructions physically secured against pilferage while in transit. Such vehicles can be quickly passed through inward and outward checking procedure without fuller examination

<sup>11</sup> For a transit where Jordan is an important part of the distance say Syria to Saudi Arabia this could provide a couple of extra trips a month to the operator.

<sup>12</sup> From a commercial and economic point of view any port not part of the system will be disadvantaged as it will not have speedy access to the return of guarantees.

<sup>13</sup> The Customs Department of Jordan are developing a proposal to install truck/container xray machines at major import sites. Data is being sought on the results of such installations recently done in Egypt. Customs Department of Jordan propose to include a WCO Nairobi type agreement with Israel to have all xrays done on transits at Jordan with results shared with Israel Customs.

<sup>14</sup> MODTRS is the customs module of the transit system it can operate as a stand alone system for a single site like ASEZA or as a network.

<sup>15</sup> Paner documents remain mandatory under international agreements for Arab Transit and TIR.

was restored. Active enforcement potential would be reduced during any period when neither V-sat nor landline is available but the data would still add to that available for strategic risk analysis.

The AMIR program has purchased and supplied the equipment required<sup>16</sup> for the MOU for the installation program. Installation of hardware and software has started at Customs Headquarters in Amman. This overall installation project has been estimated by Customs as requiring approximately 2.5 months to complete delivery and installation of equipment, loading of systems, operating and testing systems, testing and setting interoffice communications at all sites. This time estimate is based on the previously agreed work plan as set out in the table below.

1.	Headquarters	2 weeks	10 days
2.	Jaber	1 week	5 days
3	Rathma & Jordan Valley	1 week	5 days
4.	Omari	1 week	5 days
5.	Amman, QAIA, Zarka	1 week	5 days
6	Sahab, KHB, PMB	1 week	5 days
7	Modawra & Aqaba	1 week	5 days
8	Wadi Al-yatum & Wadi Araba	1 week	5 days

Implementation of MODBRK<sup>17</sup> is not needed at this time as MODTRS provides the compliance and enforcement enhancements required. However when legislation is developed to enable pre-clearance and a risk managed approach of cargo further economic efficiencies and enforcement opportunities can be achieved<sup>18</sup> by providing for direct agent input from inside and outside Jordan.

### **Operation**

Control of all Customs Transit cargo in Jordan will be subject to centralized control and review from the Transit Office in Amman who will have real time access to all current and past transits.

The processes for National Customs will mirror the installation currently operating in ASEZA.

Presently ASEZA Transit goods enter ASEZA from Jordan or directly from overseas are entered into ASYCUDA at the office of departure<sup>19</sup> and subsequently written off when the consignment leaves the zone, normally within a five hour transit limit<sup>20</sup>.

With the implementation of the system nationally the same arrangement will apply across Jordan. Transit goods entering Jordan or leaving ASEZA will be entered into ASYCUDA

<sup>16</sup> Last items delivered 6 Feb 2002

<sup>17</sup> MODBRK is the broker input/output module it acts as a plug in to the MODTRS system.

<sup>18</sup> The concept of pre-clearance is an integral part of the compliance procedures with movement from transactional control discussed in the Post Audit Procedures section in the Customs Audit and Risk Management paper it would not just apply to transits.

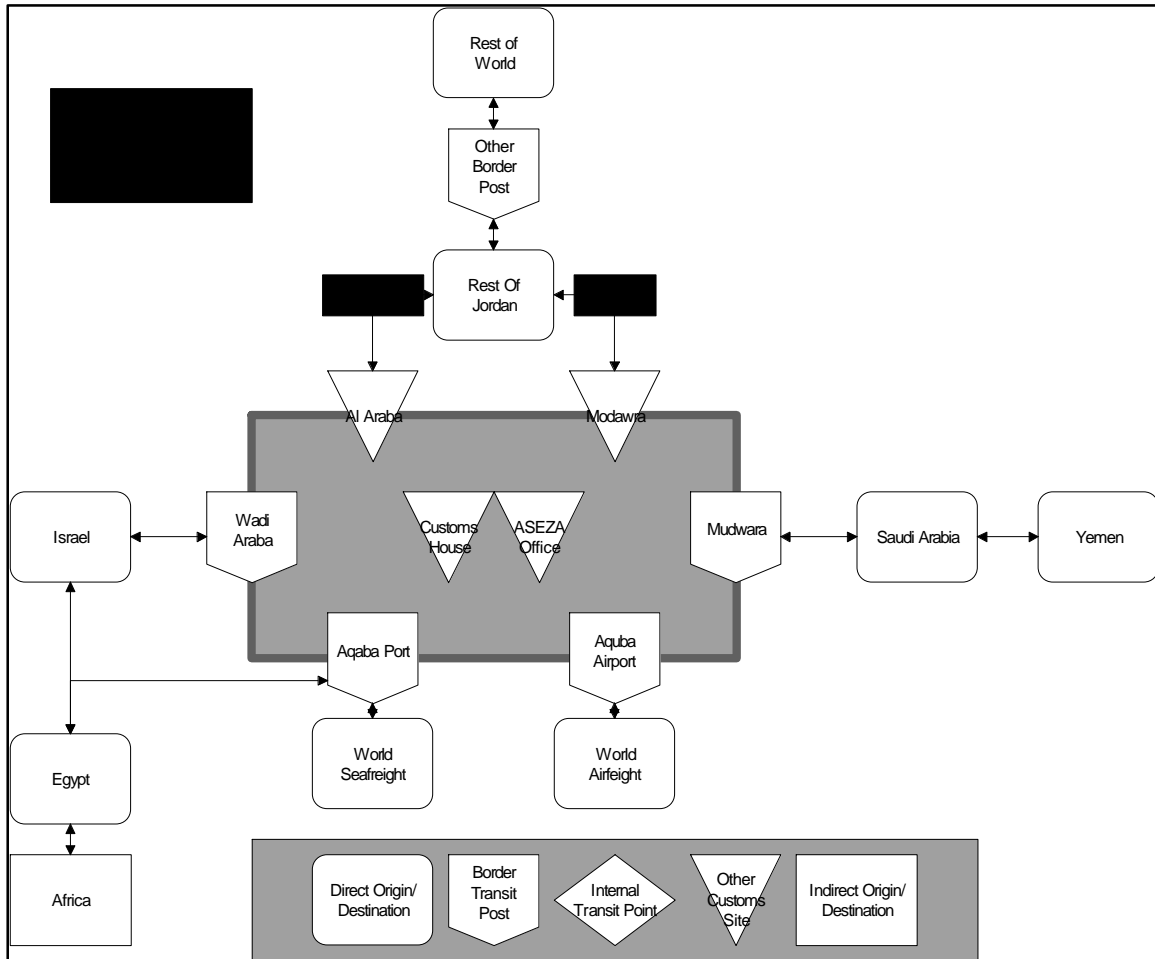
Basically Business benefits because cargo can be delivered more quickly and Customs benefits by being able to take a more strategic view of cargo.

<sup>19</sup> This is the term used in the ASYCUDA manual for the site where the Customs Transit is opened.

<sup>20</sup> Or at commencement of business next day for cargo arriving at the departure office after close of business

at the office of departure and subsequently written off on leaving the country, normally within a seventy two hour transit limit<sup>21</sup>.

In the short term there will be some minor double handling of documents at the Modawra or Wadi Araba checkpoints until the National Customs and ASEZA computer systems are fully harmonized. However, the National Director Transits is committed to a “one stop” transit documentation arrangement across both areas as quickly as possible with a quick “tailgate<sup>22</sup>” check on the vehicle and electronic transfer of data as responsibility changes for most but not all goods.



Later it will be possible to extend the transit system and process beyond the Jordanian borders so that a single document input once would apply across several countries. To this end the Transit Office in Headquarters will also install a link to TIR Geneva using the hardware being installed for Transits with the intention of encouraging the use of TIR transits wherever possible.

Later it will be possible to extend the transit system and process beyond the Jordanian borders so that a single document input once would apply across several countries.

Documentation adopted for Customs Transit is to the EU/UNDP standard Single Administrative Document (SAD) in its Arabic version. This is a mirror image of the

<sup>21</sup> UNCTAD feel that this time allowance is excessive and have proposed alternatives see Attachment b recommendation 2.

<sup>22</sup> A “tailgate” check verifies registration, seals and integrity of the load only. It is achieved in 1-2 minutes.

Latin/Cyrillic language version. For countries using this document all data needed is in the same place irrespective of the language, country, type or use of the document.

A copy of the document to be used by National Customs and ASEZA is attached<sup>23</sup> as is a copy of the basic UNDP SAD in its English format. This document is common to most customs administrations using the ASYCUDA system and similar in overall structure to other international transit and transport documents<sup>24</sup> allowing ease of manual or electronic data transfer. Its fields are also suited to the UNEDIFACT protocol for international data interchange.

Where a transit has a problem (eg delay in transit, goods missing in transit, etc.) there is a free text field included in the opening and closing sections of the ASYCUDA transit report. Information recorded here can be accessed for enforcement, analysis and post entry action when required using basic audit and analysis software.

### **Future Developments**

Installation of the transit module is only part of the process of improving the clearance and control of transits. Other steps in this process (those aimed at achieving output improvements beyond transits are marked with an asterix \*) are set out below.

#### Transit Improvement Seminar

An initial seminar on improving compliance and administration of Transits should be held for some Risk Management, Transit, Border and ASEZA staff. This should not occur until April to enable staff to have sufficient experience with the ASYCUDA transit system. The seminar will have two parts. The first will provide a basic overview of the Risk Management Model and concepts developed by the Australian Customs<sup>25</sup> to help participants understand the concept of risk management. The second part will take the UNCTAD recommendations for Transit in Jordan written in 1998 and see how they can be applied against the risk management model for implementation to reduce administrative and compliance problems being experienced at present.

#### Compliance Analytical Training\*

It will also be important to include transit control staff in any analytical training provided to enforcement staff. This will enable them to move from transactional to proactive compliance control.

#### Pre Entry Clearance\*

After changes to the law and introduction of the MODBRK module it will be possible for brokers to declare cargo before the goods arrive in Jordan. Data can be screened and assessed during this period. Trucks passing assessment standards can pay duties / securities immediately and pass into Jordan without delay or waiting for convoy<sup>26</sup>. Input

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<sup>23</sup> See Attachment C.

<sup>24</sup> Air Waybills (AWB), Shippers Bill of Lading (B\L) , Cargo Insurance Certificates and Combined Certificates of Value and Origin all have the same format.

<sup>25</sup> Australian Customs policy is to manage risk in accordance with best practice. This requires compliance with the Australian/New Zealand Standard for Risk Management (AS/NZS 4360) and the Management Advisory Board – Management Improvement Advisory Committee (MAB–MIAC) Guidelines for Managing Risk in the Australian Public Service.

<sup>26</sup> Specific Annex E Chapter 1 Para 15 discourages the use of convoys except where no other alternative is possible. This is not current practice in Jordan

will be available from any point in Jordan and possibly from overseas further reducing trade inefficiencies.

#### Review and Upgrade Penalty Provisions\*

Sanctions against breaches of transit law should be revised and designed to make compliance the cost-effective alternative for most businesses involved in transit without immediate recourse to the court system.

Provision should be made to cover higher penalties for recidivists. This should be part of global administrative penalty and review system rather than strictly for transits.

#### Standardization of Transit formats on TIR protocol

Transits are complicated in Jordan by the existence of three incongruent standards these are:

- ?? **TIR:** Carnet system with vehicles to an international standard recognized by many large trading countries in Asia, Africa and Europe.
- ?? **Arab:** Carnet system for some vehicles operating between major Arabic nations.
- ?? **Regular:** Any other vehicle involved in a transit situation. Security opened and closed in Jordan.

The Customs Department of Jordan operational staff believe that strategies can be developed to encourage Regular transits, the highest risk category to be brought to TIR standard and that the rules of Arab transit should be reviewed to achieve a closer format to TIR. They believe that a full review should be made and then the results could be presented to the Arab Transit Technical Committee to bring these changes about for all members.

#### Review Charge and Security Structure\*

Current security and charge calculation structures are arbitrary and should be reviewed to ensure that they are set at a justifiable cost recovery level. Current charges are also probably not cost effective as the unit rates were set in 1977. See also outsourcing below and Attachment B5.

#### Implement Cross Border Transit Data Interchange\*

Such agreements can be developed using either the WCO Nairobi or OECD tax agreement models and should be established with both direct neighbors (like Syria, Israel and Egypt) and with indirect major traders (like Turkey). This will speed up clearance procedures in both directions and reduce compliance costs for business while improving the level of control available to Customs.

#### Outsource Convoy Arrangements\*

Currently convoy control is provided by the Police Department. This leads to delays and other problems if Police resources are required for purposes.

A tender to a recognized commercial security industry (like Chubb or Brinks) could outsource convoy control on a cost recovery basis after a review of the currently seemingly arbitrary charges.

Introduction of pre-entry clearance will reduce the requirement for convoys over time.

Migration of Security Database

Jordan Customs maintain an online debit/credit security database. Businesses regularly involved in transits will lodge an amount sufficient to cover their expected liability. When trucks operated by such a business enter Jordan the duty value of their cargo is debited from the account. The amount is credited to the account when the truck clears Jordan. If the cargo cannot be accounted for the debit is called up as duty.

Discussions with the Director of the ASYCUDA project in Jordan Customs indicate that it is possible to migrate the current FOXPRO based security database into the ASYCUDA system but this will take the work of an IT specialist. It has been included into the IT solutions work plan but it should not have priority over the integration of riskmanagement software as the administrative and compliance cost savings are not great.

**Attachment B1: Amendments to Jordanian Customs Instruction No 8**

Note: Instruction No 8 for the Year 1999 Governing Transit Goods covers the operation of Customs Transits in Jordan.

Some small changes were recently made to this instruction to recognize the implementation of ASYCUDA transit but these do not impact on the areas indicated below.

When comparing Instruction No 8 and proposed changes in the English translation provided against the text of the Kyoto 2000 convention the following discrepancies were noted.

The supplied English translations should be checked for correctness against the Arabic original and if found to be correct consideration should be given to amending the instruction as indicated.

*Article (2): The following information shall be included in the transit manifest in addition to any other information provided for therein:*

*A- The roads which must be taken,*

***Specific Annex E Chapter 1 Standard 15***

Only when they consider such a measure to be indispensable shall the Customs: (a) require goods to follow a prescribed itinerary.

**Commentary:** This item should be reviewed once a risk management scheme is developed in the Transit Directorate. With the added control available under ASYCUDA routes should not need to be specified for low risk cargo.

*Article (12): No Cargo may be loaded with the transit cargo*

Specific Annex E Chapter 1 Recommended Practice 21

(b) The Customs should allow goods to be transported under Customs transit in a transport unit carrying other goods at the same time, provided that they are satisfied that the goods under Customs transit can be identified and the other Customs requirements will be met.

**Commentary:** This item should be reviewed once a risk management scheme is developed in the Transit Directorate

*Article (16): The release certificates shall be endorsed per the nature of the work of the Jordanian exit customs center and in accordance with the following procedures:*

*A- Land Routes*

*1- Exit through the land borders to the neighboring countries requires presentation of the following:*

*-Endorsements of the Jordanian exit customs center together with exit number and date.*

*-Authentication of the exit center head*

*-Signature and stamp of the customs of the country adjacent to the Jordanian exit center testifying the arrival of the contents at their center.*

*B- Goods entry to the Jordanian free zone:*

*-Stamp, signature and date of entry to the free zone customs*



- Indication of the deposit requisition number and date in the declaration copy.
- Authentication of the customs head or his deputy.

#### ***Specific Annex E Chapter Recommended Practice 23***

National legislation shall not, in respect of the termination of a Customs transit operation require more than that the goods and the relevant goods declaration be presented at the office of destination within any time limit fixed, without the good having undergone any change and without and without having been used, and with Customs seals, fastenings or identification marks intact.

**Commentary:** This sub article should be amended once the ASYCUDA transit module is in operation at all sites. Further the treatment it provides is inconsistent because goods leaving Jordan for ASEZA, Israel, Palestine, by air or sea does not need this endorsement.

See also recommendation 10 of the UNCT AD report of 1998 (extract below in Attachment B2).

*Article (17): Settlement of Customs Transit security*

#### ***Specific Annex E Chapter Recommended Practice 24***

As soon as the goods are under its control, the office of destination shall arrange without delay for the termination of the Customs transit operation after having satisfied itself that all conditions have been met.

**Commentary:** Under ASYCUDA terminated transits are immediately visible. Once the FOXPRO data is migrated to ASYCUDA it should be possible for this Recommended Practice to commence and for the Instruction to be amended accordingly.

#### ***Customs / Police Escort***

*There is no provision in the instruction for Customs / Police Transit however at the moment all Customs transits are where possible under Police transit for Customs.*

#### ***Specific Annex E Chapter 1 Standard 15***

Only when they consider such a measure to be indispensable shall the Customs: (b) require goods to be transported under Customs escort.

**Commentary:** This item should be reviewed once a risk management scheme is developed in the Transit Directorate with a view of developing a profile for Transits requiring escort. Other transits should be allowed free of escort as proposed by UNCTAD (extract below in Attachment B2).

**Attachment B2: Extract of Recommendations of Transit Review (VNCT AD 1988)****7. RECOMMENDATIONS:****1. Priority should be afforded to vehicles complying with international sealing standards.**

Some incentive is necessary if vehicles are to be made to comply with sealing standards. Vehicles that comply should be diverted into a separate queue and given priority clearance. They should be allowed to proceed through Jordan without waiting for a convoy. (There are also recommendations concerning the guarantee). They should however be subjected to strict time limits. Other vehicles that had been fully examined could also be allowed to transit in this manner.

Those that cannot be properly sealed and which are not properly examined should be forced to await the next available strictly supervised convoy. The police could concentrate their resources onto strict supervision of this "unsealed" convoy.

It has been argued that the police would object to this "relaxation" of the convoy system due to the danger of drugs being distributed by drivers. However, in seeking to cover this risk the police are failing to secure their main objective, which is to stop smugglers getting access to transit loads. In terms of drugs risk and provided they have no access to their load, lorry drivers are no different to it airline passengers, car passengers or cross border smugglers.

The driver of a properly sealed timed and monitored vehicle will have no opportunity to get into the load without being discovered. And if he does it once, these proposals are designed to ensure that he will never be allowed to do it again. If the police do not have the resources to cover all of the transiting vehicles they must concentrate them onto the high-risk traffic.

**2. Each driver should be allowed to take organized time-out from the transit otherwise strict time limits should be imposed.**

Vehicles should be strictly timed to their destination according to reasonable driving speeds and road conditions. Those drivers requiring timeout should be authorized to transit to a suitable Customs yard where the vehicle could be left under the supervision of Customs.

Drivers should be provided with a map of the route, showing the time limits for each section and telephone numbers to call in case they were in difficulty. This map would explain the drivers right to take time-out by prior arrangement with Customs. A fax of all relevant vehicles on route should be sent at least twice a day to each yard or office of exit. Any that failed to arrive on time, or those alleging a breakdown should be reported immediately to police patrols. If they eventually turned up late they should be subjected to questioning and investigation of the circumstances.

**3. Convoy system should be re-organized.**

The number of convoys departing each day from each office of entry should be reduced to enable the police to provide proper resources for the job. Only the main offices of exit, to which the bulk of the traffic was destined, would justify their own direct convoy.

The odds and sods should be routed via a "hub" system. This would involve suitable locations in Jordan being nominated as hubs. Each hub would be supervised by the police and would be used to re-assemble vehicles according to their destination.

Since each convoy would be made-up only from the high-risk un-sealable traffic the police would have to guarantee the security of the convoy.

**4. To deal with highly organized smuggling it is vital that Customs operates in an equally organized manner. An intelligence team should be established to maintain national transit records:**

It is necessary to ensure that national records are maintained of transit defaulters. These would include any breakage of seals or any vehicle going missing from transit for a significant period of time, without good reason such as breakdown. The driver, vehicle number, haulier, goods and guarantor should be recorded. These transit defaulters should be treated as high-risk for any future transits.

The team should also collate intelligence information and results of systematically applied examinations. They could co-operate with police and with other Arab countries to identify vehicles operated by known smugglers. They should investigate transit defaulters. They should work with anti-smuggling teams to identify regularly transiting vehicles, companies and drivers.

The risk factor for each regular company should be tested by thorough inspection; a series of satisfactory examinations should result in a low risk classification whilst the detection of a concealment or of contraband should result in a high-risk classification.

**5. Anti Smuggling teams should be established to work to intelligence data.**

Four man anti-smuggling teams should be organized from existing resource. They should be responsible for selecting vehicles for a thorough anti-smuggling search. They should not be tied down with routine clearance work and should not be expected to deal with every vehicle. They should be free to select vehicles and should be able to arrange for an off-load to inspect both the goods and the construction of the vehicle.

Each team would be expected to examine properly ten to twenty vehicles per day. They would work to intelligence data collected as above and would report back with their results, including nil results, which should be used for future assessments of risk. These measures may not pick up an irregular smuggler but, given time, will detect regular large-scale smuggling.

**6. Reputable guarantors should be identified and the "gearing" of the guarantee progressively increased provided that it was used for vehicles conforming to international scaling requirements.**

General guarantees<sup>28</sup> are currently geared according to a value formula. (One JD of guarantee equates to five JD of duty is the maximum gearing). However, it would be more sensible to gear them according to the risk involved. Reputable companies with no record of failing to honor a guarantee should be treated differently than less compliant companies. Guarantees, geared at between ten to one and a maximum of twenty to one, should be approved for use by reputable companies.

These would be cheaper to use and should be reserved for vehicles that can be properly sealed. The same companies would also retain low-gearred guarantees for use against high-risk traffic. They would be more expensive and would thus create an incentive for these vehicles to conform to sealing requirements.

**7. The Department should consider implementing the TIR system.**

Use of the TIR for transits through Jordan would avoid the need to collect and settle guarantees. It would be of immense benefit to European origin transits and would considerably reduce the work involved for Customs. Basically, the system operates as follows:

- ?? On entry to Jordan, a transit number is allocated. This number is used to certify any Arab foreign declarations, as now. The TIR carnet is stamped and numbered, seals are applied and noted and the TIR attached voucher is removed from the carnet and retained with the transit records.
- ?? On exit from Jordan the exit voucher is stamped and its attachment is removed and retained. It is not necessary for the next Arab country to certify a declaration copy; they will see that the vehicle has transited Jordan by TIR.
- ?? The exit station would be aware from the transit numbering series if the vehicle went missing or failed to complete transit. The duties could then be recovered from Geneva. When the guarantee is recovered, the issuing authority checks each carnet to ensure that an entrance and exit stamp exists for all countries.

Use of the TIR system would give the Department practice in the system ahead of the Arabic system being introduced. Training and know-how could be provided and arranged as required.

### **8. The trade should be allowed to request clearance to home use at selected border stations.**

At selected border stations with adequate facilities such as Jaber there is a strong demand for clearance to home-use. The work of processing a transit declaration and a single item home use declaration is virtually the same, particularly when selective inspections are introduced at Amman Customs House. Obviously, a multi-item declaration will take longer than a transit declaration but there are not many of these.

It is recommended that border offices such as Jaber should be allowed to process home use and export declarations, except for groupage loads and high-risk goods such as vehicles and vehicle spares. Since much of the work is duplicated only minor adjustment will be required to the staffing but this would allow more officers who live at Irbid to work nearer home. Fewer guarantees need be processed and the police need escort fewer vehicles.

The excepted goods together with special procedures such as temporary import should continue to be dealt with at Amman Customs House.

### **9 High Risk Transit. It is recommended that certain goods such as alcohol and tobacco or very high value goods should not be afforded normal transit.**

These goods should be declared in full—a full declaration with all items, including full commodity codes etc. Examination should be mandatory. They should then be escorted by police convoy.

### **10. When the ASYCUDA system is introduced it is recommended that the guarantee is discharged when the vehicle is cleared by the Jordanian office of exit. The foreign office of entry certificate should be retained as a management check to guard against fraud.**

## **Attachment B4:** **Customs Risk Management: An Overview**

Risk Management as a broad corporate strategy that should be integrated into all operational Customs activities. Risk Management should become a key element in all Customs' planning activities. What follows is an overview of the risk management model used by Customs in Australia. It is based on Australian/New Zealand Standard for Risk Management (AS/NZS 4360) and the Management Advisory Board- Management Improvement Advisory Committee (MABMIAC) Guidelines for Managing Risk in the Australian Public Service.

### **1: ESTABLISH THE CONTEXT**

Before commencing establish the goals, objectives, strategies, scope and parameters of the activity, or part of the organization to which the risk management process is being applied. Also establish the risk criteria against which risk will be measured<sup>29</sup> because this will form a fundamental basis for decisions made in the later steps of the cycle.

Criteria are needed to determine what are acceptable and unacceptable levels of risk. As examples consider:

- ?? What level of revenue leakage is acceptable?
  - ?? In Australia as a general rule if an underpayment of revenue is less than about 20JD it is not followed up because it costs more to collect than it is worth,
- ?? What negative effects on Customs image can be tolerated?
  - ?? Is the revenue risk of slow processing of passengers offset by the bad impression that it gives to tourists?
- ?? What level of movement away from government policy intent is acceptable?
  - ?? Absolute customs control would need an officer every kilometer along the border 24 hours a day so what is an acceptable level of control?

In commercial transactions the senior officers or committees establishing the context for risk consider, as a minimum, such factors as:

- ?? Size and distribution of client base;
- ?? Government policy intent on industry assistance and protection; .Collection of revenue;
- ?? Self-assessment capacity of clients;
- ?? The improvement of future compliance;
- ?? The balance between control and facilitation (also called compliance and administrative cost);
- ?? The needs of other agencies like police and quarantine.

### **2: IDENTIFY THE RISKS**

No plan for managing risks can be developed until it is known exactly what the risks are, and how and why they might arise. Unidentified risks also pose a threat to Customs but firstly identify obvious risks then work from this point by asking the following questions:

- ?? What can happen; and
- ?? When, where, how and why can each risk occur?

Examples of criteria are revenue leakage, Customs' image and delivery of government policy intent.

Possible sources of risk could include:

- ?? Performance of an industry against legislative/administrative requirements:

- ?? Performance of regional or other sectors of particular industry groups against legislative/administrative requirements; .Performance of individual clients;
- ?? Element( s) of individual clients' operations (e.g. internal controls, separation of duties, results of external reviews if appropriate);
- ?? Customs business -e.g. electronic systems, Tariff Advices, Valuation Advices, etc.,
- ?? Customs program responsibilities -e.g. exports/drawbacks, transits, concessions etc; and
- ?? Particular Customs legislative requirements -e.g. classification, valuation, acceptable losses etc.

The important thing for the moment is to try and get everything listed no matter how minor it may be to enable the next stage to be carried out.

**3: ANALYSE RISKS**

Having identified the risks, each should be analyzed to decide which risk factors have the greatest effect and, will need to be managed.

Risk is analyzed in terms of **likelihood** (or probability and/or frequency) and **consequence** (or the outcome of an event), in the light of existing controls i.e. are the controls currently in place sufficient to manage these risks or is the probability and/or impact of the risk still significant?

**Level of risk**

<b>Likelihood ?</b>	<b><u>Risk Level</u></b>		
<b>HIGH</b>	High	Medium	Medium
<b>MEDIUM</b>	Medium	Medium	Low
<b>LOW</b>	Medium	Low	Low
<b>Consequence ?</b>	<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>

Definitions for these terms are set out below

**Likelihood**

- HIGH: event is expected to occur Occurs daily
- MEDIUM event could be expected to occur Occurs monthly
- LOW event may occur, but infrequently Occurs annually or less frequently

**Consequence:**

HIGH: an event leading to serious damage, disruption and/or breach of controls  
 Significant revenue is lost,  
 An unauthorized movement of goods occurs, An event leads to Parliamentary attention,  
 Significant stakeholder concerns regarding delivery of government policy.

MEDIUM: an event leading to some damage, disruption and/or breach of controls  
 Revenue is paid late,

An event could lead to a large amount of ministerial correspondence,  
 Some concern by stakeholders regarding delivery of government policy.

LOW: an event leading to minimal or insignificant damage, disruption and/or breach of controls.

Revenue lost is insignificant,  
 Event may lead to ad-hoc ministerial correspondence, or Event will have little or no effect on delivery of government policy.

These two measures together determine the overall level of risk, once again rated as high, medium or low. How this is done is shown in the following table where for an established level of Likelihood and Consequence a risk level can be established.

As an example of how the system works: Two risks are identified.

The first is robbery of Amman Customs Office. It has a significant revenue lost attached (HIGH consequence) but it is unlikely to happen often (LOW likelihood). In the matrix it is rated as a MEDIUM risk.

Level of Risk

<i>Likelihood ?</i>	<b><u>Risk Level</u></b>		
<b>HIGH</b>	High	Medium	Medium
<b>MEDIUM</b>	Medium	Medium	Low
<b>LOW</b>	Medium	Low	Low
<i>Consequence ?</i>	<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>

The second is problems deals with false valuations. It has a significant revenue lost attached (HIGH consequence) and it is likely to happen often (HIGH likelihood). In the matrix it is rated as a HIGH risk.

<i>Likelihood ?</i>	<b><u>Risk Level</u></b>		
<b>HIGH</b>	High	Medium	Medium
<b>MEDIUM</b>	Medium	Medium	Low
<b>LOW</b>	Medium	Low	Low
<i>Consequence ?</i>	<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>

Consequently the second problem should be solved first as it has a higher indicated level of risk

**4: INTERPRETING ,EVELS OF RISK**

**HIGH**      Highly likely to cause serious damage/disruption/breach of control  
 Continual misstatement of significance  
 Continual breaches of license or permit conditions  
 Major unethical competitive advantage

**MEDIUM**      Likely to cause some damage/disruption/breach of control  
 Infrequent but significant misstatement.

**LOW**      Unlikely to cause much damage/disruption/breach of control

Infrequent misstatement involving insignificant amounts

## **5: DEVELOPING A COMMERCIAL RISK PROFILE**

At the strategic level as they are identified and analyzed within the context, risks must be documented to establish a "Commercial Risk Profile". The Profile is usually industry based, identifying and analyzing risks for each industry and sub-industry, and provides overall direction in the development of the operational aspects in the Compliance Improvement Plan.

As an example:

- ?? It is reasonable to expect that from a strategic revenue point of view the alcohol industry will present a higher risk than the cement industry.
- ?? At a lower level within the cement industry bulk imports are lower risks than bagged product (there are less potential customers for 20 tons of loose cement than for single bags especially on a rainy or windy day).
- ?? Finally amongst importers of bagged cement there will be varying levels of compliance (is there someone who always seems to have a few extra unmanifested bags or has just got a bargain from a company going out of business?)

This Profile once it is developed is not a static document, but rather is subject to annual review, recognizing that risks do not remain constant. Key external stakeholders (e.g. Department of Defense, Department of Industry, Science and Tourism, National Audit Office) will also become involved, providing a useful external perspective on risks faced by Customs.

Following analysis, risks must be assessed to decide whether they are acceptable or unacceptable. This is done by comparing the level of risk that has been determined by the risk analysis matrix above, with levels of acceptable risk determined by government and management

Those risks, which have been identified as unacceptable, will be prioritized to determine which will be treated first. Operationally, this may result in the selection of high and medium risk industries, sub-industries or clients for compliance activity. In some instances, a decision may also be made to research or verify the low risk rating given to other industries.

## **7: TREATING THE RISKS**

Risk treatment involves activity by Customs to avoid, reduce, transfer or accept risks. This may include identifying a range of options for addressing risk, evaluating these options, preparing and implementing risk treatment plans.

The cost of compliance activity must be measured against the benefits obtained. In selecting the most appropriate risk treatment option, the cost of implementing each option (i.e. time taken, resources used) must be compared with the overall benefit received (i.e. additional revenue received/ foregone, assurance regarding the level of compliance within an industry). Simplistically is it acceptable in every case to spend 20JD to collect 20JD?

Non-revenue benefits are more difficult to quantify (e.g. use of correct statistical codes for balance of payment purposes, eliminating unfair competitive advantage). It is however, important that these are considered when evaluating options for treatment and a value must be attached. In quantifying the benefits, it is important to not only consider the



immediate benefits, but also those in the longer term i.e. if the risk is not treated now, what will the long term effects be?

As a general guide:

- ?? Low levels of risk can be accepted and the only additional action may be that these risks should be monitored;
- ?? Medium levels of risk should be treated but not before high level risks;
- ?? High levels of risk require close management and the preparation of a formal risk treatment plan.

**7: MONITOR AND REVIEW**

Monitoring and review are a continuous process and an integral step in the process of managing risk essential to ensure that the program remains relevant. All steps of the cycle must be monitored and reviewed to:

- ?? Determine if risks previously identified are current and if new risks have emerged, as few risks remain static;
- ?? Re-evaluate the levels of risk assigned previously in the light of recent risk treatment activity; and
- ?? Evaluate the effectiveness of compliance activity undertaken.

**8: DOCUMENTATION & TRANSPERANCY**

The Risk management process is to be documented to include any assumptions made, methodologies used, sources of information used and results to:

- ?? Demonstrate that the process has been applied correctly and introduce some form of accountability in decision making;
- ?? Provide a record of risks, their identification, analysis, assessment, prioritization, treatment and review, and provide audit 'trails for the same;
- ?? Facilitate risk monitoring and review processes; and
- ?? Provide assurance to the National Audit Office that risks are being properly anaged.

## **Attachment B5: Current Security and Charge Calculation**

Some charges do not relate to Customs transit but are more closely related to cost recovery for the wear and tear on local roads. For simplicity any charge directly related to customs matters (i.e. Valuation based or charges for customs service) has been listed here as a Customs Transit charge.

### **1. Customs Transit Charges**

#### **1.1: Traffic Service Fee (Reg. 57 of 1977)**

Any truck with a licensed load greater than 2 tons:

0.4% of the value of the goods in transit with a maximum of 200 JD 0.3% of the value of the goods in transit for Arab Transit

Plus

**5JD for empty single truck**

10JD for empty multi-truck

**15JD for loaded single truck**

**25JD for loaded multi-truck**

#### **1.2: Escort Fee (Reg. 24 of 1993)**

10 JD for each foreign truck spent to maintain this service.

#### **1.3: Overtime Charge (Art 171/A/2 of Customs Law 16 of 1983)**

0.1 % of the value of the goods in transit in addition to the Traffic Service Fee

#### **1.4: Customs Seals**

0.25 JD per seal

### **2. Road Cost Recovery Charges**

#### **2.1: Fuel Subsidy**

80 JD for each foreign truck and >8 pax busses Used to uplift internal diesel subsidy

Appears to be a standard charge across Arab countries

Exempt for Regional Arab trucks Syria and Kuwait not exempt

#### **2.2: Axle Weight Fine**

Charged if Gross weight exceeds specified limits 20 JD for each ton in excess of limits

## Attachment C Customs Reform and Modernization- Illustrative Work Plan V3

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*This base work plan provides an overview of tasks, subtasks their practical order of execution and their linkages. Also attached are a number of short papers which explain some critical aspects in more detail.*

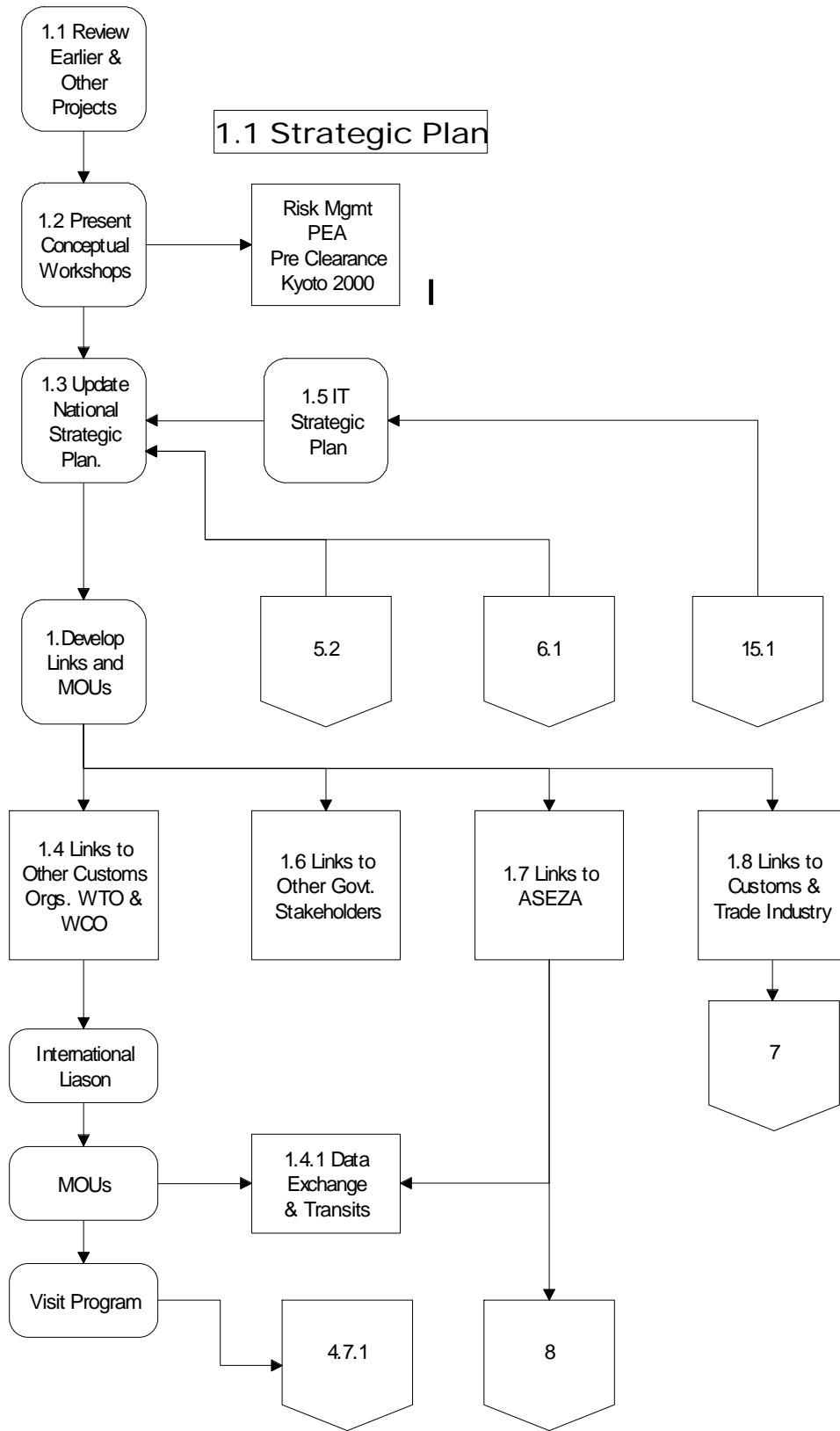
Task	Sub-task	Description
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Note items below have not been prioritized yet. Items highlighted in color may appear more than once in different forms as they all into more than one subtask.

### Strategic Plan

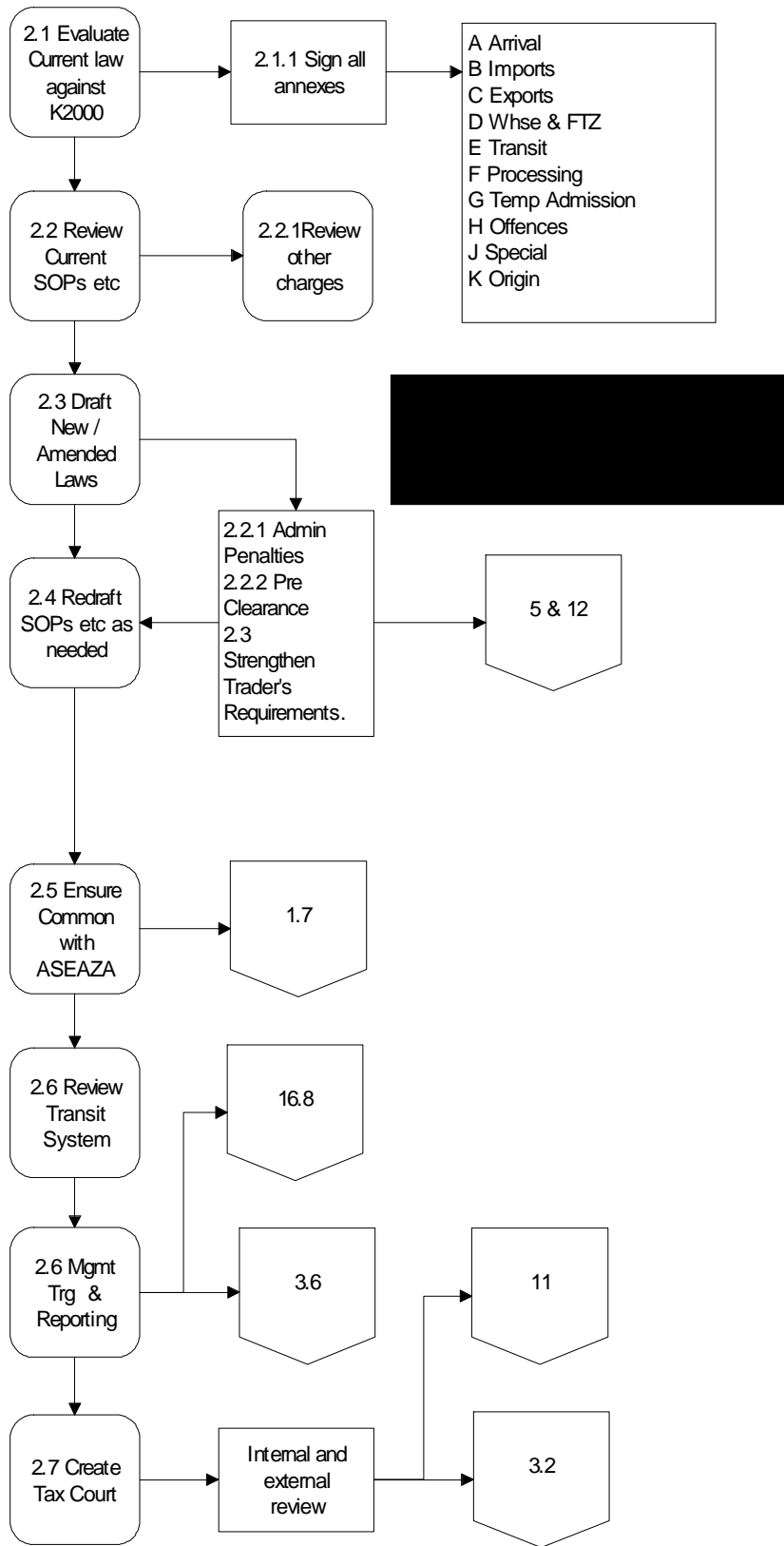
#### 1. Update Customs strategy and work plan to reflect Customs Reform and Modernization program.

- |       |  |
|-------|--|
| 1.1   | Undertake diagnostic study of current forms and status of other donor projects in national Customs,  |
| 1.2   | Hold workshop with senior Customs Management,  |
| 1.3   | Assist national Customs in updating strategic plan, finalize a detailed work plan with National Customs  |
| 1.4   | Develop linkages to major customs organizations: USA, EU, Neighbors and major traders in relation to information sharing and cargo/transfer facilitation and risk management (MOUs using WTO Nairobi and OECD drafts as model) review in parallel with tax office needs to cover also smuggling and data exchange. |
| 1.4.1 | Develop MOU for sharing data and resources with neighboring countries re Kyoto 2000.   |
| 1.5   | Integrate comprehensive IT strategy that meets terms of business plan and annual work plan (developed within IT solutions item 15)   |
| 1.6   | Develop MOUs with health, agriculture, and other quarantine related inspection, sampling, laboratory, testing certification requirements includes sharing IT and training resources and facilities.  |
| 1.7   | Develop/refine MOUs for sharing of resources, data, research information and facilities with ASEZA wherever possible.  |
| 1.8   | Develop processes and agreements with Customs “industry”.  |



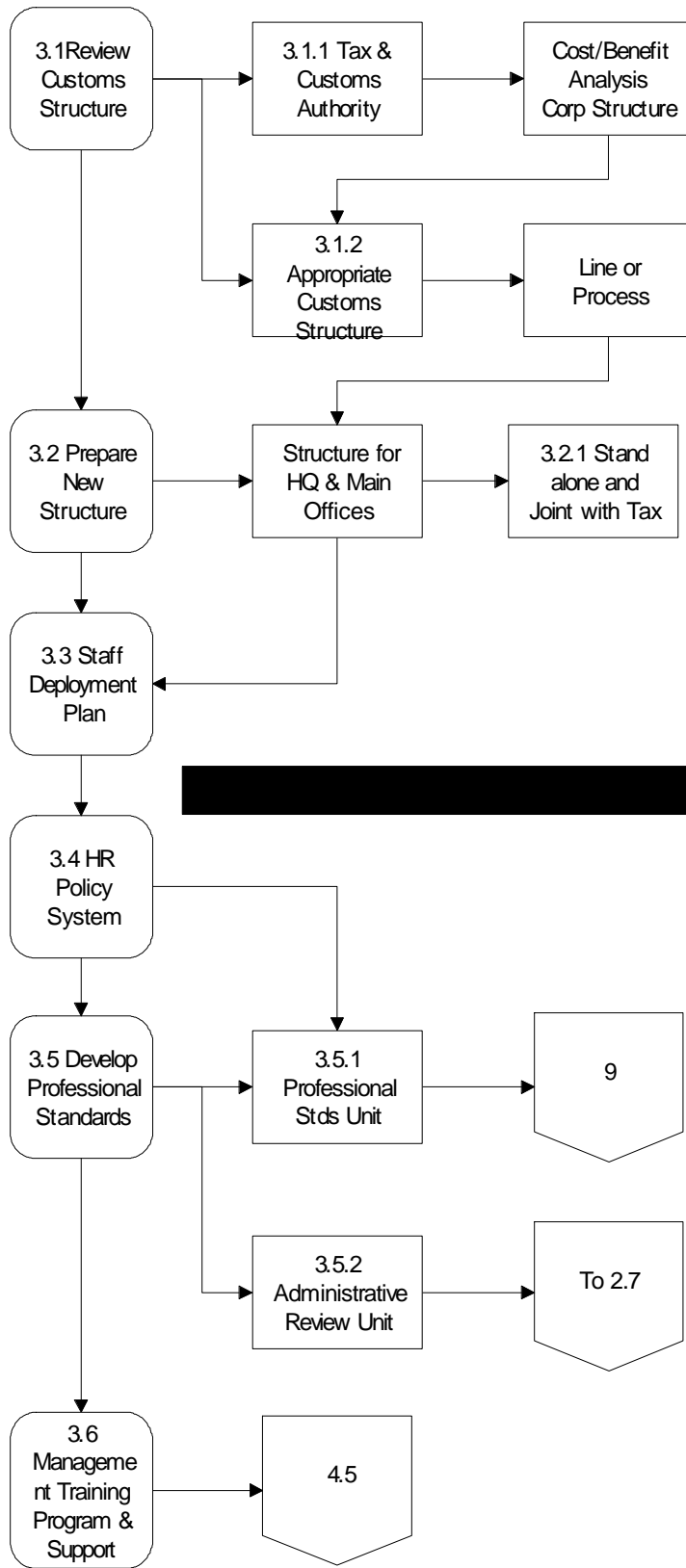
**Institutional Development and Capacity Building****2. Legal regulatory procedure and administrative reform**

- 2.1 Evaluate the existing Customs Law and Regulation against international best practice set out in recently amended WCO Kyoto convention,
  - 2.1.1 Assist Customs become a signatory to all annexes of the latest Kyoto convention,
- 2.2 Examine all existing procedures and instructions (including draft SOPs [standard operating procedures] manuals developed under the GTZ project) against recommended as practices as set out in the Kyoto convention and other WCO conventions,
  - 2.2.1 Review all non-tax/duty charges levied or collected for others to achieve cost recovery only (this may include developing drafts of future MOUs
- 2.3 Draft recommended amendments (e.g. strengthen weak Customs offenses/penalty provisions),
  - 2.3.1 Develop an administrative penalties and appeals system and structure with overall tribunal.
  - 2.3.2 Develop legislation for Pre entry clearance and post entry audit.
  - 2.3.3 Strengthen inadequate trader record keeping obligations and Customs authorities related to post entry clearance auditing,
- 2.4 Draft/re-engineer current procedures and revise instructions and SOPs manuals as appropriate to support streamlined procedures and strengthened controls Ensure national Customs Law fully supports and complements ASEZA law and zone Customs regulation
- 2.5 Develop management reporting and audit functions within ASYCUDA (and outside) see IT item 16.
- 2.6 Review of Arab and normal transit to fold into TIR model.
- 2.7 Create a special tax court to hear all cases of Customs and tax fraud,



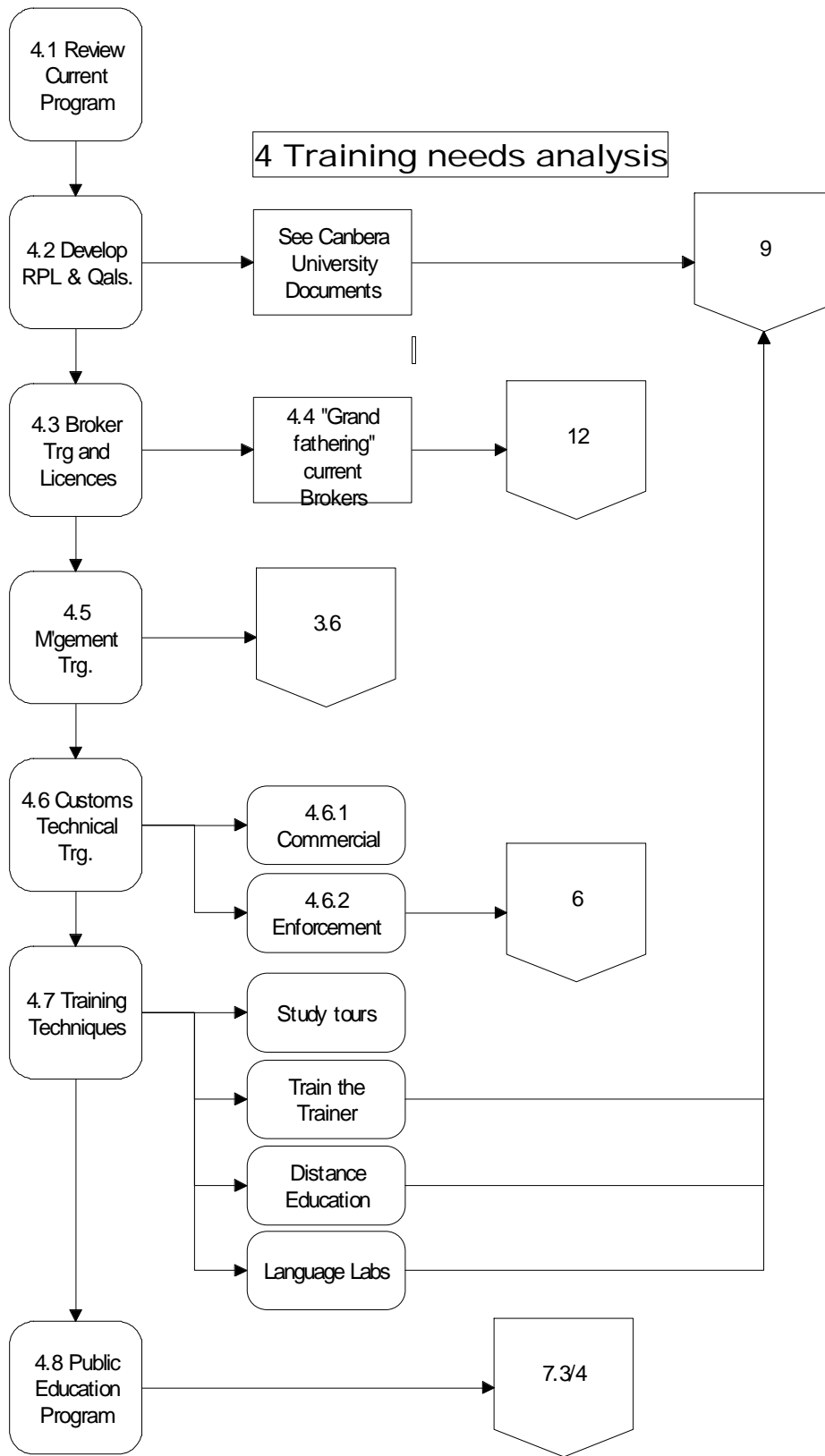


- 3. Design and implement new management systems**
- 3.1 Review and evaluate the organization structure of Customs
    - 3.1.1 Consider levels of integration with tax department), identify weaknesses and propose solutions
    - 3.1.2 Conduct a cost benefit analysis of implementing a semi autonomous revenue authority, assess staff complement and deployment
  - 3.2 Prepare a new organizational structure for headquarters and major field offices as well as job descriptions
    - 3.2.1 This may develop under stand-alone customs and revenue office modds (what facilities can be shared)
  - 3.3 Ensure proper staff deployment, based on requirements dictated by new procedures and automated systems
  - 3.4 Implement appropriate human resource policies related to remuneration, staffing, award systems, performance appraisal, disciplinary procedures/Code of conduct
  - 3.5 Develop a Professional Standards and Administrative review facilities within Customs and under Minister of Finance.
    - ?? See file Profesionalism.doc
    - 3.5.1 Professional standards units will:
    - 3.5.2 Oversight questions of conduct within current law, regulation and SOP and recommend on changes related to corporate administration and hygiene
    - 3.5.3 Administrative review units will:
    - 3.5.4 Review decisions made for technical or legal errors within current law, regulation and SOP and recommend on changes related to efficiency and economic effectiveness.
    - 3.5.5 This will allow for formal reviews at internal and external points prior to legal action on request from staff clients or government on individual decisions.
    - 3.5.6 Both units will also be able to undertake tasked reviews
  - 3.6 Identify needs, define, develop and implement appropriate management training at Director and lower levels this will include appropriate management support systems. (See also item 4.5 below).



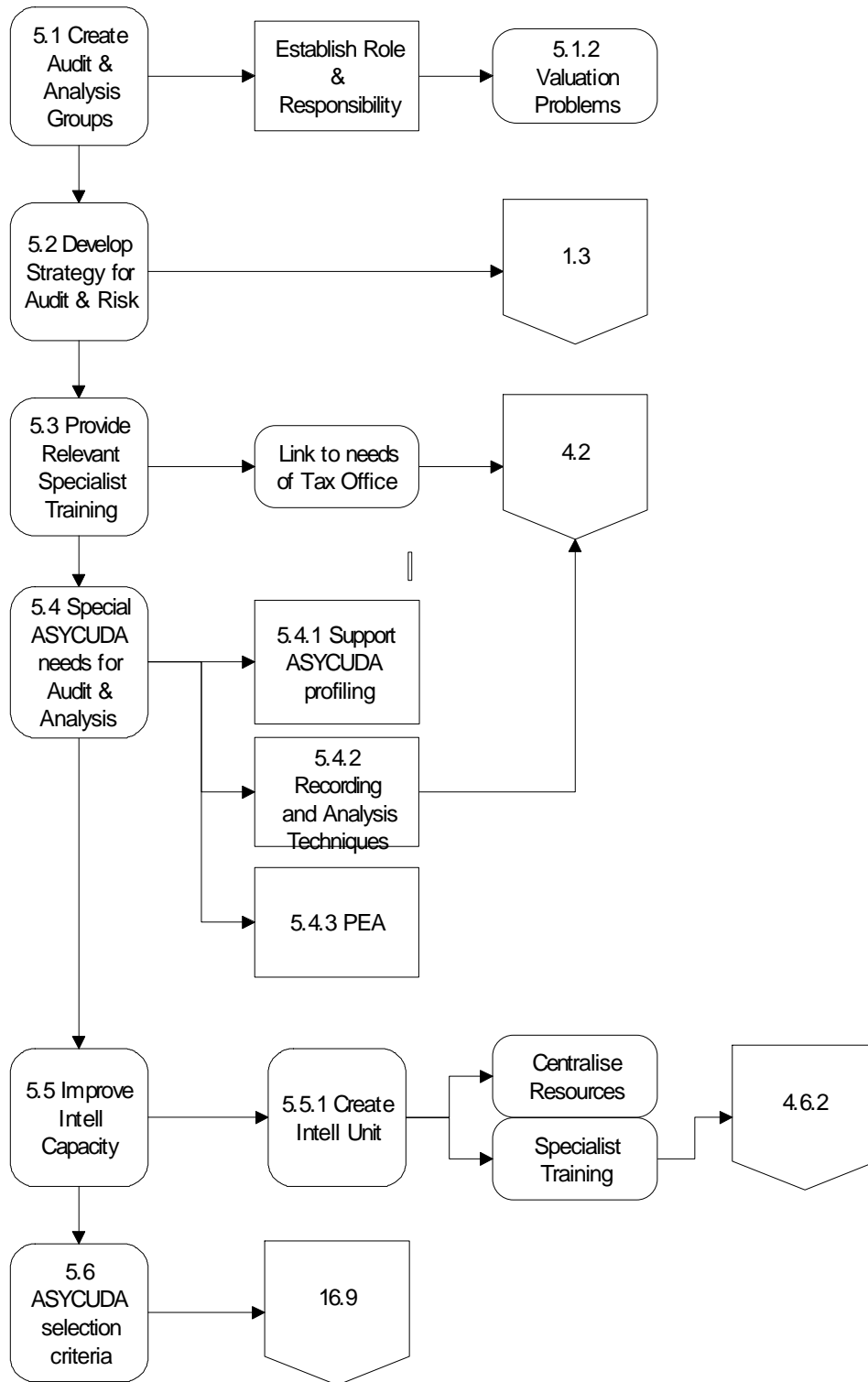
#### 4. Training needs analysis,

- 4.1 Review current training situation and develop an ongoing program that prioritizes the most urgent training.
- 4.2 Develop RPL and Qualification training for officers and brokers to be run through a national training institute.
- ?? for more details see files:
  - ?? Formal Accreditation of Customs Officers.doc
  - ?? Letter Proposal 1202002.doc
  - ?? Strat Plan.doc and
  - ?? Educational Training and Prof Development Paper.doc
- 4.3 For Brokers integrate with license requirements for agents
- 4.4 Develop appropriate “grand fathering” provisions in concert with relevant associations.
- 4.5 Program Management training including time management and delegation for upper level staff.
- 4.6 Ongoing training plan that will include (at least) the subjects listed below:
  - 4.6.1 Commercial
  - 4.6.2 Enforcement
    - ?? Valuation,
    - ?? Origin,
    - ?? General WTO and WCO concepts and principals.
    - ?? Audit, investigation,
    - ?? intelligence gathering,
    - ?? interview technique,
    - ?? container search technique,
    - ?? risk assessment,
    - ?? narcotics interdiction,
    - ?? automation/EDI)
    - ?? Intelligence and commercial statistical and other analysis,
    - ?? Business and trade studies,
    - ?? Auditing techniques including GAAP, CAATS, and SBA etc.
    - ?? Asycuda and other computer systems
- 4.7 Develop a technical training program in conjunction with other customs services
  - 4.7.1 study tours
  - 4.7.2 train the trainer program whereby technical trainers would provide training
  - 4.7.3 distance learning program with the WCO and USC or other customs services
  - 4.7.4 Ensure that "state of the art" language labs built by GTZ are operational for English language training.
- 4.8 Link with public education program described below
  - ?? See attached examples



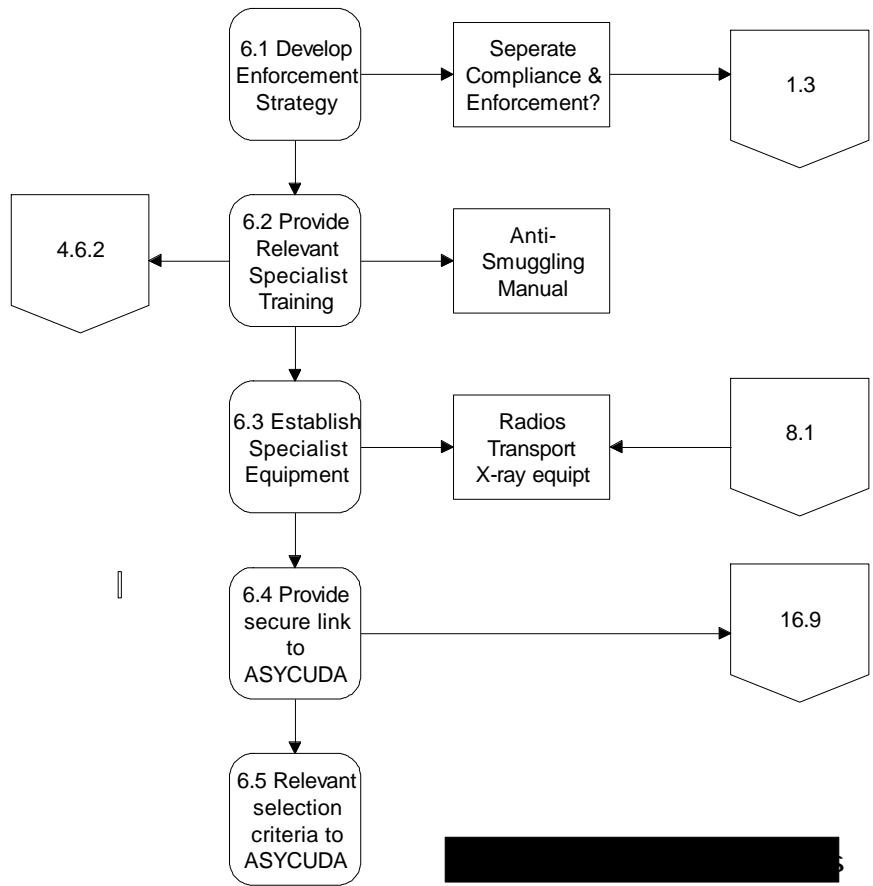
**5. Customs Audit and Risk Assessment systems**

- 5.1 Create an audit unit within customs headquarters (as part of the new organizational structure) with
  - 5.1.1 Establish division of role & responsibility for conducting post clearance audits on importers/brokers
  - 5.1.2 e.g. to follow up on suspected cases of under valuation as required under WTO valuation agreement.
- 5.2 Develop / refine Audit and Risk Assessment strategy.
- 5.3 Provide auditors with specialized audit training ideally in collaboration with the tax Department such that auditors can perform both types of audit simultaneously when visiting a trader
- 5.4 Provide technical assistance and training to the unit in HQ tasked with maintaining the selection criteria in ASYCUDA
  - 5.4.1 (i.e. the random and specific criteria used to select declarations for red channel)
  - 5.4.2 This would include introduction of techniques for recording and analyzing the results/findings of previous red channel inspections and adjusting criteria accordingly.
  - 5.4.3 Determine needs and develop appropriate post entry audit links to ASYCUDA
- 5.5 Strengthen Customs intelligence gathering and analysis capability by:
  - 5.5.1 Creating an intelligence unit in headquarters,
  - 5.5.2 Centralizing all previous enforcement actions taken as well as tips received into a single stand alone database that would be accessible to all enforcement personnel, Providing specialized training on intelligence gathering, handling evidence, surveillance techniques,
  - 5.5.3 Enhancing the current informant system having and tips hotline available on the Customs web site
- 5.6 Develop and implement selection criteria to be placed in ASYCUDA to assist in the identification of high-risk consignment having health, agriculture, and other quarantine related inspection, sampling, laboratory, testing certification requirements. In examine the feasibility of connecting these agencies on-line to the ASYCUDA system to allow placement of holds and releases on such consignments by the various entities responsible.



## 6. Customs Enforcement systems

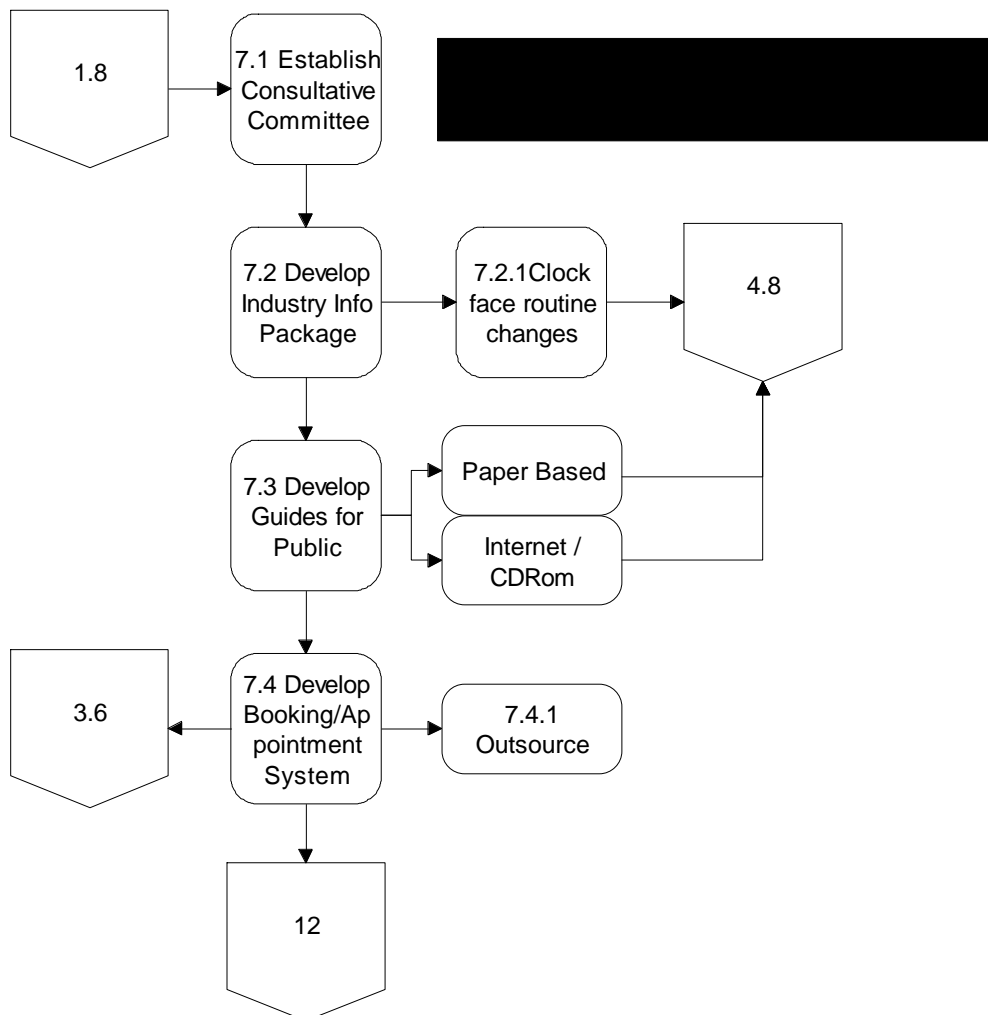
- 6.1 Develop an enforcement strategy.
  - 6.1.1 Should compliance and enforcement be separated? i.e. separation of commercial fraud from criminal smuggling.
- 6.2 Develop enforcement training requirements
  - 6.2.1 Develop an Enforcement-smuggling manual  
Capacity and willingness exists to do this at the Jaber post provided supporting infrastructure is provided (Projects will put together a proposal).
- 6.3 Establish specialist equipment need of enforcement personnel
  - 6.3.1 (i.e. Codan type HF radio network, vehicles)
  - 6.3.2 Customs Mobile Patrol Enforcement capacity.  
Identify equipment and training needs.  
Undertake X-ray Machinery cost-benefit analysis
  - 6.3.3 Suitable data may be available from USAID project in Egypt.
- 6.4 Determine needs and develop secure enforcement links into ASYCUDA.
- 6.5 Develop and implemented selection criteria to be placed in ASYCUDA to assist in the identification of high-risk consignment having health, agriculture, and other quarantine related inspection, sampling, laboratory, testing certification requirements.



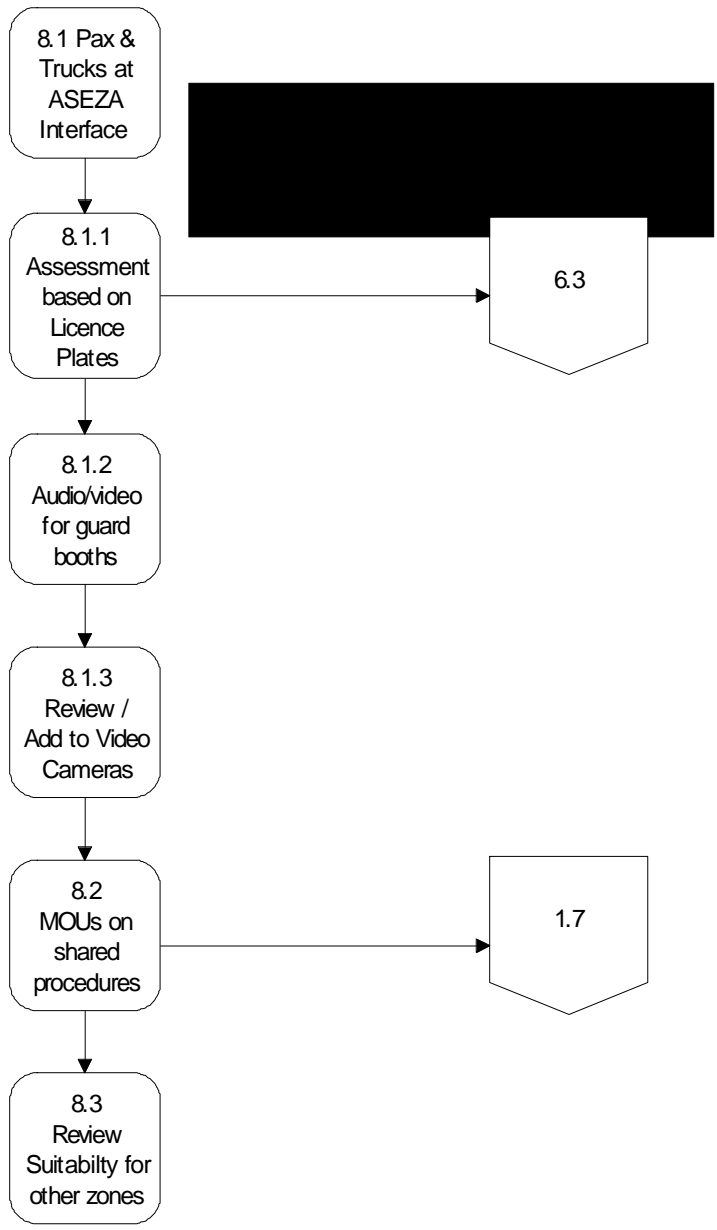


**7. Improved cooperation and partnership with private sector**

- 7.1 Establish a Customs Consultative Committee with representatives of the various private sector trade associations
  - 7.1.1 e.g. Customs brokers, freight forwarders, shipping agents/airlines, truck haulers, commercial banks, etc.
- 7.2 Develop a program to keep traders and brokers business and public up to date on rights and obligations,
  - 7.2.1 Develop “clock face” arrangements for all routine changes.
- 7.3 Develop electronic and paper guides for all public rights and responsibilities migrate to internet and CD with IT solutions
- 7.4 Develop booking / appointment system for cargo and other examinations in concert with other authorities and stakeholders.
  - 7.4.1 Outsource operation of system on a cost recovery basis

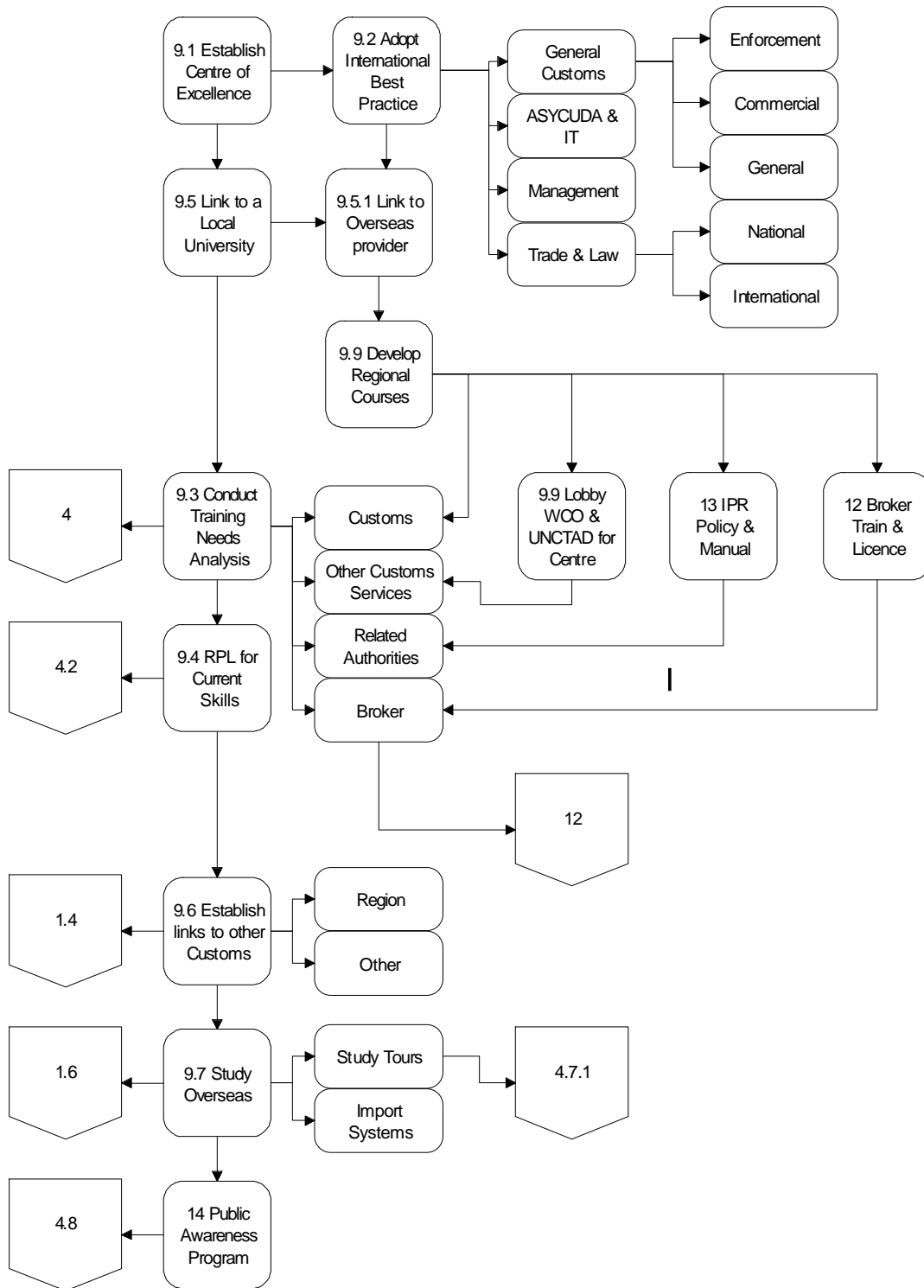


- 8. Integration into free zones, free trade agreements and/or Customs unions**
- 8.1 Assist national Customs in improving passenger and trucks from ASEZ into the Customs Curtain at Desert and Dead Sea Highway checkpoints.
  - 8.1.1 e.g. design and implement intelligence/risk assessment system based on automobile plate number reader to operate primary line booths
  - 8.1.2 Audio/microphone system to allow primary line booth Customs officers to communicate with travelers at primary booth (including mechanism for management to record and monitor conversations,
  - 8.1.3 Surveillance cameras strategically located throughout entire checkpoint to allow monitoring of activities by both management, advise on procurement of x-ray machines to expedite processing of passengers baggage referred to secondary inspection.
- 8.2 Advise on joint MOU and other Customs procedures shared by both organizations e.g. drawback, transit, VAT refunds.
- 8.3 Review Customs procedures and controls relating to QIZ and other free zones



**9. Develop center of excellence program**

- 9.1 Establish regional center of excellence and formal accreditation for ASYCUDA & General Customs and Kyoto 2000 capacity
- 9.2 Adopt international best practice for all aspects.
- 9.3 Conduct full training needs analysis and develop training strategy that includes Customs, trade, enforcement and management aspects also needs of brokers, industry and related authority areas (i.e. some aspects of tax, police and quarantine etc)
- 9.4 Institute recognition of prior learning (RPL) process to identify and grade current staff skill levels.
- 9.5 Integrate all training and development with a local university/s to ensure appropriate quality of product.
- 9.6 Integrate with training / education with industry, brokers, other government agencies and other regional customs services.
- 9.7 Develop formal linkages (Nairobi and non Nairobi) with other major regional and other customs organizations
- 9.8 Relate to study tours and subsequent plan updates elsewhere in work plan
- 9.9 Lobby WCO & UNCTAD for establishment of regional Centre of Excellence.



**10. Development of common tariff classification and origin rulings database**

- 10.1 Establish a simple stand alone PC based system for recording/storage of International and domestic issued classification and origin rulings and opinions.

This data should be available to traders via the Customs web site

**11. Development of Customs rulings and appeals process**

- 11.1 Review existing Tariff classification/origin rulings and related appeal process as provided for under Customs law, design a new appeals mechanism, including final appeal to an appeals tribunal outside of Customs, prepare clear and streamlined processes and educate traders on their rights and requirements

**12. Development of Customs Broker licensing regulation and re -training/ re-licensing regime**

- 12.1 Work with the brokers Association and Customs department in developing a re training/re qualification program for all brokers, the program should include developing/training brokers Association trainers, developing a re licensing regime, agreeing to broker liability and accountabilities, exploring the concept of self regulation with the brokers Association

**13. IPR border enforcement**

- 13.1 Develop an IPR enforcement policy and SOP manual, taking into account the enforcement mandate and responsibilities of other enforcement agencies, provide training to IPR enforcement officers

**14. Public awareness and communication**

- 14.1 Develop a public awareness/education program to inform the general public and trading community regarding the reform and, their rights and obligations. This program should consist of trader guidelines, brochures, public service announcements, trader seminars, an enhanced Customs web-site

**Customs IT Solutions**

*Note in all activity systems should be common for ASEZ and National Customs*

**15. IT systems analysis and needs assessment**

- 15.1 Develop comprehensive IT strategy to meet terms of business plan and annual work plan.
- 15.2 Prepare IT strategic plan for Customs, including roll out of existing core ASYCUDA system to all major entry processing sites, enhancement of core system to include additional application software modules, linkages between ASYCUDA and other stand-alone systems.
- 15.3 Undertake a Systems Based Audit (including CAATs where appropriate) of ASYCUDA installations. Document significant and material risks and other problems detected.
- 15.4 Develop a plan to rectify errors detected in audit, prioritize and carry out plan.

**16. Support for expansion of ASYCUDA system and/or similar systems**

- 16.1 Assist in interface of current stand-alone systems to ASYCUDA where required.
  - 16.1.1 Review and develop solutions for any interface problems of ASYCUDA system and other essential systems. Wherever possible migrate to ASYCUDA.
- 16.2 Review current equipment levels and MTBFs in relation to client needs and international standards. Develop a plan for introduction of extra infrastructure requirements to back up and substitute for failures of main servers and gateway. Include provision for disaster and recovery plans.
- 16.3 Define any hardware, software and telecoms requirements taking account of **UNEDIFACT** and other appropriate protocols likely for near future implementation.
- 16.4 **Manifest application**/ air and sea develop a detailed plan for software in support procedures, implement application and evaluate. System to include electronic/paperless transmission of manifest data pre arrival from shipping agents and airlines
- 16.5 **Transit application**/develop a detailed implementation plan for software and supporting procedures, implement application and evaluate. Ensure telecommunications/VSAT is extended to allow timely exchange of transit details between offices in the Customs Territory and also with ASEZ offices
- 16.6 **Electronic Funds Transfer**/develop a detailed implementation plan for software and supporting procedures, implement and evaluate, software will allow traders to pay duties/taxes electronically so as to expedite clearance processing
- 16.7 **Automated linkages** between ASYCUDA and the temporary admissions/Duty drawback system, analyze how to link these two separate systems so as to eliminate unnecessary re keying of data into the temporary admissions/Duty drawback system which is available electronically in ASYCUDA
- 16.8 **Intelligence system**/designer and implement alert system for use at ASEZ checkpoints which uses license plate reading technology due identify high risk travelers
  - 16.8.1 Technical aspects of Passenger vehicle control system including digital readers, conversation recording facilities and possible extra VSAT cameras.
- 16.9 Develop **management reporting** and **audit functions** within ASYCUDA (and outside if required)
- 16.10 Determine needs and develop secure enforcement links into ASYCUDA and other systems.
- 16.11 Determine needs and develop appropriate internal (and national) audit links to ASYCUDA
- 16.12 Determine needs and develop appropriate post entry audit links to ASYCUDA



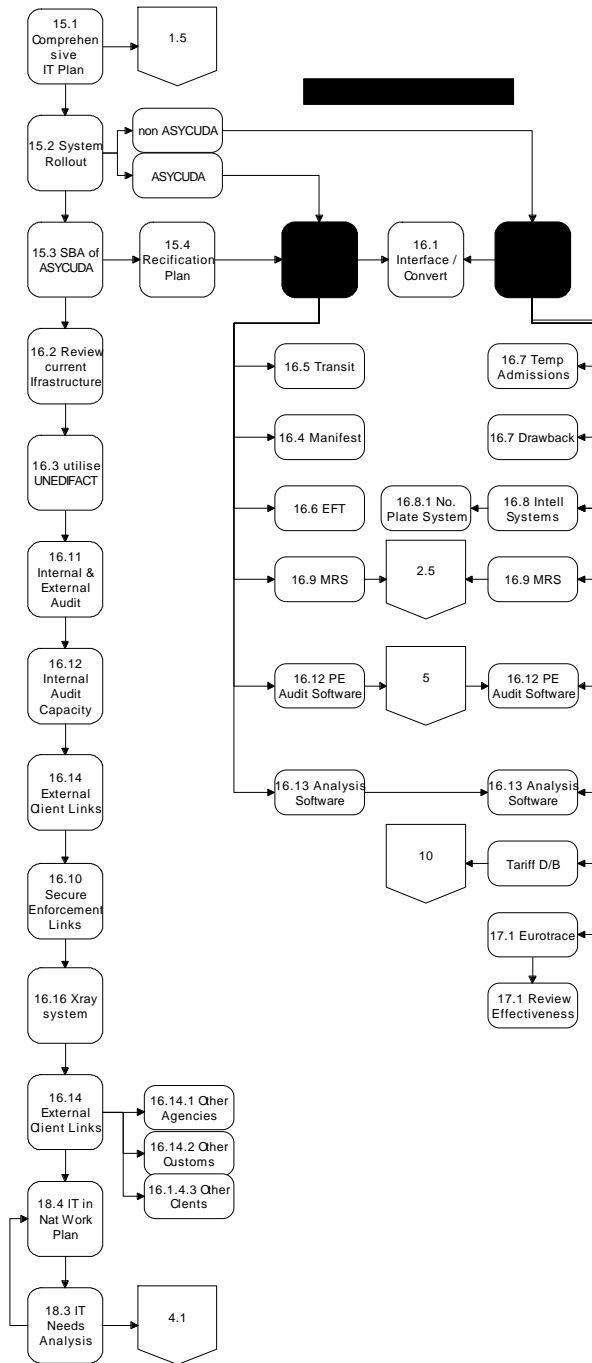
- 16.13 Determine needs and develop appropriate analyst links to ASYCUDA. Develop interface for other IT needs i.e. ACL, and specialist database software.
- 16.14 Determine needs and develop appropriate analyst links to enable ASYCUDA to assist in the identification of high risk consignment having health, agriculture, and other quarantine related inspection, sampling, laboratory, testing certification requirements.
- 16.15 Examine the feasibility of connecting these agencies on-line to the ASYCUDA system to allow placement of holds and releases on such consignments by the various entities responsible.
- 16.16 Review and report on IT and systems requirements for introduction of Truck and Cargo X-Ray systems including a capacity to report results/transfer copies of xrays to other locations. This should include addressing problems the large data load that may arise.
  - 16.16.1 Jordan Customs have undertaken to obtain materials on this subject from Egypt Customs where USAID have a similar project currently underway.

#### **17. Improve accuracy of Customs Statistics**

- 17.1 **EUROTRACE**/ensure this statistical package is functioning properly in order to extract and produce timely and accurate trade acoustics from ASYCUDA import/export database
- 17.2 Ensure trade statistics produced by ASEZA's ASYCUDA system are effectively and efficiently compiled with those of National Customs

#### **18. Provision of IT related equipment and services IT training**

- 18.1 Assist Customs in formulating hardware, software and telecommunications requirements to support its IT strategy
- 18.2 Prepare an IT training needs analysis, including an assessment of the most appropriate source of this technical training. Address both customs staff and client needs (i.e. brokers, trade and business).



## **ATTACHMENT D: Center for Customs Studies**

### **Proposal**

Apply the Australian Center for Customs Studies model<sup>27</sup> to establish a regional Customs Center of Excellence in Jordan adapting Australian courses and run through a Jordanian University. This is possible because most Customs and trade subjects are common internationally due to the WCO and WTO. Other needed courses (like Jordanian Legal Practices) would be drawn from the local partner university's other resources.

Broker's training and qualification would be made part of the same system and the facility would be provided to relevant staff of ASEZA and other government authorities (like Quarantine) where appropriate.

Full details of the University of Canberra's proposal are attached.

### **The Australian Model**

The Australian Customs have formal accreditation program run through the internationally recognized University of Canberra. This provides an internationally recognized qualification and takes account of the prior experience of the officer. Officers passing a stage/semester have costs (fees and approved study time) for the semester met by the Department. A detailed discussion paper on Education, Training and Professional Development Framework for the Jordan Customs Service and the Center's current strategic plan plus an expression of interest form the Center are attached.

### **Recognition of Current Competencies (RCC)**

Through RCC previous experience is assessed in relation to the level to which they wish to be accredited. This is based on previous internal (Customs) and external courses completed and experience gained in day-to-day work. Applicants are either certified at a level or provided with subjects required to complete a qualification to that level.

### **Distance Education**

Most Australian Universities provide education and training to students located away from the University Campus in Australia and Overseas. At least one Australian University<sup>28</sup> operates an examination center in Amman. Customs as a diversified organization with staff located throughout Jordan can use distance education to train staff irrespective of location.

Normally, each student gets a package of reading materials and support with links to the lecturer through emails and teleconferencing. The Customs VSAT system could be used outside business hours when current usage is light for such technical services to remote sites.

Provision and maintenance of courses through a university will ensure their currency is maintained without a need to draw excessively on the resources of Customs and

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<sup>27</sup> And seek assistance from Canberra University.

<sup>28</sup> Charles Sturt University, a Government University based at Bathurst NSW.

ASEZA. It will also make it possible for students outside the “industry” to take customs relevant courses (as an example an accounting student may study trade law and system auditing) and people in the industry to choose from a widerange of courses (as an example an officer responsible for exports of antiquities may study some units of history or archeology and have them recognized as part of the qualification).

### **Application in Jordan**

One of Jordan’s Universities could undertake a joint project with National Customs, and AMIR’s Customs Consultants to:

- ?? Establish an inventory of current qualifications amongst Customs and ASEZA staff,
- ?? Perform a needs analysis for Brokers, ASEZA and Customs based on the requirements to enable Jordan to meet its Kyoto 2000 and ISO9002 program,
- ?? Review existing courses available in Jordan and elsewhere to meet the needs analysis,
- ?? Translate or write appropriate courses to suit a distance education environment,
- ?? Provide a first round of training within the Jordanian customs “industry”,
- ?? Offer the courses to the wider Jordanian community and the customs “industry” in adjacent countries using the experience gained in the previous steps.

12 February 2002

Mr. Glenn Wood  
Customs Consultant  
USAAID  
AMMAN JORDAN

Dear Glenn,

I refer to you email dated 11 February 2002, regarding the development of a customs educational model for Jordan Customs and surrounding Arab States.

Your concept of a Centre of Excellence is an exciting idea and in broad terms mirrors the thinking that underpins the establishment of the Centre for Customs Studies (“CCS”) at the University of Canberra.

The CCS and its partner the International Customs Centre<sup>29</sup> (“ICC”) have developed a comprehensive training, education and professional development program that addresses, in a Customs context, the range of organisational factors and educational content required by customs services in a global environment. A detailed explanation of the model and approach that we employ is described in the accompanying paper.

This model will shortly be presented to World Customs Organisation and World Trade Organisation.

It can be demonstrated that our approach will impact significantly impact upon an organisation. It makes the best use of resources by ensuring that the various partners in the delivery of the model are able to focus on their core business and deliver a quality assured service and product within a Customs context.

This model has taken some years to develop and refine and can quite readily be adapted to customs organisations around the world. The process of adaptation must be done through a properly managed consultative process so that the client agency can establish and maintain ownership of and long-term commitment to the model. The consultative process would of course ensure a more speedy development of the model by avoiding many of the problems that were encountered in developing the concept in Australia. It is expected and encouraged that client customs services would be able to improve the model. The model would include any existing materials such as relevant module packages.

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<sup>29</sup>The relationship between the University of Canberra, Centre for Customs Studies and the International Centre for Customs (“ICC”) is governed by a Memorandum of Understanding. ICC is a privately owned and operated organisation with Registered Training Organisation accreditation, providing services and products to customs administrations and other organisations, both government and private.

The model will assist Jordan Customs to articulate their need to potential partner providers. The application of this model will directly contribute to a relationship of mutual respect and one where the providers will feel encouraged to deliver innovative products and services. The result will be a mature relationship that will benefit both parties.

This model will, over time, help Jordan Customs develop into a highly professional, innovative organisation – one that others in the government and agencies within the region will wish to emulate. The model assists the organisation to meet international standards such as the Kyoto Convention on the Simplification and Harmonisation of Customs Procedures.

The model is the basis for establishing the concept of a Centre of Excellence for customs and other agency training in the region. The CCS and ICC offer you the following suggestions and assistance as the basis for progressing your concept:

- ?? Initial scoping exercise with Jordan Customs to refine the current broad framework to fit the specific requirements of the client agency.
- ?? A review by Jordan Customs of the existing benchmark competency standards. Rather than develop them bottom up, it may be possible to work faster and with smaller groups to adapt the standards we already have and put them into Jordan Customs terminology. This process would take place at all levels so that they get used to the idea of competencies.
- ?? Assistance in developing all aspects of the model within Jordan Customs
- ?? Assistance in the development and promotion of a Centre of Excellence
- ?? Assistance in negotiation with local university
- ?? Access to modules
- ?? Access to all the guidelines eg mentor, facilitator, writer etc
- ?? Auditing of systems and processes against Kyoto

For your information I have also attached a copy of the CCS Strategic Plan.

Thank you for the invitation to submit a proposal. Please do not hesitate to contact me if you require any further information.

Yours sincerely  
Alan Wilson  
Business Manager

## Strategic Plan

*Customs services throughout the world are caught in the maelstrom of globalisation. Increasing trade flows, changed manufacturing procedures, restrictions on the movement of some goods, e-commerce and e-crime are placing unprecedented demands on customs systems and staff. More than ever, they need institutional strengthening and staff skilling. So do the companies that deal with Customs.*

The Centre for Customs Studies is designed to meet these needs by specialising in the provision of consultancy, training and research services to customs agencies and related organisations on a global basis.

### Our Vision

The Centre will become a recognised leader in the delivery of education, assistance and research services to Customs agencies and related industry, government and educational bodies throughout the world.

We will achieve this by:

- ?? Providing a comprehensive program of tertiary education, where appropriate in consultation with local institutions;
- ?? Providing professional institutional strengthening and other consultancy services;
- ?? Undertaking applied research in areas of relevance to customs operations.

In association with our partner International Customs Centre, we will provide a comprehensive training and professional development program. Individuals will be able to access courses from certificate to postgraduate level. We will do so by employing the best available distance learning techniques, by partnering with other universities, and by collaborating with industry associations and global organisations to meet the needs of customs and industry staff.

The Centre recognises the importance of organisations such as the World Customs Organisation, World Trade Organisation, the Oceania Customs Organisation, APEC and

others. The Centre will align its courses and services with the operations of these organisations and will establish procedures, systems, and training that will meet their needs.

**Objectives:**

Specifically the Centre will:

- ?? Provide an accredited graduate program of study specialising in areas of direct relevance to customs practice and management;
- ?? Provide highly experienced and qualified consultants to deliver a range of services aimed at strengthening customs organisations' leadership and integrity, including systems development management, change management, risk management, compliance management and financial management.
- ?? Conduct research into business systems, organisational structure, operations and trends and developments affecting Customs operations globally;
- ?? Deliver to the Australian Customs Service the services required and commissioned by it under the Customs Development Program.

**Why a specialist Centre?**

We recognise that customs agencies around the world face very similar challenges. Many understand that they have to become learning organisations, and that their staff will need lifelong education to remain proficient. As they move from a "doing" focus to one that includes considerable thinking and innovation, it is necessary to provide their staff with contemporary management tools and techniques.

In addition, customs agencies benefit significantly by seeking external input from recognised experts who can assist to implement new and improved



management systems and processes. The centre aims to be a source of knowledge, information and expertise.

### **Centre Staff**

The Centre is a body in the Division of Management and Technology in the University of Canberra. It will draw on the expertise of the Division's experienced staff, who are skilled in law, management, economics, accounting and other disciplines crucial to customs, and on other resources within the University.

The Centre will also draw on a wide range of advisors and consultants all of whom have had extensive experience in the Australian Customs Service at senior levels or who have worked closely with Customs over many years to develop its own training capabilities.

### **Key Result Areas**

- ?? Development of a comprehensive curriculum from Certificate level 4 through to Masters, with articulation to Doctorate level
- ?? Delivery of a comprehensive education program based on the curriculum, through skilled use of distance learning techniques
- ?? Delivery of high quality consultancy and research services based on close consultation and collaboration with customs clients.

### **Strategies:**

How will the Centre deliver its vision?

It will:

- ?? Develop a graduate level education framework, curriculum framework and modules in self-paced format;
- ?? Develop an innovative and flexible learning model (using technology)

- ?? Liaise with ACS and identify ways of assisting the delivery of support services to other customs agencies
- ?? Establish effective working relationships with international bodies, with industry and with Government agencies to identify opportunities for the Centre
- ?? Establish and maintain a register of consultants
- ?? Market the Centre for Customs Studies through a comprehensive marketing plan using University resources, web based technology, Customs resources, and the general media.

### **Where will we be in 2005?**

By 2005, the Centre will be:

<b>Global</b>	meeting the needs of Customs throughout the world
<b>Diversified</b>	delivering education, advisory and research services
<b>Leading edge</b>	establishing best practice in Customs education
<b>Knowledgeable</b>	recognised internationally as a leading repository of Customs skills and knowledge
<b>Sought after</b>	engaged with a range of partners in the government, industry and education sectors.

Alan Wilson  
Business Manager

**Discussion Paper**  
**on the provision of an**  
**Education, Training and Professional Development Framework**  
**for**  
**Jordan Customs Service**

**1 Purpose:**

The purpose of this paper is to describe a model for a comprehensive training, education and professional program for customs staff.

The following distinction is made between the three important components in the proposed framework:

Training prepares the officer for meeting the most immediate requirements of the workplace. It provides the participants with the skills and knowledge, and ultimately the competencies necessary to do the job. Recognised practitioners from within the organisation can often be used to deliver training as they are regarded as “expert”. Education provides a broader base of understanding so that the officer may approach a novel problem situation and draws upon his/her theoretical knowledge to address the problem. Professional Development is necessary to ensure officers maintain their competence over time and can involve participation in training, attendance at seminars, work placements etc.

**2 Introduction:**

The approach to providing training within organisations has evolved over the years. The design of training has in general been based upon some form of needs analysis. Internal specialist staff have been involved in the design, development and delivery of training, often supported by internal HRD experts and in some cases, with the involvement of external expertise. Training is often developed independently by various areas within an organisation with the result that there may be differences in the approaches and in the outcomes. It is desirable from a quality perspective and for uniformity and consistency, that all training and education be designed developed and delivered within a comprehensive framework.

Increasingly, Management require the rationalisation of the approach to training for the following reasons, to:

- ?? ensure the best possible use of shrinking level of resources;
- ?? make use of alternative sources of training eg external to the organisation, where it can be shown to meet organisational requirements;
- ?? provide staff with a user-friendly model which maximises their opportunity for education, training and development;
- ?? provide a qualification at all levels from vocational through to postgraduate;
- ?? ensure that staff meet all relevant standards of competence and performance including international.

Managers also recognise the high cost of maintaining capability from within their organisation to meet their education and training needs. This is not their core business and they search for alternative solutions.

This paper introduces a model which:

- ?? Is based upon functional competency standards developed for all functional areas and levels within the organisation;
- ?? Includes a skills analysis process which rationalises the identification of units/modules and minimises overlap and duplication in training;
- ?? Provides a flexible, articulated curriculum framework which meets the skill development for all areas within the organisation, provides qualifications, articulates through all qualification levels, provides maximum opportunity for staff to access training they require to fulfil their role;
- ?? Is supported by a comprehensive Recognition of Current Competence (RCC) process;
- ?? Is closely linked to a personal Performance Assessment Feedback (PAF) Process;
- ?? Uses a delivery strategy which maximises access opportunities for staff irrespective of their location ie flexible learning;
- ?? Employs a mentor support system;
- ?? Encourages the best talent within the organisation to become involved in training and learning;
- ?? Recognises and integrates workplace learning with formal, structured learning;
- ?? Encourages the workplace to become a partner in the development of staff;
- ?? Fosters the concept of the learning organisation;
- ?? Employs a comprehensive quality assurance process that sets standards for design, development and delivery;
- ?? Is supported by a comprehensive evaluation strategy;
- ?? Employs a comprehensive, integrated promotion and communication plan.

The model meets contemporary international standards in Human Resource Development. It meets all criteria for competency based training and assessment set by the various national Training Authorities around the world and it also complies with the quality principles outlined in ISO 9000:2000.

In adopting this approach organisation-wide, it is possible to achieve economies through the standardisation of approach and the sharing of resources. The approach does much to support and promote the concept of the learning organisation.

The model must accomplish the following:

- ?? provide specific training (ie meet the technical competence requirements of the workplace);

- ?? provide generic education (ie underpinning skills and knowledge required by the individual to be effective within the broader organisational environment and within the broader public service);
- ?? facilitate professional development (ie provide for the ongoing maintenance of competence);
- ?? provide for long-term career development;
- ?? meet the standards set by local and international training institutions including universities;
- ?? brings staff to a level that enables the organisation to meet international standards eg Kyoto.

The model must achieve these objectives in an environment of shrinking resources. It must provide for the use of external providers where this can be shown to be more cost-effective than producing and delivering material in-house. It must lend itself to partnering and other forms of linkage with institutions such as polytechnics and universities.

### **3 Key Stakeholders:**

It is important to recognise the various stakeholders and their interests.

#### **Corporate Management**

Corporate Management's interest is the development and maintenance of a competent workforce. The provision of training must make the best use of resources and provide staff with the maximum flexibility. Management are interested in the integration of training into a single coherent model which is user friendly and effective in delivering outcomes which clearly contribute to the achievement of corporate objectives.

#### **Divisional, Unit and Branch Management**

Their interest is ensuring that staff are able to deliver the business objectives of the work area through the application of appropriate skills, in the process achieving an agreed level of performance and quality of outcomes. Lack of competence and underperformance of staff are often identified as risk areas in the delivery of business objectives.

#### **Workplace Supervisors**

Their interest is in knowing that individual staff members possess the necessary competencies to be effective in their current role and that they are able to successfully participate in work teams. The supervisor is also interested in having staff update skills to meet the changing requirements of the workplace. Supervisors who are able to take a longer-term view will also be interested in the career prospects of their staff, and will attempt to cater for their development through access to relevant training.

#### **Workplace Mentor**

The interest of the mentor is on assisting the protégé through the immediate demands of the course of study, in assisting the staff member to apply that skills and knowledge in the workplace and in assisting them in their long term career development.

**Staff**

The interest of the staff member is on acquiring the necessary skills to be effective at his/her job, and to be adequately prepared for changes through participation in relevant and timely training. They may also be interested in long term development but generally not, as a rule, until the basic needs for underpinning skill and knowledge needed to be effective in the current job role, are met. They are also interested in being recognised for their competence generally through the awarding of qualifications.

**Staff Development Officers**

The SDO generally has responsibility to ensure that management and staff in their region are fully briefed on developments in training, education, sponsoring, standards etc. They generally make the necessary arrangement to ensure all is ready for the delivery of a module in their area. They keep track of any RCC assessments in their work area and input results and outcomes into the database.

**Program or Course Managers**

Staff who have responsibility for the program have a primary interest in ensuring the needs of their clients are met. They are also interested in meeting corporate objectives for maximum integration of training and development activities and processes. They are interested in achieving quality, cost-effective training delivery, compliance with accreditation and quality criteria as well as the fostering of a learning culture. Increasingly they are interested in finding ways of cooperating and supporting one-another in an endeavour to meet the broad range of requirements that impact upon them.

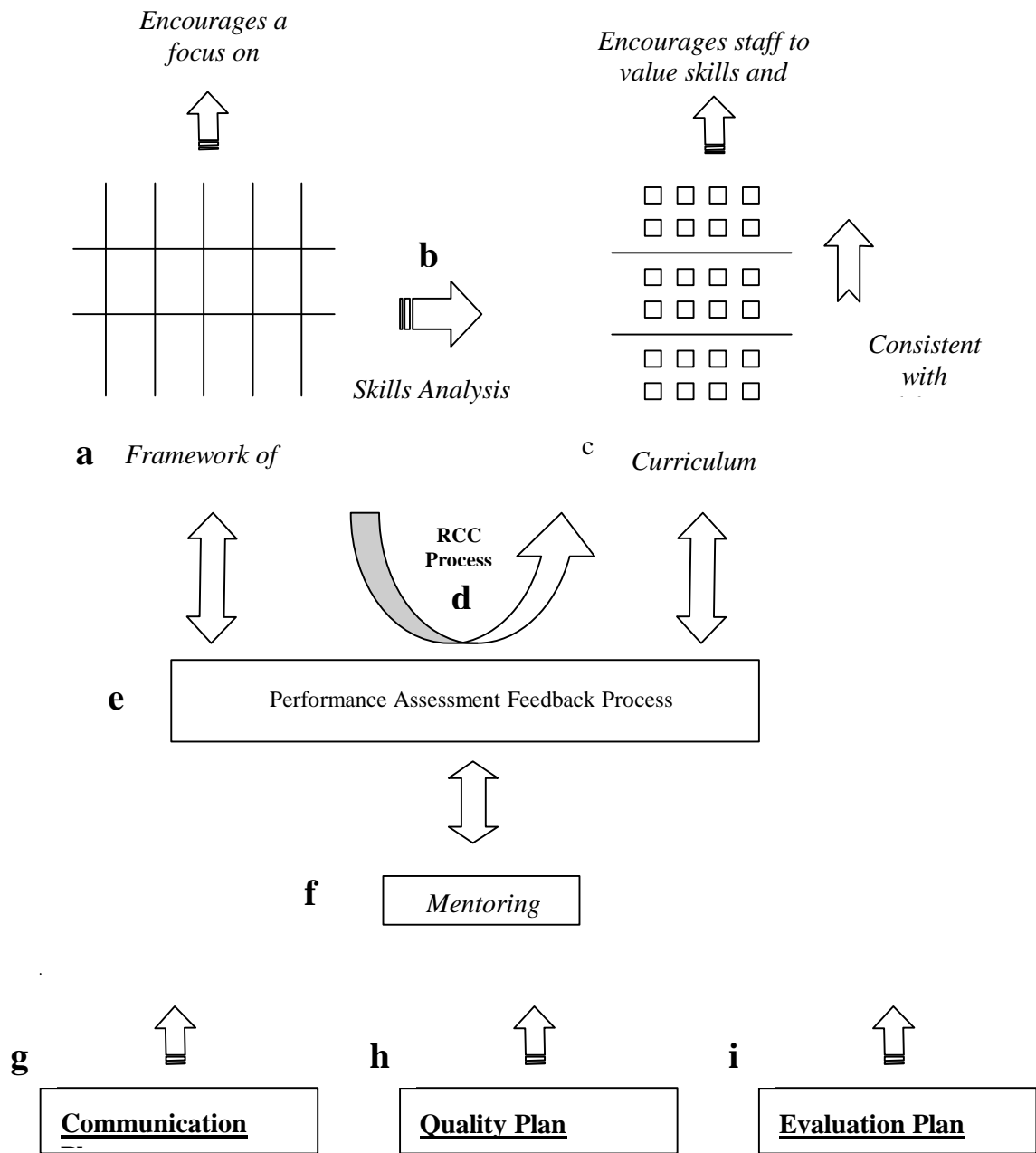
**Program or Course Administration**

Staff who are involved in the administration of the education, training and delivery are concerned about the selection of staff to participate on courses. They are interested in the conduct of RCC and RPL as required, the preparation of modules for delivery, the scheduling and resourcing of modules for delivery, the management of budgets, the maintenance of a student record system and the issuing of awards etc.

**The HRD Branch**

HRD are keen to ensure that initiatives in the design, development and delivery of training and education directly contribute to meeting corporate objectives. They are also interested in the development and application of key policy especially that which impacts upon the organisation's accreditation as a Registered Training Organisation. HRD also take a broader view and seek to assess the success of training of staff by benchmarking with other agencies.

**4 A Model for the Education, Training and Professional Development of Staff**



The education, training and development model has been developed with the following in mind:

- ?? Compliance with HRD Policy
- ?? Compliance with the relevant accreditation requirements
- ?? Compliance with international requirements for a Competency Based Training and Assessment model

## 5 Explanation of the Model:

In the following discussion, the component parts of the model are discussed in detail.

### A Functional Competency Standards

They are called functional standards because they have been developed to reflect the actual work functions performed by officers in the role at the various levels. This means that the standards can be used as a benchmark against which to assess individual's capability to perform in that role. They are also used as the basis for developing a curriculum so that appropriate, targeted training is available for staff who need access either to top up any gaps in their skills or else to prepare them ahead of time for a change in their role. The benchmark can also be used by supervisors to help identify any shortfall in performance, as indicated in the Performance Assessment Feedback process, particularly where the shortfall can be attributed to a gap in the individual's competence. Supervisors and staff can use the standards as a prompt when negotiating the next cycle in the performance agreement.

#### Example of Competency Standards Framework for various Divisions in the Organisation

<i>Functional Areas within the Organisation</i>				
	<u>Division/Area 1</u>	Division/Area 2	Division/Area 3	Division/Area 4
Level 3 Managers	Manager	Manager	Manager	Manager
Level 2 Team Leaders	Team Leader	Team Leader	Team Leader	Team Leader
Level 1 Operational Staff	Operational Staff	Operational Staff	Operational Staff	Operational Staff

The development of these standards involves a Reference Group with representation from each level and from all regions and involving practitioners who are highly regarded for the quality of their work. The process of developing the standards involves facilitated workshop sessions using a methodology which is now highly refined. The process of developing the standards brings a focus to the procedures and processes used in the daily operations of the Division. This often leads to improvements with consequent improvement in efficiency and effectiveness. As with every activity that is part of the development of the education and training model, the workshop processes are recognised and facilitated as valuable learning experiences for all who are involved.



The development of the standards requires the commitment of resources and the facilitation of the processes by an expert. The standards must be validated before being released for general use. Standards must be reviewed regularly, or as soon as any change in legislation, policy or practices demands a change in the role and/or background knowledge required of the staff.

The standards are presented in a format in accordance with international guidelines. They are expressed in terms of:

- Units of competence
- Elements of Competence
- Performance Criteria
- Range Statement
- Evidence Guide

The challenge in developing the standards is to target a level which is a compromise between too much detail which results in a document that no one will use and a level which is so generic that it is difficult to develop a clear picture of what is expected.

### **Benefits of the Competency Standards:**

#### **For Management:**

The standards provide a clear statement of the level and range of competencies needed by staff in order to meet the business objectives of the unit/branch/division. They provide a benchmark against which individuals may be compared. The outcomes of such a comparison is either endorsement as a competent practitioner or identification of gap training needed to bring them up to standard. In the event that some external requirement for staff to be endorsed as competent before being allowed to practice (eg audit, investigator, surveillance etc), management can demonstrate compliance with such a requirement. Where substantial compliance with an external standard is a desirable objective, a mapping exercise can be used to demonstrate the extent of such compliance.

#### **For Staff:**

The benchmark provides a useful means of identifying any gaps that may exist in their personal knowledge or skills. They are useful for planning future career moves and in identifying the competencies, skills and knowledge required in positions which may be of interest within the scope of the career plan.

#### **For Supervisors:**

The benchmark standards are useful in helping to identify the training staff members will require to achieve either full competence in their current job, to plan training for future job requirements or to plan a long term development plan for the individual. The supervisor will be called upon to sign off after staff have practiced newly developed skills and knowledge in the workplace following attendance at a course of training or on recommendations from an RCC exercise. The supervisor will establish performance standards to be used in the Performance Assessment Process in conjunction with the benchmark competency standards.

**For Mentors:**

The mentor will use the standards to guide the provision of support and advice to his/her protégé. This will be done in conjunction with the requirements as outlined in the individual modules of study within the curriculum program.

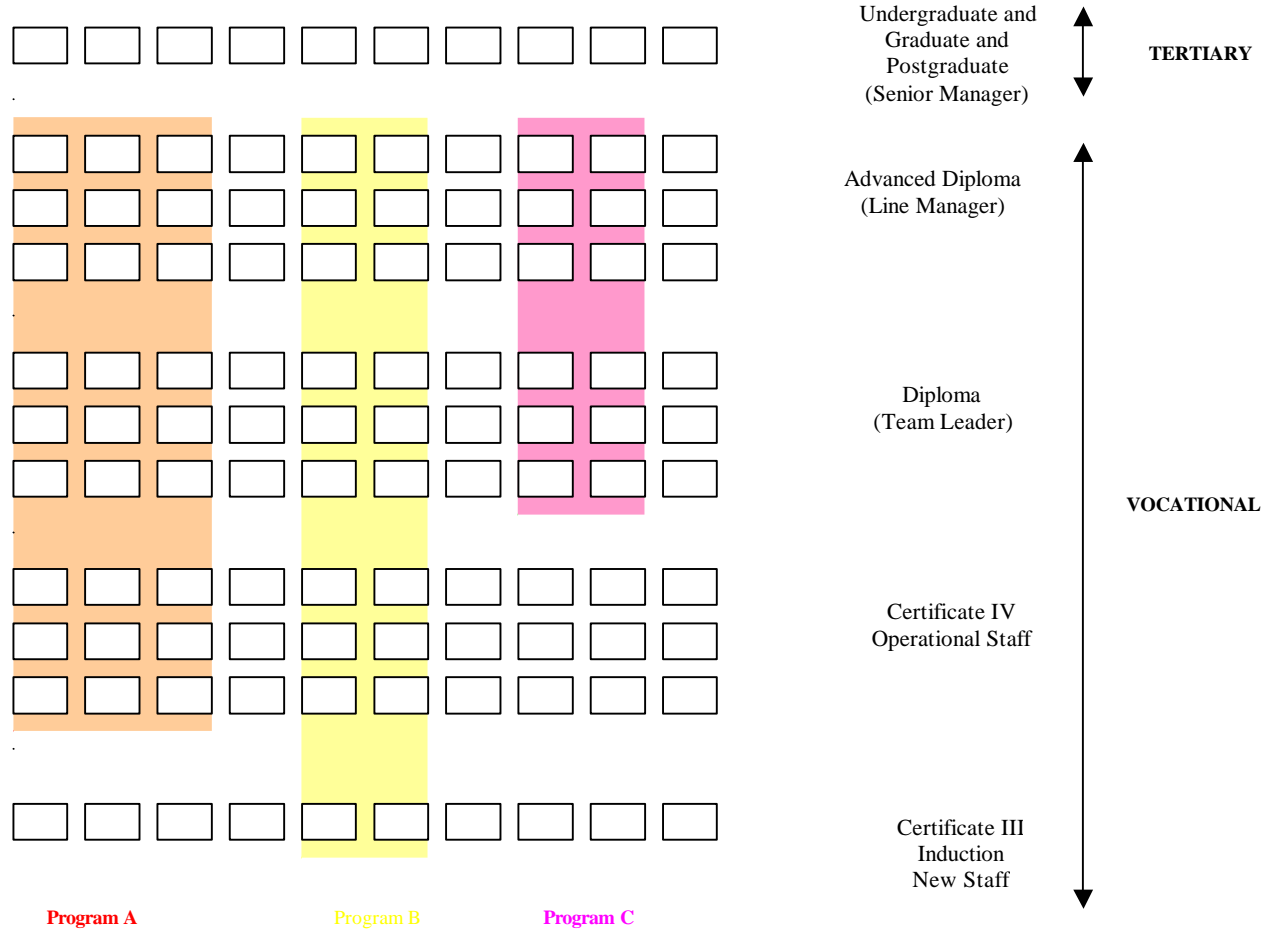
**B Skills Analysis**

The purpose of this process is to identify the skills, knowledge and attitudes required by officers to be effective in their role. The outcome of this analysis is the identification of skills in the following categories:

- ?? Specific technical skills
- ?? Generic skills eg thinking, decision-making, report writing, communicating, negotiation, teamwork etc
- ?? Management skills
- ?? Organisation-specific skills eg legislation, management information systems etc
- ?? Divisional-specific skills

The output from the skills analysis enables the curriculum framework to be developed. It permits the rationalisation of the design to minimise repetition of skill development where it is relevant to a number of activity areas. The skills analysis is done by a curriculum expert and generally does not involve any of the key stakeholders.

**D Curriculum Framework**



The model illustrated above shows a smorgasbord of modules or units, which are located on the curriculum framework according to their qualification level. The intention is that modules are available to staff on the basis of need identified principally as a result of the Performance Assessment Feedback Process. It is appropriate to illustrate clusters of modules that relate to a specific program eg finance management training that in turn lead to specific awards. However there must be no duplication of material. There must be access to all modules subject only to the participant meeting entry requirements or prerequisite requirements.

This framework enables modules to be accessed from other sources eg Polytechnics, universities etc. They will be shown on the framework at the appropriate level. They will be expected to meet the high quality standards of the training, education and professional development model.

**The Module Delivery Strategy**

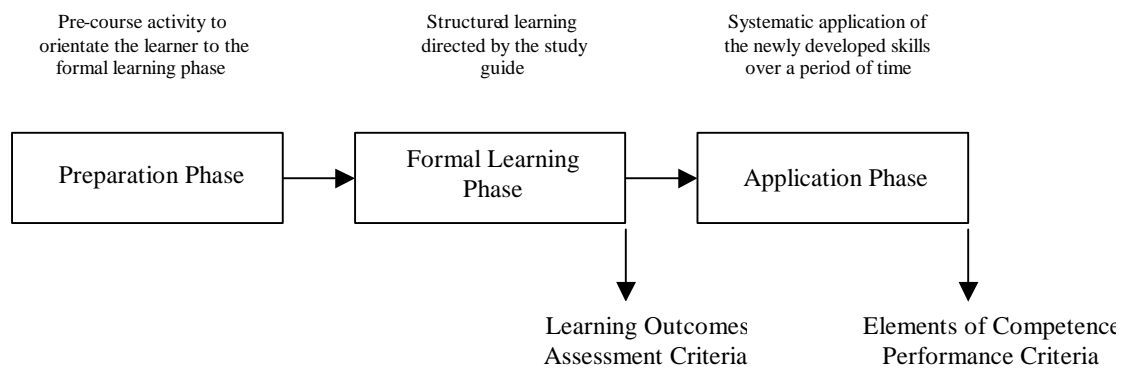
The strategy used to deliver the module, can be generally described as a flexible learning model. This is a broad term which includes everything from pure distance learning (which is not always successful for a number of learners) to a more traditional face-to-face format (which may be expensive if learners are widely

disbursed). There will be occasions when a particular module may be delivered in a distance mode. This will be the preferred mode where participants are scattered across the regions and where it is not cost-effective or otherwise beneficial to bring them to a central location for a face-to-face delivery. The same module may be delivered in a face-to-face mode where the numbers in a region warrant it. To cover all contingencies, the course notes are prepared so that they can be used in self-paced distance mode. They can also be used as lecture notes in a more traditional delivery. The disadvantages of pure self-paced distance learning are addressed through the use of a mentor, the use of learning groups and the provision of access to the course facilitator at scheduled times during the formal learning phase of the module.

Each module comprises three distinct phases of learning activity:

- ?The preliminary or pre-course phase encourages the learner to undertake pre-course orientation prior to beginning the formal phase. This may involve pre-course reading or short tasks that will aid the learning during the next phase. The learner is required to complete a Learning Agreement before commencing the course. This establishes the necessary agreements in order that the appropriate level of support is provided both during the formal learning as well as in the application phase.
- ?The formal learning phase is guided by the structured study guide in conjunction with advice from the facilitator. It may be distance or face-to-face or a mixture. Local study groups may be formed and be scheduled to meet at pre-arranged times to provide real-time access to the module facilitator. Teleconference, videoconference and email may be used as required.
- ?The Application Phase requires the learner to implement a learning agreement which sets out the requirement to put into practice the newly developed skills and knowledge in a structured, systematic way in the workplace. On successful completion of the learning agreement, the supervisor, or the local workplace assessor is required to sign off indicating that all requirements have been met.

**The Three Phases of the Module Delivery**



### **D The Recognition of Current Competence (RCC) Process**

This is a rigorous process which complies with international standards. It involves individuals providing evidence of their competence relative to the appropriate benchmark standard. This is done in part through a written submission and in part through evidence provided at an assessment interview. The interview and the overall assessment is performed by a qualified panel. When an individual can be shown to be currently competent against a benchmark, they are entitled to endorsement and to any qualification or award that is relevant. This obviates the need for an officer to undergo training when they clearly are competent.

### **E The Performance Assessment Feedback Process**

It is important that access to education, training and development is based upon sound decision making and not on some ad-hoc basis. The decision to recommend training is based upon:

- ?? The need to meet the immediate need of the workplace through the application of relevant skills and knowledge;
- ?? The need to overcome any shortfall in performance through inadequate level of competency;
- ?? The need to meet changes in the procedures, processes and systems in the workplace;
- ?? The need to meet anticipated changes in the role of the individual;
- ?? The need to meet the more generic requirements for being an effective member of staff;
- ?? The need to develop skills and knowledge to support career development.

Supervisors should have in mind the curriculum framework as they discuss with their staff the expectations of the next twelve month cycle.

### **G Communication Plan**

It is accepted that training and development is an integral part of the everyday business of staff in the organisation. At any time there will be staff involved as participants, as writers, as facilitators, as mentors. Managers will need to make allowances for staff involvement. They should also be aware of the value of effective training and be prepared to balance the cost of involvement in the program against the benefits it brings.

To keep busy managers informed and to remind staff of their obligation to maintain the currency of their competencies, it is necessary to have in place an effective promotion and communication strategy.

The purpose of such a strategy is to provide comprehensive information on training to the various stakeholder groups within the organisation, external to the organisation and as appropriate, internationally.

A formal strategy using a combination of print-based materials, briefings and presentations has been developed. Apart from the formal approach to informing stakeholders, it is recognised that many of the activities related to the design and

development of the program are informative where they involve staff in the activity. For example, the work of the focus group, reference groups, RCC panels etc involve a large number of staff and in the process, provide a detailed level of understanding of the program. It is expected that participants in these activities will, in turn, brief their staff and colleagues.

As part of the communication strategy, attention is paid to the format, layout and presentation of all written materials in order to create the image of a desirable, quality product.

### **H The Quality Plan**

A comprehensive quality plan has been developed. The plan details the various processes that are part of the education and training framework, identifies the quality criteria, describes an appropriate quality assurance process as well as the means by which quality is controlled. The plan is consistent with the principles outlined in the international quality standards ISO 9000:2000.

### **I The Evaluation Plan**

Evaluation is an important process which ensures the planning, design, delivery and assessment of a course meets the needs of the organisation and the learner. An effective evaluation strategy is based upon clearly annotated objectives and recognises the needs of all key stakeholders. The evaluation strategy includes a number of instruments, each specifically designed to gather evidence upon which judgements may be formed and recommendations made.

The approach used includes six discrete instruments, each conducted at a particular point in the learning cycle, and each designed to enable improvement to the program in a particular area.

The evaluation kit describes the overall strategy and contains all the tools required to administer a comprehensive evaluation of the program. It includes:

- ?? An explanation of the strategy;
- ?? Instructions for administering the evaluation strategy;
- ?? Copies of the specific evaluation instruments;
- ?? Instructions for the handling, and storage of data;
- ?? Instructions for the analysis of the data.

It is recognised that a number of factors impact upon the participants' success in achieving the desired learning outcomes and in transferring the skills and knowledge to the workplace context. These include:

- ?? recognition on the part of the learner of the need for new skills and knowledge;
- ?? entry level skills of participants;
- ?? orientation to the course;
- ?? the motivation to learn;

- ?? presentation of the course material;
- ?? support provided to the learner;
- ?? feedback provided to the learner.

A course which is regarded as successful by the key stakeholders takes into account all of these factors. Despite the best endeavour of course designers and facilitators to anticipate the needs of learners, it is necessary to monitor their development and progress, to ensure that their needs are met and that the desired standards of performance are achieved.

## 6 Implementation

When the components of this training, education and professional development program have been developed for the organisation, it is necessary to consider implementation. With this model in mind, it is possible to approach institutions eg polytechnics and universities and negotiate their input. It is important however that the providers deliver faithfully to the model so that learners can effectively articulate their learning and their qualifications across the various levels.

## 7 Summary:

This paper identifies an integrated approach to the design, development and delivery of a comprehensive education, training and development program, one which directly assists achievement of corporate objectives through the development of staff competencies. It directly assists in the delivery of a more effective workforce and it fosters a learning culture that helps the organisation adapt to an everchanging future. It provides the basis for negotiating with external providers to deliver elements of the program within the context of the organisation. It provides the basis for a partnership in which both parties gain considerably from a mature relationship that is more than a provider-client one. The benefit to staff is access to qualifications and access to smooth articulation from induction through to masters.

In addition to providing the broad framework, this approach also include:

- ?? publicity material in a number of forms which informs everyone from CEO to new recruit
- ?? modules available in flexible delivery (which can be face-to-face through to electronic self-paced)
- ?? Writers Guide for any internal staff who are allocated the task of writing materials
- ?? Facilitators guide to assist those delivering the program
- ?? Mentors guide to assist those acting as mentors in the workplace
- ?? Workplace Assessors guide to assist those responsible for assessing staff competence
- ?? Quality Plan
- ?? Evaluation Strategy
- ?? Communication Plan
- ?? Train-the-trainer program

**Attachment E: List Of Meetings and Activity**

Date Day	Activity
23-Jan Wed	Transit from Brisbane
24-Jan Thu	Review of materials provided on arrival byAMIR
25-Jan Fri	Off
26-Jan Sat	Prepare notes on materials from AMIR, UNCTAD and related materials
27-Jan Sun	Continue to review / prepare notes on Transits
28-Jan Mon	Meetings with Customs Head Office Directors Projects and ASYCUDA Eng. Marwan Gharaibeh & Eng. Mahmuud Wafa
29-Jan Tue	Amman Aircargo Meeting w Director and system walkthpogh Mr. Abdel-wahhib Al-Sarayeh
30-Jan Wed	Jaber Site Meeting with Director Director Projects and system walkthpogh Mr. Fadi Makhoulf
31-Jan Thu	Read Final report on Enforcement
1-Feb Fri	Off
2-Feb Sat	Prepare materials for plan travel to Aquaba
3-Feb Sun	Meetings with ANZSR & Aquaba staff of ANZSER & Customs walkthrough systems
4-Feb Mon	Process review Israel and Al Araba checkpoints
5-Feb Tue	Prepare transit overview document for USAID
6-Feb Wed	Meeting with Director Transit Mr. Saleh Al Zurgan
7-Feb Thu	Meeting with USAID Prepare materials on Customs Accreditation
8-Feb Fri	Off
9-Feb Sat	Write procedures and overview briefs
10-Feb Sun	Write procedures and overview briefs prioritise workplan
11-Feb Mon	Write proposal for Customs Education and Training.
12-Feb Tue	Review Customs Training proposal from CU.
13-Feb Wed	Review Transit Instruction against Kyoto 2000
14-Feb Thu	Review Transit Instruction against Kyoto 2000
15-Feb Fri	Off
16-Feb Sat	Prepare flowcharts of workplan
17-Feb Sun	Prepare flowcharts of workplan
18-Feb Mon	Meet with Directors It, Transit and Risk Management Ms. Somayeh Al-Wohonsh, Mr. Saleh Al-Zurgan & Eng. Jawdat Al-Gassim
19-Feb Tue	Prepare report, arrange for Health-ASEZA link
20-Feb Wed	Develop KRAs & Write and deliver report for period
21-Feb Thu	Transit
22-Feb Fri	Arrive Brisbane