

Customs Modernization in Jordan

Since at least 1997, Jordanian Customs has demonstrated a clear commitment to improve the efficiency of customs clearance processes and border controls in order to facilitate trade and to combat illegal commerce. The use of information technologies, better methods and equipment, and improved coordination between government authorities and international trading companies has been prioritized.

Implementation of a Customs Administration Modernization Programme in Jordan

Jordan Customs (JCD) and the Aqaba Special Economic Zone Customs (ASEZC) began customs modernization in 1997 with the implementation of ASYCUDA++. At that time, the modernization programme was driven by the need for the government to increase revenue collection, to improve integrity and transparency in customs services, and to shift its operational principles away from its traditional role as a revenue-generating department. The ASYCUDA++ customs clearance application that had been fully operational since 1999 contributed to simpler customs clearance and release procedures. Trade statistics were more accurate and up-to-date. Revenues were constant despite significant reductions in duty rates.

Jordan Customs and ASEZC continued the modernization programme in late 2006. The programme was driven by the need for the government to strengthen trade facilitation and border protection. This 3-year Customs Administration Modernization programme was funded by the United States Millennium Challenge Corporation (MCC) and administered by the US Agency for International Development (USAID). It had four components:

- > Establishment of Single Window locations at several border posts

and inland customs centres, which included the installation of CCTV systems and advanced X-ray cargo inspection systems at border sites.

- > Upgrade of Jordan Customs' automated clearance system from ASYCUDA++ to ASYCUDAWorld and the ICT infrastructure, including hardware, software and telecommunication equipment required for: 1) the operation of ASYCUDAWorld; 2) the upgrade of the data centre at the Jordan Customs headquarters; 3) the construction of an offsite disaster recovery centre; and 4) the installation of integrated gate control systems where vehicles were allowed to enter and exit customs depots only when their electronic card showed that they had completed all the regulatory requirements.
- > Capacity strengthening, which included: 1) the provision of training on how to use the new ICT systems to more than 1,900 customs officers, business users and brokers, as well as technical assistance to address bottlenecks in various areas; and 2) the use of GPS devices on transit vehicles to track their movement through the Kingdom.
- > Improvement of communications between Jordan Customs and the business community through customs service centres, a public outreach campaign, a public relations department and a website.





The Jordanian customs modernization programme involved two customs authorities: Jordan Customs and the Aqaba Special Economic Zone Customs (ASEZC). Their cooperation was arranged through a Memorandum of Understanding (MoU) between the two authorities.

Governance of 2006 Customs Modernization Programme

Necessary institutional arrangements were made, in particular for the implementation of ASYCUDAWorld. The steering committee responsible for allocating the necessary resources and approving project strategies, direction, scope and milestones was established prior to the focusing workshop; a national project manager, component project managers and component project teams were identified shortly afterwards.

Institutional Arrangements for the Implementation of ASYCUDAWorld

Roles	Key Responsibilities
National Project Manager	<ul style="list-style-type: none"> › Works closely with the individual component project managers to steer the overall project and its subcomponents toward achieving the intended business results (coordinates and integrates the subprojects). › Controls the project › Ensures that project objectives remain consistent with the overall business strategy and conform to schedule, budget and quality criteria
Component Managers	<ul style="list-style-type: none"> › Ensure that the agreed products or services are delivered within the agreed budget, schedule and quality criteria › Reports progress, issues, risks and definitions to the national project manager
Component Project Team (consisting of both business and IT people)	<ul style="list-style-type: none"> › Review and align customs procedures with the Revised Kyoto Convention and security standards plus best practices with the WCO Framework of Standards › Install, configure, test and maintain hardware and software including ASYCUDAWorld › Organize training

According to initial cost estimates from Jordan Customs and ASEZC, the cost of ASYCUDA World implementation was USD 6 million, and the running costs for the first year were USD 900,000. The sum of about USD 6 million covered:

- › USD 1.8 million incurred to UNCTAD, the provider of ASYCUDA World; and
- › An investment of USD 4.5 million to upgrade telecommunication infrastructures, including the construction of a state-of-the-art data centre at the Jordan Customs headquarters, the construction of an offsite disaster recovery centre, and the installation of automated security gate systems that were later linked to ASYCUDA World.

Single Window Implementation – Achievements So Far

The implementation of physical Single Windows at several border posts and inland customs centres was Jordan Customs' effort to provide a single focal point (window) where traders could submit information required for the government's administration of cross-border trade. The Single Windows facilitated the sharing of information as it brought various government agencies involved in trade transactions into one location. Once the information was submitted, it could be easily routed to all relevant agencies, who then carried out the required checks.

Financial support from the MCC enabled the implementation of Single Windows in its initial stage. It contributed to:

- › Physical renovations of customs offices to accommodate ASYCUDAWorld workflow and co-locate officers from four government agencies, including Jordan Customs, Ministry of Agriculture, Jordan Standards and Metrology Organization, and the Food and Drug Administration;
- › Streamlining of manual operations among these agencies to accommodate ASYCUDAWorld workflow and paperless processing (including the analysis of current and the design of future processes);
- › Provision of on-the-job training to selected Government of Jordan officials and staff as scheduled in the annual training plan;



- Deployment of ASYCUDAWorld to facilitate the submission of manifest, customs clearance, customs release, risk management, bonded and warehouses management, and transit at six Single Window locations; and
- The operation of six Single Window locations with partial automation of customs procedures by mid-2009.

With assistance from the USAID Financial Reform II project (which began in November 2009), Jordan Customs were able to continue the Single Window initiative. In 2010, it opened two additional Single Window locations. In 2011, it brought three additional government agencies on board (i.e. Ministry of Environment, Jordan Telecom, and Nuclear Regulatory Commission).

Since then, significant efforts have been made towards the automation of Single Windows to enable customs declaration information to be reviewed simultaneously and electronically from any participating government agency.

- Memorandums of Understandings between Jordan Customs and the participating government agencies were established. The objective of the MoUs was to organize cargo processing within the Single Window framework, especially for management, operational coordination and information exchange functions. With these MoUs, Jordan Customs is allowed to:
 - 1) assume administrative supervision of the activities performed by participating government agencies;
 - 2) foster the exchange of information among all government agencies involved; and
 - 3) push the adoption of ASYCUDAWorld as a tool to facilitate information-sharing during risk management processes.
- All participating government agencies have completed development of their own UNTDED-based standardized data set. The next step will be to develop a mechanism to define how the exchange of such data and information will be accomplished, what information can be exchanged, the timing of the exchange, and how to use this information.
- National laws and regulations on the exchange of data and information were reviewed. The review suggested that there is no legal impediment to streamlining all participating government agencies' procedures and the electronic sharing of information submitted by traders. However, the Government

of Jordan has still not authorized the use of electronic signatures. Electronic data from systems such as ASYCUDAWorld are still not legally recognized in court. Jordan Customs is well aware of this issue and plans to resolve it.

Future Activities

Jordan Customs will continue to eliminate inefficiencies in procedures related to border control in areas under its jurisdiction and the jurisdiction of other border agencies. Necessary technical and legal arrangements will be made to authorize the use of electronic signatures and to enable electronic fund transfers for duty and fee payment and the electronic sharing of data among agencies involved in border control. Electronic interconnectivity will be expanded to cover the electronic sharing of data between Jordan and neighbouring countries, including Syria, Saudi Arabia, Iraq and Qatar. Jordan Customs is examining the use of technologies such as cloud computing in its electronic customs initiative.

Jordan Customs also plans to enhance ASYCUDAWorld by adding new modules, such as facilitated customs valuation of goods, passenger processing, goods seizures, and the archiving of customs declarations. It will continue to audit companies and will add to the Golden List those that comply with customs requirements.

Impacts of the Customs Modernization Programme

Led by Jordan Customs and supported by USAID [under the United States Millennium Challenge Corporation (MCC) programme and the Fiscal Reform II project], customs modernization, including Single Windows that now covers 80% of all customs transactions in Jordan, has improved the performance of government agencies in charge of border control. It has contributed to reductions of many days in both import and export process times.

	2006	2007	2008	2009	2010	2011
Time to export (days)*	28	19	19	17	14	13
Time to import (days)**	28	22	22	19	18	15

* <http://data.worldbank.org/indicator/IC.exp.DURS>

**<http://data.worldbank.org/indicator/IC.IMP.DURS>



Lessons Learned

The success of the project was ensured through:

- > full commitment and support from Jordan Customs and ASEZC senior managers;
- > a mechanism that enabled Jordan Customs and ASEZC to maintain sound working relationships at both business and technical levels;
- > sufficient funding;
- > sufficient resources, including competent customs officers and a state-of-the-art communication network;
- > a sound legal framework;
- > clear identification of the scope as well as business areas common to both Jordan Customs and ASEZC;
- > the use of best practices in project management, i.e. “A Guide to the Project Management Body of Knowledge” Third Edition (ANSI/PMI 99-1-2004) developed by the Project Management Institute;
- > good rapport with the public, mediated by close communication about the progress of the modernization programme via the website; and
- > effective participation in international agreements and the WCO.

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