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**Final Project Review Report**

**[2018-2022]**

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| **Project Title: Introduction of the integrated information system ASYCUDA World in Turkmenistan** |
| **Project ID: 00107637**  **Output ID: 00107885**  **Project Duration: 01.07.2018-31.12.2018**  **Extension(s): 01.07.2020-31.07.2021; 01.08.2021-31.08.22**  **Implementing Partner: State Customs Service of Turkmenistan**  **Total Budget: $ 1,854,146.00**  **CO Focal Points: Akmyrat Danatarov, Programme Specialist**  **Report Prepared By: Aleksey Sopyyev, Project Manager**  **Date of Report: 2022** |

1. **SUMMARY**

The goal of the project was to launch ASYCUDA World integrated customs information system for Turkmenistan’s State Customs Service in line with the objectives set out in the Turkmenistan-UN Sustainable Development Partnership Framework 2021-2025 and before that Turkmenistan-UN Partnership Framework for Development 2016-2020, and the Country Programme Document.

The goal of the project was to enhance and modernize technical capacity of the State Customs Service of Turkmenistan by introducing digital systems into daily operations of the State Customs Offices and outposts throughout the country.

In longer perspective this project purported to improve state institutions, increase transparency and financial management.

The project has established a technological core for the further digital transformation in foreign trade particularly and has launched new domain to build transformative larger-scale digital ecosystems in trade. The project has achieved further results to produce positive shifts towards Turkmenistan’s WTO accession by creating practical toolkit for trade facilitation in line with the country’s Foreign Trade Strategy 2020-2030. The transformative technological solution represented by ASYCUDA World shall induce further ideation process to generate bigger tangible results in harmonizing, standardizng and simplifying customs procedures. Within the project’s framework the State Customs Service has received additional radio equipment to improve connectivity among its personnel deployed in remote areas.

UNCTAD technical specialists have set up physical infrastructure and digital environment for ASYCUDA World. They have successfully deployed the national electronic customs declaration portal. The portal is being piloted to test its capacity in local settings and have private-sector companies acclimated to use the digital system in their export and import operations.

The State Customs Service of Turkmenistan is a government agency that maintains state policies regulates customs service of Turkmenistan by ensuring compliance with Turkmenistan’s international obligations in the field of customs, combats smuggling and other crimes, administrative offences in the areas of concern. The State Customs Service of Turkmenistan was established on November 4, 1991. In 1993 Turkmenistan has acceded to the World Customs Organization.

To grow and expand further, the State Customs Service of Turkmenistan has prioritized:

1) improving national customs legislation and regulations to comply with the basic principles of international law.

2) improving institutional structure of the customs authorities.

3) strengthening technical and operational capacity of the Customs Service and its regional border offices and posts through modern satellite communication system and by implementing electronic exchange systems.

Taking these priority areas into account, the State Customs Service of Turkmenistan has engaged the UN Conference on Trade and Development (UNCTAD) to sign Agreement on Technical Cooperation to implement integrated customs information system based on the newest version of ASYCUDA World platform. The project specifically aims to increase operational capacity through introduction of modern digital customs declaration processing infrastructure for export, import, transit, and risk-management. It will amplify efficiency of fiscal and control functions in the State Customs Service of Turkmenistan, which include measures to prevent or fight graft and corruption, smuggling, drug trafficking and other violations. In the long run, the project will help expanding Turkmenistan’s transit potential and ensure country’s readiness for international trade in general and particularly for the WTO accession.

In this current setting the project has created substantial technological base and infrastructure that may catalyse further trade facilitation measures to amplify the country’s export and import potential.

**REVIEW OF PROGRESS AND RESULTS ACHIEVED**

The State Customs Service (SCS) of Turkmenistan aimed at modernizing and automating Customs procedures, as a first step towards the building of a Single Window for trade.

The State Customs Service sought to modernize customs procedures, facilitate the electronic declaration of goods, introduce a fully integrated customs tariff, improve monitoring and control of transit operations, implement modern risk management systems in accordance with international standards and best practices, and integrate PGAs.

SCS supported by ASYCUDA, implemented a technical cooperation project to introduce ASYCUDA World to further improve the operational capacity of Customs, as well as facilitate fair trade, strengthen the country's capacity for transit and ensure economic growth.

ASYCUDA World Integrated Customs Information System was implemented in all automated customs offices in Turkmenistan in June 2020, including:

• Fully translated documents and operations to Turkmenistan

• Automation of transit in national and regional corridors

• Flexible environment for composing own reports

• Enhanced statistics reporting module to meet Turkmenistan Customs requirements

• Trade data exchange with Afghanistan

• Processing of Real-Time SafeTIR to manage the use of TIR carnets in accordance with international standards.

The success of the modernization of Customs project through the implementation of ASYCUDAWorld led Turkmenistan Government to request for the building of an ASYCUDA-based Customs-centric Single Window involving 16 PGAs.

The goal of the ASYCUDA Global introduction was to reinforce Turkmenistan’s competitive export and import advantages by digitizing customs declaration process. ASYCUDA through its risk management mechanism and single-entry of data principle will make the customs declaration process speedier, more transparent and harmonized.

In the project’s first stage, the State Customs Service of Turkmenistan together created the list of the required hardware and software. In the following two stages UNDP and UNCTAD have assisted SCST in ordering and purchasing the list of hard and soft components and training specialists.

**Result 1: State Customs Service of Turkmenistan has enhanced its technical and operational capacity to implement ASYCUDA World system.**

The result had three planned activities, which were finalization of the combined hardware and software requirements and equipment list, followed by procurement and installation of the IT equipment and software, services. Third major activity was to train IT administrators for the State Customs Service of Turkmenistan.

*OUTCOMES:*

* Simplified/harmonized Customs procedures and documentation used consistently nationwide
* Increased accuracy of customs transactions,
* Increased State Customs Service of Turkmenistan operational capacity to fight corruption and other infringements
* Increased efficiency of transit monitoring
* Improved access of trade to Customs information
* Improved monitoring of efficiency
* ICIS is sustainable and adaptable for any technological and legislative changes

*PROJECT IMPACT:*

* Increased Customs revenue channeled for economic development & social needs
* Increased conformity with international standards
* Strengthened transit capacity of the country
* Increased participation in international and regional trade
* Favorable conditions for trade and employment
* Strengthened economic governance and public institutions
* Reduced corruption rate
* Improved working conditions for women through application of ICT technology

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| Project  output | Project output indicator | Achievements against indicators (quantitative only) |
| **Result 1:**  State Customs Service of Turkmenistan enhanced its technical and operational capacity to implement ASYCUDA World system | 1.1 The list of required hardware, ICT and software is finalized | 100% |
| 1.2. Purchased hardware, ICT infrastructure and supporting software is in place | 100% |

1. **SUSTAINABILITY OF RESULTS**

Based on 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals requires countries to mobilize more government resources and to better collect, process and analyze data on the sources of revenue at their disposal. In Turkmenistan, like in other developing countries, customs revenue constitutes a significant source of domestic resources potentially available to mobilize for development.

The UNCTAD ASYCUDA World programme works to both increase the effective collection of customs revenue and strengthen State Customs Service of Turkmenistan for customs data collection, increasing government revenues from trade and producing trade-related statistics through its customs automation, modernization and reform project.

The project has created a sustainable digital platform to facilitate trade (export and import), which covered State Customs Service of Turkmenistan and its border posts. The digital platform represents basic trade facilitation means for exporters and importers in Turkmenistan. Noticeably most of the global efforts to facilitate trade relate to improvement in customs procedures. ASYCUDA World is the first step in technological advancement to progress towards Turkmenistan’s adhering to the international standards in trade facilitation. This platform represents an advancement towards adopting several mechanisms, which will harmonize, standardize, and simplify export and import process.

ASYCUDA World’s sustainability is ensured through its use by the private sector and its further expansion

ASYCUDA’s sustainability and most importantly relevance is maintained by Turkmenistan’s intention to accede into the WTO, whose accession algorithm envisages having digital trade facilitation instruments akin to ASYCUDA World.

**Risk Log:**

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| **Description of risk** | **Type and category** | **Risk management actions** | **Current situation** |
| **Limitations related to COVID-19 pandemic** | **Health and Safety** | **Expedited pruchsing activity** | **Completed** |

**PROJECT FINANCIAL STATUS AND UTILISATION**

The total Government cost sharing fund contribution to the project was allocated USD 1,826,946.00

*Financial Summary (as of 6 Dec 2022)*

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| **Activity** | **Fund** | **Project budget expenditure (USD)** | | | | | **Total Spent** | **Total Income** | **Balance** |
| **2018** | **2019** | **2020** | **2021** | **2022** |  |  |  |
| **Activity 1** State Customs Service of Turkmenistan enhanced its technical and operational capacity to implement ASYCUDA World system | Government Cost sharing | 920.21 | 1,441,695.32 | 73,745.12 | 231,541.15 | 78,505.82 |  |  |  |
| Grand Total project |  | 920.21 | 1,441,695.32 | 73,745.12 | 231,541.15 | 78,655.79 | 1,826,557.59 | $ 1,854,146.00 (Prodoc)  1,826,946.00 (ATLAS) | 388.41 |

**PROJECT LESSONS-LEARNED REPORT**

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| **Project Title:** | Introducing Customs Integrated Information System ASYCUDA World in Turkmenistan |
| **Country:** | Turkmenistan |
| **Related CPAP Outcome** | Contributing Outcome 7 of the UN-TKM PFD and Output 3.4 of UNDP CPAP 2016-2020:  Strategies and simplified regulations are in place to promote high quality inclusive employment through sustainable economic diversification program. |
| **Project Description and Key Lessons-Learned** | |
| **Brief description of context** | Technologically ASYCUDA represents an advanced customs resource management system, which requires having a solid technical base, which includes services and appropriate digital environment. These main factors were not in place. The State Customs Service of Turkmenistan also never had adequate technical expertise to run and maintain ASYCUDA. Neither the end users in Turkmenistan’s private sector were prepared to adapt ASYCUDA. Main challenge to the introduction were rather related to perception and country’s state management and services system heavily dependent on paper document circulation. UNCTAD’s intervention to introduce ASYCUDA was not a mere exercise in technological advancement it was an attempt to change a perception and digitize age-old paper-based document circulation. Despite ASYCUDA’s clear advantage, paper documents are still widely used in customs export and import operations. |
| **Brief description of project** | * The main issue of the project in the long-run was to prepare technical grounds for digitalization of governance process. Ultimately, launch of ASYCUDA addresses trade facilitation agenda, to which Turkmenistan chooses to adhere to prepare itself for WTO accession. ASYCUDA represents a technological step towards trade facilitation. * The project had dual purpose to digitize and automate customs clearance process and to build up a technological basis for trade facilitation. * The project’s most important outcome was the launch of the ASYCUDA portal though in testing mode is being used by private-sector companies in Turkmenistan. The paper document circulation has not been eliminated by Turkmenistan. The project will serve as a stepping ground for trade facilitation measures through technological advancement. The advancement will entail creation of digital trade facilitation ecosystems. |
| **Key project successes** | * ASYCUDA has been successfully launched and will be used as foundational element to develop single window portal to automate export and import operations in Turkmenistan. Additionally, the project has grown into another project, which will include ASYCUDA as a core element. * There is an overall political will and emerging legal environment to launch and implement digital governance systems. UNCTAD has had substantial technical expertise in launching ASYCUDA. |
| **Project shortcomings and solutions** | * ASYCUDA’s launch largely depended on foreign technical expertise. State customs authorities were not technically prepared to adapt the system. Immediately after the launch of the system the State Customs Service understood the need to train it personnel to run and maintain the system. The trainings did not materialize because of travel restrictions caused by COVID-19. * UNCTAD had reserved some budget to hire and train local talent to the extent possible to sustain the ASYCUDA’s functioning. As of now the maintenance work continues within Single Window for export and import operations, another project that uses ASYCUDA as a core * The project has achieved its desired outcome, AYSCUDA World was successfully launched and put into function. Moreover, saved costs, generated by the travel restrictions, as inability to travel for study tours and trainings saved resources, |
| **Lessons learned** | * The project should have envisaged larger training segment to leave bigger technical expertise on the ground in Turkmenistan. Proliferation of technical knowledge and economic theories underlying ASYCUDA’s digital mechanism should have been made a top priority. This would help to avoid unnecessary dependence on the international human resource to run the ASYCUDA portal. Besides the project needed to have created a special entity either private or state-owned enterprise to steer and manage the ASYCUDA. Having the system left at the State Customs Service as a mere technological novelty without appropriate human resource to maintain and manage will lead to the systems complete obliteration. An effort should be made to invite either privately-owned or state-owned IT companies or government institutions to maintain the system in appropriate technical condition and keep it updated and upgraded. * The project is a small ingredient of a bigger digitalization process in the country generally and in trade particularly. Turkmenistan’s government may consider steps to cater to the advancements in digitalization by dedicating more of its resources to train personnel, create special trade schools or courses to concentrate qualified human resource to sustain projects of the kind and expand beyond their scopes. * Technical trainings need to be online and should not be tied to a particular geographical location. Better to have local vendors for the main software solutions used in this type of digital platforms. Having several trainers trained to run the platform is another issue to consider. * How easy would it be to replicate the successes in a different context/ country? Once the technological core of ASYCUDA is established it will be much easy to replicate the project’s success. The project, which follows up and builds up its framework on ASYCUDA is Single Window for Export and Import Operations. The Single Window is founded on ASYCUDA and will combine with it in a joint portal along with other online applications, which harmonize, standardize, and simplify export and import procedures. |
| **Follow-up Actions** | The ASYCUDA produced robust basis to create Single Window for Export and Import operations. SCST has acquired adequate knowledge and expertise to navigate and own this new Single Window project to enhance its digital capacities to accommodate pressing need for trade facilitation. |

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| **Project Information** | |
| **Award ID:** | 00107637 |
| **CO Focal Points:** | Akmyrat Danatarov, Analyst: [akmyrat.danatarov@undp.org](mailto:akmyrat.danatarov@undp.org)  Aleksey Sopyyev: [aleksey.sopyyev@undp.org](mailto:aleksey.sopyyev@undp.org) |
| **Partners:** | State Customs Service of Turkmenistan; UNCTAD. |
| **Project resources:** | https://www.tm.undp.org/content/turkmenistan/en/home/projects/single-window-for-export-import-operations.html |
| **Report prepared by:** | Aleksey Sopyyev, Project Manager |
| **Date:** | 20.07.2022 |

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