IF Trust Fund Project 4: Support to Maldives Customs Service to upgrade ASYCUDA

Project Duration:	**1.5 years**	**Budget:**	**US$ 160,000**
Implementing Partner:	**United Nations Conference on Trade and Development, UNCTAD**		
DTIS Recommendations:	**DTIS Action Matrix Area 4. Customs Services and Transport Infrastructure**	▪ **Government**	
Expected Outcomes:	**Improved Trade facilitation and customs accountability to traders**	▪ **IF Trust Fund Window 2**	**US$ 160,000**
Management Arrangement:	**Ministry of Economic Development and Trade (MEDT) and Maldives Customs Service**	▪ **Other**	-

Section I

PART 1. SITUATION ANALYSIS

The Maldives Customs Service has vigorously strove to improve its services to its customers in recent years. This has included the successful introduction of ASYCUDA (UNCTAD –sponsored software for Customs data processing) in 1994 and upgraded the software in 1999 to ASYCUDA++ using Informix relational database system, and again in February 2004 to the Oracle relational database system. Despite these efforts, the impact on traders has been limited to the extent that access to the computerised system is limited to few customs points and the Electronic Data Interchange (EDI) service provided through the ASYCUDA++ architecture to over 30 traders is costly (direct dial up service into the system) and roll out to other stakeholders has been limited. Therefore a web based approach (as provided by AscudaWorld) would allow traders to save time in physically coming to Customs offices (which is often difficult in a country with more than 200 inhabited islands over a highly disbursed geography) and reduce transaction costs, improving efficiency of customs and improving national competitiveness.

PART 2. STRATEGY

The objective of this project is to assist the Maldives Customs Service to upgrade and migrate to ASYCUDAWorld (Developed by UNCTAD based on internet related technologies, which provides client-service provider interface in a much broader matrix than ASYCUDA++). The upgrade from ASYCUDA++ to ASYCUDAWorld will allow Customs to provide more efficient access to trade facilitation measures and initiatives to all stakeholders in Maldives.

In order to improve trade facilitation the project will undertake the following tasks:

1) Critical review/Quality Assurance of existing ASYCUDA automated processes:
   a) Functional procedures.
   b) IT set-up and technology in use.
2) Train the IT team who will be responsible for ensuring the system security, integrity and future development of the system in modernizing Customs.
   a) Specific training (JAVA, ORACLE)
   b) Identify a feasible training program and timing in Consultation with UNCTAD.
3) IT team to upgrade of ASYCUDA++ 1.16 to 1.18 :
   a) Revision and acceptance plan.
   b) Staggered upgrade of ASYCUDA++ in all Customs offices.
4) MCS team to familiarise with ASYCUDA World :
   a) Training on ASYCUDA World and underlying technology
5) Long term co-operation and support from UNCTAD to ensure sustainability of the modernisation and automation process, including:
   a) Online Web based support.
   b) Technical assistance missions.
   c) Training as required for new and/or revised automated processes and new releases of the ASYCUDA software.

6) Ongoing Development/Utilisation of Local Specialists:
   a) Develop and broaden the skills-base of national staff in ASYCUDA++.
   b) Upgrade knowledge and skills of local ASYCUDA specialists.
   c) Increase use of local ASYCUDA specialists in Regional support mechanism.

Strategic Area of Support

- DTIS Action Matrix Area 4. Customs Services and Transport Infrastructure

Intended Outcome as Specified in the DTIS Action Matrix

4.1 Reduce transaction cost by carrying out a post-implementation review of the existing ASYCUDA++ to meet the WTO-GATT Valuation Agreement.

4.2 Continue towards full automation of customs processes by implementing the remaining parts of ASYCUDA World (the fully automated package for customs clearance and document processing using EDI).

4.3 Provide customs agents with further technical training with a view to making the clearance and movement of goods more effective and efficient.

Outcome Indicators

- At the end of the project Customs will have a upgraded ASYCUDA++ 1.16 to 1.18;
- IT team will be trained in ASYCUDAWorld and underlying technology, implemented ASYCUDAWorld and;
- Customs will have staff with the necessary knowledge and skills to modernize Customs in the field of ICT.

Partnership Strategy

- The project would be coordinated among the MEDT and the MCS.;
- The project team will also work with traders to better understand their requirements for the system.

PART 3. MANAGEMENT ARRANGEMENTS

The project will be nationally executed by Customs under the overall supervision of Head of Customs, Executive Director.

Executive Director will select an IT team comprising of 8 members, and a technical committee including staff from various other sections.

PART 4. MONITORING AND EVALUATION

Quarterly project monitoring reports will be prepared by Customs and Submitted to MEDT within one month of the end of the quarter.

Section II. Results and Resources Framework

Specific outputs will be:

1. Software: The ASYCUDAWorld includes the functionality of Valuation Expert System which reduces the loss of revenue during the introduction of Article 7. (General customs income increase (easier detection of under valuations)) and also this includes additional features in line with the WCO FAST (Free and Secure Trade) and Container Control initiatives. ASYCUDA is currently running on the operating system Solaris 8 using oracle 8i database which has been changed recently. This system could be utilized in setting up the system to provide the web based service using ASYCUDAWorld. Further Customs require to set-up an internet Server as a controller between Customs and the users of ASYCUDAWorld.

2. Hardware. The existing network system not has the capacity to provide an internet based service to Customers. A strong secure system is essential to provide a reliable service.

3. Training. Staff training in JAVA, Oracle, Technical and Functional Training is a prerequisite to upgrade the system to ASYCUDAWorld. The responsible team needs to ensure the security of the system and further develop integrated software to modernize day-to-day Customs activities and also the team should train the operational staff and the stake holders of Customs. Hence, higher education in ICT is vital in establishing a guaranteed service to the public and to prevent unauthorized access to such systems. Customs has always been enthusiastic in providing the latest technology to our Customers, and also has been successful in training the stakeholders to adapt to the modern environment. It is imperative that Customs develop the capability of the staff in providing the modern service to our stakeholders while maintaining the system and image.

Specific inputs will be:

Personnel
- IT Experts (Customs Advisor), to review the current procedures and recommend for continuous improvement
- ASYCUDAWorld technical and functional experts to train the IT team and other ASYCUDAWorld users.
- Technical expert to assist in technical dealing of ASYCUDAWorld
- Regional Expert to monitor the overall ASYCUDAWorld project.

Training
- Training in JAVA and ORACLE to 4 members
- Technical and Functional Training in the team.
- Functional training to Customs Officers and the stakeholders
- 4 members of the team to be trained in ICT

Software/Hardware
- Procure Communication equipment and Software/Hardware (firewall, Server, etc) in providing internet based service to the public.

Section III. Workplan and Budget

Expected Inputs	Project Activities	Beneficiaries	Outputs	2007 Q3	Q4	2008 Q1	Q2	Q3	Q4	2009 Q1	Q2	Description	Total in US$
Output : Reduce Transaction Costs for the Purpose of Trade Facilitation													
Migration to ASYCUDA World	• Critical review of existing ASYCUDA automated processes: • Upgrade of ASYCUDA++ in all Customs offices. • Identify a feasible training program and timing in Consultation with UNCTAD. • Training on ASYCUDA World and underlying technology • Ongoing Development/Utilisation of Local Specialists to develop and broaden the skills-base of national staff in ASYCUDA++.	Maldives Customs Services / Private sector	• Continue towards full automation of Customs processes by implementing the remaining parts of ASYCUDA World. • Improve the interface between private and MCS / public sectors on trade facilitation issues. • Train Customs on ASYCUDA related clearance procedures so as to ensure better coordination among border institutions to reduce unnecessary duplication of procedures.									**Customs Software ASYCUDA and Platform**	
												International Consultant	17,480
												National Consultants	7,360
												Travel	7,360
												Miscellaneous	3,680
												Platform design, development	11,960
													0
													0
													0
					X	X	X	X	X			**Training Materials & books**	9,200
													0
												Software	0
												Installation	7,360
												Firewall	3,680
												RDBMS Upgrade	3,680
													0
												Hardware	0
												computers	18,400
												Server	18,400
												Router	13,800
												Switch	9,200
												Firewall /hardware	4,600
												Equipment	9,200
												Miscellaneous	1,840
												Project Administration at 8% of Total	23,097
												PROJECT TOTAL	160,000

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