Central Asia Regional Economic Cooperation (CAREC) Programme, the 23rd Meeting of the Customs Cooperation Committee (15-16 August 2024, Astana, Kazakhstan)

BORDER AGENCY COOPERATION AND IMPROVING CUSTOMS CAPABILITIES OF MONGOLIAN CUSTOMS

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General Customs Administration of Mongolia,
WCO Risk Management Advisor, email:)

HELLO!

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1 INTRODUCTION

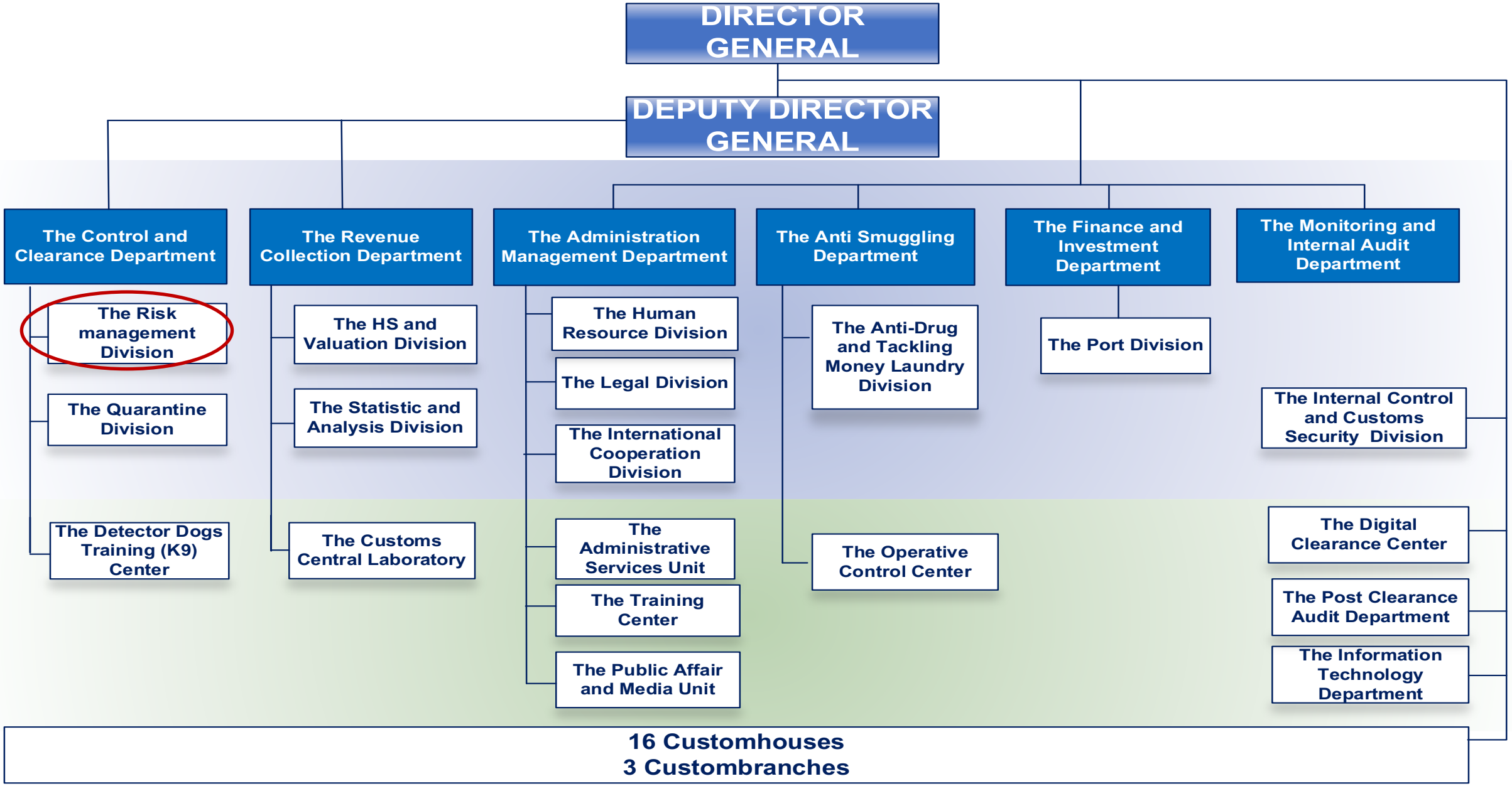
2 WTO TFA COMMITMENTS

3 ONGOING INITIATIVES

4 CHALLENGES

5 FURTHERMORE

ORGANIZATIONAL CHART OF THE CUSTOMS GENERAL ADMINISTRATION OF MONGOLIA



PRIORITIZED AREAS OF MONGOLIAN CUSTOMS

National Security

Enforcement

Revenue collection

Capacity building

Legal reform

Transparency

Organizational Privilege

Risk Management

Border Infrastructure

Trade Facilitation

Integrity

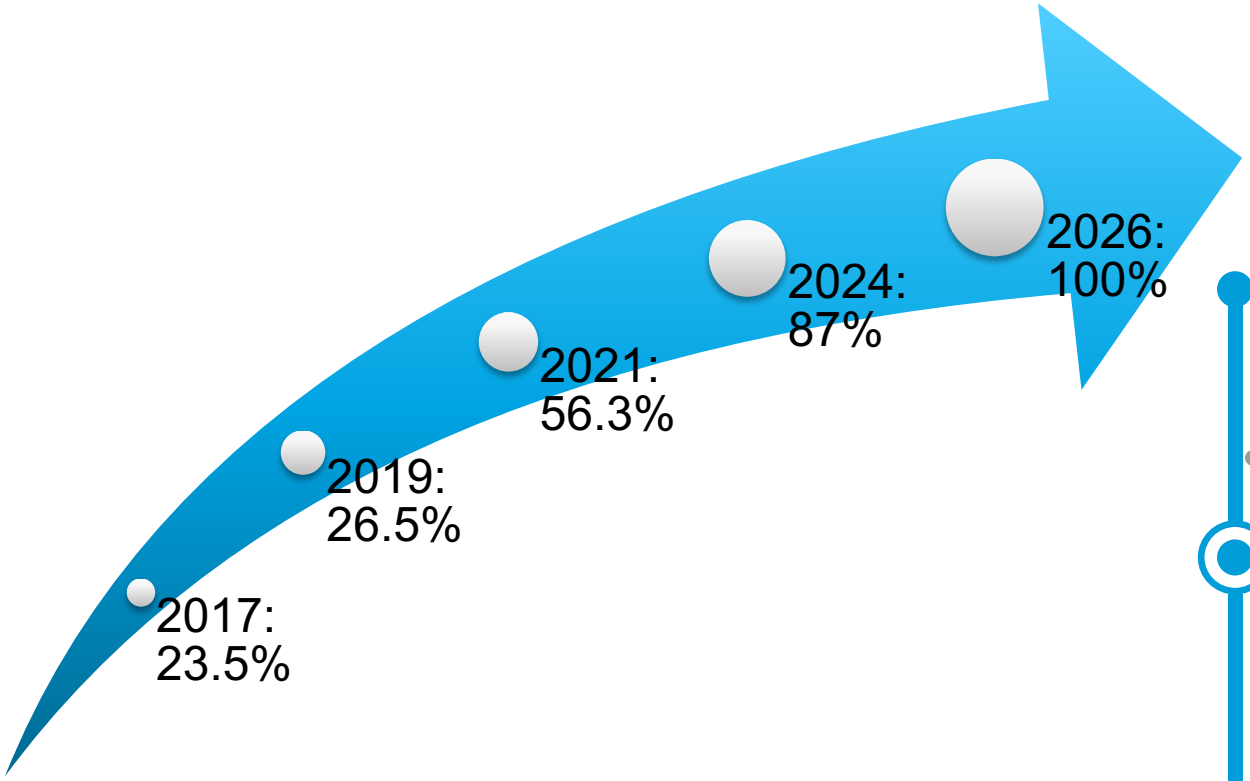
Customs-Business Partnership

International Cooperation

Human Resource

WTO TFA COMMITMENTS

Continuous improvement of TF: Regular monitor and review in place



2024

- 7.5 Post clearance audit (C, 06.30)
- 3. Advance Rulings (C, 12.31)

2025

- 10.3 Use of international standards (C, 01.31)
- 8. Border cooperation (C, 06.30)
- 10.4 Single window (C, 12.31)

TRADE FACILITATION MEASURES OF MONGOLIA

WTO: TFA

Article 12 (36 measures);

Implementation rate: 87%

UNCTAD TF Empowerment Programme:

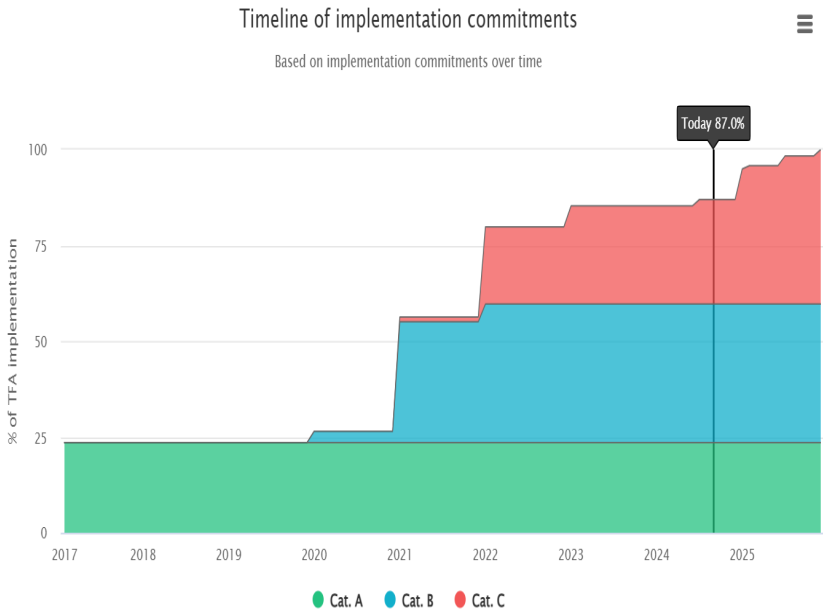
Article 1-12, 23; (141 Check list question);

Implementation rate: 71%

WCO Mercator Programme:

Article 1-12, 23;

Maturity Assessment: Level 2 (Augmented), 57%.

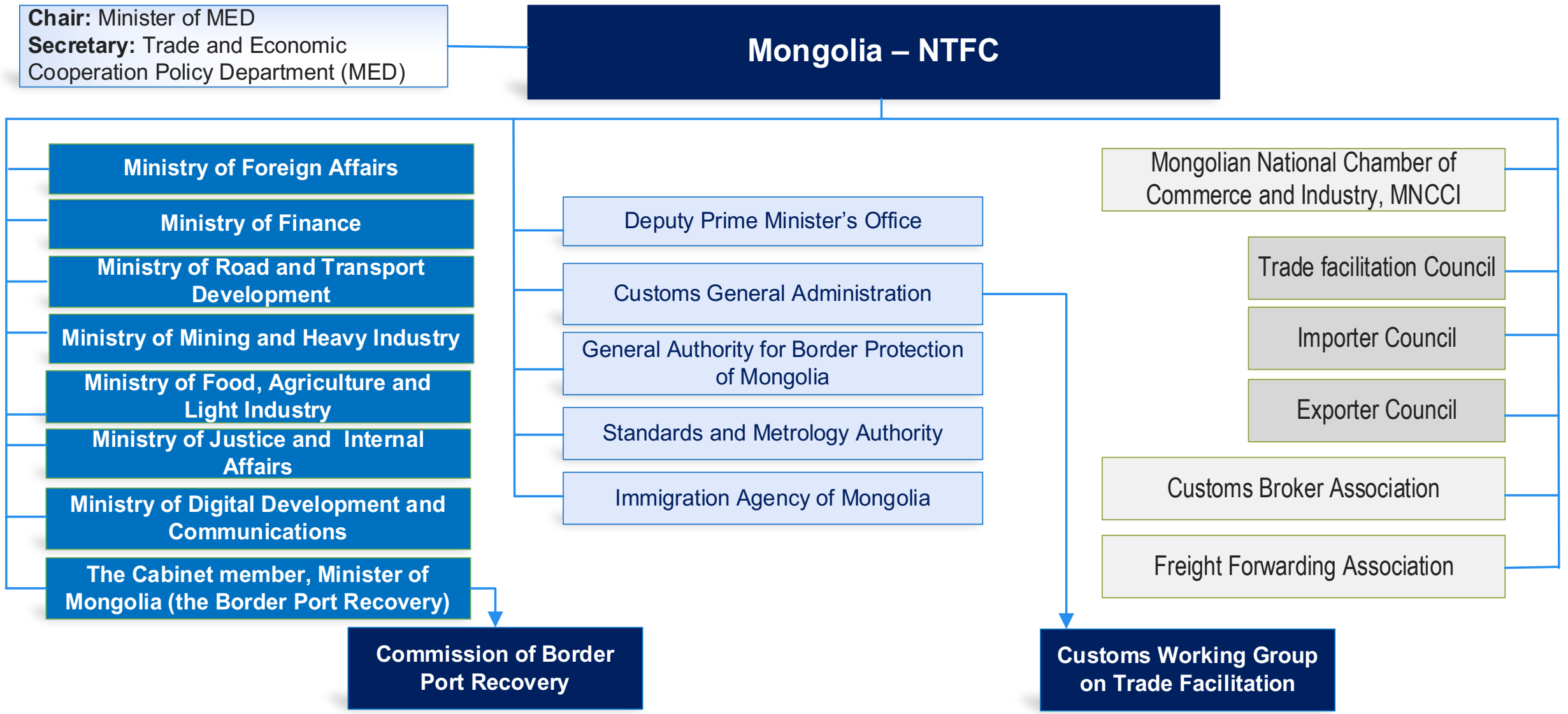


Mercator Programme

A Navigational Map for Trade Facilitation

A WCO Initiative to Support WTO TFA Implementation

NATIONAL TRADE FACILITATION COMMETTEE



MERCATOR Programme: Customs General Administration of Mongolia

Mercator Programme
A Navigational Map for Trade Facilitation

Report to the
Mongolia Customs General Administration

World Customs Organization Analysis
of the
Implementation of the WTO Trade Facilitation Agreement

The WCO mission: September 2022 by the WCO advisors.

During the mission a series of meetings and consultations with senior Customs officials, mid-level managers, other border control agencies and representatives from the Private Sector during visits to UB Customhouse.

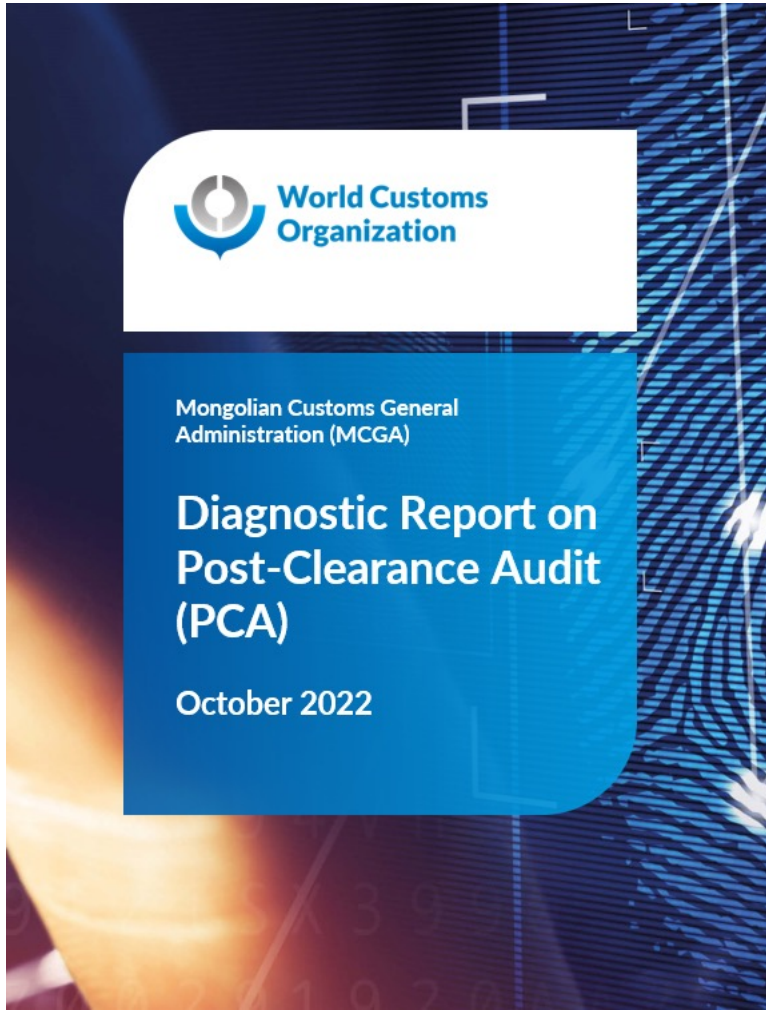
The objectives of the mission were to provide an analysis of the current position in respect of effective TFA implementation, and to identify areas where further Customs capacity building and technical assistance may be required.

Findings: The WCO team have made a total of 16 strategic recommendations, with 52 activities.

WTO TFA Notifications and WCO Maturity Model Assessment: CGMA

Maturity level	Overall status	Total score	Total % Score
Level 4	Sustained	91-114	81% - 100%
Level 3	Emergent	66-90	58% - 80%
Level 2	Augmented	41-65	36% - 57%
Level 1	Commencement	0-40	0% - 35%

THE WCO TECHNICAL ASSISSTANCE ON PCA



The WCO Diagnostic mission: August 2022 by the WCO PCA experts

Financial support: CCF/Japan

The objective of the mission is to support the development of a PCA strategy and work plan to implement capacity-building activities over a multi-year period, and assist the MCGA in implementing the strategy in accordance with Article 7.5 of the WTO TFA.

The Report consists of an analysis of the current situation, followed by recommendations and future options, which the MCGA is encouraged to consider in the long run.

Findings: The WCO team and Mongolian team have made a total of 4 strategic goals, with 32 activities.

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

THE WCO/SECO GTFP: LIGHT-TOUCH INTERVENTION RM (2022 - 2023)

Kick-Off: 4 Jul. 2022

Risk Management WS: 4-8 Jul. 2022

Data analytic WS: 23-27 Jan. 2023

MMD train-the-trainer WS: 9-20 Jan. 2023

CBC meeting: 22-24 Feb. 2023

Study visit to ABF: 17-21 Apr. 2023

RM follow up mission: 5-9 Jun. 2023

GTFP Peer-to-Peer Collaboration WS: 26-28 Sep. 2023

- Capacity building of 108 officials, spotlight on risk management, prioritizing of evidence-based decision making through increased use of data (*Directly 108 officials and indirectly more than 72 officials*).

RISK MANAGEMENT BASED CUSTOMS CONTROL STRATEGY

TIME RELEASE STUDY OF MONGOLIA

1 **TRS**

The first TRS conducted by Mongolia Customs in 2010

TRS 2

The second TRS with the financial support from the USAID in 2012

3 **TRS**

The third TRS conducted by Mongolian Customs in 2014

TRS 4

The fourth TRS conducted by WBG IFC in 2019

TRS OVERVIEW OF MONGOLIA 2023

Indicators		Mean	Median	Maximum	Minimum	Std. Dev.	Skewness	Kurtosis	Sum	Observations
Document indspection	2022	194	20	123,672	1	2,080	43	2,299	1,359,256	7,005
	2023	70	26	64,881	1	806	70	5,553	530,802	7,572
	Gap	-177%	23%	-91%	-	-158%	39%	59%	-156%	7%
Duty payment	2022	1,219	30	164,203	1	5,915	10	150	8,536,402	7,005
	2023	1,178	40	151,602	1	6,611	10	127	8,919,391	7,572
	Gap	-3%	25%	-8%	-	11%	1%	-18%	4%	7%
Quarantine inspection	2022	706	45	59,158	1	2,618	12	231	1,015,979	1,440
	2023	841	125	19,945	1	2,024	4	24	1,170,079	1,391
	Gap	16%	64%	-197%	-	-29%	-195%	-863%	13%	-4%
Physical inspection	2022	740	100	184,586	1	3,289	35	1,763	4,260,387	5,760
	2023	700	124	108,515	1	2,396	26	1,069	4,418,070	6,311
	Gap	-6%	19%	-70%	-	-37%	-32%	-65%	4%	9%
Senior officer	2022	8	1	2,767	1	94	26	743	56,472	7,005
	2023	8	1	4,249	1	84	37	1,614	57,605	7,572
	Gap	-6%	0%	35%	-	-12%	30%	54%	2%	7%
Total	2022	2,174	214	184,638	2	7,424	10	156	15,227,253	7,005
	2023	1,993	268	151,606	2	7,246	9	111	15,094,686	7,572
	Gap	-9%	20%	-22%	-	-2%	-9%	-41%	-1%	7%

TRS OVERVIEW OF MONGOLIA 2023

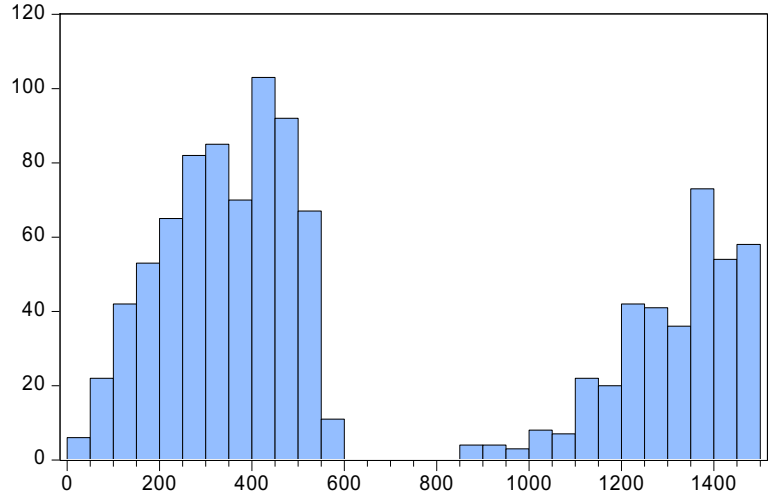
Interval (minutes)	2022: 7,005 clearance				2023: 7,572 clearance			
	Count	Percent	Accumulation		Count	Percent	Accumulation	
			Too	Percent			Count	Percent
[0, 50)	1066	0.15	1066	0.15218	667	8.8%	667	8.8%
[50, 100)	1122	0.16	2188	0.31235	984	13.0%	1651	21.8%
[100, 150)	836	0.12	3024	0.43169	941	12.4%	2592	34.2%
[150, 200)	545	0.08	3569	0.50949	724	9.6%	3316	43.8%
[200, 250)	367	0.05	3936	0.56188	562	7.4%	3878	51.2%
[250, 300)	245	0.03	4181	0.59686	409	5.4%	4287	56.6%
[300, 350)	190	0.03	4371	0.62398	306	4.0%	4593	60.7%
[350, 450)	181	0.03	4552	0.64982	291	3.8%	4884	64.5%
[450, 1450)	711	0.10	5263	0.75132	1070	14.1%	5954	78.6%
[1450, 123700)	1,742	0.25	7005	1	1618	21.4%	7572	100.0%
Total	7,005	100.0%	7,005	100.0%	7572	100.0%	7572	100.0%

- An analysis comparing the duration of total examination time intervals

Indicators	2022		2023	
	Minimum	Maximum	Minimum	Maximum
Document inspection	0.2	123,672	0.2	64,881
Duty payment	0.1	164,203	0.1	151,602
Quarantine inspection	1	59,158	1	19,945
Physical inspection	1	184,586	1	108,515
Senior officer	0.1	2,767	0.1	4,249
Total	2*	184,638	2*	151,606

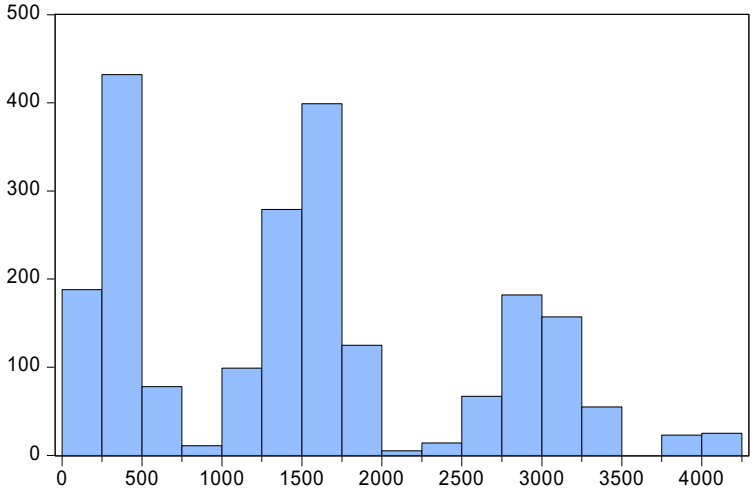
- Comparison of minimum and maximum spend on registration (2022, 2023)

TRS OVERVIEW OF MONGOLIA 2023



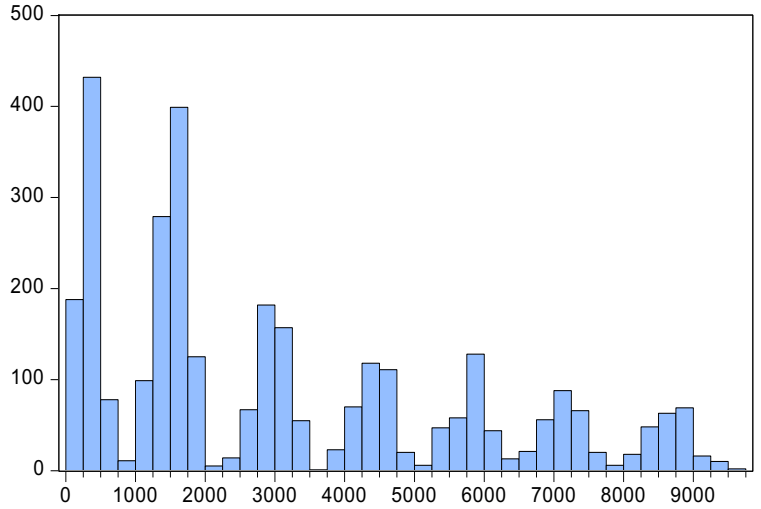
Series: RESID
Sample 1 1070
Observations 1070

Mean	677.0972
Median	454.0000
Maximum	1492.000
Minimum	10.00000
Std. Dev.	482.9136
Skewness	0.562561
Kurtosis	1.613986
Jarque-Bera	142.0842
Probability	0.000000



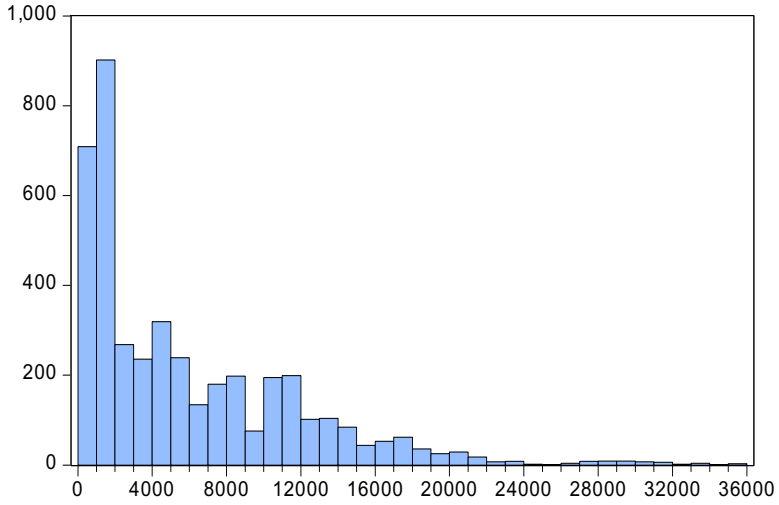
Series: RESID
Sample 1 2140
Observations 2140

Mean	1512.678
Median	1492.500
Maximum	4145.000
Minimum	10.00000
Std. Dev.	1045.835
Skewness	0.458703
Kurtosis	2.227586
Jarque-Bera	128.2446
Probability	0.000000



Series: RESID
Sample 1 3213
Observations 3213

Mean	3131.623
Median	1957.000
Maximum	9559.000
Minimum	10.00000
Std. Dev.	2602.443
Skewness	0.763197
Kurtosis	2.413416
Jarque-Bera	357.9765
Probability	0.000000



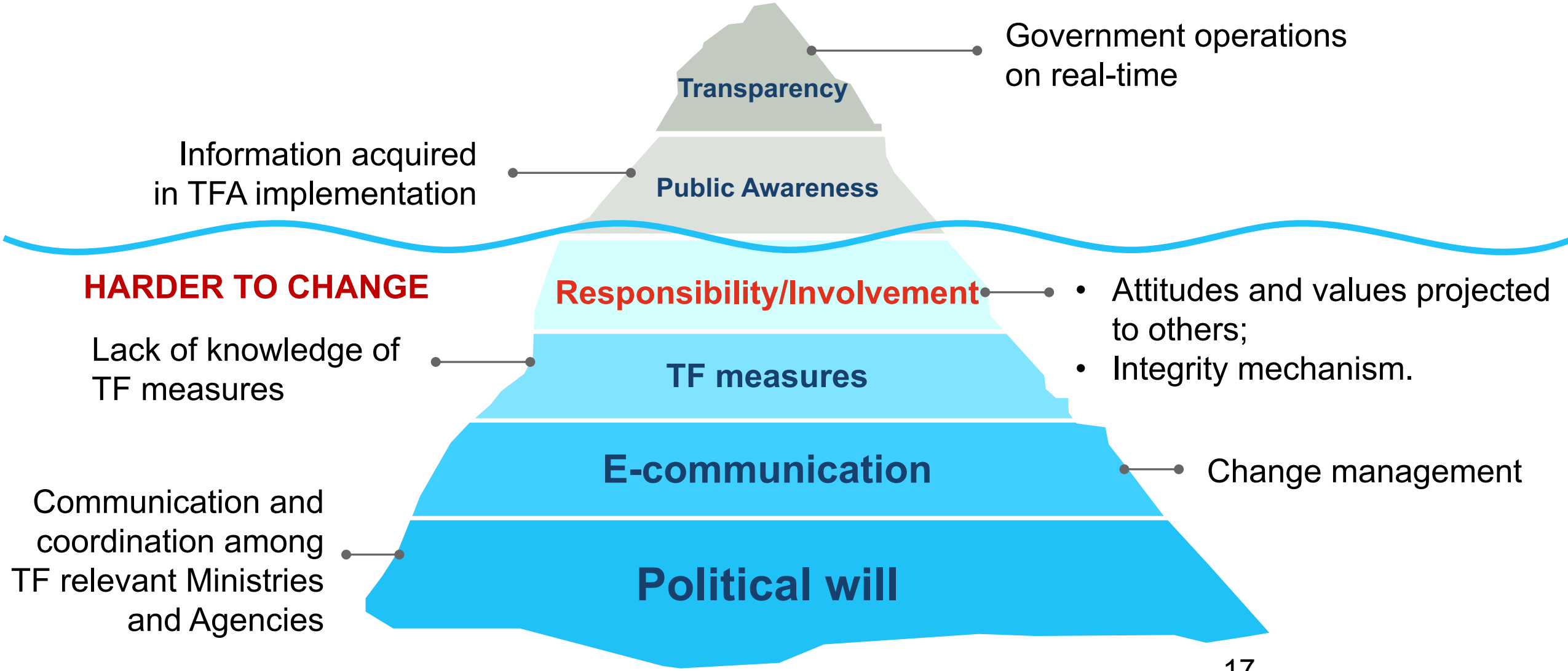
Series: RESID
Sample 1 4283
Observations 4283

Mean	5957.724
Median	4149.000
Maximum	35502.00
Minimum	10.00000
Std. Dev.	5909.365
Skewness	1.469636
Kurtosis	5.524223
Jarque-Bera	2678.843
Probability	0.000000

Multivariate analysis of time spent on total compilation across different percentiles (25%, 50%, 75%, 100%).

CHALLENGES THAT WE HAVE FACED

EASIER TO CHANGE



Government operations on real-time

Information acquired in TFA implementation

HARDER TO CHANGE

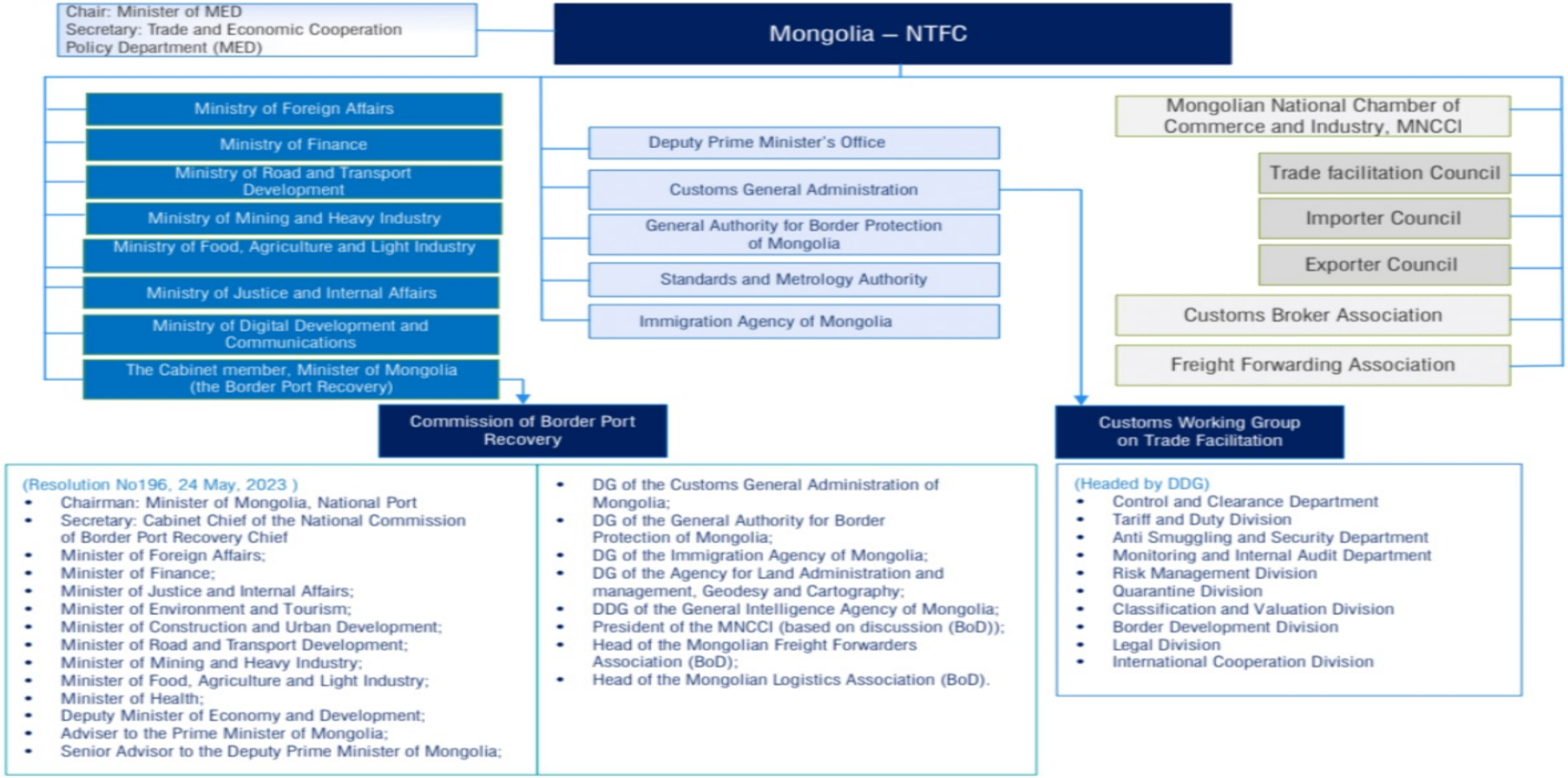
- Attitudes and values projected to others;
- Integrity mechanism.

Lack of knowledge of TF measures

Change management

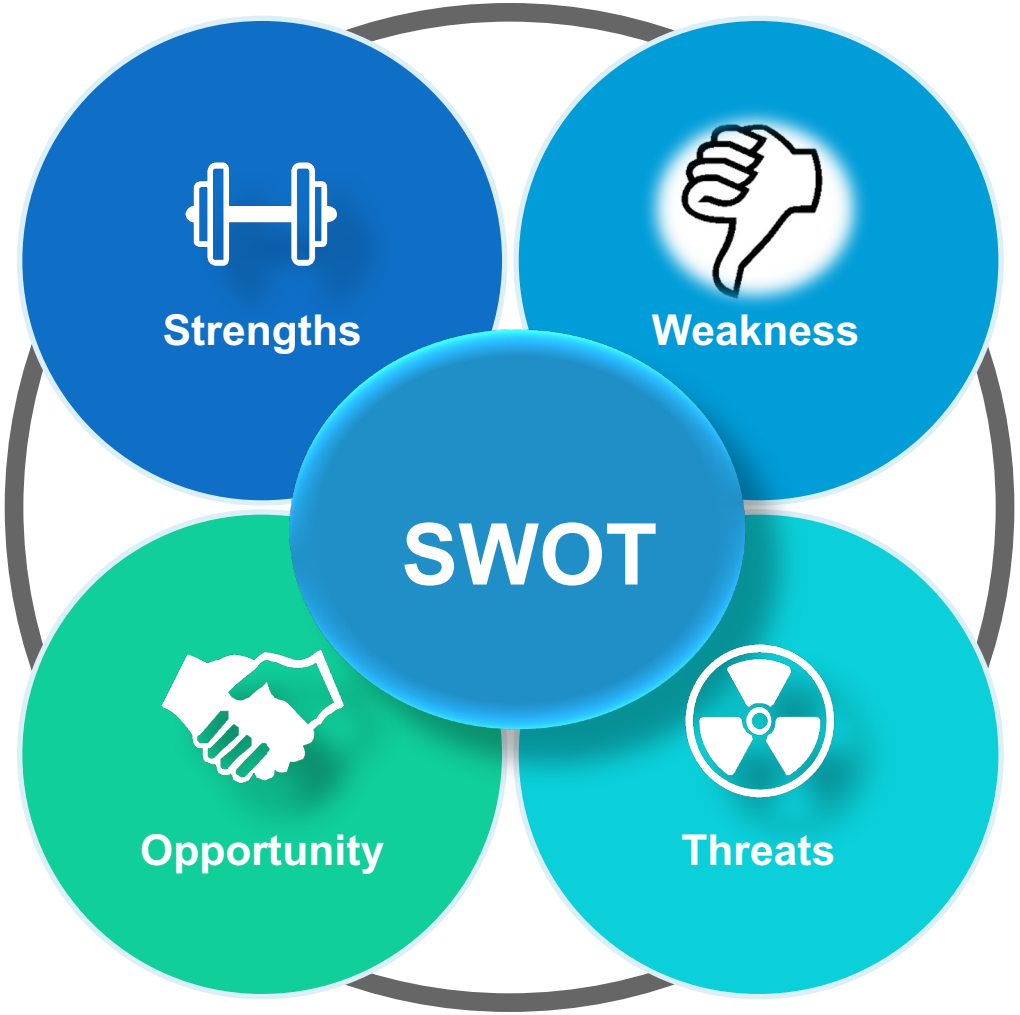
Communication and coordination among TF relevant Ministries and Agencies

Duplicated works on different bodies …



SWOT ANALYSIS: TRADE FACILITATION IN MONGOLIA

- Close Cooperation with Border Control Agencies
- Resource mobilization
- High-level support from Customs



- Lack of Knowledge in Trade Facilitation
- Lack of Transparency
- Inadequate digital infrastructure
- Lack of System Interoperability

- Merging process of customs and specialized inspection
- E-Governance system

- Lack of High-level mandate and commitment
- Inefficient Operating Procedures
- Uncoordinated and Unpredictable Decisions by Authorities

FUTHEMORE

LEGAL FRAMEWORK:

- Monitor Trade-Related Legal Documents;
- Update Legal Framework for Paperless Trade and E-Commerce; and
- Revise Trade Facilitation Measures in Policy Documents.

ORGANIZATOINAL DEVELOPMENT:

- Develop a Strategic Plan with Customs Priorities;
- Conduct business process re-engineering to design more efficient workflows;
- Develop a framework to ensure integrity and transparency in trade operation; and
- Enhance the capacities for research and development to innovate and improve trade facilitation measures.

INFORMATION TECHNOLOGY:

- Develop an Integrated Coding System;
- Implement Pre-Arrival Information Sharing Systems; and
- Leverage disruptive technologies to enhance customs operations.

COMMUNICATION:

- Strengthen Cooperation Among NTFC and Customs Trade Facilitation WG;
- Develop a Traders Compliance Programme;
- Develop a platform for consistent coordination with donors;
- Improve the Customs-Business Partnership Forum; and
- Introduce a Permanent Consultancy Mechanism.

CAPACITY BUILDING:

- Enhance HR Development Programme;
- Implement Leadership Management Programme;
- Develop and implement extensive training Programmes tailored to the needs of both public and private sector employees; and
- Enhance Administrative Structure to Align with Customs Responsibilities and Workflow.

THANK YOU FOR YOUR KIND ATTENTION!