

Session 11: Setting Performance-Based Metrics

National Workshop on the Enhancement and Sustainability of the Authorized Economic Operators (AEO) Program in CAREC

13-14 August 2024, Astana, Kazakhstan

WCO Performance Measurement Mechanism

- identify strengths and weaknesses in Customs administration processes;
- set the reform agenda and performance goals and targets for continuous improvements through evidence-based benchmarking;
- monitor and evaluate reform progress;
- assess the contribution to the UN Sustainable Development Goals through enhanced performance;
- design evidence-based WCO capacity building interventions; and
- identify the effectiveness of the main WCO tools, ensuring that they are fit for use.

What gets measured, gets done

If you do not measure results, you cannot tell success from failure

With the relevant performance metrics and data and analysis, Customs can benefit from evidence-based and strategic decision-making processes

It is crucial for the Customs to continue its efforts to improve results-based monitoring and reporting to better articulate, communicate and demonstrate progress and the results achieved

If you cannot see success, you are probably rewarding failure

If you can demonstrate evidenced-based results, you can increase donor interest and support

If you can demonstrate evidenced-based results, you can win public support

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Performance Measurement and Monitoring

Establish Performance Measures

- Establish key performance indicators (KPIs) to measure the AEO program. These KPIs will be critical to demonstrate both internally within the Customs administration, as well as with the private sector, that the program is achieving the expected results, including the delivery of tangible benefits.

Establish Quality Assurance and Control Procedures

- Establish quality assurance and control procedures for review of the program's performance.

Have an Audit/Evaluation Plan in Place

- Consider conducting periodic programme evaluations and audits to identify areas for improvement, and ensure the programme is performing and meeting its objectives.

Develop a Feedback Mechanism

- The AEO programme must continuously address areas of eligibility, risk assessment and vetting, supply chain security, validation and compliance requirements.

Performance Measurement Strategy

- Transparency, coordination, trading community credibility, flexibility and effectiveness are the key principles upon which the AEO Program shall stand.
- By implementing the strategy, the enhancement of the AEO Program shall strive to these principles in Customs' culture.
- The adoption of these principles must be a long-term objective which shall be achieved by a certain time frame and will be accomplished based on new working practices and attitudes.
- Determine on how the baseline data would be set. This can be qualitative, in which case the assessment criteria need to be identified, or it can be numerical or using a scale, in which case the formula or scales with categories need to be identified.

Service Value Generating Mechanisms

Secure, Transparent and Timely

- Provide AEO criteria, validation, authorization, including tangible benefits in a secure, transparent and timely manner

Increases in Efficiency

- Both government and business obtaining increased outputs or goal attainment with the same resources or obtaining the same outputs or goals with lower resource consumption. (e.g. reduce time and costs for clearing goods as a trusted partner);

Increases in Effectiveness

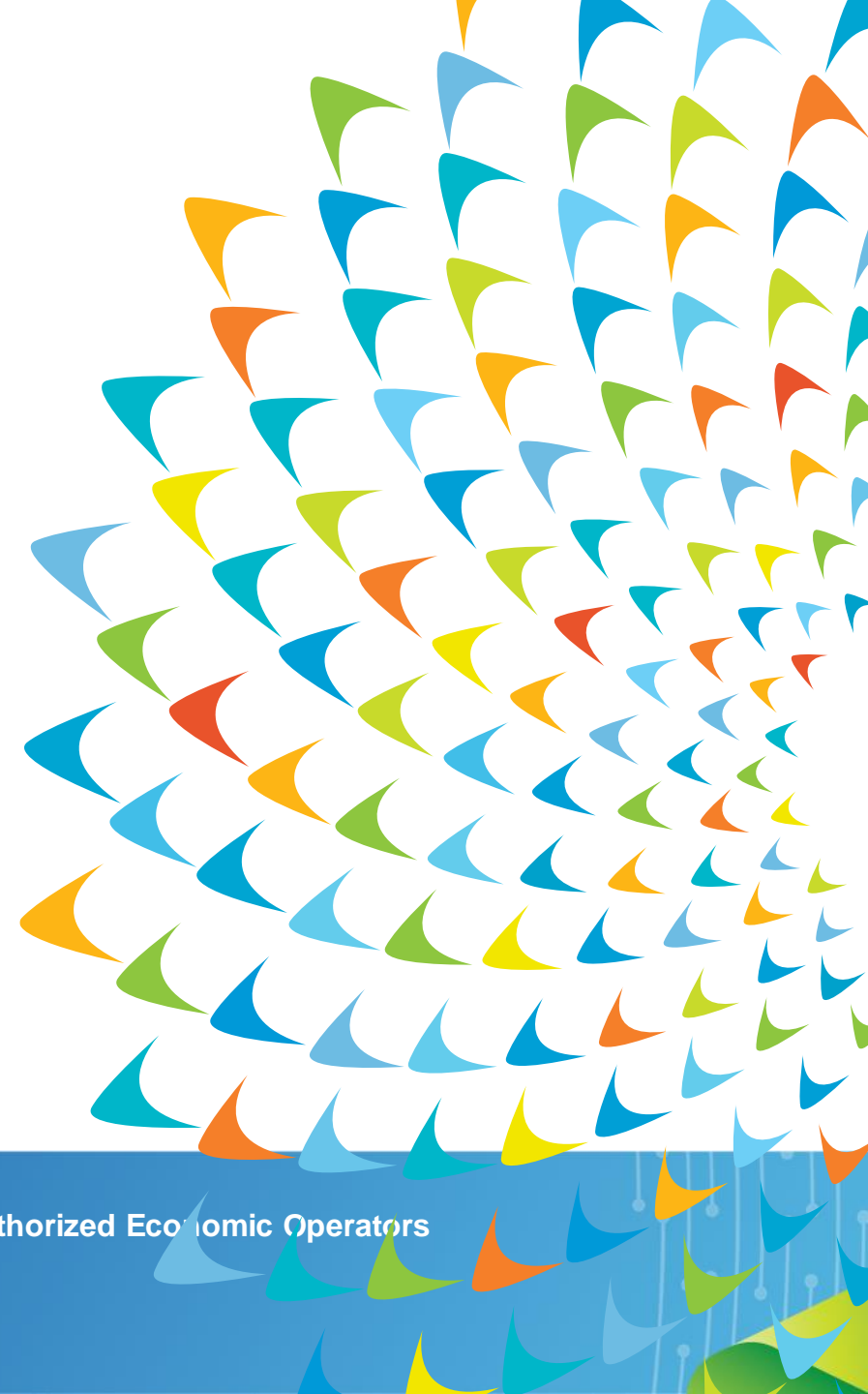
- Increasing the quality and quantity of the services. (e.g. increase revenue, better risk management, cost savings for the trading community and logistics actors);

Enablement

- Providing means or allowing otherwise infeasible or prohibited desirable activity or preventing or reducing undesirable events or outcomes. (e.g. optimizing the uptake of the program, raising awareness, increase control, preventing fraud);



Sample KPIs



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AEO Key Performance Indicator 1

Key Performance Indicator	Performance Indicator	Baseline Data (2024)	Target (2025)	Actual (2025)	Unit of Measurement	Data Source / Reporting Authority	Reporting Frequency
Optimizing the Uptake of the AEO Program <i>Intent: “Increased trust in the relationship with economic operators”</i>	Number of AEO application received	2	10		Number of application submitted	Risk Management Department	Monthly
	Number of Approved (Trusted Partners)	2	3		Number of application approved	Risk Management Department	Monthly
	Acceptance of the AEO Program’s Authorization Process and Benefits	2	10		Rating, 1 – 10	Risk Management Department	Monthly

AEO Key Performance Indicator 2

Key Performance Indicator	Performance Indicator	Baseline Data (2024)	Target (2025)	Actual (2025)	Unit of Measurement	Data Source / Reporting Authority	Reporting Frequency
AEO involvement in Trade <i>Intent: “The percentage of the annual trade value (i.e. volume of trade) generated by AEOs for importation and exportation”</i>	AEO trade with Central Asia				AEO trade / Annual Total Trade	Risk Management Department	Monthly
	AEO trade with EU and US				AEO trade / Annual Total Trade	Risk Management Department	Monthly
	AEO trade with East Asia				AEO trade / Annual Total Trade	Risk Management Department	Monthly
	AEO trade with other Countries				AEO trade / Annual Total Trade	Risk Management Department	Monthly

AEO Key Performance Indicator 3

Key Performance Indicator	Performance Indicator	Baseline Data (2024)	Target (2025)	Actual (2025)	Unit of Measurement	Data Source / Reporting Authority	Reporting Frequency
Time to Clear Goods (AEO Trade) <i>"Physical release time from the lodging of the customs declaration"</i>	Time to Import				Time Measurement Study	Risk Management Department	Monthly
	Time to Export				Time Measurement Study	Risk Management Department	Monthly
	Time to Transit				Time Measurement Study	Risk Management Department	Monthly



AEO Key Performance Indicator 4

Key Performance Indicator	Performance Indicator	Baseline Data (2024)	Target (2025)	Actual (2025)	Unit of Measurement	Data Source / Reporting Authority	Reporting Frequency
Cost to Clear Goods (AEO Trade)	Cost to Import				Cost Measurement Study	Risk Management Department	Monthly
	Cost to Export				Cost Measurement Study	Risk Management Department	Monthly
	Cost to Transit				Cost Measurement Study	Risk Management Department	Monthly



AEO Key Performance Indicator 5

Key Performance Indicator	Performance Indicator	Baseline Data (2024)	Target (2025)	Actual (2025)	Unit of Measurement	Data Source / Reporting Authority	Reporting Frequency
Service Commitments / Benefits for AEO Trade	Number of Service Commitments Published	10	15		Service Pledges Published	Risk Management Department	Monthly
	Number of Additional Benefits Provided	10	15		Number of Legal Orders Approved as AEO Trade Benefits	Risk Management Department	Monthly

AEO Key Performance Indicator 6

Key Performance Indicator	Performance Indicator	Baseline Data (2024)	Target (2025)	Actual (2025)	Unit of Measurement	Data Source / Reporting Authority	Reporting Frequency
Paperless Customs Declarations	Category 4 (High Value)				No. of Declarations for Cat 4 Digitized	Risk Management Department	Monthly
	Category 3 (Low Value – Dutiable)				No. of Declarations for Cat 3 Digitized	Risk Management Department	Monthly
	Category 2 (Low Value – Non - Dutiable)				No. of Declarations for Cat 2 Digitized	Risk Management Department	Monthly
	Category 1 (Postal - Documents)				No. of Declarations for Cat 1 Digitized	Risk Management Department	Monthly

AEO Key Performance Indicator 7

Key Performance Indicator	Performance Indicator	Baseline Data (2024)	Target (2025)	Actual (2025)	Unit of Measurement	Data Source / Reporting Authority	Reporting Frequency
Time to Release (Selectivity Colors for AEO Trade)	Green Lane Entries				Green Lane Declarations	Risk Management Department	Monthly
	Yellow Lane (Documentary Check)				Yellow Lane Declarations	Risk Management Department	Monthly
	Red Lane (Physical Inspection)				Red Lane Declarations	Risk Management Department	Monthly



AEO Key Performance Indicator 8

Key Performance Indicator	Performance Indicator	Baseline Data (2024)	Target (2025)	Actual (2025)	Unit of Measurement	Data Source / Reporting Authority	Reporting Frequency
Processing of drawback	Trusted Partners				AEO filed drawback	Revenue Department	Monthly
	Non-Trusted Partners				Customs Declarations filed by non AEOs	Risk Management and Revenue Department	Monthly

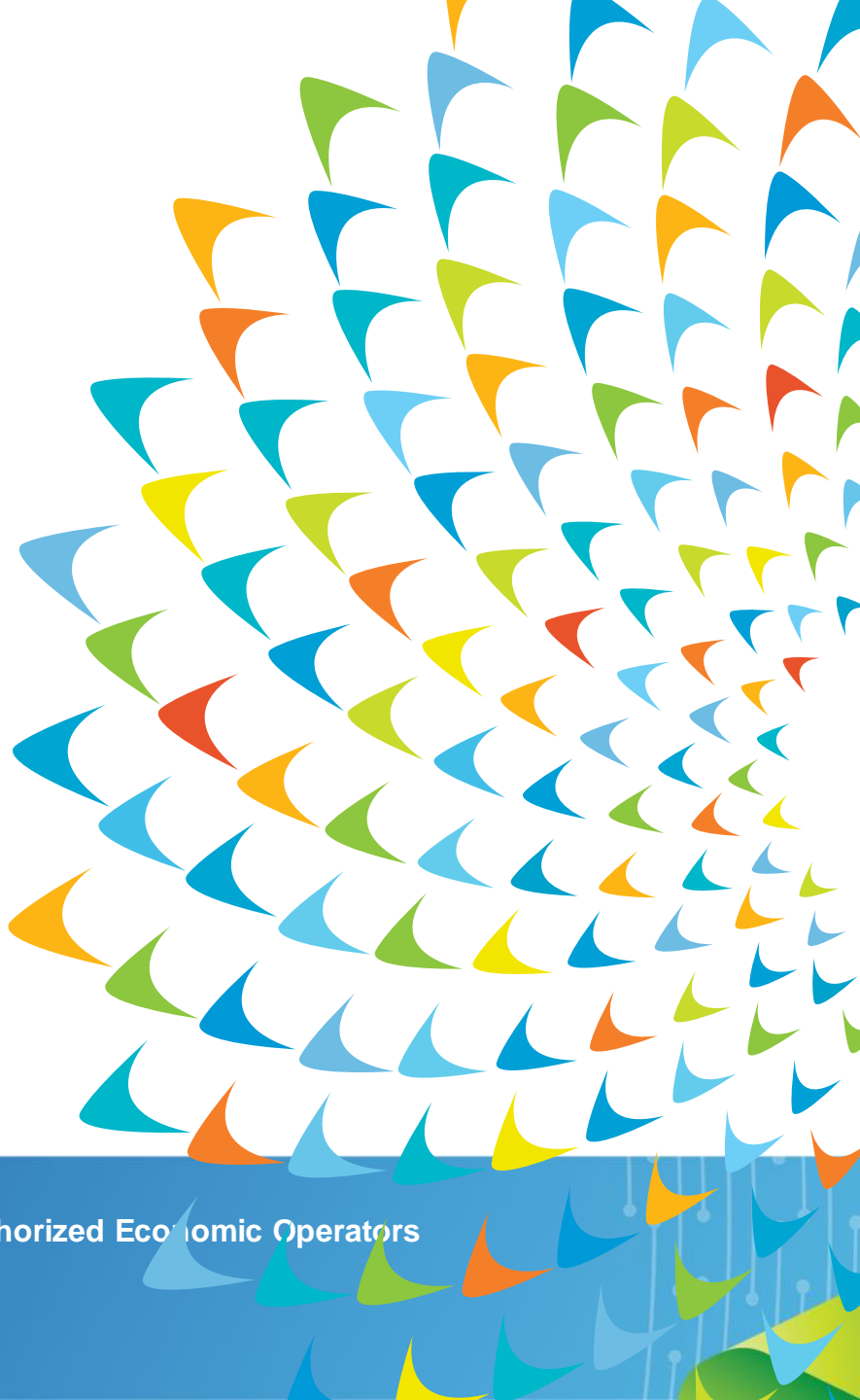
AEO Key Performance Indicator 9

Key Performance Indicator	Performance Indicator	Baseline Data (2024)	Target (2025)	Actual (2025)	Unit of Measurement	Data Source / Reporting Authority	Reporting Frequency
Other matters	Deployment of officers for supervision of stuffing and unstuffing of containers at licensed warehouses				Inspection Report	Intelligence Group	Monthly
	Advance ruling: - pre-entry classification				Customs Declarations filed by non AEOs	Risk Management and Revenue Department	Monthly





Thank you



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