



## Nepal: South Asia Subregional Economic Cooperation Customs Reform and Modernization for Trade Facilitation

Project Name	South Asia Subregional Economic Cooperation Customs Reform and Modernization for Trade Facilitation	
Project Number	50254-002	
Country	Nepal	
Project Status	Approved	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	<b>TA: South Asia Subregional Economic Cooperation Customs Reform and Modernization for Trade Facilitation</b> Japan Fund for Poverty Reduction <span style="float: right;">US\$ 1.00 million</span>	
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Partnerships Private sector development	
Sector / Subsector	<b>Industry and trade</b> - Industry and trade sector development - Trade and services	
Gender Equity and Mainstreaming	No gender elements	
Description	The South Asia Subregional Economic Cooperation Customs Reform and Modernization for Trade Facilitation Program will contribute to Nepal's national goals of promoting and diversifying exports, and help the country fulfill its commitments to the Trade Facilitation Agreement of the World Trade Organization and related international standards on customs. The Government of Nepal has requested a concessional loan in various currencies equivalent to SDR15,341,000 (\$21 million) from ADB's ordinary capital resources to help finance the program, together with a technical assistance grant of \$1 million.	
Project Rationale and Linkage to Country/Regional Strategy	The transaction technical assistance is needed to help strengthen Nepal's Department of Customs' capacity to execute reform measures captured in the policy matrix of the program, which are in turn the strategic priorities of the 4-year national strategy, the Customs Reform and Modernization Strategies and Action Plan (CRMSAP) 2017 -2021, with which the program is fully aligned. The TA and the policy-based loan are both included in the Country Operations Business Plan: Nepal, 2017-2019 and the Regional Cooperation Operation Business Plan: South Asia, 2016- 2018.	
Impact		

### Project Outcome

Description of Outcome
Progress Toward Outcome
<b>Implementation Progress</b>
Description of Project Outputs
Status of Implementation Progress (Outputs, Activities, and Issues)
Geographical Location

### Summary of Environmental and Social Aspects

Environmental  
Aspects

Involuntary  
Resettlement

Indigenous Peoples

### Stakeholder Communication, Participation, and Consultation

During Project Design The stakeholders are trade-related public and private sector entities, represented in the Customs National Trade Facilitation Committee (CNTFC), including: Ministry of Finance, Department of Customs, Customs field offices, other trade-related government ministries (Ministry of Commerce, Ministry of Agricultural Development, Ministry of Industry), banks, manufacturers, producers of agricultural goods, traders, freight forwarders, customs agents, among others. Consultation sessions have been held continuously in Kathmandu and the field locations since 2014. At the field locations, local chambers of commerce, manufactures, cooperatives, customs clearing agents, and freight forwarders were visited in addition to local government offices. Following the initial consultation, a number of stakeholder consultations have been held as part of the project review missions of TA 8442 at an interval of 4-6 months. In November 2016, a national consultation session workshop was organized, inviting these public and private sector representatives. While the workshop's primary aim was to discuss the draft Customs Reform and Modernization Strategies and Action Plan (CRMSAP), 2017-2021, the agenda included discussions on the CRMSAP reform areas to be supported by ADB's policy-based lending. Major reform actions to be supported by the Program were confirmed, together with endorsement of the CRMSAP design.

During Project Implementation The TA will be implemented over 30 months starting August 2017. The executing agency will be the Department of Customs (DOC). The TA's implementation mechanism will be the same as the policy-based lending program, with which TA is associated with. The program steering committee, chaired by the Director General of the DOC, will be formed to guide and monitor implementation. Members will be drawn from the Ministry of Finance, Ministry of Commerce, Department of Industry, and the DOC. Members of the CNTFC and ADB may be invited to the steering committee meetings. The steering committee will present the progress and discuss issues on program implementation at regular CNTFC meetings. The DOC will form a program implementation framework, headed by its Deputy Director General (Management), supervising five thematic task forces of: (i) coordination; (ii) legislation; (iii) automation; (iv) risk management; and (v) organization and development.

### Business Opportunities

Consulting Services A combination of individual consultants and a consulting firm will be engaged for the implementation of the technical assistance. Individual consultants will be engaged by the Asian Development Bank (ADB) using individual consultant selection and, where relevant, on output-based partial lump-sum contracts. For the development of the Nepal Customs Automation System sub-systems, a national consulting firm will provide a team of consultants. The firm will be engaged by ADB using quality- and cost-based selection method and output-based partial lump-sum contract. The firm should specialize in information technology.

Procurement N/A

### Responsible Staff

Responsible ADB Officer	Sunayama, Sonoko
Responsible ADB Department	South Asia Department
Responsible ADB Division	Regional Cooperation and Operations Coordination Div, SARD
Executing Agencies	<i>Department of Customs Tripureshwar, Kathmandu, Nepal</i>

### Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	24 Jul 2017
Last Review Mission	-
Last PDS Update	24 Jul 2017

Project Page

<https://www.adb.org/projects/50254-002/main>

Request for Information

<http://www.adb.org/forms/request-information-form?subject=50254-002>

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