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ADB'S JAPAN FUND TO SUPPORT MODERNIZATION OF CUSTOMS SERVICES IN NEPAL

KATHMANDU, NEPAL (21 May 2014) – The Government of Japan and the Asian Development Bank (ADB) are partnering to support the Government of Nepal in modernizing its customs services and making it more effective and efficient. This will reduce the time and cost of trading, and help the country's efforts to tap the benefits of integration with neighboring and outer world economies.

The project is being funded by a \$1.5 million capacity development technical assistance (CDTA) from the Government of Japan's Japan Fund for Poverty Reduction (JFPR) to be administered by ADB. The CDTA will also facilitate Nepal's accession to the Revised Kyoto Convention (RKC) to help the country gain from greater integration into the world trading system.

Announcing the initiative at a launch event today, Mr. Madhu Kumar Marasini, Joint Secretary, Ministry of Finance, said, "The CDTA will provide full support to the ongoing trade facilitation program in Nepal to ensure that the key legal, regulatory and institutional, and capacity requirements for customs modernization and reforms take place by 2015, making the customs services in Nepal at par with international standards."

Speaking at the same event, Kenichi Yokoyama, ADB's Country Director for Nepal, said, "Improving customs processes is part of the South Asia Subregional Economic Cooperation (SASEC) program facilitated by ADB. We are pleased to work with the Governments of Japan and Nepal on this important initiative that will help the country enjoy speedier and less costly trade, thereby reducing import costs and enhancing export competitiveness."

Mr. Surya Prasad Acharya, Director General of the Department of Customs said, "The CDTA will be instrumental in the implementation of the SASEC Trade Facilitation Program, ASYCUDA World and Customs Reform and Modernization Action Plan."

Mr. Hisashi Hoshino, First Secretary, Embassy of Japan and Mr. Toshihide Aotake, Advisor to the Executive Director for Japan for ADB were also present on the occasion and highlighted the important role of the CDTA in modernizing the customs services.

ADB approved in November 2012 SASEC Trade Facilitation Program loans and grants to Bangladesh, Bhutan, and Nepal to help develop modern customs administrations, streamline regulations and procedures, and provide improved services and information to traders. The CDTA will provide resources and capacity to put into effect the reforms being promoted under the trade facilitation program.

The CDTA is expected to help the Government of Nepal to reach consensus to accede to the RKC by raising stakeholders' awareness of the convention. The CDTA will also provide technical training to customs officials on issues related to customs automation and help establish Customs Information Portal so that Nepal can share accurate and detailed information related to trade and customs.

The CDTA is being implemented over a 24 month period from September 2013 to August 2015. ADB's South Asia Regional Department is the executing agency and Nepal's Department of Customs is the implementing agency.

The Government of Japan, through the JFPR, supports high-impact projects to reduce poverty in developing countries in Asia and the Pacific.

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth and regional integration. Established in 1966, it is owned by 67 members – 48 from the region. In 2013, ADB assistance totaled \$21.0 billion, including cofinancing of \$6.6 billion.