

OUTLINE

of the Refined Transport and Trade Facilitation Strategy

Asian Development Bank

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Rationale for Refinement

- Changes in the global transit trade and regional environment
- CAREC Corridors through Pakistan and Turkmenistan
- Required by the Trade and Transportation Facilitation Strategy

Approach to Refinement

- Analysis and refinement of the existing strategy
- Based on the stock take from 2008 to 2103 and lessons learned.
- Responsive to stakeholder consultations
- Formulate a Design and Monitoring Framework

Refinements in Transport

- Extend corridors through Pakistan and Turkmenistan
- Better refine the essential components of an effective and efficient transport corridor
- Inclusion of the refined Midterm Priority Projects with firm financing plans endorsed in 2012

Refinements in Transport

- Integrated transport modes
 - Regional railways, cross border transport, and logistics
- Road asset management
 - Adequate financing, effective execution of works, and an objective selection and planning of maintenance works
- Road safety
 - road safety management improvements, safer roads and safer road users
- Railway institutions and operation
 - Increase efficiency and profitability
- Definition and alignment of standards (e.g. axle loads, truck dimensions & rail gauge & recognition of licenses)

Refinements in Trade Facilitation

| Customs Cooperation | Priorities | |
|--|--|---|
| | Medium Term | Long Term |
| <ul style="list-style-type: none"> Simplification and Harmonization of Customs Procedures | <ul style="list-style-type: none"> All countries accede to RKC | <ul style="list-style-type: none"> All countries conduct TRS on regular basis |
| <ul style="list-style-type: none"> ICT for Customs Modernization and Data Exchange | <ul style="list-style-type: none"> Customs automation systems in place in all countries | <ul style="list-style-type: none"> Customs / Single Window data exchange established |
| <ul style="list-style-type: none"> Joint Customs Control | <ul style="list-style-type: none"> JCC replicated from PRC/MON and PRC/KAZ to other 2 pairs of countries; | <ul style="list-style-type: none"> JCC conducted in jointly operated facilities at 10 CAREC BCPs |
| <ul style="list-style-type: none"> Risk management and Post Entry Audit | <ul style="list-style-type: none"> Risk management procedures adopted in all countries and post entry audit for 50% of cargos | <ul style="list-style-type: none"> Authorized Economic Operator programs established majority of countries |
| <ul style="list-style-type: none"> Regional Transit | <ul style="list-style-type: none"> Pilot regional customs transit system established | <ul style="list-style-type: none"> Regional customs transit system operational |
| <ul style="list-style-type: none"> Capacity Building for customs officials | <ul style="list-style-type: none"> Sustained capacity building programs in WCO RTC in Shanghai, Astana, and Baku | |

Refinements in Trade Facilitation

| Integration Trade Facilitation | Priorities | |
|---|--|--|
| | Medium Term | Long Term |
| <ul style="list-style-type: none"> • Single window development | <ul style="list-style-type: none"> ○ Six countries have their SW developed and operating (AZE, MON, KAZ, KGZ, PRC, and TAJ) | <ul style="list-style-type: none"> ○ All countries have SW facilities in place and operating |
| <ul style="list-style-type: none"> • Corridor performance measurement and monitoring | <ul style="list-style-type: none"> ○ CPMM to cover more behind border activities such as logistics centers, and to expand to new segment of corridors | <ul style="list-style-type: none"> ○ CPMM 10-year retrospective analysis produced |
| <ul style="list-style-type: none"> • Private sector participation | <ul style="list-style-type: none"> ○ CFCFA becomes a formal group of CAREC institutions | |
| <ul style="list-style-type: none"> • Sanitary and phytosanitary cooperation | <ul style="list-style-type: none"> ○ Stock taking completed, RUST formulated, and coordination group established | <ul style="list-style-type: none"> ○ SPS measures in all CAREC countries compliant with international standards |
| <ul style="list-style-type: none"> • Movement of people across borders | <ul style="list-style-type: none"> ○ New program established in coordination with IOM | <ul style="list-style-type: none"> ○ Specific visa regime established for business people and transport operators |
| <ul style="list-style-type: none"> • National / regional joint transport and trade facilitation committees | <ul style="list-style-type: none"> ○ NJCs/RJC strengthened and meet regulatory (at least twice a year) to discuss TTFS related issues | |
| <ul style="list-style-type: none"> • International and regional agreements | <ul style="list-style-type: none"> ○ CBTA finalized and other multilateral agreements to be acceded | |
| <ul style="list-style-type: none"> • Coordinated Border Crossing Point development/management | <ul style="list-style-type: none"> ○ The 2nd, 3rd phases of RIBS projects successfully formulated and implemented | <ul style="list-style-type: none"> ○ All CAREC corridor BCPs modernized / renovated |
| <ul style="list-style-type: none"> • Capacity Building for government and private sector stakeholders | <ul style="list-style-type: none"> ○ Sustained capacity building programs in CAREC member country training institutes | |

Refinements in Cross Border Transport Agreements

As per CAREC's Wuhan Action Plan:

- Formulate new bilateral/plurilateral agreements using corridor-based approach
- Explore existing corridor-specific agreements that can pave the way for wider regional agreement
- Enhance and link existing transport facilitation agreements among countries
- Strengthen national transport and trade facilitation bodies

Refinements in Cross Border Transport Agreements

Key items to be improved in existing agreements or addressed in new agreements:

- Harmonization of vehicle technical standards
- Mutual recognition of controls
- Harmonization of documents and classifications
- Promoting fair competition between road operators
- Professional standards and safety driving

Refinements within CAREC Institutions

- Strengthen the national and regional institutional arrangements.
- Better coordination between transport and trade facilitation.
- Proactive engagement of private sector stakeholders.
- Greater program ownership by CAREC members.
- Strengthen the role of CAREC Institute .

MTR Timeline

- Consolidation and incorporation of comments in the Stocktake Report (13 June)
- Draft Updated Strategy (10 August)
- Review by CAREC countries and development partners (11 August-31 August)
- Submission of the revised refined Strategy (10 September)
- Endorsement of the refined Strategy by the Trade and Transport coordinating parties (18 September 2013)
- Submission to SOM & MC in October