



**CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROGRAM
ELEVENTH CUSTOMS COOPERATION COMMITTEE MEETING**

23-25 October 2012

Chengdu, People's Republic of China (PRC)

Roundtable Discussion 3: Projects for Trade Facilitation

Background

1. In November 2011, the CAREC Ministerial Conference adopted CAREC 2020, a new strategic framework for CAREC that is focused on expanding trade and improving competitiveness. The 2007 CAREC Transport and Trade Facilitation Strategy (TTFS) will undergo a midterm review starting later this year that will, in part, harmonize it with CAREC 2020.

2. A key feature of CAREC 2020 is the development of a list of medium term priority projects (MTPP) for each of the CAREC program's four priority sectors: transport, trade facilitation, energy, and trade policy. In trade facilitation, CAREC Corridor Performance Measurement and Monitoring (CPMM) results provide objective criteria for identifying impediments to trade. The impediments identified include both infrastructure limitations and procedural/administrative obstacles. Overcoming these impediments will require the concerted efforts of both public sector and private sector participants in the conduct and regulation of cross-border trade. As part of its contribution to the TTFS midterm review, the CCC may wish to develop selection criteria to help identify and prioritize other investment proposals that can help CAREC Customs services to facilitate trade.

Midterm Review of Joint Transport and Trade Facilitation Strategy (TTFS) and Implementation Action Plan

3. The CAREC Transport and Trade Facilitation Strategy (TTFS), endorsed by CAREC countries in 2007, has three overarching goals:

- establish competitive corridors across the CAREC region
- facilitate efficient movement of goods and people through CAREC corridors and across borders; and
- develop sustainable, safe, user-friendly transport and trade networks.

4. The TTFS includes a time-bound implementation action plan endorsed by the CAREC countries in 2008. The action plan specifies key results, prioritizes investments and TA projects, and provides measurable performance indicators. The TTFS also requires a midterm review of the strategy and action plan in 2013-2014. In addition, Turkmenistan and Pakistan joined CAREC in 2010 and the TTFS will need to define the CAREC corridors for the two new participating countries. A technical assistance project to conduct the midterm review of the TTFS has been approved and will commence later this year (please see Annex 1 Midterm Review of TTFS and Action Plan).

5. Improvements in infrastructure will not lead to significant expansion in trade unless non-physical barriers to trade are also addressed. It is therefore critical for the CCC to participate actively in the TTFS midterm review to ensure that efforts needed to improve trade through border and behind-the-border measures will support and keep pace with physical investments.

Medium Term Priority Projects (MTPP)

6. CAREC 2020 provides the strategic framework for the CAREC Program's next 10 years, reflecting required enhancements to the Comprehensive Action Plan to move CAREC toward its vision of [Good Neighbors, Good Partners, and Good Prospects](#). The strategy includes the [Identification of a medium-term \(2011–2015\) rolling list of priority investments and technical assistance \(TA\) projects](#), representing key regional projects that are also included in the participating countries' national development plans. To date, the list has more than 70 transport projects amounting to over \$20 billion. However, due to the fact that facilitating trade is not a particularly capital intensive endeavor, very few investment or TA projects on trade facilitation are included in the MTPP. Please see Annex 1 List of Trade Facilitation Investment and Technical Assistance Proposed Projects.

7. The proposed Regional Improvement of Border Services (RIBS) project will fund investments in border crossing point improvements and single window development in Mongolia, Tajikistan, and the Kyrgyz Republic. RIBS highlights the value of a regionally coordinated approach to enhance efficiency and optimize investment returns. A RIBS 2 follow-on project is planned to address similar investment needs in other CAREC countries. ADB is also examining opportunities to cofinance private sector investments (a cold-storage facility in Tianjin which ADB is proposing to support will be used to accommodate shipments to, from, and via Mongolia). Possible investments in infrastructure and technical assistance to modernize the application of SPS measures may involve both the public and private sectors. These regional projects will help further integrate CAREC countries into the global economy and lead to sustained economic growth and improved living standards in the region

8. To ensure that TF projects are implemented on target, it will be necessary for the customs authorities to coordinate with the relevant government agencies to ensure that the TF proposed projects are included in their respective countries' ADB lending pipeline.

Issues for discussion:

9. CCC participation in the TTFS midterm review
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10. Trade Facilitation MTPP list
 - Confirmation of proposed projects submitted for inclusion in RIBS II
 - Regional Improvement of Corridor Efficiency
 - Regional Upgrade of SPS for Trade
 - Proposed RETAs
 - Promoting Cooperation in SPS Measures
 - Options on Regional Transit for CAREC
 - Promoting PPP in Supply Chain and Multi-Modal Transport

Annexes

Annex 1	Draft TA: CAREC – Midterm Review of Transport and Trade Facilitation Strategy and Implementation Action Plan
Annex 2	Trade Facilitation - MTPP List
Annex 3	List of projects submitted for RIBS 2
Annex 4	Project profile -Regional Improvement of Corridor Efficiency
Annex 5	Project profile - Regional Upgrade of SPS for Trade
Annex 6	Draft concept paper - Promoting Cooperation in SPS Measures
Annex 7	Draft concept paper - Options on Regional Transit for CAREC
Annex 8	Project profile - Promoting PPP in Supply Chain and Multi-Modal Transport