

Midterm Review of the Transport and Trade Facilitation Strategy (TTFS)

12th Customs Cooperation Committee Meeting
18 September 2012
Astana, Kazakhstan

The Transport and Trade Facilitation Strategy: A Second Look

- Jointly being implemented by the TSCC and the CCC since 2007.
- TTFS Midterm Review (MTR): 2012-2013
 - Part 1 – **stock-taking** of the implementation progress of the Strategy and Implementation Action Plan.
 - Part 2 – developing a **Refined TTFS and Implementation Action Plan.**

SIX CENTRAL ASIA REGIONAL ECONOMIC COOPERATION CORRIDORS



- ★ National Capital
 - Provincial Capital
 - City/Town
 - ⚓ Naval Port
 - Cross Border Point
 - CAREC Corridor 1
 - CAREC Corridor 2
 - CAREC Corridor 3
 - CAREC Corridor 4
 - CAREC Corridor 5
 - CAREC Corridor 6
 - - - International Boundary
- Boundaries are not necessarily authoritative.

TTFS Stock-taking: Lessons Learned

- Physical infrastructure easier to implement than the 'soft' components, i.e.,
 - Customs reforms
 - Integrated trade facilitation
 - Promoting private sector participation and developing an enabling environment for PPPs
- Increase efforts in improving border management.
 - More pilot testing of joint customs control.
- Continue improvements in business environment and governance.
- Revitalize and strengthen the National Joint Transport and Trade Facilitation Committees (NJC).

TTFS Stock-taking: Lessons Learned

- More focus needed on non-linear (nodal) infrastructure → for long-haul multimodal transport and logistics services.
- Develop a systematic capacity building program for effective implementation and results monitoring of the TTFS.
- Increase and strengthen the role of the private sector in implementing TTFS.

Global and Regional Context

- CAREC is operating in a rapidly changing global and regional environment.
- The rise of the PRC economy has significantly impacted the CAREC trade pattern.
- The north-south corridors needs to supplement the east-west corridors.
- The Russia-led Customs Union has changed patterns of trade.

Global and Regional Context: Implications on CAREC and the CCC

- Importance of harmonization of transportation and border control.
- Transport Logistics: Need to promote and improve intermodal transport and value chains.
 - Strategically located logistics facilities and services will become indispensable to the region for efficient distribution and collection.
- Efficient Border Management: Greater progress in achieving streamlined and efficient border management becomes imperative.
- ‘Economic corridors’ are still the long-term goal.

2012 CPMM Results

- CPMM identified transshipment as a major cost and source of delays along CAREC corridors.
- The CPMM system is good but requires further strengthening, especially in the rail sector.
- Belarus–Kazakhstan–Russia Customs Union economic space remains a challenge for non-members.
 - Due to tighter inspections and fees.

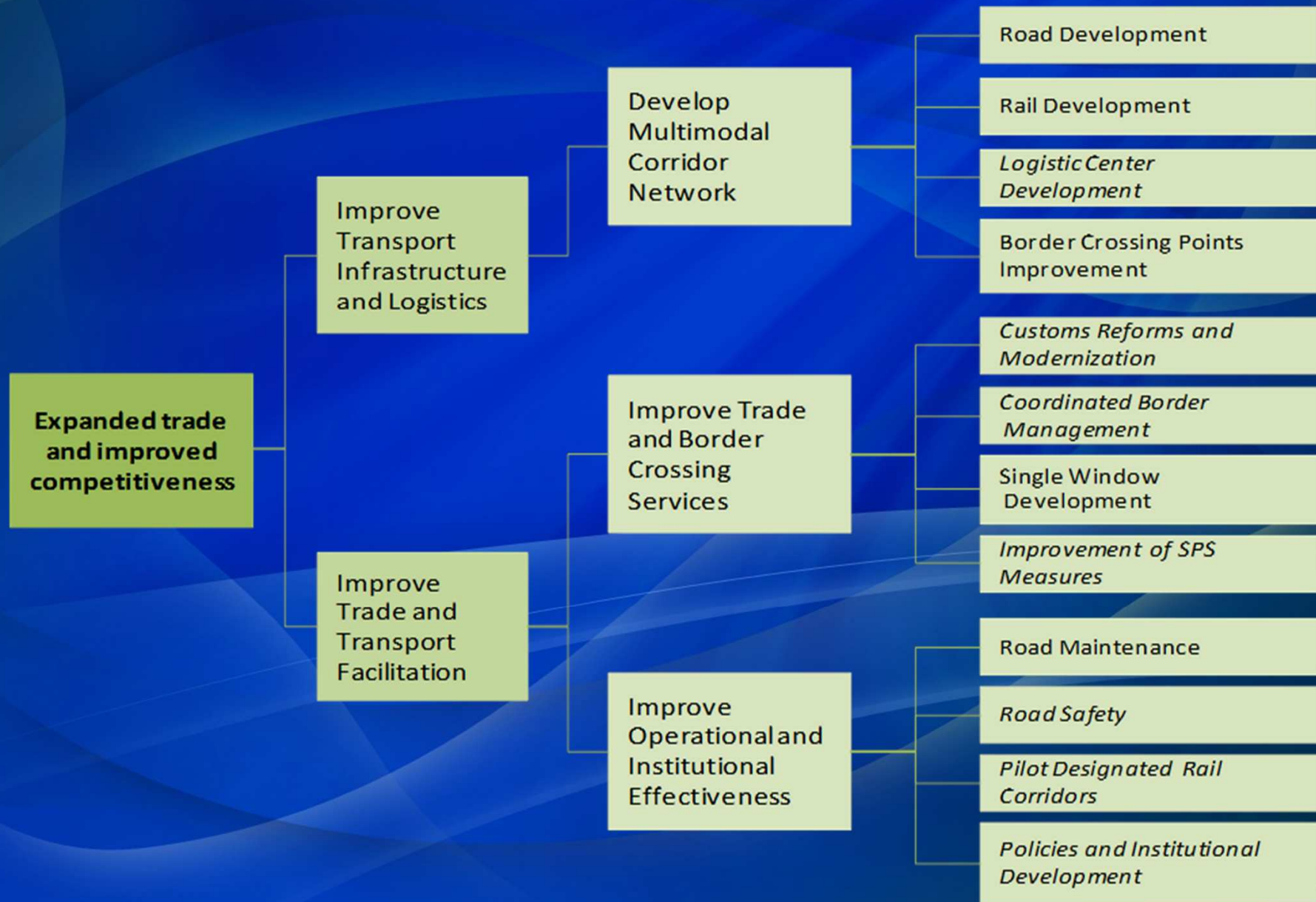
2012 CPMM Results: TF Indicators

| | | 2010 Baseline Value | | 2011 | | 2012 | |
|-------------|--|---------------------|--------|-------|--------|-------|--------|
| | | Mean | Median | Mean | Median | Mean | Median |
| TFI1 | Time taken to cross a border crossing point (in hours) | 8.7 | 4.1 | 7.9 | 4.1 | 10.9 | 4.2 |
| TFI2 | Cost incurred at border crossing clearance (in US\$) | 186.4 | 114.0 | 156.2 | 90.0 | 157.3 | 76.0 |
| TFI3 | Cost incurred to travel a corridor section (in US\$, per 500km per 20 ton) | 711.8 | 404.7 | 959.4 | 636.9 | 999.3 | 620.5 |
| TFI4 | Speed to travel on CAREC corridors (in kph), SWOD | 35.2 | 37.5 | 38.0 | 39.9 | 37.8 | 35.5 |
| | Speed to travel on CAREC corridors (in kph), SWD | 23.5 | 22.6 | 21.9 | 20.2 | 22.9 | 25.0 |

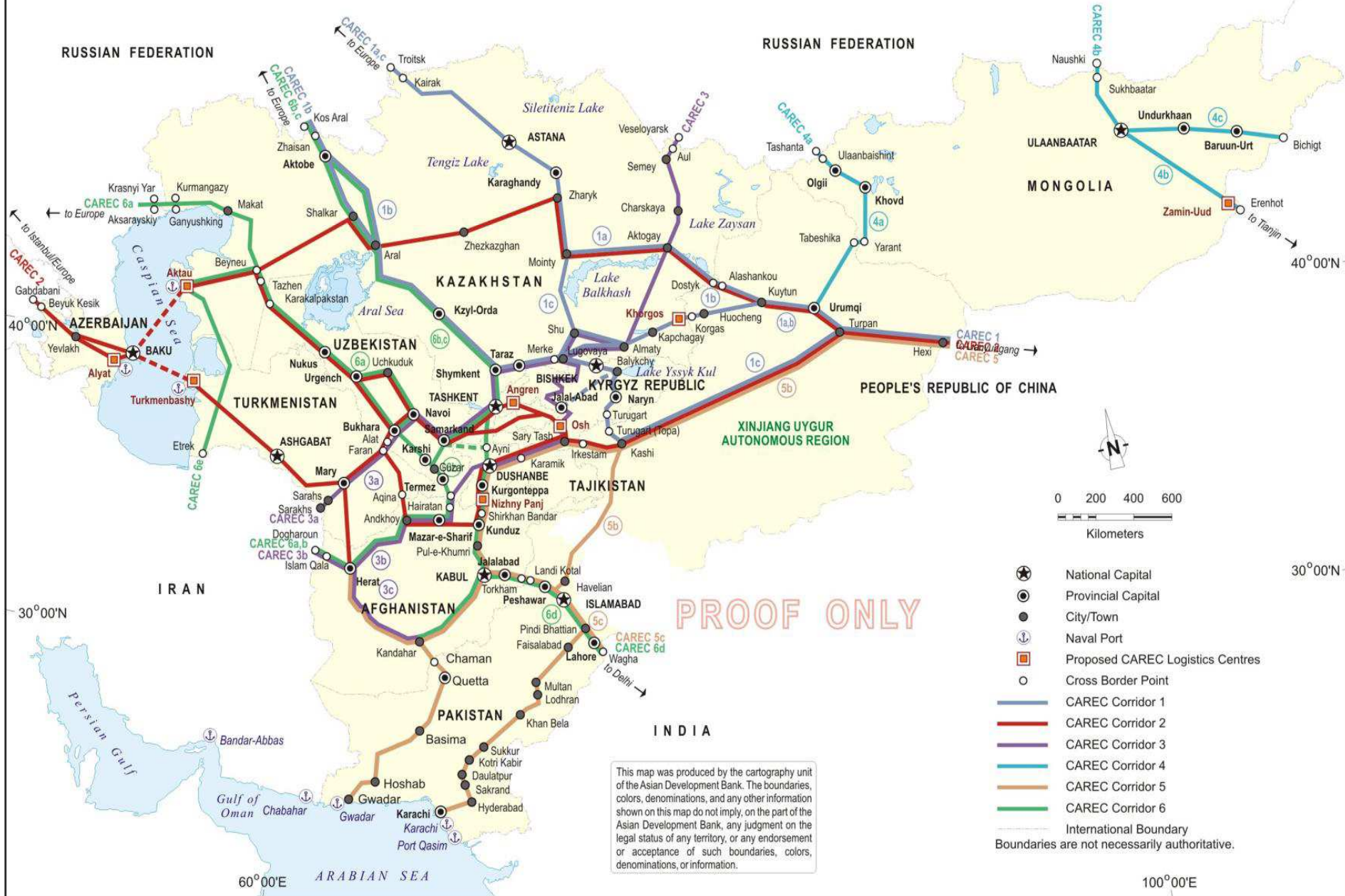
Highlights of the Refined CAREC Transport and Trade Facilitation Strategy

- CAREC 2020 reaffirmed the strategic objectives: to expand trade and improve competitiveness.
- The broader vision of regional cooperation remains.
- The 3 original goals also remain:
 - Competitive corridors.
 - Efficient movement of goods and people.
 - Sustainable, safe, user-friendly networks.
- The logic of the TTFS Refined Strategy 2020 is described graphically...

TTFS Refined Strategy 2020



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This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

TTFS Refined Strategy 2020: Operational Priorities (relevant to the CCC)

1. Develop multimodal corridor network

- Border crossing points (BCP): improved capacity, infrastructure, equipment and coordinated management.
- Logistics: Develop intermodal logistics hub, managed privately or by PPP.

2. Improve Trade and Border Crossing Services

- Customs reforms and modernization
- Coordinated border management
 - JCCs, effective risk management, Customs transit arrangements, and accreditation of AEOs

TTFS Refined Strategy 2020: Operational Priorities (relevant to the CCC)

- Development of National Single Windows
 - with regional interconnectivity of systems, information-sharing protocols and mutual recognition of test results.
- Beyond-Customs Trade Facilitation
 - streamlined issuance of permits and licenses, standardized commercial and transport documents, SPS measures.

3. Improve operational and institutional effectiveness

- More attention and resources to sector policy work.
- Strengthen capacity building and knowledge sharing (CAREC Institute).
- TAs and knowledge products to support operational priorities in the refined strategy.

Implementation Action Plan: Implications on the CCC

A. KEY MILESTONES BY 2020

- ❖ 8 CAREC countries acceded to the RKC
- ❖ Coordinated border management established at 5 pairs of BCP
- ❖ 3 national single window facilities set up
- ❖ Regional SPS cooperation programs (international standards compliant) established in 5 countries
- ❖ 5 BCPs improved
- ❖ NJC secretariats established in 3 CAREC countries
- ❖ At least 6 transport and trade facilitation capacity building activities conducted, annually

CAREC Implementation Arrangements

- More robust NJCs will be established, with well-defined TORs
- Promote private sector participation on NJCs
- Annual joint TSCC and CCC meetings (with CFCFA participation) to review the progress of implementation of the refined TTFS
- A wider role for the CAREC Institute
- Implementation monitoring by TSCC and CCC
 - Results based monitoring and evaluation
 - CPMM will be strengthened, especially in rail sector

Thank you!