

Coordination Mechanisms for Transport and Trade Facilitation in CAREC countries: An Overview

Workshop on National and Regional Joint Transport
and Trade Facilitation Committees

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Background



- ❑ Joint Transport and Trade Facilitation (JTTF) Strategy (endorsed by CAREC Ministerial Conference in 2007) and the Action Plan (endorsed in 2008)
 - Establishment of competitive corridors across the CAREC region
 - Facilitation of efficient movement across borders
 - Development of sustainable, safe, and user-friendly transport and trade networks
- ❑ Investment and TA Projects of up to \$20 billion and \$65 million, respectively are planned in the next 10 years.

Corridors, Borders, Networks



- Transport and trade facilitation: *"sum of all activities and processes needed to ease the flow of traded commodities, passengers and vehicles across borders"*



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Interactions

Trade policy development

- Review, assess and propose changes to international trade policy
- Review, assess and propose amendment to bilateral and multilateral trade agreements
- Review, assess and propose adoption of international trade conventions, standards, and best practices

Controls on Cargo

- Inspection of cargo documentation:
 - Certificates of Origin
 - Letters of Credit
 - Import licenses
 - Export permits
 - Quality certificates
 - Quarantine (agric. and veterinary) certificates
- Collection of Customs duties

Controls on Cargo

- Inspection of common documentation:
 - Contract
 - Customs declaration
 - Waybills/Bills of Lading/Consignment Notes
 - Invoices
 - Packing lists
 - Cargo insurance policy
- Customs physical inspection of cargo
- Quarantine (agriculture and veterinary)/Health inspection of cargo

Other activity at border

- Collection of statistical data

Transport policy development

- Review, assess & propose changes to international transport policy
- Review, assess and propose amendment to bilateral and multilateral transport agreements
- Review, assess and propose adoption of international transport conventions

Controls on vehicles and drivers

- Checking of transport authorization
- Check on Customs security of vehicles and containers
- Collection of vehicle tax, fuel tax and road charges
- Collection of payments for special transport permits
- Checks on vehicle certificates, weights and dimensions, road worthiness and insurance cover
- Vehicle quarantine inspection
- Driver passport/visa, Customs and health inspections
- Inspection of driver licenses and rest period records
- Cargo storage, consolidation/deconsolidation/transshipment

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CAREC Committees

Joint Transport and Trade Facilitation Strategy

Transport

Integrated Trade
Facilitation

Customs

Transport
Coordination
Committee

Customs
Cooperation
Committee

National and Regional Joint Transport and Trade Facilitation
Committees

Need for NJCs and RJC

- ❑ Removal of physical and non-physical barriers in international trade and transport requires the involvement of many government agencies
- ❑ proper inter-agency coordination institutions and mechanisms are crucial
- ❑ Collaboration between government agencies and the private sector is also important
- ❑ **Alignment of Responsibility and Accountability**

Recommendations



- UNECE Recommendation *No. 4 on National Trade and Transport Facilitation Committee*
 - first adopted in 1974, revised in 1999 and 2001, possible revision soon
 - adopted by the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT)
 - Partner organizations include WTO, UNCTAD, UNESCAP, World Bank, and possibly ADB
- UNESCAP Recommendation on the *National Coordination Mechanisms for Trade and Transport Facilitation in the UNESCAP Region*
 - Purpose; Form and Role; Organization, Membership, Direction/Accountability, Staffing and Meeting Frequency; Functions, Work Program; Funding; Coordination with other Organizations; Strengthening of Coordination Mechanisms

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Area	Recommendation
1. Purpose	To cooperate, coordinate, propose and implement arrangements for improvement of the effectiveness and efficiency of international trade and transport
2. Form and role	
2.1 Form	regulatory and advisory bodies to coordinate and implement actions to facilitate efficient international trade and transport and propose facilitation measures to government
2.2 Role	To review, assess, propose and take action for the facilitation of international trade and transport
3. Organization, membership, direction/accountability, staffing and meeting frequency	
3.1 Organization	<p>Option 1: Joint facilitation body supported by two sub-bodies dealing exclusively with issues in trade and transport</p> <p>Option 2: Two inter-agency bodies of substantive government organizations, which can be supported by an advisory body with broad participation of all public and private stakeholders</p>

UNESCAP



Area	Recommendation
3.2 Membership Composition	<p>Representatives of organizations involved in international trade and transport such as:</p> <ul style="list-style-type: none">• Trade regulatory authority• Transport regulatory authority• Other government regulatory or planning authorities• Business sector (e.g chamber of commerce, transport association, association of freight forwarders).
4. Direction and accountability	<ul style="list-style-type: none">• Accountability to officials at the high level of national government, be they Deputy Prime Minister or Minister.• Should be chaired by a Deputy Minister, Permanent Secretary, Secretary or other appropriate senior official of trade/commerce or transport.
5. Staffing	<ul style="list-style-type: none">• Staff should recruited through a competitive recruitment process• Staff should have experience in the fields of trade/transport regulation, exporting or importing, transport operation, or trade service provision• Alternatively, existing staff in the office of the chairing organization of the body can provide services to the body.

UNESCAP



Area	Recommendation
6. Meeting frequency	<ul style="list-style-type: none">• Quarterly; additional special meetings should be convened, if necessary• Working groups may meet monthly• Task forces may meet on an “as required” basis determined by the specific requests of their working groups
7. Functions	Main functions should focus on measures to improve the operational performance in the process of international trade and transport
8. Work program	Should have a detailed annual work program setting out the objectives, expected outputs and schedule of major activities
9. Funding	<ul style="list-style-type: none">• Mobilize public and private sector resources to finance the operations and activities• Seek international assistance to finance initial operation and some subsequent activities

Area	Recommendation
10. Coordination with other national trade and transport facilitation coordination mechanisms of the region/sub-region or along specific transport corridors	
	<ul style="list-style-type: none"> • Establish permanent links and a schedule of meetings with counterpart bodies in other countries, within the sub-region or along specific transport corridors. • Use sub-regional facilitation mechanisms as forums to exchange information and experience in relation to trade and transport facilitation, and also as a means to achieve the harmonization of documentation and procedures • Establish regional forum on trade and transport facilitation to provide an opportunity for the national facilitation bodies to meet and exchange information and experience, and explore opportunity of international assistance
11. Strengthening of national trade and transport coordination mechanisms	prepare national action plans to enhance the existing national trade and transport coordination mechanisms in accordance with recommendations of the UNESCAP Study.

Examples

- National coordination mechanisms have been established in various regions/sub-regions:
 - Europe (UK, Sweden, Southeast Europe)
 - South Asia (Nepal, Pakistan)
 - Southeast Asia (Cambodia, Lao PDR, Thailand, Viet Nam)
 - East Asia (PRC, Japan)
 - South Caucasus (Armenia, Georgia)
 - Central Asia
 - ◇ Committees in Afghanistan and Mongolia have been established with UNECE's cooperation
 - ◇ Azerbaijan, Uzbekistan also worked with UNECE, as well as in Kazakhstan and Kyrgyzstan

CAREC NJCs

- The CAREC JTTF Strategy and Action Plan stipulated that the main objective of NJCs is to:
 - promote transport development and integrated trade facilitation at the national level through improved interagency collaboration and enhanced partnerships between the public and private sectors
 - provide integrated and overall leadership on trade facilitation matters at the national level
- NJCs to include representatives of:
 - Ministry/department of transport
 - Ministries/departments of trade, industry or commerce, economy
 - Customs authority
 - Agencies for sanitary and phyto-sanitary, and product and quality standard, and quarantine and immigration policies and rules and regulations
 - private sector groups such as organizations of freight forwarders, transporters, and logistics service providers

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CAREC RJC

- The CAREC Regional Joint Transport and Trade Facilitation Committee will:
 - provide regional leadership in the implementation of the Joint Strategy and its Action Plan
 - serve as a regional forum to raise, discuss and resolve issues of common interest relating to barriers to trade and development
 - be comprised of representatives from NJCs and CAREC committees (TSCC, CCC) and regional groupings representing freight forwarders or transport groups and other private sector concerns

Stock-taking:

- CAREC country NJCs: some are active and some are not
- Organizational structures differ

Country	Transport	Trade Facilitation	Joint Committees
AFG	Inter-ministry Committee		AFGPRO Committee
AZE			AZERPRO Committee
KAZ	Inter-ministry Commission for Transport	KAZ Freight Forwarders Association	
KGZ	Working Group on Implementation of Almaty Program		National Council to Assist in the Area of Trade and Transport
MON	National Transit Facilitation Committee	Trade Facilitation Committee	National Committee for Trade and Transport Facilitation
PRC	National Transport Facilitation Committee *		
TAJ	Inter-ministry Commission for Transport		Working Group on Trade Facilitation and Transport
UZB	Working Group on Transport		

Stock-taking:



Country	Committee	Legal Mandate	Membership	Role	Status
AFG	Joint Committee	Presidential decree	Public/Private sectors	advisory	inactive
AZE	Joint Committee	None	Public/private sectors	coordination	inactive
KAZ	KAZ Transport	Government Resolution	Government agencies	coordination	active
KGZ	Joint Committee	Presidential Decree	Government agencies, private sector, NGOs, donor reps	Coordination, advisory	active
MON	Joint Committee	Government Resolution	Government agencies	Coordination, advisory	
PRC	Transport*	State Council decree	Gov's agencies, private sector consulted as needed	Coordination, implementation	active
TAJ	Joint Committee		Government, private sector, donors	Coordination, advisory	active
UZB	Transport		Gov's agencies and SOEs; private sector consulted as needed	Coordination, implementation	Established Oct 2008

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Lessons Learned

- ❑ Some NJCs exist on paper only,
 - Institutional rivalry,
 - Inconsistent priorities, mandates and tasks
- ❑ NJCs are dependent on financing from MDBs on project basis
 - disappear with the end of the project and are not sustainable
- ❑ Consultative groupings of policy-makers and experts are not often used
- ❑ Lack of implementation of international standards

Approach for CAREC

- ❑ Confidence and trust building among various agencies and stakeholders in the NJC through implementing joint projects
- ❑ Establish NJCs' ownership over projects
- ❑ Peer pressure and sharing of experiences among CAREC NJCs
- ❑ Detailed Terms of References of various tasks
- ❑ ADB's technical support
- ❑ International best practices and implementation of international standards

Planning



Work Program	Timetable
Inventory of existing committees	February 2009
Country consultation meetings	April-May 2009
Preparation of country specific case studies	ongoing
1st CAREC workshop on NJCs/RJC	May 2009
Setting-up of RJC	
2nd CAREC workshop on NJCs/RJC	October 2009

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Thank you



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