

Assessment of Readiness to Implement the WTO TFA in CAREC

CAREC Workshop on Trade and Trade Facilitation Reforms –
WTO Trade Facilitation Agreement and Consolidated Trade Agenda
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CAREC countries and WTO

Country	WTO member	WTO TFA ratification
Afghanistan	YES	YES
Azerbaijan		
People's Republic of China	YES	YES
Georgia	YES	YES
Kazakhstan	YES	YES
Kyrgyz Republic	YES	YES
Mongolia	YES	YES
Pakistan	YES	YES
Tajikistan	YES	* (notified Category A)
Turkmenistan		
Uzbekistan		

Requirements upon WTO TFA's entry into force*

- Have a National Committee on Trade Facilitation (NCTF) in place
- Implement Category A designations
 - For least developed countries (LDCs) until February 2018
- Notify WTO of Category B & C designations
 - with indicative timeline for implementation
 - Category C will include information on technical assistance and capacity building required to implement

* WTO TFA took effect on 22 February 2017

Methodology of ADB Assessment

- Identify current laws, regulations, systems or procedures that reflect each TFA Article
 - Lead provision is defined by questions from the WCO “Performance Indicators for the Agreement on Trade Facilitation”
 - If lead provision is not fully satisfied, it is considered a “partial” reflection of the TFA Article
- Information from official sources and meeting with government agencies undertaken by national consultants from June-September 2017
- Additional data from Joint ADB-KCS workshop and NCTF meeting in June 2017 in Seoul

Summary of Preliminary Findings (1)

- CAREC countries vary in their level of readiness to implement the TFA
- Even for non-WTO CAREC countries, their laws complies with several WTO TFA provisions
- The alignment of national laws/ regulations/ systems/procedures with each TFA Article also varies
 - Laws/regulations may be aligned but not implemented
 - Practices may be aligned but not reflected in law
 - Not all parts of the TFA Article may be reflected in law or practice

Alignment with TFA provisions*

PROVISION	Yes	Partial	No
1 Publication and Availability of Information			
1.1 Publication	7	4	
1.2 Information available through internet	5	6	
1.3 Enquiry points	5	4	2
2 Opportunity to Comment, Information Before Entry into Force and Consultations			
2.1 Opportunity to comment and information before entry into force	8	2	1
2.2 Consultations	6	4	1
3 Advance rulings			
3.1 Classification	9	2	
3.2 Non-preferential Rules of Origin	6	1	4
3.3 Valuation	5	6	
4 Procedures for appeal or review	9	2	
5 Other Measures to Enhance Impartiality, Non-Discrimination and Transparency			
5.1 Notification for enhanced controls or inspections	4	4	3
5.2 Detention	9		2
5.3 Test procedures	7	1	3

*includes all 11 CAREC countries

Alignment with TFA provisions

PROVISION	Yes	Partial	No
6 Disciplines on Fees and Charges Imposed On or In Connection with Importation and Exportation			
6.1 General disciplines on fees and charges imposed in connection with importation and exportation	2	3	6
6.2 Specific disciplines on fees and charges for customs processing imposed in connection with importation and exportation	4	2	5
6.3 Penalty disciplines: authority to impose penalties	10		1
7 Release and Clearance of Goods			
7.1 Pre-arrival processing	8	1	2
7.2 Electronic payment	5	3	3
7.3 Separation of release from final determination of customs duties, taxes, fees and charges: allow release before assessment	7	2	2
7.4 Risk management	6	5	
7.5 Post-clearance audit	7	3	1
7.6 Establishment and publication of average release times	3	2	6
7.7 Trade facilitation measures for authorized operators	3	3	5
7.8 Expedited shipments	4	3	4
7.9 Perishable goods	9	2	
8 Border Agency Cooperation	8	3	
9 Movement of Goods Intended for Import under Customs Control	10	1	

Alignment with TFA provisions

PROVISION	Yes	Partial	No
10 Formalities Connected with Importation, Exportation and Transit			
10.1 Formalities and documentation requirements	7	2	2
10.2 Acceptance of copies	7	2	2
10.3 Use of international standards	5	3	3
10.4 Single Window	4	2	5
10.5 Pre-shipment inspection	6	1	4
10.6 Use of customs brokers	9	1	1
10.7 Common border procedures and uniform documentation	8	1	2
10.8 Rejected goods	10	1	
10.9 Temporary admission of goods and inward and outward processing	8	2	1
11 Freedom of Transit	5	5	1
12 Customs cooperation: law allows sharing of information with other customs	7	2	2

Summary of Preliminary Findings (2)

- Some progress was achieved in establishing NCTFs
 - A few have long-standing committees or mechanisms
 - Most have recently-formed committees
 - Committee chairmanship also varies
 - Participation of private sector and business representatives notable in some
- Some form of inter-agency working group exists in non-WTO members (e.g., AZERPRO)

Status of NCTFs

	NCTF	Legal Basis	Members	Chair
AFG	NCTF	Presidential Decree No. 2601, Nov 2016	20 ministries and state bodies; 2-tier (senior high level and technical level)	Ministry of Commerce and Industries is the lead
PRC	Trade Facilitation Work Inter-Ministerial Joint Conference Mechanism	State Council decision of Mar 2016	16 ministries and commissions	Vice-Premier of State Council (Vice-Chairs are heads of Min of Commerce, GACC, AQSIQ, Dep. Sec-Gen of State Council)
GEO	To be established by MOF, MESD, MFA Current mechanisms are the Working Group of GRS, Consultation Council, Investors Council, Advisory Council			
KAZ	To be established (currently Working Group)		8 state bodies and 1 business chamber	Minister of National Economy
KGZ	Trade Facilitation Council	Government Decree of July 2017	11 state bodies and business sector	Ministry of Economy (Co-Chair is business representative)
MON	NCTF	MFA Decree No. A/48 of Aug 2017	12 state bodies and 5 business sector representatives	Minister of Foreign Affairs
PAK	National Trade and Transport Facilitation Committee (will be revamped)	Government Resolution of Aug 2001	15 state bodies and 15 private sector groups	Ministry of Commerce
TAJ	Coordinating Committee on Trade Facilitation	Government Resolution No. 529 of Dec 2016	24 public sector and 12 private sector bodies	Minister of Economic Development and Trade (Deputy Chair is head of Customs Service)

Status of TFA categories designation

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CAREC	Category A	Category B, C
Afghanistan	Identified	Identified
People's Republic of China	Notified	Notified
Georgia	Notified	Notified
Kazakhstan	Notified	Identified
Kyrgyz Republic	Notified	Identified
Mongolia	Notified	Identified
Pakistan	Notified	Identified
Tajikistan	Notified	Identified

Notes: Notified- officially with WTO; Identified - based on ADB assessment.
Data covers only 8 CAREC countries.

Summary of Preliminary Findings (3)

- The majority of TFA Articles are designated* as Category A in CAREC countries
 - Most number of Category A notifications from PRC and Georgia, followed by Kazakhstan and Tajikistan
 - Category A mostly in provisions on transparency provisions, appeal, customs control and formalities (except in Single window & int'l. standards)
 - Most diverse (Category A and C) in release and clearance, transit, border agency cooperation

*Designated includes both notified to the WTO and identified in ADB assessment

TFA Commitments: Articles 1 to 3

PROVISION	AFG	PRC	GEO	KAZ	KGZ	MON	PAK	TAJ
1 Publication and Availability of Information								
1.1 Publication	B	A	A		C	C	A	A
1.2 Information available through internet	B	A	A		B	C	C	A
1.3 Enquiry points	B	A	A		C	B	A	C
2 Opportunity to Comment, Information Before Entry into Force and Consultations								
2.1 Opportunity to comment and information before entry into force	A	A	A	A	B	B	A	C
2.2 Consultations	A	A	A		B	A	A	C
3 Advance rulings	A	A	A		B	C	C	C

Note: Categories A and B highlighted in boldface are those notified to WTO.

TFA Commitments: Articles 4 to 6

PROVISION	AFG	PRC	GEO	KAZ	KGZ	MON	PAK	TAJ
4 Procedures for appeal or review	A	A	A	A	A	A	B	A
5 Other Measures to Enhance Impartiality, Non-Discrimination and Transparency								
5.1 Notification for enhanced controls or inspections	B	A	A	A	C	B	B	C
5.2 Detention	A	A	A	A	A	A	A	A
5.3 Test procedures	B	A	A	A	B	B	A	A
6 Disciplines on Fees and Charges Imposed On or In Connection with Importation and Exportation								
6.1 General disciplines on fees and charges	B	A	A	A	B	A	B	A
6.2 Specific disciplines on fees and charges	B	A	B	A	C	A	A	A
6.3 Penalty disciplines	B	A	A	A	A	B	A	A

TFA Commitments: Articles 7.1 to 7.5

PROVISION	AFG	PRC	GEO	KAZ	KGZ	MON	PAK	TAJ
7 Release and Clearance of Goods								
7.1 Pre-arrival processing	C	A	A	A	B	C	A	A
7.2 Electronic payment	C	A	A		C	B	C	C
7.3 Separation of release from final determination of customs duties, taxes, fees and charges	B	A	A	A	C	B	A	A
7.4 Risk management	B	A	A	A	C	C	C	A
7.5 Post-clearance audit	B	A	A	A	C	B	C	A

TFA Commitments:

Articles 7.6 to 7.9, Articles 8 and 9

PROVISION	AFG	PRC	GEO	KAZ	KGZ	MON	PAK	TAJ
7.6 Establishment and publication of average release times	C	B	A		C	C		A
7.7 Trade facilitation measures for authorized operators	C	A	C		C	C		C
7.8 Expedited shipments	C	A	A		B	C	C	A
7.9 Perishable goods	B	A	A	A	B	C	B	A
8 Border Agency Cooperation	C	A	A	A	C	C	C	A
9 Movement of Goods Intended for Import under Customs Control	A	A	A	A	A	B	B	A

TFA Commitments:

Article 10

PROVISION	AFG	PRC	GEO	KAZ	KGZ	MON	PAK	TAJ
10 Formalities Connected with Importation, Exportation and Transit								
10.1 Formalities and documentation requirements	B	A	A	A	C	A	B	A
10.2 Acceptance of copies	C	A	A	A	C	A	B	A
10.3 Use of international standards	C	A	A		C	C	C	A
10.4 Single Window	C	B	A		C	C		C
10.5 Pre-shipment inspection	A	A	A	A	A	B	A	A
10.6 Use of customs brokers	A	A	A	A	C	C	A	A
10.7 Common border procedures and uniform documentation	A	A	A	A	C	A	C	A
10.8 Rejected goods	A	A	A	A	B	A	B	A
10.9 Temporary admission of goods and inward and outward processing	A	B	A	A	B	B	B	A

TFA Commitments: Articles 11.1 to 11.9

PROVISION	AFG	PRC	GEO	KAZ	KGZ	MON	PAK	TAJ
11 Freedom of Transit								
11.1 Freedom of transit (regulations not restrictive)	B	A	A	A	A	A	B	A
11.2 Freedom of transit (not conditioned on fees)	B	A	A	A	A	A	A	A
11.3 Freedom of transit (no voluntary restraint)	A	A	A	A	A	A	A	A
11.4 Freedom of transit (non-discrimination)	A	A	A	A	A	A	A	A
11.5 Freedom of transit (separate physical infrastructure)	C	A	A	A	C	A	A	A
11.6 Freedom of transit (formalities not burdensome)	B	A	A	A	C	A	A	A
11.7 Freedom of transit (no unnecessary fees or delays)	A	A	A	A	C	A	A	A
11.8 Freedom of transit (no technical regulations)	A	A	A	A	C	A	A	A
11.9 Freedom of transit (advance filing and processing)	C	A	C	A	C	A	A	A

TFA Commitments:

Articles 11.10 to 11.17 and Article 12

PROVISION	AFG	PRC	GEO	KAZ	KGZ	MON	PAK	TAJ
11.10 Freedom of transit (termination of transit operation)	A	A	A	A	C	A	A	A
11.11 Freedom of transit (guarantees)	A	A	A	A	C	A	A	A
11.12 Freedom of transit (discharge of guarantee)	B	A	A	A	C	A	A	A
11.13 Freedom of transit (comprehensive guarantee)	A	A	A	A	C	A	A	A
11.14 Freedom of transit (publication of information)		A	A	A	C	A	A	A
11.15 Freedom of transit (escorts)		A	A	A	C	A	A	A
11.16 Freedom of transit (cooperation and coordination)	B	A	A	A	C	A	B	A
11.17 Freedom of transit (national transit coordinator)	B	A	A	A	C	A	B	A
12 Customs cooperation	B,C	B	A		C	B	B	C

Priorities to Support

- Top Priority: Establish or strengthen NCTFs, which is a mandatory requirement
- TFA Articles designated Category A by the most number of countries – which require some assistance
- TFA Articles that are already partially reflected in laws, regulations, systems or procedures
- Specific requests for assistance by countries

THANK YOU!

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