

**MINUTES OF WORKING GROUP ON DEVELOPMENT OF BORDER
POSTS AND FACILITIES
4-8 August 2003, Issy-kul, Kyrgyz Republic**

1. The Working Group focused on two main aspects of the Work Program that had been agreed at the 1st Working Group in Almaty, Kazakhstan 21-25th April 2003. These were as follows:

- i. Deliverables to the 2nd CCC Meeting in Tashkent in October 2003; and
- ii. Proposals for the follow-on Common Action Plan to be approved at the 2nd CCC Meeting.

2. The Group agreed the Discussion Document on Joint Border Processing at Border Crossings as a submission to the 2nd CCC indicating work completed to date. It was noted that this document was work in progress of a comprehensive study on this issue in support of this activity stipulated in the Common Action Plan. The document should be supplemented with additional sections covering the following issues:

- i. Recommendations on which type of joint processing would be most appropriate for the Region;
- ii. An overview of the legal situation in relation to joint processing at or adjacent to the border;
- iii. Additional detail on the processing activities; and
- iv. A summary of the advantages and disadvantages of joint processing.

The ADB Resource person would complete these additional sections on behalf of the Working Group in the preparation of this comprehensive report for completion during September 2003.

3. The overview of the legal issues would be based on assessment reports submitted by each country by the end of August 2003. This overview would be limited to examination of the national Customs Codes and indications of the relationship between national Customs Legislation and international agreements relating to legal precedence with respect to joint border processing.

4. Concern was expressed regarding the ability to fully examine the legal implications of joint processing with the proposed timeframe due to the need for consultations with other concerned ministries and departments, thus the proposal to limit the initial review to the Customs Code only. It was agreed that each country would further undertake a more detailed assessment of any additional legislation and agreements that could have implications in respect of joint processing. It was considered that the results of this work may not be available in time for submission to the 2nd CCC, but would be available during October and would be prepared as a separate report.

5. It was evident that in order to implement a joint processing that a bilateral agreement will be required. A key aspect of such an agreement would be the issue of the application of national legislation and jurisdiction of Customs and other border services working on the territory of the other participant countries. It was agreed that the ADB resource person would prepare a draft model international agreement that could be used for concluding bilateral agreements between participant countries.

6. The legal report to be submitted later in the year will include the following:
- i. Detailed assessment of legislation in each country in relation to joint processing;
 - ii. Identification of legal obstacles and proposals on how to resolve them; and
 - iii. A Model joint border bilateral agreement.
7. It was proposed by the Working Group that the Akzhol/Korday border crossing between the Kyrgyz Republic and Kazakhstan be selected and confirmed by the CCC as the pilot site for joint processing.
8. It was also proposed that the current information exchange program being conducted between Kazakhstan and PRC at Khorgas/Horgos be developed and later considered as a possible second pilot site.
9. It was agreed that following approval of the Akzhol/Korday as the pilot joint border crossing that a feasibility study should be conducted. This study would include, but not be restricted to, the following key elements:
- i. the legal situation;
 - ii. description of operational procedures;
 - iii. proposals for site layout;
 - iv. identification of infrastructure and equipment requirements – funding needs;
 - v. a cost benefit analysis;
 - vi. draft implementation plan
- This study will require the services of an international consultant in addition to the formation of a joint working group from each country. The target date for completion of this study is the end of 2003/early 2004.
10. The Working Group recognized the need to be able to measure the performance of the pilot project in order to decide how and whether joint processing should be undertaken at other crossings. It is important that such measurement indicators are in place prior to commencement of joint processing operations. The ADB will assist in providing possible qualitative and quantitative indicators. Proposals were made that an independent party, such as the ADB, could act as an independent monitor reporting back to the Working Group. The mechanism for dissemination of the results of the pilot project also needs to be developed.
11. It was considered that the proposed commencement date for the pilot project in January 2004 was unrealistic, in that site selection would not be confirmed until October 2003. Depending on the results of the Feasibility Study, particularly the infrastructure funding issues, the target date for possible implementation could be spring/summer 2004 and continue for one year as originally proposed at the 1st CCC Meeting.
12. An updated Action Plan based on the above will be prepared for submission to the 2nd CCC for approval.