

Facilitation of Regional Transit Trade in CAREC

JEFF PROCAK
REGIONAL COOPERATION SPECIALIST
ASIAN DEVELOPMENT BANK



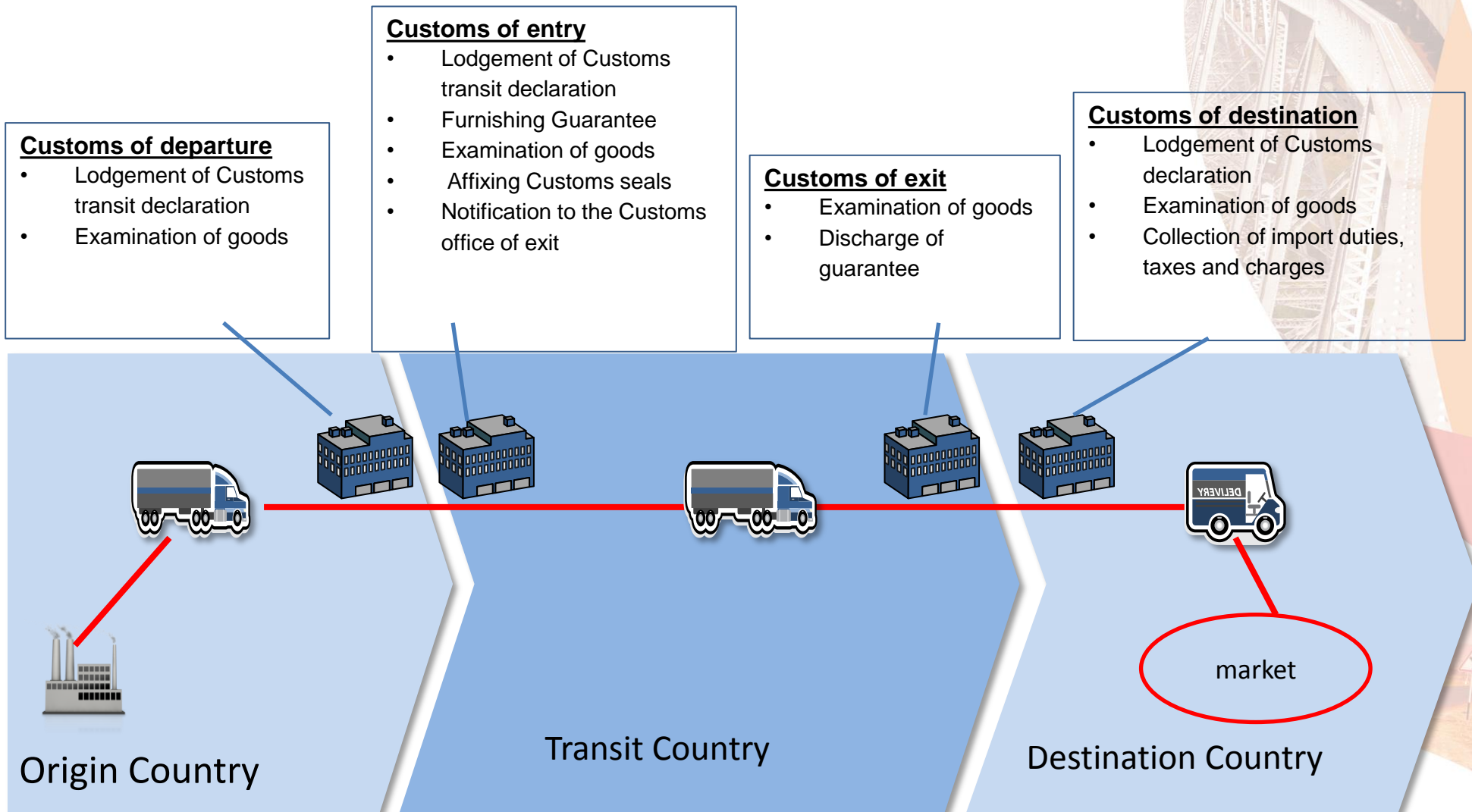
**14th Meeting of the CAREC
Transport Sector Coordinating Committee**
27-30 April 2015 • Ulaanbaatar, Mongolia

**14-е заседание ЦАРЭС
Координационного комитета по транспортному сектору**
27-30 апреля 2015 • Улан-Батор, Монголия

Customs Transit Regime

- ❖ Definition: Customs procedure under which goods are transported under customs control from one customs office to another. (RKC/WCO)
- ❖ Covers inbound transit, outbound transit, and domestic transit.
- ❖ International transit operation tends to be complex – vulnerable to bureaucratic inefficiency

Transit Procedures



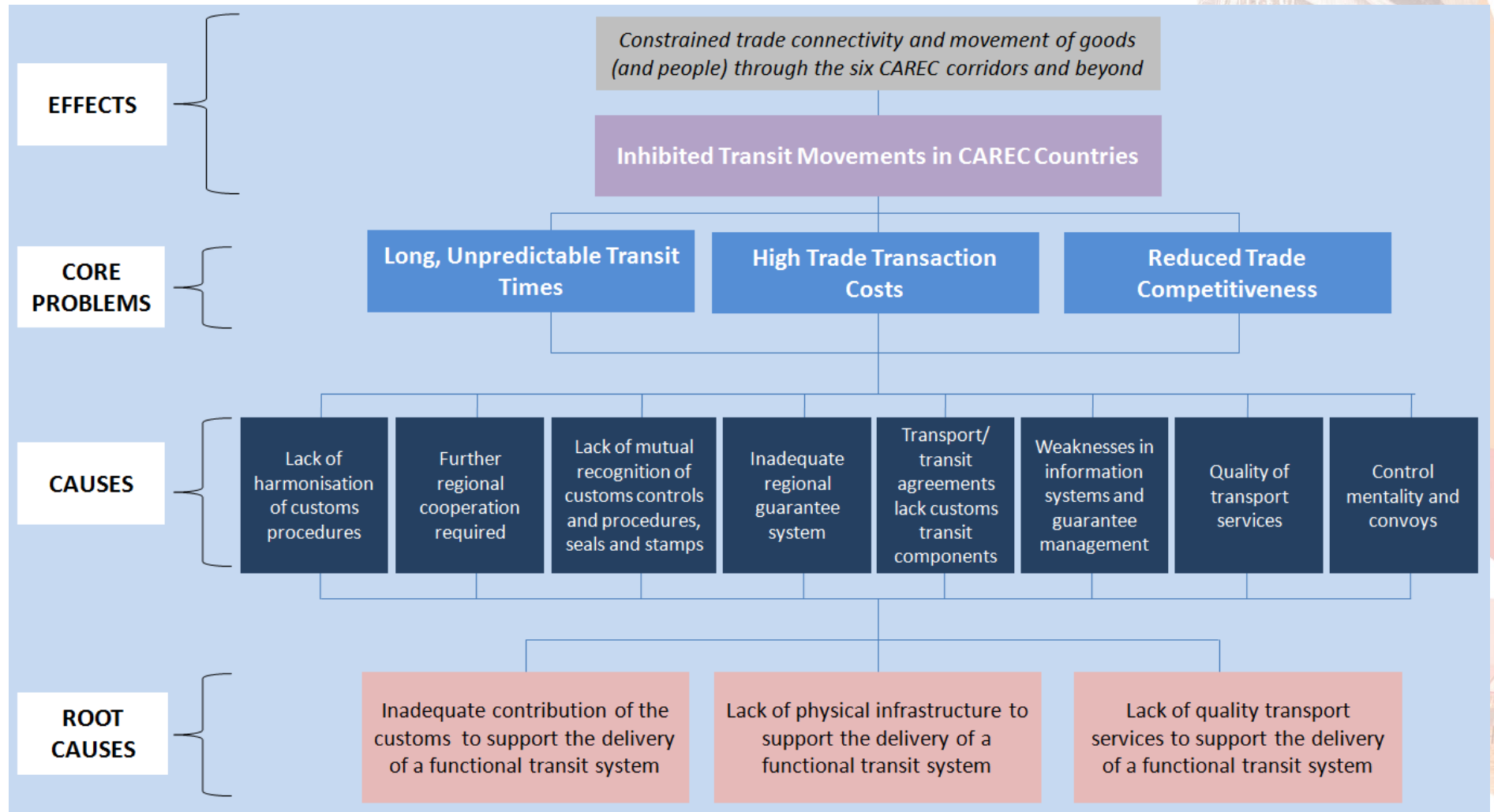
Benefits of effective regional transit regime for CAREC

- ❖ Efficient transit regime increase trade and enhance competitiveness
- ❖ For customs – simplify procedures and more efficient use of resources
- ❖ For operators – standardized procedures will cut initiation time and cost savings from taxes on transit goods if guarantee is provided

Features of CAREC Regional Transit

- ❖ Landlocked geography of CAREC
- ❖ Most traded type of goods are perishables
- ❖ Many bilateral and regional agreements between CAREC countries exist; most are not implemented
- ❖ Need for a cost-effective transit regime for shorter-distance movements

Challenges of CAREC Regional Transit

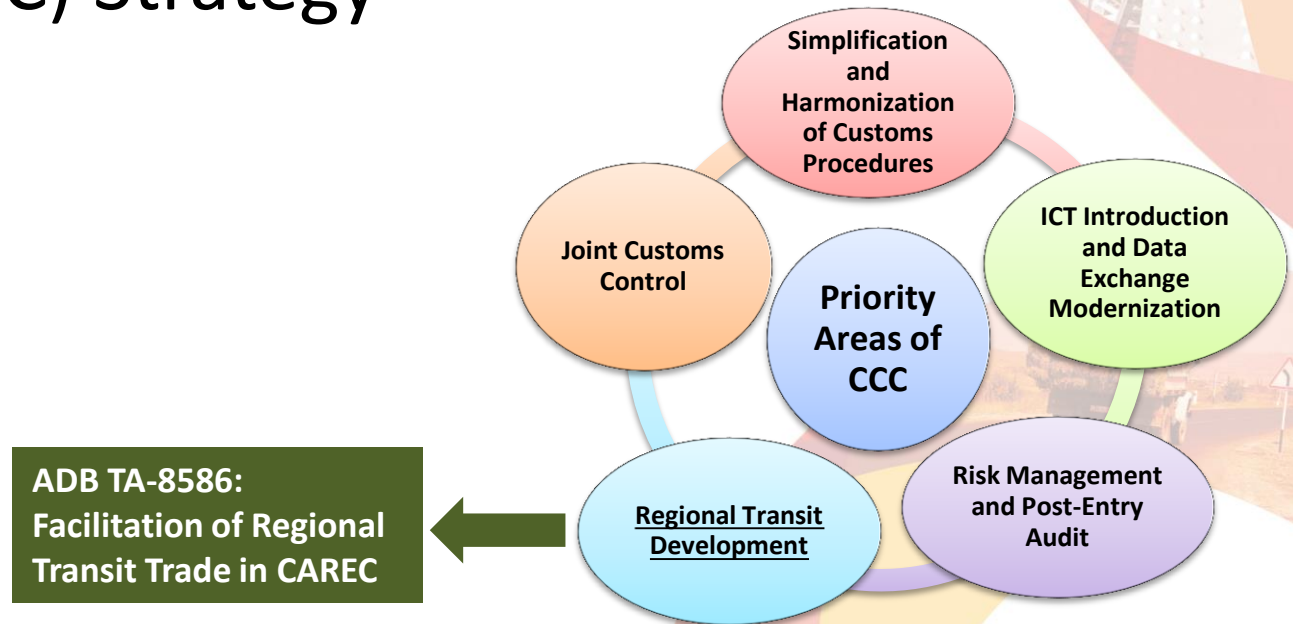


RETA Facilitation of Regional Transit Trade

- ❖ Design of a regional guarantee system specific to CAREC corridors
- ❖ Assess compatibility of national transit legislation between CAREC countries to minimize need for new legislation
- ❖ Draft requirements for a robust ICT system

TA Aims

- Overall Aim of the TA
 - To remove customs-related impediments to transit through the CAREC corridors.
- TA as a part of the Customs Cooperation Committee (CCC) Strategy



TA Objectives

- To identify the major CAREC corridors and their transit operation characteristics;
- To identify major impediments within current transit systems;
- To recommend solutions to develop a regional guarantee system;
- To prepare the legislative requirements for a regional transit system;
- To recommend an ICT system to support a regional transit regime; and
- To identify a suitable corridor to pilot test the recommended transit regime.

Implementation Arrangements

- ❖ PADECO will implement the project
- ❖ Stakeholders consultation
- ❖ Questionnaires will be distributed
- ❖ Customs and private sector (transport operators, CFCFA members) are requested to provide necessary information

Approach: Stakeholder Engagement (1)

1

13th CCC Meeting
(22-23 September,
2014)

- The conference proved an excellent opportunity to promote and raise awareness about the TA and its objectives.
- Q&A Session highlighted that a common agreement on the principles of a regional system would need to be reached

2

Inception Workshop
(22-23 January, 2015)

- To inform stakeholders of the purpose and objectives of the project
- Interactive platform for stakeholders to comment on key issues relating to regional transit trade

3

Stakeholder
Questionnaire
(January, 2015)

- For customs administrations, national international road transport associations, ministries of transport, and 1 or 2 major transport operators per country.

Approach: Stakeholder Engagement (2)

4

Meetings and Interviews
(January - March, 2015)

- PADECO's experts will arrange and attend a series of meetings with key stakeholders. Previously distributed questionnaires will be compiled and the comments discussed

5

Task Based Workshops
(April 2015 - May 2016)

- To present and discuss findings
- Workshops for Task Group 1, Task Group 2, Task Group 3, and Task Group 4,

6

Validation Workshop
(November, 2016)

- To communicate the results of the TA and all its deliverables, and seek final consensus and closing comments from key stakeholders

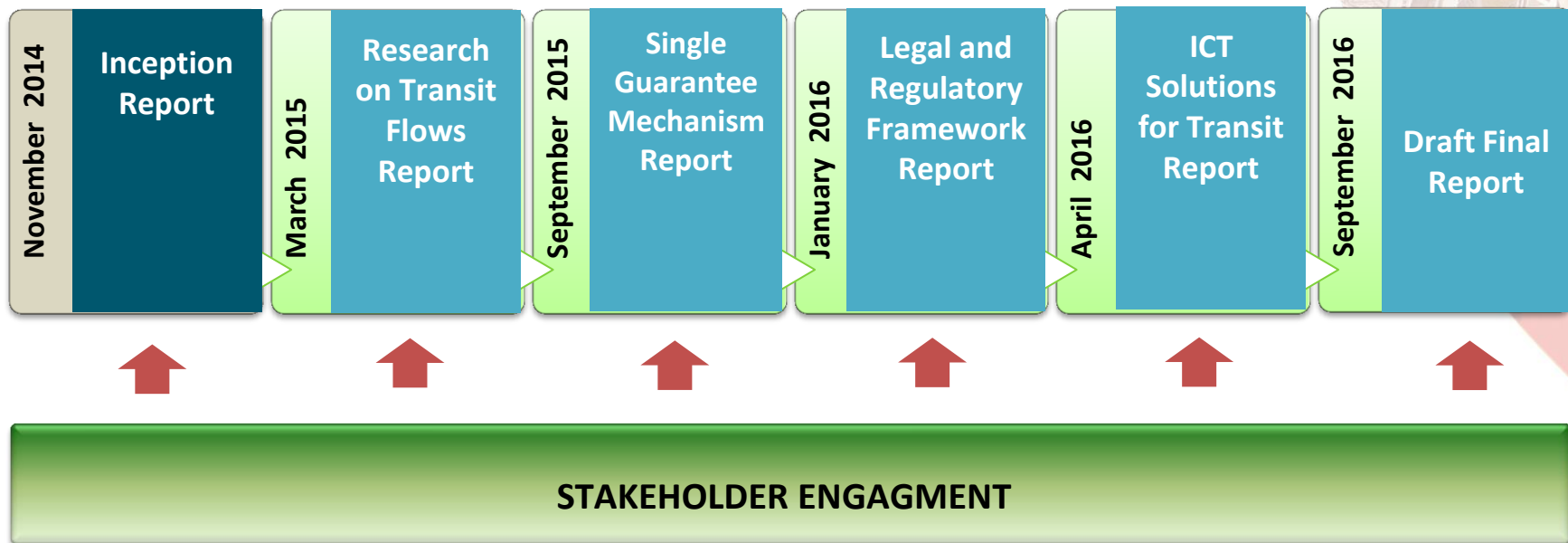
Main Task Groups

- **Task Group 1:** Identification of Priority Transit Corridors
 - **Task Group 2:** Single Regional Guarantee Mechanism
 - **Task Group 3:** Legal and Regulatory Framework
 - **Task Group 4:** ICT Support Systems and Information Sharing
- All underpinned by the Stakeholder Engagement Plan

Approach: Data Gathering

- Date requirements include statistical data on trade and transit flows, volumes, products etc. using international trade statistics or national statistics. Collected through:
 - Document and literature review (including CAREC Program website)
 - Primary data collection using questionnaires and site visits
 - Stakeholder consultation with both private and public sector bodies.

Summary of Deliverables and Program



TSCC Inputs

- ❖ Provide/Corroborate data
- ❖ Identify physical vs procedural impediments
- ❖ Nominate Task Group members
- ❖ Provide guidance and feedback to PADECO consultant team and ADB

**Many thanks for your continued
engagement!**