

CAREC Trade Facilitation Action Plan: Implementation Progress and Key Issues

CAREC Senior Officials' Meeting
T'bilisi, Georgia
20-21 June 2017



Key Developments – Customs

- a. **Simplification/harmonization of customs procedures**
 - TKM - RKC Awareness and Self Assessment Tools
 - KGZ - Gap Analysis



Key Developments – Customs

b. Joint Customs Control

- TWG meeting in UB July 2017
- Electronic unified customs manifest (eUCM)
- Case study

c. Risk Management

- Authorized Economic Operator (AEO) program
- Assessment of existing systems
- Training on WCO SAFE program

Key Developments – Customs



d. CAREC Advanced Transit System (CATS)

- Regional harmonized and risk based transit system
- Single electronic transit document / comprehensive guarantee for multiple transactions (ACYCUDA T1 document +)
- Consistent with EU's NCTS and the WCO transit handbook
- Pilot countries: Kazakhstan, Azerbaijan, and Georgia on Corridor 2
- Progress to date:
 - Consultations (assumptions and dependencies, constraints)
 - Prototype to test elements of CATS (business process, data model, user interfaces,
 - Joint Statement, Working Groups, key persons
- Tasks to follow
 - Limited number of transactions going through the prototype
 - Evaluation of pilots
 - Synchronization with existing systems, ICT development
 - Continued legal and regulatory reforms

Key Developments – Customs



e. Information Common Exchange (ICE)

- Assessment of Readiness (6 countries)
- Proof-of-Concept for CATS developed based on distributed mode; also be the basis for customs to customs communications
- Pilot to support CATS, but with plan for future expansion to cover other trade facilitation features, e.g., electronic transmission of trade or customs documents
- Future integration with host customs information systems is capable

CATS CAREC Advanced Transit System (CATS)

Documents - Management

Transit TI Documents

Advance Search

View Transit TI Document

Show 10 entries

Local Reference No.	Commercial Reference No.	Declaration Date	Release Date	Status
00000001	00000001	2011-01-01	2011-01-01	Released
00000002	00000002	2011-01-01	2011-01-01	Released
00000003	00000003	2011-01-01	2011-01-01	Released
00000004	00000004	2011-01-01	2011-01-01	Released
00000005	00000005	2011-01-01	2011-01-01	Released
00000006	00000006	2011-01-01	2011-01-01	Released
00000007	00000007	2011-01-01	2011-01-01	Released
00000008	00000008	2011-01-01	2011-01-01	Released
00000009	00000009	2011-01-01	2011-01-01	Released
00000010	00000010	2011-01-01	2011-01-01	Released

View Transit Document

1 DECLARATION

2 Consignor / Export Name

3 Froms

4 Loading List

5 Items

6 Total Packages

7 Reference No.

8 Consignee Name

9 Person Responsible for Financial Settlement No.

Key Developments - Integrated TF

a. Common Agenda for Modernization of SPS

- Regional Upgrades of SPS Measures for Trade in Mongolia (MUST)
- New RETA SPS Measures for Trade Facilitation

b. Regional Improvement of Border Services (RIBS)

- RIBS in Kyrgyz Republic, Mongolia, Pakistan, Tajikistan
- Coordinated Border Management

c. Private sector participation in TF

- Proposed CFCFA standards to reviewed in accordance with international standards; consultation meeting 19-20 June 2017, Urumqi, PRC.
- Active participation of insurance companies, CFCFA, banks and traders in CATS and ICE

Key Developments

d. Trade Facilitation Agreement Implementation

- ▶ WTO TFA came into effect 22 February 2017
- ▶ Workshop on Capacity Building for Implementation of the WTO TFA, Seoul, 30 May–1 June 2017 with Korea Customs Service
- ▶ Meeting on National Committees on Trade Facilitation (NCTFs), 2 June 2017, Seoul
- ▶ National consultants preparing assessment of TFA implementation in 11 CAREC member countries



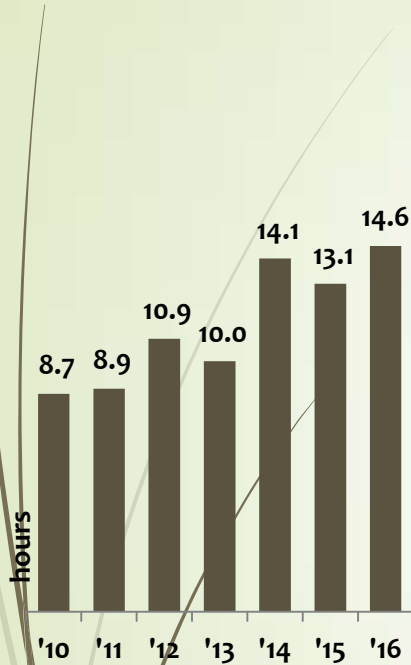
CAREC WTO TFA Implementation

- **8 CAREC countries are WTO members:**
AFG, PRC, GEO, KAZ, KGZ, MON, PAK, TAJ
- **Requirements upon entry into force:**
 1. National Committee on Trade Facilitation (NCTF) or similar mechanism in place
 2. Notify WTO of
 - Category A designations and implement them
 - Category B and C designations with dates of implementation;
 - Category C will include information on technical assistance and capacity building required to implement
- **CAREC countries vary in alignment with the TFA**
Many are already aligned whether or not they are party to WTO or RKC

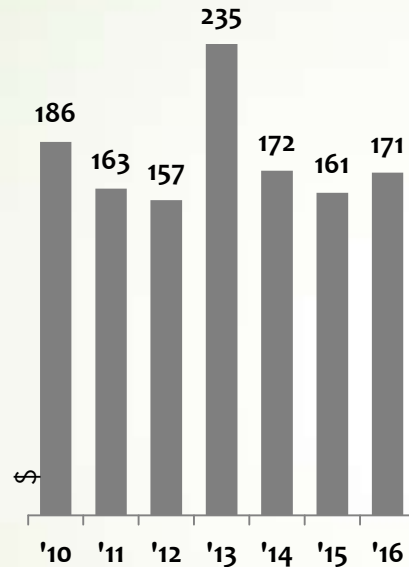
Status of implementation

	NCTF	Category A	Category B, C
Afghanistan	AFPRO active till 2009		
People's Republic of China	Trade Facilitation Work Inter-ministerial Joint Conference Mechanism	Notified	Identified
Georgia	Will establish NCTF; have various councils now	Notified	Notified
Kazakhstan	NCTF	Notified	Identified
Kyrgyz Republic	Trade Facilitation Council	Notified	Identified
Mongolia	NCTF (created May 2017)	Notified	Identified
Pakistan	NTTFC (created 1998)	Notified	Identified
Tajikistan	NCTF (created 2016)	Notified	Identified
Non-WTO Members:			
Azerbaijan	AZERPRO	Complies with several provisions	
Turkmenistan	none	Complies with several provisions	
Uzbekistan	none	Complies with several provisions	

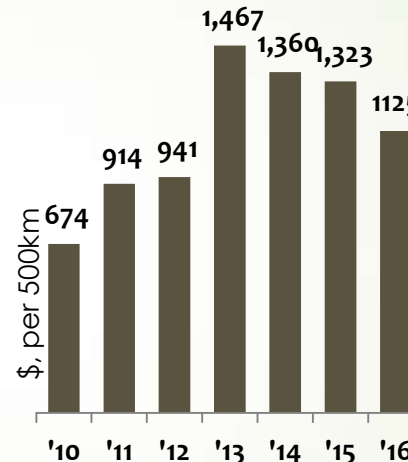
CPMM: TF Indicators



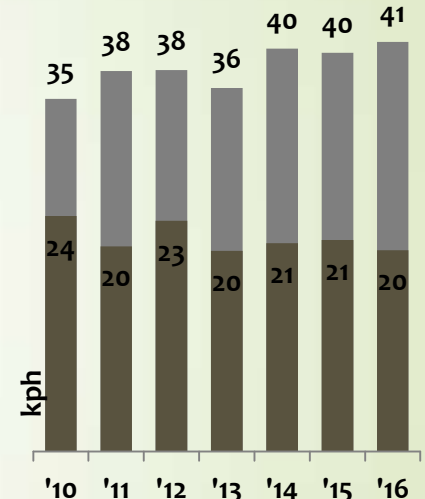
TFI1
Time to Clear a BCP



TFI2
Cost Incurred at BCP



TFI3
Cost Incurred to Travel a
Corridor Section



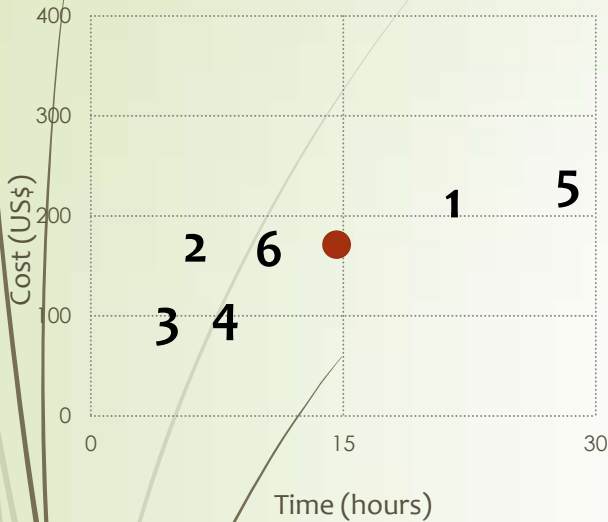
TFI4
Speed to Travel on
CAREC Corridors (SWD)

CPMM: TF Indicators

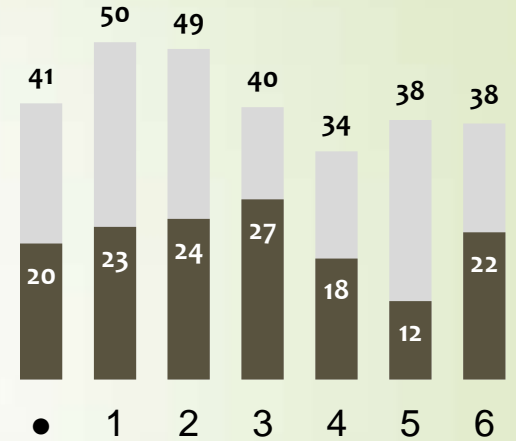
		2013	2014	2015	2016	
TFI1	Time to Clear a BCP Average, in hours					
		Road	5.6	9.9	9.3	11.3
		Rail	29.9	32.6	27.4	25.9
TFI2	Cost Incurred at BCP Average, in US\$		236	177	149	160
			229	148	208	215
TFI3	Cost Incurred to Travel a Corridor Section Average, in US\$, per 500km per 20 ton		1,596	1,359	1,341	1,174
			911	1,364	1,250	966
TFI4	Speed to Travel on CAREC Corridors (SWD) Average, in kph		22.3	22.9	23.2	22.3
			13.3	11.4	14.0	14.3
	Speed without Delay (SWOD) Average, in kph		37.8	42.0	40.2	41.7
			31.7	32.2	38.3	38.6

CPMM: 2016 Highlights

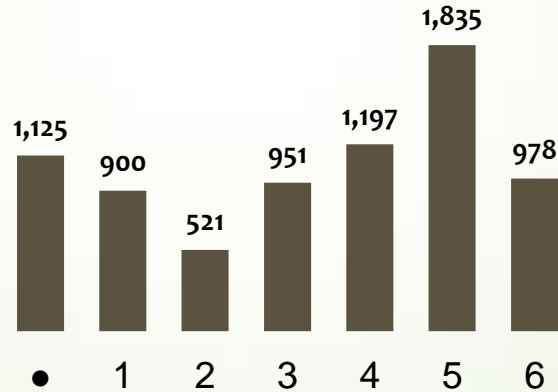
Time (TFI1) and Cost (TFI2) spent at border crossing



Speed Indicators (TFI4) in kph



TFI3 Cost Incurred to travel a corridor section, per 500km, in \$



CPMM: CAREC BCPs

CPMM also highlights BCPs with lengthy delays (in hours) during border clearance procedures

OUTBOUND TRAFFIC

BCP (Country)	Corridor	Hours
Chaman PAK	5,6	59.5
Shirkhan Bandar AFG	2,5,6	39.7
Peshawar PAK	5,6	34.7
Irkeshtan PRC	2,5	18.8
Tazhen KAZ	2,6	7.3
Khorgos PRC	1	7.0
Dautota UZB	2,6	6.9
Yallama UZB	3,6	6.4
Alat UZB	2,3	6.2
Farap TKM	2,3	5.8
Sarasiya UZB	3	4.5
Karamik KGZ	2,3,5	3.7
Nizhni Pianj TAJ	2,5,6	3.6
Erenhot PRC	4	3.3

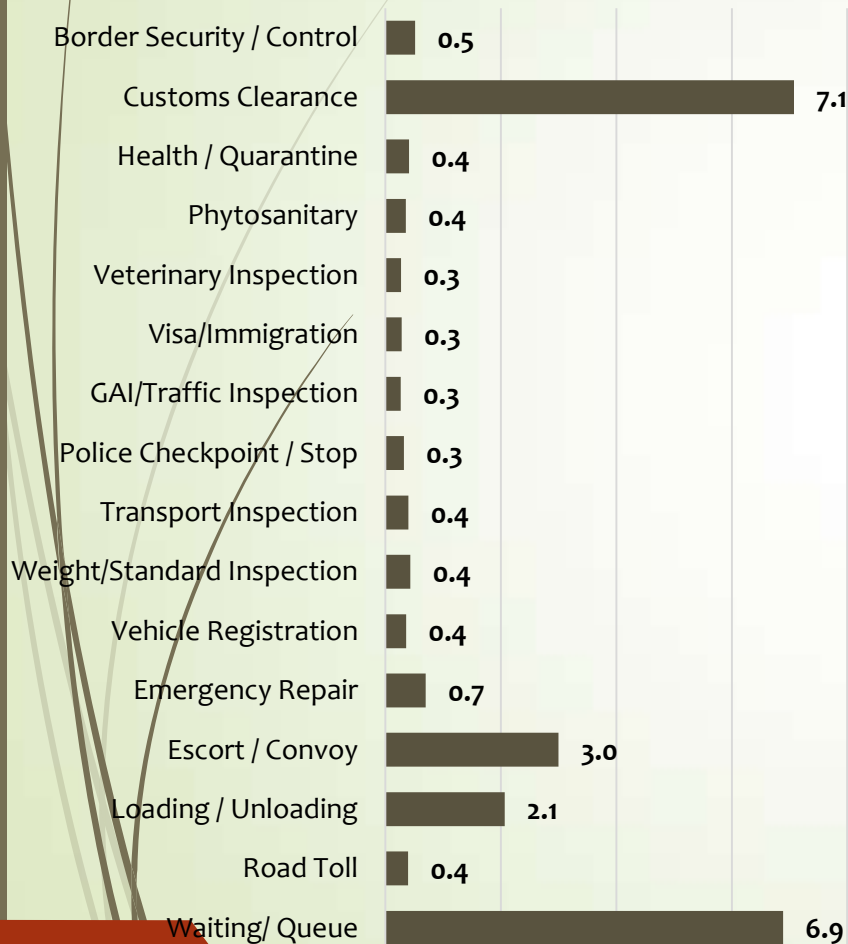
INBOUND TRAFFIC

BCP (Country)	Corridor	Hours
Spin Buldak AFG	5,6	42.7
Torkham AFG	5,6	31.1
Shirkhan Bandar AFG	2,5,6	9.4
Tazhen KAZ	2,6	7.9
Konysbayeva KAZ	3,6	7.6
Farap TKM	2,3	7.5
Sarajs TKM	3	6.2
Dautota UZB	2,6	6.1
Irkeshtan KGZ	2,5	5.7
Nizhni Pianj TAJ	2,5,6	5.5
Alat UZB	2,3	5.4
Kulma TAJ	0	5.2
Dusti TAJ	3	4.0
Zamyn Uud MON	4	2.8

CPMM: Delays at the border

Average duration of delays at BCPs

2016, Road transport, in hours



Among activities with high duration, **customs clearance** stands out. In 2016, the average delay for customs clearance rose to 7.1 hrs. due to lengthy procedures at PAK-AFG BCPs for northbound shipments.

Waiting in queues is very time-consuming, and are frequently experienced during shipments, specifically in these BCPs, when entering neighboring countries

- Shirkhan Bandar (AFG), **60 hrs**
- Chaman (PAK), 23 hrs
- Irkeshtan (PRC), 16 hrs
- Peshawar (PAK), 12 hrs

Complementary use of CPMM and TRS data to improve border management

- **Workshop in Almaty**
 - **WCO TRS software**
 - **CPMM results available on CAREC and CFCFA websites**
 - **Publication of TRS results**

Key Issues for Guidance by the SOM

1. Implementation of the CATS and ICE pilots involves numerous stakeholders and both public and private sectors; SOM support for these innovative regional initiatives will provide push for pilot countries to facilitate pilot implementation.
2. TFA implementation will need support from donors and the support of SOM to encourage countries to prioritize implementation of TFA provisions will be essential.
3. A new strategic framework for trade facilitation, consistent with the new forthcoming CAREC Strategy 2030, will need to be formulated. SOM's support on future directions and plans will be needed.

Thank you