



Terms of Reference of the Customs Cooperation Committee (CCC)

A. Background

1. The Central Asia Regional Economic Cooperation (CAREC) Customs Cooperation Committee (CCC), established in January 2002, held its first meeting in Urumqi, People's Republic of China on 21-22 August 2002 and identified five priority areas of work:

- (i) Simplification and Harmonization of Customs Procedures;
- (ii) Information and Communications Technology (ICT) for Customs Modernization and Data Exchange;
- (iii) Risk Management and Post-Entry Audit;
- (iv) Joint Customs Control and One-Stop Services; and
- (v) Regional Transit Development.

2. In October 2017, the CAREC Ministerial Conference endorsed its new long-term strategy *CAREC 2030: Connecting the Region for Shared and Sustainable Development (CAREC 2030)* that highlighted, among others, the need to build consensus among stakeholders, integrate discussions on trade issues and synchronize priorities under a unified platform.¹ Under the *CAREC 2030* framework, the CAREC Integrated Trade Agenda (CITA) 2030 seeks to provide such coherent amalgamation to set the direction for the CAREC trade sector up to 2030. Taking into consideration the varying levels of capacities and progress among CAREC countries and the need to implement CITA 2030 in a phased and incremental approach, a three-year Rolling Strategic Action Plan (RSAP) will be developed and reviewed annually.

3. At the Regional Trade Group (RTG) Meeting and the Senior Officials Meeting (SOM) held in June 2018, it was agreed that customs cooperation functions related to trade facilitation will continue to be carried out by the CCC, which will work in close coordination with the RTG. (see Figure 1). At the 17th CCC meeting held in September 2018, the CCC agreed to update its priority areas of work and terms of reference reflecting the evolving mandates and cooperative relationships.

B. Composition

4. The CCC is composed of the heads and deputy heads of customs organizations of the CAREC member countries namely: Afghanistan, Azerbaijan, the People's Republic of China, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

C. Objectives

5. The main objectives of the CCC, while recognizing the evolving role of customs authorities are:

- (a) **Strategizing** by identifying tangible and concrete solutions to customs-related issues and priorities under CITA 2030;
- (b) **Implementing** the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) which came into effect in February 2018, with customs

¹ ADB. 2017. *CAREC 2030: Connecting the Region for Shared and Sustainable Development*. Manila.

playing a predominant role at the national and regional level, and promoting national and regional trade facilitation initiatives through concerted customs reforms and modernization;

- (c) **Innovating** by responding to the rise of cross-border e-commerce and digital trade, use of block-chain technology, big data analysis, and the internet of things, and rapidly changing supply chain management;
- (d) **Monitoring** and supervising the implementation of customs-related work under CITA 2030 and RSAPs to ensure effective and efficient implementation, regularly reviewing progress of work, and formulating policy recommendations for consideration by respective CAREC governments;
- (e) **Partnering** with the private sector by creating favorable conditions for business and customs interaction, supporting inclusive and sustainable trade facilitation while maintaining and developing open, transparent and predictable regulatory systems; and
- (f) **Serving as a regional forum** to address customs-related issues of common interest and to promote cooperation among customs organizations, including with the World Customs Organization (WCO) and with other trade-related agencies of CAREC countries to support implementation of CITA 2030 and its three-year RSAPs.

D. Priority Areas of Work

6. The CCC agreed to update its priority areas of work as follows:

Customs development

- (i) WTO TFA implementation;
- (ii) customs-business partnership;
- (iii) institutional and human resource capacity development.

Customs technology

- (iv) information exchange (customs-to-customs; customs-to-business platforms, customs-to other relevant authorities);
- (v) risk management and authorized economic operator (AEO) programs;
- (vi) regional transit and cooperation.

Customs services

- (vii) coordinated border management and cross-border cooperation;
- (viii) single window;
- (ix) simplification and harmonization of customs procedures in accordance with developments in global trade.

E. Terms of Reference

7. Customs Priority Areas

Customs development

- (i) Lead effective implementation of the WTO TFA using WCO instruments, adopting best practices, and working towards harmonization and simplification of customs formalities;
- (ii) Provide oversight on the conduct of research studies, including the Corridor Performance Measurement and Monitoring mechanism, that support effective

and efficient implementation of the three-year RSAPs, including surveys to establish benchmarks, identify inefficiencies and provide the basis for policy and implementation decisions;

- (iii) Promote customs-to-business partnership at regional and national level to develop a relationship of mutual trust and respect through constructive, sustained and open dialogue;
- (iv) Conduct regular customs-business dialogue to discuss areas of cooperation and undertake joint skills development and/or research activities with the private sector whenever possible; and
- (v) Develop the institutional and human resource capacity of customs authorities and agencies to effectively respond to dynamic changes in trade environment;

Customs technology

- (vi) Support digital transformation through enhancing e-Customs systems, paperless trade, other transformational technology, and new developments in information and communications technology (ICT) to facilitate trade;
- (vii) Strengthen and expand the coverage of trade-related risk management systems and approaches, and develop national-level authorized economic operator programs, and explore cooperation mechanisms for mutual recognition of AEOs across border;
- (viii) Promote efficient regional transit regime and cooperation including through bilateral and regional information exchange to facilitate both intra and extra-regional trade;

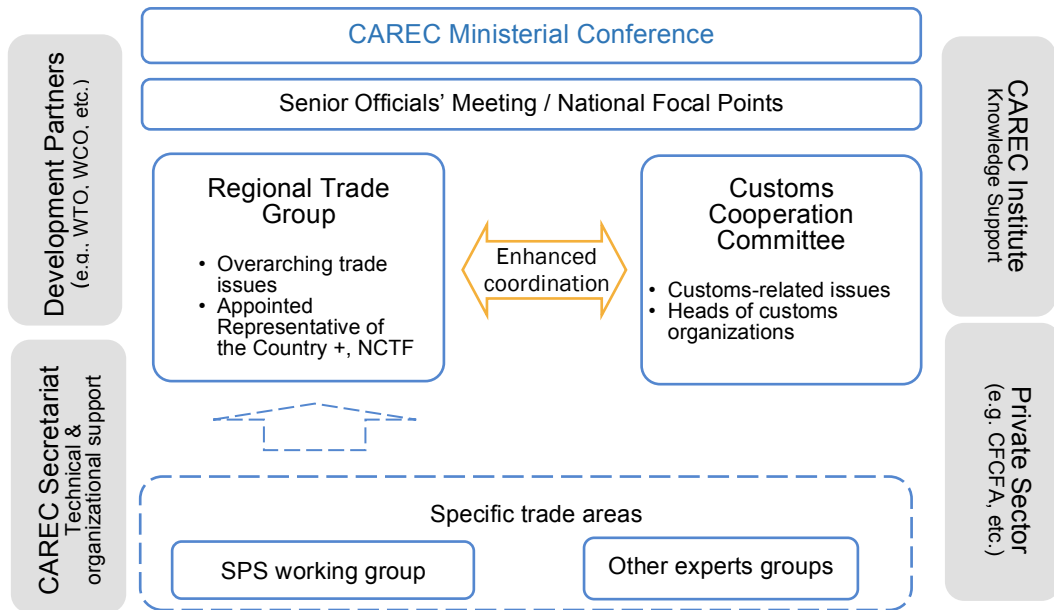
Customs services

- (ix) Supervise the design and conduct of border management strategies and capacity building programs to strengthen implementation capabilities of customs organizations and other relevant border agencies in the CAREC region;
- (x) Introduce innovations in customs procedures such as single window or one-stop shops, risk management, and coordinated border management to manage ever increasing volumes in trade with less reliance on physical intervention and with greater efficiency and speed; and
- (xi) Promote enhanced implementation of the provisions of the Revised Kyoto Convention to continue simplification and harmonization of customs procedures in accordance with developments in global trade, thereby supporting transparent and predictable trade and reducing the time and cost of cross-border trade transactions.

8. Working with Other Key Stakeholders

- (xii) Provide leadership in promoting trade facilitation initiatives – expanding the scope of the work program from customs cooperation to a deepened interagency collaboration and enhanced partnerships between the public and private sectors;
- (xiii) Strengthen coordination with key stakeholders, particularly, the RTG and Transport Sector Coordination Committee, and with other regional cooperation mechanisms, including research institutions such as CAREC Institute and private sector entities such as the CAREC Federation of Carriers and Forwarders Association, and others as may be established;
- (xiv) Encourage the participation and active involvement of development partners and multilateral agencies in the implementation of CITA 2030 and foster inter-committee collaboration and coordination within CAREC.

Figure 1: Institutional Structure



CFCFA-CAREC Federation of Carrier and Forwarder Associations, NCTF- National Committee on Trade Facilitation, SPS-Sanitary and Phytosanitary, WCO-World Customs Organization, WTO-World Trade Organization.
 Source: CAREC Secretariat