

Result of the Workshop on Capacity Building for Implementation of WTO's Trade Facilitation Agreement (TFA) in CAREC countries

Central Asia Regional Economic Cooperation Program
16th Customs Cooperation Committee Meeting
19 September 2017, Dushanbe, Tajikistan



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I. Overview

Workshop Overview

1. **WTO TFA entered into force on 22 Feb. 2017**
2. **More important for WTO Members to ensure their capabilities to implement WTO TFA**
3. **KCS, ADB and CAREC joint program**
4. **Developing TFA Action Plans of CAREC members**

Workshop overview

Objective

- To enhance CAREC members' capabilities to **implement the WTO TFA**

Date & Location

- Date: May 30. 2017~ June 2. 2017
- Location: Seoul Korea

Concept

① 2017 CAREC regional workshop
(Needs Assessment)



② 2018 CAREC regional workshop
(Developing Action Plan)



③ National workshop
(Dispatching experts)

Workshop overview

Participants

- **CAREC : 9 out of 11 member countries (15 participants)**

	Participant Country	Number of Participants	WTO Membership
CAREC	China	2	Member
	Georgia	2	
	Kazakhstan	2	
	Kyrgyz	2	
	Mongolia	2	
	Pakistan	1	
	Tajikistan	2	
	Turkmenistan	1	Non-member
	Uzbekistan	1	Non-member (Observer)
		15	

Workshop overview

Program (Contents)

- The workshop covers three Topics
- Objective: Assisting members with developing a TFA action plan

1. Member's WTO TFA implementation status

2. KCS's best practice on WTO TFA implementation

3. Development of action plan on TFA implementation (for each member)

Workshop overview

Program (Main Sessions)

Main Sessions

① Members' WTO TFA implementation status

7 WTO members

- Kyrgyz Republic
- Mongolia
- China
- Georgia
- Kazakhstan
- Pakistan
- Tajikistan

② KCS's TFA implementation

Share best practices of TFA implementation

- Article (1~4)
- Article (5~6)
- Article (7.1~7.3)
- Article (7.4~7.7)
- Article (8~10)

③ Development of Action Plan

Establish Action Plan to implement WTO TFA (7 WTO members)

- Develop Action Plan
- Identify technical assistance & Capacity building needs



II. Outcome of Workshop

Outcome of Workshop

Summary

- Members discussed their progress in TFA implementation & future timeline for implementing B/C-Category provisions
- The workshop allowed members & KCS to share best practices on TFA implementation
- The action plans were non-binding, BUT the presentation on best practices offered a glimpse into the future trajectory for TFA implementation

Outcome of Workshop

TFA GAP Analysis & Technical Assistance

- 7 of 9 participating countries were WTO Members
 - China, Georgia, Kazakhstan, Kyrgyz republic, Mongolia, Pakistan, Tajikistan
- Describes [WTO TFA B/C-Category provisions](#), challenges, & [technical assistance/capacity building needs](#)
- Key topics for next year's workshop are based on the findings in the [WTO TFA gap analysis](#)

Outcome of Workshop - TFA gap Analysis

China (4)	Georgia (3)	Kazakhstan (2)	Kyrgyz (4)	Mongolia (4)	Pakistan (4)	Tajikistan (7)
7.6 Establishment and publication of Average release Time (TRS)	6.2 Specific disciplines on Fees and Charges for Customs processing	3 Advance Ruling	7.3 Separation of release from final determination of Customs duties,-	3 Advance Ruling	1 Publication and Availability	1.3 Enquiry Point
10.4 Single window	7.7 Trade Facilitation Measures for A.E.O	12 Customs Cooperation	7.6 Establishment and publication of average release time (TRS)	7.3 Separation of release from final determination of Customs duties,-	3 Advance Ruling	3 Advance Ruling
10.9 Temporary admission of Goods & Inward & Outward Processing	11.9 Members shall allow and provide for advance filing and processing of transit-		10.2 Acceptance of copies	10.2 Acceptance of copies	7.7 Trade Facilitation Measures for A.E.O	5.1 Notifications for enhanced controls or inspections
12 Customs Cooperation			10.6 Use of Customs broker	10.4 Single window	10.4 Single window	7.2 Electronic payment
						7.7 Trade Facilitation Measures for A.E.O
						8 Border Agency Cooperation
						10.4 Single window

Outcome of Workshop – Individual result

1) China

Not A category TFA provision & Technical Assistance Needs

	Provision	T/A needs
7.6	Establishment and Publication of Average Release Time (TRS)	Y
10.4	Single Window	Y
10.9	Temporary Admission of Goods and Inward and Outward Processing	N
12	Customs Cooperation	N

- Requires technical assistance for Articles 7.6 (TRS) & 10.4 (Single Window)
- Required forms of assistance: invitational seminar, National Workshop, & dispatch of experts

Outcome of Workshop – Individual result

2) Georgia

Not A category TFA provision & Technical Assistance Needs

	Provision	T/A Needs
6.2	Specific Disciplines on Fees and Charges for Customs Processing Imposed on or in Connection with Importation and Exportation	Y
7.7	Trade Facilitation Measures for Authorized Operators (AEO)	Y
11.9	Members shall allow and provide for advance filing and processing of transit documentation and data prior to the arrival of goods	Y

- Requires technical assistance for Articles 6.2 (Disciplines on Fees), 7.7 (AEO), & 11.9 (Advance filing)
- Required forms of assistance: workshops, study visits, dispatch of experts, & business process re-engineering (BPR)

Outcome of Workshop – Individual result

3) *Kazakhstan*

Not A category TFA provision & Technical Assistance Needs

	Provision	T/A needs
3	Advance Ruling	Y
12	Customs Cooperation	Y

- Experiencing difficulty in implementing Articles 3 (Advance Ruling) & 12 (Customs Cooperation)
- Requires sharing of best practices by holding workshops on the above provisions & dispatching experts

Outcome of Workshop – Individual result

4) *Kyrgyz Republic*

Not A category TFA provision & Technical Assistance Needs

	Provision	T/A Needs
7.3	Separation of release from final determination of Customs duties, Taxes, Fees and Charges	Y
7.6	Establishment and publication of average release time (TRS)	Y
10.2	Acceptance of copies	Y
10.6	Use of Customs broker	Y

- Requires technical assistance for Articles 7.3 (Separation of release), 7.6 (TRS), 10.2 (Acceptance of Copies) & 10.6 (Customs broker)
- Required forms of assistance: dispatch of experts, National Workshop, assistance with IT systems

Outcome of Workshop – Individual result

5) Mongolia

Not A category TFA provision & Technical Assistance Needs

	Provision	T/A Needs
3	Advance Ruling	Y
7.3	Separation of release from final determination of Customs duties, Taxes, Fees and Charges	Y
10.2	Acceptance of Copies	N
10.4	Single Window	Y

- Requires technical assistance for Articles 3 (Advance Ruling), 7.3 (Separation of Release) & 10.4 (Single Window)
- Required forms of assistance: invitational Seminar, dispatch of experts, BPR, & consultancy

Outcome of Workshop – Individual result

6) Pakistan

Not A category TFA provision & Technical Assistance Needs

	Provision	T/A Needs
1	Publication and Availability	Y
3	Advance Ruling	Y
7.7	Trade Facilitation Measures for Authorized Operator (AEO)	Y
10.4	Single Window	Y

- Requires technical assistance for Articles 1 (Publication), 3(Advance Ruling), 7.7 (AEO), & 10.4 (Single Window)
- Required forms of assistance: sharing of best practices by holding workshops and seminars & dispatching experts

Outcome of Workshop – Individual result

7) Tajikistan

Not A category TFA provision & Technical Assistance Needs

	Provision	T/A Needs
1.3	Enquiry Point	Y
3	Advance Ruling	Y
5.1	Notifications for enhanced controls or inspections	Y
7.2	Electronic payment	Y
7.7	Trade Facilitation Measures for Authorized Operator (AEO)	Y
8	Border Agency Cooperation	Y
10.4	Single Window	Y

- Requires technical assistance for Articles 1.3 (Enquiry Point), 3 (Advance Ruling), 5.1 (Notification for Control), 7.2 (Electronic Payment), 7.7 (AEO), 8 (Border Agency Cooperation), & 10.4 (Single Window)
- Required forms of assistance: workshops, seminars, dispatch of experts, & BPR

Outcome of Workshop - TFA gap Analysis

Result of Needs Analysis (TFA provisions selected by >2 members)

Provision		Country
3	<u><i>Advance Ruling</i></u>	4 Countries: Kazakhstan, Mongolia, Pakistan, Tajikistan
10.4	<u><i>Single Window</i></u>	4 Countries: China, Mongolia, Pakistan, Tajikistan
7.7	<u><i>Trade Facilitation Measures for Authorized Operators</i></u>	3 Countries: Georgia, Pakistan, Tajikistan
7.6	<u><i>Establishment and Publication of Average Release Time (TRS)</i></u>	2 Countries: China, Kyrgyz
7.3	<u><i>Separation of release from final determination of Customs duties, Taxes, Fees and Charges</i></u>	2 Countries: Kyrgyz, Mongolia
10.2	<u><i>Acceptance of Copies</i></u>	2 Countries: Kyrgyz, Mongolia
12	<u><i>Customs Cooperation</i></u>	2 Countries: China, Kazakhstan



III. Future Plan for Regional Workshop

Future Plan for Regional Workshop

2018 CAREC Workshop

- KCS is planning a workshop on TFA implementation for CAREC members in May 2018 (tentative)
- Workshop program will be informed by the result of analysis on technical assistance needs
- Four-day event aimed at reviewing Members' progress in implementing action plans on the seven most pressing topics & further developing the action plans
 - Similar to the 2017 workshop, BUT a further in-depth event focused on the most pressing topics for Members
 - Particular focus on Advance Ruling, Single Window, AEO, & TRS(Time Release Study)

Future Plan for Regional Workshop

Tentative Workshop Program (2017 CAREC Workshop)

Day	Morning	Afternoon
Day 1	<ul style="list-style-type: none">• WTO TFA Workshop overview• Key TFA issues and discussion<ul style="list-style-type: none">- Article 3: Advance Ruling	<ul style="list-style-type: none">• Key TFA issues and discussion<ul style="list-style-type: none">- Article 10.4: Single Window
Day 2	<ul style="list-style-type: none">• Key TFA issues and discussion<ul style="list-style-type: none">- Article 7.7: AEO	<ul style="list-style-type: none">• Key TFA issues and discussion<ul style="list-style-type: none">- Article 7.3: Separation of Release- Article 10.2: Acceptance of Copies- Article 12: Customs Cooperation
Day 3	<ul style="list-style-type: none">• Key TFA issues and discussion<ul style="list-style-type: none">- Article 7.6: TRS	<ul style="list-style-type: none">• Action Plan development
Day 4	<ul style="list-style-type: none">• Update of members' Action Plans	



IV. Support for CAREC National Workshops

Support for CAREC National Workshops

① Utilize CCF-K (Customs Cooperation Fund-Korea) & ② Dispatch experts



Support for CAREC National Workshops

Application for CCF-K for National Workshop

- The needs assessment will be conducted by the WCO / WCO ROCB every year
- Members submit application to the WCO / WCO ROCB
- KCS actively sponsors CAREC Members' TFA National Workshops through the CCF-K

Dispatching experts

- KCS can dispatch TFA experts upon request

CCF-K Projects for CAREC Members

- CCF-K: KCS-contributed funds aimed at sponsoring capacity building activities & projects in developing countries
- Purpose: Assistance with implementation of TFA, AEO programs, *etc.*

Fiscal Year	Country	Type	Project	Budget (euro)	Status
2017/2018	Kyrgyz Republic	National	BPM for Customs, Incl. SW, Data Model and e-government	7,000	Underway
	Georgia	Global	2017 WCO IT Conference	10,000	Complete
2016/2017	Azerbaijan	Regional (EU)	Regional Workshop on E-Commerce and Digital Customs for the Europe	5,000	Complete
	Kazakhstan	National	Support in development of technical specification	8,000	-
2015/2016	Azerbaijan	Global	2015 PICARD Conference	50,000	Complete
	Azerbaijan	Regional (EU)	HS 2017 Amendments	32,000	Complete
	Kazakhstan	National	Rules of Origin	3,000	Complete



V. KCS's ODA Program on TFA Implementation

KCS ODA Programs to support TFA implementation

1) *Master Plan for Customs Modernization*

Overview of Program

- To modernize Customs administration of a recipient country and improve its Customs procedures
- Propose recommendation for improvement by analyzing members' current situations regarding their administrative procedures and e-clearance systems
- Design a master plan and information strategy for Customs modernization based on international standards
- Produce a consulting report as a deliverable (takes approx. 6 months)
- A Professional consulting agency hired by KCS conducts the program

KCS ODA Programs to support TFA implementation

1) *Master Plan for Customs Modernization*

Support Method

- The KCS provides **recommendations on the strategies and necessary actions** regarding overall Customs procedures and e-clearance systems

Eligible Countries & Selection Method

- The **PCP (Project Concept Paper)** needs to be submitted by the agency in charge of **Official Development Assistance affairs** in the recipient country at the time of application for the project
- * PCP: A two to three-page-long paper submitted by recipient countries to request assistance under an ODA project
- * For example: In case of Kazakhstan and Tajikistan, the Ministry of Economic Development and Trade is in charge of ODA affairs
- The KCS selects around 4 countries a year

KCS ODA Programs to support TFA implementation

2) *Establishment of e-Clearance System (Uni-Pass)*

Overview of Program

- To establish e-clearance systems
- SI (System Integration) company that develops e-Clearance System usually takes charge of this project
- This project can be financed through either grant-type or loan-type aid; under grant-type aid
- KCS can nominate only one country per year as a beneficiary for grant-type aid

KCS ODA Programs to support TFA implementation

2) Establishment of E-Clearance System (Uni-Pass)

Eligible Countries & Selection Method

- The PCP (Project Concept Paper) needs to be submitted by the agency in charge of Official Development Assistance affairs in the recipient country at the time of application for the project
- Types of e-clearance module
 - ① Single Window
 - ② Risk Management
 - ③ Information Management (Data Warehouse)

KCS ODA Programs to support TFA implementation

2) Master Plan for Customs Modernization and E-Clearance System Support for CAREC Members

Master Plan Project (Consulting) for CAREC Members

- Uzbekistan (2013)
- Kyrgyz Republic (2016)
- Tajikistan / Kazakhstan – (2017) In progress

Example of IT System Support for TFA Implementation

- Mongol (2009)
- Uzbekistan (2014)
 - Single Window System



Thank you!