

CAREC

Trade Facilitation Program

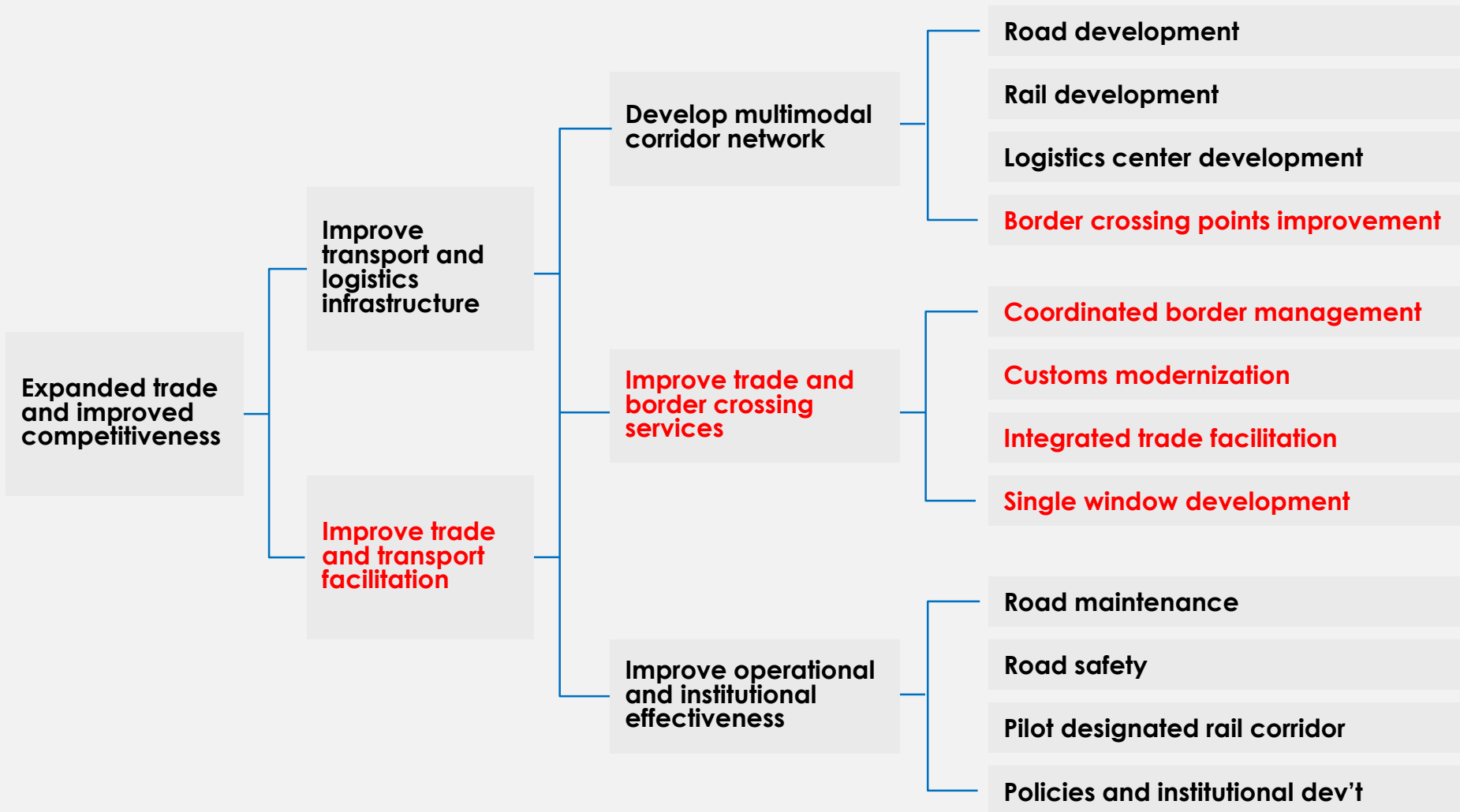
CAREC Workshop on Trade and Trade Facilitation Reforms –
WTO Trade Facilitation Agreement and Consolidated Trade Agenda
Bangkok, Thailand
12-13 December 2017

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CAREC Transport and Trade Facilitation Strategy 2020



Transport and Trade Facilitation

Trade Facilitation Area

Trade

- Review, assess and propose changes to **international trade policy**
- Review, assess and propose amendment to **bilateral and multilateral trade agreements**
- Review, assess and propose adoption of **international trade conventions, standards**, and best practices

Controls on Cargo

- Inspection of **cargo documentation**:
 - Certificates of Origin
 - Letters of Credit
 - Import licenses
 - Export permits
 - Quality certificates
 - Quarantine (agric. and veterinary)
 - certificates
- Collection of **Customs duties**

Controls on Cargo

- Inspection of **common documentation**:
 - Contract
 - Customs declaration
 - Waybills/Bills of Lading/Consignment Notes
 - Invoices
 - Packing lists
 - Cargo insurance policy
- Customs **physical inspection of cargo**
- Quarantine (agriculture and veterinary)/**Health inspection of cargo**

Other activity at border

- Collection of **statistical data**

Transport Facilitation Area

Transport

- Review, assess & propose changes to international transport policy
- Review, assess and propose amendment to bilateral and multilateral transport agreements
- Review, assess and propose adoption of international transport conventions

Controls on vehicles and drivers

- Checking of transport authorization
- Check on Customs security of vehicles and containers
- Collection of vehicle tax, fuel tax and road charges
- Collection of payments for special transport permits
- Checks on vehicle certificates, weights and dimensions, road worthiness and insurance cover
- Vehicle quarantine inspection

CAREC Trade Facilitation Program

- **Customs Cooperation**
 - **Integrated Trade Facilitation**
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- **Customs Cooperation Committee (CCC) - composed of heads of customs authorities of 11 CAREC member countries**
 - **Started in 2001 in Urumqi, PRC**
 - **Identified 5 priority areas**
 - Simplification and harmonization of customs procedures
 - Risk management
 - Regional transit development
 - ICT for customs modernization
 - Joint customs control
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Status of Priority Areas Implementation

Priority Areas	Status
Simplification and Harmonization of Customs Procedures	<ul style="list-style-type: none">• All countries have revised their customs laws to conform with international best practice• 5+1 countries have acceded to Revised Kyoto Convention, Accession action plans prepared for 3 countries• 8 countries are WTO members and 7 have ratified WTO Trade Facilitation Agreement
Data exchange and ICT Development	<ul style="list-style-type: none">• CAREC Customs Information Common Exchange (ICE) for pilot implementation 2018
Risk Management and Post Entry Audit	<ul style="list-style-type: none">• Customs Risk Management systems assessment workshops conducted for 3 countries;• Authorized economic operators (AEO) programs introduced in AZE, KAZ & MON
Joint Customs Control	<ul style="list-style-type: none">• Unified cargo manifest introduced at Zamyn Uud (MON)- Erlian (PRC) border in 2009; electronic manifest planned in 2018• 7 technical working group meetings conducted
Regional Transit	<ul style="list-style-type: none">• CAREC Advanced Transit System (CATS) for pilot implementation in AZE, GEO & KAZ in 2018

Integrated Trade Facilitation

- a. Regional Improvement of Border Services (RIBS)**
 - b. National Single Window (NSW)**
 - RIBS projects include NSW development
 - AZE single window since 2009
 - All countries in various stages of developing NSW
 - b. Coordinated Border Management (CBM)**
 - Training on CBM conducted for 5 countries
 - Time Release Studies
 - Movement of people in CAREC
 - c. Private sector participation**
 - Corridor Performance Measurement and Monitoring (CPMM)
 - CAREC Federation of Carrier and Forwarder Associations (CFCFA)
 - Active participation of insurance companies, CFCFA, banks and traders in CATS and ICE
 - d. CAREC Common Agenda for Modernization of Sanitary and Phytosanitary Measures for Trade Facilitation**
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Regional Improvement of Border Services

Investment projects:

- RIBS projects on-going in KGZ, TAJ, MON, and PAK
- Scoping work done for TKM, UZB and GEO
- Request from AZE and GEO to discuss plans to build a new border crossing point (BCP) that will adopt one-stop principle and used as joint facility by both countries.

RIBS Project in the Kyrgyz Republic

- National Single Window (NSW) development and Karamyk BCP improvement
- ADF grant = \$4.2 million

RIBS Project in Tajikistan

- NSW development and Guliston BCP improvement, ADF grant= \$9.2 million

RIBS Project in Pakistan

- BCP infrastructure and facilities at Chaman, Torkham, and Wagha
- Loan (ordinary capital resources) = \$200 million
- ADF loan = \$100 million

RIBS Project in Mongolia

- BCP rehabilitation at Zamyn-Uud, Sukhbaatar, and Altanbulag
- ADF loan = \$27 million

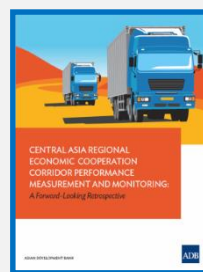
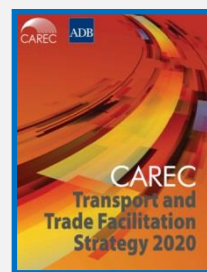
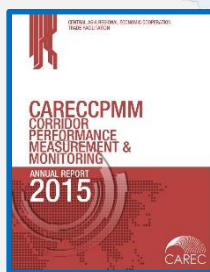


Corridor Performance Measurement and Monitoring (CPMM)

- Quarterly and Annual Reports
- Trade Facilitation Indicators at BCPs

CAREC Federation of Carrier and Forwarder Associations

- 22 member associations; CFCFA Annual Meetings
- 10 CFCFA standards being reviewed in accordance with international standards
- Joint meetings with CCC



CAREC Common Agenda for Modernization of Sanitary and Phytosanitary Measures for Trade Facilitation

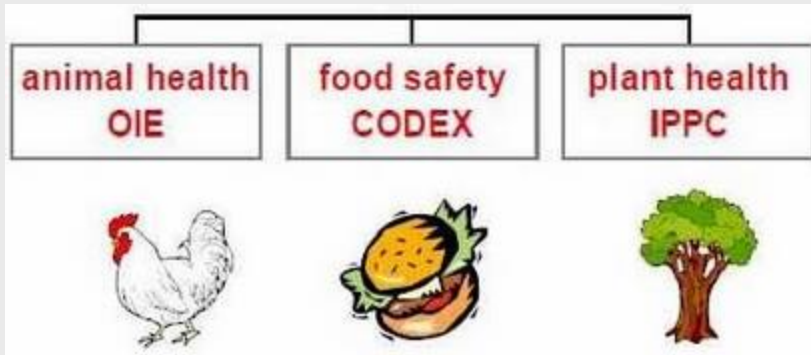
SOM June 2017 endorsed progress in implementing SPS Common Agenda and instructed to undertake concrete actions including building quality management infrastructure

Objectives:

- promote concerted reforms and modernization of SPS measures consistent with international standards to facilitate safe trade; and
- identify and prioritize investment needs



A. Regulatory Assessment



- Lacking comprehensive national strategy
- Slow compliance with the WTO SPS Agreement
- GOST standards

B. Laboratory Capacity Assessment

Animal health

Food safety

Plant health

• ISO/IEC 17025 – Testing and Calibration



- Lacking testing/sampling capacity
- Laboratories in poor condition, unable to implement surveillance, and early detection
- Lacking recommended standard equipment and/or procedures

C. SPS Border Services Management Assessment

- SPS services have been dealt with in an ad hoc manner
- Lacking the capacity to prevent introduction of animal diseases and contaminated animal products
- Overlapping, excessive inspections and delays, inadequacy of general management



SPS Key Recommendations

- Raise awareness on economic benefits of compliance with SPS requirements
- Prepare a national strategy in accordance with international standards
- Establish risk-based categories and criteria
- Upgrade laboratories, harmonize procedures, and provide training
- Embark on central laboratories accreditation in accordance with ISO standards
- Consider regional laboratory for international exchange of information
- Develop a border management strategy based on coordinated border management cooperation
- Establish a single electronic window ensuring active participation of SPS agencies
- Adoption of mutual recognition amongst CAREC countries



SPS On-Going/Proposed Projects

- **Regional Upgrades of SPS Measures (RUST) for Trade in Mongolia**
 - \$ 15 M investment project to
 - Upgrade laboratories and border crossing point inspection and quarantine facilities.
 - Establish Sanitary and phytosanitary inspection management system
 - Align Sanitary and phytosanitary control and inspections with international standards.
- **Scoping for RUST for KGZ**
 - Investments in modernizing SPS facilities at the borders, establishing center of excellence and vaccine producing plant
 - Technical assistance to amend laws, prepare pest lists, build capacities to implement international standards requirements
- **Proposed Knowledge Support TA to modernize SPS Measures to facilitate trade for 2018-2019**
 - Develop national SPS action plans,
 - Establish national and regional SPS coordination mechanisms a
 - Build capacity to implement SPS measures to facilitate trade

Collaboration with Development Partners

WCO

- Accession to RKC
- Risk management
- Authorized Economic Operator
- Time release study
- Coordinated Border Management
- WCO data model and SW
- ADB-IADB (Asia and America) experience sharing

WTO

- Sanitary and Phytosanitary (STDF, also with FAO, etc)
- Implementation of Trade Facilitation Agreement

ECE / ESCAP

- Time-cost-distance methodology / CPMM
- Asia-Pacific Trade Facilitation Forum
- Business process analysis and Single window
- UNNEXT (for SW)
- UNCEFACT (for standard setting)

IFC

- Time Release Study
- Risk Management

IOM

- Coordinated Border Management
- Movement of people

Bilateral

- USAID
- GIZ
- KCS
- Japan Customs
- GACC

CAREC 2020 Midterm Review – Focus on trade facilitation

Key Achievements

- Sustainable regional cooperation mechanisms
- International good practice
- Integrated trade facilitation
- Results management
- Multi-country programs and projects
- Capacity-building

Major Issues and Problems

- Limited progress in achieving outcomes
 - Inadequate investment planning
 - Shortcomings in institutional coordination
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Way forward

a. Support for WTO TFA Implementation

- Low hanging fruits
- Establishment/Strengthening of NCTFs
- Specific country requests

b. Efforts on customs cooperation and integrated trade facilitation will be deepened

c. Expand to new areas (e.g., movement of people, e-commerce, cross-border financial services and guarantees)

d. New strategic framework including trade policy work

THANK YOU!

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