Progress Report on CAREC Customs Cooperation Activities 2010-2011

Ninth Customs Cooperation Committee Meeting

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Introduction

- CCC established in 2002 in Urumqi, PRC

- CCC objectives:
  - promote cooperation among the CAREC customs agencies at the regional level
  - facilitate the flow of imports, exports and transit with the region

- CCC is one of most cohesive body within CAREC

CCC Priority Areas

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  - simplification and harmonization of customs procedures and documentation
  - ICT for customs modernization and data exchange
  - risk management and post-entry audit
  - joint customs control
  - regional transit development
  - other related areas

Simplification and Harmonization of Customs Procedures

- Kyrgyz Republic issued Order No. 5-4/347 "On Pilot trial of Electronic Notification of Entry (Exit) of Goods and vehicles"; Single Electronic Interagency Document (SEID) developed; pilot started in Ak-Jol and in Dostyk

- Tajikistan passed decree on "Concept of Development of Single Window" in December 2008; follow-up legislation on "Single Window Implementation Program" passed on 3 May 2010 ; SW scheme expected to be introduced by end 2010.

- Tajikistan also developed a new form for cargo customs and transit declaration (unified administrative document) approved 1 January 2010; draft law acceding to Revised Kyoto Convention submitted to Tajikistan Parliament

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ICT for Customs Modernization and Data Exchange

- Kyrgyz and Tajikistan customs both developing a Unified Automated Information System (UAIS); 6 pilots on-going in Kyrgyz; full implementation of UAIS expected May 2011.

- In Tajikistan UAIS hardware and software purchased and local area networks established; UAIS expected to be fully operational end December 2010.

- Mongolia re-engineered its automated information system into integrated Customs Automated Information System (CAIS) that allows web-based user interface; CAIS has operational since 1 July 2010.

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ICT for Customs Modernization and Data Exchange

- UAIS for UZB customs has 9 components fully automated customs clearance procedures; 3 new components being developed - satellite tracking of transit cargo movements; a database of license plates of all vehicles that enter Uzbekistan and automated passport control.

- Afghanistan continues to expand coverage of ASYCUDA system; its implementation has contributed to increased revenues (from 7.75 billion AFS in 2005 to 36.65 Billion AFS in 2009) as leakages are minimized and customs clearance times reduced significantly

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Risk Management and Post-Entry Audit

- Tajikistan introduced risk management component allowing selective inspection of goods (instead of 100% inspection); risk management units have been established in Tajik customs headquarters and in the regions

- Kyrgyz State Customs Committee adopted new post-entry audit procedures expected to improve export/import behavior of enterprises, prevent smuggling and protect national customs revenue

- In 2009 Kazakhstan developed and implemented an automated risk management system; efforts are underway to commission module on post-entry risk analysis

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Joint Customs Control

- On December 15th, 2009, first phase of **China- Mongolia JCC pilot operation** launched at Erenhot--Zamyn-Uud BCPs; unified cargo manifest use reached 1,8949 at Erenhot: 1349 for import and 1,5000 for export by end June 2010; joint manifest be translated to English

- **JCC agreement between Kazakhstan and Kyrgyz Republic** at the Aisha Bibi (Kazakhstan) – Chon-Kapaka (Kyrgyz) BCPs resulted in reduced processing time and simplified procedures

- **PRC- Kazakhstan JCC pilot in Dulata-Jeminay BCPs -** 23,000 unified cargo manifests used; customs clearance is much faster and time for customs clearance is reduced by 35%.

Regional Transit Development

- Pilot implementation of safe packets scheme at 3 Kyrgyz BCPs commenced in July 2009

- safe packets scheme has gained wide acceptance in Kyrgyz and SCC funded from own resources additional 50,000 safe packets for local use within Kyrgyz.

- Two major initiatives to promote use of safe packets:

    i) designed and produced improved safe packet envelopes; and

    ii) SCC introduced legislation to legalize use of safe packets in whole of Kyrgyzstan.

- Kazakhstan and Kyrgyz both recommend that safe packets pilot be extended and rolled out at specific borders with PRC.

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Regional Transit Development

- Uzbekistan automated information systems for delivery control for cargo transported by rail – AIS Railways and for cargo transported by road AIS "AVTO" have been developed and installed; allows electronic submissions of customs requirements and remote access using the web.

- Kyrgyz customs has joint venture with private sector to pilot operational monitoring system for transit cargo.

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Other Related Areas: Single Window

- **CAREC Single Window Implementation Seminar: Azerbaijan Case Study** conducted in Baku, Azerbaijan on 6-10 July

- AZE single window system activated in January 2009; expanded from four agencies to 7; border processes now automated and helped reduce waiting time at borders substantially; key supply chain management functions (issuing of licenses and permits) have yet to be integrated

- Other CAREC countries have made substantial gains in SW development
  - o KAZ - feasibility study and 34 business process analyses conducted; different SW models examined.

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Other Related Areas: Single Window

- o UZB - 15 agencies have committed to participate in SW; seeking technical and consultative support to organize Interagency Working Group on Single Window Concept;

- o KGZ - Single Window Center for Foreign Trade Operations established to serve as the single window operator; SW ready for pilot implementation in 2011;

- o TAJ - issued detailed guidelines and schedules for funding and implementing SW;

- o AFG – drafted presidential decree to establish SW

- o MON -needs to develop SW feasibility study and implementation master plan; need to amend or pass new laws to create a legal environment for IT/SW.

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Other Related Areas: Capacity Building

- ADB and the General Administration of Customs of the People's Republic of China co-sponsored a CAREC Training Course on Specialized Customs Topics at **Shanghai Customs College, Shanghai, PRC** on 25 May–3 June 2010

- AFG – 1,235 customs employees/ officers have been trained in 2009 on ASYCUDA operations, customs laws, and various specialized customs courses at Customs Training Institute; Knowledge Management Unit has also been established at customs headquarters;

- UZB - Customs officials and personnel are trained at well-equipped High Military Customs Institute; Uzbekistan National Canine Institute was assigned a WCO regional training center in 2009.

Other Related Areas: CAREC Corridor Performance Measurement and Monitoring (CPMM)

- Pilot project on CPMM being implemented with the collaboration of 14 partner associations
- Preliminary results identified BCPs as major bottlenecks for transport and trade in the region; considerable delays encountered at BCPs; significant portions of delays are due to poor physical infrastructure, poor use of ICT and poor logistics facilities.
- Three quarterly reports prepared and available online at the CAREC Institute website
http://www.carecinstitute.org/index.php?page=cfcfa-annual-meeting-july-2010

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Other Related Areas: Trade Facilitation Coordination Mechanisms (NJCs, RJC, CFCFA)

- Action Plan of the Transport and Trade Facilitation Strategy mandated establishment of:
  - **National Joint Transport and Trade Facilitation Committees (NJCs**) to be comprised of representatives of government authorities responsible for transport, trade, and cross-border activities and private sector groups;
  - **Regional Joint Transport and Trade Facilitation Committee (RJC)** comprised of representatives from the NJCs or similar organizations to manage implementation of TTFS Action Plan; RJC was formally organized in Tashkent in February 2010

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Other Related Areas: Trade Facilitation Coordination Mechanisms (NJCs, RJC, CFCFA)

- CAREC Federation of Carrier and Forwarder Associations (CFCFA), an international non-government and non-profit organization uniting carrier, freight forwarder, and logistics associations of CAREC countries established.
- Major objectives of CFCFA:
  - facilitate transport, trade and logistics development,
  - and advance the interest of road carriers, freight forwarders and logistics providers associations that are its active members.
- CFCFA inaugural meeting held in Seoul, Korea in October 2009 where Statement and Memorandum of Agreement were signed
- CFCFA Constitution and By- Laws and Rules and Regulations adopted in March 2010 in Almaty Kazakhstan and first set of officers.
- CFCFA work plan for 2010-2011 approved and proposed priority projects /priority courses identified in July 2010 in Urumqi, PRC

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Thank you

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