

## Final Summary of Discussion: Trade Facilitation Sector

1. A Sector Meeting on Trade Facilitation was convened among the senior officials to discuss a draft Action Plan on Regional Trade Facilitation to be carried out under the framework of regional customs cooperation. The customs cooperation initiative was endorsed by the first Inter-Ministerial Meeting as the first step to move forward the regional trade facilitation agenda. The Customs Cooperation Committee is the apex institution of the customs cooperation framework consisting of the heads of the member countries' customs administrations. It gives guidance and supervises the work carried out by the 5 expert groups and two working groups on seven trade facilitation issues:

- (i) Simplification and harmonization of customs procedures and documentation,
- (ii) Development of border posts and facilities,
- (iii) Development of simplified transit systems,
- (iv) Data and information sharing and ICT development for customs operations,
- (v) Development of risk management and post-entry audit,
- (vi) Development of a regional intelligence system, and
- (vii) Capacity building for customs administrations.

2. The Meeting reviewed both (i) work progress in the seven areas since the first CCC meeting in August 2002, and (ii) detailed proposals in the seven areas.

3. The delegates broadly endorsed the specific proposals contained in the proposed Plan and expressed satisfaction with the progress made to-date. Some delegates underscored the importance of some of the specific proposals such as

- (i) Accession to the WTO and major international conventions by all the CCC member countries and provide training to assist member countries' accession,
- (ii) Development of customs legal frameworks to harmonize customs codes and procedures,
- (iii) Promotion of modern customs practices such as risk management,
- (iv) Development of a unified transit system,
- (v) Promotion of transparency of customs procedures and data-sharing through IT technology.
- (vi) Comparative Study of computerized transit systems of various countries.

4. The delegate from Uzbekistan provided a number of suggestions for improving the draft Action plan including (i) identification of specific projects and parties responsible for the implementation, (ii) detailed implementation schedules for each proposal, and (iii) technical assistance from IFIs for supporting the implementation. The suggestions were broadly shared by the country delegates. The delegates suggested the draft Action Plan could be further strengthened at the Second CCC Meeting scheduled on 9-10 October in Tashkent.

5. While endorsing the customs cooperation program as the first step to promote trade facilitation, several member country delegates stressed the need to (i) balance trade facilitation with security concerns, (ii) link trade facilitation with trade liberalization, (iii) promote transit facilitation specifically in the context of regional transport corridors, and (iv) promote integrated border management through enhanced cooperation among all the border agencies.

6. Several new proposals were also presented by some delegates including
- (i) Consideration of establishing a National Working Group (where they do not exist yet) that include all the ministries involved in the TIR Transit System by the end of 2003, and implementing measures to ensure their sustainability (Kyrgyz Republic);
  - (ii) Consideration of drafting of an agreement on a regional transit system among the member countries by the CCC by early 2004 (Kyrgyz Republic); PRC and Uzbekistan stressed the importance of not setting a too ambitious deadline.
  - (iii) Establishment of a coordinating committee on trade policy under the Inter-Ministerial Framework (proposed by the Kyrgyz Republic and Tajikistan and supported by all the delegates)
  - (iv) Capacity building and institutional Strengthening of government institutions/agencies responsible for trade policy (Kyrgyz Republic and Tajikistan)
  - (v) Establishment of National Trade Promotion Centers that are interlinked together among the member countries (Tajikistan and Kyrgyz Republic)
  - (vi) Support for development of border-post facilities and infrastructure for trade facilitation (Tajikistan and Kyrgyz Republic).

7. The IFIs attending the Meeting also expressed their view on trade facilitation and introduced their ongoing trade facilitation programs. The IMF underscored the importance of trade policy liberalization for the region. The World Bank shared its lessons-learned from its trade facilitation programs and introduced the “performance measurement system” for trade facilitation. WB also underlined that trade facilitation and security complements each other. The EBRD expressed appreciation of the regional customs cooperation program and introduced to the delegates its Trade Facilitation Program being implemented in the Region. The UNDP is currently supporting the development of an EU-funded border management program.