

**Minutes of the
National and Regional Joint Transport and Trade Facilitation Workshop
26 May 2009 Ulaan Baatar, Mongolia**

Introduction

1. International transport and trade in Central Asia can only be facilitated and its benefits maximized if there is effective and efficient coordination and cooperation among agencies involved in transport, trade and border crossing activities, as well as support from all stakeholders including the private sector. This level of collaboration and support requires that representatives of relevant agencies in each country work together closely to first identify impediments to efficient and cost-effective trade and transport, and the measures needed to address these impediments, and then to set priorities and timelines to implement those measures.

2. The CAREC Transport and Trade Facilitation Strategy and its Action Plan proposed the establishment of national joint transport and trade facilitation coordinating committees (NJC) to promote transport development and integrated trade facilitation at the national level through improved interagency collaboration and enhanced partnerships between the public and private sectors. The NJCs will include representatives of government agencies responsible for transport, trade, and border-crossing activities (including ministries of Transport, Trade, Economy, and Customs, as well as agencies involved in quarantine, sanitary and phyto-sanitary standards, product standards, security, and immigration) and private sector groups such as freight forwarders associations and logistics service providers. At the regional level, the program will help set up the Regional Joint Transport and Trade Facilitation Committee (RJC) to serve as the regional forum to discuss and resolve issues of common interest regarding barriers to trade. The will consist of representatives from the NJCs and regional groupings of freight forwarders and transport groups.

3. A stocktaking of the existence/status of NJCs was undertaken in April – May. Support will be provided in establishing these committees in countries where these have not been set-up and in strengthening those that have been created. A matrix summarizing the country profiles of existing trade and/or transport facilitation bodies in CAREC countries has been prepared. The process of confirming the existence/status of the committees identified in the UNESCAP study and identifying contact persons and/or potential partners in setting up/strengthening NJCs/RJCs in each of the CAREC countries has been initiated in close coordination with the CAREC regional coordinators in resident missions.

Summary of Presentations and Issues Raised

4. **Mr. Adrian Ruthenberg**, ADB, delivered the opening remarks of the NJC workshop. He demonstrated that in the case of Mongolia, better trade facilitation policies can generate large gains in economic growth, and he further stated that the workshop is intended to fulfill the decision of the 7th CAREC Ministerial Conference (in Baku) to establish NJCs/RJC to promote transport development and trade facilitation through improved interagency cooperation, and to align responsibilities and accountability in carrying out the CAREC Action Plan.

5. **Mr. Ying Qian**, ADB, discussed briefly the importance of NJCs for transport and trade facilitation. He related that several international and regional organizations have been actively promoting the establishment of national coordination mechanisms including the UN Economic and Social Commission for Asia and the Pacific and UN Economic Commission

for Europe, which have both issued recommendations/guidelines on the establishment and strengthening of coordination mechanisms. He put forward some lessons from the stocktaking of NJCs, and CAREC approach to address these issues:

Lessons Identified	CAREC Approach
<ul style="list-style-type: none"> Some NJCs are not working properly according to their mandate because of (i) institutional rivalry, and (ii) inconsistent priorities, mandates and tasks 	<ul style="list-style-type: none"> Build confidence and trust among various agencies and stakeholders by implementing joint projects
<ul style="list-style-type: none"> Some NJCs are dependent on MDBs for funding with consequent sustainability problems 	<ul style="list-style-type: none"> Establish NJCs ownership over projects Peer pressure and sharing of experiences among NJCs
<ul style="list-style-type: none"> Some NJCs have not been able to transmit advice effectively to policymakers 	<ul style="list-style-type: none"> Provision of technical support
<ul style="list-style-type: none"> Lack of implementation of international best practices/standards 	<ul style="list-style-type: none"> ADB to provide technical support including assistance in the adoption of best practices and implementation of international standards

6. **Ms. Geetha Karandawala**, UNESCAP shared the organization's experience in studying national coordination mechanisms and in helping countries establish these committees. She presented the key findings and recommendations of the UNESCAP regarding National Coordination Mechanisms for Trade and Transport Facilitation on the structure, membership, function, staffing and work program, financing arrangements, regional/subregional cooperation. She expressed UNESCAP's willingness to help countries set-up committees where they don't exist and to strengthen committees that have already been set-up; and to work closely with other international organizations.

7. **Mr. I. Ismayilov**, Ministry of Transport (Azerbaijan) informed the workshop participants of the country's active participation in priority regional transport projects/initiatives to facilitate transit traffic including International Convention on the Simplification and Harmonization of Customs Procedures. **Mr. J. Gasimov**, State Customs Committee (Azerbaijan) discussed steps undertaken to streamline customs procedures including promulgation of a Presidential Decree to implement Single Window system in the country and efforts to enhance capacity of customs staff

8. **Mr. S. Kulmambetov**, Ministry of Economic Development and Trade (Kyrgyz Republic) presented on the mandate, primary functions, and membership of the Kyrgyz NJC – the National Council on Trade and Transport Facilitation of the Kyrgyz Republic. He informed that the precondition for the establishment of the committee was to create a favorable environment with which to do business in Kyrgyz Republic

9. **Mr. D. Naranpurev**, Ministry of Transport Construction and Urban Development (Mongolia) gave an overview of the mandate, membership, activities and expected outcomes of the National Committee on Trade and Transport Facilitation of Mongolia. He reported that one of the key achievements of the Committee is the drafting by a Working Group within NCTTF of the Transit Mongolia National Program (adopted in 2008), the national strategy to promote and develop trade, transport and logistics services and the preparation of an action plan to implement the strategy.

10. **Mr. Qian** and **Ms. Karandawala**, UNESCAP noted that Mongolia is a good example of setting up NJCs. The country has adopted a Strategy, prepared an Action Plan to operationalize the Strategy and developed performance criteria to assess program implementation

11. **Ms. G. Gidebayeva**, Ministry of Transport (Kazakhstan) identified Kazakhstan

projects included in the CAREC Transport and Trade Facilitation Action Plan for 2008-2018 and reported the status of these projects. **Mr. P. Segal**, Freight Forwarder Association (Kazakhstan) noted the timeliness and relevance of the establishing a mechanism for interdepartmental cooperation and improving public-private sector interaction. He informed that the country has put in place a system to regulate interrelationships of market participants and government institutions which have led to the establishment of public councils with business representatives and experts' councils of ministries which are consulted in the drafting of laws and regulatory acts. He identified problems concerning the movement of goods including:

- incompatibility of information systems, software and disconnected activities of various government controlling bodies and with traders both within and among countries
- difficulties to obtain and transfer necessary information in the format required by controlling bodies
- Insufficient level of cargo containerization.
- Divergent approaches and mechanisms of economic reforms and legal frameworks.

Mr. Segal submitted proposals to address these problems such as to:

- Develop single standards and approaches to harmonize the methods and forms of information exchange among concerned government agencies, as well as with participants of cargo transportation.
- Provide businesses access to necessary information and its transfer to controlling bodies in the required format.
- Promote competition to improve the quality and reduce the cost of transportation services by strengthening public-private partnership.
- Liberalize market of containerized transportation; ensure its maximum freedom and attractiveness of operations for forwarding companies.

12. **Mr. Qian** noted that the proposals of Mr. Segal will be taken into consideration in the preparation of action plans particularly for the RJC.

13. **Ms. Y. Yan**, Ministry of Transport (PRC) provided an overview of the establishment and membership of the National Transport Facilitation Committee. She informed that the Committee was established in 2003 in accordance with the GMS Cross Border Transport Agreement (CBTA) (signed in 2002). She informed that the Committee has actively participated in the negotiations and execution of (i) annexes and protocols to the GMS CBTA from 2003-2007; (ii) Inter-Governmental Agreement of Shanghai Cooperation Member States on Facilitation of International Road Transport from 2003-2008; and (iii) bilateral and regional multilateral agreements on road transport with neighboring countries, which were prerequisites for China to join UN international treaties on transport. She reiterated that the National Transport Facilitation Committee will continue to play an active role under the CAREC framework and expressed that the proposed RJC will provide the forum to discuss and resolve issues on barriers to trade and economic development.

14. **Mr. S. Farukh**, Ministry of Economic Development and Trade(Tajikistan) reported that the National Joint Transport and Trade Facilitation Committee of Tajikistan has not been formally established but that coordination arrangements and institutional mechanisms are in place in the areas of trade (including border trade), transport, and customs infrastructure. He stated the achievements of these institutional mechanisms including the ratification of international conventions and agreements on transport, adoption and implementation of Action Plan to simplify administrative barriers to export and import, and approval of the

concept of Single Window and the preparation of a feasibility study to implement the scheme, and promulgation of a new Customs Code. He informed the Government will consider the formal establishment of an NJC.

15. **Ms. T. Wafi**, Ministry of Commerce (Afghanistan) shared the country's experience in establishing an NJC. She gave an overview the objectives, mandate, membership and structure of AFPRO, National Trade Facilitation and Transport Committee of Afghanistan. She reported that although the Committee held several meetings between 2006 and 2008, very little substantive issues were taken up. And that the Committee has stopped its activities since early 2009. The future of the NJC is in doubt with the conclusion of the World Bank and UNCTAD project in June. She acknowledged that the NJC failed because of (i) lack of sufficient government support, (ii) lack of active participation of the private sector and its unwillingness to fund the operations of the secretariat and (iii) lack of realistic goals and results.

16. **Mr. A. Khashimov**, Ministry of Foreign Economic Relations, Industry and Trade (Uzbekistan) briefed the participants on ADB investments and technical assistance in transport corridors including the railway line linking Termez (UZB), Hairaton (AFG) with Mazari Sharif (AFG). He also reported on other ongoing transport investments and initiatives including the creation of a multimodal transport and trade system between Asia and Europe involving Republic of Korea, China, Russian Federation, Mongolia, Kazakhstan, Kyrgyz Rep., Tajikistan, Turkmenistan and Uzbekistan. He emphasized the development of a multimodal logistics center on the basis of the Navoi airport. He related the establishment of NJC in October 2008 and its objectives, functions and activities including CPMM. He reported that a Special Commission on the issues of transport and transport communications under the Cabinet of Ministers was created in March 2009 and this commission will serve as the NJC.

17. **Mr. Andy Sze and Mr. Max EE Khong Kie**, Consultants, presented a summary of initial findings from their consultation meetings. **Mr. Sze** provided an overview of the objectives, membership of the transport and or trade facilitation committees in PRC, AZE, KGZ and UZB. He identified the following key success factors to make NJCS effective: (i) unwavering high level commitment and support, (ii) diverse but manageable number of motivated participants, (iii) clear vision, measurable criteria, sufficient resources, well thought out action plans, (iv) concentrate on early wins to build confidence and momentum.

18. **Mr. Khong Kie** identified good practices in establishing NJCs such as the creation of location-driven action plan, formalization of NJCs structure, necessity of documenting NJCs objectives, plans and outcomes, balanced private-public sector representation. He also highlighted five (5) key elements for the success of NJCS: vision, skills, incentives, resources and action plan. He stressed that the absence of one these 5 elements will compromise the successful operation and sustainability of NJCs. He also presented lessons from the experience of Singapore in establishing NJCs.

19. **Mr. Mario Apostolov**, UNECE briefly discussed the UNECE Recommendation No. 4 on Creation of National Trade and Transport Facilitation Bodies with emphasis on the functions of these Committees such as to: (i) provide a forum for public-private partnerships, (ii) submit proposals in the area of trade facilitation based on international best practices, (iii) organize training and capacity building courses; (iv) partner with UN, World Bank, ADB and other multilateral organizations. He stressed that the PRO (Procedures) Committees established with UNECE support are public private partnership mechanisms to bridge interests of state agencies and the business sectors. He cited NJCs working with UNECE and other bodies in Central Asia and cited projects.

20. **Comments/issues raised during the Q&A** include:

- UZB asked experts to provide examples of international best practices on the creation of NJCs based on the experience of countries with similar features to CAREC countries (landlocked)
- UZB also proposed to advance the implementation date from 2011 to 2010 of REG TA-32 Promoting Containerized Transportation. UZB expressed its readiness to support implementation of this project in order to develop multimodal transportation
- UNECE observed that some NJCs failed because they faced difficulties in operations after the completion of international assistance projects/programs. He observed that NJCs work well when they are driven by national interests
- On the issue of financing and leadership (private sector-led or government leadership) of NJCs raised by AFG, UNECE and UNESCAP informed that there are several models with regard to funding of NJCs (government budget, private sector contributions). UNESCAP noted that generally the private sector would be willing to contribute to finance the operations of NJCs if it is to their benefit. Max E Khong Kie noted the regional public good nature of NJCs.
- UNESCAP, UNECE commented that the recommendation to include Senior-level government officials in NJCs is meant to ensure that the government representatives to these bodies are able to make and implement decisions.

Focused Discussion on Terms of Reference for NJCs and RJC

21. Mr. Ying Qian, ADB, presented the proposed terms of reference for NJCs and the RJC. He submitted 3 main areas in the scope of work for NJCs:

- **Enhance country ownership** by developing national joint action plans with measurable outputs and timelines and reporting on the status of action plans to the RJC, capacity building of member agencies and stakeholders, adoption of international best practices, supervision and conduct of training programs
- **Coordination** by serving as focal point for the promotion of interagency cooperation among public private sector agencies involved in transport and trade facilitation, creating Working Groups as needed on specific projects and activities, and liaising with development partners
- **Implementation** of major CAREC projects such as CPMM and single window development.

22. For the RJC, Mr. Qian also proposed similar 3 areas of work:

- **Enhancing ownership** by overseeing implementation of the CAREC Joint Strategy and Action Plan, providing support for implementation of national action plans of NJCs, promotion of regional groupings
- **Coordination** with Customs Cooperation Committee, Transport Sector Coordinating Committee, Trade Policy Coordinating Committee and other regional cooperation mechanisms such as the Shanghai Cooperation Organization in the implementation of the Joint Strategy and Action Plan; and other development partners
- **Implementation** through supervision and monitoring of CAREC transport and trade facilitation projects.

23. Participants supported the suggested TORs. Specific comments raised during the discussion of the TOR include:

- The TORs for NJCs/RJC appear to be mostly focused on the implementation of CAREC activities. It would be desirable for the committees be more inclusive and be involved in other programs (UNESCAP, UNECE). Mr. Qian clarified that the proposed TOR does not preclude the involvement of NJCs in other activities/projects. He stressed that TORs for NJCs are recommendations and NJCs will have flexibility to suit their specifics.
- Kyrgyz commented on the suggested involvement of high-level officials in NJCs and the RJC. Mr. Qian informed that the recommendation to assign senior government officials in the NJCs is intended to ensure that officials have sufficient authority to follow through on the implementation of the of facilitation initiatives proposed by the NJC/RJC. Kyrgyz agreed that the NJCs should monitor CAREC projects and other projects that facilitate trade and expressed support for the proposed RJC.
- UZB expressed general support for the creation of the RJC but inquired on how would RJC function including the mechanisms for decision-making, whether the RJC will assume a consultative/advisory role or merely act as forum for exchange of ideas, structure of the RJC with focus on ensuring equal representation of participating countries. Mr. Qian informed that initially the RJC will serve as regional forum to raise, discuss and resolve common issues and implement the CAREC Joint Transport and Trade Facilitation Action Plan. The TOR for the RJC will be finalized based on the insights from the workshop and inputs of experts/consultants with the goal of a formal endorsement of the NJC TOR later on.
- Andy Sze commented on the importance of identifying doable projects such as the CAREC priority corridors

24. The following matrix is an attempt to summarize existing conditions of NJCs in CAREC member countries as against the recommended TORs.

Country	Ownership	Coordination`	Implementation
Afghanistan	<ul style="list-style-type: none"> • AFPRO is in danger of ceasing action due to lack of funding • Government support and private sector's interests are lacking 		
Azerbaijan	<ul style="list-style-type: none"> • capacity building program for staff of relevant agencies are available • AZPRO is not fully operational 	<ul style="list-style-type: none"> • Cooperation at the interagency level • Participation in international conventions and bilateral agreements on trade and transport 	<ul style="list-style-type: none"> • implementation of priority regional transport projects including those of the CAREC program • SW system operational from January 2009
Kazakhstan	<ul style="list-style-type: none"> • Adoption of master plan for transport initiatives and goals up to 2015 • Trainings and distance learning modules 	<ul style="list-style-type: none"> • interdepartmental cooperation among agencies involved • KAZ FFA serves as coordinating body for 	

Country	Ownership	Coordination`	Implementation
	<ul style="list-style-type: none"> developed NJC is not yet place 	<ul style="list-style-type: none"> regional transport programs 	
Kyrgyz Republic	<ul style="list-style-type: none"> NJC in advisory role action plan available to organize various activities 	<ul style="list-style-type: none"> representation of government agencies involved in trade and transport 	
Mongolia	<ul style="list-style-type: none"> NJC in place with good leadership strategy and action plan in place to promote and develop trade and transport performance criteria established to assess progress of program implementation 	<ul style="list-style-type: none"> balanced representation of public and private sector organizations Participation in international conventions and bilateral agreements on trade and transport 	<ul style="list-style-type: none"> Ongoing projects being implemented in the CAREC corridor
PRC	<ul style="list-style-type: none"> National Action Plan to implement GMS CBTA NJC will consider the feasibility of involving representation of XUAR and IMAR, as well as other stakeholders 	<ul style="list-style-type: none"> Coordination among relevant ministries Implementation of multilateral conventions and agreements 	<ul style="list-style-type: none"> works closely with CAREC TSCC, CCC ongoing projects under the CAREC umbrella
Tajikistan	<ul style="list-style-type: none"> Action Plan to simplify administrative barriers to export and import NJC will be established 	<ul style="list-style-type: none"> various institutional arrangements in place in the areas of trade, transport and customs adheres to international conventions and agreements on transport 	<ul style="list-style-type: none"> execution of the concept of Single Window and the preparation of a feasibility study to implement the scheme
Uzbekistan	<ul style="list-style-type: none"> NJC was recently established An action plan has been adopted 	<ul style="list-style-type: none"> Coordination among government agencies involved in trade and transport 	<ul style="list-style-type: none"> Development of CAREC transport corridor is the focus of the Action Plan

Conclusion

25. **Mr. Qian** noted that all CAREC member countries agree on the need for and usefulness of NJCs and the RJC. He thanked country delegates for providing useful insights on practical issues related to establishing and strengthening NJCs and the RJC. He also thanked resource persons for useful advice and analytical support. He reiterated that political will, strong leadership, effective organizational structure, concrete and achievable action plans and associated TORs and performance targets, and sustainable funding are all necessary conditions for NJCs/RJC to be successful. Mr. Qian informed that he will report to the Senior Official's Meeting that there is a general agreement to the recommended scope of work and the recommended TORs for NJCs and the RJC and that ADB, acting as the CAREC Secretariat for trade facilitation program, will further improve the TORs to meet national and regional needs.