

**STATEMENT OF CAREC
REGIONAL JOINT TRANSPORT AND TRADE FACILITATION COMMITTEE (RJC)**

24 February 2010, Tashkent, Uzbekistan

A. BACKGROUND

1. International trade expansion and transport potential development are critical to the economic development of the Central Asia Regional Economic Cooperation (CAREC) region and the integration of CAREC member countries into the global economy. However, inadequate infrastructure and non-physical barriers associated with trade policy, transport and transit systems, in CAREC member countries limit the capacities of the CAREC corridors.

2. The Almaty Program of Action of the United Nations¹ recommended that landlocked and transit developing countries consider establishing and/or strengthening existing national transport and trade facilitation boards or committees and should engage all major stakeholders, including the private sector. The United Nations Economic Commission for Europe (UNECE) recommends that transport and trade facilitation committees should be a formally constituted body where all interested parties who deal with the countries' trade and transport sectors could present their respective problems and seek, through consensus, mutually agreeable solutions.² A recent study by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), recommended that the membership of the coordination mechanism comprise of representatives of all organizations involved in international trade and transport and be made accountable to officials at senior level of the national government.³

3. Recognizing the need to expand intra- and inter-regional trade to spur investments and economic growth in Central Asia, the CAREC Asian Development Bank (ADB) has been actively supporting a joint strategy for transport development and trade facilitation.

4. Initially, efforts in these two areas were spearheaded by two separate and distinct committees, implementing distinct but related strategies – the Customs Cooperation Committee (CCC) and the Transport Sector Coordinating Committee (TSCC). The CCC has had significant achievements in bilateral and country-specific customs modernization initiatives and has been successful in creating an environment of trust and cooperation among the customs services of the participating countries. The TSCC has also attained substantial achievements in developing the six CAREC corridors.

5. At the March 2007 CAREC Senior Officials Meeting (SOM) in Manila, the new Joint Transport and Trade Facilitation Strategy (TTFS) was approved for consideration by the CAREC Ministerial Conference (MC), which subsequently endorsed the TTFS in November 2007 in Dushanbe, Tajikistan. The corresponding Action Plan was endorsed in 2008. A key element of the new TTFS is the coordinated improvement of transport infrastructure and

¹ "The Almaty Program of Action": Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries, http://www.un.org/special-rep/ohrrls/lldc/Almaty_PoA.pdf, 2000

² "Creating an Efficient Environment for Trade and Transport - Guidelines to Recommendation No. 4": National Trade Facilitation Bodies, http://www.unece.org/cefact/recommendations/rec04/rec04_ecetr256e.pdf, 2000.

³ "Study on National Coordination Mechanisms for Trade and Transport Facilitation in the UNESCAP Region," http://www.unescap.org/ttdw/Publications/TFS_pubs/Mechanisms/Study_on_Coordination_Mechanisms_fulltext.pdf, 2007.

regional trade processes, including simplification of cross-border procedures and standards, along the six CAREC corridors. The implementation of this joint strategy requires the active involvement of trade and transport related government authorities, and the private sector.

6. The Action Plan of the TTFS proposed the establishment of National Joint Transport and Trade Facilitation Committees (NJC) in all CAREC member countries. According to the action plan a CAREC Regional Joint Transport and Trade Facilitation Committee (RJC), comprised of representatives from the NJCs or similar organizations, will then be established to manage the implementation of the Action Plan.

7. The NJC would be comprised of representatives of government authorities responsible for transport, trade, and cross-border activities (including ministries responsible for the general economy, customs, quarantine, sanitary and phyto-sanitary standards, product standards, border security, and immigration) and private sector groups.

8. A stock taking of NJCs was undertaken in April – May of 2009. The lessons learned and the CAREC approach for addressing NJC issues were discussed at the National and Regional Joint Transport and Trade Facilitation Workshop on 26 May 2009 in Ulaanbaatar, Mongolia. The inputs from participants clearly indicated the need for establishing the RJC.

9. An RJC Consultative Meeting was organized in conjunction with the CAREC SOM and MC in Ulaanbaatar on 15 October 2009. The meeting participants agreed to review the draft RJC statement including its terms of reference hold internal consultations and provide comments to the Secretariat. This statement integrates such comments and reflects agreements reached during the first meeting of the RJC held in Tashkent, Uzbekistan on 24 February 2010.

B. OBJECTIVES

10. The RJC is created to support the goals of the TTFS Action Plan which are:

- Establishment of competitive corridors across the CAREC region;
- Facilitation of movement of goods and people through corridors and across borders; and
- Development of sustainable, safe, and user-friendly transport and trade networks.

The main objective of the RJC is to provide regional leadership in coordinating (as indicated in paragraph 14) the implementation of the TTFS Action Plan as well as to address issues of common interest pertaining to the removal of barriers to trade and transport efficiency.

11. The RJC's success will be ensured through broadened cooperation efforts at the regional level, and through adhering to best international practices stipulated in trade and transport conventions to which CAREC members have acceded.

C. TERMS OF REFERENCE of the RJC

12. The terms of reference of the RJC can be divided into three main parts: (i) **enhancing ownership** by overseeing the implementation of the CAREC TTFS Action Plan, providing support to the NJCs in the implementation of TTFS Action Plan; (ii) **coordinating** with other CAREC regional cooperation groupings as well as development partners in the implementation of the TTFS and its Action Plan; and (iii) **implementation and conducting progress review** of

CAREC transport and trade facilitation projects.

13. Specifically, the RJC will enhance the CAREC members' **ownership** of the CAREC TTFS through:

- Assessing, monitoring and evaluating implementation status of the TTFS and its Action Plan, and based on such evaluation/assessment:
 - make recommendations to address identified constraints and issues;
 - synchronize national efforts in the development of CAREC corridors; and
 - update and propose amendments to the CAREC TTFS Action Plan, as necessary, for approval of SOM and MC;
- Establish a results framework for transport and trade facilitation programs by
 - Reviewing results and providing guidance for the Corridor Performance Measurement and Monitoring (CPMM) activities;
 - Assessing progress and challenges of TTFS implementation both on the corridor level and on the national level;
 - Identifying indicators used for the broader CAREC Results Framework.
- Supporting the consolidation of coordination mechanisms at the national level and strengthening the functionality and effectiveness of NJCs through sharing experiences and introducing best practices;
- Upgrading skills and enhancing capacities of stakeholder through instituting and implementing a training and capacity building framework and program that maximizes synergy between transport and trade facilitation training needs.

14. RJC will serve as the **coordination body** of TTFS through:

- Liaising and coordinating with NJCs, CCC, TSCC, the Trade Policy Coordinating Committee (TPCC) and the CAREC Federation of Carrier and Forwarder Associations (CFCFA) within the CAREC umbrella,⁴ and with other regional cooperation mechanisms for the effective implementation of the TTFS and its Action Plan;
- Promoting participation and involvement of development partners and multilateral agencies;
- Advancing public-private partnerships and private sector participation in CAREC regional trade and transport projects;
- Serving as a regional forum to discuss issues relating to barriers to transport and trade development that are of common interest to its members.

15. RJC will assume the responsibility for providing policy and implementation support for major transport and trade facilitation management and investment projects on the regional level by:

- Facilitating, in coordination with NJCs, sustainable and efficient management and operations of the CAREC corridors and border crossing points (BCPs);

⁴ A table showing composition, main responsibility and terms of reference of related groups is in Appendix 1.

- Promoting regionally coordinated investment efforts for infrastructure improvement and modernization of BCPs, and the development of national single window (SW)⁵ and interoperability of SWs at the regional level;
- Promoting modern trade logistics development by
 - Encouraging the growth of multimodal transportation and modern information technology throughout the region;
 - Fostering the development of containerized transport and promoting private sector investments in building logistics centers and inland container depots; and
 - Encouraging the development of a network of interconnected and integrated logistics centers;
- Introducing modern technology, including energy-efficient and environmentally friendly mechanisms and equipment for transport and trade; and
- Supporting the accession to existing international transport and trade facilitation conventions.

16. The RJC will establish links with counterpart bodies in other countries/regions, and will recommend for ADB to sponsor inter-regional forums to exchange information, experiences and best practices in relation to trade and transport facilitation.

D. CAREC RESULTS FRAMEWORK

17. The SOM in May 2009 in Ulaanbaatar, Mongolia considered a proposal to develop a CAREC Program Results Framework that will serve as basis for annual comprehensive development effectiveness review, tracking progress and achievements. For the TTFS, the RJC recommends to the SOM the following indicators:

- Time taken to clear border crossing
- Costs incurred at border crossing clearance
- Speed taken to travel corridor section
- Costs incurred to travel corridor section

18. The achievement of the RJC will be measured and monitored under the CAREC Results Framework. Other indicators may be added later to provide a more comprehensive picture.

E. ORGANIZATION STRUCTURE

1. Members, Roles and Responsibilities

19. The RJC is composed of the representatives from NJCs of CAREC member countries or similar bodies as well as from CCC, TSCC, TPCC, and private sector regional associations, e.g., from CAREC Federation of Carrier and Forwarder Associations (CFCFA), and reports to SOM.

⁵ UN/CEFACT Recommendation #33: "Single Window is a facility that allows parties in trade & transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. If the information is electronic, then individual data elements should only be submitted once." Also see http://www.unece.org/cefact/recommendations/rec33/rec33_trd352e.pdf

20. A Chairperson, nominated by the host country's appropriate authority, will lead the RJC for a one year term. The host country will follow the same annual rotation as the CAREC SOM and MC.

21. The Secretariat of the RJC will be appointed by mutual agreement between the parties. It is agreed that ADB will be the Secretariat for 2010-2011.

2. Schedule of Meetings

22. The RJC shall have an annual work program detailing the objectives; expected outputs and schedule of major activities for the upcoming year (see Appendix 2).

23. The RJC shall hold annual meetings with additional meetings to be convened when necessary.

24. Working groups and task forces can be formed per RJC's recommendations and can meet on as required basis determined by the specific needs of their work.

Composition, Main Responsibility and Terms of Reference of Related Groups

	Regional Transport and Trade Facilitation Committee (RJC)	Transport Sector Coordinating Committee (TSCC)*	Customs Cooperation Committee (CCC)*	Trade Policy Coordinating Committee (TPCC)*	CAREC Federation of Carrier and Forwarder Associations (CFCFA)*
Composition	Representatives from NJC, TSCC, CCC, TPCC and CFCFA	Representative of Transport Ministries	Representative of Customs Authorities	Representative of Trade Ministries	Representatives from carrier associations, freight forwarder associations and logistics associations
Main Areas of Responsibility	Transport Facilitation; Trade Facilitation; and Related Cross-Cutting Issues	Transport Policy; Transport Investment Issues	Customs Cooperation Issues	Trade Policy Issues	Trade and Trade Facilitation Issues that Need Private Sector's Participation
Terms of Reference	<ul style="list-style-type: none"> – enhance ownership by overseeing the implementation of the CAREC TTFS Action Plan, providing support to the NJCs in the implementation of TTFS action plan; – coordinate with other CAREC regional cooperation groupings as well as development partners in the implementation of the TTFS and its Action Plan; and – implement and conduct progress review of CAREC transport and trade facilitation projects. 	<ul style="list-style-type: none"> – harmonize and simplify cross-border transport procedures – harmonize transport regulations – restructure and modernize railways – improve sector funding and management – develop and improve regional transport corridors 	<ul style="list-style-type: none"> – harmonize and simplify customs procedures – coordinated border management – regional transit development – coordinated ICT development – risk management and post-entry audit 	<ul style="list-style-type: none"> – reduce impediments to transit trade – simplify border trade logistics and reduce impediments – undertake trade liberalization measures vis-à-vis tariff and non-tariff barriers per WTO accession requirements 	<ul style="list-style-type: none"> – provide feedback to CAREC governments on TTFS Action Plan implementation – advance public-private partnerships – develop standardized transport documents and standardized carriage contract – build private sector IT platforms to facilitate trade and transport – raise competence of trade & transport operators

* Terms of Reference for CCC, TSCC, and TPCC are provided by respective secretariat.

Appendix 2

PROPOSED RJC WORK PROGRAM FOR 2010 – 2011

Goals	Objectives	Programs	Proposed Activities	Time
1. Establishment of competitive corridors across CAREC region	<ul style="list-style-type: none"> Development of selected CAREC corridors to improve connectivity and reduce transport cost 	<ul style="list-style-type: none"> Transport Component TTFS Implementation Monitoring (TCIM) Funding: ADB	<ul style="list-style-type: none"> Coordinate implementation of Transport Component of TTFS Action Plan Propose update to the Action Plan, as necessary Review issues for comprehensive corridor management 	<ul style="list-style-type: none"> June 2010 October 2010 October 2010
		<ul style="list-style-type: none"> Corridor Performance Measurement and Monitoring (CPMM) Funding: ADB	<ul style="list-style-type: none"> Oversee the implementation of CPMM <ul style="list-style-type: none"> Review CPMM indicators Review CPMM quarterly reports 	<ul style="list-style-type: none"> June 2010 Every quarter
2. Facilitation of movement through corridors and across borders	<ul style="list-style-type: none"> Joint transport and trade facilitation, customs modernization and reforms, and development of regional trade logistics 	<ul style="list-style-type: none"> Institutional Support for Transport and Trade Facilitation Funding: ADB	<ul style="list-style-type: none"> Coordinate with CAREC member governments in establishing and consolidating NJCs Oversee development of capacity building framework and knowledge products Hold meetings of RJC 	<ul style="list-style-type: none"> September 2010
		<ul style="list-style-type: none"> BCP Improvement Funding: ADB, Government and other co-financiers	<ul style="list-style-type: none"> Lead in preparing and implementing investment projects at regional level along CAREC Corridors 	<ul style="list-style-type: none"> 2010 - 2011
		<ul style="list-style-type: none"> Single Electronic Window Development Funding: ADB, Government and other co-financiers	<ul style="list-style-type: none"> Lead in preparing and implementing projects to develop national and regional SWs <ul style="list-style-type: none"> facilitate legislation reforms to allow regional networking and interoperability help develop regional ICT platform 	

Goals	Objectives	Programs	Proposed Activities	Time
3. Development of sustainable, safe, and user-friendly transport and trade networks	<ul style="list-style-type: none"> • Achievement of sustainability, safety and user-friendliness for CAREC transport and trade networks. 	<ul style="list-style-type: none"> • Strengthening cooperation mechanisms and private sector involvement Funding: ADB	<ul style="list-style-type: none"> • Coordinate with private sector to strengthen public-private partnerships <ul style="list-style-type: none"> – promote multimodal transport and modern IT 	<ul style="list-style-type: none"> • 2010- 2011
		<ul style="list-style-type: none"> • Coordination with development partners Funding ADB	<ul style="list-style-type: none"> • Coordinate with donors to synchronize their initiatives through joint seminars, trainings workshops 	