

# **VIRTUAL JOINT ADB-IRU REGIONAL WORKSHOP ON TIR DIGITALIZATION FOR IMPROVED TRADE IN STKEC REGION**

15:00pm-17:00pm (Manila time), 7 September 2021

## **SUMMARY OF DISCUSSIONS**

### **I. Introduction**

1. A regional workshop on International Road Transport (TIR) Digitalization for Improved Trade in STKEC Region was co-organized virtually by the Asian Development Bank (ADB) and the International Road Transport Union (IRU) on 7 September 2021. More than 60 participants from respective government agencies, private sector, TIR associations and digital TIR users in Kazakhstan, Uzbekistan, and Tajikistan, and representatives from development partners attended the workshop. Kyrgyz Republic participated as an observer. Senior officials from the three countries include Ms. Dilnara Kaliyeva, Head of Department of International Economic Cooperation, Ministry of National Economy of Kazakhstan; Mr. Abdulla Khashimov, Head of Department for Development of Transport Corridors, Ministry for Investments and Foreign Trade of Uzbekistan; and Mr. Abdullo Ziyoyon, Head of Main Department of Trade Policy and Consumer Market, Ministry of Economic Development and Trade of Tajikistan. Mr. Safdar Parvez, Director of the Regional Cooperation and Operations Coordination Division of the Central and West Asia Department (CWRD) of ADB and Ms. Tatiana Rey-Bellet, Director for TIR and Transit from IRU co-chaired the workshop and delivered welcome remarks. Ms. Tatiana, and Mr. Oleg Samukhin, Senior Transport Specialist of CWRD, ADB, jointly delivered closing remarks.

2. Strengthening cross-border transport and trade connectivity is one of the six intertwined thematic focus areas identified in the road map for Shymkent-Tashkent-Khujand Economic Corridor (STKEC) development. The application of digital TIR will improve the transparency and efficiency of trade and transit in the STKEC region with reduced time and total cost of trade. The COVID-19 pandemic proved the necessity of developing electronic systems, paperless trade and e-commerce to reduce physical contacts between the trading parties. As part of the efforts in implementing the road map for STKEC development, and to fulfill the governments' plan to use digital TIR as an effective tool for trade through creating green corridors in the border crossing points (BCP), Kazakhstan, Uzbekistan and Tajikistan launched pilot digital TIR transports since November 2020. To support the governments' efforts in improving and increasing the utilization of digital TIR among the three countries and in Central Asia, ADB and IRU jointly organized this virtual workshop to bring together TIR related multi-stakeholders to discuss progress and implementation issues of digital TIR transports in the STKEC region.

3. The objectives of the regional workshop were to (i) share results and experiences of TIR digitalization projects among the STKEC countries; (ii) increase transparency of regional trade through improved coordination among customs administrations; (iii) encourage STKEC's other relevant public stakeholders to support their customs administration and the private sector in using TIR digital solutions, by showcasing the benefits and encouraging increased use of digital TIR in their transport operations in STKEC; (iv) identify challenges and finding solutions to further improve transit and border crossings; and (v) prepare the three countries for smooth transition towards full implementation of eTIR based on Annex 11 of the TIR Convention.

## **II. Highlights of the Workshop**

4. ADB presented an overview of the border crossing status in the STKEC region and key findings of the 2020 CAREC Corridor Performance Management report. The presentation highlighted the lessons and opportunities for three countries in applying Digital TIR solutions in improving transit, trade and cross border connectivity in the region. It was noted that transport connectivity within the STKEC requires improvement in both infrastructure and procedures to support trade, increase transparency and security of border crossing, facilitate transit, align the current customs requirements with international procedures and enhance capacity building of customs agencies and the private sector. It is essential for the STKEC countries to cooperate on enhancing cross-border connectivity, BCP modernization (including both hard and soft infrastructure upgrade) and apply best international practices and systems. The digitalization of TIR procedures could help the three countries to reap the full trade potential in the STKEC region.

5. IRU presented the status of several regional digital TIR projects and eTIR developments in the STKEC region. The presentation explained that the objective of these digital TIR pilots is to prepare countries for implementation of eTIR according to Annex 11. Digital TIR pilots are based on business to customs (B2C) data exchange, which is part, together with customs to customs (C2C) data exchange, of the eTIR international system. The year 2021 marks an important milestone in TIR Digitalization with the Annex 11 to TIR Convention effective since May 2021, creating a legal basis for eTIR utilization and adoption by the countries. In this regard, it was noted that STKEC countries are leading the way in TIR digitalization procedures, which have clear advantages for all transit and trade participants. As a result, the first successful digital TIR transportations between Kazakhstan, Uzbekistan and Tajikistan took place on 5 May 2021. The first three TIR trucks from Tajikistan, under eGuarantees were dully processed by the customs administrations of three countries. The digitalization of TIR procedures is also particularly important, given the current pandemic situation.

6. To support the TIR Digitalization implementation in the region, IRU also presented the set of recommendations for all three countries to improve the existing TIR digital projects and possibly extend the TIR digital corridor to the Kyrgyz Republic, with a linkage between STKEC and the Almaty-Bishkek Economic Corridor.

### **a. Experience on TIR Digitalization in Kazakhstan, Uzbekistan, and Tajikistan**

7. Participants from the three countries thanked ADB and IRU for co-organizing the workshop, and appreciated IRU's work supporting transport and trade connectivity in the three countries. They shared experience and recent development of Digital TIR projects in their respective countries, and highlighted the importance of modernizing BCPs and customs procedures in facilitating cross-border trade. All three countries agreed that the TIR Digitalization project would prepare customs administration for eTIR implementation and could become a catalyst for increasing trade and economic cooperation particularly mitigating the impact of COVID-19. This will contribute to the STKEC development.

8. On the status of Digital TIR project, Kazakhstan and Uzbekistan launched first Digital TIR transportation in November 2020. Tajikistan expressed interest to join the digital TIR project in December 2020 and implemented TIR electronic pre-declaration (EPD) in February 2021. A first Uzbekistan-Kazakhstan digital TIR project extension towards Tajikistan successfully took place on May 5, 2021. This is an important milestone towards digitalizing transport and trade connectivity in Central Asia and there are plans for the Kyrgyz Republic to join in near future.

9. It was further noted that all three countries confirmed the broadening of eGuarantee usage by opening it to all TIR transport operators and all BCPs. Both Uzbekistan and Kazakhstan customs authorities have implemented TIR Green Lanes at Yallama-Konisbayeva BCP in June 2021. Tajikistan government is also actively working on the prioritization of eGuarantees usage at the Fotekhobod-Oybek BCP between Tajikistan and Uzbekistan at first stage and requested the support of developing partners for TIR Green Lanes implementation at that border crossing. The use of eGuarantees under the Digital TIR system has proven to be effective in trade facilitation and simplification of border crossing procedures. Uzbekistan recently signed an addendum to the guarantee agreement which covers all the necessary issues and legal aspects of the TIR digitalization process. Kazakhstan, in turn, started working to join TIR Digitalization project in July 2018 and launched first Digital TIR transportation in November 2020 in accordance with the trilateral agreement between the customs administration of Kazakhstan, the Union of International Road Carriers of Kazakhstan, Road Union and the IRU. Moreover, in December 2020, Kazakhstan signed an additional guarantee agreement, where each TIR carnet is secured by a financial guarantee for €100 000. Moreover, all three countries have undertaken necessary formalities to start contacts with the United Nations Economic Commission for Europe in order to establish eTIR project connectivity in accordance with Annex 11 of the TIR Convention.

10. Furthermore, Digital TIR allows the Tajikistan customs administration to test the alignment of their internal customs procedures with the TIR system and benefit from digital TIR experience of Kazakhstan and Uzbekistan. It provides Uzbekistan customs administration with new capacities for eGuarantee management in their customs system. Finally, it was noted that currently, Kazakhstan's system "ASTANA-1" needs some minor adjustments to fully benefit from the digital TIR, making the STKEC fully digital under the TIR in both directions. In this regard, it was noted that the "ASTANA-1" customs system is operating since 2017. The first active module of the system is a customs transit, which includes transportation with the use of TIR. It implies the automation of all customs procedures. The introduction of this system helped to reduce the border crossing time by 50%. Thus, since November 2017, the "ASTANA-1" system is updated with the "TIR-EPD" system that is used for the transmission of information in electronic form. "ASTANA-1" system also integrated with the SafeTIR system. Currently, Kazakhstan is working on the pending adjustments of "ASTANA-1" system for digital TIR procedures and introduction of an automatic release system for goods that were declared in accordance with the customs transit procedure. Finally, the Kyrgyz Republic is very interested in TIR digitalization development since it will significantly simplify the border crossing procedures and help the country further integrate into the regional and global trade system. The Kyrgyz Republic expressed its readiness to join the three countries on the digital corridor and work on necessary adjustments of their customs system to fully benefit from digital TIR in near future.

11. In general, all three countries noted that there are a lot of issues to be discussed regarding the introduction of eTIR system, including the legal status of eTIR, the need to harmonize the eTIR system with the legislation of the Eurasian Economic Union, resolve the current issues with the dissemination of information in electronic form and finally ensure the transition to full digital data exchange and transportation. All participants agreed to continue close cooperation among the countries and with ADB and IRU on this matter.

#### **b. Proposed Recommendations from IRU to facilitate the TIR in the STKEC countries.**

12. IRU proposed the following activities to be implemented for further TIR digitalization in the region:

(i) Support successful implementation of digital TIR pilot projects in STKEC corridor and

- encourage STKEC's countries to continue supporting their customs administrations and the private sector in using and expanding TIR digital solutions in this corridor and the region;
- (ii) Support the establishment of TIR Green Lanes at the BCP Yallama-Konysbayev between Kazakhstan and Uzbekistan and encourage all corridor countries to follow suit and establish such fast lanes at their BCPs including at Fotehobod-Oybek between Tajikistan and Uzbekistan;
  - (iii) In case of limited infrastructure, implement Green Windows at first stage and seek for infrastructural adaptations for building Green Lanes at next stage;
  - (iv) Increase quality/speed interconnection of all regional customs offices in Tajikistan for the purposes of digital TIR;
  - (v) Make adjustment of ASTANA-1 customs system in Kazakhstan to allow digital TIR departure from Kazakhstan;
  - (vi) Support the extension of TIR digital pilot to Kyrgyzstan in the forthcoming days and invite all STKEC countries to work closely with each other, IRU and development partners to successfully conclude this project;
  - (vii) Work on connecting national customs systems to the eTIR international system in line with the eTIR specifications (Annex 11 of the TIR Convention);
  - (viii) Thank GIZ and other development partners for their close cooperation with IRU and corridor countries on implementation of the pilot projects and encourage them to continue their support on the expansion of such projects in the region.

13. All countries expressed no objections to the proposed activities and reaffirmed their full support of the TIR digitalization project. It was noted that some of the proposed recommendations and activities have already been or being adopted by the countries. It was also noted that some of the statistical data regarding the cross-border movement of goods and people, which was presented by ADB during the workshop, needs to be updated since all the countries have recently been working hard to improve cross-border cooperation and related infrastructure.

### **c. Participation of the Kyrgyz Republic in TIR Digitalization Project**

14. ADB informed all the participants of the willingness of the Kyrgyz Republic to participate in the STKEC initiative and join the three countries within the extended digital TIR corridor. In this regard, the Kyrgyz Republic has made some preliminary adjustments to allow connection to the system in near future. All three countries once again supported the participation of the Kyrgyz Republic and its readiness to integrate into the regional trade market.

### **III. Next Steps**

15. Following this workshop, the ADB TA team will continue to work closely with the three countries and IRU in facilitating TIR digitalization and improving transport and trade connectivity in the STKEC region. These will include organizing physical knowledge sharing activities when the pandemic situation improves, and discussion with IRU and CAREC countries on the possible establishment of a CAREC working group on digital TIR.