

# **TPSAP: Monitoring Implementation Progress**

**Dmitriy Rozhkov**

**International Monetary Fund**

**April 15 2010**



# Outline

- **TPSAP Monitoring Questionnaire**
- **CAREC Results Framework**



# Questionnaire-based Monitoring Tool

- Prepared by the IMF
- Presented at the 11<sup>th</sup> TPCC
- A monitoring tool for progress toward meeting the TPSAP objectives
- Comments were received from some delegates
- Questionnaires for end-2009, 2010, 2011 and 2012 are in line with the time frame for TPSAP implementation
  - Anchored by the objective of WTO membership for all countries by end-2013
- Delegates committed to submit the questionnaire annually to the IMF



# End-2009 Targets

- Reduce the number of non-zero tariff bands to 6
  - Reduce to 3 by end-2012
- Draft and send for internal review instructions to customs, transport ministry, traffic police, and others that TIR convention must be fully implemented and consistently applied.
- Complete actual convoy costs calculations.
- Complete actual "paperwork" costs calculations for road transport permits.
- Country-specific performance indicators





# End-2010 Targets

- Eliminate quantitative restrictions on exports
- Eliminate or tariff half of quantitative restrictions on imports
- Set VAT and excise tax rates on imported goods at the same rate as for their locally-produced counterparts.
- Eliminate other duties and charges, taxes and fees applied to imports, or consolidate into one single rate and incorporate into tariffs.
- Eliminate miscellaneous charges, taxes and fees applied to exports.
- Cut the maximum tariff in each country by half the distance to 20 percent.
- Reduce the number of non-zero tariff bands to 5



# End-2010 Targets (continued)

- Eliminate a significant portion of miscellaneous charges and fees on foreign vehicles.
- Finalize and issue the instructions to customs, transport ministry, traffic police, and others that TIR convention must be fully implemented and consistently applied.
- Develop a system of inspections to be done by non-local senior officials of procedures and records to investigate possible corruption.
- Develop a system of random annual audits to verify compatibility of income and assets of relevant regional officials.
- Begin inspections by non-local senior officials of procedures and records to investigate possible corruption.



# Key Issues

- CAREC countries' timely reporting of data is essential for monitoring of the TPSAP
- However, very low response rate so far !
- Only 3 countries have submitted completed responses for end-2009
- Full responses for end-2009 need to be submitted to the IMF as soon as possible
- Countries are also encouraged to report on implementation progress during the year





# Initial Analysis of Responses

- Progress on reducing the number of tariff bands: all reporting countries reached the target of 6 bands.
  - Kyrgyz Republic eliminated the 8% band, through legislation and with parliamentary approval
- Progress reported on drafting instructions that TIR convention must be implemented and applied
- Progress reported on actual “paperwork” cost calculations for road transport permits (Uzbekistan, Kyrgyz Republic)





# Initial Analysis of Responses

- Country-specific performance indicators
  - In Tajikistan, individuals' exemption limit on agricultural goods in cross-border trade set at 100 kg
  - In Kyrgyz Republic, implementation is scheduled for 2010



# Next Step: CAREC Results Framework

- Will include aggregated Trade Liberalization Index for CAREC countries
  - Composite indicator measuring achievement in prioritized actions leading toward effective trade liberalization
- Data will be extracted from the annual questionnaire survey
- Indicative targets are set for 2012.



# Results Framework: Trade Indicators

## I. Trade liberalization

- What is the number of non-zero tariff bands?
- What is the maximum tariff?
- What is the average tariff?
- Have quantitative restrictions on exports been eliminated?
- Have quantitative restrictions on imports been eliminated?
- Are VAT and excise tax rates equalized for imported and local goods?
- Have actual convoy costs calculations been completed?
- Have convoy charges been removed, or reduced to actual costs?
- Have actual paperwork costs calculations for road transport permits been completed?
- Have road transport fees been reduced to actual costs?

## II. Institutional impediments to trade

## III. WTO membership

