



CAREC Single Window Implementation Seminar: Azerbaijan Case Study

Baku – 7 July 2010

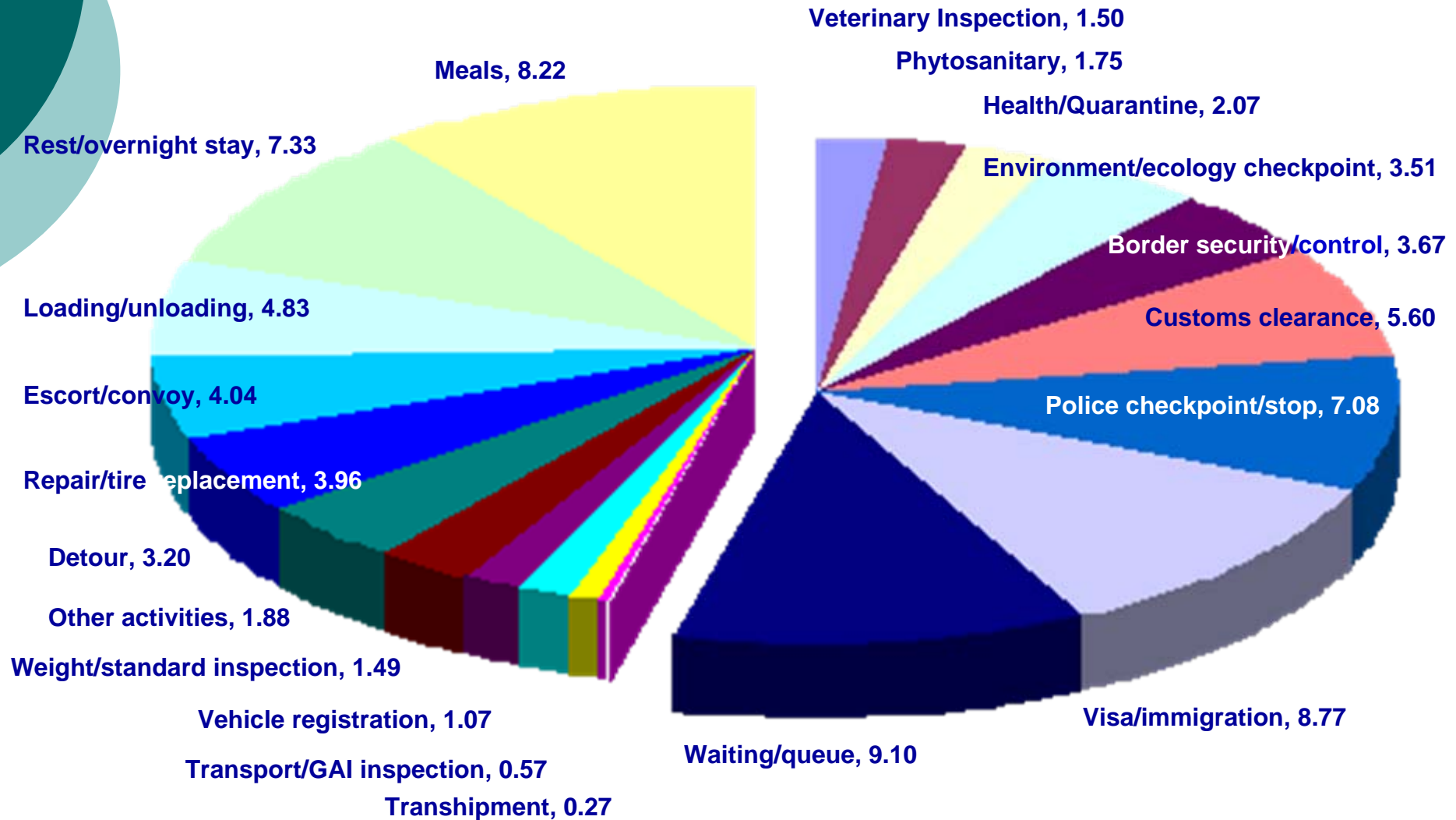
Proposed Regional Project to
Support Border Crossing Point
(BCP) Improvements and
Single Window (SW)
Development

Central Asia Regional Economic Cooperation

- Started in 1997
- 3Gs
 - Good Neighbors,
 - Good Partners, and
 - Good Prospects
- CAREC sectors
 - Transport
 - **Trade Facilitation**
 - Trade Policy
 - Energy
- In 2008, CAREC GDP (excluding AFG and PRC) was \$221 billion and merchandise trade (excluding AFG) was 60% of GDP



CPMM: BCP is the Major Bottleneck



* hours per 500 kilometers

Why a Single Window?

- a 10% reduction in the time at the border of the country of import increases trade by an estimated 6.3%.
- A 10% reduction in the required number of signatures on import documents could increase trade by 9.9%.
- a 10% reduction in the number of documents required by the importer may generate an 11% increase in trade.



SW Benefits

- Singapore automated border system
 - 3-4 days to 15 minutes
 - 24 forms to 1 form
- Azerbaijan single window approach
 - 3 hours to 33 minutes
 - 40 pages to 2 pages



Proposed CAREC Regional Project: Key Features

Two components:

- Border Crossing Point Improvement
- Single Window Development

Regional dimension:

- All 8 CAREC Member Countries are Encouraged to Participate in one or both components

The proposal is a good candidate for ADF regional allocation for 2011 – 12



BCP Regional Approach to Maximize Regional Public Goods

- Benefits of BCP improvement on one side of the border cannot be fully materialized if the other side does not have complementary investments
- Similarly, all BCP pairs along a given corridor should be improved for maximum effect
- Initial Focus is on 29 BCPs along CAREC Corridors; other priority BCPs may be considered



SW Regional Approach to Maximize Regional Public Goods

- National SWs can't achieve best results if traders and transporters have repeatedly to file declarations and manifests each time when entering into a neighboring CAREC country
- A regional platform linking national SWs will be necessary for CAREC



Scope and Selection Criteria

- Based on readiness of project proposal, financial and economic analyses, safeguard assessments, and willingness of both sides to invest on the same pair of BCPs
- Support NSW in selected CAREC countries and develop a regional platform for networking and inter-operability of NSWs through a regional alliance of SW operators

CAREC Corridor BCPs

No.	Corridor	Country 1	BCP 1	Country 2	BCP 2	Mode
1	3B, 6A, 6B	AFG	Hairatan (WB)	UZB	Termez (Airatom)	rail & road
2	3B, 6A, 6B	AFG	Islam Qila (USA & Iran)	IRN	Dogharoun	road
3	5, 6C	AFG	Torkham (WB & EU)	PAK	Landi Kotal (ADB)	road
4	5, 6C	AFG	Shirkhan Bandar (USA)	TAJ	Nizhni Pianj (EU)	road
5	2A	AZE	Baku (Torgovaya Pristan)	KAZ	Aktau	port
6	2	AZE	Rail - Beyuk Kesik Road - Krasnyi Most (Red Bridge) (ADB)	GEO	Rail - Gabdabani Road - Krasnyi Most (Red Bridge) (ADB)	rail & road
7	1A	PRCX	Ala Shankou	KAZ	Dostyk	rail & road
8	4A	PRCX	Takeshiken	MON	Yarant	road
9	4B	PRCI	Erenhot	MON	Zamyn-Uud	rail & road
10	1B	PRCX	Khorgos	KAZ	Korgas	road
11	1C	PRCX	Torugart (Topa)	KGZ	Torugart	road
12	2, 5	PRCX	Irkeshtan/Yierkeshitan (PRC)	KGZ	Irkeshtan (PRC)	road
13	2	KGZ	Kara Suu	UZB	Savay (Karasu)/Andjan	rail and road
14	1C, 3B	KGZ	Chaldovar	KAZ	Merke	rail and road
15	3	KGZ	Ak Jol	KAZ	Kordai	road
16	3B, 5	KGZ	Karamik	TAJ	Karamik	road

CAREC Corridor BCPs

No.	Corridor	Country 1	BCP 1	Country 2	BCP 2	Mode
17	3	KAZ	Aul	RUS	Veseloyarsk	rail & road
18	1A, 1C	KAZ	Kairak	RUS	Troitsk	rail & road
19	1B, 6B, 6C	KAZ	Zhaisan	RUS	Rail - Kos Aral (Ilets-1) Road - Novomarkovka (Sagarchin)	rail & road
20	2A, 6A	KAZ	Rail - Beyneu Road - Tazhen	UZB	Karakalpakya (Daut-Ata)	rail & road
21	3A, 6B, 6C	KAZ	Rail - Saryagash Road - Zhibek Zholy	UZB	Rail - Keles (Chukursay) Road - Gisht Kuprik	rail & road
22	6A	KAZ	Rail - Ganyushking (Akkol) Road - Kurmangazy (Kotyaevka)	RUS	Rail - Aksarayskiy Road - Krasnyi Yar (Karauzek)	rail & road
23	4B	MON	Sukhbaatar	RUS	Naushki	rail & road
24	4A	MON	Ulaanbaishint (Tsaganuur)	RUS	Tashanta	road
25	2	TAJ	Kanibadam	UZB	Suvanobad / Kokland	rail
26	2	TAJ	Nau	UZB	Bekabad	rail
27	3B	TAJ	Pakhtaabad	UZB	Saryasia (Kudukli)	rail & road
28	2B, 3A	UZB	Alyat	TKM	Farap	rail & road
29	6C	UZB	Khavast	TAJ	Istaravshan	road



BCP Component Scope

- Infrastructure upgrades and modernization of key BCPs
- Modern office and communication technologies, and installation of non-intrusive inspection equipment at BCPs
- Development of essential infrastructure to support trade logistics facilities adjacent to BCPs
- Policy issues are covered by broader CAREC transport and trade facilitation programs



SW Component Scope

- Support national SW (NSW) development in selected CAREC member countries
- Develop a regional platform for networking of SW systems for the CAREC region
 - PPP approach
 - Regional alliance of SW operators
- Policy issues are covered by broader CAREC transport and trade facilitation programs

CAREC Sub-regional Trade Facilitation Initiatives

Customs Cooperation Committee (CCC) established in 2002	<ul style="list-style-type: none">– Simplified and harmonized procedures– Risk management and post-entry audit– Regional Transit Development– Joint Customs Control– ICT for customs modernization and data exchange
<ul style="list-style-type: none">• Integrated Trade Facilitation program adapted in 2007 to support joint Transport and Trade Facilitation Strategy	<ul style="list-style-type: none">– National Joint Transport and Trade Facilitation Committees (NJC) and the Regional Joint Transport and Trade Facilitation Committee (RJC)– Single Window Development– Trade Logistics Development– CAREC Federation of Carrier and Forwarder Associations (CFCFA)– Joint transport and trade facilitation Training Assessments and capacity building programs

- The CAREC Corridor Performance Measurement and Monitoring program collects data on the time and cost of traveling along each of the six CAREC corridors. The data provide a detailed picture of corridor-specific traffic, identify obstacles to fast and reliable transport and trade along these routes, and will quantify benefits of the proposed project.

BCP Component Financing Plan

Loan Modality	One RRP with multiple loan agreements		
<ul style="list-style-type: none">For each ADF eligible CAREC DMCs, i.e., AFG, KGZ, MON, TAJ, UZB	<ul style="list-style-type: none">\$6 – 12 million for each country	<ul style="list-style-type: none">\$30 – 60 million total ADF loans	<ul style="list-style-type: none">\$20 – 40 million from ADF regional allocation\$10 – 20 million from ADF country allocation
<ul style="list-style-type: none">Each OCR borrowing DMC, (AZE, KAZ, PRC)	<ul style="list-style-type: none">\$6 – 12 million for each country	<ul style="list-style-type: none">\$18 – 36 million total OCR loans	
		<ul style="list-style-type: none">\$48 – 96 million total ADB loans	

SW Component Financing Plan

Loan Modality	One RRP with multiple loan agreements		
<ul style="list-style-type: none"> For each ADF eligible CAREC DMCs, i.e., AFG, KGZ, MON, TAJ, UZB 	<ul style="list-style-type: none"> \$4 – 5 million for each NSW \$1 – 2 million for regional platform 	<ul style="list-style-type: none"> \$25 – 35 million total ADF loans 	<ul style="list-style-type: none"> \$18 – 24 million from ADF regional allocation \$7 – 11 million from ADF country allocation
<ul style="list-style-type: none"> Each OCR borrowing DMC (AZE, KAZ, PRC) 	<ul style="list-style-type: none"> \$4 – 5 million for each NSW \$1 – 2 million for regional platform 	<ul style="list-style-type: none"> \$15 – 21 million total OCR loans 	
	<ul style="list-style-type: none"> \$5 – 7 million each country 	<ul style="list-style-type: none"> \$40 – 56 million total ADB loans 	

Key Processing Milestones

- Target: signing of the loan agreements at the 10th MC as part of the 10 year commemorative activities for CAREC

Milestones	Expected Completion Date
R-PPTA	December 2011
Submission for regional ADF funding support	May 2010
Loan fact-finding mission	January-March 2011
Management Review Meeting	May 2011
Negotiations	June-July 2011
Board Circulation	July/August 2011
Board Consideration	August/September 2011
Signing of Loan Agreements	October 2011
Loan effectiveness	November 2011

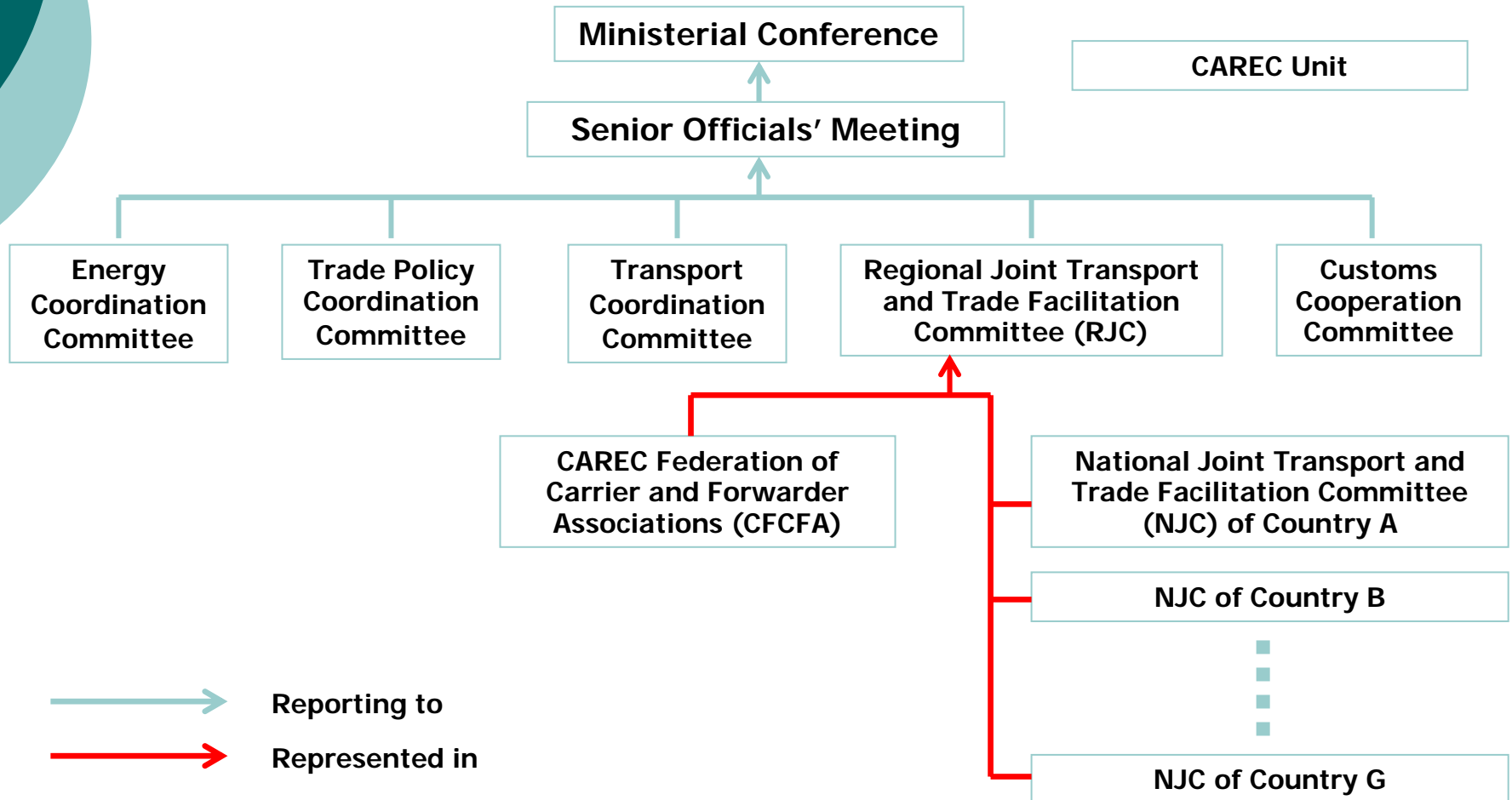
Source: ADB Staff estimate



Key Processing Responsibilities: Documentation and Coordination

- Joint EARD/CWRD processing team led by EARD/EAFM
- One RRP and separate loan agreements for participating countries
- One EA per country and several IAs, depending on proposed investments.
- NJCs will have the overall leadership (i.e., steering committee) at the country level
 - Oversight of PPTA consultants by ADB and NJCs
- RJC will serve as a coordination mechanism at the regional level
 - Continued Design/Development of national SW systems with NJC/RJC oversight (to ensure eventual regional interoperability)

CAREC Institutional Structure



Thank you

С п а с и б о



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