



Central Asia Regional Economic Cooperation Program
Intersessional Meeting of the CAREC Customs Cooperation Committee
1 November 2019: Tbilisi, Georgia

SUMMARY OF DISCUSSIONS

1. **Introduction.** The Intersessional Meeting of the Central Asia Regional Economic Cooperation (CAREC) Customs Cooperation Committee (CCC) was held on 1 November in Tbilisi, Georgia. Customs authorities from CAREC member countries, staff and consultants from the Asian Development Bank (ADB), and the CAREC Institute attended the meeting. The meeting objectives were (i) to discuss follow-up actions to the 18th Meeting of the CCC held in June 2019 in Tashkent, Uzbekistan, and finalize priority projects and activities for the 2019-2021 CCC work plan; (ii) discuss mechanisms to update progress in CCC priority areas, and to track progress in implementing the provisions of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA); and (iii) to brainstorm and decide on how to effectively showcase CCC achievements during the 20th anniversary of the CAREC Program in 2020. The agenda and list of participants are attached as **Annexes 1 and 2**. Presentations are in **Annex 3**.

2. In her opening remarks, Ms. Rose McKenzie, Senior Regional Cooperation Specialist, ADB, thanked the CAREC delegations for their substantial inputs to the impressive knowledge-sharing dialogue during the CAREC-SASEC Inter-subregional Forum on Trade Facilitation and Customs Modernization held on 31 October, Tbilisi, Georgia.¹ Mr. Samson Uridia, Head of International Relations Department, Georgia Revenue Service, Ministry of Finance, (i) welcomed the CCC to Georgia, also noting the strong participation of CAREC delegations in the Inter-subregional Forum; and (ii) highlighted the need for the CCC to explore technology—including block chain, already used by Georgia—as a means to further strengthen the good working relationships between CAREC customs administrations, connect national systems, enable information exchange, and digitalize customs procedures such as validation of certificates of origin. He encouraged ADB to hold similar meetings in secondary cities in CAREC countries to help communication between capital and secondary cities and to provide a platform to exchange ideas and identify joint solutions.

3. **CCC Priority Projects/Activities 2019-2020.** ADB recalled that a 24-month ADB-financed technical assistance project “Better Customs for Better Client Services in CAREC Countries” was approved in October 2019, and shared the envisaged outputs and outcomes of the TA.² The TA will help enhance the capacity of customs agencies and the CCC to better respond to the rapidly evolving trade environment in CAREC countries and increasing private sector demand for better services. In particular, the TA will help expand trade through adoption of more open trade policies, building customs-to-customs cooperation, and strengthening institutions for trade through increased public–private sector dialogue and cooperation. ADB proposed adjustments to the CCC workplan in light of the TA, and requested updates and inputs from the CCC members.

- **Tajikistan** reported on their recently developed Customs Service Program for 2020-2024, including infrastructure and technological material base; risk management and pre-arrival

¹ For information and materials, see <https://www.carecprogram.org/?event=knowledge-sharing-trade-facilitation-customs-modernization>

² ADB. 2019. *Better Customs for Better Client Services in CAREC Countries*. Manila.



information sharing, and amendments to their customs code related to AEO systems. On agreements reached in June, Tajikistan proposed continuing with the second phase of their Regional Improved Border Service (RIBS) project, which is showing good results and should be completed by end 2020.

- **Kyrgyz Republic, Georgia, and Mongolia** expressed support for a joint meeting between the CCC and the CAREC Regional Sanitary-phytosanitary (SPS) Working Group, given the procedures that are common to customs and SPS agencies.
- **Georgia** requested expediting finalization of the CAREC Advanced Transit System (CATS) Agreement, given its benefits to the private sector; voiced support for the planned Azerbaijan-Georgia joint border-crossing point; and proposed formation of a CAREC-SASEC group to identify issues of common interest, such as transit, to help improve future joint meetings.
- **Georgia** also suggested that CAREC countries consider the concept of Uzbekistan's integrated information exchange system, given that some countries have established their own similar system. This could be initiated on a small scale and developed, as appropriate.
- **Mongolia** supported conduct of a workshop on risk management but proposed this could be a subregional instead of regional event, given the varying levels of risk management implementation amongst CAREC countries (i.e. one size does not fit all). Mongolia also supported a joint meeting of the CCC and SPS-related agencies.
- **Uzbekistan** supported Tajikistan's concept to improve capacity of border-crossing points through continued dialogue, considering the increase in trade volumes.
- On CCC priority projects, **Uzbekistan** agreed to implement the proposed integrated information exchange system phase-by-phase, and requested a workshop in the third quarter of 2020.
- **Afghanistan** recognized that private-sector involvement in the CCC priority areas is lacking and proposed creating a special committee to discuss areas where CAREC members can collaborate with the private sector.
- **Afghanistan** also noted that projects under customs technology (e.g. signing of the CATS Agreement) should not be the only priority, and other projects should also be considered. **Afghanistan** proposed conducting the next CAREC-SASEC inter-subregional forum in three phases: (i) knowledge sharing, (ii) discussion of common areas of interest and deliverables, and (iii) introduction of common plans and deliverables.
- The **People's Republic of China (PRC)** requested ADB to conduct a survey or research on best practices or standards in (i) the single window, (ii) risk management, and (iii) authorized economic operators systems.
- **PRC** also confirmed its willingness to extend technical support to each of CAREC's respective customs-related programs, especially in the area of AEO.
- **PRC** also noted that the proposed Azerbaijan-Georgia joint border-crossing point with one-stop inspection is important for transit, and going forward encouraged CAREC countries to consider the experience of the PRC's JCC initiative with Mongolia.

4. **WTO TFA implementation tracking mechanism.** Ms. Loreli de Dios, ADB consultant, presented a proposed WTO TFA tracking and monitoring scheme tailored to CAREC countries, wherein each TFA provision is matched to a CCC priority/sub-priority area to provide a convenient tool for reporting on CCC priority areas. The mechanism is a transparency initiative focused on implementation of the TFA provisions, while not intending to evaluate whether it follows international standards nor harmonize legislation among CAREC countries. It could also help provide practical information for traders and be uploaded to a future CAREC trade information portal. Guide questions, depending on the level of implementation of each provision under Category A, B, C, were discussed.

5. Given the availability of public-domain data, Kyrgyz Republic and Georgia noted the importance of focusing on implementation of Category A provisions. Kyrgyz Republic further recommended ADB coordination with the WTO TFA Facility. Mongolia and the PRC expressed

concern about the increased administrative burden of responding to survey questions and suggested identifying gaps and measures to help CAREC countries enhance WTO TFA implementation. ADB agreed to adjust the mechanism to address comments raised by the delegations and to share it by end January 2020, in advance of the 19th CCC Meeting in May 2020.

6. **ADB-CAREC Institute Partnership for the CAREC Corridor Performance Measurement and Monitoring (CPMM) Mechanism.** Dr. Iskandar Abdullaev, Deputy Director, CAREC Institute (CI) presented a new partnership between ADB and CI that aims to strengthen CPMM data gathering and analysis, expand the network of national stakeholders, and help inject new ideas and innovative approaches to the CPMM. The partnership will also work with CAREC countries at the national level to develop sustainable relationships with national research institutes.

7. Georgia noted the significant potential of the CPMM and suggested including practical indicators to measure customs performance. Kyrgyz Republic suggested (i) considering broadening the scope of the CPMM from monitoring to including other relevant indicators; and (ii) adjusting the methodology to consider inputs from other associations.

8. **Preparations for the 20th CAREC Anniversary.** ADB reminded the CCC that the CAREC Program will celebrate its 20th anniversary in 2020 and that the CCC will have opportunities to showcase achievements in the trade/trade facilitation sector throughout 2020. The anniversary will also help raise awareness of the CAREC Program through both digital and physical multimedia approaches; advocacy at relevant conferences and workshops throughout the region during 2020; and exhibitions of CAREC work. ADB requested additional suggestions from the CAREC delegations.

9. Kyrgyz Republic suggested producing jubilee maps for each country showing the CAREC transport corridors and their border connections to neighboring countries. CI shared plans to raise awareness of CAREC activities and achievements at its various capacity-building events planned for 2020, including the first annual research forum involving economic and academic research groups and think tanks. Pakistan expressed support for all planned initiatives for 2020. ADB requested CCC members to appoint a focal person in each country to enable smooth communications with ADB for the anniversary activities/projects.

10. **Next Steps:**

- i. ADB will review the CCC workplan by the third week of November 2019 and circulate for two weeks to seek concurrence from all CAREC countries;
- ii. In January 2020, ADB will present an adjusted WTO TFA and CCC priority action tracking mechanism, based on inputs provided by the CCC;
- iii. ADB will work to improve the CPMM methodology.
- iv. ADB will also seek further suggestions on CAREC's 20th Anniversary and will request for focal point nomination to liaise with ADB. ADB requests CCC members to appoint a focal person to liaise with ADB in the planning and coordination of anniversary activities for the trade/trade facilitation sector during 2020.