

A Trade Facilitation Strategy for CAREC: Preliminary Draft

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Strategic Vision

- The vision for CAREC is a region of mutual prosperity driven by increased trade within and beyond Central Asia.
- Trade facilitation will promote economic diversification and assist the international trade of small and medium enterprises. This is a vision of win-win, pro-poor growth.

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Program Goals

- The primary goals of the new CAREC trade facilitation program are to:
 - (i) realize a significant reduction in transaction costs and time by means of improving administrative efficiency, and simplifying, standardizing and harmonizing trade procedures;
 - (ii) encourage the free movement of goods and business people; and
 - (iii) enhance the transparency of laws, regulations, and procedures, and share information on these and other trade facilitation issues.

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Key Components

- The strategy is comprised of three components aimed at reducing trade costs:
 - (i) promoting concerted customs reform and modernization;
 - (ii) supporting an integrated trade facilitation approach through interagency cooperation and public-private partnerships; and
 - (iii) promoting efficient regional logistics development.

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Customs: the Core Program

- Customs cooperation will remain the core of the strategy.
- The medium term objective will be to promote concerted customs reforms and modernization, with the CCC serving as a regional forum to address issues of common interest.
- The work program will focus on customs automation; risk management, post entry audit and customs intelligence; joint customs control; regional transit development; harmonization of custom procedures and documentation; data exchange; frameworks for customs co-operation and training.

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Simplification of the Transit System

- focusing on accession to TIR; *(All CAREC members except the PRC are contracting parties to the TIR Convention)*
- Resolving problems associated with approved national issuing bodies for issue of TIR carnets and high fixed costs of having TIR-compliant vehicles;

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Renews Effort on Trade Facilitation

- The integrated trade facilitation component of the strategy aims to establish a regional mechanism for integrated trade facilitation to complement and strengthen the CAREC Customs Cooperation Committee process,
- Building on inter-agency cooperation and partnership with the private sector.

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Trade Facilitation Work Program

- The work program will focus on promoting the establishment of national trade facilitation committees;
- one stop and single electronic window services;
- priority trade facilitation support for designated CAREC transport/economic corridors;
- support to bilateral initiatives to pilot integrated trade facilitation;
- establishment of a technical level forum for the range of agencies involved in providing trade facilitation support to the region to improve co-ordination and develop good practice models; and
- establishment of monitoring methodologies and mechanisms to measure performance.



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Transport Corridor Focus

- synergies between trade facilitation and transport strategies through priority transport corridors being identified with CAREC;
- It is proposed that TFCCC will respond to requests by CAREC members who wish to jointly work together on corridors or segments of these to facilitate trade



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Results Based Approach

- The strategy proposes a result-based approach to trade facilitation aimed at reducing trade costs
 - Identify key corridors, monitor time and costs of trading along these corridors
 - Key development partners will provide technical support and share international good practice
 - TFCCC will provide a forum to share experiences and monitor progress
 - TFCCC will coordinate with transport committee to establish priority investments along the corridors.

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Trade Logistics

- The Trade Logistics component of the strategy will facilitate the development of an efficient regional logistics industry.
- The work program will include providing a regional forum to harmonize and plan trade logistics development;
- support for national level trade logistics assessments; and
- and facilitation and financing of key investments including public-private partnerships.

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Institutional Arrangement

- The strategy envisages strengthened institutional arrangements,
- notably meetings of the TFCC immediately following CCC meetings,
- closer co-ordination with other CAREC sector committees,
- and partnership with international agencies involved in customs trade facilitation and logistics in the CAREC region (including WCO and ESCAP)

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Institutional Arrangement (Cont.)

- the CAREC Trade Facilitation Coordinating Committee be more formally established consisting of the representatives of national level trade facilitation coordination mechanisms;
- TFCCC play a more active role in coordinating work with the range of involved agencies;
- ESCAP and WCO be regarded as core partners

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Strategy Summary

- Strengthening of customs co-operation as the core program of the TF strategy;
- Expanding the scope of the work program to address broader issues of trade facilitation;
- Focus trade facilitation efforts on the designated priority CAREC transport corridors;
- Adoption of a results-based approach to monitoring time and cost savings as the key indicators of program;
- Support for logistics assessments and planning, again focusing on priority corridors;
- Support for bilateral initiatives among CAREC members with sharing of experience through the CAREC TFCC/CCC;
- Enhanced partnership between the CAREC, multilateral institutions (MIs), and key international agencies supporting customs reform, trade facilitation and logistics development in the region.



Next Steps

- Seeking views on their priority border points, proposals for bilateral cooperation and corridors for trade facilitation
- Ask CAREC members to identify priority customs, trade facilitation and logistics investments for 2008-2010



Thank you!



CAREC 1		CAREC 2		CAREC 3		CAREC 4		CAREC 5		CAREC 6		
Rt	BCP	Rt	BCP	Rt	BCP	Rt	BCP	Rt	BCP	Rt	BCP	
KAZ- PRC	Druzhba - Alashankou	AZE- TKM	Baku - Turkmenbashi	TKM - UZB	Chardzhev - Alat	Mon - PRC - XUAR	Yarant - Takeshiken	AFG - TAJ	Shirhan-Bandar - Nizhni Pyanzj	AFG - UZB	Khairaton - Galaba	
	Khorgas - Horgos	KAZ- UZB	Beyneu-Kungrad		Dashhowuz - Nukus	PRC - Mon	Through Zamyn Uud	TAJ - KGZ				Hairatan - Termez
			Chengeldy - Salar		Dashhowuz - Urganch				KGZ - PRC	Through Torugart	UZB - KAZ	Salar - Chengeldy
			Chardzhev - Alat		Termis - Karshi					Through Irkeshtam		Kungrad - Beyneu
			Dashhowuz - Nukus		Chardzhev - Urganch -						TAJ - UZB	Through Khavast
			Dashhowuz - Urganch		Salar - Chengeldy	UZB						
			Termis - Karshi		Kungrad - Beyneu	KAZ						
			Chardzhev - Urganch -		Andizhan - Osh	UZB						
			Andizhan - Osh		Andizhan - Jalalabad	KGZ						
			KGZ		Andizhan - Jalalabad	KGZ KAZ	Akzhol - Khordai					



CAREC 1		CAREC 2		CAREC 3		CAREC 4		CAREC 5		CAREC 6	
Route	BCP	Route	BCP	Route	BCP	Route	BCP	Route	BCP	Route	BCP
		UZB-TAJ	Tashkent - Khujand		Aktilek - Karasuu						
			Through Penjikent								
		TAJ-KGZ									
		KGZ-PRC	Through Torugart								
			Through Irkeshtam								
		AZE-KAZ	Baku - Aktau								