



# Central Asia Regional Economic Cooperation (CAREC) Program 23rd Meeting of the Customs Cooperation Committee

15-16 August 2024, Astana, Kazakhstan

## 23<sup>rd</sup> Meeting of the CAREC Customs Cooperation Committee Meeting Statement

1. The 23rd Meeting of the CAREC Customs Cooperation Committee (CCC) was held on 15-16 August 2024 in Astana, Kazakhstan, and attended by high-level customs officials from Azerbaijan, the People's Republic of China, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.
2. The CCC recognized the efforts of member countries in simplifying, standardizing, and harmonizing data and document requirements using international standards and tools. The CCC noted the implementation progress of member countries, including Azerbaijan, the People's Republic of China, the Kyrgyz Republic, Mongolia, Tajikistan, and Turkmenistan, in acceding to the *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*. The CCC was also encouraged by the progress the remaining CAREC countries made in acceding to the Agreement. Priority capacity building needs that consider the technical and legal aspects, including digitizing service delivery of involved stakeholders in the end-to-end cargo clearance processing, will be supported.
3. The CCC also recognized the importance of modernizing risk management through an integrated approach and strengthening partnerships with other government agencies. An enhanced risk management system could benefit the CCC through more informed decision-making, enhanced compliance and regulatory reporting, and improved operational efficiency and engagement. While the benefits of inter-agency information sharing are significant, there are also potential risks associated with it. These risks include the unauthorized access, use, or disclosure of sensitive information, which can undermine national security, privacy, and data confidentiality. By working together and sharing information, these agencies can identify and mitigate trade risks more effectively.
4. The CCC expressed support for the continued implementation of the CAREC Corridor Performance Measurement and Monitoring (CPMM) mechanism and its role in policy-related decision-making, as well as regional trade and transit analysis. The CCC welcomed ADB's proposal to implement the new CPMM methodology and agreed to provide additional information. It will also cooperate with ADB's endeavors by responding to surveys that collect information on the infrastructure, inspection procedures, and throughput of CAREC border crossing points (BCPs). The survey findings will be compiled into a detailed report to aid in CPMM data analysis.
5. The CCC noted significant progress of member countries in implementing the authorized economic operators (AEO) program, including trade digitalization and risk management. The CCC noted the outcomes of the recent AEO-related activities that encouraged continuous development and implementation of the AEO program and its synergy with integrated risk management and national single window and promoted engaging trading partners for bilateral/regional mutual recognition agreements (MRAs). The CCC also

welcomed digitalization for green initiatives for the AEO program to enhance trusted traders' reputation in promoting energy efficiency and waste reduction.

6. The CCC welcomed the progress made in implementing the testing phase of the prototype CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) initiative since October 2023, when Azerbaijan, Georgia, and Uzbekistan signed the Memorandum of Understanding to work on this activity, with Turkmenistan as an observer. Over the past ten months, four technical working group meetings were organized, transit scenario cases were tested, and a successful conformance test was conducted. Work was also undertaken to improve the prototype system, update a draft multi-country legal agreement to underpin future adoption of CATS/ICE, and update the functional specifications of the system. The participating countries expressed their support for continuing the testing phase of the system concepts and design to streamline regional customs transit procedures and potentially increase intra-regional trade.
7. The CCC commended each country's customs modernization efforts aligned with the CCC priority areas of work, including enhanced national implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA), adoption of technological innovations and infrastructure developments to reduce delays at borders and automation of BCP processes, and improvement of customs administration's capacities to serve its clients better.
8. The CCC endorsed the CCC 2024-2025 work plan under the CAREC Integrated Trade Agenda (CITA) 2030 three-year rolling strategic action plan (RSAP) 2024-2026. The CCC noted additional proposals from member countries for ADB to develop projects and capacity-building activities on regional improvement of border services and CPMM utilization in assessing needed border-related facilities, green customs, leveraging modern technology, smart customs, and e-transit systems. The CCC further supported cooperation and collaboration with the Korea Customs Service, with a proposed regional workshop and a site visit in South Korea in Q4 2024.
9. The CCC also noted the processing of the proposed ADB technical assistance designed to continue implementation of the CCC work plan in its identified priority areas, including (i) scoping studies at select border crossing points (BCPs) to assess physical infrastructure; (ii) technical studies on smart border crossing points, green logistics, and paperless trade for higher AEO compliance; (iii) continuous implementation of CPMM project; (iv) implementation of the CATS/ICE; (v) digital transformation of customs technologies by encouraging development of e-customs systems, paperless trade, and technology innovations, i.e. use of artificial intelligence; (vi) strengthened customs-private sector dialogues.
10. The CCC members thanked the State Revenue Committee of Kazakhstan for graciously hosting the 23rd CCC Meeting and noted that the Kyrgyz Republic will assume the role of CAREC host country following the Ministerial Conference, which will be held in November 2024.