Regional: Implementation of Trade Facilitation Initiatives in Central Asia Regional Economic Cooperation Program

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Implementation of Trade Facilitation Initiatives in Central Asia Regional Economic Cooperation Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Number</td>
<td>50144-001</td>
</tr>
<tr>
<td>Country</td>
<td>Regional</td>
</tr>
<tr>
<td>Project Status</td>
<td>Active</td>
</tr>
<tr>
<td>Project Type / Modality of Assistance</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>Source of Funding / Amount</td>
<td>TA 9162-REG: Implementation of Trade Facilitation Initiatives in Central Asia Regional Economic Cooperation Program</td>
</tr>
<tr>
<td></td>
<td>Technical Assistance Special Fund</td>
</tr>
<tr>
<td></td>
<td>Regional Cooperation and Integration Fund</td>
</tr>
</tbody>
</table>

Strategic Agendas
- Inclusive economic growth
- Regional integration

Drivers of Change
- Partnerships

Sector / Subsector
- Industry and trade - Industry and trade sector development

Gender Equity and Mainstreaming
- No gender elements

Description
The TA aims to support the continuation of customs reforms and modernization efforts undertaken by Central Asia Regional Economic Cooperation (CAREC) countries as agreed by the Customs Cooperation Committee (CCC). Specifically, the TA aims to: (i) strengthen customs and trade facilitation measures and (ii) implement enhanced cooperation with the private sector.

Project Rationale and Linkage to Country/Regional Strategy
Trade Facilitation is one of the four priority areas within the CAREC 2020 strategic framework. ADB assistance has significantly enhanced trade facilitation in CAREC countries. However, it is necessary to continue and deepen customs modernization and trade facilitation reforms.

Impact
Smooth flow of goods and people within the CAREC region improved

Project Outcome
Smooth flow of goods and people within the CAREC region improved (CAREC Transport and Trade Facilitation Strategy 2020)

Progress Toward Outcome
TA is on its second year of implementation and is taking into consideration recent developments including the endorsement of CAREC 2030 strategy and the entry into force of WTO Trade Facilitation Agreement in February 2017.

Implementation Progress
Description of Project Outputs
Trade facilitation measures at CAREC customs strengthened
Trade facilitation measures through enhanced cooperation with private sector implemented
In 2016, the TA supported the organization of 15th CAREC Customs Committee (CCC) Meeting on 21 September 2016 in Singapore attended by representatives from 9 countries. At the meeting, the CCC agreed to pilot the customs information exchange, CAREC Advanced Transit System. To support private sector engagement, the 2nd joint Meeting of CCC-CAREC Federation of Carriers and Forwarders Association (CFCFA) was held back-to-back in 22 September 2016 where the joint meeting agreed on the participation of the private sector in the implementation of pilot projects of CCC.

In 2017, the following activities were undertaken:

1. WTO Trade Facilitation Agreement (TFA) workshop in May 2017 in Seoul, Republic of Korea - which also provided an opportunity to conduct a meeting among established National Committees on Trade Facilitation (NCTFs) of CAREC countries.
2. 18th CAREC Customs Cooperation Committee (CCC) Meeting on 21 September 2017 in Dushanbe, Tajikistan, attended by representatives from 11 CAREC countries. The CCC agreed to pilot the information common exchange (ICE), CAREC Advanced Transit System (CATS) in AZE, GEO, and KAZ in 2018; support the implementation of WTO TFA and the formulation of a new CAREC Trade Strategy. Internationally, a trilateral agreement among the CATS/ICE pilot countries has been drafted to implement the pilot activities.
3. 3rd Joint Meeting of CCC-CAREC Federation of Carriers and Forwarders Association (CFCFA) on 23 September 2017, Dushanbe. The joint meeting agreed on enhancing collaboration between customs authorities and the private sector particularly in the conduct of the ICE and CATS pilots, implementation of TFA and the finalization of CFCFA transport standards compliant with international standards. The CCC endorsed their workshop, including to: (i) pilot-test a regional transit regime called the CAREC Advanced Transit System (CATS) and an information common exchange (ICE) mechanism; (ii) implement the WTO TFA; and (iii) develop a new strategy under the framework of CAREC 2030.
4. CAREC Workshop on Trade and Trade Facilitation Reforms - WTO TFA and Consolidated Trade Agenda 12-13 December, Bangkok to deliberate on the (i) outcomes of ADB study on the readiness of CAREC countries in implementing the TFA and the next steps and (ii) structure of the integrated trade policy and trade facilitation agenda under the CAREC 2030 strategic framework which was endorsed in October 2017.

In 2018, a series of consultations were held to deliberate on the approach and contents of a proposed CAREC Integrated Trade Agenda (CITA) 2030 as well as the development of a three-year rolling strategic action plan (RSAP) 2018-2020. The consultations solicited feedback, comments, and recommendation on the new strategy for trade (i.e., CITA 2030) and the role and linkages among sectoral bodies, particularly between the CCC and the newly established Regional Trade Group.

International Customs Technology Expert, International Trade Facilitation Specialist, National Trade Facilitation Program Manager, and National Trade Facilitation Coordinator were recruited. The TA has on its first two years of implementation achieved the following:

- completed a draft of a CATS/ICE Trilateral Agreement for pilot countries (Azerbaijan, Georgia, and Kazakhstan); a review of the workplans of the legal and regulatory, risk management, and information technology (IT) working groups; and a roundtable meeting with insurance companies to discuss options for transit guarantee mechanism under the proposed CATS;
- delivered two regional workshops on WTO TFA and a national Committee on Trade Facilitation (NCTF) and a consultation paper on the assessment of the CAREC members readiness to implement the TFA;
- delivered a targeted training for Mongolian customs officers in the areas of risk management and supported the joint customs control initiative with PRC;
- technical support to the information and communication technology (ICT) roadmap of the State Customs Service of Uzbekistan;
- delivered subregional and national consultations and a paper for the development of CAREC Integrated Trade Agenda (CITA);
- provided technical expertise and support on trade facilitation issues at the inaugural meeting of the Regional Trade Group; and
- supported two annual joint meetings of customs and the private sector (i.e., CCC and the CAREC Federation of Carrier and Forwarder Associations).

The TA's implementation leveraged on the outputs achieved and related activities under regional technical assistance projects funded by Japan Fund for Poverty Reduction (FFPR). Some costs savings were realized under the current TA. In January 2018, the new customs code of the Eurasian Economic Union (EAEU) entered into force. To ensure consistency of the CATS/ICE Trilateral Agreement with the EAEU customs code and technical feasibility and procedural compliance with Kazakhstan’s system, the TA activities to pilot ICE and CATS will be pushed for implementation in 2019. At the 17th CCC Meeting in September 2018, the Meeting agreed to amend the CCC priority areas recognizing global trends and development and evolving role of customs and authorities. The CCC also agreed to update its TOR, including its objectives and scope of work, in line with the implementation of the CITA 2030 and RSAP 2018-2020. An ADB Inter-subregional Forum on Enhanced Implementation of WTO TFA on 30-31 October 2018 and a workshop to develop CAREC countries implementation roadmap for WTO TFA on 29 October 2018 are being organized jointly with CAREC Institute, WTO, WCO and relevant partners.

In January 2019, a subregional workshop on the application of customs related provision of the WTO TFA as well as discussions on CATS/ICE agreement was held. The MDU for pilot implementation of CATS is being finalized and the third workshop to implement the CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) Pilot Test is planned in April 2019 in Nurssultan, Kazakhstan.
**TA 9162-REG**

<table>
<thead>
<tr>
<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Aug 2016</td>
<td>-</td>
<td>31 Aug 2018</td>
<td>29 Feb 2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing Plan/TA Utilization</th>
<th>Cumulative Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Cofinancing</td>
</tr>
<tr>
<td>Gov</td>
<td>Beneficiaries</td>
</tr>
<tr>
<td>1,000,000.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

---

**Project Page**
https://www.adb.org/projects/50144-001/main

**Request for Information**
http://www.adb.org/forms/request-information-form?subject=50144-001

**Date Generated**
17 September 2019

---

*ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided “as is” without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.*