



Technical Assistance Consultant's Report

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Facilitation of Regional Transit Trade in Central Asia Regional Economic Cooperation (Financed by the Japan Fund for Poverty Reduction)

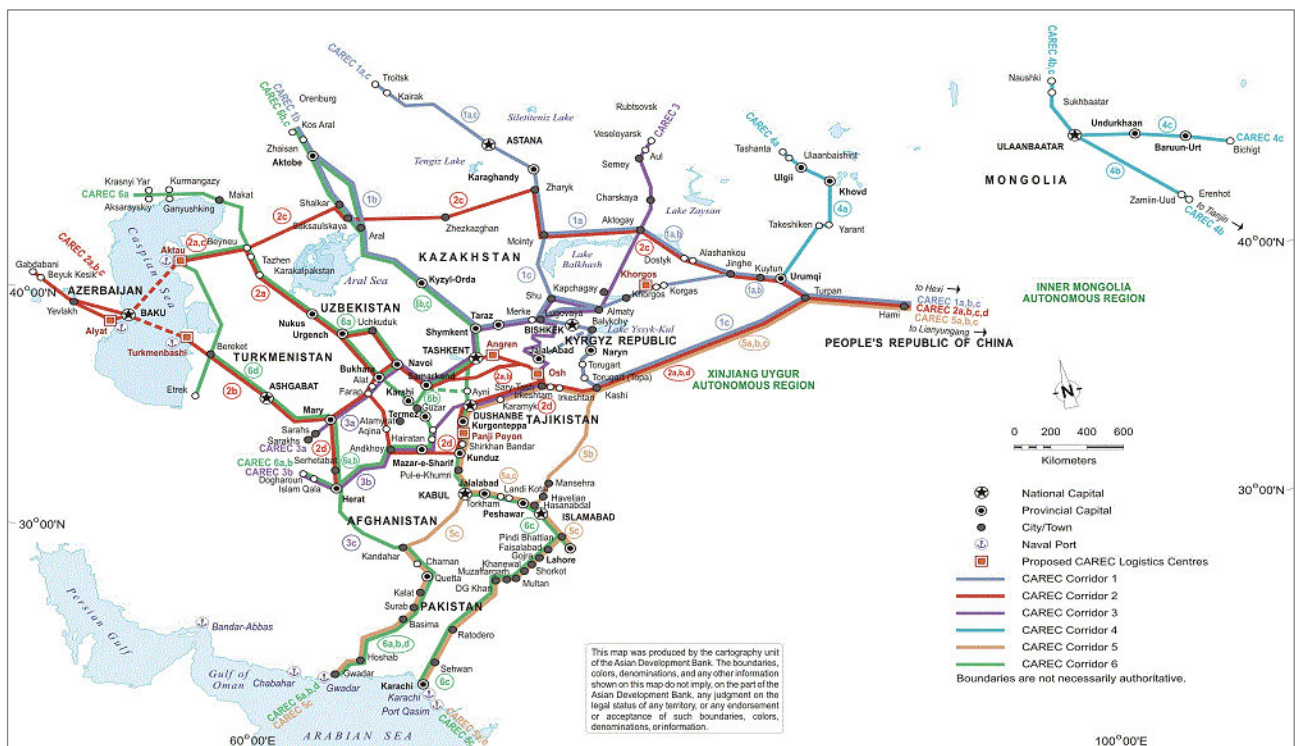
Final Report

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Asian Development Bank

TA-8586 (REG): Facilitation of Regional Transit Trade in CAREC



Final Report

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ABBREVIATIONS

AADT	Annual Average Daily Traffic
ADB	Asian Development Bank
AEO	Authorised Economic Operator
AIIB	Asian Infrastructure Investment Bank
ASEAN	Association of South East Nations
ASYCUDA	Automated System for Customs Data
BCP	Border Crossing Point
BSEC	Black Sea Economic Cooperation
CAREC	Central Asia Regional Economic Cooperation
CATS	CAREC Advanced Transit System
CCC	Customs Cooperation Committee
CCS	Cargo Community Systems
CFCFA	CAREC Federation of Carrier and Forwarder Associations
CPEC	China/Pakistan Economic Corridor
CPMM	Corridor Performance Measurement and Monitoring
ECO	Economic Cooperation Organisation
EEU	Eurasian Economic Union
EFTA	European Free Trade Association
GATT	General Agreement on Tariffs and Trade
ICBM	integrated cross-border management
ICT	information and communications technology
IMAR	Inner Mongolia Autonomous Region
IRU	International Road Transport Union
LLDC	land-locked developing countries
MoT	Ministry of Trade
MoU	Memorandum of Understanding
NCTS	New Computerised Transit System

OBOR	One Belt: One Road
PCS	Port Community Systems
PRC	People's Republic of China
RFID	radio frequency identification
SCC	State Customs Committee
SCO	Shanghai Cooperation Organisation
SEP	Stakeholder Engagement Plan
SWD	speed with delay
SWOD	speed without delay
TA	Technical assistance
TIR	Transports Internationaux Routiers (International Road Transport)
TRACECA	Transport Corridor Europe Caucasus Asia
TRS	Time Release Study
TTFS	CAREC Transport and Trade Facilitation Strategy 2020
UAMSO	Unified Automated Management Information Systems
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
WCO	World Customs Organization
WTO	World Trade Organization
XUAR	Xinjiang Uyghur Autonomous Region

EXECUTIVE SUMMARY

1. One of the most important impediments to the integration of the Central Asia Regional Economic Cooperation (CAREC) region, and thereby the improvement of its trade competitiveness is the transit procedures of individual countries in addition to very inefficient trucking procedures and poorly designed and implemented customs transit regimes.

2. Despite the widespread adoption of the Transports Internationaux Routiers (International Road Transport) TIR system by all of the eleven CAREC countries and existing bilateral memoranda of understanding, transit movements within the region are still extremely cumbersome, unpredictable and disjointed.

3. This technical assistance (TA) for the ***Facilitation of Regional Transit Trade in CAREC*** was initiated by the Asian Development Bank (ADB) at the request of the CAREC countries and is designed to address these issues as part of a wide range of initiatives aimed at stimulating economic growth, trade and development throughout the CAREC countries.

4. The TA was designed to identify options for the establishment of an effective and affordable *corridor-based customs transit regime* that complements the TIR system. This has been termed **CATS**, (CAREC Advanced Transit System)

5. The project has comprised four main components:

Task 1: Identification of Priority Transit Corridors

Task 2: Formulation of a Single Regional Guarantee Mechanism (CATS)

Task 3: Analysis of the Legal and Regulatory Framework

Task 4: Analysis of the ICT Support Systems and Framework

6. In the initial phase, the TA carried out a detailed analysis of transit flows amongst 10 CAREC countries and identified two potential options for implementing a pilot customs transit regime along a priority corridor involving two or more countries. This was based on a detailed analysis of trade flows along the CAREC corridors, available traffic data and projected projects within the CAREC region.

7. The alternative corridors initially proposed were as follows:

Option A: Corridor 1: Sub-Corridor 1b with the Border Crossing Point (BCP) at Khorgos between Kazakhstan and the PRC being the focus; and Sub-Corridor 1c with the BCP at Torugart between the Kyrgyz Republic and the PRC being the focus.

Option B: Corridor 2: Sub-Corridor 2a with the initial border being a maritime one between the ports of Baku/Alyat in Azerbaijan and the port of Aktau in Kazakhstan. The sub-corridor would then pass south through Uzbekistan and on to Tajikistan, the Kyrgyzstan Republic and the PRC.

8. For Option A, it became apparent, however, that the PRC was reluctant to participate in the pilot scheme at this stage since it had acceded to the TIR Convention in January 2017 and was also involved a wide range of negotiations on other regional trade agreements.

9. Georgia's membership of CAREC agreed at the Ministerial Conference in Islamabad in October 2016 subsequently offered the opportunity for extending Option B westwards from Azerbaijan and providing a strategic link with the Europe Union and their NCTS.

10. It was, therefore, agreed at the Final Workshop for the TA in Baku in Azerbaijan in December 2016 that the three countries, Azerbaijan, Georgia and Kazakhstan would work together with ADB support to develop and test the pilot scheme. An agreement to this effect was signed by all three countries in December 2016.

11. A mission was undertaken to Georgia between 19 and 25 February 2017 to make an appraisal of trade/transit flows, the prevailing customs regime and the legal and regulatory framework for transit and the ICT systems in place and planned.¹

12. Figure 1 shows the CAREC Corridors agreed in the TTFS 2020 in 2013 with the extensions to Pakistan to provide a link to the Arabian Sea and the inclusion of Turkmenistan.

13. The main conclusion from the TA is that the introduction of a regional transit regime incorporating a new CAREC Advanced Transit System (CATS) will act as a catalyst for promoting international best practices, which will ultimately result in improved business-government cooperation leading to enhanced supply chain security and trader compliance levels, the adoption of technical standards, and harmonised trade and customs procedures across the region.

14. The key elements of the CAREC Advanced Transit System (CATS) are as follows:

- a) Pillar 1: The promotion of Authorised Economic Operators (AEOs) where no guarantees are required.
- b) Pillar 2: The provision of Risk-based, comprehensive guarantees into the CAREC transit regime, and to increase the number and type of companies that can act as a transit guarantor.

15. The CATS will allow:

- (i) Insurance companies and Banks to provide guarantees;
- (ii) A reduction in guarantee levels based upon a trader's compliance history and status, including a complete waiver of guarantee for AEOs; and
- (iii) The introduction of 'comprehensive guarantees' to cover multiple transit movements over a specified period of time.

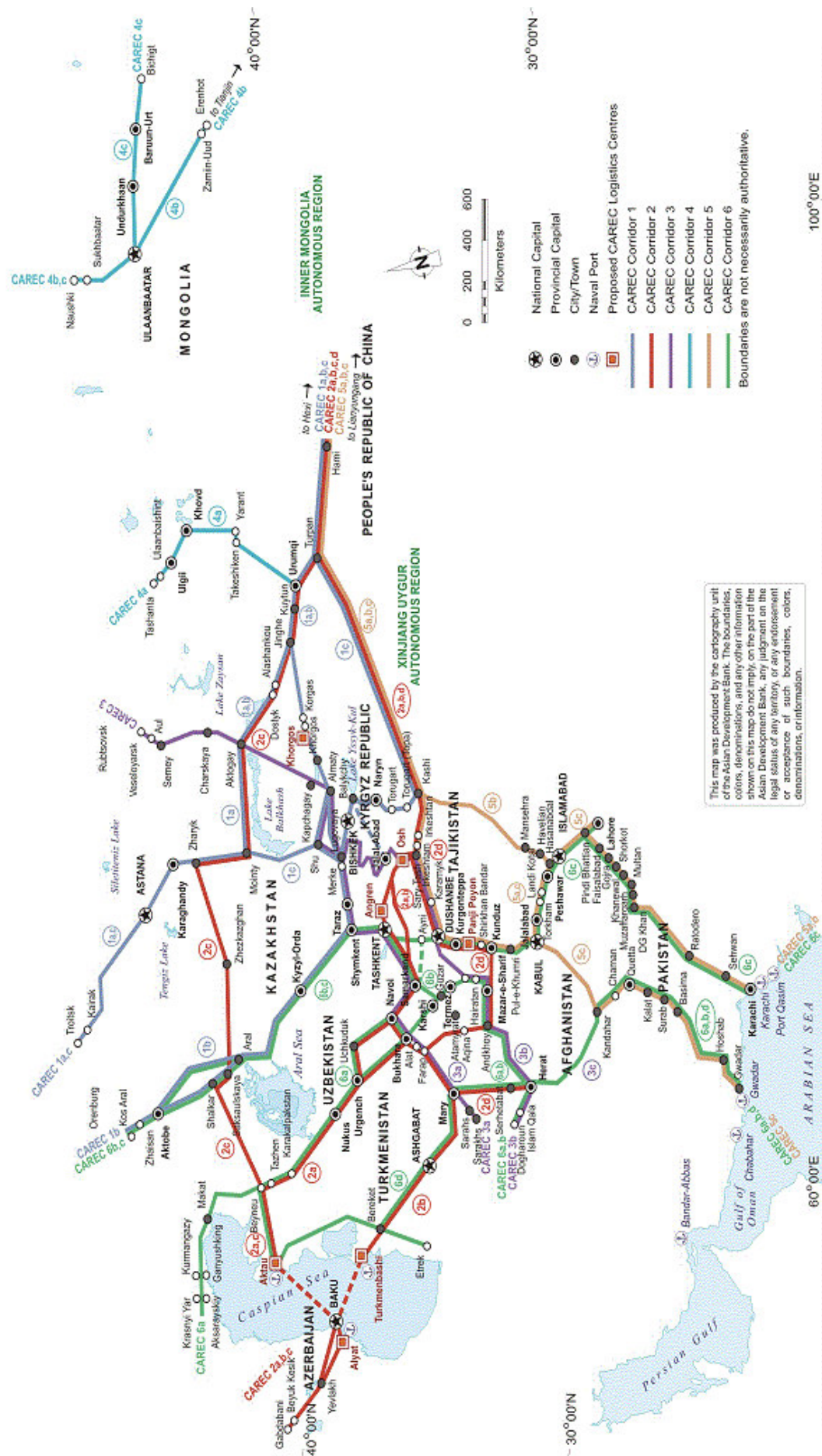
16. Underpinning the proposed CATS the introduction of a regional transit system utilising a single electronic transit document supported by a Business-to-Customs and Customs-to-Customs data exchange mechanism is also recommended.

17. It is envisaged that CATS would be introduced incrementally across the region and that it would take several, years to encompass all the CAREC countries.

18. The major recommendations for the Legal and Regulatory Framework are to undertake the following three key steps:

¹ A detailed report on Georgia was prepared following the mission.

Figure 1 - CAREC Corridors (TTFS 2020)



(i) Formulation of International Agreement(s) (Specific)

19. Drawing on the good example of the Customs Transit System of ASEAN, a number of specific requirements for a regional transit guarantee mechanism may be applied in the CAREC region, region-wide if possible, but otherwise to a subset of two or more countries. It would be logical to test this in the proposed pilot corridors for Corridor 2a and its extension to Georgia.

20. Such arrangements may be agreed by the participating countries (anticipated to be at the agency level), after which it may be directly applicable in the former Soviet Republics at least, to the extent that these countries have monist legal systems.

21. Changes in the respective national laws and regulations may, however, still be required for practical implementation purposes.

(ii) Alignment of Domestic Laws and Regulations with the Specific International Agreement(s), as necessary

22. On the basis of the legal provisions reviewed for each CAREC country, the following were identified:

(a) Required changes in multilateral and bilateral agreements, (b) in primary laws, and (c) in secondary laws (e.g., regulations, decrees, resolutions), with reference to proposed elements of the CATS and issues to be covered (i.e., exemption from guarantee requirement for AEOs, multiple/comprehensive guarantees, risk-based setting of guarantees, the transit form).

(iii) Formulation of International Transport and Transit Facilitation Agreement(s) (General)

23. A general regional transit regime – which might serve as a “blueprint” for bilateral/trilateral/regional agreements in the CAREC region – could be developed based on various good or best practice principles including the following: statement of the transit principle; exemption of transit traffic from non-cost related charges; facilitation of road vehicle crew entry; facilitation of road vehicle entry; permission of foreign transport operator activity; facilitation of cargo entry; infrastructure design harmonisation; climate of law and order and foreigner-friendly environment; non-discrimination and national treatment; protection of free competition.

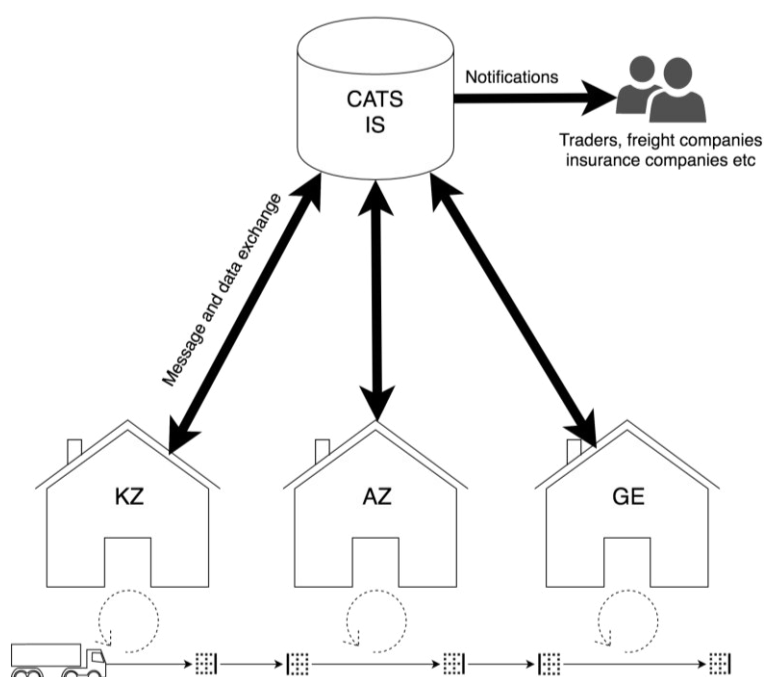
24. Depending on the (sub) set of participating CAREC countries, the principles for a regional transit system may be “grafted” onto existing bilateral or regional/plurilateral agreements.

25. For **ICT Solutions**, it is proposed that the CAREC Advanced Transit System (CATS) be established on the basis of a unified information system.

26. The CATS Information System (CATS IS) should provide data exchange (primarily in the agreed format of a single transit document) and message exchange features.

27. It also needs to use reliable and safe communication channels, and be well-protected and failure-safe.

28. Figure 2 below shows the proposed System architecture for the ICT system.

Figure 2 - Suggested System Architecture

29. Customs authorities of the CAREC countries use a variety of platforms and approaches to the automation of processes. Therefore, it is proposed that CATS IS would provide a unified interface for all participants, supporting the interchange of all data, messages, and notifications within the proposed CATS. It is expected that each of the customs authorities will implement a communication gateway using the unified interface.

30. Information systems of the CAREC countries' customs authorities should be integrated with CATS IS to ensure exchange of the data, messages and notices in real time via the unified interface for all participants. For the information systems of the CAREC countries customs authorities, this will imply the following:

- a) Availability of the protected high-speed reliable communication channel with CATS IS;
- b) Availability of the gateway supporting data exchange and messaging with CATS IS on the side of the customs IS;
- c) Corresponding modifications in the components related with the transit, risk management, Authorised Economic Operators registries and other transit-related IS components on the side of the customs IS.

31. Depending on the architecture of a customs authority's IS and technical platform in use, the implementation of the above requirements can demand different levels of effort and/or different approaches.

32. Based on the analysis of the pilot country's technical readiness, it can be concluded that for the selected Option B, Azerbaijan and Kazakhstan are technically ready for the implementation of the pilot project in line with the proposed architecture (see 6.4 - Suggested ICT System Architecture). Azerbaijan is one of the most advanced of the CAREC countries in terms of its IT network and its institutional framework. Georgia is also well advanced in its IT systems and will be able to adapt quickly to the requirements of the CATS.

33. Given the recent changes from the viewpoint of both the modernisation of the existing ICT systems and regulatory base for ICT and transit, a careful analysis of these changes is

needed when drafting the specification of requirements for development of information system for the pilot project.

34. On the basis of the proposed architecture (see “6.2 - Suggested ICT System Architecture”), the detailed Software Requirements Specification (SRS) has to be developed for the information system of the CATS pilot project.

35. It is recommended to develop the specification of requirements for the CATS information system on the basis of the pilot project results.

1. Introduction and Objectives

1.1 Project Background and Context

36. The Central Asia Regional Economic Cooperation (CAREC) Transport and Trade Facilitation Strategy 2020 (TTFS) identified a large number of global and regional challenges confronting the CAREC countries. These include the following, which were introduced into the revised TTFS endorsed in October 2013:

- The CAREC Program is operating in both a regional and global environment that is evolving and changing rapidly from 2008 when the TTFS was initially adopted at a time of global economic crisis.
- Although total CAREC extra-regional trade had dropped substantially between 2008 and 2009, mirroring the widespread drop in world trade, it had recovered to the 2008 level by 2011. Although extra-regional trade has remained larger than intra-regional trade in terms of volume and value since then, the latter has the capacity to grow significantly once the barriers to the cross border trade are removed and trade facilitation amongst all the 10 CAREC countries improves.
- Although the original TTFS emphasised the promotion and development of East-West corridors to develop trade between East Asia and Europe, North-South links are becoming increasingly important. The accession of Turkmenistan and especially Pakistan has led to a re-balancing of this process with access to southern sea routes via the latter becoming an increasingly important priority and underpinning the extension of Corridors 5 and 6.
- The development of a Customs Union amongst the Russian Federation, Belarus and Kazakhstan in 2010 and the Kyrgyz Republic in 2015 represented the first binding trade agreement amongst those that were once part of the former Soviet Union. With its own common external tariff and controls on its borders, this will have a significant influence on transit movements between the countries, which form this union. It has also led to significant intra-union trade, which has grown faster than trade between union and non-union countries and to some extent displaced it. Although limited to two CAREC members at present, its expansion to other members would have a significant impact on CAREC trade and the trade relations amongst those members of the Eurasian Economic Union and those who have not joined.
- The rise of the economy of the PRC is having a much greater impact on trade patterns within the CAREC region than initially envisaged and the PRC has a very strong interest in developing and facilitating overland trade routes with Central Asia and also to compete with traditional sea routes to Europe and worldwide. Much more investment on rail and road connections from the PRC to Europe is also underway with funding from the new Asian Infrastructure Investment Bank (AIIB) and the high priority being given to develop the One Belt-One Road (OBOR) and the New Silk Road and the development of the China- Pakistan Economic Corridor (CPEC) linking Western China with the port of Gwadar in Pakistan. Trade with the PRC dominates intra-regional trade in CAREC especially exports from the PRC.
- Georgia's membership of CAREC agreed at the Ministerial conference in Islamabad in October 2016 has added another dimension to the transport networks of the CAREC countries permitting direct access to the Black Sea by road, rail and maritime transport and provides a very strong strategic link with the European Union and the NCTS.

37. Against this background, one of the most important impediments to the integration of the CAREC region and thereby the improvement of its trade competitiveness is the transit procedures of individual CAREC countries in addition to very inefficient trucking procedures and poorly designed and implemented customs transit regimes.

38. Despite the widespread adoption of the well-established TIR system by all of the eleven CAREC countries (PRC adopted TIR in January 2017) and existing bilateral memoranda of understanding, transit movements within the region are still extremely cumbersome, unpredictable and disjointed.

39. This technical assistance (TA) for the ***Facilitation of Regional Transit Trade in CAREC*** has been initiated by the Asian Development Bank (ADB) to address these issues as part of a wide range of ADB initiatives aimed at stimulating economic growth and development throughout the Central Asia Regional Economic Cooperation (CAREC) region. It was instigated in response to a request by the CAREC countries to address problems with existing transit mechanisms.

1.2 TA Objectives

40. The overall objective of this TA is designed to increase trade along the six CAREC corridors and their sub-corridors to stimulate economic growth by developing a comprehensive *regional transit guarantee scheme - CAREC Advanced Transit System (CATS)*. This will be based on the twin pillars of Authorised Economic Operators (AEOs) and a comprehensive, flexible and risk-based insurance facility that is affordable to smaller operators.

41. This will be complementary to the TIR but will provide an additional and much more flexible facility open to transport operators within the region.

42. The TA has also been designed to determine the feasibility of implementing a pilot customs transit regime along a priority corridor involving two or more countries. Whilst the original aim had been to focus on Corridor 1 and sub-corridor 1b between the PRC and Kazakhstan, and sub-corridor 1c between the PRC and Kyrgyz Republic, it was agreed that an alternative corridor would be piloted between Azerbaijan, Georgia and Kazakhstan which would provide a very strategic East-West link through the CAREC countries to Europe and its transit system, the NCTS. An agreement to cooperate on the development of this pilot scheme was signed by representatives from the Customs Administrations in Azerbaijan, Georgia and Kazakhstan at the Final Workshop for the project in Baku, Azerbaijan in December 2016.

2. TA Approach

2.1 Outputs

43. The project has produced five major reports:

- Task 1 Research Report on Transit Flows
- Task 2 Report on the Single Regional Guarantee Mechanism (CATS)
- Task 3 Report on the Legal and Regulatory Framework
- Task 4 Report on ICT Solutions for Transit

44. A Draft Final Report was also submitted in September 2016. With the accession of Georgia to CAREC in October 2016, it was, however, agreed to extend the duration of the contract to the end of March 2017 and to undertake a specific mission to Georgia in February 2017 to prepare a detailed report on trade and transit flows, customs regimes, the legal and regulatory framework for transit and current and planned ICT systems.

2.2 Stakeholder Engagement

45. Stakeholder engagement has been a critical component in this project and has been considered a key element in obtaining key data essential for the analyses undertaken for each of the specific tasks indicated above and for the exchange of views of the specific recommendations proposed especially with respect to the choice of pilot corridors and the mechanisms proposed for the development of the CATS. It has also been important in identifying critical gaps in the legal and regulatory framework and the existing ICT systems in place in all the countries.

46. Initial stakeholder engagement occurred during the September 2014 Customs Cooperation Committee (CCC) meeting held in *Issy-kul* in the Kyrgyz Republic. The meeting proved an excellent opportunity to promote and raise awareness about the project and its objectives and to encourage stakeholders to give it their full commitment.

47. On 22–23 January 2015, an Inception Workshop was held in Almaty, Kazakhstan and attended by government and CFCFA representatives from all members of CAREC countries, ADB staff and the Consultant. This was designed to clearly define the objectives of the project, its key goals and the importance of stakeholder involvement at every stage of project implementation.

48. A range of questionnaires was presented, discussed and agreed, and these were subsequently translated into Russian and circulated to all relevant agencies in the CAREC countries. A clear timescale was also set for completion of these questionnaires before they were circulated by ADB. One questionnaire related to transit issues was circulated towards the end of January with a request for completion by 14 February 2015. The others were circulated towards the end of February 2015.

49. In August 2015, the consultants attended the Customs Cooperation Meeting in Ulaanbaatar in Mongolia and made presentations on the Draft Research Report on Transit Flows and on the progress on the development of the Single Transit Guarantee Mechanism (CATS). Representatives of the CFCFAs also attended this meeting.

50. In April 2016, the team attended the Mid-term Review of CAREC 2020 in Bangkok, Thailand where a special Customs Cooperation Committee meeting was also convened. Presentations were provided on the approved Research Report on Transit Flows and the Report on the Single Guarantee Mechanism.

51. On 26–27 July 2016, an Interim Workshop was held in Almaty in Kazakhstan with over 60 delegates from all CAREC countries present including the Customs Administrations, the CFCFAs, ADB and the private sector including insurance companies, banks etc.

52. The team also attended the Customs Cooperation meeting in Singapore between 20 and 22 September 2016.

53. A Final Workshop was held on 7 and 8 December in Baku in Azerbaijan to conclude the programme and to agree on the next steps for the preparation and testing of the Pilot Scheme. Georgia attended this Workshop for the first time as a member of CAREC.

54. The list of stakeholders has been refined throughout the TA. Whilst the focus in the early stages was on the Customs Administrations and the CFCFAs, the private sector was increasingly consulted as the project evolved, and a wide range of meetings were held with private insurance companies in the CAREC countries and with major re-insurance companies in Hong Kong. Meetings were also held with large companies in the CAREC countries, which had the potential to become AEOs, and with small and medium-sized trucking operators.

55. All of the countries were visited with the exception of Afghanistan where meetings had to be cancelled due to security concerns. Most of the countries were visited more than once and the prospective pilot countries had numerous visits.

56. A complete list of meetings held is included in Appendix 3 of this report.

2.3 Submission of Deliverables

57. The table below shows the (first) submissions of the deliverables:

Milestone Report	Submission Date
Inception Report	12 November 2014
Research Report on Transit Flows	19 March 2015
Single Guarantee Mechanism Report	12 November 2015
Legal and Regulatory Framework Report	26 August 2015
ICT Solutions for Transit Report	26 July 2016
Draft Final Report	28 September 2016
Final Report	March 2017
Georgia Report	March 2017

a) Research Report on Transit Flows

58. Following the January 2015 meeting in Almaty to launch the project, countries were requested to complete a range of Questionnaires including one on transit data. Unfortunately, the response was not as was envisaged and relatively little data was provided on traffic flows along the corridors, nor their commodity composition.

59. In March 2015, a team mission was made to Geneva, Kazakhstan, the Kyrgyz Republic, Uzbekistan, the PRC and Mongolia. A limited amount of data was provided by some of the countries. On the basis of this, the first Draft Report on Transit Flows was submitted in Mid-March 2015.

60. Comments were received and much more data provided following the interviews on the mission. A second Draft was submitted in early July 2015. Following the CCC meeting in Mongolia in July, the team was requested to update the report on the basis of the new data

in the CARECCPMM (CAREC Corridor Performance Measurement and Monitoring) Annual Report for 2014.

61. This was carried out and a Final Report submitted in November 2015. It was subsequently approved in 2016.

b) Report on Single Guarantee Mechanism (CATS)

62. The first draft of this was submitted in November 2015, the second in February 2016 and the final in April 2016.

c) Report on the Legal and Regulatory Framework

63. The first draft was submitted at the end of August 2015 and a revised report sent at the end of January 2016. Additional reports were sent in April, June and July. A draft final version was submitted in August 2016, which was circulated to all countries for comments. The final version was submitted at the end of September 2016.

d) Report on ICT Systems

64. The first missions to analyse the ICT systems took place in June 2016 with visits to Kazakhstan, the Kyrgyz Republic, Uzbekistan, Tajikistan, Turkmenistan and Azerbaijan. An Interim Report on Kazakhstan and the Kyrgyz Republic was submitted in July 2016. A subsequent report on the other 4 countries was submitted in September 2016.

65. An additional visit was made to Beijing in September 2016 in conjunction with ADB to have more detailed discussions on the PRC's possible participation in the pilot scheme. A final mission was made to Mongolia in October 2016.

66. The Draft Final ICT Report was submitted at the end of October, and the Final Workshop held on 7 and 8 December in Baku in Azerbaijan.

3. Selection of Pilot Corridors

3.1 Introduction

67. One of the key elements of the project has been the identification of a pilot corridor on which to test the principles of the CAREC Advanced Transit System (CATS). The selection of this corridor involving 2 or more countries was based on the analysis undertaken in the Research Report on Transit Flows, which identified Priority Corridors and those that would meet the criteria for the development of the Pilot Scheme. It was initially envisaged that this Pilot Corridor would be on Corridor 1 due its economic and strategic importance. It was, however, agreed at the penultimate Workshop in Almaty in July 2016 that an additional option would also be included for Corridor 2 between Azerbaijan and Kazakhstan.

68. Following Georgia's membership of CAREC in September 2016, it was further proposed that the second Option would be extended and that Georgia be included together with the two original countries, Azerbaijan and Kazakhstan in the pilot scheme.

69. An agreement to cooperate on the development of the Pilot Scheme was signed amongst Azerbaijan, Georgia and Kazakhstan in Baku in December 2016.

3.2 Option A: Corridor 1

70. The proposal to use Corridor 1 for the pilot scheme was based on a number of criteria including trade Flows, traffic density, economic Importance and future developments in the region.

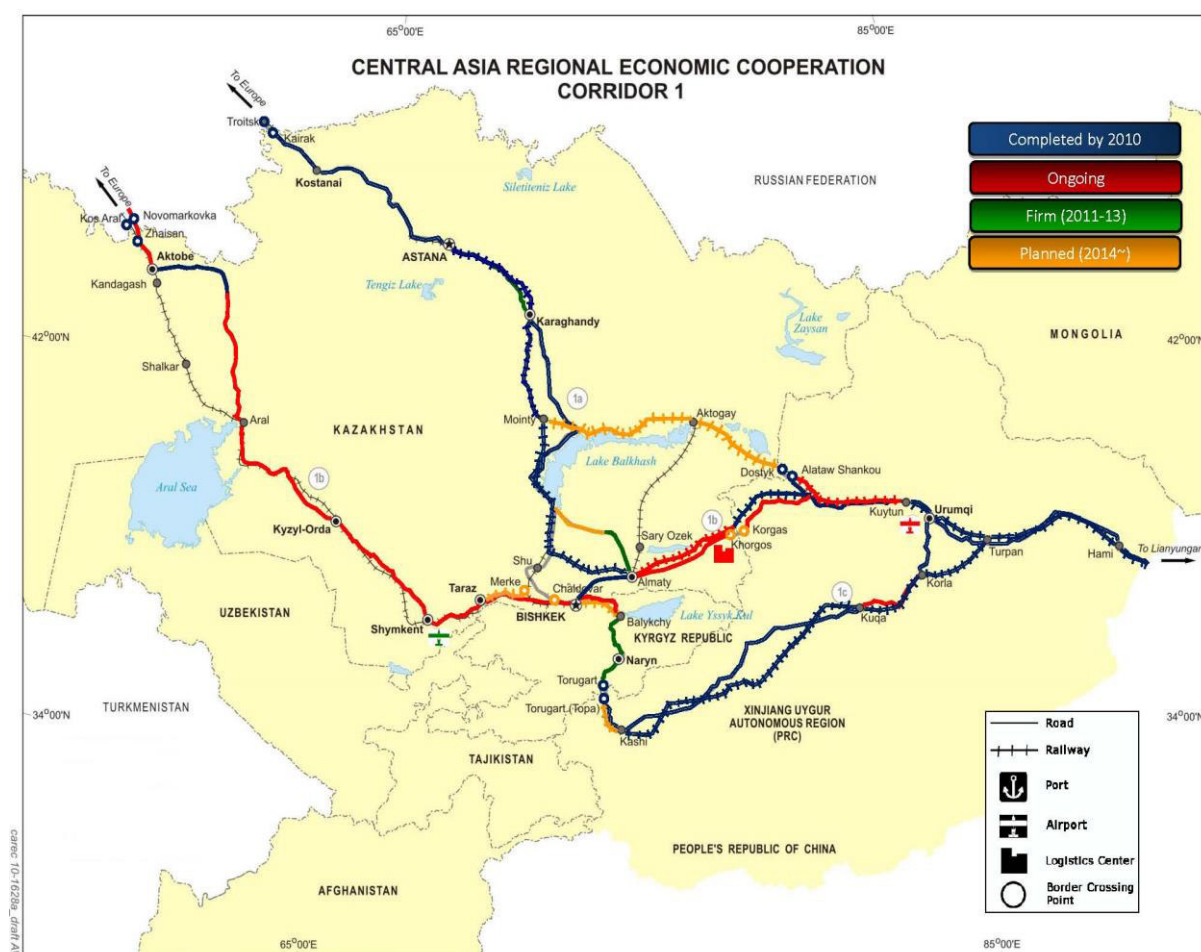
3.2.1 Sub-Corridors

71. The focus of this pilot scheme was on Sub-Corridor 1b with the border at Korgas/Khorgos between Kazakhstan and the PRC.

72. In addition, it included Sub-Corridor 1c with the border at Torugart/Torugart (Topa) between the Kyrgyz Republic and the PRC.

73. Sub-Corridor 1a was excluded since this corridor was primarily a rail corridor undergoing significant expansion at the present to link the PRC with the Kazakhstan port of Aktau on the Caspian Sea and focused mainly on the BCP at Dostyk/Ala Shankou between Kazakhstan and the PRC.

74. The sub-corridors proposed are shown in Figure 3 below.

Figure 3 - Proposed Sub-Corridors for Option A on Corridor 1

3.2.2 Trade Flows

75. Table 1 below shows the value of intra-regional trade amongst the former 10 CAREC countries in 2014. It can be seen that exports from the PRC to Kazakhstan amounted to some USD 12.7 billion in 2014 and USD 5 billion from the PRC to the Kyrgyz Republic. In the countries beyond these two focal points, exports from the PRC were USD 2.6 billion to Uzbekistan, USD 1.9 billion to Tajikistan and USD 1.1 billion to Turkmenistan. A large proportion of the exports originated in Urumqi in Xinjiang Uyghur Autonomous Region.

Table 1 - Value of Intra-Regional Trade amongst CAREC Countries (USD 000) 2014

To From	AFG	AZB	PRC	KAZ	KGZ	MON	PAK	TAJ	TKM	UZB
AFG		0	20277	0	0	0	198352	0	0	0
AZB	200,336		33,832	46,744	12,761	529	29	13,763	39,853	10,712
PRC	393,597	645,260		12,719,176	5,075,346	2,449,592	13,248,879	1,869,364	1,137,644	2,613,355
KAZ	333,539	220,026	9,815,017		670,671	62,768	505,36	5052	159,011	1,126,615
KGZ	12,281	4211	38,955	382453		4365	2455	50,535	5,052	159,011
MON	0	0	5,070,107	4,856	282		0	0	46	489
PAK	1,879,143	27,656	2,252,900	6,652	771	280		10,287	2,420	3,460
TAJ*	NA	188	47,691	72,081	3460	19	394		NA	NA
TKM*	NA	NA	9,516,158	121,245	1682	0	15780	NA		NA
UZB*	NA	23,512	1,597,121	1,017,978	97610	5415	685	NA	NA	

76. Table 2 below shows the volume of intra-regional trade for the CAREC countries in 2013. Once again, the importance of the PRC is highlighted with the volume of goods being transported to Kazakhstan amounting to 4.3 million tons in 2014. Whilst, exports from Kazakhstan to the PRC amounted to 19.6 million tons, much of this was oil exports. Exports from the PRC to the Kyrgyz Republic amounted to some 250,000 tons.

Table 2 - Volume of Intra-Regional Trade Amongst CAREC Countries (tons) 2013

To From	AFG	AZB	PRC	KAZ	KGZ	MON	PAK	TAJ	TKM	UZB
AFG	-	0	NA	NA	0	0	0	0	0	0
AZB	192,511	-	84,583	45,737	15,872	187	27	15,591	40,416	12,253
PRC	35,545	32,953	-	4,311,380	242,958	181,176	337,032	92,544	122,101	278,967
KAZ	490,216	1,052,034	19,642,477	-	1,626,259	4391	6,706	1,188,991	168,663	1,448,827
KGZ	14,909	1,862	141,019	165,864	-	2,377	750	201,430	12,448	602,400
MON	0	64	26,594,643	29	139	-	0	0	184	657
PAK	5,815,344	92,625	1,638,307	5,985	62	20	-	13,657	1,156	406
TAJ*	0	22	39,214	232,451	1,120	23	210	-	NA	NA
TKM	0	73,728	17,709,768	1,003,252	1,250	0	5,866	NA	-	NA
UZB	0	2,800	2,429,351	2,174,111	129,733	16,259	1,538	NA	NA	-

Source: ITC calculations based on UN COMTRADE Statistics.
 + Representative sample of quantities obtained from top 5 most valuable bilaterally exported goods for each country. Equating to at least 66.67% of total bilateral exports.
 NA=No data Available
 * Partner provided Mirror data

77. In terms of trade flows, therefore, the choice of these two sub-corridors offered considerable potential for the pilot scheme with the dominant trading partner - the PRC - included.

3.2.3 Traffic Density

78. Figure 4 below shows traffic densities for the 6 CAREC corridors based on Annual Average Daily Traffic (AADT).

- There was heavy traffic from XUAR (Xinjiang Uyghur Autonomous Region) in the PRC to Kazakhstan via the BCP at Khorgos/Korgas on sub corridor 1b.
- There was also heavy traffic on sub corridor 1c passing through the BCP at Torugart/Torugart (Topa) to the Kyrgyz Republic.
- The traffic on the route from Bishkek to Astana on 1c was also heavy by road.
- In the West, there was also very heavy traffic from Azerbaijan to Europe on Corridor 2 linking with Georgia.

Figure 4 - Road Traffic Density (AADT) for Road Transport along the CAREC Corridors



3.2.4 Economic Importance

79. These two sub-corridors are on one of the most strategic CAREC corridors connecting Kazakhstan and the Kyrgyz Republic with the PRC and with the other CAREC countries.

80. The sub-corridors also emanate in the XUAR (Xinjiang Uyghur Autonomous Region), which is one of the most dynamic regions in the PRC. XUAR accounted for some 51% of total trade from the PRC in 2013. Its focal point is Urumqi, the capital city with a population of 3.46 million in 2013, which is expected to grow to 5 million by 2020. It has a GDP of some 240 billion Yuan and is a major centre for oil processing, textiles, machinery, chemical and food processing.

81. The sub-corridors also pass through densely populated areas around the cities of Almaty, Bishkek and Astana, which are the focus of considerable investment in infrastructure

and industrial processing. The Almaty-Bishkek Corridor is also the focus of another ADB project to develop an economic corridor.

3.2.5 Future Developments

82. The cornerstone of the PRC's economic strategy for the region is "One Belt, One Road" (OBOR).

83. The OBOR was launched in 2013 by President Xi Jinping with the aim of focusing on the development of new trading routes passing through over 60 countries in Asia, Europe, the Middle East and Africa. It has two principal elements including:

- One Belt: The Silk Road Economic Belt, which is designed to build a Eurasian land bridge from the PRC's east coast to Western Europe; and developing a number of economic corridors connecting the PRC with Mongolia, the Russian Federation and South East Asia
- One Road: The 21st century Maritime Silk Road. This is a sea route, which runs from the PRC's east coast to Europe through the South China Sea and the Indian Ocean

84. The PRC has ambitious plans to develop the *New Silk Road* between the Mainland and its major markets in the West.

85. It envisages 3 Corridors designated in Figure 5 below.

a) Northern Corridor

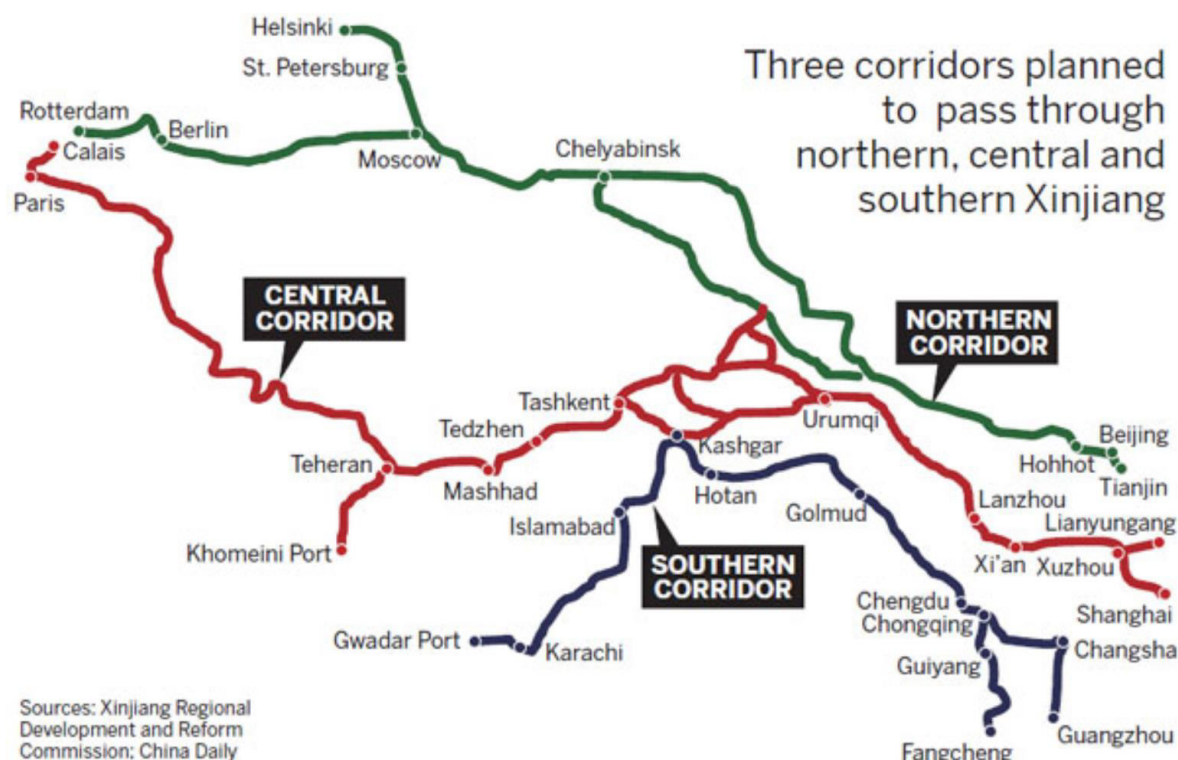
86. This will use the Trans-Siberian Railway, which starts in Kazakhstan and connecting to the Russian Federation. This passes through the Russian Federation, Belarus and eventually reaches Europe. Its advantages are that it is currently operational and that it passes through the least number of countries. This will significantly reduce border delays.

b) Southern Corridor

87. This starts from Kazakhstan and passes through Turkmenistan or the Kyrgyz Republic and Tajikistan before reaching Iran, and then on to Turkey and Europe. This does have the disadvantage of political instability on the route and too many BCPs.

c) Central Corridor

88. This crosses Kazakhstan to the port of Aktau where there is then a sea connection to the new port of Alyat in Azerbaijan to the south of Baku. The corridor then passes through the Caucasus before reaching Europe via Turkey. This appears more attractive with less politically sensitive areas, but relies very much on inter-modality.

Figure 5 - New Silk Road Corridors

3.3 Option B: Corridor 2

3.3.1 Introduction

89. Whilst the above analysis identified Sub-Corridors 1b and 1c on Corridor 1 as the option providing numerous advantages over other alternatives, two major areas of concern arose during the detailed discussions with the 3 countries identified for the pilot scheme, namely Kazakhstan, the Kyrgyz Republic and the PRC. These include the following:

a) Eurasian Economic Union

90. Both Kazakhstan and the Kyrgyz Republic are members of the Eurasian Economic Union (EEU), which was established on 1 January 2015. Kazakhstan joined from the beginning, and the Kyrgyz Republic became a member in August 2015. Kazakhstan was one of the founding members of the Eurasian Customs Union, which was established in 2010 with the Russian Federation and Belarus. As part of their membership of the EEU, there is free movement of goods amongst all the member states (Russian Federation, Armenia and Belarus), and a new Customs Law will come into place for all countries in early 2017 as part of the drive to strengthen the Eurasian Customs Union.

91. As a result, there has been some concern in 2 of the proposed pilot countries that the establishment of the CATS and the need for the exchange of transit data may cause some potential areas of conflict.

b) TIR

92. Nine of the CAREC countries were members of the TIR when this TA started, and the PRC acceded to the TIR convention in January 2017 albeit in a limited way with Khorgos/Korgas and possibly Torugart/Torugart (Topa) being the pilot BCPs for testing the facility. In light of this and the discussions on a wide range of transit arrangements to be

adopted by the PRC, the indications were that the PRC would require time to test out the TIR mechanism in 2017 prior to considering the proposal for the PRC to be one of the pilot countries for the testing of the CATS.

93. During the Interim Workshop in Almaty in Kazakhstan in July 2016, Azerbaijan presented their ICT system for their regional transit arrangements and showed considerable interest in being proposed as an alternative pilot country for the initial Phase of the development of the CATS.

94. Since the Workshop in Almaty July, Georgia has become a new member CAREC. As a result, it was proposed that the original Option B for Corridor 2 be extended to include 3 countries, Azerbaijan, Georgia and Kazakhstan and this was formally agreed at the meeting and an agreement signed amongst the 3 countries to work together with ADB in developing the Pilot Scheme for the CAREC Advanced Transit System.

3.3.2 Sub-Corridor 2a

95. The agreement is to test the pilot scheme on **Sub-Corridor 2a** shown in Figures 6 and 7 below. The only change in the maps is that the sub-corridor will now extend westwards to the Black Sea in Georgia.

Figure 6 - Sub-Corridor 2a

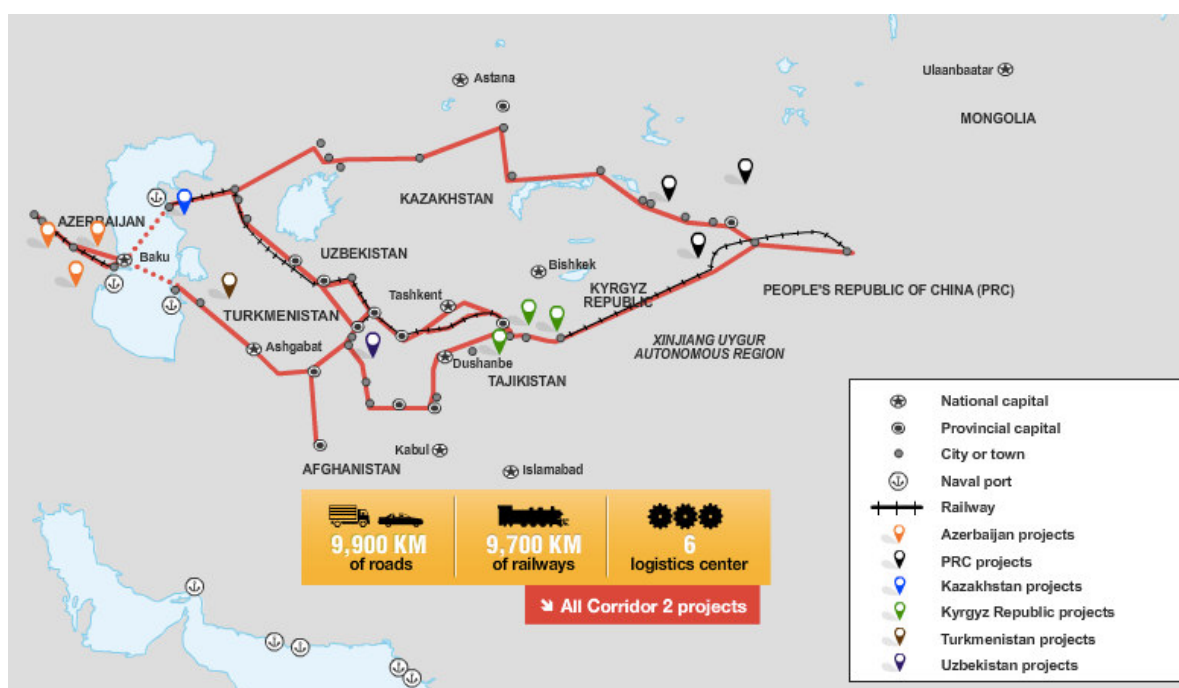


Figure 7 - Pilot Scheme on Corridor 2 - Sub-Corridor 2a

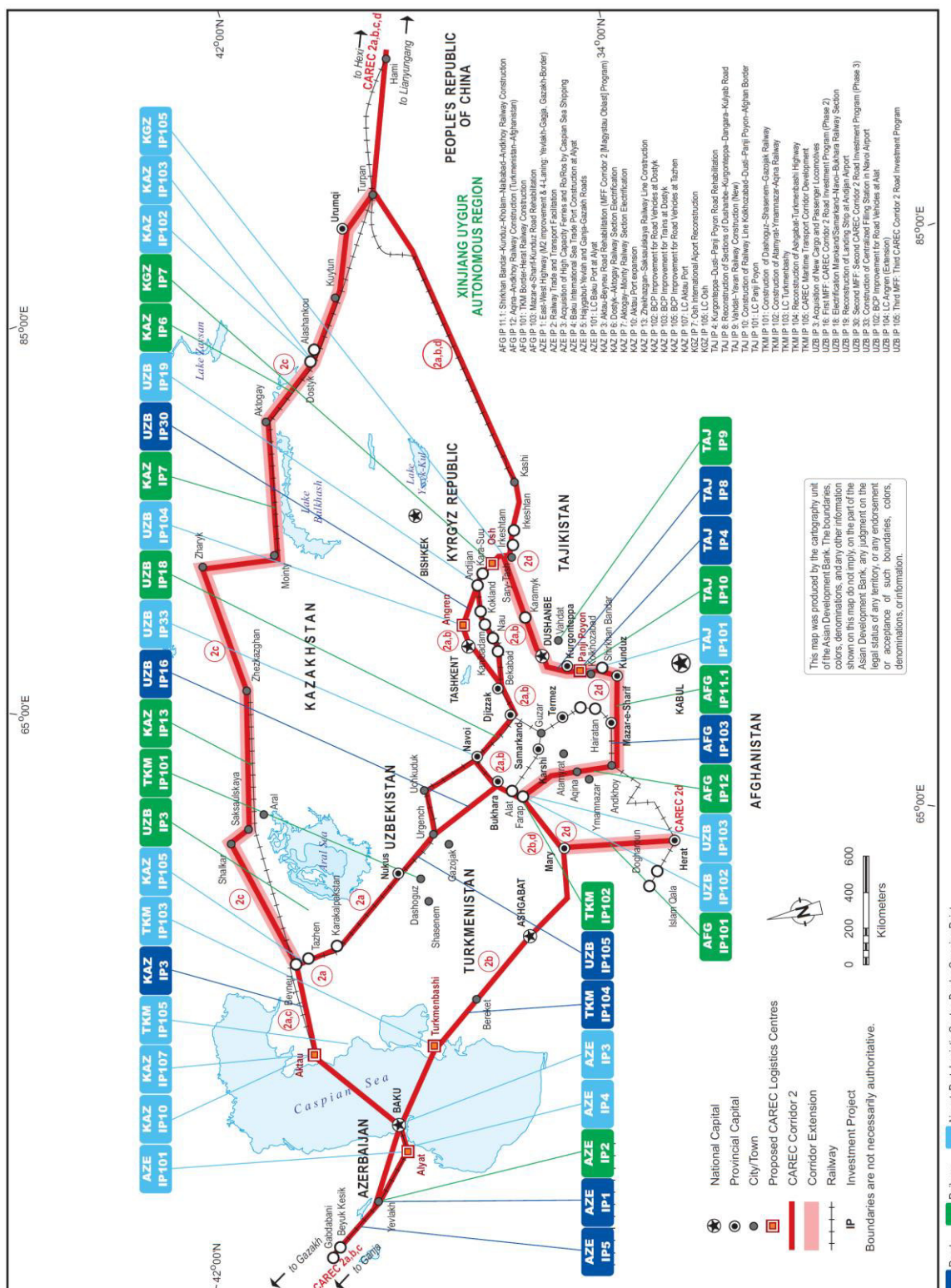


Table 3 - CAREC Corridor 2 Routes

CAREC 2a		CAREC 2b	
Country	Route	Country	Route
GEO	Gabdabani (Rail) and Red Bridge (Road)	GEO	Gabdabani (Rail) and Red Bridge (Road)
AZE	Beyuk Kesik (Rail) and Red Bridge (Road)	AZE	Beyuk Kesik (Rail) and Red Bridge (Road)
	Agstafa		Agstafa
	Yevlakh		Yevlakh
	Baku (port)		Baku (port)
KAZ	Aktau (Port)	TKM	Turkmenbashi
	Beyneu (Rail) Tazhen (Road) BCP		Ashgabat
	Karakalpakstan (Rail and Road)		Farap BCP
UZB	Nukus	UZB	Alat (Rail and Road) BCP
	Urgench		Bukhara
	Uchkuduk		Navoi
	Navoi		Samarkand
	Urgench		Djizzak
	Bukhara		Tashkent
	Navoi		Angren
	Samarkand		Andijan
	Djizzak		Djizzak
	Tashkent		Bekabad (Rail) BCP
	Andijan	TAJ	Nau (Rail) BCP
	Djizzak		Kanibadam (rail) BCP
	Bekabad (Rail) BCP	UZB	Kokland BCP
TAJ	Nau (Rail) BCP		Andijan
	Kanibadam (Rail) BCP	KGZ	Savay/Karasu (Rail and Road)
UZB	Kokland BCP		Kara Suu (Rail and Road)
	Andijan		Osh
	Savay/Karasu (Rail and Road)		Gulcha
KGZ	Kara Suu (Rail and Road)		Sary-Tash
	Osh		Irkeshtam (Road)
	Sary-Tash	PRC	Yierkshitan (Road)
	Irkeshtam (Road) BCP		Kashi
PRC	Yierkshitan (Road) BCP		Turpan
	Kashi		Hami/Hexi
	Turpan		
	Hami/Hexi		

96. 2a runs from Georgia through Azerbaijan to the port of Baku and the new port of Alyat to the south of the capital. There is then a maritime crossing from Alyat to the new port of Aktau in Kazakhstan. From there it heads north to Beyneu before diverting south towards Uzbekistan (Nukus). It then moves south to Bukhara, Samarkand and Tashkent before traversing to Tajikistan, the Kyrgyz Republic and the PRC.

97. The pilot scheme would focus very much on the Azerbaijan-Georgia-Kazakhstan link.

3.3.3 Rationale

98. There are a number of reasons why this sub-corridor has been selected as a pilot scheme including:

- Figure 8 showing the traffic density shows large trade flows along Corridor 2 with a high AADT moving towards Georgia and Europe.

Figure 8 - Annual Average Daily Traffic (AADT) for Road Transport along the CAREC Corridors



- b) Now that Georgia is member of CAREC, it provides a distinct locational advantage with access to the European Union via the Black Sea. This would allow not just exports from the CAREC countries but improve the transit of goods entering CAREC from the European markets.
- c) Major infrastructural investments (USD 2 billion) are taking place in Georgia with the construction of a 100 million ton capacity deep-water port at Anaklia on the Black Sea, which is capable of handling Post-PANAMAX containers ships. This will provide the shortest route to Europe on the proposed Silk Road from the PRC.
- d) Georgia has a strong trade agreement with the European Union (Deep and Comprehensive Free Trade Agreement) and has recently signed free trade agreements with the PRC.
- e) Azerbaijan has a very well developed IT system for transit, which is operational within the region and could be replicated in other countries. This the most advanced in the CAREC region.
- f) A Coordinating Committee for Transit has been established in Azerbaijan to bring together all institutions involved in transit trade. This also could be used to provide an institutional structure that could be adapted to meet the needs of the CATS.
- g) The new port of Alyat is nearing completion and this will reduce transit times at the port for cargoes moving across the Caspian Sea to and from Europe and from the CAREC countries.
- h) There are plans to develop a West–East Corridor via a land route from Kazakhstan to the PRC.
- i) This is a well-established TRACECA corridor.

99. Whilst the volume flows are relatively small compared with those in Option A, the aim would be to test the principles of the scheme and establish a functioning IT mechanism. It would also be designed to establish an appropriate institutional framework for managing the scheme. The maps below show the strategic importance of Georgia.

100. Figure 9 shows the regional setting and the strategic location of Georgia.

101. Figure 10 shows the rail network and the new Baku-Tbilisi-Kars Railway, which will link the Central Asian countries into the Turkish rail network and the European transport system and the NCTS.

102. Figure 11 shows the TRACECA Corridor.

103. Figure 12 shows the new port of Anaklia and its strategic location on the Black Sea,

Figure 9 - Regional Setting



Figure 10 - Baku-Tbilisi-Kars Railway**Figure 11 - TRACECA Corridor**

Figure 12 - Port of Anaklia, Georgia

104. Since Georgia was not a member of CAREC until September 2016, no detailed assessment of trade and transit flows, the customs regime, the legal and regulatory framework or the ICT systems was undertaken during the course of the study. A mission to Georgia, therefore, took place in February 2017 and a detailed assessment of prevailing conditions undertaken.

105. This assessment is presented in a special report on Georgia.

4. Recommendations for Development of a CAREC Advanced Transit Mechanism

4.1 Key Findings

106. For many freight carriers, excluding the International Road Transport Union (IRU) members using the TIR system, the key issues affecting existing transit movements in the CAREC region are a multiple of operational steps. These can involve submitting a number of transit forms and complying with different sets of regulatory procedures – all accumulating transaction costs for trading goods and reducing the efficiency of crossing borders.

107. Research of other regional systems throughout the world and Customs modernisation trends has identified four fundamental trade facilitation principles:

- a) *simplification,*
- b) *harmonisation,*
- c) *standardisation; and*
- d) *modernisation.*

108. Based on these principles, there are two very important concepts that the CATS needs to reflect:

- The ability to vary the guarantee levels taking into account the risk posed by the individual transit operator.
- Provision of a facility to guarantee a number of transit movements over a period of time (a comprehensive transit guarantee)

109. Both of these concepts are missing from the existing transit procedures within the region and the TIR system, although no monetary guarantees are required for customs transit on the territory of Georgia. Having undertaken a review of their transit irregularities in 2011/2012 Georgia decided that the risk of default did not warrant the continued administrative burden of lodging a guarantee for transit movements. This innovative approach to Customs guarantees fully reflects the risk approach recommended in CATS.

110. These key findings, which are fully explained in the project report on the Single Guarantee Mechanism, have been shared with the World Customs Organisation (WCO).

111. The WCO has, in turn, commended the findings, the analysis and the rationale that underpins them.

4.2 Overall Recommendations for CATS

112. The present situation of having a number of individual national transit systems operating across the CAREC region is placing an unnecessary additional cost burden onto traders who want to trade across borders and move goods to potential markets throughout the region. The individual national transit systems, excluding Georgia, typically apply the historical 'one size fits all' approach to their transit guarantee mechanisms instead of a flexible guarantee approach which takes full account of a transport operators compliance history, etc.

113. It is also undermining customs efforts to develop compliance programmes, which could provide benefits and simplifications to compliant traders thereby enhancing levels of voluntary compliance with customs laws and regulations.

114. Accordingly, the main recommendations for the CATS focus on:

- The ability to vary the guarantee levels taking into account the risk posed by the individual transit operator
- Provision of a facility to guarantee a number of transit movements over a period of time (a comprehensive transit guarantee)

115. Both of these recommendations are reflected directly or indirectly in the recent World Trade Organisation (WTO) Bali Trade Facilitation Agreement. For example:

Article 7 (Trade Facilitation Measures for Authorised Operators) paragraph 1 provides:

"that each member country shall provide additional trade facilitation measures related to import, export or transit formalities and procedures, pursuant to paragraph 7.3, to operators who meet specified criteria, hereinafter called authorized operators."

A part of the trade facilitation measures under paragraph 7.3. includes the use of comprehensive guarantees or reduced guarantees.

Article 11 (Freedom of Transit) also states under paragraph 11.3. that

"each Member country shall, in a manner consistent with its laws and regulations, allow comprehensive guarantees, which include multiple transactions for same operators or renewal of guarantees without discharge for subsequent consignments".

116. Apart from the main two recommendations for the mechanics of the CATS, it is clear that any new guarantee mechanism must be introduced as part of implementing a modern regional transit system. This system must reflect:

a) Reformatory trade facilitation objectives as outlined in Recommendation No 4 UNECE (UN/CEFACT 1974). These objectives include "...simplification, harmonisation and standardisation [of trade procedures] so that transactions become easier, quicker and more economical than before...."

Simplification is defined as "...the process of eliminating all unnecessary elements and duplications in formalities, process and procedures...."

Harmonization is the alignment of national formalities, procedures, operations and documents with international conventions, standards and practices.

Standardization is "...the process of developing internationally agreed formats for practices and procedures, documents and information." Implied in this statement is also the modernisation of cross-border operations through use of information and communication technologies that rely on standardised and harmonised data.

b) The standards for supply chain security as set out in the 'Customs in the 21st Century' vision and WCO SAFE standards, including the development of Business-to-Customs partnerships and Customs-to-Customs networks.

117. Underpinning the proposed CATS, the introduction of a regional transit system utilising a single electronic transit document supported by a Business-to-Customs and Customs-to-Customs data exchange mechanism is also recommended.

118. It is envisaged that the introduction of such a regional transit regime incorporating a new CATS will act as a catalyst for promoting international best practices, which will ultimately result in improved business-government cooperation leading to enhanced supply chain security and trader compliance levels, and the adoption of technical standards and harmonised trade and customs procedures across the region.

119. From a customs perspective the interconnectivity of the envisaged common transit IT information system between administrations will provide opportunities to strengthen controls at the border whilst maximising the efficiency of the border crossings. It will also provide a springboard for new capacity building initiatives amongst the regional customs administrations, such as: mutual recognition of authorized (trusted) trader programmes and customs controls; pre-arrival processing; and coordinated border management.

4.3 Mechanisms

120. Turning to the CATS itself, in the CAREC countries at present, the ability to vary the guarantee levels taking into account the risk posed by the individual transit operator and secondly providing a facility to guarantee a number of transit movements over a period of time (a comprehensive transit guarantee) does not exist.

121. Allied to this, for the purpose of guaranteeing customs payments, the majority of national legislation only recognises bank guarantees with the exception of Pakistan. The cost of obtaining these bank guarantees can be expensive since banks require collateral in the form of real property or other assets. This is because banks by nature are not risk takers. They appraise each applicant individually, evaluate its tangible assets, and then decide on the guarantee amount they are willing to issue on its behalf and at what cost.

122. Insurance companies, by contrast, are specifically designed to take on risk. Insurance companies can, subject to a proper re-insurance agreement, issue a guarantee without asking for tangible securities or assets from the same person or company. Insurance companies do not appraise guarantee seekers individually; rather they evaluate a whole pool of individuals or companies. Insurance companies normally base the price of their guarantees on a calculation of the probability (risk) of default of the pool.

123. The CATS has been designed to not only reflect the need to introduce the concept of risk and comprehensive guarantees into the CAREC transit regime, but to increase the number and type of companies that can act as a transit guarantor. This should provide a more flexible guarantee mechanism that will ultimately benefit trade and the trading community by providing the possibility of lower costs and greater choice to transport carriers than is presently available.

124. The CATS would allow:

- (i) Insurance companies and banks to provide guarantees
- (ii) A reduction in guarantee levels based upon a trader's compliance history and status, including a complete waiver of guarantee for AEOs
- (iii) Introduction of 'comprehensive guarantees' to cover multiple transit movements over a specified period of time

125. The rationale for this is that this mechanism includes:

- (i) Optimal support for Customs in the 21st century, including rewarding compliant operators with reduced guarantee requirements.
- (ii) Maximum flexibility to meet the needs of all types of transport operators (small, medium and large).

- (iii) Reduction in the cost of transit movements to the minimum possible.
- (iv) Compatibility in nature with the European Union (EU) NCTS guarantee mechanism and incorporating a key component now being proposed by the Eurasian Economic Union. (EEU) as part of their future development of their AEO institutional framework e.g. provision of a complete transit waiver for AEOs. These synergies are seen as key building blocks going forward as it will enable an easier inter-face with these other regional transit systems at some future date.

126. As a result, the two core pillars of the CATS are:

- (i) AEO – No Guarantee Requirement
- (ii) Graded Single/Comprehensive Guarantees

Pillar 1 AEO – No Guarantee Requirement

127. An increasing trend over recent times has been to shift the focus of Customs control away from the goods and on to the specific businesses involved in the trading and movement of goods. The concept is that if a trader meets certain prescribed standards (e.g. financial solvency, an appropriate record of compliance with customs regulations, a satisfactory and verifiable system of managing the commercial records of the company, a system of checking the background of new employees to confirm they have no criminal records) set and validated by Customs, then they can be trusted sufficiently to manage their obligations and contribute to the security of the supply chain. The AEO initiative is a model programme expounded and promoted by the WCO that follows this principle.

128. Under the WCO's SAFE Framework, Customs administrations are being encouraged to develop partnerships with businesses and between each other to secure and facilitate trade. Furthermore, it calls upon Customs administrations to work with each other to develop mechanisms for mutual recognition of AEOs validations and authorisations, mutual recognition of Customs security control standards and control results, and other mechanisms that may be needed to eliminate or reduce redundant or duplicated efforts.

129. Many Customs administrations are now actively pursuing the development of AEO programmes and launching mutual recognition (one Customs authority recognizing the AEOs of another Customs authority) initiatives as a means to both secure and facilitate global trade, while at the same time providing incentives that benefit both Customs and traders that have decided to work together in partnership. This follows the Customs-to-Business partnership approach outlined in the WCO SAFE standards and more recently reflected in the WTO Bali Trade Facilitation Agreement.

130. Pillar 1 of the CATS is intended to extend the trust principle presently being provided by many Customs authorities to AEOs. It does this by exempting them from the need to provide revenue guarantees for their transit movements. Instead, the AEO will be effectively allowed to self-guarantee their obligations to Customs. Although CAREC Customs representatives have expressed some concerns regarding the safeguarding of the Customs debt under this Pillar, we believe their concerns can be adequately mitigated when one considers the records, etc., that an AEO can be compelled to keep under the conditions of their authorisation. We also believe that the fact that the businesses themselves receive greater facilitation benefits by being an AEO will help safeguard against any transit irregularities occurring. The principle that underpins the Pillar 1 concept is ideally demonstrated by the approach of Georgia. They waived the requirement to lodge any transit guarantee for movements within the territory of the country after undertaking an analysis that clearly showed that the risk of an irregularity occurring was very low.

Pillar 2 - Graded Single/Comprehensive Guarantees

131. Another method of assisting smaller compliant operators (who have not yet achieved AEO standards) is to provide a range of simplifications to encourage their voluntary compliance with Customs regulations. The underlying principle here is to again reward compliant behaviour, which, in turn, will enhance the overall level of voluntary compliance with customs regulations and laws whilst facilitating legitimate trade.

132. Pillar 2 provides for a simplification in the form of a comprehensive guarantee. This comprehensive guarantee would cover several transit operations up to a given reference amount. It would be provided by an approved guarantor, who under the CATS could be either a bank or insurance company² residing in the export country, to businesses in the same country, which meet certain stipulated customs standards. The reference amount of the guarantee would depend on the average number of transit transactions of the carrier. It would be equal to the total amount of duties and other charges, which may be incurred in respect of goods under his transit operations during a stated period adjusted for any reduction granted by Customs. The use of a comprehensive guarantee would be allowed as a simplification of the standard rules on transit. It would depend on an application by the principal and an authorisation by the competent Customs authority.

133. Furthermore, under Pillar 2 a business would be able to apply to Customs for a reduction in the overall level of any required guarantee to 70%, 50% or 30% of the total amount of duties and other charges, which may be incurred in respect of goods under their transit operations during a stated period. Depending on meeting specified standards set by Customs a decision would be made regarding the amount of any reduction in the guarantee level to be provided. For example, the reduction could be 70%, 50% or 30% of the total amount of duties and other charges, which may be incurred in respect of goods under their transit operations during a stated period.

134. Again, CAREC Customs representatives have expressed some concerns regarding the safeguarding of the Customs debt under Pillar 2. Not least is the issue of how any claim would be processed if the guarantor resided in another country. However, it is believed these concerns can be adequately addressed when it is clearly understood how the system supports the application of risk based principles.

135. In connection with a transit operation, the suspended 'debt' whilst the goods were under the procedure has to be recovered if the transit procedure has not been discharged as required after the establishment that a 'debt' has been incurred by unlawful removal, non-fulfilment of obligations or non-compliance with a condition. It is essential for the good management of the procedure and the financial consequences of such management to identify the Customs authority responsible for recovery. The authority responsible will be in the country where the debt was incurred.

136. It is this authority that would take responsibility for initiating recovery of both the debt and any other charges. It is envisaged that the responsible Customs authority would notify the competent Customs authority of the country of original departure. They would then notify the guarantor and they would have a stipulated time to respond and pay directly the amount of duties and fees to the responsible Customs authority whilst notifying the in-country Customs authority.

² Insurance companies in all the countries visited have expressed a great deal of interest in the CATS and their possible role in acting as guarantors.

5. Recommendations for Legal and Regulatory Framework

5.1 Introduction

137. Drawing upon the extensive Report on the Legal and Regulatory Framework (August 2016) as well as the supplementary report for Georgia prepared in March 2017, this section presents recommendations for the framework. It first summarizes existing relevant legal and regulatory frameworks in the region (5.2), and then sets out steps to be taken going forward, including formulation of international agreement(s) specifically to implement the CAREC Advanced Transit System (CATS) (5.2.1); the alignment of domestic laws and regulations with the specific international agreement(s), as necessary (5.2.2); and formulation or application of more general international transport and transit facilitation agreements (5.2.3).

5.2 Existing Legal and Regulatory Frameworks

138. Sections 2 and 3 of the Report on the Legal and Regulatory Framework provided (i) an analysis of international legal instruments regarding transit including global/international/multilateral conventions as well as regional, plurilateral, and bilateral agreements (Section 2), plus (ii) a review of legal and regulatory regimes by country, including both international and national legal instruments (Section 3). Table 4 presents a summary of this assessment, by country, with a supplementary entry on Georgia.

Table 4 - Legal and Regulatory Framework Assessment by Country

Country	Monist or Dualist	International: Global	International: Multilateral	International: Plurilateral	International: Bilateral	National Laws/Regulations	Remarks
AFG	Unclear	TIR, CCTICV, TFA	ECO TTFA	CBTA	PAK (APTTA), TKM, UZB	Customs Law of 20 March 2005, Chapter 10 on Customs Processes (e.g., governing transit security, duty exemptions); Law on International Transit and Transportation in Afghanistan	Draft AFG-PAK-TAJ (APTTA+) agreement signed; some progress now being achieved with the ECO TTFA, including two corridors including AFG; advanced draft of SAARC Motor Vehicles Agreement, including PAK and AFG; notable bilateral transit agreement with TKM
AZE	Likely monist	TIR, CCTICV, CCC, RKC	ECO TTFA, TRACECA BMA, CIS, GUAM	NSITC	GEO, KGZ, TAJ, TKM, UZB	Customs Code, 2011, Chapter 29 on International Transit (e.g., duty exemption) and associated secondary legal instruments (e.g., the Decision of the Cabinet of Ministers of [the] Azerbaijan Republic, No. 5, 14 January 2014 On the Rules of Carriage of Goods under the Special Customs	Depository of the TRACECA BMA

Country	Monist or Dualist	International: Global	International: Multilateral	International: Plurilateral	International: Bilateral	National Laws/ Regulations	Remarks
						Procedure of International and Domestic Transit)	
PRC	Mixed; traditionally monist, but moving toward dualist	TIR, CCC, RKC, GATT, TFA	SCO	QTTA, KGZ-UZB-PRC	KAZ, KGZ, MON, PAK, TAJ, UZB	Customs Law, 8 July 2000 (as amended in 2013), Articles 23 and 100 (no special treatment accorded transit goods); various decrees (e.g., on AEOs)	Recent Russian proposal for a customs transit regime under the auspices of the SCO (headquartered in Beijing)
GEO	Monist	TIR, CCC, GATT, TFA	TRACECA	GUAM	AZE, KAZ, KGZ, TKM, UZB	Tax Code of Georgia, enacted on 17 September 2010, entered into force on 1 January 2011, and amended several times since then; Instruction on [the] Movement and Clearance of Goods across the Customs Territory of Georgia, approved by Order No. 290 of 26 July 2012 of the Minister of Finance of Georgia	According to Article 33 of Order No. 290, a guarantee is not required for transit
KAZ	Monist (nominally)	TIR, CCC, RKC, TFA	ECO TTFA, TRACEA BMA, EEU (CIS)	QTTA, NSITC	AZE, PRC, GEO, KGZ, MON, PAK, TAJ, TKM, UZB	Code of Customs Affairs, 30 June 2010, as amended	KAZ customs law will need to take the EEU customs code fully into account; KAZ has proposed an action plan to improve the transit system of the EEU (2014)
KGZ	Monist	TIR, CCTICV, CCC, GATT, TFA	ECO TTFA, TRACECA BMA, SCO, EEU (CIS)	QTTA, CBTA, KGZ-UZB-PRC	AZE, PRC, GEO, KAZ, MON, PAK, TAJ, TKM, UZB	Customs Code of the Kyrgyz Republic, dated 27 November 2014, and effective from 12 August 2015	KGZ customs law will need to take the EEU customs code fully into account; some progress now being achieved with the ECO TTFA, including two corridors including KGZ
MON	Monist	TIR, RKC, GATT, TFA	ECO TTFA	-	PRC, KAZ, KGZ	Customs Law, 1 July 2008, Chapter 11 (e.g., covering requirements for placing goods under international transit, duty exemption, identification marks, routes)	Recent movement in the implementation of bilateral transit agreement with the PRC

Country	Monist or Dualist	International: Global	International: Multilateral	International: Plurilateral	International: Bilateral	National Laws/Regulations	Remarks
PAK	Likely mixed	TIR, RKC, GATT, TFA	ECO TTFA	QTTA	AFG (APTTA), PRC, KAZ, KGZ, TKM, UZB	Customs Act, 1969 (IV) as amended, Sections 16 to 129a, on Transit Trade (e.g., duty exemption – although a transit fee may be levied); Pakistan Customs Rules and Afghanistan-Pakistan Transit Trade Rules	Draft AFG-PAK-TAJ (APTTA+) agreement signed; advanced draft of SAARC Motor Vehicles Agreement, including PAK and AFG
TAJ	Monist	TIR, CCC, GATT	ECO TTFA, TRACECA BMA, SCO, CIS	CBTA	AFG, AZE, PRC, KAZ, KGZ, TKM	Customs Code, 3 December 2004, as amended (generally comparable to and KAZ/KGZ provisions)	Draft AFG-PAK-TAJ (APTTA+) agreement signed; some progress now being achieved with the ECO TTFA, including two corridors including TAJ
TKM	Monist	TIR	CIS ^a	NSITC	AFG, AZE, GEO, KAZ, KGZ, PAK, TAJ, UZB	Customs Code, 25 September 2010, as amended (generally comparable to provisions of CIS countries)	Notable bilateral transit agreement with AFG
UZB	Monist	TIR, CCTICV, CCC	SCO, CIS	KGZ-UZB-PRC	AFG, AZE, GEO, PRC, KAZ, KGZ, PAK, TKM	Customs Code, 26 December 1997, as amended; and various decrees and resolutions of the Council of Ministers	An ADB TA recommended development of a primary law on international transport and transit

Note: ^a Strictly speaking, Turkmenistan is (only) an associate member of the CIS.

Abbreviations: ADB = Asian Development Bank, AEEO = authorized economic operator; AFG = Afghanistan, APTTA = Afghanistan-Pakistan Transit Trade Agreement, AZE = Azerbaijan, BMA = Basic Multilateral Agreement on International Transport for Development of the Europe – the Caucasus – Asia Corridor, CBTA = Cross-Border Transport Agreement, CCC = Customs Convention on Containers, CCTICV = Customs Convention on the Temporary Importation of Commercial Road Vehicles, CIS = Commonwealth of Independent States, ECO = Economic Cooperation Organization, GATT = General Agreement on Tariffs and Trade, GUAM = the Agreement on Establishment of a Free Trade Area between the GUUAM [Georgia, Ukraine, Uzbekistan [later withdrew], and Moldova] Participating States (2002), and the Protocol Regarding Organization of Preliminary Information Exchange about Goods and Vehicles Moved through the State Border of GUAM Member States among Customs Administrations of GUAM Member States (2015); KGZ = Kyrgyz Republic, MON = Mongolia, NSITC = North-South International Transport Corridor [Agreement], QTTA = Quadrilateral Traffic in Transit Agreement, PAK = Pakistan, PRC = People's Republic of China, RKC = Revised Kyoto Convention, SAARC = South Asian Association for Regional Cooperation, SCO = Shanghai Cooperation Organization [Transport Agreement], TA = technical assistance, TAJ = Tajikistan, TFA = Trade Facilitation Agreement [ratifications updated on 1 March 2017], TIR = Transit International Routier [International Road Transport] Convention, TKM = Turkmenistan, TRACECA = Transport Corridor Europe Caucasus Asia; TTFA = Transit Transport Framework Agreement, and UZB = Uzbekistan

Source: This TA

139. One fundamental question – as raised by the TA terms of reference – relates to the compatibility between and among the countries' transit laws and regulations. To the extent to which countries have monist legal systems (in which international agreements are self-executing, as in the cases of Georgia, the Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan, and probably also in the cases of Azerbaijan and Kazakhstan), an international agreement between/among countries may address the compatibility issue, although perhaps practically speaking some work may still be required to “translate” or incorporate the agreements into the national (the “municipal”) law of the respective countries (i.e., “domestication”).

140. Also, between and among the CAREC countries that have broadly similar transit provisions in their primary customs laws – i.e., between Azerbaijan and Georgia, which are moving towards EU principles in their customs laws, and among Kazakhstan, the Kyrgyz Republic, Tajikistan, and Turkmenistan, which reflect to varying extents their history as former Soviet Republics³ – incompatibilities or inconsistencies between national transit laws and regulations are likely to be minimized. On the other hand, if countries have mixed (or dualist) legal systems – as do the PRC and Pakistan and perhaps Afghanistan (for which the issue is unclear) – international agreements may not be self-executing, which means that compatibility issues cannot be as readily resolved through international agreements; in such cases, having at least broadly consistent legal/regulatory regimes regarding transit becomes more important.

5.3 Key Actions Needed

5.3.1 Formulation of International Agreement(s) (Specific)

141. Drawing on the good practice (or even arguably best practice) example of the Customs Transit System of the Association of South East Asian Nations (ASEAN), Box 1 lists specific requirements for a regional transit guarantee mechanism (to be detailed in a technical annex/ agreement or alternatively in a standalone agreement) that may be applied in the CAREC region, region-wide if possible, but otherwise to a subset of the three countries to be included in the pilot scheme – Azerbaijan, Georgia, and Kazakhstan along CAREC Corridor 2.^{4,5}

142. Such arrangements may be agreed by the participating countries (probably at the agency level), after which it may be directly applicable in the former Soviet Republics at least, to the extent that these countries have monist legal systems, although changes in the respective national laws and regulations may still be required for practical implementation purposes.

³ Also, Kazakhstan and the Kyrgyz Republic are both members of the Eurasian Economic Union.

⁴ The part of the template in Box 1 on the Use of Information and Communications Technology should be expanded or set out in a separate framework agreement and/or technical annex. A template may be found in the Protocol between the Customs Administrations of GUAM Member States on Organizing the Exchange of Preliminary Information on Goods and Vehicles Transiting across the State Borders of GUAM Member States (2015). In this protocol, member states agreed to exchange advance information received by parties through handling customs procedures with goods leaving one member state's territory and moving toward another member state's territory for transit or export purposes. The parties agreed to use advance information for risk management and the simplification of procedures. The parties agreed to inform each other if any discrepancy in advance and actual information is identified. All technical details – including technical specifications, datasets, classifiers and communication channels, and information security – were to be defined. The protocol was based on a similar protocol between Georgia and Ukraine. See Inter-regional Expert Group Meeting on the United Nations Development Accounts Project 1212AA, *Gap Analysis of Current Legal and Technical Framework for Electronic C2C Exchange of Transit Information between Georgia and Neighboring Countries*, October 2014, p. 16 [downloadable from: <https://www.unece.org/fileadmin/DAM/trans/doc/themes/UNDAC2C/UNDA1213AA-02e14.pdf>].

⁵ Based on ICT practice, a service level agreement (i.e., a contract between a service provider and the end user that defines the level of service expected from the service provider) may be prepared.

Box 1 - Specific Requirements for a Regional Transit Guarantee Mechanism That May Be Applied in the CAREC Region

General Provisions and Procedures

Definitions
Scope
Obligations of the Principal
Sealing

Use of Information and Communications Technology

Application of Electronic Data Exchange
Standard Electronic Messages for Transit Operation Control

Guarantees

Single Journey Guarantees
Multiple Journey ("Comprehensive") Guarantees
Liability of the Guarantor
Cancellation and Revocation of Guarantees

Authorized Transit Traders

General Criteria
Applications for and Decisions on Authorized Transit Traders
Authorizations
Amendment, Surrender, or Revocation of Authorizations

Simplified Procedures

Exemption from the Presentation of Goods at the Customs Office of Departure
Use of Approved Special Seals
Waiver of Written Signature

Transit Operations and Procedures

Means of Transport and Declarations
Customs Transit Declarations
Transit Accompanying Document
Procedures at the Customs Office of Departure
Procedures during the Transit Operation
Incidents during the Transit Operation
End of the Transit Operation
Receipt for End of the Transit Operation
Termination of the Transit Operation
Discharge of the Transit Operation
Fallback Procedures

Port Transit Procedures

Enquiry Procedure to Establish Correct Termination of the Transit Operation
Informing the Principal and Alternative Proof of Termination
Customs Debt and Recovery
Administrative Assistance – General Provisions
Administrative Assistance for the Recovery of Claims

Miscellaneous Provisions

Vehicles and Containers for the Purposes of Transit Operations
Minor Discrepancies
Exclusion
Authorization to End a Regional Transit Guarantee Procedure at a Trader's Premises
Confidentiality

Source: After ASEAN Framework Agreement on the Facilitation of Goods in Transit, Protocol 7, Customs Transit System, 11 March 2014 [good/best practice example]

5.3.2 Alignment of Domestic Laws and Regulations with the Specific International Agreement(s), As Necessary

143. Based on the legal texts reviewed in the Sections 2 and 3 of the Report on the Legal and Regulatory Framework, for each CAREC country Appendix 1 examines (i) current and proposed legal provisions in the country, (ii) required changes in multilateral and bilateral agreements, (iii) required changes in primary laws, and (iv) required changes in secondary laws (e.g., regulations, decrees, resolutions), with reference to proposed elements of the mechanism and issues to be covered (i.e., exemption from guarantee requirement for AEOs, multiple/comprehensive guarantees, risk-based setting of guarantees, the transit form). This matrix (table) was presented and revised to some extent during the interim workshop held in Almaty, Kazakhstan, on 26–27 July 2016; it was updated again after the mission to Georgia by the TA Team in February 2017.

5.3.3 Formulation of International Transport and Transit Facilitation Agreement(s) (General)

144. A general regional transit regime – which might serve as a “blueprint” for bilateral/trilateral/regional agreements in the CAREC region – could be based on the principles shown in Box 2. Issues covered include:

- (i) statement of the transit principle;
- (ii) interstate traffic;
- (iii) exemption of transit traffic from non-cost related charges;
- (iv) facilitation of road vehicle crew entry;
- (v) facilitation of road vehicle entry;
- (vi) facilitation of container entry;
- (vii) permission of foreign transport operator activity;
- (viii) facilitation of cargo entry;
- (ix) infrastructure design harmonization;
- (x) climate of law and order and foreigner-friendly environment;
- (xi) transparency;
- (xii) non-discrimination and national treatment;
- (xiii) protection of free competition;
- (xiv) facilitation of border crossing formalities;
- (xv) road traffic rules;
- (xvi) language, measurement units, and computer software;
- (xvii) banking, insurance, and communication systems;
- (xviii) border dispute resolution;
- (xix) institutional arrangements;
- (xx) cooperation in the suppression of customs fraud and tax evasion;
- (xxi) relationship of the regime with other instruments; and
- (xxii) relationship of the regime with national law.

145. In some cases the countries may desire to build in more conditions such as market regulations, and requirements such as harmonization or safeguards such as guarantee systems. The expression of these additional conditions proposed between “square brackets” (i.e., [...]) in the text in the box, as is other optional language for consideration by the countries.

8(a) on the facilitation of cargo entry provides that:

“The contracting parties shall exempt cargo transiting through their territory from routine physical customs inspection, customs escorts, and the deposit of a bond per transport operation and operator but subject to security provided by a guarantor.

Specific details of the regional guarantee transit mechanism are provided in the technical [annex] [agreement].”

146. Box 2 sets out an outline of the content of this technical annex.

147. Depending on the (sub)set of participating CAREC countries, the principles for a regional transit system in Box 2 may be “grafted” onto existing bilateral or regional/ plurilateral agreements, as listed in the fifth and sixth columns of Table 4 presented in Section 5.2.

Box 2 - Principles for a Regional Transit System

1. Transit Principle

Subject to the conditions in this agreement, the contracting parties mutually grant freedom of transit through each others' territory for cargoes [and passengers] inbound to and outbound from the other contracting party.

2. [Interstate Traffic]

The contracting parties mutually grant freedom of transit through [and access to] each others' territory for cargoes (and passengers) inbound to and outbound from the other contracting party.]

3. Exemption of Transit Traffic from Non-Cost Related Charges

Transit traffic shall be exempted from all non-cost related charges and duties, other than those charged domestic transport operations.

4. Facilitation of Road Vehicle Crew Entry

- (a) The people engaged in transport operations shall be granted multiple entry visas for prolonged periods.
- (b) The contracting parties shall mutually recognize the driving licenses issued by the other contracting parties [, subject to harmonization in accordance with the Vienna Convention on Road Traffic, 1968].
- (c) The people engaged in transport operations shall be exempted from customs duties with respect to personal effects. They shall be treated in accordance with [World Health Organization] international health regulations.

5. Facilitation of Road Vehicle Entry

- (a) The contracting parties shall admit to their territory the road vehicles registered in another contracting party and in conformity with the technical standards applicable in the vehicle's country of registration.
- (b) For that purpose they shall mutually recognize the roadworthiness inspection certificate and the third-party motor vehicle liability insurance issued in the vehicle's country of registration [, subject to harmonization in accordance with the Vienna Convention on Road Traffic, 1968].
- (c) The contracting parties shall exempt from import duties the motor vehicles registered in another contracting party, admitted temporarily into their territory for the purpose of performing the transit transport operation, but subject to their re-exportation [in accordance with the Convention on the Temporary Importation of Commercial Road Vehicles, 1956] [subject to security provided by a guarantor].

6. Facilitation of Container Entry

The contracting parties shall exempt from import duties the containers registered in another contracting party, admitted temporarily into their territory for the purpose of performing the transit transport operation, but subject to their re-exportation [in accordance with the Customs Convention on Containers, 1972] [subject to security provided by a guarantor].

7. Permission of Foreign Transport Operator Activity

- (a) The contracting parties shall allow transport operators established in another contracting party to (i) perform the transit transport operation in their territory [within the limits and frequency and capacity to be set reciprocally by the contracting parties], and (ii) establish a branch office in their territory.
- (b) The contracting parties shall mutually recognize the transport operator's license issued by the transport operator's country of establishment [subject to harmonization of the requirements in accordance with ...].

8. Facilitation of Cargo Entry

- (a) **The contracting parties shall exempt cargo transiting through their territory from routine physical customs inspection, customs escorts, and the deposit of a bond per transport operation and operator but subject to security provided by a guarantor. Specific details of the regional guarantee transit mechanism are provided in the technical [annex] [agreement].**
- (b) The cargo shall be processed in accordance with international health and quarantine (sanitary and phytosanitary) regulations.
- (c) The following categories of cargoes shall be restricted or prohibited for transit operations: [to be determined based on negotiations].

9. Infrastructure Design Harmonization

The contracting parties shall adopt the following design standards for:

- (a) road and bridge construction;
- (b) road signs and signals; and
- (c) border crossing infrastructure and equipment.

[To be specified based on negotiations.]

10. Climate of Law and Order and Foreigner-Friendly Environment

- (a) The contracting parties shall install/restore/maintain law and order in their border region and territory.
- (b) They shall fight corruption, e.g., by providing a legal basis for all fee and tax collection, by specifying the civil servants authorized to collect fees and taxes, by requiring the issuance of an official receipt for each payment of fee or tax, and by criminally sanctioning corruption.
- (c) They shall protect foreign people and property and shall help and assist foreign vehicle and transport operators.

11. Transparency

The contracting parties shall publish in the English language on the Internet all relevant laws, regulations, procedures, and documents related to the transit transport through their territory.

12. Non-Discrimination and National Treatment

- (a) The contracting parties shall not discriminate or reserve a privileged treatment on the basis of nationality, origin, or destination of either one element of the transit operation (e.g., driver, vehicle, cargo, operator).
- (b) For the purpose of the transit transport operations, foreigners shall be granted the same treatment as nationals.

13. Protection of Free Competition

The contracting parties shall safeguard the transport market against competition distortion (e.g., cartels, abuse of dominant market position, dumping practices, public subsidization).

14. Facilitation of Border Crossing Formalities

The contracting shall facilitate the border crossing formalities for transit transport operations via:

- (a) simplification of border crossing procedures (advance and inland clearance, coordination of border clearance, and one-stop clearance procedures);
- (b) harmonization of commodity description and coding;
- (c) harmonization of a cargo valuation system; and
- (d) harmonization of the document lay-out.

15. Road Traffic Rules

The contracting parties shall harmonize their road traffic rules in accordance with the Vienna Convention on Road Traffic, 1968.

16. Language, Measurement Units, and Computer Software

- (a) The contracting parties shall use in all communications and documents the English language, without prejudice to the possible parallel use of the national language(s).
- (b) The contracting parties shall harmonize their measurement unit system and coordinate the use of computer software.

17. Banking, Insurance, and Communication Systems

The contracting parties shall install a modern banking, insurance, and communication system to support transit transport operations.

18. Border Dispute Resolution

The contracting parties commit to start the procedure to resolve their border disputes if any, either via submitting them to arbitration or to the United Nations International Court of Justice.

19. Institutional Arrangements

- (a) A permanent Transit Trade and Transport Coordination Committee shall be established. It will consist of a representative of each country's national Inter-Ministerial Transit Trade and Transport Coordination Committee.
- (b) The national Inter-Ministerial Transit Trade and Transport Coordination Committee shall be composed of representatives of the relevant Ministerial departments and the private sector involved in transit operations.
- (c) The Transit Trade and Transport Coordination Committee shall assess and monitor the functioning of the agreement, serve as a platform for discussion and proposals for

amendment of the agreement, and as a forum for amicable settlement of disputes.

- (d) The contracting parties shall set up or charge a traffic police section with the special duty of inspection, controlling, and protecting the transit transport operations in their territory.

20. Cooperation in the Suppression of Customs Fraud and Tax Evasion

The contracting parties shall share information and coordinate their actions to cooperate in the fight against customs fraud and tax evasion.

21. Relationship of the Regime with Other Instruments

- (a) The present agreement shall automatically supersede or be superseded by any other instrument to the effect that the most liberal and facilitating one prevails.
- (b) The most favoured nation treatment principle will apply.

22. Relationship of the Regime with National Law

- (a) The contracting parties undertake to conform their national body of law to the contents of this agreement.
- (b) This agreement shall not prevent the contracting parties from unilaterally granting greater facilities to transit transport operations.

Note: Provision 8(a) has been put in bold font due to its importance for the proposed regional guarantee transit mechanism.

Source: Drawing on: (i) PADECO Co., Ltd., *Afghanistan Transit Study (RSC No. C40965-AFG and RSC No. C40966-AFG), Final Report*, prepared for the Asian Development Bank, and presented at the Third Meeting of the Trade and Customs Working Group Central and South Asia Transport and Trade Forum (CSATTF), December 2005, pp. 7-11, 40-45; and (ii) PADECO Co., Ltd. in association with MDR Group, LLP, *TA-8586 (REG): Facilitation of Regional Transit Trade in CAREC, Final Report: Single Guarantee Mechanism Report*, April 2016

6. Recommendations for Development of ICT Systems

6.1 Key Proposals

148. It is proposed that a CAREC Advanced Transit System (CATS) be established, on the basis of a unified information system.

149. To support this operation, the CATS Information System (CATS IS) should provide data exchange (primarily in the agreed format of a single transit document) and message exchange features.

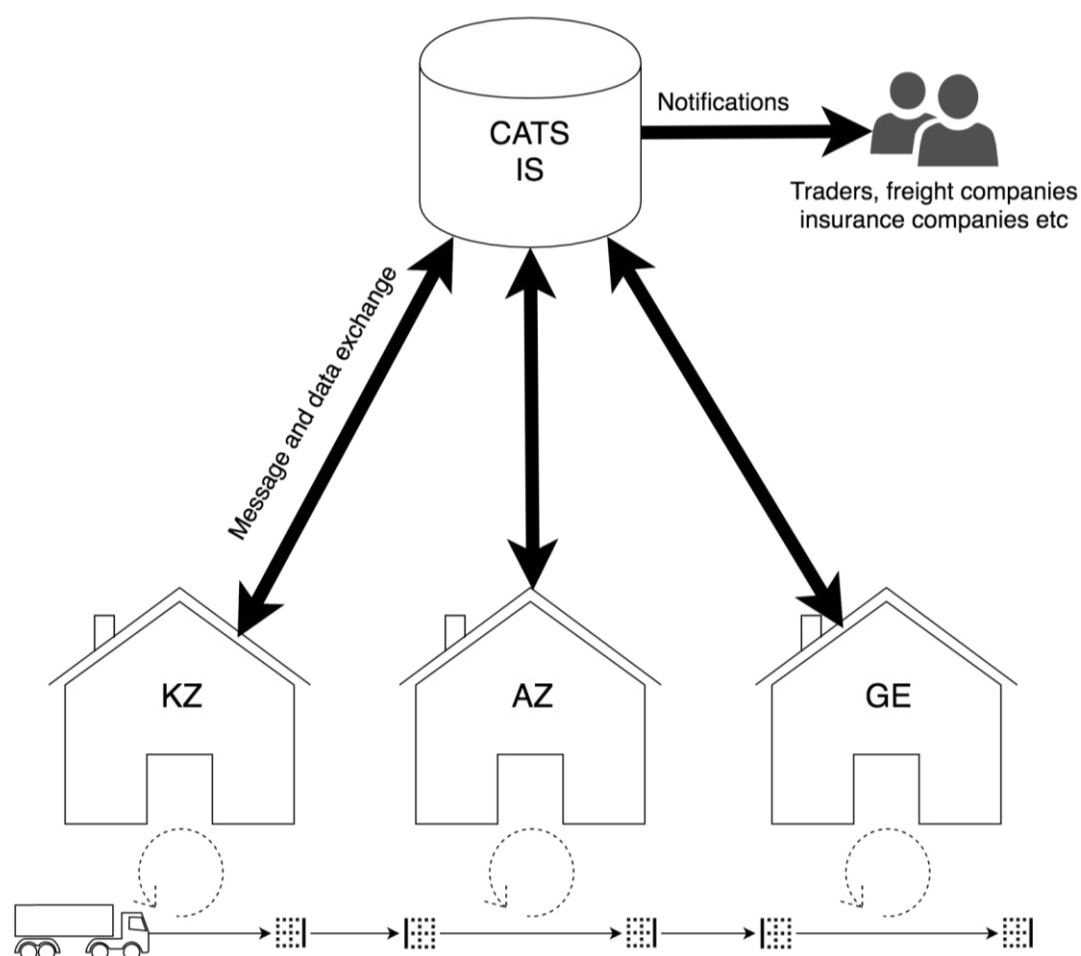
150. It should also include automated payment processing and/or control to implement the CAREC Advanced Transit System. Such a system has to be deeply integrated with the information systems of the CAREC customs administrations, providing them with a unified interface.

151. It also needs to use reliable and safe communication channels, and be well protected and failure-safe.

6.2 Suggested ICT System Architecture

152. Figure 13 below shows the proposed System architecture for the ICT system.

Figure 13 - Suggested System Architecture



153. An information system implementing the CATS has to meet the following general requirements:

- a) A centralised protected system using reliable communication channels for data exchange with all participants;
- b) A unified data exchange interface open to the participants, based on the standards used by the majority of the participating countries;
- c) Advanced ownership/permission control for all data items/messages;
- d) Digital signature usage according to the current standards in the countries;⁶

154. It should also include the following components:

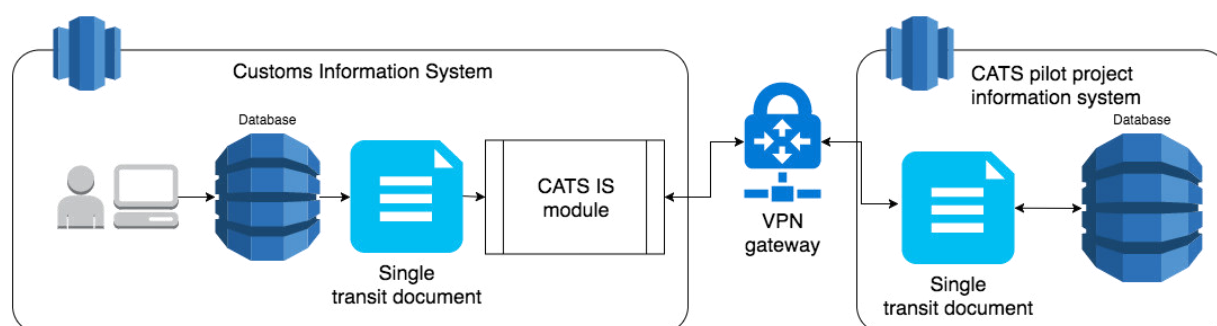
- i) A data exchange platform, ensuring, first of all, operations with the single transit document;
- ii) A platform for message exchange amongst the participants;
- iii) A system for message/document routing consistent with a transit route;
- iv) An Input data format and logic control system;
- v) An internal payment system or the integration with an existing payment system to process and/or control automated money transfers for CATS purposes;
- vi) Notification interfaces (email, SMS, instant messengers) for all system participants, for the real-time delivery of notices and the status of the documents and messages within the system, such as the status of transit and so forth;
- vii) A Fallback & Recovery System.

6.2.1 Compatibility with Existing Solutions

155. Customs authorities of the CAREC countries use a variety of platforms and approaches to the automation of processes. Therefore, it is proposed that CATS IS would provide a unified interface for all participants, supporting the interchange of all data, messages, and notifications within the proposed guarantee mechanism.

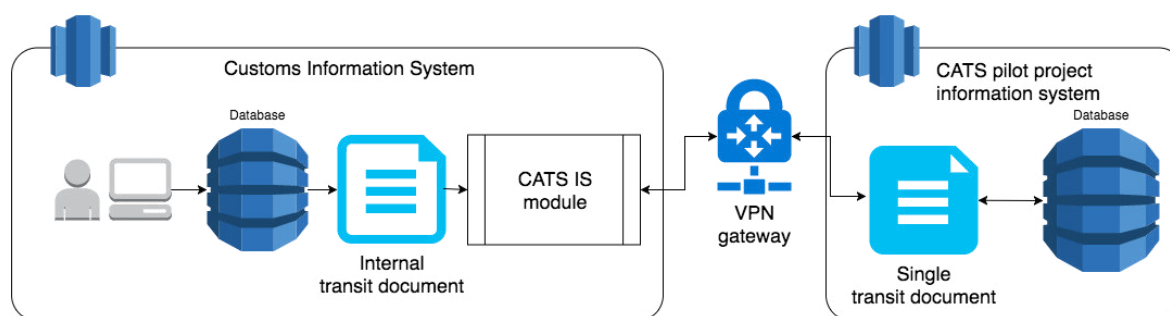
156. It is expected that each of the customs authorities will implement a communication gateway using the unified interface. Such gateway shall either:

- a) Enable customs officers, using their customs information system, to work directly with the single transit documents, located in the CATS information system, or;



⁶ Considering that (1) the participating countries use different digital signature standards, and (2) some of the countries have regulatory restrictions on the use of the specific digital signature algorithms, full implementation of this requirement may involve special efforts, such as the harmonisation of the technical and regulatory requirements among the countries.

- b) Enable the transparent translation of the data, contained in the customs information system, into the single transit document stored in the CATS IS.



157. Consideration must also be given to the existence of other regional systems for customs information exchange, such as the gateway used by the Eurasian Economic Union countries.

6.3 Implications for the ICT Systems

6.3.1 Customs Automated Systems

158. Information systems of the CAREC countries' customs authorities should be integrated with CATS IS to ensure the exchange of the data, messages and notices in real time via the unified interface for all participants. For the information systems of the CAREC countries customs authorities, this will imply the following:

- a) Availability of the protected high-speed reliable communication channel with CATS IS;
- b) Availability of the gateway supporting data exchange and messaging with CATS IS on the side of the customs IS;
- c) Corresponding modifications in the components related with the transit, risk management, Authorized Economic Operators registries and other transit-related IS components on the side of the customs IS.

159. Depending on the architecture of a customs authority's IS and technical platform in use, the implementation of the above requirements can demand different levels of effort and/or different approaches.

160. Nevertheless, in the course of project implementation it is important to ensure interaction and effective experience sharing between the CAREC customs authorities implementing their solutions for the CATS IS interface.

6.3.2 Other Potential Integration/Interfaces

(1) Single Window Principle Implementation Projects

161. As part of the field mission in June 2016, the project team held a number of meetings with the teams involved in the implementation of Single Window (SW) projects in the CAREC countries, namely the Kyrgyz Republic, Tajikistan and Uzbekistan. The persons responsible for the Single Window projects are very interested in their potential integration with the CATS system.

162. Data exchange would potentially allow the transfer of relevant electronic documents directly from the SW systems to CATS IS, thus accelerating the process of the preparation

and lodging of the requisite transit documents, and improving the transparency and the predictability of the transit process.

(2) Payment Systems

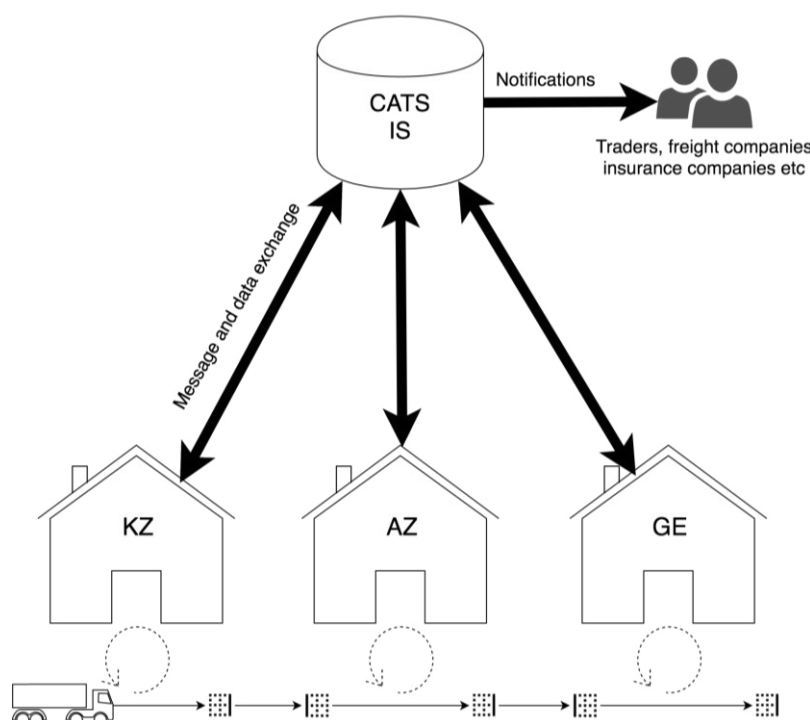
163. A number of the CAREC countries are actively developing their electronic payment systems. Integration of the CATS IS with such country-wide or regional systems will permit payments in a manner that is quicker, reliable and convenient for the participants.

(3) Large Market Participants' Information Systems

164. Large market participants, such as the major trading and insurance companies or banks that provide guarantees and/or conduct payments, may be interested in implementing data exchange between their own information systems and the CATS IS.

6.4 Suggested ICT System Architecture for the Pilot Project

165. The architecture of the pilot project ICT represents a simplified version of the proposed overall architecture (6.2 - Suggested ICT System Architecture).



166. General requirements for the information system of the pilot project includes the following:

- a) A centralised protected system using reliable communication channels for data exchange with all participants;
- b) A unified data exchange interface open to the participants based on the standards used by the majority of the participating countries.

167. The information system of the pilot project should include the following:

- i) A data exchange platform supporting operations with the agreed single transit document;

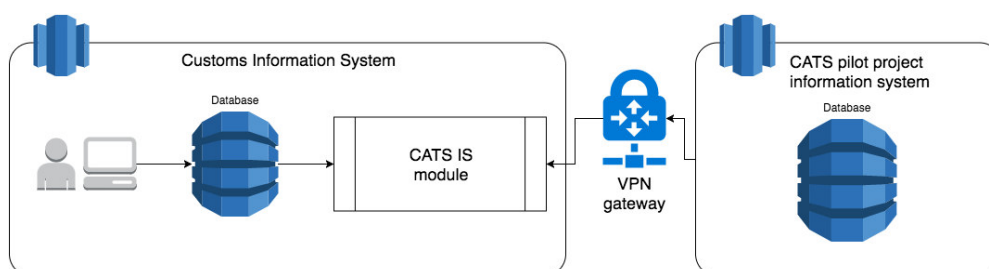
- ii) A platform for message exchange between the participants, which will be used, inter alia, to support the processing of payments under the CATS;
- iii) Status control of the of guarantee payments under the CATS;
- iv) Notification interface (email, SMS, instant messengers) for all system participants, including the carriers, customs brokers and freight owners, for the delivery of notices and document status, and messages within the system, such as the status of transit, etc.

168. For the part of the customs information systems of the pilot countries, one of the following options can be implemented:

- a) A gateway enabling customs personnel to access the single transit documents in the CATS IS directly from their customs information systems;
- b) A gateway providing the transparent translation of the data from the customs information system into the single transit document format;

169. This is shown in Figure 14 below.

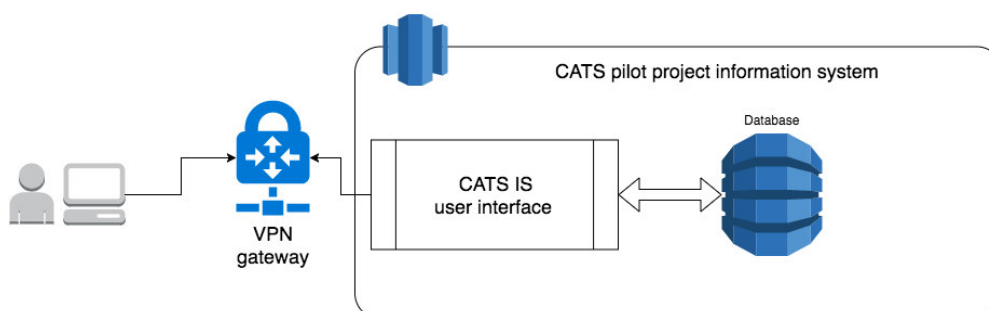
Figure 14 - CATS IS Interface



- c) The interface on the CATS IS side should enable customs officers to work with the single transit documents, messages, and notices *directly in the CATS IS*.

170. This is shown in Figure 15 below.

Figure 15 - CATS IS Alternative Interface



171. Options (a) and (b) offer two different ways of integrating the existing information systems.

172. Option (c) can serve as a fallback solution, or can be implemented in cases where the development of a new module within the existing customs information system for some reason appears to be an excessively complex/expensive solution.

6.5 Internationalisation (I18N) Issue

173. Based on the consultant's experience, attempts to implement customs data exchange in the region and the translation of the document fields, including the single transit document, may be an important issue.

174. A number of pilot projects, particularly the attempts at joint operation of the customs of Kazakhstan and the PRC, have encountered this problem. While Russian often served as a common language in data exchange between the Kyrgyz Republic and Kazakhstan, there is a language barrier between the PRC and other pilot countries.

175. For the purpose of the pilot project, the solutions can include:

- a) An option, where the fields in the documents to be lodged are filled in all necessary languages.
- b) Use of the agreed glossary of terms, field values for the single transit document, and standard reference tables used in the customs clearance of transit. The development of such glossary would be a serious step towards the resolution of the problem, as it will enable automated translation of the values of the main fields of the single transit document and reference tables.
- c) Use of a machine translation system, including the translation of attachments to the single transit document. There are a number of solutions available in the market, which allows the translation of effectively scanned documents and forms. Such system could be integrated directly into information system of the pilot project.

6.6 ICT Systems in Pilot Countries

176. The countries proposed to participate in the pilot scheme have different levels of ICT development, and customs authorities in these countries use different platforms and approaches. Use of the CATS IS unified common interface would provide an opportunity to integrate CATS IS with the customs information systems.

177. Based on the analysis of the pilot country's technical readiness, it can be concluded that Azerbaijan, Georgia and Kazakhstan are technically ready for the implementation of the pilot project in line with the proposed architecture (see 6.4 - Suggested ICT System Architecture). Azerbaijan has one of the most advanced IT systems for transit in the CAREC countries as well as a strong institutional framework to support it. However, taking into account intensity and the amount of current data exchange flows in Georgian Customs, Georgia would be an extremely strong participant in the pilot project.. High level of both available ICT technologies and human resources in Georgia will minimise the implementation risks for the pilot.

178. Given the recent changes from the viewpoint of both the modernisation of the existing ICT systems and regulatory base for ICT and transit, a careful analysis of these changes is needed when drafting the specification of requirements for development of information system for the pilot project.

6.7 Recommendations

6.7.1 Pilot Project

179. On the basis of the proposed architecture (see "6.2 - Suggested ICT System Architecture"), the detailed Software Requirements Specification (SRS) has to be developed for the information system of the CATS pilot project.

180. When developing the SRS, due to the changes occurring in Kazakhstan in connection with their accession to the Eurasian Economic Union, it is necessary to conduct a careful analysis of both new technical requirements connected with the data transmission standards, etc., new regulatory requirements (the uniform customs code of the Customs Union⁷) and new legislative requirements⁸. In particular:

- a) Data exchange within the pilot project must be based, as much as possible, on the data schema and standards applied in the Customs Union to simplify implementation of the project to the greatest possible extent.
- b) Technical and regulatory requirements of the Customs Union have to be taken into account.
- c) Customs authorities of Kazakhstan are working intensely on the tasks (including the ICT issues) connected with their accession to the Eurasian Customs Union, which imposes additional load on the relevant departments.

181. Although cross-border payments and remittances between the pilot countries do not represent a problem at the moment, during the interviews customs officials named receiving payments (in cases of transit regime violation) among the main sources of potential problems. It is recommended for the pilot project purpose to establish a transparent and predictable mechanism for conducting guarantee payments, which would not be cumbersome, first of all, for the customs authorities (see 6.4 - Suggested ICT System Architecture).

182. During the interviews held by the field mission, customs officers were not sure of their readiness to unconditionally trust the data, obtained from their colleagues in other countries and, for example, to accept unconditionally the results of cargo examination or scanning. To address this problem, it is recommended to use the attachments to the single transit document: e.g., an option should be provided for attaching photographs instead of just the account of examination results, or attaching images from the scanner instead of just the record of freight scanning result, etc.

6.7.2 Information System for CAREC Advanced Transit System

183. It is recommended to develop the specification of requirements for the CATS information system on the basis of the pilot project results.

184. From the technical point of view, special attention should be given to the following:

- a) Agreeing on the data format of the single transit document, registry of authorized economic operators and other databases/documents used in the system;
- b) Detailed description of the data exchange/message exchange workflows;
- c) Detailed description of the permissions/ownership of data/documents/messages;
- d) Internationalisation problems, in particular, the translation of the documents lodged with the system (see 6.4 - Suggested ICT System Architecture);
- e) To the detailed description of the CATS operation mechanism and the system of settlements (payment system).

⁷ The new uniform customs code of the Eurasian Customs Union is in the development stage now, and is inaccessible to the author of this report. This document may contain certain technical and/or regulatory requirements and restrictions, in particular, on data exchange with a third party (PRC in the context of the pilot project).

⁸ At present, the Kyrgyz Republic is bringing its legislation into accord with the requirements of the Eurasian Economic Union.

7. Implementation Schedule for Pilot Phase for Azerbaijan, Georgia and Kazakhstan

185. The Final Workshop for the project held on the 7 and 8 December in Baku, Azerbaijan was successful in agreeing on the 3 countries to be used for the Pilot and an agreement was signed amongst Azerbaijan, Georgia and Kazakhstan to move forward with the development of the Pilot scheme. Georgia had recently become a CAREC member following the Ministerial Meeting in Islamabad in October 2016.

186. It had originally been envisaged in the Draft Final Report submitted in September 2016 that there would be a formal tendering process following the agreement on the Pilot countries at the Final Workshop. In the circumstances, it was assumed that the project team would only be in place by June/July of 2017 and the work on institutional structures and developing the Work Programme would take until the end of 2017.

187. The Workshop was advised by ADB, however, that the work could commence relatively quickly and it was agreed that a mission to Georgia would be undertaken in February 2017 to complete an analysis of trade and transit flows, the customs regime, the legal and regulatory framework and the ICT systems in place for transit. This mission took place and the results are contained in a separate Report.

188. Table 5 below shows the proposed schedule for **PHASE I: PROJECT DESIGN**.

Table 5 - Proposed Schedule for Phase I

TASK	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
PHASE I - PROJECT DESIGN	2017										2018			
STAGE A - PROTOTYPE PHASE														
A.1 Prototype development and testing														
A.2 - Prototype workshop														
A.3 - Joint meeting of Customs of pilot countries														
STAGE B - DEVELOPMENT PHASE														
B.1 Design of Pilot														
B.1.1 Customs														
B.1.2 Legal and Regulatory														
B.1.3 ICT														
B.1.3.1 SRS Development (including Single Transit Document)														
B.1.3.2 Software Development														
B.1.3.3 Hardware Procurement														
B.1.4 Financial/Insurance Mechanisms														
B.1.5 Institutional Arrangements														
B.2 Capacity Building														
B.2.1 Training in-house staff														
B.2.2 Training for stakeholders														
B.3 Monitoring and Management														
B.4 Workshop 3														
B.4.1 Agreement on pilot time-frame														

189. This consists of 2 Stages:

Stage A: Prototype Phase

190. This will last through to September 2017 and will include the Prototype development and testing and two Workshops for the three countries, one to present the initial outline design and work plan and to finalise agreements amongst the 3 countries; the other to discuss the more detailed design specification.

191. It will also involve detailed discussions with the Customs Administrations and the stakeholders in the private sector in the 3 countries to identify potential AEOs/Trusted Traders for involvement in the pilot scheme and insurance companies/banks to provide the guarantee mechanisms. The CFCFAs will also be involved from an early stage.

192. Capacity building for the stakeholders will also be initiated.

Stage B: Development Phase

193. This will focus on building upon Phase A and include:

- a) Harmonisation of Customs Procedures.
- b) Legal and Regulatory Issues.
- c) ICT requirements including the design of the Single Transit Document and software and hardware configuration.
- d) Financial and Insurance Mechanisms.
- e) Institutional and Management Arrangements.
- f) Capacity Building including training for Stakeholders and technical staff.

194. On-going monitoring and Reporting will take place throughout this Phase and it is anticipated that Phase B will take approximately 6 months.

195. It is envisaged therefore that this Phase will last from September 2017 to February 2018.

196. A major Workshop would then be held with all countries to discuss all the proposals prior to moving towards the next implementation Phase.

197. Table 6 below provides a schedule for **PHASE II: TESTING OF PILOT**, which will consist of a number of elements including:

A. Systems Testing

198. This will examine all the relevant components of the project design including the Customs elements, ICT network, the legal and regulatory provisions, the financial and insurance mechanisms etc. to ensure that they integrate effectively and have the support of all stakeholders. This will last from March to September 2018 when there will be an evaluation of results.

B. Stakeholder Engagement

199. Throughout this phase, stakeholder engagement will be vital to ensure that all parties understand the mechanics of the CAREC Advanced Transit System, its operational characteristics and its insurance mechanisms. Regular meetings will be held with customs administrations, border crossing officials, AEOs/Trusted Traders, insurance companies, CFCFAs, trucking companies etc. to ensure that all are fully aware of the operational characteristics. Once again, this will last through to September 2018. It will also include quarterly meetings of the Coordinating Committee for the project and bi-monthly meetings of the Technical Support Group.

C. Workshop 3

200. This will be held at the end of this Phase and provide a detailed evaluation of the testing procedures and results. It will also outline the next steps and obtain endorsement from the 3 pilot countries.

Table 6 - Proposed Schedule for Phase II

TASK	Project Month																						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
PHASE II - TESTING OF PILOT	2018											2019											
A: SYSTEMS TESTING																							
A.1 ICT network																							
A.2 Institutional Arrangements																							
A.3 Financial Mechanisms																							
A.4 Insurance Mechanisms																							
A.5 Evaluation of Results																							
B: STAKEHOLDER ENGAGEMENT																							
B.1 Coordinating Committee																							
B.2 Customs Administrations																							
B.2.1 Central Authorities																							
B.2.2 BCP Officials																							
B.3 CFCFAs																							
C: WORKSHOP 4																							
C.1 Presentation of testing Results																							
C.2 Endorsement of next steps																							
PHASE III: IMPLEMENTATION OF CATS																							
D.1 Synchronisation of Mechanisms																							
D.2 Engagement with Stakeholders																							
D.3 Training for Truckers																							
D.4 Full Implementation																							
D.5 Evaluation/Assessment																							
PHASE IV: EXTENSION OF CATS TO OTHER COUNTRIES																							
E.1 Confirmation of new countries																							
E.2 Establish new institutional structures																							
E.3 Adaptation of Mechanisms																							
E.3.1 Customs																							
E.3.2 Legal and Regulatory																							
E.3.3 ICT																							
E.3.4 Financial Mechanisms																							
E.4 Preparation of Work Plan																							
F: WORKSHOP 5																							
F.1 Endorsement of Work Plan																							
F.2 Request additional Funding																							

201. This will be followed by PHASE III.

Phase III: IMPLEMENTATION OF CATS

202. This will be followed by the formal adoption and implementation of CATS in Azerbaijan, Georgia and Kazakhstan. This will start in November 2018 and last until June 2019. It will involve the synchronisation of mechanisms, the engagement of stakeholders, training and full implementation of CATS and an evaluation and assessment.

Phase IV: EXTENSION OF CATS

203. Assuming that all the elements work satisfactorily and there is widespread acceptance of the CATS by the stakeholders, the intention is then to extend it a further 4 countries in the first instance and then other CAREC countries later. The selection of the next set of countries to test the CATS will be dependent on each country's willingness to participate and their capacity to introduce the relevant legal and regulatory changes, the ICT systems and the appropriate financial mechanisms.

204. It is anticipated that this would take a minimum of 6 months depending upon the choice of countries selected and the level of changes that would be required to customs procedures, ICT systems and legal and regulatory provisions.

205. A Workshop would be held at the end of this PHASE to endorse the Work Plan and to seek additional funding.

206. Assuming that all proceeds well, the implementation of the CATS in the additional 4 countries would start in early 2020.

Appendix 1: Assessment of Legal Changes Required to Implement the Proposed CAREC Advanced Transit System (CATS)

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
AFG	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	<p>The Customs Law of 20 March 2005, Chapter 10 on Customs Processes, is relevant, particularly Article 79 on Transit Exemptions from Giving Security, which includes an exemption in some cases from providing the customs transit guarantee required by Articles 78 and 137, e.g., for persons residing in Afghanistan or deemed reliable and solvent by the customs authorities, for customs duties not exceeding AFN 200,000 (equal to USD 3,450 at the current exchange rate).</p> <p>Article 75,5 of the Customs Law of 20 March 2005, Chapter 10, acknowledges the substitution of the regime of the law by international agreements (“[t]he transit process may include alternative arrangements as may be established by relevant procedure pursuant to international conventions and</p>	<p>Requirement for provision(s) in a regional agreement for the CAREC RTGM</p> <p>Also, consideration may be given to amending applicable regional (plurilateral)/bilateral agreements, e.g., the ECO TTFA, (the still draft) trilateral trade agreement (AFG-PAK-TAJ), the bilateral agreement with Pakistan (APTTA), the bilateral agreement with Turkmenistan (the Agreement between Turkmenistan and Afghanistan on Transit Traffic)</p>	<p>Possible need to amend Article 79 of the Customs Law of 20 March 2010 on Transit Exemptions from Giving Security, mentioned under the current provisions column</p> <p>That said, Article 75,5 of the Customs Law of 20 March 2005, Chapter 10, acknowledges the substitution of the regime of the law by international agreements, as indicated in the column on current provisions (“[t]he transit process may include alternative arrangements as may be established by relevant procedure pursuant to international conventions and agreements”)</p>	No applicable secondary laws/regulations identified

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
			agreements”). The “culture of insurance” has only recently been reactivated in Afghanistan and no legal instrument covers matters relating to customs transit guarantees.			
AFG	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	Not covered	As above	Possible need to amend Article 78 on Transit Security together with Article 137 on Form[s] of Security, which requires a customs transit guarantee in the form of a cash deposit, an accepted guarantor, or in some other form (in some cases, up to 100% of the customs duties may have to be deposited) That said, Article 75,5 of the Customs Law of 20 March 2005, Chapter 10, acknowledges the substitution of the regime of the law by international agreements.	As above
AFG	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee	No applicable provisions identified	As above	Possible need to amend Article 78 on Transit Security together with Article 137 on Form[s] of Security, which requires a customs transit	As above

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
		amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process			<p>guarantee in the form of a cash deposit, an accepted guarantor, or in some other form</p> <p>That said, Article 75,5 of the Customs Law of 20 March 2005, Chapter 10, acknowledges the substitution of the regime of the law by international agreements.</p>	
AFG	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	As above	See above; notably Protocol 3 of the APTTA sets out a Customs Control and Transit Regime, which provides the framework regarding customs documentation and processing procedures – a pilot electronic data interchange system was implemented on 1 November 2013 along the Karachi-Torkham Route.	<p>Possible need to amend Chapter 10 of the Customs Law of 20 March 2005, on Customs Processes</p> <p>That said, Article 75,5 of the Customs Law of 20 March 2005, Chapter 10, acknowledges the substitution of the regime of the law by international agreements.</p>	As above
AZE	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	The Customs Code of the Azerbaijan Republic, 2011, which entered into force on 1 January 2012, introduces the concept of AEOs in Chapter 5, under Title II, Relations of the Customs Authorities with Other Parties, including Article 31 on the Status of AEOs and Article 32	<p>Requirement for provision(s) in a regional agreement for the CAREC RTGM</p> <p>Also, consideration may be given to amending applicable regional (plurilateral) agreements, e.g., the ECO TTFA, the TRACECA BMA.</p>	Possible need to amend Chapter 5 of the Customs Code of the Azerbaijan Republic, 2011, mentioned under the current provisions column; that said, notably the Code already incorporates several best practices, and generally complies with the norms and	Possible need to amend Resolution No. 230 of the Cabinet of Ministers of the Azerbaijani Republic, dated 27 August 2013, which covers rules of assignment, temporary suspension, and cancellation of the status of AEOs

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
			<p>on the Criteria for Granting the Status of AEO.</p> <p>No provision for mutual recognition of AEOs or exemption from transit guarantees for AEOs was identified.</p>		<p>standards of WTO and the European Union Customs Code</p> <p>As a former Soviet Republic, Azerbaijan's legal system is likely monist, i.e., international legal texts would be self-executing, although this should be confirmed with Azeri legal authorities; however, changes in these provisions may still be required for practical implementation purposes</p>	<p>That said, Azerbaijan's legal system is likely monist, i.e., international legal texts would be self-executing, although changes in this resolution provision may still be required for practical implementation purposes</p>
AZE	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	Not covered	As above	<p>Possible need to amend Chapter 29 (Transit), Article 174 (International Transit) of the Customs Code of the Azerbaijan Republic, 2011</p> <p>Also worth noting, Azerbaijan's legal system is likely monist, i.e., international legal texts would be self-executing, although changes in relevant provisions of domestic primary laws may still be required for practical implementation purposes.</p>	<p>Possible need to amend (i) the Decision of the Cabinet of Ministers of [the] Azerbaijan Republic, No. 5, 14 January 2014 On the Rules of Carriage of Goods under the Special Customs Procedure of International and Domestic Transit; and (ii) Resolution of the Cabinet of Ministers of [the] Azerbaijan Republic, No. 95, 7 May 2012, On Approval of Rules on the Exchange with Customs and Other Authorized Bodies of Other Countries of Information on Entry, Exit, and Transit through</p>

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
						<p>the Customs Border of Goods and Vehicles</p> <p>That said, Azerbaijan's legal system is likely monist, i.e., international legal texts would be self-executing, although changes in relevant provisions of domestic secondary laws may still be required for practical implementation purposes.</p>
AZE	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process	No applicable provisions identified	As above	As above	As above
AZE	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	As above	<p>Requirement for provision(s) in a regional agreement for the CAREC RTGM</p> <p>Also, consideration may be given to amending applicable regional (plurilateral) agreements, especially the Protocol between the Customs Administrations of GUAM Member States</p>	<p>Possible need to amend Title 3 of the Customs Code of the Azerbaijan Republic, 2011, on Act on Information Systems and Information Technologies in Customs Matters</p> <p>That said, Azerbaijan's legal system is likely monist, i.e., international legal texts would be self-executing, although</p>	As above

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
				on Organizing the Exchange of Preliminary Information on Goods and Vehicles Transiting across the State Borders of GUAM Member States (2015).	changes in relevant provisions of domestic laws may still be required for practical implementation purposes.	
PRC	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	<p>In October 2015, the GACC revised its AEO classification system to simplify processes and make it easier for new companies entering the PRC to qualify for simplified customs procedures; the decree specifically states that certified enterprises that are designated AEOs by GACC are eligible for preferential treatment and clearance facilitation granted by GACC and its foreign counterparts through mutual recognition [Decree No. 225 of the General Administration of China Customs, Interim Measures of [the] Customs Administration of the People's Republic of China for Enterprise Credit Management, 8 October 2014].</p> <p>There is no provision for mutual recognition of AEOs or exemption from</p>	<p>Requirement for provision(s) in a regional agreement for the CAREC RTGM</p> <p>Also, consideration may be given to amending applicable regional (plurilateral)/bilateral agreements, e.g., SCO, QTTA, the Agreement between the Government of [the People's Republic of] China and the Government of Mongolia on International Road Transport</p>	Possible need to amend the Customs Law of the People's Republic of China, 8 July 2000 (as amended on 28 December 2013)	Probable need to amend GACC decrees, e.g., Decree No. 225 of the General Administration of China Customs, Interim Measures of [the] Customs Administration of the People's Republic of China for Enterprise Credit Management, 8 October 2014

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
			<p>transit guarantees for AEOs.</p> <p>The Insurance Law of the People's Republic of China, 28 February 2009, does not directly cover matters related to customs transit.</p>			
PRC	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	Not covered	As above	Probable need to amend the Customs Law of the People's Republic of China, 8 July 2000 (as amended on 28 December 2013), which makes only limited references to transit ("transit goods, transshipment goods and through goods"), as identified in Articles 23 and 100; Article 59 provides that "[a]fter the consignee or consigner has paid to the Customs a deposit of an amount equal to the duties or provide a bond, temporary duty exemption shall be granted to goods that are temporarily imported or exported with the approval of the Customs and to bonded goods that are imported with special permission" – in other words, no special treatment is accorded transit goods	Probable need to amend applicable GACC decrees

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
PRC	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims	No applicable provisions identified	As above	As above	As above
PRC	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	As above	As above	As above	As above
GEO	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	Article 224 – as amended by the Law of Georgia No. 97 of 16 December 2016 – covers authorized economic operators (AEOs), which are to benefit from ‘simplified customs control and/or simplified customs regulations’ (paragraph 1), i.e., from a “lighter regulatory touch”. Conditions for AEO status include (i) compliance with the tax laws of Georgia, (ii) use of a commercial and/or transportation accounting management that ensures implementation of	For other CAREC countries, requirement for provision(s) in a regional agreement for the CAREC RTGM Also, consideration may be given to amending applicable regional (plurilateral) agreements, e.g., the TRACECA Basic Multilateral Agreement	While implementation of the pilot project may require amendment of primary laws in this area, these may be effected relatively easily.	Secondary laws/regulations to implement an AEO system are now under preparation.

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
			<p>appropriate customs control, (iii) solvency, and (iv) compliance with appropriate safety and security standards paragraph 3). A working group is preparing legislative amendments and instructions for traders and auditors, for implementation of the program, to be completed in March 2017. Implementation with "live AEOs" is expected in the beginning of 2018.</p> <p>The Instruction on [the] Movement and Clearance of Goods across the Customs Territory of Georgia, approved by Order No. 290 of 26 July 2012 of the Minister of Finance of Georgia, indicates that a guarantee is not required for transit.</p> <p>Mutual recognition of AEOs will require agreements with partner states.</p>			
GEO	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval	As noted above, the Instruction on [the] Movement and Clearance of Goods across the Customs Territory of Georgia,	As above	Little or no change required	Little or no change required

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
		processes	indicates that a guarantee is not required for transit.			
GEO	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process	As above	As above	Little or no change required	Little or no change required
GEO	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	The Instruction for Implementation of Procedures Related to Entering Goods into the Customs Territory of Georgia / Leaving the Customs Territory of Georgia and Declaration, approved by Order No, 12858 of 1 August 2012 of the Director General of the Georgia Revenue Service, specifies details for submitting and processing information, datasets, and information classification; it also outlines detailed rules for the submission of different customs documents (i.e., declarations and internal transit documents) and data processing.	Requirement for provision(s) in a regional agreement for the CAREC RTGM Also, consideration may be given to amending/adapting applicable regional (plurilateral) agreements, especially the Protocol between the Customs Administrations of GUAM Member-States on Organizing the Exchange of Preliminary Information on Goods and Vehicles Transiting across the State Borders of GUAM Member States (2015).	While implementation of the pilot project may require amendment of primary and secondary laws in this area, these may be effected relatively easily.	While implementation of the pilot project may require amendment of primary and secondary laws in this area, these may be effected relatively easily.

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
KAZ	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	<p>Under the [Eurasian] Customs Union, the customs authorities assign AEO status to legal entities by entering them into a register of AEOs; one of the conditions for being listed on the register is provision of a minimum EUR 1 million security deposit for customs payments (EUR 50,000 for manufacturing companies and exporters). The AEO also enters into an agreement with customs authorities establishing the method and procedure by which they will work together, and receives the right to use certain simplified customs procedures.</p> <p>Under the CAREC program in July 2015, international experts and customs officials in Kazakhstan discussed the basic principles of an AEO program, how to implement it program, and WCO standards on securing and facilitating a trade framework.</p> <p>Since the EEU has only recently been</p>	<p>Requirement for provision(s) in a regional agreement for the CAREC RTGM</p> <p>Also, consideration may be given to amending applicable regional (plurilateral) agreements, e.g., ECO TTFA, TRACECA BMA, EEU, SCO, QTTA, NSITC</p>	<p>Possible need to incorporate provisions for AEO scheme, mutual recognition, and exemption from transit guarantee in the EEU Customs Code now under development</p> <p>That said, the legal system of Kazakhstan – a former Soviet Republic – is monist, at least nominally; as stated in Article 4(3) of the Constitution of the Republic of Kazakhstan, approved in a referendum on 30 August 1995, “[i]nternational treaties ratified by the Republic shall have priority over its laws and be directly implemented except in cases when the application of an international treaty shall require the promulgation of a law”.</p>	None identified, although possibly required

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
			established, its customs code is still being drafted and is not expected to take effect until 2016 or 2017.			
KAZ	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	Not covered	As above	Probable need to incorporate these provisions in the EEU Customs Code now under development as well as in Chapter 38 (consisting of Articles 319 to 332) of the Code on Customs Affairs of the Republic of Kazakhstan, 30 June 2010 (and amended in 2012), No. 296-IV, on Customs Procedure[s] for Customs Transit That said, the legal system of Kazakhstan – a former Soviet Republic – is monist.	As above
KAZ	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process	No applicable provisions identified	As above	As above	As above

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
KAZ	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	A key feature of the new EEU Customs Code is expected to be the introduction of electronic customs procedures	As above	As above	As above
KGZ	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	The applicable primary national legal text regarding transit is now the Customs Code of the Kyrgyz Republic, dated 27 November 2014, and effective from 12 August 2015. Based on the 2009 Customs Code of the Customs Union, it replaces (indeed it specifically “renounced” or “disabled”) the previous (2004) Customs Code of the Kyrgyz Republic. It contains 11 sections and 57 chapters. Chapter 16, Articles 86-90, cover customs transit procedures, including multiple references to the relevant provisions in the Customs Code of the Customs Union. Chapter 234 and following of the Customs Code of the Kyrgyz Republic provide for facilitation for AEOs, with Chapter	Requirement for provision(s) in a regional agreement for the CAREC RTGM Also, consideration may be given to amending applicable regional (plurilateral)/bilateral agreements, e.g., ECO TTFA, TRACECA BMA, EEU, SCO, QTTA, CBTA	Possible need to incorporate provisions for AEO scheme, mutual recognition, and exemption from transit guarantee in the EEU Customs Code now under development That said, the legal system of the Kyrgyz Republic – a former Soviet Republic – is monist at least to some extent, i.e., international legal texts are self-executing; see Article 6,3 of the Constitution of the Kyrgyz Republic.	None identified, although possibly required

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
			<p>235 addressing transit issues relating to AEOs.</p> <p>Under the [Eurasian] Customs Union, the customs authorities assign AEO status to legal entities by entering them into a register of AEOs; one of the conditions for being listed on the register is provision of a minimum EUR 1 million security deposit for customs payments (EUR 50,000 for manufacturing companies and exporters). The AEO also enters into an agreement with customs authorities establishing the method and procedure by which they will work together, and receives the right to use certain simplified customs procedures.</p> <p>Since the EEU has only recently been established, its customs code is still being drafted and is not expected to take effect until 2016 or 2017; the draft version does however include extensive provisions regarding transit and</p>			

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
			<p>Kyrgyz Republic customs law (as that of Kazakhstan, reviewed above) will need to take the EEU customs code fully into account.</p> <p>The Insurance Law of the Kyrgyz Republic does not directly provide for matters related to customs transit.</p>			
KGZ	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	Not covered	As above	<p>Probable need to incorporate these provisions in the EEU Customs Code now under development as well as in the Customs Code of the Kyrgyz Republic, dated 27 November 2014, and effective from 12 August 2015, Chapter 16, Articles 86-90, of which cover customs transit procedures, including multiple references to the relevant provisions in the Customs Code of the Customs Union</p> <p>That said, the legal system of the Kyrgyz Republic – a former Soviet Republic – is monist at least to some extent.</p>	As above

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
KGZ	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process	No applicable provisions identified	As above	As above	As above
KGZ	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	A key feature of the new EEU Customs Code is expected to be the introduction of electronic customs procedures	As above	As above	As above
MON	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	<p>The Customs Law of Mongolia, 1 July 2008, is the primary legal text regarding transit. Subchapter 1 of Chapter 11 (Articles 183 to 217) covers international transit and Subchapter 2 of Chapter 11 (Articles 191 to 199) covers domestic transit.</p> <p>The Insurance Law of Mongolia does not directly provide for matters related to customs transit.</p>	<p>Requirement for provision(s) in a regional agreement for the CAREC RTGM</p> <p>Also, consideration may be given to amending applicable regional (plurilateral)/bilateral agreements, e.g., ECO TTFA, the Agreement between the Government of [the People's Republic of] China and the Government of Mongolia on International Road Transport</p>	<p>Need to amend the Customs Law of Mongolia, 1 July 2008, Subchapters 1 and 2, mentioned under the current provisions column</p> <p>That said, Mongolia's legal system is monist – international legal texts are self-executing – although it may nevertheless be necessary to enact domestic laws for implementation.</p>	No applicable secondary laws/regulations identified

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
MON	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	Not covered	As above	As above	As above
MON	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process	No applicable provisions identified	As above	As above	As above
MON	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	As above	As above	As above	As above
PAK	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	<p>The primary legal instrument of Pakistan regarding transit is the Customs Act, 1969 (IV of 1969), as amended. Chapter 13 – including Sections 126 to 129a – covers Transit Trade.</p> <p>While there is no provision for AEOs in the Customs Act, 1969, a concept paper proposing implementation of an</p>	<p>Requirement for provision(s) in a regional agreement for the CAREC RTGM</p> <p>Also, consideration may be given to amending applicable regional (plurilateral)/bilateral agreements, e.g., the QTTA, (the still draft) trilateral trade agreement (AFG-PAK-TAJ), the bilateral agreement with AFG</p>	<p>Need to amend the Customs Act, 1969 (IV of 1969), as amended, Chapter 13 – including Sections 126 to 129a (which covers Transit Trade), mentioned under the current provisions column.</p> <p>In terms of the direct applicability of international agreements into Pakistan's national law,</p>	Regarding Afghanistan, there is a possible need to amend the Afghanistan-Pakistan Transit Trade Rules, issued by Pakistan's Federal Board of Revenue; Rules 608-618 address the requirements and procedures for use by Afghan commercial vehicles for transport of transit goods in Pakistan.

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
			AEO program has been prepared, including an 11-phase implementation plan, in line with international best practice. USAID Trade Project, USAID/Pakistan, Office of Economic Growth & Agriculture, <i>Concept Paper for the Proposed Implementation of the Authorized Economic Operator Program in Pakistan</i> , May 2014.	(APTTA). Considering the concern for unauthorized trade (i.e., from goods in transit to Afghanistan being diverted to the Pakistani market, or from transit goods brought back to Pakistan after entering Afghanistan), the APTTA provides security in five forms: (i) insurance guarantees, (ii) tracking devices, (iii) bank guarantees, (iv) bonded carrier licenses, and (v) container security deposits. The agreement permits only trucks owned by licensed bonded carriers to haul international transit goods. Also, it provides that the contracting parties are to provide and accept financial guarantees equal to leviable duties and taxes for transit goods, as determined by the respective customs departments (e.g., under the Pakistan-Afghanistan Transit Trade Rules).	Pakistan's legal system is likely a mix of monist and dualist – it has indicated readiness in principle to submit to (general) international law.	In terms of the direct applicability of international agreements into Pakistan's national law, Pakistan's legal system is likely a mix of monist and dualist.

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
PAK	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	No applicable provisions identified	As above	As above	Regarding Afghanistan, there is a possible need to amend the Afghanistan-Pakistan Transit Trade Rules, issued by Pakistan's Federal Board of Revenue; Rule 619 states that: "The Afghan importer of goods shall furnish Customs Security in the form of an insurance guarantee. The insurance guarantee should be valid for at least one year and en-cashable in Pakistan. The amount of Customs Security for transit operations is determined by the Appraising Officer and the Principal Appraiser of the office of departure. In case transport units are registered in Afghanistan, a bank guarantee or revolving bank guarantee equal to 10% percent of the amount of duty needs to be lodged and in case a transport operator desires to operate less than four transport units, there is a requirement for a bank guarantee amounting to one hundred percent of the

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
						amount of duties involved". In terms of the direct applicability of international agreements into Pakistan's national law, Pakistan's legal system is likely a mix of monist and dualist.
PAK	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process	Not covered	As above	As above	As above
PAK	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	No applicable provisions identified	As above	As above	As above
TAJ	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	The Customs Code of the Republic of Tajikistan, 3 December 2004, as amended, with the last version dated 18 March 2015, is the primary law of the country regarding customs transit. It is broadly comparable to the customs codes of Kazakhstan and the	Requirement for provision(s) in a regional agreement for the CAREC RTGM Also, consideration may be given to amending applicable regional (plurilateral)/bilateral agreements, e.g., ECO TTFA, TRACECA BMA, SCO, (the still draft)	Need to amend the Customs Code of the Republic of Tajikistan, 3 December 2004 (as amended, with the last version dated 18 March 2015), mentioned under the current provisions column That said, the legal system of the Republic	None identified, although possibly required

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
			<p>Kyrgyz Republic with respect to transit.</p> <p>Tajikistan may join the EEU, although in any case the EEU customs code is still being drafted and is not expected to take effect until 2016 or 2017; the draft version does however include extensive provisions regarding transit and Tajikistan customs law would need to take the EEU customs code fully into account if Tajikistan does become a member of the EEU.</p>	trilateral trade agreement (AFG-PAK-TAJ), CBTA.	of Tajikistan – a former Soviet Republic – is monist, i.e., international legal texts are self-executing; see Article 10 of the Constitution of the Republic of Tajikistan (Dushanbe, 6 November 1994, and amended on 26 September 1999 and 22 June 2003).	
TAJ	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	Not covered	As above	Probable need to amend is the Customs Code of the Republic of Tajikistan, 3 December 2004 (as amended, with the last version dated 18 March 2015), which is the primary law of the country regarding customs transit. That said, the legal system of the Republic of Tajikistan – a former Soviet Republic – is monist, i.e., international legal texts are self-executing.	As above

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
TAJ	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process	No applicable provisions identified	As above	As above	As above
TAJ	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	No applicable provisions identified	As above	As above	As above
TKM	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	The Customs Code of Turkmenistan of 25 September 2010, as amended, e.g., by Law No. 345-IV of 19 October 2012, is the primary law of the country regarding customs transit; it is similar to the customs codes of other CIS countries in the region with respect to internal (domestic) and international customs transit	Requirement for provision(s) in a regional agreement for the CAREC RTGM Also, consideration may be given to amending applicable regional (plurilateral)/bilateral agreements, e.g., NSITC, the Agreement between Turkmenistan and Afghanistan on Transit.	Probable need to amend the Customs Code of Turkmenistan of 25 September 2010, as amended, e.g., by Law No. 345-IV of 19 October 2012, which is the primary law of the country regarding customs transit That said, the legal system of the Republic of Turkmenistan – a former Soviet Republic – is monist, i.e., international legal texts are self-executing (see the second paragraph of Article 6 of the Constitution of Turkmenistan, adopted	None identified, although possibly required

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
					on 18 May 1992 and amended in 1995, 1999, 2003, 2006, and 2008)	
TKM	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	Not covered	As above	As above	As above
TKM	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process	Not covered	As above	As above	As above
TKM	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	No applicable provisions identified	As above	As above	As above
UZB	Exemption from guarantee requirement for AEOs	Provisions for AEO scheme, mutual recognition, and provisions covering exemption from the requirement to furnish a transit guarantee	Not provided for in the current laws and regulations	Requirement for provision(s) in a regional agreement for the CAREC RTGM Also, consideration may be given to amending applicable regional (plurilateral)/bilateral agreements, e.g., SCO	Probable need to amend the Customs Code of the Republic of Uzbekistan, No. 3 (I), 20 January 2016, which entered into force on 21 April 2016 As a former Soviet Republic, Uzbekistan's legal system is likely monist, i.e., international	Need to promulgate new secondary regulations

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
					legal texts would be self-executing, although this should be confirmed with Uzbek legal authorities (for general reference, see the preamble of the Constitution of the Republic of Uzbekistan, 8 December 1992, which recognizes “priority of the generally accepted norms of the international law”); in any case, it may nevertheless be necessary to enact domestic laws for implementation.	
UZB	Multiple/comprehensive guarantees	Provisions for multiple/comprehensive guarantees, a range of guarantors (surety providers), and guarantor approval processes	Not provided for in the current laws and regulations	As above	<p>Probable need to amend Chapter 18 (Customs Transit) of the Customs Code of the Republic of Uzbekistan, No. 3 (I), 20 January 2016, which entered into force on 21 April 2016</p> <p>That said, Uzbekistan’s legal system is likely monist, i.e., international legal texts would be self-executing, as indicated above.</p>	Need to amend secondary regulations (to the extent they may still be applicable under the new Customs Code), e.g., Resolution of the Cabinet of Ministers, No. 239, 20 May 2004, which covers the strengthening of the customs control of goods transported through the territory of the Republic of Uzbekistan, and which introduced customs escorts commencing on 1 June 2004; Resolution of the Cabinet of Ministers, No. 63, 4 March 2013, which sets

Country	Proposed Element of Mechanism	Issues to be Covered	Current/Proposed Legal Provisions in Country	Required Changes in Multilateral/Bilateral Agreements	Required Changes in Primary Laws	Required Changes in Secondary Laws (Regulations)
						out measures to further improve the regulation of the movement of goods and vehicles across the customs border(s) of the Republic of Uzbekistan); alternatively, need to promulgate new secondary regulations under the new Customs Code
UZB	Risk-based setting of guarantees	Provisions for guarantee levels to be set at different rates, provisions for customs procedure for waiver or reduction in guarantee amount, provisions for liability for non-completion and notification, and provisions for settlement of claims process	Not covered	As above	Need to amend the Customs Code of the Republic of Uzbekistan, No. 3 (I), 20 January 2016, which entered into force on 21 April 2016 That said, Uzbekistan's legal system is likely monist, i.e., international legal texts would be self-executing, as indicated above.	Need to promulgate new applicable secondary regulations
UZB	Transit form	Provisions approving a standard transit form and provisions for electronic exchange of the transit form and associated data	The current Customs Code provides for electronic declaration and the use of digital signatures, which will simplify and accelerate the process of customs control; also, the issuance of permits via information technology will provide for the issuance of permits via a single window	As above	Possible need to amend the provisions of the new Customs Code that provide for electronic declaration That said, Uzbekistan's legal system is likely monist, i.e., international legal texts would be self-executing, as indicated above.	As above

Appendix 2: Meetings held on Missions to the CAREC Region

List of Meetings

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
26.01.15	KFFA (ANEK) – Kazakhstan Freight Forwarders Association	Office 201, 127, Furmanov Str. P.O., 050000 Almaty, Kazakhstan	Mr Segal Ilya Pavlovich	General Director	+7 (727) 261-01-38 +7 (727) 261-02-95	+7 777 210 81 02 +7 777 229 96 03 +7 777 666 06 89	info@kffanek.kz rafnay@mail.kz nursultan@kffanek.kz	www.kffanek.kz
27.01.15	KAZATO – UNION OF INTERNATIONAL ROAD OF CARRIERS	86, Masanchi Street, Almaty, 050022, Kazakhstan	Mr. Teodor Kaplan Lazarevich	Secretary General	+7 (727) 292-02-26 +7 (727) 250-92-97		info@kazato.kz	www.kazato.kz
			Mr. Vitaliy Poplavskiy Ivanovich	Deputy Secretary General	+7 (727) 292-02-26		kazato@kazato.kz	
			Mr. Aleksandr Denisenko Aleksandrovich	Deputy Secretary General	+7 (727) 292-53-24		manager@kazato.kz	
			Ms. Saltanat Ermekkalieva Ergalieva	Deputy Secretary General	+7 (727) 292-28-62		saltanat@kazato.kz	
27.01.15	National Bank of Kazakhstan	21, Koktem-3, Almaty, 050040, Kazakhstan	Ms. Zhanel Mussa	Leading Specialist-Economist Department for International and PR	+7 (727) 270-48-98	+7 701 771 09 07	Zhanel.mussa@nationalbank.kz	www.nationalbank.kz
28.01.15	ADB – Kazakhstan Resident Mission / Astana office	12 Samal Microdistrict Astana Tower Business Centre, 20 th Floor, Astana 010000, Kazakhstan	Mr. Jinling Yang	Country Director	+7 (717) 270-97-07	+7 701 512 72 33	jyang@adb.org	www.adb.org
			Mr. Kenzhekan Abuov	In-country project contact			kabuov.consultant@adb.org	

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
28.01.15	National Chamber of Entrepreneurs of KAZ	Block B, Floor 26, Kunayev Str., Astana	Mr. Yerlan Danenov	Head of Europe & America sector	+7 (717) 227 90 56		Yerlan.daneshev@kazcic.kz	www.kazcic.kz
			Mr. Alikhan Mambetalin	Head of Dept. of Customs Affairs	+7 (717) 291-93-41 ext. 1862	+7 777 777 21 11	a.mambetalin@palata.kz	www.palata.kz
			Mr. Serik Mussayev	Expert, Dept. of Customs Affairs	+7 (717) 291-93-41	+7 701 522 80 74	s.mussayev@palata.kz	
			Mr. Kassym Khamzin	Chief Expert, Summary Analysis Dept.	+7 (717) 291-93-58	+7 705 527 88 55	k.khamzin@palata.kz	
			Mr. Kanat Mukushev	Secretary of Committee of transport, logistics and connection	+7 (717) 291-93-34	+7 701 521 86 06	k.mukushev@palata.kz	
28.01.15	State Revenue Committee of Ministry of Finance	Beibitshilk avenue, 10 Astana	Miss Baimukhanova Tolkyn	Head of the Customs Control Department	+7 (717) 270-98-96			www.customs.kz
			Mr. Alexandr Nurpeissov Muhamedyarovich	Deputy Head of the Customs Control Department	+7 (717) 271-77-03			
			Mr. Samat Apenov Muratovich	Chief Expert, International Cooperation Dept. <u>contact point</u>	+7 (717) 270-99-82		Samat.apenov@customs.kz	
			Mr. Alexandr Kurbat Leonidovich	Chief Expert of the Customs Control Department	+7 (717) 271-79-62	+7 701 526 90 86		

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
6/3/15	UNECE	Palais des Nations 8-14 Avenue del Paix CH-1211 Geneva 10 Switzerland	Eva MOLNAR	Director Transport Division	+44 (0) 22 917 24 00		eva.molnar@unece.org	www.unece.org
			Miodrag PESUT	Chief Transport Facilitation and Economics Division Transport Division	+41 (0) 22 917 41 36		miodrag.pesut@unece.org	www.unece.org
			Artur BOUTEN	Legal Officer Transport Division	+41 (0) 22 917 24 33		artur.bouten@unece.org	
			Ariadne ABEL	Associate Programme Management Officer TIR Secretariat Transport Division	+41(0) 22 917 23 92			
6/3/15	IRU	16, chemin de la voie- Creuse BP 44 CH-1211 Geneva 20 Switzerland	Marek RETELSKI	Head TIR and Trade Facilitation	+41 22 918 20 26	+41 79 658 22 25	mark.retelski@iru.org	www.iru.org
			Kasem ASAYESH T.T	Senior Adviser on TIR and Trade Fac.		+ 41 79 139 76 87	kasem.asayesh@iru.org	
			Youlian GUENKOV	Head, TIR Admissions and Audit	+41 22 918 27 72	+41 79 691 55 32	Julian.genkov@iru.org	
10.3.15	State Customs Committee Azerbaijan	-	Mr. Javad Gasimov	Chief, Customs Control Head Department	-	-		
			Mr. Rauf Memmedov	Chief Expert Customs Control			lrauf.memmedov@customs.gov.az	
10.3.15	Ministry of Finance Azerbaijan	-	Mr. Adalad Aliyev	Infrastructure Project Management	-	-		
			Mr. Azove Murcagaailiya	Public State Debt agency				
12.3.15	KiMYOTRANS – Transport forwarding services	38 Navoi str., 100011, Tashkent	Mr. Babur Beknazov	Director	+99871244908 4	-	kimyotrans@uks.uz	
13.3.15	ADBL	7,Sh Abzalov street, Tashkent	Mr. Ziyadulla S. Pultkhodjaev	Adviser to General Director	+99871249912 0	-	logistika@adbi.uz	
13.3.15	National Bank for Foreign Economic Activity of the Republic of Uzbekistan	101,Amir Temur str. Tashkent 100084	Ms. Marianna I. Tsoy	Senior Executive Director Trade Finance	+99871238566 2	-	MTsoy@central.nbu.com	
			Mr. Davron A. Ismailov	Director Trade Department	+99871234160 2		Dismailov@central.nbu.com	

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
			Ms. Hmid Aburakhinov	Head of Protocol Division				
13.3.15	ADB	1, A Khodjaev Street, Tashkent 100027	Mirzo Iskandar Gulamov	Senior Economics Officer	+998 71 140 1920-25		mgulamov@adb.org	
13.3.15	Customs Committee of Uzbekistan	Uzbekistan avenue, 3, Tashkent, 100003 Uzbekistan	Ms. Gulfiza	International Relations Department	+99871 120 76 00		ravshan@customs.s.uz	www.customs.uz
			Mr. Ravshan Akramov	Deputy Chief Customs Control Department				
			Mr. Mirakbar Alikhodjaev	Head Expert Customs Control Department				
19.3.15	Freight Operators Association of Kyrgyz Republic	16/7, Ayni str., 72044 Bishke, Kyrgyz Republic	Shabdanaliev Temirbek Musaevich	Chairman, Head of the project "Monitoring of Transport Corridors of CA"	+ 996 (312) 979563		Temir300@mail.ru ktat@jet.kg	
19.3.15	ADB	52-54 Orozbekov Street, Bishkek 720040, Kyrgyz Republic	Aidana Berdybekovadana	Regional Cooperation Coordinator	+996 312 900445 Ext. 122		aderybekova@consultant@adb.org	
19.3.15	Association of International Transport Operators	187, Moscovskya st. Bishkek, Kyrgyz Republic	Vladimir Fedorovic Nikonov	Director	+996 312 35-36-36 +996 775 58-39-13		fofa@elcat.kg	
20.3.15	ADB	52-54 Orozbekov Street, Bishkek 720040, Kyrgyz Republic	Mart Khaltarpurev	Sr. Portfolio Management Specialist	+996 312 900445 Ext. 122		mkhaltarpurev@adb.org	
20.3.15	KGZ Customs Committee		Evgeniy Pak, Customs Procedures Dept Beksultan, Customs control Department					
23.3.15	General Administration of Customs of PRC	Add: No: 6, Jian Guo Men Nei st., Beijing, 100730, China	Yuan Ziwei	Director of Bilateral and Regional Affairs Division Department of International Cooperation	98610) 65195766 13810622384		yuanziwei@customs.gov.cn	

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
			Ms. Xu Xiao Jing	Deputy Director of Bilateral and Regional Affairs Division Department of International Cooperation				
			Ms. HE Jia	Principal Staff Bilateral and Regional Affairs Division Department of International Cooperation				
			Mr. Liu You	Principal Staff Department of Policy and Legal Affairs				
			Ms. Wang Tao	Department of Customs Control and Inspection, GACC Principal Staff				
			Mr. Fu Qing	Deputy Director Department of Audit- based Control and Risk Management, GACC				
			Ms. Jin Hongman	Senior Specialist (Deputy Director General Level) Department of Statistics				
			Mr. Kang Zhijian	Deputy Director Department of Science and Technology,				
24.3.15	CAREC Federation of Carrier and Forwarder Associations	MINMETALS Plaza Bld 15, Block 4, Anhuili, Chaoyang District, Beijing, China 100101	Capt. Lin Zhong	Chairman	86-10- 58603780		Captlin@126.com	
27.3.15	Mongolian National Chamber of Commerce and Industry	Room 310, MNCCI Bdg., M. Ghandi Street, Khan-Uul District, Ulaanbaatar 17011, Mongolia	Sharbandi Tsevelsaikhan	Chief executive of GSI Mongolia	313411		tsevelsaikhan@mongolchamber.mn	

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
27.3.15	Mongol Daatgal National Insurance Company	Constitution Street 5 th Khoroo, Sukhbaatar District, Ulaanbaatar Mongolia	Bat-Ulzii Taivan	Senior Underwriter	976-11-313901 976 99995645		Bat-ulzii@mongoldaatgal.mn	
27.3.15	Ditto	Ditto	Tivshintur Bold-Erdene 95099060		95099060		Tuvshintur.b@mongoldaatgal.mn	
27.3.15	T I Logistic	Tecnik Import Bld, Rppm 105, Peace Avenue -125, 5 th khoroo, Bayangol District, Ulaanbaatar, Mongolia	Tsengel. A	Vice President	976 70180889 976 99107274		tsengel@tilogistic.mn	
27.3.15	Customs General Administration	14193, Ikhtoiruu 81/1 Sukhbaatar District Ulaanbaatar, Mongolia	BAT-ERDENE, Yondon	Director, Compliance and Trade Facilitation Department	976 11- 354531 976 9909 5919		Baterdene@ecustoms.mn	
27.3.15			Munkhзориг, Batsumber	Customs Officer	976 11 266782		Munkhзориг1205@customs.mn	

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
01.04.15	Kazlogistics – Transport Union of Kazakhstan	6, Konaevstr, Astana, 010000, Kazakhstan	Mr. Kanat Almagambetov Esmuhanovich	General Director	+7 (717) 260-43-58	+7 701 712 00 08	ak@kazlogistics.kz	www.kazlogistics.kz
			Ms. Indira Sadvakasova Kurmangazievna	Deputy General Director		+7 701 776 00 45	sadvakasova.i@kazlogistics.kz	
			Ms. Aidana Kuzganova Erlanovna	General Manager of International Relations	+7 (717) 260-04-41	+7 701 999 45 63	kuzganova.a@kazlogistics.kz	
			Mr. Sabyr Kulyshov Malikovich	Executive Director of Logistics	+7 (717) 260-04-37	+7 778 111 37 57	Sabyr.kulyshov@gmail.com	

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
25.5.2015	Ministry of Economy and Development, Turkmenistan		Mr. Begjan Kakajanov	Deputy Minister				
			Mr. Annachary Mulliyev	Head of Foreign Economic Relations Department				
			Mr. Ata Chopaev	Head of Transport Department				
			Mr. Vepa Gurbanov	Deputy Head of Foreign Economic Relations Department				
25.5.2015	Ministry of Railway Transport, Turkmenistan		Mr. Begench Geldiyev	Deputy Minister				
			Mr. Mekan Dadyev	Deputy Head of Division of Economy and Finance				
			Mr. Rejep Serdarov	Head of Control Department of Turkmenavtoyollary (Road Concern)				
			Mr. Gulam Melejaye	Specialist of Department of Foreign Economic Relations				
			Mr. Bezirgen Muhammedov	Chief specialist of technical department, Sea and River Navigation Service				
26.5.2015	Central Bank of Turkmenistan		Ms. Jamilya Yusupova	Deputy Head of Department of Macroeconomic Analysis and Financial Policy				
			Leila Orazova	Specialist of Department of Macroeconomic Regulation and Financial Policy				
			Mr. K. Kurbanakhatov	Head of Department of International Settlements				
			Ms. Govher Orazova	Chief specialist, Division of Public Relations and Protocol				
26.5.2015	State Customs Service of Turkmenistan		Mr. Akoyli Niyazov	Deputy Head of State Customs Control Department				
			Mr. Bairamgeldi Atakuliyev	Head of Customs Statistics Department				
26.5.2015	Ministry of Economy and Development Turkmenistan		Mr. Serdar Atayev	Minister				
			Mr. Annachary Mulliyev	Head of Foreign Economic Relations Department				
			Mr. Ata Chopaev	Head of Transport Department				

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
09.06.15	PIFFA – Pakistan International Freight Forwarders Association	174-0, Block 2, P.E.C.H.S., Karachi, Pakistan	Mr. Asim Saeed Khan	Chairman	+92 21-34322671-3	+92 300 822 91 41	piffa@piffapk.com	www.piffapk.com
			Mr. Habibullah A. Latif	Secretary General			secretary@piffapk.com	
	Experience Express Logistics (member of PIFFA)	Suite # 314-315, 9 th floor, Techno City Office Tower, Hasrat Mohani Road, Karachi-74000, Pakistan	Mr. Zahid Razzaq Chaudhary	Chief Executive	+92 21 2217571-74	+92 300 212 41 43	experience@cyber.net.pk	
	Target Logistics Int'l (Pvt) Ltd. (member of PIFFA)	9 th Floor, Ibrahim Trade Tower, Main Shahrane-Faisal, Karachi-75350, Pakistan	Mr. Khalid Masood	Chief Executive Officer	+92-21-3438 4668-71	+92 300 829 53 18	kmir@targetlogistics.com.pk	
	Agility Logistics (Pvt) Ltd (member of PIFFA)	2 nd Floor, Progressive Centre, Block-6, P.E.C.H.S., Main Sharah-e-Faisal, Karachi-75400, Pakistan	Mr. Moin A. Malik	Chief Executive	+92-21-111-436-436	+92 21 3438 7404	mmalik@agility.com	www.agility.com
09.06.15	Directorate General Transit Trade Customs House in Karachi – Federal Board of Revenue, Pakistan	12 th Floor, Customs house, Karachi, Pakistan	Mr. Javaid Muhammad Chaudhary	Additional Director	+92 219 921 42 59	+92 333 441 15 20	Jeed11@yahoo.com	www.fbr.gov.pk
10.06.15	ADB Islamabad – Pakistan Resident Mission	Level 8, North Wing, Serena Business Complex, Khayaban-e-Suharwardy, G-5, Islamabad, Pakistan	Mr. Saad Paracha	Senior Programs Officer	+92 51 208 7229	+92 300 850 89 17	sparacha@adb.org	www.adb.org
			Mr. Aamer Ali	Contact person – for project	+92 51 208 7300	+92 300 598 00 00	aamer ali72@gmail.com	
10.06.15	Ministry of Communications - Pakistan	Block-D, Pak Secretariat, Islamabad, Pakistan	Mr. Muhammad Shoaib Dogar	Director (Road Transport)	+92 51 921 49 88		shoaibdogar@gmail.com	
26.06.15	Ministry of National Economy of Kazakhstan	Astana, Orinborstreet 8, House of Ministries, entrance 7	Mr. Almas Baytenov	Deputy Director of the Department of public investment and Public-	+7(717) 2743798		a.baitenov@economy.gov.kz	www.economy.gov.kz

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
			Mr. Askar Japparkulov	Private Partnership Head of Macroeconomic Forecasting and modeling of the Department for Macroeconomic Analysis and Forecasting			a.japparkulov@ec onomy.gov.kz	

Date	Organisation	Address	Name	Position	Tel	Mobile	e-mail	web
1.6.15	Ministry of Economy Kyrgyz Republic		Mr. Baktashev Mr. Kulmambetov	Head of Trade Policy Department Head of Customs Policy Division			skulmambetov@inbox.ru	
1.6.15	State Customs Service Kyrgyz Republic		Ms. BegayimTynybekova	Senior Inspector/Major, Customs Control Dept.			begau@rambler.ru	http://www.customs.kg/index.php
1.6.2015	Ministry of Transport Kyrgyz Republic		Mr. Uezbaev Ulan Kalmurzaevich Asankulova Marina Sagynaliyevna Nalobina Elena Vladimirovan Mr. Akmatov Adylbek Tentimishevich,	Deputy Minister Head Department of Strategic Development and Investment Head Department of International Relations Head of Automotive and Transport Depart			masankulova@mail.ru	http://mtc.gov.kg

Facilitation of Regional Transit Trade in CAREC Mission February 26th to April 3rd									
No.	Date	Organisation	Type	Name	Position	Address	Telephone	Mobile	E -mail
KAZAKHSTAN									
1	29.2.16 Monday	Eurasian Express Logistics	Freight Operator	Igor Kim	Finance Director	SATTE BC 1 floor office 106 Satpayev str. 29 Almaty 050008	7 727 330 90 01	7 702 268 10 01	igor.kim@eel.kz
2	1.3.16 Tuesday	London Almaty Insurance	Cargo Insurance	Janna Akhmetzhanova Nurlan Appoz Maksim Raspopin Natalya Vassilyeva	Chairwoman/CEO Managing Director Deputy Chairman Director Underwriting	19/1 Al-Farabi Ave Nurly TauBusiness Centre Block 3 B 9th Floor Almaty	7 311 0 777 Ext.2086 Ext.2013		j.akhmetzhanova@laic.kz n.appoz@laic.kz m.raspopin@laic.kz n.vassilyeva@laic.kz
3	1.3.16 Tuesday	Centras Insurance	Cargo Insurance	Daima Mussina Ruslan Pogorelov Murat Akinov	Managing Director Board Chairman Head of Asset Mgt.	157a Shevchenko str. 050008 Almaty	7 727 259 77 55 Ditto 7 727 259 88 77	7 701 758 1259 7 701 732 65 42 7 701 786 56 84	dmussina@centras.kz rpogorelov@cic.kz makinov@centras.kz
4	1.3.16 Tuesday	Kommesk-Omir Insurance	Cargo Insurance	Vadim Silzkoukhly Oleg Khanin	Director Chairman	19, Nauryzbay bayt St. Almaty	7 727 244 7400 7 727 244 7400	7 727 244 74 50 7 777 237 48 85	V.Silzkoukhly@kommesk-omir.kz o.khanin@kommesk-omir.kz
5	2.3.16 Wednesday	KAZATO Union of International Road Carriers of Kazakhstan	Road Carrier Union	Teodor Kaplan Alexandr Denissenko	Secretary General Deputy Dir.Gen	86, Masanchi Str. 05022 Almaty	7 727 250 92 95 7 727 292 53 24	7 777 210 03 42	kaplan@kazato.kz manager@kazato.kz
6	2.3.16 Wednesday	GLOBALINK	Freight Operators	Ildus Bariev Zhanna Sikhvart	General Manager General Manager	52, Kabanbai Batyr St. 050010 Almaty	7 727 2588880 Ditto	7 777 7126643 7 777 2982098	i.Bariev@globalink.com z.sikhvart@globalink.com
7	3.3.16 Thursday	KAZLOGISTICS Transport Union of Kazakhstan	Transport Union	Almagambetov kanat Tussopova Aigul Lavrenko Yuri	General Director Deputy Dir. General Deputy Chairman of the Union	6,Konaev St. Astana, 010000 Kazakhstan	7 7172 60 43 59 7 717260 00 78 7 7172 60 43 59	7 701 711 98 91 7 701 721 25 37 7 701 7111 98 91	info@kazlogistics.kz tusupova_a@kazlogistics.kz kz1@mail.ru
8	3.3.16 Thursday	The State Revenue Committee (Customs)	Customs Administration	Abdrakhmanov Yerzhan Nuraliyev Yerall Asilbekova Mira Samat Apenov	Head of Customs Control Division Deputy Head of CCD Expert of Border Coordination Division Senior Expert International Department	10, Beibitshilik street Astana, 010000 Kazakhstan		7 701 526 90 86	
9	4.3.16 Friday	ADB	International Aid Agency	Kenzekhan Abuov	Regional Co-operation Coordinator	Kazakhstan Resident Mission, 12,Samai, Astana Tower Business Center 20th Floor Astana 1000	7 7172 709707		kabuov.consultant@adb.org
10	5.3.16 Saturday	Chamber of Entrepreneurs	Entrepreneur's Representative	Alikhan Mambetalin Dina Mamasheva Samat Kazatayev	Advisor to the Chairman Director, Customs Admin. Dpt Director, Transport and Logist. Dpt	Block B 8 Kunaev Str. Astana	7 7172 919 300 7 7172 919 341	7 777 777 21 11 7 701 203 5401	a.mambetalin@palata.kz d.mamasheva@palata.kz
	6.3.16 Sunday	Rest Day							

Date	Organisation	Type	Name	Position	Address	Telephone	Mobile	E -mail
KYRGYZ REPUBLIC								
7.3.16 Monday	Flight to Bishkek							
8.3.16 Tuesday	Dordoi Market	Largest market in Central Asia			Bishkek			
9.3.16 Wednesday	ADB Kyrgyz Resident Mission	International Aid Agency	Aidana Berdybekova	Regional Cooperation Coordinator	52-54 Orozbekov Str. 720040 Bishkek	996 312 624195 ext.122		aberdyybekova.consultant@adb.org
9.3.16 Wednesday	Freight Operators Association of KGZ	Association	Temirbebek Shebdanliev	Head of Project, Monitoring of Transport Corridor of CA	16/7 Ayni Str, 72044, Bishkek		Temir300@mail.ru.ktat	Temir300@mail.ru.ktat
9.3.16	UBS Transit	Logistics Co.	Talantbek Matkerim uulu Daniar Tolomushov	General Director Commercial Director	Tynstanova st. 305 Bishkek, KGZ	996 312 21 52 96 996 312 88 06 66	996 779 88 08 32 996 777 77 72 08	t.matkerimuulu@subtransit.kg d.tolomushov@untransit.kg
9.3.16 Wednesday	Crown Agents	Single Window Project	Andrea Turner	Commercial Manager				
10.3.16 Thursday	State Revenue Services	Customs Administration	Chekelov Murat Kozhokulov Ruslan	Head of Customs Cooperation Risk Assessment	Bishkek			
10.3.16 Thursday	AIRTO	Assoc.of International Road Transport Operators	Temir Niyabekov	Executive Director	720052 Igemberdiev str.1A Bishkek 720052	996 312 97 68 66	996 770 97 97 12	t.niyabekov@airto-kr.com
10.3.16 Thursday	ADB Kyrgyz Resident Mission	International Aid Agency	Aidana Berdybekova Mirdin Eshenalien	Regional Cooperation Coordinator Senior Project Officer	52-54 Orozbekov Str. 720040 Bishkek	996 312 624195 ext.122 996 312 624 195		aberdyybekova.consultant@adb.org meshanaliev@adb.org
11.3.16 Friday	Jubilee Insurance	Insurance Brokers	Valeriia Khagai	Chief Executive Officer	44/1 Zhukeev-Pudokin St. 3rd Floor, Bishkek	996 312 66 00 44	996 555 38 08 80	ValeriaK@jubileeinsurance.kg
11.3.16 Friday	AYU Group	Manufacturers/ Largest co. In KGZ Insurance	Ishenbaev Maksatbek Elmira Seidakhmetova	Advisor/corporate development Insurance Head	Ryskulov St. 95 A Bishkek		996 770 889999	maksatbek22 mishenbaev@yandex.ru
11.3.16 Friday	Flight to Almaty							
12.3.16 Saturday	Team Meeting, Meeting Notes.							
13.3.16 Sunday	Flight to Urumqi							

No.	Date	Organisation	Type	Name	Position	Address	Telephone	Mobile	E -mail
20	14.3.16 Monday	URUMQI Urumqi Customs	Customs Administration	Mr GUO Xu Mr DOU Luxin Mr SU Zhiqiang Ms He Jin Ms. Yin Yuan	Deputy Director Section Chief Logistical Control Section Chief of General Office Deputy Section Chief of Genral Customs Foreign Affairs Office	295 Beijing Nan Lu Urumqi			
21	14.3.16 Monday	Department of Commerce XUAR, PRC	Commerce Dtrade/Commerce	Ju Xia Ma Haidong Li Zhong Lei Zhiqiang	Director of Regional Cooperation Division of Regional Co-operation Deputy Division Chief Director of Foreign Trade Division	1292, South of Xinhua Road China Urumchi, Xinjiang, 830049	86-991-2859036 Ditto Ditto 86 991 285 4297	GSM; 13999905616 13999859848 13579833580	luxia@xiftec.gov.cn xjmhd@163.com 83052184@qq.com
22	15.3.16 Tuesday	Visit to Khorgos Customs/ICBC/Rail Terminal	Customs Dept.	Mr.R Liu MR. Ma	Director				
23	16.3.16 Wednesday	Central Asia Guangtong Exchnage PICC Insurance Company of China PICC Insurance Company of China Pacific Insurance Compamny Pacific Insurance Company Natural and Cultural Heritage Russia Farr Sashii CITS Electricity Council China Chamber of Commerce Kyrgyzstan Represenative Office Xinjiang Media Ltd Eastern Euroep and Central Asia Trading Academy	Largest Trading co. in Xinjiang	Lei Zhang Hui Li Jiapan Zhao Long Wang Jianghai Liu Yong Chen Elena Karavaeva Binglu Guo Linsheng Wang Min Wei Wei Wang Bilin Zhang Hui Fang	Deputy General Secretary Secretary General Business Director Manager Manager Manager Director Minister of External Affairs Executive Executive Rep.of Kyrgyzsathn in Xinjiang	Xinjiang Shihezi 37 District Business Park	0993-2629909	8961 064 79 07	5365558995@QQ.com karavaeva.1989@mail.ru
24	16.3.16 Wednesday	CFCFA (XULA)	Freight Operators Assoc.	Prof. Gu Je	Director				
25	17.3.16 Thursday	Freight Forwarders Association	Freight Operators Assoc.	Mr Yang Xijiang	General Manager		0086 991 8563995	0086 13709999960	13709999960@163.com
	18.3.16 Friday	Flight to Beijing							

No.	Date	Organisation	Type	Name	Position	Address	Telephone	Mobile	E-mail
	BEIJING								
	19.3.16 Saturday	Re-drafting Of Guarantee Mechanism Report							
	20.3.16 Sunday	Rest Day							
26	21.3.16 Monday	China Customs Administration	Customs Administration	Yuan Ziwei Ms He Jai Wu Chao	Director of International Cooperation Regional and Bilateral Division Project manager, regional and Bilateral	add No 6Jian Guo Men Nei Beijing 100730			yuanziwei@custom.gov.cn
27	21.3.16 Monday	CFCFA	Freight Operators Assoc.	Capt. Lin Silvia Gao Kincy JIN	Chairman General Manager, Cofortune Information Techno Project Manager, Cofortune Information Techno	Minmetals Plaza Bldg. 15, Block 4 Anhui, Chaoyang District Beijing 100101	86 10 586 86 10 678 86 10 678	86 1380 1282 182 13911160300 86 15120013614	Captlin@126.com gaoshuang@ec.com.cn www.mofcom.gov.cn
28	23.3.16 Wednesday	Bank of China Insurance	Insurance co.	Jing Tao Zhang Lei Cui Qing	Director of Marketing General Manager, Business Development Business Development Consultant	Block E 7F, No. 2, Chaoyang Street, . Dongcheng District, Beijing, China	010 8529 010 8529 0860 010 8529	137 0130 2583 135 0108 0870 186 1826 9985	jjingtao@263.net zhanglei@bocins.com cuiqing@bocins.com
29	23.3.16 Wednesday	International Chamber of Commerce	Rep. of Commercial Cos. In China	Wang Linjun Li Hui Xie Wenbin Zhang Mei Martin Kong Xuesong Zhang Hang Luo Wanxing Yu Tianyang Song Haitang Yu Jianlong Jiang Yunzhu Lun Aizxin Zhang Xialoli Li Yue	Chairman, Central Asia Guangtong Group President, Xinjiang Central Asia Guangtong Gro Dean, Xinjiang Eurasian Financial Institute Manager, China Export and Credit Insurance Company Huixin International Management Corporation Hang Tang HuiXin International Asset Management Copr. Export-Import Bank of China Secretariat of Chinese Entrepreneurs, Shanghai Ditto Secretary General of CCOIC Director of Administration, CCOIC Director of Membership Dept. CCOIC Regional Coordinator of Business Vooperation, COICC Administrator, Division for Genetal Administration, COICC	Xicheng District, Beijing	86 991 282 2596 86 10 88820410 86 10 8357	86 13426364019	xwb98@163.com zh301@outlook.com luowanxing@eximbank.gov.cn yujianlong@cietac.org jiangyunzhu@ccoic.cn
30	24.3.16 Thursday	ADB	International Aid Agency	Jurgen Conrad	Head of Economics	17th Floor, China, World Tower No 1 Jian Guo Men Wai Avenue, Chaoyang Dist.	86 10 8573	0811	jconrad@adb.org
	25.3.16 Friday	Flight to Hong Kong							

No.	Date	Organisation	Type	Name	Position	Address	Telephone	Mobile	E -mail
		HONG KONG							
	26.3.16 Saturday	Report Writing							
	27.3.16 Sunday	Rest Day							
31	29.3.16 Tuesday	Marsh (Hong Kong) Ltd.	Insurance Company	Ian Brown John Holmes	Managing Director Senior Vice President	26th Floor, Central Plaza 18, Harbour Rd, Wanchia, Hong Kong	852 2301 7310	852 9033 4950 852 9013 3533	ian.w.brown@marsh.com john.holmes@marsh.com
32	30.3.16 Wednesday	QBE Insurance	Insurance Company	Mark WALKER	Chief Executive Officer	QBE Hongkong & Shanghai Insurance DCH Commercial Centre 25 Westlands Road, Quarry Bay, Hong Kong	(852) 2877 8488 Fax: + (852) 2877 8366		
33	Thursday 31.3.16	Willis Towers Watson	Insurance Brokers	Phil Timms Les Collett	Executive Director Executive Director, Asia Pacific	18/F Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong	852 2827 0111 852 2827 0111	852 6050 5756 852 9443 8844	phil.timms@willistowerswatson.com les.collett@willistowerswatson.com
34	Friday 1.4.16	TaoSquare Group Limited	IT company	Brendan McMahon	Chief Executive Officer	The Merton 3, 13K 6, Davis Street, Kennedy Town Hong Kong	+852 6775 6295	852 6114 1900	mcmahon.brendan@gmail.com

Date	Organisation	Address	Name	Position	Tel	Mobile	E-mail	Web
6.6.	State Revenue Committee	Astana	Samat Apenov	Senior expert of International Relations Division				
			Erzhan Abdrakhmanov	Head of Customs Control Division				
			Juriy KIM	Senior expert of Customs Control Division				
			Eugeni Brussenko	Deputy Head of IT Division				
			Asem Kunadilova	Senior expert of IT Division				
7.6	KAZLOGISTICS	Astana Kazakhstan	Almagambetov Kanet	Director General				
			Tussopova Aigul	Deputy Director General				
			Lavrinenko Yuri	Deputy Chairman of the Union				
			Aldaniyazov Adil	Manager of International Co-operation				
			Dmitry Milishikhin	Executive Director on Road Transport Issues				
			SabyrKulyshov	Executive Director on Transport Logistics				
8.6	National Chamber of Entrepreneurs	Astana	Alikhan Mambetalin	Adviser to the Chairman of the Board				
			Dina Mamasheva	Director, Customs Administration Department				
9.6	State Revenue Services	Bishkek Kyrgyz Republic	Murat Chekelov	Head of Customs Cooperation				
			Ruslan Kozhokulov	Head of Control Section				
			Kasmamytov Nureldik	Risk Management Department				
			Blaliev Iskender	IT Department				
11.6	JUBILEE Insurance	Bishkek Kyrgyz Republic	Dinara Kan	Chief Financial Officer				
			Dzhi-lu-Tsan Amina	Head of Insurance Department				
			Munduzbaev Zhanysh	Insurance Technician				
11.6	AYU Company	Bishkek Kyrgyz Republic	Ishenbaev Maksatbeck	Adviser to CEO				
			Sanjarbek Davletaliev	Head of Insurance and Re-insurance Division				
			Nursultan Elebesov	Import: Export Manager				
			Guljan Qbbasbekova	Auditor				
			Giuljau Baktygulova	Supplies Department				

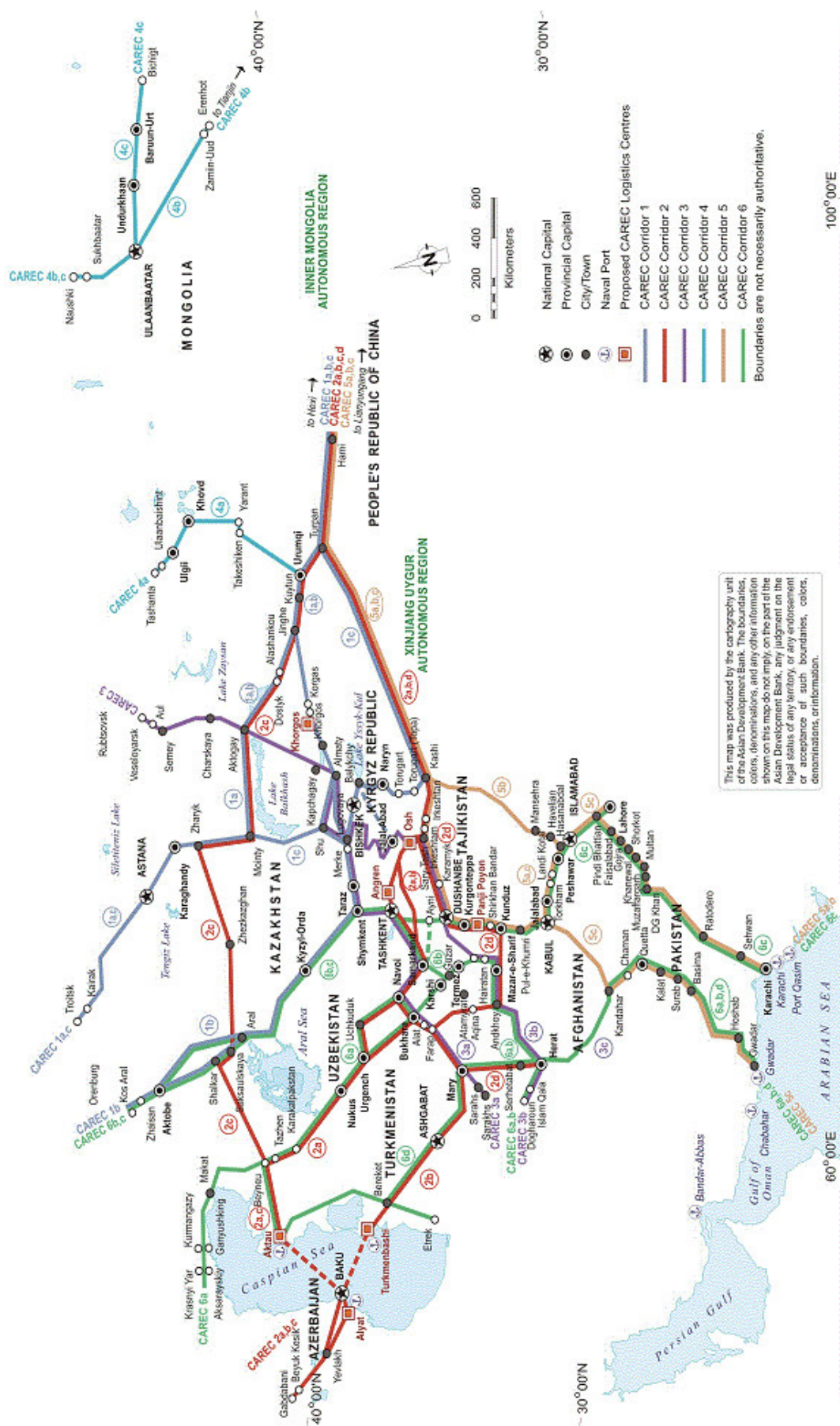
Date	Organization	Type	Name	Position	Address	Telephone	E-mail.
23.06	Chairman of Association of International Automobile Carriers of the Republic of Tajikistan "ABBAT"	National Road Transport Association	Mr. Shokirov Mahmadali Mirzoevich	Chairman of Association of International Automobile Carriers of the Republic of Tajikistan "ABBAT".	592, Kahorov str., 743061, Dushanbe, Tajikistan	+992 446000540	abbat@tojikiston.com
	Chairman of Association of International Automobile Carriers of the Republic of Tajikistan "ABBAT"	National Road Transport Association	Ms. Larisa Kislyakova	Head Department of Foreign Economic Relations of Association of International Automobile Carriers of the Republic of Tajikistan "ABBAT"	592, Kahorov str., 743061, Dushanbe, Tajikistan	+992 446000537	k.larisa64@mail.ru
23.06.2016	Globalink Logistic Group	Globalink Logistic Group	Manuchehr Kasimov	General Director	9/1, Malika Sobirova Str., 2nd Floor, 734012, Dushanbe, Tajikistan	+992 372 217790	m.kasimov@globalink.com
23.06.2016	Project Management Unit of the Customs Service under the Government of the Republic of Tajikistan	PIU	Mr. Daler Rashidbekov	Project Manager,	HofiziSherozi Str. 16/1	+992 37 2287400	ribs.project@yahoo.com
23.06.2016	State Unitary Enterprise "Single Window Centre",	SUE	Mr. Saidjafar Roziev,	Director	HofiziSherozi Str. 16/1	(992 907) 786999	ya-999s@yandex.ru
23.06.2016	GIZ project -Support to Regional Trade in Central Asia Programme offices	GIZ project/ Technical assistance	Ms. Nozigul Khushbvahtova	Programm ABT coordinator in Tajikistan	Ayni/ Nazarshoeva, Dushanbe	+992 44 600 67 83	nozigul.khushvakhtova@giz.de
24.06.2016	LLC Insurance company "Mekhnat" office	Insurance Company	Mr. Mastulov Fidavs	Director	DekhiBolistr 180	+992487012424	firdavs@trud.tj
24.06.2016	Customs Service under the Government of the Republic of Tajikistan	Customs Service	Mr. Tursunzoda Azim Khaidar	Deputy Head of the Customs Service	50 Bukhoro Street	+992372230784	
			Eraj Jurabekov	Head of International Customs Operation Department	50 Bukhoro Street	+992372230784	
			Abdulqodirzoda Jamshed	Head of Customs Control Department	50 Bukhoro Street	+9923722211692	
			Dodojonov Umedjon	Head of the Administration of Unified Automated Information System (UAIS)	50 Bukhoro Street	+9923722212535	
			ZafarShukurov	Deputy Head of the Administration of Unified Automated Information System (UAIS)	50 Bukhoro Street	+9923722212535	0323@customs.tj

Date	Organisation	Address	Contacts	Position
Sun 19.6				
Mon 20.6	Customs Committee of UZB	Uzbekistan Avenue 3 Tashkent, 100003	Ms. Gulfiza	International relations Dept.
Tues 21.6	International Chamber of Commerce	Amir Temur Street 4, Block 6 Tashkent, 100047,	Alisher Shayhov	Chairman
	AIRCUIZ (Association of Road Carriers)	Bunyodkor Street, 44 Tashkent, 100097	Mirhamid Dalilov	Deputy General Director
Sun 26.6				
Mon 27.6	State Customs Service of Turkmenistan		Mr Akolyi Niyazov	Deputy Head of State Customs Control Department
Tues 28.6	Chamber of Commerce and Industry of Turkmenistan	143, Chandybil avenue Ashgabat ,744000	Mr. Dovran Hojaye	Chairman
	THADA (Freight co. Organisation)	B. Annanov / 2 str. 3rd floor Ashgabat, 744025	Mr. Bekmyrat Eyeberdiyev Mr. Serdar Charyev	Chairman Vice - Chairman
Thrs 30.6	State Customs Committee Azerbaijan	Inshaatchilar ave.,2 Baku, AZ1073	Mr Javed Gasimov Mr. Sakhavat Garayev Mr. Azer Abasov	Chief, Customs Control Head Department Chief of E-Customs Services Department Chief of Department of Technological Innovations
	Coordinating Council on Transit Freight	Demirchi Tower, Khojaly avenue, 37 Baku AZ 1025	Mr. Elchin Ahmadov	Head of Office
Fri 1 7	National Confederation of Entrepreneurs Organizations of Azerbaijan Republic	57, Akad. Hasan Aliyev str Baku, AZ1110	Vuqar Zeynalov	Vice - President
	ABADA	S.Vurgun 34, apt. 45 AZ1014, Baku, Azerbaijan	Mr. Tofig M. Nurullaeyev Dr. Ramiz M. Akhundov	President Deputy of Secretary General

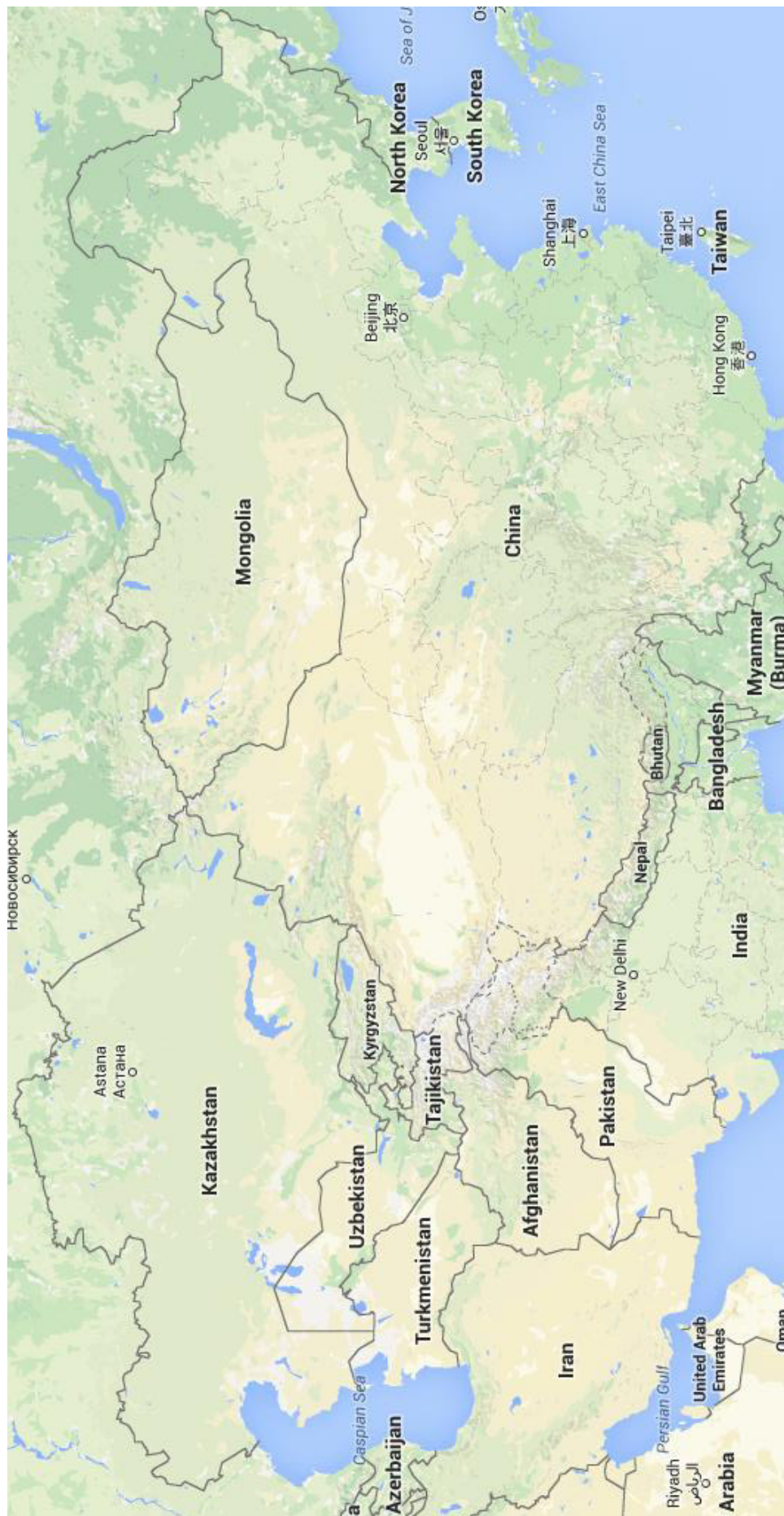
	Organisation	Contacts	Position	e mail
Mongolia				
12/10/2016	MNCCI	Ms.Tsevelsaikhan	Director of Membership dept	tsevelsaikhan@mongolchamber.mn
	MNCCI	Ms.Batchimeg	Senior Officer of Membership dept	batchimeg@mongolchamber.mn
	Asian way LLC	Ms.Solongoo	director	solongo@asianway.mn
	Freight forwarders association	Mr.Ganzorig	Executive director	office@forwarders.mn
	MCGA	Ms.Altantuya	senior inspector	
	Mongol daatgal Co.ltd,	Mr.Tuvshintur	corporate account manager	tuvshintur.b@mongoldaatgal.mn
	NARTAM	Mr.Naranpurev	executive director	info@nartam.org
	NARTAM	Ms.Tsogzolmaa	officer	info@nartam.org
13/10/2016	Mongolian Customs	Khosbayar Bold	Customs Officer, ICT	khosbaayar@customs.gov.mn
		Enkhtaivan G	Senior officer, Risk management	enkhtaivan.g@customs.gov.mn
		Munkhzul Kh	Customs Officer	Munkhzul884@customs.gov.mn
		Altantuya Ch	Customs Officer, Custom Control department	altantuya628@customs.gov.mn

Appendix 3: Maps

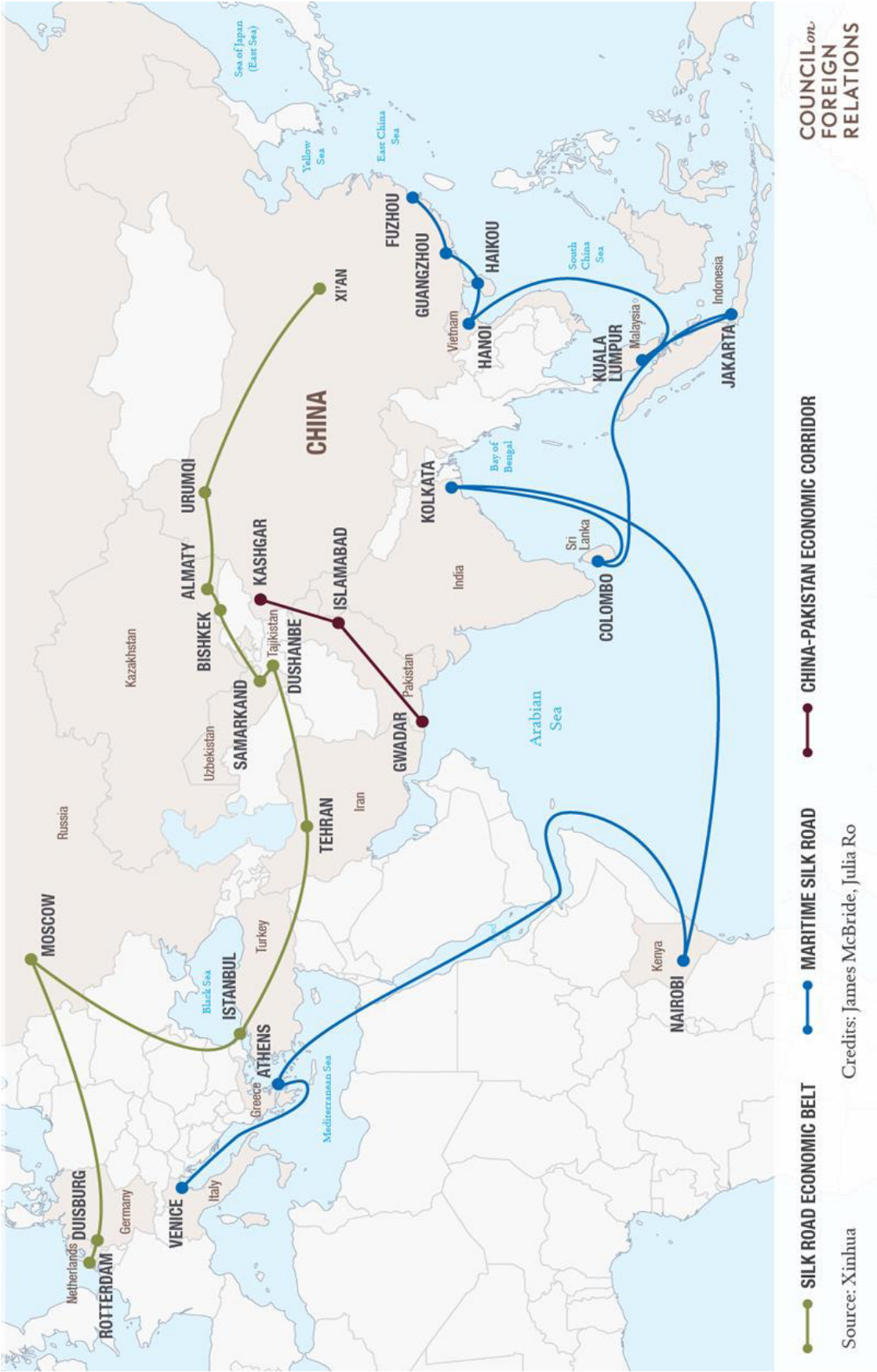
CAREC Corridors TTFS 2020

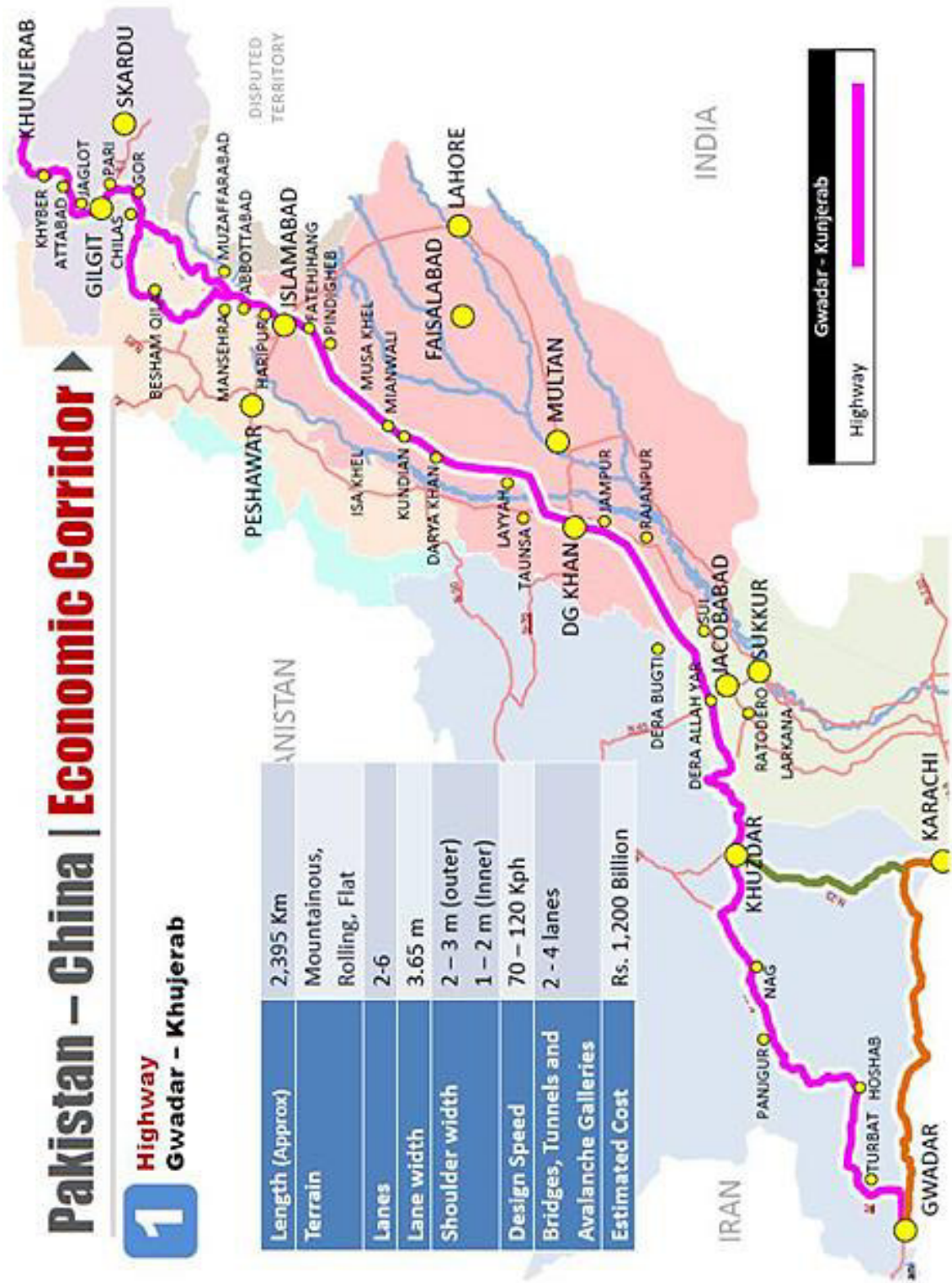


Map of CAREC Countries



Map of One Belt, One Road – Land and Maritime Routes





Appendix 4: List of Relevant Publications and Technical References, Research Report on Transit Flows

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