



Central Asia Regional Economic Cooperation Program

Reference Document
For Session 3 of the Senior Officials' Meeting
June 2015

Trade Facilitation Sector Progress Report and Work Plan (2014–2015)

**Senior Officials' Meeting
Central Asia Regional Economic Cooperation
17–18 June 2015
Bangkok, Thailand**

I. KEY DEVELOPMENTS

A. Priority Area Implementation

1. Implementation of the three regional technical assistance (RETA) projects funded by Japan Fund for Poverty Reduction (JFPR) for priority areas of customs cooperation is well underway. Corridor Performance Measurement and Monitoring (CPMM) is entering its seventh year in 2015. ADB published the “Central Asia Regional Economic Cooperation Corridor Performance Measurement and Monitoring: A Forward-Looking Retrospective”¹ in November 2014, which describes how CPMM helps to achieve the objectives of the CAREC TTFS. It presented operational data collected by CPMM since 2009 and corresponding analysis as sound basis for policy formulation and investment decision making.

2. Emanating from the RETA on promoting cooperation in sanitary and phytosanitary (SPS) measures in CAREC, a Common Agenda for the modernization of SPS has been developed. A concluding workshop held in Bishkek in January 2015 presented RETA findings and discussed next steps for ensuring animal and plant health and food safety while facilitating trade expansion among CAREC countries. The objective of the Common Agenda is to (i) promote concerted reforms and modernization in the SPS area consistent with international standards such that trade is facilitated; and (ii) identify and prioritize investment needs. ADB anticipates funding investments in CAREC to address SPS identified needs regionally, and in this regard, a loan to Mongolia to upgrade SPS measures for trade facilitation is being processed. In parallel, a workshop for the benefit of Turkmenistan SPS officials will be conducted in Ashgabat 29–30 June.

3. Recognizing the significance of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA), CAREC participants from Pakistan, the People’s Republic of China (PRC), and Mongolia recently took part in a World Customs Organization (WCO) Regional Workshop on Strategic Initiatives for Trade Facilitation. They discussed ways and measures to implement the TFA and recognized the need for better synergy with WCO’s Revised Kyoto Convention (RKC), to which five CAREC countries have already acceded.

1. Institutional Support

4. The Customs Cooperation Committee (CCC), composed of heads of customs authorities of CAREC member countries hold annual meetings which serve as a useful venue where members update each other on reforms introduced, issues encountered and solutions implemented. The CCC works closely with international organizations such as the World Customs Organization (WCO), United Nations Economic Social (UNESCAP), and International Organization for Migration (IOM) in implementing customs cooperation activities. The WCO provides technical assistance in the design and implementation of customs training programs along the 5 priority areas of the CCC.²

5. The RETA on Aligning Customs Trade Facilitation Measures with Best Practices supports (i) RKC accession and compliance, (ii) modernization of risk management systems and (iii) development of an electronic customs information exchange mechanism. ADB is

¹ <http://www.adb.org/publications/carec-corridor-performance-measurement-and-monitoring-forward-looking-retrospective>.

² Five priority areas of CCC: simplification of customs procedures; risk management, joint customs control, ICT for customs, and regional transit.

working closely with the five countries that have yet to accede in completing the requirements for accession. A regional workshop on Sharing RKC Accession Experiences for CAREC Countries was held in November 2014 in Shanghai to help participants better understand the accession requirements and train them on how to use WCO self-assessments tools. Action plans to facilitate accession and improve RKC compliance were prepared. A follow-through workshop on RKC Situation/Gap Analysis was held in Uzbekistan in February 2015 where WCO experts assisted Uzbekistan Customs to develop an initial road map for RKC accession. Assessment of customs risk management systems of Kazakhstan, Uzbekistan and Tajikistan were undertaken with the help of WCO experts to identify gaps in risk assessment, profiling and targeting methodologies and procedures. Workshops on the implementation of an Authorized Economic Operator (AEO) program were held in Azerbaijan in October 2014 and in Mongolia in May 2015; further steps to be taken to implement the program fully, including legislative reform, were identified. An AEO workshop in Kazakhstan is planned for July this year.

6. The RETA on Coordinated Border Management (CBM) for Results supports (i) Time Release Studies (TRS), (ii) Joint Customs Control (JCC), and (iii) improved interagency coordination. TRS national planning workshops were conducted in Kazakhstan and the Kyrgyz Republic in November 2014 to train customs officials on conducting TRS using the WCO TRS software. National action plans were prepared with detailed activities that will be followed in the conduct of TRS in selected border crossing points (BCPs). A case study has been developed on the Mongolia–PRC JCC pilot project in Zamyn Uud–Erlan and Gashuunsukhait–Ganqimaodao BCPs. The case study documents success factors and provides guidelines for JCC operations based on the pilot experience. The JCC international consultant visited the BCPs from November to December 2014 and a draft report was submitted in January 2015. The final draft of the case study will be presented at the JCC Technical Working Group meeting in July 2015 in Beijing, the PRC and the final report at the August 2015 CCC meeting. To move JCC forward towards a Coordinated Border Management (CBM) approach, a complementary study to determine the readiness of immigration authorities at the Zamyn Uud–Erlan border to adopt CBM was also conducted in January 2015.

7. Under the RETA on Facilitation of Regional Transit, an Inception Workshop conducted in Almaty in January 2015 discussed and agreed on an implementation plan, and questionnaires have been circulated to all relevant agencies in the CAREC countries. The consulting firm was introduced to CAREC Customs officials and members of the Executive Board of the CAREC Federation of Carrier and Forwarder Associations (CFCFA). Four main task groups have been created to (i) identify priority transit corridors; (ii) develop a pilot regional guarantee scheme along a corridor; (iii) prepare a set of requirements for a regional transit regime; and (iv) recommend an information and communication technology (ICT) system to support a regional transit regime. An inception report has been submitted and a consultation mission has visited Azerbaijan, the PRC, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.

8. Activities planned till end 2015 for customs cooperation include (i) RKC situation/gap analyses for Afghanistan and further RKC accession advisory services, if necessary for Kyrgyz Republic and Uzbekistan; (ii) workshop in Kazakhstan to introduce AEO program as part of their risk management operations; (iii) assessment of feasibility of setting up a customs information exchange mechanism for CAREC customs; (iv) monitoring of conduct and results of TRS in select BCPs in Mongolia, Kazakhstan, Kyrgyz Republic and Uzbekistan; (v) replicate JCC to other pairs of BCPs and to move towards Phase 2 in initial BCP pilots; (vi) initiating dialogues and conducting joint CBM training programs for customs and immigration authorities at select

borders; and (vii) stakeholder consultations on establishing efficient regional transit schemes through the CAREC corridors.

9. Since its establishment in 2009, the CAREC Federation of Carrier and Forwarder Associations (CFCFA) has steadily grown into a noticeable group in promoting trade facilitation regionally and nationally. The CFCFA has three working groups (WGs) established in 2011 to promote standardization and best practices, cross-border and corridor development, and organizational development and funding, respectively. Initiatives implemented by WGs in the past included capacity building workshops and business networking forums. As follow-up to the September 2014 annual meeting, ADB commissioned a study of the CAREC market for cargo insurance. A review meeting between carriers, freight forwarders, and insurers was organized by a founding member of CFCFA in Almaty in January 2015. The meeting revealed that there is a significant need for liability insurance for carriers and forwarders and that both insurers and their potential carrier and forwarder clients need to work together and benefit mutually from one another's business. CFCFA is taking an active role in examining the merits of an intra-CAREC regional transit regime. On other critical issues, CFCFA needs to approach Kyrgyz Republic authorities to urge that they reclassify the Karamyk BCP (on corridors 3 and 5) with Tajikistan as international and open it to third-country vehicles. CFCFA also needs to ensure its self-sustainability as the ADB subsidy expires this year.

2. Training and Capacity Building

10. Specialized training programs for CAREC customs officers were conducted on 17–22 November 2014 in cooperation with the Shanghai Customs College and with technical support from the WCO. CFCFA training programs are being developed based on materials and experience generated by the CAREC Institute-sponsored pilot training programs conducted in August 2013. These training programs will be designed and conducted by CFCFA for the benefit of members and other interested parties. ADB supported the conduct of a Regional Logistics Training program in the Kyrgyz Republic in December 2014 and is organizing a short course in trade logistics for the benefit of Turkmenistan carriers and forwarders in June 2015. Discussions with CAREC Institute have been underway to strengthen partnership for capacity building in the future.

11. Together with CAREC Institute, ADB Institute, and the CAREC Transport Sector Coordinating Committee, a third annual CAREC Trade Facilitation Learning Opportunity is being planned for later this year. The Learning Opportunity will examine the initial experience of dedicated express freight service between the PRC and Europe to see how special treatment extended to these trains at intra-CAREC borders might be mainstreamed and become common practice extended to all CAREC cross-border railway movements. The Learning Opportunity coincides with a longer-term initiative to support railway reform and operationalize Designated Railway Corridors within CAREC. Participants will include members of a CAREC Railway Working Group currently being constituted under the auspices of the CAREC Transport Sector Coordinating Committee.

3. Corridor Performance Measurement and Monitoring

12. CPMM collects and analyzes time and cost data on transporting cargo along CAREC corridors, providing intermediate outcome indicators to monitor and evaluate the TTFS implementation, and contributing the trade facilitation indicators (TFIs) for the CAREC Development Effectiveness Review (DEfR).

13. Table 1 presents TFIs covering the five-year period 2010–2014. In 2014, all indicators showed improvement except for TFI1 (time taken to clear a border crossing). This is due largely to the formal inclusion of Pakistan–Afghanistan BCPs in the CPMM samples.

**Table 1: Trade Facilitation Indicators for DEfR
(2010 – 2014)**

Indicators	2010	2011	2012	2013	2014	YoY
<u>TFI1</u> Time taken to clear a border crossing (hours)	8.7	7.9	10.9	10	14.1	41%
<u>TFI2</u> Costs incurred at a border crossing point (\$)	186	156	157	235	172	-27%
<u>TFI3</u> Costs incurred to travel corridor section (\$)	674	914	941	1,467	1,360	-7%
<u>TFI4</u> Speed to travel 500 km on CAREC corridor section (kph)	24	21	23	20	21	4%

TFI1 = trade facilitation indicator #1; YoY = year on year; kph = kilometers per hour.

*The baseline year is set at 2010.

14. **TFI1: Time taken to clear a border crossing (hours).** Border crossing time at BCPs along CAREC corridors averaged 14.1 hours in 2014, increased from 10 hours in 2013. This is largely due to severe delays in customs clearance at Peshawar (PAK) and Chaman (PAK), where crossing time averaged 34 and 36 hours, respectively. Other causes of delays include waiting in queues at congested BCPs and loading/unloading. For rail BCPs, the average clearing time increased from 29.9 to 32.6 hours. This is largely due to longer border crossing time at Alashankou (PRC) and Dostyk (KAZ) as westbound shipments rapidly increased. Delays are due to trains being restricted from entering the customs control zone in Alashankou, PRC, while on the receiving KAZ side, reasons for delay include busy reloading facilities, lack of available wagons, and train classification. Border crossing time at corridor 4 BCPs Zamyn-Uud (MON) and Erlian (PRC) remained the same: trains spend an average of 36 hours at Erlian (PRC) as goods from MON are transloaded. Delays at BCPs controlling entry to the Russia-Belarus-Kazakhstan Customs Union (as of 1 January 2015, the Eurasian Economic Union) remain significant, particularly at Alashankou (PRC) for rail and at Khorgos (PRC), Dautota (UZB), and Yallama (UZB) for road transport.

15. **TFI2: Costs incurred at a border crossing point (\$).** In 2014, average costs incurred at a BCP decreased by 27% to \$172, reverting to its previous level before the observed spike in 2013. Lower border-crossing costs were reported at both road and rail BCPs, especially along corridors 1 and 4. Customs clearance fees constitute a major portion of the sum of all fees incurred during border crossing. It is notable that such fees were significantly lower for PRC exports imposed at both Erlian (PRC) and Zamyn-Uud (MON). For rail BCPs, transloading fees prompted by the break in gauge, and customs inspection fees imposed on KAZ-bound goods at Dostyk (KAZ) along corridor 1 and PRC-bound trains at Zamyn-Uud (MON) along corridor 4, are the highest.

16. **TFI3: Costs incurred to travel corridor section.** In 2014, TFI3 exhibited a modest 7% decline in nominal terms. Completed road improvement projects, particularly from Sainshand, Mongolia to Zamyn-Uud, Mongolia along corridor 4, and the decline of oil prices provided new opportunities to increase the efficiency of transport and reduce transport cost. However, while road transit exhibited a significant decline in cost, the improvement was tempered by the steady rise of rail transport costs. Data reveal that cost to transport PRC goods via trains to KAZ started to inflate in 2014.

17. **TFI4: Average Travelling Speed kilometer per hour (kph).** Speed without Delay (SWOD) improved from 36 kph to 40 kph. This implies better road and railway conditions, facilitating faster travel along the corridors (except corridor 1). This improvement is more pronounced in roads along corridors 5 and 6, where the speed of travel is positively influenced by the significantly faster speed (average 60kph) reported by trucks travelling along corridors in Pakistan. The overall Speed with Delay (SWD) indicator also showed a slight improvement of 4% (from 20 kph to 21 kph) despite challenging rail conditions. Along corridor 1, where trains enjoy faster speed, west-bound PRC trains are however subjected to long hours of delay at Dostyk (KAZ) due to busy reloading facilities (42 hours) and restriction of entry (42 hours) at Alashankou, PRC.

B. Addressing Actions Proposed in the 2013 CAREC Development Effectiveness Review and Ongoing Key Issues

18. Table 2 provides the latest updates for priority actions proposed in the 2013 CAREC DEfR. Table 3 provides updates on actions identified in the Wuhan Action Plan.

Table 2: Priority Actions Proposed in the 2013 CAREC DEfR

Priority Action Required	Action Initiated / Completed	Next Step
Harmonize work programs with the TTFS 2020. Process new technical assistance programs to support the refined strategy.	<ul style="list-style-type: none"> Regional TA projects (8386, 8584, 8585 and 8586) are being implemented to support the refined TTFS, particularly with regard to promoting SPS cooperation, coordinated border management, further aligning with RKC, and developing regional transit scheme. 	<ul style="list-style-type: none"> Process follow-up technical assistance and regional investment projects
Modernize SPS measures through regional capacity development technical assistance. Conduct needs assessment.	<ul style="list-style-type: none"> Regional TA 8386 is under implementation. SPS needs assessment has been completed. A workshop was held in Kyrgyz Republic in January 2015. A CAREC Common Agenda for SPS measures is being finalized. Mongolia Regional Upgrading of SPS Measures (MUST) Project is under preparation. 	<ul style="list-style-type: none"> Launching of the SPS Common Agenda at the 2015 Ministerial Conference in September, for endorsement MUST Project scheduled for ADB approval in November 2015
Prepare the Regional Improvement of Border Services (RIBS) Project for Mongolia. Review funding proposals for investments in border-crossing points in Pakistan.	<ul style="list-style-type: none"> RIBS project for Mongolia is under preparation. Delays were encountered due to difficulty in identifying an executing agency. Investment project for improving Pakistan's border-crossing points is under preparation. 	<ul style="list-style-type: none"> Accelerate project preparation Submit projects for approval by ADB's Board of Directors
Commence work on three regional technical assistance projects on (i) aligning customs	<ul style="list-style-type: none"> Implementation of the three RETAs is on schedule and 	<ul style="list-style-type: none"> Finalize TA reports and organize final workshops

Priority Action Required	Action Initiated / Completed	Next Step
<p>trade facilitation measures with best practices, (ii) coordinated border management for results, and (iii) regional transit trade. Develop customs guarantee mechanism for trade flows.</p>	<p>making good progress.</p> <ul style="list-style-type: none"> • A workshop was organized to share experience of accession to RKC among CAREC countries; assessment of customs risk management was done for Kazakhstan, Uzbekistan and Tajikistan; and workshops on authorized economic operators have been organized (and planned) for Azerbaijan (and Mongolia and Kazakhstan). • Review of joint customs control pilots is underway, and the report is being finalized. • Studies on CAREC cross-border traffic flows and customs guarantee are in progress. 	<ul style="list-style-type: none"> • Process follow-up regional technical and investment projects
<p>Reconvene the national joint transport and trade facilitation committees. Expand Corridor Performance Measurement and Monitoring to cover rail transport, logistics services providers, and corridor segments in Pakistan and Turkmenistan.</p>	<ul style="list-style-type: none"> • Pakistan's NJC is fully functional. • CPMM funding for 2015–2017 has been secured. Data submissions from partner associations continue to enrich the CPMM database. • “Central Asia Regional Economic Cooperation Corridor Performance Measurement and Monitoring: A Forward-Looking Retrospective” was published in November 2014. • Data on rail transport is being collected by CFCFA members in the PRC and Mongolia. • Corridor segments in Pakistan has been included in CPMM, and a MOU with CFCFA member in Turkmenistan is being prepared for signing in second half of 2015. 	<ul style="list-style-type: none"> • Support other CAREC countries to establish/improve NJCs • Sign memorandum of understanding with CFCFA member in Turkmenistan • Train and support CFCFA member associations to conduct in-depth analysis of CPMM data and recommend improvement measures
<p>Monitor the financing requirements and implementation of medium-term priority projects, which are integrated into the TTFS 2020. Measure progress for projects with confirmed financing. Review list to include new proposals. Ensure that regional projects,</p>	<ul style="list-style-type: none"> • The April 2015 CAREC Transport Sector Coordinating Committee reviewed the list of medium-term priority projects. New project proposals have been submitted and reviewed. • Transport and trade facilitation 	<ul style="list-style-type: none"> • CCC annual meeting in August 2015 will discuss issues related to RIBS project phase 2. • Include regional project

Priority Action Required	Action Initiated / Completed	Next Step
such as for cross-border facilities, are developed in a collaborative manner.	teams have further improved coordination and information sharing.	proposals in national programs and development plans <ul style="list-style-type: none"> • Strengthen cross-country dialogues to make concerted efforts in improving cross-border facilities
Conduct further consultations similar to the development partners' forum on the financing of projects, with increased focus on private sector participation.	<ul style="list-style-type: none"> • Funding from ADB's RCIF and the PRC's PRCF has been secured to support additional integrated trade facilitation initiatives. • Discussions are underway with potential co-financiers to gauge their interest in supporting regional projects that aim to modernize and harmonize SPS measures across CAREC. 	<ul style="list-style-type: none"> • Step up efforts to mobilize more resources from co-financiers, including the Asian Infrastructure Investment Bank and the PRC's Silk Road Fund
Pursue capacity-building programs designed with the CAREC Institute and the ADB Institute, on conducting time release studies, accession to and compliance with the Revised Kyoto Convention, and risk management.	<ul style="list-style-type: none"> • The CAREC trade facilitation team is coordinating closely with CAREC Institute colleagues to ensure that joint initiatives continue to be delivered. • The proceedings of the second CAREC Trade Facilitation Learning Opportunity are being prepared for publication. • A third annual Trade Facilitation Learning Opportunity is being organized. 	<ul style="list-style-type: none"> • Organize and deliver the third annual Trade Facilitation Learning Opportunity • Disseminate more broadly CPMM data analysis and improve/increase its use as a policy development and decision-making tool

AEO = Authorized Economic Operator; CAREC = Central Asia Regional Economic Cooperation; CCC = Customs Cooperation Committee; CFCFA = CAREC Federation of Carrier and Forwarder Associations; CPMM = Corridor Performance Measurement and Monitoring; JFPR = Japan Fund for Poverty Reduction; PRCF = Poverty Reduction and Regional Cooperation Fund; RCIF = Regional Cooperation and Integration Fund; RKC = Revised Kyoto Convention; SPS = Sanitary and Phytosanitary; TA = technical assistance; TTFS = Transport and Trade Facilitation Strategy; WCO = World Customs Organization.

Table 3: Actions Identified in the Wuhan Action Plan

Priority Action Required	Action Initiated / Completed	Next Step
Renovation of border crossing points (BCPs)	<ul style="list-style-type: none"> • Problematic road and rail BCPs with reported delays ranging from 6 to 60 hours have been identified under the CPMM. • The Regional Improvement of Border Services (RIBS) project is improving physical infrastructure at selected BCPs along priority CAREC corridors. 	<ul style="list-style-type: none"> • A RIBS Phase 2 can be planned given the new CAREC corridor alignments in Pakistan and Turkmenistan, changing trade patterns, increased trade volumes, evolving country priorities, and construction of new roads.

Priority Action Required	Action Initiated / Completed	Next Step
Adoption of new/amended customs codes	<ul style="list-style-type: none"> • Some CAREC countries have enacted or amended customs codes compliant with the RKC. • Five CAREC countries have acceded to the RKC; five others are at various stages of the accession process. • ADB regional TA is helping CAREC customs authorities align their policies and procedures with the RKC. A training event on sharing RKC accession experience was conducted in November 2014 at the Shanghai Customs College. 	<ul style="list-style-type: none"> • RKC situation/gap analyses for countries contemplating accession will be conducted. • Technical/advisory services to support final accession processes for countries in advanced stage will be provided.
Investing in automated Customs information systems	<ul style="list-style-type: none"> • ADB has completed projects for development of automated information systems for the customs services of KGZ, MON, and TAJ. • The World Bank is making similar investments in AFG and KAZ. PAK in 2013 introduced its Web-Based One Customs. 	<ul style="list-style-type: none"> • PAK–AFG customs have initiated an electronic data interchange project • Design of a regional framework for a customs information exchange mechanism will start in 2016.
Moving toward establishment of national single windows (NSWs)	<ul style="list-style-type: none"> • The RIBS project in KGZ and TAJ includes NSW development. • AZE has introduced its NSW and expanded the number of agencies providing trade-related services via the NSW. • RIBS project for MON is under preparation. • The World Bank's Customs Modernization Project for KAZ includes an NSW component. • The Republic of Korea's International Cooperation Agency is investing in the development of an NSW for UZB. 	<ul style="list-style-type: none"> • The next critical steps will be to initiate information sharing protocols among CAREC countries' NSWs inter alia to augment risk management efforts, support the expansion of AEO programs, enable mutual recognition of laboratory test results for goods subject to SPS measures, etc. on a regional basis.
Upgrading border control risk management systems	<ul style="list-style-type: none"> • Training courses on risk management and customs modernization for CAREC Customs officials have been conducted. A Risk management workshop and assessment was conducted for UZB and KAZ in October 2014. A workshop on introduction of AEO program was organized in AZE in 	<ul style="list-style-type: none"> • Risk management assessment missions will help identify major impediments to implementing risk management best practices.

Priority Action Required	Action Initiated / Completed	Next Step
	<p>October 2014 and in MON in May 2015.</p> <ul style="list-style-type: none"> • ADB is working with OSCE to identify opportunities for collaboration in supporting KGZ to implement risk management best practices. 	

AEO = Authorized Economic Operator; BCP = border crossing points; CAREC = Central Asia Regional Economic Cooperation; CPMM = Corridor Performance Measurement and Monitoring; NSW = national single window; OSCE = Organization for Security and Cooperation in Europe; RIBS = Regional Improvement of Border Services; RKC = Revised Kyoto Convention.

II. KEY ISSUES FOR GUIDANCE BY THE SOM

19. A large number of CAREC initiatives has been focused on physical connectivity. The Midterm Review of ADB's Strategy 2020 calls for greater attention to trade facilitation, expanding connectivity and extending value chains, and support for second-generation RCI initiatives focusing on productivity-led growth. CAREC policy makers are recognizing the significant contribution of trade facilitation and encourage stakeholders both from private and public sectors to work together to achieve greater goals.

20. Overall, there are many segments of CAREC corridors and pairs of BCPs that have seen improvements of performance thanks to efforts of CAREC member authorities and stakeholders. Based on the results of more detailed analyses from CPMM and additional data collected, public investments can be supported by ADB through regional projects such as phase 2 of the Regional Improvement of Border Services (RIBS) and Regional Upgrade of SPS Measures for Trade (RUST). Guidance is sought on how to encourage more CAREC countries to participate in planning additional RIBS and RUST projects.

21. Establishment and strengthening of interagency national joint transport and trade facilitation committees (NJC) has been promoted as good international practice, and the June 2013 SOM acknowledged a need for greater cross-sector coordination and private sector participation in trade facilitation. At the moment, Pakistan is the only CAREC country with a functioning NJC. The Kyrgyz Republic is in the process of establishing a Trade Facilitation Committee with support of USAID. CAREC countries are urged to give greater priority to improving inter-agency coordination by establishing and/or strengthening their NJCs.

22. An efficient regional transit system is critical to expanding trade in CAREC and it is necessary to have a common understanding of the concepts and principles by all the stakeholders; to have a regional guarantee system and a comprehensive insurance backup that will be recognized across borders; and a regulatory framework to support the regional arrangements. This is a great challenge and only possible if CAREC governments strongly support it. CAREC policy makers' commitment and support will be appreciated.

23. Following the presentation of a desk study on Facilitating the Movement of People in CAREC to the Trade Policy Coordinating Committee last June 2014, a field study was undertaken to examine the immigration regulatory framework, clearance procedures and operations of Mongolia (Zamyn Uud BCP) and PRC (Erlian BCP) in coordination with the International Organization on Migration (IOM). Recommendations are being developed and more work will be done in other BCPs. The Senior Officials' support is sought to continue the

work on movement of people with a goal to include such in the TF agenda when conditions are ready.

24. Trade measures should be implemented in better coordination with trade policy reforms. The revised Trade Policy Strategic Action Plan (TPSAP) 2013–2017 approved by CAREC ministers in October 2013 included issues on SPS, technical barrier to trade, as well as trade in services. Trade facilitation measures to address these issues will be undertaken to complement trade policy reform initiatives. The TPCC can work towards ensuring accession to international conventions and compliance of with international standards as trade facilitation focuses on implementation. SOM concurrence is sought to put in place a better and effective coordination mechanism between CAREC trade facilitation bodies and TPSAP.

25. SPS reform and modernization constitute part of the ongoing CAREC integrated trade facilitation program. The CAREC TTFS 2020 advocates a regional initiative to harmonize and upgrade SPS measures and their application to facilitate trade in agricultural products within and beyond the CAREC region. A proposed CAREC SPS Common Agenda will promote concerted reforms and effect modernization in the SPS area consistent with international standards. SOM endorsement of the SPS Common Agenda is sought.

III. CHANGES TO SECTOR ACTION PLAN

26. The Trade Facilitation Work Plan has been updated following formal adoption of the refined TTFS. To complement the piloting of Designated Rail Corridors, CPMM is being expanded to capture more (and more accurate) data on railways. CPMM will be modified to capture data on the performance of trade logistics services. CPMM will be broadened and deepened by collecting a broader set of variables for policy analysis. To communicate better with policy makers nationally and regionally, CFCFA will provide customized CPMM results analyses combined with actual stories behind these data and more training will be conducted in collaboration with CAREC Institute to train national CPMM coordinators to conduct their own analyses of CPMM data for their countries.

27. Action to implement the new initiative on SPS is underway and capacity building activities for customs (training on TRS, risk management, customs modernization, and RKC accession and compliance) continue. Further updates will be introduced and reported to the SOM as implementation of TTFS 2020 warrants.