



# INTER-SUBREGIONAL FORUM FOR ENHANCED IMPLEMENTATION OF THE WORLD TRADE ORGANIZATION TRADE FACILITATION AGREEMENT

## SUMMARY OF PROCEEDINGS

JULY 2019



**INTER-SUBREGIONAL FORUM FOR  
ENHANCED IMPLEMENTATION OF  
THE WORLD TRADE ORGANIZATION  
TRADE FACILITATION AGREEMENT  
SUMMARY OF PROCEEDINGS**

---

JULY 2019



Creative Commons Attribution 3.0 IGO license (CC BY 3.0 IGO)

© 2019 Asian Development Bank  
6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines  
Tel +63 2 632 4444; Fax +63 2 636 2444  
[www.adb.org](http://www.adb.org)

Some rights reserved. Published in 2019.

ISBN 978-92-9261-662-5 (print), 978-92-9261-663-2 (electronic)  
Publication Stock No. TCS190242-2  
DOI: <http://dx.doi.org/10.22617/TCS190242-2>

The views expressed in this publication are those of the authors and do not necessarily reflect the views and policies of the Asian Development Bank (ADB) or its Board of Governors or the governments they represent.

ADB does not guarantee the accuracy of the data included in this publication and accepts no responsibility for any consequence of their use. The mention of specific companies or products of manufacturers does not imply that they are endorsed or recommended by ADB in preference to others of a similar nature that are not mentioned.

By making any designation of or reference to a particular territory or geographic area, or by using the term “country” in this document, ADB does not intend to make any judgments as to the legal or other status of any territory or area.

This work is available under the Creative Commons Attribution 3.0 IGO license (CC BY 3.0 IGO) <https://creativecommons.org/licenses/by/3.0/igo/>. By using the content of this publication, you agree to be bound by the terms of this license. For attribution, translations, adaptations, and permissions, please read the provisions and terms of use at <https://www.adb.org/terms-use#openaccess>.

This CC license does not apply to non-ADB copyright materials in this publication. If the material is attributed to another source, please contact the copyright owner or publisher of that source for permission to reproduce it. ADB cannot be held liable for any claims that arise as a result of your use of the material.

Please contact [pubsmarketing@adb.org](mailto:pubsmarketing@adb.org) if you have questions or comments with respect to content, or if you wish to obtain copyright permission for your intended use that does not fall within these terms, or for permission to use the ADB logo.

Corrigenda to ADB publications may be found at <http://www.adb.org/publications/corrigenda>.

Notes:

In this publication, “\$” refers to United States dollars and “€” refers to euros.  
ADB recognizes “Vietnam” as Viet Nam.

On the cover: Yang Zhengli is the deputy director of Lijiang Railway Station, which is managed by the Kunming Railway Bureau of the People’s Republic of China; operations at the border check point of the Lao People’s Democratic Republic by the Mekong River; and the Aktau seaport, which serves as a multipurpose terminal for industrial activities of Kazakhstan on the Caspian Sea (photos by ADB).  
Inside photos by Arnold Camacho.

# Contents

Table and Figures	iv
Abbreviations	v
10 Key Takeaways	vii
Introduction	1
Forum Program	3
Opening Session	8
Session 1: Trade Facilitation in Asia and the Pacific and Inclusive Growth	13
Session 2: Status of the World Trade Organization Trade Facilitation Agreement in Asia and the Pacific	16
Session 3: Regional Cooperation and Trade Facilitation	20
Session 4: Article 7—Release and Clearance of Goods	28
Session 5: Article 11—Freedom of Transit	34
Session 6: Article 7.6—Establishment and Publication of Average Release Times	41
Session 7: Article 12—Customs Cooperation	46
Session 8: Article 8—Border Agency Cooperation	52
Session 9: Article 10.4—Single Window	56
Session 10: Article 23.2—National Committee for Trade Facilitation	61
Session 11: The Private Sector and Trade Facilitation Agreement	65
Session 12: Summary	69
Appendix: List of Participants	73

# Table and Figures

## Table

Impact of World Trade Organization Trade Facilitation Agreement + Implementation on Trade Costs in Asia and the Pacific	13
---	----

## Figures

1 Moving Up the Trade Facilitation Ladder—A Simplified Way to a Seamless Global Supply Chain	15
2 Trade Facilitation Agreement Measures in Asia and the Pacific	17
3 Transport and Facilitation Pyramid	24
4 Six Steps to a Regional Facilitation Road Map	26
5 Enrollment of Authorized Economic Operators by Month in India	31
6 Azerbaijan National Single Window System	58
7 Areas of Engagement of the Private Sector in Trade Facilitation Agreement Implementation	66

# Abbreviations

ACTS	ASEAN Customs Transit System
ADB	Asian Development Bank
AEO	authorized economic operator
AO	authorized operator
ASEAN	Association of Southeast Asian Nations
ASW	ASEAN Single Window
BCP	border crossing point
BIMP-EAGA	Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area
CAREC	Central Asia Regional Economic Cooperation Program
CITA	CAREC Integrated Trade Agenda
EAEU	Eurasian Economic Union
ECTS	electronic cargo tracking system
EU	European Union
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GMS	Greater Mekong Subregion
ICT	information and communication technology
IMT-GT	Indonesia–Malaysia–Thailand Growth Triangle
INSW	Indonesia National Single Window
IT	information technology
ITC	International Trade Center
JCC	joint customs control
Lao PDR	Lao People’s Democratic Republic
LDC	least developed country
MRA	mutual recognition agreement
NCTF	national committee for trade facilitation
NCTS	New Computerized Transit System
NSW	national single window
PIFFA	Pakistan International Freight Forwarder Association
PRC	People’s Republic of China
RCEP	Regional Comprehensive Economic Partnership
RFID	radio-frequency identification
RIBS	Regional Improvement of Border Services
RKC	Revised Kyoto Convention
SASEC	South Asia Subregional Economic Cooperation Program
SMEs	small and medium-sized enterprises
SPS	sanitary and phytosanitary
TA	technical assistance
TACB	technical assistance and capacity building
TFA	Trade Facilitation Agreement

TIR	Transports Internationaux Routiers (International Road Transports)
TRS	time release study
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
US	United States
WCO	World Customs Organization
WTO	World Trade Organization



# 10 Key Takeaways

## Innovation

1. **Electronic tracking.** The use of electronic cargo tracking systems for transit allows cargo to be monitored along a specified route with high level of security. As seen in India, this reduces the need for guarantees. In combination with “smart” transshipment, it can also help reduce the burden of moving goods onto different vehicles or different modes of transport when exchange of traffic rights is not secured. Some of the benefits include a reduction in the number of procedures by 50% and a significant reduction in transit time.
2. **Performance monitoring.** The Corridor Performance Monitoring Mechanism in the Central Asia Regional Economic Cooperation (CAREC) Program is useful for providing statistics and identifying bottlenecks. This can lead to effective investments and is important for engaging partners such as the private sector. Time release studies are also a widely useful tool at all points of system reform.
3. **Regional authorized economic operators.** Several regions have developed regional authorized economic operator (AEO) programs including the European Union, the East African Community, the Southern Africa Customs Union, and the Eurasian Economic Union. Further, there is an increasing number of negotiations on plurilateral or multilateral arrangements—a growing area for future cooperation. Another trend for future growth is the expansion of the AEO concept for cross-border e-commerce as well as the increasing inclusion of border agencies other than customs to provide maximum benefits.
4. **Blockchain technology.** In the future, blockchain technology may provide a useful way of protecting data security in national single window systems, helping overcome legal concerns, and integrate more agencies into the system (see Indonesia case study).
5. **Other growth areas.** Other examples of future trends in innovation include greater involvement and inclusion of small and medium-sized enterprises in authorized operator schemes (see India case study). There are also greater integrated actions across borders, such as the Regional Integrated Border Service project between the Kyrgyz Republic and Tajikistan.

## Ways to Make It Work

6. **Pilots.** Pilot schemes can be a good way of adopting innovations. Regulatory sandboxes, which temporarily suspend national legislation, are a useful tool for testing results. If this cannot be done, then “dummy runs” or piloting a new system in parallel with existing procedures can be tested, given the time it takes to approve new national legislation (see ASEAN Customs Transit System pilot as example).
7. **Invest in communication.** Political will is critical. But other components of success include raising awareness (among all stakeholders in processes and ownership), two-way communication, and securing sufficient technical assistance to help build local capacity without losing ownership. National committees on trade facilitation (NCTFs) are useful for coordinating trade facilitation reforms. Experience suggests that clear, short-term work plans and quick “wins” help maintain interest and motivation for an NCTF. Wide dissemination on the role and impact of the NCTF is particularly important, with communication a worthwhile investment (see Timor-Leste case study).
8. **Private sector.** The private sector should be involved not only in problem identification, but also in the design, implementation, and monitoring of solutions. It should also be an active player in the NCTFs. Although it needs to be recognized that private sectors are not homogeneous and, in some places, low capacity in the private sector can limit progress.

## Role of Regional Cooperation

9. **Role of regional bodies.** Given the growing cross-border nature of trade, regional cooperation on trade facilitation is more important than ever to avoid trade costs accumulating across value chains. While much of the World Trade Organization Trade Facilitation Agreement is implemented through national and bilateral agreements, regional cooperation has many benefits and can support national initiatives. Regional entities can coordinate, mediate, and support harmonization in information exchange systems, and can also help address structural inequalities between countries, helping regions move forward together.
10. **Role of multilateral development banks.** Multilateral development banks or MDBs have an important role to play by providing technical assistance, promoting policy dialogue, and financing investments such as modernization of checkpoints and information and communication technology. MDBs have pools of expertise and can share knowledge and help facilitate greater “south-south” cooperation. Regional development banks play a particularly important role in initiatives that involve multiple countries and cross-border operations. They can act as honest broker to facilitate negotiations and help support ongoing interaction between two or more sides. National governments may be more focused on domestic conditions, but the Asian Development Bank will continue its support for regional and subregional initiatives.

# Introduction

The Asian Development Bank (ADB) Inter-Subregional Forum on Enhanced Implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) was held on 30–31 October 2018 in Bangkok, Thailand. The forum brought together government officials responsible for leading and guiding notification and implementation of the TFA in ADB member countries and its subregional programs. The forum was conducted in partnership with the WTO TFA Facility, the World Customs Organization (WCO), and supported by the Central Asia Regional Economic Cooperation (CAREC) Institute.

Since the WTO TFA came into force in February 2017, WTO members have focused on complying with TFA provisions, which include expediting the movement, release, and clearance of goods, including those in transit. They also set out measures for effective cooperation between customs agencies and other relevant authorities on trade facilitation and customs compliance. Global implementation of the TFA promises to reduce trade costs between 6% and 16%. Trade facilitation benefits small and medium-sized enterprises (SMEs), which in turn helps support inclusive growth. Equally, with the rapid rise of e-commerce, countries need low-cost and efficient systems to avoid stifling economic growth while maintaining border security.

Support for trade facilitation is a common objective among ADB developing member countries and subregions. The primary conduits for implementing trade facilitation investment projects and technical assistance are through the CAREC Program, the Greater Mekong Subregion Program, and South Asia Subregional Economic Cooperation Program, as well as support for trade and transport facilitation across and between Pacific island nations.

Our experience across Asia and the Pacific has demonstrated two things. First, some TFA provisions pose greater challenges than others and require greater technical assistance support for member countries. These include establishing single window customs systems, setting up authorized operator programs, and measuring and publishing average release time of goods. Second, some regions have progressed more rapidly than others (for example, transit agreements in Central and West Asia). This created a strong rationale for bringing together the key people implementing the TFA from across the region to share their knowledge and experience. The forum was designed to share both success stories and discuss common challenges. Thus, the sessions focused on the more challenging TFA articles for ADB developing member countries, using case studies as the basis for knowledge exchange.

This summary of proceedings is not a blow-by-blow account of the forum. It is a summary crafted to be a future reference tool for all participants. It consolidates discussions under logical subheadings. For example, material from the question and answer sessions that elaborate on case study presentations is included in the case study descriptions—not in the

formal Question and Answer sections. In addition, the technical sessions—sessions 4 to 11—include Key Messages up front to encourage readers to dig deeper into the details.

Finally, this summary of proceedings emphasizes the importance of the case studies and elaborates on them where possible. The principal purpose of the forum was to enable participants to learn from each other. This summary of proceedings is designed to ensure this objective is met.



**Group photo.** The participants of the Inter-Subregional Forum.

# Forum Program

Day 1—30 October 2018	
8:30 a.m.– 9 a.m.	<b>Registration</b>
9 a.m.– 9:15 a.m.	<b>Opening Session: Welcome Remarks</b>
	<p><b>Wencai Zhang</b> Vice-President, Operations 1 Asian Development Bank (ADB)</p> <p><b>Sheri Rosenow</b> Counsellor, Trade Facilitation Agreement Facility World Trade Organization (WTO)</p> <p><b>Milena Budimirovic</b> Senior Technical Officer, Procedures and Facilitation World Customs Organization (WCO)</p>
9:15 a.m.– 9:45 a.m.	<p><b>Session 1: Trade Facilitation in Asia and the Pacific and Inclusive Growth</b></p> <p><i>Overview on the importance and the future of trade facilitation for inclusive growth in Asia and the Pacific.</i></p>
	<p><b>Jong Woo Kang</b> Principal Economist Economic Research and Regional Cooperation Department, ADB</p> <p><b>Mia Mikic</b> Director, Trade, Investment, and Innovation Division United Nations Economic and Social Commission for Asia and the Pacific</p>
9:45 a.m.– 10:15 a.m.	<p><b>Session 2: Status of World Trade Organization Trade Facilitation Agreement in Asia and Pacific Region</b></p> <p><i>WTO Secretariat/WTO TFA Facility will present the latest progress on TFA notification and implementation, explain all the notification requirements, and provide an update on the WTO Trade Facilitation Committee and specific opportunities for support to the WTO member countries.</i></p>
	<p><b>Sheri Rosenow</b> Counsellor, Trade Facilitation Agreement Facility, WTO</p>
10:15 a.m.– 10:30 a.m.	<b>Coffee/Tea Break and Official Photograph</b>
10:30 a.m.– 12:30 p.m.	<p><b>Session 3: Regional Cooperation and Trade Facilitation</b></p> <p><b>Moderator: Ronald Antonio Butiong</b>, Director, Regional Cooperation and Operations Coordination Division, South Asia Department, ADB</p>

*continued on next page*

**Forum Program** *continued*

	<p>Presentations on WTO TFA implementation in:</p> <ul style="list-style-type: none"> <li>(i) CAREC: <b>Rosalind McKenzie</b> Senior Regional Cooperation and Integration Specialist Public Management, Financial Sector and Regional Cooperation Division, East Asia Department, ADB</li> <li>(ii) SASEC: <b>Aileen Pangilinan</b> Senior Regional Cooperation Officer, South Asia Department, ADB</li> <li>(iii) Pacific: <b>Paolo Spantigati</b> Country Director, Timor-Leste Resident Mission, ADB</li> <li>(iv) GMS, IMT-GT, and BIMP-EAGA: <b>Kanya Sasradipeora</b> Senior Trade Specialist, Southeast Asia Department, ADB</li> <li>(v) ASEAN: <b>Brasukra Sudjana</b> Trade Facilitation Division, ASEAN Secretariat</li> <li>(vi) International Trade Center (ITC) Study on Trade Facilitation and Regional Cooperation: <b>Mohammad Saeed</b> Senior Trade Facilitation Advisor, ITC</li> </ul>
12:30 p.m.– 1:30 p.m.	<b>Lunch Break</b>
1:30 a.m.– 3 p.m.	<p><b>Session 4: Article 7—Release and Clearance of Goods</b></p> <p><b>Moderator:</b> <b>Arjun Goswami</b>, Chief of Regional Cooperation and Integration Thematic Group, Economic Research and Regional Cooperation Department, ADB</p>
	<ul style="list-style-type: none"> <li>(i) WTO and WCO Presentation <ul style="list-style-type: none"> <li>• <b>Sheri Rosenow</b> and <b>Milena Budimirovic</b></li> </ul> </li> <li>(ii) Authorized Economic Operators Program in India <ul style="list-style-type: none"> <li>• <b>Manish Kumar</b>, Joint Commissioner, Central Board of Indirect Taxes and Customs, Government of India</li> </ul> </li> <li>(iii) Authorized Economic Operator Scheme in the Republic of Kazakhstan <ul style="list-style-type: none"> <li>• <b>Zhandos Sekenov</b>, Department of Customs Methodology, State Revenue Committee, Kazakhstan</li> </ul> </li> <li>(iv) Experience of Myanmar in Establishing the Accreditation System for Customs Brokers <ul style="list-style-type: none"> <li>• <b>Khin Maung Linn</b>, Assistant Director, Customs Department, Ministry of Planning and Finance of Myanmar</li> </ul> </li> <li>(v) Panel Discussion (e.g., questions from a moderator plus questions from the floor)</li> </ul>
3 p.m.– 3:30 p.m.	<b>Coffee/Tea Break</b>
3:30 p.m.– 5:30 p.m.	<p><b>Session 5: Article 11—Freedom of Transit</b></p> <p><b>Moderator:</b> <b>Ronald Antonio Butiong</b></p>

*continued on next page*

Forum Program *continued*

	<ul style="list-style-type: none"> <li>(i) WTO and WCO Presentation <ul style="list-style-type: none"> <li>• <b>Sheri Rosenow</b> and <b>Kazunari Igarashi</b>, Head of WCO Asia-Pacific Regional Office for Capacity Building</li> </ul> </li> <li>(ii) Technology-Driven Transit Facilitation in India <ul style="list-style-type: none"> <li>• <b>Satish Reddy</b>, Trade Facilitation Expert (ADB Consultant)</li> </ul> </li> <li>(iii) Accession of Georgia to the Conventions on Transit Area and Launching of the New Computerized Transit System (NCTS) <ul style="list-style-type: none"> <li>• <b>Mikhail Peikrishvili</b>, Chief Specialist, Department for International Relations, Georgia Revenue Service</li> </ul> </li> <li>(iv) ASEAN Customs Transit System (ACTS) Pilot Malaysia Experience <ul style="list-style-type: none"> <li>• <b>Ramlah Haji Muhktar</b>, Senior Assistant Director of Customs I Customs Division of Import-Export and Border Control Branch Royal Malaysian Customs Headquarters</li> </ul> </li> <li>(v) Panel Discussion (e.g., questions from a moderator plus questions from the floor)</li> </ul>
6 p.m.– 9 p.m.	<b>Evening Reception</b>

Day 2—31 October 2018	
8:30 a.m.– 9 a.m.	<b>Registration</b>
9 a.m.– 10:15 a.m.	<b>Session 6: Article 7.6—Establishment and Publication of Average Release Times</b>  <b>Moderator:</b> <b>Hideaki Iwasaki</b> Country Director, Thailand Resident Mission, ADB
	<ul style="list-style-type: none"> <li>(i) WTO and WCO Presentation <ul style="list-style-type: none"> <li>• <b>Sheri Rosenow</b> and <b>Milena Budimirovic</b></li> </ul> </li> <li>(ii) Time Release Study (TRS) of the Goods in the Republic of Tajikistan <ul style="list-style-type: none"> <li>• <b>Lochin Faizullozoda</b>, Director, Single Window Center, Customs Services of Tajikistan</li> </ul> </li> <li>(iii) Time Release Studies (Samoa) <ul style="list-style-type: none"> <li>• <b>Nanai Sua</b>, Customs Authority, Government of Samoa</li> </ul> </li> <li>(iv) Establishment and Publication of Average Release Times (TRS in India) <ul style="list-style-type: none"> <li>• <b>Vivek Johri</b>, Chief Commissioner, Jawaharlal Nehru Custom House Central Board of Indirect Taxes and Customs, Government of India</li> </ul> </li> <li>(v) Comment on Use of Release Times for Policy Making <ul style="list-style-type: none"> <li>• <b>Kijin Kim</b>, Economist, Economic Research and Regional Cooperation Department, ADB</li> </ul> </li> <li>(vi) Panel Discussion (e.g., questions from a moderator plus questions from the floor)</li> </ul>
10:15 a.m.– 10:30 a.m.	<b>Coffee/Tea Break</b>

*continued on next page*

Forum Program *continued*

10:30 a.m.– 11:30 a.m.	<p><b>Session 7: Article 12—Customs Cooperation</b></p> <p><b>Moderator: Ying Qian</b></p> <p>(i) WTO and WCO Presentation</p> <ul style="list-style-type: none"> <li>• <b>Sheri Rosenow</b> and <b>Kazunari Igarashi</b></li> </ul> <p>(ii) People’s Republic of China–Mongolia Joint Customs Control Pilot Project</p> <ul style="list-style-type: none"> <li>• <b>Jiange Shi</b>, Director, Department of International Cooperation, General Administration of Customs of the People’s Republic of China Customs</li> </ul> <p>(iii) Instruments of Customs Cooperation (Case Study in India)</p> <ul style="list-style-type: none"> <li>• <b>Temsunaro Jamir</b>, Joint Commissioner, Central Board of Indirect Taxes and Customs, Government of India</li> </ul> <p>(iv) Panel Discussion (e.g., questions from a moderator plus questions from the floor)</p>
11:30 a.m.– 12:30 p.m.	<p><b>Session 8: Article 8—Border Agency Cooperation</b></p> <p><b>Moderator: Ying Qian</b></p> <p>(i) WTO and WCO Presentation</p> <ul style="list-style-type: none"> <li>• <b>Sheri Rosenow</b> and <b>Kazunari Igarashi</b></li> </ul> <p>(ii) Kyrgyz Republic—Regional Improvement of Border Services (RIBS): Kyrgyz Republic Experience</p> <ul style="list-style-type: none"> <li>• <b>Nurat Mamatov</b>, Head of Customs Policy Department, Ministry of Economy, Kyrgyz Republic</li> </ul> <p>(iii) Viet Nam—Experience in Implementing the Single Stop Inspection</p> <ul style="list-style-type: none"> <li>• <b>Hien Nguyen Thi</b>, Customs Official, International Cooperation Department, General Department of Vietnam Customs</li> </ul> <p>(iv) Panel Discussion (e.g., questions from a moderator plus questions from the floor)</p>
12:30 p.m.– 1:30 p.m.	<b>Lunch</b>
1:30 p.m.– 2:30 p.m.	<p><b>Session 9: Article 10.4—Single Window</b></p> <p><b>Moderator: Hideaki Iwasaki</b></p> <p>(i) WTO and WCO Presentation</p> <ul style="list-style-type: none"> <li>• <b>Sheri Rosenow</b> and <b>Kazunari Igarashi</b></li> </ul> <p>(ii) Initiatives Aimed at Harmonization and Simplification of Customs Procedures</p> <ul style="list-style-type: none"> <li>• <b>Samad Garalov</b>, Head of Customs Control and Trade Facilitation Head Department, State Customs Committee, Azerbaijan</li> </ul> <p>(iii) Electronic Data Exchange Implementation under the Framework of Indonesia National Single Window</p> <ul style="list-style-type: none"> <li>• <b>Sri Dewi Merdekawati</b>, Division Head of Cooperation, Deputy of Inter-Agency Relation, Indonesia National Single Window Operating Agency</li> </ul> <p>(iv) Panel Discussion (e.g., questions from a moderator plus questions from the floor)</p>

*continued on next page*



Forum Program *continued*

2:30 p.m.– 3:45 p.m.	<p><b>Session 10: Article 23.2—National Committee for Trade Facilitation</b></p> <p><b>Moderator: Paolo Spantigati</b></p>
	<ul style="list-style-type: none"> <li>(i) WTO and WCO Presentation <ul style="list-style-type: none"> <li>• <b>Sheri Rosenow</b> and <b>Milena Budimirovic</b></li> </ul> </li> <li>(ii) Mongolian National Committee for Trade Facilitation <ul style="list-style-type: none"> <li>• <b>Munkhbaatar Davaasambuu</b>, Senior Officer, Department of Foreign Trade and Economic Cooperation, Ministry of Foreign Affairs, Mongolia</li> </ul> </li> <li>(iii) Experience of Timor-Leste <ul style="list-style-type: none"> <li>• <b>Fernanda Borges</b>, Coordinator, Fiscal Reform Commission, Ministry of Planning and Finance</li> </ul> </li> <li>(iv) Discussant on National Committees for Trade Facilitation <ul style="list-style-type: none"> <li>• <b>Poul Hansen</b>, Officer in Charge, Trade Facilitation Section, United Nations Conference on Trade and Development</li> </ul> </li> <li>(v) Panel Discussion (e.g., questions from a moderator plus questions from the floor)</li> </ul>
3:45 p.m.– 4:15 p.m.	<p><b>Coffee/Tea Break</b></p>
4:15 p.m.– 5:25 p.m.	<p><b>Session 11: Private Sector and the World Trade Organization Trade Facilitation Agreement</b></p> <p>This session is designed to present the private sector and/or user perspective on the WTO TFA, and to discuss the role of the private sector for implementation.</p> <p><b>Moderator: Mohammad Saeed</b></p>
	<ul style="list-style-type: none"> <li>(i) Inter-Subregional Challenges and Opportunities of the WTO TFA <ul style="list-style-type: none"> <li>• <b>Shanti Shamdasani</b>, President ASEAN International Advocacy</li> </ul> </li> <li>(ii) Private Sector Views on WTO TFA <ul style="list-style-type: none"> <li>• <b>Shakeel Ahmed</b>, Chairman, Pakistan International Freight Forwarder Association (PIFFA)</li> </ul> </li> <li>(iii) Panel Discussion (e.g., questions from a moderator plus questions from the floor)</li> </ul>
5:25 p.m.– 6:10 p.m.	<p><b>Session 12: Summary</b></p> <p><b>Moderator: Arjun Goswami</b></p>
	<ul style="list-style-type: none"> <li>(i) WCO will provide a final presentation on TFA Implementation Steps: How to go from needs assessment to notification to implementation. <ul style="list-style-type: none"> <li>• <b>Milena Budimirovic</b></li> </ul> </li> <li>(ii) ADB will sum up the main findings from each of the working sessions (Sessions 4 to 11) and discuss opportunities for continued inter-subregional knowledge sharing on trade facilitation. <ul style="list-style-type: none"> <li>• <b>Ronald Antonio Butiong</b></li> <li>• <b>Ying Qian</b></li> <li>• <b>Hideaki Iwasaki</b></li> <li>• <b>Paolo Spantigati</b></li> <li>• <b>Mohammad Saeed</b></li> </ul> </li> </ul>
6:10 p.m.– 6:15 p.m.	<p><b>Closing Remarks: Arjun Goswami</b></p>

BIMP-EAGA = Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area, CAREC = Central Asia Regional Economic Cooperation Program, GMS = Greater Mekong Subregion, IMT-GT = Indonesia–Malaysia–Thailand Growth Triangle, SASEC = South Asia Subregional Economic Cooperation Program, WCO = World Customs Organization.

# Opening Session

## Welcome Remarks from the Asian Development Bank



**Wencai Zhang**

Vice-President, Operations 1, ADB

On behalf of the Asian Development Bank (ADB), it is my privilege to welcome you to the Inter-Subregional Forum on Enhanced Implementation of the World Trade Organization Trade Facilitation Agreement (WTO TFA). I would like to acknowledge the World Trade Organization, the World Customs Organization, and the Central Asia Regional Economic Cooperation (CAREC) Institute as partners in this event. I also want to thank everyone for coming here to share your expertise and experiences in this important field.

**Importance of regional trade facilitation in the current context.** It is hard to overemphasize the importance of trade facilitation for the Asia and Pacific region. In a context of rising global trade tensions, trade facilitation is a key means of providing depth and quality to emerging regional trade agreements, reducing costs to trade, and propelling inclusive growth.

As our recent Asian Development Outlook has highlighted, the trade conflict is escalating, especially between the United States (US) and the People's Republic of China (PRC). Estimates show a modest impact to date on the US, the PRC, and the rest of the developing Asia. But prolonged trade conflict can damage confidence and deter investment. Consequently, the region's drive toward broad and deep regional trade agreements—such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the Regional Comprehensive Economic Partnership (RCEP), and Asia and Pacific Free Trade Area—is welcome. A critical component of such agreements will be trade facilitation.

Given the considerable progress in reducing tariffs in the region, trade facilitation is required to tackle the remaining nontariff costs to trade. Overall, ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, 2017) estimate that trade costs savings from Asia and the Pacific from even partial implementation of the WTO TFA could reach \$219 billion a year. Regional trade agreements can act as crucial building blocks for global agreements in realizing these gains.

Trade facilitation is particularly important for inclusive growth and meeting the Sustainable Development Goals. Small and medium-sized enterprises are more vulnerable to high trade costs. Agri-food traders are also disproportionately impacted by delays in processing at the border. In addition, the Asia and Pacific region has the biggest and fastest growing market for e-commerce in the world. E-commerce can be a crucial tool for small businesses to

access the benefits of trade. The volume of small shipments that characterizes cross-border e-commerce is already posing a significant challenge to customs administrations across the region. Again, trade facilitation is critical.

**Strategy 2030 and trade facilitation.** The ADB Board of Directors recently approved a new long-term corporate strategy for ADB, *Strategy 2030*, which sets out ADB's broad vision and strategic response to the evolving needs of the region. It aims to support efforts to eradicate extreme poverty and achieve a prosperous, inclusive, resilient, and sustainable Asia and Pacific region. One of the operational priority areas for achieving this vision is fostering regional cooperation and integration.

ADB supports a series of subregional cooperation programs to translate regional cooperation into practical action by bringing neighboring countries together to design and implement projects to enhance connectivity, promote trade, and create new business and employment opportunities. These include the CAREC Program, the South Asia Subregional Economic Cooperation (SASEC) Program, the Greater Mekong Subregion (GMS) Program, the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area (BIMP-EAGA), the Indonesia–Malaysia–Thailand Growth Triangle (IMT-GT), and regional work within the Pacific.

All of these subregional cooperation programs feature trade facilitation prominently at the programmatic and project level due to its importance for seamless movement of goods and people, and for the growth of economic activities along transport corridors to transform these into economic corridors.

Today you will hear about some of the activities and achievements of these trade facilitation programs. But more importantly, you will be given the opportunity to share your own experiences on ways to improve the specifics of trade facilitation cooperation at the border (i.e., national single window systems, national committees for trade facilitation [NCTFs], and border agency cooperation), across the border (i.e., customs cooperation and freedom of transit agreements), reduce costs to trusted traders (i.e., authorized economic operator schemes) and monitor the impact (i.e., time release studies). This will enable us to share in your successes and learn from the problems you have overcome.

**One ADB and objective.** To operationalize Strategy 2030, ADB has committed to instituting a “One ADB” approach by bringing together knowledge and expertise from across the organization and to reinforce knowledge sharing across the Asia and Pacific region for the mutual benefit of all. The event over the next 2 days is, in this respect, a reflection of this One ADB spirit.

This forum is the first time since 2012 that officials working in countries in all of ADB's subregional programs have been gathered together. There is a wealth of knowledge and expertise to be shared. It is our hope that the discussions that take place over the next 2 days will further the sharing of this knowledge and build networks between trade facilitation implementers across the region to sustain ongoing collaboration.

**Conclusion.** To conclude, let me say that knowledge sharing and cooperation on trade facilitation across Asia and the Pacific is critical to ensuring a prosperous and inclusive

region. I hope that the discussions that take place today will provide you with inspiration and lessons learned on how to realize our shared vision for the region.

I look forward to the vibrant discussions and welcome you all again on behalf of ADB.

---

## Welcome Remarks from the World Trade Organization



**Sheri Rosenow**

Counsellor, Trade Facilitation Agreement Facility, WTO

I am very pleased to be here and pleased to work in partnership with ADB and the World Customs Organization (WCO) and the other organizations in delivering this workshop. As you will learn in my presentation this morning, most WTO members have now ratified the TFA, a majority of developing countries have provided at least some of the required notifications, and members are turning their attention to implementation of the agreement and the demand and supply of donor support where necessary.

So we come together at a moment when momentum is growing to tackle the practical implementation of the TFA.

Taking a look at our speakers and participants here, I can see that there is a broad-based interest in the agreement and from the comprehensive nature of our agenda, it is clear that we have the opportunity to discuss the technical topics of the TFA in some depth. This depth and breadth are exactly what is needed if we are to take advantage of the opportunities in front of us and draw the maximum in terms of benefits, namely in terms of time and money saved. In several provisions of the TFA, members are encouraged to share their implementation experiences—and this is a regular session in the WTO TFA committee.

So I am very pleased that ADB is bolstering this with regional activities such as this one—bringing together experts from around the world to share their knowledge and experience with you and with each other. Where better than Asia to focus such a gathering—where the benefits of trade for economic development and inclusive growth are there for all to see?

Our goal this week is to discuss and clarify the requirements of the TFA, the deadlines, what information must be provided, and to share the solutions we have found to overcome the barriers to implementation by focusing on some of the specific technical provisions—as well as to hear from partners in the private sector, who must always be at the front of our minds as we design the procedures they will encounter at our borders every day.

I am looking forward to the fruitful discussions to come and I urge you to engage with all speakers in an interactive manner, asking all the questions you need to fully understand and to take the maximum benefit from this forum.

---

## Welcome Remarks from the World Customs Organization



**Milena Budimirovic**

Senior Technical Officer, Procedures and Facilitation, WCO

On behalf of the WCO, including the WCO Regional Office for Capacity Building, based here in Bangkok, I would like to warmly welcome all the participants to this Inter-Subregional Forum on the WTO Trade Facilitation Agreement.

After the entry into force of the TFA in February last year, we are now at a critical phase. Members have notified and are continuing to notify their commitments to the WTO. Therefore, the effectiveness and progress of the trade facilitation reforms underway is becoming increasingly relevant.

The WCO is working closely with its membership in ensuring that they are receiving the necessary support and guidance in implementing the TFA. Under the WCO Mercator Programme, the WCO is, on the one hand, through the overall track, addressing the global requirements of the members. This includes developing the necessary standards and tools to support TFA implementation or updating existing ones. Here, I would just like to mention the WCO Revised Kyoto Convention (RKC) on harmonization and simplification of customs procedures, which is a key instrument for the successful implementation of the TFA. We, therefore, encourage our members, who have not yet done so, to accede to the RKC, which will support them in complying with the TFA, but will also drive broader trade facilitation measures.

Apart from the RKC, there are another approximately 50 WCO instruments and tools which support TFA implementation. Only last week, at the 10th Meeting of the WCO Working Group on the TFA, we discussed how to monitor the process of implementing the WCO instruments and tools which support TFA implementation and ensure that we are on the right track.

On the other hand, under the tailor-made track of the Mercator Programme, the WCO is addressing the specific needs of individual members, or subregions, in providing technical assistance and capacity building.

Based on the results of scoping missions, the needs assessment process, and the delivery plan for the current financial year, an analysis reveals a continuing high demand for support in many areas related to the TFA. The most common trends stemming from scoping missions and the needs assessment request process include: risk management, time release study, customs cooperation, electronic payment capability, information available through the internet, national committees for trade facilitation, and appeal and review. Some of these topics we will be addressing during this forum.

We will explore the different TFA technical measures and implementation practices. My colleague, Kazunari Igarashi, Head of the Bangkok regional office, and myself will share

with you the different WCO instruments and tools for the implementation of the technical measures, selected for this experience sharing event.

We are happy to be working with the Asian Development Bank, the World Trade Organization, and the CAREC Institute on this event, and appreciate the involvement of the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Center (ITC), who are also our close partners.

This event is an opportunity for the participants to strengthen the subregional network of TFA experts and to allow for a fruitful discussion. I would like to encourage you to engage actively and to share your success stories, but also the challenges faced and lessons learned during the TFA implementation process.

With that, I would like to wish you all a very successful workshop.

# Session 1: Trade Facilitation in Asia and the Pacific and Inclusive Growth

## Trade Facilitation and Inclusive Growth in Asia Pacific

**Jong Woo Kang**

Principal Economist

Economic Research and Regional Cooperation Department, ADB

**Recent trends in Asia's trade and global value chain.** Asia's trade growth in 2017 was quite spectacular, surpassing the region's growth in gross domestic product (GDP). It was higher than global trade growth and contributed 62% to global trade volume growth. Asia's global value chain participation rate also recovered in 2017, which should presage future trade growth. However, the escalating trade tensions between major global trading partners pose some threats and challenges to the trade recovery.

**Developing economies face much higher trade costs.** The global average tariff rate has significantly declined over the past decades, hovering at about 4%–5%. However, significant nontariff barriers and associated trade costs remain. Based on UNESCAP's gravity model analysis, by fully implementing the WTO TFA, comprehensive trade costs can be lowered by at least 5.7%, rising to as high as 16.4% (Table).

**Table: Impact of World Trade Organization Trade Facilitation Agreement + Implementation on Trade Costs in Asia and the Pacific**  
(%)

Asia and the Pacific	WTO TFA (binding only)		WTO TFA (binding + non-binding)		WTO TFA+ (binding + non-binding + other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Overall TFI	-2.70	-5.74	-4.64	-9.45	-10.37	-16.37
Transparency	-0.81	-1.74	-1.29	-3.27	-1.29	-3.27
Formalities	-1.67	-2.93	-2.26	-4.00	-2.26	-4.00
Institution	-0.41	-1.35	-0.41	-1.35	-1.37	-2.44
Paperless and cross-border paperless	-	-	-1.39	-2.24	-6.73	-9.26

- = not applicable, TFI = trade facilitation implementation, WTO TFA = World Trade Organization Trade Facilitation Agreement.

Sources: ADB and UNESCAP (2017).

**Trade finance can help firms access international trade opportunities.** However, based on ADB's 2017 Trade Finance Survey, the trade finance gap remains at \$1.5 trillion. Emerging economies continue to face the greatest shortfalls in trade finance. The Asia and Pacific region is the largest source of both trade finance proposals (46%) and rejections (39%). Small and medium-sized enterprises (SMEs) receive the largest share of rejections (74%), while female-owned firms report higher rejection rates and are less likely to find alternatives in the formal financial sector.

**Importance of and recent trends in e-commerce.** Global e-commerce increased from 1.3% of GDP in 2011 to 3.1% in 2015. Asia and the Pacific accounts for the largest share (4.5% of GDP in 2015). To unlock the potential of digital trade and e-commerce, it is imperative to take the following measures: (i) enhance affordability of and access to information and communication technology (ICT); (ii) improve logistics and delivery infrastructure; (iii) broaden e-payment availability and options; (iv) institute legal, regulatory, and institutional reforms; and (v) intensify regional efforts to modernize and harmonize regulations.

**Policy implications.** Trade facilitation works behind borders, so concerted efforts at national and subregional levels are required. The WTO TFA significantly reduces trade costs, making trade more conducive to economic growth and inclusiveness in the region. SMEs remain at a disadvantage, but by leveraging emerging innovative technologies, they can increase their participation in regional and global value chains.

## Trade Facilitation and Digitalization for Inclusive Growth

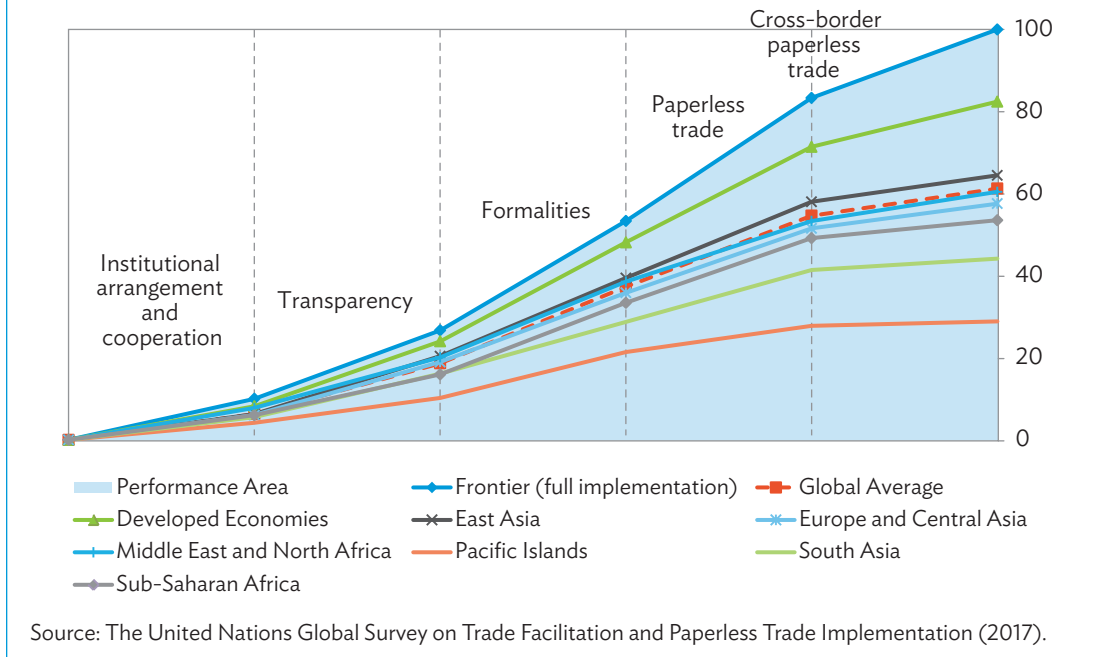
**Mia Mikic**

Director, Trade, Investment and Innovation Division  
United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

**Trade facilitation and the WTO TFA.** Trade facilitation is essential to trade competitiveness, enabling firms to participate in production networks. According to the latest Global Trade Alert and previous WTO reports, the number of trade-distorting measures has increased tremendously—three times more than in 2009. Since the region depends on trade for sustainable growth, it is up to trade facilitation to make up for all the damage new trade policies have made. To reduce trade costs, a whole supply chain or global value chain must be considered—rather than just one segment—because profit margins are very slim. There is a need to work across several countries as value chains link across borders. WTO TFA implementation provides a great opportunity to engage in trade facilitation reform. While the benefits are quite clear, more needs to be done, such as facilitation of digital trade and cross-border paperless trade (Figure 1).



**Figure 1: Moving Up the Trade Facilitation Ladder—A Simplified Way to a Seamless Global Supply Chain**



**The Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific.** Five countries have already signed this agreement, with the PRC as one of the signatories. In addition, 25 more countries are actively engaged in the accession process and drafting implementation road maps. The objective of the framework agreement is to foster electronic exchange (e-exchange) and legal recognition of trade data and documents across borders to cut trade and transit costs and boost trade compliance. The agreement provides an inclusive platform accessible to countries at all levels of development. Support will be provided for countries to improve readiness, allowing them to see the benefits of signing the agreement. Several initiatives are in place at the national and subregional levels with several donors to assess and aid countries' preparedness for cross-border paperless trade.

# Session 2: Status of the World Trade Organization Trade Facilitation Agreement in Asia and the Pacific

**Sheri Rosenow**

Counsellor

Trade Facilitation Agreement Facility, WTO

**Ratification status.** At this time, 139 World Trade Organization (WTO) members have ratified the Trade Facilitation Agreement (TFA), or 85% of the total WTO membership. Twenty-four members still need to ratify the agreement, of which 11 are least developed countries (LDCs).

**Notifications for implementation flexibility.** WTO members can decide when they will implement each provision of the TFA. They can use this flexibility through a series of “notifications.” Their starting point is to classify each provision of the agreement into one of the three categories: (i) the member is already implementing the provision; (ii) the member needs a certain amount of time for implementation; and (iii) the member needs more time, technical assistance, and support for capacity building.<sup>1</sup> At the time of the forum, 114 developing countries and LDCs have notified provisions under category A, 71 members under Category B, and 61 members under category C. Eleven countries are yet to notify the WTO. Among developing countries and LDCs, 47% of the provisions in the TFA are being implemented under category A, around 11% of the provisions are classified under category B, while 15% are under category C. The remaining 27% have no notification.

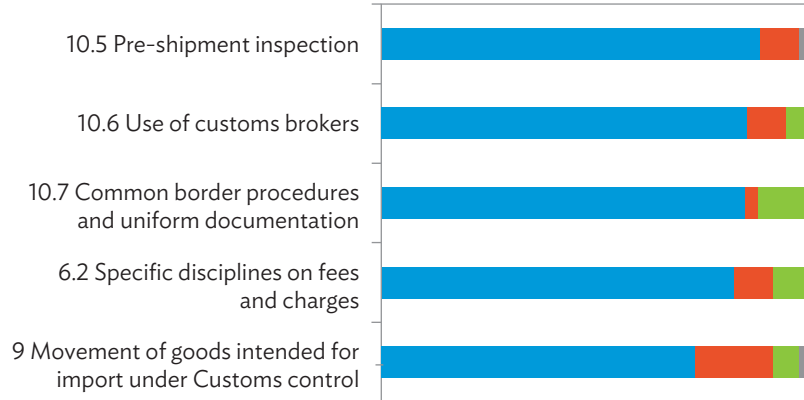
**Implementation across regions.** Africa is lagging behind many countries with provisions yet to notify. Most of the Commonwealth of Independent States (Central Asia) have notified, with about half in category A. In Eastern Europe, all countries have provided notifications, with most under category A. Asia and the Pacific is doing well—the implementation rate is 54.8% in category A, 16% in category B, and 23.4% in category C. Only 5.8% in the region have yet to provide a notification. Globally, 61% of the provisions in the TFA are being implemented (category A).

**TFA measures with the highest implementation in Asia and the Pacific.** The top five measures with the highest implementation in TFA provisions are (i) pre-shipment inspection, (ii) use of customs brokers, (iii) common border procedures, (iv) specific disciplines on fees and charges, and (v) movement of goods intended for import under customs control (Figure 2). Measures with the lowest implementation rates include single window customs, trade facilitation measures for authorized operators (AOs), risk management, advance rulings, border agency cooperation, and electronic payment.

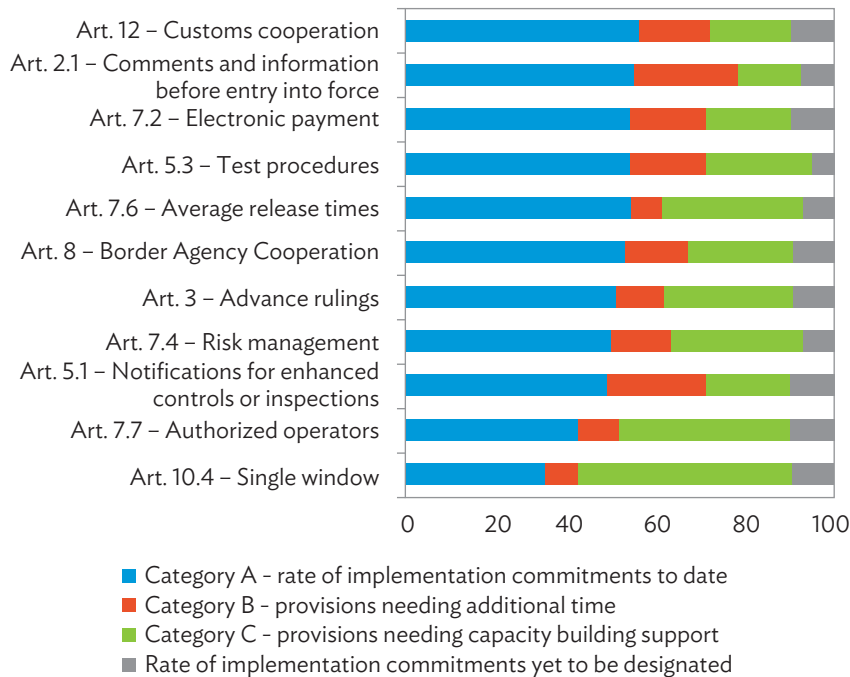
<sup>1</sup> **Category A** provisions are those “that the Member will implement by the time the Agreement enters into force (or in the case of a least developed country Member within one year after entry into force).” **Category B** provisions are those “that the Member will implement after a transitional period following the entry into force of the Agreement.” Lastly, **Category C** provisions are those “that the Member will implement on a date after a transitional period following the entry into force of the Agreement and requiring the acquisition of assistance and support for capacity building.” WTO TFA. Notifications list. <https://www.tfafacility.org/notifications>.

**Figure 2: Trade Facilitation Agreement Measures in Asia and the Pacific**

**(a) Top five with highest implementation rate**



**(b) Articles with lowest implementation rate**



Art. = article.

Source: Presentation by Sheri Rosenow, World Trade Organization.

**TFA timeline for notification and minimum requirements.** All notifications run from the date of entry-into-force of the TFA (22 February 2017). Given the WTO flexibility for LDCs, they have far longer time frames to comply than developing countries. The minimum requirement for LDCs is to indicate for each agreement provision the (i) indicative date for implementation, (ii) definitive date for implementation, and (iii) assistance and support for capacity building required for implementation. Many LDCs lack the indicative and definitive dates of implementation, which are temporarily listed as “to be determined.”

However, specific details are required by donors to make the work needed easier for both parties.

**Top technical assistance requested by the region.** Most countries in Asia and the Pacific have indicated that the technical assistance required for implementation have yet to be determined. However, in some provisions with identified technical assistance, the type of assistance needed include (i) human resources training, (ii) legislative and regulatory framework, (iii) creating or upgrading ICT, (iv) institutional procedures, (v) infrastructure and equipment, (vi) awareness raising, and (vii) diagnostic and needs assessment.

**Transparency notifications.** WTO members are required to provide information on (i) official places for the publication of notifications, (ii) uniform resource locators of website(s), (iii) contact information of enquiry personnel or offices, (iv) details of single window operations, (v) measures on customs broker use, and (vi) customs cooperation (contact point for information exchange). These notifications are often forgotten because they are embedded within the agreement of the publications. For instance, notification on the details of the single window is subsumed under the implementation of having a single window. Although the notifications are highly recommended, there is no deadline in the agreement for these. However, members are encouraged to notify as soon as they begin implementing the provisions. Notifications are published along with the member profiles on the TFA facility website.

**Article 22 notifications.** Donors are also required to provide two types of notifications: (i) the amount of support for technical assistance and capacity building (TACB) that has been dispersed over the previous year—an annual requirement, and (ii) contact points of TACB agencies that provide the assistance, as well as the processes and mechanisms to request TACB. Developing countries are also required to submit their contact point(s) of the office(s) responsible for coordinating with donors.

**The TFA facility website (<https://www.tfafacility.org>).** The website aims to be a one-stop shop on information about the TFA. The WTO has been collecting voluntary information on the website for several years. The website also includes information on coordinators of NCTFs and donor coordinators. Although members offer information to the website, they are encouraged to provide official notification by sending a letter to the WTO indicating official contact point(s). For each member, information from Article 22 on donors is also available on the website, giving information on who provides technical assistance to the country. This can help other countries find donors that have been working on trade facilitation projects in other parts of the region.

**WTO trade facilitation committee meetings.** WTO members are automatically members of the trade facilitation committee. Each committee meeting begins with a review of notifications and ratifications. The review can be very detailed, with members asking questions on the classification of notifications and the details of technical assistance provided. Moreover, experience and knowledge sharing has recently become part of the regular program of committee meetings. During the review of TACBs, some members report on the technical assistance they receive, and allow other members to raise relevant questions and issues. For instance, questions are asked on what members expect from notifications or donor support notifications. Recently, the WTO has funded capital-based

officials mostly from low-income countries and LDCs to participate in both committee meetings and the add-on workshops. The WTO hopes to bring these officials together at least once a year.

**WTO support for the TFA.** The WTO organizes and participates in various TFA workshops. It can also provide technical assistance if members are having problems on notifications and ratifications, with coordination of donors. Recently, grants on project preparation and project implementation have been made available, intended to fill the gaps for countries that cannot find support from other organizations.

# Session 3: Regional Cooperation and Trade Facilitation

**Moderator:** [Ronald Antonio Butiong](#)

Director, Regional Cooperation and Operations Coordination Division  
South Asia Department, ADB

## Central Asia Regional Economic Cooperation Program

[Rosalind McKenzie](#)

Senior Regional Cooperation and Integration Specialist, Public Management, Financial Sector and Regional Cooperation Division  
East Asia Department, ADB

**CAREC background.** In 1997, ADB established the Central Asia Regional Economic Cooperation (CAREC) Program<sup>2</sup> to encourage economic cooperation among countries in Central Asia. It is an open and inclusive platform that connects people, policies, and projects from 11 countries and development partners for shared and sustainable development. Since 2001, CAREC has mobilized \$31.5 billion worth of investments through 185 investments and technical assistance (TA) projects, primarily in energy, trade, and transport. In 2017, members endorsed CAREC 2030, which identifies five operational clusters: (i) economic and financial stability; (ii) trade, tourism, and economic corridors; (iii) infrastructure and economic connectivity; (iv) agriculture and water; and (v) human development.

**Key accomplishments in trade, 2004–2017.** CAREC focused on three interconnected components on trade from 2004 to 2017: trade policy, customs cooperation, and integrated trade facilitation. Under trade policy, some of the program's most notable achievements were implementation of WTO accession commitments and post-accession adoption (e.g., in Kazakhstan and Tajikistan), including trade tax regime liberalization. The CAREC Customs Cooperation Committee showed significant progress in customs cooperation: it (i) implemented national single windows in the Kyrgyz Republic, Mongolia, and Tajikistan; (ii) established joint customs control between Mongolia and the PRC; (iii) conducted numerous pilot projects and experience-sharing opportunities; and (iv) worked with the private sector through the CAREC Federation of Carriers and Freight Forwarders Association. Integrated trade facilitation also focused on facets beyond customs, such as improving border infrastructure (Regional Improvement of Border Services in the Kyrgyz Republic and Tajikistan), upgrading the sanitary and phytosanitary (SPS) systems, and developing a logistics center in Mongolia.

**CAREC Integrated Trade Agenda (CITA) 2030.** The CITA 2030 will enable CAREC member countries to better integrate into the global economy. It has three components:

---

<sup>2</sup> CAREC member countries include Afghanistan, Azerbaijan, the PRC, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

(i) expand trade and increase market access through freer trade and lower trade costs; (ii) improve diversification through adequate trade financing and better linkages with global and regional value chains; and (iii) fortify trade institutions through coordinated sector policies and evidence-based policy making and negotiations. The 3-year Rolling Strategic Action Plan for CITA includes capacity-building activities for the enhanced implementation of the WTO TFA, including establishing and strengthening NCTFs.

**Results from 2017 CAREC TFA Readiness Assessment.** CAREC members vary in their readiness to implement the TFA.<sup>3</sup> Six member countries classified around half of the TFA articles as category A, with most articles being mandatory or binding. This is encouraging, as most countries have or are establishing their NCTF—and private sector participation is increasing.

**Main lessons.** Coordination is key in implementing the TFA—whether national, intraregional, interregional, or among development partners. Political will is critically important at the national level. In addition, subregional platforms enhance mutual understanding and create opportunities for interagency and public–private coordination. Lastly, expert knowledge partners are invaluable, as they ensure that the individual needs of stakeholders are adequately addressed.

## South Asia Subregional Economic Cooperation Program

### Aileen Pangilinan

Senior Regional Cooperation Officer  
South Asia Department, ADB

**Background on the South Asia Subregional Economic Cooperation (SASEC) Program.** SASEC is a project-based partnership aimed at promoting regional prosperity, with ADB acting as secretariat and lead support partner.<sup>4</sup> Most SASEC projects focus on energy, trade facilitation, and transport. From 2001 to 2017, there were 49 committed projects amounting to \$10.8 billion, and 74 technical assistance programs valued at roughly \$72 million.

**SASEC Trade Facilitation Strategic Framework.** The framework was approved in 2014 and comprises four pillars: customs, standards, border facilities, and transport facilitation. Its goal is more efficient, transparent, secure, and service-oriented trade among SASEC members. Thus far, there has been progress in various aspects of trade and transport facilitation.

Border facilities, standards, and transport facilitation. A Motor Vehicle Agreement has been signed between Bangladesh, Bhutan, India, and Nepal. The agreement aims to promote seamless cross-border movement of passenger, personal, and cargo vehicles. A Trade Facilitation Route Initiative Study is also underway. It focuses on the Kolkata–Dhaka route, which passes through several key border points. Studies on the coordinated development of border infrastructure have also been conducted, resulting in more

<sup>3</sup> See December 2017 presentation: <https://www.carecprogram.org/uploads/1.3-TFA-readiness.pdf>.

<sup>4</sup> Members include Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka.

modernized border crossing points. Members have worked to improve SPS standards—SASEC is building a database on SPS measures and technical barriers to trade.

**Customs.** SASEC has active trade facilitation program loans with Bangladesh, Bhutan, and Nepal. The loans support creating a modern and efficient customs administration, streamlined and transparent customs processes, and better services and information for private sector traders and investors. Other programs include the Customs Reform and Modernization for Trade Facilitation Program in Nepal (ongoing), trade and logistics facilitation program to support the Port Access Elevated Highway in Sri Lanka (ongoing), and the National Single Window in Maldives (slated for 2019).

**Other support activities.** SASEC runs various TA projects on trade facilitation. These focus on identifying customs issues, building road maps for national single window systems (e.g., in the Maldives), and capacity building—in particular to support efficient implementation of the TFA.

**Lessons learned.** Trade facilitation can help deliver quick results, especially on infrastructure and communication. Cross-border transport connectivity projects benefit greatly from trade facilitation support. It is important to remember that trade facilitation needs differ for each member and must be appropriately and adequately addressed. Further, capacity-building programs are only effective when they are properly and sustainably designed.

## Trade and Transport Facilitation in the Pacific

### Paolo Spantigati

Country Director

Timor-Leste Resident Mission, ADB

**Technical assistance on trade facilitation in the Pacific.** The technical assistance examines trade and transport linkages, in an attempt to discover where and how developing member countries in the Pacific can benefit from emerging opportunities, especially in Asia.<sup>5</sup> It also aims to identify and resolve both soft and hard constraints. The Japan Fund for Poverty Reduction provided \$2 million in support, while ADB provided \$1.9 million. Targeted completion is at the end of 2019.

**Baseline and outlook on trade.** Pacific trade is relatively limited due to small country size and product similarity (mainly agricultural). Trade with the PRC has recently strengthened, both directly and as transshipment through Australia and New Zealand. Sea and air networks are projected to expand, but trade patterns will unlikely drive significant changes in networks or increase vessel frequencies. Imports dominate in most seaports; however, unsustainable current account deficits may hamper import growth. Containerization may also saturate in the coming years. As port activity increases, trade and passenger ships will require separate facilities.

<sup>5</sup> The technical assistance currently covers six Pacific countries: Fiji, Papua New Guinea, Samoa, Timor-Leste, Tonga, and Vanuatu.



**Trade facilitation diagnostic studies are needed.** The study had several findings and recommendations common to all six Pacific countries. The study recommends a legal infrastructure that requires advanced manifests—to decrease the current 100% cargo examination by developing risk management and intelligence systems, and developing a strategy covering integrity issues during the clearance process. The study also recommends automating requirements such as documentation, duty and tax payments, and bio/security/quarantine. Lastly, establishing national single window systems will help facilitate trade.

**Continuing support for trade facilitation and transport connectivity.** There are five active ADB technical assistance (TA) projects in four Pacific countries. One in Apia, Samoa aims to prepare a project for breakwater repair and security facility provision. Two TA projects in Nuku'alofa, Tonga, and Honiara Port, Solomon Islands aim to rehabilitate existing wharves and reconfigure onshore port facilities. The Noro Port, Solomon Islands project is laying the groundwork to increase port capacity, streamline business processes in tuna exports, and set up a one-stop shop to consolidate customs checks, among others. Finally, in Timor-Leste, technical assistance is developing a pilot project on tourism and trade in livestock. This will include support for trade facilitation along the land borders with Indonesia.

## ADB's Support for Trade Facilitation in Southeast Asia

### Kanya Sasradipeora

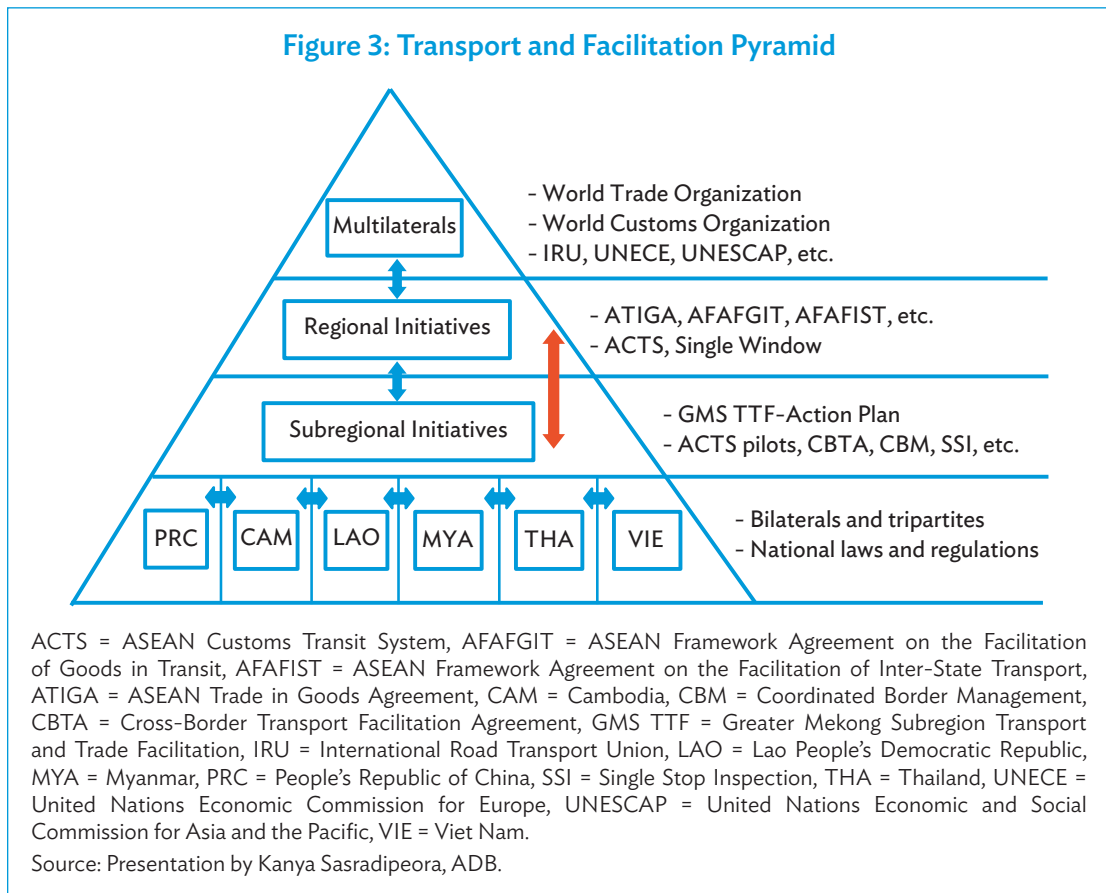
Senior Trade Specialist

Southeast Asia Department, ADB

**Overview of trade facilitation in Southeast Asia.** ADB adopts a two-pronged approach: bottom-up and top-down. For the Association of Southeast Asian Nations (ASEAN), ADB support includes regular participation and discussions at senior economic official meetings and with directors general of customs offices. At the subregional level, it supports three major subgroups: the Greater Mekong Subregion (GMS), the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area (BIMP-EAGA), and the Indonesia–Malaysia–Thailand Growth Triangle (IMT-GT). These three subregions serve as building blocks for the ASEAN Economic Community. At the national level, ADB supports policy and project implementation. In addition, ADB coordinates with other development partners and regions to promote synergy and ensure sufficient support is available.

**Transport and trade facilitation pyramid.** While ADB uses a two-pronged approach, they are intertwined, visualized, for example, in a transport and trade facilitation pyramid (Figure 3). Both regional and subregional initiatives play policy and technical roles. They can serve as vehicles for implementation, test beds for projects, and agents for inclusive growth.

**Examples of ADB support to trade facilitation.** ADB provides support in various areas per country. For example, ADB supported Cambodia in enhancing its customs national single window, Myanmar in conducting customs brokers' training, and the Lao People's Democratic Republic (Lao PDR) in implementing risk management measures. ADB also helped the three countries conduct time release studies (TRSs).



At the subregional level, ADB supported the Cross-Border Transport Facilitation Agreement in the GMS. This agreement established a single-stop inspection via a single window. Participating countries can issue up to 500 transport permits—so long as a vehicle stays in the country for less than 30 days—thereby shortening and easing transport costs. ADB’s support for BIMP-EAGA covers assistance in implementing international and ASEAN commitments and standards, as well as implementing the ASEAN “Plus” initiative—which kick-started the One Borneo Quarantine collaboration regime and enhanced port security on secondary ports and for nonconventional vessels.

## The Trade Facilitation Agreement and Association of Southeast Asian Nations Integration

**Brasukra Sudjana**

Trade and Facilitation Division

Association of Southeast Asian Nations (ASEAN) Secretariat

**ASEAN’s implementation of the WTO TFA.** ASEAN implements the WTO TFA in three ways. First is via intra-ASEAN initiatives such as the ASEAN Single Window (ASW), through which some countries can exchange certificates of origin electronically—shortening time

needed from 7 days to 7 hours. ASEAN hopes to rollout the facility to all members, as well as expand the types of documents eligible for electronic submission (such as sanitary permits and animal certificates). Other intra-ASEAN initiatives include national and ASEAN trade repositories. These are databases for rules and regulations related to trade and will increase transparency inside and outside ASEAN. The repositories are currently available, but are not kept current.

Second is through cross-sector coordination. ASEAN has a trade facilitation committee that includes both representatives from its 10 member countries and chairs from related sectors, such as e-commerce and transport facilitation. This helps improve facilitation covering specific issues across different sectors.

Third is through existing and prospective trade agreements. Many ASEAN trade agreements predate the WTO TFA, but their provisions have been limited. Some have been updated, such as the agreements with the PRC and the Republic of Korea—both updated in 2015. Going forward, one key prospect is the final negotiations for the Regional Comprehensive Economic Partnership (RCEP). RCEP and the TFA have similar elements, but one critical feature of RCEP is performance criteria—concrete measures taken on a best-efforts basis (for example, goods should be released within 48 hours, with perishable goods released within 6 hours). While not etched in stone, the criteria provide a tangible baseline and can serve as basis for non-RCEP countries trading with members.

**RCEP challenges.** If concluded, implementing RCEP may be difficult for countries without critical facilities such as express lanes. Other considerations include “Fourth Industrial Revolution” technology such as “blockchains.” While these present challenges, they also offer opportunities to streamline processes and further connect eventual RCEP signatories. Further, as e-commerce drives new trade, transport, and logistics, how to facilitate the cost-effective, efficient movement of these often high-frequency, low-value, and low-quantity goods is a challenge that affects all of ASEAN and potential RCEP members.

## International Trade Center Study on Trade Facilitation and Regional Cooperation

### Mohammad Saeed

Senior Trade Facilitation Advisor  
International Trade Center (ITC)

**Role of regional coordination.** Coordinated regional approaches help maximize TFA benefits. For example, streamlining requirements helps reduce uncertainty for traders and compliance costs. Harmonized customs legislation and processes guarantee effective and transparent customs unions. In addition, implementation costs are lower, as they are shared among participants. Avoiding structural gaps and imbalances—for example, different levels of GDP growth—also becomes easier when countries, regions, and organizations coordinate.

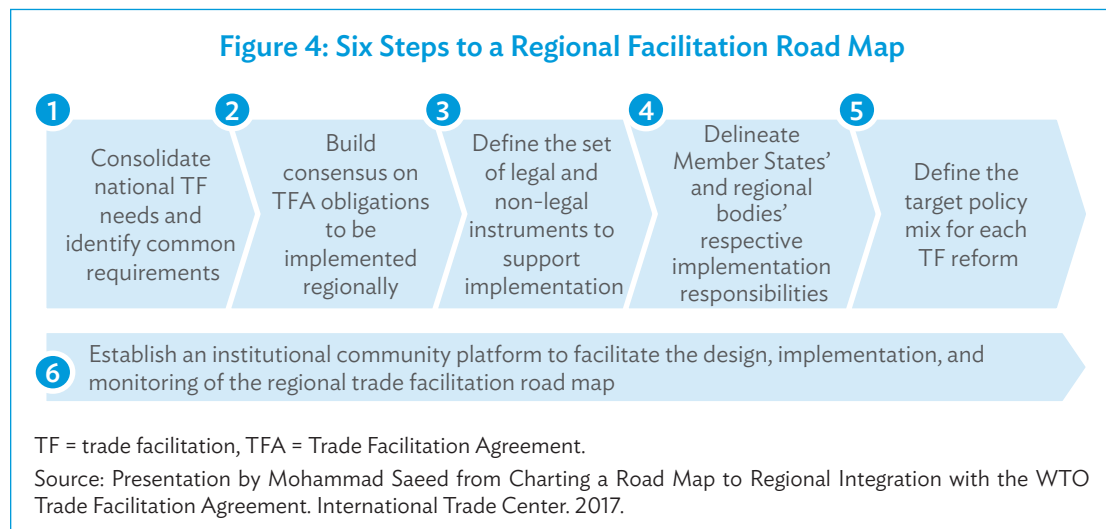
**Three levels of intervention.** There are three ways regional entities can intervene. First, they may choose to implement measures on behalf of member states. Second, they may choose to serve as coordination and cooperation mediators. They can provide guidelines,

oversee implementation, and facilitate information exchange to ensure synchronicity among members. Finally, they may become a harmonizing agent by providing guidelines for implementation, while allowing members the flexibility to decide how and when to implement measures.

**Instruments to advance the regional trade facilitation agenda.** There are two instruments to help achieve the trade facilitation agenda: legal and non-legal instruments. Legal instruments are binding agreements. They require strong commitments among countries and are most effective when enforceable. Non-legal instruments are typically easier to achieve, but may not be as efficient, with implementation voluntary due to the absence of an enforcement mechanism.

**Responsibility-sharing options.** TFA participants can also opt to implement measures in three ways: centralized (regional bodies have exclusive responsibility over compliance), shared (regional bodies and member share responsibility), or decentralized (members hold exclusive responsibility).

**Six-step road map.** The best way to implement trade facilitation reforms and regulations is to establish a regional trade facilitation committee. The committee can devise a road map for the region, following six basic steps (Figure 4). Success relies heavily on two factors: business logic and coordination. Regional trade will only intensify if it makes economic sense for businesses. Coordination helps ensure that businesses will adhere to processes. Moreover, coordination helps identify common barriers and devise ways of dismantling them.



## Question and Answer Session

- **Question from Timor-Leste to Mohammad Saeed.** *How can interregional bodies promote linkages with national single window systems? For example, Timor-Leste is looking to work with the Community of Portuguese Language Countries for a national single window. How can this be efficiently linked with something like the ASEAN Single Window (ASW)?*

It is important to know the kind of setting one has. For example, a single window can be a purely national effort, but it can fit the setting of other countries as well. Meanwhile, a regional body can choose to implement a regional single window. What is crucial is how these decisions are made. The recommendations discussed are technical considerations in making these decisions.

- **Question from Azerbaijan to Aileen Pangilinan.** *What should be the first step in implementing trade facilitation reforms or regulations?*

For SASEC, there are regular customs subgroup meetings. These serve as platforms for administrations to discuss issues, especially those that are common to that subgroup. There are also subregional projects (e.g., border-level meetings) where participants identify issues on the ground. These meetings and projects have been self-sufficient thus far and are good ways to start trade facilitation implementation.

# Session 4: Article 7—Release and Clearance of Goods

**Moderator:** **Arjun Goswami**

Chief of Regional Cooperation and Integration Thematic Group,  
Economic Research and Regional Cooperation Department, ADB

**Speakers:** **Sheri Rosenow**

Counsellor, WTO TFA Facility

**Milena Budimirovic**

Senior Technical Officer, Procedures and Facilitation, World Customs  
Organization (WCO)

**Temsunaro Jamir**

Joint Commissioner, Central Board of Indirect Taxes and Customs,  
Government of India

**Zhandos Sekenov**

Department of Customs Methodology, State Revenue Committee,  
Kazakhstan

**Khin Maung Linn**

Assistant Director, Customs Department, Ministry of Planning and Finance,  
Myanmar

## Key Messages

- The main difference between authorized operator (AO) programs and authorized economic operator (AEO) programs is the supply chain security component, which is an essential element of the AEO and an optional part under the AO.
- If a country is fully implementing AEO under the SAFE Framework of Standards, it is most probably compliant with Trade Facilitation Agreement (TFA) provisions, but it would need to go provision by provision under the TFA to determine if it is fully compliant.
- AO programs are not exclusively for large enterprises. They can include small and medium-sized enterprises (SMEs). In fact, provisions on the minimum value of goods or transactions were removed specifically to enable SMEs to participate. India's case study highlights a system specifically designed to enable SME participation.
- Emerging trends in AEO programs include increased participation and inclusion of other border agencies other than customs, for example, sanitary and phytosanitary (SPS) agencies. This enables much greater time and cost savings.

- Another trend going forward is regional AEO programs (e.g., the scheme in the Euroasian Economic Union) and increasing negotiations for plurilateral mutual recognition agreements (MRAs).
- MRAs provide additional benefits. While they can benefit AO and AEO programs, in practice this only occurs when schemes include supply chain security.
- It is important to remember that the end goal is that AOs and AEOs become unnecessary when border procedures are efficiently streamlined.

## Authorized Economic Operators

*“Members shall provide certain additional trade facilitation benefits to ‘authorized operators,’ or those traders who Customs has determined present a low risk of non-compliance with legal requirements.”*

- There is some confusion as to the difference between an AO and an AEO. The AO is a concept from the Revised Kyoto Convention (RKC)—specifically, RKC GA 3.32—and is typically what is referred to in the TFA. It is a “trusted trader” type of program, where an operator that meets specified criteria can pass through the border more quickly. The AEO is a concept from the SAFE Framework of Standards. The AEO concept is much more comprehensive in terms of information on standards, benefits, and requirements. Nonetheless, the key provisions of an AO and an AEO remain similar. A key difference is that the AO does not include the “supply chain component.” Both concepts allow for MRAs. However, in practice, the only examples of MRAs are from AEO programs.
- Article 7.7 requires members to provide special or preferential customs treatment to reliable traders. This is a good example of how the TFA allows national flexibility during implementation. For an AO scheme to be TFA compliant, it can facilitate up to seven different areas but require a minimum of three.
- A working, effective risk management and post-clearance audit system is a useful prerequisite to operating an AO program.
- Several regions have developed regional AEO programs—including the European Union (EU), East African Community, Southern Africa Customs Union, and Eurasian Economic Union (EAEU). There is a growing trend toward negotiating plurilateral arrangements. Another important area for future growth is expanding the AEO concept to cover cross-border e-commerce and the increasing inclusion of border agencies (other than customs) in the scheme to maximize benefits.
- AO and AEO programs are not designed exclusively for large enterprises. In the early negotiations for Article 7.7, developing country members requested that language on minimum values and minimum quantities of goods be removed to specifically accommodate SME participation.
- There is no ideal number of operators to be included in an AO or AEO program, although strong business interest is a good indicator of the potential success of the program. It is important to remember that the ultimate goal of border cooperation is a system sufficiently streamlined so as not to need either an AO or an AEO program.

## Case Study: Authorized Economic Operator Program in India

India launched a multitiered AEO program in 2016—an enhancement and merger of its trusted trader program under the RKC (launched in 2005) and the AEO program under the SAFE Framework (2012). The program is noteworthy due to (i) its compliance with Article 7.7.2.b, which encourages the inclusion of SMEs, and (ii) the inclusion of the supply chain security component for logistics operators.

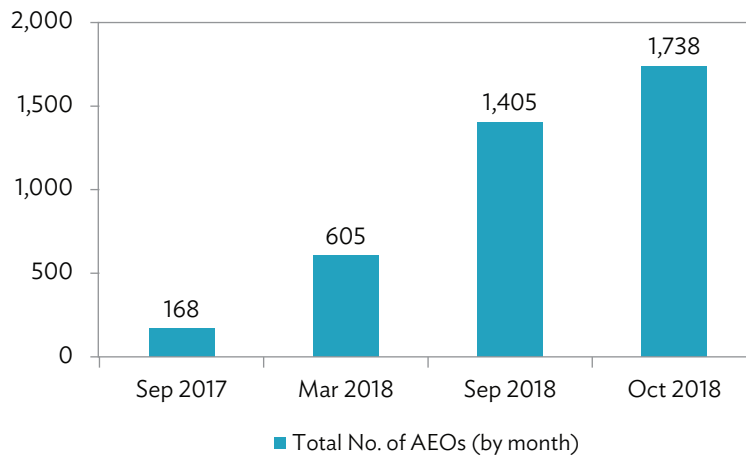
The program has four tiers. Tier 1, the entry-level AEO, requires only general compliance of the exporter and importer. This entails (i) establishment in India and (ii) general legal compliance to trade laws and financial solvency. The program encourages SMEs to enroll in the program and “graduate” to the other tiers. Tier 2 requires security compliance from the exporter and importer in terms of process, premises, and supply chain. Tier 3 requires security compliance from the business partners of the exporter and importer. For logistics operators, the AEO requires general and security compliance from warehouse operators, transporters, shipping lines, and customs brokers. This kind of multitiered scheme works for a country like India that has large differences in socioeconomic development and operators with varied capabilities and needs.

Other unique features of the program include the decentralized processing of AEO applications and outreach to specific sectors. This allowed the program to spread quickly across the country, but also required sustained “sensitization” efforts—particularly important as it is a voluntary compliance program. The program also coordinates with partner government agencies to allow for the incorporation of benefits granted by these other agencies for AEOs. These include access to direct port entry (which can reduce costs by about 35%–40%), reduced bank guarantees, deferred duties, and quicker refunds and drawbacks. Other benefits include faster dispute resolution and authorizing space and warehousing. However, coordination has been a challenge. Engagement with other agencies through the national committee for trade facilitation (NCTF) was important in smoothing the coordination process.

One challenge to the AEO program since 2012 was the lack of substantial progress in entering into MRAs. This limited benefits offered to certified entities. Efforts are currently underway to sign MRAs with 11 countries to help increase the security of the overall supply chain.

As of October 2018, there were 1,738 AEOs (Figure 5)—a significant increase from the 300 members when the 2005 and 2012 programs were in place. The AEO program envisions that by March 2019, 3,500 AEOs will be enrolled.



**Figure 5: Enrollment of Authorized Economic Operators by Month in India**

AEO = authorized economic operator.

Source: Presentation by Tamsunaro Jamir, Joint Commissioner, Central Board of Indirect Taxes and Customs, Government of India.

## Case Study: Authorized Economic Operator Program in Kazakhstan

Kazakhstan—as an EAEU member—established an AEO program in compliance with the 2018 EAEU Customs Code. It categorizes AEOs into three types: Type 1, for carriers and transporters; Type 2, for foreign traders that store goods; and Type 3, which facilitates Types 1 and 2.

The requirements to join the AEO program include financial solvency, integrity, and experience. Customs representatives and owners of bonded or temporary warehouses must have more than 3 years' experience and have processed 200 declarations, or over €500,000 annually. Transport operators must have at least 2 years' experience and have processed more than 250,000 transport declarations annually. Financial solvency requirements for Type 1 operators is €1 million, while other operators must comply with financial sustainability criteria. Integrity checks include tax payments, debts for customs fees, and administrative and criminal offenses. The integrity requirement applies to all EAEU members, who have 1 month to conduct background checks on an AEO applicant before a decision is made—to discourage applications by fly-by-night firms.

Benefits for Type 1 AEOs include priority in customs processing, waiver of guarantee for transit or release of goods, pre-declaration release of goods, waiver of transport route, and priority participation in pilot projects and experiments. Benefits for Type 2 AEOs include temporary storage and conduct of customs processing at the AEO's premises, pre-declaration release of goods, as well as waiver of guarantees for transit or deferred payment.

EAEU customs law provides for mutual recognition of AEOs between EAEU countries and third-partner countries. This serves as an impetus for the development of transit capacity. Kazakhstan's membership in the EAEU has been very beneficial as it is taking advantage of the opportunities provided.

## Case Study: Establishment of Accreditation System for Customs Brokers in Myanmar

In 2017, with ADB assistance, Myanmar implemented a pilot accreditation system for customs brokers. This entails taking a 6-week course and afterward, passing a written examination. The course is conducted by the Myanmar Customs Brokers Association, the Myanmar International Federation of Freight Forwarders Association, and the customs department. Prior to this system, customs officers trained customs brokers through a “train-the-trainer” program.

Myanmar also has a system to approve authorized agencies. To qualify, agencies must have three licensed agents that passed background checks and a broker training test. They are also required to pay a \$32 application fee and deposit an approximately \$1,900 bond.

The system was established to help deal with rapid trade volume growth and to prevent the loss of customs duties.

## Question and Answer Session

- **Questions from India to Sheri Rosenow of WTO:** *Article 5.1b states a member may issue a notification that applies only to those points of entry with SPS conditions. Do we need to bring notification specific to each point of entry to restrict commodities which violate SPS conditions? Article 7.8.3 talks about non-automatic licensing requirements. What exactly is this?*

Article 5.1b is based on the EU's “import alert rapid alert” system. It does not require a notification for each commodity. Different members have different ways of addressing this system. Automatic means it just happens. Non-automatic means “not automatic.”

- **Question from Georgia to Sheri Rosenow of WTO and Milena Budimirovic of WCO:** *Georgia notified their Category A notifications in 2015, but now wish to reevaluate these notifications. What tools exist to help monitoring and evaluation of notifications?*

The WTO TFA does not have any specific monitoring tool. However, trade policy reviews and time release studies (TRSs) are useful and important tools. Monitoring is done in some countries. Feedback from trading partners is also important. The WCO is in the process of discussing establishing monitoring mechanisms for WCO instruments and tools that support the TFA.

## Resources and Instruments

Description	Website
<p><b>Revised Kyoto Convention (RKC)—3.32 Transitional Standard</b> Document with the full RKC text; for authorized persons, see 3.32.</p>	<p><a href="http://customs.gov.ph/wp-content/uploads/2016/10/KYOTO-Convention.pdf">http://customs.gov.ph/wp-content/uploads/2016/10/KYOTO-Convention.pdf</a></p>
<p><b>SAFE Framework of Standards</b> The SAFE Framework creates the conditions for securing international trade, but also facilitates and promotes international trade, among others. This encourages and eases cross-border goods trade for both buyers and sellers.</p> <p>These processes will ensure that authorized economic operators (AEOs) see the benefit of investing in good security systems and practices, including reduced risk-targeting assessments and inspections, and expedited goods processing.</p>	<p><a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf?la=en">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf?la=en</a></p>
<p><b>The SAFE Package</b> The package includes various tools relating to AEOs—including AEO Implementation Guidance, AEO Compendium, and Model AEO Appeal Procedures.</p>	<p><a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/aeo-implementation-guidance.pdf">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/aeo-implementation-guidance.pdf</a></p>
<p><b>AEO Compendium</b> The website details AEO programs and mutual recognition agreements being developed and implemented globally. It is a useful resource for countries looking to develop or update their own AEO programs.</p>	<p><a href="http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/aeo-compendium.aspx">http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/aeo-compendium.aspx</a></p>

# Session 5: Article 11—Freedom of Transit



**Session 5 speakers and moderator.** From left to right, Kazunari Igarashi, Satish Reddy, Ronald Butiong, Ramlah Mukhtar, Sheri Rosenow, Mikhail Peikrishvili.

**Moderator:** [Ronald Antonio Butiong](#)

Director, Regional Cooperation and Operations Coordination Division  
South Asia Department, ADB

**Speakers:** [Sheri Rosenow](#)

Counsellor, WTO TFA Facility

[Kazunari Igarashi](#)

Head of Asia-Pacific Regional Office for Capacity-Building, WCO

[Satish Reddy](#)

Trade Facilitation Expert, ADB

[Mikhail Peikrishvili](#)

Chief Specialist, Department for International Relations  
Georgia Revenue Services

[Ramlah Haji Mukhtar](#)

Senior Assistant Director of Customs 1, Customs Division of Import–Export  
and Border Control Branch, Royal Malaysian Custom Headquarters

## Key Messages

- Freedom of transit is an article of the General Agreement on Tariffs and Trade (GATT) legal agreement, but the principle itself is insufficient to ensure freedom of transit. It needs to be supported by mutual recognition agreements (MRAs) that

- cover vehicle specifications, licensing, and visas for drivers, among others. It also typically requires a bond or guarantee for customs transit arrangements. Having a guarantor is important for regional and subregional schemes to be effective—such as within the Greater Mekong Subregion (GMS) and ASEAN.
- India’s case study on the use of electronic cargo tracking systems shows how technology can help remove the need for a guarantee due to the extra level of security it provides. Combined with “smart” transshipments, it can also help reduce the burden of moving goods between vehicles or using different modes of transport when the exchange of traffic rights is not secured. Some of the benefits include a 50% reduction in the number of procedures and a significant reduction in transit time.
  - Business process reengineering should precede transit system automation to eliminate redundant processes and boost the impact technological efficiency. The role of transit intermediaries and the number of government agencies involved should be minimized and, if possible, the role of transit intermediaries completely removed.
  - Some important lessons learned include the need for strong communication with the different parties involved when transitioning to a new system. There is also the need to pilot new systems to identify challenges and make changes prior to national implementation. National technical and working committees are critical for supporting communication and coordination. One challenge for pilots is the need to operate within existing legal frameworks if a regulatory sandbox approach<sup>6</sup> cannot be agreed upon.

## Freedom of Transit

- Many countries rely on transit traffic to reach markets (e.g., landlocked countries to reach gateway ports). The purpose of transit agreements is to ensure goods in transit are not diverted to the transit country.
- Provisions on freedom of transit are included in one of the lengthier TFA articles. It includes 17 different provisions that encourage countries to remove burdensome steps and emphasizes easing the provision of guarantees. Support for transit is, however, integrated throughout the TFA.
- Freedom of transit is a principle of law and has been included in multiple international conventions since the GATT came into effect on 1 January 1948. Article V provides for freedom of transit and applies to all WTO members. The principle itself is, however, insufficient to ensure freedom of transit. Transit traffic is subject to multiple restrictions and functions in a complex regulatory environment. For example, quantity restrictions cover vehicles, permits, weight restrictions on vehicles, along with visas and drivers’ licenses. Bilateral or multilateral agreements help overcome these barriers. In addition, customs transit arrangements are typically secured through a guarantee or bond.

<sup>6</sup> A regulatory sandbox is often used for financial technology. It involves temporarily suspending or the non-application of legal frameworks to test how the technology or new procedure would operate under a revised legal system.

- Guarantees are typically provided by national commercial banks. The only global system in place is the United Nations Customs Convention on International Transport of Goods under Cover of Transports Internationaux Routiers (International Road Transports) (TIR) Carnets, 1975 (TIR Convention). This is a public–private partnership with the International Road Transport Union, which operates a network of associations that issue carnets and provide guarantees. Having a central guaranteeing body is important for regional arrangements and might be a suitable model for ASEAN and GMS transit systems, for example.
- Efficient transit also requires electronic data exchange. Further, the UN Economic and Social Commission for Asia and the Pacific (UNESCAP) agreement on cross-border paperless trade should help.
- Exchange of traffic rights is needed for through transport arrangements, but is not required for transit agreements. The important thing is speed and transparency. Smart transshipment and the use of electronic cargo tracking systems may remove the need for one truck to go from country A to country B and still deliver time savings.
- One future opportunity would be enabling AEOs to gain from transit arrangements. It is currently complex as it requires common standards and mutual recognition of AEO programs between countries. However, more facilitative transit arrangements for AEOs could be established in the future.

## Case Study: Technology-Driven Transit Facilitation between India and Nepal

Transit is important for South Asia Subregional Economic Cooperation (SASEC) Program members, particularly Nepal and Bhutan, which are landlocked—but also due to the demand from traders for more efficient trade processes and routes. The existing transit agreement between India and Nepal is paper-based and involves many agencies. This is being addressed through the rollout of an electronic cargo tracking system (ECTS)—an integrated system featuring high-security (ISO 17712) seals to secure cargo and revenue and global positioning system or GPS tracking functionality. It allows automated document processing, and for both countries and the private sector to track cargo in real time. The system allows for “geofencing” the route assigned for the vehicle’s movement. If the vehicle deviates from the route, it sets off an alert. While any breach of the seal provides an immediate alert, other risk parameters (e.g., length of stops) can also be established. The ECTS was first piloted in April 2018. Initially, take-up was low as pilot participation was voluntary and intermediaries were unreceptive to the transparency and traceability features of the system. Moreover, Nepalese traders were still required to use Indian customs brokers to conduct processing.

A second pilot was launched in August 2018, whereby the need for the Nepal traders to do any processing in India was eliminated. The agencies involved were reduced to just the shipping line and the transporter, in addition to customs. Several hundred containers have moved under this transit very smoothly since the pilot began. The cost of the system is influenced by the long distances involved and a relatively long turnaround time for the devices to be circulated for reuse. The benefits include significantly reduced transit time (procedures reduced by 50%) and the number of documents and regulatory signatures

required for Nepal traders have dropped from around 20 to 0. A fiscal guarantee system is not required due to the high level of security. This is a system that could serve as inspiration for future transit agreements. Representatives from Nepal confirmed the benefits of the system and informed their intent to update the existing transit agreement to take account of progress made.

In addition to the ECTS with Nepal, India's customs is facilitating exports using radio-frequency identification (RFID) e-seals on containers. RFID tags are also being used on vehicles to test the dwell time at Nhava Sheva port in India. A removable RFID tag is fixed onto a cargo vehicle. Each time the container crosses a toll barrier, the time and date stamp are captured by the system. Information on the time taken at each stage of the journey is obtained making it possible to identify choke points. This is a good example of how technology can be used for monitoring and conducting business process analysis.

India and Bangladesh entered into an agreement using Chittagong and Mongla ports in Bangladesh for moving goods from one part of India to another. India is closely examining the request of Bangladesh traders that India allow the use of certain ports (both land ports as well as railways) for the movement of Bangladesh cargo via India to other parts of the world, with the view that ECTS will be used in the future to provide similar benefits.

## Case Study: Accession of Georgia to the Conventions on Transit Area and Launching of the New Computerized Transit System

In 2015, Georgia signed an association agreement with the European Union (EU) and became part of the Deep and Comprehensive Free Trade Area. As part of integration into the EU regime, it acceded to the conventions on transit, which allow for transit movements between EU countries and other members—using just one declaration and one comprehensive guarantee. It also launched the New Computerized Transit System (NCTS), which was integrated into the existing Automated System for Customs Data, so all transit declarations may be submitted electronically by the declarant and processed by electronic means. Turkey has also acceded to the conventions, important as it is Georgia's main trading partner. Azerbaijan is working to do the same.

There are several challenges in adopting the conventions and the NCTS. They include (i) revisions to the legal framework to align with the conventions and EU customs code, (ii) upgrades to existing information technology (IT) infrastructure to meet NCTS requirements, and (iii) strengthening institutional and human capacity building.

The main lesson learned was the importance of communication. There is need to raise awareness of all actors about changes made—with help desks for employees and traders, participation in relevant workshops and conferences, and establishment of a multi-agency working group and committee. Also useful would be attendance in EU working group discussions to understand the issues, expert missions, and participation in the EU Twinning Project.

Other lessons include the value of short-term flexible planning. Georgia had a 24-month strategy and implemented it through 6-month plans to take account of changing circumstances. Furthermore, creating a new IT software platform is easier than integrating a new system into an existing one.

Prior to 2017, there were seven or eight agencies stationed at Georgia's borders. This has been reduced to just two—Georgia Revenue Service and Patrol Police Department of the Ministry of Internal Affairs. The Central Asia Regional Economic Cooperation (CAREC) Program is working to support more countries in joining this system.

## Case Study: Association of Southeast Asian Nations Customs Transit System Pilot—Malaysia Experience

Currently, transiting goods within ASEAN requires the goods to be declared at each border and to change vehicles. Consequently, under the ASEAN Framework Agreement on the Facilitation of Goods in Transit, ASEAN members have agreed to a simplified and harmonized procedure using a computerized customs transit management system to facilitate the free flow of goods in transit throughout ASEAN. This is the ASEAN Customs Transit System (ACTS).

Under ACTS, a truck can travel from its point of loading in one country to its destination in a different country with no need for different customs declarations at each border, and no need to transfer goods to a different truck in each country. Many ASEAN members are in the process of developing the hard and soft infrastructure required for implementation.

Malaysia, Singapore, and Thailand have trialed ACTS to gauge end-to-end connectivity and clearance. The three countries worked with seven national traders who, in parallel, cleared goods through existing procedures and through ACTS. The pilot was largely a success. Challenges encountered came from issues of connectivity, failures in the software system, and lack of awareness of drivers. As the legal framework was not in place for the pilot (Protocols 1, 2, and 7 are key for ratification by members), the trucks still had to be changed at the border. It also required traders to submit national and ACTS declarations. However, participants are working to resolve this for future pilots, which will use a singular process.

The ASEAN Single Window (ASW) is due to be launched in 2019. The ASW is an infrastructure gateway that integrates and connects all national single window systems of each ASEAN member country. The ASW and ACTS are different systems, but they are moving in a similar direction with the potential to merge them for greater efficiency.

## Question and Answer Session

- **Question from Ronald Butiong to Paul Hansen of United Nations Conference on Trade and Development (UNCTAD).** *What are the expected responsibilities of the national transit coordinators envisaged under Article 11?*



Paragraph 17 of Article 11 suggests the appointment of a national transit coordinator to whom questions and queries can be addressed and to also enable regional cooperation. UNCTAD has a special program which educates and empowers transit coordinators to be effective.

- **Question from Ying Qian to Ramlah Haji Mukhtar:** *CAREC is trying a three-country pilot of a European model transit agreement, but we are bound for difficulties noting that Kazakhstan has domestic laws and is not allowed to violate these. In the financial world, “regulatory sandboxes” are used for pilots that temporarily suspend legal requirements in a confined manner. Did ASEAN use ring-fencing of legal frameworks?*

The ACTS pilot is mirroring the same modality as EU. At the beginning of the pilot, Malaysia, Singapore, and Thailand conducted a parallel run, through a memorandum of understanding—testing the ACTS system using dummy guarantees while still complying with existing national legislation. In ASEAN, we do not endeavor to legal commitments, there are region-wide protocols that need to be ratified within ASEAN for a real live run.

- **Question from Ronald Butiong to Kanya Sasradipeora:** *You said there was low interest toward a GMS transit system—what exactly is the problem?*

The current GMS transit system is not being used by the private sector. It is paper-based and the guarantee is not from commercial banks, so it is very expensive to use. However, the experience of Cambodia, the Lao People’s Democratic Republic (Lao PDR), Myanmar, Thailand, and Viet Nam with ACTS might allow for updating the GMS system and providing better links for traders to the PRC.

- **Comment from Sheri Rosenow:** In the spirit of sharing experiences, I would like to tell you about an innovative program going on in Africa. A technical assistance program called Trademark East Africa, a whistleblower system using short messaging service or SMS, has been piloting a program in Tanzania and Uganda and is expanding to Rwanda and other parts of Eastern Africa. Results indicate that overall, trade barriers have been lowered by this simple SMS program.

## Resources and Instruments

Resources and Instruments	Website
<b>General Agreement on Tariffs and Trade (GATT) Article V—Freedom of Transit</b> Full text of the relevant GATT article	<a href="https://www.wto.org/english/res_e/publications_e/ai17_e/gatt1994_art5_gatt47.pdf">https://www.wto.org/english/res_e/publications_e/ai17_e/gatt1994_art5_gatt47.pdf</a>
<b>Freedom of Transit: Obligations and Implications of Article V of the General Agreement on Tariffs and Trade</b> Document by UNCTAD to help understanding of the Transit obligations in the GATT	<a href="https://unctad.org/en/Docs/ldcmisc84_en.pdf">https://unctad.org/en/Docs/ldcmisc84_en.pdf</a>
<b>Revised Kyoto Convention Specific Annex E—Chapter 1</b> Annex on Transit in the RKC	<a href="http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv/kyoto_new/spane.aspx">http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv/kyoto_new/spane.aspx</a>
<b>WCO Transit Handbook</b> Specifically designed for landlocked countries	<a href="http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/transit-handbook.aspx">http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/transit-handbook.aspx</a>
<b>WCO Transit Guidelines</b> Based on members existing good practices to support TFA implementation	<a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/transit/transit-guidelines.pdf?la=fr">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/transit/transit-guidelines.pdf?la=fr</a>
<b>Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention)</b> Information on the international guarantee system for transit	<a href="http://tfig.unece.org/contents/TIR-convention.htm">http://tfig.unece.org/contents/TIR-convention.htm</a>

# Session 6: Article 7.6— Establishment and Publication of Average Release Times

**Moderator:** **Hideaki Iwasaki**

Country Director  
Thailand Resident Mission, ADB

**Speakers:** **Sheri Rosenow**

Counsellor, WTO TFA Facility

**Milena Budimirovic**

Senior Technical Officer, Procedures and Facilitation, WCO

**Lochin Faizullozoda**

Director, Single Window Center, Customs Services of Tajikistan

**Nanai Sua**

Customs Authority, Government of Samoa

**Vivek Johri**

Chief Commissioner, Jawaharlal Nehru Custom House H  
Central Board of Indirect Taxes and Customs, Government of India

**Kijin Kim**

Economist, Economic Research and Regional Cooperation Department, ADB

## Key Messages

- A time release study (TRS) is an effective tool that can help WTO members determine baseline targets for trade facilitation indicators and identify bottlenecks in the movement of goods across borders. It is a flexible tool that can be used for many purposes and can also be repeated to help monitor the impact of reforms.
- The data gathered is useful both for policy makers—to inform them on potential reforms—and as a tool for researchers and other interested parties to provide analysis and support, which can then help improve TRS methodology and introduce new solutions.
- One of the many benefits of a TRS is that, if done with multiple agencies and stakeholders, it can be a basis for cross-agency collaboration and ownership in undertaking trade facilitation reforms. When done with multiple agencies, it also has greater potential to reduce overall release and clearance times. Success hinges on spending time promoting the benefits of the TRS and communicating effectively with stakeholders. The TRS experience in India and Samoa underscores the importance in success of the sense of ownership by all stakeholders.
- In conducting a TRS, it is important for the government to involve stakeholders, both nongovernment agencies and those in the private sector—such as shipping line operators, container freight operators, customs brokers, importers, and exporters.

- When combined with other tools (such as time–cost–distance analysis), it can provide a more holistic view of corridor performance—as demonstrated by the CAREC Corridor Performance Measurement Monitoring Program.

## Time Release Studies

*“Members are encouraged to measure and publish, on a periodic basis and in a consistent manner, the average time it takes to release goods.”*

*“Members are encouraged to share their experience in carrying out these measurements with the WTO trade facilitation committee.”*

- WTO members are strongly encouraged to conduct a TRS prior to carrying out trade facilitation reforms to identify baseline results and bottlenecks on the release of goods. TRS can also be used to identify whether a certain trade facilitation measure is working or not, and to monitor the performance, progress, and impact of new practices and procedures. WTO members are also encouraged to use national committees for trade facilitation (NCTFs) to promote TRS to ensure that relevant stakeholders participate, who may take ownership and monitor the TRS.
- The TRS methodology is flexible and can be adapted depending on its purpose. For example, it can be used for measuring release time or clearance as well, which could be of particular relevance for perishable goods or for expedited shipments. It can be carried out nationally, cross-border, or regionally, and can focus on customs or include other cross-border agencies and the private sector.
- TRS data can also be used by researchers to explore the economic and trade benefits of reduced time and cost at the border. For instance, an ADB study on CAREC countries—using quarterly data beginning from 2000—found that the time taken at the importer’s border matters more than the time taken at the exporter’s border. Moreover, a 10% reduction in time at the border raised intraregional trade by 2%–3%. Involving economists or statisticians at the design stage of a TRS can facilitate use of indicators from the TRS in research and analysis.
- Widespread publication of TRS data should be encouraged to open avenues for analysis and new solutions. Currently, WCO is discussing on how TRS data might contribute to the World Bank’s Doing Business Survey as it is such a rich source of data.

## Case Study: Time Release Studies in Tajikistan

Increased cross-border trade over the past decade has prompted the Customs Services to work toward optimizing customs processes and minimize the time and cost of logistics.

In 2017, Customs Services decided to conduct its first TRS to find out the average time taken for consignments to clear customs from point-of-entry to exit—and propose corrective measures to improve performance. The study used WCO methodology. First, a

working group of brokers, customs experts, and border agencies was established. A survey questionnaire was then developed with more than 1,000 distributed at three border crossing points (BCPs) and four inland terminals to collect information.

The analysis of the data showed that import cargos spent, on average, 6 hours and 30 minutes at BCPs, and 15 hours and 52 minutes at inland terminals. This implies that, of the total release time, 65% is spent at the terminal and 35% at the BCP. For export clearance, the total time spent, on average, was 22 hours and 5 minutes, which can be broken down into 3 hours and 37 minutes at BCPs, and 7 hours and 24 minutes at inland terminals. For exports, there was also a difference in the release time of perishables (1 hour and 1 minute) and nonperishable goods (1 hour and 34 minutes). Across BCPs there were variations as well, taking 2 hours to release a container at Dusti and 1 hour at Guliston. By 2020, the government is targeting a 35% reduction in the time taken to clear BCPs and a 20% reduction in costs. These targets are in line with the CAREC 2020 Strategic Framework.

Implementing the TRS has helped the Customs Services recognize it as an effective tool to identify bottlenecks in clearing goods. The study demonstrated which parts of the clearance process are associated with delays and their cost. As a result, it has helped introduce appropriate trade facilitation measures and instruments to mitigate the delays.

The challenges faced by customs administrations in conducting the TRS were insufficient financial resources and domestic experts to guide the process. Lessons learned include the need to secure access to technical assistance, develop sufficient financial specialists, and invest in capacity building of local specialists. Modernizing and reconstructing BCPs and terminals also has significant impact.

## Case Study: Time Release Studies in Samoa

Samoa's Customs office, with ADB support, conducted a TRS at the Port of Apia from November to December 2016. Other government agencies and stakeholders—such as Customs brokers, shipping companies, and traders—also participated in the TRS. The study collected time data from a sample of customs declarations over a 7-day period.

Some of the challenges encountered included lack of accuracy in data collection. There were variances between those collected by Customs officials and the IT system. Despite support from stakeholders, the process of data collection was not prioritized, and officials tended to focus more on day-to-day operations, which possibly explains some discrepancies. In some cases, Customs officers viewed the TRS as a threat to their positions, which may have also contributed to the problem.

Many lessons were learned in the course of the study. First is that extensive communication, both through workshops and one-on-one with key stakeholders (including Customs staff), is essential in ensuring accurate data collection and emphasizing TRS benefits. Second, there is a need to use IT-generated data to validate manually collected data. Third, stakeholders, including Customs staff, should be involved in data collection. Fourth, all stakeholders should validate and provide input into data findings, recommendations, and an action plan. Finally, the NCTF should be involved in supporting the TRS, solving challenges faced, validating recommendations, and monitoring the action plan.

## Case Study: Time Release Studies in India— Establishing and Publishing Average Release Times

A TRS was conducted at one of India's major ports—the Jawaharlal Nehru Port (or Nhava-Sheva). It is one of the largest containerized port in the country with a capacity of more than 10 million tons of cargo (but currently operating at only half capacity). The port accounts for 21% of India's total customs revenue collection.

Among the TRS objectives was to determine the gap between actual release time of cargos and the target set by the NCTF. The target release time for imports was 72 hours for sea cargo and 48 hours for air cargo. For export cargo, the target was 48 hours. Another objective was to spread awareness about time-release to foreign trade participants and all stakeholders that play roles in border management, and to identify bottlenecks in the process. A TRS survey can slice the data and examine what procedures contribute to longer release times and differences by trader (e.g., AEOs). Customs coined the slogan “The Best Foot Forward” to brand the TRS and build interest. System officers involved in the process built a sense of ownership on the TRS. They placed advertisements all over the port, and stakeholders were requested to sign up for promotions. They decided to conduct the TRS in house. There is always a trade-off between survey objectivity and ownership of the results, but for this study ownership and participation of different agencies were huge benefits.

The port data were collected from 1 to 7 January 2018. Import data were taken from a database of some 14,973 import declarations filed during the period, and then tracked for until 7 February 2018.<sup>7</sup> Export data included export declarations. Other data sources were also used given the longer periods for moving cargo from warehouses to the port and to the shipment. Due to this complexity, the study used only a partial sample, focusing only on the six major commodity groups and the five major exporters of each group. The sample size was roughly 200.

The TRS results showed that from 2017 to 2018, the average release time for imported cargo through Jawaharlal Nehru Port was reduced from 181 hours to 144 hours, still double the 72 hours target set by the NCTF. The results also showed a difference of almost 40% in release time between advanced filers and those that file after the goods had arrived. Customs has encouraged importers to file in advance to avoid the additional waiting time. Currently, pre-arrival processing accounts for 58% of total declarations—with Customs targeting to increase it to 75%. Moreover, average release time for AEOs was just 103 hours, 40 hours less than non-authorized economic operators.

There was also a difference between declarations facilitated through a risk management system and those that were not. The level of facilitation—which selects declaration for either assessment or examination of cargo (or both)—reached 65% of the declarations, which were found risk-free. The difference between those facilitated and those not was about 39%. Hence, facilitated modes of entry or documents took less load time compared with those without facilitation. Meanwhile, the average release time for direct port delivery was just 65 hours, within the 72 hours target. If importers were to avail of all these facilities —

<sup>7</sup> Consignments can have longer release times.

i.e., bill-of-entry facilitation, the importer being an AEO, and cargo passing through direct port delivery—the average release time drops sharply to 62 hours.

One of the key lessons learned from India's TRS was to connect the initiative to stakeholders. Moreover, slicing the data offers insights into what holds up consignments and what expedites the pace of release. TRS also paves the way for results-oriented policy making and helps identify the infrastructure bottlenecks that may slow release times. A TRS will be used frequently to monitor the impact of the reforms taken.

## Question and Answer Session

- Comments from the Director of the Department of Customs, Nepal:** Nepal Customs carried out a TRS in 2017 with ADB financial support and WCO technical support. The findings showed that non-custom barriers have more impact on trade facilitation compared with custom barriers. The Customs' reform initiatives now focus on reducing trade facilitation costs due to non-customs barriers. It hopes ADB and the WCO will continue to provide support for future TRSs.
- Comments from Ying Qian (Director, Public Management, Financial Sector and Regional Cooperation Division, East Asia Department, ADB):** ADB has established a trade facilitation monitoring system under the CAREC Program called the Corridor Performance Measurement and Monitoring. It began in 2008 as part of the results framework for the CAREC 2020 strategy. Using UNESCAP's time/cost-distance methodology, data is collected by private sector operators, primarily carriers and forwarders, who keep the travel logs of drivers transporting goods along the corridors. The data include the count of all vehicle stops, time spent, and cost— both official and unofficial at each stop. About 20 carrier and forwarder associations across the 11 CAREC member countries collect the data quarterly. These are analyzed and published in quarterly and annual reports. Together with the CAREC Institute, training on data analysis is provided, an activity important for formulating policy conclusions and recommendations. The database is open to everyone, so that individual researchers, research institutes, or think tanks can access the data.

## Resources and Instruments

Description	Website
<p><b>Time Release Study guide</b> Provides detailed methodology and guidance on design and implementation of a TRS</p>	<p><a href="http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/time-release-study.aspx">http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/time-release-study.aspx</a>.</p>
<p><b>Customs International Benchmarking Manual</b> Guidance to Customs for improving efficiency and effectiveness by comparing procedures or processes with the same or similar procedures or processes carried out by others</p>	<p><a href="http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/customs_international_benchmarking_manual.aspx">http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/customs_international_benchmarking_manual.aspx</a>.</p>

# Session 7: Article 12—Customs Cooperation



**Session 7 speakers and moderator.** From left to right, Ying Qian, Sheri Rosenow, Kazunari Igarashi, Jiange Shi, Temsunaro Jamir.

**Moderator:** **Ying Qian**

Director, Public Management, Financial Sector and Regional Cooperation Division, East Asia Department, ADB

**Speakers:** **Sheri Rosenow**

Counsellor, WTO TFA Facility

**Kazunari Igarashi**

Head of Asia-Pacific Regional Office for Capacity Building, WCO

**Jiange Shi**

Director, Department of International Cooperation, General Administration of Customs of the People's Republic of China Customs

**Temsunaro Jamir**

Joint Commissioner, Central Board of Indirect Taxes and Customs Government of India



## Key Messages

- Customs cooperation is one of the more contentious articles of the TFA due to confidentiality issues, among others. But cooperation offers significant gains when implemented. The real gains to cooperation come when other government agencies are included.
- Prospective partners will look to ensure that confidentiality provisions are well-established before entering into an agreement.
- The TFA allows for some flexibility, in the sense that it does not specify levels of quality or the timeliness of data. Some see this as a limitation, but it is done to reduce the barriers to implementation, such as the administrative burden for countries with high trade volumes.
- Customs cooperation is largely implemented at a bilateral level, but is supported in some instances by regional agreements (e.g., South Asian Association for Regional Cooperation agreement on customs cooperation).

## Customs Cooperation

*“One Member shall provide another, upon request and subject to conditions, information and/or documents concerning specific import or export declarations.”*

- Article 12 “multilateralizes” the TFA. It contains two key provisions: one introduces the voluntary compliance program while the second promotes information exchange among customs agencies. Whereas TRS was one of the easiest articles to agree upon, cooperation was one of the hardest—largely due to concerns over data security and protection, and concern on the administrative burden it would impose on customs as multiple requests are made for information.
- Customs cooperation stems from the need to control illicit and illegal trade across borders, but it has now expanded to include knowledge sharing and capacity building. Customs cooperation requires customs authorities to exchange information used in the verification process for import/export customs declarations, where there are reasons to doubt the information provided.
- Joint customs control is supported by multiple TFA provisions, including those involving AEOs, transit, risk management and post clearance audits, border agency cooperation, and customs cooperation. Data sharing is also part of pre-clearance processing and can reduce time spent at the border. Joint control is not limited to customs agencies alone; it is open to other agencies as well.
- The Nairobi Convention (1980) is nearly 40 years old and has broader scope than the TFA, but it has a more limited number of signatories. The convention outlines the scope and procedures for customs data sharing between countries to tackle illegal and illicit trade, but it is not widely used.

- Global examples of customs cooperation include
  - o Systemic Electronic Information Exchange between Serbia and countries in its subregion,
  - o “Your export is my import” between South Africa and Swaziland, and
  - o the Intercambio de Información de los Registros Aduaneros (or INDIRA)<sup>8</sup> system in the Southern Common Market (or MERCOSUR).

## Case Study: People’s Republic of China–Mongolia Joint Customs Control

Joint customs control (JCC) is being implemented using a three-phased approach: (i) it starts with the unification of cargo manifests; (ii) followed by mutual recognition of inspection results; and (iii) completed with full joint customs operations at the border. Currently, the first phase is operational following pilot testing (which began in 2009). Work is now being done to enable the electronic exchange of manifests, which remains paper-based.

The JCC project brings several benefits to participating countries. First, uniform customs enforcement at the borders is promoted on both sides. For example, the same requirements on manifests were adopted; thus, information derived from the manifests makes it possible for customs control to be evaluated in an efficient and uniform manner. Second, JCC facilitates the trade process by removing duplicate requirements, thereby lowering traders’ transactions costs. Lastly, the pre-arrival exchange of information from manifests can facilitate an efficient risk analysis prior to the arrival of goods at the border. This lowers the release time and strengthens compliance with customs regulations.

Challenges encountered included contradictory information in the manifests submitted by carriers, and the difference in legal frameworks between the two countries (e.g., Mongolia does not require cargo to be weighed, but the PRC does). Management systems in each country also differ, leading to operational difficulties. Finally, the authenticity of the manifest must be verified; currently, assessments are only done manually.

Lessons learned include the need to improve the legal framework at both policy and operational levels. Having regular meetings and established contact points can help strengthen communication. Technology can facilitate both trade and compliance thus the impetus to accelerate the electronic exchange of manifests.

## Case Study: India Customs Cooperation

The initial objective of India customs cooperation was to curb smuggling (e.g., drugs and firearms), before it began to cover revenue fraud and other emerging areas such as intellectual property rights, health, and the environment, among others. The scope of customs cooperation is not limited to enforcement, but has now expanded to knowledge and information sharing and capacity building.

---

<sup>8</sup> INDIRA is information exchange of customs records.

India is a signatory to many international conventions and multilateral agreements on customs cooperation, emphasizing the country's commitment to cooperation. Yet, due to the lack of effective global tools, India prefers bilateral arrangements—it has signed 30 agreements or memoranda of understanding with 58 countries. Most of the newer bilateral arrangements include customs-to-customs information exchange and assistance in capacity building, among others.

Challenges faced include timelines for receiving data and the quality of data received. Proactive exchange is quite rare. In addition, it is resource-intensive, and negotiations for bilateral agreements can be so lengthy that momentum can be lost. However, India hopes that in the future, TFA Article 12 would be a useful multilateral instrument for information exchange.

## Question and Answer Session

- **Question from Bangladesh to the PRC:** *Would it be possible for Bangladesh to pursue bilateral customs cooperation with the PRC (one of its largest trading partners) not as a whole (given the PRC's huge trade volume), but on a sector by sector basis, probably starting with electronics and textiles, which are Bangladesh's largest imports from the PRC?*

**Jiange Shi:** The PRC is the largest trade partner of more than 120 countries in the world and requests for information can be overwhelming. We want to meet our WTO TFA obligations, and can consider bilateral agreements as a step-by-step process based on the assessment of the gains and costs to both countries.

- **Comment from Bangladesh:** Bangladesh further notified their interest in customs cooperation with their two largest trading partners, the PRC and India, in the interest of tackling misdeclaration and other activities that pose a threat to revenue and security.

**Temsunaro Jamir:** India and Bangladesh are part of the South Asian Association for Regional Cooperation Agreement on customs cooperation. Further, the South Asia Subregional Economic Cooperation (SASEC) Program allows for data sharing between Bangladesh and India. But in practice, some requests are proving difficult, possibly due to a communication gap. For instance, officers at lower levels are not necessarily aware of proceedings of the recent SASEC meeting, but this can be addressed through better communication.

- **Question from Kazakhstan to WTO and WCO:** Please clarify why the TFA does not require member custom administrations to verify the accuracy of data and information to be shared with other members.

**Sheri Rosenow,** WTO: During the TFA negotiations, it was raised that countries incur additional administrative burdens when responding to requests and verifying the data accuracy.

**Kazunari Igarashi,** WCO: Verifying export trade information is not necessarily a priority for some customs administrations. For example, Japanese customs receives lots of requests to verify export declaration information, but there is an understanding that the declaration has been filed properly. If we question this too much at the time of export,

then it could hamper export facilitation. In addition, the exports from the United States do not required expert declaration and permission by Customs, but export report to the Commerce Department, thus there is no scheme to verify the accuracy of export data by Customs.

## Resources and Instruments

Description	Website
<p><b>Revised Kyoto Convention—Chapter 3</b> Encourages voluntary compliance providing opportunities to traders to amend goods declarations under certain condictions</p> <p><b>Standard 6.7</b> “Customs shall seek to cooperate with other Customs administrations and seek to conclude mutual administrative assistance agreements to enhance Customs Control.”</p>	<p><a href="http://customs.gov.ph/wp-content/uploads/2016/10/KYOTO-Convention.pdf">http://customs.gov.ph/wp-content/uploads/2016/10/KYOTO-Convention.pdf</a>.</p>
<p><b>Voluntary Compliance Framework</b> Provides guidance on voluntary disclosure programs that gives clients a chance to correct inaccurate or incomplete information or to disclose information not reported during previous dealings with Customs authorities—without penalties in appropriate circumstances</p>	<p><a href="http://www.wcoomd.org/~media/wco/public/global/pdf/topics/key-issues/ecp/2015/voluntary_compliance_framework_en_publish.pdf?la=en">http://www.wcoomd.org/~media/wco/public/global/pdf/topics/key-issues/ecp/2015/voluntary_compliance_framework_en_publish.pdf?la=en</a>.</p>
<p><b>Nairobi Convention</b> Includes any intelligence documents or other information communicated or obtained—so it goes beyond the TFA; currently, there are just 52 signatories of the Nairobi Convention</p>	<p><a href="http://www.wcoomd.org/~media/wco/public/global/pdf/about-us/legal-instruments/conventions-and-agreements/johannesburg/internconvmutualadmineng2003.pdf?la=en">http://www.wcoomd.org/~media/wco/public/global/pdf/about-us/legal-instruments/conventions-and-agreements/johannesburg/internconvmutualadmineng2003.pdf?la=en</a>.</p>
<p><b>Model Bilateral Agreement on Mutual Administrative Assistance in Customs Matters</b> Provision of information when there are reasons to doubt the truth or accuracy of a declaration; this provision is in line with the TFA</p>	<p><a href="http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/~media/DFAAF3B7943E4A53B12475C7CE54D8BD.ashx">http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/~media/DFAAF3B7943E4A53B12475C7CE54D8BD.ashx</a>.</p>
<p><b>Guide to the Exchange of Information on Customs Valuation</b> Designed to facilitate the exchange of valuation information among Customs administrations; includes a checklist regarding valuation verification actions to be taken by the Customs administration before requesting information and of recommended procedures for both importing and exporting Customs administrations</p>	<p><a href="http://www.wcoomd.org/en/topics/valuation/instruments-and-tools/guide.aspx">http://www.wcoomd.org/en/topics/valuation/instruments-and-tools/guide.aspx</a>.</p>

*continued on next page*

Resources and Instruments *continued*

Description	Website
<p><b>Customs Enforcement Network</b> Global repository of non-nominal enforcement-related information, with, at its core, database of seizures and offenses, covering various areas of Customs competence</p>	<p><a href="http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/cen-suite/cen.aspx">http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/cen-suite/cen.aspx</a>.</p>
<p><b>National Customs Enforcement Network</b> Tool for collecting nominal data on seizures and offenses, suspected persons and business entities on a national level; has a special information communication interface that allows for the exchange of seizure information with other countries, based on bilateral agreements</p>	<p><a href="http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/cen-suite/ncen.aspx">http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/cen-suite/ncen.aspx</a>.</p>
<p><b>Customs Enforcement Network Communication Platform</b> Enables secure and timely information exchange between users, especially during cross-border operations</p>	<p><a href="http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/cen-suite/cencomm.aspx">http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/cen-suite/cencomm.aspx</a>.</p>
<p><b>SAFE Framework of Standards</b> Requires members to establish and enhance Customs-to-Customs network arrangements to promote seamless movement of goods through secure international trade supply chain</p>	<p><a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf?la=en">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf?la=en</a>.</p>
<p><b>Guidelines on Integrated Supply Chain Management</b> Customs administrations along the supply chain may consider the routine Customs-to-Customs data exchange.</p>	<p><a href="http://www.wcoomd.org/-/media/D81B2807C64A4B669942F88D51D5FCF6.ashx">http://www.wcoomd.org/-/media/D81B2807C64A4B669942F88D51D5FCF6.ashx</a>.</p>
<p><b>Handbook on Globally Networked Customs</b> A systematic approach to information exchange between members based on protocols, standards, and guidelines</p>	<p><a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/activities-and-Programs/gnc/gnc_handbook.pdf?db=web">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/activities-and-Programs/gnc/gnc_handbook.pdf?db=web</a>.</p>

# Session 8: Article 8—Border Agency Cooperation

**Moderator:** **Ying Qian**

Director, Public Management, Financial Sector, and Regional Cooperation Division, East Asia Department, ADB

**Speakers:** **Sheri Rosenow**

Counsellor, WTO TFA Facility

**Kazunari Igarashi**

Head of Asia-Pacific Regional Office for Capacity Building, WCO

**Nurat Mamatov**

Head of Customs Policy Department, Ministry of Economy, Kyrgyz Republic

**Hien Nguyen Thi**

Customs Official, International Cooperation Department  
General Department of Vietnam Customs

## Key Messages

- While TFA provisions on border agency cooperation are short, their implementation can prove to be challenging and their effects far-reaching.
- Achieving common border cooperation is two-pronged. First, countries must ensure that local agencies relating to border operations coordinate properly. Second, once this is done, smooth cooperation with other countries' border agencies can be achieved.
- Harmonizing legislation and procedures is crucial for implementing joint reforms or measures at common border points. The process can be incremental. Countries may start with small aspects (e.g., work hours or days), align those, and build from there.
- Regional Improvement of Border Services (RIBS) projects in CAREC—for example, between the Kyrgyz Republic and Tajikistan—include border infrastructure upgrades with support for trade facilitation and integration into regional trade systems. By coordinating between adjacent countries, the impact of reforms will likely be much greater.

## Border Agency Cooperation

National border authorities and/or agencies shall cooperate and coordinate border controls and procedures to facilitate trade.

- While Article 8 comprises just two paragraphs, its essence is difficult to implement. Countries must first ensure their national agencies dealing with border control are functioning and coordinating properly; this is in the first paragraph of Article 8. Once national, internal border agencies cooperate, countries with common borders are strongly encouraged to cooperate and coordinate on matters of border activity. The WTO recognizes that cooperation cannot be coerced. However, it states that cooperation should be done “to the extent possible and practicable.”
- The article also provides examples of what border cooperation can mean, which include alignment of working days and hours, common facilities, joint controls, and one-stop border posts.
- Despite the challenges of implementing Article 8, its effects are far-reaching. It affects both trade activities along shared borders and the functionality of single window systems, risk management, and transport, among others.
- The Revised Kyoto Convention (RKC) also calls for coordination of inspections with customs in areas such as quarantine and sanitation. As such, proper coordination and cooperation among national border agencies is crucial.
- Border agency cooperation can be supported through a lead agency. This is often Customs as it is the first point of contact at the border. This does not mean, however, that Customs must be the lead in national committees for trade facilitation (NCTFs).
- The Eurasian Economic Union (EAEU) has recently implemented a new Customs Code, which provides for full implementation of a single window mechanism.

## Case Study: Regional Improvement of Border Services—The Kyrgyz Republic

Border cooperation is exemplified by CAREC’s RIBS project, which coordinates investments both to improve key border crossing points (BCPs) (in response to Article 8.2) and to support the development of national single windows (in response to Article 8.1). The Kyrgyz Republic, Mongolia, Pakistan, and Tajikistan are each implementing RIBS projects with ADB support.

The Kyrgyz Republic selected the Karamyk BCP it shares with Tajikistan because of its significance to regional trade. To guide RIBS implementation, a Trade Facilitation Board was established, consisting of the heads of key ministries, agencies, and representatives of the business community. The Minister of Economy is the chair and a representative of the business community is co-chair. Under the BCP improvement component, facilities will be built and equipped at Karamyk for inspection, calibration, storage, power, and water supply. General construction work has been completed, and facilities for truck weighing and examination have been installed. The national single window component consists of business process reengineering, software development with various functionalities, provision of hardware, and operational assistance. The necessary software has been developed together with payment modules, and integration with the EAEU system has been tested; hardware will be installed by 2019. The Trade Facilitation Board has also drafted an action plan for 2018–2022 for RIBS implementation.

The coordinated improvement of BCP infrastructure by adjacent countries and the development of national single window systems will likely have a greater impact in reducing the time and cost of moving goods across this border, thereby encouraging more trade.

## Case Study: Viet Nam on Cross-Border Cooperation with the Lao People's Democratic Republic

The single-stop inspection at Lao Bao, Viet Nam—launched in February 2015—aims to eliminate intermediary stops, thereby reducing the time needed to transport goods, passengers, and vehicles within the Greater Mekong Subregion (GMS). Viet Nam's Customs, Quarantine, and Border Guard together with the Lao People's Democratic Republic (Lao PDR), jointly developed a four-step process for single-stop inspection. Customs procedures at the common control area (in Lao Bao) are jointly implemented. During implementation, the single-stop inspection system confronted several challenges. First, some steps of the model became obsolete, especially in the wake of automated processes. Second, differing legislation and procedures created some difficulty in implementing single-stop inspections. One consideration for the initiative is to use separate models for goods and passengers.

There is no current plan to expand single-stop inspection to other borders with the PRC or Cambodia. The focus at the moment is on revisiting and improving the current model, particularly ensuring the treatment of goods and travelers is appropriate to their different needs.

## Question and Answer Session

- **Question from ASEAN International Advocacy to Sheri Rosenow (WTO):** *With regard to WTO TFA implementation, how can development partners help manage gaps with regard to policies and available infrastructure at the ground level?*

The WTO recognizes the existence of the gaps in terms of policies and systems. This is why the provisions on border agency cooperation are on a best-endeavor basis. What countries can do is to start with smaller steps in aligning operations, such as in working hours and days, and build from these. Training ground personnel would also help them understand the benefits of cooperation and create better results. Political will is another key to successful implementation.



## Resources and Instruments

Description	Website
<p><b>Revised Kyoto Convention Chapter 3</b> Lays down the principle that Customs inspection of goods should be coordinated with other authorities and, if possible, carried out at the same time; provides guidance on benefits of coordinating inspections with other authorities; suggests modes by which these coordinated inspections may be implemented</p>	<p><a href="http://www.wcoomd.org/en/Topics/Facilitation/Instrument%20and%20Tools/Conventions/pf_revised_kyoto_conv/Kyoto_New">http://www.wcoomd.org/en/Topics/Facilitation/Instrument%20and%20Tools/Conventions/pf_revised_kyoto_conv/Kyoto_New</a>.</p>
<p><b>SAFE Framework of Standards to Secure and Facilitate Global Trade Pillar 3— Customs to Other Government and Inter-Government Agencies</b> The SAFE Framework includes Pillar 3 to foster closer cooperation between Customs and other government agencies, ensuring an efficient and effective government response to the challenges of supply chain security.</p>	<p><a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf?la=en">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf?la=en</a>.</p>
<p><b>Coordinated Border Management Compendium</b> Provides guidance for WCO members attempting to develop and implement coordinated border management by incorporating best practices in related areas that members could use as reference</p>	<p><a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/cbm-compendium.pdf?la=en">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/cbm-compendium.pdf?la=en</a>.</p>
<p><b>WCO Data Model</b> Defines combined data requirements that are mutually supportive and which will be updated on a regular basis to meet the procedural and legal needs of cross-border regulatory agencies such as Customs, controlling export, import, and transit transactions</p>	<p><a href="http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/data-model.aspx">http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/data-model.aspx</a>.</p>
<p><b>Greater Mekong Subregion Cross-Border Transport Facilitation Agreement</b> Outlines provisions to facilitate cross-border transport of goods and people among participating countries, as well as to harmonize regulations related to cross-border transport</p>	<p><a href="https://www.adb.org/sites/default/files/publication/29294/gms-cbta-instruments-history.pdf">https://www.adb.org/sites/default/files/publication/29294/gms-cbta-instruments-history.pdf</a>.</p>

# Session 9: Article 10.4— Single Window

**Moderator:** **Hideaki Iwasaki**  
Country Director  
Thailand Resident Mission, ADB

**Speakers:** **Sheri Rosenow**  
Counsellor  
Trade Facilitation Agreement Facility, WTO

**Kazunari Igarashi**  
Head of Asia-Pacific Regional Office for Capacity Building, WCO

**Samad Garalov**  
Head of Customs Control and Trade Facilitation Head Department  
State Customs Committee, Azerbaijan

**Sri Dewi Merdekawati**  
Division Head of Cooperation, Deputy of Inter-Agency Relation  
Indonesia National Single Window Operating Agency

## Key Messages

- Establishing a single window system whereby traders can submit documentation through one entry point is a best-effort endeavor and requires cooperation of countries concerned. Though difficult to achieve—given concerns about confidentiality and sovereignty—it carries significant benefits in time savings at border crossings.
- Blockchain is one technology that may offer a solution to concerns over confidentiality and sovereignty between various agencies. Indonesia is currently considering how to apply blockchain technology for their single window.
- Benefits from national single window systems can be large. In Azerbaijan, prior to its single window, a time release study (TRS) indicated it took 180 minutes for goods and vehicles to cross the border; but once in place, this was reduced to a maximum of 20 minutes. In Indonesia, the national single window has supported other national trade facilitation projects, such as reduced dwelling times and logistics, and has allowed annual administration cost savings of \$15.2 million, along with a decrease in document falsifications.
- While the ASEAN Single Window (ASW) System is a regional platform, it was built on a series of bilateral exchanges. National single window systems can serve as building blocks for regional arrangements through piloted bilateral exchanges.

## National Single Window

*“Members shall endeavor to establish a single window to allow traders to submit documentation through a single-entry point.”*

A single window is *“a cross-border, intelligent, facility that allows parties involved in trade and transport to lodge standardized information, mainly electronic, with a single-entry point to fulfill all import, export, and transit related regulatory requirements.”*

- The importance of Article 10.4 is that it significantly facilitates trade by shortening waiting times at border crossings and enhances trade competitiveness. Once a single window is established, the provision also requires members to notify the details of the single window operation. While it is not necessary to use IT, members are strongly encouraged use it to the extent possible.
- A single window is a complex process that requires cooperation among various government agencies within a country, and a proper information exchange interface among the agencies to exchange and review information. After all relevant agencies have been given time to inspect and review information, then the new single-entry point goes back to the single window along with its review. The ASW system, for example, involves the single submission of data and information, single and synchronous processing of data and information, and single decision for customs release and clearance.
- The single window is a challenging subject. Among the problems cited by members is the absence of a national plan or lack of political will. A key challenge is balancing the need for confidentiality and sovereignty along with the need to access data and establish a common interface for information exchange. This applies to agencies within a country and cooperation with another economy.

## Case Study: Indonesia’s National Single Window

Implementation of the Indonesia National Single Window (INSW) began in 2007 with the establishment of a National Single Window Preparation Team under the Coordinating Ministry of Economic Affairs. The team also launched a National Single Window Blue Print and began a pilot project in November 2007 at Jakarta’s Tanjung Priok Port for import transactions. In 2010, the INSW system already covered 92% of import transactions in five main areas in Indonesia—Tanjung Priok, Surabaya’s Tanjung Perak, Semarang’s Tanjung Emas, and Jakarta’s two airports: Sukarno-Hatta Airport and Halim Perdana Kusuma Airport. Today it covers 75 different locations.

Beginning 2017, the INSW system became inter-operational with other ASEAN members’ national single window systems through a live data exchange of “e-Form D,” which involves related government agencies in Indonesia such as the Ministry of Trade, Customs, Ministry of Finance, and the Coordinating Ministry of Economic Affairs. Some of the challenges the ASW faces include the need to establish domestic regulation and implementation protocols for the agreement, and the need to harmonize the business process for data. Overall, the

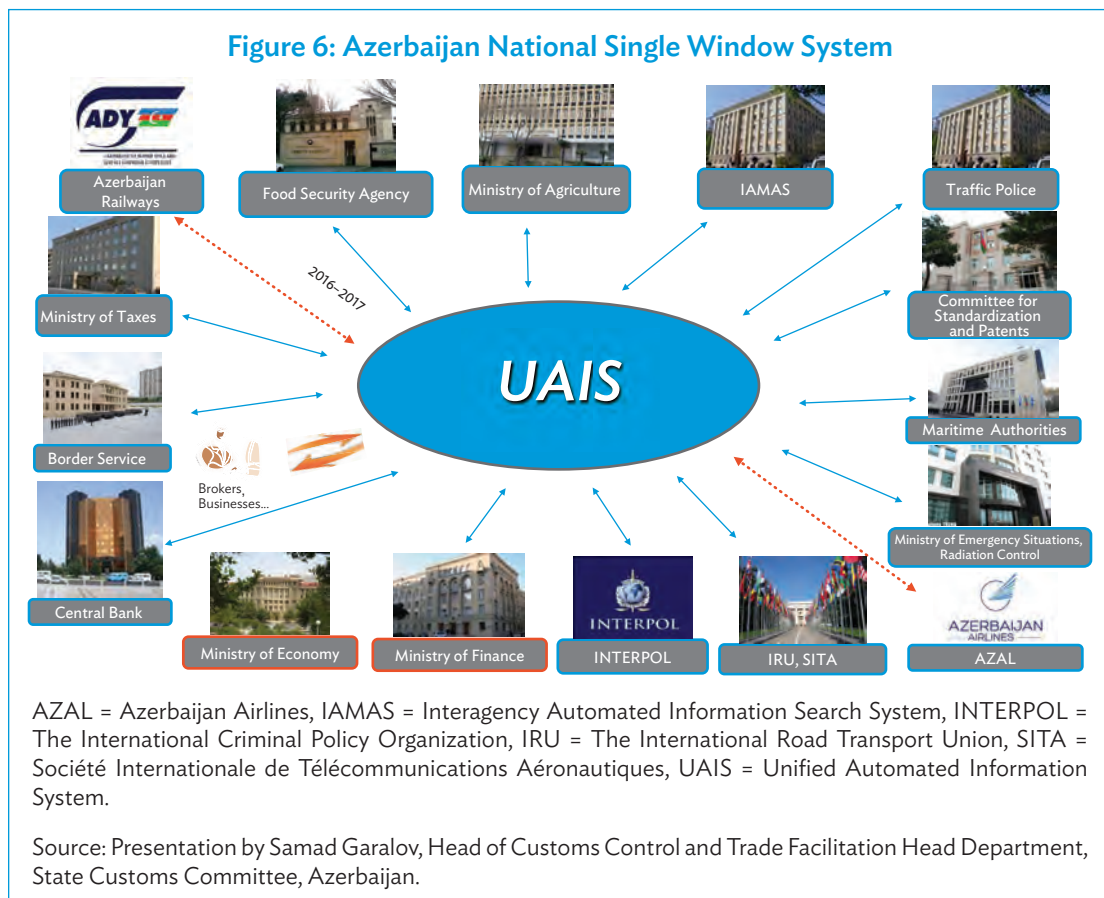
ASW architecture was built on a series of bilateral exchanges. E-form D is only received between origin and receiving countries, not by other countries in the system. This suggests that the transition to regional single window systems for other subregions can start with piloting a single window with one country first, such as a major trading partner.

The single window system has led to the smoother flow of cross-border paperless trade. E-form D can be accessed by both private and government sectors to track said forms sent to Indonesia. Since January 2018, Indonesia has transmitted more than 10,000 forms per month to regional partners such as Malaysia, Singapore, Thailand, and Viet Nam.

The INSW has also supported other national trade facilitation projects, such as dwelling time reduction and logistics, and reduced administration costs by \$15.2 million per year and decreased document falsifications.

## Case Study: Harmonization and Simplification of Customs Procedures in Azerbaijan

In 2008, the Azerbaijan Customs Service established an electronic single window—which it manages—for all border agencies as well as the Ministry of Economy, Ministry of Finance, Central Bank, Ministry of Taxes, and Food Security Agency (Figure 6).



Its functions include phytosanitary and veterinary, as well as functions the Ministry of Transport delegated to the Customs Service. After the agencies review the documents, permits are returned to the Customs Service for processing goods and vehicle clearances.

Challenges included the reluctance of some agencies to give up their role and autonomy. This was resolved through a decree from the Azerbaijan President instructing all agencies to work jointly with the Customs Service. There was also a need to monitor the development and implementation of the single window management system, establish integrated workstations at border crossing points, and amend legislation and operating procedures. Capacity building and staff recruitment were also undertaken.

The single window was instituted as part of a package of reforms, which included conducting a TRS, establishing a shipment tracing and tracking system, compliance with other WCO and United Nations Centre for Trade Facilitation and Electronic Business or UN/CEFACT standards and conventions, and human resource development. The impact has been significant. Prior to the single window, a TRS indicated that it took 180 minutes for goods and vehicles to cross the border. But once in place, this was reduced to a maximum of 20 minutes. The green lane, an expedited system where customs declarations arrive from partner countries, reduced the time even further.

## Question and Answer Session

- **Question from Bangladesh to ADB:** *Does ADB have a plan for member states to integrate single window systems? If we can get export declarations as an importing country, we can benefit.*

As the TFA stipulates this is a best effort clause; the arrangement should be mainly left to the country, especially the agency coordination party. Single window is a performance measure from the perspective of transport operators. Implementation is complex and highly dependent on the individual country context.

ASEAN reached an agreement through its ASEAN Economic Community. This includes the ASW. Other subregions have not yet reached this level of integration. National single window systems are building blocks for regional agreements, depending on trade benefits as an incentive for countries involved. Single window systems offer a means to promote greater welfare benefits.

**Ying Qian:** CAREC faced challenges in developing single window systems. Many countries in CAREC are landlocked, thus the single window is an imperative. But the region is not as integrated as ASEAN, while CAREC lacks ASEAN's top-down approach. We do have guidelines and standards from the WCO that can encourage some cooperation. CAREC can explore bilateral and plurilateral exchanges with East or Southeast Asian countries, such as the PRC, the Republic of Korea, and Thailand, where certificates of origin are exchanged.

- **Question from Ying Qian (ADB) to presenters:** *Given countries' concerns on confidentiality and sovereignty, is it possible to make use of new technology such as blockchain technology?*

**Sri Dewi Merdekawati:** Using the latest technologies such as blockchains to address concerns about confidentiality and sovereignty hold much potential. The current planning within INSW already considers blockchain technology.<sup>9</sup> The INSW is also being used as a springboard for other efforts such as integrated risk management and single document submission. Currently, the INSW accommodates other agencies, but they are allowed to maintain their own systems out of respect for their authority. A possible next stage could consider INSW generating an integrated system using blockchain technology.

**Samad Garalov:** In Azerbaijan, we use special techniques to interface between government agencies and traders that protect confidentiality and access to information by other agencies. Those needing access are registered with the Customs Service of Azerbaijan; they have registration identifications that guarantee that only they can have access to specific information. This interface ensures the safety and security of the system.

## Resources and Instruments

Description	Website
<p><b>Building a Single Window Environment</b> Provides a compendium of business processes and interrelated services involved in building a single window environment to support international trade and cross-border regulatory controls</p>	<p><a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/single-window/compendium/swcompendiumvol1all-parts.pdf">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/single-window/compendium/swcompendiumvol1all-parts.pdf</a></p>
<p><b>Single Window Guidelines</b> Provides a list and descriptions of various documents relating to building a single window by the WCO</p>	<p><a href="http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/single-window-guidelines.aspx">http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/single-window-guidelines.aspx</a></p>

<sup>9</sup> A minimal definition of blockchain includes “a distributed ledger network using public-key cryptography to cryptographically sign transactions that are stored on a distributed ledger, with the ledger consisting of cryptographically linked blocks of transactions.” Marshall, Gerstein & Borun LLP. See ADB and UNESCAP. “Embracing the E-commerce Revolution in Asia and the Pacific.” June 2018.

# Session 10: Article 23.2—National Committee for Trade Facilitation



**Session 10 speakers and moderator.** From left to right, Paolo Spantigati, Sheri Rosenow, Milena Budimirovic, Munkhbaatar Davaasambuu, Fernanda Borges, Poul Hansen.

**Moderator:** **Paolo Spantigati**

Country Director  
Timor-Leste Resident Mission, ADB

**Speakers:** **Sheri Rosenow**

Counsellor, Trade Facilitation Agreement Facility, WTO

**Milena Budimirovic**

Senior Technical Officer, Procedures and Facilitation, WCO

**Munkhbaatar Davaasambuu**

Senior Officer, Department of Foreign Trade and Economic Cooperation  
Ministry of Foreign Affairs, Mongolia

**Fernanda Borges**

Coordinator, Fiscal Reform Commission  
Ministry of Planning and Finance, Timor-Leste

**Poul Hansen**

Officer in Charge, Trade Facilitation Section  
United Nations Conference on Trade and Development

## Key Messages

- The challenge is not so much in creating committees, but maintaining them. The national committee for trade facilitation (NCTF) is not a legislative body. It is an advisory body that oversees implementation. Ensuring its relevance requires building an awareness campaign so every stakeholder's goals are built into the overall objective of trade simplification; that each is able to see that progress is being made; and making sure the NCTF does its job in overseeing results, alerting agencies of any lack of progress, and proposing solutions.
- A strong NCTF work plan is important to demonstrate progress. The example of Timor-Leste shows that even investing in a communications expert can be helpful in eliciting support for the NCTF. The case study from Mongolia also underscores the importance of consistent funding for meetings and a strong understanding of the roles and responsibilities of the different agencies involved.

## National Committee for Trade Facilitation

*“Each Member shall have a national trade facilitation body to oversee implementation of the WTO trade facilitation agreement.”*

- The NCTF is a multisector body that promotes dialogue between government, private sector, and multilateral agencies on matters related to trade. The NCTF has two clear objectives: (i) to coordinate and implement the TFA and (ii) to monitor TFA implementation. The NCTF is not a legislative body, but an advisory body that oversees implementation. It is up to agencies to implement legislation or obligations from the committee.
- While many countries struggle with organizing committees, an UNCTAD empowerment program was established to provide assistance. It is a modular capacity-building program for the NCTF. Some agencies, such as Customs, are advanced in trade facilitation, but others are not. This program helps bridge the gaps in knowledge about trade facilitation that help move coordination forward. Under the Mercator Programme, the WCO provides support to its members in establishing and maintaining an NCTF.

## Case Study: National Committee for Trade Facilitation in Mongolia

Mongolia ratified the TFA in November 2016 and in August 2017 established an NCTF by Decree of the Foreign Minister. The NCTF is chaired by the Minister of Foreign Affairs with representatives from the Office of the Deputy Prime Minister, line ministries, customs and border agencies, freight forwarders, and customs brokers, and the chamber of commerce as members. The NCTF has formulated an action plan and charter, and established subcommittees. Related workshops and meetings have also been conducted with relevant



stakeholders. A road map for trade facilitation for 2018–2022 and strategic plan were recently adopted.

The key challenges to ensuring the effective institutionalization of the NCTF are its legal mandate, coordination, and financing. Coordination requires adequate knowledge on the roles each agency plays and their staff, not just the representative of NCTF agency members. NCTF funding has so far relied on individual agency budgets rather than a combined or dedicated budget. The proper flow of internal communication within an agency as well as external communication with other agencies and other stakeholders must also be assured.

A permanent secretariat may be useful in meeting these requirements. But establishing one within the government is itself a challenge under the current structure, as it needs high-level political will, awareness, and must also consider the electoral cycle. Donor organizations are also unable to finance secretariat salaries or day-to-day activities.

## Case Study: National Committee for Trade Facilitation in Timor-Leste

A comprehensive fiscal reform program was launched in 2015 to secure non-oil sources of income for the country's future and to support economic diversification. This includes modernizing and automating customs and tax administration to reduce time and trade costs, and facilitate trade.

The NCTF in Timor-Leste is a multisector body that promotes dialogue between government, private sector, and multilateral agencies on matters related to trade. It is the first national body that includes the private sector and donor partners like ADB, UNCTAD, and the United States Agency for International Development, which provide technical assistance to reform customs. It is co-chaired by the Ministry of Finance and the Coordination Ministry for Economic Affairs. Its members include ministers of transport, interior, trade and industry, foreign affairs, agriculture, and other ministries from time to time. The primary task of the NCTF is to harmonize norms and procedures to reduce trade costs and improve service delivery.

There have been two meetings since the NCTF was established. Its framework was put in place, its vision clarified, and its work program laid out. One challenge was getting ministers to make decisions given recently held and multiple elections. The existence of the framework and work plans along with a strong mandate from Parliament helped strengthen NCTF's resolve to do its work and deliver results. Strong support from the government to reform customs helped advance the NCTF agenda, while support from the private sector has been helpful.

Regular briefings have been critical to government and private sector members to gather support. This allows them to understand the progress and the linkages and how it supports their bottom line. Hiring a communications expert helped deliver key messages to concerned parties and elicit their support. It is also important for the NCTF to have clear terms of reference and work plans. These help define proper mandates, identify tasks to be done, and monitor progress.

## Question and Answer Session

- **Question from ASEAN International Advocacy to panelists:** *What can we do to support trade facilitation reform given that companies and governments are losing interest due to the perception that committees are not delivering after a few years?*

Given the road map and mandate under the TFA, there will hopefully be achievements. Work should proceed on awareness campaigns so stakeholders are informed of the committee's activities.

The NCTF is not going to do the work; it gathers all participants who will work together. This means getting all agencies on the same page toward the same objectives and common goals. It must be a solution-driven committee. Studies can be done, technical assistance can be brought in to decipher problems and work out solutions.

The objective is simplifying trade. The NCTF needs to have a clear objective along with long- and short-term goals. There needs to be visible, measurable results. The NCTF oversees these goals and should alert relevant agencies of any lack of progress. One important role of the private sector is to act as watchdog in this process. Every stakeholder should be able to see that progress is being made. The involvement of the private sector in TRSs and trade facilitation reforms is one way of keeping the momentum going.

## Resources and Instruments

Description	Website
<p><b>Empowerment Programme for National Trade Facilitation Bodies</b> Provides an intensive professional program for the secretariat and the members of NCTFs to help them implement trade facilitation reforms</p>	<p><a href="https://unctad.org/en/DTL/TLB/Pages/TF/Committees/Empowerment-Programme-for-National-Trade-Facilitation-Bodies.aspx">https://unctad.org/en/DTL/TLB/Pages/TF/Committees/Empowerment-Programme-for-National-Trade-Facilitation-Bodies.aspx</a></p>
<p><b>NCTF (case studies)</b> Provides a platform for sharing relevant information on WCO member experiences and their roles in the NCTFs for TFA implementation</p>	<p><a href="http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/wto-agreement-on-trade-facilitation/national-committees-on-trade-facilitation.aspx">http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/wto-agreement-on-trade-facilitation/national-committees-on-trade-facilitation.aspx</a></p>
<p><b>Resources for National Trade Facilitation Bodies</b> Contains a list of publications and summaries related to research on practices and challenges of NCTFs</p>	<p><a href="https://unctad.org/en/DTL/TLB/Pages/TF/Committees/NTFBs_Resources.aspx">https://unctad.org/en/DTL/TLB/Pages/TF/Committees/NTFBs_Resources.aspx</a></p>
<p><b>WCO Guidance on National Committees for Trade Facilitation (and case studies)</b> A dedicated web page of the WCO provides information on NCTFs, including a guidance tool to explain the process of establishing an NCTF, maintaining one, and the key success factors; the web page contains a number of case studies as well.</p>	<p><a href="http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/wto-agreement-on-trade-facilitation/national-committees-on-trade-facilitation.aspx">http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/wto-agreement-on-trade-facilitation/national-committees-on-trade-facilitation.aspx</a></p>

# Session 11: The Private Sector and Trade Facilitation Agreement

**Moderator:** **Mohammad Saeed**

Senior Trade Facilitation Advisor, International Trade Center (ITC)

## Key Messages

- Two specific provisions in the Trade Facilitation Agreement (TFA) refer to the private sector: (i) consultations with the private sector of any new procedure or policy in international trade and (ii) sharing draft legislation with the private sector for feedback.
- Many supply chain functions are performed by private entities, making the private sector the major beneficiary of any policy related to trade facilitation as well as the biggest victim of inefficiencies in international trade transactions.
- Private sector engagement must be much deeper than it is currently. Private sector representatives should be involved in all stages—from diagnosing problems, coming up with solutions, and monitoring and evaluating their impact.
- The private sector, however, rarely speaks with one voice. Lobby groups may have contradictory aims that can frustrate reforms on the ground. In many places, low private sector capacity also limits progress.

## Troubled Borders: Inter-Subregional Challenges and Opportunities of the World Trade Organization Trade Facilitation Agreement

**Shanti Shamdasani**

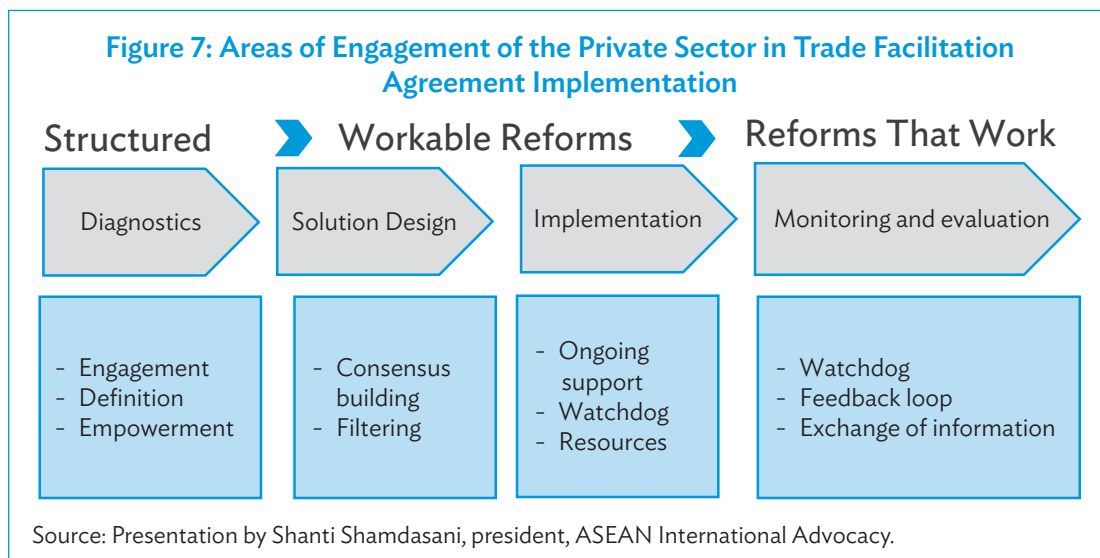
President, ASEAN International Advocacy

**E-commerce and the TFA.** The phenomenal growth of e-commerce in Southeast Asia is a strong rationale for trade facilitation within ASEAN. Important considerations include how to address the particular needs of SMEs and how to tax e-commerce transactions. This is particularly true on how it trickles down and impacts SMEs, rather than working groups and the TFA.

**Influence of lobbyists.** The private sector is a critical participant in smoothing the flow of goods between countries. But it is important to keep in mind that the interests of different groups are not homogeneous. Over the last 3–4 years, the ASEAN International Advocacy has been working to address the challenge of transit between Malaysia and Singapore.

Trucks are being held up at the border for up to 8 hours because of the need to change vehicles and custom tracks. Both governments report having the political will to change, but it has not happened due to industry lobbying. In the case of Malaysia and Singapore, industry associations on the Malaysian side lobby against allowing container cargo trucks from Singapore to freely cross into Malaysia.

**Deeper participation from the private sector.** The private sector must be far more involved across all steps of reform (Figure 7). The private sector is often involved as an observer and to report challenges (diagnostics). However, it should also be asked to come up with solutions and support implementation and evaluation. For reforms to work well there needs to be a consensus built between all parties. This cannot happen without deep private sector engagement. The private sector can also play an important role as watchdogs (monitoring and evaluation) to continue improving the system. The watchdog function needs to be designed carefully. For example, private sector entities are hesitant to use the ASEAN Solutions for Investments, Services, and Trade—an ASEAN system for reporting any discrepancy or any gap with transactions—for fear of being identified and singled out by customs. This non-reporting of the cause of delays leads to inefficiencies and losses. It is also important to engage with both management and operational levels to ensure implementation occurs as intended.



## Perspective from Pakistan International Freight Forwarders Association

### Shakeel Ahmed

Chairman, Pakistan International Freight Forwarder Association

**Services for freight forwarders.** The Pakistan International Freight Forwarders Association (PIFFA), established in 2004, is the sole representative body for Pakistan’s international freight forwarding and logistics industry with over 600 registered members. It aims to provide

effective representative and support for Pakistan’s logistics industry to observe the highest standards of professional competence. From 2007, PIFFA has offered “train the trainer” courses and established a training institute to enhance capacity building of members; it has trained 500 professionals for Pakistan’s logistics industry.

**Improvements by Customs.** The introduction of Web Based One Customs (or WeBOC) by Pakistan Customs—a web-based system for filing goods declarations for import and export cargo—has reduced custom clearance time from 5–7 days to 2–3 days. Further improvements include greater risk management that has resulted in less physical inspections and the publication of customs regulations and duties structures, which has created more awareness and allows merchants to estimate costs more accurately. Establishing the NCTF has brought all private sector entities (i.e., bonded carriers, terminal operators, and other trade associations) on board for regular interaction.

**Remaining challenges and bottlenecks.** Abandoned cargo is a major issue along the Pakistan–Afghanistan border. Around 12,000 lots of cargo are awaiting auction by Customs and their presence leads to congestion at border crossings. Guidelines on examinations stipulate that 5% of cargo should be physically checked, but feedback from carriers suggests that more like 40% is being examined. The border crossing points (BCPs) themselves also require modern facilities.

**PIFFA’s contribution.** Following its engagement as an active member of several working groups, the provision for noncommercial Afghan transit cargo was incorporated into the WeBOC system. This has enabled fast-track clearance of consignments. Part-shipment has also been allowed, easing the holdup of cargo at BCPs. Further reforms include removing the restriction that there should be one bonded carrier. This allowed for multiple carriers to pool vehicles to transport goods under a single bill of lading. PIFFA is an active member of the National Single Window and ePayment working group. Expected by 2022, it is eagerly awaited to help ease current customs processes and the cumbersome payment of customs levies at bank counters.

## Question and Answer Session

- **Comment by Sheri Rosenow, WTO:** The TFA was drafted specifically to remove any barriers (quantities and values) that would stop SMEs from benefiting from AEO schemes. It is up to WTO member countries to be friendly to their SMEs. There is a working group on SMEs and another on e-commerce, and a website with information on NCTFs and respective points of contact. Hong Kong, China provides an example of how SMEs are included through a separate scheme for SMEs to become AOs. In India, the tiered approach works to include SMEs.
- **Comment by India:** Robust involvement of the private sector in finding solutions to trade facilitation issues is desired. But the private sector does not speak with one voice. It is not uncommon to see irreconcilable differences in the private sector. There is unlikely to be a solution that suits everyone. There is then a question on whose voice (public versus private) carries the day.

- **Comment by Timor-Leste:** Technical assistance directed to the private sector is limited. Multilateral organizations should support and strengthen the governance and accountability structures for SMEs to promote them as partners in trade facilitation. If they do not receive support, they will also remain the weak link, with lobby groups vying to influence through political favors.

## Resources and Instruments

Description	Website
<b>Global Alliance for Trade Facilitation</b> A program with the International Chamber of Commerce with the World Economic Forum as secretariat, which focuses exclusively on help to private sector development	<a href="https://www.tradefacilitation.org/">https://www.tradefacilitation.org/</a> .

# Session 12: Summary

## Trade Facilitation Agreement Implementation Steps— How to Move from Needs Assessment to Implementation

**Milena Budimirovic**

Senior Technical Officer, Procedures and Facilitation, WCO

**The Mercator Programme.** The Mercator Programme has two tracks: (i) an “overall” track that deals with broader interests of the WCO membership, including awareness raising at global, regional, and national levels, as well as updating and developing trade facilitation standards and tools; and (ii) the “tailor-made” track which contains two different types of assistance—one is the “My Mercator Programme,” which is tailor-made, multi-year support guided by a dedicated Mercator Programme advisor, and another one is assistance provided in particular technical areas, as requested by the member. For implementing the Trade Facilitation Agreement (TFA), the My Mercator Programme uses a three-phase approach, including a diagnostic phase, a planning and implementation phase, and a monitoring and evaluation phase. It is imperative that this is supported by time release studies (TRSs) that measure the effectiveness of the program, and that the national committee for trade facilitation (NCTF) oversees the whole process. The My Mercator Programme is a cycle that does not end after Phase 3. Governments will have to reevaluate themselves from time-to-time to adjust plans.

**Phases of the My Mercator Programme.** The diagnostic phase seeks to reconcile, validate, and update existing analyses, and is important as it defines enduring commitments for implementation. The implementation phase includes the creation of road maps and action plans. In this phase, countries need to identify some quick “wins” and things that can be done by single agencies, alongside long-term commitments that might require multiagency coordination. It is also up to the member to coordinate donor assistance. The monitoring and evaluation phase includes a TRS and a “maturity model,” which helps countries identify how advanced they are in implementation.

## Summaries of Sessions 4 to 11



**Session 11 speakers and moderator.** From left to right, Arjun Goswami, Mohammad Saeed, Ronald Butiong, Ying Qian, Hideaki Iwasaki, Paolo Spantigati.

**Moderator:** **Arjun Goswami**

Chief, RCI Thematic Group  
Economic Research and Regional Cooperation Department, ADB

**Speakers:** **Ronald Antonio Butiong**

Director, Regional Cooperation and Operations Coordination Division,  
South Asia Department, ADB

**Hideaki Iwasaki**

Country Director, Thailand Resident Mission, ADB

**Ying Qian**

Director, Public Management, Financial Sector, and Regional Cooperation  
Division, East Asia Department, ADB

**Paolo Spantigati**

Country Director, Timor-Leste Resident Mission, ADB

**Mohammad Saeed**

Senior Trade Facilitation Advisor, ITC

**Authorized economic operators.** It is clear from the discussions that the authorized economic operator (AEO) scheme is not designed exclusively for large enterprises—many countries are designing their programs to provide a multi-tiered service that also includes small and medium-sized enterprises (SMEs). Principal challenges appear to concern the establishment of mutual recognition agreements (MRAs) to operationalize AEO schemes.

**Transit systems.** There is recognition across subregions that transit facilitation is critical to the international movement of goods and people—particularly in landlocked countries—and steps are being taken to establish efficient logistics.



Nevertheless, progress in implementation has been mixed and some issues remain—most originating from the political economy. The WTO TFA and WCO have good tools to facilitate freedom of transit that build on earlier conventions. Inter-country agreements at various levels—from bilateral to plurilateral to multilateral—are still needed to (i) allow through-transport and (ii) put in place customs transit regimes that provide necessary guarantees to the transit country.

**Information and communication technology in transit.** Use of information and communication technology (ICT)—for example, the ASEAN Customs Transit System (ACTS) and electronic cargo tracking system (ECTS)—can boost transit facilitation and can, in some circumstances, obviate the need for through-transport arrangements, without denying countries the benefits of improved transport logistics.

**Time release studies.** Time release studies (TRSs) are an extremely useful tool for monitoring and evaluating the impact of reforms. But they are also useful in designing reforms and attracting stakeholder participation and enthusiasm for reforms. Countries need an appropriate understanding of their ability to run a TRS and should seek necessary support before starting. TRSs can be resource intensive and so consideration should be given on how agencies beyond Customs can benefit from the results and how the results will be used. It is important to consider how political support for reform can be galvanized through the results.

**Customs and border agency cooperation.** A common experience evident in forum discussions is that countries have requirements for partners (e.g., on quality data exchange) that they do not follow through on themselves or reciprocate, either due to inability or as a negotiation tactic. Nonetheless, there is a widespread willingness of customs offices to engage and be open with other agencies, which is a very positive development.

**New initiatives.** The Corridor Performance Measurement and Monitoring system showed that it is not just useful for providing statistics but also for identifying bottlenecks. This can lead to effective investments and is also important for engaging other partners such as the private sector. The Regional Improvement of Border Services (RIBS) projects are innovative as they work simultaneously with both sides of the border.

**Multilayered institutions.** Strong institutions for trade that work at different levels are important. Within the Central Asia Regional Economic Cooperation (CAREC) Program, a regional trade group is being created, comprised of representatives from national committees for trade facilitation that they hope will help move trade facilitation forward.

**Single window.** Single window initiatives should be seen in the context of interagency cooperation. The focus should be on implementation at the operational level and things that could be done to attain quick wins, which could keep everyone motivated.

**National committees for trade facilitation.** While the WCO provides guidelines on NCTFs, each country has much flexibility in how they are managed. One of the lessons learned from the forum is the need to balance high-level political authority with working technical capacity. This can be achieved by establishing working groups under the NCTF. Practical NCTF challenges include the need to engage and communicate with different actors on their own role and impact. Equally, as a recurrent structure, funding must be secured from

internal sources. Establishing clear work plans and deliverables that enable them to deliver quick positive results can be very useful in building the recognition and traction required for longer term change.

**Private sector engagement.** Trade facilitation, particularly transport and logistics, cannot be achieved without the private sector. Engagement must be comprehensive and inclusive. At the same time, the private sector may require support—to both comply with trade and transport procedures and establish capacity building to engage effectively within platforms such as an NCTF.

**Implementation of the TFA a bright spot in multilateral trade system.** The multilateral trade system at present is very challenging. But within that context, the WTO TFA remains a bright spot. The discussions during this forum have shown that countries do not treat the TFA as a simple tick box exercise, but have been progressing on implementation. However, one of the common themes heard throughout the country presentations is the mismatch between high-level commitments in forums such as the WTO and the reality on the ground. Countries are working hard on trade facilitation initiatives to try and address this disconnect. Now is not a time to be complacent and there is a lot of work to do.

**Role of ADB.** Multilateral development banks have an important role to play through the provision of technical assistance, promotion of policy dialogue, and financing of investments such as modern check points and use of ICT. Multilateral development banks have pools of expertise and can play an important role in sharing knowledge and facilitating South–South cooperation. Regional development banks play a particularly important role in initiatives that involve more than one country and cross-border operations. They can act as honest broker to facilitate negotiations and help support ongoing interaction between two or more sides. National governments may be more focused on domestic conditions, but ADB can support subregional and regional initiatives. ADB also gains from TFA implementation. NCTFs, for example, provide a useful means of support for ADB’s policy dialogue and programming.

**Knowledge sharing.** Subregional programs share many common issues. But we have seen during this event that progress across regions is moving at different speeds. One way forward for future knowledge sharing may be to take a more focused approach, whereby regions that have made progress in one area (e.g., Central Asian countries on transit agreements) host and provide knowledge sharing to experts from countries less advanced in that area. This kind of cross-regional learning and peer-to-peer learning on a systematic level would be highly beneficial.

## APPENDIX

# List of Participants

### AZERBAIJAN

Samad Garalov  
Head of Customs Control and Trade  
Facilitation Head Department  
State Customs Committee

Huseyn Guliyev  
Head of Division on Cooperation with  
International Donors, Cooperation with  
International Organizations Department  
Ministry of Economy

### BANGLADESH

Md. Badrul Hassan Babul  
Additional Secretary  
Ministry of Commerce  
babulrang06@yahoo.com

Md. Moazzem Hossain  
Commissioner  
Customs, Excise and VAT Commissionerate  
mnh1968@yahoo.com

Mst. Sarmin Akter Mazumder  
Deputy Commissioner  
Custom House Dhaka  
sarminfarhan@gmail.com

### BHUTAN

Yonten Namgyel  
Director  
Department of Revenue and Customs  
Ministry of Finance  
ynamgyel@mof.gov.bt

Mindrel Zangmo Sherpa  
Deputy Collector  
Department of Revenue and Customs  
Ministry of Finance  
mzangmo@mof.gov.bt

Sonam Gyaltshen  
Chief Trade Officer  
Department of Trade,  
Ministry of Economic Affairs  
sgyaltshen@moea.gov.bt  
sogel30@gmail.com

### CAMBODIA

Sok Sovithyea  
Director  
Department of Planning and Techniques  
General Department of Customs and Excise  
of Cambodia  
sovithyea@gmail.com

Kheng Borey  
Director  
Department of Notification and Legal  
Compliance  
Ministry of Commerce  
khengborey.moc@gmail.com

### GEORGIA

Otar Rikadze  
Deputy Head of Customs Risk Management  
Division  
Georgia Revenue Service

Mikhail Peikrishvili  
Chief Specialist  
Department for International Relations  
Georgia Revenue Service

Gia Tsiphuria  
President  
Georgian International Road Carriers  
Association

## INDIA

Sahil Inamdar  
OSD to Chairman  
CBIC (Joint Commissioner)  
sahilinamdar.irs@gov.in

Manmeet Ahluwalia  
Deputy Commissioner  
Central Board of Indirect Taxes and  
Customs  
manmeet.salhuwalia@gov.in

## INDONESIA

Sri Dewi Merdekawati  
Division Head of Cooperation  
Deputy of Inter-Agency Relation  
Indonesia National Single Window  
Operating Agency  
sri.dewi@insw.go.id

Markhatin Nurul Laitfah  
Trade Analyst  
Directorate of Multilateral Negotiations  
Ministry of Trade of Republic of Indonesia  
markhatinlatif@ymail.com

Valentine Dunam Andready  
Assistant Manager  
Inter-Agency Relation  
Indonesia National Single Window  
Operating Agency  
valentine.dunam@insw.go.id

## KAZAKHSTAN

Madina Kazhimova  
Chief Expert of Non-Tariff Regulation  
Department of Foreign Trade Development  
Ministry of National Economy

Nurgul Zhanarbayeva  
First Category Expert  
Department of Customs Administration  
National Chamber of Entrepreneurs

Zhandos Sekenov  
Department of Customs Methodology  
State Revenue Committee

## KYRGYZ REPUBLIC

Altynbek Torutaev  
Deputy Chairman  
State Customs Service

Nurat Mamatov  
Head of Customs Policy Department  
Ministry of Economy

Gulnara Uskenbaeva  
Co-Chair  
Trade Facilitation Council  
President of Association of Suppliers

## LAO PEOPLE'S DEMOCRATIC REPUBLIC

Keomorakoth Sidlakone  
Deputy Director General  
Import and Export Department  
Ministry of Industry and Commerce  
keomorakoth@hotmail.com

Sompasong Amphaengphai  
Deputy Director of Legislation Division  
Customs Department  
Ministry of Finance  
sompasong.am@gmail.com

## MALAYSIA

Ramlah Haji Mukhtar  
Senior Assistant Director of Customs I  
Division  
Royal Malaysian Customs Department  
Ministry of Finance  
ramlah.mukhtar@customs.gov.my

Fara Azuin Amiruddin  
Senior Principal Assistant Director  
Investment Policy and Trade Facilitation  
Division  
Ministry of International Trade and Industry  
fara.amir@miti.gov.my

### **MALDIVES**

Yusuf Riza  
Permanent Secretary  
Ministry of Economic Development  
yusuf.riza@trade.gov.mv

Fathimath Sizleen  
Chief Customs Officer  
Sea Cargo Documentation  
Maldives Customs Service  
ehkkun@hotmail.com

Ahmed Hafeez  
Chief Customs Officer  
Sea Cargo Examination  
Maldives Customs Service  
haphyx@gmail.com

### **MONGOLIA**

Bat-Erdene Yondon  
Deputy Director General  
Mongolian Customs General  
Administration

Munkh-Orgil Batbayar  
Director of Department  
Mongolian National Chamber of Commerce  
and Industry

Munkhbaatar Davaasambuu  
Senior Officer  
Department of Foreign Trade and Economic  
Cooperation  
Ministry of Foreign Affairs

### **MYANMAR**

Khin Maung Linn  
Assistant Director  
Customs Department  
Ministry of Planning and Finance  
khinmaunglynn@custom-mm.com

Khin Sandi Soe  
Staff Officer  
Customs Department  
Ministry of Planning and Finance  
speakermalay@gmail.com

Min Min  
Deputy Director  
Department of Trade  
Ministry of Commerce  
uminminmdy@gmail.com

### **NEPAL**

Shatrughna Prasad Pudasainee  
Joint Secretary  
Industry, Commerce and Supplies  
kantipurepuda@gmail.com

Mukti Ram Acharya  
Director  
Department of Customs  
acharyamukti36@gmail.com

Ganesh Prasad Aryal  
Director  
Department of Customs  
ganes.aryal@gmail.com

### **PAKISTAN**

Javed Akbar Bhatti  
Additional Secretary (Trade Diplomacy)  
Commerce Director  
Ministry of Commerce of Textile

Muhammad Nayyer Shafiq  
Secretary (Law and Procedures)  
Federal Board Revenue

**PEOPLE'S REPUBLIC OF CHINA**

Yuanjie Yang  
 Director of Program and Policy Division  
 Department of International Economic and  
 Financial Cooperation  
 Ministry of Finance

Jiange Shi  
 Director  
 Department of International Cooperation  
 General Administration of PRC Customs

Shunkun Liu  
 Director of Division of Foreign Affairs and  
 International Economic Cooperation,  
 Yunnan Provincial Department of  
 Commerce

**PHILIPPINES**

Marilou Duque Laguting  
 Chief Trade-Industry Development  
 Specialist  
 Management Support Services Unit  
 Department of Trade and Industry  
 mariloulaguting@dti.gov.ph

**SAMOA**

Nanai Sua  
 Assistant Chief Executive Officer  
 Borders Operations  
 Ministry for Revenue  
 nsua@revenue.gov.ws

**SRI LANKA**

Anjalika Kaushani Gunasekera  
 Director, National Planning  
 Ministry of National Policies and Economic  
 Affairs  
 anjalika9@yahoo.com

Milton Roy Ranaraja  
 Deputy Director of Customs  
 Compliance and Facilitation Directorate  
 royranaraja@yahoo.com

Thilini Madushanka Kumara  
 Assistant Superintendent of Customs  
 National Trade Facilitation Committee  
 Secretariat  
 thilinikumara@gmail.com  
 thilini.kumara@customs.gov.lk

Dilumi Sandunika Perera  
 Assistant Superintendent of Customs  
 National Trade Facilitation Committee  
 Secretariat  
 dilumi.perera@customs.gov.lk  
 pereraauds@gmail.com

**TAJIKISTAN**

Lochin Faizullozoda  
 Director of Single Window Center  
 Customs Services

Firdavs Sattarov  
 Chief Specialist  
 WTO Affairs Department  
 Ministry of Economic Development and  
 Trade

Bahodur Rahmonalizoda  
 Chief Specialist  
 Department of Legal Support and Personnel  
 Committee for Food Security

**THAILAND**

Sararath Phattahirunkhun  
 Trade Officer-Senior Professional Level  
 Bureau of Trade Preference  
 Department of Foreign Trade  
 Ministry of Commerce  
 sararath@moc.go.th

Kallaya Leehongcharoen  
 Chief of Industry Sector  
 Department of Trade Negotiations  
 Ministry of Commerce  
 kallayal@dtm.go.th

Apinya Punyacheva  
 Director of Customs Procedure Division  
 Thailand Customs Department  
 Ministry of Finance  
 apin994@gmail.com

### **TIMOR-LESTE**

Fernanda Borges  
 Coordinator, Fiscal Reform Commission  
 Ministry of Planning and Finance  
 fmborges@mof.gov.tl

### **TURKMENISTAN**

Atajan Atayev  
 Deputy Head  
 Department for Financing and  
 Development of Public Sectors of Economy  
 Ministry of Finance and Economy

### **UZBEKISTAN**

Bakhodir Yokubov  
 Chief Specialist  
 Main Department of Foreign Trade  
 Customs-Tariff Regulation Improvement  
 and Optimizing Imports  
 Ministry for Foreign Trade

Akhtamkhon Injaminov  
 Head  
 Department of Customs Payments  
 State Customs Committee

Yuldoshali Khusanboev  
 Leading Specialist  
 Department for the Promotion of Exports,  
 Imports, Trade Issues, Standardization and  
 Certification of Products and Services  
 Chamber of Commerce and Industry

### **VIET NAM**

Hien Nguyen Thi  
 Customs Official  
 International Cooperation Department,  
 General Department of Vietnam Customs  
 hiennt1@customs.gov.vn

Tien Nang Nguyen  
 Senior Official  
 Multilateral Trade Policies Department  
 Ministry of Industry and Trade  
 tiennn@moit.gov.vn

### **RESOURCE PERSONS**

Sheri Rosenow  
 Counsellor  
 Trade Facilitation Agreement Facility  
 World Trade Organization  
 sheri.rosenow@wto.org

Kazunari Igarashi  
 Head of Asia-Pacific Regional Office for  
 Capacity Building  
 World Customs Organization  
 igarashi@rocba.org

Milena Budimirovic  
 Senior Technical Officer  
 Procedures and Facilitation  
 World Customs Organization  
 milena.budimirovic@wcoomd.org

Mia Mikic  
 Director  
 Trade, Investment and Innovation Division  
 United Nations Economic and Social  
 Commission for Asia and the Pacific  
 mikic@un.org

Brasukra G. Sudjana  
 Trade and Facilitation Division  
 The ASEAN Secretariat

Mohammad Saeed  
 Senior Trade Facilitation Advisor  
 International Trade Center  
 saeed@intracen.org

Kijin Kim  
 Economist  
 Economic Research and Regional  
 Cooperation Department,  
 Asian Development Bank  
 kijinkim@adb.org

Jong Woo Kang  
Principal Economist  
Economic Research and Regional  
Cooperation Department  
Asian Development Bank  
jkang@adb.org

Vivek Johri  
Chief Commissioner of Customs  
Department of Revenue  
Ministry of Finance  
vivekjohri.irs@nic.in

Satish Reddy  
Trade Facilitation Specialist  
India – ADB Consultant  
sk.reddy@outlook.com

Temsunaro Jamir  
Joint Commissioner (ICD)  
Central Board of Indirect Taxes and  
Customs  
temsunaro.jamir@nic.in

Shanti Shamdasani  
President  
ASEAN International Advocacy and Asia  
Venture Advisory  
shanti@ventureadvisory.asia

Poul Hansen  
United Nations Conference on Trade and  
Development

Shakeel Ahmed  
Chairman  
Pakistan International Freight Forwarders  
Association (PIFFA)

#### **ASIAN DEVELOPMENT BANK**

Wencai Zhang  
Vice-President (Operations 1)

Arjun Goswami  
Chief, RCI Thematic Group  
Economic Research and Regional  
Cooperation Department  
agoswami@adb.org

Ronald Antonio Butiong  
Director  
Regional Cooperation and Operations  
Coordination Division,  
South Asia Department  
rabutiong@adb.org

Ying Qian  
Director  
Public Management, Financial Sector, and  
Regional Cooperation Division  
East Asia Department  
yqian@adb.org

Hideaki Iwasaki  
Country Director  
Thailand Resident Mission  
hiwasaki@adb.org

Paolo Spantigati  
Country Director  
Timor-Leste Resident Mission  
pspantigati@adb.org

Tadateru Hayashi  
Principal Economist  
South Asia Department  
thayashi@adb.org

Kanya Sasradipoera  
Senior Trade Specialist  
Southeast Asia Department  
kanyass@adb.org

Rosalind McKenzie  
Senior Regional Cooperation Specialist  
East Asia Department  
rmckenzie@adb.org

Anna Fink  
Economist  
Economic Research and Regional  
Cooperation Department  
afink@adb.org



Wilhelmina Paz  
Senior Economics Officer  
Economic Research and Regional  
Cooperation Department  
wpaz@adb.org

Aileen Pangilinan  
Senior Regional Cooperation Officer  
South Asia Department  
apangilinan@adb.org

Raquel Tabanao  
Associate Programs Officer  
Southeast Asia Department  
rtabanao@adb.org

Maria Bernadette de Castro  
Project Analyst  
East Asia Department  
mcastro@adb.org

Melanie Joy Pre  
Associate Operations Analyst  
Economic Research and Regional  
Cooperation Department  
mpre@adb.org

Angela Escudero  
Associate Research Analyst  
South Asia Department  
aescudero@adb.org

Ana Benoza  
Senior Operations Assistant  
South Asia Department  
abenoz@adb.org

Shyam Dahal  
Regional Cooperation Expert  
Nepal – ADB Consultant  
sdahalnp@gmail.com

Loreli De Dios  
ADB Consultant  
ldedios1.consultant@adb.org

Camille Cyn Isles  
ADB Consultant  
cisles.consultant@adb.org

### **CAREC INSTITUTE**

Yergali Dosmagambet  
Deputy Director 2  
ydosmagambet@163.com

Dildar Zakir  
Training Officer  
zdildar@163.com

Wendy Zhang  
Training Officer  
wendyevenz@163.com

### **INTERPRETERS**

Svetlana Chirkova  
Kyrgyz Republic  
unicolana@gmx.com

Elena Miranova  
Kyrgyz Republic  
emironova@mail.ru

# Inter-Subregional Forum for Enhanced Implementation of the World Trade Organization Trade Facilitation Agreement

## *Summary of Proceedings*

Global implementation of the World Trade Organization Trade Facilitation Agreement (TFA) promises to reduce trade costs between 6% and 16% and benefit small and medium-sized enterprises for inclusive growth. Held in October 2018, the Inter-Subregional Forum on Enhanced Implementation of the World Trade Organization Trade Facilitation Agreement involved discussions on success stories and common challenges shared by government officials responsible for leading and guiding notification and implementation of the TFA in the Asian Development Bank's member economies and subregional programs. This publication provides a summary of the discussions, features key messages from case studies, and consolidates useful resources relevant to the TFA.

### **About the Asian Development Bank**

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

