

Thematic Working Group on Sustainable Transport, Transit and Connectivity (TWG-STTC)

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National coordinating mechanism for transport facilitation

(Item 4.3 of the Agenda)

Note by ECE/ESCAP

- 1. The removal of physical and non-physical barriers in international trade and transport requires involvement of numerous government agencies. Efficient and effective coordination and cooperation among all the relevant agencies through proper inter-agency coordination institutions are crucial for the facilitation of international trade and transport. Cooperation from the private sector is essential as the private sector has to go through the whole procedures to bring people, goods and vehicles across the borders.
- 2. Further streamlining and harmonization of customs and transit procedures and formalities and transparent and efficient border management and coordination of agencies involved in border clearance, should have a concrete and direct impact on reducing the cost of doing trade and stimulating faster and competitive trade for landlocked developing countries. Such improved trade facilitation would help landlocked developing countries towards enhancing the competitiveness of their export products and services. Therefore, technical assistance is needed to enable landlocked developing countries to fully participate in and benefit from multilateral trade negotiations and effectively implement policies and regulations aimed at facilitating transport and trade.
- 3. The Vienna Programme of Action (2014) recommended that landlocked and transit developing countries should enhance coordination and cooperation of national agencies responsible for border and customs control procedures in addition to consider establishing, where appropriate, and/or strengthening existing national committees on trade facilitation, with the involvement of all relevant stakeholders, including the private sector.

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- 4. In most of the cases, the mechanisms for establishing national mechanisms for the coordination of transport facilitation initiatives take the following forms:
- A. Permanent coordination institution:
 - National trade facilitation committee;
 - National transport facilitation committee;
 - National trade and transport facilitation committee.
- B. Temporary coordination mechanism:
 - Coordination body for specific programme;
 - Coordination body for specific project;
 - Case-based coordination approach;
 - Coordination of specific initiative through meetings;
 - Coordination of specific initiative through official communications.
- 5. A number of initiatives have been taken by SPECA countries in establishing national transit transport facilitation bodies. However, existing facilitation coordinating bodies are facing difficulties in sustaining their operations, often resulting from insufficient financing sources, inadequate recognition of their role and functions, inadequate organizational structure and lack of representation from key stakeholders.
- 6. ESCAP secretariat has developed the guidelines on establishing and strengthening national coordination mechanisms. The guidelines lay down broad principles, salient aspects and main requirements for a successful national coordination institution. The publication complements the existing UNECE guidelines on setting up national trade facilitation bodies consequent to Recommendation No. 4 adopted by the United Nations Centre for Trade Facilitation and Electronic Business (UN CEFACT). The publication is available in English at http://www.unescap.org/sites/default/files/Study_on_Coordination_Mechanisms_Ch4.pdf.
- 7. The United Nations Economic Commission for Europe (UNECE) and the Organization for Security and Co-operation in Europe (OSCE) launched a jointly produced handbook on border crossing policies in Vienna, Austria on 22 February 2012. The Handbook of Best Practices at Border Crossings A Trade and Transport Facilitation Perspective offers a rich array of reference material and more than 120 best practice examples at border crossings.
- 8. Given that the design and industrial development cycle of innovative technologies are shorter than the policy cycle, regulatory authorities often lag behind at the national level, but do

so particularly at the international level. This leads to technical fragmentation and, eventually, inter-operability issues within and across countries. UNECE, having recognized the importance of innovation and the difficulties that accompany the use of new technologies in transport and border crossing, is calling for efforts to speed up the development and implementation of regulations and agreements on technical and technological compatibility.

- 9. One of the most recent coordinated efforts in that direction is reflected in the project on Customs-to Customs (C2C) electronic information exchange for transit. The objective of this global project which is funded by the United Nations Development Account and implemented in cooperation with all United Nations regional commissions is to strengthen the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, by means of increased secure electronic exchange of information between customs administrations. Simultaneously, the project will contribute to increasing the cooperation between customs administrations and promote the use of international standard electronic messages, in particular, for transit operations.
- 10. The electronic exchange of transit information among customs administrations will have multiple impacts on the direct beneficiaries of this project, i.e. (a) legitimate international trade and transport companies, (b) customs administrations and other cross-border agencies and (c) organizations and companies providing guarantees, thus securing the payment of duties and taxes of goods in transit in case of irregularities.
- 11. For a number of selected pilot countries, the project assessed the legal and technical factors that prevent a wider C2C electronic exchange of transit information. The project also delivered targeted capacity building and technical assistance. Two countries in the UNECE and ESCAP region volunteered to take part of this project: Georgia and Kyrgyzstan. The project, which was planned to be finalized by the end of 2015, was extended until June 2016 (30 September 2016 for the evaluation) by the United Nations Department of Economic and Social Affairs (DESA) to allow for the completion of the remaining activities. To date, all events planned in the framework of the project successfully took place:
 - i. First session of the Inter-regional Expert Group (Geneva, 8 December 2014);
 - ii. Business Intelligence applied to customs' risks and valuation and the WCO Data Model (San José, Costa Rica, 16-17 June 2015);
- iii. Customs-to-Customs data exchange Workshop (Tbilisi, 22-23 June 2015);

- iv. Workshop on Customs-to-Customs Electronic Data Exchange (Issyk-Kul, Kyrgyzstan, 7-8 September 2015); The Workshop aimed at building the capacity in electronic transit data exchange between the customs authorities of the countries of Central Asia. The workshop brought together the representatives of customs authorities and international road transport industry of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, which shared the current technical and legal conditions for electronic transit data exchange between Customs authorities of these countries and discussed the recommendations on the measures for enhancing Customs-to-Customs cooperation on these matters.
- v. Workshop on Customs-to-Customs in the Arab Region (Casablanca, Morocco, 2-4 December 2015);
- vi. Seminar on Customs-to-Customs Electronic Exchange of Transit Data and the Adoption of Standard Electronic Messages (20-21 June 2016, Geneva); and
- vii. The second inter-regional expert group meeting (22 June 2016, Geneva).
- 12. First version of the Central Exchange Platform (CEP) was deployed at the United Nations Office at Geneva (UNOG) data center. The CEP was developed to allow customs administrations to securely exchange transit related data electronically. Finally, technical assistance was provided to all participating pilot countries, e.g. in Georgia the technical assistance which allowed the successful connection of the Georgian IT system with the CEP.
- 13. Furthermore, A National Technical Workshop on Electronic Customs and Transport Data Exchange was organized in Dushanbe, Tajikistan, on 24 May 2016, to discuss the issues of electronic international transport data exchange between the Customs authorities of Tajikistan and neighboring countries. It was attended by representatives of transport and Customs authorities and road transport industry of Tajikistan and discussed the recommendations on the measure for establishing electronic data exchange between Customs and other control authorities for the facilitation of international road transport. Following studies and based on the discussions among the Customs experts during the workshops, a Roadmap for Establishment of Electronic Data Exchange between the Customs authorities of Kyrgyzstan and Tajikistan was finalized. It is expected that it can be further utilized by the two countries for the purposes of developing international cooperation between Customs authorities and implementation of technological solutions aimed at facilitation of transport and border-crossing procedures.
- 14. In 2015, UNECE reported on its participation in the Conference on Landlocked Developing Countries (Vienna, November 2014) which identified priority areas, policies and development initiatives to promote regional integration and transit cooperation for the benefit of

landlocked developing countries, including SPECA countries. The conference led to the adoption of the Vienna Programme of Action for Landlocked Developing Countries, which has become a major part of UNECE activities in 2016. More specifically:

- 15. The TIR secretariat took part in the Second Inter-Agency Consultative Group (IACG) Meeting on the Follow-up and Implementation of the Vienna Programme of Action for LLDCs for the Decade 2014-2024 (VPoA), which was organized in New York on 10 and 11 December 2015 by the United Nations Office of the High-Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS).
- 16. The TIR secretariat also participated in the National Workshop on the Mainstreaming of the Vienna Programme of Action for LLDCs, which took place on the 27 and 28 April 2016 in Ulaanbaatar, Mongolia. The national workshop was the occasion for UNECE to highlight the importance for landlocked countries of the UN border crossing facilitation agreements, in particular the TIR Convention and the Harmonization Convention. In particular, the workshop served as an opportunity for UNECE to present the relation between border crossing facilitation and the Sustainable Development Goals. Also, the relevance of United Nations agreements on border crossing facilitation to the implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) was also brought up during the event.
- 17. UNECE and UN-OHRLLS co-organized a global Seminar on the importance of key Trade and Transport Conventions on 9 May 2016 in New York. The seminar raised awareness and understanding of the process, potential benefits and implications of accession to international conventions related to facilitation of transport and trade. The meeting, in particular, informed participants about the key conventions that are relevant to the LLDCs that will be featured in the 2016 Treaty Event, with a view to encourage countries to ratify and implement the legal instruments.

Enabling and facilitating implementation of the WTO TFA

- 18. The WTOTFA, one of the most concrete outcomes of the Doha negotiation round, is designed to streamline customs procedures, increase transparency, foster customs cooperation and reduce red-tape and redundancies in order to expedite trade flows. In 2015, WP.30 turned its attention to the overlapping relevance of border crossing facilitation legal instruments and activities at UNECE as a medium to promote accession to and implementation of the TFA.
- 19. As such, a comparative table on the relationship between TFA and the TIR and the Harmonization Conventions was developed, followed by the publication of the leaflet "The

United Nations Transport Conventions on border crossing facilitation – benefits for governments", developed in cooperation the International Road Transport Union (IRU).

SPECTRUM of Border Crossing Facilitation Activities

20. In an effort to inform member States of what tools exist to assist with facilitating efficient border crossing, the brochure "Spectrum of Border Crossing Facilitation Activities" was published as an electronic brochure in 2015. To maximize its promotional impact, UNECE printed the brochure in hard copy in early 2016. The brochure provides an introduction to the existing United Nations Conventions administered by the Inland Transport Committee, covering issues related to border crossing facilitation, as well as other activities and tools developed to facilitate the international movement of goods and persons. This includes improving market-access and opportunities at the global, regional and sub-regional scale.

The Thematic Working Group may wish to

- Take note of the handbook of Best Practices at Border Crossings A Trade and Transport
 Facilitation Perspective, jointly published by UNECE and OSCE and the Guidelines on
 Establishing and Strengthening National Coordination Mechanisms for Trade and Transport
 Facilitation in the ESCAP Region published by UNESCAP, and encourage SPECA countries
 to use them widely;
- Encourage SPECA countries to use the results of the "Strengthening the capacities of developing countries and countries with economies in transition to facilitate legitimate border crossing, regional cooperation and integration" project;
- Encourage SPECA countries to establish or strengthen national coordination mechanisms to review, assess, propose and take actions for the facilitation of international trade and transport;
- Encourage SPECA countries to mobilize public and private sector resources to finance the operations and activities of the national coordination mechanisms; and
- Encourage SPECA countries to hold workshops on establishing and strengthening of national coordination mechanisms to build common position of different stakeholders on ways to reduce barriers for cross-border and transit transport.