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**Batumi Declaration**

**Conclusions of the Third Regional Conference on Trade Facilitation and Caucasus Transit Corridor Promotion**

**24-25 June 2013**

**Background**

The regional and global trade flows from Asia to Europe, including through the Caucasus Transit Corridor (CTC), are driving economic development in the Black Sea, South Caucasus and Caspian Sea regions. All the countries along the corridor have made significant progress in the implementation of trade and transport facilitation measures since the First Regional Conference on Trade Facilitation, the Single Window and Data Harmonization, which took place in June 2009.

The Third Conference on Trade Facilitation and Transit Corridor Development, which took place on 24-25 June 2013 in Batumi, Georgia, was hosted by the Ministry of Economy and Sustainable Development of Georgia, the Georgia Revenue Service, the Ministry of Justice of Georgia, the United Nations Economic Commission for Europe (UNECE), the United States Agency for International Development (USAID) with the support of the International Rail Transport Committee (CIT). The two-day event brought together government officials and representatives from Customs, transportation ministries and agencies, railways, ports, shipping lines, freight forwarders, educational institutions, including the Supply Chain Council, from Georgia, Turkey, Ukraine, Armenia, Azerbaijan and Kazakhstan, as well as international development partners. The conference had several objectives:

* Fostering the implementation of trade facilitation measures to increase efficiency, reduce costs and improve transparency, including the implementation of Single Window mechanisms, improved and standardized information flow exchange, coordinated border management and joint border crossings, and involving the private business in the process;
* Improving the competitiveness of the transit corridors crossing the Caucasus, including by raising awareness of the private sector about new services and current and planned infrastructure development projects in the region, notably in the area of new rail lines, road and port infrastructure;
* Discussing opportunities to improve supply chain capabilities and operational systems of the private sector through the establishment of a Supply Chain Council chapter in Georgia;
* Sharing experience and progress made by country’s customs authorities to facilitate trade; and
* Promoting the adoption of international standards.

The participants in the Third Conference on Trade Facilitation and Corridor Development invite Governments in the region and in the neighboring countries to consider implementing measures in the following areas:

**Trade Facilitation and Single Window**

**Development of trade facilitation strategies.** The countries should consider developing national trade facilitation strategies, reflecting their development priorities and objectives in the relevant negotiations at the World Trade Organization (WTO). These strategies would encompass concrete projects and measures, such as the Single Window, integrated border management, joint border crossings, bilateral and multilateral Customs data exchange, positioning them in a longer term perspective for development.

**Application of international standards in the trade data exchange.** The countries should develop further projects implementing concrete trade facilitation instruments, such as the Single Window, port community systems, joint border-crossings, authorized economic operators, and streamline trade information exchange along the corridors. These projects can make better use of international guidelines and tools for trade facilitation and Single Window implementation, as well as international standards for trade data and documents exchange, notably those of the UNECE, World Customs Organization (WCO) and International Organization for Standardization (ISO). The implementation of these instruments should improve risk analysis and management on a multiagency basis, thus raising the security and efficiency of official controls of international supply chains.

**Building synergies among various systems and projects implemented**. Governments should consider building interagency cooperation in support of the implementation of trade facilitation measures, notably the Single Window and coordinated border management. Synergies should be built at different levels, such as between national e-Government programs, regulatory Single Window projects and Port Community Systems. One of the examples of integration of various information systems supporting international trade could be further development of the Georgian Single Window system for export and import clearance, as defined in UNECE’s Recommendations 33, 34 and 35, as well as the WCO guidelines. The development of such a mechanism can be achieved through collaboration of the Trade Facilitation System supported by USAID and implemented by the Data Exchange Agency of Georgia, and the ASYCUDAWorld Automated System for Customs Data supported by United Nations Conference on Trade and Development (UNCTAD) and implemented by the Revenue Service of Georgia. Countries that are developing Single Window projects should aim at a step-by-step implementation with broader inclusion of various agencies in this mechanism for sharing information, using international standards, in order to allow for cross-border electronic data and document exchange among systems.

**Supply Chain Council**

Supply Chain Council is establishing a chapter in Georgia to increase knowledge of companies and public sector in best practice supply chain management. The neighboring countries should consider joining the chapter to be able to access Supply Chain Council body of knowledge.

**Corridor Development in the South Caucasus**

**Simplified customs procedures at joint border crossings**. Building from the experience of Georgia-Turkey joint border crossing, the countries should continue their efforts to develop joint border crossing facilities and Customs-to-Customs data exchange using bilateral or multilateral agreements along trade and transport corridors.

**Harmonization of Rail Regulations**. Rail traffic, which is not to be slowed down at frontiers, requires harmonized and standardized law. The conference identified the existence of incompatible legal systems in the South Caucasus and the neighboring countries: national laws and three systems of international law applied to rail traffic, which should be coordinated and harmonized:

* European law (EU directives and regulations for use by the EU Member States),
* International transport law under the aegis of OTIF (used by 49 States), and
* the SMGS Convention for freight traffic in the framework of OSJD.

The railway services and Governments in the region should develop harmonized legal prescriptions for carriage of goods and passengers by rail with standardized legal terminology, which can be easily applied and remain stable over time. In the longer term perspective, the railway services in the region are invited to join the development of a unified Eurasian railway regime.

**Facilitate trade along the corridors**. Communities of users may consider implementing Port Community Systems at both ports and airports, which will enhance significantly the movement of goods along corridors. Intermodal seamless data exchange, based on international standards, should remain a priority for the development of corridors.

The countries of the region may consider ways of developing further the Viking corridor towards the South Caucasus, by simplifying, harmonizing and automating corridor-based document and data flows, as well as harmonizing and developing further the supporting legal regime. Countries should also promote the further development of corridors among Georgia, Ukraine, Azerbaijan and Moldova (GUAM), the Europe-Caucasus-Asia Transport Corridor (TRACECA), the Baku-Tbilisi-Kars and Silk Wind projects, notably through the harmonization of trade and transport document exchange. The countries may consider proposals made at the conference for bilateral or multilateral Customs-to-Customs data exchange along corridors.

**Single transport documentation.** The countries in the region and the supporting organizations - UNECE, USAID, CIT and others – should explore the possibility to support the implementation of a pilot project on sending information along corridors using a single documentation accompanying goods, with special reference to the seamless exchange of data between maritime and railway transport documents. For example, to transport goods from Afghanistan to Europe via Central Asia, the Caspian, the South Caucasus, the Black Sea, Ukraine, European Union Member States or Turkey, using:

* the common CIM/SMGS railway consignment note and the underlying legal regime (wagon or container list, common formal report or the new General Terms and Conditions EurAsia) or
* the international regime of transporting goods by road (CMR and/or TIR).

**Next Steps**

The supporting agencies and the countries of the region will organize the fourth Regional Trade Facilitation Conference, taking into account the following recommendations by the participants:

* Carry out a survey on measuring the efficiency of Single Window and corridor development on the basis of a methodology and performance indexes reflecting the impact of implemented trade facilitation measures on large, medium or small companies in the period between the conferences;
* Adjust the format of the meeting, including a broader spectrum of agencies, businesses and countries, based on the findings of the post-conference participant survey.

25 June 2013, Batumi, Georgia