

First Regional Workshop of Euro-Asian Transport Links

Phase II

Facilitating Euro-Asian Transport in the ECO Region

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Jan Tomczyk, FCILT

Trade Facilitation in the ECO Region

1.0 Introduction

I recommend linking trade facilitation with trade logistics because one issue cannot get solved without the other issue getting solved. Therefore, some of the issues described in this short paper examine trade facilitation and trade logistics in the ECO Region.

This short paper does not attempt to list each trade facilitation and trade logistics problem and solution. However, having worked on several Customs, trade facilitation and trade logistics projects in the region I described some of the recent and important trade facilitation and trade logistics initiatives to solve give solutions to problems.

There is not the time to explain the benefits improving trade facilitation but my work in the Eastern Mediterranean has resulted in trade facilitation improvements in Jordan and workshop participants can contact Jordan Customs Department if they wish. The Egypt trade facilitation improvement exercise is shown below:

Egypt Trade Facilitation Reform results 2003-2007¹

- Inspections and Customs procedures simplified using electronic data interchange (EDI);
- Post clearance audits carried out on large importers using customised accounts;
- Tariff bands reduced from 27 to 6 rates;
- Extra duties and fees eliminated;
- Certificates of Origin (CoO) from preferential trading partners no longer need Customs approval;
- New Customs Law and Implementing Rules simplified Customs regime;
- Advanced Customs Centres created in Alexandria and Cairo helping faster processing trade partner complaints;
- Automated network connecting the General Organisation for Exports and Imports Control, the Customs Authority and Cabinet of Ministers Information Centre;
- One-Stop-Shop created at the General Organisation for Export and Import Control.

¹ Boosting Trade in Egypt, by Rachid Mohammed Rachid, Minister of Trade and Industry, International Finance Corporation SmartLessons October 2007, p.2, 3 and 4

Egypt Smart Lessons:

- Engage people early on in reforms using effective communications;
- Anticipate resistance and reform obstacles;
- Create solid teamwork.

2.0 Implementing Trade Facilitation and Trade Logistics Strategies

Before implementing a regional transport and trade facilitation strategy (including trade logistics and transit) different Government line ministries, agencies and trade associations need to create a new national trade facilitation strategy and include it into a new national trade competitiveness strategy. The trade facilitation strategy must also include a new Customs strategy. Some ECO and ADB CAREC region country Customs administrations prepare Customs strategies but none of them are part of a trade facilitation strategy. A Customs strategy should include proactive business Customs compliance policies and business friendly management methods. Customs administrations need to become the nations “one-face-at-the-border” and lead combined or integrated border management (IBM) programmes. Ministries of Trade have numerous responsibilities and opportunities improving trade facilitation without the need to own and manage border crossing point buildings as the Ministry of Commerce & Industry does in the Islamic Republic of Afghanistan. Ministries of Trade might consider starting trade facilitation audits, trade and transit benchmarking, create “PRO” trade facilitation forums and cooperate with national universities and research institutes to carry out trade and transit facilitation research with the help of national trade associations. Border crossing point performance audits might become tasks for national trade association or their national “PRO” committee, for example “AFPRO” in the Islamic Republic of Afghanistan. Ministries of Trade might consider starting TIR working groups as in Afghanistan. Pakistan’s national trade facilitation strategy includes joining to the TIR convention. Getting trade facilitation strategies implemented together with a trade competitiveness strategy needs Government commitment and willingness. Line Ministries need Government decision making telling them what, how, who and when to start developing strategies. The Afghanistan National Development Strategy (ANDS) is the guiding vision document and ministries have their objectives described in new staff and organisation restructuring documents. For example, the Afghanistan Ministry of Commerce & Industry Transport and Trade Facilitation Directorate has the transit and trade facilitation change tasks described in the MoC&I civil service restructuring document. The Directorate needs to work to develop a trade facilitation strategy with agencies and trade associations and put an Afghanistan trade facilitation strategy into practice. An Afghanistan trade facilitation and trade logistics strategy might include developing transport corridors such as Kabul to Karachi and to other seaports. Afghanistan might coordinate trade facilitation improvements along the Kabul to Torkham transport corridor with Pakistan’s improvements from Torkham to Karachi seaport.

The National Trade Facilitation Strategy (NTFS) content and objective might give other countries helpful indicators to start preparing a trade facilitation and trade logistics

strategy. For example, Pakistan announced² plans to fast track accession to nine international trade and transit conventions, revise four transit agreements and carry out six studies comparing Pakistan's trade facilitation performance with the rest of the world:

- (i) international trade transaction procedures identifying bottlenecks and needed improvements;
- (ii) time release study establishing the cargo clearance times at border crossing points;
- (iii) logistics index accessing overall logistics performance and competitiveness;
- (iv) landed cost index assessing adequacy of pricing relating to other ports in the region;
- (v) export distribution index comparing the situation in Pakistan with its competitors, and
- (vi) import distribution index making an assessment of the import situation compared with Pakistan's competitors.

Getting the right balance between Customs control procedures and facilitating legitimate trade is a challenge. The European Union Trade Facilitation and Import-Export Procedures "Striking the Right Balance" study might help some ECO Region countries prepare "striking the balance" approaches:

European Union Trade Facilitation and Import-Export Procedures: Striking the Right Balance³

Trade Facilitation Recommendations:

- Simple rules and procedures;
- Avoiding duplication;
- Make Memorandums of Understanding (MoUs) between business and Government;
- Align procedures and adhere with International Conventions;
- Trade consultation using user and policy groups or national PRO committees;
- Transparent and operable rules and procedures;
- Accommodating business practices;
- Customer service provisions for Government administrations;
- Mechanisms for corrections and appeals;
- Fair and consistent enforcement;
- Proportionality of legislation and control to risk;
- Time release measures;
- Risk management and trader authorisations;
- Standardising documents, data sets and electronic messages;
- Automation;
- Single Window System (SWS);
- International Electronic Exchange of Data.

Striking The Right Balance:

² Trade strategy drafted to facilitate industrialists, SITPRO, 29 May 2007 www.unedocsuk.co.uk

³ Trade Facilitation and Import-Export Procedures in the EU: Striking the Right Balance for International Trade, EP/EXPO/B/INTA/2008/06, March 2008

- Understand official control and business stakeholder needs;
- Identify conflicting interests;
- Identify institutional and business problems implementing Electronic Customs Initiative;
- Identify institutional challenges.

3.0 Creating National Trade Logistics Industries

Getting a trade logistics industry involves several initiatives such as:

- (i) Identifying national infrastructure projects such as border crossing point access roads, locations for multimodal logistics centre (Afghanistan identified the need for a multimodal site at Dehsabs north of Kabul), modern air cargo centres, rail projects, creating national dry fruit and cold produce supply chains and redesigning border crossing points giving faster and more efficient cross border trade movements. ECO Region land locked countries also needs infrastructure projects that might help create a supply chain from their main population and industry centres to seaports. Infrastructure projects in countries with new ADB CAREC transport and trade corridors might include logistics centres, IT initiatives linking Customs and traders with seaports and railway management IT systems, modern seaport handling equipment, seaport warehousing and warehouse software management systems and Customs and other agency supply chain security equipment such as X-Ray scanners and other types of scanners;
- (ii) Logistics platform initiatives include sustainable trade logistics training leading to professional and job specific qualifications for private industry actors such as national freight forwarders, brokers, transport staffs and for Government officials in Customs, Ministries of Trade, Chambers of Commerce, Standards Institutes and Export Promotion Agencies as well as for insurance and banking staffs. Other logistics platform initiatives might include Customs preparing and fulfilling a risk assessment programme, Government. The “PRO” committees might help with creating a meaningful PPP programme including new PPP legislation and arranging training for Government and private industry staffs about regional actions which might solve transit challenges;
- (iii) A Single Window System (SWS) initiative needs a comprehensive integrated strategy. ECO Region member countries might want to consider carrying out a SWS feasibility study that would report if SWS might work, carry out a business plan, how sophisticated a SWS needed, how to achieve common standards and interoperability and estimate cost and make a project timeline.

4.0 Training

Line ministry and agency staffs need task orientated training. For example, in a Ministry of Trade, Trade Facilitation Department staffs need international best practice trade facilitation audit and benchmarking training. Other trade facilitation department staffs need trade logistics study and yearly national trade logistics assessment training.

Training delivered as part of Public Administration Reform (PAR) and Civil Service Leadership Development Programmes (CSLDP) need targeting as reform orientated and task effective instead of generic training courses. Perhaps line ministry and agency staff capacity building might improve if training included 1. Task group legal mandate; 2. Functions; 3. Project teams; 4. Outcome orientated tasks; 5. Needed competencies and skills.

Getting measureable performance improvement from civil servants is not easy as many factors are involved and this is not a Human Resource Management workshop. Civil service structures need to include management structures based on job classes, positions and performance related. Therefore, position and task orientated training becomes a measure for appointments and a promotion incentive within grades and between grades. Training might have a better chance helping individual civil servants. Re-writing position based job grades started in some line ministries and will take several years to complete.

Suggested skill improvement method includes defining the competencies needed for each position and tasks preferably under taken as a project team. Need to differentiate task complexity levels for staff assigned project team tasks, which include inter-agency tasks owing to crosscutting trade facilitation and trade logistics issues. This method is learning by doing in a project management context.

This method supposes a fundamental choice using researched policy i.e., evidence based policy, including consulting with private industry, team and project interventions, inter-agency collaboration, public private partnership, service delivery, data base development, performance measurement, impact assessment, monitoring and evaluation. International donor agencies might consider giving training as part of technical assistance and if they do then the above issues need including into the terms of reference.

5.0 Funding Feasibility Studies

International donor agencies might consider funding trade logistics infrastructure feasibility studies⁴ and a SWS feasibility study. For example multimodal logistics centres which I read about in project terms of reference in Central Asia (and “Dehsabs” in Afghanistan) might get funded if a feasibility study proves sustainable business and a good EIRR. National officials and private industry and student’s need feasibility training and any funding might include training. Feasibility studies might include for example the European terminal standards for the average waiting time for trucks at 20 minutes and the average time for formation of trains of 60 minutes. I am told the ADB is funding an Afghanistan railway feasibility study.

⁴ European Commission plans a EuropeAid logistics centre project Central Asia. The project includes carrying out logistics centre feasibility studies.

6.0 Inter-Agency ADB CAREC and ECO Meetings

Before setting out and after coming back from regional ADB CAREC and ECO meetings national parties need to create a new Inter-Ministry Coordinating Group. The same Inter-Agency Coordinating Group might also meet to coordinate the tasks and deliverables of different donor funded projects. I am informed unofficially that the Afghanistan Ministry of Foreign Affairs likes the idea of creating an Inter-Agency Coordinating Group. For example, when I worked in Kabul I attended some ADB CAREC Transport and Transit Coordination Committee meetings but we never held a meeting with other Ministries, associations and others before we left or after we returned.

7.0 Decision Making

Showing and explaining trade logistics international best practice methods to national line ministry, agency and trade association staffs is not enough getting an integrating trade facilitation and trade logistics strategy. Staffs lack skills transferring international best practice into national best practice methods.

The Cabinet of Ministers need to direct line ministries to coordinate decision-making. Studying and solving trade facilitation, trade logistics and border crossing point delays difficult because one line ministry does not have a leading role. The multi border crossing point responsibility seems a traditional management procedure inherited in some Central Asia countries and in the Islamic Republic of Afghanistan a Soviet management method legacy. Creating a one-line ministry, called "One Face at the Border", leading role at the border crossing points needs the highest level Government decision.

Each border crossing point agency has an important function but Customs need to become the "One Face at the Border". Let Customs administrations carry out the first document checks. If there are document irregularities then the problem is passed to the appropriate agency. Ministries of Trade in my opinion have an important trade competitiveness function. Improving trade competitiveness includes trade facilitation, transit, and trade policy and trade logistics issues. Ministries of Trade working in partnership with private industry can significantly improve national trade competitiveness.

Senior Government officials must commit to making changes improving trade facilitation, trade transit agreements and trade logistics. Government must show willingness to make changes by taking decisions and filling policy gaps.

8.0 Comprehensive Integrated Strategy

Getting new trade facilitation and trade logistics strategies needs integrating and coordinating with border crossing point and customs modernising initiatives. The integrating goal is creating a comprehensive trade facilitation and trade logistics strategy. However, current national line ministry decision-making practice hinders getting a new integrated trade facilitation and trade logistics strategy. The objective of a national trade facilitation and trade logistics strategy should be to include it into a national trade competitive strategy with strategies developed by national Customs administrations,

Export Promotion Agencies, Standards and Metrology Departments, Chambers of Commerce, Ministry of Agriculture and Ministry of Health and other agencies. This type of strategy might help developing and implementing national Single Window Systems (SWS).

Trade facilitation and trade logistics responsibilities tend to be split between several line ministries in many countries. Compared with the leading role played by Customs administrations in other countries, ADB CAREC and ECO Region Customs Administration do not have a trade facilitation and trade logistics leading role. Trade facilitation and trade policy responsibilities normally rest with Ministry of Trade and this does not need to change. However, starting national trade competitive agendas need Ministries of Trade and Customs Administration integrating trade facilitation, transit and trade logistics and starting customs modernising initiatives. For example, the United Kingdom Her Majesty's Customs & Revenue administration created a 'blueprint' for change, coordinating customs, and trade facilitation and trade logistics issues with line ministries and with SITPRO, the UK equivalent of the Islamic Republic of Afghanistan's AFPRO⁵. The goal of the 'blueprint' is increasing UK trade competitiveness making customs proactive to trader needs instead of reactive to trader problems. PRO Committees need to become Government first stop consulting forums about trade facilitation, trade and transit agreements and trade logistics issues.

9.0 Promoting Private Investment

Promoting private industry investment in trade logistics buildings, equipment and staff training depends much upon increasing economic development and improving the trading security situation. Some ADB CAREC and ECO Region countries need to improve banking and insurance industries. Some trade facilitation ideas include:

- (i) Trading companies need access to finance, need to transfer monies inside countries using banking wire transfer method, need for import cargo deposit bond schemes and transit cargo insurance. Extra help needed developing national banking and insurance industries with the objective of delivering trader finance methods and products;
- (ii) SME finance and business planning needed. Several donor projects deliver SME projects in ADB CAREC and ECO Region countries. Perhaps a future SME project might include developing national companies serving transport corridors and creating national logistics supply chains especially and particularly cold product supply chains;
- (iii) Line ministries might build some logistics infrastructure instead of waiting for national private industry to mature and invest. Perhaps a line ministry with responsibility at a border crossing point might build buildings and install equipment and transfer management to a local company. During difficult economic and security times it might be too soon to consider using private industry to build or manage facilities;
- (iv) Line ministries might consider pilot build, operate and transfer project (BOT) such as ICDs, multi modal terminals, logistics centres and new modern air cargo centres. Line ministry staffs and private company staffs need training

⁵ AFPRO: the Islamic Republic of Afghanistan Trade Facilitation Forum or PRO Committee. Sweden has "SWEPRO", Romania has "ROMPRO" while the Turkish "TURKPRO" has not met for several years

- about build operate and transfer (BOT). Difficult for national companies to enter into BOT tenders if they do not have access to finance and lack business plan skills identifying business opportunities and measuring risk;
- (v) Getting private companies participating in projects a difficult challenge. In the Islamic Republic of Afghanistan for example no national private companies involved with road building because they do not have experience and skills. Donor experience with local sub contractors increases costs and create project and building delays. Donors might consider sub contractor training and know-how transfer.

10.0 Strengthening Public Private Partnership

In difficult economic circumstances Government and private industry need to improve the ability to develop meaningful public private partnership (PPP). Progress making PPP meaningful and effective might be slow but nevertheless steps need taking:

- (i) Allowing PRO Committee access to trade facilitation, trade and transit agreement and trade logistics meetings. AFPRO for example is the leading Afghanistan private industry lobby group for trade facilitation, trade and transit issues and trade logistics matters;
- (ii) Develop build, operate and transfer (BOT) as an infrastructure financing and building option. Start communicating BOT method and decide pilot BOT infrastructure projects such as a new ICD and or logistics centre. Perhaps PRO Committees might consider creating BOT working groups;
- (iii) Create national Customs Consultative Councils;
- (iv) Further, develop national banking sectors and improve trade finance;
- (v) Further, develop national insurance sectors and prepare future Customs insurance guarantee methods;
- (vi) Line ministries should help private companies get land and utility approvals. Government does not need to direct industry to develop infrastructure in a market or mixed economy;
- (vii) Make public private partnership (PPP) meaningful and effective by making changes after consulting with private public partnership forums.

11.0 Regional Actions Solving Trade Facilitation and Trade Logistics Challenges

Most ECO Region member states belong to several other regional organisations such as the ADB CAREC programme, EurAsSec and other organisations. There is a “spaghetti bowl” of regional organisations. Many regional organisations lists trade facilitation as one of their challenges. ECO Region member states might consider developing a regional transport and transit method using the Greater Mekong Region Transport Agreement as a template. Some of the ECO Regional transit, trade logistics and trade facilitation problems and solutions include:

- (i) Vehicle axle weights;
- (ii) Right hand drive vehicles;
- (iii) Eliminating transshipping goods at border crossing points;
- (iv) Fulfilling Transit and Trade Agreements with neighbouring countries;

- (v) Getting fast access to seaport services and railway wagons in neighbouring countries;
- (vi) Arranging and agreeing vehicle technical standards with neighbouring countries;
- (vii) Arranging and agreeing container seals with neighbouring countries;
- (viii) Recognising "Through-Bills-of-Lading" and "Combined-Bills-of-Lading";
- (ix) Implementing the provisions in International Conventions such as the 1982 International Convention on the Harmonization of Frontier Control of Goods and the Revised Kyoto Convention and others;
- (x) Complete Trade Agreement negotiations which will help traders solve impediments and constraints and perhaps help develop transport corridor from land locked countries to seaports.

12.0 Preliminary Infrastructure and Technical Assistance Ideas

Governments might consider preparing preliminary infrastructure and technical assistance ideas which correspond with ADB CAREC transport corridors and with ECO Region trade facilitation priorities. Some land locked countries might want to develop modern air cargo centres, new chilled produce supply chains, multimodal logistics centres, modernising border crossing points, improving road and railway corridors. Other related road transport infrastructure projects might include:

- (i) Increasing busy roads to dual carriageway roads along transport corridors. For example in the Islamic Republic of Afghanistan transport corridor number 5. Road side services need improving and private industry needs help identifying suitable sites and getting utility and building permits;
- (ii) Border crossing point need access road improvements. The Teraz and Hairattan border crossing point might become an important border crossing point in the future. ECO member countries might want to consider allowing third country trucks transit, but there is no evidence that ECO or ADB CAREC region countries might one day soon allow third party trucks to transit. There does not seem any urgency for transit when I asked several Kazakhstan freight forwarding companies if they wanted their trucks to transit the Islamic Republic of Afghanistan because they do not want to pay for expensive insurance on their reasonably new trucks. Turkish and Islamic Republic of Iran articulated trucks are usually owned by trucking companies used to long distance and TIR transport. The Islamic Republic of Afghanistan might want to consider a pilot project for articulated trucks hauling sealed containers using transit management methods practised in other regions. Therefore, justifying investment in some border crossing point access roads might depend on enough transit traffic to get a good EIRR. There is not enough local vehicle traffic to justify investing unless local social and economic considerations are considered important;
- (iii) Some border crossing points in the ECO Region and ADB CAREC region resemble "bazaars", which was one of their social functions, instead of managed border crossing points. Customs and other border agency buildings need repair and improving. The layout of the buildings at some border crossing points do not allow good border crossing point management because border passenger and the public allowed entry into the site. There is no segregation of import and export trucks from cars and public. Crowds at

some border crossing points are large because there are markets attracting a trading community and traders perhaps interested in competitive cross border traffic and trading. I detail border crossing point infrastructure problems and solutions in another workshop paper. Most large border crossing points need supply chain security equipment installed such as container X-Ray scanners, drug testing kits, vehicle registration number plate scanners, passport and visa scanners and other equipment such as computer Customs processing;

Local and international experts needed to help prepare Logistics Centre Feasibility Studies which ideally should be part of a national Logistics Centre Master Plan. Local and international experts would include a Transport Economist, Environmental Impact Assessment expert, Air Cargo Logistics Specialist, Multimodal Logistics Specialist, Warehousing Specialist, Engineer and Architect and Legal Expert (working with local legal experts). Taking the 2008 German Logistics Master Plan framework a draft Islamic Republic of Afghanistan Trade Logistics Master Plan example might include the following characteristics:

Table 1: Draft Islamic Republic of Afghanistan Trade Logistics Master Plan Framework

Network management using structured dialogue	Expert advise using an advisory consortium	Master Plan Action Plans
Workshops: inter Ministry and with industry	Review	Road
Events	Afghanistan trade logistics and transit and trade facilitation SWOT Analysis	Aviation and air freight
Working Groups	Need for action	ADB CAREC Transport Corridor initiative
Conferences	Determining fields of action	ECO and other initiatives
Local experts from ACCI, AAFFCO, EPAA, ACD, AOTCA, Universities,	Making recommendations	Ferries and River Ports
	Measures	Transit and trade audits and performance benchmarking. Trade Facilitation Strategy. Trade Competitive Strategy

The Draft Master Plan might include the following methodology:

- (i) Phase 1: Freight transport and logistics information capture and analysis;
- (ii) Phase 2: Developing fields of action;
- (iii) Phase 3: Creating focal points in the fields of action;
- (iv) Phase 4: Deriving proposals for action in the field of action;
- (v) Phase 5: Defining specific measures;
- (vi) Phase 6: Implementing the measures.

Non transport corridor infrastructure and technical assistance might include:

- (i) Help with transport, warehousing and truck technical inspection skills. ECO member countries might need vocational education and training (VET) solutions to prepare nationals in trade logistics skills. Transport and trade logistics skill transfer should be part of a countries VET curricula. Help might be needed creating transport economics courses using international best practice econometrics methods at Universities and or Polytechnics. Help might be needed creating road maintenance courses in national Universities and in vocational education and training institutions. International donors might want to consider asking international transport institutes to help;
- (ii) Help with creating road impact assessment and provide road impact assessment training;
- (iii) Help creating a new railway transport department in an Islamic Republic of Afghanistan line ministry and create a railway institute;
- (iv) Funding might be needed for national transport corridor road services surveys. Line ministries need to help local business identify suitable sites and how best Government Ministries and agencies might transparently give utility permits and building permissions;
- (v) Help preparing and completing a new MoT railway transport department, and a new railway institute and training centre. If, Afghanistan gets new railway projects started Afghanistan Ministry of Transport and Ministry of Public Works will need help creating new railway operating, management, building and maintenance departments staffed with experienced Afghanistan staffs. Afghanistan Ministry staffs need training how to prepare and evaluate railway feasibility studies and railway environmental impact assessments.

13.0 Single Window System Feasibility Study Issues

There is not the time to explain the benefits of the Single Window System (SWS) and I am sure everybody working in Customs, with trade facilitation and in Chambers of Commerce is aware of SWS. In this paper I outline how a Ministry or agency might carry out a SWS feasibility study. A Ministry or agency tasked with the responsibility to carry out a SWS feasibility study must remember it cannot carry out and complete a feasibility study in isolation. A SWS feasibility study needs a comprehensive integrated strategy approach involving Government Ministries, agencies and private industry associations. The Islamic Republic of Afghanistan started a “One Stop Shop” for export documents and the Export Promotion Agency was considering starting a SWS study. A SWS feasibility study might include the following issues:

Table 2: Single Window System feasibility study issues⁶

Issue	Consideration
Background	What and who started SWS interest; Are there plans for SWS?
Creating an Afghan SWS	Are there any IT interfaces? How many traders have computers and broadband access? How many traders have access to IT expertise? What is the IT status in Ministries and agencies? Which Ministries and agencies might lead a SWS initiative? Who knows SWS in other countries?
SWS services	What SWS services needed? What documents and information and process needed? How many transactions expected each day? How many transactions carried out each day? How many clients might SWS have?
Operational Model	How might an SWS work? What might be the operational model or options for SWS? Who might be the clients? Define which Government Ministries and agencies need to get involved?
Business Model	Assuming a SWS project would be sustainable with out the need for subsidy what might be the SWS business model? How would an SWS get financed (Government, private industry, private-public partnership)? What might be the SWS start up costs? What might be the yearly operational costs? What might be the user fees (if any) and yearly revenue? What would be the payment method: fixed price each year, price each transaction or other model? How will SWS become sustainable? Would the revenues cover operating costs or make a profit? Would revenues get invested in the SWS?

⁶ See Case Studies on Implementing a Single Window to enhance the efficient exchange of information between trade and Government, Economic Commission for Europe, United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), Working Draft www.unece.org/trade

	Would a web based SWS work?
Technology	<p>What technology might a SWS use? Where might SWS technology get procured? What are the SWS technology costs including transport and installation? What IT maintenance needed and what might be the cost? How might data get submitted electronically and what type of format, language and forms? Where might data get sent and lodged? Who would submit data: exporters, importers, agents, brokers?</p>
Promotion and communication	<p>How might SWS get publicised? Identify stakeholders and keep them informed about SWS initiative progress; What training needed for all users and SWS managers? For example, Singapore carried out three training programmes: 1. Business Process Management and Re-engineering; 2. Standards Adoption; 3. Trade Documentation Domain Knowledge. Will a SWS help desk get created and when and where?</p>
Legal issues	<p>Will SWS become voluntary or obligatory? Will participants need to sign a contract with the provider or agency to participate? Does new legislation need drafting and implementing? How might information get protected? Are there adequate privacy of information laws and rules?</p>
Standards	<p>Which international standards needed: UN/EDIFACT, UNLK, UN LOCODE, UN/CEFACT?</p>
Benefits	<p>List benefits for Government and private industry and measure benefits using benchmarking and performance indicators</p>
Lessons	<p>List lessons learned as SWS initiative progresses; List SWS obstacles</p>
Future plans	<p>After SWS implemented what extra initiatives needed? Does the country plan to work with other country SWS staffs? Does the country plan to exchange SWS data with other countries?</p>

14. ECO Trade Facilitation Initiatives

Created in 1979 and now has ten member states. ECO member countries agreed developing a north-south transit corridor and created a Central and South Asia Trade and Transport Forum. ECO includes a Transit Transport Coordination Council (TTSS) and a new Transit Trade Committee. National Workshop on Multi Modal Transport held in Kabul July 2008. The first meeting of the Transit Trade Committee was scheduled in Kabul during December 2008. The Second Meeting of the Railway Committee scheduled in Kabul during 2008 to discuss how to enhance the railways of ECO Contracting Parties for multimodal transport.

ECO developed the Transit Trade Agreement (ECOTTA), signed in 1995 and entered into force in 1998 for goods carried in sealed containers (Article VII). Trade facilitation activities include a Customs Cooperation Council of Heads of Customs Administration (CHCA), trade and investment information networking (ECO Trade-Net) and a visa agreement. ECOTTA issues needing member attention include finalising the ECO Passage Document, nominating guaranteeing associations and transit route maps. The ECO Transit Transport Framework Agreement deals with permits, visas, vehicle technical requirements, driver licenses, vehicle certificate of road worthiness, vehicle third party insurance scheme, and gives undertakings to align documentation.

Article 28 of the ECO Transit Transport Framework Agreement states that “The Contracting Parties shall establish a Customs Transit System for the cargo and means of transport in accordance with the relevant International Customs Conventions for the purposes of facilitating the movement of goods in their territories.” Presumably this means ECO does not wish to develop a separate Customs Transit System different from TIR. Article 9 gives provisions to expedite transit traffic clearance ensuring “... the smooth and expeditious movement of traffic in transit, the Contracting Parties undertake to make efforts to:

- (i) establish posts at designated frontier points with control areas which are physically adjacent and arranged in such a way that means of transport and goods can be examined at the same place, so that repeated unloading and reloading may be avoided;
- (ii) ascertain that adequate manpower resources are made available for the speedy completion of frontier formalities;
- (iii) provide warehousing facilities for the storage of goods;
- (iv) coordinate working hours of adjacent frontier posts;
- (v) provide adequate parking space for containers and for trucks and other vehicles awaiting goods clearance;
- (vi) provide reliable mail and telecommunications services; and
- (vii) facilitate the quick and efficient transit of goods between the Contracting Parties and to adopt a uniform set of consignment notes/way bills.”

Article 9 seems to imply that trucks hauling sealed containers should wait as if delay is part of the natural method at border crossing points. There is no reason to provide warehousing at a border crossing point. In the past some Central Asia Customs border crossing point officials would direct trucks to a Customs Temporary Customs Warehouse. Ideally the container should pass a BCP and get cleared at an Inland Clearance Depot (ICD). Facilitating fast border crossing transit is an important trade facilitation need but it must be balanced with the need to capture smuggling and fraud.

Currently some ADB CAREC and ECO Region Customs administrations do not operate a risk assessment method at border crossing points. A risk assessment method should identify which sealed containers and open trucks need full Customs physical inspection. Sealed containers and open trucks selected for inspection should get diverted to a fenced Customs inspection area preferably with an inspection pit, and inspection equipment and tools. Ideally, a container X-Ray scanner might speed Customs inspection but the debate about using expensive equipment is not entirely convincing when corrupt officers find ways of not using X-Ray container scanners. The ASEAN Framework Agreement on the Facilitation of Goods in Transit Article 5 Grant of Rights section 4 does not mention risk assessment⁷ but does mention “when irregularity is suspected” a Customs inspection gets carried out. Donor help needed installing risk assessment management methods, risk assessment IT equipment, inspection equipment and tools and need to change transit and trade agreements. A risk assessment management method might become part of the anti narcotics effort. Working hours for example at some border crossing points are not coordinated between some Customs administrations perhaps new trade agreements might include new border crossing point coordinated working hours. Joint facilities and joint Customs inspections are good intentions. Combined or Integrated Border Management (IBM) programmes might help start a pilot joint facility and joint Customs inspection.

The ECO wish to adopt a uniform set of consignment notes and bills of lading is an important behind-the-border issue. Currently, many Central Asian freight forwarding companies cannot issue “Through Bills of Lading” or “Combined Bills of Lading”. Getting all ECO Contracting Parties to use “Through” and Combined Bills of Lading” might help reduce transit trade delays. A “Through Bill of Lading” or a “Combined (Multimodal) Bill of Lading” issued for containerised door-to-door shipments that have to use different ships and or different means of transport from origin to destination might help transit trade. The difference between the two types of bills of lading is liability for the principal or the freight forwarder for the entire journey or a phase of the journey. For the “Through Bill of Lading and the “Combined Bills of Lading” the port of destination must be approved and reference made to ports of destination in Customs Laws and Rules. Customs administrations along transport corridors must officially recognise “Through Bills of Lading” and “Combined Bills of Lading”. Customs at seaports need only inspect the bill of lading and check container seals without recourse to physical inspection. Most ECO Region country freight forwarding companies are familiar with “Through Bills of Lading” and with “Combined Bills of Lading”. However, some ECO Region national freight forwarding companies need know-how transfer to get experience about issuing “Through Bills of Lading” and “Combined Bills of Lading”. New trade agreements should include clauses about using “Through Bills of Lading” and “Combined Bills of Lading”. The transit trade agreements signed between India, Iran, Tajikistan, Turkmenistan and Uzbekistan AND Afghanistan needs changing. The proposed quadrilateral transit trade agreement with Kazakhstan and others needs changing to include the recognition of “Through Bills of Lading” and “Combined Bills of Lading”. Some ECO Region countries might consider acceding to The International Convention for the Unification of Certain Rules relating to Bills of Lading of 1924 (The Hague Rules), as amended by the Protocol of 1968 (Visby Rules) and SDR Protocol of 1979.

⁷ “Goods carried in sealed road vehicles, combination of vehicles or container shall not be subjected to examination at Customs offices en route. However, to prevent abuses such as smuggling and fraud, Customs authorities or either Contracting Party, may in exceptional cases, and particularly when irregularity is suspected, carry out an examination of the goods at such offices or other areas designated by Customs authorities”, ASEAN Framework Agreement on the Facilitation of Goods in Transit, Article 5, section 4

The first ECO Meeting of the Insurance Sub-Committee of the Transit Transport Coordination Council (TTCC) took place in Tehran on the 29-30 May 2007. The aim of the sub-committee is creating a Motor Vehicle Third Party Liability Insurance scheme facilitating transit trade in the ECO region and the use of an ECO insurance “White Card”, perhaps similar to the “Blue Card” used along the East Africa “Northern Transport Corridor”⁸. If an ECO “White Card” were used truck drivers would not need to purchase separate insurance in each country and the “White Card” would reduce trip costs.

The ECO Trade Agreement (ECOTA) on removal of tariff and non tariff barriers signed 17 July 2003. ECO initiatives include multimodal transport, transit permits and railway cooperation.

⁸ East Africa Northern Corridor Transit Agreement 1985