

**Economic and Social Council**Distr.: General  
English

Original: English

**Economic Commission for Europe****Steering Committee on Trade Capacity and Standards****First session**

31 August - 2 September 2015

Item 6 (a) of the provisional agenda

**Supporting the removal of regulatory and procedural barriers to trade****UNECE study on regulatory and procedural barriers to trade in Kyrgyzstan: follow up and policy implications****Note by the Secretariat**

Within the context of its effort to support the removal of regulatory and procedural barriers to trade in Kyrgyzstan and the successful implementation of the country's broader trade development and reform measures, the UNECE has assisted the Government in preparing a national action matrix to provide development partners with a tool supporting coordination and improve the effectiveness of on-going activities.

The matrix incorporates the recommendations emerging from the UNECE Study on Regulatory and Procedural Barriers to Trade in Kyrgyzstan, and is geared to support the successful implementation of recent development plans.<sup>1</sup> In particular, the achievement of development objectives set out in the National Strategy for Sustainable Development of the Kyrgyz Republic for 2013-2017 and the Program for the Transition of the Kyrgyz Republic to Sustainable Development for 2013-2017.

This document is provided pursuant to the Government's request.

<sup>1</sup> The study is available in English and Russian at: <http://www.unece.org/tradewelcome/studies-on-procedural-and-regulatory-barriers-to-trade.html>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
<b>1. Productive capacity building</b>	<b>1.1. Improved export competitiveness and value added in agricultural sector and the food industry</b>	<b>1.1.1. Increased agricultural productivity</b>	<p>1.1.1.1 Establish training programs for farmers on modern methods of production and land management</p> <p>1.1.1.2 Establish programs for modernizing crop production systems and promoting the use of scientific methods for environmental control</p> <p>1.1.1.3. Establish programs for developing breeding farms and improving both the breeding stock and livestock's breeds</p> <p>1.1.1.4 Establish agro clusters, equipped with modern production systems and equipment, in the immediate vicinity of agricultural areas</p> <p>1.1.1.5 Establish an action plan for developing the productive capacity of food processing industries, with a special emphasis on promoting the use of modern equipment at the enterprise level</p> <p>1.1.1.6 Improve animal protection services and take the necessary measures to ensure farmers' access to these services</p> <p>1.1.1.7 Establish a comprehensive national seed policy for promoting the development of seed enterprises of any scale. Key issues that such a policy should focus on, include: (i) plant improvement and variety development; variety evaluation, registration and release; national seed production and commercialization plan; seed production including early generation seeds; (ii) quality control and certification, storage and marketing; farm and community seed production; (iii) promotion of production and marketing of high-quality seed; and, (iv) plant variety rights; flexible seed legislation; and incentives, including taxes and credit.</p>
		<b>1.1.2. Improved institutional support for agricultural production and exports</b>	<p>1.1.2.1 Establish agricultural extension services for improving availability of the quality seeds and breeding cattle</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			1.1.2.2 Establish credit facilities for agricultural industry
			1.1.2.3 Establish programs for supporting the formation of agricultural cooperatives
			1.1.2.3 Establish programs for promoting agricultural exports, with a special emphasis on assisting agribusinesses in participating in trade fairs and organizing roadshows in the target countries
			1.1.3.4 Establish and implement plans for increasing the competitiveness of Kyrgyz agricultural value chains
			1.1.3.5 Establish export promoting programs for helping small farmers increase their exports. Such programs should feature training services
		<b>1.1.3 Improved legislation for agricultural production and exports</b>	1.1.3.1 Implement land reforms to remove legislative barriers to the development of agricultural land
			1.1.3.2 Establish legislative acts to regulate agricultural wholesale markets and agricultural exchange
			1.1.3.3 Develop the necessary programs for animals' identification, and implement the law on Animals' Identification
			1.1.3.4 Establish laws to protect domestic agribusinesses from unfair competition
			1.1.3.5 Establish and submit to the Parliament the draft law for exempting agricultural exports originating in the territory of the Kyrgyz Republic from sales tax
		<b>1.1.4 Increased support to green agriculture</b>	1.1.4.1 Establish an action plan for promotion increased specialization in organic products
			1.1.4.2 Improve farmers' access to public services aimed at the protection of crop production and livestock
			1.1.4.3 Develop both the public and private sector systems for the protection of crop production and livestock

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
	<b>1.2. Improved export competitiveness and value added in light industries</b>	<b>1.2.2. Improved export competitiveness of the textiles and clothing industry</b>	<p>1.2.2.1 Conduct an assessment of export opportunities for the textile industry in the regional markets, especially in Russian</p> <p>1.2.2.2 Establish training programs for textile companies to help them improve their export competitiveness, drawing on the results of the assessment of export opportunities (for example the results of the market assessment could highlight the need for improving product development, packaging, etc.)</p> <p>1.2.2.3 Establish and implement an export promotion program for supporting textile and clothing industries targeting Russia and other CIS countries</p> <p>1.2.2.4 Establish a logistical center at Technopolis</p> <p>1.2.2.5 Establish, approve and implement a strategy for promotion the national slogan "Made in Kyrgyzstan"</p> <p>1.2.1.6. Establish a comprehensive training program for textile support institutions, including Technopolis, and for managers and owners of garment and textile industries</p>
	<b>1.3. Improved export competitiveness of tourism</b>	<b>1.3.1. Expanded range and improved quality of tourism services</b>	<p>1.3.1.1 Establish an action plan for developing the crafts sector</p> <p>1.3.1.2 Establish a strategy for prompting eco-tourism</p> <p>1.3.1.3 Establish tourism information offices in airports, railway stations, main tourist attractions</p> <p>1.3.1.4 Establish a national body for climbers and tourists insurance / registration and rescue.</p> <p>1.3.1.5. Develop the adventure tourism strategy</p> <p>1.3.1.6 Set an action plan for promoting tourism in regional and international markets</p> <p>1.3.1.7 Establish advanced training programs for tour operators and entrepreneurs engaged in hotel and restaurant business</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
		<b>1.3.4. Conducive environment for increasing investment in tourism</b>	<p>1.3.4.1 Develop, launch and maintain a touristic portal, featuring up-to-date, high quality and reliable information</p> <p>1.3.4.2 Develop measures to improve positioning of Kyrgyzstan as a tourist destination and ecotourism zone in selected target markets</p> <p>1.3.4.3 Establish training and consultation support services for SME on development and use of web-based promotion tools, including online reservation</p> <p>1.3.4.4 Develop road infrastructure in accordance to international standards, especially in potential touristic destinations</p> <p>1.3.4.5 Study opportunities and best practices for financing the development of touristic infrastructure (including eco-tourism)</p> <p>1.3.4.6 Establish the necessary legislation to promote investment in tourism, especially eco-tourism</p> <p>1.3.4.7 Organize mobilization seminars on international best practices for developing tourism and eco-tourism</p> <p>1.3.4.8 Encourage and support the implementation of systematic classification and validation to all tourism services</p> <p>1.3.4.9 Develop and implement actions in relation to «first meeting" on tourists' arrival for Border Guard Service, customs, traffic police, local government bodies and the public.</p> <p>1.3.4.10 Develop and maintain a monitoring and evaluation system for overseeing the different service providers</p> <p>1.3.4.11 Develop and implement a road map for promoting touristic destinations across the country (billboards, signboards, etc.)</p> <p>1.3.4.12 Develop and implement system for monitoring educational standards and curricula. Conduct an assessment to compare current educational system for touristic specialists with well-known international models.</p> <p>1.3.4.13 Create Industry Qualification system in tourism according to the European Qualifications Framework</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
2. Quality control and quality assurance infrastructure	<b>1.4. Improved access to trade finance</b>	<b>1.1.1. Expanded range of trade finance services</b>	<p>1.3.4.14 Strengthen the institutional capacity of the Department of Tourism and other governmental bodies and increase the qualification of human resources in line with Sectoral Qualifications Framework requirements</p> <p>1.3.4.15 Develop and implement a system of independent assessment and certification of qualification to support the development of human resources in tourism.</p> <p>1.4.1.1 Create trade finance programs, including: export credit guarantees and trading insurance schemes</p> <p>1.4.1.2 Introduce risk management methods for establishing the creditworthiness of enterprises and traders</p> <p>1.4.1.3 Establish guarantee funds for export supplies</p> <p>1.4.1.4 Improve the mechanism of pledge registration through the development of online registration system of pledge that will be sustainable, accessible, reliable and secure</p> <p>1.4.1.5 Establish a programme for developing new insurance services in support of trade</p> <p>1.4.1.6 Improve access to information on available financial services</p> <p>1.4.1.7 Organize training for managers of small and medium-sized enterprises to use international credit facilities to purchase equipment, raw materials, and modern production methods</p>
	<b>2.1. Improved capacities for developing technical regulation</b>	<b>2.1.1 Strengthened expertise knowledge and skills in the area of technical regulation development</b>	<p>2.1.1.1 Consider alternative approaches to regulatory harmonization, such as incorporating harmonization principles in national regulations or referencing relevant regional technical regulations that correspond to national regulatory requirements.</p> <p>2.1.1.2 Integrate the principles of risk management into technical regulation development. In this respect, UNECE Recommendation R on “Managing Risk in Regulatory Frameworks” provides a useful reference model.</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
		<b>2.1.2 Strengthened institutional capacity for implementation</b>	<p>2.1.2.1 Establish a strategic framework for guiding quality control and quality assurance, which ensures an efficient and seamless interplay between the quality control and quality assurance and trade facilitation systems.</p> <p>2.1.2.2 Assign the Trade Facilitation and Transport Council a lead role in articulating the strategic framework</p>
	<b>2.2 Improved capacities in the area of standard setting</b>	<b>2.2.1 The Centre for Standardization and Metrology (CSM) and the technical committees strengthened with expertise skills in the area of standard setting</b>	<p>2.2.1.1 Ensure that technical assistance projects allocate adequate resources to allow CSM staff and members of the technical committees to effectively contribute to relevant meetings of ISO technical committees, subcommittees and working groups.</p> <p>2.2.1.2 Provide advanced training courses to CSM staff and members of the technical committees on standardization policies and topical issues of relevance to their work and to national strategic priorities.</p>
		<b>2.2.2 A revised Law “About the Basis of Technical Regulation”</b>	2.2.2.1 The law should be revised to reflect the existing system of standardization and incorporate international best practices, such as the principles of the EU harmonized legislation (especially self-certification and the presumption of conformity).
		<b>2.2.3 Technical equivalency arrangements with major trading partners established</b>	<p>2.2.3.1 Explore the possibility of entering into technical equivalence agreements with main trading partners, which have adopted technical regulations that effectively achieve the same regulatory objectives.</p> <p>2.2.3.2 Explore with major trading partners the possibility of establishing comprehensive MRAs, which cover several different industries and regulatory issues.</p>
	<b>2.3 Improved capacities in the areas of conformity assessment, accreditation and product certification</b>	<b>2.3.1 The capacity of the Center for Accreditation (KCA) enhanced</b>	2.3.1.1 Provide advance training for staff and experts on the following standards and related processes: ISO/IEC 22003 (audit and certification of food safety management system); Hallal meat inspection; ISO/IEC 17043 (proficiency testing schemes); ISO/IEC 17065 (product certification), ISO/IEC 17020 (inspection bodies), ISO/IEC 17021 (management systems certification), ISO/IEC 17025 (general requirements for the competence of testing and calibration laboratories) and ISO 17024/IEC (certification of persons).

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			<p>2.3.1.2 Implement a BPR process to streamline and automate product certification. Documentary requirements and data collection has to be restructured using electronic formats such as UN/EDIFACT or XML formats, and be followed by a rigorous streamlining of administrative procedures to dispense with unnecessary requirements and practices. There is also a need to consolidate the ICT system of KCA with a monitoring and tracking functionality that allows for establishing an accurate and up-to-date inventory of issued certificates.</p> <p>2.3.1.3 Accord priority to securing donor support and financial assistance to KCA and to existing CABs, so that they could obtain the required accreditation.</p>
		<b>2.3.2 The national system of testing laboratories developed</b>	<p>2.3.2.1 Accredite laboratories to ISO/IEC 17065 (product certification), in accordance with ILAC Arrangements.</p> <p>2.3.2.2 Develop the capacity of existing testing laboratories with modern equipment and expertise skills. Priority should be given to laboratories engaged in supporting the food sector, furniture, consumer products, construction materials and machinery.</p> <p>2.3.2.3 Support the regular participation of laboratories in proficiency testing programmes (where applicable) and inter-laboratory comparisons, as this is important for fulfilling the requirements of ISO/IEC 17025 and ILAC's policy (ILAC P9).</p>
		<b>2.3.3 A market surveillance strategy</b>	<p>2.3.3.1 Establish a law for governing market surveillance.</p> <p>2.3.3.2 Develop a market surveillance strategy using UNECE Recommendations M and Recommendation N, which provides a reference framework for coordinating inter-governmental efforts to contain sub-standard and counterfeit goods drawing on best practices and international standards.</p> <p>2.3.3.3 Establish in cooperation with trade partners a track-and-trace warning system, similar to EU's Rapid Exchange of Information System (RAPEX) alert system for unsafe consumer products and consumer protection.</p> <p>2.3.3.4 Establish Found and Mouth (FMD) control system based on the EuFMD principles of Progressive Control Pathway (PCP).</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			<p>2.3.3.5 Consolidate market surveillance with crisis management function, supported by a core team of experts and organizational structures, to mitigate and ensure swift response to crisis situations in local markets. UNECE recommendation P “Crisis Management within a Regulatory Framework” provides useful guidelines for establishing such a function.</p>
		<b>2.3.4 SPS control measures improved</b>	<p>2.3.4.1 Equip State agencies with the required expertise skills to support the proper introduction of the HACCP system at the enterprise level, as stipulated by law.</p> <p>2.3.4.2 In addition to developing the capacity of the food testing laboratory, modernize the laboratory for phytosanitary testing under the Ministry of Agriculture and Melioration, and the laboratory for veterinary diagnosis with the proper equipment and expertise skills:</p> <p>a. The laboratory for phytosanitary testing should be furnished with the required equipment and expertise skills to master the new and widely-used enzyme immunoassay (EIA) and polymerase chain reaction (PCR) testing methods.</p> <p>b. In the field of veterinary science: the two units of Centre for Veterinary Diagnostics and Expertise received accreditation (Chemical-toxicological department – for qualitative determination of antibiotics in the products of livestock and bees; virology department – for diagnosis of FMD), but this accreditation does not automatically lead to ensuring control over the mentioned products and meeting sanitary and veterinary supervision requirements in the Customs Union.</p> <p>c. The validation of the EIA method for quantitative determination of antibiotics and other chemical-therapeutic means is lacking, and this requires, among others, respective test systems, certified reference-materials and participation in proficiency testing programmes.</p> <p>d. The accreditation of other units of the Centre for Veterinary Diagnostics and Expertise is needed.</p> <p>2.3.4.3 Reconsider the existing allocation of functions between the different agencies to allow for dispensing with the administrative divisions that are impeding proper coordination of veterinary and phytosanitary control</p> <p>2.3.4.4 Consider signing an MOU with OIE (World Organization for Animal Health).</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
		<b>2.3.5 The capacity of the State Inspectorate of Environmental and Technical Safety (SIETS) strengthened</b>	<p>2.3.5.1 Expand the pool of trained inspectors in regional offices</p> <p>2.3.5.2 Establish a special research and analysis facility to allow for moving beyond the prevailing singular focus on the inspection function to addressing the all-important guidance function that enterprises need to ensure adherence to mandatory safety requirements. Such a balanced approach would also help further improve the risk-based planning as well as refining inspection checklists.</p>
		<b>2.3.6 Improved legislative basis of quality control and quality assurance</b>	<p>2.3.6.1 Introduce proper licensing requirements for regulating enterprises engaged in manufacturing construction materials and consumer goods.</p> <p>2.3.6.2 Introduce measures to tighten the administrative procedures associated with issuing product certifications, so as to dismantle the current practices of issuing fake and on-the-spot certificates without proper testing. Implementing the BPR is an important step in this direction, and should be complemented with additional measures to synthesize traders on the damaging consequences of existing practices on their export competitiveness and on consumer safety.</p>
	<b>2.4 Improved capacities in the areas of metrology and legal metrology</b>	<b>2.4.1 Improved national system of calibration laboratories</b>	<p>2.4.1.1. Conduct detailed analysis of needs of industries, so as to acquire an accurate understanding of the type of calibration facilities and methodologies that should be put in place to ensure consumer safety and improve overall export competitiveness. This should be accorded priority since there is a lack of calibration equipment for ensuring consumer safety and boosting export competitiveness.</p> <p>2.4.1.2 Improve the calibration facilities of existing laboratories and train the staff on the use of the new equipment and associated methodologies. Priority should be given to for measurements of radioactivity and radioactive gases (radionuclides) released from the soil (Radon). In this respect, the Government could consider, together with CSM, conducting a feasibility study for determining the costs and benefits of developing the required facilities for measuring radioactivity and radioactive gases released from the soil.</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
3. Trade policy	3.1. Improved negotiation position within the World Trade Organization (WTO)	<b>2.4.2 Improved system of legal metrology</b>	<p>2.4.2.1 Further develop the body of laws, regulations, administrative and technical procedures, so that legal metrology could cover weighing and measuring devices used in sales of food, petroleum products (gas pumps, gas meters), transportation (weighing stations, taxi meters), and chemicals.</p> <p>2.4.2.2. Establish metrological traceability of measurement results. According to the requirements of ILAC Policy on the Traceability of Measurement Results, traceability of measurements can be ensured through the measurements made with the use of measuring instruments calibrated by:</p> <p>2.4.2.3 National metrology institutions of other countries which services CMC-lines are included into the International Bureau of Weights and Measures (BIPM) Key Comparison Database (KCDB). Presence of the International Committee for Weights and Measures (CIPM) Mutual Recognition Arrangement (MRA) logo is optional and the KCDB serves as the only source to confirm traceability of measurements.</p> <p>2.4.3.4 Calibration laboratories, accredited by one of the partners that signed the ILAC MRA. Traceability of measurements is confirmed by the presence of the ILAC MRA logo or the logo of the accreditation body being a signatory to the ILAC MRA.</p> <p>2.4.3.5 Certified reference materials.</p>
		<b>2.4.3 Addressing the gaps in the legislative basis of quality control and quality assurance</b>	<p>2.4.3.1 Establish measures for ensuring the adherence of private calibration laboratories to established laws.</p>
		<b>3.1.1. Better implementation of WTO rules</b>	<p>3.1.1.1 Establish training programs for relevant staff in ministries and agencies on the issue of definition and application of safeguard measures under the WTO and regional trade agreements. If necessary provide direct assistance</p> <p>3.1.1.2. Establish a regional center in Bishkek, with the support of the WTO, to provide advanced training courses on the multilateral trading system, the WTO, regional integration agreements, and trade policy</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
4. Export promotion	<b>3.2. Better understanding and achievement of potential gains from regional and multilateral agreements</b>	<b>3.2.1. Increased understanding of the multilateral trading system and regional trade agreements</b>	3.2.1.1. Conduct analysis and re-engineering of business processes involved in the regulation of foreign trade, as well as to unify and automate their business processes of ЭС  3.2.1.2. Conduct assessment studies of prospects of Kyrgyzstan's participation in regional trade agreements
	<b>4.1. Improved trade promotion capacities</b>	<b>4.1.1. Institutional mechanisms providing trade information established</b>	4.1.1.1. Establish an Export Promotion Agency  4.1.1.2. Set a strategy to develop trade support institutions  4.1.1.3. Develop a national branding strategy that includes measures of national brand creation in target markets, reflecting the image of quality products
5. Trade facilitation		<b>4.1.2. New information dissemination mechanisms for export promotion</b>	4.1.2.1. Create a virtual portal to promote exports to disseminate relevant information on sales documents, relevant research, tenders, trade fairs, training courses, statistical information about the goods  4.1.2.2. Review the national statistical system and make recommendations for its improvement. Particular attention should be paid to the development and application of methodology of accurate reflection of the re-export data.  4.1.2.3. Develop and implement an affordable and convenient system of informing participants of foreign trade activities using information technology  4.1.2.4. Create a unified source for saving time for searching and collection of information about the order of procedures, dates, place and fees for services
	<b>5.1 Increased transparency</b>	<b>5.1.1. State agencies' information dissemination function improved</b>	5.1.1.1 Consolidate national inquiry points, such as the one maintained by the State Enterprise Single Window Center for Foreign Trade (SESW), with notification procedures to disseminate up-to-date information to relevant Government agencies, market support institutions and traders.

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			<p>5.1.1.2 Complement the information published on the SESW website with up-to-date information on all new trade-related regulations, especially those associated with Kyrgyzstan's membership in the Eurasian Customs Union (CU) in several languages.</p> <p>5.1.1.3 Each Single Window (SW) agency should publish detailed information on the procedures and documentary requirements that fall under its responsibility, along with a detailed price list. It would be useful to publish such information in several languages.</p> <p>5.1.1.4 Revise existing legislation to allow for setting deadlines for the issuance of trade documents.</p> <p>5.1.1.5 Develop user manuals with detailed instructions for guiding the implementation of regulations.</p> <p>5.1.1.6 Establish rules of procedure and protocols for governing inter-agency cooperation and ensuring regular exchange of information between the SESW and the SW agencies.</p> <p>5.1.1.7 Provide advanced training on emerging trends in public sector management, with a special focus on issues related to whole-government approaches to policy-making and implementation so as to provide public sector officials and legislators with the necessary tools to shift their focus away from a pre-occupation with administrative concerns to policy responsiveness, joint planning and coordinated implementation.</p> <p>5.1.1.8 Provide advanced training on emerging trends in trade policy and trade facilitation for staff responsible for processing and issuing trade document, so as to provide them with the necessary tools and approaches for shifting their focus away from a pre-occupation with rules and procedures towards a greater emphasis on trade facilitation.</p>
		<b>5.1.2 Improved capacities of market support institutions</b>	<p>5.1.2.1 Organize information dissemination seminars throughout the country to familiarize market support institutions with ongoing reforms, especially those associated with the SW, Kyrgyzstan's membership in the Eurasian CU, and potential membership the EU GSP+ Programme.</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			<p>5.1.2.2 Assist key market support institutions in establishing help desk facilities with dedicated staff capable of helping traders prepare trade documents for export and import activities. Such facilities should also be able to provide traders with information on emerging export opportunities, and competitive supply sources.</p> <p>5.1.2.3 Establish training facilities, equipped with trained staff and training material adapted to the local context, within relevant market support institutions, such as the Chamber of Commerce and Industry, in order to familiarize traders with emerging trends in supply chain management, marketing, outsourcing and financial management. The institutions should be also assisted to develop web-based training material, which could be used as reference documents by traders. Examples include thematic video presentations and training sessions on, among others, export and import procedures, supply chain management and single window facilities. Such training materials can be published online on the institutional website of the Chamber of Commerce and Industry and other trade support institutions with broad memberships.</p> <p>5.1.2.4 Strengthen market support institutions that already have a strong lobbying and outreach service with a research facility, so as to enable them to crystalize traders' needs in white papers for the Government's consideration.</p> <p>5.1.2.5 Assist market support institutions in establishing partnerships with their counterparts in trade partner countries, so as to be better placed to help the enterprises improve their competitiveness in local and global markets. An immediate step in this direction would be to organize study tours to institutions that are willing to assist Kyrgyz enterprises.</p>
		<p><b>5.1.3 Traders kept abreast on changes in trade-related regulations and administrative procedures, including their implication for export and import activities</b></p>	<p>5.1.3.1 Publish detailed user manuals for traders, which highlight the implications of regulations and laws and provide a detailed account of the different tasks and business processes that traders have to take to ensure successful completion of import and export procedures. It would be useful to publish these manuals in Russian and in English, and substantiate them with case studies.</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			<p>5.1.3.2 Establish a comprehensive information dissemination system for providing enterprises with up-to-date information on trade-related regulations and procedures. This system could be housed within the SESW and linked to the IT systems of enterprises that are registered with the SW. The system should also be linked with the IT systems of market support institutions that would, in turn, disseminate the information among their members. This would ensure broad outreach since the number of enterprises that are registered with the SW is limited.</p> <p>5.1.3.3 Organize mobilization seminars throughout the country to familiarize enterprises with ongoing reforms, especially those associated with the SW, Kyrgyzstan's membership in the Eurasian CU, and potential membership in the EU GSP+ Programme</p> <p>5.1.3.4 Consider rationalizing the number of public-private consultative mechanisms so as to avoid spreading efforts too thin on the ground. The multiplicity of mechanism carries the risk of fragmenting the discussions across the diverse segments of the private and public sector entities. Moreover, private stakeholders would be better placed to contribute if they give undivided attention to a limited number of consultative mechanisms</p>
		<b>5.1.4 Consolidated overarching public-private sector consultation mechanisms</b>	<p>5.1.4.1 Establish a trade facilitation strategy that capitalizes on achievements to date and translates strategic goals identified in different initiatives and legislation into sequenced targets with clear: (i) policy guidelines, objectives and implementation plans for the different State agencies; (ii) mechanisms and procedures for coordinated inter-agency action; (iii) links to regional cross-border trade facilitation initiatives.</p> <p>5.1.4.2 Establish a national trade facilitation committee to act as an overarching umbrella for supporting public-private sector consultations. Kyrgyzstan's previous experience suggests that rather than creating the committee from scratch, it would be more appropriate to house the committee within existing national institutions involved in supporting public-private consultations, such as the the National Council on Development of Business and Investment. The institution in question should be strengthened with the required expertise skills, so as to enable it to provide an umbrella for consolidating discussions under the different working groups, bodies (such as the SESW) and public-private sector consultation mechanisms; convene regular meetings; liaise with the different public and private sector stakeholders; and, provide action-oriented recommendations.</p>
	<b>5.2 Faster and more effective border control</b>	<b>5.2.1 Improved inter-agency coordination</b>	<p>5.2.1.1 Roll out the delegation of the control functions at Torugart and Irkeshtam BCPs with PRC as an established procedure at all BCPs.</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			5.2.1.2 Establish clear guidelines for fostering inter-agency coordination as part of the trade facilitation strategy.
	<b>5.2.2 A consolidated risk management system</b>		5.2.2.1 Further refine the risk parameters and profiles of the UAIS central risk management system, in order to increase the percentage of cargo automatically assigned by the UAIS to the green channel, and decrease the percentage of cargo assigned to the red channel. At the local level, risk profiles should be developed for individual customs control points, to reflect the specific control environment. The results and findings emerging from the practical application of the local risk profiles should be progressively used to update and adjust the central risk management system.  5.2.2.2 Establish a link between the individual agencies' risk management system and that of the UAIS, as the latter has established itself as the backbone of Kyrgyzstan's broader risk management system.  5.2.2.3 The above require a review of the risk management system as a whole; should be done in parallel with the introduction of the AEO scheme; and should be underpinned by targeted advance training to shift the focus of border control officers towards greater emphasis on trade facilitation and coordinated border control management.  5.2.2.4 The State Customs Service (SCS) post-clearance audit function should be developed to support systems-based trader audits, and then to use the findings to adjust the parameters in the risk management system
	<b>5.2.3 Streamlined and simplified physical inspection procedures</b>		5.2.3.1 Introduce non-intrusive inspection equipment, such as x-ray and gamma-ray scanners. If made available and used judiciously, such equipment could reduce instances of physical examination to the minimum  5.2.3.2 Abolish the existing de-facto pre-shipment inspection procedure.
	<b>5.2.4 Improved customs valuation procedures and practices</b>		5.2.4.1 Ensure strict application of the WTO Customs Valuation Agreement. Customs value of imported goods should be calculated using Method 1 (the transaction value method). Other methods should be applied in sequence only if the customs value cannot be determined under the first method  5.2.4.2 Revise existing legislation to make advance rulings binding, and establish detailed instructions for guiding the implementation of this procedure.

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			5.2.4.3 Encourage traders to use the advance ruling procedure, since it allows importers to obtain rulings on tariff classification, origin and customs valuation. In this respect market support institutions have an important role to play in familiarizing the traders with this procedure
		<b>5.2.5 Improve payment procedures at BCPs</b>	5.2.5.1 Establish additional single cashiers for effecting payments at BCPs
	<b>5.3 Rationalising and standardization of information requirements</b>	<b>5.3.1 Streamlined and standardized documentary requirements and associated administrative procedures</b>	<p>5.3.1.1 Abolish unnecessary procedures that add no practical value to export/import processes. Traders do not need to feel obliged to approach the State agencies in person in order to obtain stamped trade documents and obtain official signature. Similarly, there is no need to re-register trade names with the customs, and the practice of using trade names for protecting trademarks should be abolished because it runs against the basic tenets of trade law.</p> <p>5.3.1.2 Speed up the business process re-engineering (BPR) in government agencies within SW agencies so as to eliminate instances of repetitive submission of information requirements, and reduce direct contact between officials and traders to the minimum. The BPR should be based on a thorough examination of the business processes underpinning the information flows within and between agencies. In this respect, the UNECE/ESCAP Business Process Analysis provides a useful tool for undertaking such an examination.</p> <p>5.3.1.3 Once the above measures are completed, revise the pricing schemes used by SW agencies to determine the fees for trade documents.</p> <p>5.3.1.4 Equip State agencies with the required digital signature technology following international standards from the National Institute of Standards and Technology (NIST), International Telecommunications Union (ITU-T), European Telecommunications Standards Institute (ETSI), Internet Engineering Task Force (IETF), World Wide Web Consortium (W3C), and International Organization for Standardization (ISO)/International Electrotechnical Commission (IEC) standards bodies.</p>
		<b>5.3.2 The capacities of SW agencies improved</b>	<p>5.3.2.1 Equip SW agencies with modern ICT systems and ensure that these systems are harmonized to allow data interoperability.</p> <p>5.3.2.2 Strengthen individual SW agencies with core teams of experts in ICT management and best practices in trade facilitation</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			5.3.2.3 Establish internal rules of procedure for guiding the issuance of trade documents
		<b>5.3.3. The Single Window Information System (SWIS) platform consolidated</b>	<p>5.3.3.1 Ensure the active participation of SW agencies in the planning and decision-making processes associated with the SWIS further development. In this respect, the National Trade Facilitation and Transport Council could play an important role for encouraging and coordinating the participation of these agencies.</p> <p>5.3.3.2 Establish a more effective interface between the SWIS with the banking system, in order to facilitate electronic payments.</p> <p>5.3.3.3 Consider immediate measures for ensuring the SESW self-sufficiency. In this respect, the Government may consider allocating a modest percentage of customs revenue (maximum of 1 per cent per annum) for financing the Council's activities.</p> <p>5.3.3.4 The SESW should initiate a significant and sustained marketing effort to familiarize traders with the services of the SW facility. The aim should be to attract new customers, and persuade existing users to rely exclusively on the SWIS for complying with information requirements.</p>
		<b>5.3.4 Promoting wider use of electronic documents by traders</b>	<p>5.3.4.1 Ensure the implementation of the law "On Electronic Document and Digital Signature". Immediate steps, as suggested by some State officials, include amending the laws governing the procedures and activities of individual State agencies, with a view to provide clear guidelines for implementing digital signatures. State agencies should also receive advanced training in this area, and equipped with the required tools and management information systems to ensuring data storage security.</p> <p>5.3.4.2 Organize mobilization seminars to familiarize traders with the SWIS and the electronic submission of trade documents</p> <p>5.3.4.3 Develop advanced training services in consultation with the SESW and market support institutions to provide traders with the required knowledge and skills for using the SWIS system, and host these services within market support institutions.</p> <p>5.3.4.4 Consider launching credit facilities to enable enterprises to update their IT systems. Such credit facilities could be jointly financed by the Government, donors and commercial banks and managed by non-government organizations within the context of SME credit guarantee schemes</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
<b>6. Infrastructure at border crossing points (BCPs)</b>	<b>6.1 Better transport and logistical services at border crossing points</b>	<b>6.1.1. Congestion and waiting lines at BCPs eliminated</b>	6.1.1.1 Develop and implement a plan for modernizing border crossing points including "Ak-Tilek", "Torugart" and " Maimak"
			6.1.1.2 Consider the establishment of permanent SCS presence at rail container earmarked for development (Osh and Balykchin, for example), as this will help circumvent the delays resulting from the fact that railway lines do not extend to customs clearance areas.
			6.1.1.3 Develop road marking, signage, directions, and lighting in line with international standards .
			6.1.1.4 Establish facilities for vehicle and goods inspection.
			6.1.1.5 Improve traffic management through the proper segregation, into separate lanes, of trucks, buses and cars
			6.1.1.6 Improve work organization, through the co-location of control agency offices, with a logical work-flow from one to another.
			6.1.1.7 Introduce non-intrusive inspection equipment, such as such as x-ray and gamma-ray scanners
			6.1.1.8 Establish parking areas at BCPs where vehicles, especially trucks, can be located – out of the inward and outward traffic lanes – whilst documentary inspections are being completed, as well as overnight parking areas for commercial vehicles on roads leading to BCPs. An immediate step in this direction would be to explore the possibility of financing these facilities through PPPs.
<b>7. Transit trade</b>	<b>7.1 Faster and more effective transit trade arrangements</b>	<b>7.1.1 A regional insurance guarantee system for transit cargo</b>	7.1.1.1 Kyrgyzstan and its neighbouring countries could consider using the TIR Carnets for governing the movement of transit cargo within the region. Alternatively, a regional insurance guarantee system could be developed to provide the much needed financial security mechanism for customs authorities.

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
		<b>7.1.2 Harmonizing and simplifying cross-border transport procedures and documentation between Kyrgyzstan and its immediate neighbours</b>	7.1.2.1 Develop a framework agreement for guiding future bilateral and regional transit transport agreements between Kyrgyzstan and its immediate neighbors . The framework can be established at the regional level or bilaterally, and should provide comprehensive procedures on: customs guarantee for trucks; market access (quotas, permits); driver visa, licenses, working hours; documentation for cargo and transport; conditions of carriage (temperature, sanitary); technical requirements for vehicles; and, weight and axle load. The agreements should also provide a system of appeals in Customs matters based on the Revised Kyoto Convention and a dispute settlement mechanism.
		<b>7.1.3 Harmonizing customs control procedures between Kyrgyzstan and its immediate neighbours</b>	7.1.3.1 Establish bilateral agreements with Kazakhstan and the PRC for mutual recognition of customs control procedures, and of customs seals and stamps. Customs control procedures can also be harmonized within the context of regional and bilateral transit transport agreements  7.1.3.2 Provide advance training courses to top and middle management as well as staff responsible for the day-to-day work on best practices on transport and supply chain management.
		<b>7.1.4 Strengthening the MoTC with expertise skills</b>	7.1.4.1 Provide advance training courses top management on negotiations and commercial diplomacy.  7.1.4.2 Establish a dedicated research unit within the Ministry capable of conducting strategic analysis and maintaining a monitoring and evaluation system to measure progress in implementing the national transport strategy.  7.1.4.3 Develop a strategic framework with comprehensive procedures for guiding the implementation of the transport strategy and the day-to-day management of the transport sector.
		<b>7.1.5 Fostering inter-agency coordination between Kyrgyzstan and its immediate neighboring countries</b>	7.1.5 .1 Kyrgyzstan may consider establishing bilateral coordinating committees to ensure effective implementation of existing transit agreements with its immediate neighbors. Such committees should bring together senior representatives and meet periodically to review the adequacy of all transit arrangements established under bilateral and regional agreements.

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
8. Improved transport services	8.1. Better transport and logistical services	<b>7.1.6 Developing inland infrastructure facilities at BCPs between Kyrgyzstan and PRC</b>	7.1.6.1 Establish facilities for vehicle and goods inspection.  7.1.6.2 Establish parking areas where vehicles, especially trucks, can be located – out of the inward and outward traffic lanes – whilst documentary inspections are being completed, as well as overnight resting areas for commercial vehicles on roads leading to BCPs. An immediate step in this direction would be to explore the possibility of financing these facilities through PPPs.
		<b>8.1.1. Improved range and quality of logistical services</b>	8.1.1.1 Undertake a feasibility study on the development of the logistics sector, including measures to facilitate mergers and consolidations.  8.1.1.2. Develop a program of infrastructure modernization of transport terminals  8.1.1.3. Modernize road infrastructure, major transportation corridors and provide them with appropriate services.  8.1.1.4. Develop and implement a program of strengthening the capacity of transport and logistics companies with arrangement of the supply chain and in the area of multi-modal transport  8.1.1.5. Conducting a study with recommendations about modernization of the road transport sector.  8.1.1.6. Develop proposals on implementing measures to stop using old trucks and stimulate introduction of modern trucks.
	<b>8.2. Better transport infrastructure for trade</b>	<b>8.2.1. Improved quality of rail and automobile roads</b>	8.2.1.1 Rehabilitate the following roads: Bishkek-Naryn-Torugart, Osh-Batken-Isfana, Taraz-Talas-Suusamy, Balykchi-Kochkor-Aral-Kazarman-Jalal-Abad and ring road around Issyk Kul lake  8.2.1.2 Construct the rail road Kashgar-Torugart-Karasuu  8.2.1.3 Assistance in the field of container transport and international rail services

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
		<b>8.2.2. Improved range and quality of auxiliary logistical services</b>	<p>8.2.2.1 Develop multi-modal transport hubs at Alamedin stations as well as in the cities of Balykchi and Karasuu and a container yard in Osh.</p> <p>8.2.2.2 Create modern logistics centers in the South and in the North of KR for export agriculture products</p> <p>8.2.2.3 Establish modern logistics center at main border crossings with Tajikistan (Sary Tash) and China (Bashi).</p> <p>8.2.2.4. Develop existing logistical services through the construction of new logistics parks, transport terminals, container yards and terminals.</p> <p>8.2.2.5 Establish support infrastructure along main commercial road networks taking into account the interests of local population. The emphasis should be on ensuring comprehensive development of adjacent localities.</p>
		<b>8.2.3 Improving the range and quality of rail transport services</b>	<p>8.2.3.1 Restructure and modernize rail transport services through private sector participation and improved corporate governance.</p> <p>8.2.3.2 Develop the services and institutional capacity of Temir Jolu State Company, which is the sole provider of railway services, and consider the option of opening this sector for private service providers.</p> <p>8.2.3.3 Modernize the country's rolling stock</p>
		<b>8.2.4 Improving the set-up for supporting multi-modal transport</b>	<p>8.2.4.1 Establish multi-modal carrier liability regimes for protecting exporters and importers in international markets.</p>
		<b>8.2.5 Modernize the trucking industry</b>	<p>8.2.5.1 Adopt new regulations that encourage market entry of competent and financially capable operators. This includes reconsidering the minimum size company in terms of fleet size and/or capitalization and standards for vehicle safety</p> <p>8.2.5.2 Encourage the establishment of international trading companies on a joint venture basis between domestic and international companies. Such companies could play an important role in overcoming the problem of small shipments faced by local exporters.</p>

<i>Priority areas</i>	<i>Objective</i>	<i>Results</i>	<i>Measures/Interventions</i>
			8.2.5.3 Modernize the trucking industry through adopting new regulations that encourage market entry of competent and financially capable operators. This includes reconsidering the minimum size company in terms of fleet size and/or capitalization and standards for vehicle safety.