

# Technical cooperation Seminar on Implementing Specific Provisions of the WTO Trade Facilitation Agreement; National Trade Facilitation Committee and a Trade and Transport Facilitation Monitoring and Measuring Mechanism

Nur-Sultan, Kazakhstan

20 - 22 May 2019

## Report

The Ministry of National Economy of Kazakhstan, the United Nations Economic Commission for Europe (UNECE), the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), organized a technical cooperation seminar on four selected measures from the WTO Trade Facilitation Agreement (TFA) (23.2, 10.1, 10.3, and 10.4), in which UNECE and UN/CEFACT have specific instruments, and national Trade and Transport Facilitation Monitoring Mechanisms (UN/CEFACT Recommendation 42).

**Participants:** all stakeholders in trade facilitation in Kazakhstan and participants from the countries of the United Nations Special Programme for the Economies of Central Asia (SPECA) - Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, as well as international partners working on trade facilitation implementation: GIZ, ADB.

The objectives of the seminar were achieved: relevant participants from the regulatory agencies and the business community in Kazakhstan, and participants from all the SPECA countries, took part in interactive discussions. Local expertise on a number of trade facilitation measures has increased significantly the last years. The seminar followed the logic of UNECE's UNDA11 and Russian funded projects on trade facilitation:

1. We started by UNECE and country presentations in a comparative perspective of the current level of notifications and fulfilment of the obligations under the WTO Trade Facilitation Agreement (TFA) in the countries members of the WTO: Afghanistan, Kazakhstan, Kyrgyzstan and Tajikistan, as well as Azerbaijan, which had done a readiness assessment with support from UNECE. Some conclusions on the different approaches (declare readiness on many items, as in Tajikistan, or just on a very limited amount of measures, as Kyrgyzstan) were used as lessons learned for Uzbekistan, which is starting its path to WTO accession and will be assessing its readiness.
2. On TFA art. 23.2 - National Trade Facilitation Committees - the countries reported on developments in their countries. GIZ and other organizations provide support for the establishment of NTFCs and networking among the Committees regionally. Mario Apostolov, UNECE, stressed in his presentation that these committees should not be linked exclusively to the finalization of the implementation of the TFA, but should function as truly national trade facilitation bodies focused on involving all stakeholders to implement trade facilitation measures along the whole supply chain. Cooperation and joint activities among the NTFCs will be included in the SPECA Trade Facilitation Strategy.

3. On art. 10.1 - streamlining formalities and documentary procedures – the seminar followed the UNECE capacity-building module. The countries should establish regular reviews of their documentary procedures in view of simplifying them. Two methods for streamlining documentary procedures were highlighted in the UNECE presentations: (1) Business Process Analysis (BPA) with the objective of identifying redundant or repeated document and data requirements and producing recommendations on remedies for complicated document formalities, and (2) data harmonization, in order to allow for a re-use of data in different documents and processes. Ms. Vasilevskaya (consultant) and GIZ presented the findings of their BPA reports on complicated or redundant document requirements with recommendations for simplification. The national Chamber of Entrepreneurs Atameken made a presentation on the simplification of the procedure of issuing a Certificate of Origin from 3 days to 1 day. ESCAP presented its experience of streamlining trade procedure and documents through paperless trade using international standards with the actual implementation case of operating the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT) Task Force on Cross-border Electronic Data Exchange: Northeast Asia
4. On art. 10.3 – using international standards – the seminar highlighted the basic concepts of international standards for the simplification of trade procedures and trade information exchange and went into more details explaining the UN/CEFACT standards and best practice recommendations (Recommendation 18 on trade facilitation measures; Rec. 1 on the UN Layout Key for trade documents; the various codes, including the UN/LOCODE; and UN/EDIFACT. The seminar stressed that the “use of international standards” for trade facilitation is a moveable target, they are developed constantly, so one should not conclude that international standards are implemented once and for all. The countries are encouraged to participate, as much as possible, in the development of international standards.
5. On art. 10.4 – Single Window – presentations were made by UNECE and UNESCAP on the step-by-step approach to establishing a Single Window, the UN/CEFACT definitions of Single Window, reflected in the TFA and UN/CEFACT Recommendation 33 (currently under revision). ESCAP, stressing importance of political commitment in trade facilitation and implementing a Single Window, introduced a new UN treaty entitled Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific and emphasized the benefit of using an international treaty as a means of securing political commitment referring to the case of ASEAN Single Window Agreement. Single Window systems should be based on the use of international trade information standards, so that these systems can be interoperable (UN/CEFACT Rec. 36). Presentations by the UNCTAD ASYCUDA team implementing the Astana-1 Customs processing system and a Single Window system were well received and followed by an intense discussion. Private business representatives from Kazakhstan (Atameken) and Uzbekistan (the head of the Customs brokers association) asked questions on the functioning of the system (e.g. whether Customs valuation/pricing is covered in the Astana-1 system. The Ministry of National Economy of Kazakhstan noted that they were not yet preparing a notification to the WTO secretariat on the procedure of functioning of the SW, as the system was still in a pilot stage. The participants discussed the SW experience in the other countries. Tajikistan’s system was not working yet, and significant investment from ADB is focused on this project. The brief presentation on UNCEFACT Recommendation 36 on SW interoperability, included the point that the implementation of several ASYCUDA projects in the region (Afghanistan, Kazakhstan and Turkmenistan) can help interoperability and information exchange between the systems of these countries. This point may be discussed at the SPECA annual events 18-21 November 2019 in Ashgabat.
6. The last day, 22 May 2019, was focused on the possibility to develop a national Trade and Transport Facilitation Monitoring Mechanism (UN/CEFACT Recommendation 42) in Kazakhstan and possibly other countries. Mr. Sang Won Lim from ESCAP, and after him Ms Rosalind McKenzie and Mr. Mario Apostolov, presented the concept and key points about TTFMM – a country needs to measure progress in implementing trade facilitation measures to be able to improve them. The basic international trade facilitation indexes are not enough, so, it is necessary

to go deeper by carrying out periodic measurements based on three methodologies listed in the TTFMM: periodic BPAs on the same products, using among others the UNNexT BPA Guide; Time Release Studies, following the WCO methodology; and the Time-Cost-Distance methodology of UNESCAP.

Ms. Rosalind McKenzie, ADB, presented the experience of ADB in supporting TTFMM projects (based on the BPA+ approach) in Bhutan and Bangladesh, and noted the possibilities for carrying out such projects in Kazakhstan or the CAREC countries on a regional cooperation basis.

Ms. Elena Vasilevskaya, consultant, presented the findings of a BPA on the exports of grain from Kazakhstan to Azerbaijan – the same strategic product for Kazakhstan's exports: grain, was taken up as in a similar study in 2014 carried out by Ms. Vasilevskaya. The idea was to illustrate the concept of the national TTFMM regular BPAs on the same product, in order to identify progress achieved. Ms. Dinara Dayrabaeva presented the results of a series of BPA studies that GIZ conducted at the borders of Central Asian countries to investigate the processes of customs and other border control agencies and to identify opportunities for their optimization in terms of trade facilitation. In total, 18 processes of export, import, international transit, and TIR / TIR transit of 4 countries were processed. These exercises reflected an approach combining BPA and TRS. After the seminar, Ms. Vasilevskaya will translate her BPA study into Russian and provide it to the Ministry of National Economy (Ms. Madina Kazhimova), ESCAP (Mr. Sang Won Lim), UNECE (Mr. Mario Apostolov), and Dinara Dairabayeva (GIZ), and to all the participants for comments, for finalization of the report.

The discussion on TTFMMs concluded with recommendations that the Ministry of National Economy of Kazakhstan and other participating countries to review the idea of a national Trade and Transport Facilitation Mechanism, supporting the regular implementation of measuring studies and, if there is a will, requests UNECE, UNESCAP, GIZ and ADB to support such a mechanism.

The seminar assisted the ongoing efforts to develop national trade facilitation programmes, using the NTFCs as a platform. It is expected that the results of the seminar, the materials presented on all the topics above will be used by the NTFC of Kazakhstan and the other participating countries. UNECE, UNESCAP, GIZ and other partners will continue support for regional cooperation among NTFCs. UNECE also made a presentation on how to develop a national trade facilitation roadmap and offered assistance to countries which need support in drafting and adopting such a roadmap.

The presentations at the seminar and supportive material will be published on the relevant UNECE and GIZ web pages, and will be distributed among the participants.