2. SUBREGIONAL PROGRESS IN NATIONAL COORDINATION FOR TRADE AND TRANSPORT FACILITATION IN THE UNESCAP REGION

Within the past five years, some progress has been made by countries of the UNESCAP region in the establishment of national mechanisms for the coordination of trade and transport facilitation initiatives. In most cases, these mechanisms have taken the following forms:

- Joint trade and transport facilitation bodies;
- Transport facilitation bodies;
- Transport coordination body for a specific projects; and
- Meetings for coordination of specific initiatives.

These mechanisms have a common representation of members from:

- The government sector, including ministries or agencies responsible for policy formulation, for negotiation of multilateral and bilateral agreements, and for border controls;
- The business sector, including shippers (importers and exporters), trade service providers and transport operators.

The following sub-sections describe the subregional progress that has been made in the establishment of trade and transport facilitation coordination mechanisms in the UNESCAP region, i.e., Central, East and South Asia, and the Southern Caucasus and South East Asia. Where such mechanisms have been established, their objectives, functions, organizational structures, financing, activities, achievements and problems are described as fully as it was possible to do, given information limitations.

2.1 Central Asia and the South Caucasus

Three countries of Central Asia (Kazakhstan, Kyrgyzstan and Tajikistan), as well as the three countries of the South Caucasus (Armenia, Azerbaijan and Georgia) have established mechanisms for coordinating the facilitation of trade and/or transport. However, the form, objectives, functions and effectiveness of the mechanisms tend to vary from one country to another.

2.1.1 Kazakhstan and Tajikistan

In Kazakhstan and Tajikistan, coordination mechanisms take the form of an inter-ministry commission for transport in which the dominant role is played by the national Governments. The commissions in Kazakhstan and Tajikistan were set up in 1998 and 2001 respectively.

In both countries, these commissions are understood to be led by the ministry for transport and with representation from other government agencies with responsibility for the regulations of cross-border transport and from logistics providers and transport services. It is further understood that these commissions have a primary
focus on the policy issues associated with cross-border transport, rather than on the operational problems associated with formalities for border crossing.

The authority of these commissions to take effective action is reinforced by the fact that they are chaired by persons at high levels of Government. The commissions are chaired either by the Deputy Minister of Transport and Communications in case of Kazakhstan and by the Deputy Prime Minister in the case of Tajikistan.

The commission in Kazakhstan has organized four sessions during the period from 1998 to 2006 and discussed important issues on cross-border transport. The commission in Tajikistan has organized one meeting since its establishment in 2002.

2.1.2 Kyrgyzstan

In Kyrgyzstan, separate mechanisms exist, under the overall control of different ministries of state, for the purpose of coordinating the facilitation of trade and cross-border transport. Trade facilitation is coordinated directly by the Ministry of Industry, Trade and Tourism, while cross-border transport facilitation is coordinated by a multi-agency committee led by Ministry of Transport and Communications. The two ministries are working towards the establishment of a joint trade and transport facilitation committee.

(a) Trade Facilitation

With a direct reporting line to the Government, the Ministry of Industry, Trade and Tourism has exclusive authority for the facilitation of the trade between Kyrgyzstan and the rest of the world.

Its main trade facilitation functions have been identified as:

- Monitoring and regulation of the operation of international trade in general;
- Monitoring and regulation of the operation of specific bilateral and multilateral agreements relating to international trade. Three types of agreement were identified: bilateral agreements for trade and economic cooperation; the multilateral agreement of the World Trade Organization (WTO); and the regional free trade agreements;
- Coordination of activities of other ministries or agencies involved in trade regulation;
- Promotion of common economic policy and an improvement in the investment climate;
- Development of the industrial sector; and
- Development of the foreign economic activities as a member of the WTO.

In support of its trade facilitation functions, the Ministry is involved in the following major activities:

- Realization of external economic and trade policy;
- Development of programmes for the regional economic integration with other States of the Commonwealth of Independent States (CIS);
• Suggestions for the harmonization of external trade activities in accordance with the WTO rules and commitments to other regional partners; and
• Signing of international trade agreements and supervision of the implementation of these agreements.

The trade facilitation functions and activities of the Ministry are financed from its general budget provided by the Government.

Cooperative links between the trade facilitation functions and activities of Kyrgyzstan and those of neighbouring countries are provided through the operation of the Intergovernmental Commission for the Central Asian Republics, and through bilateral and multilateral trade negotiation channels.

(b) Transport Facilitation

Transport facilitation is coordinated by the Working Group on Implementation of Almaty Programme of Action, which was set up in 2005. The working group is led by the Ministry of Transport and Communications with participation of the Ministry of Foreign Affairs; Ministry of Industry, Trade and Tourism; Ministry for Frontier Control; the State Customs Committee; departments for road management and transport, and border services. It is chaired by the Minister of Transport and Communications.

The principal function of the working group is to develop a national action plan for implementation of the Almaty Programme of Action. Its members meet at least once a year.

The two ministries for trade and transport are working together to establish a joint trade and transport facilitation committee.

2.1.3 Armenia, Azerbaijan and Georgia

The three countries of the South Caucasus have recently benefited from the financial and technical assistance of the World Bank in establishing public-private, or “Pro” (for “Procedures”) committees to coordinate policies and actions for trade and transport facilitation. Pro committees were established in Armenia in April 2002, in Azerbaijan in October 2004 and in Georgia in May 2003.

The underlying concept, objectives, organization, and activities of these committees that conform to a standard pattern are described in the following sub-sections.

(a) Concept

The Pro committees established in Armenia, Azerbaijan and Georgia, named respectively ARMPRO (National Trade and Transport Facilitation Committee of Armenia), AZERPRO (National Trade and Transport Facilitation Committee of Azerbaijan) and GEOPRO (Georgian National Committee for the Facilitation of Procedures and Practices in Administration of Commerce and Transport) were modelled on Recommendation 4 on National Trade Facilitation Bodies, adopted by the UN/CEFACT\(^3\) at its fifth session in March 1999. The essence of the original

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recommendation was “…that Governments establish and support national trade facilitation bodies with balanced private and public sector participation, in order to:

- Improve dialogue between different bodies involved in trade and international transport;
- Define solutions to remove impediments to trade and transport at operational level;
- Identify issues affecting the cost and efficiency of their country’s international trade;
- Develop measures to reduce the cost and improve the efficiency of international trade;
- Assist in the implementation of those measures;
- Provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation; and
- Participate in international efforts to improve trade facilitation and efficiency.”

(b) Objectives

Objectives for all three committees were drawn from the broad goals listed in Recommendation 4 on National Trade Facilitation Bodies. For example, the objectives defined in ARMPRO’s Mission Statement are:

- To play an active facilitating and coordinating role with Government, state and private organizations, the non-governmental organizations (NGO) and industry associations in the elimination of barriers to international and regional trade and business development;
- To promote compliance of Armenian trade and transport procedures with international standards;
- To harmonize Armenian trade and transport procedures with internationally accepted norms and to promote harmonization of trade and transport in the South Caucasus;
- To promote issues raised by the trade and transport community and channel them through professional NGO’s and industry associations to relevant local, regional and international authorities; and
- To provide professional advice, clarification and description of specific trade and transport legislation, regulations and procedures to professional NGO’s and industry associations.

The primary objectives of these committees are focused on the operational level (to identify and devise solutions to border crossing problems, as well as to follow up implementation of these solutions).

(c) Functions

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The Pro Committees have developed detailed work programmes. The work programmes relate to a set of functions which support the achievement of the committee's objectives. These functions include:

- Identification and monitoring of international trade and transport issues;
- Recommendations on the streamlining of Customs and other border crossing procedures;
- Recommendations on actions to achieve greater transparency in border crossing procedures;
- Improvement of training for road transport operators, forwarders and traders;
- Exchange of regional /international experience; and
- Development of quality standards for trade and transport functions (including standards for dwell time at borders)\(^6\).

(d) **Organization**

Committees in all three countries have been established as joint public/private partnership bodies with wide representation from each sector. For example, in Armenia the committee comprises 14 members. Of these members:

- Five represent government agencies, including the Ministries of Trade and Economic Development and Transport and Communications;
- Six represent private sector organizations, including the Union of Armenian Manufacturers and Businessmen, the Association of Armenian Freight Forwarders and the Association of International Road Carriers of Armenia;
- One represents an NGO (Transparency International Centre for Regional Development); and
- Two are representatives of the World Bank (which provides technical and financial support to the committee).

The committee is chaired by a senior government official who is a member of the State Committee on Protection of Economic Competition, while the Vice Chairperson is a representative of the Union of Armenian Manufacturers and Businessmen.

In Azerbaijan, the committee includes 22 members from nine government agencies (National TRACECA Commission; ministries of transport, foreign affairs, economic development, health, agriculture; Customs; border control; special unit) and business sector (associations of road carriers and freight forwarders). It is headed by the Secretary of the National TRACECA Commission).

A similar organization structure applies to GEOPRO. In this case, the committee membership is drawn from five state agencies (the Ministries of Economy, Trade and Industry, and Finance, the State Customs Department, and the State Chancellery)

\(^6\) ARMPRO website, [www.amcham.am/ARMPRO.htm](http://www.amcham.am/ARMPRO.htm).
and from a single organization representing the private sector trading and trade service community (the Georgian Business Confederation).

The committee executive is drawn from high echelons of the state and private sectors, the chairperson being the Minister of Economy, Trade and Industry, and the vice chairperson, the President of the Georgian Business Confederation.

(e) Activities and Initiatives

ARMPRO provided details of its activities in 2003 in an annual report\(^7\). These activities included:

- **Establishment of regional website “Trade and Transport in South Caucasus”**. This initiative was supported by the World Bank and was subsequently extended to the other South Caucasian countries. It involves dissemination of information on country macroeconomic and business conditions, locations of Customs offices and checkpoints, Customs formalities, duty rates, tax data, transit issues, roads, export standards and certification requirements and business directory details;

- **Review of, and recommendations on, accession to international conventions**. Some 55 conventions were reviewed and a shortlist of nine recommended to the Government for early accession.

- **Recommendations on reform of licensing procedures for Customs brokers**. The past practice whereby Customs brokers are licensed by Customs officials, often through verbal examinations in addition to a written examination, was considered to pose a risk of future conflicts of interest in the relationships between brokers and officials. Action on a recommendation to transfer licensing to an independent authority is pending, but verbal examinations for Customs brokers have now been abolished in response to the ARMPRO recommendation;

- **Review and recommendation of measures to coordinate border formalities through application of “Single Window” concept**. ARMPRO recommendations to coordinate border formalities for Customs, certification and standardization, public health and environmental protection functions through application of the Single Window principle were accepted and ARMPRO is now preparing operational guidelines for the new system;

- **Cooperation with GEOPRO to seek removal of security service escort of vehicles in Georgia**. After consultation with freight forwarders and trucking companies it was considered that the practice by Georgian security officials to escort and provide protection for Armenian trucks through the territory of Georgia was unnecessary and should be discontinued. A joint declaration by ARMPRO and GEOPRO urging this action was submitted to the Government of Georgia;

- **Review of deficiencies in the issue of preferential permits for transit of Armenian and foreign vehicles**. Problems in the form of excessive delays and unclear rules in the issue of permits for the preferential transit of

\(^7\) Annual Report 2003 of Armenian Trade and Transport Facilitation Committee.
Armenian vehicles through foreign territory and of foreign vehicles through Armenian territory were resolved through discussions between ARMPRO and the Ministry of Transport and Communications.

- **Resolving impediments of ferry transportation through Ukraine.** ARMPRO has been actively involved in seeking negotiations between high level authorities of Armenia and Ukraine, to reduce the high cost of ferry transport between the ports of Batumi in Georgia and Ilyichevsk in Ukraine.

AZERPRO, since its establishment in November 2004, held quarterly meetings with the participation of senior experts on transport, economics, Customs, border control, agriculture, health and Directors of the projects entitled “Harmonization of Border Crossing Rules” and “Common Legal Framework for Transit Shipments”.

Participants held a detailed discussion of the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention) and its recent updates, and were presented with an initial study on methods and principles for streamlining the border crossing process in international transit, in particular, through the possible use of “One Stop” and “Single Window” concepts at border and Customs checkpoints of Azerbaijan.

The meetings discussed a wide-range of issues relating to Customs and border control and also the harmonization of border crossing rules with Georgia. At its meetings in 2005, AZERPRO studied the draft Transit Strategy until 2015 prepared by the national working group.

Proposals were formulated on Customs and border rules for road transit at a railway border crossing, including the extension of existing border and Customs checkpoints and introduction of separate lanes for loaded heavy trucks, empty trucks, buses, and passenger cars, and the construction of a pedestrian bridge across the nearby river. Participants mentioned the need for the purchase and installation of modern equipment, fast track monitoring of freight transit, better communication facilities (optical fibre cables, satellite communication etc.) and for different kinds of relevant training.

These proposals had been submitted to the Cabinet and circulated among respective ministries and committees for consideration and approval.

### 2.2 South Asia

Some countries of South Asia have established mechanisms for the coordination of policies and actions for trade and transport facilitation. Nepal and Pakistan coordinate their trade and transport facilitation activities through committees. Other countries coordinate specific initiatives through meetings. The following sub-sections describe the approach being taken to coordination of trade and transport facilitation in Nepal and Pakistan.

#### 2.2.1 Nepal

Nepal coordinates the facilitation of cross border trade and transport through a National Trade and Transport Facilitation Committee (NTTFC) which has been in
The committee has been operational since June 1997. The purpose/main functions, organization and achievements of this committee are described below.

(a) Purpose/main functions

The purpose and main functions of the committee were identified as:

- Monitoring and regulation of international trade and transport in general;
- Provision of policy advice for the facilitation of international transport;
- Monitoring of activities of border crossing authorities at individual border checkpoints;
- Monitoring of the operation of specific bilateral and multilateral agreements relating to international trade and transport; and
- Monitoring and regulation of the implementation of specific projects.

The committee is accountable to the Minister of Industry, Commerce and Supply. It has no executive power, but makes recommendations to the responsible ministries on actions to solve trade and transport problems.

(b) Organization

The committee is chaired by the Secretary of the Ministry of Industry, Commerce and Supply and has 16 other members, of whom:

- Six represent other government agencies (including the Ministry of Finance, the Ministry of Labour and Transport Management, the Central Bank and the Department of Customs);
- Six represent chambers of commerce or shipper organizations (e.g. Carpet Industries Association, Handicraft Association, etc.);
- Two represent trade service and transport enterprises (specifically the Freight Forwarders’ Association and the Nepal Goods Carriers’ Association); and
- Two represent the private banking and insurance industries.

Without exception, members of the committee have been drawn from the most senior ranks of the represented organizations. For example, the Customs Department representative is the Director-General of Customs, the shippers’ organizations are represented by their presidents, etc.

The activities of the committee have been defined in general terms as the provision of “support in resolving the problems faced by the trade and transport sectors.” The operation of the committee is funded out of the regular budget of the Ministry of Industry, Commerce and Supply.

(c) Achievements

The committee was instrumental in the adoption by the Government of three significant pieces of transport legislation: the Multimodal Transport Act, the Railway Act, and the Goods Carriage by Road Act.
2.2.2 Pakistan

Pakistan has a NTTFC, which was established in April 2001. Since its establishment, the work of the committee appears to have been focused on the improvement of the regulatory and administrative procedures for trade and transport through the country’s seaport and airport systems.

The purpose/main functions, organization, activities and achievements of this committee are described in the following sub-sections.

a) Purpose/main functions

The terms of reference for the NTTFC were identified in the questionnaire response submitted for Pakistan as:

- Providing policy advice for the facilitation of trade and transport;
- Monitoring and regulating the implementation of specific projects (at present the Ministry of Commerce with support from the NTTFC is executing a trade and transport facilitation project under the sponsorship of the United Nations Conference on Trade and Development (UNCTAD) and the World Bank);
- Continuously reviewing the trade and transport procedures and system, with a view to their further simplification and harmonization;
- Coordinating the efforts of the relevant organizations in the facilitation of international trade and transport;
- Collecting and disseminating information on international trade and transport formalities, procedures, documentation and related matters;
- Pursuing the simplification and alignment of trade and transport documents on the basis of the United Nations Layout Key for Trade Documents, including documents designed for the use in computer and other automated systems; and
- Promoting the adoption of standard trade and transport terminology and international codes for trade and transport.

b) Organization

The committee is accountable to the Ministry of Commerce and is chaired by the Secretary of this Ministry.

The committee has been provided with a permanent secretariat headed by an executive secretary.

In addition to the chairperson and executive secretary, the committee has 25 other members, of whom:

- Seven represent government agencies (specifically the Ministry of Commerce, the Ministry of Communications, the Ministry of Finance, the Ministry of Planning and Development, the Central Board of Revenue, the State Bank, the Small and Medium Enterprises Development Authority);
Five represent chambers of commerce or shipper organizations;
Nine represent transport organizations (including the port authorities, the National Shipping Corporation, the Pakistan Railways, the Goods Carriage associations, the dry port operators and Pakistan International Airlines);
Two represent freight forwarders and other trade service providers; and
Two represent the private banking and insurance industries.

The operation of the committee was originally funded in part by the World Bank (through its financial support of the Trade and Transport Facilitation Project) and in part by private sector contributions (from the Pakistan Shippers’ Council and the Federation of Pakistan Chambers of Commerce and Industry). It is now being funded through a grant from the Export Development Fund.

c) Activities

To date, the main work of the NTTFC has been focused on support for the Trade and Transport Facilitation Project, assisted by UNCTAD and financed by the World Bank. The outputs of this project are:

- Introduction of a single administrative document
- Formulation and/or modernization of transport legislation;
- Drafting of standard terms and conditions for the carriage of goods;
- Modernization of freight forwarders;
- Modernization of marine transport insurance provisions;
- Streamlining of financial and banking provisions; and
- Advice on accession to international conventions related to Customs, transport and trade.

Periodic reports on progress made in relation to these activities are submitted to the Minister of Commerce.

d) Achievements

Work on the Trade and Transport Facilitation Project is substantially complete.

2.3 Southeast Asia


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9 Association of Southeast Asian Nations, website of the ASEAN Secretariat: www.aseansec.org.
2.3.1 ASEAN Transit Transport Agreement

ASEAN has introduced transit transport facilitation mechanisms as a requirement for member countries under the ASEAN Transit Transport Agreement. This framework agreement has three main objectives:

(i) To facilitate transportation of goods in transit, to support the implementation of the ASEAN Free Trade Area, and to further integrate the region’s economies;

(ii) To simplify and harmonize transport, trade and Customs regulations and requirements for the purpose of facilitation of goods in transit; and

(iii) To establish an effective, efficient, integrated, and harmonized transit transport system in ASEAN.

Nine protocols are associated with this agreement, including those dealing with:

- The designation of transit transport routes, facilities and frontier posts; specification of the types, quantities and technical requirements of road vehicles;
- Specification of requirements for a standardized system of compulsory third party motor vehicle insurance;
- Designation of railway border and interchange stations; specification of a harmonized Customs transit system; and
- Specification of sanitary and phytosanitary measures and requirements for carriage of dangerous goods.

A requirement of the Framework Agreement (at Article 29) is that each member country must establish a National Transit Transport Coordinating Committee (NTTCC) “for the effective and efficient coordination and implementation of this agreement.” A further requirement of the agreement is that a Transit Transport Coordinating Board be established for the purpose of overseeing, at the subregional level, the overall coordination and implementation of the provisions of the agreement. This board comprises one senior official from each ASEAN member country and a representative from the ASEAN secretariat. It has the potential benefit of establishing linkages between the activities and work programmes of individual national transit transport coordinating committees.

2.3.2 GMS Cross-Border Transport Agreement

The GMS Cross-Border Transport Agreement was formulated as part of a technical assistance project sponsored by the Asian Development Bank (ADB). It is intended to provide a multilateral instrument for the facilitation of the cross-border transport of goods and people within the GMS, comprising the territories of Cambodia, China, Lao PDR, Myanmar, Thailand and Viet Nam. Application of the Agreement was initiated with the signature by the Lao PDR, Thailand and Viet Nam of a trilateral agreement in November 1999. The Agreement has now been signed by all six participating countries.

14 SITPRO Ltd website: www.sitpro.org.uk.
In its 20 associated Annexes and Protocols, the GMS Cross-Border Transport Agreement specifies:

- Single-stop/single-window inspection;
- Cross-border movement of persons;
- Customs transit regimes;
- Requirements for operators, vehicle registration and drivers;
- Commodity classification system;
- Charges concerning transit traffic;
- Routes and border crossings;
- Exchange of commercial traffic rights;
- Infrastructure, including road and bridge design standards, road signs and signals;
- Carriage of dangerous and perishable goods; and
- Multimodal transport.

The Agreement will apply to selected and mutually agreed routes and points of entry and exit in the signatory countries. The annexes and protocols associated with the Agreement have been signed.

The Agreement (at Article 28) requires each participating country to establish a permanent National Transport Facilitation Committee (NTFC) chaired by a Minister or Vice Minister or its equivalent, which brings together representatives of all parties concerned with the implementation of the Agreement. It also requires (at Article 29) the formation of a Joint Committee with representation from the respective NTFC’s. The Joint Committee will monitor and assess the functioning of the Agreement and serve as a platform for discussion, a forum for amicable settlement of disputes, and to provide advice to the Governments and formulate proposals for amendment to the Agreement. The Joint Committee has met two times.

2.3.3 Trade/transport facilitation bodies in selected Southeast Asian countries

NTTCC’s has been established in Cambodia, Thailand and Viet Nam to comply with the requirements of the ASEAN Transit Transport Agreement. Some countries in the GMS have either used the NTTCC as a mechanism to coordinate the GMS Cross-Border Transport Agreement or transform them into the NTFC's as required by the GMS Cross-border Transport Agreement.

(i) Cambodia and Viet Nam

The NTTCC of Cambodia, chaired by a Director-General of the Ministry of Public Works and Transport, has 11 other members, all of whom represent government agencies, including the Ministries of Foreign Affairs, Commerce, Interior, Finance and the Economy, Agriculture, Health and Tourism, the Customs and Civil Aviation Departments, the Central Bank and the National Insurance Company.
The facilitation coordinating mechanism in Viet Nam is known as the “Viet Nam Cross Border Transport Coordinating Board.” It is chaired by the Deputy Minister of Transport and comprises 20 other members, all but two of whom represent government agencies. The two private sector members are the Secretary General of the Viet Nam Automobile Transportation Association and the Vice-Chairman of the Freight Forwarding Association of Viet Nam. Government agencies represented on the board include: the Ministries of Transport, Trade, Defence, Foreign Affairs, Finance, Public Security, Agriculture and Rural Development; the Customs Department; the Viet Nam Road Administration; the Viet Nam Maritime Bureau; the International Relations Department; and the National Committee for International Economic Cooperation.

In response to the requirement of the GMS Cross-Border Transport Agreement, the two countries established the NTFC’s.

(ii) Lao PDR

The Lao PDR NTFC was established in April 1997. It was changed to the National Transport Committee in January 2002 to serve as a coordination body and a focal point for the resolution of all problems related to international transport. The details of this committee are given below.

(a) **Purpose/main functions**

While the committee’s main purpose is to resolve problems related to transport facilitation, increasingly it is becoming involved in issues which cross the boundary between trade and transport facilitation, including the provision of advice to the Government on accession to international trade and transit conventions. The main functions of the committee have been identified as follows:

- Studying Government policy and strategy to ensure proper coordination of transport facilitation, involving all modes;
- Coordinating and implementing all ASEAN agreements and activities;
- Monitoring and implementing the GMS Cross-border Transport Agreement;
- Studying, reviewing and proposing for accession to all relevant international conventions;
- Encouraging the adoption of modern management practices and new technology by transport operators;
- Collecting and distributing to the trading community updated information on international trade and transport formalities, procedures and regulations;
- Providing information to the transport sector on the minimum technical standards required for safe operation of vehicles in cross-border transport;
- Studying, examining and applying simplified and harmonized documentation as recommended by the United Nations and other international organizations;
• Coordinating the delivery of training workshops on international transport facilitation measures and the application of multi-modal transport to senior transport administrators, policy makers, and transport operators;
• Providing advice to transport operators on the introduction of Electronic Data Interchange (EDI) and United Nations/Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT); and
• Cooperating with the NTFC’s of other ASEAN/GMS member countries to develop a common approach to the specification of rules, regulations, standardized documentation, vehicle inspection requirements, and formulation of tariff structures for border-crossing traffic.

(b) Organization

A National Transport Committee of 12 members is accountable to the Ministry of Communication, Transport, Post and Construction (MCTPC). Three of these members represent the private sector in the form of the Lao National Chamber of Commerce and Industry, the Lao Insurance Company and the Lao Freight Forwarders Association. The other 9 members represent government agencies, including the MCTPC, the Ministries of Commerce, Foreign Affairs, Finance (Customs Department), and Security, in addition to the State Committee for Planning and Cooperation.

The committee is chaired by the Vice-Minister of CTPC and has two vice-chairmen, representing the Ministry of Commerce and the MCTPC.

The committee is supported by a secretariat drawn from the MCTPC and headed by the Director-General of the Transport Department of the MCTPC.

(c) Activities

The Committee has developed a work plan, comprising the following activities:

• Translation into the Lao language of the conventions of relevance to international transport, as a basis for the Government’s consideration of accession;
• Field visits to the main border checkpoints for the purpose of viewing border crossing performance;
• Coordination with member organizations of the National Transport Committee to identify major border crossing problems and bottlenecks;
• Interview of transport operators to identify problems with border crossing procedures and delays;
• Assessment of transport operator opinions on the possibility of creating a transport federation to represent the interests of operators from all modes involved in international transport;
• Assessment of the options for improvement of existing transport licensing laws;
• Exchange visits with the NTFC’s of other ASEAN/GMS countries in order to develop a common approach to the coordination of initiatives for transport facilitation; and
• Participation in all transport-related national and international meetings for the exchange of information about improvement of transport sector performance.

(d) **Achievements**

In March 2004, the prohibition on the operation of Laotian trucks in Thailand was removed after many years in which the haulage of Laotian transit trade was monopolized by just five Thai truck operators. Under a new bilateral transit agreement with Thailand cargo haulage has been opened up to all transport operators on both sides of the border. This initiative, coupled with the simplification of documentation and joint Customs inspection by both sides, was estimated to have resulted in a reduction of 20 per cent in transit transport costs.

A bilateral agreement was recently concluded with Viet Nam for the use of Vung Ang deep sea port and negotiations for the implementation of this agreement have been finalized.

The committee has been used as a focal point to coordinate the positions of the Lao PDR in the negotiation of the GMS Cross-border Transport Agreement. It also serves as a focal point for international assistance in transport facilitation. It has organized many seminars, workshops and studies with international organizations and international financial institutions.

(iii) **Thailand**

The NTTCC of Thailand was established in May 2001 and is accountable to the Ministry of Transport, but with a requirement also to report to the ASEAN Transit Transport Coordinating Board. Details of the main functions, organization, activities and achievements of this committee are given below.

(a) **Purpose/main functions**

The main function of the committee was identified as the monitoring and regulation of the operation of the ASEAN Transit Transport Agreement.

(b) **Organization**

The committee consists of 13 members and is chaired by the Permanent Secretary of the Ministry of Transport. One member (the representative of the Thai Chamber of Commerce) represents the private sector. The other 12 members represent six government agencies, including:

- Seven from the Ministry of Transport and its associated agencies (such as the Department of Land Transport);
- One each from the Ministries of Foreign Affairs and Commerce, the Customs Department, the Royal Thai Police, and the Immigration Bureau.

Its work programme is funded from the Government’s regular budget.
(c) Activities

The major activities of the committee were identified as:

- Monitoring and assessment of the need for amendment to laws and regulations with a view to improving border control process and reducing the cost of international trade transport;
- Preparation of reports for the ASEAN Transit Transport Coordinating Board;
- Management of the numbers of transit vehicles in accordance with the ASEAN Transit Transport Agreement;
- Cooperation with the NTTCC’s of other ASEAN countries for the joint resolution of problems related to international trade and transport facilitation; and
- Implementation of any initiatives to improve the flow of goods and transport across international borders.

(d) Achievements

Signature of the bilateral agreement on road transport with the Lao PDR on 17 August 2002 resulted in the liberalization of transit transport and a substantial reduction in the cost of international transport.

2.4 East Asia

Transport facilitation committees are operating in China and Mongolia.

2.4.1 China

The China NTFC was established by decree of the State Council in early 2004. The committee is supported by a secretariat supplied by the Ministry of Communications, to which the committee is accountable.

The committee is chaired by the Minister of Communications and has a membership drawn from the following government agencies: Ministry of Foreign Affairs, State Development and Reform Commission, Ministry of Finance, Ministry of Communications, Customs General Administration, Ministry of Public Security (immigration and traffic police), and General Administration of Quality Supervision, Inspection and Quarantine.

The committee was established in response to the requirement of the GMS Cross-border Transport Agreement. It is expected that one of its main functions will be the coordination of the work of various ministries in connection with the operation of the GMS Cross-border Transport Agreement. In practice, the committee has started to coordinate other cross-border transport issues.

The main functions of the committee are:

- To enhance transport facilitation by coordinating relevant ministries;
To supervise and regulate the implementation of conventions and agreements;
To organize the studies on relevant international conventions;
To promote cooperation between China and neighboring countries; and
To improve the laws and regulations on international road transport.

Coordination mechanisms have been established at some border-crossings to increase operational efficiency.

2.4.2 Mongolia

A National Transit Facilitation Committee was established in Mongolia in June 2003 under the direction of the Ministry of Roads, Transport and Tourism. The committee has a total of about 10 members, drawn from the Ministry of Roads, Transport and Tourism, Ministry of Rail Transport, Ministry of Industry and Trade, Mongolian Customs Service, Chamber of Commerce and Industry and some freight forwarder organizations.

With a view to facilitate foreign trade transaction through streamlining rules and regulations and simplifying and optimizing procedures, the Chamber of Commerce and Industry established the Trade Facilitation Committee, named MONPRO, in May 2005. The MONPRO is a sub-committee of the Public Private Partnership Consultative Committee. The MONPRO has equal representation from both the public and private sectors, including key government authorities, NGO's, sector associations, and individual enterprises.

The MONPRO has a right to submit its proposal on trade facilitation discussed by its members to the Public Private Partnership Consultative Committee. The MONPRO also has a right to include its proposal on trade facilitation into the Activity Plan of the Chamber.

In December 2006, a joint National Committee for Trade and Transport Facilitation (NCTTF) was established following the outcomes and suggestions by the UNESCAP national workshop and advisory services in April 2006. The NCTTF is chaired by the Minister of Roads, Transport and Tourism. Permanent secretariat has been set up in the Mongolian National Chamber of Commerce and Industry.

The NCTTF consists of five ministries (Ministry of Roads, Transport and Tourism; Ministry of Industry and Trade; Ministry of Foreign Affairs; Ministry of Finance; Ministry of Justice; and Ministry of Home Affairs), six government agencies/authorities (Civil Aviation Authority; Railway Authority; State Professional Inspection Agency; General Customs Office; Border Protection Agency; Information and Communication Technology Agency) and some representatives of business sector (Transport Service Centre; Ulaanbaatar Railway JVC; Mongolian National Chamber of Commerce and Industry; Road Supervision and Research Center; National Road Transporters Association of Mongolia).

The committee approved a work plan as summarized as follows:
Transport Facilitation

- Submission of proposal on signing of the “Intergovernmental Agreement on Transit Transportation between China, Mongolia and the Russian Federation”;
- Establishment of a working group to develop Annexes to “Intergovernmental Agreement on Transit Transportation between China, Mongolia and the Russian Federation”, and provision of instruction to ensure cooperation and harmonization of activities with the United Nations Development Programme (UNDP) and other negotiating Parties;
- Organization of a meeting of the Transport Working Group under the auspices of the Inter-Governmental Commission between Mongolia and the Russian Federation in Ulaanbaatar, Mongolia;
- Study of possibilities of additional transit routes and ports besides Tianjin, China, and Nahodka, the Russian Federation;
- Submission of a proposal to obtain permission for Mongolian vehicles to access to the territory and seaport of China;
- Study of possibilities of shared use of electronic equipment to measure truck and vehicle capacity, and to make decision as to its possible utilization, and to settle related problems of other ports;
- Submission of proposal on Intergovernmental Agreement on Trans-Asian Railway Network to the Parliament for approval;
- Submission of a proposal regarding accession to Annexes B-3 and C to the Convention on Temporary Admission, 1990;
- Submission of a proposal regarding Mongolia’s participation in the International Convention on the Harmonization of the Frontier Control, 1982 to the Parliament for approval;
- Development of policy to increase shipment or transit shipment volume by Mongolian railways and road transport, and to attract more shipments, and study on other possible routes, comparison, operation adjustments;
- Joint organization of a national seminar on regional intermodal transport planning with UNESCAP;
- Assistance in the study for application of the UNESCAP Time/Cost-Distance Model;
- Regulation on coal transportation and decision-making on solid pavement of road;
- Submission of a proposal to revise the road transport agreement between China and Mongolia;
- Development of standard for freight terminal and submission for approval and implementation;
- Development of additional specialized standard for transportation and monitoring of implementation of the approved standards;
- Support to domestic freight “door to door service”; and
- Report on implementation status of conventions and future planning.
Trade Facilitation

- Development of a strategy for establishment of the national electronic single window;
- Development of draft national programme on transport and trade logistics development and submission for approval by the Government;
- Organization of a trade ministerial conference of landlocked countries in Ulaanbaatar, Mongolia;
- Submission of a proposal on measures to implement the International Convention on the Harmonization of the Frontier Control to the Government;
- Submission of cooperation proposal to the United Nations Economic Commission for Europe (UNECE) in the field of trade facilitation;
- Report on implementation of the Almaty Programme of Action;
- Maintaining and expanding of cooperation with UNECE; and
- Installation of X-ray equipment in Zamyn Uud and Altanbulag border points for wagon and container control.