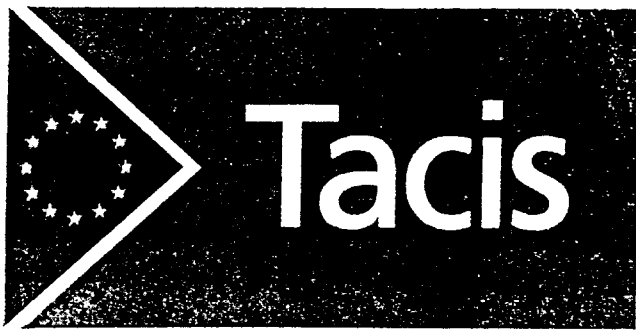


SWK
Trade

Progress Report
(April - June '96)



TRACECA Project (TNREG 9308):
Trade Facilitation,
Customs Procedures
& Freight Forwarding
Progress Report
July 1996

Scott Wilson Kirkpatrick

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European Commission
Director General 1A
External Relations
88 Rue d'Arlon
B-1040 Brussels
TACIS 1AC/4

Your Reference:

Our Reference: BE/JF

30 July 1996

For the attention of Mr D Stroobants

Dear Sir,

**TRADE FACILITATION, CUSTOMS PROCEDURES, AND
FREIGHT FORWARDING
TRACECA PROJECT TNREG 9308**

We have pleasure in forwarding five bound copies, one loose leaf copy, and one diskette of our first progress report for the period March 1996 to June 1996. The Russian translation will be distributed shortly.

We also confirm in appendix 1 to this letter the current schedule of visits being undertaken by our Team Leader, Regional Coordinator, and key experts as already advised by fax dated 9 July 96.

Yours faithfully
for SCOTT WILSON KIRKPATRICK & CO LTD



Brian Empringham
Project Coordinator

APPENDIX 1 - CURRENT VISIT SCHEDULE


A. Team Leader (Caucasus & Central Asia)

Date	Itinerary
18/07	Leave London GTW 0955 Arr Baku 2120.
19/07	Visit Nachevan and borders.
20-21/7	Visit borders and return to Baku.
22/7	Visit Baku Port.
23-24/7	Visit Georgian borders.
25/7	Visit Iranian borders and fly pm to Ashkabad.
26/7	Drive to Turkmenbashi and visit port.
27/7	Visit port and drive back to Ashkabad.
28/7	In Ashkabad.
29/7	Drive to Chardzhou via Iranian borders.
01/8	To Bukara via Uzbek rail border.
02/8	To Tashkent via Tadjik border near Samarkand.
3-4/8	In Tashkent.
30/7	Chardzou border posts.
5/8	To Osh via Tadjik and Krygh borders.
6/8	From Osh to Tashkent.
7/8	To Almaty.
8-11/8	In Almaty.
12/8	To Dushambe.
13-14/8	To Leninblad and northern crossings.
15/8	To Dushambe and Almaty.
16-19/8	In Almaty.
20/8	To Aktau.
22/8	In Aktau.
23/8	From Aktau to Almaty.
24/8	In Almaty.
25-30/8	To Bishkek (by foot).
31/8	To Kazak borders round Bishkek.
01/9	To Osh by road.
2-3/9	Inspect Kyrgh southern borders.
4/9	To Almaty and fly to London pm.

B. Regional Coordinator & Key Experts (Central Asia)

Date	Itinerary
15 July	Fly to Ashkabad
16/17 July	Ashkabad
18 July	To Turkmenbashi
19 July	To Chardzhou
20 July	Bukara
21 July	To Tashkent
22-24 July	Tashkent
25-27 July	Almaty
28 July	To Bishkek
29-30 July	Bishkek
30 July	To Almaty
31 July	To Dushambe
1 Aug	Dushambe
2 Aug	To Almaty
3 Aug	Almaty
4 Aug	To Druzbha, Chinese border
5 Aug	To Khorguz, Chinese border
6 Aug	To Almaty
7/8 Aug	Almaty
9 Aug	To London

FORM 1.2 REPORT COVER PAGE

Project Title	:	TRACECA Project:	Trade Facilitation, Customs Procedures and Freight Forwarding
Project Number	:	TNREG 9308	
Countries	:	Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan	
		NTTF Chairman	EC Consultant
Name	:	Scott Wilson Kirkpatrick	
Address	:	Scott House Basing View Basingstoke Hants RG21 4JG	
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Contract Person	:	B Empringham	
Signatures	:		

Date of Report: July 1996

Reporting Period: April through June 1996

Author of Report: B Empringham/A Bayley

EC M & E team	_____	_____	_____
	[name]	[signature]	[date]
EC Delegation	_____	_____	_____
	[name]	[signature]	[date]
TACIS Bureau (task manager)	_____	_____	_____
	[name]	[signature]	[date]

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1. PROJECT SYNOPSIS

Wider Objectives: To promote a transport corridor between Europe and the Caucasus /Central Asia through greater regional harmonisation and integration with international transport & trade practices.

Specific Project Objectives: To improve operational efficiency through the introduction of customs and trade documentation in accordance with UN and international standards and make recommendations on the requirements for modern data processing systems and the upgrading of customs facilities. Institutional arrangements will also be examined with a view to creating transport & trade associations and encouraging cooperation between customs authorities, freight forwarders and transport operators.

Outputs: The following outputs are targeted with the assistance of the NTTFs:

- a Customs Documentation Package containing proposals for a harmonised customs documentation system based on UN alignment.
- an International Trade Documents Package based on international conventions and world trade practices
- a Computer Systems Plan for the introduction of modern data processing technology in the customs environment including a feasibility study of the long term introduction of EDI systems
- a Customs Border Post Report with the results of detail surveys and recommendations for upgrading existing facilities
- an Implementation Report giving cost benefit analysis and implementation schedules for the introduction of transport & trade documents, computer systems, and border post improvements
- an Institutional Framework Plan for the development of Customs Consultative Council's, Customs Agents Associations, and Trade & Forwarder Associations including draft articles of association
- a Business Plan for a pilot multi-modal regional freight forwarding operation
- a Banking & Insurance Overview Report
- a Training Programme including workshops/seminars and visits to European facilities

Target Group: At the general level target groups will include both relevant ministries/customs authorities, and the state owned or privatised transport and forwarding industry. More specifically local expertise will be promoted through direct training and transfer of technology to counterpart staff in the NTTF's.

Inputs: Technical assistance will include 17 man months of long term experts and 323 man days of short term experts in different specialities. Training materials will also be provided and access arranged to European facilities for the purposes of the familiarisation mission. The involvement of a west European Freight Forwarder in the pilot study will be sought as an essential pre-requisite of seeking further funding for implementation of the pilot.

2. SUMMARY OF PROJECT PROGRESS

The Project Strategy of dividing the International Trade Task Force (ITTF) into two Action Teams was implemented, as indicated in the Inception Report. The tasks of the teams were to undertake:

- * An Extended Appraisal Mission (EAM);
- * A detailed appraisal of trade and customs documentation systems and procedures, including computerisation; and
- * the border inspection visits.

The EAM was undertaken in April-June and has been completed in all countries, except Turkmenistan.

The ITTF specialists visited the Caucasus region in April - June and have completed their initial analysis and data collection.

35 borders in seven of the eight countries have already been inspected and data collected.

All of the above work was completed on programme, with the assistance of NTTF personnel. The situation in Turkmenistan is being rectified by priority visits in July and arose due to logistical difficulties.

There have been significant changes in some of the National Trade Task Forces (NTTF) which have resulted in delays and extra costs. These have arisen due to non-availability or non-performance by local specialists. It is hoped that this situation has now been resolved and future changes will be minimal.

Initial indications are that most documentation systems are similar, but not all to international standard. A particular concern is the differences in transit documentation, which could affect the performance of the TRACECA corridor. A standardised transit system is a priority.

Customs procedures are broadly similar with concentration of customs clearances away from the border towards the points of demand, though there are exceptions. There are indications of irregularities and control problems in all countries.

Computerisation of Customs is at an early stage, though Armenia has recently gone "on-line" with ASYCUDA. However, all countries are in the process of assessment of systems or detailed feasibility studies.

The Familiarisation Tour took place in England in late June with 23 specialists in attendance. This was followed by the 1st Regional Conference which consisted of presentations and workshops discussing various trade, customs, forwarding and institutional issues.

Liaison has been maintained with other TRACECA projects.

3. SUMMARY OF PROJECT PLANNING

The following tasks will be completed within the next planning period (July-September):

- * The ITTF experts will visit the Central Asian Republics to complete their detailed appraisal of trade and customs documentation, customs procedures and computerisation;
- * The Team Leader will complete the visits to the border posts. It is estimated that approximately 20 remain to be inspected; and
- * The first outputs (deliverables) will be provided. These will consist of the Customs Documentation Package, the International Trade Documents Package, the Computer Systems Plan and the Customs Border Post report.

The 2nd Regional Conference is scheduled for the 21-25 October in Tashkent, but is subject to finalisation. The objectives of the conference will be to agree recommendations on trade and customs documentation and procedures, including where appropriate making recommendations to the TRACECA Legal and Regulatory Framework Project (TNREG 9306) and other relevant organisations where interfaces exist. It will also have emphasis on freight forwarding as the project moves from the Customs prioritisation into the forwarding prioritisation. In particular, between the 2nd Regional Conference and completion of the contract the project will concentrate on:

- * Institutional Issues - formation of Customs Consultative Committees and Trade and Forwarder Associations; and
- * Development of freight forwarding through production of a Business Plan for a regional forwarding activity.

The initial outputs indicated in above are considered to be "live" documents and will need re-evaluating and up-dating as conditions change or additional data becomes available. The final report will contain up-dated versions to reflect the current conditions applicable on completion of the project.

The Consultants have been requested to assist in the formation of a special Task Force to assist in the movement of Uzbek cotton along the TRACECA route. ITTF specialists would be assigned on a part-time basis with additional resources as required. This project extension would provide practical experience in using the corridor and identifying the logistical and procedure constraints but would not affect the overall scheduling of the study which remains as per that outlined in the Inception Report.

4. PROJECT PROGRESS

PROJECT STRATEGY

The Inception Report identified the logistical problems of undertaking the data collection phase of the project in all eight countries simultaneously. The main difficulty related to limited air transport, both between the Caucasus and Central Asia regions and inter-region. This resulted in a need to adopt a new operational strategy to ensure that the project objectives were achieved. The main changes consisted of an Extended Appraisal Mission (EAM) and the division of the International Task Force (ITTF) into two operating teams.

The two long term staff - the Team Leader and the Regional Coordinator - undertook the EAM in the Caucasus region in April-May. The principle objectives were as follows:

- * to mobilise the National Task Forces (NTTF) in each country;
- * to collect initial information on customs procedures and the freight forwarding industry;
- * to commence the border inspections; and
- * to prepare for the visit of the short term specialists.

As indicated in the Inception Report, the ITTF was then split into the two teams during May-June. The Team Leader continued the EAM into the Central Asian region, with the same objectives as above. The Regional Coordinator led the team of short term ITTF experts on the visits to the Caucasus. Their principle objectives were as follows:

- * to complete the collection and appraisal of customs and trade documentation;
- * to confirm the customs clearance procedures;
- * to examine the current levels of computerisation within the Customs and its operational use;
- * to identify the possible use of EDI in both customs and forwarding work;
- * to examine the institutional environment of the customs and forwarding organisations; and
- * to collect information on banking and insurance documentation in relation to trade facilitation;

All of the above was completed as programmed with our NTTF teams in support. The one exception was Turkmenistan, where due to the logistical problems it was not possible to mobilise the NTTF during April/May. Priority has been given to this in July. This late mobilisation will not affect the overall programme.

The emphasis during the first part of the project has been on customs-related activities. Both teams have concentrated on the customs aspects and actively involved the Customs experts in the NTTF teams. This strategy was adopted because the Customs recommendations are more complex, are expected to take longer to implement, and may require changes in legislation. Appropriate

recommendations will be provided to the TRACECA Legal and Regulatory Framework Project (TELREG 9306) as soon as possible.

The Consultants reconfirm their commitment to a practical approach to the project. This will ensure that the recommendations are relevant to the specific trade and transport environments in each of the countries, involve the active participation of the recipients through the NTTFs and that potential solutions are evaluated through on-site discussions. The ITTF teams have travelled over 15,000 kms by road in the reporting period and now have a good understanding of the current trade facilitation situation on most of the TRACECA corridor. The remainder of the route will be completed in the next reporting period. The parts of the TRACECA route already covered are shown in Fig 1.

The other main activity undertaken in the reporting period was the Familiarisation Tour and Conference. The NTTF teams started arriving on the 21st June. The Familiarisation Tour commenced on the 24th June and was complete on the 29th June. The Conference commenced on the 1st and was completed on the 3rd July and delegates returned to the region by the 6th July. The itinerary for the UK study tour/conference is included in Appendix 2 with the results summarised in Appendix 3.

TASKS PERFORMED

Mobilisation of NTTFs (Activity 1)

The National Trade Task Forces were mobilised as follows:

April: Armenia, Georgia, Azerbaijan
May: Kazakhstan, Tadjikistan
June: Uzbekistan, Kryghyzstan, Turkmenistan (in UK)

This consisted of discussions on the contents of the Inception Report and confirmation of the project objectives. In most cases the NTTF met for the first time as a team and their role and level of commitment was outlined.

It is regretted that it has been necessary to make significant changes to the NTTFs between publication of the Inception Report and physical mobilisation. This consists of confirmation of three proposed nominees but also eight replacements, representing almost 30% of the National Teams.

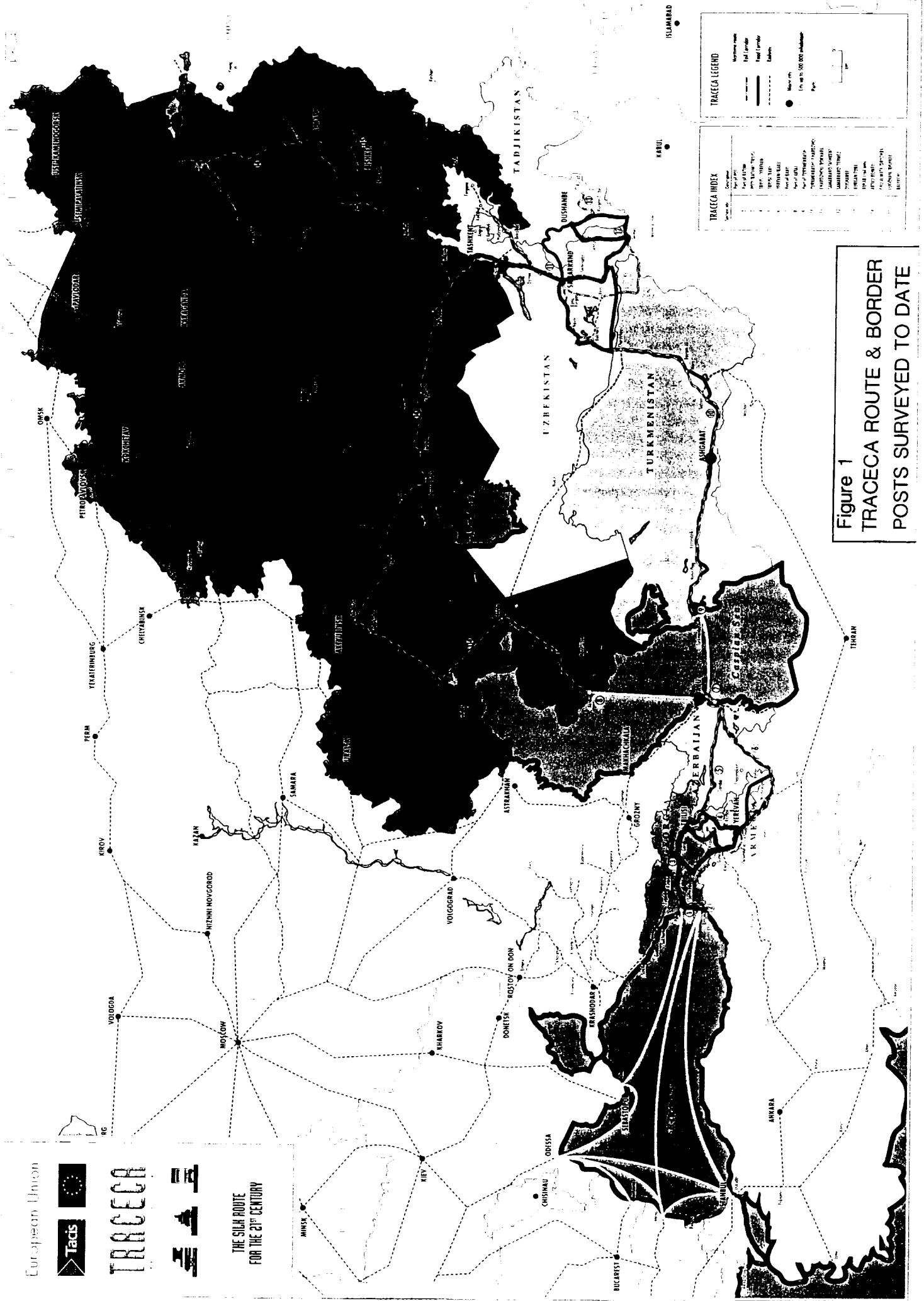
It is a cause for concern that these changes have been forced on the project due to non-availability, changes in duties or non-performance. The Consultants have not been responsible for the change of personnel. It was recognised that some changes would be inevitable during the course of the overall project, but not on this scale or within the initial period. This has resulted in delays in undertaking some of the fieldwork and wasted some travel expenditure.

A further concern is that the inability to provide a stable NTTF may be considered as a reflection by that country, or the relevant authorities within it, of their commitment to TRACECA as a whole. It is hoped that some stability of the NTTF may now be possible as further changes will affect the results achieved. The current members of the NTTFs are shown in Appendix 1.

European Union
Tads

TRACECA
TRACECA

THE SILK ROUTE
FOR THE 21ST CENTURY



TRACECA INDEX

Symbol	Description
○	Capital city
●	Other cities
○	Border posts
○	Border posts (to be surveyed)
○	Border posts (to be surveyed in 2000)
○	Border posts (to be surveyed in 2001)
○	Border posts (to be surveyed in 2002)
○	Border posts (to be surveyed in 2003)
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○	Border posts (to be surveyed in 2020)
○	Border posts (to be surveyed in 2021)
○	Border posts (to be surveyed in 2022)
○	Border posts (to be surveyed in 2023)
○	Border posts (to be surveyed in 2024)
○	Border posts (to be surveyed in 2025)

TRACECA LEGEND

Symbol	Description
○	Capital city
●	Other cities
○	Border posts
○	Border posts (to be surveyed)
○	Border posts (to be surveyed in 2000)
○	Border posts (to be surveyed in 2001)
○	Border posts (to be surveyed in 2002)
○	Border posts (to be surveyed in 2003)
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○	Border posts (to be surveyed in 2020)
○	Border posts (to be surveyed in 2021)
○	Border posts (to be surveyed in 2022)
○	Border posts (to be surveyed in 2023)
○	Border posts (to be surveyed in 2024)
○	Border posts (to be surveyed in 2025)

Figure 1
TRACECA ROUTE & BORDER
POSTS SURVEYED TO DATE

Documentation (Activities 2-4)

Customs and Trade documentation has been collected in seven countries, with the assistance of the NTTF teams. These consists of sample sets of:

- * import documents
- * export documents
- * transit documents
- * additional certificates - quality, veterinary, health, etc
- * certificates of origin
- * TIR, CMR and road/rail consignment notes
- * banking and insurance documentation
- * Customs transfer slips and receipts.

These indicate that there is a similarity in much of the Trade and Customs documentation but they are not identical and do not all fully conform with international standards. The exception to this is transit documentation where there are significant variances which effect performance. There is a clear need for a single transit documentation system. However, the overall level of similarity would suggest that a transfer over to an international system should be possible without major investment or extensive training.

An initial appraisal of the banking and insurance aspects relating to Trade Facilitation has identified certain constraints, particularly in the area of bank guarantees and customs bonding.

The member states reconfirmed their desire to move towards a harmonised international system. Indications are that English should be considered as one of the languages on harmonised trade and customs documentation.

Customs Procedures (Activities 2-5)

Initial information was collected on customs procedures relating to:

- * border crossings
- * import/export clearance at regional level
- * transit and transfer traffics

during the course of the EAM. This has been followed by a more detailed site evaluation by the ITTF experts in the Caucasus region.

The Consultants have identified variations in procedures both between countries and within the country, particularly between the large and small border control points. In general there is a trend, as in Europe, for the border posts to act as control points and for the actual clearance to be undertaken closer to the centres of demand - regional Customs centres. However, this strategy is not consistent, with at least one country opting to increase border clearances.

These differences in procedures and documentation and their interpretation creates an environment where irregularities and unofficial payments occur. The following formulae applies almost worldwide:

- * Low paid staff + complex documentation and procedures =
traffic delays and irregular payments

This situation applies, to a greater or lesser extent, in all eight countries and is perceived both internally and externally as a trade facilitation problem. The project seeks ways of breaking the formulae by simplification of documentation and procedures.

Customs Computerisation (Activities 6,8,9)

Some initial information on the use of computerisation within Customs was undertaken on the EAM but the main assessments have been undertaken by the ITTF Computer Expert. He visited the Caucasus in April/May.

Armenia is in the process of installing the ASYCUDA customs computerisation system with the assistance of UNCTAD. The head office and main regional office went live in May and are currently undergoing performance assessment. It is planned to extend the network to the other three regional offices later this year and possibly include certain border crossings.

Georgia has an ASYCUDA assessment team undertaking the preliminary design work. It is not anticipated that the system will be installed and become live until 1997.

Azerbaijan have no formalised plans to install a computer clearance system but are assessing the possibility of using the ASYCUDA system.

In all three Caucasian countries and in Central Asia computers are used within Customs for word processing and statistical functions. The major constraints to development of networks and EDI are the reliability of power supplies and the quality of the telephone network. As expected the reliability of services decreases away from the main centres of population. The concern is that most border crossings in the region are significant distances from centres of population. This will make it difficult to place the border control points "on-line" and the systems architecture will have to address this constraint.

Border Post Inspection (Activity 7)

The border post inspection was started during the EAM. This is because it was realised that this task would take longer than originally forecast due to:

- * the distances from the capital and accessibility of these border control points;
- * demands by certain recipients to inspect all border facilities: and

- * the need to visit non-TRACECA control points to enable the TRACECA crossings to be appraised in the context of the national crossings, rather than in isolation.

35 road and rail border control points have already been visited in 7 countries involving over 15,000 kms road transit. All visits have been made with a member of the NTTF, usually the Customs expert. These crossings are distant from airports and therefore involve extensive road journeys, with disproportionately high long distance travelling costs. However, such visits are considered to be essential in order to understand the environment and appreciate the everyday problems which need to be addressed by the project.

There is a significant difference in facilities, from large modern complexes to temporary huts without power or communications. In general, there are minimal delays - less than one hour. The only delays on the TRACECA route so far identified are on the Uzbekistan/Kazakhstan and Uzbekistan/Turkmenistan borders. This is being addressed by investment in new facilities.

Although document processing times were only 15-20 minutes per entry, this will be too long if the corridor is to be a success. Growth in volumes arising from economic development in the various countries will inevitably result in border delays unless the current procedures are simplified.

The border crossings are not perceived as an integrated process. Up to nine different organisations can be present at the borders. As a result though the processing time of each party may be reasonable the overall time for transporters to effect a border crossing is increased resulting in extra costs. This is predominantly a road problem as rail procedures in general do not delay freight trains.

There is also concern at the levels and targeting of non-customs payments made at crossing points - road user charges, environmental charge, insurance, policing, convoy etc. These increase the overall cost of transport, especially of transit movements, and act as a disincentive to use of third party road transporters even when local alternatives are not available.

Familiarisation Tour and Conference (Activity 13)

The Familiarisation Tour and Conference were available to all members of the NTTFs. It was appreciated that 23 out of the 24 NTTF Chairman and experts attended. It should be noted that there are significant difficulties in arranging such visits overseas, principally ensuring that all attendees have their own exit visas, entry visas to the European countries and airline tickets. We are aware that other TRACECA projects have incurred similar problems due to the lack of presence of their own personnel in each country and limited consular services.

The Familiarisation Tour was designed to enable the NTTF members to identify trade facilitation and forwarding trends in a developed transport environment. The objective was not to recommend duplication in their own countries but to identify areas of potential opportunity which could be further explored. The visit programme covered express/premium freight, airfreight, inland customs depots, multi-modal depots and forwarding, ferry and container operations and clearances and international rail operations.

It was recognised that the tour would be intensive and no free time was allowed, as has been allowed on some other TRACECA projects. It is the consultants view that these are working visits which should be conducted in the manner of familiarisation visits by recipients from other developed commercial environments, such as visitors from the US, Japan or Europe.

The Conference consisted of a series of presentations on various aspects of the project. Following the presentations, the NTTF personnel were divided into working groups to discuss the presentation in the context of their own experience and requirements. The results were reported back to the ITTF at the end of each session. The objective was to enable the NTTF to have a positive input to the direction of the project and to develop a "wish list" of aspects which they believe that the project should resolve. The second conference will focus on firming up on these proposals.

The technique of using workshops with a facilitator was new to most participants. It was agreed that this methodology had increased the understanding of the participants and developed a team approach to the solution of problems. It is hoped that the development of the relationships established at the Conference will continue with inter-regional contacts.

The itinerary for the UK Study Tour and Conference is shown in Appendix 2 with the results summarised in Appendix 3.

Liaison with other TRACECA Projects

The ITTF and the Project Coordinator have attempted to liaise with other TRACECA projects. This has only been achieved with limited success due to lack of information on the presence of other teams. Another problem has been that TACIS CU are not always making teams aware of the presence of others, possibly because they assume that they are aware of each others presence. The opening of a TRACECA liaison office in region should assist.

It is recognised that such liaison is difficult given the need to cover all eight countries and retain flexibility of travel. This project has had meetings with the following other TRACECA teams during the reporting period:

- 1 Road Vehicle Spare Parts
- 3 Road Transport Services (Caucasus)
- 4 Intermodal Transport
- 5 Human Resources
- 6 Regional Traffic Forecasting Model
- 7 Transport Legal and Regulatory Framework
- 8 Implementation of Pavement Management Systems
- 9 Human Resources - Maritime Training
- 13 Road Transport Services (Central Asia)

In general, these meetings so far have been of limited benefit. This is because the methodology used for this project involves extensive travel in region and a thorough appreciation of the environment. Most other projects have tended to adopt a more centralised philosophy. The result is that this project is currently providing a one-way data flow with limited additional information being provided by

other teams. However, in the interests of TRACECA as a whole, high levels of liaison will continue wherever possible.

DEVIATIONS FROM INCEPTION REPORT PLANS

The project has been undertaken as per the Inception Report with the following deviations:

- * Turkmenistan was not visited in the initial reporting period due to logistical problems and the extra time being required to re-appoint NTTF teams in other countries and to make travel arrangements for the Familiarisation visit. Priority is being given to visiting Turkmenistan in the next period.
- * The two region strategy outlined in the Inception Report will result in a delay in the production of the initial outputs - Customs Documentation Package and Customs Border Post Reports as shown in Form 2.4 - Output Performance Report. This is because the complete data will not have been collected until late August. These reports will now be completed and issued in September. The July completion dates indicated in the tables of the Inception Report did not take account of the adjusted operating strategy of covering one region before the other as indicated in the text. Data from the Caucasus is almost completed but the reports should be for the whole of the region before they are issued. Neither of these deviations will affect the overall timing of the project or its implementation.

REPORT FORMS

Progress Report (Form 2.2), Resource Utilisation Report (Form 2.3), and Output Performance Report (Form 2.4) are included at the end of this section and we comment as follows:

- * Resource utilisation for ITTF staff was 11.5 man months compared to 16.0 man months planned. Delays in mobilising the NTTFs, referred to in Activity 1 above, plus the "two region" approach to data collection and analysis resulted in our key experts visiting the Caucasus only in the reporting period with the UK Study Tour and Regional Conference being delayed from May to the end of June and the visit by our key experts to Central Asia being rescheduled to July/August. However we do not anticipate any overall delays to the project programme.
- * Resource utilisation for NTTF staff and interpreters was 26 man months compared to 61 man months planned. Again this was influenced by the problems in mobilising the NTTFs referred to previously but, in addition, we took a conscious decision to restrict NTTF input until the project was sufficiently advanced to allow more focussed participation and achieve optimum results. The NTTF man month budget also included a Transport and Trade Expert and Interpreter permanently attached to the Regional Sub Unit in Tblisi. We deferred these appointments until mobilisation of the NTTFs and the regional tours were more advanced and now anticipate making these appointments in August.

FORM 2.2: PROJECT PROGRESS REPORT

Project title: TRACECA: Trade Facilitation, Customs Procedures and Freight Forwarding		Project number: TNREG 9308		Countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan		Page: 1 of 1										
Planning Period: April through June 1996		Prepared on: July 1996		EC Consultant: Scott Wilson Kirkpatrick												
Project objectives: To facilitate trade throughout the TRACECA region by harmonising customs procedures, trade documents and data processing systems and encouraging freight forwarding.																
No	ACTIVITIES IMPLEMENTED	TIME FRAME 1996 months						INPUTS								
		January	February	March	April	May	June	Personnel EC Consultant		Personnel Counterpart		EQUIPMENT AND MATERIALS		OTHER		
								Planned	Utilised	Planned	Utilised	Planned	Utilised	Planned	Utilised	
1	Appoint NTTFs			xxxxxxxx	xxxxxx	xxxxxx	xxxxxx	2.0	1.0	0.5	1.0					
2	Collect customs documentation			xxxxxxxx	xxxxxx	xxxxxx	xxxxxx	4.0	1.5	24.0	2.0					
3	Compare documents with UN documents			xxxxxx	xxxxxx	xxxxxx	xxxxxx	2.0	0.5	8.0	0					
4	Develop trade package			xxxxxx	xxxxxx	xxxxxx	xxxxxx	0.5	1.0	0	1.0					
5	Develop customs councils			xxxxxx	xxxxxx	xxxxxx	xxxxxx	1.0	0	1.0	0					
6	Computerisation study			xxxxxx	xxxxxx	xxxxxx	xxxxxx	1.5	1.5	1.0	2.0					
7	Audit border posts			xxxxxxxx	xxxxxx	xxxxxx	xxxxxx	3.0	2.0	16.0	6.0					
8	Evaluation of EDI			xxxxxx	xxxxxx	xxxxxx	xxxxxx	0	0.5	0.5	0					
9	Appraise statistical systems			xxxxxx	xxxxxx	xxxxxx	xxxxxx	1.0	0.5	1.0	1.0					
10	Evaluate forwarding industry			xxxxxxxx	xxxxxx	xxxxxx	xxxxxx	0	0.5	0	1.0					
11	Cost benefit analysis							0	0	0	0					
12	Develop business plan							0	0	0	0					
13	Train NTTF staff			xxxxxx	xxxxxx	xxxxxx	xxxxxx	0.5	2.0	6.0	12.0					
14	Develop trade & forwarding associations							0	0	0	0					
15	Evaluate bank and insurance documentation			xxxxxx	xxxxxx	xxxxxx	xxxxxx	0.5	0.5	3.0	0					
		TOTAL						16.0	11.5	61.0	26.0					

FORM 2.3: RESOURCE UTILISATION REPORT

Project title: TRACECA: Trade Facilitation, Customs Procedures and Freight Forwarding	Project number: TNREG9308	Countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan	Page: 1 of 1		
Planning Period: April through June 1996	Prepared on: July 1996	EC Consultant: Scott Wilson Kirkpatric			
Project objectives: To facilitate trade throughout the TRACECA region by harmonising customs procedures, trade documents and data processing systems and encouraging freight forwarding.					
RESOURCES/INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD REALISED	TOTAL REALISED	AVAILABLE FOR REMAINDER
PERSONNEL					
ITTF staff	31.5 work months	16 work months	11.5 work months	11.5 work months	20.0 work months
NTTF Staff and Interpreters	121.5 work months	61 work months	26.0 work months	26.0 work months	95.5 work months
Sub-total	153.0 work months	77 work months	37.5 work months	37.5 work months	115.5 work months
EQUIPMENT & MATERIAL					
TOTAL	153.0 work months	77 work months	37.5 work months	37.5 work months	115.5 work months

FORM 2.4: OUTPUT PERFORMANCE REPORT

Project title: TRACECA: Trade Facilitation, Customs Procedures and Freight Forwarding	Project number: TNREG 9308	Countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan	Page: 1 of 1
Planning Period: April through June 1996	Prepared on: July 1996	EC Consultant: Scott Wilson Kirkpatrick	
Output results	Deviation original plan + or -	Reason for deviation	Comment on constraints & assumptions
1. Appraisal visits and establishment of NTTF	+100%	- Institutional problems in mobilizing Turkmenistan NTTF solved during UK Study Tour / Conference - Continuing problems in Azerbaijan under review	NTTF generally supportive and noticeable improvement in cooperation since UK Study Tour / Conference
2. Customs documentation package	+75%	Delayed to September 1996 due to operating strategy of two regions	Documents generally available
3. International trade documents package ²	on target		
4. Computer system plan & EDI feasibility	on target		Demand for standard systems is evident but power / telecoms will remain a problem
5. Customs border post report	+75%	Delayed to September 1996 due to operating strategy of two regions	Access generally OK except for Nachicevan
6. Implementation report	on target		Financial constraints remain to be tested
7. Institutional framework plan	on target		Demand for institutional development does exist
8. Business plan forwarding companies	on target		Conflicts of interest with National Transport Organisations still to be tested
9. Banking & insurance overview report	on target		Access to financial institutions still to be tested
10. Training programme	on going		UK Study Tour / Conference of particular value

5. PROJECT PLANNING

PROJECT STRATEGY

The project strategy to be undertaken within the next three months is as indicated within the Inception Report. This is as follows:

- * Complete the visits by the ITTF experts to Central Asia;
- * Complete the border inspection visits; and
- * Compile the deliverable reports.

PROJECT ACTIVITIES

Visit Programme

The ITTF experts leave for on the 15th July for Turkmenistan and then on to Central Asia. Their main areas of concentration will be on:

- * Trade Documentation;
- * Customs Computer Systems;
- * Customs Procedures; and
- * Institutional issues relating to Trade and Customs.

The site visits will be completed by mid-August.

The Team Leader will commence the remainder of the border inspection visits with Azerbaijan, which was delayed due to non-availability of Customs personnel. He will then cross over into Central Asia in late July and complete the visit early September. It is estimated that another 30 borders will need to be inspected.

During the visit programme, initial assessments will be undertaken of the aspects to be addressed in the second half of the project:

- * Institutional Aspects - Customs Consultative Councils and Trade and Forwarder Associations; and
- * Freight Forwarding Business Plan.

Deliverables

The reports will be compiled during September for production at the end of the month. This applies to the following reports:

- * Customs Documentation Package;
- * International Trade Documentation Package;
- * Customs System Plan;
- * Customs Border Post Report;

All these reports are expected to be substantial documents and consideration will be given as to presentation format for use by both specialists and non-specialists.

Liaison

Liaison with the other TRACECA projects will be maintained, particularly with those who have overlapping responsibilities. The following projects also have either institutional or pilot projects which cover similar areas of transport:

- * Multi-Modal (TELEREG 9201); and
- * Road Transport services - Caucasus and Central Asia.

Information on the teams location and visit programme will be supplied to both EU in Brussels, the regional TRACECA CU and the relevant TACIS CU. However, all visits will be subject to change as it is essential to maintain flexibility given the logistical problems incurred in such programmes.

Regional Conference

Arrangements for the 2nd Conference will commence late in the reporting period. It is intended that this conference will be located in Tashkent in late October. The ITTF have been requested by TRACECA to participate in the Tashkent Automobile and Road Construction Symposium on 15-17 October 1996. It would therefore be logical to commence the Trade Facilitation Conference on the 21st October when experts are still in-country. However, further details will be circulated closer to the time.

The main objectives of the conference will be to develop recommendations for change based on:

- * "wish" list developed at 1st Conference: and
- * deliverable reports

The results will be formally agreed and passed on to the TRACECA Legal and Regulatory framework Project (TELREG 9306) for their consideration and be integrated into the Trade Facilitation Project recommendations.

The second part of the conference will concentrate on international multi-modal forwarding issues and details of the pilot study to be undertaken. Specialist forwarding presenters will be provided.

Regional Involvement

The members of the International Trade Task Force (ITTF) will continue to work closely with the National Trade Task Forces (NTTF) in each country. All NTTF staff will be involved throughout the reporting period in data collection and checking or in connection with the visit programme. The Consultants are aware of the need to maintain the active participation of NTTF staff although this is sometimes difficult when the ITTF are not physically present in specific countries.

The consultants intend to build on the spirit of regional unity developed at the 1st Conference and to encourage regional coordination and cooperation as far as possible.

Uzbekistan Cotton Special Task Force

The Consultants have been requested to provide Technical Assistance by membership of the above Task force as an extension of this project. This will not affect the content or timing of the project as set out in the Inception Report. It will provide practical experience transportation along the TRACECA corridor on which to base future recommendations. It is proposed to utilise the services of the Team Leader and Regional Co-ordinator with additional resources as required. A formal proposal has been submitted to the EU in respect of this programme.

Report Form

Our Plan of Operation for the Next Period (Form 1.6) is included at the end of this section and reflects:

- * the completion of field visits by our key experts and the issue of deliverables related to customs and trade documents, computer systems and border post surveys by the end of September;
- * a move towards institutional issues and the freight forwarding pilot study from October 1996 onwards.

Form 1.6. PLAN OF OPERATIONS FOR THE NEXT PERIOD (Work programme)

Project title : TRACECA Project: Trade Facilitation, Customs Procedures and Freight Forwarding		Project number : TNREG 9308	Countries : Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan		Page : 1 of 1										
Planning period : July through October 1996		Prepared on : July 1996		EC Consultant : Scott Wilson Kirkpatrick											
Project objectives : To facilitate trade throughout the TRACECA region by harmonising customs procedures, trade documents and data processing systems and encouraging freight forwarding.															
No	ACTIVITIES	TIME FRAME												INPUTS	
		1996 (months)													
		July	August	September	October	November	December	PERSONNEL		EQUIPMENT AND MATERIAL	OTHER				
								EC Consultant	Counterpart						
1	Appoint NTTFs		xxxx	xxxx				0	0						
2	Collect customs documentation	xxxx	xxxx	xxxx				1.0	16.0						
3	Compare documents with UN documents	xxxx	xxxx	xxxx				1.0	0						
4	Develop trade package	xxxx	xxxx	xxxx				1.0	4.0						
5	Develop customs councils	xxxx	xxxx		xxxx			1.0	4.0						
6	Computerisation study	xxxx	xxxx	xxxx				0.5	2.0						
7	Audit border posts	xxxx	xxxx	xxxx				1.5	16.0						
8	Evaluation of EDI	xxxx	xxxx	xxxx				0.5	0						
9	Appraise statistical systems	xxxx	xxxx	xxxx				0.5	4.0						
10	Evaluate forwarding industry	xxxx	xxxx		xxxx			1.0	8.0						
11	Cost benefit analysis			xxxx	xxxx			0.5	0						
12	Develop business plan				xxxx			1.0	0						
13	Train NTTF staff	xxxx	xxxx	xxxx	xxxx			2.0	16.0						
14	Develop trade & forwarding associations	xxxx	xxxx		xxxx			1.0	0						
15	Evaluate bank and insurance documentation	xxxx	xxxx	xxxx	xxxx			0.5	2.0						
TOTAL man months								13.0	72.0						

Appendix **1**

List of NTTF Personnel

Appendix 1 – LIST OF NTTF PERSONNEL

Country	Chairman	Freight Forwarding Expert	Customs Expert
Armenia	Mr Karen Chshmaritian Head of Foreign Trade Dept – Ministry of Trade, Services, & Tourism Tel: (3742) 538288 Fax: (3742) 538321	Mr Gagik Kocharyan Head of Dept. of Foreign Trade Policy – Ministry of Trade, Services, & Tourism Tel: (3742) 538024 Fax: (3742) 538321	Mr Grigor Melkumian Vice Chairman – Department of Customs Tel: (3742) 226515 Fax: (3742) 269325
Azerbaijan	Mr Iqram Sadykhov Head of Department of Transport & Communications Tel: (99412) 821141/982686 Fax: c/o TACIS Unit – (99412) 937638	Mr Ramiz Abdulragimov General Manager Transport – Export Expedition Company	Mr Rauf Aliev Chief Inspector – Customs Tel: (99412) 388563(o) 393782(h)
Georgia	Mr Guram Dolbaya Deputy Chairman – Transport Coordination Council Tel: (99532) 957892 Fax: (99532) 952527	Mr Ramaz Giorgadze Head of Economic Department – Transport Coordination Council Tel: (99532) 994706(o) 395393(h)	Mr David Nikolaishvili Chief Inspector – Customs Department Tel: (99532) 380747(o) 740748(h)
Kazakhstan	Mr Khairat Karibjanov Head of Law Department – Ministry of Transport & Communications Tel: (73272) 391853 Fax: (73272) 393255	Mr Eduard Kaplan Director – Transsistema Haulage Co. Tel: (73272) 424847/421365 Fax: (73272) 424847	Mr Yuri Chukhrai Head of Supply Control Dept. – Customs Committee Tel: (73272) 395529(o) 644471(h)
Kyrgyzstan	Mr Sulaiman Zakirov Deputy Head of Government Dept. – Dept of Transport Communications Tel: (73312) 228233(o) 212552(h) Fax: (73312) 218627	Mr Victor Ilyin Deputy of Foreign Economic Relations – Ministry of Transport Tel: (73312) 263562/223985	Mrs Natalya Vorontsova Head of Law & International Relations – State Customs
Tadjikistan	Mr Izzatullo Negmatov Deputy Minister of Transport & Roads Tel: (73772) 210641/210127 Fax: (73772) 212003	Mr Abdurakhim Ashurov Deputy Managing Director, Dushanbe Vehicle Production Association – MOT Tel: (73772) 335844/336771	Mr Toir Oripov Head of International Relations – State Customs Committee Tel: (73772) 330195/336046 Fax: (73772) 349795
Turkmenistan	Mr Meret Yazberdiyev Head of Transport & Communications – Cabinet of Ministers Tel: (73632) 354615(o) 510267(h) Fax: (73632) 355112	Mr Akmurat Dzhumakuliev Deputy Director General – Turkmenvneshtrans Haulage Co. Tel: (73632) 323933/322003	Mr Victor Ivanovych Pavlichenko Head of Dept of Foreign Relations – State Customs Committee Tel: (73632) 470232
Uzbekistan	Mr Erkin M Juraev Deputy Head International Transp Dept Min. of Foreign Economic Relations Tel: (73712) 687630/687257 Fax: (73712) 687477	Mr Ilyhom Azizov Senior Container Haulage Expert Uzvneshtrans Tel: (73712) 687475/485614 Fax: (73712) 687337	Mr Abdourashid Issakhodjaev Head of International Relations – Central Customs Administration Tel: (73712) 761505(o) 489395(h) Fax/Tel: (73712) 768970

Common NTTF / NTF Chairmen

a:\nttf

Appendix 2

*UK Study Tour &
Conference Programme*

Appendix 2 – UK STUDY TOUR & CONFERENCE PROGRAMME – Page 1 of 3

Date	Itinerary
21 June	1. 0910 Kazakhstan delegation arrive LHR & transfer Red Lion Hotel Basingstoke 2. 0955 Turkmenistan delegation arrive LHR & transfer Red Lion Hotel Basingstoke 3. 1300 Lunch 4. 1400 visit SWK Head Office
22 June	5. 0930 Kazakhstan and Turkmenistan delegations depart Red Lion Hotel for Portsmouth Harbour tour, lunch en route, return to Red Lion Hotel flexible timing 6. 1400 Uzbekistan delegation arrive LHR & transfer Post House Hotel Basingstoke 7. 1400 Tajikistan delegation arrive LHR & transfer Red Lion Hotel Basingstoke 8. 1555 Kyrgyzstan delegation arrive LHR & transfer Post House Hotel Basingstoke 9. 2110 Georgian delegation arrive LHR & transfer Red Lion Hotel Basingstoke 10. 0155 (23 June) Azerbaijan delegation arrive LGW & transfer Post House Hotel Basingstoke
23 June	11. 1200 Reception & buffet lunch at Red Lion Hotel 1300 Depart Red Lion Hotel for tour of Beaulieu Palace House & National Motor Museum 1730 Return Red Lion & Post House hotels. Hotel arrival 1845 approx. 12. 2125 Armenian delegation arrive LHR & transfer Red Lion Hotel Basingstoke
24 June	13. 0900 Kyrgyzstan delegation & Mr Isakhodjaev transfer Red Lion Hotel 14. 0930 Depart Red Lion & Post House hotels for visit to Heathrow airport 1100 Assemble at Heathrow Airport Ltd base for greeting and light refreshments (Note: for operational reasons it will not be possible to interrupt this tour for lunch) 1200 Transfer DHL for tour of shed and explanation of customs procedures and relations between customs and parcel service company 1300 Tour of newly opened Plane Handling shed B549 1400 Tour cargo examination unit and decompression chamber 1445 Landside / airside cargo tour 1600 Return Red Lion & Post House hotels. Hotel arrival 1730 approx.
25 June	15. 0900 Check out Red Lion & Post House hotels for visit to Dartford Inland Clearance Depot 1100 Greeting & presentation in Davies Turner boardroom. Party will split into 3 groups as indicated in list of attendees and visit will include the following: – Vehicle / cargo booking in system – Cargo handling in-depot – Computer systems for trailers / containers – Customs clearance procedures / links to HM Customs – UK Transport / International Transport / Internal Feeders 1300 Buffet lunch 1400 Depart for Felixstowe. All check in to Brook Hotel with exception of Armenian delegation who will check in to nearby Waverley hotel. Hotel arrival 1500 approx.
26 June	16. 0900 Check out Brook & Waverley Hotels for visit to Felixstowe Port 0930 Presentation P&O Ferries and conducted tour of terminal 1100 Presentation of Port of Felixstowe systems in Tomline House training room covering port's container control/positioning system, ship planning, the Community System through which Forwarders & Clearing Agents link to customs, and customs procedures 1300 Buffet lunch 1400 Tour Port of Felixstowe including freight handling facilities and customs approved examination areas 1530 Depart for Basingstoke. All check in to Red Lion Hotel with exception of Uzbekistan & Azerbaijan delegation and Mrs Vorontsova who will check in to Post House Hotel. Hotel arrival 1900 approx.

Appendix 2 – UK STUDY TOUR & CONFERENCE PROGRAMME – Page 2 of 3

Date	Itinerary
27 June	17. 0800 Depart Red Lion & Post House hotels for visit to Willesden Euroterminal 1000 Greeting and introduction by Railfreight Distribution 1015 Presentation : – Commercial Role of Railfreight Distribution – Development of Channel Tunnel Inter-modal Services – Marketing / Sales Structure 1045 Presentation; – Terminal Operation – Computer Systems – Customs 1115 Tour of terminal 1230 Buffet lunch 18. 1330 Transfer HM Customs, Willesden Eurofreight Terminal – Introduction & presentation – Tour of customs facilities 1530 Return Red Lion and Post House hotels. Hotel arrival 1830 approx.
28 June	19. 0800 Check Out Red Lion & Post House hotels for visit to Inter City Trucks (Europe) Ltd. 1100 Assembly and introduction. Party will be split into 3 groups as indicated in list of delegates and visit will include the following: – Site tour including an opportunity to inspect equipment – Warehouse handling and storage procedures – Computer systems demonstration – Traffic Dept – Computer systems demonstration – Broking Dept 1230 Buffet lunch 20. 1330 Depart for visit to Eurotunnel 1400 Arrive Folkestone Exhibition Centre. Greeting and introduction followed by slide presentation on development and operation of tunnel 1545 Site tour including visit to Railway Control Centre, Traffic Control Centre, Euroscan building for Heavy Goods Vehicle Security clearance, Heavy Goods Vehicle loading point, tunnel portal and emergency siding, and Railfreight Distribution's freight siding 1700 Drive to Shakespeare Cliff and visit tunnel construction lower site and reclamation area 1800 Depart for Burlington Hotel Folkestone. Hotel arrival 1830 approx.
29 June	21. 1030 Check out Burlington Hotel and depart for Freight Transport Association Management Training College Tunbridge Wells 1200 Arrival, check in, and refreshments 1300 Transport to Tunbridge Wells for shopping trip 1700 Return to FTA College 1900 Reception and dinner
30 June	22. 0900 Depart FTA College for London sight seeing tour including a picnic lunch. Tour will include: – Buckingham Palace – Changing of the Guard – Houses of Parliament – Tower of London

Appendix 2 – UK STUDY TOUR & CONFERENCE PROGRAMME – Page 3 of 3

Date	Itinerary
1 July	<p>23. Conference Day 1</p> <p>0900 Seminar Opening by David C Green, Director General of FTA</p> <p>0915 Morning Session</p> <ul style="list-style-type: none"> – Introduction by Brian Empringham, Project Coordinator – Overview of TRACECA Trade Facilitation Project by Anthony Bayley, Team Leader & Trade Facilitation Expert – Interface with TRACECA Legal & Regulatory Framework Project by Mark Booker, Team Leader and Transport Law Expert <p>1300 Lunch</p> <p>1400 Afternoon Session</p> <ul style="list-style-type: none"> – Transport, Trade, and Customs Documentation presented by Dave Green, Documentation Expert, Freight Transport Association – Group workshops under supervision of Project Team
2 July	<p>24. Conference Day 2</p> <p>0930 Morning Session</p> <ul style="list-style-type: none"> – Customs Procedures presented by John Platt, Customs Expert, UK Customs – Group workshops under supervision of Project Team <p>1300 Lunch</p> <p>1400 Afternoon Session</p> <ul style="list-style-type: none"> – Role of Forwarding Associations presented by Brian Kelleher, President of FIATA – Role of Customs Consultative Councils & Associations presented by D Tyler, UK Customs – Group workshops under supervision of Project Team & guest speakers
3 July	<p>25. Conference Day 3</p> <p>0930 Morning Session</p> <ul style="list-style-type: none"> – Computer Systems & EDI presented by Alan Long, Computer Systems Expert, Maritime Cargo Processing Ltd. – Group workshops under supervision of Project Team <p>1300 Lunch</p> <p>1400 Afternoon Session</p> <ul style="list-style-type: none"> – International Logistics presented by Les Cheesman, Regional Coordinator and Transport Specialist – Group workshops under supervision of Project Team – Winding up session by A Bayley, Team Leader
4 July	<p>26. 0600 Turkmen delegation transfer LHR Terminal 2 for 0800 check in</p> <p>27. 0600 Kazakhstan delegation transfer LHR Terminal 2 for 0830 check in</p> <p>28. 0815 Azerbaijan delegation transfer LGW North Terminal for 0925 check in</p> <p>29. 1030 Armenian delegation transfer LHR Terminal 2 for 1230 check in</p> <p>30. 1000 Remaining delegations depart FTA for Red Lion Hotel Basingstoke. Hotel arrival 1230 approx.</p> <p>31. 1300 Lunch</p> <p>32. 1400 Visit SWK Head Office</p>
5 July	<p>33. 0900 Kyrgyzstan delegation transfer LHR Terminal 3 for 1030 check in</p> <p>34. 1000 Uzbekistan, Tajikistan, and Georgia delegates depart Red Lion Hotel for Portsmouth Harbour tour, lunch en route, return to Red Lion Hotel flexible timing</p> <p>35. 1900 Uzbekistan delegation transfer to LHR Terminal 2 for 2015 check in</p> <p>36. 1900 Tajikistan delegation transfer to LHR Terminal 2 for 2015 check in</p>
6 July	<p>37. 0700 Georgia delegation transfer to LHR Terminal 2 for 0830 check in</p>

Appendix 3

*Summary of UK Study Tour
& Conference*

APPENDIX 3

SUMMARY OF UK STUDY TOUR AND CONFERENCE

A - FAMILIARISATION TOUR

The objectives of the Familiarisation Tour were as follows:

- * to expose the NTTF specialists to new Customs and forwarding processes and procedures so as to promote new concepts and thinking by "seeing is believing";
- * to assist in developing a team approach prior to the workshops.

The following is an overall assessment of the visit programme.

London Heathrow (24th June)

The Familiarisation Tour commenced with an evaluation of the express and airfreight market. The objective was to understand the documentation, procedures and forwarding activities at the premium end of the international freight transport industry. This is important because trends seen in this sector have historically been later transferred down to the slower speed conventional freight market. The tour included an international express/parcel carrier, a standard airline transit shed activity, an airfreight forwarder and airport security facilities.

This tour identified three key features to the participants:

- * the basis of trust that exists between the UK Customs and the freight industry;
- * the extensive use of computerisation and EDI; and
- * paperless clearance systems in operation.

Dartford Container Terminal (25th June)

This visit combined the activities of a major international Freight Forwarder with that of an Inland Clearance Depot (ICD) operation. This visit was especially useful to the Forwarding and Customs specialists because of the similarities with conditions in the TRACECA region. The key points arising from the visit were similar to those at Heathrow but in a more familiar environment. However, it also enabled the participants to assess the professionalism and scale of operations of a multi-modal forwarder and see an ICD being successfully operated by the private sector without Customs in attendance.

Felixstowe Port (26th June)

This visit commenced with an inspection of a ro-ro terminal to understand the landside operations. This facility is a border control point and therefore the overall procedures are similar to those of a standard surface border crossing station in Europe. The vehicle checking and customs entry and clearance processes were demonstrated.

This was followed by a description of the port and customs computer systems and how they interfaced to offer their clients a comprehensive control and clearance system through EDI linkages. The systems architecture was explained with indications on usage and access, including Direct Trader Input (DTI).

A port tour showed how the technologies have changed for processing containerised cargoes, as opposed to the traditional conventional freight movements. This covered both ship handling and the road and rail interfaces. Similar changes are anticipated at Poti and in the TRACECA area as container cargoes increase.

Euroterminal (27th June)

This visit enabled the participants to see a multi-modal terminal in action processing international rail freight movements. This operation was similar to certain key terminals in Central Asia. It provided an opportunity for the Customs experts to discuss directly with fellow Customs officers how the simplification of procedures and standardisation of documentation assisted in their work.

Intercity Trucks (28th June)

This visit demonstrated the use of technology by an international carrier to give good operational control and enhance his performance. It also showed the trends of diversification by the major forwarders into warehousing and stock control to be able to offer an international integrated logistics package.

This was followed by a visit to the Channel Tunnel to see how the border procedures were operated. The participants were shown the X-ray and detection equipment for this specialised facility as well as the standard procedures.

It was clear that the key issues of the tour were:

- * the relationship between Customs and Forwarders based on mutual trust, backed by financial guarantees;
- * the extensive use of computers and EDI in the international freight environment; and
- * the professionalism of the freight forwarding industry.

These issues and the resulting discussions both on-site and afterwards demonstrated that the Familiarisation Tour had met its objectives.

B - WORKSHOPS

The objectives of the workshops were as follows:

- * to create a team approach to addressing issues and problems;
- * to obtain a clearer understanding of the issues by ensuring input from all the participants;
- * to enable the projects recipients to give focus to the issues to be addressed and how they should be approached; and
- * to provide training on the Trade Facilitation, Customs Procedures and Freight Forwarding.

The Conference was structured as follows:

- * a presentation by an expert;
- * division into working groups to discuss the issues raised in the presentation. This was achieved through structured questions and the use of facilitators; and
- * reporting back to the participants of the findings of each of the working groups.

The working groups were changed for each presentation and mixed on basis of expertise and nationality. This type of workshop ensures the fullest involvement of all the participants, development of a team approach and active discussion leading to a more comprehensive understanding of the issues.

The overall similarity of results from the groups enabled a consensus view to be reached on the majority of issues. This proves that a coordinated approach to resolving some of the problems of the TRACECA corridor is possible by use of joint regional forums.

The speakers were as follows:

Opening Address	David Green (Director General of the Freight Transport Association)
Introduction	Brian Empringham (Project Coordinator)
TRACECA Overview	Tony Bayley (Team Leader)
TRACECA Legal Project	Mark Booker (Team Leader)
Documentation	Dave Green (ITTF Specialist)

Freight Forwarding	Brian Kellaheer (President FIATA)
Customs Consultation	David Tyler (UK Customs)
Customs Procedures	John Platt (ITTF Specialist)
Customs Computerisation	Alan Short (IFFT Specialist)
International Logistics	Brian Cheesman (Regional Coordinator)

The TRACECA Overview paper describing the current situation of the corridor and identifying the Trade Facilitation problems and project progress is included in Appendix 3. The Technical papers are available on request.

The main results of the workshops were the views expressed by the participants in response to questions arising from the Technical Presentations. These were the opinions of the groups and do not represent the official policy of any of the countries in the region at this stage.

The key responses to these papers were as follows:

Documentation

- * Standardisation of documentation would bring benefits for traders and Government departments.
- * Data elements and codes could be standardised and simplification of procedures would reduce border delays.
- * The key documents are the Cargo Declaration and the CMR/CIR note.
- * A single transit system covering the eight countries was possible.
- * The TIR system should be the transit system but a Community Transit system should be considered as an alternative.
- * There was overall concern that the domestic banking system could provide the necessary guarantees to enable a Transit system to operate effectively.
- * There was agreement that the Customs would probably accept such a transit system based on guarantees.
- * Trade Associations were needed in the Region.
- * To develop these associations would require Technical Assistance, legal support and funding.

- * These organisations should represent their members, provide training and promote change.
- * If documentation is standardised into two languages then English should be one of those languages. There were differing views as to whether the other language should be Russian or the local language, with a majority in favour of international documentation being in English and Russian.

Freight Forwarding

- * A Freight Forwarding Association was required to present a single effective voice, exchange information and provide training.
- * National legislation was not a barrier to the establishment of associations but Articles of Association would be required.
- * There was a confused response as to whether forwarders or customs brokers needed to be licensed, but all would be required to be registered.
- * It was believed that most forwarders would join such as association but differential fees were required to encourage smaller operators to join. Internal funding for secretariats should be available
- * If an Association were formed, it should join FIATA.

Customs Consultative Councils

- * Some consultation did exist but this was mainly between Customs and Government departments, rather than with the trade. The existing Tariff Committees could form the basis of a Consultative Council.
- * Ministries, Freight Forwarders, Carriers, consumer organisations and Customs should have representation.
- * A Council could influence policy by acting as a link between Government and Commerce.
- * The composition of the Council should include senior persons with influence and authority but should be dominated by experienced professionals.

Customs Procedures

- * The principle roles of Customs are to collect revenue and prevent trade in prohibited goods. Ancillary roles were protecting and stimulating trade and enforcing legislation.

- * The principles of Customs control in the region are the same but there are appreciable variations in practice/implementation.
- * Governments tend to dictate the controls procedures with the Trade being expected to respond.
- * Current controls are considered effective in that they result in increase State revenue and prevention of trade in restricted articles, but with limited statistical data being generated.
- * Most controls are considered to be useful, but some are acknowledged to be unproductive.
- * New controls should seek to reduce the Customs/customer interface, give more effective targeting, lead to better exchange of information but will require higher quality resources to implement.
- * Customs need access to more and better quality data to perform better.
- * Minimum transit documentation for simplification was indicated as the TIR Carnet, CMR and an invoice.
- * There is a general trend towards clearance at the point of demand inland away from the border, but this is not consistent across the region.

Customs Computerisation

- * The Customs documentation is considered to be similar but procedures vary in each country.
- * The basis for investment in computerisation should not be based purely on current traffic volumes. There is a good case for investment whilst volumes are still low.
- * The main constraints to computerisation were finance, infrastructure(communications) and availability of skilled personnel.
- * External finance would be required to introduce customs computerisation.
- * It was important to involve the Trade in installation of computer systems.
- * Awareness of computers was considered to be reasonably high but knowledge of EDI was limited.
- * There was general commitment to the introduction of computerisation in the Customs environment.

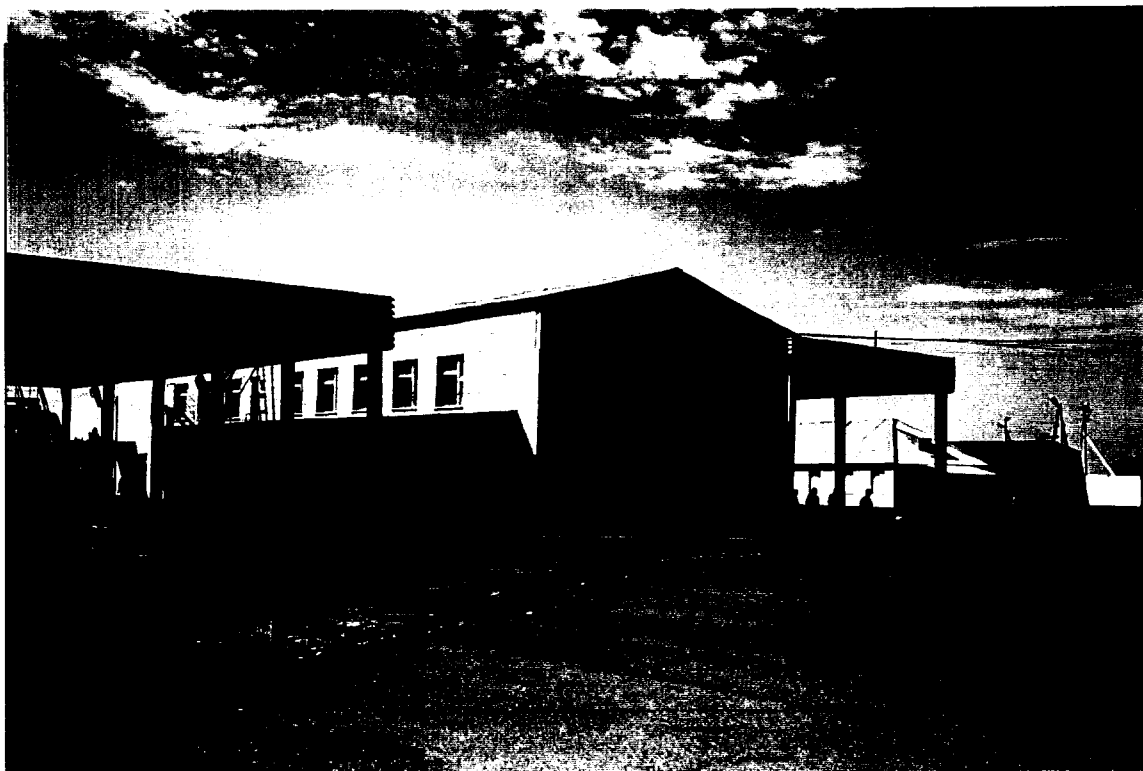
- * Existing computer development was fragmented from full introduction to other countries where no assessment has yet been undertaken.

The workshops achieved their objectives in demonstrating that a team approach was achievable, despite initial divisions, and that regional cooperation is a realistic goal. All NTTF members gained a more detailed understanding of the issues and provided indications of the direction the project should take through their active involvement.

Appendix **4**

Selected Photographs

Border Posts



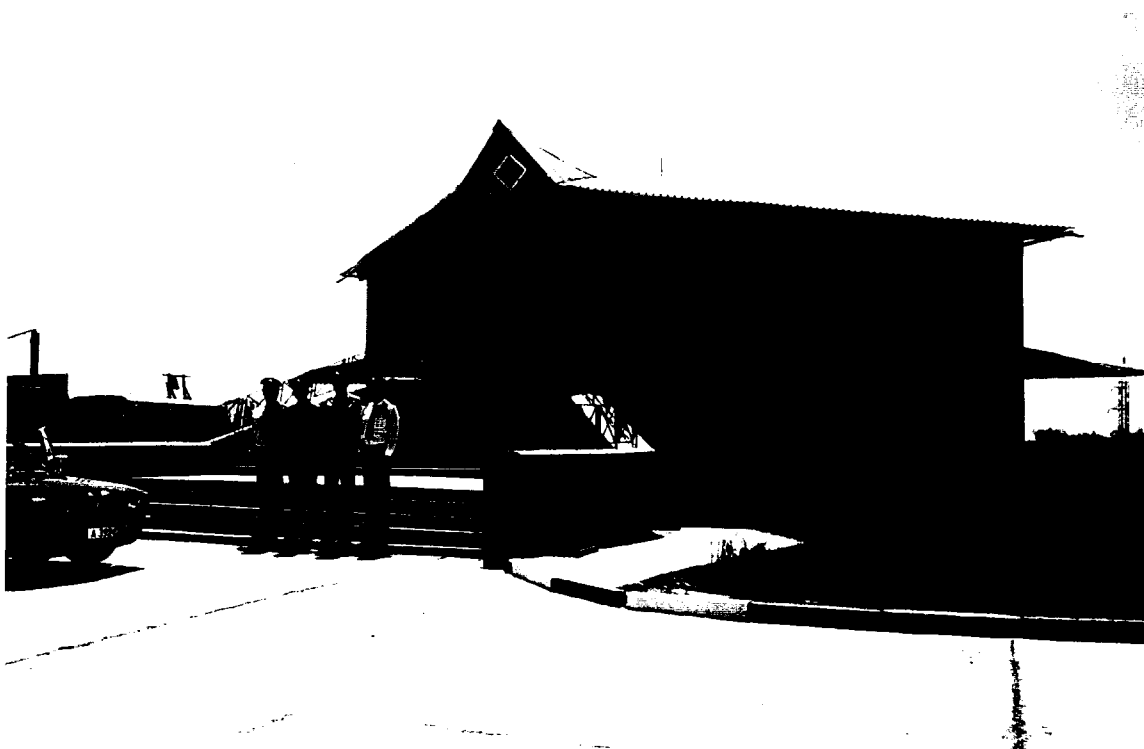
Khorgus - Kazakhstan/China



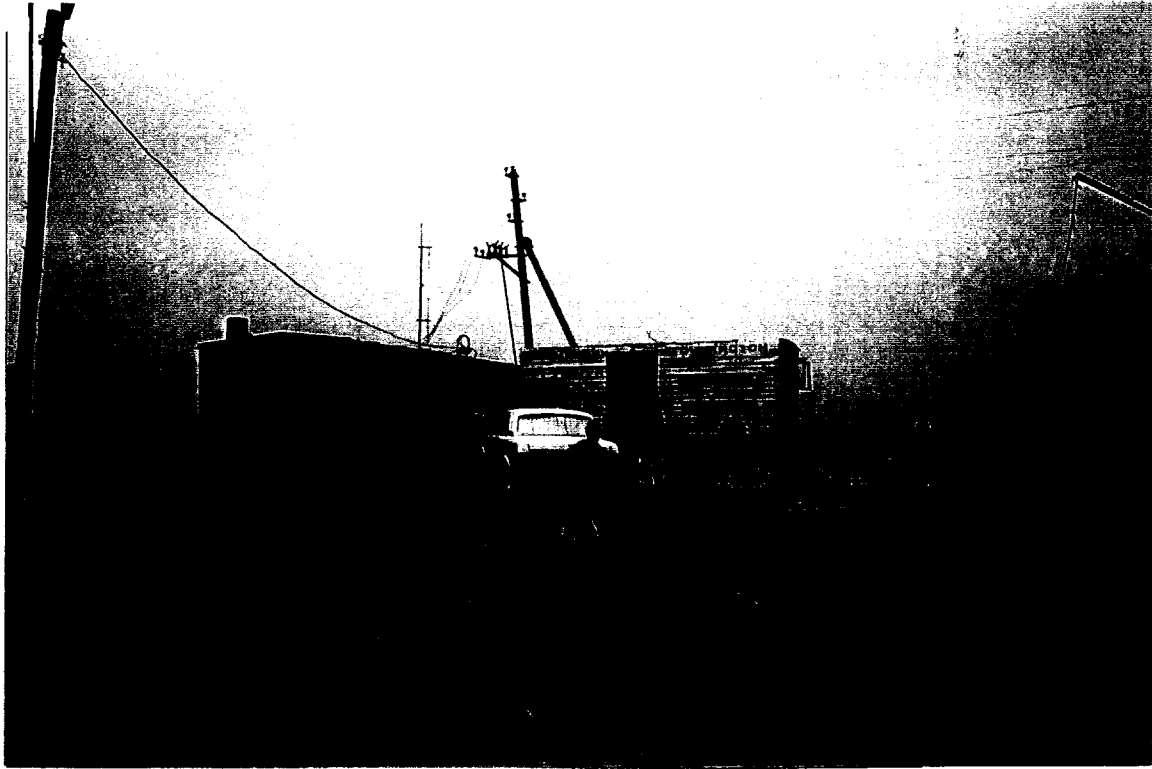
Korday - Kazakhstan/Kyrgyzstan



Red Bridge - Georgia/Azerbaijan



Akzhol - Kyrghyzstan/Kazakhstan

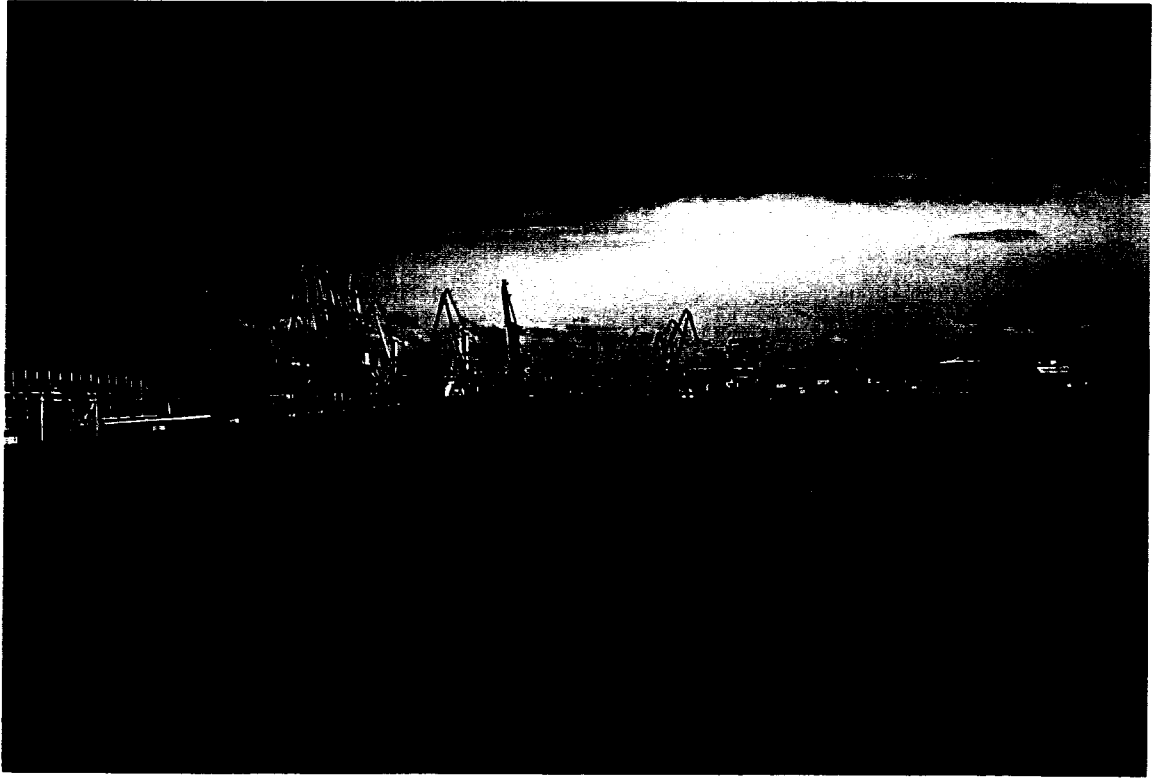


Aivaj - Tadjikistan/Uzbekistan



Alat - Uzbekistan/Turkmenistan

TRACECA Route



Port of Poti



Ayrum - Armenia - Armenia/Georgia Border



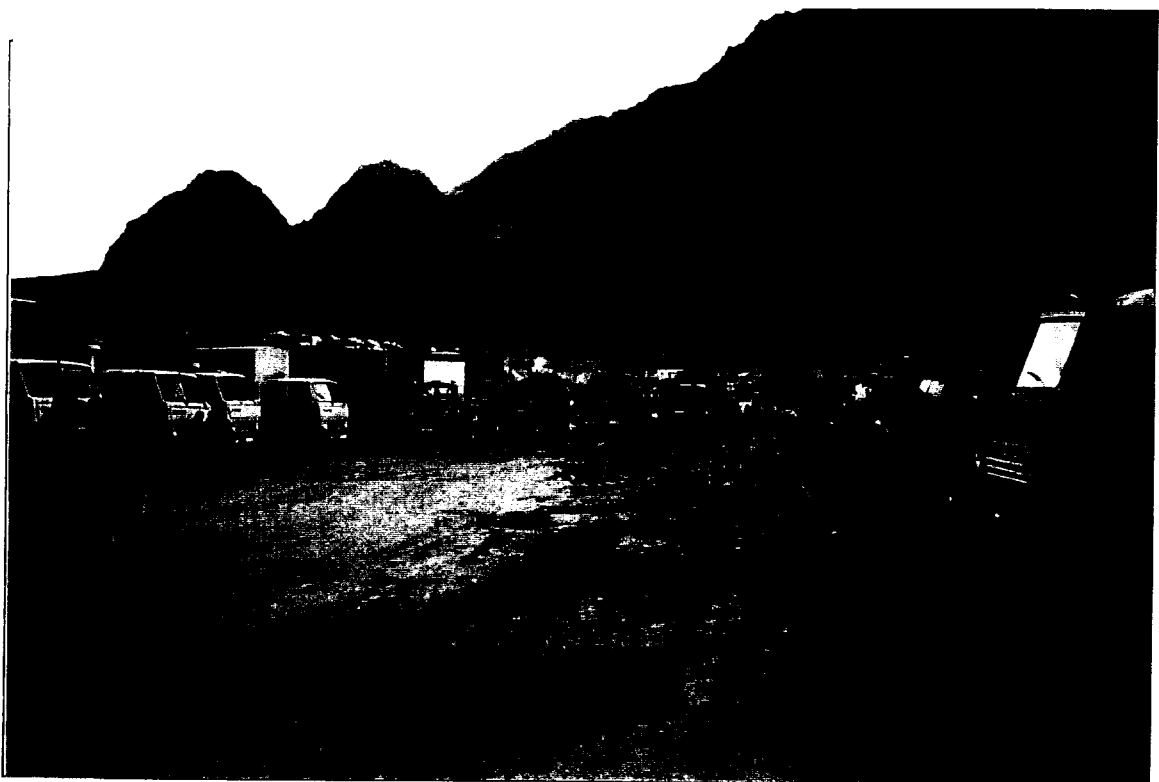
Baku Port - Ferries to Turkmenbashi



Road to Druzba - Kazakhstan/China Border



Druzba Station - Kazakhstan/China Border



Megri - Armenia/Iran Border

UK Study Tour



Dartford Inland Container Depot



Dartford ICD - Swap Body



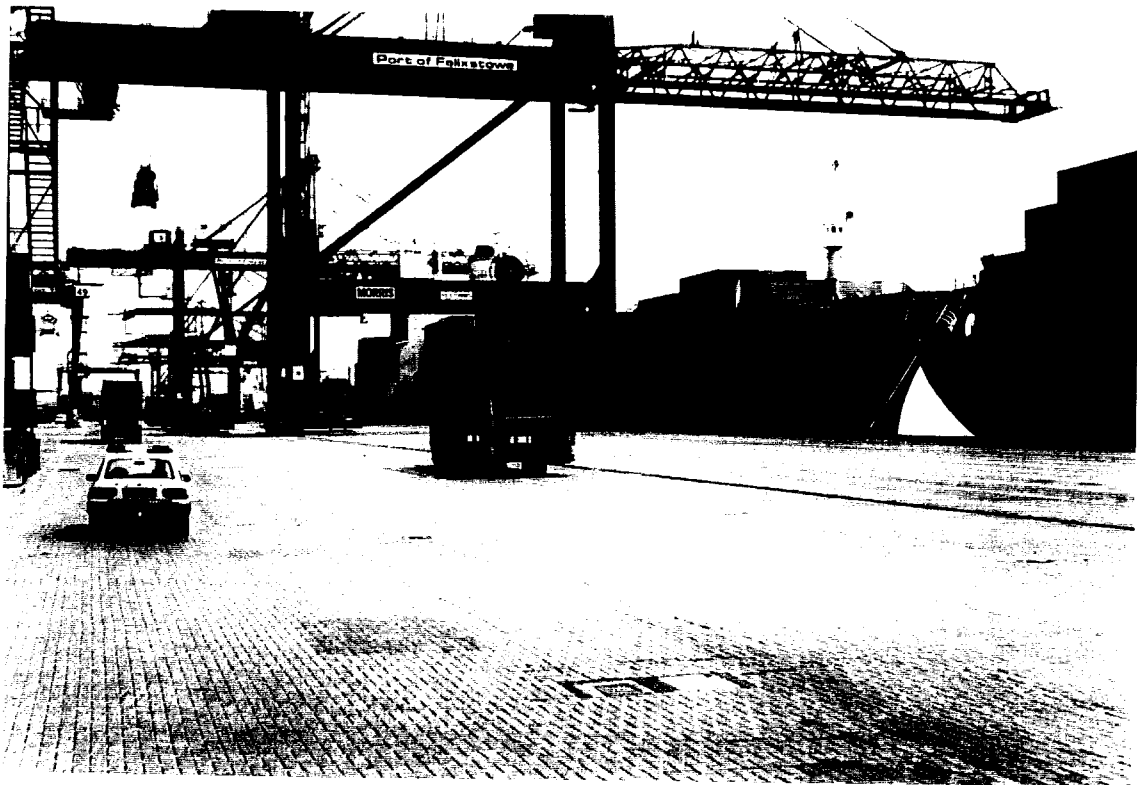
Dartford ICD - Warehouse



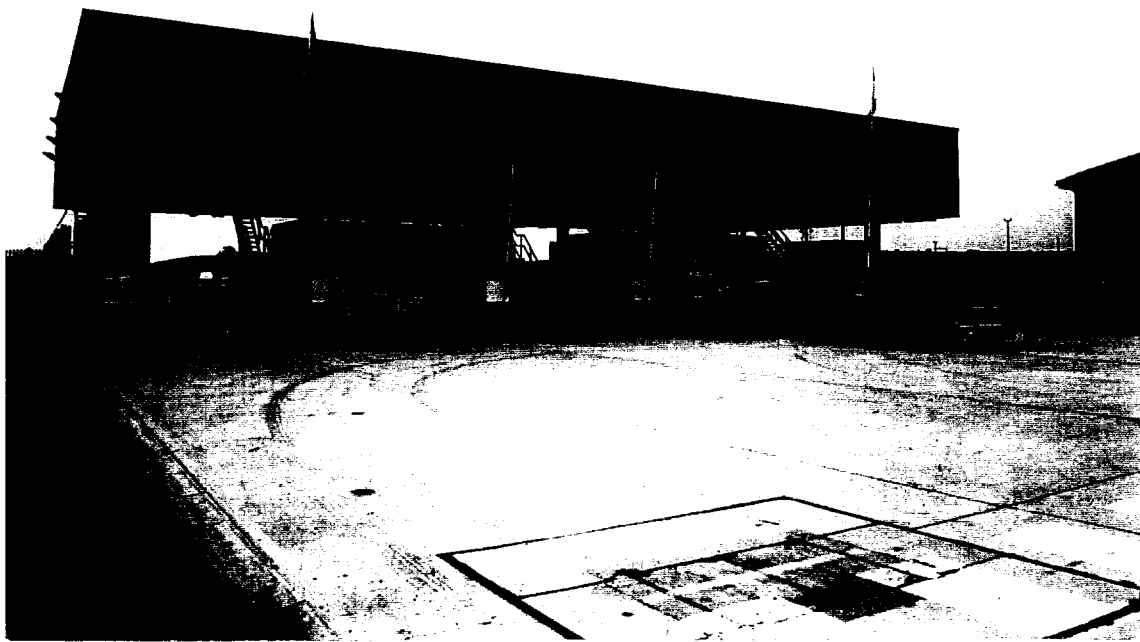
Port of Felixstowe - Rail Terminal



Port of Felixstowe - Container Handling



Port of Felixstowe - Main Quay



Eurofreight Terminal - Security Gate



Eurofreight Terminal - Container Handling



Eurofreight Terminal - Sidings



Inter City Trucks



Inter City Trucks



Channel Tunnel - Folkestone Terminal

Scott Wilson Kirkpatrick

