

I. COUNTRY STUDIES ON BORDER MANAGEMENT IN CENTRAL ASIA

Central Asia is a landlocked subregion. Most of the countries in this subregion have a long distance from their territory to the closest seaport. For example, the distance from Kazakhstan to the closest seaport is 3,750 km, the distance from Kyrgyzstan is 3,600 km, the distance from Tajikistan is 3,100 km, while the distance from Uzbekistan is 2,950 km. Their distance to the closest sea port is far beyond the world's average which is 1,370 km. The landlocked and mountainous nature makes the connectivity between Central Asia and other parts of the world difficult (See Figure 1).

Figure 1: Map of Central Asia



Source: <http://www.un.org/Depts/Cartographic/map/profile/centrasia.pdf>

For the countries in Central Asia, the trade transaction costs are extremely high, and the time needed for delivering export and import goods is very long. Taking the four above-mentioned Central Asian countries as example, the World Bank Doing Business/Trading Across Border data show that the cost to import and export in these countries is around 2 times higher than the world's average, and the time to export and import is 3-4 times longer. In terms of trade facilitation performance, even compared with other landlocked developing countries (LLDCs) in Asia, the countries in Central Asia lag behind noticeably (See Table 1). Costly and time-consuming trade procedures are one of major contributor to the poor trade facilitation performance (See Table 2).

Table 1: Trade Procedures: Central Asia and Other LLDCs

Country	Export procedures		Import procedures	
	Time to export (days)	Cost to export (US\$ per container)	Time to import (days)	Cost to import (US\$ per container)
Kazakhstan	89	3,005	76	3,055
Kyrgyzstan	63	3,000	72	3,250
Tajikistan	82	3,150	83	4,550
Uzbekistan	71	3,100	92	4,600
Bhutan	38	1,210	38	2,140
Lao PDR	50	1,860	50	2,040
Mongolia	46	2,131	47	2,274
Nepal	41	1,764	35	1,825
Average	24	1,309	26	1,493

Source: *Doing Business/Trading Across Borders 2010, the World Bank*

Table 2: Time and Cost Associated With Specific Trade Procedures in Central Asia

Procedures		Kyrgyzstan		Kazakhstan		Tajikistan		Uzbekistan	
		Duration (days)	US\$ Cost	Duration (days)	US\$ Cost	Duration (days)	US\$ Cost	Duration (days)	US\$ Cost
Documents preparation	Export	29	200	23	200	20	800	32	200
	Import	33	200	25	280	20	800	50	200
Customs clearance and technical control	Export	23	200	3	200	2	150	4	200
	Import	16	250	11	370	4	150	11	200
Ports and terminal handling	Export	11	380	3	100	2	200	8	200
	Import	4	380	3	100	2	100	11	200
Inland transportation and handling	Export	26	2,225	34	2,500	58	2,000	27	2,500
	Import	23	2,225	33	2,500	57	3,500	20	4,000

Source: *Doing Business/Trading Across Borders 2010, the World Bank*

The factors leading to the poor trade facilitation performance in Central Asia are complex. UNCTAD found that the landlocked developing countries face seven categories of constraints in conducting transit trade, i.e., “border crossing”, “markets for transport services”, “infrastructure”, “transit regimes and commercial practices”, “customs”, “information and communication technologies” and “commercial risks”². In a general sense, the geographical remoteness is an important disadvantage in international trade. The underdeveloped logistics system is another major impediment in cross-border trade, as shown

² UNCTAC (2004), Report of the Expert Group Meeting on the Design and Implementation of Transit Transport Arrangements.

by the World Bank Logistic Performance Index (LPI) rank (See Table 3). The lack of trade facilitation, as a result, affects negatively trade competitiveness and regional integration, and obstructs country's economic and social development.

Table 3: LPI Rank in Central Asia, 2010

Country	LPI 2010	Customs	Infrastructure	International shipments	Logistics quality and competence	Tracking and tracing	Timeliness
Kazakhstan	62	79	57	29	73	85	86
Kyrgyzstan	91	71	118	39	107	132	106
Tajikistan	131	147	128	127	125	141	98
Turkmenistan	114	119	101	137	111	126	65
Uzbekistan	68	107	70	83	89	63	50

Note: Rank among 155 economies in the World

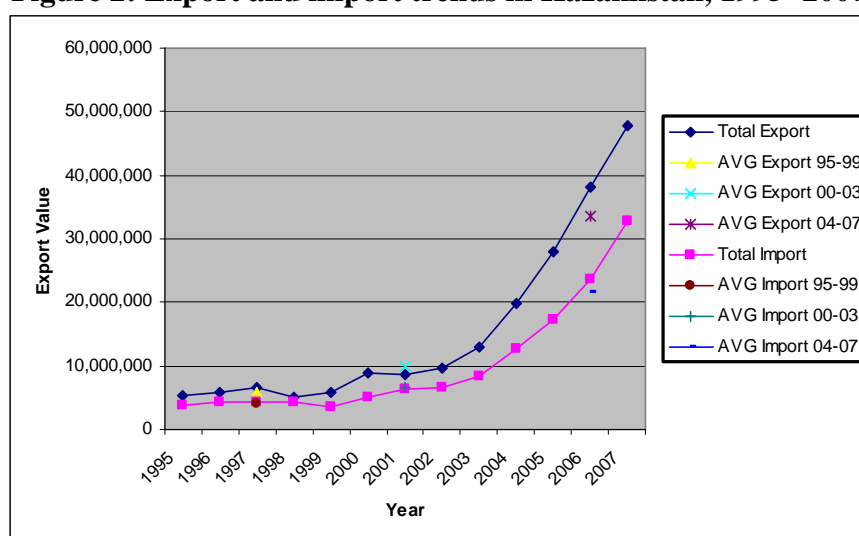
Source: LPI 2010, the World Bank

This section examines the situation of border management currently practiced in the four Central Asian countries concerned, namely Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The methodologies and procedures adopted by each government agency are described based on available information.

A Kazakhstan

Since the early 2000s, Kazakhstan has witnessed a rapid growth both in export and import. Its total export increased from less than US\$ 10 billion in 2001 to almost US\$ 50 billion in 2007, while the import value jumped from about US\$ 5 billion in 2000 to more than US\$ 30 billion in 2007. Over the past decade, Kazakhstan recorded an increasing surplus in foreign trade (See Figure 2).

Figure 2: Export and import trends in Kazakhstan, 1995- 2007

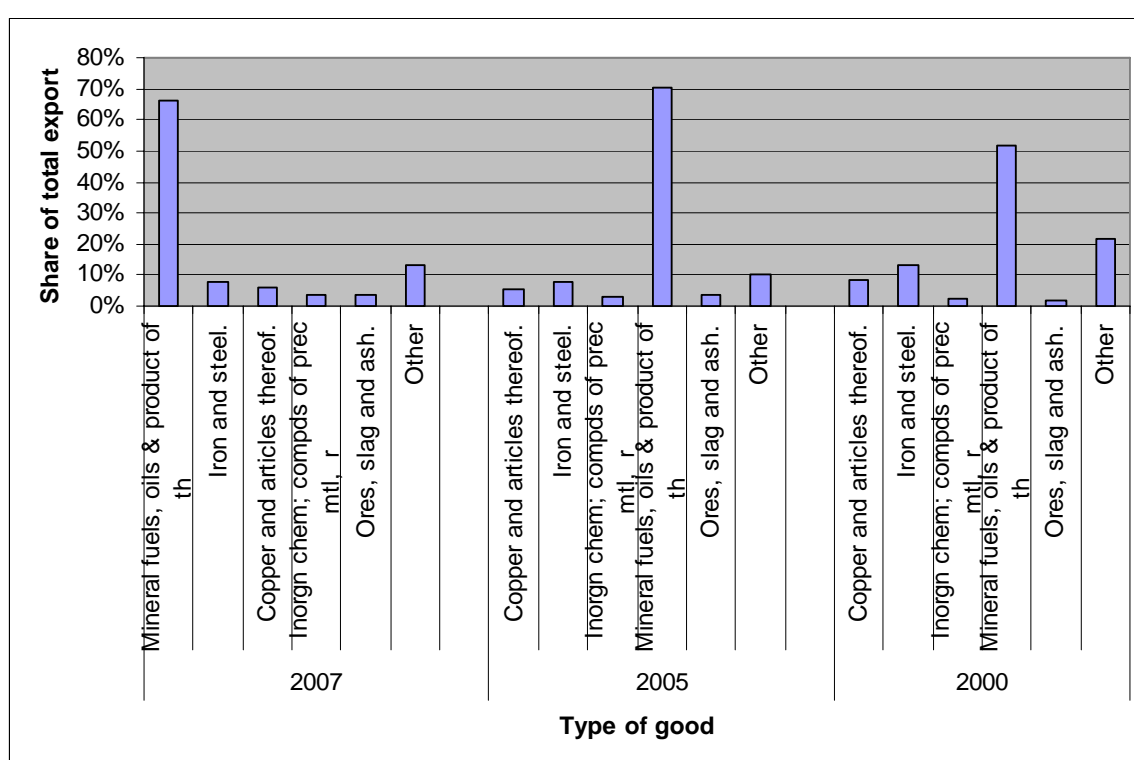


Note: Trade value in USD 1,000, Nomenclature HS 1988/92 used

Source: UN Comtrade

Kazakhstan is rich in natural resources, industrial metals and minerals. This is reflected in its export composition that the top export products are mineral fuels, oils & product, iron and steel, copper, inorganic chemical products, ores (See Figure 3). The country has the world's largest deposits of chromium, vanadium, bismuth and fluorine, and holds significant amounts of iron, chromium, lead, zinc, tungsten, molybdenum, phosphorite, copper, potassium and cadmium. Oil, gas, coal, metals, uranium and other energy related resources are available in large quantities too. The identified stock of natural resources in Kazakhstan is 3.6 billion tons of oil and 1.9 billion cubic meters of natural gas. Kazakhstan occupies the 9th place in the world in coal stocks. The territory of Kazakhstan also has infinite resources of salt and construction materials. The prospected deposits serve a fine basis for the development of mining, coal-mining, metallurgy, oil-and-gas and chemical industries.

Figure 3: Largest Exports of Kazakhstan, 2000 - 2007

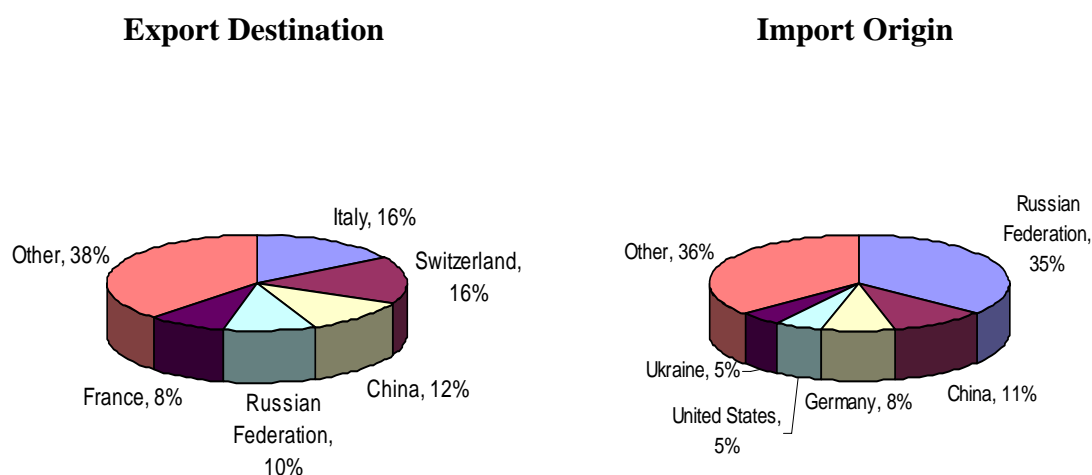


Source: UN Comtrade

Except China, Kazakhstan's major export destination is European countries such as Italy, Switzerland, Russian Federation and France. Italy kept the biggest export destination in recent years. China overtook France and Russian Federation and became the third export destination. In terms of import, Russian Federation is Kazakhstan's first import origin. Other important partners in terms of import include China, Germany, United States and Ukraine

Kazakhstan's territorial land space is as large as 2,724,900 square kilometers (i.e. 1,052,083 square miles). In terms of size, it is the second largest among the Commonwealth of Independent States (CIS). In terms of its size, Kazakhstan ranks ninth in the world after Russia, China, USA, Argentina, Brazil, Canada, India and Australia. In fact the territory of Kazakhstan exceeds that of the twelve founding members of the European Union (EU). (See Figure 4).

Figure 4: Top Export Destination and Import Origins of Kazakhstan, 2007



Source: UN Comtrade

It also borders 1,183 miles (1,894 km) of the Caspian Sea and has a total borders of 7,459 miles (12,012 km). The territory of the Republic stretches from the low reaches of the Volga in the West to the foothills of the Altai mountains in the East - for some 3,000 km (a distance that spans two time zones), from West Siberian lowland in the North to the desert of Kyzylkum and the mountain range of Tien Shan in the South for some 2,000 km (See table 4).

Table 4: Borders of Kazakhstan

S/N	Countries	Length of Border Shared (km)
1	Russia	6,846
2	China	1,533
3	Uzbekistan	2,203
4	Kyrgyzstan	1,051
5	Turkmenistan	379

Five controlling agencies are involved in border management in the Republic of Kazakhstan. The agencies responsible are namely, the Frontier Service of the National Security Committee, the Customs Control Committee (CCC), the Ministry of Transport and Communication, the Ministry of Health and the Ministry of Agriculture. In carrying out their mission, the agencies stated above are responsible for close cooperation and interaction in customs control, border control, transport control and quarantine control related to sanitary, health, veterinary and phyto-sanitary control. The responsibilities of the agencies are appended in the following.

1. Frontier Service and Border Control

The National Security Committee is directly accountable and responsible to the President of the Republic of Kazakhstan. It is also the organ responsible for coordinating all activities of the other authorities stationed at the border. The border control on movement of people, goods and means of transport is exercised by the Frontier Service of the National Security Committee. The Frontier Service in safeguarding national security of the Republic of Kazakhstan acts in accordance with the legislation to exercise border control measures as follows:

- Inspecting documents to determine the right of movement into and exit from the territory of the Republic of Kazakhstan and for the purpose of establishing the legality of issue of entry and/or exit permits into and out of the Republic of Kazakhstan in respect of the citizens of the Republic of Kazakhstan, foreigners and stateless persons;
- Screening transport vehicles, cargo and goods; and
- Taking military, security, operative and administrative measures in accordance with the legislation of the Republic of Kazakhstan.

All Kazakh and foreign transport vehicles crossing the state border are subject to screening carried out simultaneously with passport control. Examination of vehicles is carried out by the frontier service together with customs officials. It is obligatory for the driver (owner) of the vehicle to be present when the examination takes place.

Kazakhstan is a contracting party to the Convention on the International Transport of Goods under cover of TIR Carnets, 1975 (commonly termed the TIR Convention)³. Examination of vehicles and sealed trucks traveling under the TIR regime is carried out by the border authorities supported by drug detector dogs and other special equipment. In normal circumstances and under the provision of the TIR Convention, cargo carried in sealed trucks or sealed containers are not required to be opened for physical examination at the border. However, this provision will not apply if infringements (such as defects in the seals attached to the trucks or containers, improper stamp endorsements) are detected or information had been received on the misuse and abuse of the TIR-carnet regime (for example, information on carriage of contraband or hazardous and prohibited materials). Under such circumstances, the authorities are permitted to break the seals of the trucks and the containers and a complete physical examination will be conducted.

2. Customs Control

Customs Services is tasked with the control of persons, goods and means of transport entering/exiting the territory of Kazakhstan in accordance with the Customs Code of the Republic of Kazakhstan and international agreements to which the country is a contracting member.

Upon arrival of transport vehicles at the border control entry points, the Frontier Service issues a ticket (the tickets are set out in duplicates) as a form of their border control system. The ticket is endorsed by the Frontier Service and serves as an approval permitting the entry of the vehicles. The carrier or person responsible for the goods submits the entry ticket and

³ TIR Convention was concluded under the auspices of the United Nations Economic Commission for Europe (UNECE).

trade supporting documents for goods and transport vehicle to the Customs official. This signals the registration to Customs for undergoing customs control measures at the border. The Customs officials verify the ticket's compliance with the listing and inventory of the goods presented. The documents are then handed over to officials of other controlling agencies for verification and endorsement.

For those goods and vehicles which are not cleared by Customs at the border entry points, Customs officials endorse the ticket to indicate this. In such instances, the vehicles are required to be presented at an inland clearance point or "dry port". In the event that infringements of the appropriate legislation pertaining to the means of transport are detected, the officials of the Ministry of Transport notify the Customs Service at the entry point. Similarly notifications by other controlling agencies of breaches of laws and/or arrangements within international agreements and laws are made and appropriately noted on the tickets and the registration book of transport vehicles. After exercising documentary control, Customs officials are required to organize a combined examination of the means of transport and the goods. A report of the combined examination and the results of the examination are made and submitted to the appropriate officials.

The Customs Service embarked on the development of an automated information system for customs clearance in 2000. This resulted in the implementation of the Customs Automated Information Systems (CAIS). The CAIS was in general developed to address the following:

- Automation of processes related to customs control;
- Collection, collation and analysis of information for decision-making;
- Centralized collection of data on external trade operations and production of statistics;
- Support of information interaction among the CIS customs agencies, including regional groupings.

Within the ambit of CAIS, an Automated Control System over Goods Delivery (ACSGD) was developed. The specific features of the ACSGD include computerized system of registration of transport vehicles and automated identification of numbers on the license plates of trucks, their weight and size, electronic sealing and use of safe-packages. ACSGD was designed to reduce time for customs inspection and increase flow capacity at entry points, intensify control and prevent the entry of vehicles exceeding standard size and axis load. The system was also designed to monitor location of transit goods and vehicles using CAIS data. With the use of ACSGD, no customs escort and other forms of customs guarantees are needed. ACSGD system was introduced at entry points of Zhana-Zhol, Korday, Aul, Zhaysan and Karakoga.

Entry points not functioning with the ACSGD system require the application of customs escort. Normally, the measure of customs escort is organized to take place once or twice daily. The customs escort measure thus require the drivers of means of transport and their goods to assemble and await the availability of customs escort even though they had undergone control procedures. The use of the TIR regime, which is envisaged to increase the smooth flow of road transport of goods, is also subject to customs escort.

Priority in customs clearance is accorded to the goods imported into the country for humanitarian purposes in the event of natural disasters or other national calamities. Similar priority is also given to clearance of perishable goods, live animals, radioactive materials, explosives, express goods, humanitarian aid and technical support, information and materials

for the purposes of mass information. Customs clearance is facilitated through submission of applications and supporting documents regarded as temporary customs declaration to the customs body subject to further submission of complete cargo declaration to customs body.

Customs declarations provisionally submitted are required to contain the appropriate information such as data on consigner and consignee, country of origin, country of destination, description, quantity, gross weight and cost of goods etc. The application of the appropriate Customs regime such as the disposal for local sales, customs warehousing, temporary importation and customs transit, is required. The Customs declarant making a provisional declaration is also required to commit on the submission of a full cargo declaration, trade supporting documents and data (if necessary), at a stated time. Complete cargo declaration is required to be submitted to the customs body not later than thirty calendar days from the date of conditional release of goods. Customs declarations which are submitted under the appropriate customs regime subject to payment of customs duties and taxes will require the payment of the duties and taxes before release of the consignment.

As part of a national e-Government programme, Kazakhstan Customs is working to establish a modern system, including the introduction of e-License, e-Customs' Web-declaration and Single Window (See Box1).

Box 1: Customs Modernization in Kazakhstan

With the aim to improve the quality and accessibility of government services, minimise bureaucracy, introduce uniform standards of services and upgrade the effectiveness of administration, in 2005, Kazakhstan launched the e-Government Development Program, which covers a wide range of areas, including the e-Licensing Project. The project which should be accomplished by 2012, will simplify the issue of permits and licences through electronic application via Internet. Being supported by the Kazakhstan Law on Electronic Document and Electronic Digital Signature which ensures the equivalence of electronic digital signature and handwritten signature, it covers 18 government agencies engaged in licensing of 106 types and 213 sub-types of activities. Currently, the e-Licensing Project is at pilot stage.

In 2009, the Kazakhstan Customs initiated the introduction of Single Window system. In cooperation with 20 government agencies, the Customs Control Committee (CCC) is conducting business processes analysis to identify export and import bottlenecks. The CCC will establish the Centre of Operative Management to enable interactive electronic data exchange among the government agencies. The CCC is also required by the Kazakhstan Union of International Trade Participants to modernize e-Customs' Web-declarant component, so that the import and export goods are declared in an electronic way.

Source: Sholpan Dossymkhanova (2009), at the Asia-Pacific Trade Facilitation Forum 2009: Setting the Regional Agenda

3. Veterinary Control

Kazakhstan's veterinary control measures are based on assessment of risks to human and animal life or health. Products and raw materials of animal origin and food for animals are allowed to be transported by rail from territories not exposed to infectious diseases of animals. The above mentioned goods are transported by rail in accordance with rules of transportation of perishable goods, while the transportation of animals is carried out in

accordance with rules of transportation of animals. The Veterinary Services exercise the responsibility of veterinary control at the border.

Goods subject to veterinary control are received for transportation by rail only if veterinary supporting documents for each wagon/container are available. The documents required include veterinary certificates and veterinary licenses. Goods subject to veterinary control exported from the Republic of Kazakhstan to non-member countries of the CIS, results in veterinary certificates being issued at border veterinary points instead of veterinary license issued at the point of loading. Goods subject to veterinary control imported into the territory of the Republic of Kazakhstan from non-member countries of the CIS, require veterinary licenses issued at border veterinary points regardless of the availability of foreign veterinary certificates. Export and import of goods subject to veterinary control is conducted only through stations which have border veterinary control points. The frontier station initially sighting/clearance of the goods informs the border veterinary point on arrival of such kind of goods.

The consignor of the goods is required to inform the local territorial body of the Veterinary Service of the expected shipment of goods subject to veterinary control not later than 12 hours before moving the shipment of goods. Rail wagons for carrying meat and meat products, products and raw materials of animal origin are subjects to veterinary and sanitary treatment. The category of veterinary and sanitary treatment of wagons is specified by the representative of state veterinary service who issues veterinary requirements for each wagon. Veterinary and sanitary treatment of wagons is carried out at the expense of consignees.

4. Phyto-sanitary Control

Transportation of imported vegetables subject to quarantine is allowed only if phyto-sanitary certificate, issued by a competent public body related to plant quarantine of exporting country, is presented. Transshipment of goods subject to quarantine is allowed only with permission of state inspectors on plant quarantine. If samples of goods subject to quarantine should be selected for examination and laboratory analysis or testing by state inspectors of border points on plant quarantine, the state inspectors are required to prepare a request statement, in duplicate, in the presence of a representative of border transmitting station or the Customs Service. One copy of the request statement is attached to the transmission documents and the other is kept in files of the station where sampling was made.

In the event that other goods have been found to at the entry points to have been contaminated by products subjected to quarantine, the state inspector on plant quarantine establishes, if required, obligatory quarantine measures of the contaminated goods.

Receipt of goods, subject to quarantine, for transportation without transshipment at border transmitting stations at entry points at the state border, is allowed provided that the consignor has quarantine licenses of importing states and a phyto-sanitary certificate issued by the competent authority on plant quarantine at points of shipping in respect of each wagon, container, or each shipment of goods subject to quarantine if there are several shipments in one wagon/container.

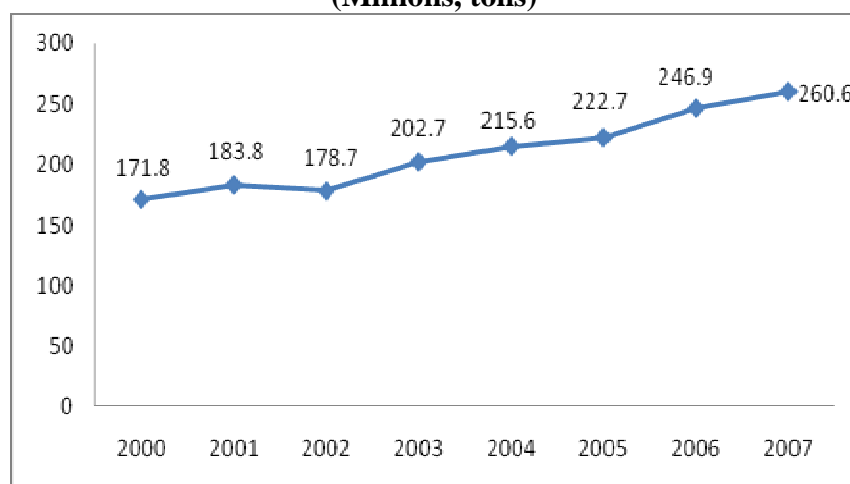
When receiving goods subject to quarantine for transportation with transshipment of wagons at border transmitting stations, sea and river ports at entry points at the state border, the consignor is required to produce a quarantine certificate.

If goods subject to quarantine are exported, phyto-sanitary (quarantine) certificates are attached or enclosed by the consignor to the rail bills of lading (B/L) indicating the number and date of their issuance in the column “Documents enclosed by consignor”.

5. Transport Control

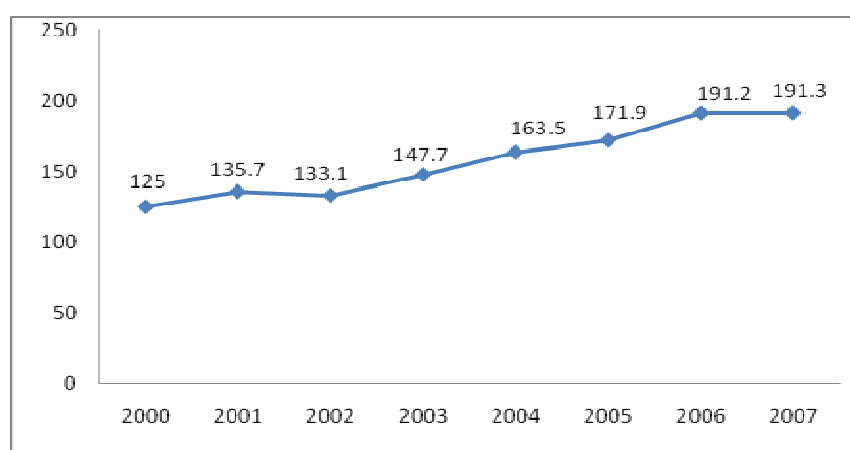
Kazakhstan has 88,400km of roads, mainly of Class III standards⁴. The volume transported through road is about 6 times more than those by rail. The yearly volume has increased at an average annual growth rate of 8% for the period 2000 to 2007 (See Figure 5 and 6).

**Figure 5: Freight Volume Transported by Road, 2000-2007
(Millions, tons)**



Source: Ministry of Transport and Communications

**Figure 6: Cargo Turnover by Road, 2000-2007
(Billions, tons-km)**



Source: Ministry of Transport and Communications

Road plays an important role in the country. The high usage is due to greater flexibility compared to rail transport. Transport control on the entry and exit of vehicles into and from the territory of the Republic of Kazakhstan is based on the provision of an entry/exit permit.

⁴ Roads with two lanes and double bituminous treatment

In respect of transit of foreign vehicles carrying passengers and/or goods through Kazakhstan, the control is also based on the use of a permit or recognized transit documents for the movement of foreign carriers from another country to another passing through or from the territory of Kazakhstan to the territory of third countries.

Foreign transporters in general are required to obtain a permit to gain entry or transit for their vehicles. The permits are usually issued by government agencies based on bilateral agreement which accords reciprocal treatment of number of vehicles entering each other's territory free of charge. A shortage of permits will result in the foreign transporters purchasing non-reciprocal permits at a substantial cost.

In Kazakhstan, the permissible dimensions for road transportation range from a length of 12 meters onwards, a width of 2.6m and a height of 4 meters. This measurement includes the cargo and the towhead. The highest load allowed is 38 tons. Vehicles require a special permit when transporting oversized cargoes, which by definition is longer, wider or taller than the specifications provided in Tables 5 and 6 (which illustrates the permissible length, weight and height of vehicles). The permit fees depend on distance and the load. In addition to the entry (and transit) fees, additional charges may be levied, for example, for road tax and an excess axle load charge.

Table 5: Permissible Dimension Parameters of Transport Vehicles

(1) Permissible length of Vehicle Type:	Meters
Truck	12
Bus	12
Trailer	12
Joint transport vehicle	20
Joint bus	18
Truck and trailer	20
(2) Permissible length of Vehicle Type:	
All transport vehicles	2.55
Refrigerated body of transport vehicle	2.6
(3) Permissible Height of Vehicle Type:	
	4

Source: Resolution of the Government of the Republic of Kazakhstan, N 62 January 19, 2002, with amendments made on December 12, 2008

Table 6: Permissible Weight of Transport Vehicles

(1) Trucks	Tons
Four-wheel motor vehicle	18
Six-wheel motor vehicle	24
Six-wheel motor vehicle with driving axle consisting of two pairs of wheels and has air or equivalent suspension	25
Eight-wheel motor vehicle with two driving axles each of which consists of two pairs of wheels and has air or equivalent suspension	32
(2) Motor vehicles that are parts of joint vehicles	
Four-wheel trailer	18
Six-wheel trailer	24
(3) Joint motor vehicles Saddle-type truck and trailer	
Four-wheel tractor with four-wheel semi trailer with distance between axles of semi trailer from 1,3 to 1,8 meters	36
Four-wheel tractor with four-wheel semi trailer with distance between axles of semi trailer exceeding 1,8 meters (in case this truck and trailer consists of 18 tons truck and 20 tons semi trailer and driving axle consists of coupled wheels and equipped with air or equivalent suspension, permissible weight can be increased by 2 tons)	38
Four-wheel tractor with six-wheel semi trailer	38
Six-wheel tractor with four-wheel semi trailer	38
Six-wheel tractor with six-wheel semi trailer	38
Truck and trailers with trailers: four-wheel truck with four-wheel trailer	36
Four-wheel truck with six-wheel trailer	42
Six-wheel truck with four-wheel trailer	42
Six-wheel truck with six-wheel trailer	44
Six-wheel truck with eight-wheel trailer	44
(4) Buses	
Four-wheel	18
Six- wheel	24
Six-wheel-hinged	28
Eight-wheel- hinged	28.

Note: In determining weight and dimension parameters of transport vehicles, permissible errors of measuring equipment must be taken into account. Error is interpreted in favor of a carrier.

Source: Resolution of the Government of the Republic of Kazakhstan, N 62 of January 19, 2002, with amendments made on December 12, 2008

1). Transportation of Goods by Motor Vehicle

Transport control over passage of motor vehicles through the territory of the Republic of Kazakhstan is exercised at entry points at the border points and at posts of transport control in the territory of the Republic of Kazakhstan. The control measures adopted at the border checkpoints is based on examination of:

- Availability of licensing documents for passage of vehicles through the territory of the Republic of Kazakhstan;
- Availability of special permits for movement by motor ways of the Republic of Kazakhstan of lengthy and heavy-laden vehicles;
- Ensuring compliance by the drivers of the vehicle on the use of designated routes established by the authorities for movement of the vehicles;
- Availability of tickets registering entry into the territory of the Republic of Kazakhstan of vehicles registered in states with which license-free system is introduced;
- Availability of tickets issued by the Frontier Service at entry points where the vehicles first entered into the territory of the Republic of Kazakhstan.

Transport control over passage of lengthy and heavy-laden vehicles is carried out through physical examination and determination of the actual weight and length provided under the country's regulation. Technical aids such as on-site weighing platforms located at border checkpoints and measuring equipment are used.

2). Transportation of Goods by Rail

Kazakhstan railways play an important role in transporting goods over long distances, typically 1,000km or more. The volume using this mode of transport has been growing steadily with an average annual growth rate of over 6%. The country has an approximate rail network of 14,205 km with the bulk of this network being inherited from the former Soviet Union. About 30% of railways (4,143km) are electrified tracks. The country has over 5,000 locomotives and nearly 60,000 rail wagons. The rail transport mode is usually used for movement of heavy machineries and bulky commodities (high volume and low value). In comparison to the Central Asian neighbours, Kazakhstan has superior rail infrastructure. The tracks are better maintained owing to availability of funds.

Transportation of goods by rail entering into, exiting from or on transit through the Republic of Kazakhstan is done in accordance with the legislation of the Republic of Kazakhstan and other international agreements, for example, the TIR Convention.

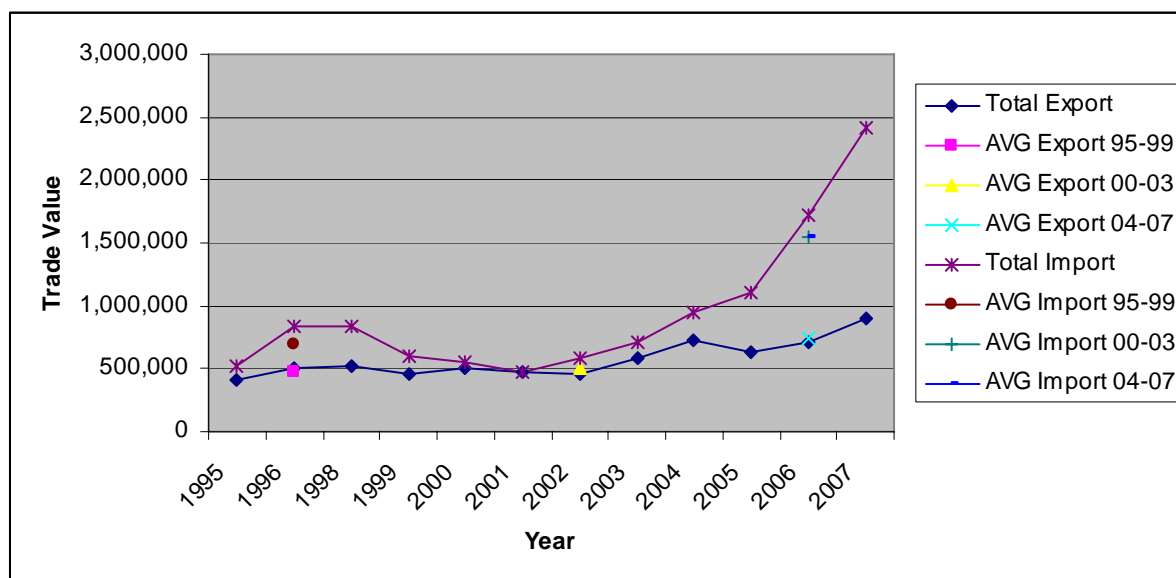
B Kyrgyzstan

The Kyrgyz Republic adopts an open economy policy and takes an active attitude in promoting trade liberalization. Over the past decade, Kyrgyzstan had a slow but steady growth in export. Significant development took place in import. The import of Kyrgyzstan increased from merely US\$ 0.5 billion in 2001 to almost US\$ 2.5 billion in 2007. Given the large trade deficit, promoting export became a predominant issue in Kyrgyzstan.

Kyrgyzstan is rich in mineral and hydraulic resources. It has substantial deposits of coal, gold, uranium, antimony and other valuable metals. Metallurgy and agriculture are two most

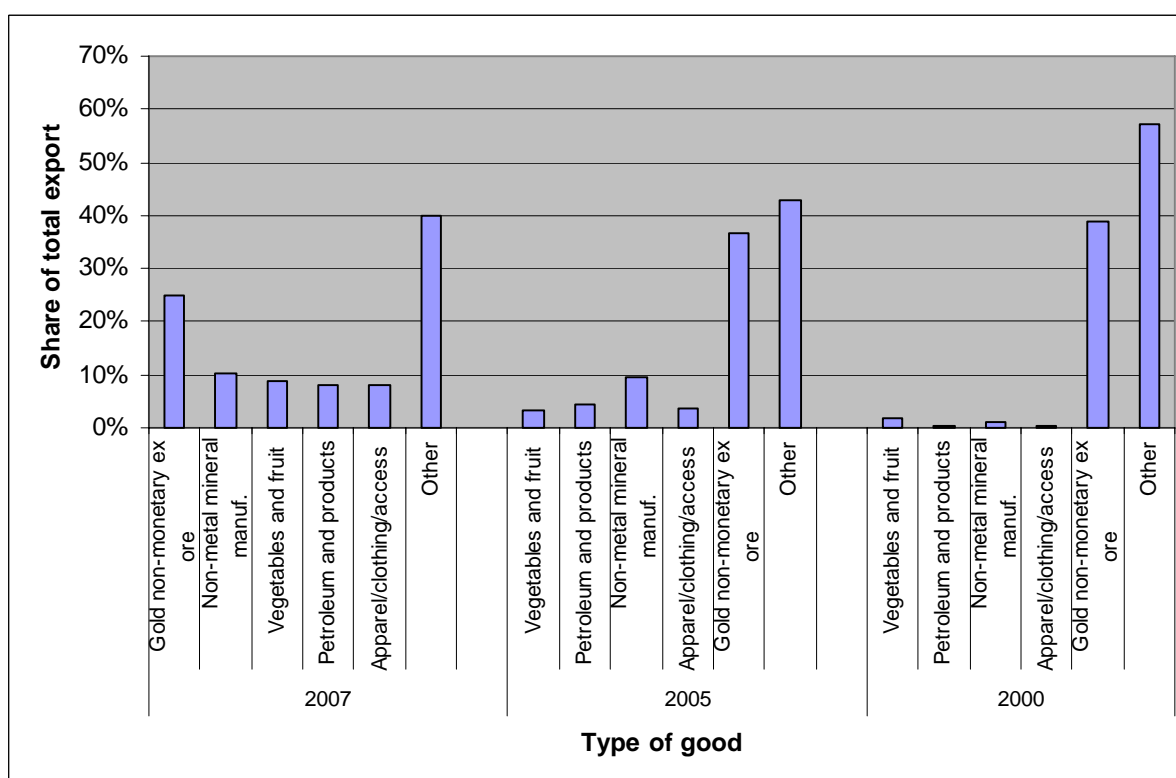
important sectors in the economy. The major export products in Kyrgyzstan include gold ore, non-metal mineral manufacture, vegetables and fruits, petroleum and products, apparel and clothing (See Figure 8). Fuel, natural gas, iron, machinery and food products are major import goods. (See Figure 7).

Figure 7: Export and Import Trends in Kyrgyzstan, 1995 - 2007



Note: data from 1997 is not available, Nomenclature SITC 3 used

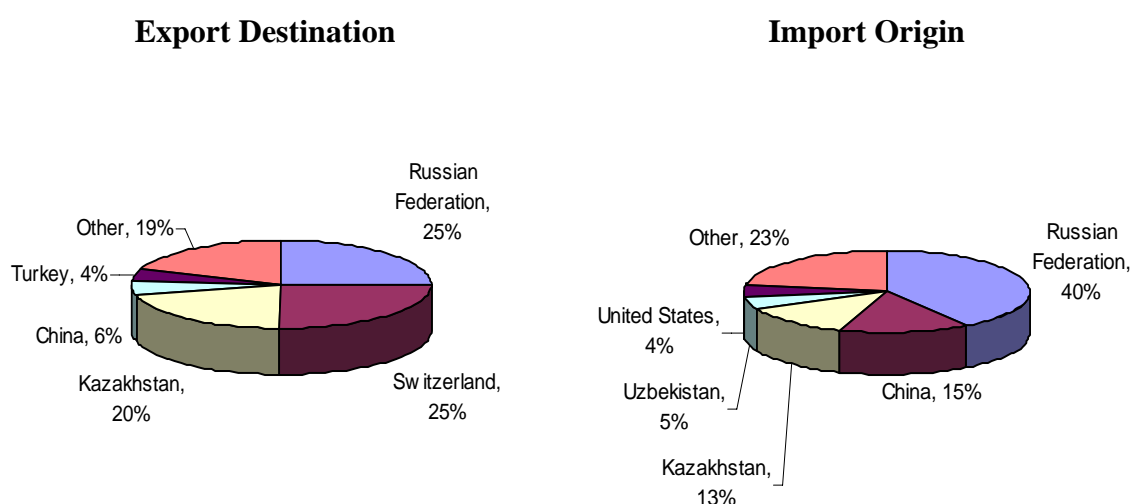
Figure 8: Largest Exports of Kyrgyzstan, 2000 - 2007



Source: UN Comtrade

In recent years, more than half of Kyrgyzstan's export went to Russian Federation and Switzerland. Other important export destinations include Kazakhstan, China and Turkey. Russian Federation, China, Kazakhstan are also top three suppliers for Kyrgyzstan, followed by Uzbekistan and United States. There are three neighboring countries, i.e., China, Kazakhstan, Uzbekistan, among Kyrgyzstan's five top trade partners. This demonstrates that Kyrgyzstan has a close trade relationship with the neighboring countries (See Figure 9).

Figure 9: Top Export Destination and Import Origin of Kyrgyzstan, 2007



Source: UN Comtrade

Kyrgyzstan is a landlocked country located at the west of China and borders with Kazakhstan, Tajikistan and Uzbekistan. The country consists of a number of valleys divided by mountainous ranges, with a majority exceeding 4,000 meters. The Kyrgyz Republic has in total territorial borders of 4,599 km. The territorial length of the border with her neighbours is shown in Table 7 below.

Table 7: Borders of Kyrgyzstan

S/N	Countries	Length of Border Shared (km.)
1	Kazakhstan	1,228
2	Tajikistan	991
3	Uzbekistan	1,308
4	China	1,072
	Total:	4,599

Source: <http://kyrgyzstan.biz.ua/>

The Law on State Border of the Kyrgyz Republic was adopted in 1999. It determines the rules for establishing and marking state border line, border procedure, rights and obligations of the state border authorities, etc. Like the institutional framework in Kazakhstan, several similar agencies responsible for border management are located at the borders. Their responsibilities are enumerated below.

1. Border Service

The Border Service of the Kyrgyz Republic formulates and implements the state border policy in the area of border protection and defense. The Border Service is entrusted with the following responsibilities:

- Guarding and protecting the State border of the Kyrgyz Republic, its territorial integrity and economic interests including repelling military incursions into her territory;
- Carrying out border controls at crossing points on the State border of the Kyrgyz Republic such as authorizing entry/exit of persons, goods and vehicles with proper and accepted documentation through the border of the Kyrgyz Republic at designated crossing points;
- Assisting other law enforcement and environmental agencies of the Kyrgyz Republic to maintain security and well being of the community in border regions; and
- Gathering intelligence, conducting counter-intelligence services, investigation and search operations.

The frontier troops conduct border control of the movement of persons, goods and means of transport at designated border crossing points (BCPs) of the Kyrgyz Republic. The Regulation on border crossing points was adopted in a Decree No. 739 of the Government of the Kyrgyz Republic in 2004. The Decree details general provisions on border crossing points, their classification, procedure of establishing, opening and closing of a check-point, activity arrangement, and coordination with other controlling agencies located at the BCP. In accordance with the Regulation, BCPs are established by the Border Service in consultation and agreement with other controlling agencies involved in border management, by taking into account the interests of neighboring states.

2. State Customs Committee

After gaining independence, the Kyrgyz Republic faced challenges to reshape foreign policies, protect national economy and improve fiscal balances. The Customs Service of the Kyrgyz Republic which was established by the Decree of the President of the Kyrgyz Republic of 31 December, 1991 consists of a head office of the State Customs Committee (SCC), 15 customs house, 2 regional customs offices, 38 inland customs clearance points and 50 border crossing customs posts. Some border crossing posts are located in as high as an altitude of 4,200 m.

In April 2004 a new Customs Code was adopted and entered into force on January 1, 2005. The new Code was compliant with WTO requirements and most international standards. The new Code took into consideration the standards provided in the Revised Kyoto Convention (RKC), that is, the “International Convention on Simplification and Harmonization of Customs Procedures”. The Convention was first established in 1974 and revised during the years 1996 to 1999 to take into account key changes in the global environment. The revised version came into force in 2005. The Customs Code of the Kyrgyz Republic included procedures for speeding up customs inspections and creating favorable conditions for legitimate trading.

Based on the Law on Customs Tariff 2008, the following trade regimes and preferences schemes on the collection of import customs duties are applied as follows:

- MFN – most favored nation treatment, granted to the WTO members and states which concluded bilateral agreements with the Kyrgyz Republic on MFN.
- Preferential treatment granted to the states which are signatory to the free trade arrangements (FTAs) such as the members of the CIS, EurAsEC and to least developed countries subject to rules and other provisions contained in the FTAs such as “drop shipment and direct purchase”.

A maximum tariff rate of 35% ad valorem is applied to goods produced in the states which do not enjoy MFN or preferential treatment and to goods upon which the country of origin cannot be determined.

The Customs legislation also provides for facilitation of traders by way of simplified customs procedures. However, this is applied only to “fair business entities” (termed as “authorized persons” in the Revised Kyoto Convention) upon application to the SCC. The selected entities are accorded the privilege of undergoing customs clearance of goods at their warehouses located inland in the territory of the republic and does not have to run the hassle and long wait of clearance at the border crossing points. The goods are delivered under customs escort to their inland destination. The application and grant of this form of clearance is subject to business entities fulfilling such conditions as (a) the business entities have been engaged in foreign economic activity for not less than 3 years; (b) has maintained a clean Customs record and have no Customs or tax violations history; and (c) and have a sound financial accounting in place. The selection of the business entities to be granted simplified customs procedures is decided by a Customs Service commission with representatives drawn from the main departments of the SCC.

The SCC is also responsible for the issue of licenses for the following activities:

- Customs warehouse
- Temporary warehouse
- Customs broker
- Duty free shop
- Customs carrier

The Border Service along with the SCC is responsible for preventing the illegal entry and exit of prohibited items such as arms, ammunition, narcotic drugs and psychotropic substances, radioactive material and weapons of mass destruction. The officials of the Border Service and the Customs Service have not initiated joint examinations of goods and transport vehicles which would eliminate the duplication of functions at the border. It is also noteworthy to mention that training program for border guards on the method of examination of transport vehicles (automobile, aircraft, cargo transport and rail transport) requires the need to take into account special characteristics of different transport vehicles. International development organizations hold such form of training (for example, US Export Control Program) from time to time. At the same time there should be a similar requirement to develop training programs for Customs officers on a regular basis which is currently not in place.

The Kyrgyz Republic and Tajikistan were granted a loan by the Asian Development Bank (ADB) for the development of a unified automated information system (UAIS) for the Customs Service. The loan included a segment for the infrastructure development and modernization of customs posts. The UAIS is envisaged to provide a Customs Single Window system to simplify and harmonize customs processes and the use of electronic processing of documents. The procurement for the development of the system is under

process. Currently there is no electronic declaration system in operation although this is catered for in the Customs Code. Other measures such as provisional or periodic declaration systems are not currently in use although these are contained in the Customs legislation.

3. Ministry of Health

The Department of Sanitary and Epidemiological Control under the Ministry of Health executes control and issues Sanitary and Epidemiological Certificate. The department is responsible for the regulatory procedure of the conduct of sanitary and epidemiological examination of a product to ensure the use of such does not have adverse effect on human health. Import into the territory of Kyrgyz Republic of goods subject to sanitary and epidemiological examination is not allowed unless the Sanitary and Epidemiological Certificate is available.

The Department of Sanitary and Epidemiological Control of Ministry of Health is also responsible for conducting radiation control measures. The list of goods subject to obligatory radiation control is specified in accordance with the regulation on procedure of executing radiation control over goods, cargo and luggage. All food products and food raw materials are subject to satisfying the authorities that they do not exceed radiation control obligations harmful to health.

4. Ministry of Agriculture, Water Resources and Processing Industry

The import of goods subject to quarantine into the territory of the Kyrgyz Republic or the transit of such goods through the territory of the Kyrgyz Republic can be conducted under a mutual recognition arrangement (MRA) with other states. The import is allowed if the phyto-sanitary certificate, issued by the authorized foreign authorities on plant quarantine of the exporting country, and the import quarantine license are available. The phyto-sanitary measures of other states are accepted if they correspond to appropriate level of phyto-sanitary protection applied in the Kyrgyz Republic. By the same token, the export of goods subject to quarantine from the territory of the republic and the quarantine zone is also allowed if local phyto-sanitary certificate is available. The validity of phyto-sanitary certificate issued for export of goods subject to quarantine is 15 days from the date of issuance and 7 days in case of transportation within the territory of the republic. In accordance with the legislation, veterinary certificates and licenses are issued by the Department of State Veterinary Service of the Ministry of Agriculture and its branches in regions and towns and frontier veterinary border crossing points.

The frontier veterinary service at border crossing points issue veterinary certificates based on veterinary licenses, which should be obtained by traders prior to the issue of the certificates, and include the following forms:

- Veterinary License Form No. 1 for all species of animals, including birds, fur-producing animals, laboratory, zoo and domestic animals, sea animals, bees, fish, embryo and semen of animals, milks, eggs for incubation,
- Veterinary License Form No. 2 for food and raw materials of animal origin, including meat, meat products, milk and milk products, fish, eggs (food), apiculture products
- Veterinary License Form No. 3 for technical raw and feed, including fells, wool, furs, fluffy hair, feather, endocrine and intestinal inputs, blood, bones, food for animals, apiculture products (excepting honey)

For export of goods subject to quarantine, the importance of obtaining relevant signatures and stamps from the Department of State Veterinary Service and a letter of guarantee on epizootic situation in the region of export or in the country is emphasized.

5. Ministry of Transport and Communications

Transport control is a main concern of border management as a large number of transport vehicles (motor, rail and air transport) cross the state boundaries daily. This poses a potential threat to the national security, including economic security of the state, caused by smuggling, drug trafficking, corruption and ecological disturbance.

The Ministry of Transport and Communications is the central body, regulating road and other transportation activity. The regulation and implementation of transport management and control is carried out by three subsidiary organizations, namely the Kyrgyz Transport Inspectorate (KTI), the Department of International Road Transportation “Kyrgyzintrans” and the Main Road Department (MRD). The Department of Civil Aviation is responsible for civil aviation management.

In accordance with Regulation on State Transport Inspectorate under the Ministry of Transport and Communications, Kyrgyz Transport Inspectorate (KTI) is responsible for the following activities at the border crossing points:

- Check adherence to the schedule of movement of international and local bus routes of international significance;
- Control over maintenance of transport discipline by drivers and carriers, fulfillment of licensing conditions, implementation of contracts on route maintenance and observance of rules of passenger traffic and freight transport;
- Perform inspections in accordance with legislation of the republic;
- Take appropriate measures in respect of drivers of vehicles for freight and passenger transportation

The Department of International Road Transportation “Kyrgyzintrans” undertakes the following activities at the border crossing points:

- Keeps operation records on entry and exit of Kyrgyz and foreign vehicles in/from the territory of the Kyrgyz Republic;
- Ensures observance of legislation of the republic and international agreements related to road transport;
- Check availability of foreign carriers’ licenses for entry, exit and transit passage through the territory of the Kyrgyz Republic.

The Main Road Department (MRD) exercises control over weight and dimensions of transport vehicles crossing the border. In this connection a net of posts for weight control (PWC) were established at border crossing points and equipped with weighing platform machines. In case of overweight, excess of real axial load over accepted road constructions, over dimension of transport vehicle at PWC, foreign carriers are required to pay fees which are posted into the road fund of the republic. The Table 8 illustrates the permissible parameters of trucks in Kyrgyzstan.

In general, transport and transit problems are related to the (a) geographical location of the country, in particular, in a landlocked location and (b) administrative non-tariff barriers (NTBs) at border crossing points for entry into and transit to the third countries.

Table 8: Permissible Parameters of Trucks

Parameter	Weights and Measures
Maximal length of automobile	12 m
Maximal length of two-axle vehicle	8 m
Maximal length of three-axle vehicle	24 m
Maximal length of four-axle vehicle	32 m
Maximal height	4 m
Maximal width	2.55 m
Maximal axial load	10 tons
For binary axles, trailers or semi trailers with dual-slope wheels, the sum of axle masses shall not exceed the following allowed parameters with the distance between the axles as follows:	
From 0.5 meter to 1meter	12.5 ton
From 1 meter to 1.3meter	15.0 ton
From 1.3 meter to 1.8meter	16.5 ton
Equal or more than 1.8meter	18.0 ton

Source: CIS Agreement Concerning Dimensions and Weights of Vehicles Involved in International Road Transportation

The NTBs at the border crossing points, inadequate infrastructure, relatively high tariffs for transportation of goods and poor condition of available motorways result in complication and increased costs towards the use of vehicular and rail transport. Table 9 is an illustration of the economic costs for vehicular transportation departing from Bishkek, the capital of Kazakhstan, to a destination in Tyumen, located in the Russian Federation. The distance between the two cities is about 4,000 km and the laden weight is based on an estimate of 20 to 22 tons. An analysis of the data shows that unofficial charges can comprise one-third of the total cost and have a direct impact on the competitiveness of goods carried by motor transport.

**Table 9: Transport and Transit Costs for Export of Onion from Kyrgyzstan to Russia
(Chui oblast – Tyumen oblast)**

Expense item	Cost (USD)	% of Total Cost
Total cost of delivery	7,000	
Grant of Permit	50	0.7
Unofficial charges, including fees at border crossing points	up to 2,000	28.5
Income of carrier company, including payment for driver and his per diem expenses	3,050	43.5
Transit costs related to purchase of TIR carnet and license for transit	300	4.3
Fuel	1,600	23

Source: Study on Simplification of Import-Export Operations, GTZ, 2007

The other problems faced by carriers include inadequate equipment at the border crossing points without weighing platform machine, malfunctioning of equipments if these are available and inaccuracy of indicators. For example, only 4 out of 37 border crossing points are equipped with weighing platform equipment. The 4 posts are Ak-Zhol, Torugart, Irkeshtam and Chaldovar. The insufficient provision of technical aids or their lack of maintenance result in time wasted and loss of revenue to the carriers and their clients through congestion and vehicles being held up at the border.

6. State Agency on Environmental Protection and Forestry

In addition to the above-mentioned state organs, another state agency which has some involvement in border management is the State Agency on Environmental Protection and Forestry. One of the main tasks of the agency is “prevention of illegal import, export and transit of ecologically hazardous goods (products), objects of fauna, raw material resources damaging the environment”. The agency normally functions at established posts of ecological control within 50 meters from border crossing points. The officials of the posts collect payment for pollution of atmosphere by foreign vehicles.

Box 2: Trade Facilitation and Border Management Initiatives in Kyrgyzstan

The Government of Kyrgyzstan attaches great attention to trade facilitation. In 2007, Kyrgyzstan adopted the Decree of President (No.464) on Development of State Policy in the Field of Foreign Trade and Measures for Improvement of Export-Import Procedures, which gave political support to trade facilitation reforms. Kyrgyzstan has undertaken the following measures to facilitate trade at the border, as well as behind the border:

1. Simplification of trade procedures and documents

Kyrgyzstan enacted some normative legal acts with the aim to reduce procedures and documents and expedite the issuance of export/import related certificates and permits, such as the Decree of Government on Introduction of Amendments and Supplements to Some Decisions of Government of the Kyrgyz Republic (2008, No.72), Resolution of Presidium of Chamber of Commerce (2008, No. 15).

2. Establish national trade facilitation coordination mechanism to enhance public-private partnership (PPP)

The Government of the Kyrgyz Republic has established in 2008 the National Council on Trade and Transport Facilitation, headed by the Prime Minister. The members are heads of key ministries and agencies involved in trade and transport.

3. Optimization of control procedures and customs clearance at check points

According to the Government Decree on Measures of Streamlining Functions of Check Points through the State Border Assigned for International Automobile, Air and Railroad Communication, and Internal Stationary Posts in Automobile Roads (2007, No. 556), Kyrgyzstan will create the list of check points where a comprehensive primary control should be conducted, and the flow chart of interaction of government controlling bodies (customs, border service, sanitary service, quarantine service, standards and quality service). A Government Decree on Equipping Automobile Check Points with Information and Technical Facilities was also enacted (2007, No.587).

4. Establish “Single Window” environment

In 2008, the Government decided to introduce “Single Window” to boost foreign trade. Currently, Kyrgyzstan is conducting the feasibility study of “Single Window” Project. It’s expected that the launch of Single Window with the integration into customs information systems will take place in 2 years.

5. Implementation of risk management

The Instruction on Application of Special Simplified Procedures of Customs Clearance and Customs Control was endorsed by the ministries and agencies, and will be approved by the Government Resolution. According to the Instruction, simplified customs procedures will be applied in respect of agents of foreign economic activity with the lowest “risk”. The criteria of rating risks are developed by Department of Post Customs Control of SCC.

6. Implementation of Single Administrative Document (SAD)

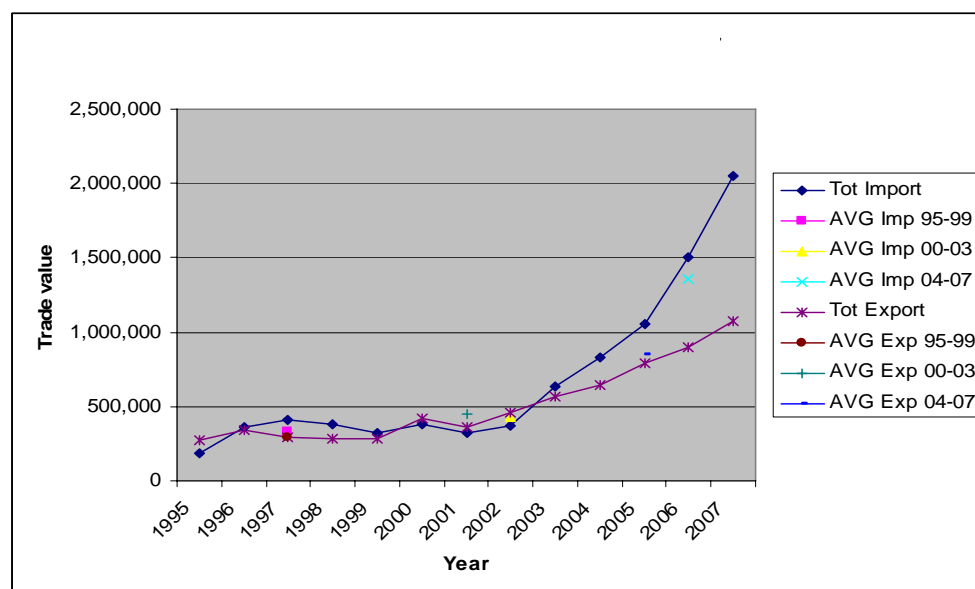
The introduction of SAD was approved by the SCC Order on Approval of Schedule to Record Declaration Forms Similar to Single Administrative Document (2008, #5-4/380).

Source: Anarkan Rahmanova(2009), at the Asia-Pacific Trade Facilitation Forum 2009: Setting the Regional Agenda

C Tajikistan

The trade volume of Tajikistan is relatively small. Like other Central Asian countries, trade in Tajikistan has experienced a continuous growth over the past decade. Having a similar situation with Kyrgyzstan, Tajikistan had also a large trade deficit, with its import growing faster than export. In 2007, the total import of Tajikistan reached more than US\$2 billion, four times of that in the beginning of 2000s, which was below US\$0.5 billion. During the same period, the export has doubled and exceeded US\$1 billion (See Figure 10).

Figure 10: Export and Import Trends in Tajikistan, 1995 - 2007

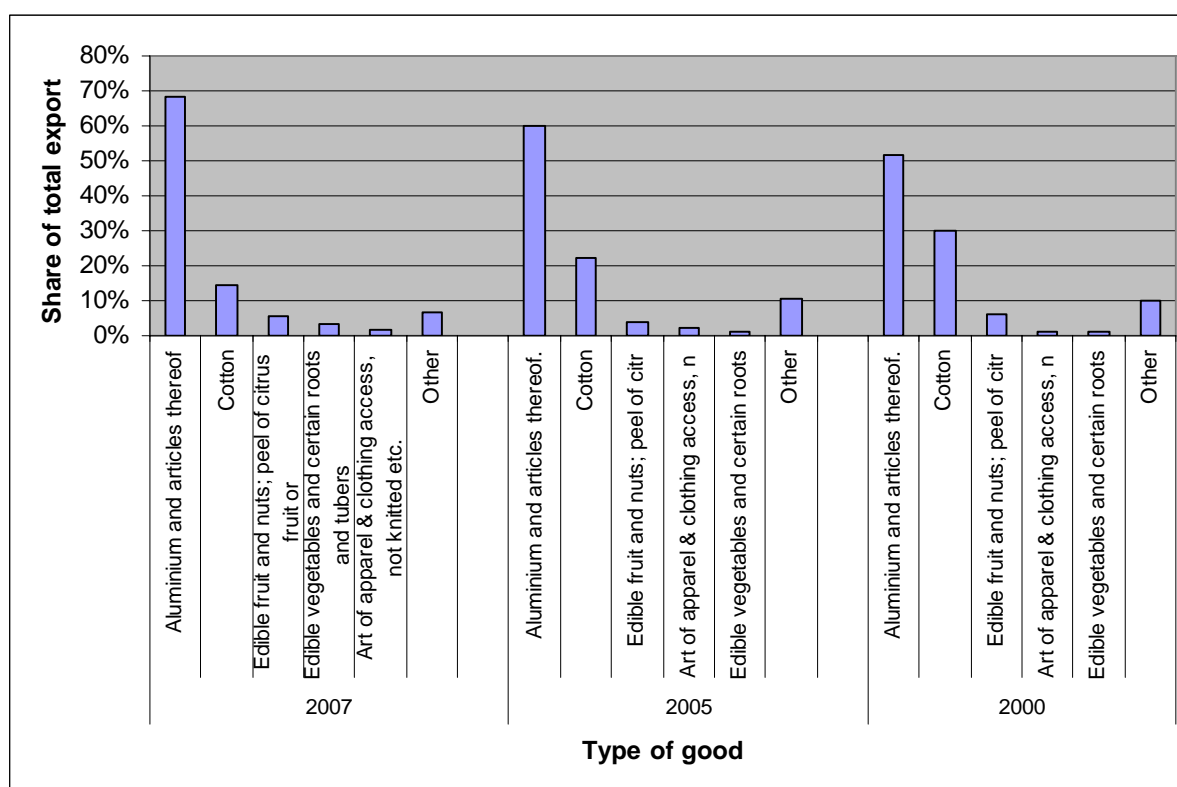


Note: Nomenclature HS 1988/92 used. Mirror data
Source: UN Comtrade

Imports play a very important role in Tajikistan economy as most consumer goods and industrial products are imported from other countries. Tajikistan used to be highly dependant on the imports of electricity which represented 20% of the total imports in 1995 and have dropped to below 4% in 2006. The imports of natural gas followed also a decreasing trend while the imports of petroleum products remained more or less stable as well as grain and flour. The non traditional imports comprising of consumer goods rose from US\$ 478 million in 1995 to US\$ 1.35 billion in 2006, accounting for approximately 80% of the total imports.

Tajikistan has rich hydraulic resources and minerals deposits including gold and silver in its mountainous areas. The intense river network in Tajikistan supplies the Central Asian region with more than 60% of hydro resources. The plains in the south-west part of the country are the main cotton-producing areas. The top export products in Tajikistan are aluminium and articles, cotton, edible fruit and nuts, apparel & clothing (See Figure 11).

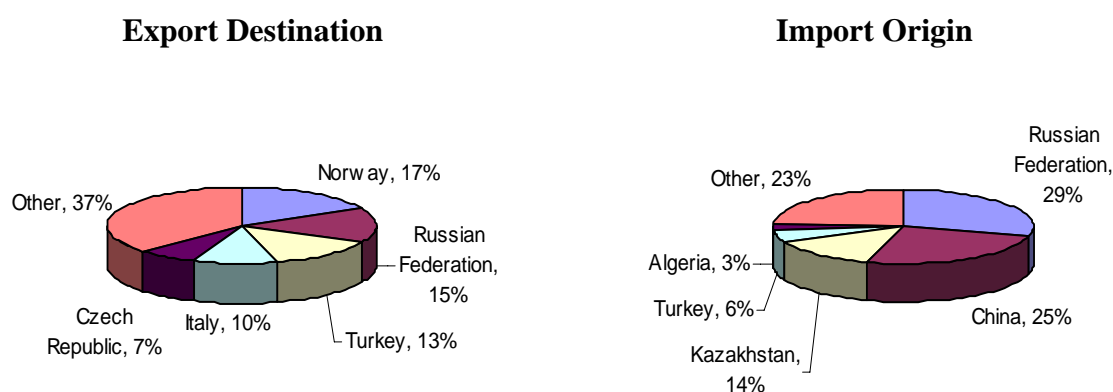
Figure 11: Largest Exports of Tajikistan, 2000 - 2007



Note: Mirrored data used. Nomenclature is H0.
Source: Comtrade

Europe is the most important market for Tajikistan's export products. In recent years, Norway, Russian Federation, Turkey, Italy, Czech Republic, United States have turned into major export destinations. The import goods of Tajikistan mainly come from its surrounding countries such as Russian Federation, China, Kazakhstan, and Azerbaijan. Turkey, Algeria and Iran are also important trade partners (See Figure 12).

Figure 12: Top Export Destination and Import Origin of Tajikistan, 2007



Source: UN Comtrade

Tajikistan is a mountainous country with mountain systems occupying 93% of its territory. In the north is situated the Ferghana Valley, in the south-west and in the central part Turkestan, Zarafshan, Hissar and Alay mountain ridges, in the south-east the Pamir, in the south-eastern part is Vakhsh, Hissar and other valleys. The land area of Tajikistan is 143,100 sq km, with the length from west to east 700 km and from north to south 350 km. Having territorial borders of 3,000 km in total, Tajikistan is contiguous with four countries, namely, Afghanistan in the south, China in the east, Kyrgyzstan in the north, Uzbekistan in the north and west. The territorial length of the border with the neighbours is shown in Table 10 below.

Table 10: Borders of Tajikistan

S/N	Countries	Length of Border Shared (km.)
1	Afghanistan	1,030
2	Uzbekistan	910
3	Kyrgyzstan	630
4	China	430
	Total:	3,000

The Law on State Border of the Republic of Tajikistan No. 481 adopted on 1 August, 1997 is the basic document, which specifies and secures the legal foundations of fixing, crossing and protecting the state border as well as the mandate of state authorities, local governments, the armed services, other forces and military units with regard to border issues in Tajikistan. Article 11 of this law establishes the procedure of border control (examination of documents for right of entry into the Republic of Tajikistan, examination of transport vehicles with a view to detecting violators of the rules of crossing the state border) and, as regards movement of goods, procedures of customs, sanitary and quarantine, veterinary, phyto-sanitary and other forms of control.

Based on this law, the Ministry of Justice and the Customs Department under the Government of the Republic of Tajikistan (CD, RT) specify content, methods and procedures of exercising control at the border. These are endorsed by relevant state agencies such as the Ministry of Health and other government agencies concerned, to ensure the safety of life and health of human, animals and plants.

1. Border Control

Control at entry points is exercised by the frontier troops of the State Committee for National Security, together with the customs and other authorized state bodies of the Republic of Tajikistan. The control of the border crossing and imposition of border control is laid out and described in the legislation as being “for the purpose of prevention and suppression of violations of the state border regime, frontier regime and regime at entry points at the state border to examine required documents of persons and documents for transport vehicles, conduct inspection of transport vehicles and goods carried by them”.

Application of national legislations on the exercise of frontier control over goods and transport vehicles crossing the state border at entry/exit border points governs the border management of the country. The application of border control is also bound by applicable

requirements and provisions contained in international, inter-governmental, bilateral and multilateral agreements, to which the Republic of Tajikistan is a signatory member.

2. Customs Department under the Government of the Republic of Tajikistan (CD, RT)

The Customs Department underwent several changes since its inception after the independence. From the State Committee of Customs, the Customs Department became one of two agencies, the other being the Tax Department, placed under the Ministry of State Revenue and Duties (MSRD). The MSRD was disbanded in 2007 and the two departments parted ways and became separate entities. In its present form, the organization of Customs is known as the Customs Department under the Government of the Republic of Tajikistan (CD, RT).

As a law enforcement agency, CD, RT undertakes the effective control of imports and exports for the protection of revenue to prevent and suppress evasion of duties and taxes. CD, RT also performs an equally important task of assisting in the promotion of the community's well-being by preventing the smuggling of controlled, prohibited and restricted goods such as illicit narcotic drugs, firearms, national treasures and strategic goods.

The CD, RT is governed by two legislations namely, the Customs Code and the Law of the Republic of Tajikistan on Customs Tariff. The Customs Code governs the actions required to accomplish the customs clearance process. The Customs Code contains 7 Sections, 62 Clauses and 508 Articles, for example, the Sections of "General Considerations Related to Customs Regimes", "Customs Broker", and "Information and Information Technology in Customs Matters". The Law on Customs Tariff governs the rate of customs duties to which the goods are subjected. The Tax Code of Tajikistan is also applicable to CD, RT in respect of definitions contained therein and actions as are required for excisable goods.

CD, RT is organized with a Central Office and 5 Regional Offices operating in the regions of Dushanbe, Khujand, Khatlon, Badakhshon and Tursunzade. Each Regional Office has within its purview the control of Customs offices and stations (normally inland freight premises) and frontier posts, which are located along the land-locked frontiers and contiguous with the designated entry/exit points of Tajikistan's neighbours, i.e. Uzbekistan, Kyrgyzstan, China and Afghanistan.

Goods crossing through border-posts are directed to Customs clearance offices and stations for examination and clearance. These offices consist of Road, Rail and Air Terminals. All imports and exports are required to be proceeded at the nearest Customs office and stations, or to a site chosen by the importer (or his representative) and with the consent of CD, RT. Customs clearance is not completed at the frontier posts although the CD, RT is represented at the borders. Clearance is normally for the travelers passing through the border checkpoints. Seals are usually placed on the cargo to ensure they are intact when directed to Customs offices and stations. Customs escorts are also used.

The CD, RT was also a beneficiary of the ADB loan for the modernization of the department and the establishment of a Unified Automated Information System (UAIS). To date, there is no progress report available on the progress of the development of the UAIS. However, tenders for the rehabilitation and/or construction of border posts and the purchase of generators to support the inadvertent shortage of electrical power were made. The development of the UAIS will further enhance the modernization of the department.

3. Ministry of Health

The Center of State Sanitary and Epidemiological Control of Ministry of Health of the Republic of Tajikistan exercises control and issues sanitary and epidemiological decisions. This is set down in a document certifying compliance (or indicating non-compliance) with sanitary and hygienic rules pertaining to the environmental health. Such decisions are required for all economic activity, products, works and services, including construction projects.

Imported goods intended for the use and/or consumption are required to be in compliance with sanitary standards and rules established by the Centre. International standards applied for ensuring the safety and health of the community is also similarly adopted by the Centre.

The government also compiles a list of category of goods which may be imported for the first time into the country. Goods contained in the list are subject to state registration prior to their import.

Hazardous materials and goods are not allowed to be imported in the territory of the Republic of Tajikistan if they are prescribed under prohibition laws. If the sanitary and epidemiological control concludes that the importation of goods and materials is likely to constitute a threat possibly leading to the spread of infectious diseases, such goods will not be allowed to be imported. Poisons are also restricted from entry into the country.

4. Ministry of Agriculture

At present, veterinary certificates and veterinary licenses in the Republic of Tajikistan are issued by the State Veterinary Control Service of Ministry of Agriculture of the Republic of Tajikistan and its departments in regions and cities as well as frontier veterinary check points at the border.

Veterinary control⁵ over goods subject to such control is exercised in line with the Law of the Republic of Tajikistan on Veterinary Service, the Regulations made on 22 October, 1998 on the procedures related to issuance of supporting documents for goods subject to state veterinary control, and the uniform rules of state veterinary control in international and interstate transportation of livestock goods.

The import, export and transit of animals, products and raw materials of animal origin and other goods and entry of transport vehicles subject to obligatory state veterinary control is allowed provided that the documents required by intergovernmental agreements are available and veterinary requirements are fulfilled. Sales of products and raw materials of animal origin and food for animal are allowed only a veterinary examination has been conducted.

Regional services of veterinary control are established at the state border. The veterinary control service has also established mobile teams which operate for the purpose of preventing entry of harmful and death-threatening diseases carried by animals and humans.

⁵ State veterinary control – complex of organizational and legal measures aimed at observance of the veterinary legislation by physical and legal persons.

Animals, products of animal origin, finished food products, raw materials of animal origin, animal food and phytogenous food, food additives, boles of microorganisms, veterinary medicine and other products controlled by the Veterinary service are allowed to be moved across the customs border of the Republic of Tajikistan only after conducting an obligatory veterinary control. Customs clearance of goods can be performed only after the veterinary control which is exercised by experts of the State Veterinary Control has been undertaken. The work place for state veterinary control service must also be located in a common customs zone.

The activity of the Service of state inspectorate for phyto-sanitary service and plant quarantine is carried out and regulated by the law of the Republic of Tajikistan on plant quarantine established on May 12, 2001 and the Regulation of the Government of the Republic of Tajikistan of August 1, 2008 No. 372.

Based on the legislation on plant quarantine, import of seeds, plants and phytogenous products into the Republic of Tajikistan from foreign states and the CIS states is allowed if the following is available:

- Import quarantine license⁶ issued by the Service of state inspectorate for phyto-sanitary service and plant quarantine of Ministry of agriculture of the Republic of Tajikistan;
- Phyto-sanitary certificate⁷ issued by the state authority for plant quarantine of an exporting country.

Existing legislation of the Republic of Tajikistan also stipulates that each shipment of exported seeds, plants and phytogenous products must be accompanied by phyto-sanitary certificate.

5. Agency on Standardization, Metrology, Certification and Trade Inspection (TAJIKSTANDARD)

The agency of the Republic of Tajikistan responsible for the certification of products in conformity with national standards laid down is entrusted to the Agency on Standardization, Metrology, Certification and Trade inspection (TAJIKSTANDARD). The agency acts according to the Law of the Republic of Tajikistan on Certification of Goods and Services and other normative acts adopted for regulating conformity to established standards.

The procedure of “certification of foodstuffs and other goods imported in the territory of the Republic of Tajikistan and exported from its territory” adopted by the Regulation of the Government of the Republic of Tajikistan of March 16, 1999 No. 97 stipulates that goods imported or exported are subject to obligatory certification. Certification is in the form of the issue of a Certificate of Conformance⁸ under commodity nomenclature specified by the Government of the Republic of Tajikistan.

6 Import quarantine license – document certifying compliance of products subject to quarantine and imported in the territory of the Republic of Tajikistan with rules and standards of ensuring plant quarantine.

7 Phyto-sanitary certificate – document certifying compliance of quarantine objects with rules and standards of ensuring plant quarantine.

8 Certificate of Conformance (hereinafter – certificate) is a document issued in accordance with the rules of certification system to certify compliance of a certified product with requirements stipulated by normative acts.

The Certificate of Conformance is submitted to the Customs together with Cargo Declaration and it is a necessary document to obtain license for import and export of products into and out of the territory of the Republic of Tajikistan.

6. Ministry of Transport and Communications

Based on the legislation of 2006, the Ministry of Transport and Communications exercises the following authority:

- Arranges and exercises the state control over observance of the legislation of the Republic of Tajikistan and international agreements of the Republic of Tajikistan related to transport issues by citizens and organizations engaged in international transportation of goods and passengers at stationary and mobile check points located at entry points at the state border of the Republic of Tajikistan in accordance with the established procedure;
- Establishes operating conditions at entry points of transport vehicles at the state border of the Republic of Tajikistan in the manner stipulated by the Law on State Border of the Republic of Tajikistan;
- Submits proposals with the concurrence of the State Committee for National Security of the Republic of Tajikistan to the Government of the Republic of Tajikistan concerning establishment of entry points of transport vehicles at the state border of the Republic of Tajikistan.

7. Drug Control Agency under the President of the Republic of Tajikistan

Tajikistan is on the frontline of illegal transit and trafficking of narcotic drugs produced within the Golden Crescent, an area which overlaps Iran, Pakistan and Afghanistan. Like her Central Asian neighbours, Tajikistan faces the problem of being used as a transit route for the movement of illicit drugs to Russia and into Europe. Being adjacent to the three countries in the Golden Crescent, Tajikistan plays an important role in the interdiction of illicit drugs transiting and entering the country. The tasks for interdiction and prevention of the illegal entry of illicit drugs are entrusted to the Agency for Drug Control.

The Agency for Drug Control is authorized to fulfill its functions within the zone of frontier and customs control with the concurrence of the State Committee for National Security of the Republic of Tajikistan and the Customs Service under the Government of the Republic of Tajikistan. In addition, Agency for Drug Control has the right to unseal sealed carriages, vehicles, other rooms of transport vehicles and goods carried by them in the presence and with participation of customs officials.

Moreover, the Agency in conjunction and cooperation with the Frontier troops conducts investigation and search activities for the purpose of identification, suppression and disclosure of crimes related to drug smuggling in the frontier regions of the Republic of Tajikistan as well on territory of the neighboring states. It is also tasked with taking measures to carrying out controlled delivery of narcotic drugs within its competence.

Box 3: Single Window Initiative in Tajikistan

The Concept on Establishing Single Window was approved by the Government in 2008 (Decree No. 659). The program of establishing Single Window for export, import and transit in Tajikistan was developed by an interagency working group composed of experts from the Ministry of Economic Development and Trade and the Customs Service.

The objective of establishing Single Window system in Tajikistan is to further unleash export, import and transit potentials and enhance investment competitiveness through simplification and harmonization of trade and customs procedures, and increase of efficiency of regulatory enforcement. Single Window is regarded as an effective way to reduce time and cost for processing documents, increasing transparency and quality of services with support of information and communication technologies.

The implementation of Single Window in Tajikistan will be undertaken in three phases. The Phase I covers a period from 2009 to 2010. The activities include interagency coordination, development and approval of SW organizational structure, preparation of technical specifications, tendering and purchase of hardware and software. The Phase II, from 2010 to 2011, will ensure and monitor the operation of Single Window including the introduction of electronic payment system. The Phase III, from 2012 to 2015, will integrate Tajikistan Single Window system with similar systems in other Central Asian countries, and optimize Single Window functions.

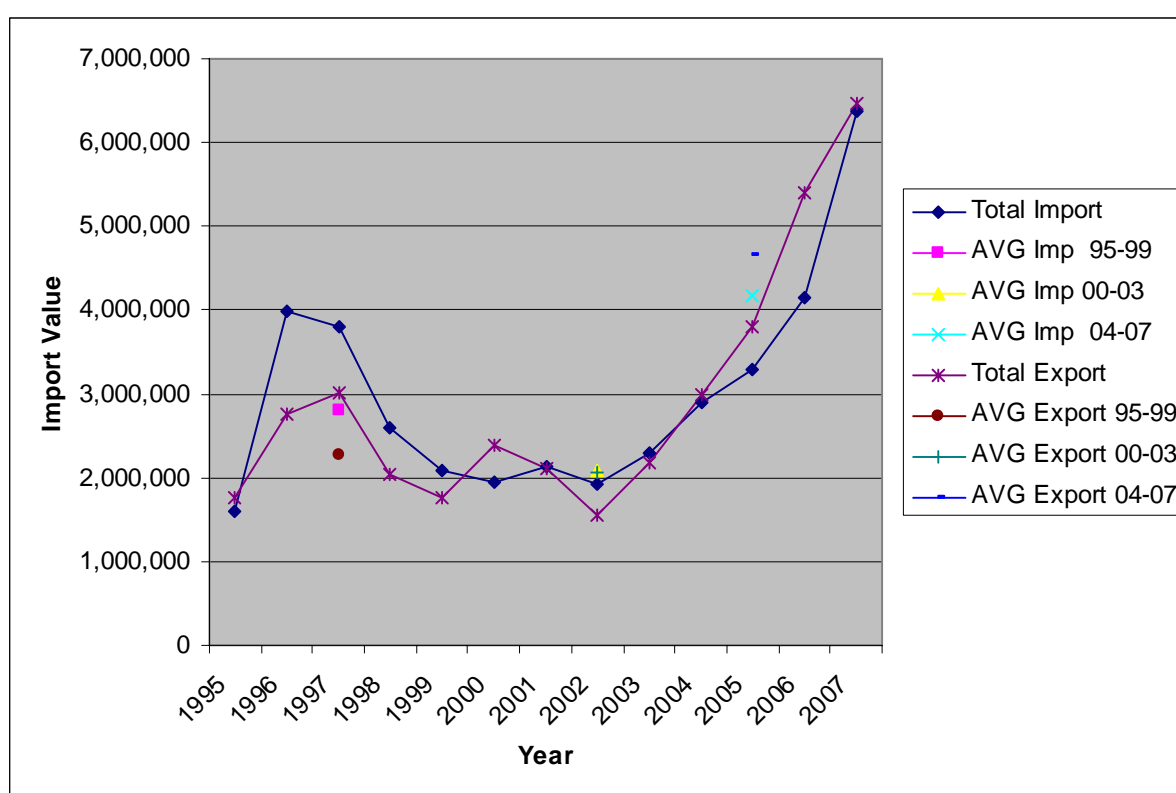
Source: Babadzhanova Nigina (2009), at the Asia-Pacific Trade Facilitation Forum 2009: Setting the Regional Agenda

D Uzbekistan

Uzbekistan is one of the only two double landlocked countries in the world, which are surrounded by other landlocked countries. The export and import goods of Uzbekistan should cross at least two international borders before reaching seaports. This unique geographical location, in addition to various “physical” and “red tape” barriers, makes trade between Uzbekistan and other countries very difficult.

Over the past decade, Uzbekistan has experienced a fluctuation in foreign trade. The import had a small peak in 1996 reaching about US\$ 4 billion, followed by a continuous downturn until 2002 at around US\$ 2 billion. Afterwards, the import had a swift increase and reached around US\$ 6.5 billion in 2007. The evolution of export had the similar track (See Figure 13).

Figure 13: Export and Import Trends in Uzbekistan, 1995 - 2007

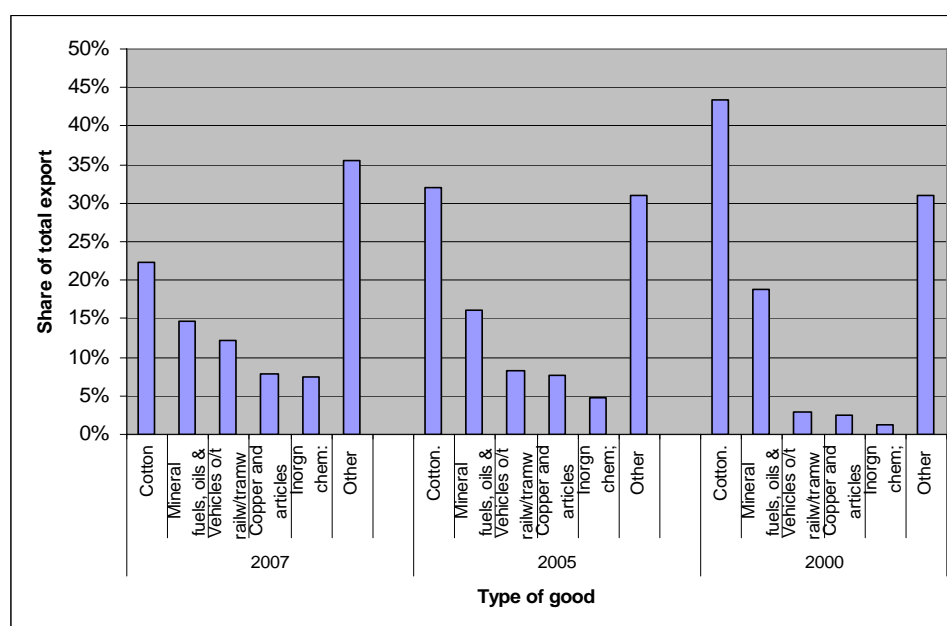


Note: Nomenclature HS 1988/92 used. Mirror data

Source: UN Comtrade

In recent years, over 60% of exports of Uzbekistan consisted of cotton, mineral fuels, oils & product of distill, vehicles, copper and articles, inorganic chemical products. Cotton accounted for the highest share in total exports. But its importance in the exports had a significant decrease from 2000 to 2007 (See Figure 14).

Figure 14: Largest Exports of Uzbekistan, 2000 – 2007

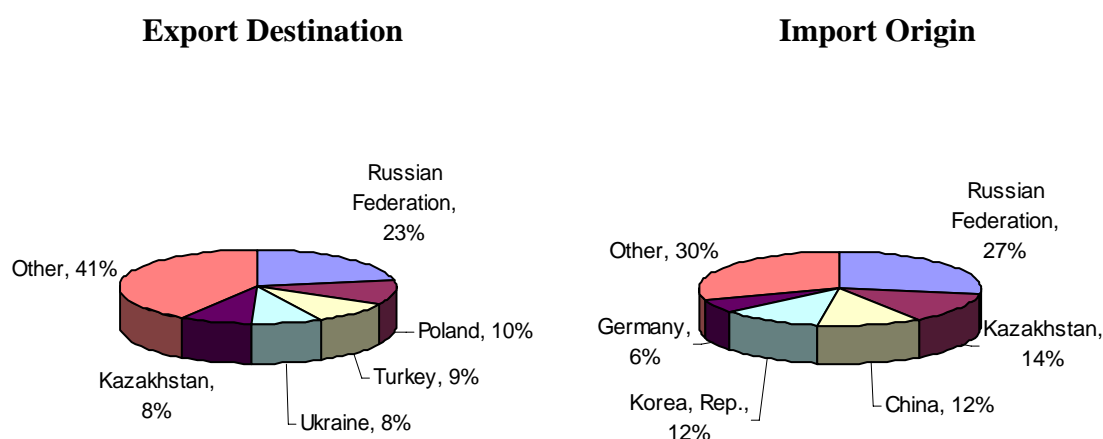


Note: Mirrored data used. Nomenclature is H0.

Source: UN Comtrade

Russian Federation is top trade partner for Uzbekistan, both in export and import. During the period 2005-2007, more than 1/5 of Uzbekistan's exports were destined towards Russia, and 1/4 of its imports originated from Russia. Other important export destinations included Poland, Turkey, Ukraine, Kazakhstan, China, and Bangladesh. Aside from Russia, Kazakhstan, China, Korea and Germany are also major suppliers of Uzbekistan (See Figure 15).

Figure 15: Top Export Destination and Import Origin of Uzbekistan, 2007



Source: UN Comtrade

Uzbekistan has an area of 447,400 square kilometers and common land frontier of 6,221 km. The country shares borders with five neighbouring states, namely Kazakhstan, Turkmenistan,

Kyrgyzstan, Tajikistan and Afghanistan (See Table 11). There are also three Uzbek enclaves geographically located on the territory of neighboring countries, consisting of two on the territory of Kyrgyzstan and one on the territory of Tajikistan.

Table 11: Borders of Uzbekistan

S/N	Countries	Length of Border Shared (km.)
1	Republic of Kazakhstan	2,203
2	Republic of Tajikistan	1,161
3	Republic of Kyrgyzstan	1,099
4	Turkmenistan	1,621
5	Afghanistan	137
	Total:	6,221

The republic was for many centuries a focal point for commerce and trade utilizing the Silk Road. With a young population in excess of 28 million, the country enjoys a vibrant and growing economy. Agriculture forms the most important sector of the economy with other major export earners being trade in gold, natural gas, minerals and fertilizers.

The establishment of and operations at the borders is governed under the Constitution of the Republic of Uzbekistan and other legislation made for that purpose. Uzbekistan acceded to a number of international agreements on border issues. Rules and provisions contained in international agreements take precedence if such rules and provisions are in conflict with national legislation.

The Law on “State Border of the Republic of Uzbekistan” provides the definition of the state border of the Republic of Uzbekistan to be “... *line and vertical area, passing by this line, which define limits of the state territory (land, water, subsurface and air space) of the Republic of Uzbekistan*”. Establishment and modification of the state border is subject to the approval of the Majilis (Parliament) subject to governing international agreements.

The delineation of state border is fixed in accordance with the Regulation “On Procedure of the Demarcation of the State Border Line with Neighboring States”. This was established by the decision of the Cabinet Council of the Republic of Uzbekistan No. 530 of November 24, 2003 (as amended by paragraph 14 of Attachment to the Regulation of the Cabinet Council of the Republic of Uzbekistan No. 359 of July 26, 2004). Pursuant to the Regulation, the delineation of the state border is fixed based on international agreements and demarcated on the terrain through system of border marks, including primarily the placement of frontier posts and additionally by placement of barbed wires, buoys, leading beacon and other separation tools and construction.

The law also provides for the establishment of “border zone” a territorial divide adjacent to the state border where the border crossing regime is applicable. Border zones can be set up within the territorial limits of a region, city, village, or kishlak (rural settlements) adjacent to the state border. Border zones demarcation includes inland waterways, lakes and islands located within the area of these waters.

Pursuant to Article 21 of the regulations, buffer zones may be established with the territory where grazing and holding of cattle is forbidden. These form a preventive zone serving to protect the country against risk of the spread of hazardous infectious diseases.

The law on state border provides detailed description of powers of Cabinet Council of the Republic of Uzbekistan, Council of National Security, Ministries of Foreign Affairs, Defense, and Internal Affairs, State Customs Committee and agencies performing sanitary and quarantine, veterinary, phyto-sanitary and other kinds of control exercising control at the state border. There is also provision for the powers of local governments and participation of autonomous bodies of citizens, enterprises, agencies and organizations in carrying out guard and defense of the state border.

Border control measures at the crossing points⁹ are coordinated under the Committee on Guards of State Border (CGSB), an agency of the Council of National Security (CNS). Detachments of frontier troops under the CGSB police the crossing points. Similar to other border management measures adopted by the other countries, movement of travelers, goods and means of transport are subject to frontier, customs and quarantine controls. Frontier and customs control may be exercised jointly or separately.

The myriad number of agencies present within the border management environment is plagued by a substantial number of subordinate regulations adopted by various agencies which may, from time to time, not have been sanctioned and approved. Such regulations are required to be registered with the Ministry of Justice. Whilst awaiting the sanction and approval, the agencies will use the regulations based on their own numbers and effective dates (contained in their “unapproved” documents). Thus subsequently, the approved regulations may contain different numbers and dates registered and sanctioned by the Ministry of Justice. Instances of applying divergent regulations can arise.

1. Border Control

Application of border control by the CGSB and Customs is governed by the Resolution of the Cabinet Council on “Organization of Border and Customs Control at Crossing Points at the State Border of the Republic of Uzbekistan” No. 268-65 of May 25, 1999 and the Joint Instruction of SCC and NSC No. 0101/063 of June 21, 1999.

The Frontier Troops of the CGSB undertaking the mission of safeguarding national security carries out:

- Inspection of documents with regard to the right to cross the state border;
- Control over individuals who are forbidden to enter or leave the Republic of Uzbekistan;
- Examination of transport vehicles and goods;
- Supervision over transport vehicles and, if required, their convoy;
- Other actions stipulated by the legislation.

The work by the Frontier Troops is carried out by separate units as follows:

- Frontier Detail “SG” (sentry of gate): responsible for control over passage of transport vehicles across the state border and over entry in the crossing point or the

⁹ Crossing points mean territory of frontier railway and vehicle stations, sea and river ports, airports and airdromes open for international communications (international flights) and other specially equipped places where border, customs and other kinds of control are exercised and passage of people, transport vehicles, goods and other effects and materials is carried out.

border zone and with assistance of static or portable instruments ensuring radiation control measures are satisfactorily met;

- Frontier Detail “STV” (supervision over transport vehicles): responsible for exercising supervision over transport vehicles and adjacent area;
- Frontier Detail “ETG” (examination of transport vehicles and goods): responsible for examining transport vehicles coming from overseas and goods carried by them;
- Frontier Detail “ID” (inspection of documents): responsible for inspection of validity of documents of persons crossing the state border;
- Frontier Detail “OO” (orderly officer of subdivision of border control).

The Frontier Troops are lawfully permitted to detain offenders for up to 3 hours to draw up a report or up to 3 days if the identity of the offender or the circumstances of his detention requires clarification. The public prosecutor must be informed, in writing, within 24 hours of the detention. An offender without identification documents can be detained up to 10 days with the public prosecutor’s sanction. The Frontier Troops are also permitted to conduct bodily search of the detainee and examine and/or seize his belongings.

2. Customs Control

Customs control is administered by the State Customs Committee (SCC), comprising the Central Office (HQ) and regional departments. Customs posts are maintained at the crossing points and customs offices/stations are also located inland. There are 116 Customs posts and 28 offices. Customs control includes:

- Checking of data and documents;
- Conducting Interviews of business entities;
- Customs clearance;
- Customs identification of transport vehicles and cargo;
- Control over compliance of customs requirements on the passage of materials, products and items of cultural values entering and leaving the country;
- Registration of transport vehicles and cargo being moved across the state border;
- Check of a reporting system and reports of business entities;
- Examination of area, premises and other places where goods or transport vehicles subject to customs control are situated.

Customs control is regulated by the Customs Code adopted on June 18, 1995 (amended in August 20, 2000) and the Law on State Customs Service adopted on August 16, 1995. The Customs Code prescribes the exercise of customs control at the border entry/exit points (crossing points) pertaining to travelers, transport vehicles and goods. The Customs mission is largely to safeguard economic security, ensure compliance with national customs requirements and implement relevant international agreements. In practice, the deluge of substantial subsidiary regulations of orders, instructions, etc form the basis of customs action, which could result in confusions and difficulties for their application.

On-site customs clearance of travelers, goods and means of transport is provided at the checkpoints and offices/stations by officers working in shifts. The customs also carries out joint departmental operations consisting of various units to ensure the integrity of the trade at the borders or in inland locations.

3. Control Procedures for Transport Vehicles and Travelers at Border Crossing Points

The arrival of a transport vehicle at the frontier crossing is required to be presented to the Frontier Detail “SG” (see above section on the border control). The frontier detail “SG” examines and verifies traveler documents of the driver. A report is made to the supervising inspector who directs the “SG” to present the vehicle at a designated control point. Further supervision over the transport vehicle and driver is executed by the frontier detail “ETG”. Border control including the examination by quarantine officials (sanitary and phyto-sanitary, etc) is carried out simultaneously.

Travelers in the vehicles are required to disembark with their luggage at the checkpoint and directed by the frontier detail “SG” to a registration room. In the registration room, the travelers together with their luggage undergo:

- sanitary and phyto-sanitary control,
- passport control of persons,
- customs clearance,
- Veterinary and phyto-sanitary control.

On being cleared for entry, travelers are required to wait for their transport vehicle in a designated place and to re-board their vehicle for onward journey.

If the transport vehicles are carrying goods, customs control clearance is required. The required customs declaration and supporting documents to be submitted to customs officials are required for customs clearance. Customs will examine, and once the legality of the entry of goods identified, will allow the transport vehicle, goods and the driver to enter the country. The vehicle, by following a designated route, moves towards the exit of the crossing point to pick up the travelers. The frontier detail “SG” will subsequently verify the correct number of travelers with the data received by means of communication from the frontier detail “ID”. This concludes the clearance process and the vehicle and travelers are allowed to proceed into the country.

4. Logistics

Although Uzbekistan air and rail transport is considered one of the best in Central Asia, freight logistics remain weak. The road carrier industry is also small. International traffic by road is also lacking owing to high logistics costs. For example, over 88% of domestic passenger and cargo traffic compared with 12 % of international traffic is transported by road. Although the road transportation is significant to the neighbouring countries for transit purposes, transporters face a heavy price using this form of transportation. This is exacerbated by the obstacles of delays caused to movement of transport vehicles. The country also mandates customs convoy and escort if vehicles are carrying cargo to a point more than 300 km from the border. Long wait is a result of the assembly of convoys.

The high logistics cost faced by vehicle transporters is illustrated in the Table 12 below. The table is an extract of the *“Fees to the Republican Funds under the Ministry of Uzbekistan for Entrance and Transit by Transport Vehicles of Foreign and Neighboring Countries across the Territory of the Republic of Uzbekistan”* set down in the Resolution of the President of the Republic of Uzbekistan of 29.12.2008 N IIII-1024.

Table 12: Cost for Entrance and Transit of Vehicles from Neighboring Countries to/through Uzbekistan

No.	Fees and charges	USD
1	Fees for entry of foreign transport vehicles into the territory of the Republic of Uzbekistan and transit, for entry of one road carrier	400
2	Fees for entry and transit from each truck and bus of the Republic of Tajikistan across the territory of the Republic of Uzbekistan	
	- one truck and bus;	130
	- per each day stay of truck and bus on the territory of the Republic of Uzbekistan, more than 8 days;	50
	- for transit passage of trucks and buses across the territory of the Republic of Uzbekistan to third countries (except CIS states)	90
3	Fees for entry and exit of trucks of the Republic of Kazakhstan in/out of the territory of the Republic of Uzbekistan, except transit, for entry and exit of one truck	300
4	Fees for entry and transit of trucks and buses of the Kyrgyz Republic across the territory of the Republic of Uzbekistan	300
5	Fees for entry and transit of trucks of the Republic of Turkmenistan across the territory of the Republic of Uzbekistan based on kinds of transport vehicles	
	- trucks with carrying capacity	
	Up to 10 tons	50
	From 10 to 20 tons	100
	More than 20 tons	150
	- buses with the following number of seats:	
	less than 12 seats	25
	from 13 to 30 seats	50
	more than 30 seats	100
	- motorcars following transit	30
	- motorcycles following transit	15

Source: Attachment N22 to the Resolution of the President of the Republic of Uzbekistan, of 29.12.2008 N IIII-1024

An analysis of the above high rates imposed for entry and transit through the territory of the Republic of Uzbekistan to/from neighbouring countries seem to imply restricting movement and as a result impede development of regional trade. Another form of the effects of high costs also applies to travelers. Travelers from neighbouring countries do not usually cross to the Uzbek border in foreign registered vehicles. By mode of pedestrian movement, the traveler would cross the border and subsequently sought the use of local Uzbek carriers such as taxis and minibuses.

Box 4: Improve Customs Administration and Border Control in Uzbekistan: Issues to Consider

In its report “Uzbekistan: Trade Facilitation and Logistics Development Strategy Report” (2009), the Asian Development Bank (ADB) indicated that Uzbekistan faced a number of challenges in the areas of trade and finance, customs administration and border control, and transport and logistics. In terms of Customs administration and border control, the attention should be paid to the following issues:

- a) Lack of transparency and uniformity in the interpretation of customs laws and regulations;
- b) Protracted customs examination process;
- c) Requirement for customs convoys;
- d) Sporadic border closures, and
- e) Unsynchronized operating hours in border crossing points.

In this regard, the Report provided the following recommendations in order to improve Customs administration and border control in Uzbekistan:

- a) Simplify Customs laws and regulations;
- b) Increase transparency in the formulation of rules and regulations, and ensure transparency and uniformity in their enforcement;
- c) Promote the harmonization of border crossing procedures;
- d) Formulate and implement a customs risk management system;
- e) Maximize cooperation among all the agencies involved in border control;
- f) Establish joint border crossing facilities with its neighbors;
- g) Ensure the consistency of the opening hours of its border crossing points (BCPs) with traffic flows and the synchronization of the same with those of its neighbors’ BCPs;
- h) Automate procedures of border control agencies to improve control and facilitate data exchange;
- i) Reduce entry burden on importers and exporters;
- j) Exchange cross border information with neighboring countries;
- k) Institute Single Window processing;
- l) Provide the trader with a choice of clearance facilities to clear imported goods;
- m) Minimize the required use of convoys; and
- n) Create public/private stakeholders groups to facilitate import and export.

Source: ADB (2009), Uzbekistan: Trade Facilitation and Logistics Development Strategy Report