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## File Introduction

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This Application for the Project Preparation Grant (PPG) is prepared and submitted by the Association of Suppliers (Producers and Distributors) of the Kyrgyzstan represented by its Director Ms. Gulnara Uskenbaeva, co-chair of the National Trade Facilitation Council (NTFC).

Kyrgyzstan has adopted the Protocol of Acceptance to join the Trade Facilitation Agreement on December 6, 2016. It has notified the WTO Secretariat that some of the measures fall under the Category “A” and they were implemented by the date of entry into force of the Agreement; several measures were notified as the Category “B” but the major part of measures was notified under the Category “C” on which technical assistance from available international and bilateral sources is still being sought.

To date Kyrgyzstan, as the WTO Secretariat informs, Kyrgyzstan implemented only 30,3% of measures under the Category “C”.

In order to implement all measures of the TFA Kyrgyz government set up a National Trade Facilitation Council chaired by the Minister of Economy, and co-chaired by representative of the business community, namely the Director of the Association of Suppliers of Kyrgyzstan, the Applicant.

To streamline the processes of discussion and adoption of measures it was decided to establish six working groups that are divided to accelerate the entire implementation process. They are led by either government or independent experts / managers of various public entities and focus on particular measures.

In the meantime, both government and business community consider weak rate of progress to attain results indicated in the original work schedule in spite of large and highly qualified assistance from donors being present in the country.

With the view to speed up the process of completion of commitments under the TF Agreement the Applicant decided to apply for a financial support to prepare Project Preparation Grant (PPG) with high level of expectation that WTO and partners – the donor institutions – would find the opportunity to assist Kyrgyz Republic to implement some of the key measures which, as we believe, pose serious problems to business especially those companies that are involved in cross border trade and transit.

## 1 - Background and Rationale<sup>1</sup>

### 1.1 - Clearly explain how the proposed activity will improve your capacity to / facilitate access to funding to / prepare the ground to implement Category C commitments notified under the TFA

As it stands, the Kyrgyz Republic has some TFA implementation needs designated under category “C” that we have not yet identified among the development related partners to assist (ITC, GIZ and others) and clearly express their interest to assist with implementation of the entire TFA, but donors or development partners have signaled that they were ready and able to assist with implementation of some measures. Assistance in the form of a project preparation grant from TFAF will support the Kyrgyz Republic by framing our unmet needs including all relevant technical details in a format that can be used to communicate with development partners to seek their assistance including from a TFAF project implementation grant. Our belief nestles on the idea that the WTO`s sourced activity would urge Bishkek`s resided donors to work on those measures which are prioritized by the government and business needs. The assistance to further communicate with development partners in Bishkek to better understand the available assistance and their relevant programs and timetables for TFA related assistance would also support the NTFC to plan its implementation activities for the future.

It was already noted that Kyrgyzstan has become TFA signatory on December 6, 2016<sup>2</sup>. By 2021 Kyrgyz Republic has submitted several notifications including those where the government indicated the measures to fall under various categories: one of the latest notifications from the Kyrgyz Republic to the WTO Secretariat G/TFA/N/KGZ/2 followed by series of corrigenda contained the information on categorization of the TFA measures including those where technical assistance was sought. However, the rate of implementation remains quite low vs many other developing countries, including countries with similar economic development. The WTO Secretariat placed official data on its website that the country`s rate of implementation under category “A”, “B” and “C”. Moreover, many of the measures contained in notifications indicate deadline for the implementation within the range between 2021 and 2023. NTFC and the government with representatives of business are very much concerned over low speed of adoption of necessary measures to cut the line, i.e. barriers for cross border goods supply.

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<sup>1</sup> This application is prepared on behalf of the Association of Suppliers of the Kyrgyz Republic: official identification number, the legal status of the Applicant, tax payment information, license, and other necessary documents are attached to this Application..

<sup>2</sup> The National Parliament – Jogorku Kenesh – ratified the accession of the country to the TFA on November 22, 2016. The Kyrgyz Law “On introduction of amendments and supplements to the Marrakech Agreement Establishing the World Trade Organization (the law on trade facilitation) was signed by the President of the Kyrgyz Republic on November 23, 2016.

At present the rate of implementation of TFA provisions by Kyrgyzstan looks as follows<sup>3</sup>:

Category A: 16,4%

Category B: 13,4%

Category C: 30,3% (as at January 2021).

Under the Category “C” the Kyrgyz Republic, either in cooperation with available donors being present in the country or on its own, has implemented several activities leading to full implementation of respective TFA` s provisions. In the meantime Kyrgyz NTFC reports that the Kyrgyz Republic still has a lot of measures to implement. The list includes the following measures:

5.3. Test Procedures

7.2. Electronic Payment

7.4. Risk Management

7.5. Post-clearance Audit

7.6. Establishment and Publication of Average Release Times

7.7. Trade Facilitation Measures for Authorized Operators

8.1. Border Agency Cooperation

8.2. Cross border cooperation

7.1 Pre-arrival Processing and guarantees (11.11.-11.14)

11.16 and 11.17 Cross border cooperation

6.2 Special procedure to collect fees in connection with import and export

7.3. Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges

10.1 Formalities and Documentation Requirements

10.2. Acceptance of Copies

10.3. Use of International Standards

10.8 Rejected Goods

12.2 Exchange of Information

12.3 Verification

12.4. Request

12.5. Protection and Confidentiality

12.6. Provision of Information

12.7. Postponement or Refusal of a Request

and

- Simplified procedures for trusted suppliers (national commitment outside the scope of TFA)

- Permissions for transport and vehicle weight & size control (national commitment outside the scope of TFA)

- Information on the work of the NTFC (national commitment outside the scope of TFA).

In the meantime, the country with its scarce financial resources and lack of technical skills at the beginning of the process of TFA implementation has managed to finalize or close to completion about 44 measures related to implementation of TFA provisions, and national experts are optimistic that those measures would be finalized in coming months

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<sup>3</sup> Permanent address of the WTO TFA site: <https://tfadatabase.org/members/kyrgyz-republic>

or within 1-2 years.

Having in mind that some donors are continuing their active work in the country both government (Ministry of Finance and Economy) and private business are keen to select two directions that can be carried out under the TFAF grant should PPG is successfully completed. Those topics are: Article 5.3 “Test Procedures” and Electronic Declaration which is not covered as such in TFA articles but it is clear that entire Trade Facilitation Agreement targets the simplification of cross border routine work, making the international and regional trade faster and easier for entrepreneurs, i.e. transfer of data communication electronically.

It is highly unlikely that Kyrgyzstan would find any partner among donors to support with test procedures which includes both hardware and capacity building in selected border crossing points and electronic declaration (e-declarations) as these two topics remained outside the scope of work of development partners in the country. Let us bring one example to explain how electronic system made administrative procedure easier, cheaper and faster in the Kyrgyz Republic. The State Property Registration Office had launched Single Window to accept application for buying, selling private property, making necessary queries about owners of houses and flats from any person willing to have access to necessary information. Now this system is fully automated, and we all note how efficient the system has become since last few years. It is commonly shared view that e-declaration, as horizontally used tool, would improve import/export transactions if all components of the system are in place and functional.

**1.2 - Please describe the key TFA implementation barriers and/or opportunities to be addressed, including their relevance for market access and poverty reduction**

As from the beginning of the implementation of the TFA in Kyrgyzstan it became clear that for several reasons there will be certain barriers such as the (i) lack institutional coordination between entities involved, (ii) relatively passive participation of private business in spite of problems it faces to trade with partners abroad, (iii) high level of personnel turnover from one public entity to another (or preference to leave the office to work for private companies), (iv) low institutional memory, i.e. once a skilled person leaves the office his/ her colleagues are left without necessary knowledge to continue the activity, frequent changes in the government including governmental structure (last change took place in January 2021). On May 5, 2021 the Decree of the President was signed “On the Cabinet of Ministers of the Kyrgyz Republic” № 114.

In order to have better coordination between ministries and agencies and donor organizations voted to assist the country in implementing TFA the National Trade Facilitation Council was established. The Council has been established on July 18, 2017<sup>4</sup>,

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<sup>4</sup> Kyrgyz government regulation No. 435).

which is chaired by the Ministry of Economy<sup>5</sup>. The Secretariat of the NTFC monitors the work of six Working Groups. These groups have been splat in a way that, as the government believes, would better serve to attain all objectives, and eventually bring the country to final point, i.e. implementation of the Trade Facilitation Agreement in full.

Clearly there are many areas where problems exist to complete implementation of the TFA (listed in p. 1.1 above), especially the Category “C” measures. In the meantime, in view of some experts, government officers and representatives of business the key TFA implementation barriers, according to the reports from NTFC and local experts are:

1) Art. 5.3 – “Test Procedures”. A feasibility study is needed for the construction of a customs testing laboratory and training of staff related to this testing laboratory. There is currently no infrastructure or capacity in this regard;

2) Next key barrier to international trade is that customs related procedures remain paper based process. So, the e-declaration is another important component that has not yet implemented in the Kyrgyz Republic to satisfy objectives laid down in the provisions of the Trade Facilitation Agreement. Globally, Kyrgyz Republic is well behind those countries which launched electronic system for export/import transactions. In the Central Asian region online document retrieve, processing, issuing and acceptance in Kyrgyzstan is also closer to countries which continue to rely on paper based circulation of documents. All these lead to very slow movement of goods, spending of time to wait for paper printed, and last but not the least it leads to corruption at all levels of government hierarchy. Furthermore, the Applicant and the management of the Ministry of Economy and Finance took a strong stance to launch electronic declaration and recognized this approach as one of the strongest business friendly facility. The documents for export and import electronically (and hard copies) are issued by 11 state agencies; they are responsible to issue 33 types of documents. However, not all of them yet ready to fully convert to paperless document circulation.

Kyrgyz government and customs/ transport experts as well as traders indicate weaknesses of local electronic document turnover system, in many instances the availability of working with documents online fully absent though infrastructure allows to overcome this problem. With regard to the Trade Facilitation Agreement both the new government and foreign trade participants unanimously point out on the need to launch electronic declaration system (e-declaration). At present **e-declaration for export/import transactions does not exist**. In the meantime, the State owned “Single Window” (SW) entity provides its services to exporters or importers but functionally it is not connected with other public authorized bodies that issue documents for international transactions, so the scale of work of the SW remains marginally low.

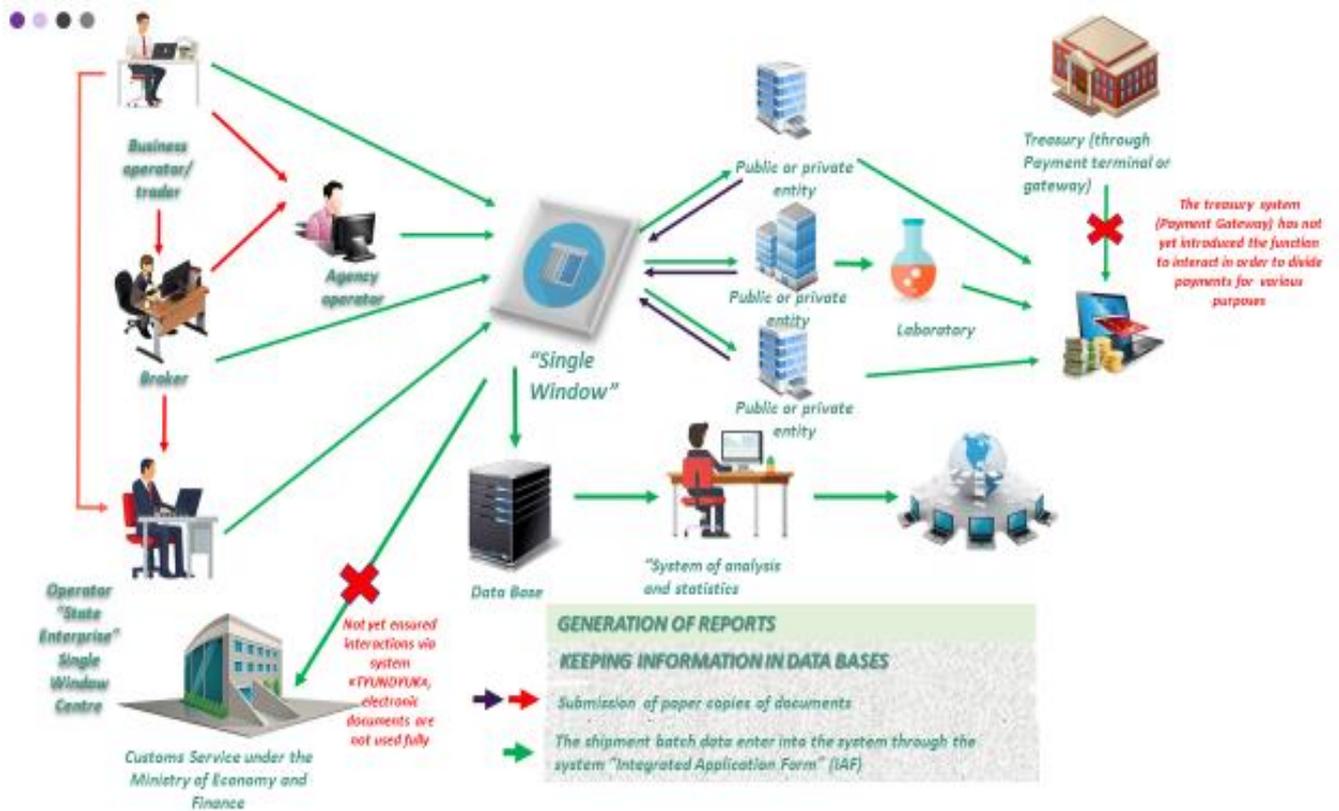
The national system “Tulpar” is a host for several national agencies involved in international trade as they are responsible for issue of documents (certificates, protocols,

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<sup>5</sup> It should be noted that after recent presidential election that took place in January 2021 the government structure has been changed significantly. The chart is shown in Annex II to this Project Preparation Grant.

test results, etc.). The picture below was kindly provided by the State Owned Enterprise “Single Window”, which shows how the e-system for foreign trade should look once all the agencies become e-connected. However, the system schematically shown below will be expanded and refined should e-declaration becomes fully fledged.

Figure 1: existing system of electronic paper turnover which is partly functional



Kyrgyz Republic has a pilot project under electronic system titled “SANARIP TAMGA” at Border Crossing Point “Dostuk”. This project would help to expand e-declaration system within the entire territory of the Kyrgyz Republic.

1.3- Has a TF-related needs assessment been carried out in your country / territory? The answer is “yes” as such a needs assessment researches have been carried out in 2013 with assistance from GIZ and in 2015 with the support of UNECE. However, those researches did not focus on implementation of Article 5.3 or electronic declaration topic.

1.4 - If yes, please upload the relevant documents here and refer to relevant issues and priorities identified in the box below

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## Relevant issues and priorities

In general, the speed of documents being issued by the Kyrgyz authorities remains low vs economies in Europe and South and Eastern Asia. It poses serious problems to local suppliers as Kyrgyzstan exports mostly agriculture products to the neighboring countries and Russia. The governments are always concerned over low rate of document processing, long queues at the border (though the reason for that is not only Kyrgyz agencies fault). In order to analyze the reasons for these shortcoming bilateral and international donors were asked to make respective examinations at the border. So, the needs assessment was carried out in 2013 in partnership with the German Development Agency (GIZ). This study was updated by a research in 2015 by UNECE: "Regulatory and Procedural Barriers to Trade in Kyrgyzstan". It became evident that the Kyrgyz Republic, a member of the WTO and the EAEU, is far behind of the level of advance observed in other states of the WTO and the EAEU for several reasons: weak coordination between public agencies involved, low level of digital tools applied, lack of international standards and risk management system in place to improve foreign supplies easier and more transparent in both directions: "to" and "from" the country.

Unfortunately, the researches mentioned above did not specifically study the issues on Test Procedures and E-declaration. This is why the Applicant with the support of the Ministry of Finance and Economy of the Kyrgyz Republic has prepared this application for full examination of situation on laboratory test needs at the border and electronic declaration.

**1.5 - Please clarify linkages, if any, between the main TFA implementation issue(s) identified and national poverty reduction strategies, relevant sectoral development policies/strategies, etc. For Least Developed Countries (LDCs), reference should be made to relevant issues identified in the Diagnostic Trade Integration Study (DTIS) carried out under the Enhanced Integrated Framework (EIF), if such a study exists. Please upload the relevant documents here and highlight the main linkages between them and the proposed PPG activity in the box below**

Business transactions including foreign trade actors massively involve small and medium sized enterprises (SMEs) as well as the private entrepreneurs from urban and rural areas. Problems related to cross border supply, document turnover, the need to visit various agencies issuing papers to allow exportation and importation directly affect goods circulation in the country, time needed to wait in queues, the everyday activity of small transport and logistics companies in all parts of the country, whether in the Southern parts or in the North. Moreover, low processing of documents and unnecessary barriers at the border immediately, affect price level for some, if not all, types of goods. Kyrgyz Republic is a net importing country for majority of goods of Harmonized System (HS) except for

some primary agriculture produce and agri-processed food (dairy, meat, fruit and vegetable products). This, no doubt, leads to increased poverty level, lack of working capital. Unfortunately, the National Poverty Reduction Strategy for 2003-2005 was terminated in 2005 by virtue the Government Regulation of April 20, 2007 (№ 140). So, the main negatively affected parties of lack of TFA implementation provisions are small and medium sized companies involved in the export and import transactions as well as the ordinary consumers.

There is a national programme to convert paper based document turnover into electronic format (there is an intention of the government to join framework agreement on paperless cross border trade facilitation within the ESCATO group of countries<sup>6</sup> To make it legally and technically workable the government adopted a law “On electronic signature” (adopted by the national Parliament on June 15, 2017, signed by the President on July 19, 2017, 128), the national e-system “Tyundyuk” is available in all parts of the country. In the meantime, a law “On electronic commerce” yet to be adopted as the draft law has gone through three readings in the Parliament.

One of the key objectives of the Project will be transfer from paper based document issue to e-document circulation. Following government services will be covered by the Project: the Customs Service under the Ministry of Finance, the Ministry of Transport and Communications, Veterinary and Phytosanitary Services under the Ministry of Agriculture, Food Industry and Regional Development, sanitary services of the Ministry of Health and all other public agencies regulating foreign trade.

All reform processes and the work under the PPG should have positive spin off effect on poverty reduction, especially in the rural area where poverty level is highest. Internet coverage in Kyrgyzstan vary from LTE (4 generation) to 2-3G in remote areas of the country, so ordinary customers would have better opportunities to access government services and documents online.

#### **Highlight main linkages**

The National Development Strategy of the Kyrgyz Republic 2018 - 2040 identifies establishing a sustainable environment for development as a major aim. Task 6.4 of the National Development Strategy aims at encouragement of trade development and facilitation, and proposes that: "The state will achieve reduction in the number of procedures, time and material costs for export-import operations."

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<sup>6</sup> Entered into force on February 20, 2021.

The needs identified in this application can, therefore, be seen to be clearly consistent with and contribute to the national development plan.

All of these issues taken together mean that accessing information for traders is not as simple and straightforward as it could be, therefore some potential traders are excluded limiting economic growth and employment growth.

Kyrgyz Republic's border procedures could be simplified if the above issues were addressed and cross-border goods traffic would therefore take less time and have lower costs associated. These time and cost savings could bring additional goods and traders into the market resulting in economic growth and employment growth.

With regard to issues highlighted in the Section 1.2 of this proposal the test laboratories and e-declaration have both vertical, i.e. individual agency positive effect as any agency involved in the foreign trade is expected to process documents much faster vs today's shuffling documents, and horizontal directions as all public entities will get easier access to files to process data and communicate between themselves and traders. The outbreak of the COVID-19 disease is the excellent lesson to transfer data processing with lesser human contacts including standing in long queues at borders.

**1.7 - Please explain any linkages between the PPG and other relevant, completed, ongoing and/or planned national programs and/or donor-supported projects. This should also describe any related requests for assistance, that were not already included in the expression of interest process. Upload relevant documents below**

<https://www.formstack.com/admin/submissions/temporaryEditSubmissionFile/590732793/84380354>

The reason why two tasks were selected for the PPG is that (1) "Test procedures": qualification of customs inspectors at the border continues to remain low vis-à-vis their colleagues in other EAEU and CA countries and customs border points remain poorly maintained to provide relevant services for imported goods. Example, in some instances officers cannot define origin of a good with mixed and complex materials or ingredients contained inside declared good. In such a situation the good in question can be incorrectly assessed for place of origin aspect and classified as more expensive product.

E-declaration has the direct link with the last year national "Digitalization Programme". This programme had several targets, and one of the key targets or objectives was to convert paper based document circulation into digital format. However, due to lack of financial resources and poor preparation campaign to implement it Kyrgyzstan's offices remained either non connected or connection was carried out in so called "pilot" offices. Unfortunately, for export/ import transactions necessary certificates (e.g. phytosanitary or

sanitary certificates or declarations) need to be printed and stamped in the authorized offices. There are several projects in the country (please provide a list of donors) that assist the country to increase the number of documents issued electronically.

Recently the President of the Kyrgyz Republic signed an Order titled “On protection the property and support for entrepreneurs and investors” as well as the President Order “Declaring that 2020 is the Year of Regional development, digitalization and children`s protection” (January 8<sup>th</sup>, 2020, No. UP No.1).

Due to limited financial resources and lack of technical level experts in various government and quasi government agencies TFA implementation cannot be effectively and timey be implemented without reliance on financial and development institutions being present in the country. Donor support: there are several international or bilateral donors working in the Kyrgyz Republic. However, their objectives and outputs in many instances do not fully correspond implementation of TFA as stated in the notification submitted by the Kyrgyz Republic. In the attachment please find exhaustive list of donors with their internally approved programmes/ activities in the area of TFA for the Kyrgyz Republic.

The Kyrgyz law on “Electronic Commerce” has passed three readings in the local Parliament, and experts are optimistic enough that the law eventually will be ratified and then signed by the President in the nearest future. It is believed this Project will much contribute to successful launch of the law to increase the non-paper based toll of documents since very beginning and after creation of favourable conditions for business to convert their activity from hard copies to electronic format.

**Kindly elaborate on the above**

There are several ongoing national programmes to improve trading activity in the country. Many objectives of those programmes have been warmly welcomed by bilateral and international donors. The National Trade Facilitation Council of the Kyrgyz Republic is responsible for the implementation of the TF Action Plan where objectives of national programmes are included though without direct prescription of how the results of TFA would correspond with national wide development goals.

In the meantime, indirectly implementation of measures under Article 5.3 and e-declaration task would be complimentary activities to national programmes and plans, and not overlap or duplicate the work of donors in the country.

Kyrgyzstan is a member of regional economic union called the Eurasian Economic Union (EAEU). In July 2019 the Decision on e-declaration entered into force, so this PPG would also greatly assist in bringing national system of international and EAEU intra trade in line

with regional trade obligations.

**1.8 - Please confirm that cross-cutting issues related to gender and the environment, including climate change are considered in this PPG application and explain how they will be addressed**

Kyrgyz society culturally does not discriminate male and female in general. The natural mentality of the nation allows a woman to lead a business, to sit in the national parliament, elected as a President, etc. For the first time in contemporary history of the Central Asia a woman was a President of the country<sup>7</sup>. The National Trade Facilitation Council is chaired by a man (in the past it was the Minister of Economy, but now, after the serious change in the government institution restructuring the Minister of Finance and Economy chairs the NTFC) but co-chaired by a woman, the Chairman of the Association of the Suppliers (Producers and Distributors) of the Kyrgyz Republic – the Applicant. During the implementation of the Project Preparation Grant the experts will have in mind the issues related to gender and the environment, including climate change.

Since the inception of PPG, if application has been approved, the Applicant will not discriminate against equal participation of men and women to occupy the position of the national expert. Moreover, during the implementation the team will maintain the policy that experts would cooperate with national stakeholders disregarding the gender.

Environment protection and climate change will be part of the discussion with public and private stakeholders especially with regard to conversion of the document turnover from paper to electronic carriers. Obviously, the conversion from paper based document administrative work to electronic format will have a positive direct effect to protection of scarce natural resources, lower carbon oxide emission into the air, etc. The team will be encouraged to use electronic mail to communicate with government agencies and the WTO Secretariat and to contact preferably on phones rather than commute in vehicles. The long term effect as a side result of this PPG and Project, if approved, will, undoubtedly, have sustainable positive effect on nature with lower injury to global climate.

**How will the above issues be addressed?**

The Kyrgyz Republic National Action Plan for Gender Equality identifies trade and trade reforms as a positive route towards supporting increased gender equality, any activities proposed in this Project Preparation Grant should be designed in the context of this action plan and should identify positive contributions to it where possible.

Formalities and document requirements will be revised to ensure access to all regardless

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<sup>7</sup> Third President of the Kyrgyz Republic, a woman, Ms. Roza Otunbaeva, served as an interim President of the Kyrgyz Republic after coup d'etat in 2010. The terms of Office continued until constitutional presidential election and lasted for about a year.

of gender.

The Kyrgyz National Adaptation Plan for Climate Change identifies economic growth as a necessary element of climate adaptation. Border procedures will be simplified and made more efficient saving time and fuel costs which will have positive impacts on the environment and on Kyrgyz Republic's contribution to fighting climate change, any activities proposed in this Project Preparation Grant should be designed in the context of this action plan and should identify positive contributions to it where possible.

## 2 – Description

### 2.1 - Please give a brief description of the activities, in terms of what will be studied or analysed during implementation of the PPG

During the implementation of the PPG, the following activities should be carried out:

- Kyrgyz Republic's TFA implementation needs, as expressed in response to earlier questions, should be further explored to ensure that they are fully identified and explained so that any implementation solutions can be comprehensive;
- On this basis a report should be produced that fully articulates the needs in depth, including technical requirements, capacity required to implement, an estimated budget, a draft timeline for reforms and expected outcomes;
- This report should be presented locally to donor representatives and development partners to understand how they could assist in its implementation;
- This report should be presented to Kyrgyz Republic's national trade facilitation committee to ensure that it is fully understood and reflects the local context, drawing on the various documents and reports cited in this application as well as other relevant strategic documents as proposed by Kyrgyz Republic's NTFC;
- For any remaining unmet needs following the discussions with donors and development partners, a fully developed application for a TFAF project implementation grant should be completed;
- The biggest risks to the project are consequences of the COVID-19 pandemic. In order to mitigate the immediate health-related consequences, the delivery of this project will have to be undertaken remotely, using technological solutions to allow meetings and interviews to take place. In addition, the contractor must include a section in the project report with a mitigating strategy for this and other risks identified.

Since the inception of implementing the TFA **local experts** (emphasis added) have generated enough skills and experience to deal with numerous government agencies, to understand and to draft provisions for Kyrgyz primary and secondary legislation in relation of TFA, etc. It is believed that the major part of the PPG can be implemented by local experts. The NTFC will closely supervise the work of implementing the PPG, it will also

help to get all necessary documents and mobilize human resources to assist the experts.

In the meantime, the Ministry of Economy believes that one international expert would render his/ her assistance the overall process, to improve the text before its submission to the WTO Secretariat. It is also expected that the international expert (IE) would help Kyrgyz authorities and WTO Secretariat to find responsible partner among international donor organizations to contribute to the grant in case the budget exceeds financial resources of the WTO.

The work under the Project Preparation Grant (PPG) will be fully directed to study, analyse, process and writing the document for the WTO funding facility with the view to raise additional funds from available financial sources, if necessary, to achieve objectives set for the Kyrgyz Republic to implement Category “C” commitments.

The work on the PPG will be implemented by three experts: two national experts (one English speaking expert) and one international expert where the international expert shall provide a guidance and assistance from his/ her home country (one travel to Bishkek can be expected if situation with pandemic permits the trip.

to take place). Two national experts will be responsible for collection of necessary data, meeting with government and business entities involved in international trade. One expert will fully concentrate on studying and preparing a nation wide electronic platforms, communication with all relevant government institutions, calculating the budget to finance potential Project under E-declaration part. However, another expert would join these activities whenever it deems necessary.

The second expert will deal with implementation of the Article 5.3 (test procedures). This work will include following tasks: preparation of comprehensive document to show how test procedures would be implemented in case of getting the equipment through the Project, capacities of present staff to perform tests, uploading and communication of information to central customs department of the Ministry of Finance and Economy (to other ministries, if necessary) and EAEU Commission with results of tests received. This expert is obliged to study current situation with test laboratories at the border with Uzbekistan, Tajikistan and China, i.e. non-EAEU members.

The work of one international expert will be mainly focused on three key directions: (i) critical remarks on approach proposed to attain all the objectives, (ii) EU experience on how EU Member States managed to complete the task on Test Procedures (Article 5.3 of the TFA) and (iii) to read the final draft and propose WTO Secretariat most relevant sources to finance next phase of the Project to fill the gaps in implementing Article 5.3 and E-declaration based on the prepared and approved PPG.

All above mentioned work is subject to regular report to the Applicant management and the NTFC and WTO Secretariat.

Implementation period after signing the contract: 6 months.

Number of experts needed: 3 (2 local consultants and 1 international).

The detailed work of all experts is contained in the tables annexed to this text:

## ANNEX

### 3 – Budget and Time Frame for the Implementation of the PPG (in USD)

Abbreviations used in the tables that follow: LE – local expert, IE – international expert.

Table I. Article 5.3 "Test Procedures"

No.	LE 1	LE 2	LE 3	IE	Activity	Unit	Number of man/days	Unit cost	Subtotal
I.1	X		X		Assessment of needs for laboratory at <b>Kyrgyz-Uzbek</b> border (2 CBP)	(man/day)	2	150	300
I.2	X		X		Assessment of needs for laboratory at <b>Kyrgyz-Chinese</b> border (2 CBP)	(man/day)	4	150	600
I.3	X		X		Assessment of needs for <b>Central laboratory</b> in Bishkek, including receipt, processing, storing of data, submission to centralized system of international transactions	(man/day)	3	150	450
I.4		X	X		Identification of Kyrgyzstan based IT companies that are able to develop a software for specific task. At least three IT companies for bidding purpose.	(man/day)	5	150	750
I.5	X	X	X		Analysis of internal instructions and regulations at customs service and national legislation in connection of laboratory test being made at CBP	(man/day)	7	150	1050
I.6				X	EU experience with practical and legal information on test laboratories, including centralized processing of data. Home based work.	(man/day)			0
I.7				X	General guidance for LEs on the approach used (advise from IE)	(man/day)			0
I.8	X	X	X		Discussion with representatives of businesses in Kyrgyzstan on expected impact after launching test procedures at the border	(man/day)	4	150	600
I.9	X	X	X		Preparation of the report to: 1) Ministry of Economy and Finance (in Russian), 2) to WTO Secretariat (in English)	(man/day)	4	150	600

I.10	X		X		Proposals to amend Kyrgyz government regulation No. 556 in consistency with requirements after the accession to the EAEU	(man/ day)	2	150	300
Subtotal on Article 5.3 "Test Procedure"									<b>4,650</b>

Table II. E-declaration

No.	LE 1	LE 2	LE 3	IE	Activity	Unit	Number of man/days	Unit cost	Subtotal
II.1	X	X	X		Overall assessment of electronic document processing (uploading, registry, receipt, processing, issue of relevant docs, recognition by agencies, including customs, etc. )	(man/ day)	20	150	3000
II.2	X	X			Detailed discussion with Single Window Management on e-declaration	(man/ day)	6	150	900
II.3		X	X		Veterinary service, phytosanitary service, sanitary service: readiness and needs for transfer from paper to electronic format	(man/ day)	30	150	4500
II.4				X	<b>EU experience</b> with practical and legal information on test laboratories, including centralized processing of data. Home based work.	(man/ day)			
II.4	X	X	X		Transport & Logistics Companies, customs service, Chamber of commerce, Tax Inspectorate, etc.: readiness and needs for transfer from paper to electronic format	(man/ day)	30	150	4500
II.5		X	X		Analysis of national legislation and regulations where changes are necessary if e-declaration enacted	(man/ day)	12	150	1800
II.6				X	<b>EU experience</b> with practical and legal information on e-declaration, including centralized processing of data. Home based work.	(man/ day)			0
	X	X	X		Interim report to the WTO on PPG Implementation	(man/ day)	6	150	900

II.7				X	General guidance for LEs on the approach selected	(man/ day)			0
II.8	X	X	X		Discussion with representatives of businesses in Kyrgyzstan on expected impact after launching e-declaration for commercial transactions (analysis, presentation, brainstorming)	(man/ day)	8	150	1200
II.9	X	X	X		Discussion (Round Table) with representatives of authorized bodies in Kyrgyzstan involved in export/ import transactions on e-declaration	(man/ day)	8	150	1200
II.10	X	X	X		Preparation of the report to: 1) Ministry of Economy and Finance (in Russian), 2) to WTO Secretariat (in English)	(man/ day)	6	150	900
II.11				X	Assistance in preparing final report and guidance on potential international / bilateral donors, funds, etc. for the implementation of the Project	(man/ day)			0
<b>Subtotal on E-declaration</b>									18,900
<b>NOTE: cells with the cost for International Expert left blank as WTO Secretariat needs to negotiate the rate, in total the project considers 4000 USD for International expert</b>									

**Table 3: consolidated budget including experts` work, administrative expenditures and international expert (in USD)**

No.	Costs for experts  (Local experts)	Cost for experts  (International expert)	Contingencies (10%) to total amount	Administrative expenditures (telephone calls, printing, public relations campaign, commuting inside Bishkek – transport, etc.)
1.	23,550	4,000	2,385	769
2.		<b>Grand total for PPG (Kyrgyz Republic)</b>	<b>30 704 (thirty thousand seven hundred and four USD)</b>	

**Table 4: Kyrgyz Republic (TFA PPG Implementation Timeframe)**

No.	Activities under Article 5.3 "Test Procedures" and "E-declaration Launch Study" Implementation Period	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
I.1	Assessment of needs for laboratory at <b>Kyrgyz-Uzbek</b> border (2 CBP)	V					
I.2	Assessment of needs for laboratory at <b>Kyrgyz-Chinese</b> border (2 CBP)		V				
I.3	Assessment of needs for <b>Central laboratory in Bishkek</b> , including receipt, processing, storing of data, submission to centralized system of international transactions		V				
I.4	Identification of <b>Kyrgyzstan based IT companies</b> that are able to develop a software for specific task. At least three 3 IT companies for bidding purpose.	Interim report V	V	V			
I.5	<b>EU experience</b> with practical and legal information on test laboratories, including centralized processing of data. Home based work.				V		
I.6	<b>General guidance for LEs</b> on the approach used	V					
I.8	Discussion with <b>representatives of businesses in Kyrgyzstan</b> on expected impact after launching test procedures at the border			V		V	
I.9	Discussion (Round Table) with representatives of authorized bodies in Kyrgyzstan involved in export/ import transactions on test laboratories at customs service			V		V	
I.10	Preparation of the report to: 1) Ministry of Economy and Finance (in Russian), 2) to WTO Secretariat (in English)					V	
II.1	Overall assessment of electronic document processing (uploading, registry, receipt, processing, issue of relevant docs, recognition by agencies, including customs, etc. )			V	V	V	
II.2	Detailed discussion with Single Window Management on e-declaration		V				V
II.3	Veterinary service, phytosanitary service, sanitary service: readiness and needs for transfer from paper to electronic format	V	V	V			V
II.4	Transport & Logistics Companies, customs service, Chamber of commerce, Tax Inspectorate, etc.: readiness and needs for transfer from paper to electronic format			V	V		
II.5	<b>EU experience</b> with practical and legal information on e-declaration, including centralized processing of data. Home based work.	V	V				
II.6	General guidance from IE to LEs on the approach selected and Interim report	V	V				
II.7	Discussion with representatives of businesses in Kyrgyzstan on expected impact after launching e-declaration for commercial transactions			V	V		

II.8	Discussion (Round Table) with representatives of authorized bodies in Kyrgyzstan involved in export/ import transactions on e-declaration			v		v	
II.9	Preparation of the report to: 1) Ministry of Economy and Finance (in Russian), 2) to WTO Secretariat (in English)					v	v
I.10 & II.10	<b>Final report</b>						v