

TA 8380: Strengthening Tajikistan's Trade and Investment Regime

POST-ACCESSION ADAPTATION

Guoliang Wu

Central and West Asia Department

Asian Development Bank

I. Why TA 8380?

- A full-fledged WTO member on 2 March 2013
- ADB's consultation mission on 3-5 March 2013
- TA 8380 approved in May 2013
- **Support** the national strategic framework for post-WTO accession led by MEDT
- **Support** government's efforts in improving the public service and developing the private sector
- **Support** broader objectives in regional cooperation and integration

II. What are the outputs?

Output 1

- Policy research and analysis on organizational reform of *Tajikstandart*

Output 2

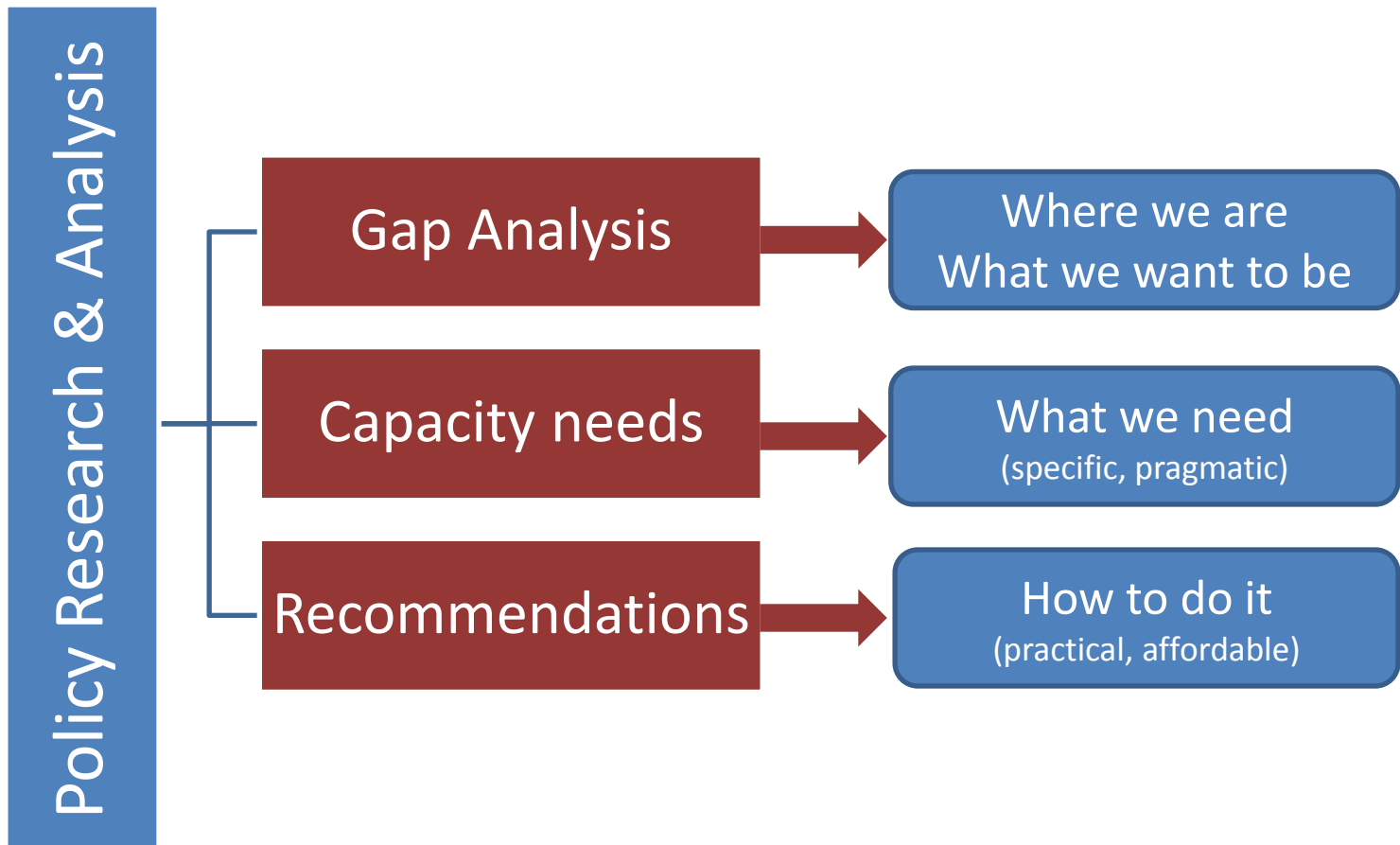
- Capacity-building on managing organizational, policy and regulatory reforms, particularly on technical barriers to trade (TBT)

Output 3

- An international trade and investment conference

III. Implementation

➤ **Output 1** is crucial



Output 1: Policy Research

State of Tajik Quality Infrastructure

Tajikstandart

Technical
Regulation

Trade
Inspection

Standards

Conformity
Assessment
(Certification,
Testing)

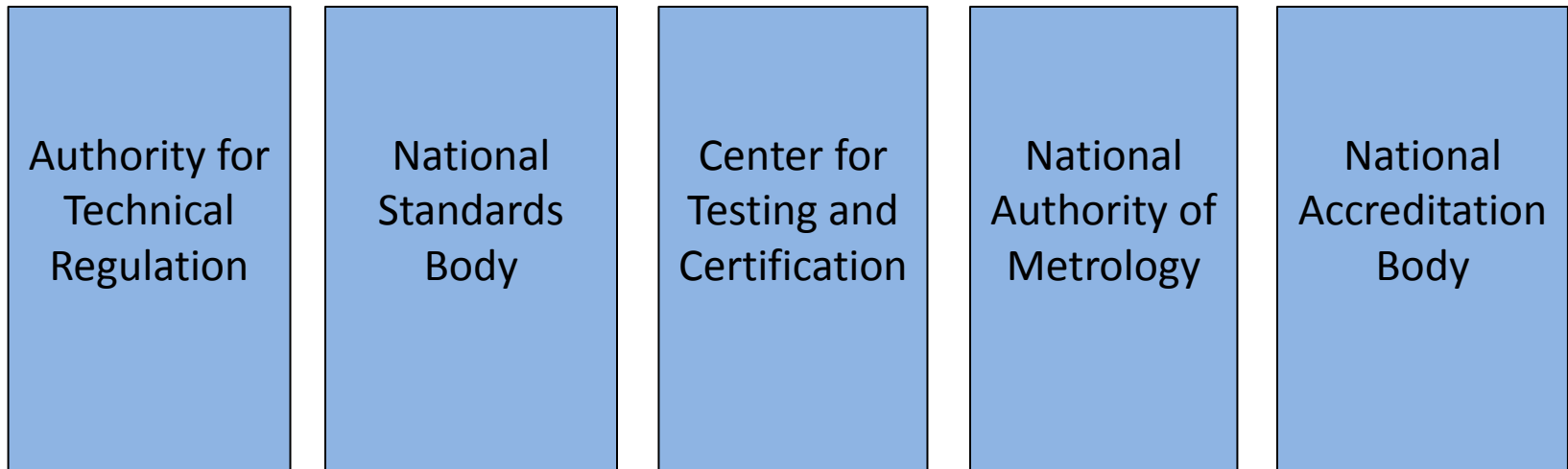
Accreditation

Metrology

Output 1: Policy Research

Government's Resolution

The Government's quality infrastructure strategy (Resolution No. 54) has adopted a reform agenda aiming at establishing separate agencies:



Resolution No. 54 often lacks details of how such new agencies would operate, other documents fill in some of these missing details

Output 1: Policy Research

Guidelines:

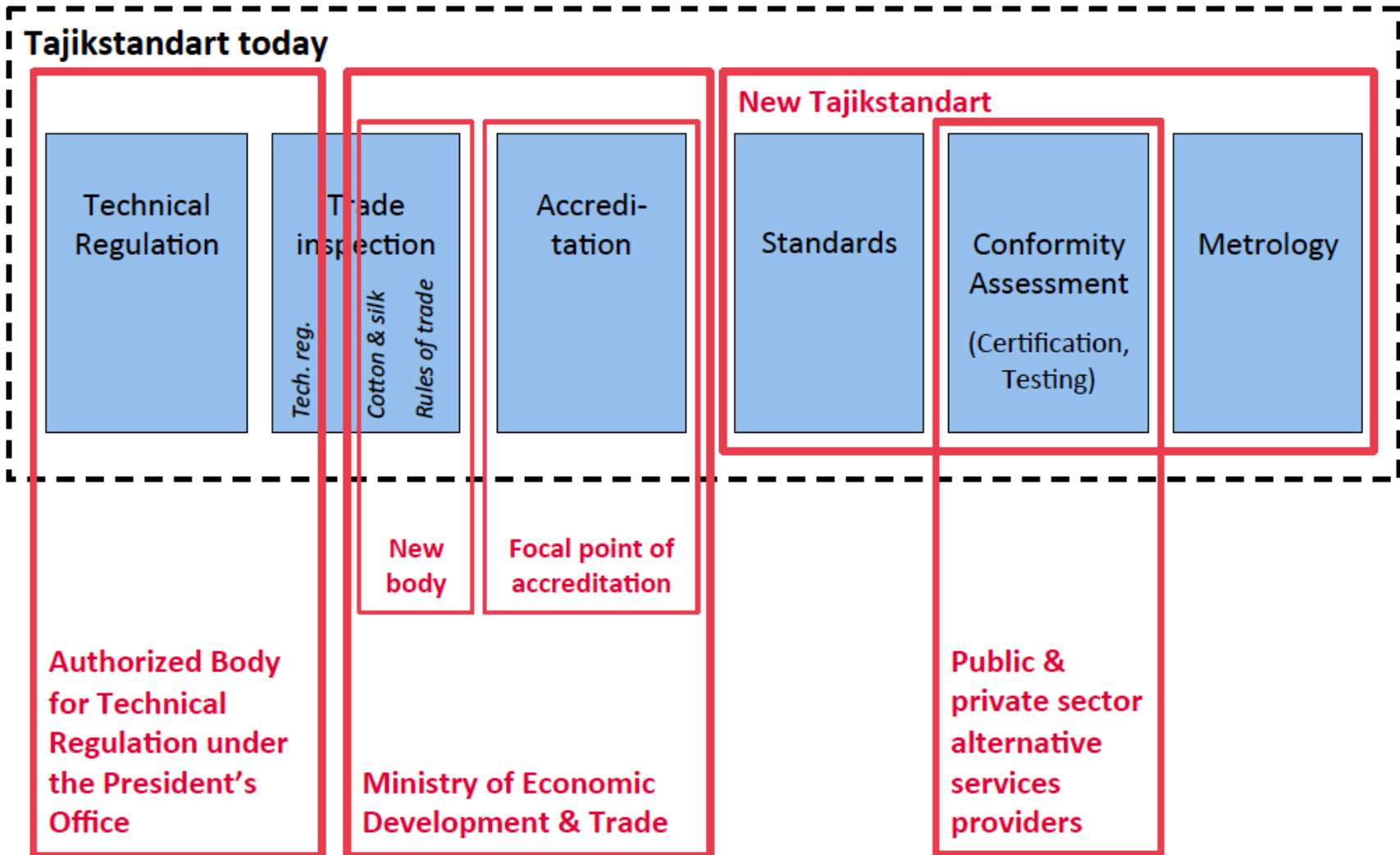
Good practices for organizing quality infrastructure include:

- Recognizing that a multiplicity of successful organizational forms exist-discriminatory and not create unnecessary obstacles to international trade;
- Avoiding conflicts of interest, for example by separating regulation from standardization and conformity assessment and accreditation from conformity assessment;
- Avoiding overlaps of responsibility of different government agencies;
- Standard development should be transparent and inclusive;
- The quality infrastructure should be internationally recognized if possible;
- The outputs (technical regulations, standards, services) should meet the needs of firms, consumers and regulators of the specific country;
- The organization should be tailor-made to the specific country – no one-size-fits-all form exists;

Many good practices can be found abroad – but only one is best for Tajikistan: The one that draws lessons from abroad and modify these to fit the country context

Output 1: Policy Research

What the report suggests:



Output 2: Executive Training

27-28 January 2015, Dushanbe

Training Programme:

SIX MODULES

I.
Stage
Setting

II.
Situation
Today

III.
Cross
Learning

IV.
Self-
Knowledge

V.
Case Study

VI.
Way
Forward

Output 2: Executive Training

27-28 January 2015, Dushanbe



Output 2: Executive Training

Highlight of Discussion

Requirements for QI policy makers

- I. Ensure economic sustainability;
- II. Avoid conflicts of interest;
- III. Ensure autonomy of decision for QI bodies in technical matters;
- IV. Ensure competency and continuity;
- V. Serve private and public clients alike;
- VI. Mainly rely on markets; and
- VII. Harmonize and think global.

Output 2: Executive Training

Highlight of Discussion (continued)

- Conflicts of interest within Tajikstandart hinder the national QI development
- The necessities of QI
- Tajikistan's QI affects its primary export products' prices in the world market
- Aspects of quality must be transformed from subjective perceptions into worldwide marketable and negotiable objective criteria
- Reforming approach: **Revolutionary** v.s **Evolutionary**

Output 3: International Trade & Investment Conference

1 June 2015, Dushanbe

Main objectives are to:

- I. Assess Tajikistan's progress in implementing the reforms envisaged in its Protocol of Accession, and the roles of multilateral, regional and unilateral approaches to further liberalization of trade and investment beyond these commitments;
- II. Provide a forum for public–private dialogue concerning this assessment; and
- III. Prioritize TA that will enable the GOT to implement the WTO's recent TFA, improve Tajikistan's investment climate, and dismantle obstacles to exports, thereby paving the way for export-led inclusive growth and employment creation.

Output 3: International Trade & Investment Conference



Output 3: International Trade & Investment Conference



Output 3: International Trade & Investment Conference

Five Agenda Items:

- I. Post-Accession Benefits of WTO Membership;
- II. Economic Development Strategy;
- III. Implementation of the Trade Facilitation Agreement ;
- IV. Opening the Door Wider to Inward Foreign Investment; and
- V. Looking Outward – Developing a National Export Strategy.

Output 3: International Trade & Investment Conference

Highlight of Discussion

- Much has been accomplished by the GOT in transforming Tajikistan from a centrally-planned to a market economy. Further economic reforms are needed especially because other neighboring countries are not standing still;
- International experience suggests that most impediments to inclusive export-led growth are homegrown. Therefore, Tajikistan should not confine itself to multilateral or regional liberalization;
- Accession to the WTO presents a major opportunity;
- By disrupting global value chains (GVCs), impediments to imports and exports as well as FDI hamper Tajikistan's integration into the world economy and thus its achievement of export-led inclusive growth;

Output 3: International Trade & Investment Conference

Highlight of Discussion (continued)

- With Tajikistan's General Agreement on Trade in Services (GATS) obligations covering almost 75% of services, several of which (namely financial services, telecommunications and professional services) are essential for the country's competitiveness and major reforms are required in some sectors;
- It is important to dismantle domestic impediments to exports, including tariff and non-tariff barriers to imports that not only impair domestic competition and thus productivity, but constitute barriers to exports. Removal of these obstacles to trade should take precedence over export incentives, which are in any event constrained by WTO rules.

THANK YOU!

Asian Development Bank

Tel: (+632) 632-5072 | Fax: (+63 2) 636 2387

guoliangwu@adb.org