

CAREC Integrated Trade Agenda (CITA) 2030 and Rolling Strategic Action Plan (RSAP) 2018-2020

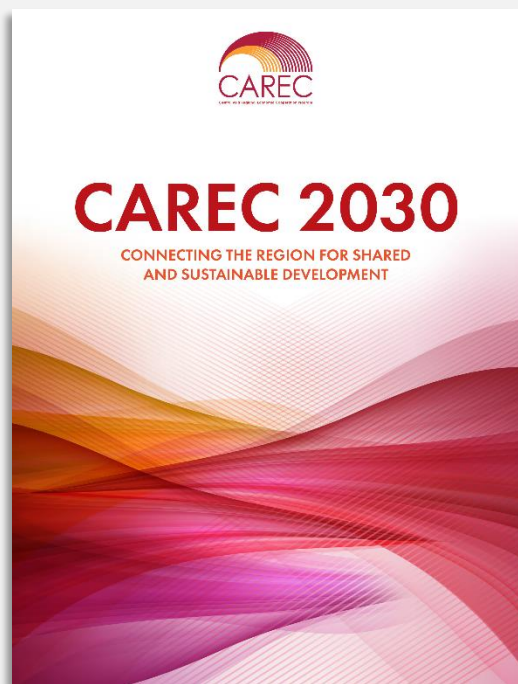
Stakeholders Consultation Workshop

25 April 2018, Beijing

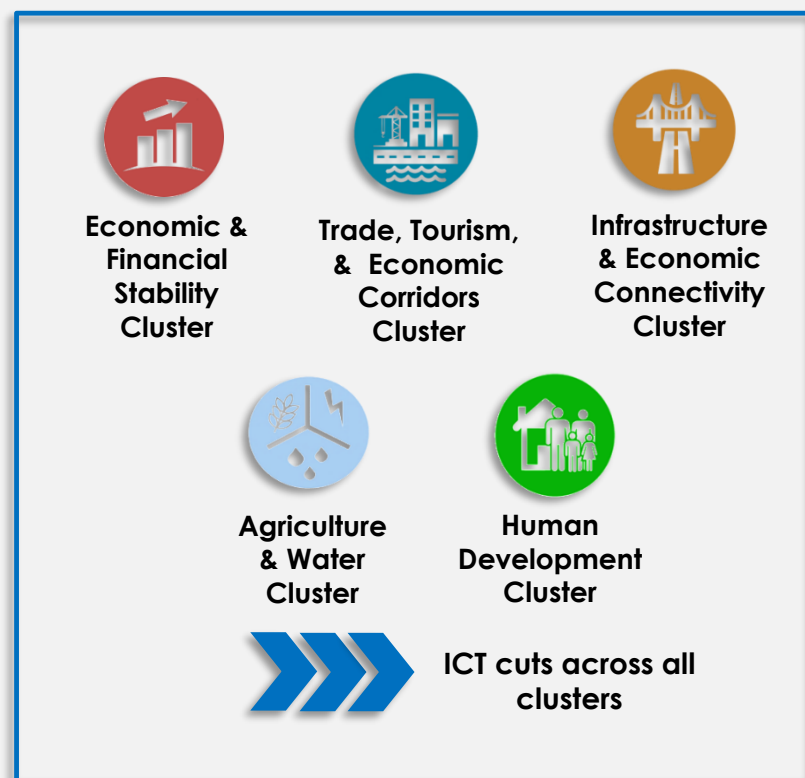


CAREC Strategy 2030

- **Connecting** the region for shared and sustainable development
- **Aligning** with national strategies and supporting SDGs and COP21*



- **Expanding** operational priorities **selectively**



*2030 Agenda for Sustainable Development and 21st Conference of the Parties to the United Framework Convention on Climate Change

Previous iterations of CAREC trade work

- Transport and Trade Facilitation Strategy 2020
- Trade Policy Strategic Action Plan (2013-2017)
- Common Agenda for Modernization of Sanitary and Phytosanitary (SPS) Measures for Trade

Identified priorities

- World Trade Organization (WTO) accession and post-accession, Trade Facilitation Agreement (TFA)
- alignment with Revised Kyoto Convention (RKC)
- deepened customs cooperation and integrated trade facilitation
- new opportunities from shifting global and regional trade paradigms (e.g., services, e-commerce, tourism & trade promotion)



Trade, Tourism,
& Economic
Corridors
Cluster

CAREC 2030 – Cross-sectoral linkages



**Economic &
Financial
Stability
Cluster**

- Trade finance
- Small and medium enterprise financing
- Multilateral trade credit & investment guarantee
- Effective financing models



**Agriculture
& Water
Cluster**

- Alignment of SPS measures with international standards
- Product quality and diversity
- Shipment linkages



**Infrastructure
& Economic
Connectivity
Cluster**

- Cross-border private sector investment
- Universal customs guarantee
- Cross-border transport agreements for freight and passengers
- Economic corridors



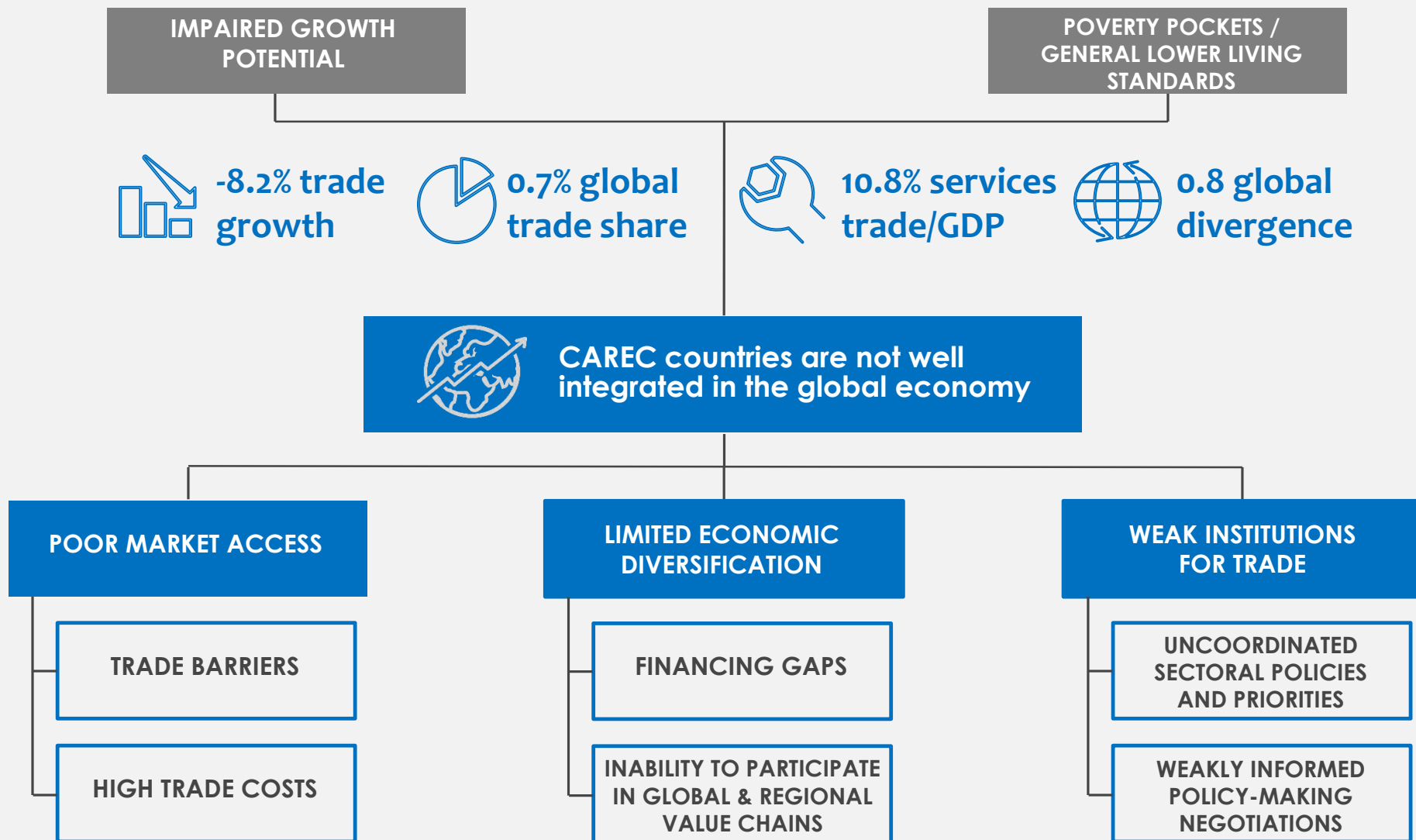
**Human
Development
Cluster**

- Regional labor market information, job search and placement services
- Mutual recognition of skills and qualifications



**Information and
Communications
Technology
Cluster**

- E-commerce
- Knowledge and technology on goods and services production

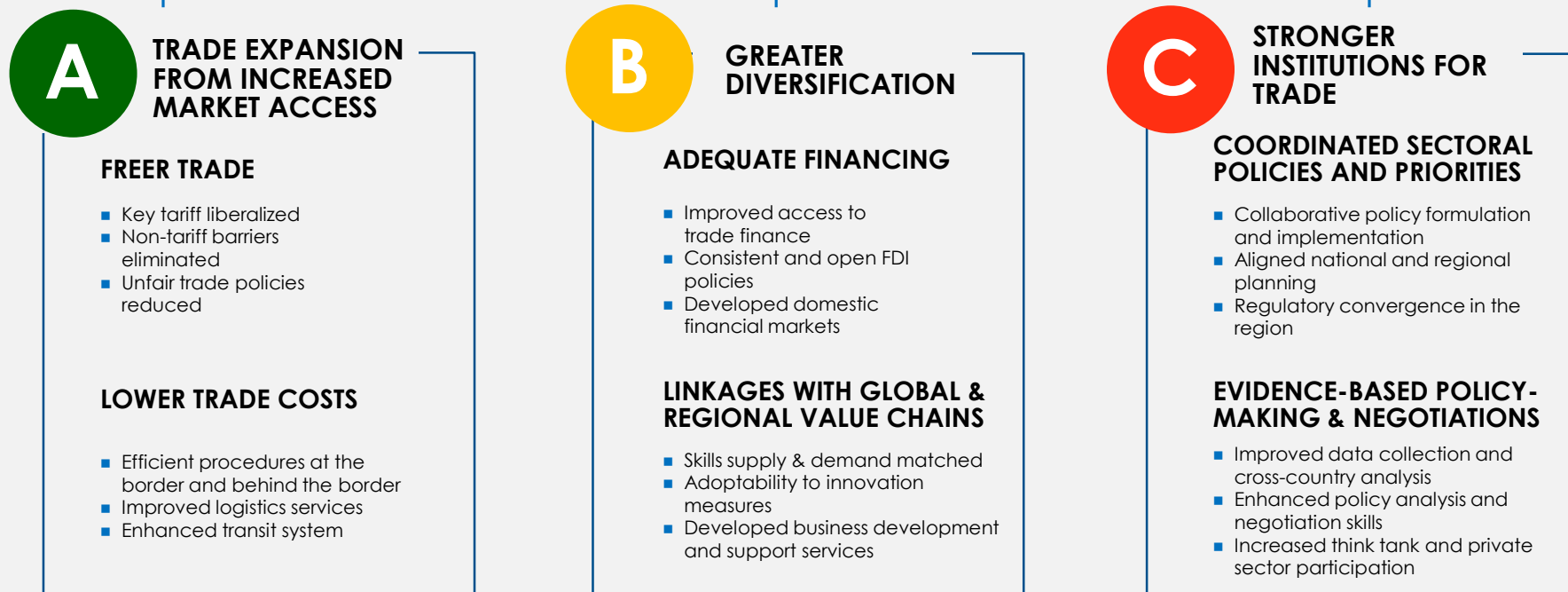


* Data excludes PRC.

CAREC Integrated Trade Agenda 2030



CAREC COUNTRIES ARE MORE INTEGRATED IN THE GLOBAL ECONOMY



Investment Projects

Knowledge Sharing & Capacity Building

Policy Dialogue & Cooperation

Research & Analytical Support

Implementation approach

Issues-based

ownership and cross-learning

Flexible

2 more more countries

Collaborative

CAREC Institute, MDBs, CFCFA, BRI and other initiatives

Incremental

Three-year Rolling Strategic Action Plan (**RSAP**)

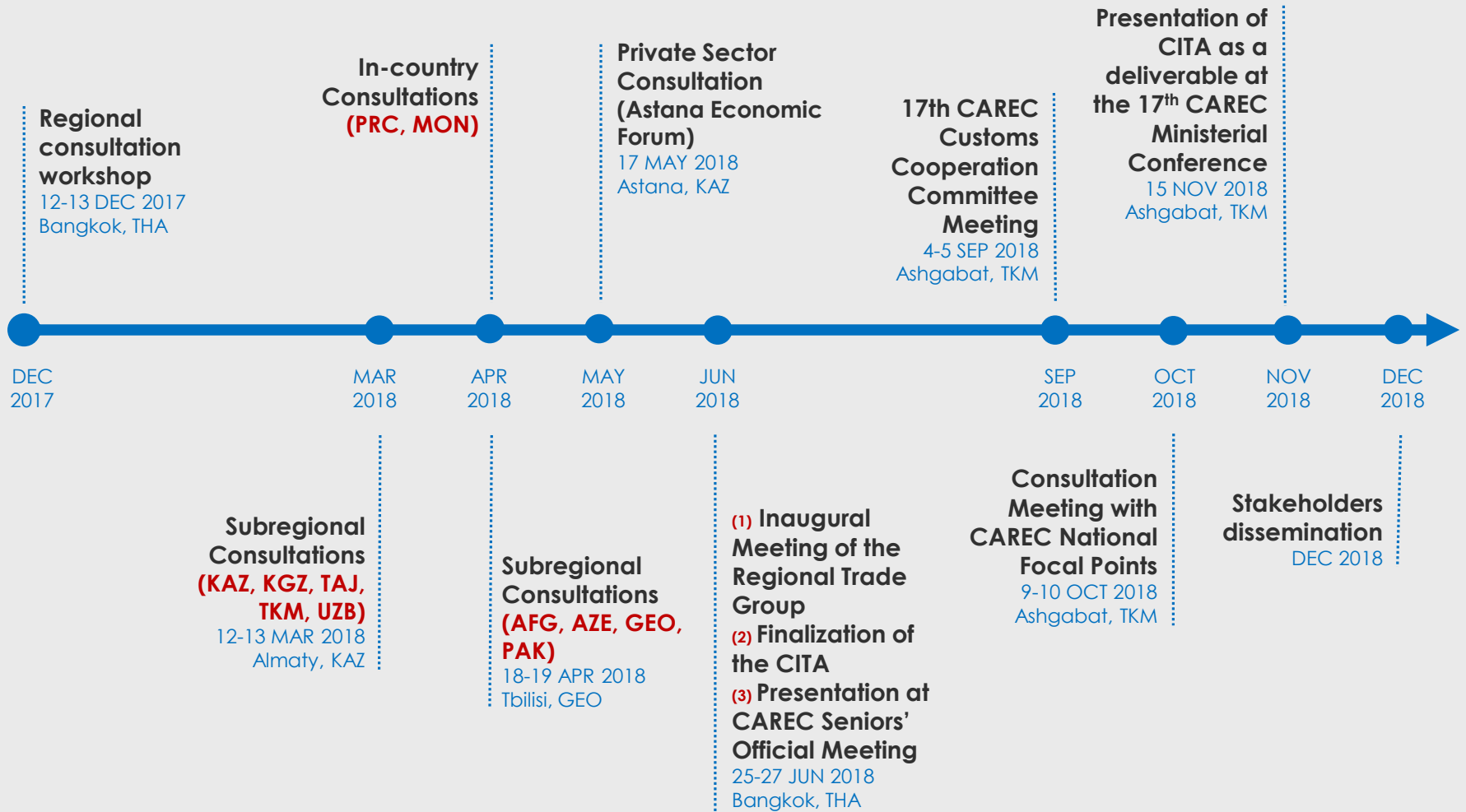
Institutional structure

- **Regional Trade Group (RTG)** to be established to:
 - deliberate on trade policy and trade facilitation issues in a synergistic manner
 - comprise officials and experts from trade-related agencies
 - develop a trade strategy

- **Customs Cooperation Committee** to continue to carry out customs cooperation functions

- **Working groups** to be organized in new technical areas such as in sanitary and phytosanitary measures; technical barriers to trade

Timeline



Previous consultation meetings

10



CAREC Workshop on Trade and Trade Facilitation Reforms—WTO Trade Facilitation Agreement and Consolidated Trade Agenda 12-13 Dec 2017 | Bangkok, Thailand

- 25 officials from commerce, economy, finance, trade, agriculture, and foreign affairs of CAREC countries
- Panel experts from WTO, WCO, ADB, CAREC Institute, ESCAP, GIZ and Korea Customs Services

Stakeholders Consultation Workshop for Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan

12-13 Mar 2018 | Almaty, Kazakhstan

- 21 representatives from government and national research institutions
- International trade experts and development partners (ESCAP, USAID and GIZ)



Previous consultation meetings

Stakeholders Consultation Workshop for Mongolia

26 Mar 2018 | Ulaanbaatar, Mongolia

- Representatives from 7 Mongolian agencies and 5 development partners (World Bank, UNDP) and civil society



Stakeholders Consultation Workshop for Azerbaijan, Georgia and Pakistan

18-19 Apr 2018 | T'bilisi, Georgia

- representatives from government and national research institutions
- International trade experts and development partners (UNDP, USAID, World Bank and IFC)

Highlights from previous consultations

- General affirmation that CITA/RSAP is relevant, responsive, comprehensive and aligned with national strategies
- Broad scope of issues to be covered under CITA
- Concrete project proposals under RSAP

CITA: Increased Market Access

- WTO accession and post-accession support
 - need for transparency, trade openness, address non-tariff barriers and restrain from protectionist tendencies
 - new WTO initiatives at Buenos Aires MC11 (e-commerce, investment facilitation and MSMEs)
- Trade policy reforms, business climate
- Customs and other trade facilitation best practices
- Potential for free trade agreements (FTAs) including a region-wide FTA
- Better interconnection of trade work with real sector issues

CITA: Greater Diversification

- Cross-border financial transactions & investment facilitation
- Trade insurance and SME access to finance and
- Trade in services and movement of people
 - facilitated visa regime (e.g., APEC business travel card) or special permits for traders, truck drivers
 - education reforms and skills upgrading
- Industrial development (trade diversification)
 - clusters development, tourism clusters
 - (including R&D), economic zones, economic corridors
 - Fourth industrial revolution (Industry 4.0)

CITA: Stronger institutions for trade

- Support national strategies and roadmaps
- Strengthen National Committee on Trade Facilitation (NCTF)
- creation of Regional Trade Group (RTG)
 - e-platforms to discuss issues
 - knowledge hub/online portal on trade statistics, regulations, best practices and policy developments
 - information on donor support programs in CAREC
- Meetings and roundtables with private sector
- Leverage regional arrangements/programs

Rolling Strategic Action Plan

RSAP 2018-2020

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- Specific, **M**easurable, **A**chievable, **R**ealistic and **T**imely (SMART)
- A **monitoring framework** will be developed:
 - policy matrix to measure the progress in reforms
 - results-oriented approach with numerical targets/baselines used selectively in investment projects
 - progress reported regularly to Ministerial Conference through SOM and NFPs

Rolling Strategic Action Plan

RSAP 2018-2020

Areas

Targets/Action Line

Open trade policies

Lower trade costs

Enhanced transit

Improved access to trade finance

Consistent and open FDI policies

Developed domestic financial market

Skills supply & demand matching

Innovation measures

Business development support

Policy collaboration & alignment

Improved data collection

Enhanced officials skills

Increased stakeholders participation

- TYPES OF OUTPUTS (from investment, capacity-building, knowledge- and experience-sharing, policy dialogue, analytical support)
- TIMELINE (immediate/ ongoing)
- PARTICIPATING COUNTRIES (recipients and those that could share expertise and experience)

Rolling Strategic Action Plan

RSAP 2018-2020

	Investment Projects including Scoping Studies	Knowledge-Sharing and Capacity-Building
Increased Market Access	<ul style="list-style-type: none"> ▪ new border crossing point (BCP) (AZE & GEO); improvement of KGZ BCPs with TAJ & UZB; regional improvement of border services (MON, PAK, UZB) ▪ joint customs control & data exchange (GEO & AZE) ▪ regional upgrade of SPS for Trade (MON, KGZ); border SPS needs assessment (PAK & AFG) ▪ CAREC Advanced Transit System pilot project (AZE, GEO, KAZ) ▪ NSW/e-certification/ IT centers 	<ul style="list-style-type: none"> ▪ technical support for WTO accession and experience-sharing by new members ▪ capacity building on WTO Trade Facilitation Agreement, NCTF ▪ training of trainers on SPS regulations and alignment of international standards
Greater Diversification	<ul style="list-style-type: none"> ▪ feasibility studies on free trade zones or cross-border economic zones (MON, UZB, PAK) ▪ Logistics centers (KAZ, MON, UZB) ▪ E-commerce incubation (PRC) ▪ Trade finance, guarantees and PPPs 	<ul style="list-style-type: none"> ▪ experience-sharing on economic corridor development, cross-border cooperation centers ▪ regulatory framework / best practices on e-commerce and innovation (Industry 4.0)
Stronger institutions for trade		<ul style="list-style-type: none"> ▪ National Committee on Trade Facilitation ▪ training of trainers on SPS regulations and alignment of international standards

Rolling Strategic Action Plan

RSAP 2018-2020

	Policy Dialogue and Cooperation	Research and Analytical Support
Increased Market Access	<ul style="list-style-type: none"> potential mutual recognition of SPS certificates or accreditation facilitated visa arrangements or special permits for traders and truck drivers, labor migrants implementation of transit agreements involvement of private sector transport and logistics operators (CFCFA) 	<ul style="list-style-type: none"> case study on FTA engagements (e.g., ASEAN/EU model) and model/template for a potential CAREC FTA analysis on potential enhancement of trade in services (financial, health, education, transport and tourism) and movement of people Result management tools such as Corridor Performance Measurement and Monitoring
Greater Diversification	<ul style="list-style-type: none"> investment forum on agriculture, tourism & technology strategic planning or roadmaps & sectoral clusters development 	<ul style="list-style-type: none"> benefits analysis on industrial policy; phased liberalization approach
Stronger institutions for trade	<ul style="list-style-type: none"> establishment of SPS working groups to implement CAREC common SPS agenda relevant agenda for NCTFs, national level consultations 	<ul style="list-style-type: none"> online information exchange/ trade portal trainings on data gathering, policy analysis and negotiations engagement of research institutions (CAREC Institute)

Issues / Next steps

- Identification/analysis of key issues for SOM/NFP, deliverable at next CAREC Ministerial Conference
- Streamlining the projects/priorities for RSAP 2018-2020, outputs expected, monitoring framework and how it relates to country programming
- Terms of reference for Regional Trade Group
- Communications strategy
- Coordination and synergy with other bilateral initiatives or donor-driven programs and funding support

Consultation questions

- Are the overall objectives and scope of the **CITA aligned** with PRC's development and regional cooperation strategies?
- Are there other priorities, outputs or activities that need **to be included** or new developments and issues that CAREC needs to take into account?
- Are the listed targets/action items in the **RSAP 2018 – 2020 consistent with and relevant to** PRC's regional cooperation trade development plans?
- Are there targets/action items currently supported by **existing or planned interventions** in PRC?
- Are there other **innovative means or good practices** that are worth incorporating or replicating for the proposed CITA for CAREC program to deliver more efficiently and effectively?

Additional slides on RSAP 2018-2020

Rolling Strategic Action Plan

RSAP 2018-2020

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TRADE EXPANSION FROM INCREASED MARKET ACCESS

Output

Targets/Action Items

Open trade policies

- Support for WTO post-accession (AZE), experience-sharing by new members (GEO, PRC, PAK, KAZ, KGZ), trade policy review exercise, drafting of anti-dumping & trade-related legislations (TAJ)
- WTO accession – application as an observer/roadmap for accession (TKM, UZB), consolidation of regulations on non-tariff regulations (UZB)
- Alignment of SPS regulations with international standards; accreditation
- Establish operational information exchange (e-portal on tariff and NTMs)(KGZ)
- Analysis on the benefits of trade liberalization (import substitution vis-à-vis industrial policy, FTAs, phased liberalization approach) (TAJ), tax regime reforms to enhance competitiveness (TKM), double taxation (GEO)

Rolling Strategic Action Plan

RSAP 2018-2020

b

TRADE EXPANSION FROM INCREASED MARKET ACCESS

Output

Targets/Action Items

Lower trade cost

- WTO Trade Facilitation Agreement (Category A and mandatory provisions, some Category C); simplify customs clearance procedures and risk management
- Establish SPS regional and national working groups to implement CAREC Common Agenda for modernization of SPS measures for Trade
- Regional upgrade of SPS measures for trade (RUST project) (MON & KGZ), food safety (TAJ)
- Feasibility of mutual/reciprocal recognition of SPS/technical standards; development of technical standards (TAJ)
- Establish green corridors for certain food products (UZB)
- Regional improvement of border services (RIBS project)(UZB), additional financing (MON)
- New border crossing point (AZE & GEO); improvement of KGZ BCP with TAJ and UZB

Rolling Strategic Action Plan

RSAP 2018-2020

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TRADE EXPANSION FROM INCREASED MARKET ACCESS

Output

Targets/Action Items

Lower trade cost (con't)

- Joint customs control including data exchange (GEO & AZE)
- Pilot of CAREC Advanced Transit System (CATS) and accelerate Information Customs Exchange (AZE, GEO, KAZ), sharing of experience and upscaling of participating countries
- Establish/develop existing logistics centers (UZB/KAZ), warehouse, cold storage (UZB)
- Analysis on legal issues for carriers/truck drivers (MON/KGZ)
- Quadrilateral Traffic Transport Agreement (QTTA) implementation (PRC, KAZ, KGZ, PAK)

Rolling Strategic Action Plan

RSAP 2018-2020

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GREATER DIVERSIFICATION

Output

Targets/Action Items

Adequate financing

- Awareness on ADB's Trade Finance Program
- Feasibility study on the establishment of a regional Trade Credit and Investment Guarantee Agency
- SME finance research (CAREC Institute and ADBI); MSME support (MON)
- Access to loans, securities market and bank payment infrastructure (UZB); customs bonds (MON); PPP (GEO)
- Sharing of good practices in cross-border investment facilitation measures, special economic zone, industrial zones and cross-border cooperation centers (KAZ), high-tech parks (KGZ)
- Knowledge-sharing on effective financing models (public-private partnership) including drafting skills for lawyers (UZB)

Rolling Strategic Action Plan

RSAP 2018-2020

e

GREATER DIVERSIFICATION

Output

Targets/Action Items

Linkage with global and regional value chains

- Study on trade in services and/or movement of people (framework and comparative advantage (KGZ); monitoring framework(PAK); feasibility studies on financial, health, education, transport and tourist services (KAZ)
- Dissemination of best practices in E-commerce; scale up innovative and digital technologies in trade (KAZ), e-platform or paperless trade (UZB); Industry 4.0
- Study on potential regional value chain in CAREC or support development of strategies for economic diversification
- Sharing of lessons learned in economic corridors (KAZ, KGZ)
- Tourism clusters or infrastructure development (KGZ) or tourism development along the Silk Road
- Investment forum on agriculture, tourism & technology (GEO)
- Establishment of labor market information, conclude international agreements on labor migration (UZB)
- Cooperate on mutual recognition of education framework; investment in education and skills upgrading (GEO)

Rolling Strategic Action Plan

RSAP 2018-2020

STRONGER INSTITUTIONS FOR TRADE

Output

Targets/Action Items

Coordinated sectoral policies and priorities

- Establish and provide support to activities of National Committee on Trade Facilitation (NCTF) or similar mechanisms; staff resources (MON); national level consultations (PAK); relevant agenda (GEO)
- Information-sharing of national roadmaps or strategic planning including with EEU (KAZ); cross-country production clusters development (e.g., UZB-KGZ for textile, UZB-KAZ for auto)
- Sharing of best practices on regulatory governance; coordinate macro-economic and industrial policy (UZB); tax and customs administration (GEO); AEOs (PAK)
- Transparency and publication of regulations (translation into Russian language)
- IT centers / trade portals(one-stop shop of information) for exporters (KAZ)
- Use of ICT or innovative means of sharing information or discussing issues among CAREC countries
- Establishment of contact points

Rolling Strategic Action Plan

RSAP 2018-2020

STRONGER INSTITUTIONS FOR TRADE

Output

Targets/Action Items

Informed policy-making and negotiations

- Training on data indicators and analysis
- Training on policy analysis and negotiations (include trade lawyers and economists)
- Integrated system for collection and reporting of macro/micro data and publication of country statistics (UZB)
- Establish a market access analysis department (UZB)
- Special committee for simplification of procedures (KGZ/UZB); technical working group on transit and SPS (PAK)
- Logistics training program, academy of external trade and logistics (UZB); WTO accredited training center (PAK)
- Regional dialogues and enhanced private sector consultations (CFCFA) and participation through PPP
- Cross-learning mechanism (e.g., experts database, national think tanks/ research institute engagement i.e., CAREC Institute)

Thank you.

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