



Reference Document
Trade Sector Report for Session 4 of the Senior Officials' Meeting
June 2019

CAREC Integrated Trade Agenda 2030: Implementation Report 2018-2019 and Rolling Strategic Action Plan 2019-2021

**Senior Officials' Meeting
Central Asia Regional Economic Cooperation
27-28 June 2019
Tashkent, Uzbekistan**

CAREC INTEGRATED TRADE AGENDA 2030: Implementation Report 2018-2019 and Rolling Strategic Action Plan 2019-2021

I. INTRODUCTION

1. This report shares progress of the Central Asia Regional Economic Cooperation (CAREC) program for the trade sector between July 2018 and June 2019. Specifically, it: (i) provides an overview of key institutional developments for CAREC trade work; (ii) presents ongoing implementation of the CAREC Integrated Trade Agenda (CITA) 2030 and its accompanying three-year Rolling Strategic Action Plan (RSAP 2018-2020);¹ (iii) lays out the workplan for the CAREC trade program, particularly, the RSAP 2019-2021; and (iv) identifies the trade sector deliverables for the 18th CAREC Ministerial Conference in November 2019, and key issues for guidance by the CAREC Senior Officials' Meeting (SOM) to be held on 27-28 June 2019, both in Tashkent, Uzbekistan.

2. CITA 2030 and its accompanying RSAP 2018-2020 were endorsed by the 17th CAREC Ministerial Conference (November 2018; Ashgabat, Turkmenistan), as the new long-term strategic framework for the trade sector.² CITA 2030 will assist CAREC members in integrating further with the global economy, enhancing the growth potential of CAREC countries, and improving living standards for their people. It is fully aligned with CAREC 2030—the program's overall strategic framework—as a catalyst for trade expansion and economic diversification to help CAREC countries better integrate into the global economy.³

3. The main strategic directions of CITA 2030 are structured around three pillars: (i) **trade expansion from increased market access** through promotion of more open trade policies and strengthening of customs cooperation; (ii) **greater economic diversification** through support for reforms, provision of financing, and linking CAREC countries with global and regional value chains; and (iii) **stronger institutions for trade** through better coordinated sectoral policies and priorities, evidence-based policy-making and enhanced capacity of government agencies.

4. A three-year RSAP, developed in close consultation with CAREC member countries, translates CITA 2030 into prioritized investment projects and trade-related activities at the regional and national levels, helps mobilize funding, and coordinates seamlessly with countries and development partners for CITA 2030 implementation. The RSAP is reviewed and updated annually to ensure continued relevance and country-identified prioritization.

5. CITA 2030 operates under the 2+x principle, accommodating the varying capacities and levels of progress among the countries: two or more CAREC members may initiate and implement regional projects and initiatives that are subject to no objection from all CAREC member countries. A results-based approach with indicator sets that correspond directly to the three pillars of CITA 2030 monitors and evaluates the progress of CITA 2030 and RSAP.

¹ ADB. 2019. *Central Asia Regional Economic Cooperation (CAREC) Integrated Trade Agenda (CITA) 2030 and Rolling Strategic Action Plan (RSAP) 2018-2020*. Manila.

² CITA 2030 builds on the experience and early outcomes of the *CAREC Transport and Trade Facilitation Strategy 2020*; the *CAREC Trade Policy Strategic Action Plan 2013-2017*; and the *Common Agenda for Modernization of Sanitary and Phytosanitary (SPS) Measures for Trade (CAST)*.

³ ADB. 2017. *CAREC 2030: Connecting the Region for Shared and Sustainable Development*. Manila.

II. KEY INSTITUTIONAL DEVELOPMENTS

6. CITA 2030's institutional framework is guided by strong country ownership, development partner commitment, effective engagement with the private sector, and coordination with other stakeholders. The Regional Trade Group (RTG) is the lead coordinative and consultative body for overarching trade issues, and the CAREC Customs Cooperation Committee (CCC) is responsible for all customs-related CAREC projects and activities. Both the RTG and the CCC report to the CAREC SOM. These two bodies coordinate and cooperate with a wide range of stakeholders engaged in trade-related activities in CAREC countries. *Ad hoc* working groups and expert groups in technical areas such as sanitary and phytosanitary measures (SPS) are established to improve regional cooperation and knowledge-sharing.

7. **Regional Trade Group.** Since the inaugural meeting of the RTG in June 2018, Appointed Representatives of the Country were nominated and CITA 2030, its accompanying RSAP and other appendixes were finalized for ministerial consideration through the SOM and CAREC National Focal Points' meetings. The RTG is tasked to undertake policy dialogue and updating of CITA 2030; development of project pipelines, implementation and monitoring; and institutional strengthening and stakeholder coordination. Good progress has been achieved in terms of delivering a number of regional and national interventions under CITA 2030 and RSAP 2018-2020, as well as dissemination of CITA 2030 to stakeholders.

8. The 2nd meeting of the RTG was held on 26 June 2019. The RTG (i) noted the progress of implementation of CITA 2030 and RSAP 2018-2020 and endorsed the CAREC Trade Sector Report 2018-2019 for reporting to the 18th Ministerial Conference through the SOM; (ii) updated the three-year RSAP to 2019-2021; (iii) deliberated on the methodology for target estimation under CITA's results framework; and (iv) noted the knowledge product deliverables on trade. Pursuant to its terms of reference (TOR) that the RTG meetings will be agenda-driven and issues-based to ensure in-depth discussions among relevant agencies, the 2nd RTG meeting focused on SPS issues. The 2nd RTG meeting noted the establishment of the SPS regional and national working groups and strengthened coordination with CCC.

9. **Sanitary and Phytosanitary Regional Working Group (SPS RWG).** Reporting under the RTG, the proposal to establish the SPS RWG was endorsed-in-principle at the RTG inaugural meeting in June 2018. The SPS RWG, comprising chairs and supported by deputy chairs or other senior members of the SPS national working group (SPS NWG) in each CAREC country, will spearhead policy dialogues and regional cooperation initiatives toward greater harmonization of measures to facilitate trade within the region and beyond. The SPS RWG inaugural meeting was held in Tashkent on 24-25 June 2019. The meeting (i) endorsed its terms of reference and discussed institutional structure and implementation approach; (ii) discussed the progress of regional and global initiatives related to implementation of the *Common Agenda for Modernization of SPS Measures for Trade (CAST)*, which are the SPS priorities under CITA and RSAP;⁴ and (iii) deliberated on the SPS RWG workplan which feeds into RSAP 2019-2021. Sector-specific programs or mechanisms were discussed for animal and plant health and food safety. The SPS RWG noted the launch of the *Modernizing Sanitary and Phytosanitary Measures in CAREC: An Assessment and the Way Forward*.

10. **Customs Cooperation Committee.** The 17th CCC Meeting (September 2018; Ashgabat) reviewed progress in CCC priority areas and ongoing customs-related initiatives at

⁴ CAST, endorsed in 2015, is a regionally agreed framework for priority actions to upgrade SPS measures and complement customs-related and trade-facilitating initiatives.

the national level, such as development of single-window and risk management systems under the regional improvement of border services projects; implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA); and new customs legislations. Progress of regional initiatives was also discussed, including the CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) pilot project, and the Joint Customs Control (JCC) pilot. The CCC TOR and priority areas were updated to reflect the objectives and institutional arrangements of CITA 2030, and respond to trends and developments in the evolving trade landscape. Updated CCC priority areas comprise:

- (i) **Customs development:** WTO TFA implementation; customs–business partnership; and institutional and human resource capacity development.
- (ii) **Customs technology:** information exchange (customs-to-customs, customs-to-business platforms, and customs-to-other relevant authorities); risk management and authorized economic operator (AEO) programs; and regional transit and cooperation.
- (iii) **Customs services:** coordinated border management and cross-border cooperation; single window; and simplification and harmonization of customs procedures in accordance with developments in global trade.

11. At the 18th CCC Meeting (June 2019; Tashkent, Uzbekistan),⁵ the CCC shared progress made by member countries in priority areas, and CCC members agreed to (i) continue support to enhanced WTO TFA implementation, including knowledge- and experience-sharing at the national, subregional, and inter-subregional levels; (ii) finalize the CATS/ICE Agreement between three participating countries, and launch the pilot test run by end 2019; (iii) intensify efforts to develop and implement effective AEO systems, exploring both the scope of national programs and potential to expand into cross-border mutual recognition agreements; (iv) continue support to the ongoing JCC pilot and help move it toward phase 2; (v) coordinate with ADB and private-sector stakeholders to expand current parameters of the CAREC corridor performance measurement and monitoring mechanism. Uzbekistan State Customs Committee tabled a proposal to develop an integrated information exchange system for the CAREC region and committed to additional consultations with CAREC customs administrations.

12. The CCC further agreed to preparation of trade facilitation investment projects to improve border services, and to include these projects in RSAP 2019-2021. The CCC RSAP 2019-2021 work plan was endorsed with full concurrence of member countries, and included cooperation and collaboration between the CCC and the RTG, to begin with (i) mutual representation in the annual meetings of the CCC and the RTG, and (ii) a joint learning event on e-commerce to be held in 2020.

13. **CAREC Federation of Carrier and Forwarder Associations (CFCFA).** As the only private-sector institutional arrangement of the CAREC partnership, the CFCFA continued to expand and implement its 2018-2019 agendas in a collaborative and open spirit. CFCFA membership expanded to include enterprise members; national transport associations piloted new transit corridor routes; the CFCFA continued as the main contributor to the CAREC corridors performance measurement and monitoring (CPMM) mechanism; the potential for skills enhancement of its members by creating partnerships with technical and vocational institutions was explored; and its website was revitalized. Progress was seen in further development of logistics operational standards, in cooperation with the China Standardization Administration,

⁵ See <https://www.carecprogram.org/?event=customs-cooperation-committee-meeting-jun-2019>.

designed to encourage adoption of international best practice in transport and logistics to enhance professionalism and efficiency especially among national associations.⁶

14. The 10th CFCFA Annual Meeting (June 2019; Tashkent, Uzbekistan) reviewed and agreed to continue support for ongoing initiatives, as well as explore the potential to establish (i) a CAREC standardization committee as a cross-cutting coordination mechanism under the RTG, and (ii) a private-sector consortium to provide services along new transport corridors. CFCFA members further expressed support to advance activities in cold-chain logistics development; launch a new initiative to define technical terminology for land-based trade; and improve CFCFA training manuals. Members endorsed the CFCFA 2019-2021 work program for inclusion in the updated RSAP, noting in particular the potential for collaboration with the CCC in jointly developing a pre-AEO corporate credit evaluation program.⁷

15. At the 4th Joint Meeting of the CCC and CFCFA (September 2018; Ashgabat, Turkmenistan), the CCC and CFCFA discussed cross-cutting issues such as the value of CPMM results as a tool for improving border management; the development of logistics standards to benefit both customs and freight forwarders; and strengthened customs-to-business dialogue mechanisms.⁸ Practical ways to foster cooperation between the CFCFA, the CCC and other CAREC sectoral bodies under CITA 2030 and RSAP 2019-2021 was considered.

16. The CCC and CFCFA actively discussed and identified areas for potential cooperation and mutual support at their 5th Joint Meeting (June 2019; Tashkent, Uzbekistan),⁹ including increased public-private dialogue during implementation of the WTO TFA; consultative processes to better utilize CPMM methodologies and data; insurance and risk management systems for the CATS/ICE pilot project; the development of effective AEO systems, with private-sector pre-AEO evaluation; and others. Both the CCC and CFCFA agreed to cross-reference their respective synchronized work plans under RSAP to the CAREC SOM.

IMPLEMENTATION OF RSAP 2018-2020

17. The first 3-year cycle of RSAP is 2018–2020, during which the identified priorities are investment projects, policy dialogue and cooperation, knowledge products and services. Progress for 2018-2019 is presented in this report grouped under the three CITA 2030 pillars.

A. Pillar 1: Trade Expansion from Increased Market Access

18. This pillar works to expand CAREC countries' access to markets by lowering tariffs; eliminating non-tariff barriers to trade; making border and behind-the-border procedures more efficient; improving logistics services; enhancing transit systems; and reducing trade distorting and protectionist measures. Progress in these RSAP areas for 2018-2019 includes:

- (i) **Regional improvement of border services (RIBS) projects** focus on improvement of border-crossing points (BCPs) and strengthening of national trade facilitation

⁶ The 9th CFCFA Annual Meeting was held in October 2018 in Ashgabat, Turkmenistan. See <https://www.carecprogram.org/?event=cfca-annual-meeting-2018>.

⁷ See <https://www.carecprogram.org/?event=cfca-annual-meeting-2019>.

⁸ See <https://www.carecprogram.org/?event=joint-ccc-cfca-meeting-sep-2018>.

⁹ See <https://www.carecprogram.org/?event=joint-ccc-cfca-meeting-jun-2019>.

institutions and facilities. RIBS is currently implemented under ADB financing in four CAREC countries: (a) upgrading of Karamyk BCP and establishment of a national single window (NSW) in the Kyrgyz Republic;¹⁰ (b) upgrading of Altanbulag and Zamyn Uud BCPs as well as the customs automated information system, and development of NSW roadmap in Mongolia;¹¹ (c) upgrading of Torkham, Chaman, and Wagha BCPs, establishment of the Land Port Authority, and capacity development among the national border management agencies in Pakistan;¹² and (d) upgrading of Guliston BCP and establishment of the NSW in Tajikistan.¹³

Completion of civil works at Karamyk BCP, Kyrgyz Republic is expected by June 2019. As part of the NSW component, further development of the single window information system is ongoing: technical requirements and procurement activities have been completed and software is being developed. In Pakistan, the civil works contract for Torkham BCP was awarded in December 2018 and contractor mobilization activities have started. The contract for Chaman BCP is expected by July 2019, and procurement of the Wagha BCP civil works is planned within 2019. In Tajikistan's Guliston BCP, development of the single window information system is planned for completion in the second half of 2019. Additional financing for RIBS expansion to Mongolia's Bichigt and Borshoo BCPs is being processed in 2019; and a regional border infrastructure development has been included in the Asian Development Bank (ADB) country operations business plan (2019–2021) for Uzbekistan. Azerbaijan and Georgia have requested ADB support to develop a joint border crossing; Pakistan has reiterated its request for ADB support in developing the national single window; and Tajikistan requested accelerated ADB support for additional financing for the second phase of its RIBS project.

- (ii) **Common Agenda for Modernization of SPS Measures for Trade.** Two regional policy dialogues were organized focusing on phytosanitary and animal health measures to facilitate trade. The outcomes of these two dialogues were developed into regional programs for consideration at the Inaugural Meeting of the SPS RWG in June 2019.

At the Policy Dialogue on Regional Pest Surveillance Program (March 2019; Tbilisi, Georgia), participants agreed on pest surveillance information exchange and increased coordination to manage endemic pests and reduce trade risks, including through: (a) development of a pest surveillance guidelines and procedures manual for the CAREC region; (b) capacity building for CAREC pest surveillance staff; and (c) establishment of a regional pest surveillance database/portal for information sharing, i.e., list of major crops to be surveyed, outbreak measures, pest spread mapping, and pest alerts.¹⁴

At the Policy Dialogue on Regional Program for Control and Prevention of Transboundary Animal Diseases (April 2019; Nur-Sultan, Kazakhstan), participants

¹⁰ ADB. Kyrgyz Republic; Tajikistan: Central Asia Regional Economic Cooperation (CAREC) Regional Improvement of Border Services (RIBS). <https://www.adb.org/projects/46124-001/main#project-pds>.

¹¹ ADB. Mongolia: CAREC RIBS. <https://www.adb.org/projects/46124-001/main#project-pds>.

¹² ADB. Pakistan: CAREC RIBS. <https://www.adb.org/projects/46378-002/main#project-pds>.

¹³ Construction activities to upgrade BCP infrastructure and installation of equipment were completed in 2016 (footnote 8).

¹⁴ Jointly organized by Georgia's Ministry of Finance, Ministry of Environmental Protection and Agriculture, SPS NWG. See <https://www.carecprogram.org/?event=carec-policy-dialogue-regional-pest-surveillance-program>.

agreed on a regional framework to improve animal health situation, promote international harmonization and coordination, and facilitate international trade, including through: (a) discussion platform to agree on minimum requirements, mutual recognition and electronic exchange of veterinary and trade-related certificates, (b) improve animal identification and traceability, (c) data-sharing on surveillance and outbreak response and (d) for some members, potential twinning/exchange for training of laboratory staff.¹⁵

The proposed CAREC Regional Food Safety Network (CRFSN) aims to support the harmonization food safety regulatory and standards agencies with Codex standards. A workshop (May 2019; Tashkent, Uzbekistan) was held to discuss expectations, structure, TOR, roles and responsibilities of the proposed CRFSN both as a physical network that meets annually, and through a web portal.¹⁶ The concept, including financing plan and implementation arrangements of CRFSN, will be considered at the SOM in June 2019, through the RTG.

- (iii) **Regional upgrades of SPS measures for trade (RUST)** projects were formulated and implemented to support implementation of CAST. The RUST project for Mongolia is modernizing laboratories and inspections facilities, strengthening inspection management systems, and aligning SPS systems with international standards.¹⁷ Implementation of the project has been closely coordinated with a CAREC technical assistance (TA) to introduce risk-based inspection system and revise existing SPS-related regulations as needed. In March 2019, a scoping visit was conducted at the request of Georgia Revenue Services to undertake initial assessment of a potential RUST type of project for SPS infrastructure development at the Gardabani railway BCP. A needs assessment for enhancing SPS at the borders in Kyrgyz Republic was updated in February 2019.¹⁸

The report on *Modernizing Sanitary and Phytosanitary Measures in CAREC: An Assessment and the Way Forward* was published in May 2019. The knowledge product assesses the plant health, animal health, and food safety measures of CAREC member countries; covering laws and procedures, laboratory infrastructure, and border services management. Translation into the Russian-language version and dissemination through various means (email and blog articles) are underway.

TA (through training, mentoring or advisory work) is being provided for identified national priorities such as: (a) SPS risk assessment and categorization for Mongolia; (b) amendment of animal and plant health laws for Pakistan; (c) pilot project for adoption of modern risk-based food safety management and inspection systems in Turkmenistan; and (d) adoption of various international standards for phytosanitary measures and pest risk analysis (PRA) management plan for Uzbekistan. A proposal for biosafety channel between PRC and Central Asia, through Horgos border in Kazakhstan is being developed.

¹⁵ Jointly organized by the Kazakhstan Ministry of Agriculture, SPS NWG and ADB. See <https://www.carecprogram.org/?event=policy-dialogue-transboundary-animal-diseases-apr-2019>.

¹⁶ See <https://www.adb.org/projects/50217-001/main#project-overview>.

¹⁷ ADB. Mongolia: Regional Upgrades of Sanitary and Phytosanitary Measures for Trade. <https://www.adb.org/projects/46315-001/main#project-pds>.

¹⁸ ADB. Regional: Modernizing Sanitary and Phytosanitary Measures to Facilitate Trade. <https://www.adb.org/projects/49190-001/main#project-pds>.

- (iv) **CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) pilot project.** During 2018-2019, the pilot test launch for the CATS and ICE prototype was delayed due to concerns that provisions proposed under the draft trilateral agreement were not compatible with the customs transit provisions of the Eurasian Economic Union (EAEU). A series of consultations confirmed functional compatibility, however, and a Workshop to Implement the CATS and ICE Pilot (April 2019; Nur-Sultan, Kazakhstan) gathered insurance companies to explore options for the transit guarantee mechanism.¹⁹ The CATS/ICE risk management (renamed as customs control facilitation) and ICT working groups separately discussed technical specifications of the CATS/ICE software, and the manual of operations, among others. Participating countries agreed to finalize the text of the Agreement at working group meetings in July 2019, to be held in Batumi, Georgia, and initiate domestic legal processes for the Agreement to be signed. The CCC, through the SOM, will report progress made in the CATS initiative to the CAREC Ministerial Conference in November 2019. The pilot test is expected to be launched in December 2019.
- (v) **Joint Customs Control (JCC) pilot project.** A JCC meeting (October 2018; Tianjin, People's Republic of China [PRC]) between Mongolia and the PRC was held to discuss the digitalization of the Unified Cargo Manifest, the physical copy of which was originally pilot-tested in 2009. The General Administration of China Customs issued formal notification on the pilot use of information technology to transmit manifest data at the Erenhot-Zamyn Uud BCP in December 2018.²⁰ Electronic transmission of data was set to start effective 01 January 2019 at nine other BCPs. The JCC initiative is keen to move forward and implement the Action Plan signed to expedite the second phase of JCC, which includes mutual accreditation of the inspection results. To share experience in JCC, the PRC's Hohhot Customs is arranging a study visit State Customs Committee of Azerbaijan in 2019.
- (vi) **Paperless trading or e-certification of trade documents.** In November 2018, ADB and UNESCAP jointly prepared the report on *Trade Facilitation and Paperless Trade Implementation in CAREC Countries*. The report was based on the results of the *United Nations' Global Survey on Trade Facilitation and Paperless Trade Implementation 2017* for nine CAREC countries and the ADB-commissioned assessment in 2017 which looked into the readiness of CAREC countries to implement the WTO TFA. The joint report suggested that paperless trade implementation of the TFA measures with seamless electronic exchange of data and documents could result in much larger trade cost reductions, close to 30% for CAREC as a whole.²¹
- (vii) **CAREC Corridors Performance Measurement and Monitoring.** Trade facilitation indicators (TFIs) under the CPMM assess the efficiency of the CAREC transport corridors and are reported on an annual basis. The *CPMM 2017 Annual Report* has

¹⁹ See <https://www.carecprogram.org/?event=workshop-advanced-transit-system-apr-2019>.

²⁰ Announcement No. 170 of 2018: <http://www.customs.gov.cn/customs/302249/302266/302269/2101334/index.html>.

²¹ CAREC and UNESCAP. 2018. *Trade Facilitation and Paperless Trade Implementation in CAREC Countries*. Bangkok: <https://www.unescap.org/resources/trade-facilitation-and-paperless-trade-implementation-carec-countries>. Also available via <https://www.carecprogram.org/uploads/2018-ESCAP-paperless-trade.pdf>.

been published and is available in English- and Russian-language versions,²² and publication of the 2018 Annual Report is anticipated in June 2019. A summary of 2018 CPMM results is in Figure 1.²³

As of 2018, the CPMM reported steady average improvement in speed-without-delay (which increased by 3% for road transport and 9% for rail),²⁴ largely attributed to the success of physical and connectivity infrastructure investment along the CAREC corridors. Delays at the border declined for road transport (by an average of 22%) and rail (20%), resulting in improved speed-with-delay by up to 5.5% for road and 7.8% for rail. However, these delays still remain a major impediment to efficient trade. Meanwhile, the average cost to clear a border crossing and the cost incurred to travel a corridor section remain low. Some components of the cost indicators, however, are set by industry and relevant national authorities in each country, and CAREC efforts generally make little impact in this situation.

²² See <https://www.carecprogram.org/uploads/2017-CAREC-CPMM-Annual-Report.pdf>.

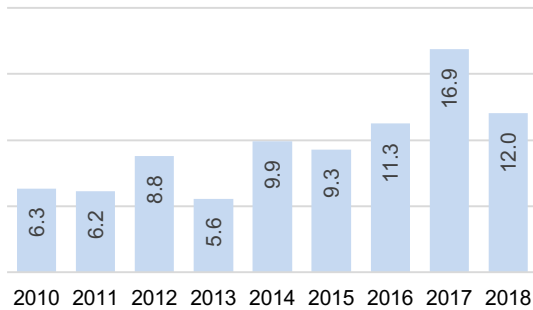
²³ Detailed analysis will be available in the forthcoming 2018 CPMM Annual Report to be released in June 2019.

²⁴ The CPMM has two speed metrics: (i) speed without delay, or the average speed of vehicles while in transit; and (ii) speed with delay, which reflects time spent during stopovers and border-crossing activities. Intuitively, the quality of transport infrastructure, terrain, altitude, and seasonal patterns affect speed without delay, while simplified border crossing can result in higher speed without delay.

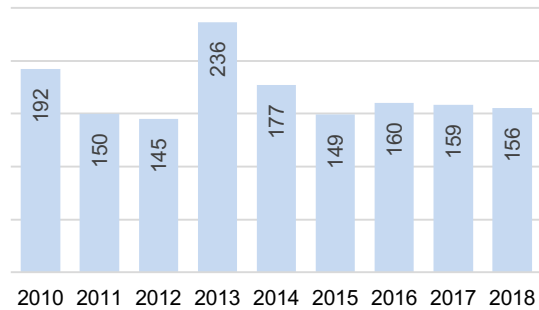
Figure 1: Trade Facilitation Indicators (2010–2018)

A. Road Transport

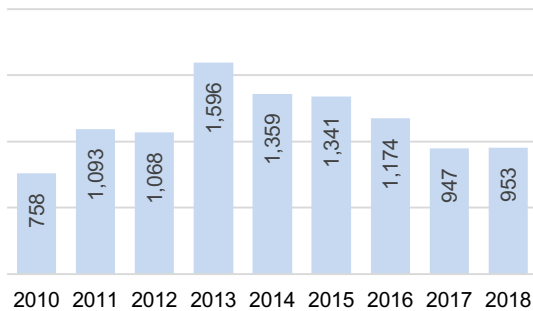
TFI1: Time taken to clear a border crossing point, hours



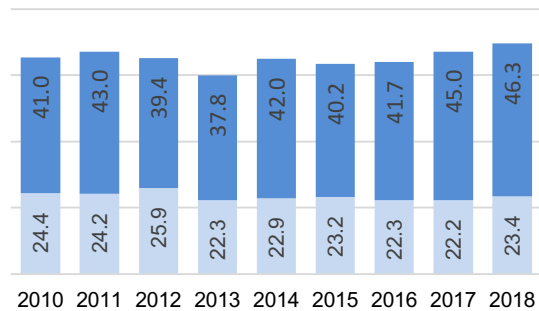
TFI2: Cost incurred at border crossing clearance, \$



TFI3: Cost incurred to travel a corridor section, \$ per 500km, per 20-ton cargo

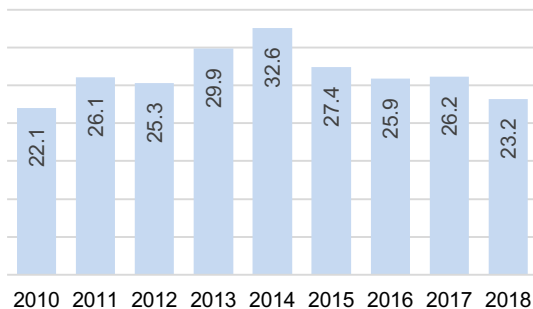


TFI4: Speed to travel on CAREC corridors, kmph

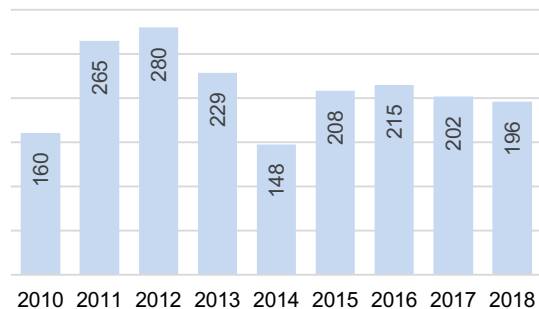


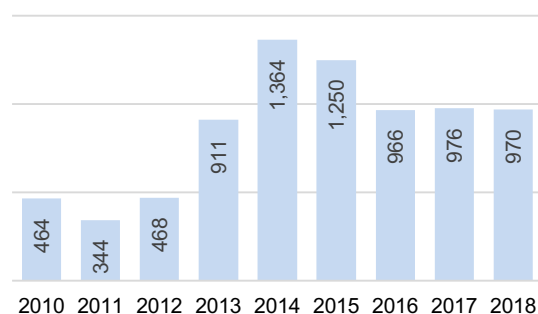
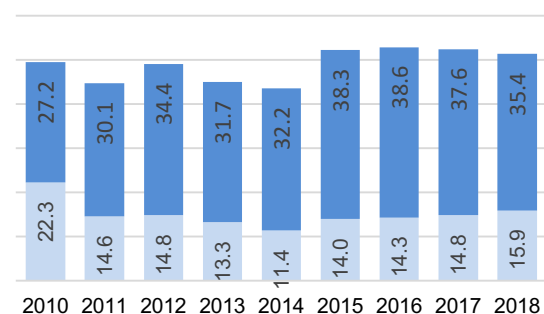
B. Rail Transport

TFI1: Time taken to clear a border crossing point, hours



TFI2: Cost incurred at border crossing clearance, \$



TFI3: Cost incurred to travel a corridor section, \$ per 500km, per 20-ton cargo**TFI4:** Speed to travel on CAREC corridors, kmph

hr = hours, km = kilometer, kmph = kilometers per hour, TFI = trade facilitation indicator, YoY = year-on-year. Notes: Rail sample is comprised of records from Corridors 1, 4, and 6 only. No rail data for corridor 6 was collected in 2014-2015.

Source: ADB estimates using CPMM database.

After almost 10 years of operations, the CPMM database is increasingly rich and robust and is used to support the work of different institutional and independent researchers. For example, CPMM trade facilitation indicators proved instrumental in estimating trade gains potential in the CAREC region,²⁵ and contributed to empirical analysis that revealed time taken to cross a border significantly determines the extent of bilateral trade flows within the region. The study reports that a 10% reduction in time at the importers' border raises intra-CAREC trade by 2%-3%, or a \$1.4 billion increase in the intraregional trade. In addition, the CAREC transport sector will continue to rely on CPMM data and indicators to monitor performance of its new 10-year strategy (expected to be approved in 2019), and during 2019, CPMM data have been assisting the CAREC railway working group develop a trade flow model to determine gaps in their pipeline of projects in CAREC.

The CPMM+ initiative continued under its pilot phase,²⁶ based on (i) a refined methodology and data collection questionnaire to better capture multimodal shipments, and (ii) identification and measurement of trade logistics services and behind-the-border issues. A Workshop on CPMM, Time Release Study, and Behind-the-Border Indicators was organized by ADB in collaboration with the CAREC Institute (July 2018; Baku, Azerbaijan).²⁷ The workshop gathered experts from development partners (ADB, UNESCAP, World Bank Group/IFC) to brainstorm on how to improve and optimize the CPMM and promote the use of CPMM data to a broader range of stakeholders, including the private sector and research institutions.

Pilot studies using the expanded methodology were conducted in Afghanistan and the PRC in October 2018, implemented by CPMM's freight forwarder association partners. Findings of the initial pilot study show wide disparity in trade-related business

²⁵ ADB. 2017. *Trade Facilitation and Better Connectivity for an Inclusive Asia and Pacific*. Manila. <https://www.adb.org/sites/default/files/publication/359786/trade-facilitation-connectivity.pdf>.

²⁶ The CPMM+ initiative was initiated in 2018 and extends CPMM coverage to behind-the-border issues including structural reforms and standards agencies, SPS laboratory capacity, and trade-facilitation-related regulations.

²⁷ See <https://www.carecprogram.org/?event=workshop-cpmm-trs-jul-2018>.

processes and compliance requirements across the CAREC region. Upon consultation with CPMM partners on appropriate approach and methodology, the pilot study will be rolled out to other CAREC countries in 2019.

B. Pillar 2: Greater Economic Diversification

19. This pillar aims to create an enabling environment for economic diversification through supporting reforms, providing financing, and linking CAREC countries with global and regional value chains. This will include measures to improve access to trade finance, adopt consistent and open foreign direct investment policies, develop domestic financial markets, strengthen support services, promote skills upgrading and embrace innovation. Progress during 2018-2019 includes:

- (i) **Free trade zone, special economic zones or cross-border economic zones.** A workshop on Special Economic Zones: Challenges and Perspectives for Landlocked CAREC Countries was jointly organized by ADB and CAREC Institute (November 2018; Shenzhen, PRC). Despite varying scope, economic zones demonstrate increasing potential as catalysts of industrialization and drivers of economic growth in CAREC countries, and in the case of Shenzhen, as a test bed for structural reforms.²⁸

Two ADB-supported projects are being processed in parallel (for approval in 2020) to support the development of cross-border economic zone (CBEZ) between the PRC and Mongolia, specifically at the Erenhot and Zamyn-Uud zones, where 900 hectares of land from each side of the free zones were allocated for the CBEZ. The cooperation agreement for the establishment of the CBEZ is expected to be signed by the two governments in 2019.

- (ii) **Awareness and access to trade finance, supply chain finance and guarantees.** To promote small and medium enterprise (SME) trade finance through cross-country learning, a workshop was held on SME Trade Finance in the CAREC Region (December 2018; Xiamen, PRC).²⁹ Underscoring the continuing need for awareness and further analysis, CAREC members were encouraged to participate in the 2019 Trade Finance Gaps, Growth and Job Survey, conducted by ADB and other partners (including the International Trade Centre) to identify global market gaps in trade finance. Preliminary outcomes are expected in July 2019.

An ADB-financed TA project approved in 2018 is supporting a feasibility study to develop the concept and articulate the business case for establishing a multilateral trade credit and investment guarantee or re-guarantee agency.³⁰ The TA project received interest to participate from CAREC member countries.

- (iii) **Promotion of e-commerce and innovation.** Given the rapid growth of e-commerce (both domestic and cross-border) including the appearance of new e-payment methods in Asia, ADB and the CAREC Institute, in partnership with the Asia-Pacific Finance and Development Institute, organized a workshop on Environmental Readiness for E-Commerce: Economic, Legal, and Institutional Factors (December 2018; Shanghai, PRC), to raise awareness of the necessary enabling conditions for the development of

²⁸ See <https://www.carecprogram.org/?event=workshop-special-economic-zones-carec-countries>.

²⁹ See <https://www.carecprogram.org/?event=workshop-sme-trade-finance-dec-2018>.

³⁰ See <https://www.adb.org/projects/52066-001/main>.

e-commerce and cross-border e-commerce. CAREC countries shared their experiences, which indicate varying levels of readiness and challenges such as uneven infrastructure (regulations, IT, payment, logistics). International best practice and recommendations including the UN Commission on International Trade Law's Model Laws were discussed.³¹

C. Pillar 3: Stronger Institutions for Trade

20. This pillar promotes better coordination of sectoral policies and priorities, evidence-based policymaking, as well as enhanced capacity of government agencies, and includes measures for collaborative policy formulation and implementation; alignment of national and regional planning; and regulatory convergence in the region. It will improve data collection and cross-country analysis, enhance officials' policy analysis and negotiation skills, and increase participation of think tanks and the private sector. Progress for 2018-2019 in these areas includes:

- (i) **Enhanced implementation of the WTO Trade Facilitation Agreement.** Respective ongoing activities and efforts to achieve TFA compliance were shared at the WTO TFA: Implementation Roadmap Workshop for CAREC Countries (October 2018; Bangkok, Thailand). CAREC government agencies responsible for implementing the TFA discussed provisions that are challenging to several countries and those where TA is required; preliminary strategic implementation roadmaps were prepared using an integrated national and regional approach, and reflecting short- and long-term plans to comply with TFA provisions.³²

ADB, in partnership with the WTO, World Customs Organization, and CAREC Institute, convened an Inter-subregional Forum on Enhanced Implementation of the WTO TFA (October 2018; Bangkok, Thailand), where over 120 senior-level participants from customs administrations, ministries of commerce and trade, and private sector organizations presented stories of success and insightful failure, and explored common challenges through the sharing of case studies.³³

Delegations from Azerbaijan, Georgia, and Kazakhstan met at a Subregional Workshop on Application of Customs-Related Provisions of the WTO TFA which focused on the application of specific customs-related TFA provisions (January 2019; Baku, Azerbaijan); drafted a TOR and preliminary action plan for the Azerbaijan National Committee on Trade Facilitation; and reviewed the TFA action plans of Georgia and Kazakhstan. Countries were guided to formulate preliminary action plans to institutionalize improve coordination among government agencies their respective national committees on trade facilitation, as well as involved.³⁴

- (ii) **Establishment of Sanitary and Phytosanitary National Working Groups.** Substantial progress has been achieved in establishing the SPS NWGs. As of March 2019, all CAREC countries have formally established their NWGs. The SPS NWGs coordinate the strengthening of SPS agencies and closer cooperation with border and

³¹ For detailed outcomes of the Workshop, see <https://www.carecprogram.org/?event=workshop-ecommerce-readiness-dec-2018>.

³² See <https://www.carecprogram.org/?event=workshop-wto-roadmap-oct-2018>.

³³ See <https://www.tfafacility.org/vp-zhang-opens-intersubregional-forum-enhanced-implementation-wto-agreement>.

³⁴ See <https://www.carecprogram.org/?event=workshop-wto-trade-facilitation-agreement-jan-2019>.

other trade-related agencies, alignment of national measures with the WTO SPS agreement and international standards, and upgrade of SPS facilities.

CAST emphasizes the need for countries to prepare a national strategy to adopt and/or implement SPS measures in accordance with international standards in a sectoral but coordinated approach. With strong ownership from their respective SPS NWGs, several countries (namely, Georgia, Mongolia, Pakistan, Turkmenistan, and Uzbekistan) have developed their national SPS strategies and plans. National workshops to support the work of SPS NWGs were undertaken in Mongolia in August 2018, Uzbekistan in October 2018, and Turkmenistan in January 2019.

III. CAREC TRADE SECTOR WORK PROGRAM

A. Rolling Strategic Action Plan 2019-2021

21. Countries inputs, through the RTG, CCC and other sectoral bodies, have been incorporated in the RSAP 2019-2021, which is a deliverable to the 18th CAREC Ministerial Conference to be held in November 2019, in Tashkent, Uzbekistan.

22. Under RSAP 2019-2021, the pipeline interventions include:

- (i) **Continued implementation of the WTO TFA.** An inter-subregional knowledge- and experience-sharing forum on TFA with the South Asia Subregional Economic Cooperation (SASEC) Program is planned in October 2019. National-level consultations or country-specific needs assessments will be carried out to help further develop and operationalize NCTFs.
- (ii) **Accession to the WTO.** Internal consultations on seeking observer status are ongoing as an initial step for Turkmenistan's WTO accession. The government, WTO and ADB are discussing potential support and a sideline meeting at the SOM and/or RTG in June 2019 to discuss the next steps, including a potential forum to share CAREC experience in the accession process. ADB has supported participation of Uzbekistan's officials at the meeting of the Commission on Phytosanitary Measures in April 2019, as part of Uzbekistan's legislative action plan for WTO accession.
- (iii) **Achieving CAST and addressing technical barriers to trade (TBT).** CITA 2030 includes support for the implementation by its members of the TBT and SPS agreements. However, while the CAST was endorsed in 2015, CAREC work on TBT is in its nascent stage. Given the inherent risk of TBT measures becoming nontariff barriers to trade, the importance of continued capacity-building to plan and implement appropriate TBT regulatory environments alongside initiatives for SPS will be developed and implemented.
- (iv) **Enhancing trade in services and investment facilitation.** Using quantitative and qualitative data, a scoping study will identify priority subsectors in CAREC services with the largest potential for enhancing services and strengthen the sector linkages with regional and global value chains. An initial draft has been presented at the RTG meeting in June 2019 with the final publication presented at a conference and other fora in 2020. Follow-up research on investment facilitation will be undertaken in 2020.

- (v) **E-commerce and digital trade.** A learning event on best practices in paperless trade and the UN *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific* (of which PRC and Azerbaijan are signatories) is planned to support the gradual move toward digital customs environment in CAREC while at the same time promoting business trade, especially for SMEs. Leveraging the outcomes of the December 2018 workshop, a research study on regulatory framework for e-commerce development is being developed jointly by ADB and CAREC Institute.
- (vi) **Raising the profile of CPMM.** As CPMM marks its 10th year of data gathering and analysis, a retrospective analysis of achievements and challenges, trends and lessons learned from the past decade will be undertaken. Opportunities will be explored to raise awareness of this trade facilitation monitoring tool in non-CAREC countries, to promote innovative application of the CPMM, and to replicate the CPMM model.
- (vii) **Strengthening dialogue and cooperation between public (e.g., trade-related agencies) and private sector (e.g., traders and business associations).** Leveraging existing consultative dialogue between the CCC and CFCFA platforms, operational linkages will be strengthened through joint public-private advocacy, including for SMEs and joint surveys and studies looking at private-sector perspectives on constraints in trade-related legislations and systems. Institutional strengthening and capacity building of CFCFA will help it develop further as an effective mechanism to improve transport and trade facilitation in the region.
- (viii) **Improving research capacity and sharing of information.** A concept note for an online CAREC trade repository or portal was presented at the RTG meeting in June 2019. The trade portal will serve as a single reference point of all trade-related information, developed initially to build data collection and management capacity. Through a unified interface, transaction time and costs are reduced increasing trade and business in the region.

ADB and CAREC Institute will continue to work closely to enhance linkage between policy and research work, initially in the area of e-commerce and a mutual recognition and paperless certification exchange mechanism on SPS during 2019-2020. The 4th CAREC Think Tanks Development Forum planned in August 2019 in Xi'an, Shaanxi, PRC has the theme: "Trading for Shared Prosperity" and expected to raise awareness of CITA 2030 among research institutions and the academic community.

IV. IMPLEMENTATION APPROACH AND RESULTS FRAMEWORK

A. Strengthened Coordination and Dialogue

23. **Cross-sectoral collaboration.** The RTG and the CCC will enhance institutional collaboration by introducing representation from each sectoral body in their respective meetings. A joint seminar on e-commerce and innovation for various trade-related government agencies will be organized by the RTG and CCC in 2020. Close coordination with other CAREC sectoral bodies, particularly the Transport Sector Coordinating Committee, will be maintained and promoted through knowledge-sharing products such as a case study on RIBS and CPMM reports.

24. **Cooperation with development partners.** As an open platform, every opportunity for CAREC to create synergies with international platforms and initiatives will be maximized—particularly with the World Customs Organization, WTO (including through the TFA Facility and Standards and Trade Development Facility), World Organisation for Animal Health, International Plant Protection Convention, European Commission, Food and Agriculture Organization of the United Nations, UNCITRAL, UNESCAP, United Nations Conference on Trade and Development, and United States Agency for International Development-Competitiveness Trade and Jobs Project, among others.

25. **Partnership with the private sector.** Linkages between the public and private sectors in CAREC countries will be strengthened through the CFCFA and, potentially, the establishment of CAREC Chambers of Commerce. Training activities will be conducted in collaboration with the CAREC Institute, the International Federation of Freight Forwarders Associations, and the ADB Regional Knowledge Sharing Initiative.

B. Results Framework and Indicators

26. The progress of CITA implementation is measured through results indicators. Baseline values for these indicators at outcome and output levels have been provided using actual data for CAREC countries. Proposed targets were calculated by analyzing trends in these indicators from 1990 to the present, using 3-year moving averages to smooth out extreme values. The performance of a region with similar landlocked and income characteristics as CAREC was also examined for comparison. The methodology and target estimation was presented at the RTG meeting in June 2019. The RTG agreed to undertake national consultations on the methodology.

27. Activity-level sub-indicators at RSAP level will also be monitored. The completion of RSAP activities feed into CITA results, incrementally contributing to CITA outcomes.

C. Support and Technical Assistance

28. One of the key operational priorities under ADB's Strategy 2030 is to foster regional cooperation and integration by strengthening subregional initiatives such as the CAREC Program. An ADB-financed regional TA project was approved in February 2019 to assist the CAREC countries implement CITA 2030 and the RSAP 2018-2020.³⁵

29. Additionally, two ADB-financed regional TA projects are being processing to further support CAREC trade priorities during 2019-2021. The first TA is designed to help continued implementation of the CCC work plan in its identified priority areas, including (i) scoping studies at select BCPs to assess physical infrastructure; (ii) digital transformation of customs technologies by encouraging development of e-customs systems, paperless trade, and other technology innovations (authorized economic operator programs and piloting of CATS/ICE); and (iii) the adoption of measures to reduce delays at BCPs, including coordinated border management, expanded joint customs and border control initiatives and regular customs-private sector dialogues. The second TA project will focus on (i) improving private sector opportunities for wider-based involvement in trade facilitation; (ii) strengthening the institutional capacity of CFCFA; and (iii) expanding the CPMM mechanism and package to pilot replication. Concept

³⁵ ADB. 2019. *Implementing the Integrated Trade Agenda in the Central Asia Regional Economic Cooperation Program*. Manila.

Papers for both regional TAs were approved in May 2019, and subject to available financing, approval is expected in July and August 2019, respectively. The CCC and the CFCFA reviewed the two concept papers at their respective annual meetings in June 2019, provided inputs and comments, and endorsed further processing of the TAs.

V. KEY TRADE DELIVERABLES AND ISSUES FOR GUIDANCE BY THE SENIOR OFFICIALS' MEETING

A. Key Trade Deliverables for the 18th Ministerial Conference

- (i) **CAREC Trade Sector Report 2018-2019:** The report summarizes the early achievements of CITA 2030 in its first year of implementation. This includes institutional developments, progress of projects and activities under the Rolling Strategic Action Plan 2018-2020 and next steps.
- (ii) **Establishment of working groups and regional programs and networks on SPS:** Institutional arrangements (e.g., SPS regional and national working groups) are in place to support and oversee the implementation of *Common Agenda for Modernization of SPS Measures for Trade* (CAST).
- (iii) **Implementation of the WTO TFA.** After the successful organization of the inter-subregional forum in October 2018, a follow-up inter-subregional knowledge- and experience-sharing forum on TFA is organized in October 2019 with the South Asia Subregional Economic Cooperation Program. Action plans and lessons learned on TFA implementation are being developed and implemented by CAREC countries.
- (iv) **Knowledge products.** Two key publications were delivered under the trade sector namely, (a) *CAREC Corridor Performance Measurement and Monitoring (CPMM) 2018 Annual Report* (July 2019) and (b) *Modernizing Sanitary and Phytosanitary Measures in CAREC: An Assessment and the Way Forward* (May 2019).

B. Key Trade Deliverables and Issues for Guidance by the SOM

30. The **Rolling Strategic Action Plan 2019-2021** was developed in consultation with the CCC, RTG, SPS RWG, and the private sector (through CFCFA). Ministerial endorsement, through the SOM, is sought for CITA 2030's Rolling Strategic Action Plan 2019-2021.

31. Outcomes and output-level indicators including baseline indicators were earlier provided in the CITA 2030 results framework. The RTG, as mandated under CITA 2030, will define the targets based on computed baseline indicators and taking into consideration regional comparators and trends. SOM endorsement of the proposed **targets under CITA 2030 Results Framework** is sought.

32. Regional programs for cooperation on plant and animal health and establishment of CAREC Regional Food Safety Network are being proposed. **Ownership and country commitment** are sought to ensure sustainability and appropriate follow-up at the national level.

33. The CATS/ICE pilot project is expected to launch between Azerbaijan, Georgia, and Kazakhstan in December 2019, making transit trade faster and less expensive between the three

countries. **Continued strong support** from participating CAREC member countries for the pilot phase will be essential to ensure robust results. The CATS initiative remains open for additional CAREC member countries to join.

**18th Meeting of the CAREC Customs Cooperation Committee
Summary of Proceedings Key Agreements Reached**

1. The 18th Meeting of the CAREC Customs Cooperation Committee (CCC) was held on 20-21 June 2019 in Tashkent, Uzbekistan and attended by customs administrations of all CAREC member countries.
2. At the end of the Meeting, CCC members agreed to:
 - (i) **Endorse the CCC 2019-2021 work plan** under the CAREC Integrated Trade Agenda (CITA) 2030 three-year rolling strategic action plan (RSAP) 2019-2021. The CCC work plan is aligned with the revised CCC priority areas and updated terms of reference agreed at the 17th CCC Meeting, held in September 2018 in Ashgabat, Turkmenistan. The 18th CCC Meeting further endorsed cooperation and collaboration between the CCC and the CAREC Regional Trade Group (RTG), as laid out in CITA 2030, to begin with (i) mutual representation in the annual meetings of the CCC and the RTG, and (ii) a joint learning event on e-commerce to be held in early 2020.
 - (ii) **Take forward processing of the proposed Asian Development Bank (ADB) technical assistance (TA)**, designed to continue implementation of the CCC work plan in its identified priority areas, including (i) scoping studies at select border-crossing points (BCPs) to assess physical infrastructure; (ii) digital transformation of customs technologies by encouraging development of e-customs systems, paperless trade, and other technology innovations (authorized economic operator programs and piloting of CATS/ICE); and (iii) the adoption of measures to reduce delays at BCPs, including coordinated border management, expanded joint customs control, and border control initiatives and regular customs-private sector dialogues. Priority capacity building needs will also be supported, including training-of-trainers. CCC members agreed with the anticipated TA outcome and outputs and committed to provide inputs and suggestions of activities for inclusion in the TA within one week.
 - (iii) **Continue to support CAREC customs to enhance national implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA)**. Technical assistance to help CAREC countries meet their TFA commitments, including strengthening of national committees on trade facilitation, will be provided in coordination with other development partners. An inter-subregional technical knowledge- and experience-sharing workshop on the TFA will be organized in October 2019 in Georgia, between the CCC and member countries of the South Asia Subregional Economic Cooperation (SASEC) Program. A TFA implementation tracking mechanism will be developed to help identify priority areas of action.
 - (iv) **Coordinate with ADB for better utilization of methodological approaches of the CAREC corridor performance measurement and monitoring (CPMM) mechanism and the time release study model**. The CCC welcomed ADB's proposal to share relevant, timely CPMM data and potentially work with customs and national research institutions to expand current parameters of the CPMM reporting instruments, to include customs related indicators, and more detailed country- and corridor-level analysis. Representatives of Azerbaijan proposed hosting a regional workshop for the CAREC countries to study Azerbaijan's experience in implementing innovative projects with support of CAREC, such as TRS, electronic queueing, FastTrack, with visits to the BCPs.

- (v) **Proceed with the pilot phase of the CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) initiative.** Azerbaijan, Georgia, and Kazakhstan committed to finalize the text of the Agreement between participating countries at the Batumi working group meetings in July 2019, initiate domestic legal processes for the Agreement to be signed. CCC, through the Senior Officials Meeting, will report progress made in the CATS initiative to the Ministerial Conference on 14 November in Tashkent, Uzbekistan. The pilot test launch is expected to launch in December 2019.
 - (vi) **Intensify efforts to develop and implement effective authorized economic operator (AEO) systems;** study and explore the scope of national programs on AEO systems; facilitate experience sharing and exchange; and provide needed technical support to expand into more cross-border mutual recognition agreements.
 - (vii) **Continue support to the ongoing Joint Customs Control (JCC) initiative** between the People's Republic of China (PRC) and Mongolia and replicate the JCC model in other CAREC BCPs.
 - (viii) **Further consider the proposal of the State Customs Service of Uzbekistan to develop an Integrated Information Exchange System for the CAREC region,** subject to further detailed information from Uzbekistan State Customs Committee and consultation with respective information technology experts. CCC and ADB would initiate preparation of technical assistance support for this initiative and possible future investments.
 - (ix) **Support identification and preparation of trade facilitation investment projects** to improve border services and develop single windows, particularly those identified in the RSAP 2019-2021. Specifically, Azerbaijan and Georgia requested ADB support to develop a joint border crossing; and Pakistan reiterated its request for ADB support to develop the national single window; and Tajikistan requested accelerated ADB support for additional financing for the planned second phase of the Regional Improvement of Border Services project.
3. CCC members thanked the State Customs Committee of Uzbekistan for their impeccable hosting of the 18th CCC Meeting and noted that Afghanistan will be assuming the role of CAREC host country following the Ministerial Conference to be held in November 2019.

Attachment 2

Additional Activities for CAREC Integrated Trade Agenda Rolling Strategic Action Plan 2019–2021

	Project/Activity	Description/Objectives	Type of Input	Status	Participating Countries	Implementation Period
Pillar 1: Trade Expansion from Increased Market Access						
1	CAREC Common Agenda for Modernization of SPS Measures (CAST)	Technical assistance to support approximation of rules of phytosanitary border and quarantine control in relation to the EU legislations.	Knowledge-sharing products and services	Proposed	GEO (REG)	2019-2020
		Regional pest surveillance program and development of pest list (A1/A2) pilot in the Fergana Valley	Knowledge-sharing products and services	Proposed	KGZ, TAJ, UZB	2019-2020
		Training on testing procedures including at OIE reference laboratories (in KAZ and PRC) to support other CAREC countries	Knowledge-sharing products and services	Proposed	REG	2019-2021
		Piloting of simplified modern risk-based food safety management and inspections system	Knowledge-sharing products and services	Proposed	TKM	2019-2020
		Pilot of biosafety channel between PRC and KAZ at Khorgos Border Cooperation Center	Knowledge-sharing products and services	Proposed	PRC, KAZ	2019-2021
		Regional program for prevention and control of transboundary animal diseases, improving animal traceability	Knowledge-sharing product and services	Proposed	REG	2020-2021
2	CAREC Advanced Transit System pilot project	Piloting of a CAREC regional transit scheme based on comprehensive and risk-based guarantees, and a customs information common exchange.	Investment project (scoping)	Proposed	AZE, GEO, KAZ	2019-2021
		Support accession to the Convention on Common Transit Procedures and use of the New Computerized Transit System to facilitate trade with EU markets.	Knowledge-sharing products and services/ Policy dialogue and cooperation	Proposed	AZE, GEO, KAZ	2019-2021
3	Paperless trading or e-certificate of trade documents	Support digital transformation by enhancing e-customs systems and new developments in information communication technology to facilitate trade such as paperless trade, cross border e-commerce, blockchain technology, and others.	Knowledge-sharing products and services	Proposed	REG	2019-2021
		Support accession to United Nations Regional Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia-Pacific.	Knowledge-sharing products and services	Proposed	REG	2020-2021
		Feasibility or cost-benefit analysis to support development of SPS e-certificates and potential mutual recognition of laboratory results, leveraging from existing global initiatives (e.g., IPPC's e-phyto; OIE's e-vet)	Knowledge-sharing product and services	Proposed	REG	2020-2021
4	WTO TFA enhanced implementation among CAREC members	Support adoption of modern risk management systems and approaches, develop national AEO programs, and preliminary mutual recognition processes for AEOs across borders	Knowledge-sharing products and services/ Policy dialogue and cooperation	Proposed	REG	2019-2021
		Facilitate dialogue and knowledge transfer for conduct of time release studies to better assess bottlenecks at the border and develop informed interventions to address the specified needs	Policy dialogue and cooperation	Proposed	REG	2019-2021

	Project/Activity	Description/Objectives	Type of Input	Status	Participating Countries	Implementation Period
5	CPMM mechanism enhanced	CPMM data collection expanded to capture data on trade logistics services and behind-the-border issues; pilot studies conducted	Knowledge-sharing product and services	Proposed	REG	2019-2021
		Feasibility study for potential replication of CPMM in non-CAREC countries conducted	Knowledge-sharing product and services	Proposed	REG	2019-2021
6	Private-sector active engagement in trade facilitation and collaboration with public agencies (e.g. customs administrations) increased	Regional logistics operational standards published	Knowledge-sharing product and services	Proposed	REG	2019-2021
		Gap analysis conducted for industry-led logistics operational standards	Knowledge-sharing product and services	Proposed	REG	2019-2021

Pillar 2: Greater Diversification

1	Promotion of e-commerce	Mapping and analysis of regulatory framework for e-commerce development in CAREC	Knowledge-sharing products and services	Proposed	REG	2019-2020
		e-commerce legal and policy reforms including drafting and implementing action plans	Knowledge-sharing products and services	Proposed	REG	2020-2021
		Facilitate e-commerce cooperation through best practices demonstration, capacity-building and interaction among different agencies	Knowledge-sharing products and services	Proposed	REG	2020-2021
2	Promotion of tourism trade	Data analysis on potential for tourism and provision of information for tourists within CAREC	Knowledge-sharing products and services	Proposed	REG	2019-2020
3	Bilateral investment agreements/treaties	Signing of agreements or treaties to facilitate investment flows, including participation of SMEs	Policy dialogue and cooperation	Proposed	REG	2020-2021

Pillar 3: Stronger Institutions for Trade

1	WTO TFA enhanced implementation	Regional meeting of NCTFs; joint activity for customs-trade-SPS agencies	Policy dialogue and cooperation	Proposed	REG	2020-2021
2	Joint SPS-customs-trade agencies	Capacity-building and fora to support policy coordination	Policy dialogue and cooperation	Proposed	REG	2020-2021
3	CAST (capacity-building component)	Continuing support for SPS national working group in the implementation of their SPS strategies and priorities	Knowledge-sharing products and services	Proposed	REG	2019-2021
4	Institutional strengthening for CAREC private sector	Capacity-building and training options identified among private-sector stakeholders, for private-sector stakeholders	Knowledge-sharing products and services/ Policy dialogue and cooperation	Proposed	REG	2019-2021
		Training manual published for CFCFA	Knowledge-sharing products and services	Proposed	REG	2019-2021

Countries/members: AZE = Azerbaijan; AFG = Afghanistan, PRC = People's Republic of China; IMAR = Inner Mongolia Autonomous Region, XUAR = Xinjiang Uygur Autonomous Region, GEO = Georgia, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, MON = Mongolia, PAK = Pakistan, TAJ = Tajikistan, TKM = Turkmenistan, UZB = Uzbekistan, REG = regional.

CAREC = Central Asia Regional Economic Cooperation, CAST = CAREC Common Agenda for Modernization of SPS Measures, CFCFA = CAREC Federation of Carrier and Forwarder Associations, EU = European Union, IPPC= International Plant Protection Convention, NCTF= national committee on trade facilitation, OIE = World Organization for Animal Health, SME= small and medium enterprises, SPS = sanitary/phytosanitary, TFA = Trade Facilitation Agreement, WTO = World Trade Organization.

Notes: Implementation period is indicative.

Status: Ongoing = projects have been approved and/or under implementation, including those that may require additional financing; Planned = projects already in the pipeline or could be funded under existing projects or technical assistance; Proposed = as requested by countries in concept development stage and/or funding options to be identified.

Source: Asian Development Bank staff.