

CAREC Integrated Trade Agenda (CITA) 2030

Stakeholders Consultation Workshop

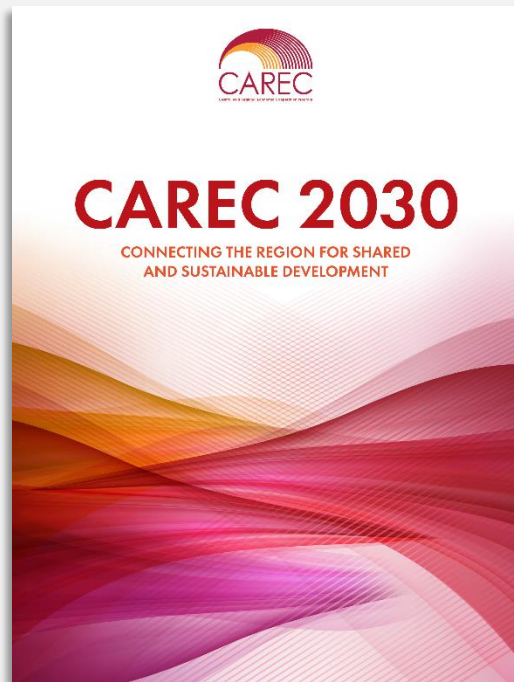
18-19 April 2018, Tbilisi, Georgia



CAREC Strategy 2030

2

- **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



Trade, Tourism,
& Economic
Corridors
Cluster

- 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)

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

IMPAIRED GROWTH POTENTIAL



**-8.2% trade
growth**



**0.7% global
trade share**



**10.8% services
trade/GDP**



**0.8 global
divergence**

POVERTY POCKETS / GENERAL LOWER LIVING STANDARDS



**CAREC countries are not well
integrated in the global economy**

POOR MARKET ACCESS

TRADE BARRIERS

HIGH TRADE COSTS

LIMITED ECONOMIC DIVERSIFICATION

FINANCING GAPS

**INABILITY TO PARTICIPATE
IN GLOBAL & REGIONAL
VALUE CHAINS**

WEAK INSTITUTIONS FOR TRADE

**UNCOORDINATED
SECTORAL POLICIES
AND PRIORITIES**

**WEAKLY INFORMED
POLICY-MAKING
NEGOTIATIONS**

CAREC Integrated Trade Agenda 2030

6



**CAREC COUNTRIES ARE MORE
INTEGRATED IN THE GLOBAL ECONOMY**

A

TRADE EXPANSION FROM INCREASED MARKET ACCESS

FREER TRADE

- Key tariff liberalized
- Non-tariff barriers eliminated
- Unfair trade policies reduced

LOWER TRADE COSTS

- Efficient procedures at the border and behind the border
- Improved logistics services
- Enhanced transit system

B

GREATER DIVERSIFICATION

ADEQUATE FINANCING

- Improved access to trade finance
- Consistent and open FDI policies
- Developed domestic financial markets

LINKAGES WITH GLOBAL & REGIONAL VALUE CHAINS

- Skills supply & demand matched
- Adoptability to innovation measures
- Developed business development and support services

C

STRONGER INSTITUTIONS FOR TRADE

COORDINATED SECTORAL POLICIES AND PRIORITIES

- Collaborative policy formulation and implementation
- Aligned national and regional planning
- Regulatory convergence in the region

EVIDENCE-BASED POLICY- MAKING & NEGOTIATIONS

- Improved data collection and cross-country analysis
- Enhanced policy analysis and negotiation skills
- Increased think tank and private sector participation



CAREC COUNTRIES ARE MORE
INTEGRATED IN THE GLOBAL ECONOMY



TRADE EXPANSION FROM INCREASED MARKET ACCESS

Freer trade

- Key tariff liberalized
- Non-tariff barriers eliminated
- Unfair trade policies reduced

Lower trade costs

- Efficient procedures at the border and behind the border
- Improved logistics services
- Enhanced transit system



CAREC COUNTRIES ARE MORE
INTEGRATED IN THE GLOBAL ECONOMY

B

GREATER DIVERSIFICATION

Adequate financing

- Improved access to trade finance
- Consistent and open FDI policies
- Developed domestic financial markets

Linkages with global and regional value chains

- Skills supply and demand matched
- Adoptability to innovation measures
- Developed business development and support services



CAREC COUNTRIES ARE MORE
INTEGRATED IN THE GLOBAL ECONOMY



STRONGER INSTITUTIONS FOR TRADE

Coordinated sectoral policies and priorities

- Collaborative policy formulation and implementation
- Aligned national and regional planning
- Regulatory convergence in the region

Evidence-based policy-making and negotiations

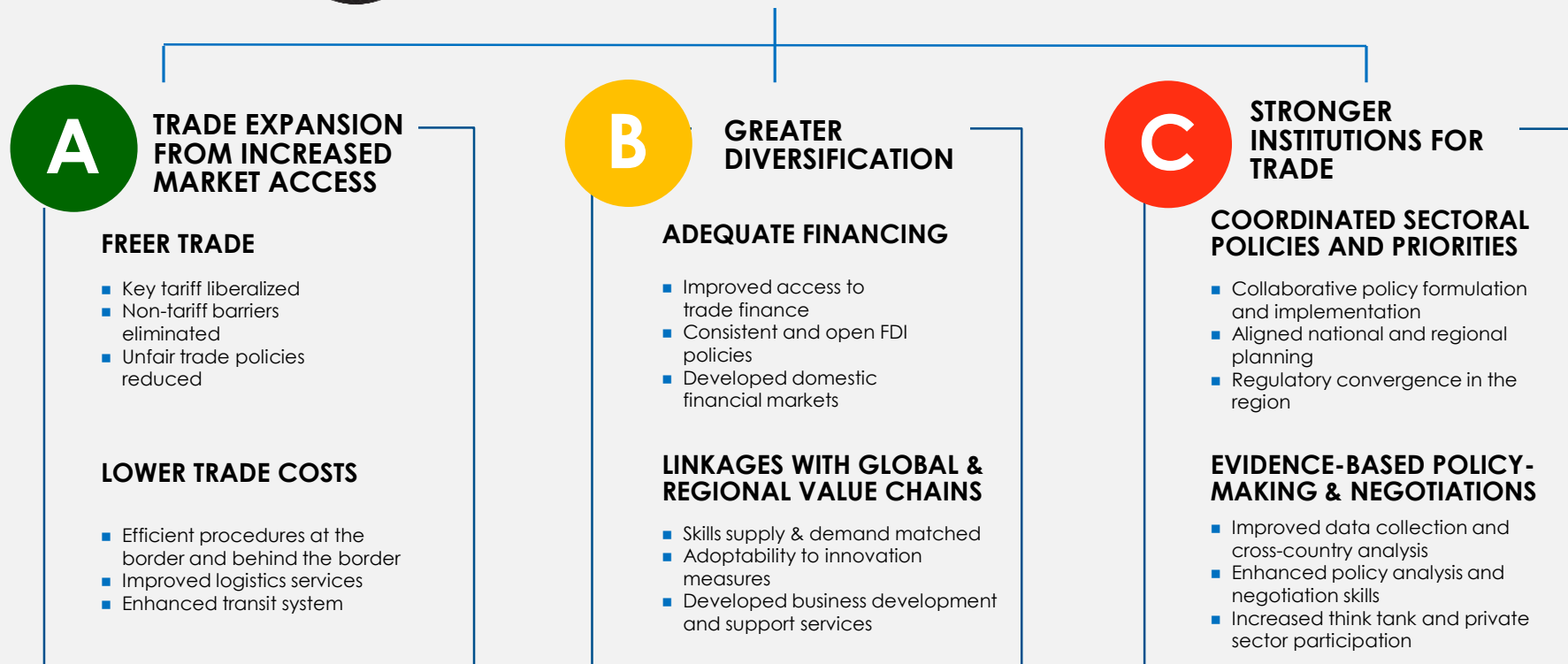
- Improved data collection and cross-country analysis
- Enhanced policy analysis and negotiation skills
- Increased think tank and private sector participation

CAREC Integrated Trade Agenda 2030

10



**CAREC COUNTRIES ARE MORE
INTEGRATED IN THE GLOBAL ECONOMY**



Investment Projects

**Knowledge Sharing &
Capacity Building**

**Policy Dialogue &
Cooperation**

**Research & Analytical
Support**

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

Implementation approach

12

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)

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

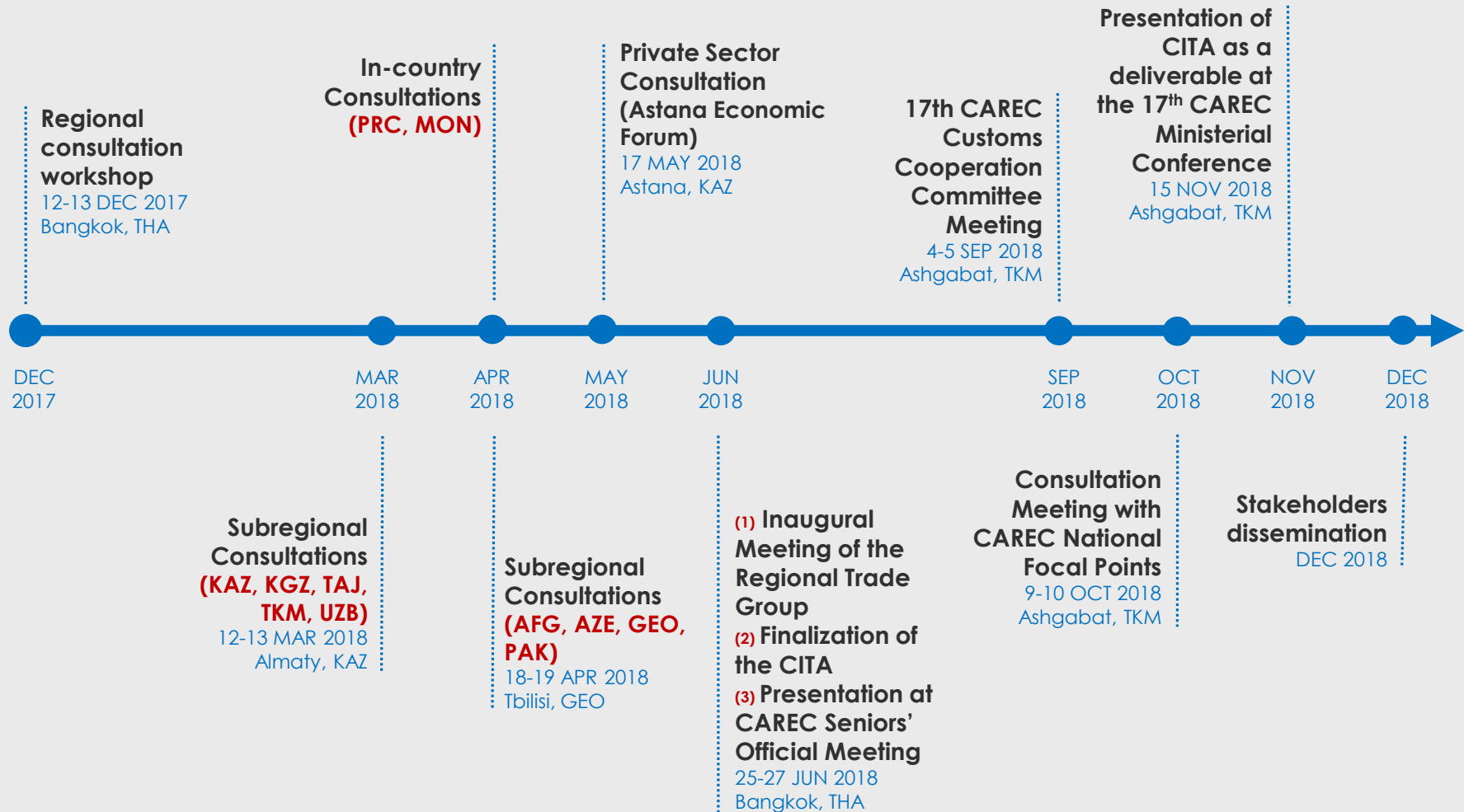
- Adoption of policy measures
- Compliance with international agreements
- Alignment with international standards
- Institution-building
- Training and capacity-building
- Investment projects in enabling infrastructure
- Experience- and knowledge-sharing and cross-learning mechanisms
- Policy dialogue
- Scoping studies, research and analytical support

Consultation questions

- Are the overall objectives and scope of the CITA aligned with your countries strategies?
- Are there other priorities or actions or new developments and issues that CAREC program needs to include or consider from your country perspectives?
- How should CAREC position itself as a catalyst for boosting intra-regional and inter-regional trade for the benefit of the member countries?
- 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?

Timeline and next steps

15



Previous consultation meetings

16



CAREC Workshop on Trade and Trade Facilitation Reforms—WTO Trade Facilitation Agreement and Consolidated Trade Agenda

12-13 Dec 2017 | Bangkok, Thailand

- Total of 25 participants comprising senior-level representatives from ministries of commerce, economy, finance, trade, agriculture, and foreign affairs of CAREC countries and development partners attended
- Panel experts from WTO, WCO, ADB, CAREC Institute, ESCAP, GIZ, and Korea Customs share knowledge and good practices in the workshop



Previous consultation meetings

17



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)



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

Highlights from previous consultations

- General affirmation that CITA is relevant, responsive, comprehensive and aligned with national strategies or economic plans
- Trade expansion from increased market access
 - Transparency, trade openness and address non-tariff barriers, issue of double taxation, FTAs
 - Support for WTO accession (observer status), sharing of experience by new members, Trade Policy Review
 - Challenges for non-WTO members, legal support on international trade issues
 - Continued interest in single window interoperability, paperless trade, exchange of information among trade authorities, guidance on joint customs control

Highlights from previous consultations

■ Trade expansion from increased market access

- Adoption of international standards, mutual recognition and modernization of Quality Infrastructure and SPS facilities
- Disseminate information on CAREC Advanced Transit System (CATS), possible bilateral transit arrangements and alignment with regional plans
- Accession to international conventions (e.g., RKC, Istanbul convention, TIR)
- Interconnection of trade work with real sectors – customs with transport strategy, multilateral logistics standards (3PL, 4PL) and BCP improvements; SPS with agriculture (green corridor); technical standards with industrial development

Highlights from previous consultations

■ Greater diversification

- SME access to finance and trade insurance
- how CITA relates with new initiatives under the WTO – e-commerce, investment facilitation and MSMEs
- Sectoral clusters development
- Trade in services and movement of people (visa regime simplification), tourism clusters
- information and communication technology (ICT)
- cross-border financial transactions
- innovation and industrial development – development of economic zones (including R&D), economic corridors and export diversification (industrial policy vs import substitution)

Highlights from previous consultations

■ Stronger institutions for trade

- Support for development of national strategies, roadmaps (e.g., how to add value-added in products, phased approach to liberalization)
- Strengthen National Committee on Trade Facilitation (NCTF)
- Creation of Regional Trade Group (RTG), permanent contact points
- knowledge hub/online portal on trade statistics, regulations and trade policy developments
- Electronic platform to discuss issues in between meetings
- information on donor support programs in CAREC
- meetings and roundtables with private sector
- leverage regional arrangements/program (e.g., BRI)

Thank you.

