



Reference Document
Virtual Senior Officials' Meeting
20 October 2020

Trade Sector Report and Work Plan

September 2019 – September 2020

Executive Summary

1. This report provides the (i) progress of implementation of the trade sector work under the [CAREC Integrated Trade Agenda \(CITA\) 2030](#) and the Rolling Strategic Action Plan (RSAP) 2019-2021 between September 2019 and September 2020; (ii) the updated RSAP 2020–2022; and (iii) trade sector deliverables for the 19th CAREC Ministerial Conference in 2020. It also discusses the CAREC members actions or measures related to trade in response to the coronavirus disease (COVID-19) pandemic. The report builds upon a paper presented at the Consultation Meeting with National Focal Points on 16 June 2020 and draft Trade Sector Report circulated in August 2020.¹ This reflects the outcomes of the 3rd Regional Trade Group (RTG) Meeting, 19th Customs Cooperation Committee (CCC) Meeting, and a series of webinars organized in September 2020. The CITA 2030's RSAP 2020–2022 was updated based on inputs to the survey on trade measures and priorities conducted between August to September 2020.

2. For the first half of 2020, CAREC total trade declined by -6.9% (year-on-year). CAREC exports dropped by -7.0%, while imports decreased by -6.8%.² Signs of recovery and outlook for trade vary across CAREC countries. There is an overall positive export growth prospect in 2021, but this depends on how long the pandemic will last. CAREC countries have adopted immediate and temporary trade measures which helped mitigate the effects of the pandemic. These facilitated cross-border movement of relief and essential supplies, supported the economy and sustained the supply chain continuity, and mitigated risks from transboundary health and safety issues (**Appendix 1**).

3. There is good progress in CAREC trade sector work despite unprecedented challenges brought about by the COVID-19 pandemic. Under CITA's **pillar 1**, Azerbaijan and Uzbekistan have renewed negotiations for WTO accession, while Turkmenistan's WTO observer status was endorsed in July 2020. Implementation of the WTO Trade Facilitation Agreement is on track for 8 CAREC members, with the PRC and Georgia achieving highest implementation rate of Category A provisions. In September 2020, Tajikistan launched its national single window information system. The regional improvement of border services projects for Kyrgyz Republic, Tajikistan, Pakistan and Mongolia faced some construction delays but are slowly progressing. In January 2020, Uzbekistan acceded to the International Plant Protection Convention as part of its reforms to improve phytosanitary measures. Under CITA's **pillar 2**, two key research work on enhancing services trade and e-commerce development were completed with identified policy reforms and proposed projects. A project to develop the economic cooperation zone between the PRC and Mongolia was approved in June 2020. Supporting **pillar 3**, at least 6 regional/subregional workshops and 2 national activities were organized since September 2019 on trade facilitation, policy, and negotiations. The Trade Information Portal was developed and enhanced corridor performance measurement and monitoring is underway (**Appendix 2**).

6. The restructuring of supply chains and emergence of new sectors (e.g., digital-enabled trade), offer opportunity for CAREC members to diversity their economies and strengthen resilience to external shocks or future transboundary threats. Trade will continue to be a **means of implementation** of sustainable development goals and will be crucial for post-pandemic recovery. There is a need to keep trade open and smooth to revitalize globalization, deepen the regional cooperation and integration, and achieve sustainable growth. CITA 2030 remains relevant and its interventions through RSAP need to adopt to the changing environment.

¹ Circulated in August 2020, available in [English](#) and [Russian](#). See https://www.carecprogram.org/?page_id=17132.

² Excluding PRC, CAREC-10 total trade, exports and imports declined by -18.6%, -18.9% and -18.3%, respectively.

I. IMPACT OF COVID-19 PANDEMIC ON TRADE AND CAREC RESPONSES

A. Impact of COVID-19 on CAREC Trade

1. The COVID-19 pandemic has forced a virtual standstill in economic activity all over the world— triggering the deepest global recession in decades. Global GDP contraction is projected between -6.4% to -9.7% in 2020 as countries struggle to contain the spread of COVID-19 and provide emergency assistance and stimulus packages. Amid the economic slowdown, rising trade tensions, and cautious pace in resuming cross-border activities, the decline in global trade is estimated between \$1.7 trillion to \$2.6 trillion.³ Global merchandise trade is also expected to drop between -13% to -32% in 2020.⁴

2. **While the extent of the pandemic’s impact on CAREC trade cannot yet be fully ascertained, there is a ripple effect in the region’s economy.** The sudden and stricter border closure measures caused delay and added to transport costs, if not wastage of perishable goods. The services sector, tourism and migrant remittances, which are key sources of growth in the region, were greatly affected. Shifts in labor markets and fall of labor productivity are anticipated. The delay in importation or shortages of raw materials, parts and components has impaired supply chains and could lead to extended period of weak trade growth.

3. For the first half of 2020, CAREC **total trade declined** by -6.9% (year-on-year). CAREC exports dropped by -7.0%, while imports decreased by -6.8% (footnote 2). Monthly export levels showed diverse trends, with some signs of recovery for CAREC members that started to reopen their economies. **The outlook for trade varies across CAREC countries.** A negative growth in merchandise trade is forecasted in 2020, particularly for Azerbaijan, the PRC, Kazakhstan, and Mongolia. There is positive export growth prospects in all CAREC countries in 2021, but this is dependent on how long the pandemic will last (Table 1).

Table 1: Merchandise trade, annual growth rate, 2017-2021

Country	Merchandise Exports (% per year)					Merchandise imports (% per year)				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Afghanistan	27.7	11.6	8.3	8.3	9.3	7.6	-2.1	3.4	1.4	2.1
Azerbaijan	14.7	37.2	-6.4	-32.7	24.4	0.4	21.2	24.8	-37.8	23.5
PRC	11.4	9.1	0.5	-8.5	9.8	16.0	16.2	-2.7	-7.8	10.2
Georgia	24.0	22.4	13.5	3.6	11.9	9.3	15.1	0.8	1.1	7.0
Kazakhstan	33.3	26.4	-4.0	-35.4	42.2	16.5	12.0	10.6	-11.7	11.5
Kyrgyz Republic	14.4	4.2	7.5	7.0	7.0	11.4	26.9	-6.3	-7.0	-5.0
Mongolia	21.4	12.4	9.1	-8.6	15.3	-225.3	35.4	2.1	-4.2	8.3
Pakistan	0.1	12.6	-2.1	6.0	6.7	18.0	16.2	-6.8	4.0	3.9
Tajikistan	9.4	-10.4	9.3	10.0	10.0	-8.5	13.5	6.3	0.0	5.0
Turkmenistan	3.6	49.6	8.1	7.0	7.9	-22.7	-47.8	1.6	5.4	7.0
Uzbekistan	12.3	11.4	28.6	12.0	25.0	6.2	43.8	16.3	20.0	14.0

Source: ADB 2020. Asian Development Outlook 2020. Manila.

³ Park, C.Y. et al. May 2020. *An Updated Assessment of the Economic Impact of COVID-19*. ADB Brief No. 133. in Asia-Pacific, trade loss is estimated between \$755 billion to \$1.1 trillion, which is roughly 2.8% to 4.3% of the region’s GDP.

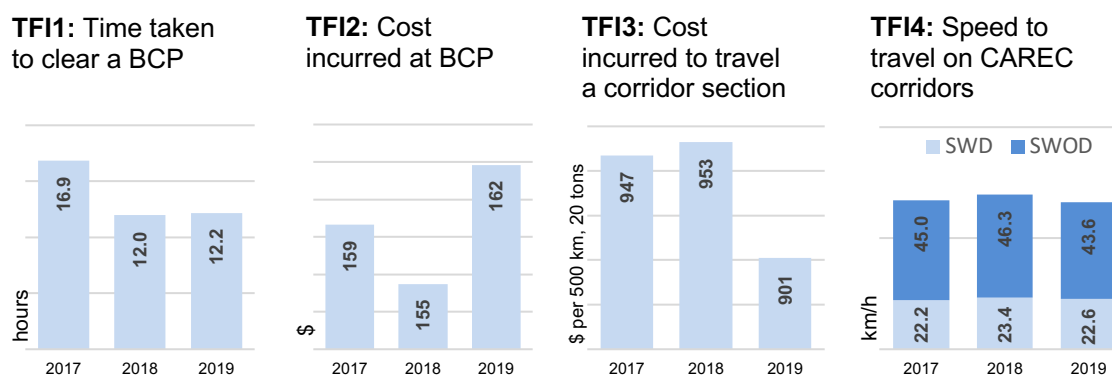
⁴ WTO. April 2020. *Trade set to plunge as COVID-19 pandemic upends global economy*, Press Release.

4. **Weak demand affected CAREC commodity exports—reaffirms the need for more diversified economies.** Low demand, especially from the PRC, has been evident in copper, fossil fuels, cement and steel production.⁵ Aside from limited trade, the changes in international commodity prices also impacted unfavorably, CAREC’s major exports and economies.⁶

5. **Trade facilitation indicators (TFI).** In 2019, data from the CAREC performance measurement and monitoring (CPMM) reported diverging results for road and rail transport. While average border-crossing time (TFI1) remained unchanged for road, TFI1 for rail transport improved by 11.3%. Average border-crossing costs (TFI2) increased for both road (4.1%) and rail (1.2%). Meanwhile, total average transport cost (TFI3) showed a decline of 5.5% for road transport and 15.5% for rail. Average road speed (TFI4) decreased, while average rail speed increased. For road transport, average speed without delay (SWOD) fell by 3.2%, and speed with delay (SWD) fell by 5.9%. On the other hand, there is an increase by 19% for average SWOD, and by 26.9% for average SWD for rail transport (Figure 1).⁷ During the pandemic, rail transport continued to operate in some railway BCPs e.g., along Corridor 1 (Alashankou-Dostyk and Horgos-Altynkol) and Corridor 4 (Erenhot-Zamiin Uud). Meanwhile, road transport was severely affected. Sanitation measures such as temperature screening among truck drivers and disinfection of trucks, containers and goods led to longer shipment time.⁸

Figure 1: Trade Facilitation Indicators (2017–2019)

A. Road Transport



BCP = border-crossing point, CAREC = Central Asia Regional Economic Cooperation, km = kilometer, km/h = kilometer per hour, SWD = speed with delay, SWOD = speed without delay, TFI = trade facilitation indicator.
Source: Asian Development Bank.

B. Rail Transport

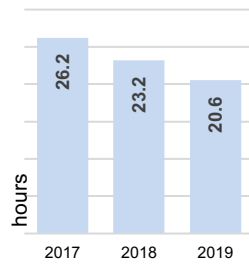
⁵ CAREC’s major exports consist of petroleum oils and gases, coal, mineral ores (copper, iron, lead, zinc, uranium, aluminium), metals (gold, silver) and metal products; cereals (rice, wheat), wheat flour, vegetables, nuts, fruit; wines and spirits, ethyl alcohol; ethylene polymers, fertilizers, medicaments; cashmere hair, leather apparel, cotton, cotton yarn and fabric, cotton garments and household linen; and motor vehicles and parts.

⁶ See H. Holzacker. 2020. [The COVID-19 Economic Implications for the CAREC Region](#). Economic Brief. CAREC Institute.; K. Bishop. 2020. [These 2 charts show copper prices could fall further – and the global economy too.](#); OECD. 2020. [COVID-19 Crisis Response in Central Asia](#).

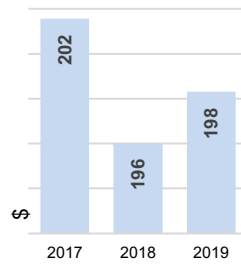
⁷ ADB. 2020. [CAREC Corridor Performance Measurement and Monitoring Annual Report 2019](#). Manila.

⁸ CAREC CPMM Midyear Update 2020 (forthcoming).

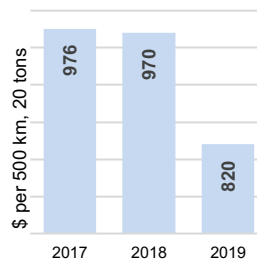
TFI1: Time taken to clear a BCP



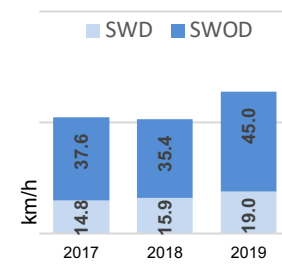
TFI2: Cost incurred at BCP



TFI3: Cost incurred to travel a corridor section



TFI4: Speed to travel on CAREC corridors



BCP = border-crossing point, CAREC = Central Asia Regional Economic Cooperation, km = kilometer, km/h = kilometer per hour, SWD = speed with delay, SWOD = speed without delay, TFI = trade facilitation indicator.
Source: Asian Development Bank.

6. **Production and trade in services are profoundly affected by COVID-19.** Many services reliant on trade in goods, such as transport, distribution and associated financial services have seen severe contraction in demand. Healthcare services have been found wanting in many countries. One aspect of services sector that has benefited is the virtual economy. Industries dealing with information and communications technology (ICT) could see longer-term changes in behaviour and preferences brought about by the pandemic, underscoring the importance of developing the ICT sector and enhancing connectivity.⁹

7. **Cross-border e-commerce, an opportunity and challenge for CAREC.** The use of digital platforms and business-to-consumer (B2C) e-commerce increased and boosted economic activities during the lockdowns. In 2020, B2C users reached around 100 million with revenues estimated at \$5.3 billion (or an average of \$69 per user) in CAREC-10 (excluding the PRC).¹⁰ However, cross-border B2C e-commerce – which promotes trade – is still small. As various digital services become available, the legal framework, physical and digital connectivity, and e-commerce ecosystem have yet to be fully developed for most CAREC countries. Laws regulating electronic transactions, including cybercrime, data privacy, or consumer protection need to be modernized and harmonized to support trade.¹¹ Preference for cash payments and face-to-face purchases, and low levels of trust between buyers and sellers are still prevalent. Electronic banking services are insufficient and yet to be integrated with billing and payment systems of major international platforms. Delivery systems also need upgrading.

8. **Tourism, and services inputs into this industry, have also experienced a dramatic shrinkage.** Global passenger traffic fell by 94.3% in April 2020 compared to the previous year.¹² Travel restrictions, grounded airplanes, and closed hotels significantly impacted CAREC countries.

⁹ ADB. Draft report on Advancing Economic Diversification in CAREC countries through the Development of the Service Sector (forthcoming).

¹⁰ Statista. 2020. Statistics and Market Data about E-commerce (accessed May 2020).

¹¹ CAREC Institute. 2020. [Policy Brief: e-Commerce Framework in CAREC](#). April 2020.

¹² ICAO. 2020. Air Transport Monthly Monitor (June 2020).

B. CAREC Trade-Related Responses to COVID-19

9. **Appendix 1** compiles the trade policy responses to the COVID-19 pandemic by CAREC member countries. Some of the immediate and temporary **measures aim to facilitate trade and mitigate the effects of the COVID-19 pandemic** by:

(i) **facilitating cross-border movement of relief and essential supplies**, such as (a) faster and smooth movement of pandemic-related supplies through priority lanes and exclusive counters at customs border checkpoints (*Azerbaijan, Pakistan*); (b) exemption from import Custom duties and/or value-added tax of medical supplies and equipment (*Azerbaijan, Kazakhstan, Mongolia, Pakistan, Uzbekistan*); and (c) establishment of operational task force to ensure expedited passage and release of goods across borders (*PRC, Turkmenistan, Uzbekistan*).

(ii) **supporting the economy and sustain supply chain continuity**, such as (a) minimum inspection and simplified submission, including via paperless means, of documentary requirements for faster clearance of goods (*PRC, Kazakhstan*) as well as implementation of 100% e-customs declaration (*Azerbaijan*); (b) extended time for filing goods declarations, waiver of demurrage and detention charges (*Pakistan*); (c) application of tax relief measures, particularly to micro, small, or medium-enterprises (*Kazakhstan*); (d) continuation of rail and road transport operations, including for goods in transit (*Afghanistan, Pakistan, Kyrgyz Republic*); (e) contact points for trade queries and grievances (*Pakistan*); (f) stronger support for authorized economic operators (*PRC*); and (g) unrestricted agriculture and veterinary services and farmers access to finance to ensure food security (*Azerbaijan*).

(iii) **mitigating risks from transboundary health and safety issues**, such as (a) hygiene checks on drivers/personnel responsible for freight transportation at the borders (*Georgia, Tajikistan*); (b) sanitation and disinfection measures and provision of protection equipment for customs offices at the borders (*Mongolia*); (c) information campaign to raise awareness and provide timely information (*PRC, Mongolia*); (d) quarantine against airborne infectious disease (*Azerbaijan*); and (e) compulsory inspections and tighter customs controls (*PRC*).

10. However, there are also reported measures that are **trade-restricting in nature**, such as: (i) travel bans, border closures, and prolonged quarantine time affecting movements of goods and people; (ii) prioritized essential imports through foreign currency rationing; (iii) increased tariffs on some goods to protect domestic supplier; (iv) temporary export bans on certain health-related products, medical laboratory and diagnostic supplies; and (v) export or import bans on food and other commodity products.

11. **Some CAREC countries also began adjusting their long-term trade strategies as part of their post-pandemic recovery.** These ranges from stabilizing supply chains and improving business environment (*PRC*), diversifying traded commodities and trading partners (*Kyrgyz Republic*), to attracting more foreign investments (*Mongolia*).

II. IMPLEMENTATION OF CITA 2030 ROLLING STRATEGIC ACTION PLAN 2019-2021

A. Performance, Key Events and Accomplishments

Pillar 1: Trade Expansion from Increased Market Access

12. **Accession to the World Trade Organization (WTO).** There is good progress in terms of WTO accession process by the remaining CAREC members. Negotiations for Uzbekistan's WTO membership resumed when the working party on the country's accession met in July 2020, 14 years after its last formal meeting. In July 2020, the WTO General Council also endorsed Turkmenistan's WTO observer status and welcomed the country's intent to initiate negotiations for accession within a period of five years. Technical exchanges are ongoing between the WTO Secretariat and Azerbaijan to update the draft report on the working party. ADB support, in close coordination with the WTO Secretariat, includes guidance in drafting the Memorandum on the Foreign Trade Regime (MFTR) and development of accession strategy (or action plan) for Turkmenistan, an impact assessment study for Azerbaijan, and subregional seminar to share experience and lessons among new WTO members of CAREC countries.¹³

13. **Implementation of WTO Trade Facilitation Agreement (TFA).** The WTO Secretariat reported that as of September 2020, eight CAREC members of the WTO have an average implementation rate of 45.5% for Category A (mandatory) provisions, with the PRC and Georgia reporting highest compliance. Meanwhile, average for Category B is at 17.3% (for 4 countries), and Category C is at 9.9% (for 3 countries). Detention of Goods (Article 5.2) registered as the most implemented provision, while Advance Ruling (Article 3) was the least implemented.

14. **Regional improvement of border services (RIBS) projects.** RIBS projects focus on improving border crossing points (BCPs) facilities and modernizing customs and trade systems. RIBS is currently implemented in Kyrgyz Republic, Mongolia, Tajikistan and Pakistan.¹⁴ The civil works and full roll-out of the single window information system for Karamyk BCP in Kyrgyz Republic was to be completed in 2020 but hardware supply was delayed due to COVID-19. The single window information system for Tajikistan was launched in September 2020. Construction in Pakistan's Torkham BCP and mobilization of contractors for Chaman BCP were delayed. For Mongolia, the construction works in Altanbulag BCP began in September 2019, while the upgrade of its Customs automated information system is for completion in 2020. An additional financing of \$27 million, approved in August 2019, will upgrade Mongolia's Bichigt and Borshoo BCPs. ADB is also supporting the operationalization of Pakistan's single window system, including through the Trade and Competitiveness Program approved in August 2019.¹⁵

15. **CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) pilot project.** The CATS/ICE initiative is designed to help trade flow more smoothly and efficiently across the borders and enhance CAREC countries' participation in the global value chains through a harmonized electronic system for goods in transit. The three countries participating in the pilot phase—Azerbaijan, Georgia, and Kazakhstan—experienced changes in

¹³ADB. 2019. [Regional: Implementing the Integrated Trade Agenda in the Central Asia Regional Economic Cooperation Program.](#)

¹⁴ADB. 2013. [Central Asia Regional Economic Cooperation Regional Improvement of Border Services.](#); ADB. 2016. Mongolia. [Regional Improvement of Border Services.](#); ADB. 2019. Mongolia. [Regional Improvement of Border Services Project \(Additional Financing\).](#); ADB. Pakistan. 2015. [Central Asia Regional Economic Cooperation Regional Improving Border Services Project.](#)

¹⁵ADB. 2019. Pakistan: [Trade and Competitiveness Program.](#)

government, which set back finalization of the draft trilateral agreement. Virtual consultations in February 2020 reviewed the agreement for national legal review.

16. **CAREC corridors performance measurement and monitoring** (CPMM). Trade facilitation indicators under the CPMM assess the efficiency of the CAREC transport corridors. The CPMM 2018 Annual Report was published in November 2019, with the Russian-language version released in April 2020, and the 2019 Annual Report published in June 2020.¹⁶

17. **Common Agenda for Modernization of Sanitary and Phytosanitary (SPS) Measures for Trade**. The SPS national working groups of CAREC countries continued to discuss their SPS strategies and action plan with ADB support.¹⁷ Following its inaugural meeting in June 2019, the progress of key initiatives on SPS are as follows:

18. **Regional upgrades of SPS measures for trade project**. Construction works to upgrade veterinary, phytosanitary and food safety laboratories, quarantine and inspection facilities under Mongolia's regional upgrades of SPS measures for trade project will start in 2020. The project includes alignment of Mongolia's SPS systems with the WTO SPS agreement and upgrade of inspection management system applying risk assessment tools.¹⁸

19. **Plant health**. In June 2019, CAREC countries agreed to cooperate on a regional pest surveillance program and pilot it along Fergana Valley. Since then, ADB and USAID Competitiveness, Trade and Jobs in Central Asia Activity (USAID CTJ) collaborated on several initiatives. In August 2019, a pest risk analysis training for quarantine inspectors was held in Tashkent. In August 2020, a virtual workshop/training in collaboration with the European and Mediterranean Plant Protection Organization trained specialists in the National Plant Protection Offices of Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan. ADB and CAREC Institute are jointly assessing the feasibility of electronic phytosanitary certificates for CAREC, leveraging on e-Phyto solution designed by the International Plant Protection Convention (IPPC). In January 2020, Uzbekistan officially became a member of the IPPC and is the first Central Asian country to adopt IPPC's GeNS System, which allows electronic exchange of phytosanitary certificates.

20. **Animal health**. In October 2019, the PRC's General Administration of Customs organized an international exchange and training on animal and plant quarantine for five CAREC members at the PRC-Kazakhstan Khorgos International Border Cooperation Center. The event aimed to promote understanding and cooperation on the prevention and control of transboundary animal diseases with Central Asian neighboring countries. In March 2020, training modules for risk assessment of animal by-products were developed to build capacity for the Georgia Revenue Services.

21. **Food safety**. In September 2019, the pilot project on simplified risk-based food safety management and inspection systems was launched in Turkmenistan. Health inspectors and food business operators were trained on risk profiling and risk-based food safety management. Safe food catering and processing standards were prepared for a follow-up training in November 2020. At the request of Kyrgyz Republic's Ministry of Economy and Ministry of Agriculture, Food Industry and Land Reclamation in June 2020, practical guidelines on the application of third-party importation rules on food products is being prepared with ADB support.

¹⁶ ADB. 2019. [CPMM 2018 Annual Report](#).

¹⁷ ADB. 2018. Regional: [Modernizing Sanitary and Phytosanitary Measures to Facilitate Trade](#).

¹⁸ ADB. 2015. Mongolia: [Regional Upgrades of Sanitary and Phytosanitary Measures for Trade Project](#).

22. **CAREC Regional Food Safety Network (CRFSN).** The proposed network aims to support food safety regulatory and standards agencies in adopting Codex standards. In 2019, experts from CAREC countries agreed on a draft Terms of Reference, including a website to support information-sharing and coordination. Technical advice was provided to specialists in food safety organizations in drafting or updating legal, regulatory and policy documents on food safety standards.¹⁹

Pillar 2: Greater Economic Diversification

23. **Development of economic cooperation zone.** In June 2019, the PRC and Mongolia signed a bilateral agreement to develop an economic cooperation zone under the framework of their strategic partnership. In June 2020, ADB approved a \$30 million loan for Mongolia's *Developing the Economic Cooperation Zone Project*.²⁰ The project will develop the physical infrastructure and operationalize the Zamyun-Uud free zone and support seamless transit to and from the Erenhot zone in the PRC's Inner Mongolia Autonomous Region. The proposed *Inner Mongolia Sustainable Cross-Border Development Investment Program* for PRC (for approval in 2020) will install smart ports with one-stop inspection systems and establish a regional cooperation mechanism within the cooperation zone.

24. **Developing the services sector.** A CAREC webinar on 2 September 2020 presented the outcomes and recommendations of the ADB study on *Advancing Economic Diversification in CAREC Countries through the Development of Services*. Key service sectors and industries were identified together with possible projects and interventions.²¹ CAREC countries supported the recommendations, with emphasis on enabling policy environment, liberalization of trade in services, requisite infrastructure, and regional cooperation.

25. **Promotion of e-commerce.** A virtual policy workshop on 28 May 2020 was organized by the CAREC Institute in partnership with ADB, ADB Institute and the Asia-Pacific Finance and Development Institute to promote e-commerce as a viable instrument for trade and economic cooperation.²² On 3 September 2020, a CAREC webinar on *e-commerce and paperless trade* presented the outcomes of the CAREC Institute and ADB joint study on *E-Commerce in the CAREC Region: Laws and Policies*. Key issues for law reform with specific recommendations were presented. Experts from the UN Commission on International Trade Law (UNCITRAL) and UN Economic and Social Commission for Asia and the Pacific (UNESCAP) shared ongoing initiatives and encouraged CAREC members to accede to the *UN Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*. Customs agencies challenges in handling e-commerce consignments and the World Customs Organization's *Framework of Standards on Cross-Border E-Commerce* were also discussed.

26. **Trade and supply chain finance.** Working with banks in CAREC countries, ADB's Trade and Supply Chain Finance Program supported loans and guarantees amounting to \$2.2 billion trade or over 1,009 transactions and supply chain transactions valued at \$19.13 million in Pakistan and PRC from January 2019 to April 2020.

¹⁹ ADB. 2016. [Strengthening International Food Safety Standards in Agricultural Value Chains in the Central Asia Regional Economic Cooperation Member Countries](#).

²⁰ ADB. 2020. [Mongolia: Developing the Economic Cooperation Zone Project](#).

²¹ Telecommunications, information and communications technology, financial, education, tourism, transport, quality testing and certification, and agri-related services.

²² ADB and CAREC Institute. Regulatory Framework for e-Commerce Development in CAREC (forthcoming); CAREC Institute. 2019. [Regulatory Framework for e-Commerce Development in CAREC – Policy Brief](#).

Pillar 3: Stronger Institutions for Trade

27. **Customs cooperation.** An inter-subregional knowledge-sharing forum between CAREC trade program and South Asia Subregional Economic Cooperation program was held for customs agencies in October to November 2019. The forum shared experience and best practices on trade facilitation including on transit, customs cooperation, national trade facilitation committees, and authorized economic operator. A field visit to the Tsiteli Khidi BCP demonstrated Georgia's experience in coordinated border management.

28. **Kazakhstan as chair of the 12th WTO Ministerial Conference (MC-12).** A Negotiation Management Workshop for the WTO Negotiations was delivered through joint collaboration between ADB, the Centre for Multilateral Negotiations, Bertelsmann Foundation, Konrad Adenauer Foundation, World Economic Forum, and German Development Institute in December 2019 in Geneva. Kazakhstan has renewed its offer to host MC-12 in June 2021— the first time that a WTO Ministerial Conference will be held in a Central Asian country.

29. The **CAREC Trade Information Portal** was developed and the beta version is accessible via <http://uat.trade.carecprogram.org>. The portal will serve as a single reference point of all trade-related information to support government, policy researchers, and the private sector. In addition, ADB compiled a repository of [COVID-19 trade-related resources online](#) for reference of CAREC members. CITA 2030 is continuously disseminated in various fora, including at the regional conference on *Productive Capacities, Trade and Sustainable Development Goals in Central Asia*, co-organized by Uzbekistan's Ministry of Investments and Foreign Trade and United Nations Development Program and the *9th Central Asia Trade Forum* organized by USAID CTJ in Kazakhstan, both held in November 2019.

B. Institutional Arrangements

30. Due to travel restrictions, the annual meetings of the Regional Trade Group and Customs Cooperation Committee were held virtually and co-chaired by Afghanistan and ADB. On 8 September 2020, the 19th CCC Meeting discussed the updates on customs reforms and temporary measures undertaken in response to COVID-19 pandemic. The role of customs agencies in adopting paperless trade and promoting cross-border e-commerce was emphasized. Representatives from the WTO Secretariat, CAREC Institute, Global Express Association, and International Road Transport Union shared various perspectives and initiatives in trade facilitation. CCC agreed to step up trade facilitation initiatives and regional cooperation.

31. On 10 September 2020, the 3rd RTG Meeting also discussed the challenges of the ongoing COVID-19 pandemic, CITA 2030 implementation and proposed actions moving forward. The meeting highlighted the importance of keeping trade open and regional cooperation through CITA with support from development partners such as ADB and WTO Secretariat. CAREC welcomed the initiatives on services trade and e-commerce development as part of post-pandemic economic recovery. The good progress in the WTO accession process of Azerbaijan, Turkmenistan and Uzbekistan was also commended. UNCITRAL reiterated support to CAREC countries in legislative reforms to advance the e-commerce agenda and accession to the *UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific*.

C. Contribution to CAREC 2030 Program Results Framework

32. **CITA 2030 Results Framework.** Following the presentation of methodology for the estimation of the CITA 2030 results indicators at the [2nd RTG meeting](#) in June 2019, the CAREC Secretariat calculated the baseline indicators using 2016 data from WDI and TradeMap. Targets were estimated using comparator regions with defined periods of liberalization – taking the difference in average values pre- and post-period liberalization – and applying computed annual change to the baseline indicators. The proposed trade indicators were based on **pre-COVID-19 pandemic figures** and have not estimated the drop in global trade in 2020. Guidance from the RTG on adjustments to the baseline and targets would be required. A mid-term review of the CITA 2030 results framework will be conducted in 2024 to reassess performance vis-à-vis the targets.

33. The indicators in the CITA 2030 results framework feed into the CAREC 2030 Program Results Framework, which aims to achieve the following impact: *Sustainable Economic Development and Shared Prosperity for the CAREC Region* (Table 2).

Table 2: Trade Sector Progress

Cluster and Sector Outcomes and Outputs	Indicator	Baseline	Progress ²³				Risks and Assumptions	Data Source
			2020	2023	2026	2029		
Cluster 2: Trade (TRD), Tourism (TSM) and Economic Corridors (ECD)								
Cluster Outcome: Expanded trade, competitive economic corridors, and tourism opportunities								
Trade (Sector Lead: Regional Trade Group; Customs Cooperation Committee; Public Management, Financial Sector and Regional Cooperation Division, EARD-ADB)								
Outcome								
CAREC countries are more integrated into the global economy	TRD Outcome (OC) 1 Trade in fuels and non-fuels within CAREC and with rest of the world as % of GDP	2016 baseline (as per CITA 2030 RF) Fuels: Within region: 0.43 With rest of the world: 9.59 Nonfuels: Within region: 1.83 With rest of the world: 24.03	Fuels: Within region: # With rest of the world: # Nonfuels: Within region: # With rest of the world: #				Risks: Prolonged COVID-19 pandemic resulting to continued supply chain disruptions; continued global trade tensions affecting trade flows Assumption: Governments remain committed to trade facilitation and liberalization.	UN COMTRADE Database
Outputs as per CAREC Program Results Framework								
Output 1: Greater diversification in products	TRD OP 1 Trade in services as % of GDP	Trade in services: 10.0% of GDP	Trade in services: # % of GDP				Assumption: Measures adopted by countries	WDI

²³ Progress will be reported in CAREC's 3-yearly Development Effectiveness Report.

Cluster and Sector Outcomes and Outputs	Indicator	Baseline	Progress ²³				Risks and Assumptions	Data Source
			2020	2023	2026	2029		
and sectors achieved	Share of top 5 exports in total exports	Share of top 5 exports in total exports: 60%	Share of top 5 exports in total exports: <u>#</u> %				allow a wide range of services to develop and industry to be more robust and dynamic.	
Output 2: Capacity of institutions for trade strengthened	TRD OP 2 % of respondents from trade institutions report improved knowledge for trade	2018 baseline 93.0% of respondents (based on limited survey for trade events)	<u>#</u> % of respondents from trade institutions report improved knowledge for trade				Assumption: Appropriate participants selected in CAREC activities; participants share knowledge and apply new skills acquired to their work	Post-event evaluation and surveys, CAREC meetings documents
Other Outputs (Unreported):								
Trade sector institutions functional	RTG, CCC and others committees are functional (1=yes or 0=no)	2017 baseline Trade sector institutions meet annually, update RSAP and submit to SOM/MC annually: 1	RTG and CCC met (virtually) and updated RSAP for SOM/MC: 1				Assumption: Funding is secured to continue supporting RTG and CCC meetings and RSAP activities	Trade Sector Report and Work Plan
Regional policy dialogue and reforms supported	Number of KPS delivered	key policy reports published: <u>#</u> regional/subregional activities conducted: <u>7</u>	key policy reports published: <u>4</u> regional/subregional activities conducted: <u>7</u>					

III. TRADE SECTOR WORK PROGRAM (2020-2022)

34. The pandemic not only led to economic disruptions but laid bare the vulnerabilities of interdependencies in production, consumption, and investment across countries. However, this provides an *opportunity for restructuring of supply chains, increasing their diversity and improving resilience*. As new sectors and opportunities (e.g., digital-enabled trade) are emerging, CAREC must continue the efforts to keep trade open and smooth to revitalize globalization, deepen the regional cooperation and integration, and achieve sustainable growth. Regardless of how the new global landscape will look like, **trade** will continue to be a **means of implementation** of the sustainable development goals and will be crucial for each CAREC countries' post-pandemic recovery. In this regard, the CITA 2030 remains relevant and its interventions through RSAP need to adopt to the changing environment.

Workplan and key interventions under RSAP 2020-2022

35. The RSAP has been updated based on inputs from CAREC countries to the **survey on trade measures and priorities** conducted in August to September 2020 and a series of trade sector meetings and webinars in September 2020 (**Appendix 2**).

36. **Investment projects and technical assistance will continue to be provided in the areas of WTO accession and TFA implementation.** A joint meeting for the CCC and SPS regional working group planned in 2021 will share knowledge and experiences on procedures that are common to customs and SPS agencies such as e-certificates, authorized economic operator and risk management. RIBS projects and SPS interventions will be expanded and linked with cross-cutting areas in order to facilitate trade while increasing resilience to transboundary threats and diseases as part of *One-Health* approach.

37. **Promotion of e-commerce and digital trade will be prioritized.** A follow-up research jointly between ADB and CAREC Institute will focus on infrastructure development for e-Commerce in the region. Between 2021-2022, a workshop on customs technology trends will be organized in Azerbaijan and action plan to implement Uzbekistan's proposal for Integrated Information Exchange System for the CAREC region will be discussed. These initiatives will leverage on the WTO's Enabling E-commerce Initiative, the WCO's Framework of Standards for Cross-Border E-Commerce, and the UN *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*.

38. **Capacity building for national trade agencies will cater to specific needs and circumstances.** This includes in-country training in 2021 for Afghanistan to support the Ministry of Commerce and Ministry of Agriculture, Irrigation and Livestock, and other agencies on WTO implementation and free trade agreements.

39. **Strengthening cooperation between public and private sector and research institutions.** A memorandum of understanding between the ADB and the CAREC Institute for a collaborative partnership on CPMM is expected to be signed in November/December 2020. The CAREC program will continue to support the CAREC Federation of Carriers and Forwarders and Association (CFCFA) in the design of a business model for self-sustainability to help the CFCFA transition to a fully independent self-governing body by 2021.

IV. DELIVERABLES FOR THE 19th CAREC MINISTERIAL CONFERENCE

- *CITA 2030 Rolling Strategic Action Plan 2020-2022* (**Appendix 2**)
- *2020 Knowledge Products*
 - (i) *Advancing Economic Diversification in CAREC Countries through the Development of the Services Sector* (Q4 2020). The study identifies key service industries with strong potential in CAREC economies and discusses the elements of an enabling environment for services and specific actions for CAREC countries.
 - (ii) *Regulatory Framework for E-commerce Development in CAREC Countries* (Q4 2020). Jointly conducted by ADB and CAREC Institute, the study evaluates CAREC countries' legislative and regulatory framework and proposes actions to facilitate region's domestic and cross-border e-commerce.
 - (iii) *CAREC Corridor Performance Measurement and Monitoring 2019 Annual Report* (published English version, July 2020; published Russian version, Q4 2020) and *CAREC Corridor Performance Measurement and Monitoring 2020 Mid-Year Update* (anticipated final draft/conference material format finalized by Q4 2020).

Appendix 1: CAREC Trade Policy in Response to the Pandemic

Countries	Immediate, Medium and Long-Term Measures
Afghanistan	<p><i>National export strategy to boost exports and reduce trade deficits; one-stop shop for processing license for exports, imports and investments; legislation to attract foreign direct investments; legislation on countervailing and antidumping measures, aligned with WTO principles; legislation on beneficial ownership; tax deferment; exemption on tax penalties; low interest rates for loans; restriction on aviation</i></p>
Azerbaijan	<p><i>Action Plan for Prevention of Spread of COVID-19; Measures to Reduce the Negative Impact of COVID-19 and the Sharp Fluctuations Caused by It; Rules of the Quarantine Control at Airborne Infectious Diseases.</i></p> <p>(i) Order of the Cabinet of Ministers of the Azerbaijan Republic No. 35s, 30 Jan 2020: On Approval of the Action Plan for Prevention of Spread of the New Coronavirus</p> <p>(ii) Order No. 1950 of the President of the Republic of Azerbaijan, 19 Mar 2020: “On a Number of Measures to Reduce the Negative Impact of the Coronavirus Pandemic (COVID-19) and the Sharp Fluctuations Caused by It, Occurring in the World Energy and Stock Markets, on the Economy of the Republic of Azerbaijan, Macroeconomic Stability, Employment Issues in the Country and Business entities”.</p> <p>(iii) Order of the Cabinet of Ministers of the Azerbaijan Republic No. 135s, 4 Apr 2020: On Approval of the Action Plan for Prevention of Spread of the New Coronavirus (2019-nCov) Infection in the Territory of the Republic of Azerbaijan, No. 1950 dated 19 March 2020: On a Number of Measures to Reduce the Negative Impact of the Coronavirus Pandemic (COVID-19) and the Sharp Fluctuations Caused by It, Occurring in the World Energy and Stock Markets, on the Economy of the Republic of Azerbaijan, Macroeconomic Stability, Employment Issues in the Country and Business entities.</p> <p>(iv) Resolution of Cabinet of Ministers of the Azerbaijan Republic No. 161, 1 May 2020: On Approval of Rules of the Quarantine Control at Airborne Infectious Diseases in the territory of the Azerbaijan Republic.</p>
People’s Republic of China	<p><i>Strict measures to strengthen quality control of COVID-19 response products; stability of the global supply chains; alleviate the operational difficulties of enterprises; facilitation measures of three categories of agricultural administrative approval (license renewal, simplification of approval procedure, and optimization of approval process); support for MSMEs; paperless import and export licenses; simplification of requirements for licenses; tighter customs controls and compulsory inspections; reinforcing risk prevention with combined measures during and after clearance; facilitating law-abiding operators and punishing offenders; ensuring fast clearance for medical supplies; cutting costs for importers/exporters; stronger support for authorized economic operators</i></p> <p>http://scjss.mofcom.gov.cn/article/cx/202004/20200402955460.shtml http://www.gov.cn/zhengce/zhengceku/2020-02/13/content_5478044.htm http://www.miit.gov.cn/n1146285/n1146352/n3054355/n3057527/n3057538/c7856661/content.html http://www.mofcom.gov.cn/article/ae/ai/202002/20200202934222.shtml http://www.mofcom.gov.cn/article/ae/ai/202004/20200402956113.shtml</p>
Georgia	<p><i>Measures to Prevent the Possible Spread of COVID-19 and Emergency Response Plan; VAT exemption on the supply or import of goods of medical purpose; simplified import procedures for certain strategically important goods; extension until March 1, 2021 of vehicle customs clearance imported before May 1, 2020; allowing traders to make use of electronic/copy certificates of origin EUR.1 during the period affected by the worldwide COVID-19 outbreak</i></p> <p>(i) Decree No 164, 28 January 2020: Approval of Measures to Prevent the Possible Spread of the Novel Coronavirus in Georgia and the Emergency Response Plan for Cases of Novel Coronavirus Disease.</p> <p>(ii) Decree of the Government of Georgia N 226 of April 8 amending the decree N605 of December 29, 2017 on “Technical regulation – health rules as regards to animal by-products and derived products not intended for human consumption (including animal waste) and on approval of business operators related to this activity”. The amendment suspends Article 25 of the decree until the October 1, 2020.</p>

Countries	Immediate, Medium and Long-Term Measures
	<p>(iii) Decree of the Government of Georgia N 225 of April 8 amending the decree N340 of July 18, 2019 - "Technical Regulation – on the approval of marketing requirements on poultry meat". In particular, of Articles 13.3 and Article 17 imposing additional requirements on imported poultry meat are suspended until October 20, 2020.</p> <p>(iv) Order of the Minister of finance of Georgia N191 of August 18, 2020</p> <p>(v) Order N 98 of April 28, 2020 of the Minister of Finance of Georgia amending Order N257 of August 29, 2019 "on the Approval of Instructions on the Movement and regulation of Goods within the Customs territory of Georgia."</p> <p>(vi) Export restrictions for certain pharmaceutical and medical products</p> <p>https://matsne.gov.ge/en/document/view/4821121?publication=13 https://www.rs.ge/6495 https://www.matsne.gov.ge/ka/document/view/3893311?publication=3 https://matsne.gov.ge/ka/document/view/4848009?publication=0 https://matsne.gov.ge/ka/document/view/4847970?publication=0 https://matsne.gov.ge/ka/document/view/4966957?publication=0 https://ec.europa.eu/taxation_customs/covid-19-taxud-response/guidance-customs-issues-related-covid-19-emergency_en#heading_4 https://matsne.gov.ge/ka/document/view/4857385?publication=0 https://matsne.gov.ge/ka/document/view/4821121?publication=38</p>
Kazakhstan	<p><i>Export ban (later, amended as export quota & eventually, abolished) on certain food products. As a member of the Eurasian Economic Union – export & import bans on certain food products, personal protective equipment, medical products & disinfectants.</i></p> <p>(i) Order of the Minister of Agriculture of the Republic of Kazakhstan dated 22 March 2020, No. 103 "On the Introduction of a Ban on Exporting Certain Goods from the Territory of the Republic of Kazakhstan to third countries.</p> <p>(ii) Order of the Minister of Agriculture of the Republic of Kazakhstan dated 2 April 2020, No.111 "On Some Issues of Export of Certain Goods from the Territory of the Republic of Kazakhstan".</p> <p>(iii) Order of the Minister of Agriculture dated 26 May 2020, No.187 "On Recognition of Some of Orders of the Minister of Agriculture of the RK as Void".</p> <p>(iv) Decision of the EEC Board, dated 31 March 2020, No. 43 "On Amendments to Decision of the Board of the Eurasian Economic Commission" dated 21 April 2015, No. 30 "On Non-Tariff Regulation Measures".</p> <p>(v) Decision of the Board of the Eurasian Economic Commission dated 21 April 2020, No. 57 On Amendments to Section 1.11 of the List of Goods Subject to the Ban for Import to the Customs Territory of the Eurasian Economic Union and (or) Export from the Customs Territory of the Eurasian Economic Union".</p> <p>(vi) Decision of the Board of the Eurasian Economic Commission dated 41 March 24, No. 43 "On Amendments to the Decision of the Collegium of the Eurasian Economic Commission" of 21 April 2015, No. 30 "On Non-Tariff Regulation Measures"</p> <p>http://adilet.zan.kz/rus/docs/V2000020157. http://adilet.zan.kz/rus/docs/V2000020275. http://adilet.zan.kz/rus/docs/V2000020746. http://www.eurasiancommission.org/ru/covid-19/Pages/measures.aspx http://www.eurasiancommission.org/ru/covid-19/Pages/measures.aspx http://www.eurasiancommission.org/ru/covid-19/Pages/measures.aspx.</p>
Kyrgyz Republic	<p><i>Diversification of the geographic and commodity structure of exports and imports of socially important goods; temporary export ban on certain food products, medicines and medical supplies</i></p>

Countries	Immediate, Medium and Long-Term Measures
	<p>(i) Resolution of the Government of the Kyrgyz Republic On the Introduction of Temporary Ban on the Export of Certain Types of Goods from the Kyrgyz Republic dated 22 March 2020, No. 174</p> <p>(ii) Resolution of the Kyrgyz Republic Government On the Introduction of Temporary Ban on the Export of Medicines and Medical Products from the Kyrgyz Republic dated 20 July 2020, No. 390</p> <p>http://cbd.minjust.gov.kg/act/view/ru-ru/157473 https://www.gov.kg/ru/npa/s/2596</p>
Mongolia	<p><i>Increase exports and attract foreign investment in large development projects in Mongolia; liberalize trade by exempting customs duties and value-added taxes on imports of test kits, medicines, medical devices, equipment, disinfectants and masks to diagnose and treat COVID-19; temporary exemption of some products from customs duties and VAT; comprehensive fiscal measures to protect vulnerable households and businesses and support the economy; tax relief measures; policy rate cut by 2% and extension of the maturity limit on consumer loans up to 12 months</i></p> <p>(i) On April 9, 2020, Parliament approved the Law on exemption from value added tax on the import of test kits, medicines, medical devices, equipment, disinfectants and masks for the diagnosis and treatment of the Covid-19 epidemic.</p> <p>(ii) The list of goods subject to exemption from value added tax was adopted by the by the Cabinet Decree No. 132 of 15 April 2020. Effective from February 1 to October 1, 2020.</p> <p>(iii) On April 9, 2020, Parliament approved the Law on exemption from import duties on the import of test kits, medicines, medical devices, equipment, disinfectants and masks for the diagnosis and treatment of the Covid-19 epidemic.</p> <p>(iv) The list of goods subject to exemption from import duties was adopted by the by the Cabinet Decree No. 132 of 15 April 2020. Effective from February 1 to October 1, 2020.</p> <p>(v) In order to stabilize the staple food prices, wheat seeds, wheat, rice, millet, buckwheat, vegetable oil, sugar exempted from customs and value added tax from March 1 to June 30. The law has been approved on April 9, 2020</p> <p>(vi) The list of goods subject to exemption from import duties was adopted by the by the Cabinet Decree No. 154 of 29 April 2020. Effective from February 19 to June 29, 2020</p> <p>(vii) On April 9, 2020, Parliament approved the Law on exemption from social insurance fee and on support from the unemployment insurance fund</p> <p>(viii) On 6 May 2020: The Cabinet has announced a second fiscal package to protect vulnerable groups. These include: (i) a further increase in child money allowance; (ii) a scale-up of food stamp allowance; and (iii) an increase in social welfare pensions for the elderly, disabled, dwarfs, orphans, and single parents with more than 4 children.</p> <p>https://www.legalinfo.mn/law/details/15243?lawid=15243 https://www.legalinfo.mn/law/details/15353?lawid=15353 https://www.legalinfo.mn/law/details/15238?lawid=15238 https://www.legalinfo.mn/law/details/15242?lawid=15242 https://www.legalinfo.mn/law/details/15353?lawid=15353 https://www.legalinfo.mn/law/details/15237?lawid=15237 https://www.legalinfo.mn/law/details/15325 https://www.legalinfo.mn/law/details/15244 https://www.legalinfo.mn/law/details/15359?lawid=15359</p>
Pakistan	<p><i>Rationalization of tariffs (reduction of Customs duty on different tariff lines from 11% to 3% and 0%); exemption of customs duty and additional customs duty was granted on import of 61 COVID-19 related items; temporary ban on export of anti-malarial drug; extension of time limit of filing the goods declaration; waiver of demurrage and detention charges; ban on export of certain Covid-19 related items; exemption from customs duty, sales tax and income tax on import of certain Covid-19 related items.</i></p> <p>(i) Export of anti-malarial drug is banned till further orders/decision by National Coordination Committee (NCC) on Covid-19 vide SRO 297(I)/2020 dated 09.04.2020. Nevertheless, MoC allowed one-time waiver on humanitarian</p>

Countries	Immediate, Medium and Long-Term Measures
	<p>ground for the export of 4.5 million Chloroquine tablet to KSA, USA, Turkey, UK, Italy, Qatar and Kazakhstan on dated 24th April, 2020.</p> <p>(ii) Pakistan Custom Tariff SRO 572(I)/2020; SRO 556(I)/2020</p> <p>(iii) Ministry of Commerce vide SRO-239(I)/2020 dated 24.03.2020 banned the export of Tyek Suits, Disposable Gowns, Disposable gloves, Face Shields, Surgical Masks, N-95 Masks, Bio hazard bags, Goggles, Shoe Cover and Hand Sanitizers</p> <p>(iv) FBR exempted the listed Covid-19 related items from Customs Duty, Sales Tax and Income Tax vide SRO 235(I)/2020, SRO 236(I)/2020 and SRO 237(I)/2020 all dated 20.03.2020 for an initial period of three months. On the lapse of the prescribed period, all the listed items were again exempted vide S.R.O. 555(I)/2020, S.R.O. 556(I)/2020 and S.R.O. 557(I)/2020 all dated 19.06.2020.</p> <p>http://www.commerce.gov.pk/wp-content/uploads/2020/04/SRO-297-Anti-Malarial-fldrugs.pdf</p> <p>https://www.fbr.gov.pk/sros</p> <p>http://customnews.pk/2020/03/30/fbr-extends-timeline-for-filing-of-gd-to-25-days/</p>
Tajikistan	<p><i>Temporary Order of Regulation of International Transport by Trucks on the Territory of the Republic of Tajikistan, to Prevent Infectious Disease COVID-19; customs and customs checkpoints officers should use disinfectants</i></p>
Turkmenistan	<p><i>Resolutions of the President to provide preferential interest rate loans for some enterprises and allow Central Bank and authorized credit institutions to postpone payment deadlines (debts of ministries and line agencies on outstanding principal payments, accrued interest and future interest period until 1 January 2022)</i></p>
Uzbekistan	<p><i>Priority Measures to Mitigate the Negative Impact of COVID-19 and Global Crisis Phenomena on the Economic Sectors; Measures to Prevent the Spread of COVID-19; Measures to Support the Population, Economic Sectors and Business Entities; Temporary Restriction of Export of Raw Materials for Production of Medical Products; Measures to Ensure Food Security, Rational Use of Available Resources and State Support for Agriculture; Measures to Regulate the Circulation Of Medicines, Medical Devices and Medical Equipment.</i></p> <p>(i) "On Additional Measures to Prevent the Spread of Coronavirus Infection".</p> <p>(ii) "On Additional Measures to Support the Population, Economic Sectors and Business Entities During the Coronavirus Pandemic"</p> <p>(iii) "On Temporary Restriction of Export of Raw Materials for Production of Medical Products for the Period of the Coronavirus Pandemic"</p> <p>(iv) "On Additional Measures to Support the Population and Business Entities During the Coronavirus Pandemic"</p> <p>(v) "On Additional Measures to Ensure Food Security, Rational Use of Available Resources and State Support for Agriculture During the Coronavirus Pandemic"</p> <p>(vi) "On Further Measures to Support the Population and Business Entities During the Coronavirus Pandemic"</p> <p>(vii) "On Amendments to Some Decisions of the Government of the Republic of Uzbekistan (President's Decree of the Republic of Uzbekistan dated 3 April 2020, No. UP-5978 "On Additional Measures to Support the Population, Sectors of Economy and Business Entities During the Coronavirus Pandemic")</p> <p>(viii) "On Amendments to Resolution of the Cabinet of Ministers dated 23 April 2020, No. 247 "On Temporary Restriction of Export of Raw Materials for Production of Medical Products and Import of Cement During the Period of the Coronavirus Pandemic"</p> <p>(ix) "On Additional Measures to Support the Population, Business Entities, Catering, Trade And Services to Mitigate the Negative Impact of the Coronavirus Pandemic"</p> <p>(x) "On Measures to Regulate the Circulation Of Medicines, Medical Devices and Medical Equipment During the Coronavirus Pandemic"</p> <p>(xi) "On Amendments to Resolution of the Cabinet of Ministers dated 22 July 2020, No. 449 On Measures to Regulate the Circulation of Medicines, Medical Devices and Medical Equipment During the Coronavirus Pandemic"</p> <p>https://www.lex.uz/ru/docs/4773760</p> <p>https://www.lex.uz/ru/docs/4780477</p>

Countries	Immediate, Medium and Long-Term Measures
	https://www.lex.uz/ru/docs/4796929 https://www.lex.uz/ru/docs/4800007 https://www.lex.uz/ru/docs/4803525 https://www.lex.uz/ru/docs/4815482 https://www.lex.uz/ru/docs/4819831 https://www.lex.uz/ru/docs/4821510 https://www.lex.uz/ru/docs/4903384 https://www.lex.uz/ru/docs/4908750 https://www.lex.uz/ru/docs/4942987

CITA Rolling Strategic Action Plan 2020-2022

Project/Activity	Description/Objectives	Type of Input	Participating Countries	Implementation Period	Status	CAREC Institution/s	
Pillar 1: Trade Expansion from Increased Market Access							
1	Regional Improvement of Border Services (RIBS)	Upgrade of facilities at key BCPs, customs automation system or national single window, and strengthening customs and project management capacity	Investment project	KGZ, TAJ, MON, PAK	KGZ-TAJ: 2013–2019 MON: 2016–2022 PAK: 2015–2022	Ongoing: upgrading of BCPs and single window or customs automation development; additional financing for MON approved in Sep 2019; NSW included in PAK: Trade and Competitiveness Program approved in Aug 2019	CCC/TSCC
	Develop a regional RIBS model study	Knowledge sharing products and services	REG	2020-2022	Proposed: webinar on RIBS projects experience in 2020	CCC/TSCC	
2	Developing a new border crossing point (BCP) (AZE-GEO)	The proposed Abreshumis Gza-Ipek Yolu friendship BCP in AZE-GEO will include joint customs control component	Investment project (scoping)	AZE, GEO	2021-2022	Proposed: for country operations programming	CCC/TSCC
3	Regional Upgrades of Sanitary and Phytosanitary (SPS) Measures for Trade (RUST) Project	Project aims to strengthen SPS systems and standards to help expand agri-food exports	Investment project	MON	2016–2021	Ongoing: Design of laboratories completed; reform on risk assessment and categorization underway	SPS NWG
	Needs assessment study at the borders, including laboratory capacity and cold-chain facilities	Investment project (scoping)	AFG, PAK	2020–2022	Proposed: Federal Board of Revenue of PAK confirmed Torkham border; initial scoping for AFG planned	SPS NWG	
	Capacity assessment of laboratory and border facility and development of country plans for plant and animal health	Investment project (scoping)	TAJ, UZB	2019–2020	Proposed: for country operations programming	SPS NWG	
4	CAREC Common Agenda for Modernization of Sanitary and Phytosanitary (SPS) Measures for Trade implementation	Pilot of simplified modern risk-based food safety management and inspections system	Knowledge-sharing products and services	TKM	2019-2022	Ongoing: Training on risk profiling and risk-based food safety management and inspection in Sep 2019; Safe catering and processing standards developed for training in Nov 2020	SPS NWG
	Strengthen international food safety standards in agricultural value chains	Knowledge-sharing products and services	REG	2016-2021	Ongoing: proposed CAREC food safety network establishment	RTG; SPS RWG	
	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; Policy dialogue and cooperation	REG	2020-2022	Ongoing: Draft report under preparation	SPS RWG, CAREC Institute	
5	Technical Barriers to Trade (TBT) mapping	Workshop or seminar to enhance transparency and data exchange of technical regulations and accreditation or conformity assessment, and organize working or expert group meetings	Policy dialogue and cooperation	REG	2021-2022	Proposed: theme at 4th RTG meeting	RTG
6	CAREC Advanced Transit System (CATS) Pilot Project	Pilot of a CAREC regional transit scheme based on comprehensive and risk-based guarantees, and a customs information common exchange.	Investment project (scoping)	AZE, GEO, KAZ	2017-2021	Ongoing: Agreement on CATS/ICE under legal review	CCC
	Information Common Exchange (ICE)	Pilot customs data exchange among participating CAREC countries, which could be linked to CAREC Advanced Transit System	Investment project (scoping)	AZE, GEO, KAZ	2019–2021	Ongoing: Action plan and technical manuals being prepared.	CCC

CITA Rolling Strategic Action Plan 2020-2022

Project/Activity	Description/Objectives	Type of Input	Participating Countries	Implementation Period	Status	CAREC Institution/s	
7	Membership and implementation of transit schemes	Participation and effective implementation of regional transit schemes and arrangements such as Quadrilateral Traffic in Transit Agreement (QTTA) or accession to Convention on Common Transit Procedure and use of new computerized transit system	Policy dialogue and cooperation	REG	2019–2021	Ongoing: Informal consultations in Jun 2019 organized for PAK, PRC, KGZ and TAJ on improving QTTA implementation.	CCC/TSCC
8	Authorized economic operators (AEO)	Adoption of modern risk management systems and approaches, develop national AEO programs, and preliminary mutual recognition processes	Knowledge-sharing products and services/ Policy dialogue and cooperation	REG	2020-2021	Proposed: Regional workshop on risk management focused on AEO Program planned in Q1 2021	CCC
9	Joint customs control pilot project	Document harmonization through the unified cargo manifest aimed at electronic exchange, mutual recognition of inspection results	Knowledge-sharing product and services	REG	2020-2022	Proposed: JCC's replication to other CAREC BCPs explored	CCC
10	Paperless trade or e-certification of trade documents	Capacity building to promote best practices on paperless trade which is linked to NSW, with potential interconnectivity and interoperability via electronic data interchange or regional single window	Knowledge-sharing products and services	REG	2019–2020	Ongoing: CCC-RTG joint conference on e-commerce and paperless trade organized in Q3 2020; follow-up activity in 2021	CCC/RTG
		Enhancing e-customs systems to facilitate paperless trade	Knowledge-sharing products and services	REG	2019-2021	Proposed: Seminar on e-customs innovations – Azerbaijan experience/ blockchain technology for customs in Q2 2021	CCC
		World Customs Organization framework of standards in cross-border e-commerce	Knowledge-sharing products and services	REG	2020–2022	Proposed: ongoing discussions with development partners; procedures for e-commerce consignments at Customs and establish information exchange	CCC/RTG
		Accession to United Nations' Regional Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia-Pacific	Knowledge-sharing products and services	REG	2020-2021	Proposed: ongoing discussions with ESCAP and UNCITRAL	CCC
11	World Trade Organization (WTO) accession and post-accession commitments	Advisory support and capacity building for WTO accession	Knowledge-sharing products and services	AZE, TKM, UZB	2020-2022	Ongoing: Support for TKM on strategy/action plan; AZE on impact assessment; and Planned: subregional workshop on experience-sharing	RTG
12	Best practices on free trade agreements (FTAs)	Development of a model/template FTA for CAREC countries, seminar on priority FTA topics such as rules of origin and role of customs agencies	Knowledge-sharing products and services	REG	2020–2022	Proposed: discussions with CAREC Institute and PRC-ADB's Regional Knowledge Sharing Initiative (RKS) for potential joint activity. New TA approved.	RTG/CCC
13	CAREC Corridors Performance Measurement and Monitoring (CPMM)	Continue to measure the competitiveness of CAREC corridors to enhance performance and address the bottlenecks at key BCPs, with additional data features	Knowledge-sharing products and services	REG	2019–2022	Ongoing: Annual reports on CPMM produced - including country-level information and 10-year stocktake of CPMM planned in 2020; 2 pilot studies in PRC and AFG conducted using CPMM+ conducted and capacity building on CPMM+ for CI and research agencies planned.	CCC/CFCA/TSCC

CITA Rolling Strategic Action Plan 2020-2022

Project/Activity	Description/Objectives	Type of Input	Participating Countries	Implementation Period	Status	CAREC Institution/s	
	ADB-CI partnership to elevate the CPMM annual report and its dissemination.	Knowledge-sharing product and services	REG	2020-2024	Ongoing: After a series of online consultation and familiarization workshops, ADB and CI are expected to sign MoU in Nov 2020.	ADB/CI	
Pillar 2: Greater Diversification							
14	Free trade zone, special economic zones (SEZs), or cross-border economic zones (CBEZ)	Feasibility study on free trade or special economic zones to strengthen competitiveness and promote economic diversification, including as part of economic corridor development	Investment project (scoping); knowledge-sharing products and services	REG	2020-2021	Proposed: Technical support or study visits or workshops to promote the development of economic corridors and/or trade and economic cooperation centers	RTG
	Developing economic cooperation zone	Investment project	MON-PRC (IMAR)	2020-2022	Ongoing: Mongolia project endorsed in 2020 and counterpart project in PRC under consideration	RTG	
15	Value-chain development	Case study or situation-gap analysis to support the participation of market players in CAREC in global and regional value chains (e.g., agricultural value chain in the Fergana valley)	Knowledge-sharing products and services	REG	2018–2020	Ongoing: Pilot SPS work for Fergana countries jointly supported by ADB and USAID CTJ; regional conference planned in 2021	RTG, SPS
16	Logistics centers and/or facilities	Establish logistics centers, including analyzing the transport sector and linkages, and assess adequacy of multimodal transport infrastructure	Investment project	KAZ, MON	2018–2019	Proposed: For country programming	RTG, CCC, TSCC
	Study of legal, regulatory and institutional reforms in transport sector to improve the availability, affordability, and quality of transport and storage services	Knowledge-sharing products and services; Policy dialogue and cooperation	REG	2021-2022	Proposed: Recommendation of Advancing Diversification through the Development of the Services Sector study.	RTG, CCC, TSCC	
17	Developing trade in services	Study to promote expansion and integration of trade in services in priority sectors (finance, health, pharmaceutical, education, transport, and tourism)	Knowledge-sharing products and services	REG	2019–2022	Ongoing: Services study completed and presented at RTG meeting; follow-up work on proposed projects and actions	RTG
	Roadmap to development of information services such as software development, data processing, and 'mining' for blockchain technology	Knowledge-sharing products and services	KAZ, KGZ, TAJ, UZB	2020-2021	Proposed: Recommendation of Advancing Diversification through the Development of the Services Sector study.	RTG	
	Study of legal, regulatory and institutional reforms for quality testing and certification services	Knowledge-sharing products and services; Policy dialogue and cooperation	KAZ, TAJ, TKM, UZB	2021-2022	Proposed: Recommendation of Advancing Diversification through the Development of the Services Sector study.	RTG	
18	Awareness and access to trade finance, supply chain finance, and guarantees	Bridge financing gaps and improve access to trade finance and credit guarantees for small traders	Knowledge-sharing products and services	REG	2018–2021	Ongoing: coordination with ADB's Trade and Supply Chain Finance Program; Feasibility study to establish a trade and investment agency	RTG
19	Promotion of e-commerce and innovation	Mapping and analysis of regulatory framework for e-commerce development in CAREC, to identify legal and policy reforms including drafting and implementing action plans	Knowledge-sharing products and services	REG	2019-2021	Ongoing: Joint research between ADB and CAREC Institute presented in Sept 2020; follow-up work underway	RTG/CCC; ADB and CI

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Project/Activity	Description/Objectives	Type of Input	Participating Countries	Implementation Period	Status	CAREC Institution/s
	Adopt UN Convention on the Use of Electronic Contracts in International Trade for domestic law; harmonize the ability to use simple e-signatures, and the certification process for digital signatures	Knowledge-sharing products and services; Policy dialogue and cooperation	REG	2021-2022	Proposed: Recommendation of E-Commerce in CAREC Region: Laws and Policies study.	RTG
20	Promotion of tourism trade	Data analysis on potential for tourism and provision of information for tourists within CAREC; development and marketing of regional tourism products; facilitated visa arrangements	REG	2021-2022	Proposed: Potentially linked with CAREC tourism TA; Recommendation of Advancing Diversification through the Development of the Services Sector study.	RTG, CCC, TSCC
21	Bilateral investment agreements/treaties	Organization of investment fora, signing of agreements or treaties	REG	2021-2022	Proposed	RTG
Pillar 3: Stronger Institutions for Trade						
22	Online trade portal	Develop one-stop shop repository for trade policies and/or regulations, best practices and data of CAREC countries (subsite in CAREC website), which could be linked with existing business-to-business platforms or mechanisms	REG	2019–2020	Ongoing: Trade Information Portal developed and accessible to CAREC in 2020	RTG
23	Tailor-fit training on emerging trade issues	Capacity building to improve capacity of trade-related agencies and officials	REG, AFG	2021-2022	Proposed: discussions with countries and other development partners	RTG
24	Experience-sharing of WTO members	Dialogue on benefits from accession, lessons from accession processes, and implementation (experience from KAZ and PRC)	AFG, AZE, KAZ, KGZ, TAJ, TKM, UZB	2021-2022	Proposed: discussions with countries and other development partners potentially at sidelines of WTO MC-12 in June 2021	RTG
25	WTO TFA enhanced implementation among CAREC members	Seminars and inter-subregional forum on WTO TFA especially mandatory provisions and of high significance to CAREC	REG	2018–2022	Ongoing: CAREC-SASEC inter-subregional knowledge-sharing forum held in Oct 2019; follow-up activity to be organized with WTO and WCO	RTG, CCC
	Establish and/or strengthen other intergovernmental and cross-sectoral mechanisms on trade, e.g., national committee on trade facilitation (NCTF)	Knowledge-sharing products and services	REG	2018–2020	Ongoing: discussions with countries and other development partners	RTG/CCC/SPS NWG
26	CAREC Common Agenda for Modernization of SPS Measures for Trade (capacity-building component)	Capacity-building and/or training of trainers on SPS regulations and international standards on plant/animal health and food safety	REG	2019–2021	Ongoing: Subregional training on pest risk analysis conducted in Aug 2019; Virtual Pest Surveillance Training and Workshop held in Aug 2020	SPS RWG/SPS NWG
	Continuing support for SPS NWG in the implementation of their respective national SPS priorities and action plan	Knowledge-sharing products and services; Policy dialogue and cooperation	GEO, KGZ	2018-2022	Ongoing: GEO: risk assessment training for animal by-products; KGZ: Importing food products guidelines	SPS NWG
27	Enhanced interagency (SPS-customs-trade) cooperation	Capacity-building and fora to support policy coordination	REG	2021-2022	Proposed: Joint activities planned, including on risk management in 2021/2022	RTG/CCC/SPS RWG

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Project/Activity	Description/Objectives	Type of Input	Participating Countries	Implementation Period	Status	CAREC Institution/s
28 Improved research capacity and coordination among CAREC countries	Strengthen the role of CAREC Institute and linkages with national research institutes to provide opportunities for cross-learning, including engagement with trade-related agencies and their participation at relevant initiatives	Knowledge-sharing products and services	REG	2019-2022	Ongoing: continuing participation at annual think tank forum	RTG
	Strengthen trade in services statistics through cooperation	Policy dialogue and cooperation	REG	2021-2022	Proposed (GEO)	RTG
29 Institutional strengthening for CAREC private sector	Capacity-building and training options identified among private-sector stakeholders, for private-sector stakeholders and support a self-sustainable business model for the CFCFA starting 2021.	Knowledge-sharing products and services; Policy dialogue and cooperation	REG	2020-2021	Proposed : Training for trainers in coordination with other development partners (FIATA). Includes development of manual on trade logistics practices for CFCFA.	CFCFA, CI
	Virtual consultation mechanism	Virtual consultation meetings to discuss trade measures introduced by members	Policy dialogue and cooperation	REG	2021-2022	Proposed (UZB)
Cooperation on pandemic response	Information sharing on cross-border passengers identified as confirmed cases, suspected cases or close contacts of COVID-19 and best practices and handling similar pandemic	Knowledge-sharing products and services	REG	2020-2021	Ongoing : Creation of a CAREC compendium of trade measures and procedures during a pandemic or similar situations	RTG, CCC

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 institutions: CCC = Customs Cooperation Committee, CFCFA = CAREC Federation of Carrier and Forwarder Associations, NWG = national working group, RTG = Regional Trade Group, RWG = regional working group, SPS = Sanitary and Phytosanitary Measures, TSCC = Transport Sector Coordinating Committee.

Notes: Implementation period is indicative.

Source: Asian Development Bank staff. Mongolia, PAK = Pakistan, TAJ = Tajikistan, TKM = Turkmenistan, UZB = Uzbekistan, REG = regional.

Notes: Implementation period is indicative.

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

Source: Asian Development Bank staff.