



21-30 SEPTEMBER 2021

Digital and Sustainable Trade Facilitation in CAREC: Progress on the Framework Agreement & 2021 Report Launch

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Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

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Framework Agreement: basics

A UN Treaty

- To facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions
- Supporting full digital implementation of the WTO Trade Facilitation Agreement.
- Inclusive access to new knowledge; capacity building opportunities

<https://www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific>

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Framework Agreement – progress

Framework Agreement entered into force on 20 February 2021.

- **Azerbaijan & People's Republic of China (PRC): Acceded**
- Georgia: Conducting readiness assessment + internal review
- Kazakhstan: Conducting readiness assessment
- Kyrgyz Republic: Readiness assessment to be conducted by ITC
- Mongolia: Parliamentary accession approval expected in October 2021
- Pakistan: Advanced stage of stakeholder consultation
- Tajikistan: Parliamentary accession approval expected in October 2021
- Turkmenistan: internal review
- Uzbekistan: internal review (readiness assessment done in 2019)

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Digital and Sustainable Trade Facilitation in CAREC: 2021 Report

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UNTF Survey: background

1
WTO TFA-related measures

+
2
Digital TF: paperless trade & cross-border paperless trade

+
3
Sustainable TF: SMEs, women and agriculture

+
4
Other TF: trade finance & trade facilitation during crisis and pandemic

- Monitor progress on trade facilitation (TF)
- Enable evidence-based policy-making, capacity building and tech assistance

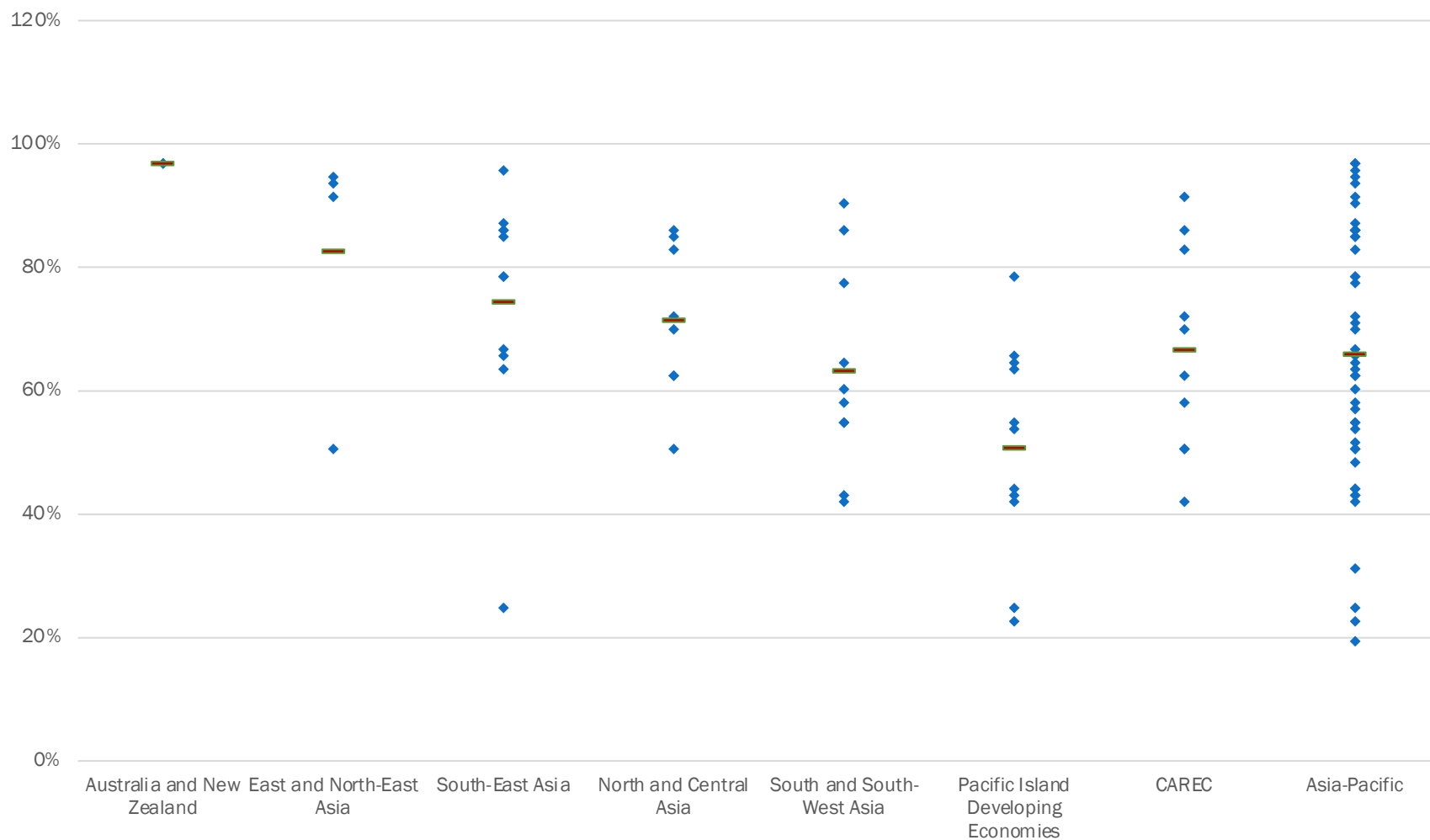
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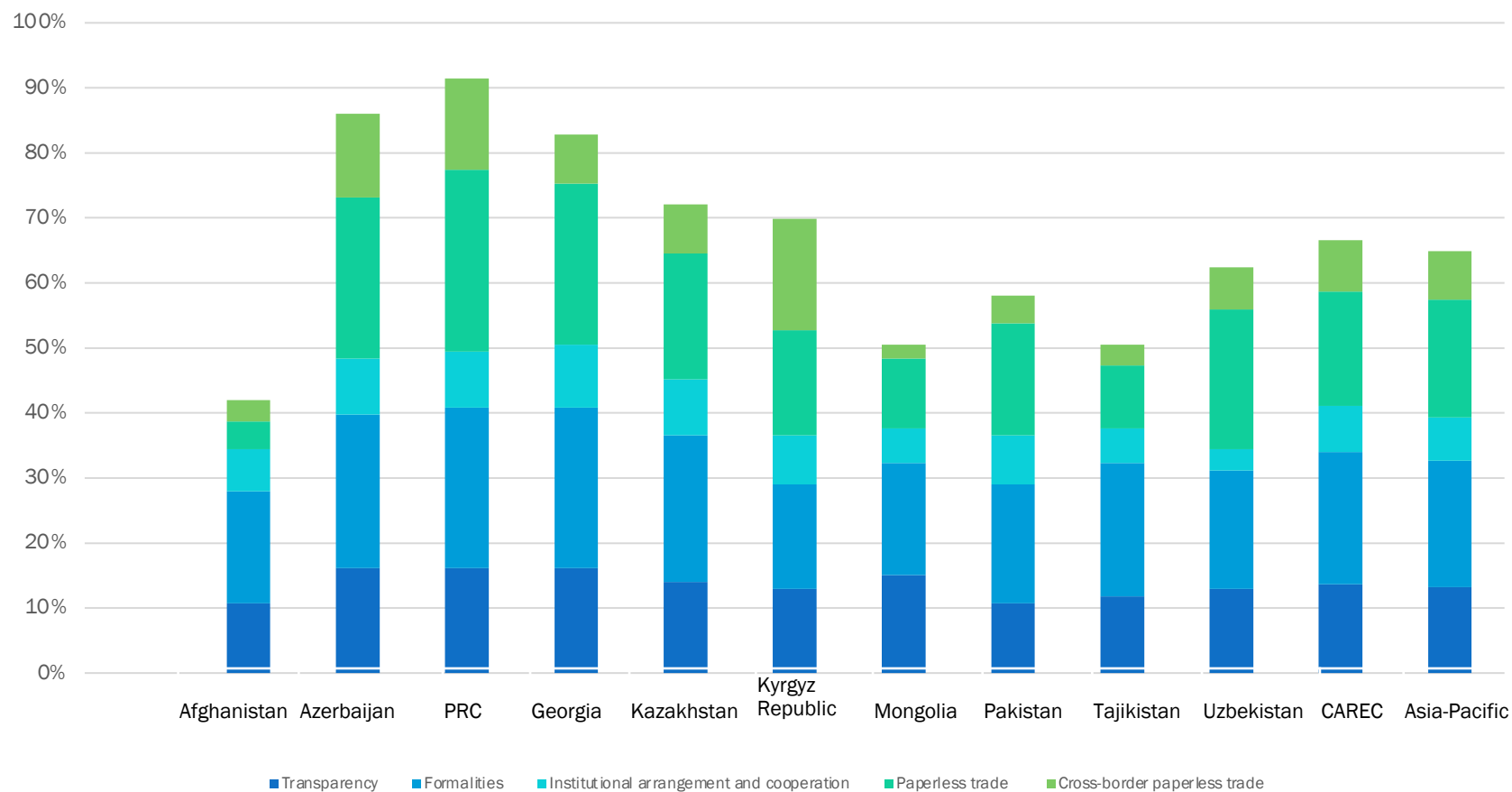
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CAREC subregional average slightly higher than Asia-Pacific regional average



Implementation varies across CAREC countries



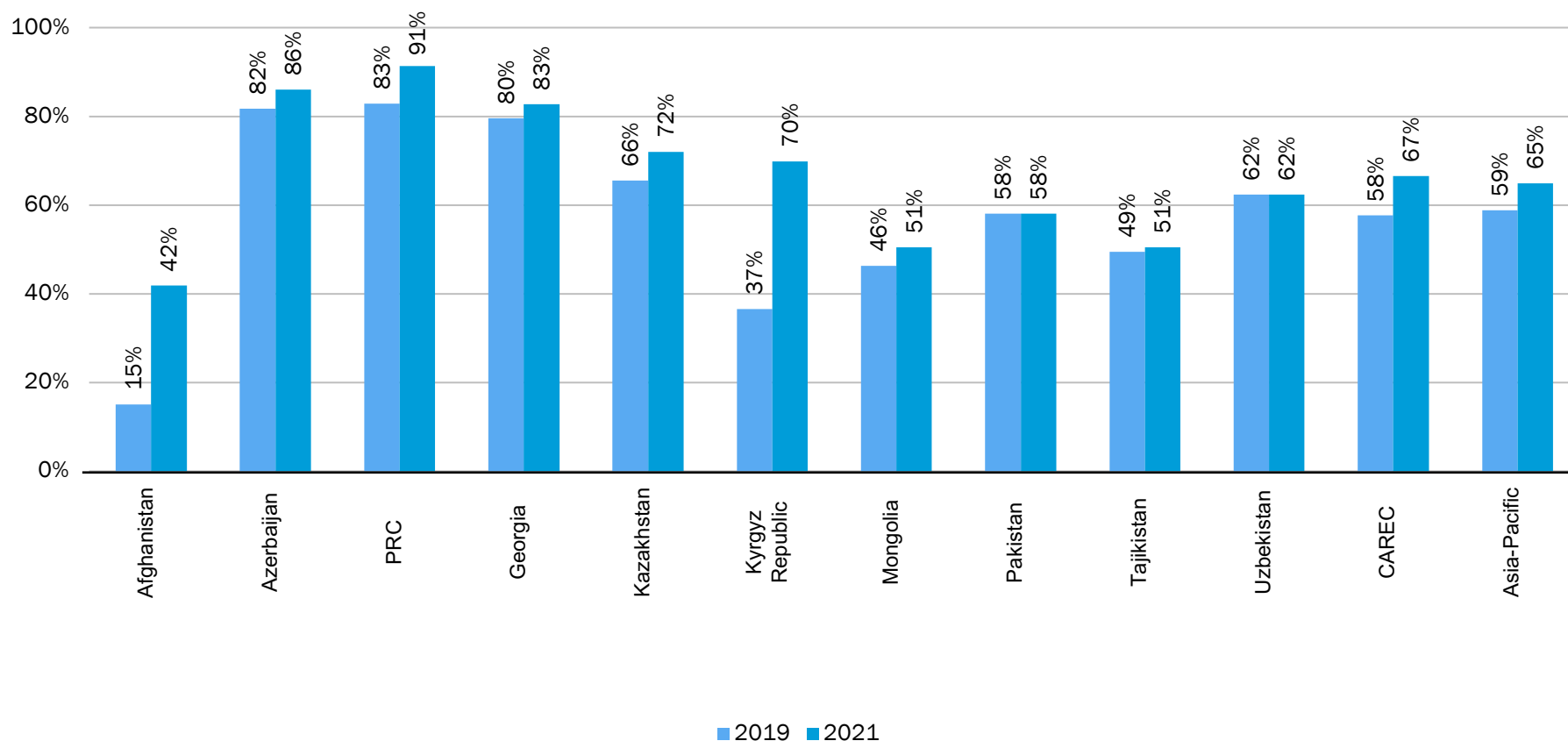
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All CAREC countries have made progress since 2019



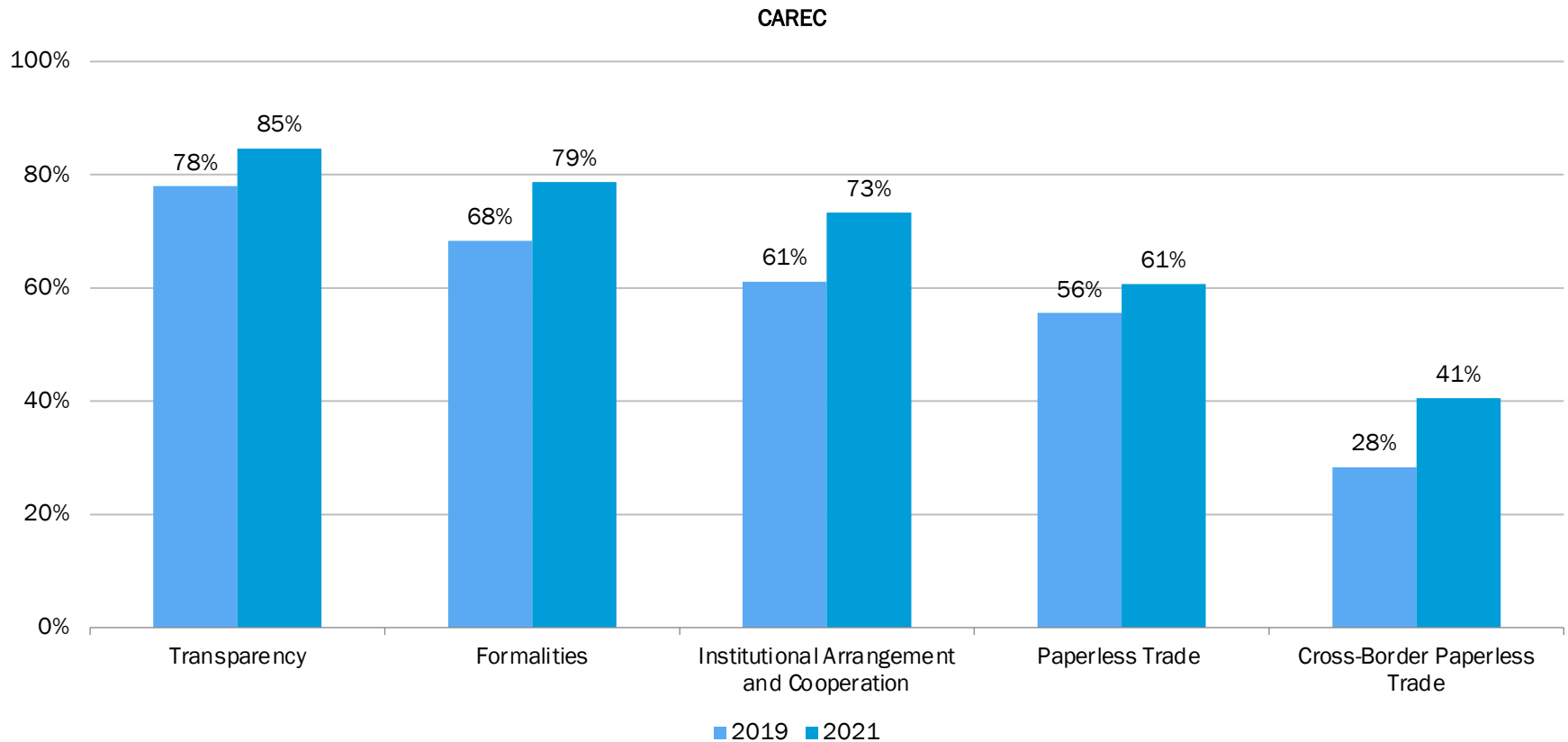
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Most progress has been observed in implementing cross-border paperless trade



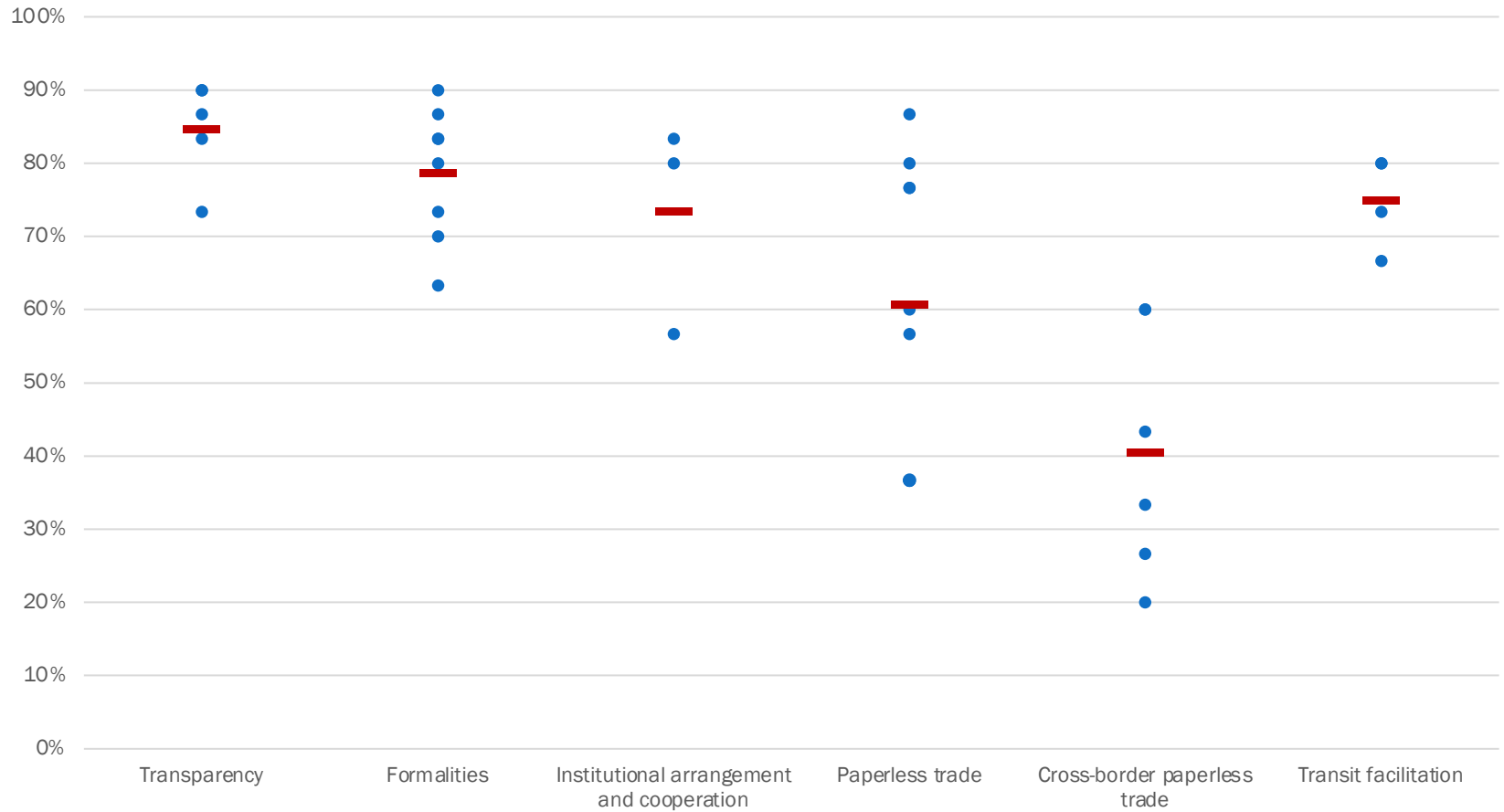
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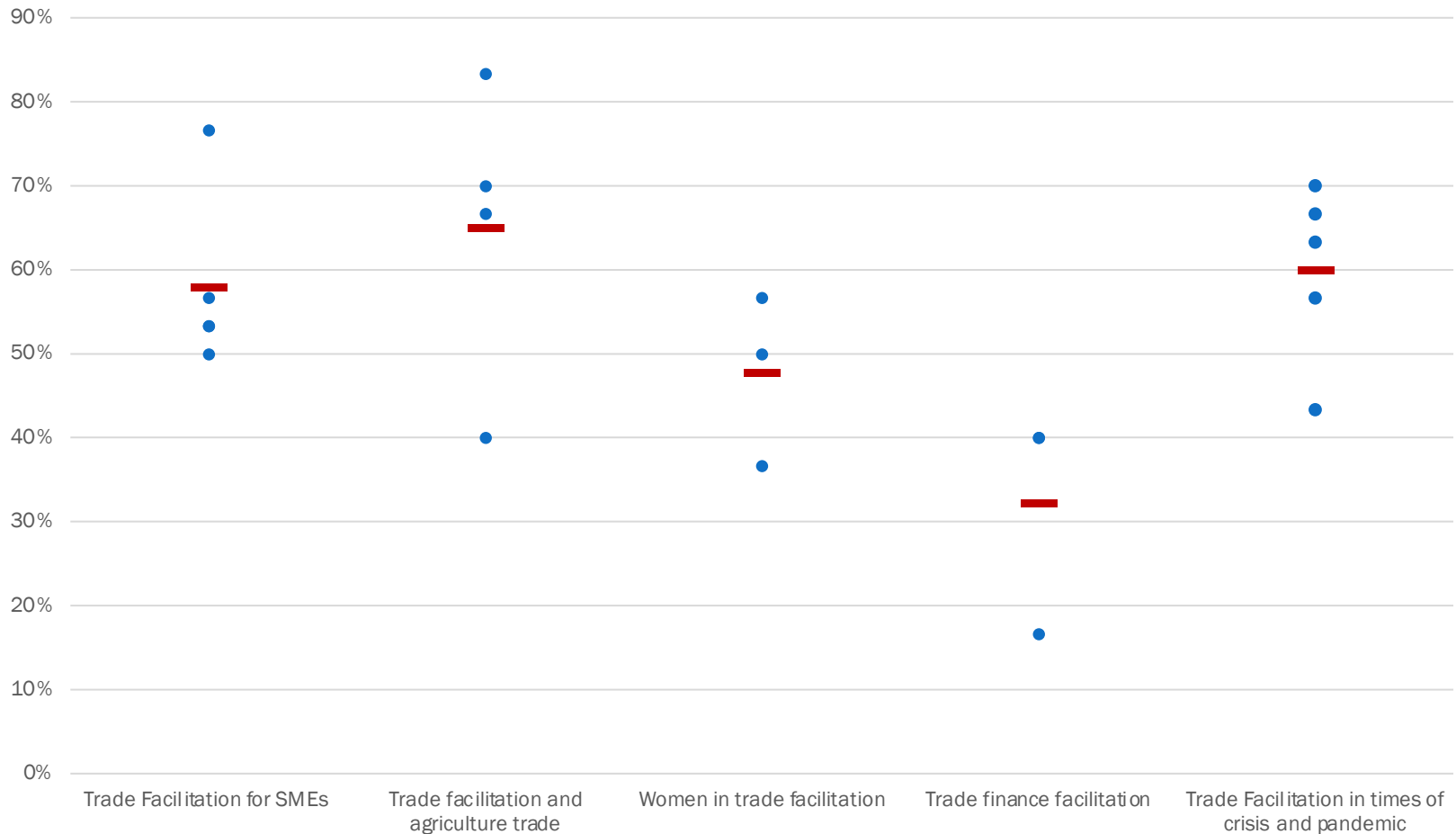
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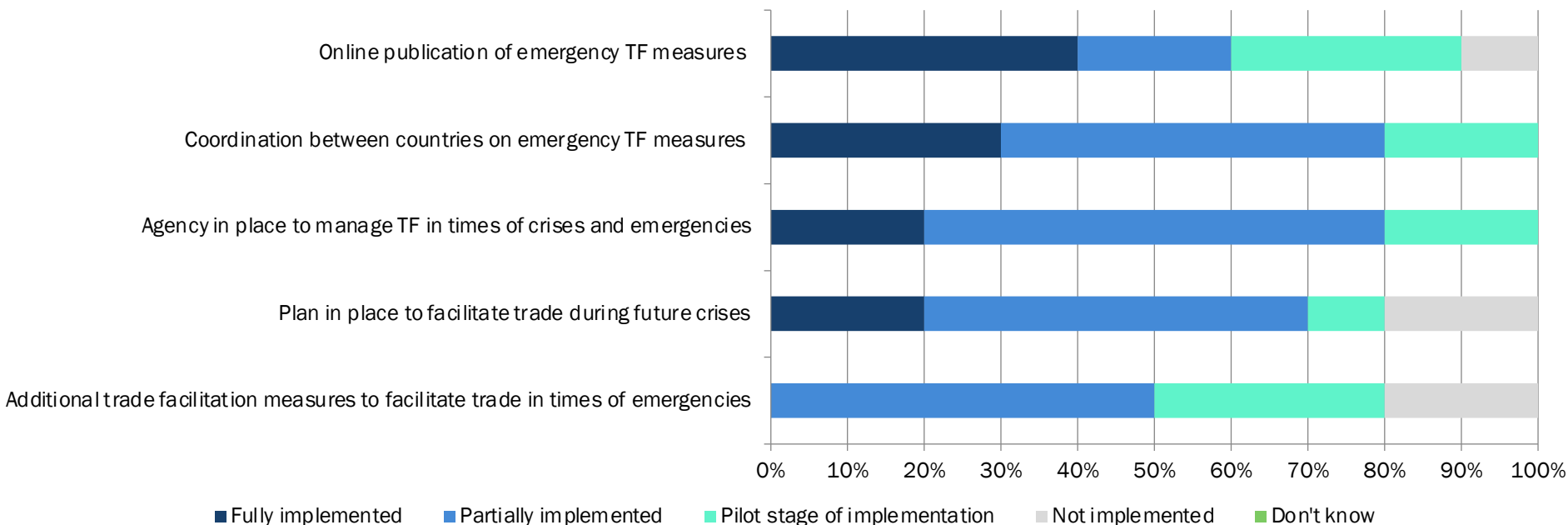
Implementation of cross-border paperless trade is still a challenge



Implementation of sustainable trade facilitation is a challenge



Implementation of TF in times of crisis



Most of the CAREC countries have, to various extent, implemented TF measures in times of crisis. However, implementation is mostly incomplete.



Coordination of emergency TF measures with other (neighboring) countries still limited



Only 20% of countries are fully prepared for TF measures for future crises

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Assessing the impact of trade facilitation

- Achieving basic compliance with WTO TFA results in modest trade cost reductions.
- Digital trade facilitation of the TFA measures results in much larger trade costs reductions, averaging nearly 16.9% for CAREC as a whole.

Table. Changes in trade costs in CAREC resulting from implementation of trade facilitation and paperless trade

CAREC: trade costs model	WTO TFA (binding only)		WTO TFA (binding + non-binding)		WTO TFA+ (binding + non binding + other paperless and cross-border paperless trade)	
	Partially implemented	Fully implemented	Partially implemented	Fully implemented	Partially implemented	Fully implemented
Model 1						
Overall trade facilitation	-2.85%	-5.91%	-4.14%	-8.91%	-10.39%	-16.91%

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Good practices: Phytosanitary e-Certification in CAREC

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CAREC Readiness for e-Phyto: Current State

Country	Average time required for the following steps involved and the department involved						
	Application Filed by Trader (online/ paper) along with	Application reviewed for compliance	Inspection	Samples for Testing	In case of treatment, conducted at	Payment for inspection & PS certificate at	PS Certificate issued by
Afghanistan	10 min		20 min to 1 hr.				
Azerbaijan	10 min	1-3 Days	2-3 Days	2-3 Days	1-7 Days	15 min	1-3 Days
PRC	10 min	10 min	10 min	0.5 Day	0.5 Day	10 min	10 min
Georgia	15 min	15 min	30 min	3-5 Days	1-5 Days	15 min	15 min
Kazakhstan							
Kyrgyz Republic	25 min)	25 min	160 min	3-72 hrs.	24-168 hrs.	40 min	
Mongolia	4 hrs.	2 hrs.	3 hrs.				
Pakistan	1 hr.- 7 Days	Max. 1 hour	Hours-Days	3-10 Days	1-14 Days	Max. 1 hr.	Max 1 hr.
Tajikistan	5 min			30 min	24-72 hrs.	10 minutes	3 hrs.- 3 Days
Turkmenistan	3 hrs.- 3 Days	3 hrs.- 3 Days	Up to 3 hrs.	Up to 4 hrs.	Up to 3 hrs.	Up to 3 hrs.	3 hrs.- 3 Days
Uzbekistan		Within 5 working days					

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Mode of Transmission and Validity of Phyto Certificate

Country	Mode of transmission of PS certificates to other users like Customs and other countries	Validity/ duration of PS certificates after issuance and prior to export	Fee for PS certificate	Number of PS certificates issued per year
Afghanistan	Hard Copy	-	100Af (1.28 US \$) per sheet	-
Azerbaijan	Hard Copy	14 Days	10 AZN (5.88 US\$)	40, 000
People's Republic of China	Hard as well as Electronic (where countries can transmit/ receive)	Fresh Goods-14 Days Other Plant Products-21 Days In North Region (during Winter)-35 Days	Free	0.69 Million (690, 000/)
Georgia	Hard Copy	15 Days	25-50 GEL (8.67- 17.33 US \$)	3428 (Border by Georgia Revenue Service) 10,333 (National Food Agency)
Kazakhstan	Hard Copy	30 Days (from the date of issuance)	Free to Individuals and Legal Entities	Around 0.3 Million
Kyrgyz Republic	Hard Copy	Requirements of the importing country	200 SOM (2.86 US \$)	40,000
Mongolia	Hard Copy; Via the media and the website; By e-mail	5 Days to 1 month depending upon commodities	10000 MNT (10 thousand tugrik) 3.69 US \$	10, 000
Pakistan	Hard Copy	90 Days	PKR 50-300 (0.32- 1.94 US \$)	Around 0.15 Million
Tajikistan	Letter or application to legal entities and individuals	30 Days	Based on estimates and volume of products	Depending on the volume of the shipment of goods
Turkmenistan	Hard copy as well as through email (where required)	30 Days	Based on tariffs approved by Ministry of Finance and Economy of Turkmenistan	Depends on the number of contracts awarded
Uzbekistan	Electronically	Unlimited until the delivery to the importer's country	up to 10 kg - 0.15 MRZP(MP3Π); up to 100 kg - 0.18 MRZP(MP3Π); up to 500 kg - 0.20 MRZP(MP3Π); up to 1000 kg - 0.25 MRZP(MP3Π);	0.25 Million

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Conclusion

- Most CAREC countries have a legal basis for the recognition of phytosanitary certificates and exchange of electronic certificates.
- Therefore, systems are already in place for migrating from the paper-based certification system to the ePhyto system.
- Uzbekistan is the first CAREC member country to exchange ePhytos under the IPPC's Hub.
- The PRC is an early e-Cert adopter and has been pilot testing its connection to the ePhyto Hub.
- For others, there is not yet capacities to recognize ePhyto certificates using the HUB, in which case they may opt for the GeNS web-based system to produce, receive and exchange ePhytos through this HUB.

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Recommendations

- Adoption of harmonized and standardized exchange protocols is needed
- Upgrading systems, capacity building, and regional cooperation are essential.
- The experiences of the PRC and Uzbekistan could benefit other CAREC countries.

