

Enhancing Cooperation in Digital Trade

21-30 SEPTEMBER 2021



4th Meeting of the CAREC Regional Trade Group (RTG) 30 September 2021

HIGHLIGHTS OF DISCUSSION

Opening Session

1. The CAREC Regional Trade Group (RTG) Meeting was held on 30 September 2021 and co-chaired by Ms. **Gulchin Alasgarova**, Deputy Head, Trade Policy and World Trade Organization Department, Ministry of Economy of Azerbaijan and Ms. **Emma Fan**, Director, Public Management, Financial Sector, and Regional Cooperation Division (EAPF), East Asia Department, Asian Development Bank.

2. **Ms. Alasgarova**, in her welcome remarks noted that despite the COVID-19 pandemic, CAREC countries continue to work together, and like Azerbaijan, remain committed to strong cooperation and integration. This has yielded positive results in these difficult times and motivates all to increase their efforts in the future. CAREC has actively contributed to regional development for the last two decades, promoting connectivity through investment projects and knowledge sharing, and will continue to be crucial for post-pandemic recovery. The Regional Trade Group's relationships with country institutions and international organizations has broadened and deepened regional cooperation. Collaborative partnership and digitalization are valuable for recovery, especially in the complex global economy. Efficient transformation will accelerate the achievement of prosperity. In today's meeting very important issues will be discussed. CAREC must strive to achieve the sustainable development goals (SDGs), specifically, sustainable trade and reduced trade costs to enable economies to participate in regional and global value chains. Trade is an engine for growth and sustainable development, thus regional trade cooperation is important. She invited all participants to take an active part in the discussions and wished everyone a fruitful meeting.

3. **Ms. Fan**, in her opening remarks mentioned that the meeting concludes CAREC Trade Week, with the very timely theme of Enhancing Cooperation in Digital Trade. She thanked the Government of Azerbaijan for chairing the Trade Week excellently, the People's Republic of China (PRC) for sharing their rich e-commerce experience at the second webinar, and partners UNESCAP and CAREC Institute for jointly hosting the series of events. The week's activities enabled collaborative learning and policy dialogue, highlighting how CAREC countries have undertaken digital transformation, including paperless trade and e-commerce, which are priorities under the CAREC Integrated Trade Agenda (CITA) 2030. The pandemic has heightened the need and potential for accelerated digitalization, which will enable CAREC to expand trade and make it safer and more efficient. But before sustainable and inclusive economic recovery can be achieved, challenges—such as the need for an enabling environment, infrastructure, harmonized trade procedures and mutual trust—must be addressed. The Rolling Strategic Action Plan 2021-2023 under the CITA 2030 are crucial for addressing these. ADB, in close collaboration with other

development partners, remains committed to supporting CAREC countries pursue greater integration with the world economy.

4. The **Chair** introduced the agenda for adoption and then called on Mr. **Artoghrul Ahmadov**, Senior Adviser, Trade Policy and World Trade Organization Department, Ministry of Economy of Azerbaijan, to moderate the next session.

Session 1: CAREC Integrated Trade Agenda (CITA) 2030 and Rolling Strategic Action Plan (RSAP) 2021–2023

5. **Ms. Dorothea Lazaro**, Regional Cooperation Specialist from ADB, reported that despite the pandemic, CAREC total trade increased slightly by 0.8% from 2019 to 2020, with exports rising by 2.6% and imports falling by 1.3%. However, the regional outlook is still uncertain given renewed outbreaks and divergent recoveries. Nonetheless there is good momentum in attaining CITA's objective: under Pillar 1, trade facilitation indicators improved, Regional Improvement of Border Services (RIBS) and Sanitary and Phytosanitary (SPS) projects are underway, accession to the WTO and the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific are ongoing. Under Pillar 2, economic zone and corridor development, and national and digital trade initiatives progressed. Under Pillar 3, support continued for CAREC trade agencies through country-specific training and advisory on SPS for Georgia, Kyrgyz Republic, Mongolia, Turkmenistan, Uzbekistan. In partnership with CAREC Institute, knowledge-sharing modules consisting of a series of pre-recorded videos in English and Russian available at the CI's E-Learning platform, are blended with live workshops to be organized in the future. Two reports on e-commerce and e-certification and a video on CAREC's efforts to modernize SPS measures for trade, were also released. The Trade Information Portal² and the Corridor Performance Measurement and Monitoring portal were officially launched, which will enable further work on monitoring, data interoperability, and document exchange. A series of policy dialogues to facilitate trade while managing transboundary risks to human, animal and plant health was organized as part of the CAREC SPS measures week from 19-22 April 2021³, which was held at the sidelines of 2nd SPS Regional Working Group meeting. Regional cooperation, digitalization and coordination among agriculture, border inspection and health authorities—including under the One-Health approach—were underscored for sustainable recovery.

6. The CAREC Trade Week from 21-23 September 2021 focused on Enhancing Cooperation in Digital Trade, with discussions on the regulations and infrastructure for nurturing e-commerce; the experience of the PRC in alleviating poverty and responding to the pandemic via e-commerce; and regional and national initiatives on cross-border paperless trade. Given strong interest to accelerate digital trade, ADB is seeking additional funding for data infrastructure, harmonization, and a digital trade forum. RTG's confirmation of the digital strategies table that was circulated earlier, as well as proposals for scoping, feasibility and other studies were requested. Support will also be provided to digital trade cooperation and accession to international agreements, such as piloting an electronic-window mechanism for entrepreneurs and government agencies that was proposed by Azerbaijan.

² <https://trade.carecprogram.org/>

³ <https://www.carecprogram.org/?event=2nd-meeting-of-the-carec-sanitary-and-phytosanitary-measures-regional-working-group>

Session 2.a: Capacity Building on Free Trade Agreement

7. **Ms. Zulfia Karimova**, Principal Regional Cooperation Specialist from ADB, shared progress made on the technical assistance project *Strengthening Knowledge and Capacities for the Design and Implementation of Free Trade Agreements (FTA) Involving CAREC Countries*. Its main purpose is to distill international best practices on FTAs for CAREC countries, build capacity to design, negotiate, implement and monitor FTAs, and examine the feasibility and institutional requirements and develop a roadmap for a CAREC FTA. To date, the TA undertook: (a) a survey in March-April 2021 to understand each country's key FTA-related issues; (b) an inception workshop on 19 May 2021 to identify country priorities in relation to different approaches to integration, areas for liberalization, and different sectors within each economy; and (c) regional consultation on 7 September 2021 to discuss the alignment of FTA priorities with CAREC national priorities, challenges and opportunities. The inception report highlighted that a CAREC-wide FTA must be compatible with existing bilateral, subregional, or multilateral agreements, and provide trade policy coherence. So far, differing levels of ambition exist across CAREC countries, a reflection of diverse local conditions. Some common ground in relation to priority areas and sectoral focus would be key in a regional FTA, as ASEAN provides useful lessons. There was a suggestion that the overall focus should be on facilitating trade rather than preferential market access. This is highlighted by the issue of reconciling Eurasian Economic Union (EAEU) membership with participation in a CAREC FTA, as it would not affect EAEU members' ability to negotiate arrangements relating to non-tariff reforms in priority areas.

8. A focused capacity needs assessment survey of current institutional (macro-level) and the individual (micro-level) trade-policy capacities is being undertaken. Capacity building will be on: (a) trade in goods, including trade remedies (anti-dumping and countervailing duties), technical barriers to trade; (b) trade in services, including financial, ICT, transport, and professional services; (c) e-commerce and digitalization; (d) trade-related aspects of intellectual property rights; and (e) competition policy, investment, public procurement, and small and medium enterprises (SMEs). The final report will be drafted by end-October, and finalized in December 2021. The capacity needs assessment will be conducted between September to October 2021; FTA guidelines drafted from October to November 2021; country action plans from October 2021 to January 2022; technical workshops from January to June 2022, and capacity building from July to September 2022. She then thanked RTG members for their strong ownership and commitment, and will count on continuous support.

Session 2.b: Study on Technical Regulations and Standards

9. **Ms. Gloria Pasadilla**, ADB consultant, provided the preliminary assessment of technical regulations and standards in CAREC. As a background, standards help consumer confidence in product safety and enhancing user experience, modularize the supply chain for firms to participate; and promote innovation, as the standardization process becomes the platform for knowledge exchange and transfer. On the downside, the dominant standard may not be the best; innovation may be foreclosed; and intellectual property leakage inhibits participation. In terms of trade, standards and technical regulations: (i) allow market access, (ii) satisfy domestic policy objectives of ensuring product quality; (iii) facilitate trade logistics; and (iv) minimize product recalls. The costs are compliance costs; conformity assessment may also be complex and duplicative.

10. Conformity assessment consists of testing and quality assurance or product certification. The former is with respect to certain qualities of a product, and may be in-house or by a third party. The latter is against specific standards set by local or international organizations. Another

certification is by the quality management system to ensure the stability of product quality. Conformity assessment results are accepted by the buyer in the form of manufacturer's declaration or third-party assessment. To assure their reliability, accreditation is done either by private or government agency, with ultimate recognition by government. Countries have their own standards (voluntary) and technical regulations (mandatory). To access international markets, either mutual recognition agreement (MRAs), or multilateral membership in organization that has MRAs are used.

11. Among the challenges identified in CAREC countries is the multiplicity of standards, i.e., local, national, regional. CAREC countries are trying to harmonize at regional level and some are adopting EU standards. However, conformity procedures vary between countries. There are some advances in conformity assessment and MRAs, e.g., PRC and Pakistan are full members of International Electrotechnical Commission (IEC) and for specific standards accept other countries' testing procedures and results; more are signatories to International Laboratory Accreditation Cooperation (ILAC) and International Accreditation Forum (IAF). This eliminates duplication of conformity assessment and becomes trade facilitating. CAREC countries are requested to validate and provide feedback on the preliminary assessment, particularly on: (a) adequacy and usefulness of scope on standards and conformity assessment; (b) whether a particular sector needs more discussion; (c) areas of capacity building; (d) are there COVID19-related concerns with respect to the subject; and (e) up to date information about country standardization processes and conformity assessment systems.

12. Mr. Makhmadali Shokirov, CAREC Federation of Carrier and Forwarder Associations (CFCFA) Chairperson asked how to proceed with implementing the more than 20 technical standards they had developed, whether and how CFCFA could take advantage of the two ADB programs mentioned in Sessions 1 and 2, suggesting possible assistance from CAREC. **Ms. Karimova** responded to discuss further opportunities for partnership with the private sector. **Mr. Mario Apostolov** (Regional Advisor on Trade, Economic Cooperation and Trade Division, United Nations Economic Commission for Europe (UNECE)) offered that the UNECE Working Party on Regulatory Cooperation and Standardization Policies (WP.6) provides recommendations on harmonization using the experiences of the UNECE region which encompasses Central Asia and South Caucasus. Recommendations are available on the UNECE website. **Ms. Lazaro** clarified that the CFCFA standards refer to transport logistics, while the report as presented by Ms. Pasadilla talked about product-specific standards. There must also be a distinction between private sector-led and regulatory standards.

Session 3: Around the Table

13. Mr. Ahmadov called on each country representative for their comments and suggestions on RSAP 2021-2023 and confirmed that Azerbaijan, has no further comment on the RSAP.

14. Mr. **Ning Chen**, Deputy Director General, Department of International Trade and Economic Affairs, MOFCOM, PRC, thanked all hosts and the excellent presentations, and was encouraged by achievements in implementing CITA 2030, which strengthen the foundation for fruitful partnership. He highlighted three areas of regional cooperation. First, the PRC supports cooperation in digital trade. All CAREC members give high priority to digital strategy and there is need for further cooperation on digital trade. More investments to upgrade infrastructure, harmonized laws and standards, a mechanism for ecommerce and digital trade cooperation such as forums, will help regional e-commerce network to flourish. Second, the PRC supports deepening regional economic integration. CAREC countries expressed interest in an FTA for economic growth and global economic integration. PRC expanded FTA networks, which has

brought great benefits and fully supports a CAREC-wide FTA project. Third, the PRC supports close partnership at local level. The economic zone project between the PRC's Inner Mongolia Autonomous Region and Mongolia is underway, while the Xinjiang Uygur Autonomous Region farmers are selling products to big cities, initiatives enabled by infrastructure connectivity and unimpeded trade. Economic corridors require collaboration between border provinces and towns which CAREC can facilitate; more projects will benefit border communities.

15. Mr. **Mikheil Peikrishvili**, Main Specialist, International Relations Department, Revenue Service, Ministry of Finance of Georgia, noted that Georgia Revenue Service is actively involved in CAREC and looks forward to implementation of projects that are at the core of its transit and trade development, namely: (a) construction of joint BCP with Azerbaijan; (ii) CAREC Advanced Transit System (CATS) and Customs Information Common Exchange (ICE). These will improve border conditions, facilitate transit and increase economic competitiveness of the whole region. Unfortunately, implementation of these projects has been long delayed. While CAREC activities in Customs such as research, evaluation, experience sharing are necessary, projects with specific tangible and sustainable results are of higher importance.

16. Ms. **Gulnur Toleugazyevna Smagul**, Deputy Director, Department of Foreign Trade Activities, Ministry of Trade and Integration of the Republic of Kazakhstan, expressed appreciation to the host country and ADB, noting that tangible results were achieved in regional trade. RSAP implementation will lead to improved access to markets. Simplification of national regulations through accessing to WTO is important, as Kazakhstan became more attractive to other countries. Trade facilitation and SPS measures will help improve its connectivity. It is also preparing for an FTA within the Eurasian Economic Union (EAEU), establishing an FTA with non-members like Singapore, plans to sign an agreement with PRC, and is drafting FTAs with Israel, Egypt, Iran, Libya. It is negotiating an FTA with others on trade in services, and will be negotiating with Singapore, Commonwealth of Independent States (CIS) members and Turkey. It continues to encourage e-commerce, which has increased drastically, boosting SMEs and cross-border trade. Kazakhstan participated actively in CAREC Trade Week, which it found very important and beneficial to its trade negotiations. She concluded by expressing full support to RSAP 2021-2023.

17. Ms. **Biubiusara Toktonaliev**a, Director, Trade Policy Department, Ministry of Economy of Kyrgyz Republic, greeted all participants and thanked the host country, highlighting that CAREC Trade Week events were interesting and useful as it focused on relevant trade issues. 2021 has seen a revival in Kyrgyz Republic trade and an increase in trade with CAREC to 43% of total. With the pandemic, trade processes ensure safe transport and delivery of essential goods. The country's 5-year roadmap includes reforms to facilitate trade, including (i) law on accession to the Revised Kyoto Convention (RKC) and preparing for accession to the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific ; (ii) improving Customs administration, having established a Situation Center to decrease corruption risks and increase working discipline; (iii) updating the Single Window (SW) software, which was implemented under RIBS; (iv) launch of the trade portal in November that includes information on trade, procedures and documents, and will be available in English, Russian and Kyrgyz languages. Kyrgyz Republic focused on digitalization this year and is keenly interested in learning from PRC's digitalization experience, also regulating ecommerce and protecting consumer rights. She noted the need for a well-established statistical system, requesting support on ecommerce regulations. On the issue of FTAs, as an EAEU member she suggested focusing on aspects other than tariff preferences, noting the need to meet commitments under the WTO. She expressed full support for RSAP 2021-2023.

18. Mr. **D. Munkhjargal**, Counsellor, Foreign Trade and Economic Cooperation Department, Ministry of Foreign Affairs of Mongolia, thanked the organizers, expressing support for the TA on FTAs. Mongolia is a late comer to trade agreements, having signed one with Japan in 2016 and recently the Asia Pacific Trade Agreement, and studying bilateral FTAs with Korea, EAEU, and PRC. It is a proponent of ecommerce negotiations within WTO that is ongoing. The TA is highly important in helping Mongolia define its regional integration priorities and train staff for negotiations, in view of its Vision 2050 strategy that targets integrating with regional economic processes. It would be useful to include training on FTA negotiations in RSAP 2021-2023, including seminars, workshops, and experience-sharing with CAREC members.

19. Ms. **Maria Kazi**, Joint Secretary, Ministry of Commerce of Pakistan, thanked CAREC, ADB and the Chair for organizing the event. All work done by CAREC has been useful whether on e-commerce, customs, SPS, or technical standards. CAREC Corridor Performance Measurement and Monitoring (CPMM) was particularly useful in identifying deficiencies, as Pakistan Customs was able to address those affecting transit goods. Implementation of WTO TFA is more than 70% done. It has an FTA and an economic corridor project (CPEC) with PRC, its largest trading partner. But trade with Central Asian states is extremely low, despite the Economic Cooperation Organization (ECO) so this is being enhanced through cooperation agreements with Uzbekistan, Tajikistan, and Azerbaijan on transit trade, TIR, preferential market access, and standards. Pakistan has offered port facilities to all Central Asian Republics. Certain left out areas that are crucial for trade are transport and banking services, where Pakistan encounters problems in trading with CAREC. Attention to this area is requested, i.e., how businessman get paid through banking channels. Transport and insurance services are also needed to cover risks because countries are connected by land. Pakistan is ready to engage in this area, as it is already working bilaterally.

20. For FTA, it is fully on board, though it lacks experience with regional trading arrangements. It has FTAs with PRC, Malaysia, Sri Lanka and PTAs with Iran, Indonesia, Mauritius but regionally, Economic Cooperation Organization (ECO) and South Asian Association for Regional Cooperation (SAARC) have not been successful. She suggested that work on the CAREC FTA requires all countries' willingness, areas to be agreed initially; text that will allow its immediate operationalization; and no quotas.

21. Mr. **Tashripov Sobir**, Head of the Department for Forecasting and Coordination of Macroeconomic Policy, Ministry of Economy of Tajikistan, welcomed distinguished colleagues and expressed gratitude to the organizers, in particular ADB. Tajikistan has digitalized business processes in the public sector, e.g., a trade portal provides information on trade procedures for 1,500 goods and services. The financial services sector is being modernized, with commercial banks offering digitalized products and services. Transport passengers in Dushanbe use e-payment. Digital transformation is enabling companies to expand their markets and create new jobs, which is important for vulnerable populations and poverty alleviation. Tajikistan has accorded high priority to the digital economy and the concept was adopted in 2021 that envisages a gradual shift in three phases to 2040, pursued within the framework of the Midterm Development Program for Digital Economy from 2021-2025. The government is also implementing the Smart City project. Technological transformation is crucial, thus RTG should exchange experiences and best practices with developed countries on digitalization to achieve the SDGs. The financial system must also be ready for different situations. CAREC's vast territory and significant material and human resources must be used rationally for the benefit of the region. He wished the RTG success in achieving the best possible outcomes.

22. Mr. **Myrat Myradov**, Head of Legal Regulation of Foreign Economic Relations and Coordination Division, Foreign Economic Relations Department, Ministry of Trade and Foreign Economic Relations of Turkmenistan, welcomed all participants and extended gratitude to the organizers. Turkmenistan is developing its digital economy, following the concept of 2019-2025, which aims to raise the efficiency all sectors of the economy by using IT. Laws on communications, internet services, protection of personal information, cybersecurity, e-document control, and digital services, were passed in 2019. In January 2021 the strategy for improving the State Commodity and Raw Materials Exchange was approved, which covers ecommerce and trade in services. Regulation on the remote sale of products was issued. Online training is provided on state-of-art and innovative marketing technologies. Customs procedures were simplified with Automated System for Customs Data (ASYCUDA), and the single window for import and export operations and e-declaration. ASYCUDA has reduced time to clear cargoes by up to 4 times. Under the Central Asian Trade project financed by EU an international trade portal is being created. Turkmenistan is taking advantage of the region's opportunities for cooperation and integration and confident of fruitful interaction within CAREC.

23. Ms. **Nargiza Zufarova**, Head of Main Department on Customs-Tariff Regulation of Foreign Trade, Ministry of Investments and Foreign Trade of Uzbekistan, thanked participants for interesting presentations and ADB, expressing support for all RSAP 2021-2023 activities and interest in their execution. She noted issues of special interest for Uzbekistan. First, since economies are different and also developing at varying paces, before talking about an FTA, which will comprehensively touch upon all the areas of the economy, is there a scientific assessment of its efficiency and effectiveness and possible impact on CAREC economies? The most important sectors could be examined. Second, the need to simplify trade, the locomotive of economic processes, and transit which is of special importance for landlocked Uzbekistan. CAREC needs a single format of electronic documents, whether for transit, conformity assessment or other, since the essence is the same. Third, what else can be unified, harmonized or integrated in CAREC. It would help to have an assessment under the CAREC program, of the depth of all the commitments countries fulfilled especially by WTO members. Regional integration is good and trade has a positive impact but the realities and challenges must be taken into account. Fourth, capacity building is of interest, given change in staff and capacity has to be in line with the reforms being undertaken. Fifth, future work must include protection of intellectual property rights (IPR) and its development , given e-commerce is being promoted. Uzbekistan is now an WTO Observer, and the Generalized Scheme of Preferences (GSP) from European Union (EU) gives it the opportunity to export more than 6,000 goods duty-free. Significant reforms have been implemented and the opportunities and CAREC capabilities must be tapped for the development of the region.

24. The **Chair** thanked all country representatives for their valuable feedback and proposals and moved the next session.

Session 4: Development Partners' Intervention

25. Mr. **Mario Apostolov**, Regional Adviser, Economic Cooperation and Trade Division, UNECE, introduced the UN digitalized multimodal document exchange which established standards for data exchange and interoperability between modes of transport (available at unttc.org). These are based on the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) reference data model. International experts at UN draft the standards, then work with sectoral organizations like International Civil Aviation Organization (ICAO), International Maritime Organization (IMO), Organization for Cooperation between Railways (OSJD), International Road Transport Union (IRU), International Air Transport Association (IATA),

etc. and regional organizations like EU, EAEU, Transport Corridor Europe Caucasus Asia (TRACECA) program, Organization for Democracy and Development-GUAM (which includes Azerbaijan, Georgia, Moldova, and Ukraine). The standards are piloted in multimodal transport corridors, then applied at the national level. These artifacts or package of standards allow the seamless exchange of data between, e.g. sea bills of lading, container inspection and marine services (CIMS), Agreement on International Goods Transport by Rail (SMGS), e-CMR (Convention on the Contract for the International Carriage of Goods by Road), air waybills, and transmission of standardized information to regulatory authorities. It thus has great use for SW. Redeveloped during the pandemic were standards for invoices, certificates of origin (COO), SPS, vet certificate, e-Cert. The key point is not to replace existing standards but to have different standards in different sectors become interoperable, to have functional interaction where the data could be exchanged seamlessly between different types of transport and different documents. Standards are developed on principles of neutrality, can be used for XML technology, and will be technology-neutral for adjacent API to enable use of the blockchain technology. For this UNECE will communicate with and looks forward to cooperating more intensively with other CAREC countries.

26. **Mr. Iskandar Abdullaev**, Deputy Director 2, CAREC Institute, thanked all colleagues for the excellent exchange on the topic especially on e-trade. He mentioned that CI produced knowledge products: (i) CPMM country briefs that describe obstacles and potential areas for improvement; (ii) analysis of e-trade, institutional shortcomings, opportunities and best practices, and infrastructure; (iii) jointly with ADB and Islamic Development Bank, the potential for digitalization, institutional, infrastructure and technological gaps and how to reduce these; (iv) jointly with ADB, studies on COVID-19 such as its impact on tourism, impact on MSMEs, and FTAs. CI offers training, exchanges on best practice with PRC, and capacity building. An e-learning platform is available, with reports, videos, publications, including certified training. Knowledge is offered together with UN agencies (e.g., UNECE, UNESCAP) to facilitate more trade and regional cooperation.

27. **Mr. Syed Shakeel Shah**, Director, CAREC Institute, added that CI recently updated the CAREC Regional Integration Index with latest data, providing insights into integration. Under the Think Tank Network, a paper summarizes the current situation in RTAs, with regional and extra-regional trade trends that can be the basis for designing a trade agreement, to be shared once finalized. The **Chair** expressed appreciation for the crucial work of CI in improving knowledge and analyzing performative gaps through studies of actual problems and solutions.

28. **Mr. Geoff Wright**, Director, Asia Economic Region, DAI, the implementing partner of U.S. Agency for International Development (USAID), has been managing the regional trade program in Central Asia called Competitiveness Trade and Jobs (CTJ) for the last 4 years. Over the next 5 years the Trade Central Asia project will focus on trade facilitation. COVID-19 demonstrated the fragility of supply chains, making trade facilitation important, thus CITA and ADB work in CAREC are appreciated. CTJ trade promotion and trade facilitation worked closely with ADB particularly in SPS, training 300 phytosanitary officials across 5 countries with IPPO, focusing on pest risk analysis, while a pest surveillance pilot project in Uzbekistan was completed. CTJ also worked with World Customs Organization (WCO) to train 250 Customs officials, and supports authorized economic operator (AEO) programs through training, updates on AEO standards, country charters and legislation. For trade promotion, CTJ focused on horticulture, supporting more than \$40 million worth of export contracts, and online matchmaking of buyers and growers. Trade Central Asia will focus on Customs and border management, public private dialogue, trade promotion.

29. Ms. **Carmen Maria Ramirez Ortiz**, Consultant, Trade and Supply Chain Finance, ADB, presented the ADB Trade and Supply Chain Finance program to promote trade digitization in Asia through common standards and protocols to allow interoperability between the fintech platform and components of the trade ecosystem; and legislation and regulations to support paperless trade. The Digital Standards Initiative was founded by ADB, Singapore and the International Chamber of Commerce, to establish a globally harmonised trade environment. It advocates for the UN Commission on International Trade Law (UNCITRAL) Model Law on Electronic Transferable Records, which enables the legal use of electronic transferable records domestically and internationally. A report (circulated to CAREC members) describes the opportunities for digitizing transferable records. A webinar on Digitizing Trade in Asia Needs Legislative Reform will be held on 21 October 2021 that is open to all. ADB also plans to pilot a project with a champion country to promote domestic adoption of the Model Law, and looks forward to CAREC interest, participation in the October webinar, and working with CAREC countries on paperless trade regulations.

30. With no further comments, the **Chair** gave the floor to ADB to summarize the action points. **Ms. Lazaro** thanked all member countries for their inputs and suggestions for the RSAP. Specific activities will be reflected in the revised RSAP. Key responses as well as next steps or action points are:

- (i) FTA TA: TA team will consider and address the comments from Uzbekistan in their next tasks.
- (ii) Standards scoping study: Countries are requested to validate and provide information on the technical regulations, standard sand conformity assessment procedures and potential areas for cooperation.
- (iii) Proposal on banking and transport services: Work will need to be linked with other CAREC clusters (e.g., economic and financial stability, and infrastructure and economic connectivity). The CAREC services report, which underscores the role of financial and transportation services among others, as key to CAREC diversification, will be shared with CAREC members.
- (iv) Digital trade strategies: CAREC countries are requested to validate and provide information digital trade strategies, policies, and plans.
- (v) Digital trade proposals: CAREC countries are invited to submit proposals for scoping studies or pilot projects to accelerate digital trade (including but not limited to use of applications or digital solutions such as blockchain, artificial intelligence, e-certification, e-payment, or cloud platform) or digital trade cooperation or accession to international conventions.
- (vi) CAREC Trade Information Portal. CAREC countries are invited to access the portal and share additional or revised links of government trade portals for cross-dissemination of information.
- (vii) Proposals on investment projects: ADB encourages countries to coordinate with their respective Ministries of Finance, and make a formal request for ADB financing (loans or grants) through the ADB resident missions or country offices. CAREC trade TAs can help define the scope or conduct pre-feasibility assessment for CAREC trade-related ministries to support the preparation of investment project proposals.

31. The **Chair** thanked all CAREC delegates and development partners for the useful exchange on the issues and CITA activities. She mentioned that studies help eliminate trade gaps, expand market access and lead to regional trade cooperation. Constructive proposals were shared specifically on digital trade. She thanked the CAREC Secretariat, interpreters, Regional Cooperation Coordinators (RCCs) and Advisors, congratulated everyone for a successful CAREC Trade Week, and wished for safety in these complicated times.