

Session 4: Development partners interventions



- 1. Maika Oshikawa, Director, Accessions Division, World Trade Organization**
- 2. Zulfia Karimova, Principal Regional Cooperation Specialist, Public Management, Financial Sector, & Regional Cooperation Division, East Asia Department, ADB**
- 3. Minsoo Lee, Senior Economist, Regional Cooperation and Operations Coordination Division, Central and West Asia Department, ADB**
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State of Play in WTO Accessions in CAREC

Maika Oshikawa, Director, Accessions Division, WTO

Importance of CAREC for Multilateral Trading System (MTS)

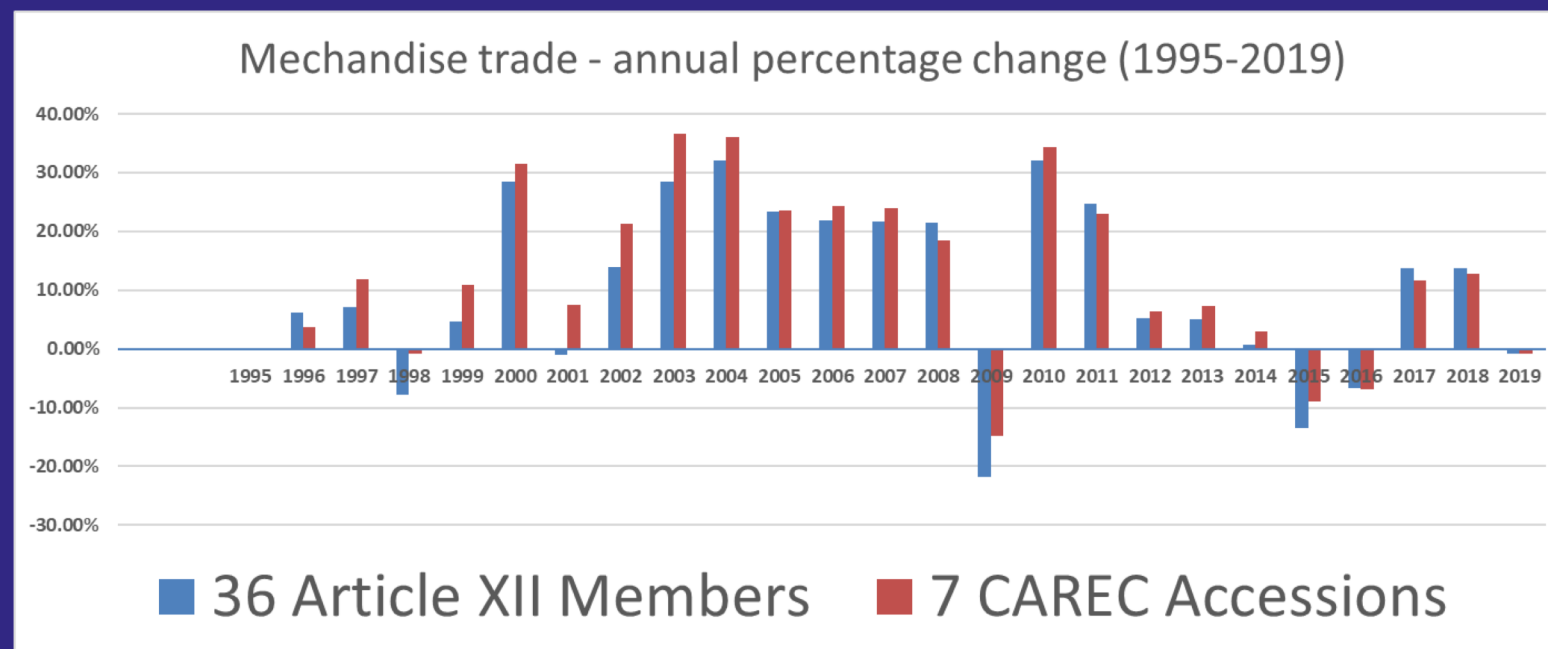
- Growing markets & potential investment destinations
- Achieving universality in MTS
 - Currently, 164 Members represent 98% of world trade
 - 7/36 completed accessions are from CAREC region ($\approx 20\%$)
 - $\approx 76\%$ of the total population of the 36 completed accessions
 - 2 acceding and 1 observer government from CAREC region
- Leadership from CAREC region
 - Active participation in all areas of WTO work, including Joint Initiatives
 - 12th Ministerial Conference to be hosted by Kazakhstan
 - WTO Reform?

Completed Accessions in CAREC*: 1997-2016

No.	Member (membership date)	Length of accession process	# of Accession Working Party Meetings held	# of documents issued	# of questions replied
1	Mongolia (1997)	5 years 3 months	5	12	146
2	Kyrgyz Rep. (1998)	2 years 8 months	6	63	952
3	Georgia (2000)	3 years 11 months	3	56	512
4	China (2001)	14 years 9 months	18 <i>(under the WTO)</i>	71	3029
5	Tajikistan (2013)	11 years 8 months	9	71	1296
6	Kazakhstan (2015)	19 years 9 months	20	229	1900
7	Afghanistan (2016)	11 years 7 months	5	62	773

***Pakistan is an original Member of the WTO**

7 CAREC accessions vs. 36



What remains to be done in CAREC?

On-going Accessions

No.	Acceding government	WP establishment	Last WP meeting held	# of WP meetings held	# of documents issued	# of questions replied	Next WP meeting (tentative)
1	Azerbaijan	July 1997	July 2017	14	110	2338	Late 2020/early 2021
2	Uzbekistan	Dec. 1994	July 2020	4	40	1651	Late 2020/early 2021

Turkmenistan – New observer government (July 2020)

- Intention to initiate accession negotiations within 5 years

WTO and CAREC collaboration

- Support for WTO accession and post-accession
 - Workshops/seminars, experience exchange
 - Accession documentation, impact analysis etc
 - Legal capacity building
- Joint side event “*Eurasian Perspectives on Trade and the WTO*” at 12th Ministerial Conference in Kazakhstan
- *Ready to explore more, subject to demands from CAREC countries*

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CAREC Free Trade Agreements

Zulfia Karimova

**Principal Regional Cooperation Specialist,
Public Management, Financial Sector, and Regional
Cooperation Division, East Asia Department, ADB**

CAREC - Free Trade Agreements

Opportunities

- Scope for CAREC to expand intra-/inter-regional trade through FTAs

Challenges

- Knowledge and capacity deficits
- Uneven participation and limited geographic reach.
- The complexity of regional FTAs
- Inadequate knowledge and capacity to design, negotiate, implement, and monitor FTAs in CAREC countries

Regional KSTA on Free Trade Agreements

Impacts:

- global and regional trade and investment opportunities expanded,
- integration of CAREC countries in the regional and global economies enhanced.

Outcome:

- CAREC countries' capacities for designing, negotiating, implementing, and monitoring of FTAs improved

Outputs:

- Evidence-based policy recommendations generated and action plans developed
- Capacity of CAREC member countries to design, negotiate, implement, and monitor FTAs improved
- Roadmap for a CAREC FTA developed

CAREC FTA KSTA - Key Deliverables

- FTA comprehensive analysis with policy recommendations
- CAREC FTA guidelines on the FTA design, negotiation, implementation and monitoring
- Thematic assessments on key issues facing FTAs in CAREC
- Country action plans to improve the institutions, capacity, and practices
- FTA knowledge and capacity development needs assessment in CAREC
- FTA lessons and best practices shared regionally
- Targeted capacity building activities
- Feasibility and desirability for a CAREC FTA, road map and action plan

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Inclusive Trade in the CAREC Region: Fintech for Trade Financing

**Expanding the Digital Reach to Close Gaps and Overcome
Challenges**

Project Proposal

Project Framework

Impacts

- Deeper understanding of the factors driving the exclusion of MSMEs and women-owned enterprises in trade and supply chain finance.
- Improved understanding of the potential of digital solutions to make trade finance more inclusive.

Outcome

- Project findings and knowledge products provide useful inputs for policy makers, the development community, and researchers within and beyond the CAREC region.

Outputs

- Knowledge and research products, such as joint CAREC Institute-ADB publications that have substantial inputs from working papers produced for the project, policy briefs, and blogs.
- Policy guidelines and mutually agreeable multilateral measures for adopting financial technology in the CAREC region.
- Workshops and conferences for knowledge sharing and dissemination.

Project Activities and Timeline



Q3 2020

- Consultation meetings with CAREC Institute, ERCD/ADB, and external experts on the scope of analytical studies.



Q4 2020

- Gathering relevant data (e.g., focus group discussions and interviews with key resource persons) and conducting a literature review.
- Preparation of draft study reports.
- Stakeholder consultations on preliminary findings and draft study reports.



Q1 2021

- Finalization of reports and publication of findings.
- Workshops, conferences, policy dialogue, and other knowledge sharing events.

Contribution to Trade

1. International trade made more inclusive in the CAREC region to realize the economic growth potential from trade involving MSMEs and women-owned firms, which will have improved market access and made these groups more competitive.
2. Fosters the application of new technologies and facilitates digital trade in the CAREC region, mitigating potential risks and challenges from adopting financial technology.

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Research on Framework for E-commerce Development in CAREC Countries: Focus on Infrastructure Development - Phase II

Background and Rational:

- (i) The CAREC Integrated Trade Agenda (CITA) 2030** - Promotion of e-commerce and innovation is among the priority intervention areas identified under CITA 2030.
- (ii) Findings of Research on Legal Framework E-Commerce Phase I in CAREC Region** - Laws regulating electronic transactions, including cybercrime, data privacy, or consumer protection.
- (iii) Impact of Covid-19 and E-commerce** – Further encourage global cooperation in the area of e-commerce, which could help to facilitate cross-border movement of goods and services, narrow the digital divide, and level the playing field for small businesses.

Research Question:

How the improved infrastructure (**both hard and soft infrastructure**) can facilitate and expand domestic and cross-border e-commerce – both B2B and B2C – within CAREC region and beyond.

Objectives:

The **objective** of the research project to examine CAREC countries' economic factors and conditions for e-commerce related to:

- i. internet infrastructure
- ii. e-payment systems
- iii. logistics and delivery infrastructure.

Expected Output:

Policy Brief and Paper – Provide recommendations for national or regional measures (to promote connectivity and interoperability), investments in infrastructure development (including ICT infrastructure, and logistics) and proposed activities or action plans including areas of technical assistance or capacity-building.

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KSTA: Supporting Startup Ecosystem in the CAREC Region to Mitigate Impact of COVID-19 and Enable Economic Revival

Objective

To **address challenges posed by COVID-19** in CAREC countries and support their **economic revival** by using **Information and Communication Technologies (ICTs)** and **Digital Technologies (DTs)**.

Rational

- **COVID-19** has caused **disruptions** in global and regional linkages **affecting several economic activities** and public services in CAREC countries.
- These changes will have **long term implications on people's behavior and lifestyles**.
- **CAREC 2020 events and activities** also affected
- **Technology** can play a significant role in **revival and diversification of economies**; and in facilitating **CAREC to virtually continue advancing its objectives** in the region.

KSTA: Supporting Startup Ecosystem in the CAREC Region to Mitigate Impact of COVID-19 and Support Economic Revival

Proposed work

Impact: sustainable and shared digital development for economic growth in the CAREC region.

Outcome: enhanced use of ICTs and DTs to mitigate direct and economic impact of COVID-19 and support economic recovery in the region through increased cooperation among CAREC countries.

Output 1: CAREC Initiatives on Digital Transformation Implemented.

- i. **Establishment of a digital platform for CAREC.** It will enable policy dialogue and regional coordination to prepare member countries governments' COVID-19 response.
- ii. **Development of CAREC Digital Strategy 2030**

Output 2: Startup Ecosystem Development for CAREC countries Supported.

- i. **Establishment of the CAREC Startup Ecosystem Development Hub.** harness innovative and digital solutions to address problems posed by COVID-19 and enable digital entrepreneurship through capacity building, dialogue, partnerships and networking.
- ii. **Conducting open innovation challenges**