



# Session 1: CAREC Integrated Trade Agenda (CITA) 2030—Implementation and Next Steps

**Dorothea Lazaro**

Senior Regional Cooperation Specialist,  
Asian Development Bank

# Outline

1. CAREC Trade Performance and Economic Outlook
2. CAREC Integrated Trade Agenda 2030 and Rolling Strategic Action Plan
3. Mainstreaming Climate Change Action in CAREC Trade Work



# CAREC Trade Performance and Outlook

GDP annual growth:	2017	2021	2022	2023	2024*	2025*
CAREC (excluding the PRC)	4.8	5.7	5.6	2.5	3.1	3.9
CAREC-10	6.7	8.2	3.2	5.0	4.6	4.4
Developing Asia excluding PRC	6.6	6.4	5.5	4.8	5.0	5.3
Developing Asia	6.1	7.4	4.3	5.0	4.9	4.9

Source: ADB. Asian Development Outlook, April 2018 and April 2024.

Group / Year	Merchandise exports (% growth)					Merchandise imports (% growth)				
	2017	2020	2021	2022	2023	2019	2020	2021	2022	2023
CAREC (excluding PRC)	20.1	-17.2	31.6	33.9	-3.8	15.5	-8.9	31.1	13.9	3.2
CAREC-10	8.4	2.5	28.2	8.1	-4.6	16.1	-1.2	29.8	1.8	-4.9

Source: Computed from WTO, <https://stats.wto.org>, accessed April 2024

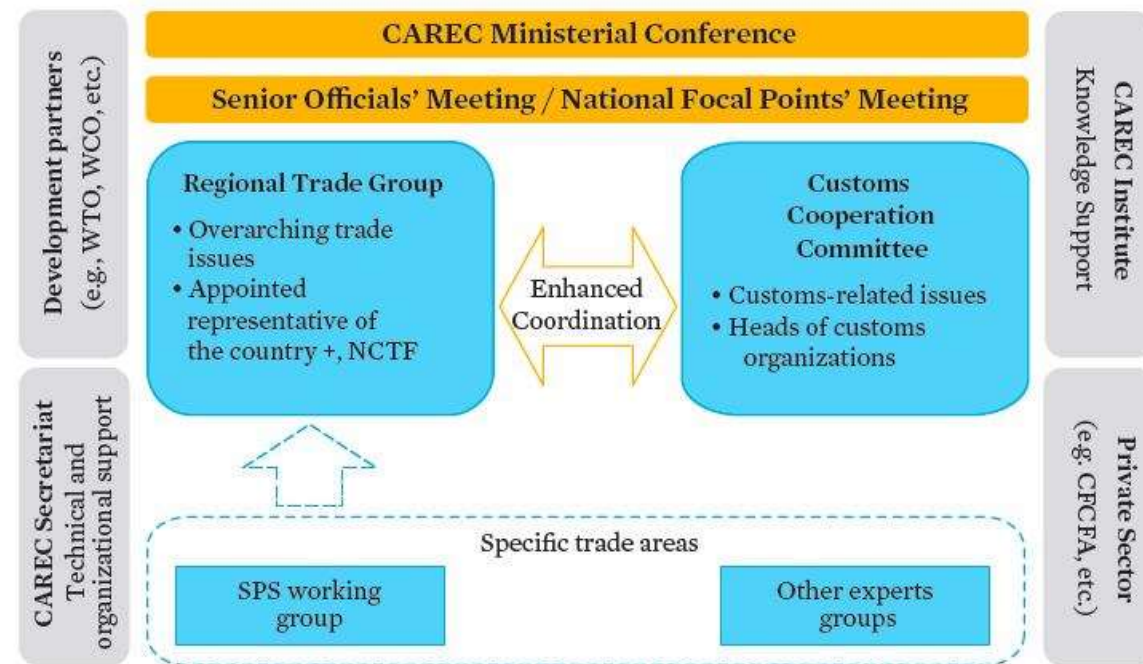
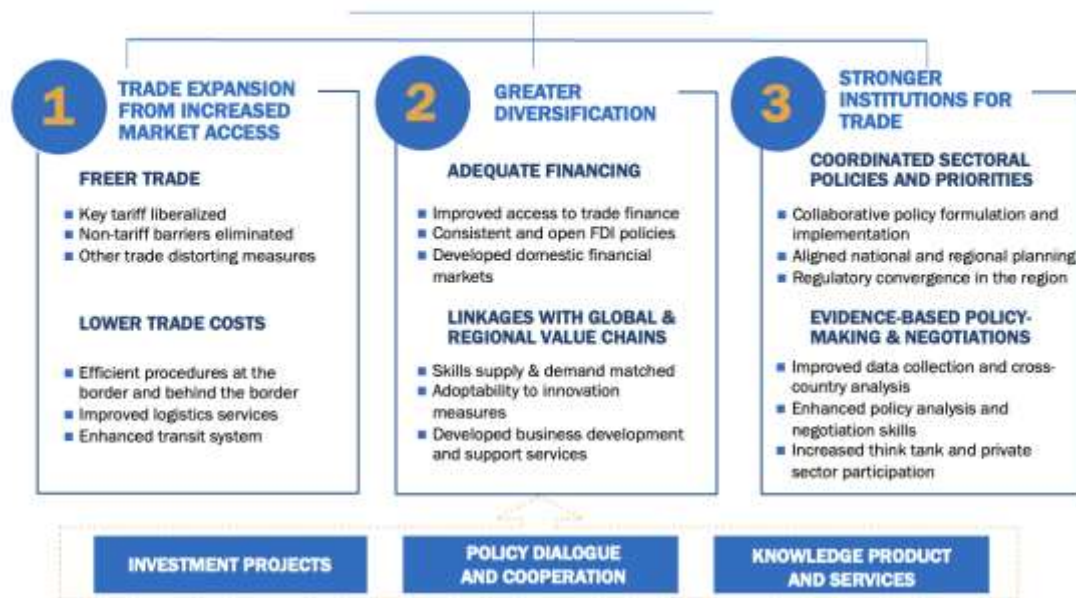
*"The volume of world merchandise trade should **increase** by 2.6% in 2024 and 3.3% in 2025 after falling 1.2% in 2023. However, regional conflicts, geopolitical tensions and economic policy uncertainty pose substantial downside risks to the forecast."* —WTO



# CAREC Integrated Trade Agenda (CITA) 2030

## and Rolling Strategic Action Plan (RSAP)

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



CAREC = Central Asia Regional Economic Cooperation, CFCA = CAREC Federation of Carrier and Forwarder Associations, NCTF = national committee on trade facilitation, SPS = sanitary and phytosanitary, WCO = World Customs Organization, WTO = World Trade Organization.



# 1

## Trade expansion from increased market access

- Remaining CAREC members (AZE, TKM, UZB) advance their **accession** process to the World Trade Organization (WTO)

- Implementation of commitments under the WTO **Trade Facilitation Agreement** is complete for 5 WTO members, high implementation rate for the two remaining members

- Series of **knowledge-sharing** and dialogues (e.g., Asia-Pacific Trade Facilitation Forum in Tashkent)



- CAREC countries enhance their **authorized economic operators (AEO)**' programs

- Scoping study to assess the operations and infrastructural facilities at the **border crossing point (BCP)** of Fotehobod, Tajikistan, and Oybek, Uzbekistan

- Supporting **cross-border paperless trade** (e.g., CAREC ePhyto Conference in Tashkent)



# Trade-Related Investment Projects

---

## Regional Improvement of Border Services (RIBS) and National Single Window (NSW)

- Kyrgyz Republic, Tajikistan and Pakistan border infrastructure upgraded
- Tajikistan and Pakistan launched NSW, protocol for Mongolia NSW approved
- Mongolia: Border Efficiency for Sustainable Trade Project
- Almaty-Bishkek Economic Corridor: RIBS Project (under preparation)

## Cross-border Economic Cooperation Zone

- Parallel investment for MON and PRC, including port of entry system facilitating movement of goods and people between two zones

## Regional Upgrade of SPS Measures for Trade

- Upgrade of quarantine and inspection facilities and merger of SPS and customs inspection function in Mongolia



# Trade and Transit Facilitation

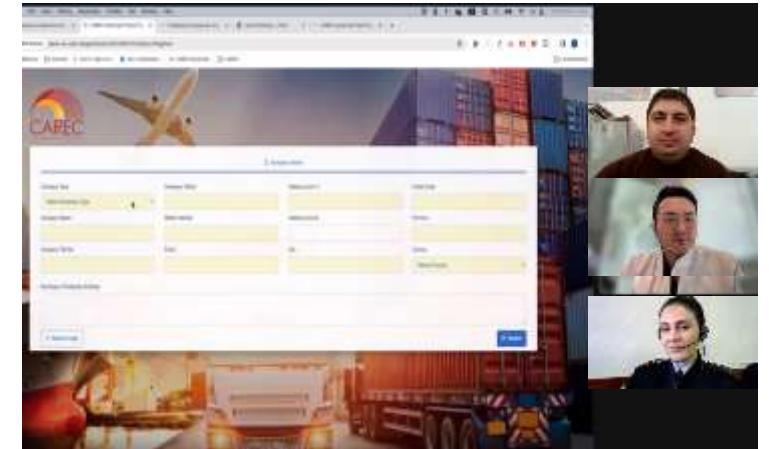
## Piloting CAREC Advanced Transit System and Information Common Exchange (CATS/ICE)



**Signing of Memorandum of Understanding** to implement pilot testing activities of the CATS/ICE held.



**Technical Working Group Meetings** organized to discuss testing phase scenarios.



**Online Training Sessions on CATS/ICE conducted** to provide hands-on experience on system's data exchange and message specification.

# Modernizing SPS Measures for Trade

---

- Supporting reforms to align with WTO agreement, integrate global standards, and increase market access
- Upgrading laboratories and inspection facilities and solutions
- Leveraging digital solutions by linking with international platform (Uzbekistan and Pakistan exchanging electronic certificates under the IPPC's **Global ePhyto Hub**)
- Enhancing risk management and coordination among SPS agencies and Customs





## 2

# Greater diversification

- Accelerating **digital trade and e-commerce** expansion (studies or capacity building for AZE, KGZ, MON and PAK)
- Sharing knowledge and providing opportunities for **business-SME linkages** (e.g., CAREC Innovation Week and Digital Economy Tour in Hangzhou, World Export Development Forum in Mongolia)
- Deepening knowledge on **electronic trade documents** (Pilot for Georgia and Mongolia on UN Model Law on Electronic Transferable Records).



- Developing **services trade** (including capacities for trade in services statistics, tourism services potential)
- SMEs access to **trade and supply chain finance** (e.g., ADB's Trade and Supply Chain Finance Program is working with 34 issuing banks in CAREC supporting \$1.7 billion trade activities in CAREC countries).
- Supporting **economic corridor development**



# Accelerating Digital Trade

---



## Enabling environment

- E-Commerce in CAREC Countries: Laws and Policies and Infrastructure Developments
- Pilot on Model Law on Electronic Transferable Records (PRC and Georgia)



## Infrastructure development

- Scoping or assessment and pilot projects (Georgia: use of AI in trade, Mongolia: blockchain for e-certificate of origin)



## Regional cooperation

- CAREC Digital Trade Forum
- CAREC Innovation Week and Study Tour Programs
- Supporting Cross-border Paperless Trade Facilitation Agreement and SMEs participation in global e-commerce platforms



# 2nd CAREC Digital Trade Forum

## Advancing Digital Solutions and Deepening Regional Cooperation for Trade

- Enabling investments in data and ICT infrastructure
- Mutual trust through harmonization and regional cooperation
- Knowledge cooperation platform



# 3 Stronger institutions for trade

- Capacity building on **negotiation skills** and **policy analysis** for trade officials

- Regional dialogues to promote **regulatory convergence** and enhanced **public-private sector engagement**

- CAREC **Trade Information Portal** provides the trade statistics at country level



- CAREC Corridor Performance Measurement and Monitoring (**CPMM**) offers trade facilitation indicators at country and corridor level.

- Improved coordination with other regional arrangements, **cross-learning** and strengthened **CAREC Institute**

- **CAREC Trade Insights and News** provides quarterly updates on CAREC trade activities.

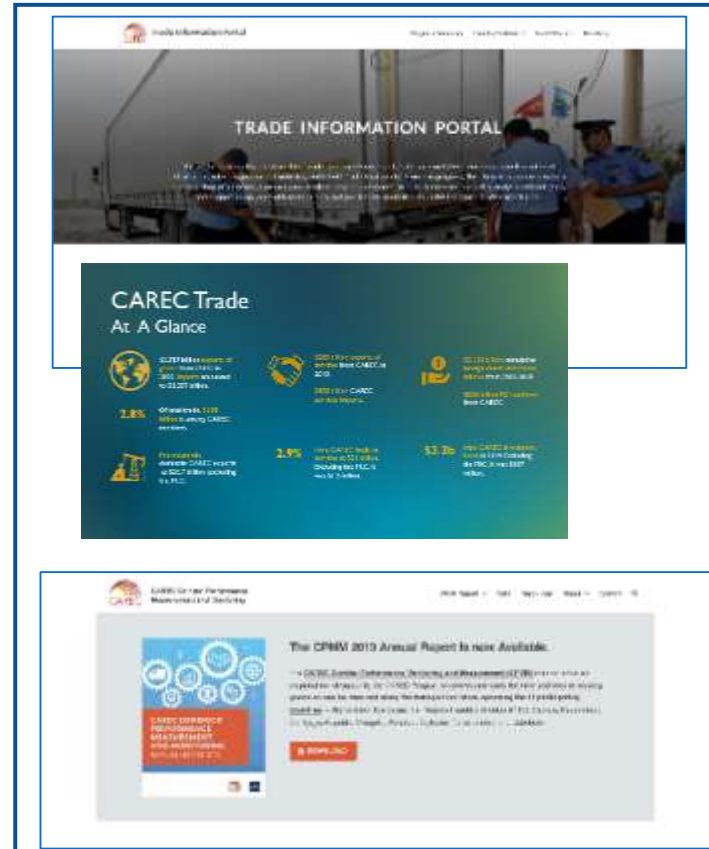


# Knowledge Products

## Key Trade Publications



## CAREC Trade Information Portal and CPMM database



## Knowledge-Sharing Modules on CAREC Trade





Issue no. 8 | October-December 2023

### INSIGHTS

22nd CAREC Ministerial Conference  
30 November 2023, Tbilisi, Georgia

*"We consider regional and bilateral cooperation as important building blocks of multilateral system. We highlight and commend the constructive role of CAREC in promoting sustainable development in the region."*

Xiangchen Zhang  
Deputy Director General, World Trade Organization



Watch here...

22nd CAREC Ministerial Conference  
30 November 2023, Tbilisi, Georgia

*"The WCO has supported CAREC countries to ensure business continuity at global and regional levels by enhancing connectivity at the borders. In June (2023), the WCO countries adopted the Green Action Plan."*

Kania Mikuriya  
(former) Director General,  
World Customs Organization



Watch here...

22nd CAREC Ministerial Conference  
30 November 2023, Tbilisi, Georgia

*"By improving transport and trade connectivity, transitioning to clean energy, and boosting social services like health and education, the CAREC region will be able to better withstand future shocks and move towards sustainable development."*

Yevgeniy Zhukov  
Director General, Central and West Asia Department, ADB



Watch here...

CAREC Innovation Week and Digital Economy Tour  
22-24 November 2023, Hangzhou, PRC

*"Through collaborative efforts, we can build a robust digital ecosystem in CAREC, and a well-functioning globally integrated e-commerce network in the region and beyond."*

M. Teresa Kho  
(former) Director General, East Asia Department, ADB



Read more...

2023 Silk Road E-Commerce Cooperation and Development Forum Opening Ceremony during the CAREC Innovation Week and Digital Economy Tour  
22-24 November 2023, Hangzhou, PRC

*"Let us work together towards reducing barriers to cross-border e-commerce, ensuring consumer protection, enhancing cybersecurity measures and facilitating digital payments and logistics."*

Aisha Humera Chaudhary  
Additional Secretary, Ministry of IT and Telecommunication, Pakistan



Read more...

Regional Workshop in the Implementation of the Authorized Economic Operator Program in Central Asia  
31 October - 2 November, Tashkent, Uzbekistan

*"The use of Authorized Economic Operators program will serve to further increase mutual trade, strengthen trust between businesses and the state, and will also reduce the time for customs clearance of goods and reduce its cost."*

Musamukhamedov Kamaliddinovich  
Deputy Chairman, State Customs Committee of Uzbekistan



Read more...

# Quarterly CAREC Trade Newsletter



- Insights from CAREC members and experts
- Upcoming activities
- Knowledge products and tools
- Partnership features
- Announcements and useful links



# CAREC Trade Activities Snapshot

June 2023 – April 2024

**2** annual CAREC meetings supported (RTG-CCC Joint Meeting, CCC Meeting)

**9** regional dialogues/webinars, **8** national trainings/ workshops

Over **500** participants from CAREC DMCs and stakeholders

Since 2019... under CAREC Trade TA (9712)

Over **20** regional and **12** national policy dialogues and capacity building

Over **2,300** participants benefited from capacity-building and knowledge exchange

# Upcoming Trade Activities 2024

- National Workshop on the Enhancement and Sustainability of the Authorized Economic Operator (AEO) Program in Central Asia: Training the Trainers (29-30 April, Mongolia)
- 5th Technical Working Group on CAREC Advanced Transit System (May – TBC, Turkmenistan)
- WTO-ADB-ITC Second Central Asia Trade Policy Forum: Economic Integration through WTO Accession and Membership (3-5 June, Almaty)
- CAREC Trade and Investment Facilitation Workshop (June, Istanbul)
- National Workshop on the Authorized Economic Operator (AEO) Program in Kazakhstan (June, Almaty)
- 23rd CAREC Customs Cooperation Committee Meeting (TBC)





# Next Steps

Consultations for **CAREC 2030 Strategy Midterm Review** (April – May 2024), which aims to enhance the effectiveness, efficiency, relevance, governance, and sustainability of the CAREC Program and align it with CAREC members' emerging priorities and challenges amid the rapidly evolving global and regional landscape

Consultations for **development of new trade TA** including inputs for priority areas of support to be included, which should be aligned with the RSAP and promote regional cooperation

Consultations for **Mainstreaming Climate Change Actions in CAREC Trade** as part of implementation of CAREC Climate Change Vision



# For RTG Guidance and Reporting to Senior Officials

---

1. Endorsement of the CAREC Trade Sector Report (2023-2024) for submission to Senior Officials in May 2024;
2. Inputs to the CITA Rolling Strategic Action Plan 2024-2026 and suggestions for new CAREC trade TA;
3. Outcomes of the 2nd CAREC Digital Trade Forum 2024 (17 April 2024, Astana);
4. Inputs from trade sector to the CAREC 2030 Strategy Midterm Review;
5. Proposals for operationalizing CAREC Climate Change Vision and priorities for mainstreaming climate action in CAREC trade work.



# Mainstreaming Climate Change Action in CAREC Trade Work



# Climate Change Impacts in the CAREC Region and Urgent Regional Actions Needed

## Impacts cross-cut all Sectors

- Energy
- Water
- Agriculture
- Industry
- Transport
- Cities
- Health systems
- Disasters preparedness
- Education
- Social security

## Increased Frequency and Pattern of Disasters



**73.3%**

of global emissions by energy (power, heat and transport)

## Need for Comprehensive Solution

- Just Energy Transition
- Water and Energy Nexus
- Smart Agriculture
- Climate-smart and Efficient Transport, Transit & Trade
- Disaster-Risk Management and Financing
- Resilient Cities
- Cross-cutting Issue and Policy Reforms
- Develop new practices

**Need to build strong knowledge, transfer of technology and capacity in CAREC DMCs to address climate change impacts with focus on cooperation**

## Trade-Related Measures for Climate Change Mitigation and Adaptation

- Trade is a major contributor to GHG emissions.
- Current trade policies favor carbon-intensive imports.
- Trade-related measures are found throughout the NDCs.
- Seven WTO members of CAREC have issued numerous environment-related measures

	PRC	GEO	KAZ	KGZ	MON	PAK	TAJ
Environment-related notifications	369	47	37	18	8	32	19
Environment-related measures	868	74	115	23	8	32	19
Environment-related Trade Policy Review entries	516	161	0	91	155	110	53

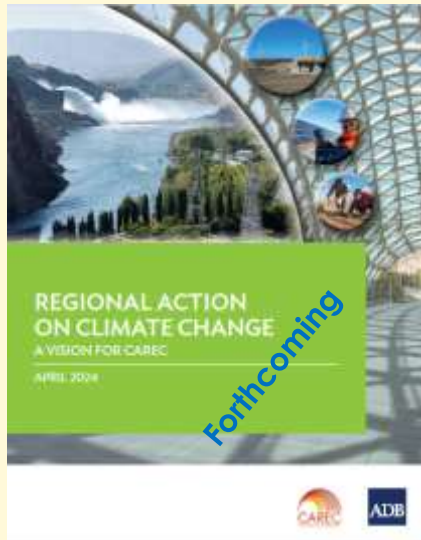
WTO Environmental Database, <https://edb.wto.org/>, accessed 14 March 2024



# CAREC Climate Change Vision

## Regional Action for Climate Change: A Vision for CAREC

*A Region of Sustainable Development, Shared Prosperity, and Climate-Resilience*



[Climate Change Vision](#)  
endorsed by the CAREC  
Ministers in November  
2023

[A Scoping Study](#)  
published in April 2023

### 3 Goals

Mitigate climate change  
Adapt to climate change  
Cooperate across borders

### 5 Principles

Align with national strategies  
Deepen regional cooperation  
Expand coordination with DPs  
Include private sector/civil society  
Build open regional platform

### 7 Priority Areas

(i) energy, (ii) water, (iii) agriculture, (iv) **transport, transit, and trade**, (v) climate-smart cities, (vi) climate-related disasters, and (vii) health, education and social protection

# CAREC Climate Change Vision: Focus on Trade

**CAREC will promote the greening of regional trade and explore how trade can be part of climate solutions.**

**CAREC shall explore opportunities in reducing the carbon footprint of regional transport services (road, rail, and air) while improving regional connectivity with climate-smart and efficient transport technologies, regulations, and border-crossing policies and infrastructure.**

## Specific Areas

- Responses to decarbonization measures (e.g., EU's Carbon Border Adjustment Mechanism)
- Cooperation and regional approaches under CITA 2030, potentially on: (i) trade of environmental goods; (ii) multilateral climate agreements; (iii) digitizing trade processes and cross-border paperless trade; (iv) investing in smart and resilient border infrastructure facilities; and (v) accelerating economic diversification

# Mainstreaming and Implementing Climate Change Actions

## A holistic approach towards CAREC Climate Change Vision

- CAREC Climate Change Steering Committee, and Cross-sectoral Working Group on Climate Change
- Strengthening cross-sectoral linkages (e.g., CAREC Integrated Trade Agenda, CAREC Transport Strategy, Agriculture and Food Security Framework, CAREC Digital Strategy)

## Identifying and developing regional climate-related projects

- CAREC Climate Change Action Plan
- Proposed CAREC Climate and Sustainability Project Preparatory Fund (CSPPF)





# TRADE FORUM 2024

LEVERAGING TRADE TO ADDRESS CLIMATE CHANGE IN ASIA AND THE PACIFIC

20-22 March 2024

