Central Asia Regional Economic Cooperation: Trade Facilitation and Digital Connectivity

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8 June 2023, Almaty
CAREC Integrated Trade Agenda (CITA) 2030
and Rolling Strategic Action Plan (RSAP)

CAREC COUNTRIES ARE MORE INTEGRATED IN THE GLOBAL ECONOMY

1. TRADE EXPANSION FROM INCREASED MARKET ACCESS
   - Freer trade
   - Lower trade costs

2. GREATER DIVERSIFICATION
   - Enhanced policy & regulatory environment & adequate financing
   - Linkages with global & regional value chains

3. STRONGER INSTITUTIONS FOR TRADE
   - Coordinated sectoral policies and priorities
   - Evidence-based policy-making & negotiations

INVESTMENT PROJECTS
POLICY DIALOGUE AND COOPERATION
KNOWLEDGE PRODUCT & SERVICES

CAREC Ministerial Conference
Senior Officials’ Meeting / National Focal Points’ Meeting

Regional Trade Group
- Overarching trade issues
- Appointed representative of the country + NCTF

Enhanced Coordination
- Customs Cooperation Committee
  - Customs-related issues
  - Heads of customs organizations

Specific trade areas
SPS working group
Other experts groups

CAREC = Central Asia Regional Economic Cooperation, CFCPA = 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.
### Activities under CITA RSAP 2023–2025

<table>
<thead>
<tr>
<th>PROJECT / ACTIVITY</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional improvement of border services (RIBS) projects</td>
<td>• Completed for KGZ and TAJ; Ongoing for MON and PAK&lt;br&gt;• TAJ and PAK launched their NSW&lt;br&gt;• New investment project for MON&lt;br&gt;• Regional RIBS model and study visit&lt;br&gt;• Scoping study for integrated border management and/or joint customs control for TAJ-UZB or KAZ-UZB</td>
</tr>
<tr>
<td>→ development of physical infrastructure + national single window (NSW) + institutional capacity</td>
<td></td>
</tr>
</tbody>
</table>

**Knowledge-sharing modules on CAREC Trade:**
Regional Improvement of Border Services
[https://www.carecprogram.org/?event=knowledge-sharing-modules-on-carec-trade-regional-improvement-of-border-services](https://www.carecprogram.org/?event=knowledge-sharing-modules-on-carec-trade-regional-improvement-of-border-services)

**CAREC Institute E-learning Platform:**
[https://elearning.carecinstitute.org/regional-improvement-of-border-services.html](https://elearning.carecinstitute.org/regional-improvement-of-border-services.html)

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**Improved Guliston BCP in Tajikistan**
## Activities under CITA RSAP 2023–2025

<table>
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<th>PROJECT / ACTIVITY</th>
<th>STATUS / PLAN</th>
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<tbody>
<tr>
<td>CAREC Advanced Transit System (CATS) with information common exchange (ICE)</td>
<td>• Memorandum of Understanding for signing of AZE, GEO, TKM and UZB (June 2023), followed by action plan and development of technical manuals for CATS prototype</td>
</tr>
<tr>
<td>Membership and implementation of transit schemes</td>
<td>• Consultations on improving Quadrilateral Traffic in Transit Agreement implementation (for PRC, KGZ, PAK, and TJK)</td>
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<td></td>
<td>• Subregional assessment study on trade and cross-border transport facilitation for AZE, KAZ, and UZB (Q3 2023)</td>
</tr>
<tr>
<td>Joint Customs Control (JCC) pilot project</td>
<td>• Joint e-manifest data exchange system introduced between PRC and MON</td>
</tr>
<tr>
<td></td>
<td>• Replication to other BCPs including scoping study for potential investment project (AZE and GEO)</td>
</tr>
<tr>
<td>Authorized economic operators (AEO)</td>
<td>• Ongoing AEO regional mapping followed by in-country and regional workshops on risk management focused on AEO Program planned in Q1 2024</td>
</tr>
</tbody>
</table>
# CAREC Corridor Performance Measurement and Monitoring

## Trade Facilitation Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFI 1</td>
<td>Time taken to clear a border crossing point (BCP)</td>
<td>hours</td>
</tr>
<tr>
<td>TFI 2</td>
<td>Costs incurred at a BCP</td>
<td>$</td>
</tr>
<tr>
<td>TFI 3</td>
<td>Costs incurred while traveling along a corridor section</td>
<td>$</td>
</tr>
<tr>
<td>TFI 4</td>
<td>Speed of travel along a corridor section (Speed with delay)</td>
<td>km/h</td>
</tr>
<tr>
<td>SWOD</td>
<td>Speed without delay</td>
<td>km/h</td>
</tr>
</tbody>
</table>
CAREC Digital Trade Initiatives

• CAREC Digital Trade Forum
• CAREC Digital Strategy 2030 – developing start-up mechanisms
• Assistance to CAREC countries in acceding to and implementing international agreements and leveraging digital technologies for trade
  - UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (regional dialogue and knowledge products)
  - UN Convention on the Use of Electronic Communications in International Contracts (AZE, PRC, MON)
  - adopting the Model Law on Electronic Transferable Records (PRC, GEO)
  - artificial intelligence for import procedures (GEO), blockchain and distributed ledger technology for electronic certificates of origin (MON)
  - legal framework for e-commerce (AZE)
  - SMEs’ participation in cross-border e-commerce (KGZ, MON, PAK)
  - electronic phytosanitary certificates (ePhyto) (UZB, PRC, others)
Dimensions for E-Commerce Development and ADB – CAREC Institute assessments


http://dx.doi.org/10.22617/TCS210304-2

http://dx.doi.org/10.22617/TCS220098-2
Key Messages

Enabling environment
Align with international conventions and international best practices to increase consumer confidence and support e-commerce ecosystem and private sector growth.

Infrastructure development
Establish backbone networks, internet exchange points, and data centers. Expand payment systems capacity, logistics services, and cross-border connectivity.

Regional cooperation
Collective effort to harmonize, build mutual trust and share good practices. Facilitate trade and improve rules on cross-border e-commerce transactions.
# E-Commerce in CAREC Countries: Laws and Policies

## Remove Barriers
- Electronic transactions
- UN Convention on the use of Electronic Communications in International Contracts (ECC)
- UNCITRAL model laws on electronic commerce and electronic signatures
- International certifications/foreign signatures
- Recognition or equivalence in accordance with bilateral agreement or principle of reciprocity

## Regulate
- Privacy
  - OECD Guidelines on protection of privacy and cross-border flows of personal data
  - Council of Europe Convention on the Protection of Individuals
- Cybercrime
  - Council of Europe Convention on Cybercrime (Budapest Convention of 2001)
- Consumer Protection
  - UN Guidelines for Consumer Protection
  - OECD Consumer Protection in E-Commerce

## Facilitate trade
- Trade facilitation agreements
- UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific
- UN Convention on the International Sale of Goods
- WTO Trade Facilitation Agreement
- WCO Revised Kyoto Customs Convention
<table>
<thead>
<tr>
<th>Internet Infrastructure</th>
<th>Payment Systems</th>
<th>Delivery and Logistics Infrastructure</th>
<th>E-Commerce Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer adoption</td>
<td>CAREC payment landscape</td>
<td>Fulfillment</td>
<td>Market size</td>
</tr>
<tr>
<td></td>
<td>Bank cards</td>
<td>Delivery</td>
<td></td>
</tr>
<tr>
<td>Business use of Internet</td>
<td>Mobile payments</td>
<td>Hubs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internet banking</td>
<td>Warehousing</td>
<td></td>
</tr>
</tbody>
</table>
< | Non-cash payment usage and volume | Supporting merchants |
< | Cashless payment environment |
| Data infrastructure     | Data centers     | Cross-border trade facilitation        | Country profiles |
|                         | Cloud services   | Paperless trading                      |                  |
< | International internet bandwidth | Electronic single windows |
< | Internet exchange points | De minimis |
E-Commerce in CAREC Countries: Conclusions and Next Steps

• Regulatory framework
• Adopt holistic approach
• Participate at international and regional platforms (CAREC, UNNEXT)
• Address core infrastructure gaps that undermines potential for e-commerce growth
• Strengthen payments environment
• Support start-up ecosystems
• Overcome lack of trust