Advancing Digitalization and the Way Forward – Institutional Initiatives and Support

Ghulam Samad, PhD
Central Asia Regional Economic Cooperation (CAREC) Institute, PRC
CAREC Institute Role in advancing digitalization initiatives
CAREC Trade Facilitation Activities

• Fintech for CAREC Development Cooperation, ADB-CAREC Institute
• Unlocking Interoperability: Overcoming Regulatory Frictions in Cross Border Payment, WEF-CAREC Institute
• electronic Sanitary and Phytosanitary (eSPS) certification in the CAREC region, ADB-CAREC Institute
• Digital Gap Analysis for the CAREC region, IsDB-CAREC Institute
• CAREC Corridors + Middle Corridors + Connectivity + Transportation, CAREC Institute
• Digital and Sustainable Trade Facilitation Survey + Report, ESCAP-CAREC Institute
• Containerization: Trends, Development and Recommendations......in process

Afghanistan, Azerbaijan, PRC, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan
Findings from the Trade Facilitation Digitalization Initiatives

- Information gap + risk of information leakages
- Transportation cost
- Trade/Digitalization financing
- Advancement of technologies

- Information verification between A and B, trust issues with third parties, complexity and length of the transactions, transparency...information gap.
- Transportation cost....high cost of transportation not so feasible for the CAREC region.
- Trade Finance: which is a big use case. The cost of borrowing is very high in the CAREC region. The average cost of borrowing is from 14%-25%.
- Drones, AI, Big Data, Internet of Think (IoT) to trace data, eTIR, DLT, metallic strips to put on truck to move across the border...helps the monitoring of the shipment status, location where it is, even the temperature in the cold chain can be tracked.
Solutions: Developmental Partner, four main lines

• **Policy Level**
  • A comprehensive national strategy for the formulation and implementation of legislative reforms must be developed, including capacity building measures for technical staff.

• **Technical Assistant**
  • Possibility of lets say ADB, CI, ESCAP bring in well renowned service providers......associations to CAREC region to facilitate dialogues, seminars, discussion and even facilitate technology transfers.

• **Financial Assistant**
  • No digital and tech fund in the CAREC region....may be multilateral funds between the different donors organizations......US $ 500 million must be pre-determined list of criteria........list of the administered agencies.
  • Ministry of commerce, chamber of commence, high level trade bodies......Different entities (freight forward association, transport industries, export agencies, cold chain service, truck industry) can apply to utilize this fund.

• **Research based policy input**
  • Thick and unharmonized regulations....CAREC Institute, ADB, ESCAP, among others...should continue doing research to highlight issues, implementation weaknesses and cost of thick regulations prevailing to digitalization initiatives to keep highlighting the sensitivity.
Thanks for your patience