Initiatives in Trade Facilitation and Digitalization in Trade in the Central Asia Regional Economic Cooperation (CAREC) Program

The Central Asia Regional Economic Cooperation (CAREC) Program is a partnership of 11 countries – Afghanistan, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan – and development organizations working together to accelerate economic growth and poverty reduction in the region through cooperation. https://www.carecprogram.org/

Asian Development Bank’s CAREC 2030 provides the strategic framework leading to 2030 that is anchored on the mission of connecting people, policies, and projects for shared and sustainable development. It prioritizes 5 operational clusters: economic and financial stability; trade, tourism and economic corridors; infrastructure and connectivity; agriculture and water; and human development.

The trade strategy is embodied in the CAREC Integrated Trade Agenda (CITA) 2030 and its accompanying 3-year Rolling Strategic Action Plan that seeks to enable CAREC members integrate better into the global economy. This is being done through trade expansion from increased market access, greater economic diversification, and stronger institutions for trade.

CITA 2030 prioritizes the use of information and communication technology (ICT) and digital transformation in order to lower transactions costs and expand trade, foster links with global and regional supply chains, and diversify CAREC economies. Currently, work is being done in the following areas: (1) e-customs, paperless trade, (2) cross-border e-commerce, (3) single window, (4) e-certification, (5) customs transit, (6) adoption of international standards such as UNCITRAL model laws, (7) implementation of the WTO Agreement on Trade Facilitation and the UN Framework Agreement on Facilitation of Cross-Border Paperless Trade (FAFCBPT). Activities take the form of policy dialogue, investment projects, and the provision of knowledge products and services.

Policy dialogue: Annual meetings of the CAREC trade bodies, i.e. Regional Trade Group, Customs Cooperation Committee, and Sanitary and Phytosanitary (SPS) Measures Regional Working Group. Azerbaijan, PRC and Turkmenistan are parties to the UN FAFCBPT, while other countries are at various stages of accession. Azerbaijan, Mongolia, and PRC are parties to the UN Convention on the Use of Electronic Communications in International Contracts.

CAREC Trade Week: Enhancing Cooperation in Digital Trade was a key event in Sept 2021. Preparations are underway for a Digital Trade Forum in October that will launch a public-private knowledge partnership. Seminars and workshops are listed below.

Investment projects: Regional Improvement in Border Services projects in Kyrgyz Republic, Mongolia, Pakistan and Tajikistan to upgrade facilities at key BCPs and modernizing customs systems. establish single windows. Tajikistan launched its national single window in 2020, and
Pakistan in 2021. Uzbekistan and PRC are now exchanging electronic phytosanitary certificates via the International Plant Protection Convention’s ePhyto solution.

**Knowledge products:** Policy brief on Expanding Agri-Trade in Central Asia through the Use of Electronic Certificates (July 2021); E-Commerce in CAREC Countries: Laws and Policies (August 2021); E-Commerce in CAREC Countries: Infrastructure Development (March 2022); Assessing Customs’ Readiness for Cross-Border E-Commerce (August 2022); e-Learning modules on ePhyto and RIBS. Webinars on international standards listed below.

**Knowledge services:** Scoping study to enhance Azerbaijan’s Customs single window and its integration with other agencies’ systems and develop a roadmap for system upgrade and digitalization of customs in CAREC. The ADB Sandbox Program support is being provided to Mongolia for e-certification through blockchain. A Trade Digitalization Initiative is underway to support Georgia and PRC in adopting the Model Law on Electronic Transferable Records. Korea Customs Service and ADB are discussing joint effort to support digital transformation of CAREC customs and develop business-to-customs platforms. ADB developed the CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) for countries to pilot.

**EVENTS**

- ADB-AEDI-CI Workshop on Environmental Readiness for E-Commerce: Economic, Legal and Institutional Factors (6-7 Dec 2018)
- Virtual Policy Workshop on Regulatory Frameworks for E-commerce Development in CAREC (28 May 2020)
- CAREC Webinar on E-Commerce and Paperless Trade (3 Sept 2020)
- ADB-CI Knowledge Sharing Module on CAREC Trade: Facilitating Safe Trade through Digital SPS Certification (24 Feb 2021)
- CAREC High-Level Session during the ADB Annual General Meeting: CAREC at 20: Reimagining Regional Cooperation through Digital Transformation (4 May 2021)
- CI-CCDA (China City Development Alliance) Public Webinar on Optimizing Trade and Electronic Commerce to Bridge the Needs in CAREC Region (25 June 2021)
- ADB-IRU Virtual Regional Workshop on TIR Digitalization for Improved Trade in STKEC Region (7 Sept 2021)
- CAREC Trade Week: Enhancing Cooperation in Digital Trade (21-23 Sept 2021)
  - E-Commerce Development in CAREC Countries: Assessment and Way Forward
  - E-Commerce Development and the Role of the Private Sector: PRC Experience
  - CAREC Conference on Digital Trade and Innovations
- RCI POD Webinar #29 Liberalizing Services and Promoting Digital Services: Prospects for Enhancing Trade in CAREC Countries, 15 March 2022
- ADB-PRC RKSI-CI-CATIS Knowledge Sharing Series: Chinese Best Practice in Cross-Border E-Commerce (every Sat from 5 Mar to 2 Jul 2022)
- ADB-USAID FGI Webinar Series: Toward a Central Asian E-Commerce Market (12, 19, 31 May 2022)
- ADB-UNECE Virtual Regional Workshop on Digitalization of Trade Documents in STKEC Region (25 May 2022)