2nd High-Level Seminar on Trade in Central Asia, 11th meeting of the SPECA WG on Trade
Implementing Trade Facilitation and the Sustainable Development Goals in Central Asia
Geneva, WTO headquarters, room E, 10 July 2017

Trade facilitation and balancing trade and sustainable development in the SPECA region

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Implementing the decisions of Ashgabat meeting, May 2016

- **SPECA - platform to support SDGs related to trade:**
  - **SDG 17.10: promote the multilateral, rules-based trading system: Kazakhstan and Afghanistan joined WTO; information shared at Trade Policy Forum in Ashgabat, May 2016; WTO TF Agreement readiness assessments in Kazakhstan, and now in Azerbaijan**
  - **SDG 17.11: increase the share of SPECA countries in global exports – support for trade facilitation.**
- **assist countries in mobilizing support for national and regional implementation of SDGs: "SPECA SDG framework drafted". Cooperate with UNDP, UN Environment, World Bank, GIZ, etc.**
- **Continue regional policy discussions on trade; draft studies**
- **Draft a regional trade facilitation strategy;**
- **Mainstream gender issues in trade.**
- **Work closely with UNCTs and other development partners, to help SPECA countries achieve the SDGs.**

For further work on the decisions of the last 2 years

- Support further work on regional supply chains; as well as trade and sustainable development;
- Finalize a 2-3 page document on how trade facilitation can help implement the SDGs;
- Improve awareness on trade and sustainable development; exchange best practices; joint projects with partners to achieve the economic and environmental SDGs;
- Help establish mechanisms of regional cooperation (e.g. of trade negotiators and policy makers on SDGs);
- Help countries develop a model for rolling out the SDGs related to trade using UNCT experience in Turkmenistan, the World Bank and other development partners in the region.

WTO TFA readiness assessment in Kazakhstan

- KZ finalized WTO accession talks 27 July 2015. TFA - part of its accession package.
- Oct. 2015 – Jan.2016 UNECE, UNCTAD & GIZ supported TFA readiness assessment in KZ.
- KZ Government used it to notify category A measures (1 Mar.2016) and plan B & C categorization.
- Development partners to use the findings of the report for their planned assistance to Kazakhstan: WB, this week – OSCE seminar in Astana
- UNECE training on NTFC for KZ in November 2016

Article 1.1 – Publication	**B**	**2 years**
Article 1.2 – Information thru Internet	B	2 years
Article 1.3 – Enquiry Points	C	2 years
Article 1.4 – Notification	B	2 years
Article 2.1 – Opportunity to comment and info before entry into force	A	
Article 2.2 – Consultation	B	1 year
Article 3 – Advance rulings	B	2 years
Article 4 – Appeal or review procedures	A	
Article 5.1 – Notifications for enhanced controls or inspections	A	
Article 5.2 – Detention	A	
Article 5.3 – Test procedures	A	
Article 6.1 – General disciplines on fees and charges	A exc. 6.1.4	
Article 6.2 – Specific disciplines on fees and charges	A	
Article 6.3 – Penalty disciplines	A	

Notification category A

Kyrgyz Republic	Tajikistan	Kazakhstan
Art.4 All provisions (Procedures for Appeal or Review) Art.5.2 (Detention) Art.9 (Movement of Goods Intended for Import under Customs Control) Art.10.5 (Pre-shipment Inspection) Art.11 Paragraphs 1 to 4 (Transit Charges, Regulations, Formalities and Non-Discrimination)	Art.1.1 Publication Art.1.2 Information Available Through Internet Art.4 All provisions Art.5.2 Detention Art.5.3 Test Procedures Art.6 All provisions Art.7.1 Pre-arrival Processing Article 7.3 Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges Art.7.4 Risk Management Art.7.5 Post-clearance Audit Art.7.6 Establishment and Publication of Average Release Times Art.7.8 Expedited Shipments Art. 7.9 Perishable Goods Art.8, Item 1 Art.9 All provisions Art.10.1 Formalities and Documentation Requirements Art. 10.2 Acceptance of Copies Art.10.3 Use of International Standards Art.10.5 Pre-shipment Inspection Art.10.6 Use of Customs Brokers Art.10.7 Common Border Procedures and Uniform Documentation Requirements Art.10.8 Rejected Goods Art.10.9 Temporary Admission of Goods/Inward and Outward Processing Art.11 All provisions	Art.2.1 Opportunity to Comment and Information before Entry into Force Art.4 Procedures for Appeal or Review Art.5 Other Measures to Enhance Impartiality, Non-Discrimination and Transparency Art.6.1 General Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation (except for Art. 6.1.4) Art.6.2 Specific Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation Art.6.3 Penalty Disciplines Art.7.1 Pre-arrival processing Art.7.3 Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges Art.7.4 Risk Management (except for Art. 7.4.4) Art.7.5 Post-clearance Audit Art.7.9 Perishable Goods (except for Art. 7.9.3 and Art. 7.9.4) Art.8 Border Agency Cooperation Art.9 Movement of Goods Intended for Import under Customs Control Art.10.1 Formalities and Documentation Requirements Art.10.2 Acceptance of Copies Art.10.5 Pre-Shipment Inspection Art.10.6 Use of Customs Brokers Art.10.7 Common Border Procedures and Uniform Documentation Requirements Art.10.8 Rejected Goods Art.10.9 Temporary Admission of Goods and Inward and Outward Processing Art.11 Freedom of Transit (except for Art. 11.5, Art. 11.13 and Art. 11.17)

AZ WTO TFA readiness assessment

- **Report argues AZ completely meets 29 out of 37 trade facilitation measures in the WTO TFA (compliance ratio 78%).**
- **7 measures (19 % of total) partly implemented, of which:**
  - **5 measures category B**
  - **2 measures category C**
- **1 measure not applicable until AZ joins WTO** (notification on publications and enquiry point, but also Single Window)

Intra-regional trade in SPECA (2014 & 2016)

2014	Afghanistan		Azerbaijan		Kazakhstan		Kyrgyzstan		Tajikistan		Turkmenistan		Uzbekistan	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Afghanistan				314,840		333,522	3,036			31,683	63,345			
Azerbaijan		299,660				220,051	29,795	5,087	46,939	205	15,184	127,627	53,815	43,547
Kazakhstan	2,056	346,082	35,497	221,056				405,104		82,569	435,602	214,175	413,692	1,766,192
Kyrgyzstan			34,614	1,703	703,986	336,254				5,394	32,467	11,784	7,358	
Tajikistan	51,542	32,770	2,996	188	518,920	119,983	47,662						2,129	
Turkmenistan			44,219	13,198	353,799	113,952								
Uzbekistan			44,100	23,612	1,083,947	957,670			7,854	156,919				
World	570,534	7,697,178	28,259,629	9,178,588	79,458,749	41,295,456	1,877,968	5,690,473	959,243	4,297,400	17,500,000	10,000,000	11,500,000	13,000,000
Total SPECA	53,599	678,512	476,266	259,757	3,214,226	1,560,691	457,854	46,939	127,705	703,517	353,586	476,994	1,809,738	1,080,005
Total with SPECA in %	**9.39**	**8.82**	**1.69**	**2.83**	**4.05**	**3.78**	**24.38**	**0.82**	**13.31**	**16.37**	**2.02**	**4.77**	**15.74**	**8.31**

2016	Afghanistan		Azerbaijan		Kazakhstan		Kyrgyzstan		Tajikistan		Turkmenistan		Uzbekistan	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Afghanistan				203,726		486,886	4,924	6,940	87	80,725	30,552			
Azerbaijan		116,947				106,471	23,857	1,173	6,557		30,715	214,789	44,723	
Kazakhstan	2,737	547,887	17,629	84,455				205,688	635,548	99,911	319,763	266,999	127,213	1,213,561
Kyrgyzstan	44	6,226	6,413	1,460	376,134	169,053				5,843	23,330	6,152	8,294	152,724
Tajikistan	18,051	78,780			371,888	143,579	30,434	6,427					1,687	
Turkmenistan					69,104	202,202	6,375	4,361						
Uzbekistan		460,757	9,992	5,554	922,532	554,372	210,401	69,767	7,077	114,497				
World	520,000	9,150,000	10,900,000	8,670,511	36,775,323	25,174,779	1,423,028	3,844,473	883,371	3,100,000	11,000,000	7,000,000	10,000,000	11,500,000
Total SPECA	20,832	1,210,598	237,759	91,469	2,333,016	1,097,988	461,012	722,747	193,556	518,857	487,940	181,917	1,366,286	2,385,815
Total with SPECA in %	**4.01**	**13.23**	**2.18**	**1.05**	**6.34**	**4.36**	**32.40**	**18.80**	**21.91**	**16.74**	**4.44**	**2.60**	**13.66**	**20.75**

Source: UnctadStat and UNCOMTRADE databases

SDG 17.11: share of SPECA countries in world exports

Trading partners of SPECA
(% share of total exports and imports)

source: UnctadStat Database

Proposed Regional Trade Facilitation Strategy

1. **Vision** – *facilitate trade to support a regional market*
2. **Baseline situation** – *what is the situation with TF now*
3. **Goals** – *a list of goals for the region*
4. **Activities to achieve the goals**
5. **Schedule of implementation and measuring progress**
6. **Governance structure** – *discuss and monitor at the WG*

Carry out consultations among the SPECA countries on the feasibility of

Trade and Sustainable Development

Trade as an engine for inclusive sustainable development and poverty reduction

On the basis of green trade

- Increase in employment
- Elimination of poverty
- Better water management
- Energy efficiency
- Sustainable transport
- Innovation

Trade and Environmental Sustainability

- Long-term investment in productive capacities
- Adoption of appropriate regulation
- Creation of green jobs
- Reduction in inequality
- Environmentally sound trading practices
- Elimination of trade subsidies disruptive for the environment
- Food Security
- International and regional trade governance frameworks
- National sustainability standards
- New forms of PPP to support green trade
- Women's empowerment
- Financing mechanisms for green trade

Areas for further work in SPECA setting

Trade facilitation can help to

- Increase efficiency and reduce costs, waste and negative environmental impact;
- Streamline border-control and documentary procedures, avoiding wasted paper, gasoline and inputs used for production of goods;
- Facilitate and increase trade in environmental goods, services and technology

Support environmentally sound production and trading patterns

Diversification of the economies

Ensuring finance for green trade

Conclusion

- **Subregional cooperation to adopt rules and practices promoting both trade and sustainable development - achieve a more efficient shift to sustainable trade policies and practices.**
- **Recommendations in the SPECA framework with a focus on:**

1. Possible input to policy decisions in SPECA countries' efforts to achieve the SDGs.

2. Identification of next steps, in terms of work programmes, cooperation plans, exchange of best practices, standards and tools for sustainable trade, water management and food security, in order to achieve the SDGs in the SPECA subregion.

3. Definition of areas, in which subregional projects would be likely to attract funding for these next steps.

- **Explore possibilities to carry out studies on cases for balancing trade and sustainable development and on the possible effects of increasing regional trade.**

Thank you!

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