Regional cooperation on trade facilitation and sustainable trade: SPECA Trade Facilitation Strategy

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Building Capacity for Trade Facilitation in the region

Training on 5 items of trade facilitation

• National TF Committees (TFA art. 23.2 & UN/CEFACT Rec.4)
• Streamlining formalities and documentary procedures (TFA art. 10.1 & UN/CEFACT Recs and standards)
• Use of international trade facilitation standards (TFA art. 10.3 & UN/CEFACT Recs and standards)
• Implementation of Single Window for export, import and transit clearance, and interoperability of SW systems (TFA art. 10.4 & UN/CEFACT Recs 33-37)
• Implementing National Trade and Transport Monitoring Mechanisms (UN/CEFACT Rec. 42)
Concept of the TF strategy

Short comprehensive document, which defines:

- a vision (led by SDGs), e.g. to improve efficiency on key TF indicators; lower trade costs, time of exports and imports, e.g. by 50% till 2030;
- the current and desired situations;
- goals and indicators of achievement;
- activities & monitoring mechanism;
- the resources necessary to implement TF;
Regional TF strategy

Structure of the Strategy Document

1. Vision statement
2. Baseline situation
3. Goals (and Goal performance indicators)
4. Activities (and Activities compliance indicators)
5. Measuring progress
6. Implementation and Governance structure
7. Resources
8. Risks and assumptions

Structure of the logical framework

Roadmap simplified approach

The Strategy:
What do we want to do and how we will do it?

Implementation of the RoadMap:
Who will do what? When? And how much will it cost?

Conditions:
What are the risks and assumptions that need to be considered?
Drafting of the SPECA TF strategy

- **Initiation Phase**, draft the concept; nominate Lead Editor or Drafting Team (involve the key stakeholder agencies in a country).

- **Drafting Phase** of the document itself: 1) engage countries and stakeholders, 2) discuss with them existing issues and possible activities plan, and 3) define the performance indicators. Outcome – a consolidated draft strategy document. Gradually involve all key stakeholder agencies in all the countries. Good communication is a must. Support for some countries. Should not be an activity imposed from abroad.
  - Multi-stakeholder process – needs identification of issues and activities; resolving arguments (good moderator is needed) – encouraging dialogue, helping conciliate positions, summarizing and pointing to a solution. Workshops and brainstorming sessions necessary.
  - Review: the Drafting Team needs to assess whether the proposed activities of the Roadmap stand a chance to be supported by the key stakeholders.

- **Validation Phase**, the document is presented to the Member States. This phase may include a high-level regional meeting to endorse the strategy and start the implementation of the Activities.

**Principles:**

- **KISS**: Keep It Short and Simple!
- **SMART**: specific, measurable, attainable, relevant, and time-bound
Goals

SPECA countries adopting the Regional TF Strategy should aim to:

1. Implement TF measures and promote TF reforms;
2. Ensure freedom of transit;
3. Streamline formalities and documentation requirements;
4. Improve the performance on a list of TF performance indicators, and help countries develop mechanisms to monitor and measure progress;
5. Include TF into other national and regional development plans;
6. Enhance regional cooperation in TF and paperless trade to reduce trade costs and enhance regulatory compliance;
7. Enhance the use of international TF instruments and standards.

2018 request from 2 countries TJ and KZ:
Develop more on the current situation with paperless trade
Separate the strategy (short) from the list of actions to implement it.
<table>
<thead>
<tr>
<th>Economy / group of countries</th>
<th>Rank</th>
<th>Export</th>
<th></th>
<th></th>
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<th>Import</th>
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<td></td>
<td></td>
<td>Border procedures</td>
<td>Document procedures</td>
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<td>Border procedures</td>
<td>Document procedures</td>
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<td></td>
<td>Time for export (hours)</td>
<td>Cost of exports (USD)</td>
<td>Time for export (hours)</td>
<td>Cost of exports (USD)</td>
<td>Time for import (hours)</td>
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</table>
Results of 2019 UN Global Survey on Digital and Sustainable Trade Facilitation in SPECA countries

Digital and Sustainable Trade Facilitation in SPECA (2019)
Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2019

- Afghanistan: 22.58%
- Azerbaijan: 81.72%
- Kazakhstan: 66.67%
- Kyrgyz Republic: 37.63%
- Tajikistan: 52.69%
- Uzbekistan: 62.37%
SPECA countries score development 2015-2019

UN Global Survey on Digital and Sustainable Trade Facilitation
SPECA Regional average score development 2015-2019

Average scores 2015-2019
UN Global Survey on Digital and Sustainable Trade Facilitation

- **SPECA**: 33.33% (2015), 41.40% (2017), 53.94% (2019)
- **Asia-Pasific**: 44.21% (2015), 49.02% (2017), 59.68% (2019)
- **EU, Norway and Switzerland**: 68.68% (2015), 75.54% (2017), 77.87% (2019)
- **ASEAN**: 58.17% (2015), 63.44% (2017), 74.84% (2019)
Draft Roadmap of Implementation of the SPECA Trade Facilitation Strategy

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Regional Trade Facilitation Strategy: Roadmap of implementation (Action Plan)

- Identify priority TF measures, and develop regional cooperation
- Strengthen the sustainable functioning of the National Trade Facilitation Bodies. Organize regional & bilateral meetings
- Strengthen cross-border cooperation on Public-Private consultations
- Cooperate on the implementation of international TF standards.
- Develop more detailed national trade facilitation road maps, reflecting the goals of this regional cooperation strategy.
- Exchange best-practice experiences in: electronic payments; appeal systems; periodic review of the use of international standards, exchange of information among Single Window systems, etc.
- Harmonize risk management systems in the region
- Cooperate among the countries on reviewing formalities, documentary requirements and procedures to simplify them; encouraging the harmonization of procedures among the countries.
- Share information, organize joint training activities.
- If possible, establish a SPECA trade facilitation web page.
- Foster exchange of information among se enquiry points.
- Develop mutual recognition of AEOs, and exchange of information.
- Harmonize border-crossing procedures among the countries.
- Enhance border agency cooperation;
- Enhance free transit in the region; reinforce the implementation of the TIR Convention; establish separate infrastructure for transit.
- Establish a collaboration mechanism of transit coordinators.
- Use internationally standardized terminology and data definitions.
- Strengthen cross-border cooperation on balancing trade facilitation and compliance.
- Accelerate the establishment of Single Window and/or Port Community Systems, and ensure interoperability in the subregion, using international standards.
- Share experiences on implementing TF measures.
- Enable regional and bilateral exchange of Customs information.
- Participate in the implementation of the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific.
- Conduct Time Release Studies (TRS) and Business Process Analyses (BPA) of trade procedures along relevant SPECA corridors, and publish the results;

Identify Activities Compliance Indicators (ACI), which measure whether an Activity has been successfully implemented in terms of quantity, quality, time frame and location.

Prioritize activities:

Implementation schedule:
- Start-up phase:
- Delivery phase: 1-4 years.
- Review phase: 6-12 months before the deadline.
### Detailed list of expected accomplishments and indicators of achievement

| Priority measures identified in each country & regional cooperation mechanism for their implementation established | a. List of priority measures in each country defined  
b. A regional cooperation mechanism established  
c. A network of NTFCs or a regional SPECA TF committee established  
d. Number of bilateral or regional NTFC meetings  
e. Number of countries that have defined priorities |
<table>
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<tbody>
<tr>
<td>Cooperation on implementing international TF standards established</td>
<td>Mechanism of cooperation on implementing international TF standards (capacity building) established. Number of countries participating.</td>
</tr>
<tr>
<td>Adopt national TF strategies / roadmaps, reflecting the goals of this strategy</td>
<td>National trade facilitation strategies established in at least 3 countries</td>
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</tbody>
</table>
| Countries inform each other on best practices in implementing TF measures | a. Government regulatory agencies, national trade facilitation committees and other stakeholders participate in at least one peer learning event per year.  
b. At least one annual exchange of experience organized.  
c. Number of joint training activities organized |
| Periodic exchanges of experience on the implementation of the TFA and other instruments. | A web page on trade facilitation in the subregion set up and maintained |
| Establish a web page on trade facilitation | Exchange of message establishing cooperation among trade facilitation enquiry points. Number of countries participating |
| Established cooperation among the trade facilitation enquiry points in the subregion | Representatives of regulatory agencies from the SPECA countries carry out at least one meeting to discuss streamlining formalities and documentary procedures |
| Collaboration on risk management established | a. Countries exchanging experience on risk management  
b. Countries coordinating their risk management systems  
c. Countries exchanging risk data |
| Countries establish consultations on documentary procedures | |
## Detailed list of expected accomplishments and indicators of achievement

<table>
<thead>
<tr>
<th>Expected Accomplishments</th>
<th>Indicators of Achievement</th>
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<tbody>
<tr>
<td><strong>Established cooperation among national trade facilitation bodies and other bodies of public-private consultations on trade facilitation</strong></td>
<td>National trade facilitation bodies and other bodies of public-private consultations participate in joint meetings and exchange information, including on new legislation. Number of countries participating.</td>
</tr>
</tbody>
</table>
| **Exchange of information on Authorized Economic Operators and mutual recognition of AEOs** | a. Customs agencies establish a mechanism for exchange of experiences, at least one meeting to discuss mutual recognition of AEOs organized  
  b. Criteria for nominating AEOs harmonized |
| **Regional system of testing laboratories** | a. Establish a regional system of testing laboratories with countries recognizing each other’s results and being able to send businesses from one country to laboratories in another country  
  b. Collaborate among the countries and major trading partners (e.g. in Europe, South Korea and Japan) on the recognition of results of tests in laboratories in the subregion in major international markets |
| **Countries establish consultations on harmonizing border-crossing procedures** | a. At least one national-level consultation on harmonizing border-crossing procedures carried out  
  b. At least four of the countries (their national trade facilitation committees) organize bilateral meetings of border control agencies at border-crossing points to discuss harmonization of border-crossing procedures |
| **Freedom of transit in the region enhanced** | a. Increased volume of use of TIR  
  b. Number of countries that establish transit lanes at major border-crossing points  
  c. A network of collaboration of national transit coordinators established |
| **Enhanced use of international trade facilitation standards** | Use of more international trade facilitation standards as reported by the regulatory agencies. Number of countries reporting enhanced use of international TF standards |
| **Established cooperation among national trade facilitation bodies and other bodies of public-private consultations on trade facilitation** | National trade facilitation bodies and other bodies of public-private consultations participate in joint meetings and exchange information, including on new legislation. Number of countries participating. |
| **Exchange of information on Authorized Economic Operators and mutual recognition of AEOs** | a. Customs agencies establish a mechanism for exchange of experiences, at least one meeting to discuss mutual recognition of AEOs organized  
  b. Criteria for nominating AEOs harmonized |
## Detailed list of expected accomplishments and indicators of achievement

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<tr>
<th>Achieve a balanced progress in facilitating trade and improving the efficiency of official controls</th>
<th>Improved efficiency of trade and of regulatory controls because of trade facilitation, as reported by the countries to the WTO under the TFA</th>
<th>Who?</th>
<th>When?</th>
</tr>
</thead>
</table>
| Enhance the use of Single Window and related systems | Improved efficiency of trade and of regulatory controls because of trade facilitation, as reported by the countries to the WTO under the TFA | a. Number of Single Window and similar systems established in the region  
   b. Interoperability of Single Window and similar projects reported by the countries and traders | | |
| Regular information exchange among Customs authorities enhanced and mutual recognition of Customs control results established | Improved efficiency of trade and of regulatory controls because of trade facilitation, as reported by the countries to the WTO under the TFA | a. Number of Single Window and similar systems established in the region  
   b. Interoperability of Single Window and similar projects reported by the countries and traders | | |
| Regular channels of Customs information exchange realized, as reported by Customs | Improved efficiency of trade and of regulatory controls because of trade facilitation, as reported by the countries to the WTO under the TFA | | |
Trade as an Engine for Sustainable and Inclusive Growth in Central Asia

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Trade and sustainability

• Work on SDGs in the UN and member States concentrates on ensuring that economic growth is inclusive and sustainable.

• Switching to trade aligned with Sustainable Development can be even profitable for SPECA economies.

• SPECA countries’ contributions to global value chains - still dominated by natural-resource-based products and raw materials – need to change that to more sustainable model.

• Diversification of production and trade is needed to secure long-term growth and sustainable development as well as more and better jobs.
Principles of sustainable trade

1. Mainstream trade into national strategies to achieve SDGs;
2. Align production and innovation to sustainable development;
3. Adopt regulation to encourage sustainable growth and trade;
4. Reduce inequality, give people access to markets, investment, and new technologies to raise living standards;
5. Harness trade opportunities related to the green economy;
6. Eliminate trade subsidies negatively affecting environment;
7. Invest in food security;
8. Further women’s empowerment;
9. Promote regional trade governance frameworks;
10. Promote the multilateral trading system in the subregion;
11. Ensure non-tariff measures do not become trade barriers;
12. Develop sustainability standards for trade; Support MSMEs;
13. Encourage new forms of PPPs to support sustainable trade;
14. Help develop financing mechanisms to shift to green trade;
Areas for further work
Trade Facilitation impacts on green trade

- Increase efficiency and reduce costs and waste to save resources for better use by society;
- Streamline border control procedures to reduce delays, waste of gasoline, pollution from idling trucks, and rejections of goods at the border;
- Streamline documentary procedures to avoid wasted paper and inputs;
- Facilitate trade in environmental goods, services and technology in compliance with the 2030 Agenda for better deployment of renewable energy technologies.
Project on Trade and Sustainability

- Project proposal: *Building Cross-border Cooperation for Sustainable Trade in the SPECA Subregion: Using innovative approaches for the advancement of regional trade.*

- Proposal to UNDA (50% chances). Submit to other donors

- Agencies: UNECE plus ESCAP, UN Res. Coords, UNEP…

- Objective: raise the understanding and capacity of the SPECA countries on the national and sub-regional levels to develop a sustainable and green economy by finding synergies between trade, water and agricultural policies with a focus on trade-policy cooperation among the countries.
Capacity-building and policy development to

- promote professional understanding of sustainable development of cross-border trade, green economy & decent jobs for all;
- review food-security policies a sustainable development and regional cooperation perspective;
- help eliminate barriers to trade that twist economic incentives and impede the shift to sustainable and inclusive growth;
- optimize transport, trade and Customs procedures & connectivity;
- promote a regional market and cross-border supply chains, including in agricultural products;
- trade facilitation to cut the waste of precious resources;
- establish partnerships for trade in high-value agricultural products, including organic products, which use water and other resources more efficiently and add to the effectiveness of supply chains in the subregion.
Activities to achieve the objective:

• analyze the situation & risks of inaction in the SPECA region;
• formulate strategic responses to improve sustainable trade, water efficiency, food security, energy intensity, transport infrastructure, environmental & employment impacts of trade;
• formulate concrete actions to raise the understanding of relevant SDGs and the capacity to implement them through cross-border cooperation among the SPECA countries;
• use the established SPECA structure;
• put forward innovative approaches to foster change in attitudes and practices: Innovation of products and trade processes in agricultural trade
Regional trade growth and sustainable development
SDG 17:10

SPECA region made progress in achieving SDG 17.10 (international rules-based trading system under the WTO).

Now: 4 countries are full members of the WTO; 2 are observers in the process of accession. We hope that the seminars at the biannual WTO AfT reviews help

SPECA countries can collaborate to achieve SDG 17.11 (increasing the share of developing countries in world exports)
Study on regulatory and procedural barriers to trade in the SPECA region

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Objective

Support a regional approach to achieving the successful integration of the SPECA countries into global value chains through analysis of non-tariff barriers to trade and recommendations for their reduction in a manner consistent with the 2030 Agenda for Sustainable Development.
Deliverables

- Study on regulatory and procedural barriers to trade (NTBs) in the SPECA subregion / Needs assessment.
- A time-bound action plan for sequencing the implementation of the recommendations emerging from the study.
- Organization of regional workshops to promote experience sharing and regional cooperation.
Institutional Framework

– Activities to be based on national participatory approach;

– Involve relevant public and private stakeholders;

– Each SPECA country to assign relevant Ministry to interface with the UNECE secretariat and act as its main counterpart;

– Survey of enterprises to be conducted by national consultants or, if available, national research institutions that will be trained on the use of the UNECE evaluation methodology.
Identify focal point at the national level

Provide UNECE with relevant national policy documents

Prepare a detailed concept note and adopt it at a session of the Governing Council

Fund-raising. Once funds are available, recruit national consultants to conduct interviews

Prepare a survey-based evaluation methodology and pilot test with the focal points

Preparation of the project document by the UNECE secretariat

Assemble the results of the surveys; draft the report and its recommendations

Discuss the draft report with the relevant State agencies and private sector representatives

Based on the outcome of the discussion, prepare the final study and recommendations for publication (EN & RU)
Thank you!

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