A. PREAMBLE

1. The Project Working Group on Trade (PWG on Trade) is a subsidiary body within the governing structure of the United Nations Special Programme for the Economies of Central Asia (SPECA). The SPECA participating countries of the Programme are Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. The United Nations Economic Commission for Europe (UNECE) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) provide overall support to the Programme.

2. The PWG on Trade focuses on three core areas of work: (a) trade policy and research; (b) trade facilitation; and (c) supply-side capacity-building. The modalities for this are further worked out in the programme of work of the PWG on Trade.

B. OBJECTIVES

3. In line with the overall objectives of SPECA to support its participating countries in developing subregional cooperation, and integrating their economies into the world economy, the major objective of the PWG on Trade is to foster regional cooperation to promote global and regional trade and investment for development of the SPECA participating countries, in particular by identifying modalities for: (i) capacity-building in the areas of trade facilitation and development, regulatory harmonization, agricultural quality standards, investment policy, and supply-side capacity-building, including identification of funding modalities; (ii) assisting preparations for WTO accession; effective implementation of WTO commitments or participation in the multilateral trade negotiations, (iii) providing institutional support for the SPECA Aid-for Trade Initiative, as outlined in the Baku Ministerial Declaration from 1 December 2010; (iv) strengthening and consolidating regional and bilateral trade agreements in the SPECA region; (v) designing institutional arrangements that engage all relevant stakeholders, notably in developing public-private cooperation for trade and investment development and facilitation; (vi) developing an innovation-driven trade diversification agenda (including the use of ICT and electronic business standards); (vii) identifying best practices to build institutions and mechanisms to support productive trade and investment; (viii) creation of a larger regional market through integration into global and regional supply chains, with focus on capacity development of small- and medium-sized enterprises (SMEs) and the encouragement of FDI; (ix) assistance in the implementation, harmonization and alignment with international trade facilitation standards and instruments, including the Single Window; (x) strengthening trade research capabilities and forging effective linkages among SPECA trade research institutions and with ARTNeT; (xi) forging synergies among various activities in the above-mentioned areas by UNECE/ESCAP and other international agencies.
4. The thematic orientation of the activities of the PWG on Trade will include, but not be limited to, areas such as: (i) trade development and facilitation; (ii) promotion of trade facilitation norms, standards and best practice recommendations; (iii) public-private cooperation for trade facilitation; (iv) regulatory harmonization, market surveillance and risk management; (v) agricultural commercial quality standards; (vi) investment and trade development; and (vii) other areas of competence of UNECE and ESCAP related to the development of trade, regional markets and harmonization of standards in these areas.

C. PARTICIPANTS

5. The PWG on Trade shall comprise National Representatives, nominated by the Governments of SPECA participating countries. The National Representatives shall be senior officials involved in the formulation and implementation of trade policies and programmes, which affect trade development and facilitation, regulatory and agricultural quality standards in their respective countries and able to effectively follow up the recommendations and decisions of the PWG on Trade.

6. Each participating country shall also nominate, on a permanent or on an ad hoc basis, experts on various aspects of trade development as required.

7. Neighbouring countries of the SPECA region are invited to nominate their representatives to participate in the work of the PWG on Trade, especially when issues concerning cooperation with neighbouring regions are discussed.

8. Relevant subregional organizations implementing programmes related to trade development are invited to nominate their representatives to participate in the work of the PWG on Trade.

9. United Nations organizations bodies as well as other bilateral and multilateral agencies and organizations operating in the trade development issues in the SPECA participating countries are invited to participate in the work of the PWG on Trade and to nominate liaison officers on matters related to its work.

D. MODALITIES OF OPERATION

10. The PWG on Trade elects two Co-Chairpersons from among the National Representatives nominated by the Governments.

11. The secretariats of UNECE and ESCAP will provide substantive support to the PWG on Trade activities. The secretariats will facilitate the preparation and organization of the sessions of the Group and will maintain records of its activities.

12. The PWG on Trade shall hold annual sessions at a date and venue agreed by the participating countries.

E. FUNDING

13. The operational costs of the PWG on Trade as well as the costs of participation of national representatives and experts in its sessions shall as a rule be borne by the Governments of participating countries. In addition, the UNECE and ESCAP will support, within their available
resources, the functioning of the PWG on Trade.

14. The PWG on Trade shall also seek funds and technical assistance for its operations from multilateral and bilateral donors.

**F. PROGRAMME OF WORK AND ACTIVITIES**

15. The PWG on Trade shall develop, agree upon and implement an annual work programme.

16. The PWG on Trade shall formulate and agree upon specific projects and programmes and seek extrabudgetary resources for their implementation.

17. Important policy conclusions should be brought to the attention of high-level policymaking authorities in the SPECA countries.

18. Recommendations along with agreed investment and project ideas should be presented to relevant international organizations and international programmes as well as to private investors.

**G. OTHER MATTERS**

19. The current Terms of Reference will be reviewed in 3 years or sooner if the SPECA participating countries so decide.

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