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## Economic Commission for Europe

### Steering Committee on Trade Capacity and Standards

#### First session

Geneva, 31 August – 1 September 2015

## Report of the Steering Committee on Trade Capacity and Standards on its first session

### I. Overview

1. The first session of the Committee on Trade Capacity and Standards (SCTCS) was held from 31 August to 1 September 2015.
2. The first day featured discussions on the programmes of work for the SCTCS and its subsidiary bodies. The second day was dedicated to discussing the results of the ECE study on regulatory and procedural barriers to trade in Kyrgyzstan, and ongoing efforts to remove regulatory and procedural barriers to trade in Albania and the Republic of Moldova, where the ECE is carrying out similar assessment studies. In addition, ongoing and planned reform efforts in Belarus, Kazakhstan and Tajikistan were highlighted, including follow-up to the recommendations from ECE assessment studies carried out in 2012, 2013 and 2014, respectively.

### II. Attendance

3. The session was attended by representatives from the following States: Albania, Austria, Belarus, Canada, Croatia, Czech Republic, Italy, Greece, Kazakhstan, Kyrgyzstan, Grand Duchy of Luxembourg, Poland, Republic of Moldova, the Russian Federation, Romania, Sweden, Tajikistan, Turkey, Turkmenistan, Ukraine, the United States of America and the United Kingdom and Northern Ireland.
4. The session was attended by representatives of the European Union (EU).
5. Representatives were in attendance from: the United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP) Country offices in Kyrgyzstan, Tajikistan and Uzbekistan as well as from the following specialized agencies and intergovernmental organizations: the Advisory Centre on WTO Law (ACWL), the Food and Agricultural Organization (FAO), the United Nations Industrial Development Organization (UNIDO) and the World Trade Organization (WTO).



6. The following non-governmental organizations with a consultative status with the United Nations Economic and Social Council (ECOSOC) also attended the session: International Electrotechnical Commission (IEC), International Organization for Standardization (ISO), World Farmers' Organization (WFO).

7. Representatives of the following organizations attended at the invitation of the secretariat: Austria and Bulgarian Chamber of Commerce and Industry, Bessarab and Partners- Attorneys at Law, Centre for Socio-Economic Development, Credit Cooperative Bank for Development, Eurasian Economic Commission, Executive Education in Environmental Governance, Freann Financial Services Limited, Grain and Feed Trade Association, Health-Bio-Pharm Group, Human - Environment - Culture Foundation, Iberdrola S.A., Idea Society, International Centre for Earth Simulation, International Investment Centre, Kent Business School, Kiev Taras Chevchenko National University, Optima Consulting Company, School of Business and Law, Technical Competence Center Energy Efficiency-TUV International, Ukrainian PPP Center, University College Dublin, University of Kent.

### **III. Agenda item 1. Adoption of the agenda**

8. The Chair presented the draft agenda (ECE/CTCS/2015/1) and an information document containing proposed changes (ECE/CTCS/2015/NONE/2).

#### **Decision 2015-1:**

9. The SCTCS adopted the agenda of its first session (ECE/CTCS/2015/1) with the following changes:

(a) Adding a new document under Item 3 “Appendix III: Guidelines on procedures and practices for ECE bodies (A(65) Appendix III)” for discussion

(b) Withdrawing under Item 3 document “Guidelines and procedures of the Committee on Trade (ECE/TRADE/C/2011/13)

(c) Adding to Item 4 a new sub-item (f), “Draft Strategic Framework for 2018-2019” (informal document ECE/CTCS/NONE/1).

### **IV. Agenda item 2. Election of officers**

#### **Decision 2015-2:**

10. The SCTCS elected for a two-year period: as Chair, Mr Octavian Calmac, (Republic of Moldova); and, as Vice Chairs: Mr Rafkat Hasanov (Kyrgyzstan), Mr Marco Marzano de Marinis (Albania), and Mr. Alexander Opimakh (Belarus).

### **V. General segment: "Increasing the participation of transition economies in international trade"**

#### **A. Agenda item 3. Matters arising**

11. The Director of the Economic Cooperation and Trade Division reported on matters arising from the 66th session of the Economic Commission for Europe of April 2015 and

the meetings of its Executive Committee (EXCOM). She explained that in February 2015, it was decided to replace the Committee on Trade with the new SCTCS. The EXCOM decision as well as the terms of reference for the SCTCS can be found in document ECE/EX/22.

12. She informed the delegates that the SCTCS should consider applying the “Guidelines on procedures and practices for ECE bodies”, contained in Commission Decision A (65) (E/2013/37, Annex III, Appendix III). The guidelines stipulate that “all Sectoral Committees and other subsidiary bodies may adopt their own Rules of Procedure on the basis of ECE Rules of Procedure and, where applicable, Rules of Procedure of ECOSOC, taking into account these guidelines. Otherwise, it will be presumed that they are governed by the Rules of Procedure of the Commission and, where applicable, Rules of Procedure of ECOSOC and taking into account these guidelines mutatis mutandis.”

13. The representative of Luxembourg to the UN, speaking for the Luxembourg European Council (EC) presidency, proposed that no discussion take place on issuing separate guidelines and procedures for the SCTCS, since the Commission has adopted in 2013 “Guidelines on procedures and practices for ECE bodies”, as set out in Annex III, Appendix III to Commission Decision A(65). The SCTCS could apply these guidelines.

14. The representative of the Russian Federation noted that the work of the Steering Committee on Trade Capacity and Standards, which focuses on providing recommendations, standards and guidelines for removing regulatory and procedural barriers to trade, is beneficial for the ECE region and pan European development. He added that his country welcomed the scheduled review of the reporting of UN/CEFACT, and noted his delegation’s view that this body should be subordinated to the SCTCS. He noted his country’s agreement with the European Union that the SCTCS should not adopt its own rules of procedures, as this would be excessive. The SCTCS should apply the “Guidelines on procedures and practices for ECE bodies”.

15. The representative of the United Kingdom noted that his country had a long-standing position that the reporting of UN/CEFACT was to be discussed at the level of EXCOM and not by the SCTCS.

### **Decision 2015-3:**

16. The SCTCS took note of the information provided by the secretariat on matters arising from the 66th session of the United Nations Economic Commission for Europe in April 2015 and the meetings of its Executive Committee (EXCOM) during the prior year.

## **B. Agenda item 4. Programme of work**

### **(a) Updates from subsidiary bodies**

17. The SCTCS was briefed on activities undertaken during 2014-2015 by its subsidiary bodies: the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and the Working Party on Agricultural Quality Standards (WP.7).

18. The representative of Turkey said that his country attached great importance to the work of WP.6 and WP.7, and noted that his country hoped that the SCTCS would function as a platform for furthering the work of these two bodies

19. The representative of the Russian Federation emphasized its appreciation of the work undertaken by the two subsidiary bodies, noting that this work leads to tangible results. The two subsidiary bodies should focus on the harmonisation of standards as this

supports regional integration, and the SCTCS could play a greater role in guiding the work of the subsidiary bodies. He emphasized that the Russian Federation and the Eurasian Economic Commission are willing to send their experts to participate in the work of the two subsidiary bodies.

20. The representative of UNCTAD commended WP.7 for its work on food security and traceability and reiterated its willingness to work in partnership with the ECE.

21. The secretariat drew attention to the Geneva understanding, which constitutes a revised version of the Geneva Protocol of 1985, and invited members of the SCTCS to endorse it.

#### **Decision 2015-4a-1:**

22. The SCTCS noted the reports on priorities, completed activities and future plans of the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and the Working Party on Agricultural Quality Standards (WP.7); and endorsed the reports from their last sessions (ECE/TRADE/C/WP.6/2014/2 and ECE/TRADE/C/WP.7/2014/2).

#### **Decision 2015-4a-2:**

23. The SCTCS endorsed the Geneva Understanding on Agricultural Quality Standards which was developed by the Working Party on Agricultural Quality Standards to replace the Geneva Protocol of 1985 (ECE/CTCS/2015/4).

##### **(b) Status of implementation of the 2014-2015 programme of work**

24. The secretariat presented the status of the implementation of the 2014-2015 programme of work.

#### **Decision 2015-4b:**

25. The SCTCS endorsed the mid-term report on the Status of Implementation of the 2014-2015 Programme of Work (ECE/CTCS/2015/5) and requested that an update be provided to the SCTCS at its next session.

##### **(c) Capacity-building and technical assistance activities**

26. The Secretariat invited delegates to take note of the relevant sections of the Trade Subprogramme's report on capacity-building and technical assistance activities for 2014-2015. Sections implemented by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) are for information only.

27. The representative of UNCTAD asked if the work also covered trade in services. The secretariat explained that the SCTCS programme of work looks at trade in services only indirectly and when related to trade in goods; for example, product testing and certification services.

#### **Decision 2015-4c:**

28. The SCTCS noted the report on capacity-building and technical assistance (ECE/CTCS/2015/6 and ECE/CTCS/2015/6/Add.1) and requested that an update be provided to the SCTCS at its next session.

29. For all technical cooperation activities financed by XB resources or by other UN agencies, a separate project proposal will be submitted for approval to EXCOM in the agreed XB project format (unless a specific proposal in the agreed XB project approval format is part of and annexed to the draft Programme of Work).

**(d) Programme of work 2016-2017**

30. Delegates were invited by the Chair to endorse the relevant sections of the Trade Subprogramme's programme of work for the biennium 2016-2017 and recommend them to EXCOM for approval. The outputs were derived from the Strategic Framework and the submitted programme budget for 2016-2017. The outputs to be implemented by UN/CEFACT are for information only.

31. The secretariat noted that document ECE/CTCS/2015/7/Cor.1 had been issued to replace paragraph 1 of document ECE/CTCS/2015/7.

**Decision 2015-4d:**

32. The SCTCS endorsed the Programme of Work for the period 2016 – 2017 (ECE/CTCS/2015/7) and recommended it for approval to the ECE Executive Committee with the following changes:

(a) Change para 1 of the introduction of the draft Programme of Work and replace to “adopt it” by to “endorse it”.

(b) The number of half day sessions of the SCTCS during the biennium 2016-2017 should be changed from 8 to 6.

(c) In Annex III, which lists the legislative mandates, add a footnote to read: “This is without prejudice to the horizontal outcome to be decided by the EXCOM”.

**(e) Plan for inter-sessional implementation of the programme of work**

33. The secretariat introduced the implementation plan for activities under the SCTCS , to be undertaken between the 2015 and 2016 annual sessions, and presented it for approval. Delegates were informed that the WP.7 Specialized Section on Seed Potatoes would meet only the following week in Oulu, Finland, so its activities might need to be updated.

**Decision 2015-4e:**

34. The SCTCS approved, subject to the changes made under agenda item 4d and any changes that the EXCOM might make to the 2016-2017 Programme of Work (ECE/CTCS/2015/7), the Plan for intersessional implementation of the Programme of Work (ECE/CTCS/2015/8) including the list of proposed publications.

**(f) Draft Strategic Framework for 2018-2019**

35. This document was presented by the secretariat for information only.

**Decision 2015-4f:**

36. The SCTCS noted the Draft Strategic Framework for 2018-2019 (ECE/CSTC/201/INF.1). The SCTCS requested delegations to send any comments they might have on the Draft Strategic Framework to the secretariat for consideration by the Bureau prior to 19 October 2015.

**C. Agenda item 5. Reports from other ECE bodies and international organizations on related work and potential areas for collaboration with the Steering Committee on Trade Capacity and Standards**

37. Delegates were briefed about activities of potential interest undertaken by UN/CEFACT. The representative from the WTO Standards and Trade Development Facility highlighted areas for potential cooperation with the Steering Committee on Trade Capacity and Standards as well as current and future activities of relevance. She particularly underscored, as an area for future cooperation, the studies on regulatory and procedural barriers to trade, noting that the Facility undertakes studies in the sanitary and phytosanitary (SPS) area. The facility also helps countries develop projects for addressing SPS constraints, and mobilizing the required financial resources for implementation. In addition, the Facility stood ready to collaborate with WP.7 on implementing capacity building activities to support the implementation of standards.

38. Presentations delivered under this agenda item can be found on the ECE website.<sup>1</sup>

**Decision 2015-5**

39. The SCTCS noted the following documents: the Report on Cooperation with other ECE bodies and other organizations (ECE/CTCS/2015/9); the Report of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) on its 21st session (ECE/TRADE/C/CEFACT/2015/2); and the Programme of work 2016-2017 for Economic Cooperation and Integration (ECE/CECI/2015/8).

40. The SCTCS requested that the Bureau review these documents in more detail, as well as any other relevant documents, in order to identify further areas for cooperation. In particular, the SCTCS requested that the Bureau initiate discussions with the Bureau of the Committee on Innovation, Competitiveness and Public-Private-Partnerships in order to identify activities and outputs, based on synergies, which might be introduced into the programmes of work of both bodies in the future. The Bureau was requested to report back on this question to the next session.

41. The SCTCS also requested that the secretariat seek further cooperation with relevant bodies in order to enhance the impact of the SCTCS's Programme of Work and to avoid duplication, and to report back to the 2nd session.

**VI. High-level segment: Removing regulatory and procedural barriers to trade in the ECE region**

**A. Agenda item 6. Supporting the removal of regulatory and procedural barriers to trade**

**(a) Kyrgyzstan: Findings and recommendations**

42. The session was opened by the Deputy Executive Secretary of ECE on behalf of the Executive Secretary. He noted that the ECE study on regulatory and procedural barriers to trade in Kyrgyzstan is the fourth of its kind. The study uses the ECE evaluation methodology, which is always adapted to the specificities of the country being assessed.

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<sup>1</sup> <http://www.unece.org/index.php?id=39822#/>

43. The Deputy Minister of Kyrgyzstan briefed the delegates on the steps that the Government would take in order to implement the recommendations emerging from the study. He explained that the study would enable the Government to further engage in removing the identified barriers to trade. The study also sets the stage for generating dynamic synergies between interventions targeting improved productivity and those linked to export growth, as stipulated in the National Strategy for Sustainable Development of the Kyrgyz Republic for 2013-2017 and the Programme for the Transition of the Kyrgyz Republic to Sustainable Development for 2013-2017. These two policy documents set out a comprehensive sector-focused development effort, the implementation of which will be guided by the Governmental Plan for Export Development of the Kyrgyz Republic for 2015 – 2017. This Plan accords priority to the following four cross-cutting areas: (i) simplification of procedures for exporters; (ii) improvement of quality control and quality management; (iii) access to trade information and export promotion; and (iv) trade finance.

44. The recommendations emanating from the ECE study will enable the Government to ensure the successful achievement of development objectives under the first three areas. This is all the more so because the recommendations were developed using a participatory approach, which combined evidence-based research with broad, based consultations in order to bring about consensus among the different public and private-sector institutions.

45. It was stressed that the study represented an intermediate step, and would be followed by concerted efforts to mobilize the required financial resources for implementation. Thus, with the support of the ECE, the Government had developed a prioritized action plan, which would be integrated into Kyrgyzstan's United Nations Development Action Framework (UNDAF) and used as a basis for developing a national Aid-for-Trade (AfT) plan. The Government would also work closely with the ECE to develop multi-agency technical assistance projects for implementing the recommendations.

46. The results of the study were presented by a representative of the Investment Roundtable in Kyrgyzstan, which carried out the traders' survey in the country. He highlighted that the recommendations from the study had been integrated into the country's national action matrix, so as to provide development partners with a tool for supporting coordination (document ECE/CTCS/2015/10).

47. Representatives from UNCTAD, the WTO Standards and Trade Development Facility, WFO, the International Electrotechnical Commission, and the Advisory Centre on WTO Law commented on the study and highlighted the manner in which they could assist the Government in implementing the ECE recommendations. The representative of UNIDO briefed delegates on the organization's activities in the area of trade capacity building in general and in Central Asia in particular. He noted that these activities are of direct relevance for supporting the implementation of the recommendations emanating from the ECE study.

48. The representative of the Russian Federation noted that the ECE could provide a platform for supporting the harmonisation of policies in the area of standardization. He added that the analytical work in the ECE studies forms a good basis for implementing recommendations and removing regulatory and procedural barriers to trade. He highlighted his country's support of these studies that provide results oriented and focused analysis. He, however, expressed concern with regard to late submission of the study on Kyrgyzstan.

49. The representative of Belarus noted that Kyrgyzstan was actively involved in regional integration processes and in removing regulatory and procedural barriers. Despite the challenges facing the country as a landlocked country, there was no doubt that Kyrgyzstan would become a competitive country. He commended the secretariat for a comprehensive report, and reiterated the usefulness of these studies for the region.

50. A summary of the discussions under this agenda item is provided in annex to the report. Presentations and speeches delivered by delegations under this agenda item can be found on the ECE website.

**Decision 2015-6a-1:**

51. The SCTCS congratulated the Government of Kyrgyzstan for finalizing the Study on Regulatory and Procedural Barriers to Trade in Kyrgyzstan (ECE/TRADE/412), and took note of the planned follow-up activities to implement the recommendations emerging from the study (ECE/CTCS/2015/10).

52. The SCTCS invited WP.6 and WP.7, within their respective mandates, to review and eventually propose follow-up activities with a view to supporting implementation efforts. Any relevant contribution from UN/CEFACT to this, where possible, and within its mandate, would be appreciated. The SCTCS requested that the secretariat report to the next session on progress made towards implementing the recommendations from the study and on emerging needs.

**Decision 2015-6a-2:**

53. The SCTCS requested the secretariat and the Bureau to continue and further develop consultations with development partners in order to support the implementation of recommendations emerging from the studies on regulatory and procedural barriers, and explore avenues for further cooperation.

**(b) On-going work**

54. Delegates were briefed on preparations underway for carrying out studies on regulatory and procedural barriers to trade in Albania and the Republic of Moldova, pursuant to requests by these Governments.

55. The representative of the Republic of Moldova informed delegates that the ECE study on regulatory and procedural barriers to trade would be launched in October 2015, and the results would be reported to the SC during its next session.

56. The representative of Albania presented the initial results from the traders' survey in the country. She noted that work was underway to carry out follow-up interviews to address information gaps and inconsistencies in the results.

57. Presentations delivered under agenda item can be found on the ECE website.<sup>2</sup>

**Decision 2015-6b-1:**

58. The SCTCS noted the information provided by Albania and the Republic of Moldova on their ongoing work to reduce regulatory and procedural barriers to trade.

**Decision 2015-6b-2:**

59. The SCTCS also noted that there were a number of pending formal requests as well as informal expressions of interest by member States for Studies on Regulatory and

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<sup>2</sup> <http://www.unece.org/index.php?id=39822#/>

Procedural Barriers. It encouraged the secretariat to continue its efforts to identify funding in order to meet these requests from member States.

## **B. Agenda item 7. Country follow-up to ECE studies on regulatory and procedural barriers to trade**

60. Delegates from Belarus, Kazakhstan and Tajikistan, where ECE studies on regulatory and procedural barriers to trade have been completed, informed the SCTCS on ongoing and planned follow-up activities and, particularly, those related to implementing the recommendations emerging from the studies.

61. Delegates from countries where ECE studies on regulatory and procedural barriers to trade have been completed informed the SCTCS on ongoing and planned follow-up activities, particularly those related to implementing the recommendations emerging from the studies.

62. The representative of Belarus reported on the main measures that the country has taken to remove regulatory and procedural barriers to trade, which come in addition to those detailed in the study document. He requested that the secretariat include a report on these additional measures as part of the meeting documents.<sup>3</sup>

63. The representative of Kazakhstan informed the delegations about major reform efforts in the area of trade, and highlighted the need for increased ECE support to meet obligations with the WTO.

64. The representative of Tajikistan highlighted the need for greater support to assist the country in implementing the recommendations emerging from the ECE study that was conducted in 2014.

65. The representative of the UNDP country office in Tajikistan informed delegates that the recommendations emanating from the ECE study had been integrated into the country's United Nations Development Action Framework (UNDAF), noting that the UNDP considers trade as a critical element for poverty reduction and human development. He added that the ECE recommendations have been considered by the government, as part of the preparations for drafting the National Development Strategy for the period 2016-2030.

### **Decision 2015-7-1:**

66. The SCTCS took note of the country reports on follow-up to the ECE studies on regulatory and procedural barriers to trade and congratulated the Governments of Belarus, Kazakhstan, and Tajikistan for their achievements. The SCTCS invited WP.6 and WP.7, within their respective mandates, to review and eventually propose follow-up activities with a view to supporting implementation efforts. Any relevant contribution from UN/CEFACT to this, where possible, and within its mandate, would be appreciated.

### **Decision 2015-7-2:**

67. The SCTCS requested countries having undertaken studies on regulatory and procedural barriers, including the countries with new studies under way (Albania and the Republic of Moldova), to report to the 2nd session of the SCTCS on work undertaken

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<sup>3</sup> The report is available at: <http://www.unecce.org/index.php?id=39822#/>

and/or planned in order to implement the recommendations emerging from the ECE Studies.

## **VI. Continuation of the General Segment**

### **A. Agenda item 8. Stakeholder needs and priorities**

68. Delegates were invited to discuss the needs of low and middle-income countries, as identified in the ECE studies on regulatory and procedural barriers to trade, in order to address these needs. The discussion focussed on possible measures by member States and how the Trade Subprogramme might draw on experience gained and activities undertaken under the areas covered by the SCTCS.

69. The representative of Albania noted that the outcome of the studies on regulatory and procedural barriers to trade depends on the level of collaboration from the different agencies. The Government has been actively supporting the field work related to the study. In terms of key priorities, she noted the need for a holistic overview for harmonizing technical regulations so as to enable the Government speed up reforms, especially those related to commitments with the EU

70. The representative of the Russian Federation noted that the recommendations from the studies should be transformed into practical measures. The SCTCS, based on the results of the studies, should identify gaps in regional standards and regulations and guide WP.6 and WP.7 to address these gaps.

71. The representative of Luxembourg, speaking for the Luxembourg European Council (EC) presidency, reiterated that the SCTCS should seek synergies with Committee on Innovation, Competitiveness and Public-Private Partnerships (CICPPP) so as to assist ECE member States to translate their innovative ideas into local productive capacity and export opportunities, thus delivering concrete results that help create jobs and economic growth in the ECE Region

72. The representative of FAO noted that the studies are useful for informing FAO activities. The countries covered by the studies are part of two FAO regional initiatives in Europe and Central Asia focusing on regional integration, food security and food safety.

73. The representative of WFO noted that farmers want a fair, predictable and transparent trading environment and fully support the work of ECE to achieve this.

### **Decision 2015-8**

74. The SCTCS thanked the discussants for their contributions and requested that its Bureau look into the suggestions and recommendations made, including those related to the question of synergies. This should be done in consultation with the Bureaux of WP.6, WP.7, the CICPPP and other ECE bodies, as appropriate, and a report should be made to the next session of the SCTCS.

### **B. Agenda item 9. Information on the Conference on Unlocking Economic Potential for Sustainable Development**

75. The secretariat briefed the delegates about the Conference on “Unlocking the Economic Potential for Sustainable Development – The Role of Trade, Innovation and Public-Private Partnerships”, which had been organized jointly with Subprogramme 4: Economic Cooperation and Integration and would take place on 2 September 2015.

76. Delegates were invited to consider requesting that the Bureau of the SCTCS reviews the Chairman's summary of the conference discussions, with a view to providing suggestions for follow-up to the SCTCS at its next session.

#### **Decision 2015-9**

77. The SCTCS took note of the programme of the Conference and recommended to all delegations to actively participate in the deliberations at the Conference on 2 September. It also requested that the Bureau reviews the Chairpersons' summary from the Conference in order to identify relevant suggestions for the future work of the SCTCS and to report back to its next session.

### **C. Agenda item 10. Other business**

#### **Decision 2015 -11**

78. The SCTCS agreed that its second session would provisionally take place in Geneva from 19 to 21 September 2016.

### **D. Agenda item 11. Adoption of the report**

#### **Decision 2015-12**

79. The SCTCS adopted the report of its 1st session and requested the secretariat to publish it in English, French and Russian.

## ANNEX

### **Summary of Discussions under Agenda Item 6a Supporting the removal of regulatory and procedural barriers to trade: Kyrgyzstan: Findings and recommendations**

1. This Annex summarizes the discussions under agenda item 6a, during which the Kyrgyz delegation briefed the SCTCS on the findings emerging from the ECE study on regulatory and procedural barriers to trade in Kyrgyzstan.
2. The Deputy Minister of Economy of Kyrgyzstan emphasized that with an annual turnover amounting to 130 per cent of Kyrgyzstan's gross domestic product (GDP), the powerful role of trade in determining the Kyrgyz economy's development trajectory could not be over-emphasized. However, the trade sector is yet to be exploited to its full potential. It remains driven by imports, which have been consistently outstripping export growth. The share of exports in GDP has also followed a declining trend over the past few years, as a result aggravating the trade deficit that reached an estimated USD 4.2 billion in 2013.
3. Reversing this trend had ranked, and continued to rank, high on the Government's development agenda, which remained challenged by Kyrgyzstan's remoteness from international maritime routes, harsh topography and relatively small domestic market in comparison with neighbouring countries. The impact of these challenges was compounded by behind and at-the-border non-tariff barriers to trade, which, by inflating transaction costs, undermined export competitiveness and created a disincentive for investment in new economic activities.
4. He added that the country had invested in developing the textile sector, as part of its broader efforts to achieve greater economic diversification. Capitalising on these efforts would be challenging in the aftermath of joining the Eurasian Customs Union, as the country had to adapt its regulations and procedures and face competition from the more advanced textile industries in Kazakhstan. Further support for improving the competitiveness of this sector was needed.
5. The representative of UNCTAD noted that the development challenges facing Kyrgyzstan are common to landlocked countries with a harsh typology. On the other hand, the country had the advantage of having been a WTO member since 1998. As such, it was able to anchor its reform efforts in the multilateral trading system. At the same time, the ECE study showed that the country still faced several challenges, as reforms required concerted efforts and these require time to take hold, especially for a country in transition like Kyrgyzstan. The recommendations proposed by the ECE would provide impetus and set in motion the process for improving the trading environment and, thus, diversifying the economy.
6. The representative of the Advisory Centre on WTO Law highlighted several aspects that may have consequences for the country's legal reforms and obligations with the WTO. These aspects relate to: regulatory and standardization policies; regional integration; joining the EU GSP+ regime; accession to the Eurasian Customs Union; and trade facilitation. He noted that, due to accession to the Eurasian Customs Union, Kyrgyzstan will have to withdraw its tariff schedules from the WTO and apply the common tariff, and this may require renegotiations to establish adequate compensation for WTO members for tariff increases. He added that the new WTO trade facilitation agreement amplifies the obligations under the General Agreement on Tariffs and Trade (GATT) and the Agreement on Technical Barriers to Trade (TBT), such as the obligation to publish rules on the

Internet, and the study touches upon the necessary steps to meet these obligations. In the area of standardization, he also noted that within the context of the Government's plans to expand the number of Mutual Recognition Agreements (MRAs), it has to maintain the requirements under the Most Favoured Nation (MFN) treatment, so as to avoid situations where MRAs create non-tariff barriers to trade. This means that the establishment of MRAs needs to be open to all countries who wish to establish MRAs with Kyrgyzstan and meet the requirements for doing so.

7. The representative of the WTO Standards and Trade Development Facility noted that the study covered various aspects related to safety and reducing regulatory and procedural barriers to trade. This highlights the urgency of addressing the fundamental challenges to ensuring the success of regional integration efforts.

8. SPS related needs should be classified in a matrix. Within that matrix the vertical side should focus on capacity building and the horizontal side on issues associated with the harmonisation of rules and procedures, since SPS is a cross sectoral, cross-agency issue. The study highlights issues and proposes recommendations on both sides of the matrix, and to take these a step further, the Government might want to consider establishing an SPS strategy, with a vision. This is important in order to ensure that all agencies are clear with regard to their responsibilities and the needs that should be addressed. The study also highlights the need to develop laboratories. Accrediting laboratories requires heavy investments, including for operational costs. There is a need for a laboratory assessment strategy in order to assess regional options and to harmonise capacity-building efforts in this area with regional partners. The facility is ready to help the country formulate projects for implementing SPS recommendations and could also finance projects up to USD 1 million.

9. The representative of the WFO regretted that the study's scope did not cover farmers. One aim of streamlining procedures was to expand Kyrgyzstan's agricultural exports yet this could not be achieved unless farmers were in a position to improve productivity and meet the higher standards and requirements they were facing. Providing training and improving farmers' position in the market by encouraging small farmers to group together were extremely important. Farmers should be consulted and involved in formulating any national strategy to increase agricultural exports and promote trade.

10. The representative of the International Electrotechnical Commission (IEC) noted that as a way forward for implementing some of the recommendations emanating from the study the Government might wish to consider the following actions:

- (a) Establish a National Electrotechnical Committee
  - (b) Adopt IEC international standards as national standards
  - (c) Select some technical committees to comment on IEC IS projects
  - (d) Become an Affiliate Plus member
  - (e) Attend the ACAS (Affiliate Conformity Assessment Status) event in Azerbaijan from 3-4 November 2015.
  - (f) Ask for ACAS (Affiliate Conformity Assessment Status)
-