

# **SPECIAL PROGRAMME FOR THE ECONOMIES OF CENTRAL ASIA (SPECA)**

## **Report of the Eleventh Session of the SPECA Working Group on Trade and Second High-Level Seminar on Trade 10 July 2017, WTO**



The eleventh session of the SPECA Working Group on Trade and High-Level Seminar on Trade took place in the headquarters of the World Trade Organization (WTO), in Geneva, on 10 July 2017. It was also organized as the second high-level seminar on trade in Central Asia, back-to-back with the biannual Aid-for-Trade Global Review 2017, which took place from the 11 to 13 July in the WTO headquarters. Representatives of all SPECA countries: Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan (the latter as observer), as well as UNECE, UNESCAP, UNCTAD, the UN Development Programme (UNDP), UN Environment, the World Trade Organization, the World Bank, the World Economic Forum (the Global Alliance for trade Facilitation), The Asian Development Bank, The German Agency for International Cooperation (GIZ), as well as the Turkic Council, took part in the meeting. Afghanistan and Tajikistan were represented at the ministerial level. Participants at the meeting discussed two central subjects of high importance at this particular junction of time: trade facilitation and the link between trade, sustainable development and the implementation of the Sustainable Development Goals (SDGs). The fact that the meeting took place at the WTO headquarters back-to-back with the biannual Aid-for-Trade review definitely contributed to the attention attributed to it by the countries and the international community. It also allowed to draw certain conclusions on the trends of development in comparison with two years ago, when the first high level seminar on trade issues in Central Asia took place.

Mr. Saidrahmon Nazrizoda, First Deputy Minister of Economic Development and Trade of Tajikistan, and Chair of the WG opened and chaired the meeting. He led the discussion on all major points for work under the SPECA Working Group. Mr Geoffrey Hamilton, Acting Director, Economic Development and Trade Division, UNECE, welcomed the participants on behalf of the UN. Mr Haqjo, chief WTO negotiator of Afghanistan, recently appointed Ambassador, defended in plain words the need for subregional cooperation for trade liberalization in the SPECA countries.

The Chair delivered his report on the implementation of the Work Plan of the Group since its tenth session on 13 May 2016, in Ashgabat. He elaborated on the way the decisions of the tenth meeting of the group and the UNECE-WTO Trade Policy Forum were being implemented.

The High-Level seminar and Working Group session concentrated on trade facilitation and the link of trade to the implementation of the Sustainable Development Agenda 2030. The participants recommended that the Working Group, as part of the SPECA platform supporting progress towards achieving SDGs, and the various development partners participating in the seminar should concentrate on the following:

1. Continue supporting SDG 17.10: promotion of the multilateral, rules-based trading system under the WTO. Notably, assist the countries in their accession and post-accession reform processes; support WTO members assess their readiness and implement the provisions of the WTO Trade Facilitation Agreement; continue supporting countries in accession and inform others of the process. Continue support for the regional mechanism of trade negotiators of the SPECA countries. Assist the regional cooperation of policy-makers on trade and sustainable development issues. SPECA countries already members of the WTO should actively participate in the multilateral negotiations on the WTO accession of the remaining countries of the region to the WTO.
2. On SDG 17.11: continue monitoring and supporting efforts of the countries to raise their share in global exports, notably through support for trade facilitation thus increasing the levels of intra-regional trade. The UNECE should explore the possibility to carry out a study on the possible impact of increasing regional trade on the countries' economies and their ability to address the SDGs.

As enhanced trade facilitation is required to reduce trade costs, the countries and the Working Group can explore possibilities to:

3. Ratify and effectively implement international and regional agreements providing for trade facilitation; simplify and harmonize customs regulations and border crossing procedures; and fully harness the potential of Aid for Trade in improving their capacity to reduce trade costs and increase the competitiveness of the countries.
4. Cooperate closer as a single region. A regional approach is essential for trade facilitation, promoting national products in a regional market, creating favourable conditions to attract regional investments, developing transport corridors and connectivity. It is also important to include a regional perspective in national planning for trade facilitation reforms. The objective is to increase intra-regional trade, FDI, and the benefits for SMEs from trade facilitation.
5. Collect comments from the SPECA countries on the draft regional trade facilitation strategy, with a view to finalize, adopt and implement it, under the overall guidance of Tajikistan.
6. Together with development partners, promote integrated trade facilitation, strengthening core competencies and embracing opportunities offered by digital technologies and e-commerce.
7. Together with development partners, continue supporting the implementation of category C measures, defined by the countries' notifications to the WTO on the WTO Trade Facilitation Agreement.
8. Support countries to become parties to the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific, and to implement trade and transport facilitation monitoring mechanisms (TTFMM).
9. Further develop transport infrastructure for transit and access to ports; cooperate for the mutual recognition of certificates on technical and agricultural regulations; harmonize

the region's transit system; and ensure interoperability of Single Window systems in the region. Use relevant experience with transit-transport projects and international agreements: the TIR Convention, Tajikistan-Afghanistan-Pakistan agreement, or Kazakhstan-Turkmenistan Iran railway link.

10. Carry out, if possible, a regional study on procedural and regulatory barriers to trade in the SPECA region.
11. Define areas, in which subregional projects in support of trade facilitation, development of regional supply chains, best practices and standards for sustainable trade, would be likely to attract funding.
12. Carry out a survey on SPECA countries implementing SDG 17.12: grant duty-free, quota-free preferential access to markets to Least-Developed Countries in accordance with the WTO norms.
13. Foster the development of a business network in support of trade facilitation in the SPECA subregion, using the expertise of the Global Alliance for Trade Facilitation.

On the link between trade and social, economic and environmental sustainability, the countries and the Working Group can explore possibilities to:

14. Work with international partners such as the Environment and Trade Hub of UN Environment to improve awareness of SPECA countries on the link between trade and the SDGs in the social, economic and environmental fields. Develop policy papers on this issue. Possible studies may include the link between trade and environmental sustainability, water management, food security, or other related issues in the region. On the basis of such studies:
  - a. recommend possible input to policy decisions in SPECA countries' sustainable development plans.
  - b. help identify next steps, in terms of work programmes, cooperation plans, exchange of best practices, which would incorporate environment and sustainable development more generally into national trade policies and regional trade agreements; promote standards and tools for sustainable trade and the achievement of the SDGs in the subregion.
  - c. develop a training module for civil servants in Central Asia on sustainable trade.
15. Support the exchange of best practices, capacity-building, and joint projects, with the participation of countries in the subregion, in collaboration with UNECE, ESCAP, UN Environment, UNCTAD, the World Bank, ADB, OSCE, GIZ, USAID, and other organizations. Develop synergies with trade facilitation programmes under CAREC, the EEU, TRACECA, ECO, and other regional mechanisms.
16. Foster subregional cooperation for the use of rules and standards supporting sustainable trade. Focus on growth patterns that support environmental sustainability and job creation as the blue print to ensure sustainable development. Through development projects target environmental sustainability, pollution control, resource efficiency, job creation, and inclusiveness and ensure that trade works towards meeting the SDGs. Promote development strategies and projects that support:
  - a. integrated development planning for inclusive and sustainable growth;
  - b. employment creation, decent work, and redistributive programmes to address poverty, inequality and exclusion;
  - c. managing risks of globalization and building economic resilience;
  - d. economic and trade diversification, which would create sustainable trade opportunities, support environment, sustainable development and efficiency, while creating new "green" jobs; and

- e. mobilizing financing for the transition to inclusive and sustainable growth.
17. Assist the countries in mobilizing additional support for national and subregional implementation of SDGs relevant to trade. Search for a combination of public, private and development partner funding for the achievement of the SDGs. Continue integrating the SDGs into the strategic development documents of the SPECA countries.
  18. Strengthen public-private partnerships to support sustainable development in the countries, in such a way that the Middle classes can benefit from it. Strengthen civil society participation and raising public awareness to promote multi-stakeholder dialogue on Agenda 2030.
  19. The SPECA countries, the Working Group, UNECE and UNESCAP, as well as UNDP, UN Environment, UNCTAD, ITC, the UNCTs, the World Bank, the Asian Development Bank, GIZ, USAID, the World Economic Forum, the Turkic Council, and other development partners, will continue collaboration to help the SPECA countries achieve the SDGs.
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