



Central Asia Regional Economic Cooperation: Trade Facilitation and Digital Connectivity

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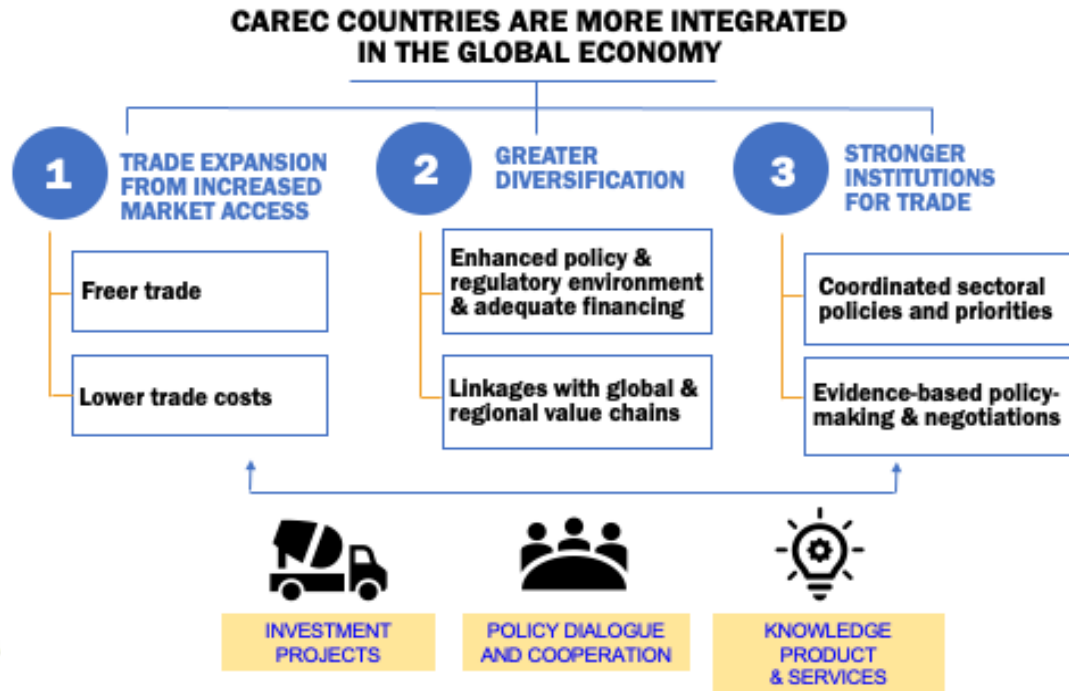
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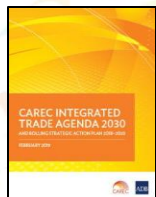
8 June 2023, Almaty

CAREC Integrated Trade Agenda (CITA) 2030

and Rolling Strategic Action Plan (RSAP)



CAREC = Central Asia Regional Economic Cooperation, CFCFA = CAREC Federation of Carrier and Forwarder Associations, NCTF = national committee on trade facilitation, SPS = sanitary and phytosanitary, WCO = World Customs Organization, WTO = World Trade Organization.

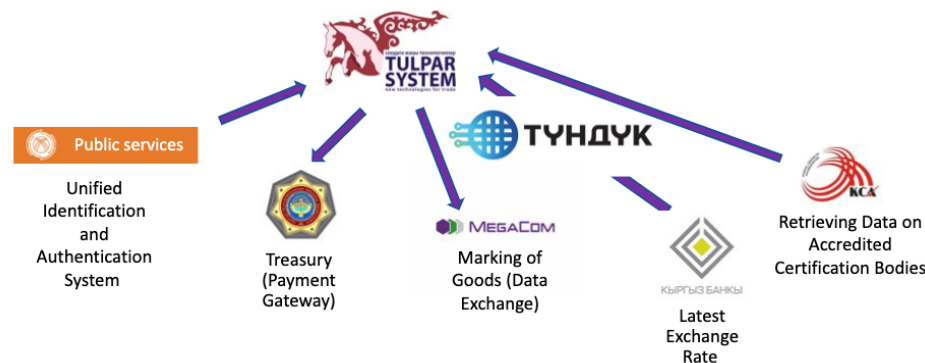


Activities under CITA RSAP 2023–2025

PROJECT / ACTIVITY	STATUS
<p>Regional improvement of border services (RIBS) projects</p> <p>→ <i>development of physical infrastructure + national single window (NSW) + institutional capacity</i></p>	<ul style="list-style-type: none"> • Completed for KGZ and TAJ; Ongoing for MON and PAK • TAJ and PAK launched their NSW • New investment project for MON • Regional RIBS model and study visit • Scoping study for integrated border management and/or joint customs control for TAJ-UZB or KAZ-UZB



Improved Guliston BCP in Tajikistan



Single information system in Kyrgyz Republic



Knowledge-sharing modules on CAREC Trade: Regional Improvement of Border Services
<https://www.carecprogram.org/?event=knowledge-sharing-modules-on-carec-trade-regional-improvement-of-border-services>

CAREC Institute E-learning Platform
<https://elearning.carecinstitute.org/regional-improvement-of-border-services.html>

Activities under CITA RSAP 2023–2025

PROJECT / ACTIVITY	STATUS / PLAN
CAREC Advanced Transit System (CATS) with information common exchange (ICE)	<ul style="list-style-type: none"> • Memorandum of Understanding for signing of AZE, GEO, TKM and UZB (June 2023), followed by action plan and development of technical manuals for CATS prototype
Membership and implementation of transit schemes	<ul style="list-style-type: none"> • Consultations on improving Quadrilateral Traffic in Transit Agreement implementation (for PRC, KGZ, PAK, and TJK) • Subregional assessment study on trade and cross-border transport facilitation for AZE, KAZ, and UZB (Q3 2023)
Joint Customs Control (JCC) pilot project	<ul style="list-style-type: none"> • Joint e-manifest data exchange system introduced between PRC and MON • Replication to other BCPs including scoping study for potential investment project (AZE and GEO)
Authorized economic operators (AEO)	<ul style="list-style-type: none"> • Ongoing AEO regional mapping followed by in-country and regional workshops on risk management focused on AEO Program planned in Q1 2024

CAREC Corridor Performance Measurement and Monitoring

Trade Facilitation Indicators

TFI 1

Time taken to clear a border crossing point (BCP), *in hours*

TFI 2

Costs incurred at a BCP, *in \$*

TFI 3

Costs incurred while traveling along a corridor section, *in \$*

TFI 4

Speed of travel along a corridor section (Speed with delay), *in km/h*

SWOD

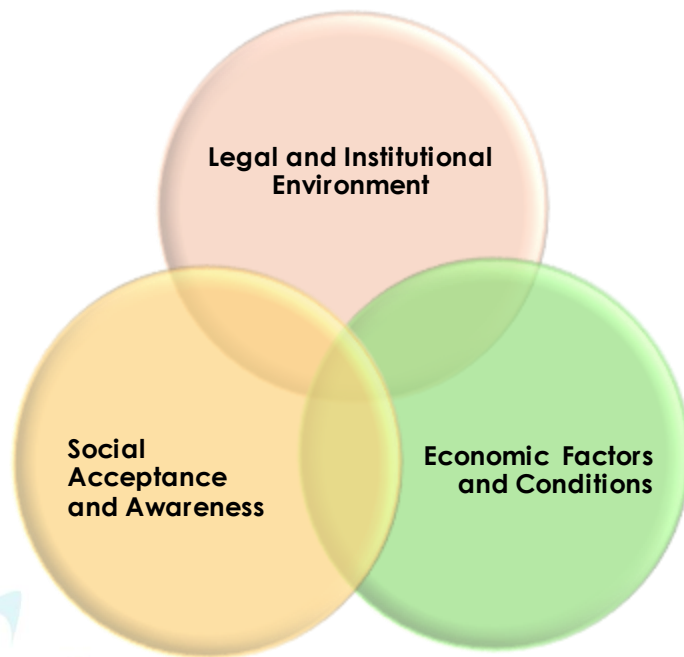
Speed without delay, *in km/h*



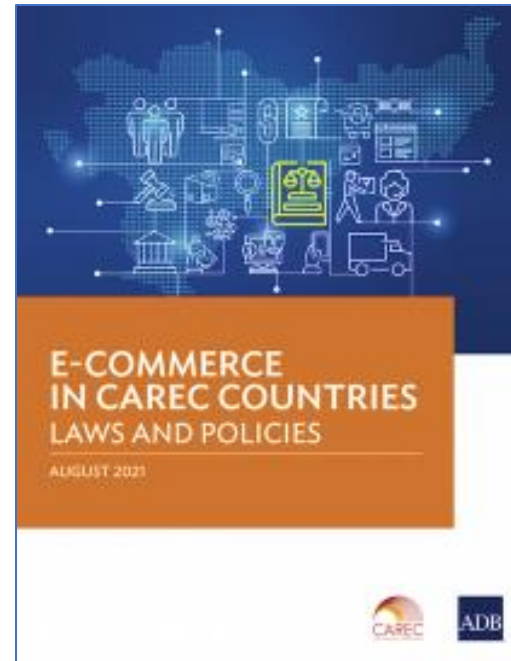
CAREC Digital Trade Initiatives

- CAREC Digital Trade Forum
- CAREC Digital Strategy 2030 – developing start-up mechanisms
- Assistance to CAREC countries in acceding to and implementing international agreements and leveraging digital technologies for trade
 - UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (regional dialogue and knowledge products)
 - UN Convention on the Use of Electronic Communications in International Contracts (AZE, PRC, MON)
 - adopting the Model Law on Electronic Transferable Records (PRC, GEO)
 - artificial intelligence for import procedures (GEO), blockchain and distributed ledger technology for electronic certificates of origin (MON)
 - legal framework for e-commerce (AZE)
 - SMEs' participation in cross-border e-commerce (KGZ, MON, PAK)
 - electronic phytosanitary certificates (ePhyto) (UZB, PRC, others)

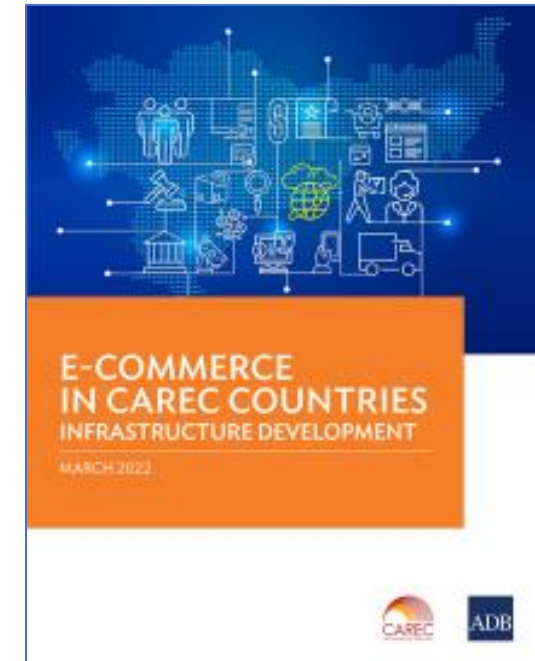
Dimensions for E-Commerce Development and ADB – CAREC Institute assessments



Source: [ADB and ESCAP 2018. Embracing the Economic Revolution in Asia and Pacific. Manila.](#)



<http://dx.doi.org/10.22617/TCS210304-2>



<http://dx.doi.org/10.22617/TCS220098-2>

Key Messages



Enabling environment

Align with international conventions and international best practices to increase consumer confidence and support e-commerce ecosystem and private sector growth.



Infrastructure development

Establish backbone networks, internet exchange points, and data centers. Expand payment systems capacity, logistics services, and cross-border connectivity.



Regional cooperation

Collective effort to harmonize, build mutual trust and share good practices. Facilitate trade and improve rules on cross-border e-commerce transactions.

E-Commerce in CAREC Countries: Laws and Policies

Remove Barriers

Electronic transactions

UN Convention on the use of Electronic Communications in International Contracts (ECC)

UNCITRAL model laws on electronic commerce and electronic signatures

International certifications/foreign signatures

Recognition or equivalence in accordance with bilateral agreement or principle of reciprocity

Regulate

Privacy

OECD Guidelines on protection of privacy and cross-border flows of personal data

Council of Europe Convention on the Protection of Individuals

Cybercrime

Council of Europe Convention on Cybercrime (Budapest Convention of 2001)

Consumer Protection

UN Guidelines for Consumer Protection
OECD Consumer Protection in E-Commerce

Facilitate trade

Trade facilitation agreements

UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

UN Convention on the International Sale of Goods

WTO Trade Facilitation Agreement

WCO Revised Kyoto Customs Convention

E-Commerce in CAREC Countries: Infrastructure

Internet Infrastructure	Payment Systems	Delivery and Logistics Infrastructure	E-Commerce Market
<p>Consumer adoption Affordability of and access to information and communications technology Coverage Gap analysis: Online shopping Barriers to internet use</p>	<p>CAREC payment landscape Bank cards Mobile payments Internet banking Payment card infrastructure Non-cash payment usage and volume Supporting merchants</p>	<p>Fulfillment Delivery Hubs Warehousing</p> <p>Cross-border trade facilitation Paperless trading Electronic single windows De minimis</p>	<p>Market size Country profiles</p>
<p>Data infrastructure International internet bandwidth Internet exchange points Data centers Cloud services</p>	<p>Cashless payment environment</p>		
<p>Business use of Internet Business internet-related infrastructure (fixed broadband, autonomous system numbers, cybersecurity)</p>			



E-Commerce in CAREC Countries: Conclusions and Next Steps

- Regulatory framework
- Adopt holistic approach
- Participate at international and regional platforms (CAREC, UNNEXT)
- Address core infrastructure gaps that undermines potential for e-commerce growth
- Strengthen payments environment
- Support start-up ecosystems
- Overcome lack of trust