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Sixteenth session of the SPECA Working Group on Trade

Tashkent, Uzbekistan, 16 November 2021

REPORT

Recommendations of the sixteenth session of the SPECA Working Group on Trade

The sixteenth session of the SPECA Working Group (WG) on Trade reviewed country experiences in the implementation of the strategic documents of the WG and noted with satisfaction the accelerating progress of their realization in the region. The participants discussed the following topics: report on the activities in 2020-2021; strengthening the cooperation of the SPECA countries negotiators in the World Trade Organization (WTO); implementation of the SPECA Trade Facilitation Strategy and Principles of Sustainable Trade, including ongoing work on harmonizing border-crossing procedures and documentary formalities among the SPECA countries; using international standards for the digitalization of trade and multimodal transport data and document exchange; non-tariff barriers to trade; and projects for trade and sustainable development in the SPECA subregion.

The participants recommend to the Governments of the SPECA participating countries to:

1. Strengthen collaboration among the SPECA countries on trade policy issues, notably in the framework of the forthcoming WTO Ministerial Meeting, the implementation of the WTO Trade Facilitation Agreement (TFA), and WTO accessions of SPECA countries.
2. More actively use SPECA as a collaborative platform of the countries to support the implementation of the 2030 Agenda on Sustainable Development, notably to achieve the Sustainable Development Goals (SDGs) related to trade.
3. Continue to include trade facilitation measures and the Principles of Sustainable Trade in work programmes, cooperation plans, best-practice exchanges, and the use of standards and tools for sustainable trade to achieve the SDGs. Given the positive initial results in analyses and fundraising for the implementation of the Principles of Sustainable Trade, reinforce the fundraising campaign for projects in sustainable trade in the subregion.
4. Considering the positive results by this moment in the implementation of the SPECA Trade Facilitation Strategy, and the *Ashgabat Initiative on reducing barriers to trade and transport in the SPECA subregion, using UN instruments*, reinforce the work on implementation of the previously adopted recommendations regarding these strategic documents.
5. Endorse the documents presented at the session of the SPECA WG on Trade:

- Progress report on the activities of the WG on Trade in 2020-2021 with a view to strengthen the countries' even more active involvement in 2022.
 - Working paper on the harmonization of border-crossing procedures, inviting Governments, the business community, and other stakeholders in the SPECA participating countries, to step up activities aimed at the simplification and harmonization of border-crossing procedures and documentary formalities, to make procedures and processes clearer for business users and regulators.
 - Guide on establishing functioning trade facilitation enquiry points in the SPECA countries.
 - Report on the level of implementation of the SPECA Principles of Sustainable Trade in the SPECA countries, inviting Governments to take up the implementation of the recommendations of this report.
6. For the sessions of the WG on Trade in 2022 and 2023, prepare an update of the Roadmap on the implementation of the SPECA Trade Facilitation Strategy, considering the achievements so far.
 7. Step up the work on using the international standards for the digitalization of trade and multimodal transport data and document exchange (notably the standards of the United Nations Centre for Trade Facilitation and Electronic Business UN/CEFACT), see <https://unttc.org/stream/electronic-trade-and-transport-documents-and-data>. Coordinate with the SPECA countries the organization of a regional event dedicated to using the package of UN/CEFACT standards for multimodal transport and inter-sectoral data and document exchange. The participants noted that it was time to move beyond the already successful national projects, such as the Single Window.
 8. Marking the excellent cooperation with GIZ on trade facilitation in the subregion, strengthen the collaboration network with international organizations and development partners on trade policy, trade facilitation, sustainable trade, and digitalization of multimodal transport and supply chain data and document exchange, notably with GIZ, ITC, ADB/CAREC, as well as UNCTAD, IRU, OSCE, OSJD, ECO, the World Bank, USAID, ADB, and others. We invite the international development partners to use SPECA as a vehicle for intergovernmental and interagency collaboration.

The participants noted with satisfaction the important role of the Republic of Uzbekistan, which hosted for the first time a session of the SPECA WG on Trade. The participants expressed their hope for fruitful cooperation among the SPECA countries on all aspects of regional cooperation, covered by the SPECA WG on Trade: in the WTO process, trade facilitation, sustainable trade, non-tariff barriers, and digitalization of supply chains and multimodal transport data and document exchange.

REPORT of the 16th session

Opening and organizational matters

The United Nations Economic Commission for Europe (UNECE) jointly with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) organized the sixteenth session of the SPECA Working Group on Trade on 16 November 2021 in Tashkent, Uzbekistan, back-to-back with the 2021 SPECA Economic Forum: *Sustainable Transport and Trade for a Green and Inclusive Economy after the Pandemic* (17-18 November 2021) and the 16th session of the SPECA Governing Council (19 November 2021). The session was organized in collaboration with the German Agency for international cooperation GIZ and was preceded by a meeting of the National Trade Facilitation Committees in Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, a regional network of NTFCs supported by GIZ, as well as UNECE.

A. Participants

Representatives of the following SPECA participating countries took part in the session: Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. Afghanistan was not represented this time due to the situation in the country. Representatives of Germany, the Russian Federation and Turkey also took part in the session. The following United Nations agencies and programmes participated in the session: UNECE, ESCAP, the United Nations Development Programme (UNDP), the International Trade Centre (ITC) as well as the German Agency for international cooperation, GIZ, and others online.

The Working Group supports cross-border and regional cooperation for the implementation of the 2030 Sustainable Development Agenda in the SPECA region, with a focus on sustainable trade, (notably SDG targets 17.10 and 17.11). The session focused on reviewing progress in the implementation of the documents and deliverables of the SPECA Working Group on Trade approved by the 14th session of the SPECA Governing Council on 21 November 2019: updated Terms of Reference; Programme of work for 2020-2021; SPECA Trade Facilitation Strategy; Principles of Sustainable Trade in the SPECA subregion; and Concept Note on a Regional Study on Regulatory and Procedural Barriers to Trade. Another direction added to the plans of the WG was the digitalization of multimodal transport data and document exchange using the UN/CEFACT standards and Multimodal Transport Reference Data Model.

B. Opening

H.E. Mr. Abdurahmon Abdurahmonzoda, Deputy Minister of Economic Development and Trade of the Republic of Tajikistan and Chairperson of the SPECA Working Group on Trade, opened and **chaired the session**. He drew the attention of the participants to the implementation of the strategic documents of the Working Group in trade policy cooperation (which would contribute to the achievement of SDG target 17.11), trade facilitation, and sustainable trade, and the addition of digitalization of multimodal transport data and document exchange to the plans of the Group.

H.E. Mr. Mr. Badriddin Abidov, Deputy Minister of Investment and Foreign Trade of the Republic of Uzbekistan, welcomed the participants, noted the importance of Uzbekistan's reintegration into SPECA activities, notably in foreign trade, and wished effective implementation of the Programme. He stressed that the substantive success of Uzbekistan's reforms relies on the development of regional trade and underlined the readiness of his country to pursue the same fruitful, open and inclusive course on foreign trade development.

Mr. Dmitry Mariyasin, Deputy Executive Secretary, UNECE, noted the contribution of foreign trade to building back better after the pandemic. Trade and economic cooperation will play a critical

role in this process, which will also help to transition towards a circular economy. Countries should use such UNECE mechanisms as the SPECA Principles of Sustainable Trade and Trade Facilitation Strategy. They should avoid that non-tariff measures introduced under the pandemic turn into non-tariff barriers. They should also support the digitalization of multimodal transport and trade information exchange. Digitalization can help the move forward towards sustainable development, and UNECE can collaborate with GIZ, USAID, ITC, ADB (CAREC), and other partners – to work on connectivity in the SPECA subregion.

Ms. Rupa Chanda, Director of the Trade, Investment and Innovation Division, ESCAP, spoke about the impact of the COVID-19 crisis and the need for accelerating the work to eliminate the long-lasting effects of the pandemic. These include streamlining trade procedures in the SPECA countries. There is room for further improvement, notably in the implementation of trade facilitation measures, and providing more space for the participation of women and SMEs in foreign trade. Trade facilitation must be included in strategic plans for facing future crises. She stressed the importance of the digitalization of trade procedures. ESCAP is conducting a technical readiness assessment to move towards a transborder cooperation for the implementation of the Framework Agreement on Trade Facilitation and Paperless Trade in Asia and the Pacific, which came into force in 2021. ESCAP stands ready to provide additional support to countries to ratify and implement the Agreement.

The **Chairperson** of the SPECA WG on Trade presented the Progress Report of the SPECA WG on Trade. The overall highlights included an ESCAP webinar on paperless trade in July 2021, support for National Trade Facilitation Committees, trade facilitation norms, standards and best practice recommendations (on which GIZ and UNECE continue joint work to the benefit of the countries); implementation of concrete measures in the WTO Trade Facilitation Agreement (TFA). First steps were undertaken to digitalize trade and multimodal transport data exchange. On the implementation of the SPECA Principles for Sustainable Trade – data has been collected in 6 SPECA countries to prepare a UNECE regional study. Inter-Agency consultation and cooperation has been strengthened in 2020-2021 (see the progress report). A side event was planned for the next WTO Ministerial Conference, to be organized in cooperation between Tajikistan and UNECE.

H.E. Mr. Badriddin Abidov, Deputy Minister of Investment and Foreign Trade of the Republic of Uzbekistan, spoke about the good cooperation among SPECA countries achieved the last seven years. Unexploited potential remains in trade volumes between Uzbekistan and the SPECA countries. The effect of the pandemic is strong, and it calls for ensuring more resilience and attention to sustainable development. Uzbekistan's accession to the WTO remains a priority. Initial agreements have been reached with some of the partner countries on such issues as intellectual property. These efforts are supported by donors, who carry out workshops on the process of WTO accession. 60 countries already support Uzbekistan's accession, yet the process needs to go further. Regarding SPECA, Uzbekistan supports the advancement of initiatives to fund and implement the Principles of Sustainable Trade and the Trade Facilitation Strategy.

Ms. Elisabeth Tuerk, Director, UNECE Economic Cooperation and Trade Division, presented a regional study on the implementation of the SPECA Principles of Sustainable Trade. UNECE had hired six consultants in six SPECA countries (Azerbaijan; Kazakhstan; Kyrgyzstan; Tajikistan, Turkmenistan, and Uzbekistan) to collect information and a regional consultant to put it together in a regional analytical study. It reviewed the readiness of the SPECA countries to implement the Principles of Sustainable Trade. While some progress has been achieved, environmental protection, management of natural resources, employment, and other important issues for sustainable development remain open. The paper contains recommendations for further action. Ms. Tuerk commended the SPECA countries that they had the unique chance to have adopted the SPECA Principles of Sustainable Trade, which they can follow in the pursuit of sustainable development in

a region that is subject to some of the most serious environmental challenges in the world. This experience and the Principles can be used in other regions and countries throughout the world.

Following up on this discussion, **Mr. Bo Libert**, UNECE Consultant, presented at the SPECA Forum the analytical paper “Trade, Water Management, Food Security and the Circular Economy in the SPECA Region”, which deals with the nexus of trade facilitation, management of the water resources and ensuring food security in the SPECA countries and the whole subregion, based on building trust. Trust is the buzzword in the search for solutions to the above problems in the SPECA subregion.

The two papers “Promoting sustainable trade and circular economy in SPECA countries: State of play and way forward” and “Trade, Water Management, Food Security and the Circular Economy in the SPECA Region” were developed under the auspices of the SPECA WG on Trade and were meant as background analytical papers for the 2021 SPECA Economic Forum “*Sustainable Transport and Trade for a Green and Inclusive Economy after the Pandemic*”.

Mr. Mario Apostolov, Regional Adviser, UNECE, presented the progress in the implementation of the SPECA Trade Facilitation Strategy: activities organized in support of the harmonization of border-crossing procedures and data sharing, development of a guide for the establishment and functioning of trade facilitation enquiry points, cooperation between border control agencies, analyzing non-tariff measures introduced under the pandemic (a broader regional study on NTBs did not receive funding from Kazakhstan as expected), a study on rebuilding the economy better after the pandemic, a tool for exchange of information on procedures between the national regulatory agencies (Customs), etc. It is time to move from recommendations to actual harmonization of border-crossing procedures among the countries. The establishment and regional cooperation of National Trade Facilitation Committees received a boost in 2021 with the GIZ project supported by various organizations, including UNECE. This progress must be maintained. National Trade Facilitation portals have been established in several countries (including Tajikistan) with assistance from ITC. These trade portals help decrease the average time for the release of goods. There are plans to further implement Time Release Studies, and to introduce automatic release of goods without subjective intervention from Customs officers.

Ms. Larisa Kislyakova, Chairperson of the Association of Transport and Logistics Partnership in Central Asia, presented the new version and recommendations of the SPECA study on the harmonization of border-crossing procedures (a working paper of the SPECA WG on Trade). It reflected the findings of the latest Business Process Analyses of the border-crossing procedures in Central Asia, carried out by GIZ, new assessments of the actual procedures and the effects of the COVID-19 pandemic. The general recommendation of the Group is that the countries should take up these recommendations and implement them in the practical border-crossing procedures, so that they are the same throughout the region, thus facilitating business there.

Ms. Aizhan Beiseyeva, UNECE Consultant, presented the draft SPECA Guide to the establishment and functioning of trade facilitation enquiry points (WTO TFA Art.1.3). The Guide contains analysis of the requirements and terminology used in the TFA in this regard and suggests practical options for the functioning of enquiry points in developing and transition economies. The countries made comments, including Uzbekistan, where a TF enquiry point is currently being established with assistance from UNECE and parallel to the development of the Guide as a pilot implementation project. The Group recommends publishing this guide, and it invited the SPECA countries to implement TF enquiry points following its guidelines.

Ms. Anastasiya Belova, Ministry of Investment and Trade of the Republic of Uzbekistan, presented the findings of the Assessment of the Readiness of Uzbekistan to implement the WTO Trade Facilitation Agreement. Based on this assessment, carried out with support from UNECE, consultants from Uzbekistan are drafting a national trade facilitation strategy and roadmap.

Mr. Aidarbek Samykbaev, National Trade Council of Kyrgyzstan, presented the Trade Facilitation Strategy and Roadmap of Kyrgyzstan – an impressive document following the UNECE guide on drafting a national trade facilitation roadmap. The Group recommends using this Roadmap as a best practice experience for other developing and transition economies.

Mr. Yann Duval presented the work of ESCAP in support of the ratification and implementation of the Framework Agreement on Paperless Trade in Asia and the Pacific in several Central Asian countries. Capacity-building is organized in several countries to this effect.

Mr. Ghulam Samad, Senior Research Officer, CAREC Institute, presented the findings for the SPECA countries of the United Nations Global Survey on Digital and Sustainable Trade Facilitation 2021 (<https://www.unescap.org/kp/2021/untf-survey-2021-carec>). Given the cessation of the World Bank’s Doing Business report, this survey has accrued in importance as a measuring tool for progress in trade facilitation.

The 16th session of the SPECA WG on Trade reviewed and endorsed several key documents for the future work of the WG:

- Promoting sustainable trade and circular economy in SPECA countries: State of play and way forward (https://unece.org/sites/default/files/2021-11/Promoting%20sustainable%20trade%20and%20circular%20economy%20in%20SPECA%20countries_State%20of%20play%20and%20way%20forward.pdf)
- Harmonization of border-crossing procedures in the SPECA countries (analytical background paper) – working paper of the WG on Trade (https://unece.org/sites/default/files/2021-11/Border-crossing%20harmonization_Analytical%20background%20overview.RUS_.pdf)
- Guide to the Implementation of Art.1, para.3 of the WTO Trade Facilitation Agreement: Enquiry Points (https://unece.org/sites/default/files/2021-11/Guide_EPs_TFA_ENG.pdf)
- Trade, Water Management, Food Security and the Circular Economy in the SPECA Region (analytical background paper) (https://unece.org/sites/default/files/2021-11/Trade%2C%20Water%2C%20Food%2C%20Circular%20Economy_Analytical%20background%20paper_ENG.pdf)
- Progress report and Programme of Work for 2022-2023 of the SPECA WG on Trade (<https://unece.org/media/documents-download/events/359262>)

Mr. Mario Apostolov, Regional Adviser, UNECE, presented the package of standards for the digitalization of multimodal transport data and document exchange, based on the UN/CEFACT standards and Multimodal Transport reference Data Model (<https://unttc.org/stream/electronic-trade-and-transport-documents-and-data>) and possibilities for its implementation in the SPECA subregion. **Mr. Sherzod Ata-Mirzaev**, Ministry of Transport of the Republic of Uzbekistan, presented the work on this package in the context of digitalization of multimodal transport data and document exchange in Uzbekistan. **Mr. Alexei Bondarenko**, Vice Chair, United Nations Centre on Trade Facilitation and Electronic Business (UN/CEFACT) and associate professor at MGIMO University, spoke about the current practices of the countries of the Eurasian Economic Union on Digital Transport Corridors ecosystems. The Group welcomed the idea of further work on standardized digitalization of multimodal transport data and document exchange in the SPECA subregion.

Ms. Asel Uzagalieva, GIZ “Facilitating Cross-Border Trade in Central Asia” project, spoke about the work done on the establishment, operationalization, and building regional cooperation among National Trade Facilitation Committees in four Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan). Much has been achieved by the countries with support from GIZ and other development partners, including UNECE. The Group called for support for the NTFCs and their regional cooperation network in Central Asia / SPECA.

The Working Group developed and adopted a list of recommendations to guide its future work. It stressed the importance of further implementation of the Principles of Sustainable Trade (including through projects supported by UNECE and ESCAP); acknowledged progress in the implementation of the SPECA Trade Facilitation Strategy, noted the need for update of the Roadmap on the implementation of the SPECA Trade Facilitation Strategy at the next session of the WG; recommended action on the practical use of the Guide on Trade Facilitation Enquiry Points; further review and practical use of the recommendations of the working paper on harmonization of border-crossing procedures. The Group welcomed the idea to expand its work in a new area: digitalization of trade and transport information exchange, with special emphasis on the digitalization of multimodal transport data and document exchange, using the UN (notably UN/CEFACT) standards, Multimodal Transport Reference Data Model and other tools.

H.E. Mr. Abdurahmon Abdurahmonzoda expressed his appreciation to the secretariats of UNECE and ESCAP for having organized the session and their support in implementing the Programme of Work of the SPECA Working Group on Trade. The Chairperson expressed gratitude to **Mr. Mario Apostolov**, Secretary to the SPECA Working Group on Trade, who made a huge personal contribution to trade facilitation in Central Asia and the development of fruitful trade cooperation among the SPECA participating countries.