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# CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROJECT

Contract No. AID-176-I-11-00003  
Task Order No. AID-176-TO-11-00001

## QUARTERLY PROGRESS REPORT APRIL - JUNE 2015



Cover photos:

**(Clockwise from upper left):** Meruert Kazbekova, President of the “ASIA” Association and Gulnora Mahmudova, Chairwoman of the Association of Business Women of Uzbekistan, shaking hands after signing the Memorandum of Cooperation, Tashkent, Uzbekistan, April 17, 2015; Alma Kasymova, Director of the EBRD Small Business Support Program, speaks at the roundtable “Ways to Increase Export”, Almaty, Kazakhstan, May 19, 2015.

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## ACRONYMS

ADB	Asian Development Bank
ADBL	Association for Development of Business Logistics
AmCham	American Chamber of Commerce
ATAR	Afghanistan Trade and Revenue project
B2B	Business to business
CA	Central Asia
CA&A	Central Asia and Afghanistan
CAREC	Central Asia Regional Economic Cooperation Program
CATF	Central Asian Trade Forum
CCI	Chamber of Commerce and Industry
COP	Chief of party
DCOP	Deputy chief of party
DOD	Department of Defense
EBRD	European Bank of Reconstruction and Development
EPI	Export Partnership Initiative
EPG	Export Partnership Group
EU	European Union
GIZ	German Society for International Cooperation
MEDT	Ministry of Economic Development and Trade
MOU	Memorandum of understanding
NGO	Nongovernmental organization
PMP	Performance Monitoring Plan
REC	Regional Economic Cooperation project
STTA	Short-term technical assistance
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WDA/TJ	Women's Development Agency in Tajikistan
WES	Women's Economic Symposium
WTO	World Trade Organization

## EXECUTIVE SUMMARY

The Regional Economic Cooperation (REC) project is a five-year Task Order under USAID/CA Macroeconomic Foundations for Growth Indefinite Quantity Contract (IQC), and has been operating in Central Asia since October 2011. This is the twelfth quarterly report of the project, covering the period from April to June 2015. The mission of REC is to facilitate trade among Central Asian countries, Afghanistan, as well as large trading partners of these countries.

During the reporting period, major REC accomplishments include:

- REC's Export Partnership Groups (EPG) export sales increased by \$105, 000 this quarter.
- Nine capacity-building events were conducted in the reporting period; 431 Central Asian firms received project-supported capacity-building assistance to increase exports, and 730 participants benefited from project-supported trade and capacity building trainings and events this quarter. Five of the nine public events were held in Kazakhstan and four in Uzbekistan.
- REC assisted the Business Association of Women-Entrepreneurs "ASIA" (the "ASIA" Association) to organize the "Expansion of Economic Opportunities and Cooperation of Women-Entrepreneurs in Central Asia" roundtable on April 17, 2015 in Tashkent. Around thirty Central Asian women-entrepreneurs participated in the event. As a result, the "ASIA" Association signed a Memorandum of Cooperation with the Association of Business Women of Uzbekistan.
- REC, in partnership with the Uzbekistan Small Businesses' and Private Entrepreneurship's Export Promotion Fund held the "Ways to Increase Exports to the European Union and the Eurasian Customs Union" conference on April 28-29, 2015 in Samarkand. Around 200 participants attended the event. As a result of this roundtable, 39 new letters of intent, totaling \$182 million, were signed for the supply of dried and fresh fruits and vegetables as well as honey and carpets.
- REC organized a focus group meeting of fruit and vegetable producing companies on April 29, 2015 in Samarkand. As a result, the Export of Fruit and Vegetables Partnership Group was established.
- REC, in collaboration with the Uzbekistan Small Businesses' and Private Entrepreneurship's Export Promotion Fund organized "The Role and Activities of National Development and Export Promotion Institutions" roundtable on April 29, 2015 in Samarkand.
- REC, in partnership with the EBRD Small Business Support (SBS) Program and KAZNEX INVEST, hosted the "Ways to Increase Exports" roundtable on May 19, 2015 in Almaty, which was attended by 30 high-level managers from export-oriented enterprises in Kazakhstan.
- REC, in collaboration with the GIZ Program "Support to Regional Trade in Central Asia," hosted the two-day "Transport and Logistics in Central Asia: New Realities" roundtable from May 19-20, 2015 in Almaty, which was attended by more than 30 representatives of trade development ministries and agencies from countries of Central Asia and Afghanistan, transport and logistics companies, business associations, commercial sections of foreign embassies, and international organizations
- REC assisted the Lithuanian Confederation of Industrialists and the Lithuanian Business Confederation to organize the Kazakhstan-Lithuania Business Forum on May 20, 2015 in Almaty, which corresponded with the official visit of the Lithuanian Prime Minister to Kazakhstan. The PM and Almaty Akim participated in the Forum, which was attended by more than 300 participants.
- REC awarded two grants to support Women's Economic Symposium follow-on activities. The

first grant ( [REDACTED] ) was awarded to the “ASIA” Association and the second grant ( [REDACTED] ) was awarded to SPINNA Circle Ltd.

- Through REC’s grant, the “ASIA” Association held two sessions on gender policy and strengthening women’s economic cooperation in the region in the framework of the Astana Economic Forum on May 21-22, 2015 in Astana. The first session brought together more than 150 women-entrepreneurs, and the second session brought together 40 participants. As a result, participating members of the “ASIA” Association signed letters of intent totaling [REDACTED] to organize trainings, fairs, supply handicraft and art products, and provide informational support.
- REC facilitated a partnership between the “ASIA” Association and the “ARGO” Civil Society Development Association, based in Almaty, Kazakhstan. As a result, REC and ARGO organized a three-day training from June 3-6, 2015 to build the capacity of 12 Central Asian members of the “ASIA” Association.
- REC assisted Tajikistan to become the fifth WTO member to ratify the WTO Agreement on Trade Facilitation. REC translated the agreement into Tajik and provided advice during the ratification proceedings.
- The work on preparing the tri-lingual (English-Russian-Tajik) Dictionary of Trade Facilitation, which will include basic terms of WTO Agreements and those used in trade facilitation with explanations of these terms in all three languages, has been completed.

## ACTIVITY 1. BUILD AND SUPPORT EXPORT PARTNERSHIP GROUPS

### A. Support to the Existing Export Partnership Groups *Export Development in Uzbekistan*

On April 28-29, 2015, in cooperation with the Uzbekistan Small Businesses' and Private Entrepreneurship's Export Promotion Fund and the Embassy of Latvia in Uzbekistan, REC organized the "Ways to Increase Exports to the European Union and the Eurasian Customs Union" conference in Samarkand, Uzbekistan. Around 200 participants, including representatives of governmental organizations of Uzbekistan, exporting companies of Uzbekistan, retail chains and distributing companies from Latvia, Russia, and agro firms from regions of Uzbekistan, business associations, farmers, and international organizations attended the conference.



Presentation of Mr. Liseks, Latvian trade expert, Samarkand, Uzbekistan, April 28, 2015

The objectives of the event were to determine prospects for supplying Uzbek fruit and vegetables to the European Union and the Eurasian Customs Union and other promising markets; identifying problems in exporting this category of products; and providing recommendations to address the problems identified. In addition, Uzbek exporters were acquainted with retail chains and distributing organizations from the EU and the Customs Union and their requirements during the conference.

On April 27, 2015, prior to the event, REC organized a field visit for seven representatives of retail chains and distributing organizations to Samarkand gardens, farms, and storage and processing facilities to observe the fruit and vegetables production processes in the region. As part of the conference, REC organized a B2B meeting for Uzbek suppliers of fruits and vegetables and buyers from Latvia, Lithuania, Ukraine, the Russian Federation and Kazakhstan. The participants concluded 39 new letters of intent for the supply of dried and fresh fruits and vegetables as well as honey and carpets, totaling more than \$182 million USD.

### B. Development of New Export Partnership Group

REC's horticultural round tables in 2015, in addition to its analytical research on export growth opportunities for fresh and processed fruits and vegetables, have helped to identify the need for a new stage of development in Uzbekistan's horticultural exports. Based on the results of these roundtables and research, REC conducted a focus group on April 29, 2015 which resulted in the establishment of a new EPG – Export of Fruit and Vegetables. During the focus group, participants, representing fruits and vegetables producers, learned the principles of EPG initiatives, discussed the sector's main opportunities and challenges, and the necessary actions to be undertaken in order to develop the sector's export potential. The main goal of the new EPG is to increase export of horticultural products of Uzbek agro firms to the European Union and the Eurasian Economic Union. Based on the outcomes of the focus group discussions, REC drafted a development action plan of the Export Fruit and Vegetables Partnership Group.

## C. Developing Trade with Lithuania

On May 20, 2015, the Lithuanian Consulate in Almaty, with the support of REC, the Akimat of Almaty, the National Chamber of Entrepreneurs “Atameken”, the Lithuanian Confederation of Industrialists, KaznexInvest and the Lithuanian Business Confederation, organized the “Kazakhstan-Lithuania Business Forum.” The aim of the event was to develop a bilateral trade and economic cooperation between Lithuania and Kazakhstan. The Forum brought together more than 300 participants, including 80 delegates from the Lithuanian private sector, spanning such industries as transportation and logistics, chemicals, construction and engineering, food and beverages, IT, consulting, finance, healthcare, education and tourism.



Opening remarks of Mr. Butkyavichus, the Prime Minister of Lithuania and Mr. Yessimov, the Governor of Almaty, at the “Kazakhstan-Lithuania Business Forum”, Almaty, Kazakhstan, May 20, 2015

Mr. Butkyavichus, the Prime Minister of Lithuania, and Mr. Yessimov, the Mayor of Almaty, opened the Forum. The main themes of the plenary session included investment opportunities of both countries, foreign trade review success stories on Lithuanian business development in Kazakhstan, and potential areas of economic and trade cooperation. After the plenary session, participants started B2B meetings with the Lithuanian delegation to establish business contacts and discuss trade and investment deals.

The Business Forum resulted in the signing of a Memorandum of Cooperation between the National Chamber of Entrepreneurs “Atameken” (Kazakhstan) and the Lithuanian Confederation of Industrialists.

## D. Central Asian Trade Forum

REC continues its preparation for the fifth Central Asian Trade Forum to be held on October 28-29, 2015 in Almaty, Kazakhstan. REC received confirmation from its key partners (EBRD, GIZ and KAZNEX INVEST), who expressed their intent to support and co-finance the event. The extent of cooperation is being discussed at the moment. REC hosted the meeting of the CATF V steering committee in June 2015 to discuss the draft agenda of the Trade Forum. REC continues to select experts for CATF V, and has already interviewed several economists and marketing experts. REC has also sent invitations to potential CATF V participants in Lithuania, Latvia, Pakistan and Afghanistan.

## D. Upcoming Activities

- Focus group/round table to design an action plan for the Pharmaceutical EPG in Almaty, July 3, 2015
- Organic agriculture round table in Samarkand, August 2015
- Business-to-business meeting “Trade Cooperation Afghanistan-Uzbekistan” in Tashkent, August, 2015
- Conference “AgroProm Shymkent” and business-to-business meeting “Uzbekistan-Kazakhstan” in Shymkent, September 17, 2015

## **ACTIVITY 2. EVALUATE EXPORT POTENTIAL OF FIRMS AND INDUSTRIES THROUGH MARKET RESEARCH**

### **A. Coordinate market research activities and technical assistance to new and existing REC EPG members, industries, and markets**

#### ***Market Research on problems and opportunities of Uzbek producers when exporting their products to the European Union and Latvia***

To foster linkages between Uzbek exporters of fruits and vegetables and buyers from the European Union and the Customs Union, REC conducted surveys and market research to identify problems and opportunities for increasing Uzbek fruit and vegetables exports. The report on barriers to export growth in the fruits and vegetables/packaging industries in Uzbekistan was completed in April 2015. REC shared this report with export promotion agencies in Uzbekistan and Kazakhstan and received positive feedback from them in May 2015. The report was presented to the new Export of Fruit and Vegetables Partnership Group members and other interested parties on April 29, 2015 in Samarkand, Uzbekistan. The report is posted on REC's website:

[http://www.car-rec.net/userfiles/File/analiz\\_vozm\\_razv\\_prakt\\_rekom\\_ec\\_final\\_.pdf](http://www.car-rec.net/userfiles/File/analiz_vozm_razv_prakt_rekom_ec_final_.pdf)

#### ***Market research on the pharmaceutical sector in Central Asia to increase sales between Central Asian countries***

During the quarter, REC conducted market research and analysis of the pharmaceutical market, including ways to expand this market and increase sales between the Central Asian countries. This research also examined opportunities for pharmaceutical producers to improve their knowledge of the sector and more effectively meet the demands of Central Asian and international markets. The research will be completed and sent to USAID/Central Asia (CA) Health and Education Office and other stakeholders for review and feedback in July 2015, after the focus group/roundtable is held. The findings of the research will be presented at the focus group/roundtable on establishing a new pharmaceutical EPG in July 2015 in Almaty. REC will utilize qualitative data from the focus group meeting and quantitative data from the research study to identify training and technical assistance opportunities to increase export growth for the pharmaceutical industry in the region. These findings will be presented to Central Asian pharmaceutical manufacturers and companies at the pharmaceutical session at CATF V in October 2015.

### **B. Maintaining the Exporters Database**

REC continues to maintain its database of exporters and has recently added the names of new Central Asian firms with export potential. Participation of new companies in REC's events in Uzbekistan and Kazakhstan during the reporting period has expanded REC's database and today it includes 1,625 companies from Central Asia, Afghanistan, India, Pakistan, Latvia, Lithuania and other countries.

### **C. Upcoming activities**

- REC plans to conduct a market research study focusing on opportunities and challenges of fruit and vegetables export development from Uzbekistan to the Russian Federation (July 2015).

## ACTIVITY 3. TEST BARRIERS TO EXPORT ALONG THE EXPORT CHAIN THROUGH SELECTED PILOTS

### A. Conduct an analysis on potential export channels for products currently supplied by Central Asian companies to the Department of Defense in Afghanistan and include those companies in all regional roundtables and other activities connected with trade growth

On April 30, 2015, REC completed market research to identify alternate avenues for DOD suppliers in the private and public sectors. REC identified new business channels in the EU market, and in the humanitarian supply market. Tapping into these new markets will help Central Asian DOD suppliers increase their export potential and the sustainability of their enterprises. The report is posted on REC's website:

[http://car-rec.net/userfiles/otchet\\_po\\_alternativnym\\_putyam\\_aprel\\_30\\_2015.pdf](http://car-rec.net/userfiles/otchet_po_alternativnym_putyam_aprel_30_2015.pdf).

The findings were presented and discussed at two roundtables, attended by DOD and GSA suppliers from Kazakhstan and Uzbekistan. For example, in cooperation with the Uzbekistan Small Businesses' and Private Entrepreneurship's Export Promotion Fund and KAZNEX INVEST from Kazakhstan, REC held a roundtable in Samarkand, on April 28, 2015. During the event, twenty members from the DOD suppliers' EPG from Uzbekistan discussed alternative avenues for export supplies to Europe, the humanitarian market, the EACU, and other new opportunities for exporting their products. REC also cooperated with the EBRD Small Business Support (SBS) Program and KAZNEX INVEST to facilitate the "Ways to Increase Exports" roundtable in Almaty on May 19, 2015. Thirty representatives of Central Asian companies that supply food products, construction materials, household chemicals, and convenience goods to Afghanistan attended the event. The purpose of the events were to help Kazakhstani and Uzbek enterprises develop their export capacity, diversify products for export, and find new export markets. Roundtable participants discussed export opportunities, humanitarian procurement requirements, and general challenges with exporting goods. They also shared best practices in overcoming barriers to trade and information on how to enter into new markets. Training materials from this roundtable are posted on REC's website: [http://www.car-rec.net/krugliy\\_stola\\_puti\\_uvelicheniya\\_eksportnih\\_postavok\\_g\\_almati\\_19\\_maya\\_2015](http://www.car-rec.net/krugliy_stola_puti_uvelicheniya_eksportnih_postavok_g_almati_19_maya_2015)



Presentation by Mr. Narbayev, Director of KAZNEX INVEST Almaty Office on humanitarian suppliers market in Central Asia, Samarkand, Uzbekistan, April 28, 2015



Presentation by Ms. Alma Kasymova, Director of the EBRD Small Business Support (SBS) Program, Almaty, Kazakhstan, May 19, 2015

In May 2015, REC implemented a pilot virtual business facilitation initiative for REC buyers and suppliers, particularly EPG suppliers and DOD alternative businesses, to enable business linkages for trade growth. This initiative is expected to include promotion of buyers and suppliers on REC's website [http://www.car-rec.net/userfiles/postavschiki\\_dlya\\_nuzhd\\_mo\\_ssha\\_i\\_gsa.pdf](http://www.car-rec.net/userfiles/postavschiki_dlya_nuzhd_mo_ssha_i_gsa.pdf);

[http://www.car-rec.net/userfiles/File/epg\\_dod\\_ru.pdf](http://www.car-rec.net/userfiles/File/epg_dod_ru.pdf). The objective behind the pilot virtual business facilitation is to establish supplemental, cost-effective business matchmaking connections through a virtual medium, via email, Skype, or other targeted channels.

## B. Upcoming activities

- Capacity-building training for the sustainability of export-oriented companies, August 2015

## ACTIVITY 4. SUPPORT WOMEN'S ECONOMIC SYMPOSIUM (WES) FOLLOW-ON ACTIVITIES

### A. Technical Assistance to Business Association of Women-Entrepreneurs "ASIA"

#### *Tashkent Roundtable and signing of Memorandum of Cooperation with Uzbek Women NGO*

On April 17, 2015, REC assisted the Business Association of Women Entrepreneurs "ASIA" ("ASIA" Association) to organize the "Expansion of Economic Opportunities and Cooperation in Central Asia" roundtable in Tashkent. More than twenty women entrepreneurs from Uzbekistan and Kazakhstan attended the event. Participants of the roundtable discussed gender equality and female empowerment issues, as well as the development of women's entrepreneurship and cooperation in the region. As part of the roundtable, the Association of Business Women of Uzbekistan and the "ASIA" Association signed a Memorandum of Cooperation. The document was signed by Gulnora Mahmudova, Chairwoman of the Association of Business Women of Uzbekistan, Deputy of the Tashkent region Kengash, Meruert Kazbekova, President of the "ASIA" Association, and Mazhilis, Deputy of the Parliament of Kazakhstan. The two associations agreed to share information, plan and organize joint events related to further development of women's cooperation in the region, and create expert groups for implementation of joint projects related to the development of women's entrepreneurship.

#### *Partnership with "ARGO" and Capacity-building Training in Almaty*

REC also facilitated a partnership between the "ASIA" Association and the "ARGO" Civil Society Development Association, based in Almaty, Kazakhstan, which has involved co-organizing a three-day training from June 3-6, 2015 to build the capacity of twelve Central Asian members of the "ASIA" Association. The training topics included organizational development, finance, membership base development, and marketing and PR. The skills and knowledge obtained at the capacity building sessions will contribute to the long-term sustainability of the "ASIA" Association and its members in Central Asia and Afghanistan.



Ms. Kazbekova, President of the "ASIA" Association and Ms. Mahmudova, Chairwoman of the UZ Association of Business Women, shaking hands after signing the MoU, Tashkent, Uzbekistan, April 17, 2015



The "ASIA" Association members during the capacity building training, Almaty, Kazakhstan, June 5, 2015

## B. Grant Program

Through its gender integration strategies and grants program, REC supports activities based on outcomes from the Women’s Economic Symposium (WES). In the reporting period, REC awarded two grants to support female economic empowerment in the region through building the capacity and economic linkages between women in Central Asia and between Central Asia and South Asia: one with the “ASIA” Association and the other with SPINNA Circle Ltd.

### ***Business Association of Women-Entrepreneurs “ASIA”***

In the reporting period, REC awarded a grant to the “ASIA” Association to implement a project on expansion of economic opportunities and cooperation of women entrepreneurs of Central Asia and Afghanistan.

As part of the grant, on May 21-22, 2015, the “ASIA” Association held two sessions on gender policy and strengthening women’s economic cooperation in the region. The sessions were held in the framework of the Astana Economic Forum - a global annual forum of leading experts that brings together over 10,000 participants from 150 countries. More than 150 women participants attended the first session. The second session brought together 40 Central Asian women entrepreneurs. Participants of these two sessions discussed current gender issues and opportunities and developed practical recommendations on how to run businesses. They also received firsthand information on state and donor support of women entrepreneurship from representatives from the Kazakhstani Government, UNDP, Central Asian women’s organizations and international donor organizations. In addition, during the two-day event, participants had the unique opportunity to establish business contacts with fellow women entrepreneurs in Central Asia. As a result, participating members of the “ASIA” Association signed letters of intent totaling USD \$88,000 to organize trainings, fairs, supply handicraft and art products, and provide informational support.

### ***SPINNA Circle***

In the reporting period, REC awarded a follow-on grant to SPINNA Circle to implement a project on strengthening networks in Central Asia and developing markets for women entrepreneurs in textiles.

As part of the grant, in June 2015, SPINNA Circle undertook a needs assessment mission in Tajikistan, Uzbekistan and Turkey. The grantee met with key stakeholders and future beneficiaries of the project and identified the dates and topics of trainings to be delivered in Tajikistan and Uzbekistan. SPINNA Circle is now preparing the needs assessment report and taking steps to organize the trainings.



Members of the “ASIA” Association at the Astana Economic Forum, Astana, Kazakhstan, May 21, 2015



Emma Dick, Director/Trainings from SPINNA Circle, meeting with REC’s former grantee WDA in Khujand to identify challenges and strategies in the textile sector, Khujand, Tajikistan, June 16, 2015

## C. Upcoming activities

- Two-day capacity-building training for members of the “ASIA” Association in Tashkent, August 2015

## ACTIVITY 5. ASSIST TAJIKISTAN IN FULFILLING ITS WTO POST-ACCESSION COMMITMENTS AND IMPLEMENTATION OF THE WTO TRADE FACILITATION AGREEMENT

### A. Tajikistan WTO Activities

REC supported Tajikistan’s chief trade negotiator, Mr. Saidrahmon Nazriev, First Deputy Minister of Economic Development and Trade, to participate in the WTO meetings in Geneva, Switzerland from June 29-July 4, 2015. Additionally, REC Senior WTO Advisor, Jovan Jekic, provided on-the-job training to the staff of the WTO section of the Tajik mission in Geneva.

#### *Fifth Aid for Trade Review*

The 5th Global Review high-level meeting, which took place in Geneva from June 30 - July 2, 2015 offered the opportunity to recommit the trade and development community to continued action by developing countries and their development partners to reduce trade costs and support other Aid-for-Trade objectives.

Mr. Nazriev participated in the event as one of the presenters/speakers, presenting Tajikistan’s position on implementation of the Agreement on Trade Facilitation and assistance required for its implementation. Additionally, REC’s Senior WTO Advisor, Jovan Jekic, provided input and advise to Mr. Nazriev for his presentations at the Fifth Aid for Trade Review.



Mr. Saidrahmon Nazriev, First Deputy Minister of Economic Development and Trade as a panelist at the Fifth Aid for Trade Review, Geneva, Switzerland, June 30 – July 2, 2015

In addition, in cooperation with Paraguay, Tajikistan organized a side event with representatives from other WTO members to discuss issues related to the Vienna Program of Action for Landlocked Developing Countries 2014-2024, which was created to address the special development needs and challenges of landlocked developing countries arising from the landlockedness, remoteness and geographical constraints in a more coherent manner. The side event was an opportunity to present the main features of this Program, with a specific focus on trade-related issues where Aid for Trade may play a crucial role. As a result of this event, the WTO and its members will begin giving special attention to the experience of Tajikistan as a landlocked country in the Central Asia region, where improving trade facilitation conditions has ranked high on the Governments’ reform agenda.

#### *High-Level Seminar on Regional Cooperation in Trade in Central Asia*

The United Nations Economic Commission for Europe (UNECE) supports regional cooperation in the area of trade in the region, which includes Central Asia, Afghanistan and Azerbaijan, through a regional working group on trade. Mr. Saidrahmon Nazriev, First Deputy Minister of Economic Development and Trade, is a co-chair of this working group.

In order to further develop support for trade in the Central Asia region, UNECE invited the countries of the region, as well as ITC, UNCTAD, UNIDO, OECD, USAID and other international agencies to deepen their collaboration in this endeavour. As a result, UNECE organized a high-level seminar on July 3, 2015 in Geneva for member countries to present ideas on how their countries' national trade development programs could best address upcoming key issues, such as the proposed Strategic Development Goals (SDGs), the Vienna Programme of Action for Landlocked Developing Countries, and implementation of the WTO Agreement on Trade Facilitation.

Based on the outcomes from consultations and this high-level seminar, UNECE and other interested international organizations will prepare concrete proposals for specific actions to support regional cooperation for trade in Central Asia. In addition to co-chairing the event, Mr. Nazriev presented Tajikistan's views on regional trade cooperation in Central Asia. REC Senior WTO Advisor, Mr. Jekic, provided advice and input to Mr. Nazriev in preparation for this event.

## **B. Legislative Developments**

### ***WTO Agreement on Trade Facilitation***

The new WTO Agreement on Trade Facilitation, was ratified by the Parliament of the Republic of Tajikistan on May 6, 2015, making Tajikistan the fifth WTO Member to complete the ratification. The agreement will take effect after ratification by two thirds of WTO Members. REC translated the agreement into Tajik and provided advice during the ratification proceedings.

### ***CITES Convention***

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (the CITES Convention) was ratified by the Parliament of the Republic of Tajikistan on June 24, 2015. By ratifying the CITES Convention, Tajikistan met the last of the requirements to be granted GSP Plus status by the European Union (EU). This status will enable export of Tajik goods to the EU without payment of any import duties.

### ***Trade Remedies Regulation***

The work on the draft model regulation on implementation of trade remedies (antidumping, countervailing and safeguards) was completed and presented to the First Deputy Minister of Economic Development and Trade, Mr. Saidrahmon Nazriev, on June 25, 2015. Next steps include translation of the document into Russian and Tajik and review by stakeholders, including relevant ministries/agencies and the private sector.

## **C. Public Outreach Activities**

### ***The Dictionary of Trade Facilitation***

Preparation of the tri-lingual (English-Russian-Tajik) Dictionary of Trade Facilitation, which includes basic terms of WTO Agreements and those used in trade facilitation with explanations of these terms in all three languages, was completed on June 8, 2015. A printing company was selected and printing preparations are underway.

### ***International Trade and Investment Conference & Third China Round Table***

The International Trade and Investment Conference and the Third China Round Table public events took place in Dushanbe from June 1-5, 2015. REC supported these events by providing translation and interpretation services.

The International Trade and Investment Conference on June 1, 2015 was organized by the Government of Tajikistan and the Asian Development Bank to discuss trade and investment opportunities in Tajikistan and in the Central Asia region broadly. REC Senior WTO Advisor Jekic was one of the speakers at the conference, at which he presented on the topic of donor technical assistance and its role in Tajikistan and the region.



Mr. David Shark, WTO Deputy Director chairing the panel and REC Senior WTO Adviser Jovan Jekic presenting at the International Trade and Investment Conference on June 1, 2015

The Third China Round Table, organized by the World Trade Organization (WTO) and the Government of the People’s Republic of China, was hosted in Tajikistan on June 2-5, 2015. The purpose of the event was to discuss issues related to experiences of countries acceding to the WTO and those recently acceded. REC Senior WTO Advisor Jekic participated as one of the panelists at a session devoted to donor activities.

### ***Reform of the Food Safety System***

In support of implementing the Post-WTO Accession Action Plan, REC provided technical assistance to Tajikistan to prepare a plan for strengthening the institutional framework for the single agency for food safety risk management, inspection and official controls. REC short-term expert Aivars Berzins traveled to Dushanbe in January 2015 for a fact-finding mission, where he met with authorities and stakeholders involved in food safety matters. Mr. Berzins’ report and the proposal for the reform of the food safety system were finalized in April 2015, and will be presented at the round table organized jointly by REC and MEDT on July 14, 2015.

### **D. Upcoming activities:**

- Organize a public round table to discuss the findings of the feasibility study related to establishing a single food safety control body, 14 July 2015;
- Finalize the work on printing and publishing the Dictionary of Trade Facilitation and organize the public event (press cafe) to present it to the public.

## **ACTIVITY 6.HELP CENTRAL ASIAN COUNTRIES IMPLEMENT PRO-TRADE POLICIES, REGULATIONS, AND PROCESSES**

### **A. Develop and manage trade facilitation efforts**

#### ***“The Role and Activities of Export Promotion Institutions” Roundtable***

On April 29, 2015, in cooperation with the Uzbekistan Small Businesses’ and Private Entrepreneurship’s Export Promotion Fund, REC hosted a roundtable “The Role and Activities of Export Promotion Institutions” in Samarkand, Uzbekistan. Thirty experts, representing the Ministry of Foreign Economic Relations, Investment and Trade of the Republic of Uzbekistan, Uzbekistan Small Businesses’ and Private Entrepreneurship’s Export Promotion Fund, the Chamber of Commerce and Industry of Uzbekistan, Kazakhstan Agency on export and investments KAZNEX Invest, Uzbek foreign trade companies, international organizations including GIZ, UNDP, IFC, and the Embassies of the US, Germany, Latvia, Russia, and Kazakhstan, assembled to take part at the roundtable.

Participants of the roundtable discussed international best practices and issues related to state support of export promotion, the role of trade promotion agencies in export increase and trade facilitation, trade financing and insurance of export trade deals.

In the framework of the Roundtable, Igor Artemyev, REC's STTA, presented on the international best practices of export promotion agencies of 88 countries around the world. Participants actively posed questions on topics pertaining to state support of exports of small and private businesses.

All training materials from the roundtable are posted on REC's website: [http://car-rec.net/krugliy\\_stol\\_rol\\_i\\_deyatelnost\\_natsionalnih\\_institutov\\_razvitiya\\_i\\_poddergki\\_eksporta\\_g\\_sa\\_markand\\_29\\_aprelya\\_2015](http://car-rec.net/krugliy_stol_rol_i_deyatelnost_natsionalnih_institutov_razvitiya_i_poddergki_eksporta_g_sa_markand_29_aprelya_2015)

## **B. Develop and manage transport corridor improvement efforts**

### ***“Transport and Logistics in Central Asia: New Realities” Roundtable***

In collaboration with the GIZ program "Support to Regional Trade in Central Asia," REC conducted the “Transport and Logistics in Central Asia: New Realities” roundtable from May 19-20, 2015 in Almaty, Kazakhstan. Participants included more than forty representatives of trade development ministries and agencies from Central Asia, Afghanistan, transport and logistics companies, business associations, commercial sections of foreign embassies, and international organizations. On the first day of the roundtable, participants discussed priorities and prospective directions for transport and logistics development in the region, development and implementation of an electronic roadmap of Central Asia, international best practices for creating and running multi-modal logistics centers, and the development of new railroad routes to deliver goods in Central Asia and Afghanistan. On the second day, participants discussed the current transportation and logistics situation in the region. In particular, participants discussed the specifics of transport and logistics supply of goods between South Asia and Central Asia, and from South and Central Asia to the Customs Union and European Union. Also discussed were the role of railways and road transport in the development of regional trade, and transit challenges faced when crossing the Uzbek – Afghan border, such as at customs crossing points.

Roundtable participants also discussed transportation challenges and barriers pertaining to road transport infrastructure; the implications of the Ministry of Public Works signing an agreement with the Uzbekistan Railway Enterprises; and a new Ozen-Gyzylkaya-Bereket-Etrek-Gorgan railway line connecting Central Asia with the Persian Gulf through Iran.

As a result of this roundtable, the participants developed recommendations and proposals for the improvement of transport and logistics in the region. Recommendations and proposals included creating closer regional B2B cooperation, improving freight safety, maintaining interaction of business and government at the appropriate level, providing access to information (such as changes in national legislation), promoting the training of specialists in accordance with international standards, and establishing a working group for further work.

The working group will inform the relevant Central Asia ministries and agencies on the developed recommendations to optimize cross-border procedures and increase regional trade. The training materials are posted on REC's website:

[http://car-rec.net/krugliy\\_stol\\_transport\\_i\\_logistika\\_v\\_tsentralnoy\\_azii\\_novie\\_realii\\_g\\_almati\\_19\\_20\\_maya\\_2015](http://car-rec.net/krugliy_stol_transport_i_logistika_v_tsentralnoy_azii_novie_realii_g_almati_19_20_maya_2015)



Participants of roundtable “Transport and Logistics in Central Asia: new realities” Almaty, Kazakhstan, May 19-20, 2015



Mr. Mohammad Yamma Shams, Chief Executive Director, Afghanistan Railway Authority and Mrs. Nelofar Jalali, President “Gulf Prince Construction and Logistics ServicesCo”, Kabul, Afghanistan in Almaty, Kazakhstan, May 19-20, 2015

### C. Upcoming Activities

- “Public-Private Partnership in Trade Facilitation” roundtable in Tashkent, Uzbekistan, July 2015
- “Development Transport and Logistics” roundtable in the framework of Uzbek-Afghan B2B meeting in Tashkent, Uzbekistan, August, 2015

## COMMUNICATIONS AND OUTREACH

During the reporting period, REC continued promoting awareness of its mission, objectives, activities, and initiatives. REC maintains a website (<http://car-rec.net/>) and Facebook account, posting photos from its events, press-releases, relevant regional news, and training materials. For the reporting period, six press releases/announcements were issued and posted on the website and Facebook account.

REC’s public events held during the reporting period were featured in the Uzbek and Kazakh media, including 3 TV items. Below are the links to the publications and broadcasting:

[http://gazeta.norma.uz/publish/doc/text114553\\_delovye\\_jenshchiny\\_azii\\_obedinyayutsya?paper=ntv](http://gazeta.norma.uz/publish/doc/text114553_delovye_jenshchiny_azii_obedinyayutsya?paper=ntv)

[http://gazeta.norma.uz/publish/doc/text114390\\_made\\_in\\_uzbekistan?paper=ntv](http://gazeta.norma.uz/publish/doc/text114390_made_in_uzbekistan?paper=ntv)

[http://kaztv.kaztrk.kz/kz/view/society/page\\_82230\\_almatyda-orta-aziyalyk-kolik-logistikasy-zhana-mymkin](http://kaztv.kaztrk.kz/kz/view/society/page_82230_almatyda-orta-aziyalyk-kolik-logistikasy-zhana-mymkin)

[http://kazakh-tv.kz/ru/view/business/page\\_112562\\_rynok-gruzovykh-perevozok-rk](http://kazakh-tv.kz/ru/view/business/page_112562_rynok-gruzovykh-perevozok-rk)

[http://kazakh-tv.kz/ru/view/business/page\\_113126\\_v-i-kvartale-2015-g-vneshnetorgovyi-oborot-rk-prevysil-19](http://kazakh-tv.kz/ru/view/business/page_113126_v-i-kvartale-2015-g-vneshnetorgovyi-oborot-rk-prevysil-19)

<http://www.inform.kz/rus/article/2777861>

[http://www.kursiv.kz/news/details/kompanii/usaid\\_razvivaet\\_eksportnyy\\_potentsial\\_predpriyatij\\_kazakhstanu\\_191/](http://www.kursiv.kz/news/details/kompanii/usaid_razvivaet_eksportnyy_potentsial_predpriyatij_kazakhstanu_191/)

<http://panoramakz.com/index.php/world/eaes/item/37894->

During the reporting period, REC created three success stories that illustrate how REC assisted Tajikistan to prioritize WTO-post accession activities, supported Uzbek agro-firms to increase export of fruits and vegetables to EU and EACU, and helped build capacity and cooperation among female entrepreneurs in the region. Please see the success stories in Annex B below.

## PERFORMANCE MONITORING PLAN

To track the project’s progress, REC developed life-of-project indicators for impact and outcome levels that measure achievements and expected results. There are indicators for each component objective, as well as indicators that respond to the program goal.

To date, REC has achieved the following cumulative results:

- Total EPG sales are \$39,080,859, with export sales for all EPGs increased by \$21,753,525<sup>1</sup> during the life of the project thus far. For Q3 Y4, EPG's export sales increased by \$105, 000
- REC export sales in other areas (B2B, CATF and others) increased by \$7,679,033 during the life of the project thus far. For Q3, this category of sales was not increased
- The number of firms receiving project-supported capacity-building assistance to increase exports in quarter 3 is **431**.
- The number of participants in project-supported trade and investment capacity building trainings in the 3rd quarter is **730**.

## **ENVIRONMENTAL CONSIDERATION**

Per the umbrella Initial Environmental Examination – Request for Categorical Exclusion for the EG MACRO IQC, the recommended environmental determination for this task order is a categorical exclusion. The activities are classified as low risk and are not expected to result in actions that directly affect the environment.

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<sup>1</sup> The Fruit & Vegetables EPG was created in April 2015 with baseline \$ 7,004,000

## Annex A. Calendar of Events

<b>Dates</b>	<b>Meeting/Event</b>	<b>Location</b>
July 3, 2015	Roundtable “ Problems and prospects of development of export potential of the pharmaceutical industry in Central Asia”	Almaty, Kazakhstan
July 14, 2015	Food Safety Round Table	Dushanbe, Tajikistan
July 29, 2015 (tentatively)	Press Cafe - Presentation of the Dictionary of Trade Facilitation	Dushanbe, Tajikistan
July 30, 2015	Public Private Partnership in Trade Facilitation, Round Table	Tashkent, Uzbekistan
Aug. 10-11, 2015	Capacity building trainings for the ASIA Association( “Business Negotiations Management” and “HR Management”)	Almaty, Kazakhstan
Aug- TBD, 2015	Organic Agriculture Round Table	Tashkent, Uzbekistan



<p>SPINNA Circle Ltd.</p> <p>Grant No. REC-2015-07</p>	<p><b><i>Strengthening networks in Central Asia and developing markets for women entrepreneurs in textiles through SPINNA Circle.</i></b> The overall objective of this grant is to increase the competitiveness and visibility of women in textiles and clothing from Central Asia, primarily in Uzbekistan and Tajikistan by creating sustainable business practices. The grant will also build upon existing networks created in Uzbekistan and Kazakhstan in 2014 by SPINNA, facilitate design collaborations between the countries and promote regional textile skills so as to enable the growth of sustainable trade regionally and internationally for women artisans.</p>	<p>[REDACTED]</p> <p>Period of Performance: June 1, 2015 – May 31, 2016</p>	<p>[REDACTED]</p>
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## SUCCESS STORY

### Building capacity and cooperation among female entrepreneurs



Photo by REC

Representatives of the "ASIA" Association, ARGO and REC during the Astana Economic Forum. Astana, May 21, 2015



Photo by REC

Participants signed letters of intent to work together on a variety of ventures. Astana, May 22, 2015



Photo by REC

"ASIA" Association members during capacity building training. Almaty, June 5, 2015

*"We are very grateful to USAID's REC Project for the support they provided to the "ASIA" Association, which allows us to promote women's economic empowerment in the region. Business connections established by members of our association during various events will provide greater economic opportunities and long-lasting economic cooperation in the region".*

*Gulnara Kushmurzina, Executive Director, Business Association of Women-Entrepreneurs "ASIA"*

Gender equality and female empowerment are core objectives for USAID, and fundamental to sustainable development in Central Asia. This is one reason USAID seeks to integrate gender programming into all of its activities.

A recent example of USAID's commitment to this important goal took place in April 2015, when USAID through its Regional Economic Cooperation Project (REC) awarded a grant to the Business Association of Women-entrepreneurs "ASIA" (the "ASIA" Association), which comprises more than 40 women's organizations from Central Asia and Afghanistan, including the Association of Business Women of Uzbekistan, the Union of Women Entrepreneurs of Kazakhstan, the "Kodbonu" National Association of Women Entrepreneurs of Tajikistan, and the "KURAK" Women's Forum of Kyrgyzstan.

REC assists the "ASIA" Association by helping build its capacity to expand economic opportunities and cooperation among female entrepreneurs in Central Asia and Afghanistan and to create economic linkages, which will ultimately contribute to female economic empowerment in the region.

On May 21-22, 2015, the "ASIA" Association held two sessions on gender policy and strengthening women's economic cooperation in the region. The sessions were held in the framework of the Astana Economic Forum - a global annual forum of leading experts that brings together over 10,000 participants from 150 countries. Participants of these two sessions discussed current gender issues and opportunities and worked out practical recommendations on how to run businesses. They also received firsthand information on state and donor support for women's entrepreneurship from representatives of the Kazakhstan Government, UNDP, Central Asian women's organizations, and international donor organizations.

During the two-day event, participants established business contacts with fellow female entrepreneurs in Central Asia. As a result, participating members of the "ASIA" Association signed letters of intent totaling nearly \$100,000 to organize trainings, fairs, supply handicraft and art products, and provide informational support. A Kyrgyz member of the "ASIA" Association, the Steppe Learning company, signed several letters of intent with two Kazakh counterparts to organize and hold business trainings for their staff and members; a Tajik member, the Haft Paikar Fund, intends to sell its handicraft products to the Union of Women Entrepreneurs of Kazakhstan and the Kyrgyz Women Forum "KURAK"; and a Kazakh member, the magazine "Women: East-West" plans to provide informational support to other members of the "ASIA" Association by

promoting them and arranging publicity for them through its magazine and partnering media outlets.

In addition, REC facilitated a partnership between the “ASIA” Association and the “ARGO” Civil Society Development Association, based in Almaty, Kazakhstan. As a result, REC and ARGO organized a three-day training from June 3-6, 2015 to build the capacity of twelve Central Asian members of the “ASIA” Association. The training topics included organizational development, finance, development of a membership base, marketing, and public relations. The skills and knowledge obtained at the capacity building sessions will contribute to the long-term sustainability of the “ASIA” Association and its members in Central Asia and Afghanistan.



## SUCCESS STORY

### Uzbek agro firms to increase export of fruits and vegetables to EU and EAEU



Armands Liseks, an expert from “GatewayBaltic” consulting company (Latvia), at the conference in Samarkand, Uzbekistan, April 28, 2015

*“We are interested in collaboration with Uzbek partners exporting high-quality agro products”*

Andrey Kolchevnikov, Category Manager, “Azbuka Vkusa” retail chain

*“I am sure that cooperation with the USAID REC Project will result in expansion of Uzbek export capacity”*

Jakhongir Mustafaev, Executive Director, Export Promotion Fund of Uzbekistan

Dried apricots, one of the most popular products being imported to the European Union from Uzbekistan.



In recent months, the USAID Regional Economic Cooperation (REC) Project has redoubled its efforts to facilitate Uzbek producers’ entry into international markets. On April 28-29, 2015, REC partnered with the Uzbekistan Small Businesses’ and Private Entrepreneurship’s Export Promotion Fund to conduct the “Ways to Increase Exports to the EU and EAEU” conference in Samarkand. The event brought together about 200 farmers and representatives of agro companies, retail chains, state bodies and business associations to discuss opportunities and challenges in agro exporting. Included within the framework of the event were business to business (B2B) meetings and field visits which gave wholesale buyers the opportunity to form new partnerships with suppliers and sign lucrative deals. The conference also included a series of presentations by international experts on overcoming export barriers and entering new markets.

The presentations included the findings of market research conducted by REC’s agricultural export expert, David Khefets. In the spring of 2015, REC analyzed the exports of dried fruits from Uzbekistan to EU and concluded that the potential of increasing these sales is quite high. Uzbekistan produces more than 15 million tonnes of horticultural products annually, an amount that significantly exceeds Uzbekistan’s domestic needs. International Trade Centre (ITC) calculations based on UN COMTRADE statistics indicate that from 2010 to 2014 Uzbekistan increased its exports of horticultural products to EU by 67%. During the past 2 years the total volume of Uzbekistan’s exports of fresh apricots, cherries, peaches, nectarines, plums & sloes to the EU increased by 450% (from \$2 million in 2013 to \$11 million in 2014). Uzbekistan exports fresh and processed fruits and vegetables to 80 countries worldwide, primarily to the Eurasian Economic Union (EAEU) and the European Union (EU). Retail chains operating in these countries believe that the quality of Uzbek fruits and vegetables makes the country a serious rival to Turkey, which is one of the primary suppliers of these products to the EU and EAEU. Mr. Khefet’s findings, which included statistical data as well as practical recommendations, were presented to the conference participants and are also published on REC’s website.

In spite of the positive trends in Uzbek export development, however, significant barriers stand in the way of increased sales. These include substandard shipping procedures, inadequate temperature control, poor packaging, and excessive chemical treatment of goods. The international experts invited by REC addressed these and other issues, and provided recommendations such as using modern laboratories and laser equipment for

quality control, and introducing organic farming principles at different stages of the production process. Once Uzbek producers can meet the requirements of the EU, they will be able to enter EU supermarkets on a large scale and enjoy a major increase in profits in this growing market. According to ITC trade statistics (<http://www.trademap.org/>) the total volume of exports of fresh and dried fruits, nuts and melons to the EU increased by 26.5% during the past 5 years (from \$38 billion in 2010 to \$48 billion in 2014).

In addition to serving as a forum for sharing expertise on export hurdles and opportunities, the conference facilitated dozens of new business deals and partnerships. Seven managers of participating retail chains visited gardens, farms, and storage and processing facilities in the Samarkand region, affording EU and EAEU buyers with the opportunity to witness first-hand the capacities and operations of Uzbek suppliers. Among the participating retail chains were Azbuka Vkusa, Magnit, Pyaterochka and Perekrestok. In addition, the event's B2B meetings led to 39 new letters of intent signed, totalling \$182 million. Azbuka Vkusa, a retail chain from the EAEU, plans to sign a contract with Karmana agro firm to purchase tomatoes and cucumbers for a total value of \$4.6 million. Another agro firm, Ishtikhon Agroproduct, agreed with NT Capitals, a transport and logistics company from the EU, to export black grapes for a total value of \$6.5 million.

REC will build on the successes of the Samarkand event in the Fifth Annual Central Asian Trade Forum (CATF) in October 2015, where Uzbek horticultural producers will be invited to demonstrate their products at the Trade Exhibition and participate in "The Best Exporter of the Central Asian Trade Forum" Contest. The export of fresh and processed horticultural products from Central Asia will be a key thematic session arranged within the framework of CATF V.



# SUCCESS STORY

## USAID assists Tajikistan with WTO post-accession activities

*“The development and approval of the Post WTO Accession Program as well as joining the WTO Agreement on Trade Facilitation were made possible only because of the reform oriented leadership of the Ministry of Economic Development and Trade and the skillful technical assistance provided by USAID/REC”.*

*Saidrahmon Nazriev, Deputy Minister of Economic Development and Trade of the Republic Tajikistan*



*REC's Senior WTO Advisor Jovan Jekic (left), Saidrahmon Nazriev, Deputy Minister MEDT (center), Katie McDonald, USAID Country Director (right), Press Café, present the Post WTO Accession Program to the interested public, December 16, 2014, Dushanbe*

After 11 years of negotiations, Tajikistan became a member of the World Trade Organization (WTO) in March 2013. Through its Regional Economic Cooperation (REC) Project, USAID supported the Government of Tajikistan through technical assistance, including on-site support for the Tajik Government delegation participating in conferences and meetings organized by the WTO, assisting the Ministry of Economic Development and Trade of Tajikistan with the development and implementation of necessary regulations and legislations in line with WTO requirements, providing necessary advice and guidance in respect to the analysis of elements of the WTO Agreement on Trade Facilitation and facilitating its ratification, and translating and publishing of all WTO Agreements in the Tajik language.

As a result of REC's assistance, the Program of Adjustment of the Economy of the Republic of Tajikistan Related to the Membership in the World Trade Organization (WTO post accession action plan) was developed and approved by the Government of Tajikistan in December 2014. Since the approval was made in the form of a governmental decree, the fulfillment of action items by relevant ministries and agencies is mandatory. Since WTO membership in and of itself would be inconsequential without further reform efforts, the WTO post accession action plan includes extensive plans for Tajikistan to fulfill its WTO commitments.

The program includes a list of activities needed in order to fulfill commitments made during Tajikistan's WTO accession process, as well as other activities aimed at further liberalizing the trade regime. The program's main objective is to create a favorable environment for the development of small and medium enterprises, attract foreign investment, strengthen cooperation with other WTO members, and provide the advantages of WTO membership to the business community. The program also aims to reduce unemployment through creating new jobs, reducing poverty, and raising living standards. Since December 2014, the program has already attained key results. For example, the number of goods subject to mandatory certification has been reduced from about 7,500 tariff lines to about 2,500. Additionally, the number of mandatory permits, licenses and similar documents was reduced from around 600 to around 80. These reductions will save businesses significant amounts of time and money.

As another result of REC's assistance, in May 2015 Tajikistan became the fifth WTO member to ratify the WTO Agreement on Trade Facilitation. The WTO Agreement on Trade Facilitation is the first new fully multilateral trade agreement negotiated under the auspices of the WTO since the organization's establishment in 1995, and is now open for acceptance by WTO members. The

Agreement provides detailed rules regarding transparency, fees and formalities, freedom of transit, and cooperation of customs authorities in foreign trade operations. In addition, the Agreement provides special and differential treatment for developing and the least developed WTO members, who can choose the timing for implementation of specific provisions, whereas developed members are obliged to provide technical assistance for implementation.

The Agreement will enter into force when accepted by two thirds of all WTO members. The next and final step in the acceptance procedure will be the submission of ratification documents to the WTO Secretariat.

Tajikistan will benefit from the Agreement on Trade Facilitation, as its implementation is expected to boost international trade, and save traders and transportation and logistics companies significant sums of money. Developing countries, including Tajikistan, would significantly benefit from the Agreement, since the implementation of the Agreement is considered to be a critical step to improving their respective trade and investment environment. Ratification of the Agreement is a clear signal that Tajikistan is serious about the implementation of the Agreement, as well as about further reforming and liberalizing its economy.