

# Support of Regional Economic Cooperation in Asia (SRECA)

## Background

Reducing tariff- and non-tariff barriers (NTBs) is a key to encourage a free flow of trade and stimulate cross-border investment between countries. Thereby, implementation of trade facilitation measures and increasing trade-related services is crucial to overcome limited domestic markets – especially for small and medium enterprises (SMEs) – and to advance regional integration processes.

Regional economic integration processes in Asia have led to a significant reduction of trade barriers. The rapid development and still increasing number of bi- and multilateral free trade agreements (FTAs) in the region shows Asia’s growing importance for global trade liberalisation. But so far intra-regional trade flows in Asia remain relatively low with a great number of regional FTAs remaining underutilised. As a consequence, NTBs are still hampering effective regional integration and trade facilitation measures.

Given the development gaps in the region, especially least developed countries encounter obstacles in fully reaping the potential benefits of regional economic integration. Not only do businesses lack the capacity to overcome NTBs, but national administrations also face difficulties in implementing rules and regulations to facilitate effective cross-border exchange. Land-locked countries like Lao PDR or Mongolia face even greater problems when engaging in regional trade due to their dependency on neighbouring transit countries.

To utilise Asia’s dynamism, an intensified dialogue with global development partners in the region like China, India, and Indonesia is essential to include economically smaller countries like Cambodia, Lao PDR, Mongolia, or Viet Nam into regional and global trade chains. To ensure that they can fully benefit from regional integration, barriers to big markets in the region need to be reduced with support from international donors as well as new global development partners.

Project name	Support of Regional Economic Cooperation in Asia (SRECA)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Implementing agency	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Project region	Northeast Asia, Southeast Asia
Lead executing agencies	Relevant ministries of focus countries as well as Greater Tumen Initiative (GTI) Secretariat
Duration	04/2019– 03/2022

## Our approach

On behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is implementing the project “Support of Regional Economic Cooperation in Asia (SRECA)”.

The project works with four selected focus countries – Cambodia, Lao PDR and Vietnam in the framework of the ASEAN-China Free Trade Area (ACFTA), and Mongolia in the framework of the Greater Tumen Initiative (GTI) – and the PR China. The latter is to adopt an active role as both an economic and development partner to ensure the equal inclusion of the focus countries’ interests in regional and global integration processes. The objective is to improve the conditions for regional and global agricultural trade in the selected focus countries.

The project supports public stakeholders at the regional, national, and provincial level as well as giving direct support to export-oriented business associations and SMEs in the field of agricultural trade. To effectively implement its measures, SRECA cooperates closely with respective partners on site as well as further bilateral or regional GIZ projects in the focus countries.



In doing so, SRECA works within the frame of German Aid for Trade and contributes to the achievement of the Agenda 2030 through trade-related Sustainable Development Goals (SDGs) as well as promoting the implementation of the World Trade Organization (WTO) Trade Facilitation Agreement.

The projects main activities include providing capacity building, organising training and dialogue events within the areas of agricultural trade facilitation, cross-border cooperation and private sector promotion.

The project encompasses three key areas:

- enhancing the access of SMEs in Cambodia, Lao PDR, Mongolia and Vietnam to trade-related services for agricultural export.
- strengthening the structures for cross-border (sub-) regional cooperation between the focus countries and China.
- fostering regional and trilateral measures for knowledge exchange among the focus countries and with China in the field of regional economic cooperation.

Cross-cutting topics within implementation are a special focus on inclusion of female entrepreneurs in regional economic integration processes as well as the utilisation of respective digital applications and tools (e.g. within e-commerce).

## Outreach

The GIZ SRECA Project publishes regularly on its activities to offer insights and disseminate regional knowledge on economic integration processes in Asia. The quarterly newsletter “Connect Asia” updates its audience both in the region and beyond on programme activities while also commenting on recent developments in Asian regionalism. Additionally, publications provide in-depth insights and policy recommendations derived from implemented activities. To download the publications and subscribe to the newsletter visit [www.connecting-asia.org](http://www.connecting-asia.org) – the website offers further technical information and gives an up-to-date overview of programme activities.

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## Results achieved so far

To support private sector development within ACFTA, GIZ and partners strengthened Cambodian and Vietnamese businesses in exporting of agricultural goods to the Chinese market. Seven product specific export guidelines were issued and introduced to the business community and public sector. They are utilised for training and are further updated by partners like the Vietnam Trade Promotion Agency (VIETRADE).

The introduction and implementation of trade promotion measures, such as Authorized Economic Operator (AEO) in Mongolia was supported. In cooperation with the Asian Development Bank (ADB) and Korean Customs Service (KCS), regional experiences with the AEO system from the Republic of Korea were incorporated into a bill to renew the Mongolian Customs Act.

The GTI Trade and Investment Committee AEO Working Group in drafting a regional GTI AEO mutual recognition agreement (MRA) among all member customs.

Regional exchange on sanitary and phytosanitary standards (SPS) accompanied by a study on the status-quo in the region improved understanding of SPS measures in China among respective actors from Cambodia, Lao PDR and Vietnam.

Training and advice to the GTI Secretariat led to further professionalisation in regional project implementation.

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