



# Regional: Raising the Value of Regional Trade Agreements—Key Factors for Successful Implementation and Positive Economic Impact

Project Name	Raising the Value of Regional Trade Agreements—Key Factors for Successful Implementation and Positive Economic Impact						
Project Number	55004-001						
Country	Regional						
Project Status	Active						
Project Type / Modality of Assistance	Technical Assistance						
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">TA 6740-REG: Raising the Value of Regional Trade Agreements Key Factors for Successful Implementation and Positive Economic Impact</td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 300,000.00</td> </tr> <tr> <td>Regional Cooperation and Integration Fund</td> <td>US\$ 450,000.00</td> </tr> </table>	TA 6740-REG: Raising the Value of Regional Trade Agreements Key Factors for Successful Implementation and Positive Economic Impact		Technical Assistance Special Fund	US\$ 300,000.00	Regional Cooperation and Integration Fund	US\$ 450,000.00
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Technical Assistance Special Fund	US\$ 300,000.00						
Regional Cooperation and Integration Fund	US\$ 450,000.00						
Strategic Agendas	Inclusive economic growth Regional integration						
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development						
Sector / Subsector	Industry and trade - Industry and trade sector development - Trade and services Public sector management - Economic affairs management						
Gender Equity and Mainstreaming	No gender elements						
Description	<p>This knowledge and support technical assistance (TA) will support development of a database on regional trade agreement (RTA) tariff commitments and several studies on the economic effects of mega-RTAs, the factors driving their successful implementation, and key policies to fully realize their economic benefits. These include market access aspects of the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) such as tariff commitments, rules of origin, services trade liberalization, trade facilitation, e-commerce, nontariff measures, technical barriers to trade, and investment to improve understanding of their economic impact among policy makers, academics, the private sector, and civil society. These will support policy advice and capacity development of developing member countries (DMCs).</p> <p>The TA is aligned with the following impact: Improved implementation of trade agreements in participating ADB regional members. The TA will have the following outcome: Increased knowledge and awareness among RTAs stakeholders (policy makers, government, private sector, civil society, and the public) of trade and investment effects of mega-RTAs such as RCEP and CPTPP (with other RTAs). This will be done through elaboration and dissemination of at least three high-quality studies to promote understanding, policy dialogue (among governments, private sector, civil society, ASEAN and ASEAN+3 Secretariat, multilateral organizations, and ADB-supported subregional cooperation programs such as the Greater Mekong Subregion Economic Cooperation Program), and raise capacity of policy makers to maximize RTA net benefits and manage costs. The proposed recommendations and database will support (i) further knowledge, such as flagship reports and other databases, and (ii) ADB's operational work, such as identification of regional public goods and subsequent investment projects, beyond the implementation period of the KSTA.</p> <p>The TA will also deliver the following solutions and outputs: (i) Knowledge products with regional and country level policy recommendations delivered; (ii) Database on trade agreements with dashboard and visualization established; and (iii) Capacity building activities with public and private RTAs stakeholders delivered.</p>						
Project Rationale and Linkage to Country/Regional Strategy	<p>As global and regional economies prepare to reopen and begin recovery from the coronavirus disease (COVID-19) pandemic, trade uncertainty persists, including in readjustments in global and regional supply chains. On a positive note, the recent RCEP signing is expected to create the world's largest trading bloc, strongly boosting regional free trade efforts, upholding the multilateral trade system, and deepening the region's open, transparent, and inclusive trade and investment for post-pandemic recovery.</p> <p>However, experience shows that these benefits depend on successful implementation of RCEP commitments and willingness and capacity from the private sector to fully use its provisions within a context of overlapping and competing trade preference schemes (bilateral, regional, multilateral). That is, RTAs are effective only when they are designed with business-friendly rules, implemented transparently and predictably, and well understood by users.</p> <p>This requires interventions at three levels. First, policy makers need to design RTA provisions reflecting industrial and global value chain constraints of member countries. The bigger the RTA, the bigger the challenge to find rules suitable for all and better than opportunities provided by existing bilateral and regional agreements. Second, weak government capacity to negotiate and apply user-friendly trade rules resulting from lack of understanding of RTA impact and best practices often creates shallow or incomplete trade agreements with unclear legal provisions. Third, limited outreach to explain RTA content, the complexity of RTAs, and unclear trade rules can limit understanding of international trade rules. Users are either unable or unwilling to comply with the RTA requirements such as rules of origin, or may not know how to benefit from preferential treatment. In particular, unclear operational guidelines, such as for RCEP rules of origin, and insufficient training of customs officials may stifle transparency and predictability, discouraging private sector application for preferential border treatment.</p> <p>Better understanding of the conditions or criteria for the success of trade agreements in Asia is therefore needed to formulate sound, relevant, timely, and targeted policy recommendations and actions at the three levels. By working closely with all RTA stakeholders, this TA aims to: (i) strengthen understanding of key factors in successful RTA implementation, (ii) allow elaboration of strategies and trade policy options across economies and sectors to maximize positive RTA impact, and (iii) mitigate and manage costs that arise during implementation and allow better trade and investment actions.</p>						
Impact	Improved implementation of trade agreements in participating ADB regional members.						
Project Outcome							

Description of Outcome	Increased knowledge and awareness among RTAs stakeholders (policy makers, government, private sector, civil society, and the public) of trade and investment effects of mega-RTAs such as RCEP and CPTPP (with other RTAs).
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Knowledge products with regional and country level policy recommendations delivered. Database on trade agreements with dashboard and visualization established. Capacity building with public and private RTA stakeholders delivered.
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Regional
<b>Summary of Environmental and Social Aspects</b>	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
<b>Stakeholder Communication, Participation, and Consultation</b>	
During Project Design	
During Project Implementation	
Responsible ADB Officer	Crivelli, Pramila A.
Responsible ADB Department	Economic Research and Regional Cooperation Department
Responsible ADB Division	ERCI
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines
<b>Timetable</b>	
Concept Clearance	13 May 2021
Fact Finding	05 Jan 2021 to 05 Jan 2021
MRM	-
Approval	29 Jun 2021
Last Review Mission	-
Last PDS Update	29 Jun 2021

## TA 6740-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
29 Jun 2021	-	29 Jun 2021	31 May 2024	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
750,000.00	0.00	0.00	0.00	0.00	0.00	750,000.00	29 Sep 2021	0.00

Project Page	<a href="https://www.adb.org/projects/55004-001/main">https://www.adb.org/projects/55004-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=55004-001">http://www.adb.org/forms/request-information-form?subject=55004-001</a>
Date Generated	03 November 2021

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