

# **United Nations Economic Commission of Europe**

## **ANALYSIS OF POTENTIAL OPPORTUNITIES OF THE ECONOMY OF TAJIKISTAN FOR INTEGRATION OF SUSTAINABLE TRADE PRINCIPLES**

**2020**

The document was prepared by a national expert.

Denial of responsibility:

The views contained in this document are those of the author and do not necessarily reflect the position of the UNECE.

Content

<b>I. Introduction: Current economic situation in the country.</b> .....	3
<b>II. Existing Legal Framework Supporting and Promoting Sustainable Trade</b> .....	5
<b>2.1 Assessing the Impact of Trade and Procurement Laws, Policies and Programs on Sustainable Trade and SMEs</b> .....	5
a. Strategic documents.....	5
b. The Laws .....	6
<b>2.2 Assessment of bilateral, regional and international agreements to which Tajikistan is a party</b> .....	16
<b>III. Trade in sustainable goods and services</b> .....	21
<b>3.1 Actual trade (industrial and agricultural goods and services)</b> .....	21
<b>3.2 Potential trade</b> .....	23
<b>3.3 Existing trading partners</b> .....	24
<b>3.4 Potential trading partners</b> .....	24
<b>IV. Awareness of the importance of sustainability and circularity (based on a survey)..</b>	25
<b>V. Conclusions and recommendations for ensuring sustainable trade.</b> .....	26

## **I. Introduction: Current economic situation in the country.**

The work of the UN and its member countries to achieve the SDGs increasingly focuses on the urgent need to ensure that economic growth, environmental protection and social inclusion are seen as part of a comprehensive development agenda. In this sense, trade is seen as an engine of sustainable development.<sup>1</sup>

The shift to trade oriented towards sustainable development is appropriate for the economies of the SPECA subregion. The discussion of this agenda has been updated during the COVID-19 pandemic, which has created many unprecedented problems for socio-economic development and brought to the surface many negative phenomena, the solution of which depends on «sustainable» action.

The rapidly spreading coronavirus pandemic in 2020, along with other countries in the Region, covered Tajikistan. To prevent and reduce the negative impact of the pandemic on the national economy, the Government of Tajikistan adopted an «Emergency Action Plan to contain the spread of coronavirus and mitigate its consequences on the socio-economic situation in the republic», which continues to be implemented.

By the Decree of the President of Tajikistan dated June 5, 2020, No. 1544 «On preventing the impact of the infectious disease COVID-19 on the socio-economic spheres of the Republic of Tajikistan», measures were taken to support vulnerable segments of the population, citizens with coronavirus, health workers, as well as sectors of the economy and spheres of activity who are most affected by the coronavirus pandemic (including the provision of tax incentives and the announcement of tax holidays for enterprises and organizations of small and medium-sized businesses, individual entrepreneurs, transport enterprises, tourism organizations and other types of services). In accordance with this Decree, decisions to increase tariffs for electricity, water, irrigation, communications and utilities by the end of 2020 in order to reduce production costs of enterprises, prevent the growth of prices for domestic products, paid services and inflation growth were suspended.

Also, since September 1, 2020, the wages of budgetary organizations, as well as pensions and benefits, have been increased by an average of 15%, which is also a measure of social support for the country's population.

At the same time, despite all the measures taken, the coronavirus pandemic still affected the final indicators of 2020 and reduced economic activity and growth rates. So, according to preliminary data for 2020, the volume of GDP of the republic amounted to 82.5 billion somoni, and its real growth was 4.5%, which is 3.0 percentage points lower than the level of 2019. The main driving forces of economic growth were the branches of the real sector of the economy, in particular, industry and agriculture. The volume of industrial production as a whole in 2020 increased by 9.7% compared to the previous year, mainly due to the food industry. The volume of agricultural production in 2020 increased by 8.8% compared to the previous year, including the volume of crop production increased by 8.1%, and livestock production - by 10.7%, mainly due to an increase in labor productivity in poultry farming.

The pandemic has had an extremely negative impact on the service sector. The volume of domestic trade as a whole in 2020 decreased compared to the previous year by 6.8%, paid services - by 2.6%, passenger transportation - by 2.5%, and cargo transportation - by 0.3%. The increase in the cost of paid services is associated with an increase in the cost of air transport services by 30% and personal services - by 6.7%.

The volume of investments in fixed assets, according to preliminary data for 2020, decreased by 4.6% compared to 2019, including foreign investments decreased by 8.1%, and public investments - by 5.5%. The decline in government and foreign investment led to a drop in activity in the construction industry by 6.9% in annual terms.

The foreign trade turnover of the republic in 2020 increased by 0.8% compared to the previous year, including the volume of exports increased by 19.8%, but imports to the country decreased by 5.9%.

In 2020, the inflation rate in the consumer market was 9.4%, which is 1.4 percentage points more than in the same period of the previous year. The inflation rate was due to an increase in prices for food (by 13%), non-food products (by 5.8%) and an increase in tariffs for services - by 4%. According to experts, the main factors that influenced the acceleration of inflation were mainly external factors associated with the coronavirus pandemic, an increase in world prices for certain types of food, as well as price increases in trading partner countries. There are also restrictions on the movement of labor and

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<sup>1</sup> UNECE (2019), Sustainable Trade, 14th session of the SPECA Governing Council

economic activity within the country and abroad, which resulted in a decrease in the volume of remittances by migrants and a drop in consumer demand and investment. According to the World Bank, the high dependence on remittances is evident in the indicators (about 28.6 percent of GDP in 2019 were remittances<sup>2</sup>)

Considering the problem of «transition to trade oriented on sustainable development» it is necessary to consider the existing sectoral structure of the economy of Tajikistan, which is in the stage of agrarian-industrial development.

The sectoral structure of the economy of Tajikistan is developing towards industry and agriculture (agriculture accounts for 19.8% of national GDP and industry - 18% of national GDP).

Agriculture, which employs 66 % of the population, is based on crop production, which accounts for 98.5 % of agricultural production. Industrial production is dominated by the non-ferrous metallurgy (36%) and the food industry (27%).

Next in importance is trade and hotel services (15,9%). Then is transport, tax and construction. Among the paid services rendered to the population (except for communication and transport services), household (59.6%), educational (13.9%), housing and utilities (9.7%), legal and banking (6.2%) prevail.

Over the past decade, Tajikistan has made steady progress in developing its economy and reducing poverty. In the period from 2000 to 2017, the poverty rate fell from 83% of the total population to 29.5%.

However, there are still many bottlenecks in achieving sustainable development that hinder the attraction of both domestic and foreign investment and significantly reduce the effectiveness of development.

According to World Bank experts, Tajikistan is at high risk of debt default, as its external debt reached almost 40 per cent of GDP in 2020 (36.6 per cent of GDP in 2019).

The indicators of Tajikistan in international rankings can be evidence of the presence of “bottlenecks”. In particular:

- The government of Tajikistan has carried out significant organizational reforms aimed at improving the country's business environment and investment climate. The reforms resulted in the inclusion of the Republic of Tajikistan in the list of top 20 reformers for the fourth time in the World Bank's Doing Business 2020 report. The country has improved indicators in the field of obtaining loans, creating a business. However, in general, as of 2020, Tajikistan is in 106th place in the world, which is much lower than its neighboring countries, which occupy higher positions (Uzbekistan - 69th place, Kyrgyzstan - 80th, and Kazakhstan - 25th place),
- According to the Global Innovation Index 2020, Tajikistan ranked 109th out of 180 countries and is considered a low-income country,
- The 2020 Corruption Perceptions Index shows that Tajikistan ranks 149th out of 180 countries,
- Tajikistan was ranked 134 out of 160 countries in the logistics efficiency index, based on the efficiency of the customs clearance process, the quality of trade and transport infrastructure, the ease of organizing deliveries at competitive prices, the quality of logistics services, the ability to track and trace cargo and the frequency with which shipments reach the recipient at the set time (generally at the level of 2.3: from one to five - high)<sup>3</sup>,
- The Human Capital Index in Tajikistan is estimated at 0.53 points, which is below the average in Central Asia,
- - According to the SDGs, Tajikistan ranked 78th out of 193 countries and territories. The overall score measures a country's overall progress towards all 17 SDGs,

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<sup>2</sup> Personal money transfers received (percentage of GDP), WB data,  
<https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=TJ>

<sup>3</sup> <https://lpi.worldbank.org/international/global>

- In the eco-efficiency index, the country ranks 72 out of 180 countries (environmental health (protection of human health from environmental hazards caused by human activities) and ecosystem resilience (protection of ecosystems and use of resources)).

## II. Existing Legal Framework Supporting and Promoting Sustainable Trade

### 2.1 *Assessing the Impact of Trade and Procurement Laws, Policies and Programs on Sustainable Trade and SMEs*

#### a. Strategic documents

The main strategic document on which the Government of the Republic of Tajikistan relies at present is the National Development Strategy for the period until 2030 (NDS). Medium-term strategies are developed on the basis of the NDS.

- i. National Development Strategy for the period up to 2030 (NDS), approved by the resolution of the Majlisi Namoyandagon Majlisi Oli of the Republic of Tajikistan dated December 1, 2016, No. 636

According to the provisions of the strategy, «the strategy acts as a prescriptive action plan for all government bodies and an indicative action plan for the private sector and civil society, and on it will be based on the country's technical and financial assistance programs».

The highest goal of the long-term development of Tajikistan is to increase the living standards of the country's population on the basis of ensuring sustainable economic development. To achieve sustainable economic growth, three key goals have been identified: a) ensuring energy security and efficient use of electricity; b) breaking the communication deadlock and turning the country into a transit country; c) ensuring food security; d) expanding productive employment.

Several of the SPECA sustainable trade principles are reflected in the NDS. More emphasis is being placed on diversifying markets across different sectors. In particular, diversification of agricultural production, external labor migration, energy sources, industrial production, sources of long-term financing, insurance, and medical services

Diversification is considered taking into account the introduction of energy and resource saving technologies, reducing waste and reducing CO<sub>2</sub> emissions and adapting to climate change. In the field of diversification of agricultural production, the emphasis is also on the introduction of innovations that have minimal impact on the quality of land, as well as on the replacement of hazardous chemicals with alternative, less hazardous substances.

It is also about increasing the attractiveness of agriculture through the formation and strengthening of value chains.

Trade issues are considered through the diversification and export development (realizing the export potential of the electric power industry, agriculture and other sectors). In general, until 2030 it is planned to increase the diversification of the national economy (decrease in the export concentration index for three main products from 83% to 58%).

As for the reflection in the strategy of the principles of transition to the export of ecological goods and services, the document does not contain a direct indication, but contains provisions aimed at improving the production of agricultural products (indicated above). The strategy makes reference to «green employment» (that is, combining decent work with the use of clean technologies).

#### ii. Medium Term Development Strategy

On the basis of the NDS, medium-term programs are developed and approved. Currently, the Medium-Term Development Program of the Republic of Tajikistan for 2016-2020 is being implemented (Resolution of the Majlisi Namoyandagon Majlisi Oli of the Republic of Tajikistan dated December 28, 2016, No. 678).

The program addresses a number of issues related to achieving sustainable trade principles. As stated in the Program itself, the program «takes into account the international commitments of the Republic of Tajikistan on Agenda 21 and SDGs», since the previously adopted strategies and programs could not

ensure the solution of problems related to the environment and the efficient use of natural resources, as well as the harmonization of the SDGs with national goals and priorities.

The program contains priorities for enhancing incentives for environmental protection among the population and business entities and the introduction of the principles of «green economy». The Program only defines the tasks of «forming conceptual schemes to create prerequisites for the development of a green economy», but does not provide for an implementation mechanism.

The program is aimed at expanding the production of goods and services oriented to export and providing import substitution. The production of goods and services is not specified. The program does not define «environmentally preferable goods and services». The issues of financial sustainability of the Program implementation mainly rely on attracting investments.

### iii. Sectoral programmes

On the basis of strategic documents (NDS for the period up to 2030 and medium-term programs), sectoral programs are being developed. A lot of sectoral programs have been developed.

Within the framework of this report, it is proposed to consider the State Program for the Promotion of Export and Import Substitution in the Republic of Tajikistan for 2016-2020 dated November 26, 2016, No. 503 and the Food Safety Program of the Republic of Tajikistan for 2019-2023 dated October 31, 2018, No. 520, which are concentrated on issues of export diversification and added value increase.

- The main tasks of the State Program for the Promotion of Export and Import Substitution in the Republic of Tajikistan for 2016-2020 for the promotion of export are determined:

- reducing dependence on imports of basic consumer food products,
- increasing the technological level of production,
- improving the business environment and creating a favourable investment climate,
- creation of modern logistics centers and expansion of international communication, transport and economic corridors,
- determination of specific promising niches and target markets, taking into account the existing export potential and competitive advantages,
- creation of organizational, institutional and legal conditions for the development of export activities and import substitution.

The implementation of the Program was completed in 2020 and it must be stated that not all the tasks set by the Program have been completed. This is primarily due to insufficient budget financing and dependence on external investment. The issues of creating institutional conditions for the development of export activities were resolved by the establishment of the Export Agency under the Government of the Republic of Tajikistan. Currently, a new draft Program for 2021-2025 is being developed.

- The Food Safety Program of the Republic of Tajikistan for 2019-2023 is a sectoral program and includes four main areas: -) the state of food security in the country; -) real access to food products; -) ensuring the development of production, quality, range and nutritional value of food products; -) ensuring inspections and monitoring of food safety.

In general, these programs take into account the principles of sustainable trade in terms of export diversification, investment in food security, development of international and regional trade management mechanisms.

## b. The Laws

### i. Law of the Republic of Tajikistan «On Foreign Trade Activity».

The fundamental law governing foreign trade is the Law of July 3, 2012 No. 846 «On Foreign Trade».

The law regulates the legal, organizational and economic foundations of foreign trade. The law defines the basic principles of foreign trade, the competence of the Government and the authorized state body, the rights and obligations of subjects of foreign trade. The Republic of Tajikistan guarantees ensuring equal rights and interests of subjects of foreign trade activities. Foreign persons who import or export goods in accordance with the provisions of the law are granted national treatment, which is accorded to domestic persons.

In general, the provisions of the Law are general in nature and the norms contained therein in many respects apply to all goods and services and regulate the general conditions for conducting trading activities. The law does not contain principles for ensuring «green trade», with the exception of a provision on the application of a licensing system for the import, export or transit of goods, which must ensure the protection of the environment and natural resources.

*ii. Law of the Republic of Tajikistan «On state procurement of goods, works and services»*

The Law of the Republic of Tajikistan of March 3, 2006, No. 168 «On public procurement of goods, works and services» establishes uniform rules and procedures related to public procurement of goods, works and services.

The provisions of the Law are aimed at creating a competitive environment and developing fair competition. The law does not establish restrictions on the participation of non-residents in public procurement procedures. At the same time, by a separate act of the government, it extends the favored treatment to domestic producers (goods and services) that meet certain requirements, including produce certified products, improve the quality of manufactured products, and introduce innovations (Resolution of the Government of the Republic of Tajikistan dated February 25, 2017 No. 96 «On Approval of the Rules for Favored Nation in the Implementation of Public Procurements»).

Another aspect of public procurement legislation is its focus solely on the price and quality of goods, works and services. The provisions of the Law do not contain other criteria for the procurement of goods, works and services with environmental, functional and social characteristics (for example, energy efficiency, energy saving, biodegradation, etc.).

*iii. Voluntary standards issues in standardization legislation*

The issues of standardization and technical regulation are regulated by the Law of the Republic of Tajikistan dated December 29, 2010, No. 668 «On standardization» and the Law of the Republic of Tajikistan dated May 19, 2009 No. 522 «On technical regulation». Conformity assessment is regulated by the Law of the Republic of Tajikistan dated August 2, 2011 No. 759 «On Conformity Assessment».

The Law of the Republic of Tajikistan «On Standardization» regulates legal and organizational relations in the field of standardization, defines the basic principles of standardization, the rights and obligations of participants in standardization work in the Republic of Tajikistan and is aimed at ensuring a unified policy in this area. The law, along with the principles of openness of the processes of developing standards for ensuring the participation of all interested parties in their development, the availability of information, provides for the principle of voluntary choice of standards.

The Law of the Republic of Tajikistan «On technical regulation» regulates issues related to the development and approval of mandatory technical requirements for products and services. According to Article 12 of the Law, technical regulations are developed in order to protect the life and health of people, property of individuals and legal entities, state property, protection of life and sustainable development of animals and plants, as well as environmental protection. Development of technical regulations for other purposes is not allowed. The law divides normative acts in the field of technical regulation into two types: technical normative acts of mandatory execution are technical regulations and technical normative documents of voluntary application, to which the harmonized documents belong.

The Law of the Republic of Tajikistan of August 2, 2011 No. 759 «On Conformity Assessment» regulates legal and organizational relations in the field of assessing the conformity of objects to the requirements of technical regulations and documents in the field of standardization, and also provides a unified system of state policy for the implementation of conformity assessment.

According to the law, the objects of conformity assessment, along with products, processes of their production, processing, storage, transportation and sale, as well as the performance of work and services, include the environmental and quality management system.

The law establishes two forms of certification - compulsory and voluntary. The principle of voluntariness is provided for when the applicant chooses any accredited certification body.

Environmental standards and environmental certification are stipulated by the Law of the Republic of Tajikistan «On environmental protection» dated August 2, 2011 No. 760. Environmental certification can be mandatory or voluntary. The law establishes that compulsory environmental certification is carried out in accordance with the procedure established by the Government of the Republic of

Tajikistan. However, until now, such a normative legal act does not exist in the legal framework. It is not established what requirements are subject to environmental certification.

An important role in eco-standardization is played by the international standards ISO 14000 series, which contain both fundamental and normative standards. The basis is the ISO 14001 standard «Environmental management systems. Requirements with guidance for use» and ISO 14004 «Environmental management systems». Today, the problematic issue of the implementation of these provisions is the fact that there are no specialists in Tajikistan on these standards.

As for the «voluntary sustainability standards» containing social and environmental aspects, the legislation of the Republic of Tajikistan does not contain any restrictions for their implementation, they are subject to provisions concerning voluntary standards.

In practice, such standards are implemented as private initiatives, mainly within the framework of projects of international organizations, in particular, Fair trade, GLOGALG.A.P., BCI (Better Cotton Standard System). In general, the standards are not widely adopted:

- 3 cooperatives (cotton, legumes, dried fruits) are certified and their products are marked with the International Fairtrade Certification mark. Organic certification complements Fairtrade.
- More than 1000 cotton farms certified under BCI

At the same time, the Government is taking the first active steps to form an institutional base for the implementation of the international GLOGALG.A.P. standard. In October 2020, the Government of the Republic of Tajikistan (Decree of the Government of the Republic of Tajikistan dated October 28, 2020 No. 576) adopted the «Program for creating favorable conditions for the implementation of best agricultural practices (international standard GLOGALG.A.P.)».

#### *iv. Investment legislation*

The key law determining investment policy is the Law of the Republic of Tajikistan dated March 15, 2016, No. 1299 «On Investments».

The state guarantees equality of rights between foreign and domestic investors, preventing discrimination of the rights of investors in connection with their citizenship, nationality, language, sex, race and religion.

Investor guarantees also include:

- ensuring the stability of laws (stability of the terms of concluded agreements and contracts, except for cases when amendments and additions to contracts are made by agreement of the parties; In case of amendments and additions to the legislation or the adoption of new laws and regulations that worsen the conditions for the implementation of the investor (more than 10 years), investors have the right to choose the most favorable conditions for them within 10 years from the date of entry into force of such laws have the right to choose the most favorable conditions for them.
- compensation for damage caused as a result of the adoption by state bodies of acts that contradict the legislation, as well as a result of illegal actions (inaction) of officials.
- protection of property rights. The investor's property is not subject to nationalization. Expropriation of investments is prohibited, with the exception of expropriation in the interests of the state or society, on a non-discriminatory basis with timely, adequate and effective compensation.
- the right to free conversion of the national currency into another freely convertible currency
- the right to transfer outside Tajikistan incomes in foreign currency, received legally as a result of investment and production activities.
- the right to participate in the privatization of state property objects by acquiring ownership of state property or a share, share (contribution) in the authorized (share) capital of the privatized organization.
- free access to the regulatory legal framework.

The legislation, along with guarantees and general measures to protect investors, provides investors with additional guarantees and measures to protect investments in the framework of individual investment agreements concluded on the basis of other laws «On Investment Agreement», «On Public-Private Partnership», «On Concessions» and «On Production Sharing Agreements».



Investment in food security is considered in terms of the provision of preferences and incentives to «encourage investment» in agricultural production. According to the current legislation of the Republic of Tajikistan, the following group of benefits is provided for agricultural producers and investors in order to attract investments to promote food security:

1) income tax exemption

- For 2 years with an investment volume from 200,000 to 500,000 USD;
- For 3 years, with an investment volume of 500 thousand to 2 million USD;
- For 4 years with an investment volume of 2 to 5 million dollars;
- For 5 years with an investment volume of more than 5 million US dollars. долларов США.

2) Exemption from VAT and customs duties

- Technical equipment and parts;
- Goods for projects approved by the Government;
- Goods for the construction of hydroelectric power stations and responsible facilities for Tajikistan;
- Products for the processing of cotton and aluminium.

3) Legal status of investors

- Equal rights of domestic and foreign investors
- Legal protection of investors
- The right to use and transfer income and income abroad
- Free movement of property and information
- Protection of intellectual property rights
- The right to use natural resources

Along with this, the legislation lacks norms that stimulate investments in the production and use of renewable energy sources.

v. *SMEs Law*

The activities of SMEs are primarily regulated by the Law of the Republic of Tajikistan dated July 26, 2014, No. 1107 «On state protection and support of entrepreneurship» which gives the concept of SMEs. Small businesses include individual entrepreneurs and legal entities, whose gross income per year is up to 1,000,000 TJS. Medium-sized business entities include legal entities whose gross income per year ranges from 1,000,000 to 25,000,000 TJS.

At the same time, the Act excludes SMEs from certain activities. It is determined that small businesses may not be classified as individual entrepreneurs and legal entities engaged in the production of excise goods, the supply of aluminium primary products or activities related to the management of investment funds, banking and insurance activities, professional activity on the securities market.

Taxation is one of the most important business problems. The legislation of the Republic of Tajikistan (in particular, the Tax Code of the Republic of Tajikistan) provides for special taxation regimes for SMEs, which reduce the tax burden on business. SMEs are presented with reliefs in the payment of income tax for legal entities or income tax for individual entrepreneurs, tax on road users. The tax rate under the simplified regime varies from 4 to 16%.

A simplified tax regime is provided for business entities that produce agricultural products without further processing (Single tax). A single tax payer in terms of activities subject to a single tax is exempt from paying income tax, VAT, with the exception of VAT payable when importing goods into the customs territory of the Republic of Tajikistan, as well as tax from road users and land tax.

SMEs in the field of poultry farming, fish farming and the production of combined feed for birds and animals are exempt from income tax, VAT, tax on road users, tax on real estate for a period of 6 years.

In addition, for SMEs producing goods, tax incentives are provided for the payment of income tax when making investments in the authorized capital from the moment of state registration, depending on the volume of investments, from 2 to 5 years. Tourism income is exempt from income tax for 5 years. The supply (sale) of school and preschool uniforms, domestically produced medicines (according to the list approved by the Government) is also exempt from VAT.).

Import of production and technological equipment and components that form a single technological complex are exempted from VAT and customs duties; Import of equipment, machinery and construction materials for tourist facilities; Import of agricultural machinery and medicines, medical, pharmaceutical equipment and medical instruments; import

Import of technologies, equipment and materials to meet the needs of the poultry industry and (or) when importing goods directly for the own needs of poultry enterprises and enterprises for the production of combined feed for birds and animals.

*vi. Transport legislation*

- An important place in the regulatory framework governing relations in the field of transport is given to the Code of Road Transport of the Republic of Tajikistan dated February 12, 2020, No. 1594. Road transport accounts for 97% of transportation.

The Code regulates relations related to the carriage of goods, passengers, luggage by road, transport and forwarding activities, the use of modern mechanisms and services that contribute to the development of the economy.

In the light of the concept of sustainable development and the ways of using transport during trade that do not harm the environment, the code regulates the transportation of dangerous goods, gives the concept of dangerous goods and their classification, the obligations of carriers, the requirements for vehicles and the professional skills of carriers and so on.

The Code regulates the transportation of perishable goods, establishes requirements for carriers, consignors and consignees, as well as the responsibility of the parties.

- Issues related to the concept of sustainable development are reflected in the Law of the Republic of Tajikistan dated August 8, 2015, No. 1214 «On ensuring the environmental safety of road transport». The provision of environmental safety of road transport in the law means a set of measures aimed at reducing and preventing the harmful effects of road transport on the environment and public health.

Environmental safety in road transport is ensured through the establishment of environmental standards for vehicle emissions and maximum permissible levels of noise, vibration and other harmful physical effects of vehicles, environmental quasification of vehicles, as well as the adoption of a set of measures to reduce the impact of road vehicles on the environment. The law provides for the formation of programs and measures to ensure the environmental safety of vehicles, which are an integral part of environmental protection programs and target programs in the development of road transport.

- The key program in the field of transport is the State targeted programme for the development of the transport complex of RT till 2025, approved by Government Decision of 1 April 2011 No. 165. A separate section of the program is devoted to the issues of transport impact on the environment. First of all, the impact of transport is manifested in the contamination of the atmospheric air, surface and ground waters and soils.

In order to reduce the impact of negative factors on the environment in the context of the growing motorization of the country, the program provides for groups of measures aimed at reducing emissions of harmful substances into the atmosphere, water and soil.

*vii. Environmental protection legislation*

The legislation of the Republic of Tajikistan in the field of environmental protection is characterized by the presence of many laws regulating the basic environmental principles and requirements for environmental protection. Among them:

- Law of the RT «On Environmental Protection» dated August 2, 2011 No. 760,
- Law of the Republic of Tajikistan «On the protection of atmospheric air» dated December 28, 2012, No. 915,
- Law of the Republic of Tajikistan «On soil protection» dated October 16, 2009 No. 555,
- Law of the Republic of Tajikistan «On the protection and use of flora» dated May 17, 2004, No. 31,
- Law of the Republic of Tajikistan «On Environmental Impact Assessment» dated July 18, 2017, No. 1448

- Law of the Republic of Tajikistan «On Environmental Monitoring» dated March 25, 2011 No. 707 and others

Within the framework of this report, it is proposed to consider in detail the following list of laws from among the above, which contain requirements for the environment:

- The Law of the Republic of Tajikistan «On Environmental Protection» is one of the main laws in the field of environmental protection, which defines the legal basis of state policy, the powers of state bodies and the public, as well as the basic principles of the environment and the system of environmental quality standards, which are also important for determining management methods in the implementation of the principles of a green economy. The following system of environmental quality standards is provided by the Law:

- Standards for maximum permissible emissions and discharges of pollutants
- Standards for the maximum permissible level of safe content of radioactive substances in the environment and food products, the maximum permissible level of radiation exposure
- Standards for maximum permissible residual amounts of chemicals and biologically harmful microorganisms in food
- Standards of permissible anthropogenic load on the environment

In addition, the Law provides for environmental requirements in agriculture and forestry, when using radioactive materials, chemical and other substances in economic and other activities, while protecting the environment from harmful biological effects.

Unfortunately, the above-mentioned regulations and environmental requirements, as well as the corresponding procedures, have not been developed to date (in general, most of the by-laws necessary for the implementation of the Act are missing). In order to create conditions for the implementation of the principles of a green economy and the establishment of environmental requirements, in addition to strengthening measures for the development of all statutory standards, it is advisable to include also a rule regarding the regulation of environmental requirements for organic production in accordance with the rules and standards in the field of organic production.

- The Law of the Republic of Tajikistan «On state regulation to ensure the fertility of agricultural lands» provides for the main directions for ensuring the fertility of agricultural lands, measures for their protection.

The law provides for several concepts related to the introduction of a green economy. In particular, the law gives the concept of environmental and biological measures, which are understood as a set of scientifically based measures for the use of biological factors and means of increasing the fertility of agricultural lands (crop rotation, organic fertilizers, compost, stimulants (pathogens), fossils (minerals), green manure). The law creates a legal basis for the development of standards, norms, rules and regulations for environmental and biological activities, which must be approved by the Government of the Republic of Tajikistan.

Also, the Law introduced the concept of an agro-ecological order, which is considered as the creation of an artificial method and the preservation of the ecological balance of pasture fields, orchards and the protection of forest protective zones for the purpose of sustainable agricultural production. At the same time, the Law does not directly provide for norms regarding the introduction of agro-ecological methods of farming. The connection of this Law with the Law of the Republic of Tajikistan «On biological management and production».

One of the important requirements of the Act is the implementation of State registration and monitoring of the fertility status of agricultural land. Land registration is defined as the collection of data on the agrochemical, ecological, biological and land reclamation status to be entered in the State land cadaster. Experts point to the importance of this norm for the planning and management of agro-ecological agriculture. However, the mechanisms for implementing this provision of the Law have not yet been worked out. The procedure for state registration of indicators of the state of land fertility, the approval of which is provided by the Government of the Republic of Tajikistan, has not yet been developed. In the case of the introduction of organic agriculture, consideration of the issue of accounting and monitoring of the fertility of these lands will be relevant and important.

Another problematic issue is the lack of a clear connection between accounting and monitoring of land fertility provided for by this Law and land management, as well as land valuation provided for by the Laws of the Republic of Tajikistan «On land management » and «On land valuation». Also, the Law does

not provide for the relationship between monitoring the state of soil fertility and monitoring the environment, provided for by the laws of the Republic of Tajikistan «On environmental protection» and «On environmental monitoring». It is also not provided for the interaction of authorized bodies to conduct these types of monitoring.

- The legislation of the Republic of Tajikistan in the field of environmental protection (as mentioned above) also includes the Law of the Republic of Tajikistan «On soil protection», which provides for the basic principles of state policy that oblige to ensure the rational use and conservation of soil, as an essential component of the natural environment, as well as to prevent pollution, soil degradation and negative changes in soil conditions.

The law provides for the introduction of state standards for soil quality, permissible impacts on the soil. There is no information available on the development of these standards.

A separate chapter of the law establishes requirements for the protection of soil from waterlogging, salinization, depletion, desiccation, compaction and degradation, and also lists measures to protect soil from these cases. State control in the field of soil protection is carried out within the framework of environmental control, control of land use and protection and control of ensuring the sanitary and epidemiological well-being of the population. However, the law does not clearly establish the limit of powers of the authorized bodies in the field of environmental control, control of land protection and sanitary and epidemiological supervision. The procedure for carrying out state control in the field of soil protection, provided for by the law, has not yet been developed. The question of the procedure for exercising social and industrial control also remains open. The lack of a clear control system may negatively affect the creation of a control system for the production and sale of organic products - as the basis of a green economy.

It should be noted that the goals and subjects of regulation of this Law of which are duplicated by the Law of the Republic of Tajikistan «On State Regulation of Ensuring the Fertility of Agricultural Lands». This situation leads to discrepancies, different approaches and different mechanisms for the protection and protection of soils of lands and the preservation of their fertility. It is proposed to consider the issue of combining these laws and systematizing all the requirements, conditions and methods of soil conservation and protection, including the methods that form the basis of sustainable green agriculture (agro-ecological methods of soil fertility preservation).

#### viii. Energy law (in relation to energy efficiency)

Tajikistan is not distinguished by a variety of energy sources, but it has significant hydropower potential. The energy sector is represented by several laws:

- Law of the Republic of Tajikistan «On Energy» dated November 29, 2000, No. 33;
- Law of the Republic of Tajikistan «On the use of renewable energy sources» dated January 12, 2010, No. 587;
- Law of the Republic of Tajikistan «On Energy Saving and Energy Efficiency» dated September 19, 2013, No. 1018;
- Law of the Republic of Tajikistan on oil and gas dated March 18, 2015, No. 1190,
- Law of the Republic of Tajikistan «On coal» dated 03.07. 2012 No. 870

Guidelines for the long-term state energy policy of Tajikistan in the field of energy efficiency and sustainability are contained in the following group of Laws:

- The Law of the Republic of Tajikistan «On Energy» is aimed at legal support of state policy in the field of energy, based on market, institutional and information mechanisms in order to ensure its reliability and development, as well as to protect the interests of energy consumers. Amendments to the Law, introduced in 2011, complement the goals of the state policy in the field of energy provided for by the law, aimed at meeting the growing needs of the republic in energy resources and products, as well as, in general, ensuring the country's energy security with the goals of increasing the efficiency of fuel & energy complex through the introduction of advanced technologies, energy saving, use of renewable energy sources. The law defines the concepts of «energy conservation» (rational use and reduction of losses in the production, transformation, transportation and consumption of energy) and «renewable energy resources» (resources that arise naturally, are constantly renewed by nature (sun, natural movement of water and air flows, geothermal water, biological mass)), which can be converted into various types of energy). These provisions, according to experts, are designed to stimulate the use of alternative energy sources.

- Later, in order to develop renewable energy sources, a separate law was adopted - the Law of the Republic of Tajikistan «On the use of renewable energy sources», which regulates activities in the field of the use of renewable sources. The law establishes the principles and goals of state policy in the field of development of renewable energy sources, defines the ways of integrating renewable energy sources into the republican energy system, economic and organizational measures aimed at stimulating the production and use of renewable energy sources and other issues.

- The Law of the Republic of Tajikistan «On Energy Saving and Energy Efficiency» is devoted to the issues of energy efficiency and energy saving, which defines the state regulation in the field of energy saving, establishes the requirements for supervision of the efficiency of energy resources, their accounting, economic and financial mechanisms of energy saving.

It should be emphasized that the laws adopted in the field of energy, energy saving have no direct effect and for their implementation it is necessary to adopt a number of regulatory and legal documents governing the adoption of provisions, rules, instructions, programs, etc.

The law «On Energy Saving» is very vague. The Act makes no reference to the provision of benefits and incentives for the economical and prudent use of energy.

#### ix. Law on Consumer Protection

Relations arising between consumers and manufacturers, performers, sellers when selling goods (performing work, rendering services) are regulated by the Civil Code of the Republic of Tajikistan, the norms of the Law of the Republic of Tajikistan dated December 9, 2004 No. 72 «On Protection of Consumer Rights» and a number of other acts.

The Law of the Republic of Tajikistan «On Protection of Consumer Rights» contains a number of norms that establish consumer rights, including the right to quality products and services and the right to receive information about goods, works and services. The manufacturer (performer, seller) is obliged to provide the consumer with the necessary and reliable information about the goods (works, services) in a timely manner, which ensures the possibility of making the right choice. For certain types of goods (works, services), the list and methods of bringing information to the consumer are established by the Government of the Republic of Tajikistan.

Information about goods (works, services) must contain the following set of data: -) designations of mandatory standards, -) information about the main consumer properties of goods (works, services), and in relation to food products - information about the composition (the law establishes a complete list, including food additives, the whole, volume, calorie content of food, the content of substances harmful to health in them in comparison with the mandatory requirements of the standards, as well as contraindications for use in certain types of diseases), -) the price and conditions for the acquisition of goods (works, services), -) the warranty period, if established, -) the rules and conditions for the effective and safe use of goods (works, services), -) the service life and shelf life of goods (works, services) ), as well as information about the necessary actions of the consumer after the expiration of the specified periods and possible consequences if such actions are not performed, if the goods (works, services) after the expiration of the specified periods pose a danger to the life, health and property of the consumer or become unsuitable for their intended use, -) an indication on the packaging about the method of preparing instant food (semi-finished products), -) location (legal address), telephone number, firm name (name) of the manufacturer (executor, seller) and location of the organization (organizations) authorized by the manufacturer (seller) ) for accepting claims from consumers and performing repair and maintenance of goods (work) -) information on certification of goods (work, services) subject to mandatory certification (certificate number, validity period, organization that issued it), as well as, if necessary, information on sanitary and epidemiological report, -) information on the rules for the sale of goods (performance of work, provision of services), etc.

If the product purchased by the consumer was in use or a defect was eliminated in it, the consumer must be provided with information about this. The law also defines the format for bringing information to the attention of the consumer, the information is provided in the technical documentation attached to the goods (works, services), on labels, marking or in another way adopted for certain types of goods (works, services). Information in the labeling of food products must comply with the requirements of Technical Regulation (TR) «Labeling of food products».

Courts are the traditional mechanism for protecting consumer rights. At the same time, the Law expands the possibilities of consumers to apply for the protection of their rights to the courts, exempting claims brought in the interests of the consumer from paying state fees.

The law gives the authorized state bodies certain powers to take preventive measures to protect the interests of consumers. A special role is assigned to the state antimonopoly body, which sends instructions to manufacturers (performers, sellers) to stop violations of consumer rights, goes with a request to the appropriate body to cancel or suspend a license to carry out certain activities, sends materials to resolve issues on initiating criminal cases based on crimes related to violation of consumer rights to prosecutors and other law enforcement agencies.

The body for standardization, metrology, certification and trade inspection, the body for sanitary and epidemiological supervision, the body for the examination and certification of pharmaceutical products and medical products, the body for the protection of the environment and natural resources and other government bodies also exercise control over quality and safety of goods (works, services).

x. Law on Fishing and Conservation of Biologic Resources

The Law of the Republic of Tajikistan «On fish farming, fishing and protection of fish resources» dated September 19, 2013, No. 1021 defines the legal basis for activities in the field of fish farming, fishing and protection of fish resources, aimed at providing the population with fish and fish products, fish farming and environmental protection their habitat.

The law provides for the introduction of the State Register of Fish Farms and introduces a system of quotas that determine the permissible catch of fish. Quotas are subdivided by type (industrial, research quota, quota for reproduction and acclimatization of fish resources, quota for the organization of amateur and sport fishing). The quota system provided by the law allows the catch of fish included in the Red Book «depending on the purpose of their catch». Another requirement is that as a result of its activity, fish resources and their habitat should not be harmed. A separate chapter of the law regulates issues of protection of fish resources and their habitat, which provides for requirements for the maintenance and quality of water bodies. However, the Law does not contain provisions covering the rights and obligations of fishing enterprises and other organizations involved in fishing. In general, the norms of the law need to be improved both from the point of view of compliance with the requirements of the development of the industry and the protection of biological resources. The question of the compliance of the adopted Law and by-laws, which to a certain extent contradict each other, remains open.

In order to develop fish farming, the Government of the Republic of Tajikistan provides for a favorable tax regime. Fish farms are currently exempted from paying 6 types of tax. But, despite the favorable tax regime, the country does not observe sufficient production, let alone overproduction of fish products in the interests of food security. This once again justifies the issue of improving the legal regime for the sector.

In 2008, the Program for the Development of the Fish Farming Industry in the Republic of Tajikistan for the period 2009-2015 was adopted (Resolution of the Government of the Republic of Tajikistan dated July 2, 2008 No. 306), which provided for measures aimed at restoring existing fish farms by updating purebred breeding fish species, re-acclimatization of previously extinct species, the creation of fish farms and an increase in the production of marketable fish. Unfortunately, the Program was not properly funded, which affected the implementation.

xi. Law of the biological farming and production

The issues of trade in ecological goods and services are provided for by the Law of the Republic of Tajikistan «On biological management and production» dated July 22, 2013, No. 1001, which establishes the legal environment for the introduction of biological production.

The law introduces concepts such as biological production and biological management, environmentally friendly products, etc. Organic products are considered by law as agricultural products that are produced, processed and sold in accordance with the requirements of biological management. The law combines the concepts of «biological», «organic» and «natural».

According to experts, the concept of «environmentally friendly products» is broader than the concept of «organic product», which is one of the types of environmentally friendly products. It would be advisable to use the terms organic products, organic production, etc. in the Law.

The law sets out the requirements for biological production. At the same time, experts believe that the law should be supplemented with norms regulating the transition period, during which the implementation of the rules for conducting organic agriculture and the production of organic products is ensured.

The Act does not contain requirements for the list of substances (ingredients, components) that are permitted for use in organic production.

The law contains provisions for the standardization of biological (organic) products. At the same time, the Law does not have clear requirements for the development of standards and technical regulations. There is no mechanism for the recognition of international standards. This situation leads to ambiguity as to what regulations the Farmer should follow when launching and producing organic products. To date, Tajikistan has not developed national standards and technical documents regulating the production, storage, processing, labeling and packaging of organic products.

The Interstate Council for Standardization, Metrology and Certification of the CIS adopted GOST 33980-2016 dated October 25, 2016 No. 92 «Organic Products. Rules for production, processing, labeling and distribution», which was developed in accordance with the recommendations of the Codex Alimentarius, and harmonized with the EU rules on organic production, labeling and product control and the basic IFOAM standards. According to the Law on Standardization, this standard is automatically entered into the unified Register of Standards, if it does not contradict the legislation.

Uncertainty can be traced in the certification of biological (organic) products. The law provides for the approval of special rules for packaging and labeling of environmentally friendly products and rules for their import and export, which have not yet been developed.

Thus, despite the fact that the Law creates a legal basis for the development of organic production, the mechanisms for its implementation are weak and not well developed. Experts note the lack of information and methodological support, consulting services in the production of ecological products, including the lack of practical guidelines, guidelines and manuals on organic agriculture.

#### xii. Forest Legislation

Sustainable forestry according to the «forest principles» developed at the UN Conference on Environment and Development in Rio de Janeiro (1992). involves the use of forests and forest lands in order to preserve their biological diversity, productivity, resilience, vitality and the ability to perform important environmental, economic and social functions at the local, national and global levels in the present and in the future.

The Forest Code of the Republic of Tajikistan dated August 2, 2011 No. 761 contains a number of provisions that indicate sustainable forest management and sustainable use of forest resources based on forestry planning. Sustainable forest management is understood as «the use of forest resources that meets the demand for forest resources and the beneficial properties of the forest of present and future generations».

Afforestation, reforestation and forest management are focused on sustainable forest management, conservation and improvement of the ecological state of forests, conservation of biological diversity, and achieving a balance of economic, ecological and social needs. as well as assistance in reducing the impact of climate warming and other natural phenomena.

Like other regulatory legal acts, the lack of clear implementation mechanisms negatively affects the implementation of the principles of sustainable forestry.

#### xiii. Waste legislation (*encouraging management of food waste*)

The Law of the Republic of Tajikistan dated May 10, 2002, No. 44 "On production and consumption waste" regulates issues related to the collection, storage, use, transportation, disposal and disposal of waste, as well as supervision and control.

The law is intended to help prevent the negative impact of production and consumption wastes on the environment and human health when handling them, as well as their involvement in economic and production turnover as an additional source of raw materials.

The law does not define the concept of "food waste", but contains the concept of "waste" and "consumer waste", which includes food waste. The law defines the powers of state bodies, also provides for certain requirements for waste management, rules for regulation and accounting.

At the same time, the existing overlap in the functions of the bodies involved in environmental protection, described above in the text, also affect the effectiveness of food waste management measures. Intersectoral and interdepartmental interaction in the field of waste management is not reflected in the law. In general, the law does not contain effective norms that promote the introduction of the best available technologies, the involvement of waste in economic circulation, and an increase in the efficiency of activities in the field of waste management.

## **2.2 Assessment of bilateral, regional and international agreements to which Tajikistan is a party**

### i. WTO membership and Commitments to Sustainable Development

Tajikistan in accordance with the Decree of the President of the Republic of Tajikistan dated March 2, 2013 No. 1469 is the 159th member of the World Trade Organization. Tajikistan is bound by all WTO agreements included in Annexes 1, 2 and 3 to the Marrakesh Agreement, which constitute a single commitment. See the table below for the text.

**Table 1.**

1.	Tariffs	<p>On average, the level of bound tariffs for all products in Tajikistan are indicated at 8%. For agricultural products this figure is 10.4% and for non-agricultural products 7.6%.</p> <p>At the same time, Tajikistan undertakes not to apply other tariffs and duties on goods specified in the agreed list. Above bound tariffs, other duties cannot be tied to the agreed list of goods. Where the applied goods are below the bound tariff level, the imported goods will be cheaper on the domestic market. These rules provide market predictability and will promote the competitiveness of products, leading to access to quality and relatively cheap products in the market for consumers</p>
2.	Obligations to open up service markets (what types of services can be provided by foreign companies domestically)	<p>Financial services: Commercial presence of foreign banks allowed after a transitional period (5 years)</p> <p>Communication services: - Commercial presence is allowed only in the form of a legal entity of the Republic of Tajikistan</p> <p>Transport services: Commercial presence is allowed by the presence of foreign companies, only in the form of a legal entity of the Republic of Tajikistan</p> <p>Legal services: Commercial presence is allowed only in the form of a legal entity of the Republic of Tajikistan; after 10 years from the date of affiliation, commercial presence is permitted in the form of a branch</p> <p>Medical and dental services: commercial presence is allowed only in the form of a legal entity of the Republic of Tajikistan. PT.</p>
3.	Subsidies and Market Access Rules for Agricultural Products	<p>The Agreement on Agriculture requires WTO member countries to limit the level of domestic support that harms trade. Such subsidies can be provided at the level of agreements upon a country's accession to the WTO, plus a de minimis level, which for developing countries is determined at the level of 10% of the total volume of basic agricultural products (if we are talking about specific products) and of the total volume of agricultural products (if we are talking about supporting the industry as a whole).</p> <p>Tajikistan provided in the following directions: improvement of infrastructure; control of pesticides and various diseases; investment incentives in the organization of structural transformations.</p> <p>Tajikistan may continue to benefit from investment subsidies and other support measures that qualify as «development programs» under Article 6.2 of the Agreement on Agriculture. Following its commitment to accession to the WTO, Tajikistan cannot provide more than USD 182 million per year of support, but this restriction will not negatively affect the development of this industry, since the amount of subsidies has so far been insignificant (4%).</p>



4.	Obligations in the field of intellectual property rights	<ul style="list-style-type: none"> <li>- the third part of the Civil Code of the Republic of Tajikistan was adopted, which regulates relations in the field of protection of copyright and related rights, as well as trademarks and service marks.</li> <li>- the laws of the Republic of Tajikistan «On inventions» and «On industrial designs» are in force, which comply with the provisions of TRIPS.</li> <li>- the Law of the Republic of Tajikistan «On Geographical Indications», the new Law «On Trademarks and Service Marks» and the Law of the Republic of Tajikistan «On the Topology of Integrated Circuits» were adopted.</li> <li>- a decision was made to join the Republic of Tajikistan to the International Rome Convention on the Protection of the Interests of Performers, Producers of Phonograms and Broadcasting Organizations of 1961 (Resolution of the Majlisi Namoyandagon Majlisi Oli of the Republic of Tatarstan of November 11, 2005 No. 159)</li> <li>- approved by the government Commission for the coordination of activities in the fight against offenses in the field of intellectual property (Resolution of the Government of the Republic of Tajikistan No. 514 of December 30, 2005)</li> </ul>
5.	Time frames for fulfilling certain obligation	The transition period taken by the Republic of Tajikistan under the WTO obligations ranges from 5 to 10 years

In addition, in accordance with the accession protocol, Tajikistan is also obliged to fulfill a number of requirements that are stricter than the rules adopted by other WTO member countries. Tajikistan's «List of concessions and obligations on goods» is attached to the accession protocol and reflects the country's obligations in terms of bound duty rates.

According to experts, Tajikistan's membership in the WTO has not become a guarantee of diversification and increase in exports, inflow of investments and development of technologies. Participation in the WTO as one of the instruments of sustainable development can ensure the sustainable development of trade only under the condition of a targeted policy of developing full-fledged market mechanisms and the active participation of all stakeholders on equal terms.

The participation of Tajikistan in world imports and exports consists of the following indicators:

- The volume of world exports of goods in 2019 exceeded \$ 18.2 trillion, the share of Tajikistan in world exports amounted to 0.006% (\$ 1,174.4 million)
- The volume of world imports of goods in 2019 exceeded 18.4 trillion. dollars, the share of Tajikistan in world imports amounted to 1.8%% (3349.3 million US dollars)<sup>4</sup>

ii. Participation of Tajikistan in environmental programs, including UNEP programs

With the support of international organizations, in particular UNEP, in order to implement international conventions, a number of strategic program documents have been developed and approved, in particular:

- National Action Plan for Environmental Protection of the Republic of Tajikistan (Resolution of the Government of the Republic of Tajikistan dated May 3, 2006 No. 19;
- National Strategy and Action Plan for the Conservation and Rational Use of Biodiversity of the Republic of Tajikistan (Resolution of the Government of the Republic of Tajikistan dated 1.09.2003, No. 392);
- National Action Plan for Mitigation of the Consequences of Climate Change (Resolution of the Government of the Republic of Tajikistan dated June 6, 2003, No. 259)
- National Program to Combat Desertification in the Republic of Tajikistan (Resolution of the Government of the Republic of Tajikistan dated December 30, 2001, No. 598)

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<sup>4</sup> <https://trendeconomy.ru/trade>

- National Action Plan for Environmental Health (Resolution of the Government of the Republic of Tajikistan dated May 10, 2000, No. 217)

- The National Strategy to Reduce the Consumption of Ozone Depleting Substances in the Republic of Tajikistan for 2015-2020 and the Regulation on the Procedure for Import / Export of Ozone Depleting Substances to / from the Republic of Tajikistan were approved by the Government of the Republic of Tajikistan dated November 2, 2015, No. 643, etc.

Also, centers for the implementation of the adopted programs have been created with the support of GEF / UNEP projects and other institutions.

i. UNECE instruments (Water convention)

The Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) was adopted in Helsinki in 1992 and entered into force in 1996. Almost all countries sharing transboundary waters in the United Nations Economic Commission for Europe (UNECE) region are Parties to the Convention.

The purpose of the Water Convention is to strengthen transboundary water cooperation and measures for the environmentally sound management and protection of transboundary surface and groundwaters. The Convention promotes the implementation of integrated water resources management, in particular the basin approach. Implementation of the Convention contributes to the achievement of the Millennium Development Goals and other international commitments on water, environment and sustainable development.

The Water Convention requires Parties to prevent, control and reduce transboundary impacts, use transboundary waters in a reasonable and equitable manner and ensure their sustainable management. Parties bordering the same transboundary waters should cooperate by concluding specific agreements and establishing joint bodies. As a framework agreement, the Convention does not replace bilateral and multilateral agreements for specific basins or aquifers; instead, it contributes to their creation and implementation, as well as their further development.

In 2003, the Water Convention was amended to allow accession by countries outside the UNECE region. The amendment entered into force on 6 February 2013, making the Water Convention the legal basis for transboundary water cooperation worldwide

The Republic of Tajikistan is not a party to the convention and cooperates at the level of bilateral and multilateral regional agreements on transboundary waters.

At the same time, the Republic of Tajikistan takes part in the Meeting of the Parties to the Convention, where information is exchanged on the experience gained in the conclusion and implementation of bilateral and multilateral agreements on transboundary waters, and decisions are taken to achieve the objectives of the Convention.

In Central Asia, sharing water between upstream and downstream countries is particularly problematic, creating conflicts and reducing security.

ii. Regional free trade agreements with sustainable trade provisions

Tajikistan participates in several regional agreements concerning free trade issues. In particular, Tajikistan is a party:

- a. Trade Agreements of the Economic Cooperation Organization (ECOTA): Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Turkey, Turkmenistan, Uzbekistan and Tajikistan
- b. Agreement on a Free Trade Zone between CIS members dated October 18, 2011 (Russia, Ukraine, Belarus, Kazakhstan, Armenia, Kyrgyzstan, Moldova and Tajikistan)

- The ECOTA includes trade in goods and covers intellectual property rights. The agreement is important for the development of trade as a key element of regional cooperation. ECOTA was signed by Tajikistan on July 15-17, 2003 in Islamabad (Pakistan) and ratified by the Resolution of the Majlisi Namoyandagon Majlisi Oli of the Republic of Tajikistan No. 1163 dated June 23, 2004. The ECO Trade Agreement provides for the gradual elimination of non-tariff barriers within an acceptable timeframe, as well as a phased reduction in tariffs тарифов.

The coordinator on the part of Tajikistan is the Ministry of Economy and Trade of the Republic of Tajikistan. Each member country, in accordance with the provisions of the Agreement, can create a national coordinating committee of the number of interested ministries and organizations. This structure does not function.

Unfortunately, this Agreement does not fully elaborate the implementation mechanism and the countries cooperate on a bilateral basis, discussing preferences at the level of each individual country.

- The Agreement on the Free Trade Zone between the CIS members of October 18, 2011 replaced the Agreement on the Free Trade Zone of April 15, 1994 and more than one hundred previously valid agreements and arrangements. In December 2013, Uzbekistan became the ninth member of the treaty (on special terms).

The main objectives of the Treaty include:

- formation of a full-scale free trade regime between countries,
- abolition of the existing quantitative restrictions and exemptions from the free trade regime; including those related to the import of raw materials and the export of finished products,
- pursuing a coordinated policy regarding the use of energy resources and transport services, the development of common markets for goods, primarily agricultural products,
- Development of cooperation in the field of transport, including the establishment of a network of international transport corridors in the CIS area,
- increasing the efficiency of tariff policy and eliminating the impact at the national level of cross-border fiscal and administrative barriers.

Along with the abolition of quantitative restrictions in mutual trade, the Parties provide each other with national treatment in accordance with Article III of GATT 1994 for freedom of transit. The document provides for provisions guaranteeing the non-discriminatory application of non-tariff regulation rules, the provision of national treatment, as well as clear rules in the field of subsidies in line with world practice. The contract now contains an instrument of coercion of the parties that violate agreements to fulfill their obligations. The creation of a free trade zone on the territory of the CIS does not contradict the WTO norms. The agreement echoes the basic principles of sustainable trade:

- reducing inequality, provides an opportunity for other countries to join the Agreement, thereby providing access to new markets, investments, new technologies and higher standards of work and life,
- contributes to the development of trade through real instruments to reduce non-tariff measures,
- encourages the expansion of the multilateral trading system to the SPECA subregion, does not prevent the Parties from participating in agreements on a customs union, free trade and / or border trade in accordance with WTO rules.

Соглашение имеет важное значение для развития торговли Таджикистана с его основными торговыми партнерами (Россия, Казахстан), на которые приходится более 60 % внешнеторгового оборота.

The agreement is important for the development of trade of Tajikistan with its main trading partners (Russia, Kazakhstan), which account for more than 60% of foreign trade turnover.

Tajikistan is implementing this Agreement in full, taking into account its obligations to the WTO. Tajikistan does not apply customs duties on imports and exports in trade with other CIS member states. When exporting, it reserves the right to apply export customs duties in relation to the Parties that apply them in mutual trade with Tajikistan. Quantitative restrictions on the import or export of goods are also not applied, with the exception of certain temporary bans, in particular, a ban on the import of electric incandescent lamps, equipment for casinos and automobile vehicles manufactured before 2005. A licensing system is applied to certain types of activities, in particular, the import of ethyl alcohol, alcoholic and alcohol-containing products, the import and export of medicines, medical goods and equipment.

The agreement provides for the abolition of existing bilateral agreements in free trade, but currently the mechanism of bilateral agreements, in which Tajikistan participates, is still functioning.

iii. Partnership agreement with the European Union

The Agreement on Partnership and Cooperation between the Republic of Tajikistan and the European Communities (PCA) was signed in 2004. and entered into force on January 1, 2010. With the signing of the PCA, there is no need to sign agreements on trade and economic cooperation with a single EU member state.

Cooperation with the European Union is a priority for the Government of the Republic of Tajikistan. An interdepartmental commission has been created to prepare proposals for the implementation of the above Agreement. The bilateral committee for monitoring the implementation of the Agreement is chaired by the Deputy Prime Minister of the Republic of Tatarstan.

Cooperation within the framework of the CPS is comprehensive and includes bilateral assistance to facilitate the process of reforming the economy of Tajikistan, as well as promoting comprehensive, sustainable social and economic development. According to the EU Delegation in Tajikistan, financial assistance is mainly directed to improving education, health and rural development, as well as expanding dialogue on human rights. This year, the amount of aid also included measures to combat coronavirus.

With regard to trade cooperation, the Parties grant each other "most favored nation treatment". The agreement also provides for a consistent alignment of the national regulatory framework with EU trade standards. Tajikistan is also a beneficiary of the EU's Generalized System of Preferences.

Trade and economic relations between Tajikistan and the EU are developing dynamically, tending to growth, but the balance of foreign trade turnover is negative. Import takes precedence over export. At the end of 2019, the trade turnover between the EU and Tajikistan was as follows:

- the volume of imports to the EU from Tajikistan amounted to 44 million euros (preferential items of imports are mainly concentrated in the textile sector).
- the volume of exports from the EU to Tajikistan amounted to 169 million euros (mainly mechanical equipment, cars and pharmaceuticals)

Tajikistan has committed itself to joining the Generalized System of Preferences + (GSP +), which, in addition to creating economic opportunities, aims to support the EU's foreign policy goals. It serves as a tool to support human and labor rights, and to achieve environmental and good governance goals.

According to experts, the desire to move to the GSP + status with zero tariffs for 66% of goods and even the acquisition of this status is not enough for the economy of Tajikistan. The Central Asian countries, including Tajikistan, are trying to adopt and implement international norms for obtaining preferential treatment in trade with the EU. At the same time, the main export items from Central Asia to the EU are raw materials (oil, gas, metals, cotton fiber), and not products with high added value, which are subject to preferences. Therefore, the main task is to help businesses adapt their products to EU standards.

#### iv. Regional Strategy (EU-Central Asia)

At the regional level, Tajikistan is a partner of the EU in the framework of the new Strategy for Central Asia, which was adopted in June 2019.

At the regional level, Tajikistan receives support from the EU through local and international non-governmental organizations (the bulk of cooperation is provided through the BOMCA Program and CADAP), as well as global initiatives such as the Global Education Partnership and the Nuclear Security Cooperation Instrument.

The most significant areas of cooperation are:

- strengthening the potential of civil society, democracy and human rights,
- energy and environmental protection,
- education (in particular, the Erasmus + program),
- border management (especially with Afghanistan), drug control, etc.,

Tajikistan also benefits from thematic support on migration and asylum.

#### v. Sectoral regional agreements, e.g. on the use of the transborder rivers and lakes

Tajikistan is a party to a number of basic regional agreements that determine the general policy of relations between the countries of the region on the joint use of water and energy resources of transboundary rivers, including:

- Agreement between the Republic of Kazakhstan, the Republic of Kyrgyzstan, the Republic of Uzbekistan, the Republic of Tajikistan and Turkmenistan «On cooperation in the field of joint management of the use and protection of water resources of interstate sources» (1992),
- The Nukus Declaration of the CA states and international organizations on the problems of sustainable development of the Aral Sea basin (Nukus, September 20, 1995), in which all the previously signed treaties and agreements on water resources are recognized by all CA states,
- Agreement of the Heads of the CA states «On joint actions to solve the problem of the Aral Sea and the Aral Sea region, ecological improvement and ensuring the socio-economic development of the Aral Sea», signed in Kyzyl-Orda on March 26, 1993;
- Agreement between the Governments of the Republic of Kazakhstan, the Government of the Kyrgyz Republic and the Government of the Republic of Uzbekistan on the use of fuel, energy and water resources, construction, operation of gas pipelines in the Central Asian region dated April 5, 1996. Tajikistan joined this agreement on November 20, 1998 (Resolution of the Government of the Republic of Tajikistan, No. 446).
- Agreement between the Governments of the Republic of Kazakhstan, the Government of the Kyrgyz Republic, the Government of the Republic of Tajikistan and the Government of the Republic of Uzbekistan on the establishment of an international water and energy consortium. The agreement was signed on June 26, 1998 in Bishkek, Kyrgyzstan.

Also, Tajikistan, within the framework of the SPECA Program, participates in the discussion of the concept of the «SPECA Strategy on Water, Energy Resources and Environment».

In general, the above agreements are of a framework nature and contain declarative intentions for a relatively smooth reform of the region's water resources management system. Most of the agreements provide only a general approach for solving modern water problems that the countries in the region are facing and do not contain real mechanisms for their implementation.

To date, the countries of the region have signed only one agreement, which specifies the issues of the water-energy complex, which directly regulate the relations between economic entities. This is an agreement between the Government of the Republic of Kazakhstan, the Government of the Kyrgyz Republic, the Government of the Republic of Tajikistan and the Government of the Republic of Uzbekistan on the use of water and energy resources of the Syrdarya River basin dated March 17, 1998. with additions and amendments in accordance with the protocol of June 17, 1999. Tajikistan joined in 1999. According to experts, this agreement is a serious success in the formation of relations between the CA countries in the field of joint management and use of water and energy resources of transboundary rivers.

The key problems that weaken the implementation of the above group of regional agreements are:

- problems associated with different policies of countries. All the main rivers in Central Asia are transboundary in nature and are used by the countries of the region simultaneously in several areas of the economy, mainly in irrigation and hydropower: some countries are more focused on using water for hydropower and others for irrigation. This often leads to disagreements in the regimes of water flow regulation,
- lack of regional specialized research and design institutes, limited system of exchange of experience.

### **III. Trade in sustainable goods and services**

#### **3.1 Actual trade (industrial and agricultural goods and services)**

a) Tajikistan's exports, despite the measures taken to diversify the economy, are mainly focused on the products of the extractive industries:

ANALYSIS OF POTENTIAL OPPORTUNITIES OF THE ECONOMY OF TAJIKISTAN FOR INTEGRATION  
OF SUSTAINABLE TRADE PRINCIPLES

Nº	Products	Share in exports (in value terms)
1.	minerals (zinc ore and lead ore)	35%
2.	metals	23%
3.	precious metals	17%
4.	raw aluminium	18%
5.	gold	17 %

The second most important export group of goods is textiles:

Nº	Products	Share in exports (in value terms)
1.	cotton-fiber	6,7%
2.	yarn	4,3%
3.	harsh fabric	0,006%
4.	carpets	0,01%

Today, Tajikistan exports to a lesser extent agricultural product, which tend to increase:

Nº	Products	Share in exports (in value terms)
1.	vegetables	0,6%
2.	fruit	0,8%
3.	oil seeds	0,07%

Tajikistan's imports are more concentrated on consumer goods, equipment and refined petroleum products. The main goods are:

Nº	Products	Share in exports (in value terms)
1.	Cereals	8,4%
2.	Mineral fuel	16,8%
3.	Pharmaceutical products	2,0%
4.	Mechanical devices	6,9%
5.	Electronic machines	3,9%
6.	Fertilizers	1,4%
7.	Products of the flour and cereals industry	1,08%

### 3.2 *Potential trade*

Tajikistan's foreign economic policy is aimed at increasing the competitiveness of domestic products, diversifying and increasing the volume of non-resource exports, which is reflected in many program documents and sectoral plans.

To achieve these goals, the Government, on the basis of the National Strategy, adopts targeted medium-term programs to promote exports and import substitution in the Republic of Tajikistan. The «State Program for Assistance to Export and Import Substitution in the Republic of Tajikistan for 2016-2020» has been implemented, dated November 26, 2016, No. 503. Currently, a new five-year program has been developed for the period 2021-2025 (See information above in the text). These programs are aimed at the development of exports in the industrial and agricultural sectors. A unified program of «diversification» that would cover both related industries and other sectors of the economy has not been developed.

According to experts, despite the measures taken, no significant results have yet been achieved in matters of «diversification», and only a few transformations have been completed. Export diversification is at an early stage, which leaves the economy somewhat unstable and continues to depend on cotton and aluminum prices. Encouraging investment and boosting export activities require additional measures from the Tajik government.

Summarizing government decisions, documents and opinion experts identified the following groups of «potential trade»:

#### - *in agriculture*

Cotton is likely to remain an important component of exports, despite recent declines in planted areas and exports. It should be emphasized that the export direction of «Bio Cotton» and cotton certified by BCI is developing in Tajikistan. The volumes are not significant yet, but according to experts, the demand in the market will allow increasing the area under crops. For which the Government will need to develop plans for the implementation of this direction.

As for horticulture and related products, the data show that the export of vegetables and fruits has been on an upward trend in recent years. The main export markets for these products remain the EAEU market and will likely be China, which is rapidly becoming an important export market for Tajik fruits. But, the issues of a sustainable market and the development of exports to China require the Government to make certain efforts to determine the list of potential products and prepare agreements on its export. There should also be a more comprehensive approach to quality and safety issues. The question of internationally recognized certification remains open.

#### - energetics

One of the most important comparative advantages of Tajikistan is hydropower, the export of which is dynamically developing. The country has the potential to generate hydropower far in excess of domestic needs, which can be exported to neighboring countries. At the same time export highly dependent on climate change.

#### - extractive industry products

The products of the extractive industries that dominate foreign trade have potential in the future. Tajikistan has rich reserves of various minerals such as ferrous, non-ferrous, precious, rare metals, semi-precious and decorative stones, coal, etc.

More than 600 mines and 800 deposits have been discovered and studied, in which there are more than 60 types of mineral and non-mineral raw materials. According to experts, only 27% of the reserves are mined and processed.

#### - drinking water.

Tajikistan is one of the richest countries in the world in terms of water resources. 60% of Central Asia's water resources are located in Tajikistan. According to experts, fresh water resources in the lakes are about 20 km<sup>3</sup>. The glaciers cover 7000 km and provide a significant storage capacity containing 550 km<sup>3</sup> of fresh water.

#### - export of labor resources

Tajikistan has a comparative advantage in the export of labor resources. The share of the young working-age population of RT is 65 %. It needs to conduct more detailed study on professional skills of this category , since until now this resource is not considered as a full economic category, despite the contribution to the country's budget.

- tourism as a service sector

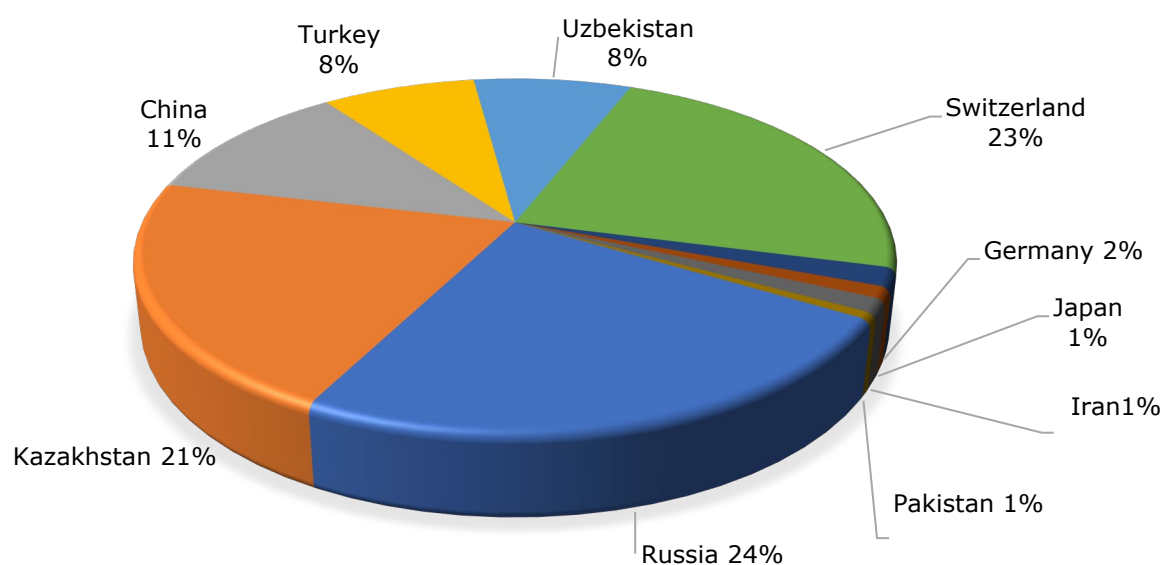
The importance of tourism in the socio-economic development of Tajikistan has been increasing in recent years. in 2019, the number of tourists visiting Tajikistan reached almost 1 million 260 thousand people. Private sector activity has expanded, the number of hotels and other service infrastructure has increased. All these measures have a positive impact on the rural development, especially in the direction of the main tourist routes. At the same time, the development of tourism requires further development of infrastructure.

### 3.3 Existing trading partners

Основными партнёрами Таджикистана во внешней торговле в 2020 году были Россия, Казахстан, Китай, Швейцария и другие страны.

The main partners of Tajikistan in foreign trade in 2020 were Russia, Kazakhstan, China, Switzerland and other countries

**Diagram 1**



Respondents, according to the results of the survey (see below in the text), include Russia, Kazakhstan, China, Turkey, as well as Iran and Uzbekistan, among the most important trading partners of Tajikistan that can contribute to the development of sustainable trade.

### 3.4 Potential trading partners

As practice shows, the transport component in the structure of the price of finished goods from Tajikistan is more than 30%, which actualizes the problem of «location of the market» for Tajikistan.

According to experts, in the next 10-15 years, the main geographical directions of diversified agricultural exports will be unfilled niches in the markets of the EAEU countries, which have a number of competitive advantages, including:

- the existence of a free trade agreement,



- an integrated transport infrastructure,
- as well as a historically established market, where taste and the geographical recognition of the product is familiar to the consumer

At the same time, China and the countries of South Asia, located in territorial proximity to Tajikistan, have a huge, potentially capacious market for the export of agricultural products. There is a high demand for dark cherries, apricots, grapes, as well as seasonal (early) onions.

The results of numerous studies on priority markets (China and the countries of South and East Asia) for diversifying the export of fresh fruit and vegetable products show that the CA countries (Tajikistan and Uzbekistan) have good opportunities for developing trade in some types of agricultural products (melon, apricot, cherry, etc.)<sup>5</sup>. CA apricots are more nutritious than those offered by competitors in other countries. The grapes are distinguished by their sweet taste and crunchy texture. Suppliers from Central Asia have the advantage of supplying apricot and sweet cherry to potential markets a few weeks before the beginning of the cherry and apricot ripening season (before the peak season) in other countries (the world's main producers). At the same time, the main obstacle and potential measure to promote exports is targeted investment in marketing in international markets, including the formation of an internationally recognized certification system, raising consumer awareness of the benefits of exported agricultural products.

In addition, for the development of trade partnerships in potential markets and ensuring stability in traditional markets, which tend to grow in quality, the issue of ensuring timely deliveries in the required volumes of quality carefully sorted products is relevant. There is a question of consolidating the fragmented Central Asian fruit market.

The markets of China and Afghanistan also are interesting for the export of hydropower.

#### **IV. Awareness of the importance of sustainability and circularity (based on a survey)**

In order to clarify the level of awareness of the main stakeholders, a mini survey was conducted, in which 15 respondents from the private sector and government institutions (key ministries and departments) took part. The private sector was represented by individual companies in the field of trade, freight forwarding services and insurance, as well as public organizations. Women account for 20% of the respondents.

Below are the results of the survey.

Most respondents (80%) associate «sustainable development» with stability and constancy, a favorable business environment and competitiveness. Only a small part of the respondents associate «sustainability» with reducing the impact on the environment and see the synergy of the three components of sustainable development - environmental, economic, social sustainability.

40% of respondents believe that the country is not taking any measures to support the «green economy». 46% of respondents mentioned about «practical actions» on green economy. Most of the respondents (86%) see the reflection of the «principles of sustainable trade» in common development plans, primarily in the NDS for the period up to 2030. Sustainable trade is associated with the creation of the Committee on Trade Facilitation, freedom of transit, development of voluntary certification, e-commerce, etc. The respondents, whose field of activity is related to transport, noted the emission limits, the existence of a law on environmental safety in transport.

66,6% of respondents answered positively to the question about the relationship between foreign trade and investment policies and the creation of decent jobs for all in the country. The same number of respondents (60%) are sure that the issues of efficient use of resources and energy for the production and transportation of goods are not reflected in trade and investment plans.

For 73% of respondents, national sustainability and environmental standards are not reflected in public procurement policies and practices. More than half of the respondents have no idea about the financing methods that can be used to plan and implement sustainable development and sustainable trade policies. Those respondents who indicated the existence of PPPs believe that there are separate areas

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<sup>5</sup> Euromonitor International

to which the PPP mechanism is applied, while financing does not provide privileges for innovation. The introduction of Islamic credit, the creation of new banks with innovative products is emphasized.

To the question «What policies and practices support SMEs and women-owned enterprises?» the third of respondents (33%) have no idea about the gender component. Others noted only separate grants for women. The role of women's business in the NDS for the period up to 2030 and other programs was emphasized. At the same time, it was noted that in practice these programs do not affect business expansion. It is more difficult for women to do business.

To the question «What is being done for the sustainable development and participation of SMEs in the national e-commerce economy?» 26% of respondents have no idea about the implementation of e-commerce in Tajikistan, especially in support of sustainable development and SMEs. Of those who answered positively, they believe that e-commerce is at the beginning of its development. Under the Ministry of Economic Development and Trade of the Republic of Tajikistan, from among government bodies, the private sector, as well as development partners, a special working group has been created to develop the concept of electronic commerce. In general, laws are being developed, in particular, the Concept of the Digital Economy was adopted. The trading platforms are being introduced (several small initiatives put forward to conduct trading / or trading online), but nothing is done specifically for SMEs.

It was highlighted that in the face of the pandemic, the underdevelopment of e-commerce had a negative impact on trading opportunities. The respondents' answers indicate the presence of such problems as poor knowledge of entrepreneurs about the possibilities of e-commerce, high cost of communication services, poor Internet connection, and poorly developed e-government. The need to increase the potential of not only manufacturers, but also government officials on e-commerce issues was noted.

To the question «What are the three main challenges to sustainability at the national level? » the most acute problems, which were most often cited as corruption (50%), quality education and weak human resource policies (42.8%). Lack of funding, lack of transparency of laws / lack of mechanisms for their implementation, as well as poor management / inaction of government agencies - this group of problems was often noted by the respondents (21.4%). There were also problems with taxes and, finally, the creation of favorable conditions for attracting foreign investment to support the implementation of large projects in the field of agricultural infrastructure (15%). Among others, the issue of inexpensive and clean energy was raised.

Among the most promising sectors for the transition to principles of sustainability, respondents identified (most often named) energy (53%), agriculture (33%), trade and transport (20%). The circular economy as a basis for the transition to sustainable development was noted by one of the respondents. There is also a mention of light and mining industries, migration.

The respondents were also asked to identify the three most important trading partners that can contribute to the development of sustainable trade. And the first place (most often named) is Russia (73%). Kazakhstan and China were named about the same (46% and 50% respectively). Turkey - 26%. Iran and Uzbekistan were also singled out.

To the question "What long-term solutions does sustainable trade offer for economic recovery from COVID-19, and how should they be taken into account in the laws, policies and practices of countries?" priority is given to the ICT, development of electronic trading platforms / mechanisms for online sales of export products, as well as the development of regional trade without barriers, the harmonization of standards for agricultural products in order to integrate in the region. In this aspect, the intensification of participation in agreements on free trade zones, etc.

## **V. Conclusions and recommendations for ensuring sustainable trade.**

### **a. Challenges and opportunities for the transition to a more sustainable and closed economy.**

SDGs and the principles of sustainable trade agreed with them declare the need to move from an outdated traditional production model to a fundamentally new sustainable model based on energy conservation and cleaner production.

The National Development Strategy for the period up to 2030 and its main priority - ensuring sustainable economic development that can improve the standard of living of the country's population identifies

three key areas / goals: a) ensuring energy security and efficient use of electricity; b) breaking the communication deadlock and transforming the country into a transit country; c) ensuring food security; d) expansion of productive employment.

It should be emphasized that more emphasis is being placed on diversification of markets in various sectors, in particular, diversification of agricultural production, external labor migration, energy sources, industrial production, sources of long-term financing, insurance, and medical services. Diversification is considered taking into account the introduction of energy and resource saving technologies, waste and CO<sup>2</sup> reduction and adaptation to climate change. In the area of diversification of agricultural production, the emphasis is also on modernizing and introducing innovations that have a minimal impact on the quality of land, as well as replacing hazardous chemicals with alternative, less hazardous substances. The strategy raises the issue of «green employment», that is, combining decent work with the use of clean technologies.

At the same time, a comparative analysis of the legislation of Tajikistan (laws and strategic documents) for the presence of norms proclaiming the principles of sustainable trade showed that national norms for the most part indirectly reflect the principles of sustainable trade.

There are separate laws that contain either provisions containing priorities on specific issues / principles or provisions aimed at achieving them. At the same time, it should be emphasized that most of these provisions are not implemented in practice, since a clear mechanism for their implementation is not spelled out.

It should be clarified that these conclusions are also relevant for policy documents. In particular, the Medium-Term Development Program contains priorities for the implementation of the principles of the «green economy», which remain at the stage of «defining objectives». Limited funding, declarativeness and lack of a clear focus on solving key problems are characteristic of many policy documents. Consequently, many programmes are not being implemented.

A certain part of the laws needs to be improved in terms of integrating the principles of sustainable trade. This is, first of all, the Law of the Republic of Tajikistan dated July 3, 2012 No. 846 «On foreign trade activities», which is the fundamental act regulating foreign trade activities, the Law of the Republic of Tajikistan dated March 3, 2006, No. 168 «On public procurement of goods, works and services», establishes uniform rules and procedures related to public procurement of goods, works and services, and others.

Another problem is the presence of laws containing references to by-laws, most of which have not been developed. These are, first of all, the Laws in the field of the environment. In this direction, the problem of lack of interaction and cooperation between the bodies involved is also noted, and there is a duplication of powers.

The results of the express survey showed that the key players for the most part do not have a sufficient understanding of the concept of sustainable development. There is a low level of awareness and understanding of the consequences of certain actions that affect the environment. There are no norms and practices for promoting environmental culture, as well as a circular economy.

Mini survey results show the need to develop and maintain national human capacity through the preparation of new guidelines and other reference materials for use by government officials.

Despite the existing incentives for development and preferential mechanisms, innovative development in general is very slow. This is evidenced by the results of the rapid survey of key stakeholders prepared as part of this analysis and the results of other studies.

In addition to human resources, there are problems of high levels of corruption, which hamper sustainable development. Various reports on which investments are dependent indicate a high level of corruption.

The transition to sustainable development makes it necessary to include the environmental factor in the system of basic economic development indicators. Environmental degradation is ignored today. The growth of traditional macroeconomic indicators (GDP, per capita income) in the country today is based on technogenic nature-intensive development. This creates the threat of a sharp deterioration in economic indicators in the event of depletion of natural resources and environmental pollution.

- b. Improving legislation to integrate the principles of sustainable trade and the transition to a closed economy.

In terms of changing the national regulatory framework in order to integrate the principles of sustainable trade, it is proposed:

- first of all, to comprehensively revise the entire regulatory legal framework in the field of environmental protection, with an emphasis on the following issues:

- development of a system of environmental quality standards and procedures for their implementation
- development of norms regarding the introduction of agro-ecological methods of agriculture and their harmonization with the norms governing biological management. In general, it is proposed to systematize all the requirements, conditions and methods of soil protection and protection, taking into account the merger of the Law of the Republic of Tajikistan "On soil protection" with the Law of the Republic of Tajikistan "On state regulation of ensuring the fertility of agricultural lands".
- development of procedures for state registration and monitoring of the state of fertility of agricultural lands and their coordination with the procedures for conducting environmental monitoring;
- development of state standards for soil quality, permissible impacts on the soil and the procedure for conducting state control in the field of soil protection, taking into account the coordination with the rules for conducting public and industrial control, which also need to be clarified and developed;
- develop requirements and procedures for environmental certification, etc.
- differentiation of powers in the field of environmental protection.

- supplement the criteria for the procurement of goods, works and services with environmental, functional and social characteristics (for example, energy efficiency, energy conservation, biodegradation, etc.);

- to revise the Law of the Republic of Tajikistan «On biological management and production» dated July 22, 2013 No. 1001 in order to improve the legal environment for the introduction of organic agricultural production in terms of concretizing individual norms and developing mechanisms for their implementation:

- a phased transition to organic production, determination of the rules for conducting organic agriculture and the production of organic products in the transition period, during which the introduction of organic agriculture is ensured
- determination of the list of substances (ingredients, components) that are allowed for use in the process of organic production.
- creation of a control system for the production and sale of organic products
- standardization of organic products, etc.

In order to develop organic production, it is advisable to initiate the development of a national program for the development of organic production, which is designed to create an institutional mechanism for the production and export of organic food, taking into account the requirements of international markets and the gradual development of organic production.

- revise legislation in the field of energy and energy efficiency in order to form effective instruments that encourage economy and conservative use of energy, as well as aimed at introducing economic and financial incentives to boost investments in "energy efficiency", creating energy efficiency institutions and public funds, increasing liability for violations of regulations and standards and rules in the field of energy saving. It is important to develop a state energy efficiency strategy.

### c. Capacity building for sustainable trade

The key component of the implementation of the principles of "sustainable trade" is trained human resources and understanding of the problem and a unified approach on the part of the public.

According to the results of the survey, the stakeholders do not have a common understanding of the "sustainable development" policy. Only a few see the synergy of the three components of sustainable development - environmental, economic, social sustainability. This factor complicates the development of a single agreed and consistent position for planning the principles under consideration. Poor

implementation of regulations and their absence is evidence of inconsistency. See analysis of laws above.

Systematic media coverage of sustainable development and targeted capacity-building at all levels should form the basis of the strategy.

One of the ways to increase the capacity that is able to make decisions on the regulation of the requirements of sustainable trade, in particular the regulation of eco-standardization, is the development of training programs in accordance with the international standards ISO 14000 series, which contain both fundamental and regulatory standards (ISO 14001 "Environmental Management Systems. Requirements with guidance for use" and ISO 14004 "Environmental management systems"), etc.

d. Identify concrete sectors, which have the biggest potential for scaling up sustainable trade

Among the most promising sectors for the transition to principles of sustainability, respondents interviewed for the preparation of this report identified (most often named) energy (64%), agriculture (28%), trade and transport (21%). A circular closed economy as a basis for the transition to sustainable development was noted by one of the respondents. There is also a mention of light and mining industries, migration.

The expert community is also inclined to believe that energy has the potential to increase sustainable trade. The role of agriculture in solving food security problems cannot be ruled out. At the same time, it is necessary to take into account the importance of institutional and technical transformations in these sectors, which should contribute to the creation of institutions and instruments for energy conservation and energy efficiency, as well as innovative development, especially in agriculture.

d. Proposed steps at local, national, regional and international levels to increase sustainable trade

In addition to the legislative measures for sustainable trade and technical training described above, it is proposed:

- to support the conduct of large-scale information campaigns for the business community, the public on the principles of sustainable trade and their role in the development of the economy with active involvement, along with public associations, of the Chamber of Commerce and Industry and the media, especially television. According to the research results, television continues to dominate the information space.

- to provide in the legislation the organization of a broad discussion of draft normative legal acts with the public. Only such effective, reliable communication between government, business and civil society will allow for the formation of a common understanding and success in common efforts;

- develop regulatory impact assessment (RIA), which is in its infancy in Tajikistan. It is necessary, along with the economic and social consequences for business, to include the environmental consequences interrelated in a closed economy;

- develop a clear mechanism for the implementation of the International Conventions by industry, taking into account the delineation of responsibilities of ministries and departments and organize a discussion of these measures;

- increase political accountability for non-compliance with obligations under international agreements related to the enhancement of sustainable trade. To initiate a regional forum for discussion and decision-making based on the SPECA Programme, involving UNEP and other agencies;

- to study the experience of implementation of international conventions in the field of water use, where the Republic of Tajikistan is not a member and to identify the advantages for solving problems with the use of transboundary waters;

- within SPECA, analyze:

## ANALYSIS OF POTENTIAL OPPORTUNITIES OF THE ECONOMY OF TAJIKISTAN FOR INTEGRATION OF SUSTAINABLE TRADE PRINCIPLES

- the relationship between trade and the environment on all obligations of countries in the field of goods, services and intellectual property and to propose recommendations that will be proposed taking into account the necessary changes to existing trade agreements (submit recommendations for further consideration by the Committee on Trade and Environment of the WTO) ;
- Analyze the relationship between the rules and regulations of priority trade sectors (identified in this analysis) with international environmental agreements and with environmental policies;

### e. Capacity building within UNECE programs and beyond.

The principles of sustainable trade in their scope of problematic issues are complex in nature, which requires coordination of actions in the field of environment and trade, not only at the level of the national institutions involved, but also at the level of the involved national institutions, but also the activities of international organizations (mainly UN agencies) with professional experience in solving special questions. Here the UNECE promoting the principles of sustainable trade in the SPECA countries should take a coordinating role in ensuring the interaction of activities in the field of environment and trade, especially at the regional level.

The principles of sustainable trade put forward in 2019, as shown by the analysis, have not yet received full recognition and practical application in Tajikistan. The UNECE should support information campaigns at both the national and regional levels, especially for government authorities responsible for sustainable trade policies and the development of policy documents.

Company information must cover the TOT for the media. See information above in the text.