



CAREC TRADE SECTOR
PROGRESS REPORT AND WORK PLAN
JUNE 2025 – MAY 2026

[Reference Document](#)

Central Asia Regional Economic Cooperation Program
4 June 2026, Ulaanbaatar

CAREC TRADE SECTOR PROGRESS REPORT AND WORK PLAN (2025–2026)

Overview

1. This report describes the progress made during the period June 2025 to May 2026 in implementing the second phase of [CAREC Integrated Trade Agenda \(CITA\) 2030 and Rolling Strategic Action Plan \(RSAP\)](#). In November 2025, the [24th CAREC Ministerial Conference \(MC\)](#) held in Bishkek, endorsed the midterm reviews (MTR) of three key strategies: [CAREC Transport Strategy 2030](#), [CITA 2030](#), and [CAREC Digital Strategy 2030](#). CAREC members recognize the importance of harmonizing trade, transport, and digital regulations, aligning trade and transport facilitation measures with international standards, and accelerating the adoption of interoperable digital systems to enhance CAREC members' integration into global trade.

2. Key recommendations under [CITA 2030 MTR](#), focus on: (i) modernizing border crossing points (BCPs) and trade facilitation measures; (ii) advancing digital trade and promoting cross-border e-commerce; (iii) adopting a formal framework for trade and investment through the proposed CAREC Trade and Investment Facilitation (CARTIF) Partnership Agreement; (iv) increasing trade in services and cross-border investment; (v) mainstreaming innovation and climate action in CITA priorities; (vi) strengthening CITA 2030 institutional framework; (vii) strengthening coordination among development partners; (viii) deepening private sector engagement; and (ix) improving tracking of CITA's progress and effectiveness.

3. At the margin of the 24th CAREC MC, several trade-related documents were signed including the: (i) Bishkek Ministerial Declaration on the Launch of Negotiations for the CAREC Trade and Investment Facilitation (CARTIF) Partnership Agreement; (ii) Loan Agreement: Almaty–Bishkek Economic Corridor Regional Improvement of Border Services (RIBS) Project; (iii) Memorandum of Understanding (MOU) on Implementing the Testing Phase of the Expanded CAREC Advanced Transit System and Information Common Exchange (CATS/ICE); (iv) MoU on Pilot Project on Electronic Exchange and Mutual Recognition of Conformity Certificates; (v) MoU on CAREC Regional Tourism Development; and (vi) MoU on the Kyrgyz Republic–Uzbekistan Cross-Border Sustainable Tourism Cluster Development.¹

4. In May 2026, ADB approved additional financing for TA Cluster 0069-REG: Implementing CITA 2030 ([Phase 2](#)), specifically to support the activities under subprojects on trade facilitation, accelerating digital trade, and sustainable tourism and services trade.² Other subregional TAs complement the cluster TA including those supporting economic corridor development, digital/ICT ecosystem, and tourism cluster. In addition, the Border Upgrades for Integration, Logistics, and Development (BUILD) facility is being prepared by ADB for approval in June 2026. In March 2026, ADB adopted a new [Operational Approach for Revitalizing Regional Cooperation and Integration](#), and is expected to intensify strategic partnerships and deepen support for the CAREC Program, including trade, with focus on developing robust pipeline regional projects.

¹ The action plans to implementing some of these agreements are annexed to this report.

² [TA 0069-REG](#): Implementing the Central Asia Regional Economic Cooperation Integrated Trade Agenda 2030 (Phase 2) (approved December 2024); [TA 10516-REG](#): Trade Policy (Subproject 1) (approved December 2024); [TA 10517-REG](#): Trade Facilitation (Subproject 2) (approved December 2024); [TA 10730-REG](#): Accelerating Digital Trade (Subproject 3) (approved December 2025); and [TA 10625-REG](#): Sustainable Tourism and Services Trade (Subproject 5) (approved October 2025). An earlier [TA 6558-REG](#): Strengthening Knowledge and Capacities for the Design and Implementation of Free Trade Agreements, was completed in August 2025.

Pillar 1: Trade Expansion through Better Market Access

5. **Launch of CARTIF negotiations.** Following the Bishkek Declaration, the inaugural negotiations for the *CARTIF Partnership Agreement* were held on 11 March 2026 and the first Chief Negotiators' Meeting was held on 8 May 2026, both virtually. The meetings focused on reviewing the proposed CARTIF negotiation structure and modalities, through a hybrid, flexible approach that combines written exchanges on provisions receiving in-principle concurrence, online working group sessions for technical discussions, and in-person meetings of Chief Negotiators on key decisions. A [Regional Workshop on CARTIF](#) was organized in August 2025.

6. **WTO accession and CAREC's role in global trade order.** ADB through the CAREC Program and the World Trade Organization (WTO) Secretariat co-organized a [High-Level Forum on the CAREC Region and the Multilateral Trading System: Deepening Integration in Central Asia and Beyond](#) in October 2025 in Geneva. Chief Negotiators from WTO acceding members (Azerbaijan, Turkmenistan, and Uzbekistan) and high-level CAREC officials responsible for WTO-related matters discussed how to navigate the challenges in the multilateral trading system and underscored the mutually reinforcing roles of regional integration and rules-based global system. The Forum commemorated Georgia and Kazakhstan's 25th and 10th year of WTO membership, respectively, and shared experience and lessons for WTO accession among CAREC acceding members and. In April 2026, a [Workshop on Navigating Trade Issues and WTO Transparency Requirements](#) was organized by ADB, WTO, and the Government of Kazakhstan in Astana, to strengthen national systems for implementing WTO transparency and notification. The workshop also discussed ADB and CAREC's work on market access, trade facilitation and digitalization, technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures, cross-border investment and services, and regional trade agreements.

7. In March 2026, at the 12th Working Party (WP) on the Accession of Uzbekistan, Uzbekistan Government reiterated its commitment to conclude its accession process by end-2026. Preparations are underway for the 17th Meeting of the WP on the Accession of Azerbaijan. In May 2026, the WTO Secretariat visited Ashgabat to discuss with the Government of Turkmenistan the finalization of the Memorandum on Foreign Trade Regime, a key document for WTO accession negotiations, which was prepared with support from ADB.³ In September 2025, ADB organized a workshop on trade policies in Tashkent and continues to provide technical support for the enactment or amendment of laws to ensure WTO alignment, including those related to technical regulations, standardization, and general product safety for Uzbekistan, more recently, the drafting of the law on foreign economic activity. ADB and World Bank organized a [trade forum](#) in Bangkok in May 2026, which includes a session on WTO accession.

8. **Implementing international agreements.** Commitments under the *WTO Trade Facilitation Agreement* have been fully implemented by five of the seven WTO members (PRC, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan), and almost completely by Mongolia (98.3%) and Pakistan (97.5%).⁴ By 2023, seven CAREC members—Azerbaijan, PRC, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan—had already acceded to the [Framework](#)

³ In close coordination with WTO Secretariat and other development partners, ADB continues to support WTO accession efforts of remaining CAREC members, including through: (i) peer-learning or subregional dialogue and knowledge-sharing; (ii) capacity-building or advisory support to negotiating teams or Chief Negotiators; (iii) studies or assessment on alignment or compliance of national legislation with WTO agreements; and (iv) stakeholders dialogue (including among development partners) and awareness.

⁴ WTO Trade Facilitation Agreement Database. <https://tfadatabase.org/en/implementation/progress-by-member>, accessed 21 April 2026.

[Agreement](#) on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific, which entered into force in 2021.

9. **Modernizing BCPs.** ADB continues to implement the [Regional Improvement of Border Services \(RIBS\)](#) and [Border Efficiency for Sustainable Trade](#) projects for Mongolia to upgrade BCP facilities, support Customs Automated Information System, and establish the national single window. In [Pakistan](#), the *RIBS* project continues to modernize Torkham and Chaman BCPs. In the Kyrgyz Republic, ADB approved the [Almaty–Bishkek Economic Corridor: RIBS](#) project in 2025 to modernize border infrastructure and services and facilitate cross-border movement in the Kyrgyz Republic to and from Kazakhstan.

10. ADB is preparing the Border Upgrades for Integration, Logistics, and Development (BUILD) Facility (for approval in June 2026). The facility will fund physical infrastructure, procedural improvements, and digitalization and promote joint BCPs (e.g., the proposed joint BCP between Azerbaijan and Georgia). BUILD Facility incorporates lessons from the past and ongoing projects modernizing BCPs along CAREC corridors.

11. **Implementing the pilot customs transit system.** Azerbaijan, Georgia, and Uzbekistan are finalizing the testing phase of the CAREC Advanced Transit System and Information Common Exchange (CATS/ICE), a harmonized electronic transit system for managing the movement of goods in transit across CAREC. The [6th Technical Working Group Meeting on CATS and ICE Pilot Phase Implementation](#) in September 2025 reviewed the progress of pilot activities, including improved data model and data exchange protocols, refinements to transit guarantee mechanism, and ongoing legal review of the Multi-country Framework Agreement. In May 2026, the workshop held in Tbilisi, reviewed the Framework Agreement with the objective of fully operationalizing CATS/ICE. Following the signing of the MOU in November 2025, an action plan was developed to support expansion of CATS/ICE to new CAREC members.⁵

12. **Adopting new digital solutions for customs.** A [Workshop on Advancing Digital and Green Trade Facilitation in CAREC Countries](#) was co-organized by ADB and Korea Customs Service in November 2025 in Seoul. It highlighted practical international models and adaptable technological innovations, including Korea's Customs Clearance System (UNI-PASS), which demonstrate how digital solutions enhance transparency, interoperability, and service efficiency. The role of National Trade Facilitation Committees in undertaking whole-of-government digital trade reforms remains crucial.

13. CAREC members are at various stages of adopting Smart Customs, applying AI and big data to facilitate trade. [PRC's Smart Customs](#) is using big data and AI for risk prevention and management, automatically identifying risk characteristics and ranking their impacts for real-time quantitative risk assessment. This is complemented by non-intrusive detection technology, i.e., near-infrared spectrometer, machine vision system, and portal radiation monitor, which contribute substantially to efficiency and cost savings.⁶ [Kazakhstan](#) launched its unified *Keden* IT platform to automate work processes, perform risk management, and allow traceability of goods, also using AI. It has integrated the services of other agencies using the single window principle, upgraded its electronic queue system, and used biometric verification and VIN-code checks.⁷ The

⁵ An MOU on Implementing the Testing Phase of the Expanded CAREC Advanced Transit System and Information Common Exchange (CATS/ICE) had been signed during the 24th CAREC Ministerial Conference in November 2025.

⁶ <https://mag.wcoomd.org/magazine/wco-news-107-issue-2-2025/chinas-smart-customs-journey/>

⁷ <https://primeminister.kz/en/news/implementation-of-the-keden-platform-and-modernization-of-border-checkpoints-customs-clearance-time-reduced-threelfold-30832>

[Kyrgyz Republic](#)'s digital platform *Smart Bazhi* is based on web technologies, modernizes customs operations into e-customs, improves risk management, integrates various subsystems and connects participants through a single information system for data exchange and electronic payments. It makes use of AI to analyze, forecast, and determine the need for customs control.

14. [Mongolia](#) has been digitalizing Customs—providing electronic customs services for declaration, payment, cargo tracking, licenses and permits, statistics, and clearance—and developing its national single window, in addition to developing smart infrastructure and installing non-intrusive inspection equipment at key BCPs. [Pakistan](#) will deploy electronic data interchange with regional customs administrations and pilot green channel processing and e-payments to reduce the carbon footprint of border procedures. [Tajikistan](#) is transitioning to ASYCUDA World, the 4th generation integrated customs management system of UNCTAD; its single window connects to 11 agencies. [Turkmenistan](#) is laying the foundation for Smart Customs by adopting new information technologies and automating key processes; it has established a control and analytical center equipped with big data processing and predictive analysis systems. It is preparing for electronic information exchange with neighboring countries. [Uzbekistan](#) has been upgrading its risk management system and started implementing Green Customs; its single window involves 12 agencies issuing 60 types of documents.

15. **Modernizing sanitary and phytosanitary (SPS) systems.** In Mongolia, the [Regional Upgrades of SPS Measures for Trade](#) project, which aims to upgrade laboratories and BCP inspection and quarantine facilities and align SPS control with international standards, is to be completed in 2026.

16. **Mutual recognition and electronic exchange of trade-related certificates.** The International Plant Protection Convention's (IPPC) electronic phytosanitary certificates ([ePhyto](#)) Solution is now used by Azerbaijan, Kazakhstan, Mongolia, Pakistan, and Uzbekistan for exchanging ePhytos. The *ePhyto* Solution is a global platform for the electronic exchange of phytosanitary certificates, which facilitates safe trade of plants and plant products. The PRC, Georgia, and Kyrgyz Republic are at the testing stage.

17. ADB, UNESCAP and Korea Trade Net (KTNET) are implementing the CAREC pilot project on the electronic exchange and mutual recognition of conformity certificates with an introductory session on 21 April 2026 (online) and kick-off workshop in June 2026 in Incheon. In November 2025, during the 24th CAREC Ministerial Conference, Azerbaijan, the Kyrgyz Republic, Pakistan, and Uzbekistan signed the MOU to implement the pilot, while Tajikistan expressed interest to participate in 2026. The pilot is a priority initiative under the [CAREC Partnership for Trade, Climate and Innovation](#) signed in Baku in November 2024.

Pillar 2: Greater Economic Diversification

18. **Developing regional tourism.** Recognizing the role of tourism in economic growth and economic diversification, CAREC is prioritizing activities to enhance trade in tourism and related services. In November 2025, at the sidelines of the CAREC Ministerial Conference, nine CAREC members signed the MOU on regional tourism development; while the Kyrgyz Republic and Uzbekistan signed an MOU to explore sustainable cross-border tourism cluster development leveraging their shared mountainous landscapes and cultural heritage. A new [TA](#) is studying the feasibility of sustainable cross-border tourism and integrating tourism services into the socio-economic development of Chatkal district, analyzing road connectivity options, and developing a Roadmap for Sustainable Tourism Cluster Implementation.

19. In May 2026, a high-level [session](#) on *CAREC and the Global Silk Road: Connecting Regions through Tourism* was organized at the margins of ADB's 2026 Annual Meeting in Samarkand, bringing together development partners, government and private sector representatives to discuss opportunities in leveraging their Silk Road heritage, and turning the CAREC region into a global tourism corridor. At the sidelines of the session, ADB and UN Tourism signed a Letter of Intent to jointly pursue initiatives in support of regional tourism.

20. **Facilitating sustainable cross-border investments.** In November 2025, the [Roadmap for Sustainable Investment Policy Reforms in Uzbekistan](#), was published by the Organization for Economic Cooperation and Development (OECD) with support from the European Union and ADB. The report recommended reforms to improve market openness, business conduct, investment promotion, and the contribution of foreign direct investments to green and digital transition and export diversification.

21. **Expanding e-commerce and adopting digital payments.** In March 2026, WTO members, including the PRC, Georgia, Kazakhstan, the Kyrgyz Republic, and Mongolia, adopted the [Declaration](#) on Interim Arrangement—a pathway to bring into force the WTO Agreement on Electronic Commerce—at the 14th WTO Ministerial Conference, which will significantly bolster stability and predictability for businesses and consumers around the world. In February 2026, ADB completed a rapid assessment of the legal and regulatory framework for e-Commerce in Kazakhstan to examine the alignment of Kazakhstan's legislation with international and regional commitments and good practices on e-commerce.⁸ ADB has supported innovative approaches to digital payments and the PRC experience with open application program interfaces (APIs) were shared at the CAREC [Seminar](#) on Advancing Cross-Border Trade through Digital Payments held in September 2025 in Hangzhou, PRC at the sidelines of the *4th Global Digital Trade Expo*.⁹

Pillar 3: Stronger Institutions for Trade

22. Policy dialogue, capacity building, and strategy and road map formulation supported institutional strengthening among CAREC trade agencies and institutions.

23. The [7th Meeting of the CAREC Regional Trade Group](#) on 13 June 2025 in Bishkek contributed to the midterm review of the CITA 2030, and reaffirmed its relevance, with members suggesting a focus on smart, green and inclusive trade, digitalization, and leveraging CARTIF to diversify economies and deepen regional integration. Project proposals, which include a digital trade platform, agro-logistics hub, BCP upgrades, green border facilities, mutual recognition of certificates, among others, were incorporated into the Rolling Strategic Action Plan 2025-2028 that was annexed to the CITA 2030 MTR.

24. Several development partners presented their initiatives: CAREC Institute shared its knowledge products and capacity-building in trade. World Bank shared plans in expanding trade integration in Central Asia. GIZ has a Trade Facilitation in Central Asia project and organized the regional network of national trade facilitation committees (NTFCs) and a donor coordination group. WTO Standards and Trade Development Facility shared lessons from the ePhyto initiative and is now developing e-veterinary certificates pilot in other regions. The International Trade

⁸ Leveraging the framework of the 2021 report on [E-Commerce in CAREC Countries: Laws and Policies](#) and similar assessment for Azerbaijan in 2023.

⁹ Hosted by the Zhejiang Provincial People's Government, Hangzhou Municipal People's Government, and Ministry of Commerce of the PRC.

Center (ITC) has electronic queue management system and supports trade information portals and e-certificate of origin. UNCTAD supports the use of trade in addressing climate change and low-carbon diversification, UNESCAP presented its Trade Intelligence and Negotiation Adviser (TINA) online tool. UNCITRAL has model laws for trade digitalization, UNECE has a package of standards for multimodal data exchange, and Korea Trade Network discussed mutual recognition and electronic exchange of conformity certificates.

25. The [24th Meeting of the CAREC Customs Cooperation Committee](#) on 3-4 September 2025 in Bishkek reviewed its progress in implementing Customs' subregional and national projects and considered proposals for the CCC Workplan 2025-2026, including how the authorized economic operator (AEO) program and cross-border paperless trade initiatives could be aligned to support green trade.

26. **Enhancements to the Corridor Performance Measurement and Monitoring (CPMM) methodology.** [CPMM](#) is an empirical tool designed by the CAREC Program to assess and track the time and cost of moving goods across borders and along the transport corridors. In 2025, several [changes](#) were adopted including the: (i) addition of routes, e.g., East to Central Asia, South to Central Asia, Eurasian Continental, and Trans-Mongolia; (ii) new indicators, e.g., waiting time, operation time, time and cost along routes and modes of transport; and (iii) BCP surveys, shift from monthly to quarterly, and new data collection partners. Cooperation with Customs is critical in monitoring BCP traffic, conducting the BCP survey, and disseminating the results including through blog articles. The [CPMM framework can be expanded](#) for policy analysis such as through the Cross-Border Trade and Transport Facilitation Index (CBTTFI), which covered a survey of 6 BCPs across 5 CAREC countries. The annually updated CAREC Trade Information [Portal](#) supports informed trade policymaking.

27. **National Trade Facilitation Committees.** GIZ, in coordination with ESCAP, ICC Digital Standards Initiatives, WTO Informal Working Group on MSMEs and Cross-Border Paperless Trade Database undertook the project [Regional Platform of the NTFs in Central Asia](#), which brings together representatives from Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan twice annually to coordinate trade facilitation reforms and promote paperless trade across the region. The platform operates as a regional consultation mechanism and supports the deployment of digital tools, including e-TIR system integration with national customs systems, electronic phytosanitary certification via the IPPC ePhyto Hub, and electronic queue management systems at border crossings.

NEXT STEPS

28. The Joint RTG-CCC Meeting on 4 June 2026 will discuss progress of CITA 2030 implementation, specifically the MTR recommendations, and the follow-up to the MOUs signed at the 24th CAREC Ministerial Conference in November 2025. RTG and CCC members are expected to share their efforts and priorities under the CITA Rolling Strategic Action Plan (RSAP) 2026-2028. A dedicated session will discuss lessons learned in ADB investment projects and pipeline opportunities to support overall CITA implementation. RTG and CCC members are invited to put forward key deliverables for the 25th Ministerial Conference in September 2026. The outcomes of the joint RTG and CCC Meeting as well as the zero round of CARTIF negotiations are expected to be presented at the CAREC Senior Officials' Meeting on 11-12 June 2026.