CAREC INTEGRATED TRADE AGENDA 2030
MIDTERM REVIEW

JULY 2026

CAREC
Central Asia Regional Economic Cooperation Program

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I. INTRODUCTION

1. Trade—as a key driver of economic growth and development—has been one of the three core traditional sectors of the Central Asia Regional Economic Cooperation (CAREC) Program since its inception in 2001.[1] Trade remains a priority under the CAREC 2030 Strategy: Connecting the Region for Shared and Sustainable Development (CAREC 2030), specifically under the operational cluster of trade, tourism, and economic corridors.

2. In 2018, the 17th CAREC Ministerial Conference endorsed the CAREC Integrated Trade Agenda (CITA) 2030, consolidating trade policy and trade facilitation priorities for regional cooperation.[2] CITA aims to assist CAREC countries in integrating into the global economy through three pillars:

(i) **Trade expansion from increased market access.** Promoting the adoption of more open trade policies, deepening customs cooperation, making border and behind-the-border procedures more efficient, improving logistics services, and enhancing transit systems.
(ii) **Greater diversification.** Creating an enabling environment for economic diversification by supporting reforms, providing financing, and strengthening linkages between CAREC economies and regional and global value chains.
(iii) **Stronger institutions for trade.** Promoting better coordination of sector policies and priorities and evidence-based policymaking, enhancing the capacity of government agencies, improving data collection and cross-country analysis, strengthening officials' policy analysis and negotiation skills, and increasing the participation of think tanks and the private sector.

3. The institutional mechanism for CITA implementation comprises the Regional Trade Group (RTG), the Customs Cooperation Committee (CCC), and the Regional Working Group on Sanitary and Phytosanitary (SPS) Measures. These bodies are to coordinate closely with one another and with other sector and thematic groups (such

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1 The Central Asia Regional Economic Cooperation (CAREC) Program includes the following 11 member countries: Afghanistan, Azerbaijan, the People's Republic of China (PRC), Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. The Asian Development Bank (ADB) has placed its regular assistance to Afghanistan on hold effective 15 August 2021.

2 ADB. 2019. *CAREC Integrated Trade Agenda 2030 and Rolling Strategic Action Plan 2018–2020*.

as the Transport Sector Coordinating Committee and the CAREC Digital Strategy Steering Committee), and report to the Senior Officials Meeting. CITA 2030 is to be implemented in a phased and pragmatic manner through 3-year rolling strategic action plans (RSAPs), prioritizing projects and initiatives guided by CITA's overall strategic objectives. Reviewed annually by the RTG, RSAPs provide a platform for building project pipelines, mobilizing resources, and coordinating with development partners.

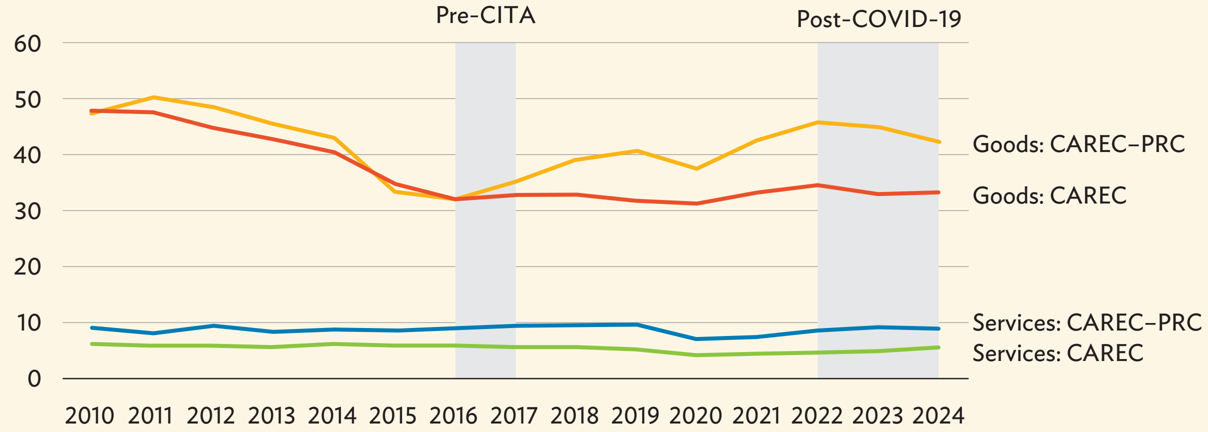
4. The Midterm Review (MTR) of the CAREC 2030 Strategy recommended an evaluation and recalibration of sector strategies such as CITA 2030, along with the CAREC Transport Strategy 2030 and CAREC Digital Strategy 2030.[3] The MTR of CITA 2030 aims to (i) assess the progress of CITA 2030 implementation during 2018–2024 (review period), (ii) ensure the continued relevance of CITA 2030 within the evolving global and regional context, and (iii) enhance its effectiveness and efficiency in fostering trade expansion and sustainable economic development across CAREC countries.

[3] CAREC Program. 2024. *CAREC 2030 Strategy Mid-Term Review*.

II. TRADE PERFORMANCE AND TRENDS

5. Since 2016, trade in goods of CAREC members (excluding the People's Republic of China [PRC]) grew as a proportion of gross domestic product (GDP). Trade in services share was relatively constant,[4] dropping slightly after 2019 because of the COVID-19 pandemic. On average, trade in goods expanded faster than trade in services from 2017 to 2022, but the trend was reversed in 2023 and 2024 (Figure 1). Services exports also grew faster than services imports for six of nine CAREC countries over the 8-year period (Figure 2). Intra-CAREC trade (excluding the PRC) was 6.2% of their total trade in 2024 improving steadily from the 2017 share of 4.7%.

Figure 1: Trade in Goods and Services as Share of Gross Domestic Product *(%)*



CAREC = Central Asia Regional Economic Cooperation, CITA = CAREC Integrated Trade Agenda, GDP = gross domestic product, PRC = People's Republic of China.

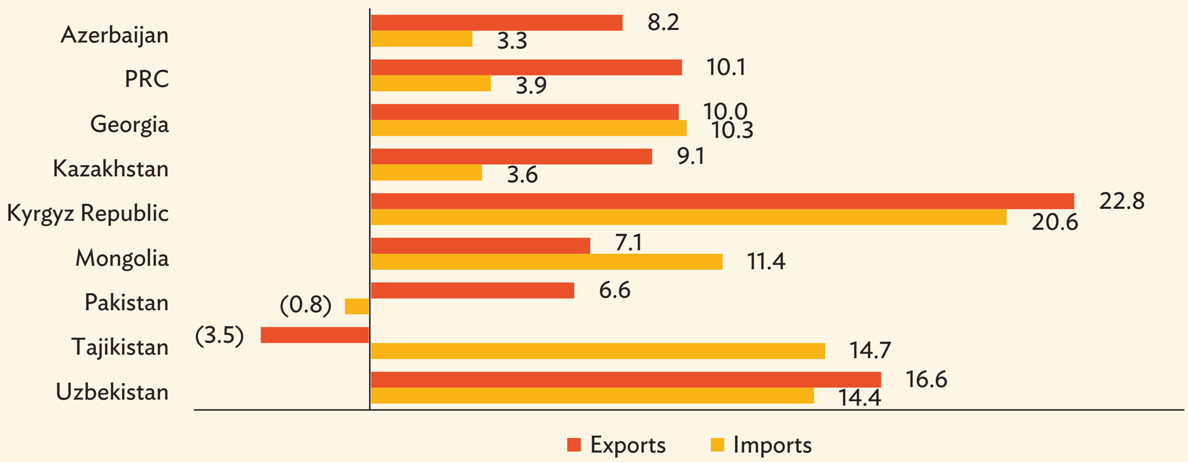
Notes: "CAREC" excludes Afghanistan. Georgia joined CAREC in 2016. Data excludes informal trade.

Source: World Bank. World Development Indicators.

6. Most CAREC countries are gradually becoming more diversified through time, based on the number of exported commodities classified at the sixth-digit level of the Harmonized System Code (HS6). Out of a maximum of 5,113 lines

4 "Services" refers to commercial services, i.e., all services categories except government goods and services, n.i.e. World Trade Organization. 2023. *World Trade Statistical Review 2023*. p. 48.

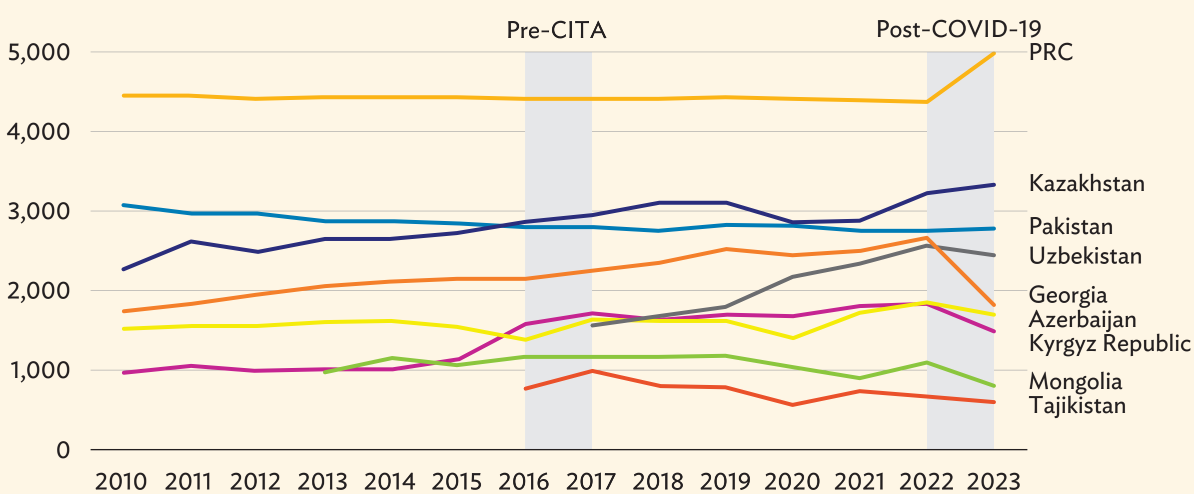
Figure 2: Growth of Trade in Services, 2017–2024 (%)



PRC = People's Republic of China.
Note: No data available for Turkmenistan.
Source: World Trade Organization. WTO Stats (accessed 11 September 2025).

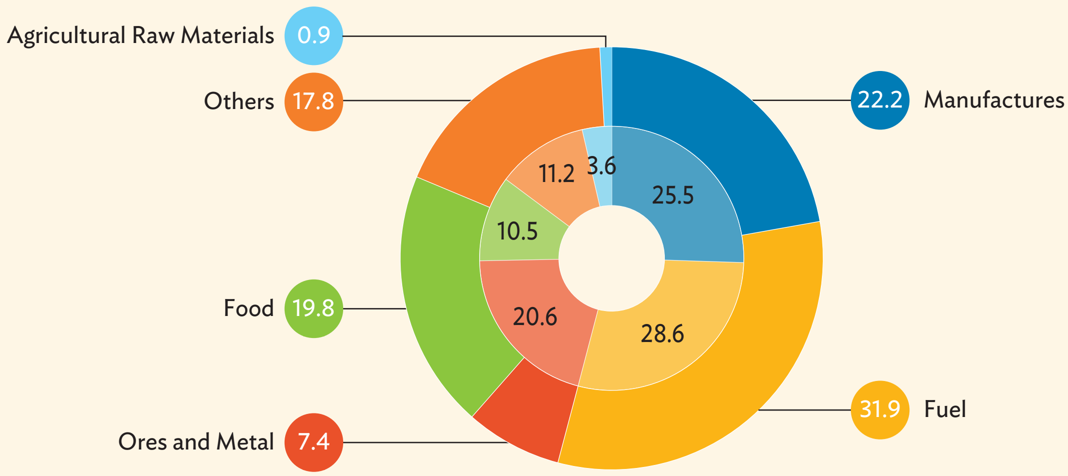
at HS6, CAREC (excluding the PRC) exported 2,083 lines on average in 2022. Kazakhstan, Pakistan, Georgia, and Uzbekistan were the most diversified, with numbers exceeding this average. Fuels continue to dominate the export basket, comprising a third of total goods exports in 2024; their share also increased slightly from 2017, together with food, in contrast to the drop in shares of ores and metal and manufactures (Figures 3–4). The top five merchandise exports constituted 53% of total exports in 2023.

Figure 3: Number of Exported Harmonized System 6-Digit Products



CITA = CAREC Integrated Trade Agenda, PRC = People's Republic of China.
Source: World Bank. World Integrated Trade Solution (accessed 11 September 2025).

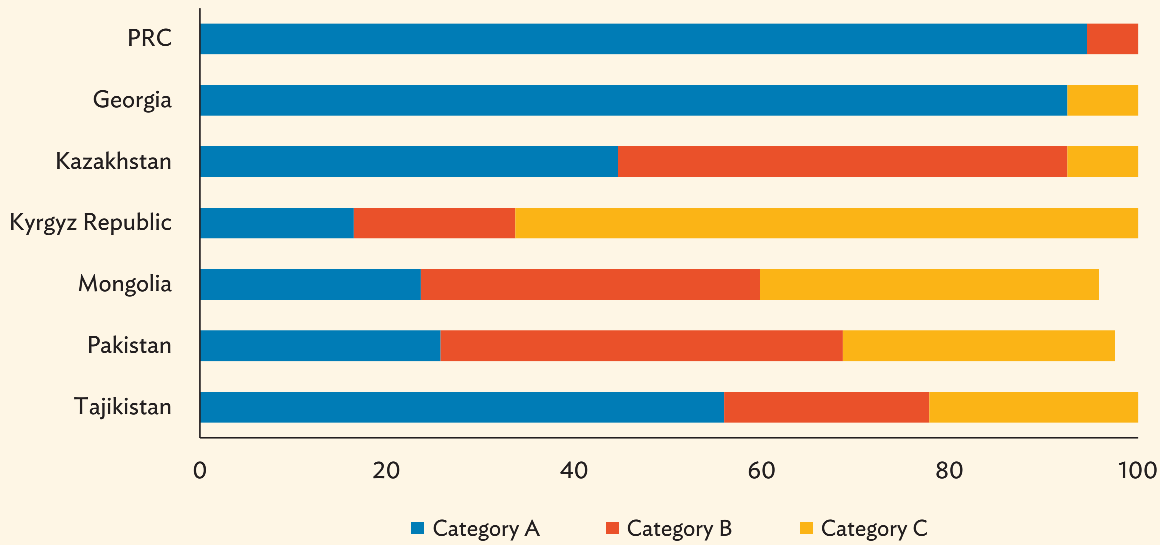
Figure 4: CAREC Exports, 2017 (inner) and 2024 (outer), %



Note: CAREC excludes the People's Republic of China, and Turkmenistan for which no data is available.
Source: World Bank. World Development Indicators (accessed 11 September 2025).

7. **Trade facilitation.** Commitments under the World Trade Organization (WTO) Trade Facilitation Agreement have been fully implemented by five of the seven CAREC countries that are WTO members, i.e., the PRC, Georgia, Kazakhstan, Kyrgyz Republic, and Tajikistan, and almost completely by Mongolia (95.8%) and Pakistan (97.5%) (Figure 5).

Figure 5: Trade Facilitation Agreement Implementation in CAREC Countries



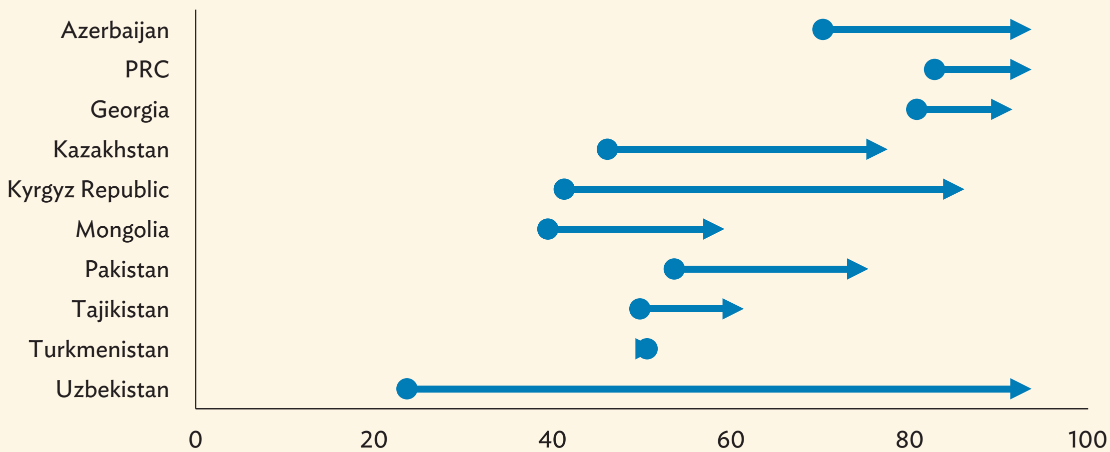
PRC = People's Republic of China.

Note: Members designate provisions either as Category A, for implementation upon entry into force of the agreement or within 1 year after for least developed country members; Category B, for implementation on a date after a transitional period of time following the entry into force of the Agreement; Category C, for implementation on a date after a transitional period of time following the entry into force of the Agreement and requiring the acquisition of implementation capacity through technical assistance.

Source: World Trade Organization. Trade Facilitation Agreement database (accessed 11 September 2025).

8. Actual progress with trade facilitation reforms may be gleaned from the UN Global Survey on Digital and Sustainable Trade Facilitation, which covers 62 measures related to transparency, formalities, institutional arrangement and cooperation, transit facilitation, cross-border paperless trade, trade facilitation for agriculture, small and medium-sized enterprises (SMEs), women, and e-commerce, green trade facilitation, and trade finance. Nine CAREC countries with data from 2017 to 2025 all advanced, six of which started with low baselines. Four of the latter improved substantially (Figure 6). The customs scores of four countries under the Logistics Performance Index also showed marked progress (Figure 7).

Figure 6: Trade Facilitation Scores, 2017 and 2025

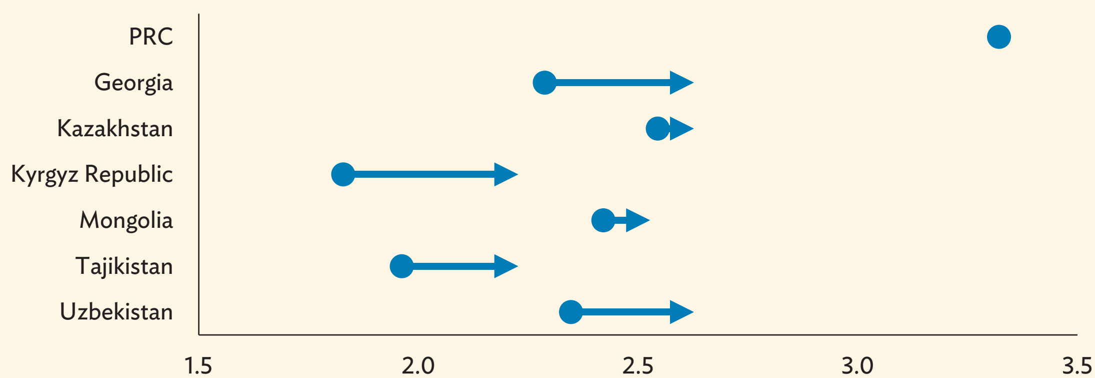


PRC = People's Republic of China.

Note: The scores cover the indicators for transparency, formalities, institutional arrangement and cooperation, paperless trade, cross-border paperless trade, transit facilitation, and agricultural trade facilitation. The figures for Georgia are for 2019 and 2025; for Turkmenistan, 2023 and 2025.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation database (accessed 11 September 2025) and CITA 2030 medium-term review team's computations.

Figure 7: Logistics Performance Index—Customs Score, 2016 and 2023



PRC = People's Republic of China.

Note: Logistics Performance Index is derived through a combination of a global survey and large-scale, high-frequency data on international supply chains. One of the six components measures efficiency of customs and border management clearance.

Source: World Bank Group. Logistics Performance Index database (accessed 11 September 2025).

9. Using the CAREC Corridor Performance Measurement and Monitoring data, the CAREC Institute reports that trade facilitation indicators reveal mixed performance of regional road transport in 2023. The average border-crossing time increased by 11% to 11 hours, while costs decreased by 37% to $131, and the total shipment cost fell by 14% to $814. Average speeds also improved slightly, speed without delay rising from 42 km/h to 43.7 km/h, and speed with delay increasing from 23.4 km/h to 24.9 km/h.[5]

[5] CAREC Institute. 2025. Corridor Performance Measurement and Monitoring Annual Report 2023.

III. THE EVOLVING GLOBAL AND REGIONAL CONTEXT

10. Since the endorsement of CITA 2030 in 2018, the global and regional trade landscapes have evolved significantly. From 2018 to 2025, several major events and trends—such as the COVID-19 pandemic, geopolitical tensions, rising protectionism, increasing climate change risks, increasing transition to clean energy, and the rapid advancement of digital technologies—affected the performance, needs, and priorities of CAREC countries with respect to cross-border trade and investment and overall regional cooperation.

11. **The COVID-19 pandemic.** The COVID-19 pandemic—from 2020 to 2023—was a major adverse shock to the world economy, including the CAREC countries. Trade in tourism-related services was among the hardest hit, reflecting the impact of international mobility restrictions. Pandemic-related measures severely disrupted cross-border trade and investment flows in the region. However, the situation also accelerated digitalization efforts across the region, spurring conversion to paperless trade and expansion of e-commerce. This heightened the case for integrating risk management, resilience, and response capacities into trade facilitation and strategies for cross-border trade and investment.

12. **Geopolitical tensions.** The geopolitical headwinds and regional dynamics—those surrounding Afghanistan since August 2021, Russia's prolonged war in Ukraine, and conflicts in the Red Sea and in the Middle East—have disrupted regional and global supply chains. These add to the challenges and already high transport and logistics costs faced by CAREC members, especially the landlocked countries. Enhancing connectivity and facilitating trade along the CAREC corridors are receiving increased attention, most notably CAREC Corridor 2 (which largely coincides with the Middle Corridor). Substantial investments in physical and soft infrastructure are required.

13. **Risk of global trade fragmentation.** Unilateral tariff escalations, retaliatory or trade-restricting measures, and policy uncertainties are increasing the risk of global fragmentation. These developments increasingly undermine the multilateral, rules-based trading system anchored in the WTO and weaken the global push for sustainable growth. While the impact on CAREC countries is mixed, there is a need to diversify trade and strengthen regional cooperation to mitigate such external shocks.

14. **Rising climate change impacts.** CAREC countries continue to experience rising temperatures, more frequent and severe extreme weather events—such as floods, droughts, and heatwaves—and accelerated glacial melt, particularly in the mountainous areas of the Kyrgyz Republic and Tajikistan. The resulting damage to transport infrastructure and disruption of supply chains have affected countries' trade performance. This calls for resilient and climate-smart infrastructure to support sustainable trade networks in the region.

15. **Advancement of digital technologies.** Digital technologies—including artificial intelligence (AI), machine learning, blockchain, and the Internet of Things—have advanced rapidly, reshaping global trade, investment, and economic development. Countries have been adopting digital and paperless trade solutions such as e-certification and national single windows. While these efforts increase efficiency and reduce costs, the digital divide in connectivity, digital literacy, and access to online services limit the benefits to traders, particularly SMEs. It is also important to invest not only in digital infrastructure and innovation ecosystems but also in harmonizing policies to promote data flows, cybersecurity, and trusted digital services. CITA 2030 can play a catalytic role in supporting digital trade integration and fostering innovation-led growth.

IV. PROGRESS IN IMPLEMENTING CITA 2030

16. At the program level, the progress of CITA 2030 is monitored through CITA's results framework. The framework includes 11 indicators—7 at the outcome level and 4 at the output level. Targets for the seven outcome level indicators and the first two output-level indicators were proposed in 2019.

17. For 2018–2023, progress on the indicators for the CITA outcome—*CAREC countries are more integrated into the global economy*—was mixed. In particular, the median ratios of trade in nonfuels within CAREC and trade in fuels and nonfuels with the rest of the world to GDP rose significantly in CAREC countries (except the PRC) from 2017 to 2023 (Table). However, the ratios of trade in services and of inflows and outflows of foreign direct investment to GDP fell over the same period.

Table: Value of Selected CITA Indicators, 2016 and 2023[a]

Results Level	Indicator	2016[b]	2023
Outcome	Trade in fuels within CAREC (% of GDP)	2.38 [0.08]	2.11 [0.14]
	Trade in fuels with the rest of the world (% of GDP)	3.92 [1.73]	6.00 [3.10]
	Trade in nonfuels within CAREC (% of GDP)	7.33 [1.56]	15.73 [1.16]
	Trade in nonfuels with the rest of the world (% of GDP)	21.22 [29.44]	24.37 [28.96]
	Trade in services (% of GDP)	18.97 [5.79]	13.39 [4.90]
	Net inflows of foreign direct investment (% of GDP)	6.28 [1.56]	1.62 [0.24]
	Net outflows of foreign direct investment (% of GDP)	0.55 [1.93]	0.35 [1.04]
Output 1	Exports of goods and services (% of GDP)	33.84 [19.58]	36.78 [19.74]
Output 2	Share of the top five merchandise exports in total exports of goods (%)	68.09 [14.29]	52.98 [12.47]
Output 3	Regional Trade Group is operational	No[c]	Yes
	Number of CAREC countries with an operational national committee on trade facilitation	7[c]	9

CAREC = Central Asia Regional Economic Cooperation, PRC = People's Republic of China, GDP = gross domestic product.

[a] Values represent median estimates for the CAREC countries (except the PRC) for which data are available. Figures for the PRC are in brackets. 2016 is the baseline year for most CITA indicators, and 2023 is the latest year for which data on most CITA indicators are available.

[b] Some figures in this column differ from the corresponding data in Table 2.1 due to data revisions and the exclusion of the CAREC countries for which 2023 data are unavailable.

[c] Values and figure is for 2017.

Sources: CAREC Secretariat, Trade Map, UNCTADstat, World Development Indicators database, and Asian Development Bank staff estimates.

18. There was modest progress on the indicator for Output 1: *Trade expansion from increased market access*. The median value of the ratio of exports of goods and services to GDP for CAREC countries (except the PRC) and the corresponding ratio for the PRC both increased slightly from 2017 to 2023. By contrast, CAREC countries made substantial progress on the indicators for Output 2: *Greater diversification* and Output 3: *Stronger institutions for trade*. The median share of the top five merchandise exports in total goods exports in CAREC countries (except the PRC) declined markedly from 2017 to 2023. The corresponding indicator for the PRC also decreased, albeit more modestly. In terms of institutional development, the RTG was established in 2018. Nine CAREC countries had operational national committees on trade facilitation in 2023, up from seven in 2017.

19. Most CITA indicators are outcome-level indicators, usually dependent on factors beyond the scope of CITA. It is therefore difficult to determine to what extent the positive changes in their values during 2017–2023 were attributable to CITA. Actionable or granular indicators and specific targets are needed to effectively assess and improve CITA's effectiveness. The indicators and targets can be drawn from the existing data sources such as the CAREC Corridor Performance Measurement and Monitoring mechanism, the UN Global Survey on Digital and Sustainable Trade Facilitation, and the Logistics Performance Index (See **Appendix 1**).

20. **CAREC interventions under CITA 2030**. The Asian Development Bank (ADB) and development partners supported CAREC members in achieving CITA 2030. For instance, ADB approved the financing of 16 technical assistance projects (estimated at $23.9 million) and 5 trade-related investments (valued at $759 million) from 2018 to 2024.[6] During this period, a broad range of activities (including technical assistance and investment projects approved by ADB prior to 2018) contributed to overall CITA objectives. A new cluster technical assistance (Phase 2) to implement CITA was approved by ADB in December 2024, that consists of five subprojects: (i) trade policy, (ii) trade facilitation, (iii) digital connectivity for trade, (iv) climate actions in trade, and (v) services trade for diversification. **Appendix 2** details the CITA 2030 interventions and activities per pillar, as well as the overall achievements by CAREC countries, including outcomes of CAREC interventions from 2018 to 2025.

21. Under *Pillar 1: Trade expansion through better market access,* countries adopted more open trade policies and improved border processes to facilitate trade. Reforms and capacity building were undertaken to align with international standards and best practices to facilitate trade. The remaining non-WTO members CAREC members—Azerbaijan, Turkmenistan, and Uzbekistan—are making good progress in their accession efforts. Policy commitments to the WTO Trade Facilitation Agreement

6 Including Mongolia: Regional Improvement of Border Services Project (Additional Financing) (2019); PRC: Inner Mongolia Sustainable Cross-Border Development Investment Program (2020); Mongolia: Developing the Economic Cooperation Zone Project (2020); Mongolia: Border Efficiency for Sustainable Trade Project (2023).

were fully implemented by five of the seven WTO members, and close to being fully implemented by the remaining two.

22. Border infrastructure, facilities and systems' upgrades were completed or underway under the Regional Improvement of Border Services and Border Efficiency for Sustainable Trade projects. National single window (NSW) systems were established by most countries, with varying functionalities. Several countries have instituted authorized economic operator programs. Azerbaijan, Georgia, and Uzbekistan are accelerating the testing phase of the prototype for the CAREC Advanced Transit System (CATS) and Information Common Exchange (ICE) initiative since signing the CATS Memorandum of Understanding in October 2023. Members continue to leverage emerging technologies including initiatives with support from the CAREC Program, such as robotic process automation or AI for Georgia's trade procedures and blockchain or digital ledger technology for Mongolia's electronic certificates of origin.

23. Significant progress was made in pursuit of the CAREC Common Agenda for Modernization of Sanitary and Phytosanitary Measures for Trade. National SPS working groups were organized, and each formulated action plans to ensure plant and animal health and food safety. The SPS Regional Working Group was constituted to direct and oversee regional initiatives. Policy advice and dialogues, pilot projects, training workshops facilitated country efforts to align with international SPS standards. Three members have successfully integrated into the ePhyto Solution, a global system for the exchange of electronic phytosanitary certificates, while others are at the testing phase.

24. Under *Pillar 2: Greater economic diversification*, opportunities for digital trade and linking with regional and global value chains are being expanded. The CAREC Digital Trade Forum, a cross-learning network of stakeholders, was established to discuss challenges and innovative solutions. Participation in the Global Digital Trade Expo and study tours on e-commerce exposed CAREC countries to best practice and have led to partnerships to cooperate and promote a digital ecosystem in the region. The adoption of international agreements and best practices such as the Agreement on Cross-Border Paperless Trade in Asia and the Pacific and UN Model Law on Electronic Transferable Records was promoted through capacity building and awareness raising.

25. The crucial importance of the services sector for economic diversification continued to be emphasized in CAREC countries' national development plans. A study recommended seven particularly critical sectors for the CAREC region, and enabling conditions that are essential for services' robust development, including regional cooperation.[7] A cross-border economic zone, a policy tool for promoting economic

[7] The 2021 CAREC study on developing the services sector in CAREC countries concludes that the services sector is a key driver of economic development and crucial for diversification in the region. The study identifies several services subsectors as particularly important for achieving diversification in CAREC economies. These include freight transport, logistics, tourism, financial, telecommunication, information, education, research and development, and agriculture-related services. ADB. 2021. *Developing the Services Sector for Economic Diversification in CAREC Countries*.

transformation, is being developed by Mongolia and the PRC. Most countries have started investing in economic zones of various types, providing facilities, services, and incentives.

26. Under *Pillar 3: Stronger institutions for trade*, CITA is promoting better coordination of policies and priorities, evidence-based policymaking, and enhanced capacities of government agencies. The RTG was established as the institutional mechanism for bringing trade agencies together to prioritize interventions through 3-year rolling strategic action plans. It coordinates closely with the CCC, the body responsible for customs-related matters. Working and expert groups on technical areas such as SPS are organized under the RTG.

27. Capacities for designing, negotiating, and implementing trade agreements were built, through a series of needs-based training workshops. These led to the concept preparation of the CAREC Trade and Investment Facilitation (CARTIF) Partnership, a beyond-WTO agreement and solid framework for moving the regional trade, investment cooperation, and economic diversification agenda forward.

28. CAREC knowledge products on trade continue to support evidence-based policy making. Since CITA 2030 implementation, the trade sector published at least 14 knowledge products, a few blogs, and videos (**Appendix 3**). Over 157 regional and subregional policy dialogues and seminars, including national consultations on specific topics and high-level policy discussions, training courses, and study tours, were delivered that reached over 9,000 senior and mid-level government officials, various sectors of ADB and under the CAREC trade program.

29. The CAREC Trade Information Portal provides the trade statistics at country level, and the CAREC Corridor Performance Measurement and Monitoring offers trade facilitation indicators at country and corridor level.[8] The CAREC Trade Insights and News provides quarterly updates on CAREC trade activities.

8 The Corridor Performance Measurement and Monitoring (CPMM) mechanism, launched in 2009, provides valuable on-the-ground information about the movement of goods along CAREC corridors. CPMM data help identify bottlenecks for policymakers to address. The CPMM web portal facilitates awareness and use of its data.

V. OPPORTUNITIES AND CHALLENGES

30. From a series of stakeholder consultations for the MTR, stakeholders reached a strong consensus that CITA 2030 remains relevant, responsive, and well aligned with national priorities of CAREC members.[9] However, emerging issues, implementation challenges, and the evolving landscape identify areas for improvement so that CITA objectives and priorities could be better achieved.

31. **Scope and modality.** The overall scope of CITA was quite broad and ambitious, reflecting the diverse needs of CAREC countries in trade and participating in global value chains. This led to resource constraints limiting depth, sustainability, and effectiveness. While the number of knowledge products and services to support CITA implementation (para. 27) is considered substantial, these require time and consistent follow-up to be impactful. Focused interventions—for example, upgrade of border-crossing points (BCPs) and trade-related measures and systems—are needed but they remain scarce. Only a few CAREC investments were approved under the trade sector (para. 20) despite the wide range of needs for physical and soft infrastructure connectivity in the region. To streamline border operations, CAREC will upgrade BCP facilities and equipment, implement electronic queue management systems, and introduce green lanes. Greater coordination of border controls within and between countries will be pursued, alongside efforts to simplify border-crossing procedures. The proposed Border Upgrades for Integration, Logistics, and Development (BUILD) facility will support the preparation and implementation of CAREC BCP improvement projects and enhance stakeholder coordination.

32. There is a need for longer-term and programmatic support for CITA implementation through policy-based programs and investment projects. CAREC trade work must continue its momentum in promoting alignment with international agreements and good practices in trade policies and trade facilitation measures. Services trade and foreign direct investment are increasingly recognized as key

[9] Consultations were conducted through survey questionnaire and country consultations held jointly with the MTR consultations of CAREC transport and digital strategies on 11–13 March 2025 for Kazakhstan, 17–20 March 2025 for the PRC, 4–8 April 2025 for Azerbaijan, 10–11 April 2025 for the Kyrgyz Republic, 21–25 April 2025 for Uzbekistan, 28–29 April 2025 for Tajikistan, 6–7 May 2025 for Georgia, 16 May 2025 for Turkmenistan, 2–3 June 2025 for Pakistan, and 28 July 2025 for Mongolia. The preliminary findings of CITA 2030 MTR were presented at the CAREC Regional Trade Group Meeting on 13 June 2025 and CAREC Senior Officials Meeting on 18–19 June 2025 held in the Kyrgyz Republic.

drivers of economic diversification and development. CITA activities may explore the feasibility and suitability of investment programs and projects to implement much needed reforms, for example:

- Adopt national single windows or implement WTO agreements on trade facilitation, SPS, and standards.
- Diversify and promote trade in services (i.e., logistics, tourism, communications, and business services) and facilitate cross-border investments (e.g., foreign direct investment in new and green technologies and development of high-tech and green value chains).
- Accelerate digital trade and promote cross-border trade flows (data-sharing, interoperability, and use of emerging technologies such as AI, big data, and blockchain).

33. **Institutional structure.** CITA's institutional mechanism functioned reasonably well during the review period but highlighted the need to improve coordination among the CITA 2030 bodies. Insufficient interaction among them limits the responsiveness and effectiveness of CITA 2030—especially in implementing crosscutting initiatives, with multiple stakeholders for activities involving several countries and agencies (e.g., the CATS and ICE initiative). Convening joint meetings of the bodies under CITA (RTG, CCC, and other thematic subgroups) and other CAREC sector and thematic strategies (Transport Sector Coordinating Committee and Digital Sector Steering Committee) will ensure better coordination. However, given the timing and resource constraints, frequent virtual meetings may be organized for this purpose.

34. **Cross-sector priorities.** CITA 2030 has a strong linkage with the CAREC Transport Strategy 2030, particularly in trade facilitation and transport and logistics services. Both strategies support the development of multimodal transport and trade corridors, with CITA 2030 focusing on soft infrastructure, including digitalization of trade systems, integrated border management, and regulatory harmonization. Efforts under CITA 2030 to accelerate digital trade and facilitate cross-border investment in green industries should be closely aligned with the interventions under the CAREC Digital Strategy 2030 and CAREC Energy Strategy 2030.

35. The trade–technology–sustainable development nexus is also well-recognized. The Baku Declaration on CAREC Partnership for Trade, Climate, and Innovation, signed at COP29 in November 2024, is an example of such a regionally coordinated approach with crosscutting dimension. It supports CITA 2030 in the expansion of digital trade, including e-commerce and paperless transactions to facilitate trade across the CAREC region. On the other hand, the Regional Action on Climate Change: A Vision for CAREC identifies transport, transit, and trade among seven priority areas. For some countries, this also requires responding to emerging trade-related policies from external markets (e.g., the European Union's Carbon Border Adjustment Mechanism) and exploring new growth opportunities.

36. **Engagement with development partners and the private sector.** Numerous development partners provide support to CAREC countries in areas covered by CITA 2030. Several stakeholders suggested that coordination among them be strengthened to avoid fragmentation and duplication, reduce pressure on the limited absorptive capacity of government agencies, and achieve greater synergies and development impact.

37. While efforts have been made to expand private sector participation in CAREC activities (e.g., study tours, trade fairs, and training in digital marketplaces), there is room to expand and strengthen private sector engagement. Increasing awareness and connecting various stakeholders—SMEs, chambers of commerce, e-commerce providers, logistics providers, and trade operators—with one another under CITA 2030, will help identify and reduce trade bottlenecks from the perspective of beneficiaries and support the implementation of concrete and practical solutions.

VI. RECOMMENDATIONS AND FUTURE DIRECTIONS

38. The MTR recognizes the early gains and outcomes of the CAREC Program's comprehensive trade strategy. Leveraging on current momentum and learning from the regional experience amid a rapidly evolving global and regional landscape, the MTR suggests focusing CITA 2030's implementation on initiatives aimed at enhancing regional trade, investment, and connectivity while strengthening supply chain resilience and promoting green and digital trade. This requires prioritizing trade projects and activities and implementing them closely with other sector and thematic strategies to yield concrete and impactful outcomes. Longer-term and programmatic support for CITA implementation through investment projects and policy-based programs (including policy reforms as part of WTO accession and post-accession of CAREC members) would be ideal.

39. The MTR consolidated the proposed interventions and priorities in the draft **CITA 2030 Rolling Strategic Action Plan 2025–2028** (**Appendix 4**) to support CAREC countries in integrating into the global economy. Below are the key recommendations:

(i) Modernize BCPs and trade facilitation measures

40. Modernizing BCPs and customs processes remain a priority. Improvement of trade-related systems and border operations are as crucial as infrastructure projects in supporting connectivity. The Regional Improvement of Border Services projects provide a suitable model of an integrated and holistic approach to upgrading BCP facilities. CAREC trade work is crucial to improving legal and regulatory frameworks, harmonizing customs processes from inspection to risk management, and introducing electronic queue management systems and green lanes. The establishment of the Borders Upgrades for Integration, Logistics, and Development (BUILD) facility as part of the MTR for the CAREC Transport Strategy, will serve as a strategic instrument to accelerate the implementation of border modernization projects across the region, harmonization of standards, and mobilization of resources for the preparation of Regional Improvement of Border Services projects, as well as those related to the development of multi-modal trade networks and trade logistics hubs.

(ii) Advance digital trade and promote cross-border e-commerce

41. A related trade facilitation priority is the adoption of cross-border paperless trade and specifically deploying NSWs. There is a further need to achieve interoperability among NSW systems and consider the feasibility and desirability of establishing a CAREC regional single window or a regional digital platform, which may initially cover customs procedures to gradually expand to other trade or border agencies. Other priorities for paperless trade include CAREC members' participation in global trade solutions (e.g., ePhyto), adoption of information customs exchange under the CAREC Advanced Transit System, and the pilot of the electronic exchange of conformity certificates. To promote e-commerce, CAREC members highlight the need to enhance the regulatory framework, adopt uniform rules on e-commerce and data protection in CAREC, and explore the feasibility of developing a CAREC-wide cross-border payment system.

(iii) Adopt a formal framework for trade and investment through CARTIF negotiations

42. The proposed CARTIF aims to establish a structured and flexible framework for an effective and progressive trade and investment partnership among CAREC members. It is guided by the principles of differential treatment, voluntary participation, and gradual and modular integration. CARTIF remains committed to the multilateral trading system, while recognizing the complementary role of regional initiatives in enhancing connectivity, economic resilience, and inclusive development.

(iv) Stimulate trade in services and cross-border investments

43. Many CAREC countries attach high importance to promoting trade in services and attracting cross-border investments, in their effort to diversify trade markets and participate in regional value chains. Future technical assistance, policy-based loans, and investment programs could focus on the following:

- **Developing economic corridors or green trade corridors.** Economic corridors, such as the Almaty–Bishkek Economic Corridor (ABEC), offer a coordinated approach to designing key projects such as the proposed ABEC Regional Improvement of Border Services project and the Almaty–Issyk-Kul Alternative Road Project.
- **Developing sustainable tourism clusters and tourism-related services.** CAREC has significant potential for tourism, which can contribute to regional trade and economic diversification. Capacity building, knowledge sharing, the harmonization of tourism standards and protocols, and the use of smart solutions can promote regional tourism.

- **Promoting cross-border investment in green and high-tech sectors.** Support may be extended to the development of export-oriented industrial parks or economic zones focused on high-tech and environmentally sustainable industries to foster innovation, create jobs, and develop services ecosystems.
- **Building capacity for resilient and inclusive trade and investment policies.** CAREC needs to strengthen institutional capacity for sustainable cross-border trade and investment, including through the establishment of a regional investment group and diagnostics of CAREC members' services trade restrictiveness and investment policy regimes (e.g., leveraging international frameworks such as those of the United Nations Conference on Trade and Development and the Organisation for Economic Co-operation and Development).

(v) Mainstream innovation and climate action in CITA priorities

44. There is a need to operationalize an existing cooperation framework, the Baku Declaration on CAREC Partnership for Trade, Climate, and Innovation, which aims to pursue regional actions and innovative solutions in addressing climate change and trade issues and achieving sustainable development. Among the priority activities are to (i) pilot and deploy scalable and adaptable technology solutions—leveraging robotics, AI, machine learning, blockchain, and Internet of Things—to optimize cross-border trade and transactions while supporting climate mitigation and adaptation measures; and (ii) explore the feasibility of establishing a regional fund of funds, to serve as a catalyst in deploying venture capital for a startup ecosystem to support economic diversification.

(vi) Strengthen the CITA 2030 institutional framework

45. Strengthening collaboration between CITA 2030 bodies and national institutions of CAREC countries can better align regional efforts with national priorities and foster stronger country engagement. As countries identify and scale up the investment portfolio of CAREC trade projects or discuss crucial trade policy agenda, the RTG may consider elevating the discussions through higher-level participants (ministers or deputy ministers of economy, trade or commerce) during meetings.

46. To enhance the agility and effectiveness of the CITA 2030 institutional mechanism, time-bound technical working groups (TWGs) could be established to carry out specific tasks or discuss specific topics such as cross-border investments, standards, and digital trade. Participation in each TWG would be open to interested CAREC countries, depending on their policy priorities and implementation needs. The TWGs would carry out most or all their activities virtually and could be dissolved upon completion of their tasks, in line with practices in some other regional organizations and programs.

(vii) Strengthen coordination among development partners

47. A dedicated development partner coordination group for CITA 2030 could serve as a platform for information sharing, alignment of project priorities and timelines, and identification of potential opportunities for collaboration. The group could operate under simple terms of reference, and its meetings could be held virtually to enable wide participation and minimize logistical costs. This could help mobilize financing for the priority projects and activities included in the CITA 2030 RSAPs and provide a more comprehensive overview of the ongoing and planned assistance relevant to CITA 2030 priorities. The group can also help strengthen South–South cooperation.

(viii) Deepen private sector engagement

48. Stronger and more systematic private sector engagement in the implementation of CITA 2030 is essential. Private sector input can help identify practical barriers to cross-border trade and investment, devise efficient ways to remove or reduce them, and support implementation of reforms. A structured mechanism—such as a private sector or business forum—for regular public–private dialogue under CITA 2030 can be explored. Coordination with national chambers of commerce and industry and other business associations (including those representing SMEs) should be strengthened through their involvement in consultation meetings for CITA 2030. Targeted technical assistance, training, and knowledge-sharing initiatives could help build the capacity of private sector actors—especially new exporters, traders, SMEs, startups, and business innovators—to take advantage of regional trade and investment opportunities.

(ix) Improve tracking of CITA's progress and effectiveness

49. To better assess the programmatic impact of CAREC activities, it would be useful to complement the existing CITA 2030 indicators with more granular performance indicators and specific targets. **Appendix 1** presents suggested indicators that depend fully or to a considerable degree on the activities under CITA 2030 and are aligned with its existing high-level indicators. Incorporating at least some of these into the monitoring framework will make the links between the activities under CITA 2030 and its current high-level indicators more explicit, given that the latter are influenced by many factors beyond its scope.

Appendix 1

CITA RESULTS FRAMEWORK INDICATORS: SOME RECOMMENDATIONS

It is proposed that some indicators be added and a few replaced:

- Outcome: Replace Trade in fuels within CAREC (% of gross domestic product [GDP]) and Trade in nonfuels within CAREC (% of GDP) with Intra-CAREC trade (% of total trade), with a 2017 baseline of 4.7%.
- Output 1: Replace Exports of goods and services (% of GDP) with World Trade Organization (WTO) accession by at least 1 of 3 remaining non-WTO members with a 2017 baseline of 0, and WTO Trade Facilitation Agreement implementation rate with a 2017 baseline of 50.4%
- Output 2: Add Number of exported commodities under the sixth digit level of the Harmonized System Code (HS6) with a 2017 baseline of 1882; Measure facilitating e-commerce is adopted by at least 1 country; and Services is a priority in at least 1 national economic development plan, with a 2017 baseline of 5 countries including the People's Republic of China.

Results Level	Indicator	2016[b]	2023
Outcome	Trade in fuels within CAREC (% of GDP)		
	Trade in fuels with the rest of the world (% of GDP)		
	Trade in nonfuels within CAREC (% of GDP)		
	Trade in nonfuels with the rest of the world (% of GDP)		
	Trade in services (% of GDP)		
	Net inflows of foreign direct investment (% of GDP)		
	Net outflows of foreign direct investment (% of GDP)		
Output 1	WTO accession by at least 1 of 3 remaining non-WTO members		
	WTO Trade Facilitation Agreement implementation rate		
	Exports of goods and services (% of GDP)		
Output 2	Number of exported products at HS6 level	1,469 [4,991]	1,731 [4,980]
	Measure facilitating e-commerce is adopted by at least 1 country		
	Services development is a priority in at least 1 national development plan		
	Share of the top five merchandise exports in total exports of goods (%)		
Output 3	Regional Trade Group is operational		
	Number of CAREC countries with an operational national committee on trade facilitation		

CAREC = Central Asia Regional Economic Cooperation, GDP = gross domestic product, HS6 = sixth digit level of the Harmonized System Code, WTO = World Trade Organization.

Notes: Indicators in yellow are proposed indicators, while those in grey were the original.

Source: CAREC Trade Sector Report; Asian Development Bank staff estimates.

Supplementary Indicators

No.	Indicators	Data Sources
1.	Non-weighted average time required for border controls of cargo shipments at key BCPs along CAREC corridors[a]	CPMM database
2.	Non-weighted average Customs score in the Logistics Performance Index	Logistics Performance Index database
3.	Non-weighted average trade facilitation score for Institutional Arrangement and Cooperation	UN Global Surveys on Digital and Sustainable Trade Facilitation database
4.	Non-weighted average trade facilitation score for Paperless Trade and Cross-Border Paperless Trade	
5.	Non-weighted average score for Transit Facilitation	
6.	Non-weighted average score for Agricultural Trade Facilitation	
7.	Non-weighted average score for Trade Facilitation for E-Commerce	
8.	Number of CAREC countries that have acceded to the UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific	United Nations Treaty Collection
9.	Number of CAREC countries that have acceded to the UN Convention on the Use of Electronic Communications in International Contracts	
10.	Number of CAREC countries that have introduced electronic phytosanitary certificates (e-Phyto)	IPCC ePhyto Solution
11.	Number of CAREC countries that have introduced electronic certificates of origin	CAREC Regional Trade Group
12.	Number of CAREC countries that have introduced electronic certificates of conformity	
13.	Number of CAREC countries that have implemented the CATS/ICE	CAREC Secretariat
14.	The number of CAREC countries that have joined the CARTIF	
15.	Number of knowledge products developed under CITA 2030	
16.	Number of knowledge-sharing and capacity-building events conducted under CITA 2030	
17.	Number of government officials and private sector representatives from CAREC countries who participated in the CITA 2030 knowledge-sharing and capacity-building events	
18.	Average percentage of participants who rated the CITA 2030 knowledge-sharing and capacity-building events as useful	Post-event feedback surveys

BCP = border-crossing point, CAREC = Central Asia Regional Economic Cooperation, CARTIF = CAREC Trade and Investment Facilitation Partnership, CATS/ICE = CAREC Advanced Transit System and Information Common Exchange, CITA = CAREC Integrated Trade Agenda, CPMM = Corridor Performance Measurement and Monitoring, UN = United Nations.

[a] This indicator should be computed separately for road and rail transport and for export, import, and transit shipments.

Source: CAREC Secretariat.

Appendix 2

SUMMARY OF KEY CITA 2030 ACTIVITIES, OUTCOMES, AND CAREC COUNTRIES' ACHIEVEMENTS, 2018–2025

Area/Topic	CAREC Interventions and Activities[a]	Outcomes or CAREC Achievements[b]
Pillar 1: Trade Expansion from Increased Market Access		
Accession to the WTO	• Subregional forum and roundtable sessions in partnership with the WTO and other development partners (e.g., 2nd Central Asia Trade Policy Forum) • Advisory and capacity-building support to Turkmenistan in drafting its Memorandum on the Foreign Trade Regime • Ex-ante assessment of Azerbaijan's WTO accession, and review of Azerbaijan e-commerce legislation with UN Model Laws and international best practices • Review of Uzbekistan's legislation alignment with WTO agreements, including on SPS measures and technical regulations and support for Uzbekistan's membership in the International Plant Protection Convention	• Azerbaijan, Turkmenistan, and Uzbekistan have made notable progress toward WTO accession. • Turkmenistan became a WTO acceding member in 2022 and is finalizing internal government approval of the Memorandum on Foreign Trade Regime for submission to WTO members. Uzbekistan achieved substantial progress in its bilateral negotiations with WTO members and is focused on concluding its negotiation at the WTO 14th Ministerial Conference in 2026. Azerbaijan's reform initiatives and preparation for the 17th Working Party meeting in 2025 reinforced its determination to join the WTO.
TFA	• Regional, subregional and national workshops on WTO TFA implementation, including readiness assessments and preparation of road maps • Capacity building and investment projects for Kyrgyz Republic, Mongolia, Pakistan, and Tajikistan to help establish or upgrade their national electronic single windows • Training on AEO schemes	• As of May 2025, five of the seven CAREC members that are WTO members (Georgia, the PRC, Kazakhstan, Kyrgyz Republic, Tajikistan) fulfilled their commitments under the TFA, while Mongolia's compliance is at 95.8% and Pakistan's at 97.5%. • By the end of 2024, most CAREC countries had established electronic single windows with varying functionalities, and six CAREC countries (Azerbaijan, the PRC, Georgia, Kazakhstan, Pakistan, and Uzbekistan) had instituted AEO programs.
Customs modernization	• Workshops, seminars, and study tours to share knowledge and experience in implementing International Convention on the Simplification and Harmonization of Customs Procedures (the Revised Kyoto Convention), electronic data exchange, risk management, and Smart or Green Customs • Assistance to Uzbekistan in implementing the Roadmap on Customs Information and Communication Technology Development	• By 2021, all CAREC countries had ratified the Revised Kyoto Convention. • Most CAREC countries had established automated customs systems, allowing for electronic declaration, payments and clearance, and risk management. • From 2017 to 2023, many CAREC countries recorded improvements in their customs score in the World Bank's Logistics Performance Index.

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Appendix 2 *continued*

Area/Topic	CAREC Interventions and Activities[a]	Outcomes or CAREC Achievements[b]
Modernization of SPS measures	• Technical assistance in development of CAREC countries' strategies and action plans to enhance their national SPS systems, as part of the Common Agenda for the Modernization of SPS Measures for Trade • Support to CAREC members in aligning their systems with international standards under the International Plant Protection Convention, World Organization for Animal Health, and Codex Alimentarius; adopting new processes (e.g., food safety management, regional pest surveillance, transboundary animal disease control, risk-based border inspection), and upgrading SPS laboratories • Investment in Mongolia for its Regional Upgrades of SPS Measures for Trade Project, experience sharing on joint customs–SPS inspection from PRC and Georgia agencies • Pilot initiative in the Fergana Valley to enhance horticultural value chains and market access • Knowledge sharing and advisory support for the adoption of ePhytos and integration into ePhyto Solution, a global platform for the exchange of ePhytos managed by the IPPC	• CAREC countries have made considerable headway in aligning their national SPS standards and regulations with international standards. Azerbaijan transitioned to risk-based control, and instituted voluntary certificate of conformity. Georgia established a national animal identification and traceability system. Pakistan integrated its plant protection agency and laboratories into its single window. Tajikistan adopted 60 regulations in compliance with its WTO obligations. Turkmenistan aligned its SPS laws with international norms. Uzbekistan simplified its documentary requirements. Many CAREC countries have upgraded their SPS laboratories. • Inauguration of SPS laboratories along the CAREC 4B Corridor in Mongolia. SPS facilities modernized and SPS inspection mandate integrated with customs agency. • Diagnostic and pest surveillance capacities of Kazakhstan, the Kyrgyz Republic, Turkmenistan, and Uzbekistan. • As of May 2025, Azerbaijan, Pakistan, and Uzbekistan had adopted ePhytos and began exchanging them with over 100 countries through the ePhyto Hub. The PRC, Georgia, Kazakhstan, and the Kyrgyz Republic are in testing phase. • From 2018 to 2023, most CAREC countries recorded improvements in their agricultural trade facilitation scores based on the results of the UN Global Survey on Digital and Sustainable Trade Facilitation.
Upgrade of customs facilities and integrated border management	• RIBS projects to upgrade facilities and equipment at key BCPs and information systems (including establishment of national single windows) in the Kyrgyz Republic, Mongolia, Pakistan, and Tajikistan • Pilot project on joint customs control at the Zamyn Uud (Mongolia)–Erenhot (PRC) BCP. • Scoping for Azerbaijan and Georgia in designing a joint BCP with joint customs controls; assessment of Fotehobod (Tajikistan)–Oybek (Uzbekistan) BCP for coordinated operations • Promotion of electronic queue management and risk-based controls at BCPs • Capacity building and introduction of One Health mechanism at the borders in Mongolia's Border Efficiency for Sustainable Trade project	• BCP facilities modernized and NSW systems launched or being established. By 2024, Pakistan established the Integrated Transit Trade Management System at the Chaman and Torkham BCPs • The PRC and Mongolia have introduced electronic unified cargo manifests as part of joint customs control. • Scoping studies on joint BCPs form part of dialogue for cooperation. • Azerbaijan, Georgia, Kazakhstan, and Uzbekistan have established electronic queue management for vehicles at BCPs. Turkmenistan set up a data center. • Mongolia is developing climate-resilient border facilities and establishing One Health coordination at the borders • According to the results of the UN Global Survey on Digital and Sustainable Trade Facilitation, institutional arrangements and cooperation for trade facilitation improved in many CAREC countries from 2018 to 2023.

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Appendix 2 *continued*

Area/Topic	CAREC Interventions and Activities[a]	Outcomes or CAREC Achievements[b]
Customs transit facilitation	• Pilot on CATS/ICE, a regional electronic customs transit system, capacity building and training • A study on transit trade facilitation in Azerbaijan, Kazakhstan, and Uzbekistan • Series of knowledge-sharing events with UNESCAP (e.g., Asia-Pacific Trade Facilitation Forum)	• Azerbaijan, Georgia, and Uzbekistan signed an MoU to pilot-test CATS using virtual transit scenarios, and the prototype is being enhanced based on updated user requirements. Turkmenistan participated as an observer. • Azerbaijan, Kazakhstan, Uzbekistan, and several other CAREC countries adopted transit trade facilitation measures. • From 2018 to 2023, most CAREC countries showed improvements in their transit trade facilitation scores based on the results of the UN Global Survey on Digital and Sustainable Trade Facilitation.
Pillar 2: Greater Diversification		
Development of e-commerce and digital trade	• Capacity building and outreach on adoption of electronic trade documents, legal and regulatory frameworks enabling e-commerce and digital trade • Study on legal, regulatory and infrastructure aspects of developing cross-border e-commerce in the CAREC region • Launch of CAREC Digital Trade Forum, study tours, webinars leveraging global events (e.g., Global Digital Trade Expo) • Pilot project in adopting the UN Model Law on Electronic Transferable Records for the PRC and Georgia • Pilot project on use of AI or robotic process automation in customs declaration processes for Georgia • Development of a minimum viable product to digitalize certificates of origin using blockchain technology or digital ledger technology for Mongolia	• Seven CAREC countries (Azerbaijan, the PRC, the Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan) acceded to the UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific; three CAREC members (Azerbaijan, the PRC, and Mongolia) acceded to the UN Convention on the Use of Electronic Communications in International Contracts. • Six CAREC members revised or enacted legislation on e-commerce; the Kyrgyz Republic enacted its Digital Code (2025); Pakistan adopted policies on cybersecurity, cloud first, and telecom infrastructure sharing. • MOUs or letters of intent were signed by CAREC members and/or private sector entities on e-commerce and startup developments. • Cross-border e-commerce is being facilitated through countries' systems (e.g., the PRC's Internet+Customs and Kyrgyz Republic's Elcart). • Azerbaijan's TradeLens, powered by blockchain technology, is integrated into its customs system to track cargo and share data. • According to the results of the UN Global Survey on Digital and Sustainable Trade Facilitation, CAREC countries made considerable progress in facilitating paperless trade from 2018 to 2023.
Development of trade in services	• A comprehensive study on developing the services sector for economic diversification in CAREC countries, which identified 7 core services to be prioritized and recommended policy, infrastructure, and collaborative interventions for their growth. • Capacity-building workshops on tourism promotion; a study on visa policies of CAREC countries; support for the Tourism Satellite Account projects in the Kyrgyz Republic and Tajikistan; launch of the CAREC tourism portal (Visit the Silk Road)	• The PRC established a negative list management model for cross-border trade in services nationwide in 2024. • Many CAREC countries have eased visa requirements for international tourists; they have a relatively high tourism visa openness index. In several CAREC countries (including the PRC, Georgia, Pakistan, and Uzbekistan) international tourism receipts increased from 2018 to 2024 (despite the sharp declines in 2020). • Azerbaijan, the PRC, Georgia, and Kazakhstan are among the top 70 in the Global Travel and Tourism Competitiveness Index

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Area/Topic	CAREC Interventions and Activities[a]	Outcomes or CAREC Achievements[b]
Development of economic corridors	• Capacity building and a guidance note on economic corridor development • Technical assistance aimed at developing the ABEC and the Shymkent–Tashkent–Khujand Economic Corridor • Investment projects in the health, agriculture, and tourism; ABEC RIBS project and Almaty–Issyk-Kul road project for approval • Prefeasibility study of the ICIC between Kazakhstan and Uzbekistan; and a trade and logistics center in Tajikistan.	• Increased awareness among CAREC countries on economic corridor development. • Under the ABEC framework, Kazakhstan and the Kyrgyz Republic meet regularly and with high-level delegations (e.g., Intergovernmental Council Meeting) to agree on joint projects to develop the corridor. ABEC is the pilot economic corridor in the CAREC Program that is being replicated in other economic corridor developments. • Kazakhstan and Uzbekistan have each allocated 50 hectares for the ICIC and agreed on a road map for ICIC development. Uzbekistan's part of the ICIC given the status of a free economic zone.
Development of special economic zones	• Parallel investment projects to develop a cross-border economic cooperation zone in Zamyn-Uud (Mongolia) and Erenhot, Inner Mongolia Autonomous Region (PRC) • A forum on developing sustainable economic zones in CAREC countries	• Mongolia and the PRC coordinate joint masterplan for the economic cooperation zone • CAREC members increased awareness of best practices and expanded network with other free zones, including via the World Free Zones Organization
Pillar 3: Stronger Institutions for Trade		
CPMM	• Continuing measurement and monitoring of the performance of the CAREC corridors, disseminated through (i) interactive online CPMM database; and (ii) publication of annual CPMM reports, flagship reports and other CAREC knowledge products based on CPMM data	• CPMM data and analyses enable policymakers to address bottlenecks at BCPs. For example, based on country analysis on issues along the Torkham BCP, Pakistan improved clearance procedures and resumed 24/7 operations, offered priority processing to perishable and essential goods, and installed WeBOC. • CAREC policymakers and researchers have access to 15 years of time-series data on transport times and costs for international shipments along the CAREC corridors.
Engagement with the private sector	• Support for and collaboration with the CFCFA, an instrument for public–private partnership for the development of logistics service in the region • Development of standards on logistics operations and supply chain management, including gap analysis to determine acceptance of standards, a manual on trade logistics practices, and carrier management handbook	• CAREC CCC works closely with the CFCFA for constructive customs–business dialogue on areas of common interest. • National associations in the Kyrgyz Republic and Tajikistan adopted some of the standards on logistics and supply chain management.
Capacity building for designing, negotiating, and implementing trade agreements	• A study on the theoretical and operational aspects of FTAs, training seminars and FTA guidelines, national and regional workshops and dialogue • Capacity building and analysis of good practice FTAs • Development of the concept of the CAREC Trade and Investment Facilitation (CARTIF) Partnership	• Enhanced negotiation skills and improved implementation of bilateral FTAs signed by CAREC member countries • Bilateral agreements between CAREC members • Accelerated discussions on CARTIF and draft text, including the framework agreement and initial protocols

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Appendix 2 *continued*

Area/Topic	CAREC Interventions and Activities[a]	Outcomes or CAREC Achievements[b]
Knowledge products and services	• Trade Information Portal • Several knowledge products completed and disseminated (see Appendix 4 for details)	• CAREC members established national trade information portals as one-stop shop of information for traders, regulators, researchers, and the private sector • CAREC members maintain open policy dialogue with other members at subregional and bilateral levels, learning from other member countries
Establishment of trade sector bodies and coordination with development partners	• Establishment and regular dialogues among members of the Regional Trade Group; CCC; SPS Regional Working Group and national SPS policy coordinating groups • Cross-sector coordination (e.g., Transport Sector Coordinating Committee, CAREC Digital Strategy Steering Committee, CAREC Climate Change Working Group) • Close coordination with development partners working in the region (e.g., CAREC Institute, WTO, World Bank, UNESCAP, UNCTAD, UNCITRAL, ITC, GIZ, former USAID, KCS)	• Continuing exchange of experience and sharing of knowledge among CAREC member countries to support more coordinated policy and project development • Signing of COP29 CAREC Partnership for Trade, Climate and Innovation in Baku in November 2024, which promotes a coordinated approach to implement 3 CAREC sectors and themes (trade, climate, and digital) and identifies concrete projects to address climate and trade issues through innovative solutions • Improved awareness and synergies created among various trade-related initiatives in the region

ABEC = Almaty–Bishkek Economic Corridor, ADB = Asian Development Bank, BCP = border-crossing point, CARTIF = CAREC Trade and Investment Facilitation, CATS/ICE = CAREC Advanced Transit System and Information Common Exchange, CCC = Customs Cooperation Committee, CFCFA = CAREC Federation of Carriers and Forwarders Associations, CITA = CAREC Integrated Trade Agenda, CPMM = CAREC Corridor Performance Measurement and Monitoring, FTA = free trade agreement, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit, ICIC = International Center for Industrial Cooperation, IPPC = International Plant Protection Convention, ITC = International Trade Centre, KCS = Korea Customs Service, NSW = national single window, MoU= memorandum of understanding, SPS = sanitary and phytosanitary, UN = United Nations, TFA = trade facilitation agreement, UNCITRAL = United Nations Commission on International Trade Law, UNCTAD = United Nations Conference on Trade and Development, UNESCAP = United Nations Economic and Social Commission for Asia and the Pacific, USAID = U.S. Agency for International Development, WeBOC = Web Based One Customs, WTO = World Trade Organization.

[a] Include CITA-related activities undertaken during the review period under ADB projects approved prior to 2018.

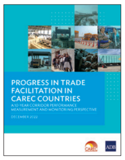
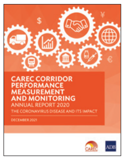
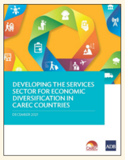
[b] Include achievements to which CITA may have contributed only partially.

Source: CAREC Secretariat based on various CAREC reports, including technical assistance and activity documents.

Appendix 3

CAREC TRADE KNOWLEDGE PRODUCTS SINCE CITA 2030 IMPLEMENTATION

- **Key Publications**

No.	Knowledge Product	Description
1	 Transit Trade Facilitation in Azerbaijan, Kazakhstan, and Uzbekistan (2024)	The publication suggests how to support transit trade in Azerbaijan, Kazakhstan, and Uzbekistan to boost shared prosperity among CAREC member countries.
2	 Progress in Trade Facilitation in CAREC Countries: A 10-Year Corridor Performance Measurement and Monitoring (CPMM) Perspective (2022)	The report outlines progress made in the CAREC Program's trade facilitation efforts from 2010 to 2020 and evaluates the efficiency of cross-border trade across six CAREC transport corridors using the CPMM.
3	 E-Commerce in CAREC Countries: Infrastructure Development (2022)	The technical study examines the state of e-commerce infrastructure among CAREC countries, looking at internet payment systems, delivery, and logistics infrastructure.
4	 CAREC CPMM Annual Report 2020: The Coronavirus Disease and Its Impact (2021)	The report presents the performance of road and rail transport in 2020 amid the COVID-19 pandemic.
5	 Developing the Services Sector for Economic Diversification in CAREC Countries (2021)	The study underscores the potential for greater economic diversification through robust development of seven key services subsectors and industries in the CAREC region.
6	 E-Commerce in CAREC Countries: Laws and Policies (2021)	The study examines the legal environment on electronic transactions along with opportunities and challenges in developing electronic commerce in the CAREC region.

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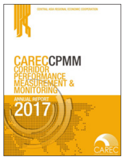
No.	Knowledge Product		Description
7		Expanding Agri-Trade in Central Asia through the Use of Electronic Certificates (2021)	The brief outlines the readiness of CAREC countries to use electronic phytosanitary certificates (ePhyto) to support safer and expanded agricultural trade.
8		CAREC CPMM Annual Report 2019 (2020)	The report presents the analysis of data on the efficiency of the six CAREC transport corridors as part of the 2019 CPMM.
9		CAREC CPMM Annual Report 2018 (2019)	The report analyzes 2018 data from the CPMM mechanism that assesses the efficiency of the six CAREC transport corridors.
10		Modernizing Sanitary and Phytosanitary Measures in CAREC: An Assessment and the Way Forward (2019)	This publication assesses the plant health, animal health, and food safety measures of CAREC member countries.
11		CAREC Common Agenda for Modernization of SPS Measures for Trade (2019)	The CAREC Common Agenda for the Modernization of SPS Measures for Trade Facilitation will (i) promote concerted reforms and modernization in the implementation of SPS measures consistent with international standards in ways that facilitate safe trade within and outside the region, and (ii) identify and prioritize investment needs to modernize SPS measures and their implementation.
12		CAREC Corridor Performance Measurement and Monitoring Annual Report 2017 (2019)	The CPMM provides country- and corridor-specific snapshots, and key recommendations to improve the efficiency of trade along the CAREC corridors. It helps guide infrastructure investment and trade facilitation reform and modernization.
13		CAREC Integrated Trade Agenda 2030 and Rolling Strategic Action Plan 2018–2020 (2019)	The strategy outlines how the CAREC region can support CAREC members in integrating better in the global economy, through increased market access, economic diversification, and stronger institutions for trade.
14		CAREC Integrated Trade Agenda 2030 Issues Papers (2019)	The publication introduces key trade issues in Central Asia on technical barriers to trade, trade in services, regional trade agreements, and special economic zones.

- **Key CAREC Trade Videos**

#	Video	Description
1	Modernizing Sanitary and Phytosanitary Measures for Trade in the CAREC Region	The CAREC program is helping its members facilitate safe trade and improve access to global agricultural value chains. Modernizing sanitary and phytosanitary measures will facilitate trade and manage transboundary risks to human, plant, and animal health in the CAREC region and beyond.
2	Trade Facilitation in CAREC: A 10-Year CPMM Perspective	The CAREC program is helping Central Asia monitor the efficiency of its transport corridors and identify bottlenecks at border-crossing points. Since 2010, CAREC's Corridor Performance Measurement and Monitoring project has contributed to evidence-based policymaking for Central Asia. Resilient and efficient border operations ensure a seamless supply of vital goods to CAREC member countries.
3	20th Anniversary of the CAREC Customs Cooperation Committee	The CAREC Customs Cooperation Committee has been a long-standing partnership that has helped countries introduce reforms, simplify customs procedures, and adopt innovation to facilitate trade in Central Asia and beyond. Customs authorities from member countries gather to discuss achievements, emerging priorities, and next steps in customs cooperation.

Appendix 4

CITA ROLLING STRATEGIC ACTION PLAN 2025–2028 (INDICATIVE)

	Area	Project/Activity	Type or Modality	Proponent
Pillar 1: Trade Expansion from Increased Market Access				
1	Trade policy and measures	Road map for transformation of trade policy and trade facilitation; customs and tax reform support program (PBL for UZB)	Policy dialogue, Investment project	TKM, UZB
		Harmonization of policy and regulations (PBL for AZE)	Policy dialogue, Investment project	AZE
		Simplification of customs, border and transit procedures and liberalization of cross-border trade; link customs clearance and risk management systems	Policy dialogue	GEO, TAJ, TKM, PAK
		Institutional reforms in border management (through PBL), including preliminary customs clearance or joint inspection procedures and Green Corridors for perishable goods with separate simplified lane	Investment project	UZB
		WTO accession and post-accession support, e.g. reforms in trade procedures, tariff rates, subsidies ensuring alignment of national legislation and measures and compliance with WTO agreements	Knowledge products and services	AZE, UZB, TKM, KAZ
2	Border infrastructure and facilities	Modernize border infrastructure (inspection equipment, technical control, customs warehouses, logistics centers) e.g., Port of Baku connectivity	Investment project	AZE, KAZ, TAJ
		Establishment of a BCP regional facility: Border Upgrades for Integration, Logistics and Development (BUILD) facility	Investment project	REG
		Almaty-Bishkek Economic Corridor Regional Improvement of Border Services	Investment project	KGZ
		Reconstruct Yallama, Dustlik-Aytodorozhny, Sariyasiya and integrate digital solutions	Investment project	UZB
		Construct and equip BCPs at Bedel, Yntymak, Karamyk, Issyk-Kul; add Bedel to Corridor 1, open and include Yntymak in Corridor 2, upgrade Karamyk to international status; modernize Torugart and Irkeshtam BCPs; equip Issyk-Kul and Karakol airports with inspection and control systems.	Investment project	KGZ
		Modernize Kharlachi, Ghulam Khankhel, and Agoor BCPs	Investment project	PAK
		Joint BCP infrastructure, harmonized customs procedures, coordinated management	Investment project	AZE, GEO

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	Area	Project/Activity	Type or Modality	Proponent
		Develop multimodal and intermodal logistics centers (dry ports, terminals) near key BCPs and key routes	Investment project	KAZ, KGZ, UZB
		Develop logistics hubs in Navoi, Tashkent, and Termez for multimodal transit between the PRC, South Asia, and Caucasus	Investment project	UZB
		Use of scanners, automated, or contactless systems, and electronic queue management system in BCPs	Investment project	PAK, UZB
		Digital infrastructure for seamless customs operations	Investment project	AZE
		Develop CAREC Corridor 2 (Middle Corridor) with common standards, joint investment projects, inclusive regional mechanism	Policy dialogue	GEO
		Regional strategy to improve logistics services, including logistics hubs and terminals	Policy dialogue	TKM
3	Digital trade processes and documents	Digital and regulatory alignment, scale up digital innovations regionally • Digitalization of cross-border process, electronic document management, new digital services, cybersecurity • Establish NSW, facilitate advance manifest of import, export or transit cargo	Knowledge products and services, Investment project	AZE, GEO, KAZ, KGZ, MON, PAK, TAJ, UZB, TKM
		Common digital system or regional platform for documentation, verification, data sharing; electronic exchange of trade documents	Policy dialogue, Investment project	GEO
		E-Corridor integrating NSWs or regional Electronic Pre-Parcel Information system for all members	Policy dialogue, Investment project	UZB
		NSW for trade based on international standards (through PBL for UZB)	Investment project	UZB
		Pilot to expand Pakistan single window to more regulatory agencies from CAREC members through bilateral arrangements, a precursor to integrating single windows regionally	Investment project	PAK
		Use of disruptive technology for customs performance	Investment project	MON, GEO
4	CAREC Advanced Transit System and Information Common Exchange Pilot Project	• Pilot of a CAREC regional transit scheme based on comprehensive and risk-based guarantees, and a customs information common exchange • Private sector engagement in the project's parallel testing • Expansion of pilot implement to other countries	Policy dialogue, Investment project	AZE, GEO, UZB, KGZ, PAK, TAJ, TKM
5	Authorized Economic Operator program	• Capacity building and mutual recognition on authorized economic operators • Expand membership to manufacturers, freight forwarders, customs brokers, international postal services, and customs–customs and customs–business partnership	Knowledge products and services	AZE, MON, PAK

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	Area	Project/Activity	Type or Modality	Proponent
6	Risk management	Capacity building on customs risk management and intelligence	Knowledge products and services	PRC, MON, PAK
7	SPS measures	Align national SPS legislation and procedures with international standards	Knowledge products and services	TKM, UZB, GEO
		• Upgrade border inspection posts for SPS control, e.g., Batumi port • Construct modern SPS laboratories at the borders e.g., Syrdarya, Fergana • Modernize quarantine posts	Investment project	GEO UZB TKM
		Mutual recognition arrangements for SPS certificates	Policy dialogue	UZB
		• Digitalize SPS control systems (e-certificates, automate procedures) • Establish single register of permits and procedures at national and regional level • Integrate SPS system into NSWs	Investment project	KGZ, TKM, PAK
		Adopt or expand ePhyto system	Investment project	KAZ, MON, PAK, UZB
		Adopt electronic veterinary certificates	Policy dialogue	UZB
		SPS risk assessment and risk-based inspection at selected BCPs	Knowledge product and services	KGZ
		• Centralized database on SPS-related information • Establish a regional center for SPS risk assessment • Regional mechanism for early warning and joint response to SPS threats	Policy dialogue, investment project	MON, PAK, UZB, TKM, KGZ
		• International accreditation for testing laboratories • Strengthen SPS laboratory and diagnostic capacity • Training of stakeholders on SPS compliance • Technical assistance on improvement of SPS systems	Knowledge products and services	KGZ, PAK, TKM
8	Technical regulations	• Align technical regulations with international standards • Mutual recognition arrangements • Recognition of certificates of conformity and standards esp. in food and textile industries	Policy dialogue	UZB
		Pilot mutual recognition and electronic exchange of e-certification of conformity certificates	Investment project	KGZ, PAK, TAJ, UZB
		Integrating e-conformity certificates into National Single Window	Investment project	MON
9	Non-tariff barriers	• Platform for monitoring and eliminating NTBs • Create national portal on trade barriers where businesses can file complaints	Knowledge products and services	UZB

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	Area	Project/Activity	Type or Modality	Proponent
Pillar 2: Greater Diversification				
10	Trade reforms	• Align legislation with international standards in competition, standardization and certification, protection of intellectual property rights	Policy dialogue	UZB
		• Promote green trade and sustainable development, Create mechanism for green certificates of origin, regional training platform and unified standards for green trade	Policy dialogue	TAJ
		• Leverage the CARTIF Partnership to expand, diversify and promote sustainable trade	Policy dialogue	PRC
		• Promote green supply chains and environmental trade	Knowledge products and services	GEO
11	Services trade	Reforms of trade procedures in services e.g. freight, logistics, finance (through PBL);	Investment project	UZB
		Consider participating in global reviews (e.g., Organisation for Economic Co-operation and Development Services Trade Restrictiveness Index)		KAZ
		Digitalization of trade and investment services	Knowledge products and services	AZE, TKM
		Financial services reforms e.g., liberalization of foreign exchange regulations (through PBL)		TAJ, UZB
12	Investment facilitation	Investment promotion strategies tailored to industrial parks and special economic zones; leverage investment agreements	Policy dialogue	AZE, PAK
		Legal harmonization, regulatory simplification, digital transformation	Policy dialogue	GEO
		Harmonize investment policies: create regional investment portal, ensure transparent investment protection mechanisms	Policy dialogue	KAZ
		Reforms in investment protection (through PBL)	Investment project	UZB
		Attract private sector, e.g., through concessions for management of warehouse terminals	Investment project	TAJ
		Create regional innovative hub		KGZ
13	Cross-border e-commerce	Enhance regulatory framework on e-commerce and digital trade; Policy reforms (PBL)	Policy dialogue, Investment project	AZE, KAZ, TKM, UZB
		Uniform rules on e-commerce and data protection in CAREC, pilot project	Policy dialogue	UZB, TKM
		Develop cross-border payment system	Policy dialogue	UZB
		Establish CAREC e-Payment portal for payment of duties and taxes	Policy dialogue, investment project	PAK
14	Tourism	Promote cross-border green tourism services • Digital readiness assessments, benchmarking green tourism practices, and harmonized regional frameworks • Pilot digital solutions at key BCP, including e-visas and mobile travel apps	Knowledge products and services	KGZ, TAJ

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	Area	Project/Activity	Type or Modality	Proponent
15	Regional value chains	• Develop regional value chains, including cooperation in agriculture and light industries • Promote green trade corridors through use of renewable energy and low-emission logistics; develop cross-border agro-logistics hubs	Policy dialogue, investment project	TAJ AZE
		• Develop export-oriented critical minerals • Raise awareness and capacities on carbon standards (e.g., adapting to the European Union's Carbon Border Adjustment Mechanism)	Knowledge products and services	KAZ GEO, KAZ
Pillar 3: Stronger Institutions for Trade				
16	Regional trade agreement	CARTIF, including capacity building, experts' recommendations	Policy dialogue	PRC, GEO
		Address regulatory inconsistencies, NTBs, promote mutual recognition	Policy dialogue	GEO
		Technical assistance for free trade agreement negotiation and implementation; use of online course such as United Nations Economic and Social Commission for Asia and the Pacific's Trade Intelligence and Negotiation Adviser	Knowledge products and services	MON, PAK, KAZ, UZB
17	Corridor Performance Measurement and Monitoring	Continue to measure and assess the competitiveness of CAREC corridors develop an online portal to facilitate wider awareness and use of CPMM data, reports and activities.	Knowledge products and services	REG
		Asian Development Bank–CAREC Institute partnership to elevate the CPMM annual report and its dissemination. Develop CPMM briefs on country-specific trade facilitation recommendations to CAREC governments for evidence-based policymaking	Knowledge products and services	REG
		Studies on trade corridor efficiency	Knowledge products and services	AZE
18	Staff and institutional capacity	Training, seminars, and capacity building for trade, customs, logistics, and technical regulatory agencies to strengthen their institutional capacity	Knowledge products and services	KAZ, TAJ, TKM, UZB
		Establish mechanism for national trade facilitation committees to exchange ideas and identify new approaches and includes the private sector		GEO
		Establish regional centers of excellence in trade and investment	Knowledge products and services	TKM
		Regional Border Management Academy to train customs and border services	Knowledge products and services	UZB
19	Monitoring and evaluation	• Develop M&E for all projects under CITA • Create common mechanism for M&E of reforms and projects	Knowledge products and services	KAZ, UZB, AZE
		Regular audits of border-crossing procedures with the participation of independent experts and private sector	Knowledge products and services	UZB

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	Area	Project/Activity	Type or Modality	Proponent
20	Private sector participation	• Establish platform for regular public–private dialogue to identify problems and joint solutions to improve trade and investment environment. • Regular forums with private sector. Involve private sector in business innovation, and e-commerce, supply chain services, banking and finance projects.	Knowledge products and services	TAJ, TKM, UZB, KGZ, PAK
		Support for trade promotion agencies, trade fairs, training on access to global markets, financial assistance and facilitation, promotion of startups	Knowledge products and services	GEO, KAZ, TAJ, KGZ
21	Support to SMEs	Technical and financial assistance to SMEs in entering foreign markets including through e-commerce networks, certification centers, export accelerators, training, tools for accessing finance including guarantees, microloans, and factoring for exporters	Knowledge products and services	KAZ, TAJ, UZB, GEO, KGZ
		Support for micro, small, and medium-sized enterprises and women traders and entrepreneurs through programs, legal framework (World Customs Organization Framework of Standards to Secure and Facilitate Global Trade criteria for Authorized Economic Operator), awareness	Knowledge products and services	MON
		• Digital payment system projects for small exporters and logistics providers • Logistics hubs (fulfillment centers) for small exporters in Tashkent and Samarkand	Investment project	UZB
22	Link with other initiatives in the region	Expand initiatives to link with global networks and initiatives by other development partners and other programs (e.g., Trans-Caspian Corridor, Digital Economy Program)	Policy dialogue	UZB

AZE = Azerbaijan, BCP = border-crossing point, CARTIF = CAREC Trade and Investment Facilitation, PRC = People's Republic of China, GEO = Georgia, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, MON = Mongolia, M&E = monitoring and evaluation, NSW = national single window, NTB = nontariff barrier, PAK = Pakistan, PBL = policy-based loan, SMEs = small and medium-sized enterprises, SPS = sanitary and phytosanitary, TAJ = Tajikistan, TKM = Turkmenistan, UZB = Uzbekistan, WTO = World Trade Organization.

Source: CAREC Secretariat, based on CAREC members' proposals via surveys and consultations.

About the Central Asia Regional Economic Cooperation Program

The Central Asia Regional Economic Cooperation (CAREC) Program is a partnership of 11 member countries and development partners working together to promote development through cooperation, leading to accelerated economic growth and poverty reduction. It is guided by the overarching vision of "Good Neighbors, Good Partners, and Good Prospects." The CAREC countries are Afghanistan, Azerbaijan, the People's Republic of China, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

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