



Session 1: CAREC Trade Facilitation Landscape

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**Workshop on Advancing Digital and Green Trade Facilitation
in CAREC Countries**

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Overview of CAREC Program

Open and inclusive platform to promote shared and sustainable development that **connects people, policies, and projects** for shared and sustainable development.

- Member countries: Afghanistan*, Azerbaijan, People's Republic of China, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan
- Development partners: ADB, AIIB, EBRD, IMF, IsDB, UNDP, the World Bank, and expanding
- Promotes **policy dialogue**, supports **project development** and financing, provides **technical assistance**, and advocates **South-South cooperation**



ADB

ADB serves as the **CAREC Secretariat**



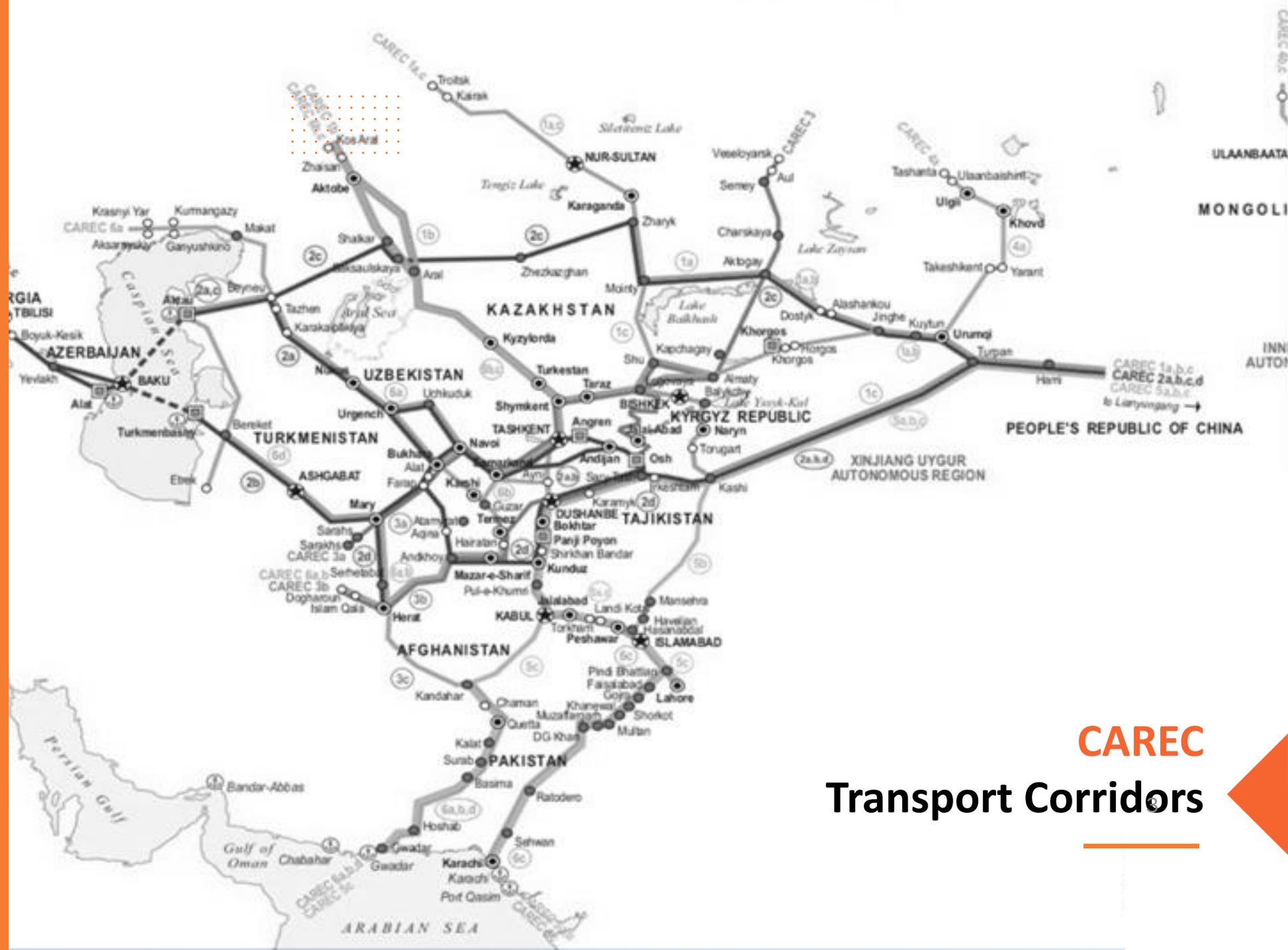
CAREC Institute supports knowledge generation and capacity building



Rotating chairmanship annually: **the Kyrgyz Republic** as chair country in 2025

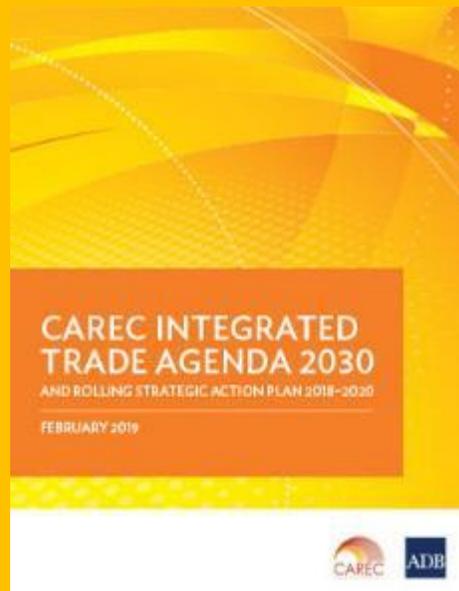
*ADB has placed its regular assistance to Afghanistan on hold effective 15 August 2021.

- 01 Europe–East Asia
- 02 Europe–Mediterranean–East Asia
- 03 Russian Federation–Middle East and South Asia
- 04 Russian Federation–East Asia
- 05 East Asia–Middle East and South Asia
- 06 Europe–Middle East and South Asia

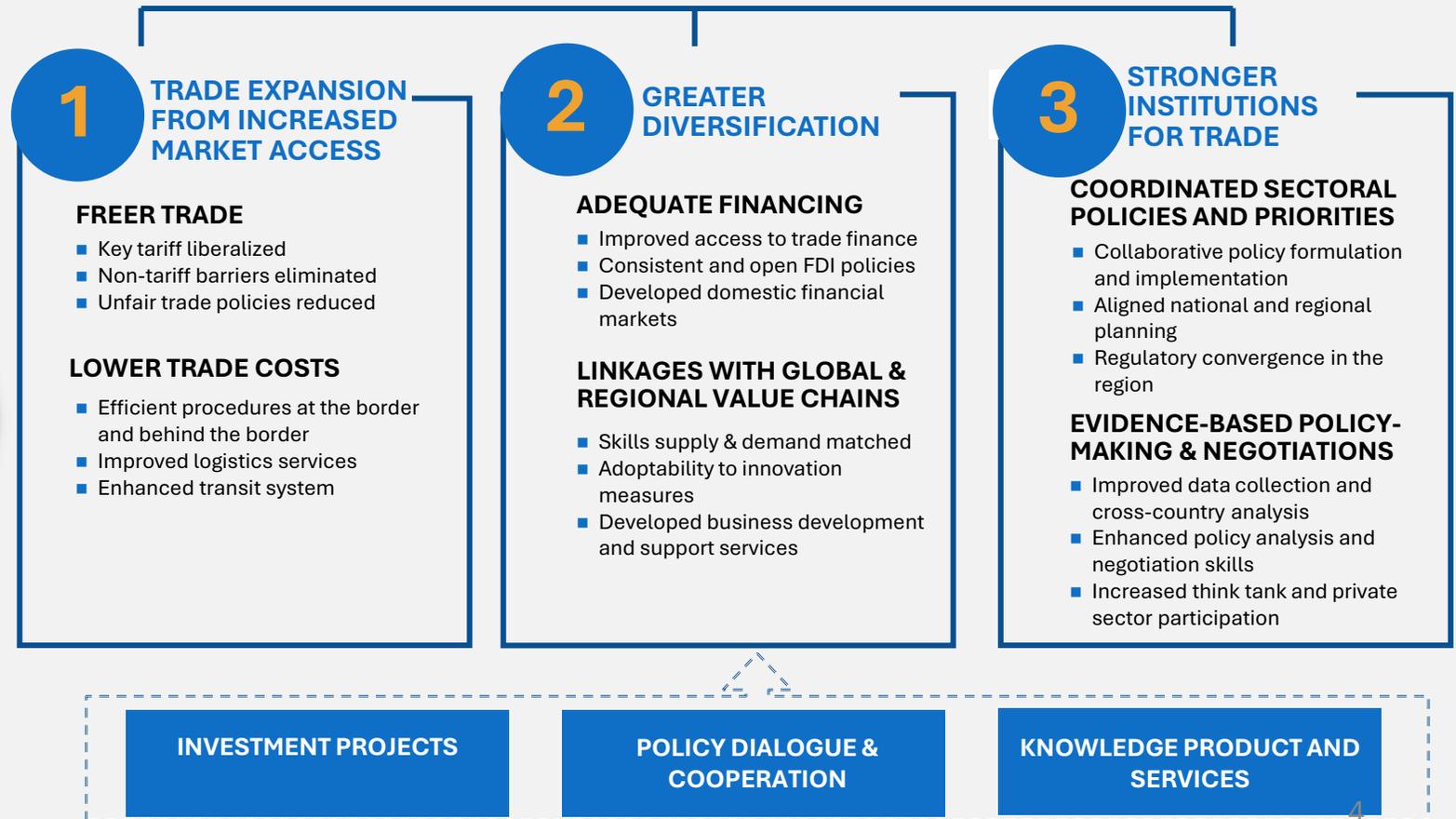


CAREC
Transport Corridors

CAREC Integrated Trade Agenda 2030



CAREC COUNTRIES ARE MORE INTEGRATED INTO THE GLOBAL ECONOMY



CITA 2030 Key Achievements

Trade policy and participation in international agreements

- WTO accession and TFA implementation
- Customs transit facilitation
- Development of e-commerce and digital trade
- Expansion of trade in services, particularly tourism-related services

Investment projects that facilitate trade

- Modernization of customs, BCPs, national single windows, SPS infrastructure
- Development of economic corridors and special economic zones

Strengthening institutions and partnerships

- Establishment of trade sector bodies and coordination with development partners
- Capacity building for free trade agreements
- Knowledge products
- CAREC Corridor Performance Measurement and Monitoring
- Engagement with the private sector

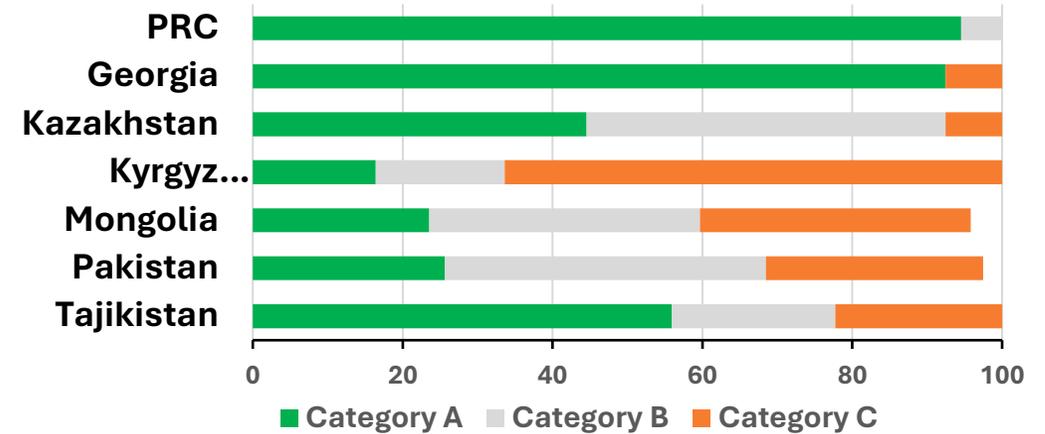
Trade Facilitation



- By 2016, 7 CAREC countries were WTO members, and the remaining 3 are advancing in accession efforts.
- The implementation of the *WTO Trade Facilitation Agreement* is complete for 5 WTO members: the People's Republic of China (PRC), Georgia, Kazakhstan, Kyrgyz Republic, and Tajikistan and almost complete for Mongolia and Pakistan.
- By 2021, all CAREC countries had acceded to the World Customs Organization's *Revised Kyoto Convention*. 7 signed the *UN Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific*.
- All automated their customs systems, 6 completed their National Single Window projects, 6 instituted AEO programs. 4 undertook RIBS projects to modernize facilities.
- Scoping studies are conducted to assess the operations and facilities at border crossing points. Georgia piloted robotic process automation for customs declarations, while Mongolia tested blockchain technology for certificates of origin.

TFA Implementation in CAREC Countries

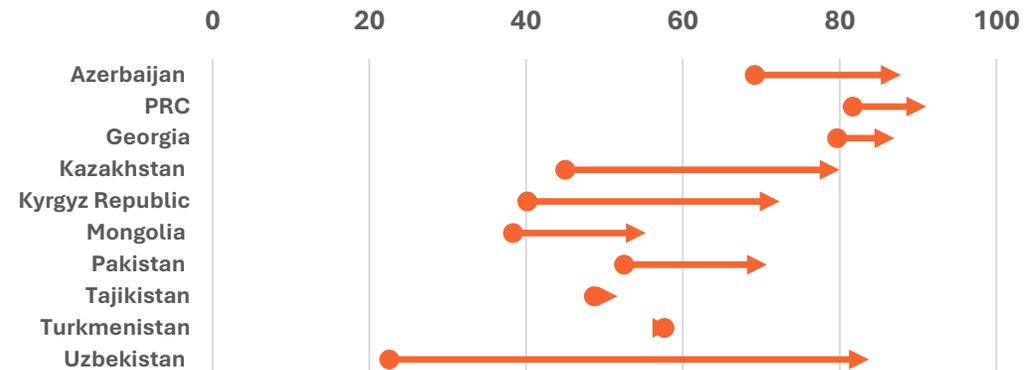
(as of 25 May 2025)



Source: Trade Facilitation Agreement database. <https://www.tfadatabase.org/en> (accessed 25 May 2025)

Trade Facilitation Scores

2017 and 2023



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 2023. The data for Turkmenistan are only available for 2023.

Source: UN Global Survey on Digital and Sustainable Trade Facilitation database. <https://www.untfsurvey.org/economy> (accessed 18 May 2025) and CITA 2030 MTR team's computations.



Regional Improvements in Border Services (RIBS) Projects

CAREC RIBS projects support the improvements in physical infrastructure and border control procedure

- (i) upgrade and renovate the infrastructure of BCPs along CAREC corridors, including those supporting transport and trade logistics adjacent to BCP areas, and
- (ii) help develop national single windows (NSW) in these BCPs, contributing to the longer-term goal of a regional platform interoperability of CAREC NSWs

Pakistan (2017)

- Improvement of the BCP infrastructure and facilities at Chaman, Torkham and Wahga BCPs

Kyrgyz Republic and Tajikistan (2013)

- Construction of Karamyk BCP and development of the National Single Window
- Development of the Design and Estimate Documentation for Road BCPS: Ak-Tilek, Karkyra, Kichi-Kapka, and the Training Center of the Border Service of the State Committee for National Security of the KR
- Construction of Guliston BCP and development of the National Single Window (NSW)

Mongolia (2016)

- Rehabilitation and provision of modern equipment in Sukhbaatar, Borshoo, Bichigt and Altanbulag BCPs, upgrade the Customs Automated Information System and preparatory work for the establishment of a single window system

Almaty-Bishkek Economic Corridor (2025)

- Construction of three border crossing points (BCPs) at AkTilek, Chui; Karkyra, Issyk-Kul; and Kichi-Kapka,⁷ Talas oblasts of the Kyrgyz Republic.

CAREC Advance Transit System (CATS) and Information Common Exchange (ICE)

Opportunity to improve the existing CAREC Transit Systems

The introduction of a CAREC regional transit system supported by a CAREC guarantee mechanism will:

- Enhance security of the supply chain across the region
- Help trade flow more smoothly and efficiently across borders
- Reduce the overall cost of trade

Key features of CATS/ICE

- ✓ **Single transit declaration**
 - Design based on the T1 form of EU's NCTS and compatible with ASEAN's ACTS systems
 - CATS prototype has been developed and tested
- ✓ **Electronic customs-to-customs transit data exchange platform**
 - An ICE prototype has been developed and tested
- ✓ **A risk-based affordable guarantee mechanism** that rewards compliant traders
 - different guarantee levels based on risks
 - Able to guarantee multiple transit movements

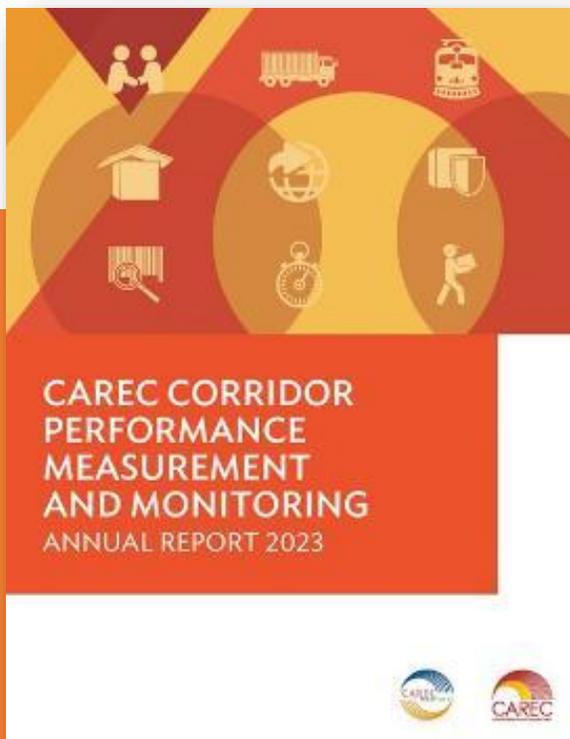
Milestones



- October 2023** Signing of Memorandum of Understanding
- November 2023–March 2024** Prototype development
- April 2024-February 2025** Parallel and conformity testing
- April 2023-June 2025.** Legal Assessment and Multi-country Agreement
- October 2025** Parallel testing with economic operators and insurers.



Corridor Performance Measurement and Monitoring (CPMM)



CPMM is a tool to assess the **efficiency of CAREC transport corridors**:

- i. identifies causes of delays and unnecessary costs along the CAREC corridor, including border-crossing points and intermediate stops.
- ii. helps authorities determine where and how to address identified bottlenecks.
- iii. assesses the impact of regional cooperation initiatives.

CPMM Web portal:
<https://cpmm.carecprogram.org/>

CITA 2030 Midterm Review Recommendations

1. Modernize BCPs and trade facilitation measures, including transit
 - RIBS/BEST Project, BUILD Facility, CATS/ICE, NSW
2. Advance digital trade and promote cross-border e-commerce
 - ePhyto, UN MLETR, Digital Trade Forum, e-certification, AI, blockchain in trade processes, ePayment
3. Adopt a formal framework through CAREC Trade and Investment Facilitation Partnership Agreement (CARTIF)
4. Increase support in trade in services and cross-border investment
 - Economic and green corridors, tourism clusters, digital services, export-oriented, innovative parks/SEZs
 - Investment policy reviews, PBLs for reforms
5. Mainstream innovation and climate action in CITA priorities
 - Baku Declaration on CAREC Partnership for Trade, Climate and Innovation (e.g., establish Regional Fund of Funds facility)
6. Strengthen CITA institutional framework
 - Elevate at trade minister/vice minister level
 - Time-bound WGs on investment, digital trade, standards
7. Strengthen coordination with Development Partners, South-South cooperation
8. Deepen private sector engagement
 - Business forum, support to SMEs, startups, traders
9. Improve tracking of CITA's progress and effectiveness
 - Use more granular performance indicators and specific targets

Borders Upgrades for Integration, Logistics and Development (BUILD) Facility

01

Establish a **strategic financing facility for border crossing point (BCP) improvements** addressing infrastructure and soft-side needs and promote joint BCPs.

02

Expand **corridor-based coordinated border management, harmonized digital customs systems, mutual recognition** of inspection and certification procedures to more BCPs.

03

Explicitly link the BCP improvements to **faster customs clearance, reduced trade costs, and standardized data exchange** (e.g., Single Window systems, paperless trade initiatives).

04

Promote an **economic corridor approach** to comprehensively address transport connectivity, accessibility, and mobility; remove bottlenecks; and enhance economic activities along corridors

Financing will be sourced/explored from (i) country allocations, (ii) ADB Thematic pools, and (iii) other regional sources ¹¹

Thank you!