



# Technical Assistance Report

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Project Number: 50144-001  
Regional—Capacity Development Technical Assistance (R-CDTA)  
August 2016

## Implementation of Trade Facilitation Initiatives in Central Asia Regional Economic Cooperation Program (Cofinanced by the Regional Cooperation and Integration Fund)

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

**Asian Development Bank**

## ABBREVIATIONS

ADB	–	Asian Development Bank
AEO	–	authorized economic operator
BCP	–	border-crossing point
CAREC	–	Central Asia Regional Economic Cooperation
CCC	–	Customs Cooperation Committee
CFCFA	–	CAREC Federation of Carrier and Forwarder Associations
CPMM	–	corridor performance measurement and monitoring
JCC	–	joint customs control
RKC	–	revised Kyoto Convention
TA	–	technical assistance
TRS	–	time-release study
WCO	–	World Customs Organization

## NOTE

In this report, "\$" refers to US dollars.

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## CONTENTS

	<b>Page</b>
CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE	
I. INTRODUCTION	1
II. ISSUES	2
III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE	3
A. Impact and Outcome	3
B. Methodology and Key Activities	3
C. Cost and Financing	4
D. Implementation Arrangements	5
IV. THE PRESIDENT'S DECISION	5
APPENDIXES	
1. Design and Monitoring Framework	6
2. Cost Estimates and Financing Plan	9
3. Outline Terms of Reference for Consultants	10

## CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 50144-001</b>	
<b>Project Name</b>	Implementation of Trade Facilitation Initiatives in Central Asia Regional Economic Cooperation	<b>Department /Division</b>	EARD/EAPF
<b>Country</b>	REG	<b>Executing Agency</b>	Asian Development Bank
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>	
✓ Industry and trade	Industry and trade sector development		1.00
		<b>Total</b>	<b>1.00</b>
<b>3. Strategic Agenda</b>		<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
Regional integration (RCI)	Pillar 1: Cross-border infrastructure		
<b>4. Drivers of Change</b>		<b>Gender Equity and Mainstreaming</b>	
Partnerships (PAR)	Implementation Regional organizations	No gender elements (NGE)	✓
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	No	Regional	High
<b>6. TA Category:</b>	B		
<b>7. Safeguard Categorization</b>	Not Applicable		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>1.00</b>	
Capacity development technical assistance: Regional Cooperation and Integration Fund		0.75	
Capacity development technical assistance: Technical Assistance Special Fund		0.25	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>1.00</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems		No	
Use of country public financial management systems		No	

## I. INTRODUCTION

1. The Central Asia Regional Economic Cooperation (CAREC) Program's strategic framework for 2011–2020 (CAREC 2020) has two strategic objectives: expand trade and improve industrial competitiveness.<sup>1</sup> Trade facilitation is one of four priority areas within the CAREC 2020 strategic framework. Work in this area is guided by the Transport and Trade Facilitation Strategy 2020,<sup>2</sup> which focuses on the development of six CAREC corridors through infrastructure investments and trade facilitation initiatives to improve the movement of goods and people through and across these corridors. This technical assistance (TA) will support the continuation of customs reforms and modernization efforts undertaken by CAREC countries. The design and monitoring framework is in Appendix 1.<sup>3</sup>

2. Customs cooperation has been a major part of CAREC trade facilitation efforts since the regional group was established in 2001. Integrated trade facilitation also promotes efficient regional trade logistics development and supports the development of priority trade corridors, single-window facilities, enhanced interagency cooperation and private sector participation, improvement of sanitary and phytosanitary measures, and capacity building.

3. The trade facilitation program is implemented through two coordinating bodies: (i) the Customs Cooperation Committee (CCC), which comprises heads of customs administrations of all CAREC countries and provides a regional forum for discussing issues of common interest; and (ii) the CAREC Federation of Carrier and Forwarder Associations (CFCFA), which is a private nonprofit organization.<sup>4</sup> CFCFA's major objectives are to facilitate transport, trade, and logistics development in the region, and to advance the interests of road carrier, freight forwarder, and logistics service provider association members. CFCFA has 22 member associations.

4. The CCC has five priority work areas: (i) simplification and harmonization of customs procedures and documentation, (ii) information and communication technology for customs modernization and data exchange, (iii) risk management and post-entry audit, (iv) joint customs control (JCC), and (v) regional transit facilitation. The Asian Development Bank (ADB) supports the five priority areas of customs cooperation through regional TA.<sup>5</sup> This support has helped CAREC member countries make important progress in customs modernization and trade facilitation within the priority areas.

5. ADB assistance has significantly enhanced trade facilitation in CAREC countries. However, it is necessary to continue and deepen customs modernization and trade facilitation reforms.

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<sup>1</sup> Asian Development Bank (ADB). 2012. *CAREC 2020: A Strategic Framework for the Central Asia Regional Economic Cooperation Program 2011–2020*. Manila.

<sup>2</sup> ADB. 2014. *CAREC Transport and Trade Facilitation Strategy 2020*. Manila.

<sup>3</sup> The TA first appeared in the business opportunities section of ADB's website on 24 June 2016.

<sup>4</sup> The organization was established in 2009 under ADB financing (ADB. 2009. *Technical Assistance for Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation*. Manila) as a nongovernment and nonprofit organization, and incorporated as a limited company in 2012.

<sup>5</sup> ADB. 2013. *Technical Assistance for Aligning Customs Trade Facilitation Measures with Best Practices in Central Asia Regional Economic Cooperation*. Manila; ADB. 2013. *Technical Assistance for the Coordinated Border Management for Results in Central Asia Regional Economic Cooperation*. Manila; and ADB. 2013. *Technical Assistance for the Facilitation of Regional Transit Trade in Central Asia Regional Economic Cooperation*. Manila.

## II. ISSUES

6. The simplification and harmonization of customs procedures is based largely on the legal framework that regulates customs operations in each country. Five CAREC countries have acceded to the International Convention on the Simplification and Harmonization of Customs Procedures or the revised Kyoto Convention (RKC).<sup>6</sup> The regional TA on Aligning Customs Trade Facilitation Measures with Best Practices in CAREC (footnote 5) supported the conduct of situation and gap analyses and the development of a road map for RKC accession. Amendments and further revisions to laws to conform to the RKC are needed.

7. ADB support helped to develop a framework for an information exchange mechanism to enable the electronic exchange of data between customs administrations to promote real-time collaboration. The mechanism needs to be piloted in two or three countries and subsequently implemented throughout the region.

8. ADB support helped to assess risk management practices in selected countries to determine what upgrades are needed to expedite clearance. In addition, ADB supported authorized economic operator (AEO) programs, which Azerbaijan, Kazakhstan, and Mongolia are now starting to implement.

9. The JCC pilots between the People's Republic of China and Mongolia were analyzed and a case study developed, which documents success factors and provides guidelines that can be used by other CAREC countries in identifying border-crossing points (BCPs) suitable for pilot JCCs.<sup>7</sup> It is important to continue expanding the JCC pilots and to test phases 2 and 3 of the JCC approach.<sup>8</sup>

10. The TA on the Facilitation of Regional Transit Trade in CAREC aims to improve the treatment of transit traffic across CAREC by developing a regional transit guarantee mechanism (footnote 5). The TA undertook a detailed assessment of transit traffic flows in all CAREC countries and identified priority corridors; it is recommended that the customs guarantee mechanism is piloted in a CAREC corridor as a test of improved transit traffic.<sup>9</sup>

11. Time-release studies (TRSs) and corridor performance measurement and monitoring (CPMM) are essential in assessing the performance and efficiency of the six CAREC corridors.<sup>10</sup> CPMM collects data on the time and cost of moving freight within the CAREC region, particularly at BCPs. TRSs measure relevant aspects of the effectiveness of operational procedures that are carried out by customs and other regulatory agencies in the standard processing of exports and imports, and in transit movements. More effort is needed to expand

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<sup>6</sup> World Customs Organization. The Revised Kyoto Convention. [http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf\\_revised\\_kyoto\\_conv.aspx](http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv.aspx). The five CAREC countries that have acceded to the RKC are Azerbaijan, the People's Republic of China, Kazakhstan, Mongolia, and Pakistan.

<sup>7</sup> The case study covers the pilot sites of Zamiin-Uud (Mongolia) and Erlan (People's Republic of China) BCP, and Gashuun Sukhait (Mongolia) and Ganqimaodao (People's Republic of China) BCP. The case study outlines success factors and challenges in the use of unified cargo manifests.

<sup>8</sup> All JCCs currently supported under the CAREC Program are in the first phase of implementation, i.e., document harmonization through the unified cargo manifest aimed at electronic exchange. Phase 2 will involve mutual recognition of inspection results, while phase 3 will involve joint border inspections.

<sup>9</sup> A consultation with CCC members on 21 April 2016 focused on the mechanics of the regional transit guarantee mechanism; next steps include implementing the pilot scheme and the results of the legal and regulatory analyses. The pilot corridor is expected to be formally approved at the annual CCC meeting in August 2016.

<sup>10</sup> ADB. 2014. *Technical Assistance for the Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation (Phase 2)*. Manila.

the use of and capacity to implement periodic TRSs in CAREC countries so that progress on improving border procedures can be monitored and information obtained on which to base reforms and modernization. CPMM data can aid customs officials in implementing TRSs and documenting their contribution to improved corridor performance.

12. Furthermore, an integrated approach to addressing border and beyond-border issues—one that involves both the government and the private sector—can help ensure solutions endure. In recent meetings with the CCC, CFCFA highlighted the increased costs and lengthy delays at CAREC corridors and BCPs due to inconsistent, repetitive, and unclear procedures, and the lack of coordination among border management agencies. At the first joint meeting of the CCC and CFCFA in August 2015, both CFCFA and policy makers agreed to build more effective communication channels, conduct joint research and capacity building activities in common areas of interest, and support pilot initiatives for trade facilitation.

### III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

13. The TA will support the continuation of customs reforms and modernization efforts undertaken by CAREC countries in the framework of the CCC.

#### A. Impact and Outcome

14. The impact of the TA will be improved flow of goods and people within the CAREC region. The outcome will be improved trade facilitation in CAREC countries.

#### B. Methodology and Key Activities

15. The impact and outcome of the TA will be achieved through the delivery of two outputs and their associated activities.

16. **Output 1: Trade facilitation measures strengthened.** Further strengthening of the CCC will solidify achievements gained and stimulate faster adoption of new technologies, tools, and best practices. To advance the trade facilitation program, the CCC agreed to implement specific initiatives in support of the following outputs:

- (i) **Revised Kyoto Convention accession documents completed.** Capacity development TA will be provided to (a) complete the submission process, including introducing regulatory reforms in compliance with RKC provisions; and (b) support countries that are starting accession to raise awareness among decision makers regarding the benefits and advantages of accession, and build support for accession.
- (ii) **Customs information exchange mechanism pilot-tested.** This will involve testing options based on the framework of the customs information exchange mechanism and progressing to a pilot stage of implementation.
- (iii) **Preparatory work for joint customs control pilots undertaken.** Support will be provided to expand JCC to additional CAREC BCP pairs in other countries and advance existing pilots to phase 2 (mutual recognition of inspection results and exchange of scanned images), based on lessons from the JCC case study.
- (iv) **Periodic time-release studies conducted.** Technical support will be provided for the conduct of TRSs on a regular basis to enable customs to accurately measure operational procedures. This will help ensure that related decisions to improve performance are well conceived and carried out.

17. **Output 2: Trade facilitation measures through enhanced cooperation with the private sector implemented.** CFCFA and customs authorities have agreed to build more effective communication channels, conduct joint research and capacity building activities in common areas of interest, and support pilot initiatives for trade facilitation. TA will be provided to realize the following:

- (i) **Regional transit scheme piloted in a corridor.** The TA will support the implementation of a pilot regional transit regime for a specific CAREC region corridor.
- (ii) **Risk management systems upgraded.** Advisory support will be provided to strengthen customs risk management systems and implementation of the SAFE Framework of Standards to Secure and Facilitate Global Trade of the World Customs Organization (WCO), including the adoption of the AEO concept;<sup>11</sup> and to enhance private sector participation in AEO implementation through the provision of detailed risk data on traders, carriers, and forwarders.
- (iii) **Trade logistics documents standardized.** The TA will support CFCFA efforts to adopt International Federation of Freight Forwarders Associations standards through training programs and consultations to establish a uniform standard for freight forwarders.
- (iv) **Use of corridor performance measurement and monitoring and time-release study results streamlined.** The TA will (a) support the use of both CPMM and TRS methodologies to validate, enrich, and refine results and findings so that regulatory authorities can identify causes of delays and formulate appropriate corrective actions; and (b) collaborate with the CAREC Institute to support national agencies and academic institutions to use CPMM data for national-level analysis to support better-informed investment decisions to improve border management.
- (v) **Joint capacity building and research activities conducted.** Joint training programs, seminars, workshops, and consultation meetings will be conducted, as well as research in areas of common interest. ADB will cooperate with the WCO and the CAREC Institute in the delivery of capacity building activities where possible.

18. The assumptions and risks of the TA implementation are that (i) any changes in customs leadership across the region will not break the continuity of these regional efforts and trade facilitation activities, (ii) joint activities will continue to be done in close cooperation with government and customs officials and private sector operators, and (iii) support for collective action on technical matters of the trade facilitation program will remain strong.

### C. Cost and Financing

19. The TA is estimated to cost \$1,000,000, of which \$250,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources) and \$750,000 will be financed on a grant basis by the Regional Cooperation and Integration Fund.<sup>12</sup>

<sup>11</sup> World Customs Organization. 2015. *SAFE Framework of Standards to Secure and Facilitate Global Trade*, June 2015. Brussels. The SAFE framework includes conditions and requirements for AEOs.

<sup>12</sup> Established by ADB. Financing partner: the Government of Japan.

#### **D. Implementation Arrangements**

20. ADB will be the executing agency.<sup>13</sup> The Public Management, Financial Sector, and Regional Cooperation Division of ADB's East Asia Department will serve as the focal point and administer the TA in coordination with the CAREC unit of the Central and West Asia Department, the resident missions in CAREC countries concerned, and the CAREC Institute. The 2-year implementation period will be from 1 September 2016 to 31 August 2018.

21. TA progress will be monitored against intended outcomes, outputs, indicators, and targets provided in the design and monitoring framework (Appendix 1). Experience and knowledge gained through the TA will be widely disseminated through knowledge products, such as strategic publications, policy and strategy papers, and conferences. TA reports will be made available on the ADB website and published in accordance with ADB's Public Communications Policy 2011.

22. The TA will require 12 person-months of intermittent international consulting services and 24 person-months of intermittent national consulting services. Consultants and resource persons will be specialists in the areas of customs reform, customs law, trade facilitation, and regional cooperation. In view of the TA project's diverse activities, consultants and resource persons will be selected on an individual basis. The consultants will be engaged in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The outline terms of reference for consultants is in Appendix 3. The proceeds of the TA will be disbursed in accordance with the *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

23. TA implementation will require close coordination with the WCO, which will provide technical experts to conduct training programs and seminars on specialized customs topics. Consequently, there is a provision for international travel and per diem of resource persons. In addition, the TA will support extensive consultations and workshops to implement the proposed pilot schemes, conduct specialized joint training for customs and other border management agencies with the participation of private sector stakeholders, and support CCC and CFCFA meetings.

#### **IV. THE PRESIDENT'S DECISION**

24. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,000,000 on a grant basis for Implementation of Trade Facilitation Initiatives in Central Asia Regional Economic Cooperation Program, and hereby reports this action to the Board.

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<sup>13</sup> ADB will not undertake any activities in the relevant developing member country until a written no objection is obtained.

## DESIGN AND MONITORING FRAMEWORK

<b>Impact the TA is Aligned with</b> Smooth flow of goods and people within the CAREC region improved (CAREC Transport and Trade Facilitation Strategy 2020) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
<p><b>Outcome</b> Trade facilitation improved within CAREC region</p>	<p>By 2019 Trade facilitation indicators improved by 15% compared with 2015 (2015 baseline: [i] time taken to clear a border crossing: 13.1 hours; [ii] costs incurred at a border-crossing clearance: \$161; [iii] speed of travel on a 500 km CAREC corridor section: 21.1 km per hour; [iv] costs incurred in traveling a corridor section: \$1,323 per 500 km, 20-ton load)</p>	<p>a. Annual CAREC trade facilitation sector progress reports  b. CPMM quarterly and annual reports</p>	<p>Changes in customs leadership potentially break the continuity of trade facilitation program activities in a particular country</p> <p>Lack of close cooperation between government and customs officials and private sector operators prevents the implementation of joint activities</p>
<p><b>Outputs</b> 1. Trade facilitation measures strengthened</p>	<p>By 2018 1a. RKC accession documents completed for three countries (2015 baseline: 5)</p> <p>1b. Customs information exchange mechanism pilot-tested (2015 baseline: NA)</p> <p>1c. Join Customs Control pilots expanded to phase 2 in the People's Republic of China and Mongolia and to one additional pair of countries (2015 baseline: 1)</p> <p>1d. Time Release Studies conducted at least annually(2015 baseline: 4)</p>	<p>1a. Annual CAREC trade facilitation sector progress reports  1b. Reports by specific customs  1c. Consultants' reports  1d. Annual CAREC trade facilitation sector progress reports</p>	<p>Lack of consensus among customs for collective action on particular technical matters</p>
<p>2. Trade-related cooperation with private sector enhanced</p>	<p>By 2018 2a. CAREC RTGM piloted in a select corridor (2015 baseline: NA)</p>	<p>2a. Annual CAREC trade facilitation sector progress reports</p>	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	<p>2b. Risk management techniques and AEO program adopted in 3 countries (2015 baseline: NA)</p> <p>2c. CFCFA decision on documents to be standardized (2015 baseline: NA)</p> <p>2d. Use of CPMM and TRS results streamlined in all countries (2015 baseline: NA)</p> <p>2e. Two flagship joint capacity building and research activities conducted each year (2015 baseline: 1)</p>	<p>2b. Reports by specific customs</p> <p>2c–e. Annual CAREC trade facilitation sector progress reports</p>	
<b>Key Activities with Milestones</b>			
<p>1 <b>Trade facilitation measures at CAREC customs strengthened</b></p>			
<p>1.1 <b>RKC accession documents completed</b></p>			
<p>1.1.1 Provide legal advisory services to assist the three countries (Kyrgyz Republic, Tajikistan, and Uzbekistan) that are in the process of accession to determine necessary amendments and/or revisions to customs laws and regulations and prepare the accession documents (Q3 2016–Q4 2017)</p>			
<p>1.1.2 Conduct workshops to raise awareness on the benefits of accession in two countries (Afghanistan and Turkmenistan) that have not initiated the accession process (Q2 2017–Q2 2018)</p>			
<p>1.1.3 Provide TA to countries that have acceded to RKC but not yet complied with RKC provisions (Q3 2017–Q2 2018)</p>			
<p>1.2 <b>Customs information exchange mechanism pilot-tested</b></p>			
<p>1.2.1 Conduct workshops and consultations to refine the pilot design (Q4 2016)</p>			
<p>1.2.2 Provide TA to implement the pilot scheme (Q1–Q4 2017)</p>			
<p>1.2.3 Conduct evaluation workshop to determine the feasibility of adopting the platform design on a regional or multicountry basis (Q2 2018)</p>			
<p>1.3 <b>Preparatory work for JCC pilots undertaken</b></p>			
<p>1.3.1 Initiate new JCC pilots in other BCP pairs in the People's Republic of China and Mongolia and in other CAREC countries (Q4 2016–Q3 2017)</p>			
<p>1.3.2 Prepare a plan to advance JCC pilots to phase 2 (mutual recognition of inspection results) (Q1 2017)</p>			
<p>1.3.3 Design and implement a formal monitoring and evaluation framework to track progress, quantify benefits, and identify implementation problems in an organized manner (Q1 2017–Q2 2018)</p>			
<p>1.4 <b>Periodic TRSs conducted</b></p>			
<p>1.4.1 Provide technical support to use the WCO TRS software and adapt to country-specific customs procedures (Q3 2016–Q2 2017)</p>			
<p>1.4.2 Conduct regional workshop to share experiences in implementing TRSs and lessons from other countries, and to discuss successful ways to resolve implementation problems (Q3 2017)</p>			
<p>1.4.3 Hold consultation dialogues between customs and CPMM partners on how to better use CPMM results to improve TRS implementation and take corrective actions to address border-crossing delays (Q4 2016)</p>			
<p>2 <b>Trade facilitation measures through enhanced cooperation with the private sector implemented</b></p>			
<p>2.1 <b>CAREC regional transit scheme piloted</b></p>			

<p>2.1.1 Conduct workshops and consultations with the government and the private sector to (i) revise and refine the proposed RTGM, and (ii) agree on pilot implementation arrangements (Q2 2017)</p> <p>2.1.2 Provide TA to implement the pilot scheme (Q2 2017–Q2 2018)</p> <p>2.1.3 Conduct evaluation workshop to determine the feasibility of adopting the proposed RTGM on a regional or multicountry basis (Q2 2018)</p> <p><b>2.2 Risk management systems upgraded</b></p> <p>2.2.1 Conduct joint training programs for public and private stakeholders on the SAFE Framework of Standards to Secure and Facilitate Global Trade and the requirements for the AEO program (Q1–Q2 2017)</p> <p>2.2.2 Provide technical expertise to assess existing laws and regulations to facilitate the adoption of the SAFE Framework of Standards to Secure and Facilitate Global Trade and the AEO program (Q3–Q4 2017)</p> <p>2.2.3 Conduct workshops to prepare action plans to adopt the AEO program (Q1 2018)</p> <p><b>2.3 Trade logistics documents standardized</b></p> <p>2.3.1 Provide assistance to CFCFA to organize and conduct training programs and workshops on the International Federation of Freight Forwarders Association (Q1–Q2 2017)</p> <p>2.3.2 Provide TA and support dialogue between governments and the private sector on the documents to be standardized (Q1–Q3 2017)</p> <p><b>2.4 Use of CPMM data and TRS results streamlined</b></p> <p>2.4.1 Conduct national workshops in conjunction with the CAREC Institute to train customs personnel and national research agencies on the use of TRS and CPMM methodologies to validate, enrich, and refine results and findings (Q2 2017–Q4 2017)</p> <p>2.4.2 Provide technical support to prepare analytical reports and action plans for corrective measures (Q3 2017–Q1 2018)</p> <p><b>2.5 Joint capacity building and research activities conducted</b></p> <p>2.5.1 Conduct joint training programs, seminars, and field studies on specialized topics such as coordinated border management, the AEO program, and supply chain and logistics management (Q1–Q4 2017)</p> <p>2.5.2 Support the participation of the private sector in undertaking research in coordination with the CAREC Institute (Q1–Q2 2018)</p> <p>2.5.3 Facilitate joint meetings of customs, other border management agencies, and the private sector to enhance cooperation and collaborative efforts (e.g., joint CCC and CFCFA meetings) (Q3 2016, Q2 2018)</p>
<p><b>Inputs:</b>  Asian Development Bank: \$250,000  Regional Cooperation and Integration Fund: \$750,000</p>
<p><b>Assumptions for Partner Financing</b>  Not Applicable.</p>

AEO = authorized economic operator, BCP = border-crossing point, CAREC = Central Asia Regional Economic Cooperation, CCC = Customs Cooperation Committee, CFCFA = CAREC Federation of Carrier and Forwarder Associations, CPMM = corridor performance measurement and monitoring, JCC = joint customs control, km = kilometer, NA = not applicable, Q = quarter, RKC = Revised Kyoto Convention, RTGM = regional transit guarantee mechanism, TA = technical assistance, TRS = time release study, WCO = World Customs Organization.

<sup>a</sup> Asian Development Bank. 2014. *CAREC Transport and Trade Facilitation Strategy 2020*. Manila.

Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Amount
<b>A. Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	120
ii. National consultants	60
b. International and local travel	60
c. Reports and communications <sup>b</sup>	10
<b>Subtotal (A)</b>	<b>250</b>
<b>B. Regional Cooperation and Integration Fund<sup>c</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	120
ii. National consultants	36
b. International and local travel	60
c. Reports and communications <sup>b</sup>	10
2. Training, seminars, and conferences	
a. Conferences and workshops <sup>d</sup>	400
b. Resource persons <sup>e</sup>	74
3. Contingencies	50
<b>Subtotal (B)</b>	<b>750</b>
<b>Total (A+B)</b>	<b>1,000</b>

<sup>a</sup> Financed by the Asian Development Bank's (ADB) Technical Assistance Special Fund (TASF-other sources).

<sup>b</sup> Includes the cost of translation and interpretation of international practices and/or guidelines, reports, and other (technical assistance) TA outputs.

<sup>c</sup> Established by ADB. Financing partner: the Government of Japan.

<sup>d</sup> Includes consultation workshops to collect stakeholders' comments on capacity development products.

<sup>e</sup> When ADB staff act as resource persons and/or facilitators, travel costs may be charged to the TA. Resource persons may include experts of the World Customs Organization, whose travel costs will be covered under the TA.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The consultants will be engaged on an individual basis to provide 12 person-months of international and 24 person-months of national consultant services under the technical assistance (TA) in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time) of the Asian Development Bank (ADB). The terms of reference will be further refined and expanded before the consultants are recruited.

### A. International Consultants

2. **International trade specialist** (3 person-months). The specialist should have a university degree in law with a specialization in international trade law, and at least 5 years of experience working in Central, West, and/or East Asia. The specialist should have a good understanding of international best practices in customs and trade facilitation measures as well as familiarity with the Central Asia Regional Economic Cooperation (CAREC) Program regulatory framework. The consultant will perform the following tasks:

- (i) provide advisory support to CAREC countries for the alignment of national legislation with the revised Kyoto Convention (RKC)<sup>1</sup> provisions;
- (ii) provide advisory and legal support to prepare the RKC accession action plan and accession documents as required by CAREC members that are not yet party to the RKC, including (a) providing advisory support on how to use the World Customs Organization self-assessment tool and to undertake a gap analysis to identify needed legislative and procedural amendments; and (b) preparing an inventory of customs laws, rules, and regulations to be used in the gap analysis;<sup>2</sup>
- (iii) assist customs authorities in formulating action plans to upgrade existing risk management strategies, including the establishment of baseline indicators, and the identification of risk areas, selectivity, risk profiling, and targeting;
- (iv) raise awareness through consultations, events, and seminars on risk management and authorized economic operator (AEO) programs with an aim to assist customs in adopting the AEO;
- (v) act as a resource person and facilitator of workshops on risk management techniques and methodologies based on the World Customs Organization's Risk Management Compendium;<sup>3</sup> and
- (vi) provide advisory support and facilitate consultations between customs administrations and the private sector to implement risk management techniques, such as the AEO program.

3. **Customs information technology expert** (3 person-months). The consultant will hold a bachelor's degree in information technology or computer science-related fields, preferably with at least 5 years of experience in customs-related computer management systems. The consultant should have a good understanding of customs procedures and operations as well as familiarity with the CAREC regulatory framework in regard to trade facilitation. The consultant will perform the following tasks:

- (i) identify appropriate customs authorities to pilot-test the customs information exchange platform;

<sup>1</sup> Five CAREC countries have acceded to the RKC: Azerbaijan, the People's Republic of China, Kazakhstan, Mongolia, and Pakistan.

<sup>2</sup> The CAREC countries that have not yet acceded to the RKC are Afghanistan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.

<sup>3</sup> World Customs Organization. WCO Customs Risk Management Compendium. <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/rmc.aspx>.

- (ii) organize consultation meetings between customs administrations and provide advisory support for the piloting of an information exchange mechanism for CAREC customs administrations;
- (iii) monitor the implementation of the pilot and provide technical advice to resolve implementation issues and/or problems; and
- (iv) determine the feasibility of extending the pilot to more countries or applying it across the region.

4. **Transit facilitation specialist** (3 person-months). The consultant will hold a university degree in economics and should have extensive knowledge of transit regimes, especially in the context of transport corridors and regional cooperation, preferably with at least 5 years of experience working with countries in Central, West, and/or East Asia. The consultant will:

- (i) undertake consultations with customs administrations, banks and insurance companies, carriers, forwarders, and major traders on the mechanics of the implementation of a proposed regional transit guarantee mechanism;
- (ii) provide TA in the piloting of the proposed transit regime in the identified transit corridor;
- (iii) monitor the implementation of the pilot and provide technical advice to resolve implementation issues and/or problems; and
- (iv) evaluate the pilot scheme and provide recommendations regarding improvement of the transit regime and possible application to more countries.

5. **Customs operations specialist** (3 person-months). The specialist will have a degree and/or certificate in customs management and at least 5 years of working experience in customs administration. International experience will be required and regional experience in Central, West, and/or East Asia is preferred. A good understanding of customs procedures and operations, and familiarity with CAREC border-crossing procedures and practices will be an advantage. Among other responsibilities, the specialist will:

- (i) assist CAREC countries in identifying criteria for choosing border-crossing points to pilot joint customs control (JCC), identifying at least one additional pilot, and developing guidelines for implementation based on lessons from a recent JCC case study;
- (ii) assist the People's Republic of China and Mongolia in preparing an action plan to progress toward mutual recognition of inspection results (phase 2 of JCC) and develop a formal JCC monitoring and evaluation scheme to track progress, quantify benefits, and identify implementation problems;
- (iii) assist countries in using the results of corridor performance measurement and monitoring and time-release studies to identify the causes of border delays, and help them formulate corrective actions in cooperation with other agencies and stakeholders;
- (iv) organize coordination meetings between customs and other border agencies to discuss common information needs and the possibility of harmonizing border control documents and coordinating electronic submissions; and
- (v) organize seminars and training for customs, other border management agencies, and the private sector on specialized topics.

## B. National Consultant

6. **Trade facilitation coordinator** (48 person-months). The coordinator will hold a university degree in economics or related field and have at least 5 years of working experience.

The coordinator will provide technical and administrative support for activities to be implemented under the TA, including:

- (i) assist in the conceptualization, organization, and implementation of training events, dialogues, and workshops (e.g., agenda, concept papers, background notes, and presentations);
- (ii) help coordinate TA activities, including facilitating communication between consultants and participating governments;
- (iii) provide secretariat and coordination support for all TA-related activities and organize and update TA information and data;
- (iv) coordinate with stakeholders, partners, and ADB resident mission staff in CAREC countries regarding the administrative and logistical aspects of the TA activities;
- (v) prepare and update TA work plans and calendars; and
- (vi) carry out other related tasks as required.

7. **Reporting requirements.** The consultants will individually submit the following reports to the implementing agencies and ADB:

- (i) inception report that covers (a) confirmation of the overall rationale and design of each assignment under the TA, (b) recommended adjustments to the terms of reference and timing of specialist's deployment, (c) a schedule of inputs, and (d) a detailed implementation schedule for each individual assignment;
- (ii) quarterly and midterm reports that account for implementation progress; and
- (iii) a final report comprising a project summary, a summary of policy recommendations, and technical report(s).