



# Technical Assistance Report

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Project Number: 43078-01  
Regional—Policy and Advisory Technical Assistance (R-PATA)  
September 2009

**Central Asia Regional Economic Cooperation:  
Working with the Private Sector in Trade Facilitation**  
(Cofinanced by the Regional Cooperation and Integration Fund  
under the Regional Cooperation and Integration Financing  
Partnership Facility and the People's Republic of China Regional  
Cooperation and Poverty Reduction Fund)

Asian Development Bank

## ABBREVIATIONS

ADB	–	Asian Development Bank
CAREC	–	Central Asia Regional Economic Cooperation
CCC	–	Customs Cooperation Committee
CFCFA	–	CAREC Federation of Carrier and Forwarder Associations
CPMM	–	corridor performance measurement and monitoring
ITF	–	integrated trade facilitation
NJC	–	national joint committee on transport and trade facilitation
PPP	–	public–private partnership
RJC	–	regional joint committee on transport and trade facilitation
TA	–	technical assistance
TTFS	–	Transport and Trade Facilitation Strategy

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Type</b>	–	Regional—Policy and advisory technical assistance (R-PATA)
<b>Targeting Classification</b>	–	General intervention
<b>Sector (subsectors)</b>	–	Industry and trade (trade and services)
<b>Themes (subthemes)</b>	–	<b>Economic growth</b> (promoting economic efficiency and enabling business environment), regional cooperation, private sector development (private sector investment)
<b>Location impact</b>	–	Rural and urban (medium), national and regional (high)
<b>Partnerships</b>	–	People's Republic of China, World Customs Organization

## NOTE

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

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## **I. INTRODUCTION**

1. Trade facilitation is one of the four priority sectors of the Central Asia Regional Economic Cooperation (CAREC) Program.<sup>1</sup> CAREC work in this area is guided by the Transport and Trade Facilitation Strategy (TTFS), approved in 2007 by the 6th CAREC Ministerial Conference, and the Implementation Action Plan for TTFS endorsed at the 7th CAREC Ministerial Conference on 21 November 2008 in Baku, Azerbaijan. The action plan adopts an integrated approach, focusing on the development of six CAREC corridors through infrastructure investments and trade facilitation initiatives to improve the movement of goods through these corridors and across borders. Recognizing the breadth of actions and substantial financing requirements identified in the TTFS and the action plan, the 7th CAREC Ministerial Conference called for enhanced joint efforts by CAREC countries and development partners, and highlighted the need to expand interaction with other players, particularly the private sector. The Asian Development Bank (ADB), as the lead agency for trade facilitation programs under CAREC, is requested to provide financial and technical assistance (TA).

2. The regional policy and advisory TA is designed to support implementation of the action plan. Consultations were conducted with the CAREC countries on various occasions to determine the impact, outcome, outputs, and implementation arrangements for the TA, and in particular during the CAREC trade facilitation workshops held 23–24 February 2009 in Guangzhou, the People's Republic of China and 26–28 May 2009 in Ulaanbaatar, Mongolia. Broad agreement was reached on key aspects of the TA, and strong support was obtained for its design and implementation. The design and monitoring framework is in Appendix 1.<sup>2</sup>

## **II. ISSUES**

3. The CAREC trade facilitation program has two components: (i) customs-related work that covers concerted customs reform, modernization, and cross-border cooperation; and (ii) integrated trade facilitation (ITF) that promotes efficient regional trade logistics development, priority trade corridor development, single-window schemes, and enhanced interagency coordination. There is a strong need to expand private sector participation in both areas.

4. Work to promote customs cooperation is led by the Customs Cooperation Committee (CCC), and has been the core of the CAREC trade facilitation program, focusing on the five priority areas: (i) simplification and harmonization of customs procedures and documentation, (ii) modernization of customs information and communication technology and customs data exchange, (iii) risk management and post-entry audit, (iv) joint customs control, and (v) regional transit development. The CCC has created an environment of trust and cooperation among the participating countries.

5. Customs cooperation alone cannot address all trade facilitation issues, however. Trade facilitation entails enhanced cooperation among many agencies, including those in charge of transport, trade, customs services, and other cross-border activities. It also needs to involve various private sector players such as freight forwarders and logistics providers. Recognizing

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<sup>1</sup> The CAREC was established in 1997 to promote development through cooperation among its eight participating countries: Afghanistan, Azerbaijan, People's Republic of China, Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan. CAREC is also an alliance of six multilateral agencies active in promoting economic cooperation in Central Asia: ADB, the European Bank for Reconstruction and Development, the International Monetary Fund, the Islamic Development Bank, the United Nations Development Programme, and the World Bank. Priority sectors for cooperation are (i) transport, (ii) trade facilitation, (iii) trade policy, and (iv) energy.

<sup>2</sup> The TA first appeared in the business opportunities section of ADB's website on 6 May 2009.

this need, the CCC introduced the ITF concept at its 6th meeting. It was strongly endorsed by CAREC countries and incorporated into the TTFS action plan.

6. The TTFS seeks to use ITF to strengthen interagency coordination and public–private partnership (PPP), develop an efficient regional logistics industry, and establish a regional mechanism to complement the CCC process. In consultation with the CAREC countries, ADB is developing an ITF work program. The priority actions to be taken include: (i) establishing and/or improving a national joint committee on transport and trade facilitation (NJC) in each CAREC country, and forming a regional joint committee on transport and trade facilitation (RJC); (ii) continuing to conduct CAREC corridor performance measurement and monitoring (CPMM) and installing a CAREC-wide CPMM system; (iii) supporting the development of single-window schemes; (iv) promoting PPP for key investments in trade logistics; and (v) further enhancing capacity building for CAREC countries in trade facilitation. The ITF work program will also seek to strengthen cooperation with other development partners in trade facilitation to maximize synergies and avoid duplication. The CAREC Senior Officials Meeting (held 28–29 May 2009) endorsed the ITF work program, and requested that ADB increase financial and technical support. The TA will focus on addressing these priority ITF issues, particularly by helping CAREC countries overcome the key constraints highlighted below.

7. The NJCs are envisaged to promote ITF at the national level through improved interagency coordination and enhanced PPP. The RJC will serve as a regional forum to address transport and trade facilitation issues, including corridor management. While the progress in establishing NJCs varies among CAREC countries, they have several key issues in common that need to be solved: (i) the NJC mandate and legal status are not fully confirmed, (ii) commitment from the highest level of government is not always in place, (iii) the NJCs do not have senior-level chairpersons, (iv) NJC membership lacks consistency and continuity, and (v) NJC's authority to make and implement decisions is often compromised. In addition, the RJC needs to be established, and will require capacity building assistance.

8. The CPMM has been piloted since early 2009 for selected CAREC corridors. A memorandum of understanding has been signed with each CAREC country through its representative transport carrier and freight forwarder associations, which have begun submitting data to ADB. However, the following key aspects of the CPMM need improvement: (i) the reporting format and frequency need to be formalized, (ii) data consolidation and analysis need to be enhanced to identify main constraints in the corridors and recommend remedial actions, and (iii) the capacity of partner associations needs further strengthening.

9. CAREC has been promoting the adoption of the single-window scheme to streamline transport, freight forwarding, trade logistics, and customs operations to enhance the competitiveness of the subregion. CAREC countries have yet to agree on a common single-window concept, however, and to prepare a regional road map for development of a regional single-window scheme that builds on experience from other regional cooperation and integration programs.

10. There are many factors constraining private sector participation in cross-border transport and trade in most of the CAREC participating countries, particularly: (i) lack of coordinated border management, (ii) poor regional and interregional cooperation to address cross-border trade issues, (iii) inadequate investment in infrastructure and trade logistics services, (iv) high behind-the-border costs, and (v) absence of a regional body to represent private sector interests. Comprehensive strategies and actions are needed to remove such constraints, and private sector users need to be involved in designing, implementing and monitoring such

strategies and action plans. Consultations with the private sector need to be continued and expanded to explore solutions to key trade facilitation issues, such as improving access to financing, developing PPP projects, and identifying innovative financing schemes.

11. The ITF program will be implemented in close collaboration with the CCC work, which will continue to form the core of CAREC's trade facilitation efforts. There is extensive potential for synergy between the two aspects of CAREC trade facilitation that needs to be fully tapped.

### **III. THE TECHNICAL ASSISTANCE**

#### **A. Impact and Outcome**

12. The impact of this TA is to improve the efficiency of trade flows in the CAREC region, as measured by a 50% reduction in border-crossing time along the CAREC corridors in 2012, as compared with 2007.

13. The TA outcome will be strengthened national and regional collaboration, including enhanced partnerships between the public and private sectors, in developing and managing the key CAREC corridors and addressing broader issues of transport and trade facilitation. National and regional capacity relating to the design, implementation, and monitoring of comprehensive strategies to remove constraints to trade flows within the region and with the global market will be strengthened. Specifically, national and regional cooperation mechanisms will be established and supported to (i) implement national and regional transport and trade facilitation plans, (ii) measure and monitor progress of the priority corridors and develop strategies to address trade bottlenecks, and (iii) actively engage the private sector and key development partners in the design and implementation of the TTFS and its action plan.

14. The impact and outcome of the TA will be achieved through the delivery of the following outputs:

- (i) establishment and effective functioning of the NJCs and the RJC and development of national transport and trade facilitation action plans;
- (ii) setting up of an integrated CPMM scheme, with policy recommendations to CAREC countries to improve corridor performance and corridor management;
- (iii) adoption of a common concept and a road map for developing a single-window scheme in the CAREC countries;
- (iv) development of PPP opportunities to promote ITF, particularly in the areas of improving trade logistics services and border crossing facilities; and
- (v) establishment and improvement of the CAREC Federation of Carrier and Forwarder Associations (CFCFA).

#### **B. Methodology and Key Activities**

15. The following activities will be undertaken under the TA:

- (i) Studies will be conducted and training workshops and conferences organized to help each CAREC country establish an NJC, and the CAREC region establish an RJC. The NJC will be composed of representatives from all government agencies involved in border control and border-crossing activities, including (a) the transport and trade ministries; (b) customs; and (c) agencies responsible for enforcing quarantine, sanitary, phytosanitary and product standards, ensuring

security, and implementing immigration rules and regulations. Private sector representatives from freight forwarders associations, trade logistics service providers and transport groups will also be involved. NJCs will develop and implement national transport and trade facilitation action plans. The RJC, meanwhile, will be composed of representatives from the NJCs, and will provide regional leadership in updating and implementing the TTFS action plan, including the work related to the long-term management of the corridors. It will work closely with the CAREC Transport Sector Coordinating Committee and the CCC in updating and refining the action plan.

- (ii) Studies will be conducted and workshops organized to set up and improve the integrated CPMM scheme, including the establishment of a database, by building on results of the pilot CPMM project. The database will provide various stakeholders with greater access to critical information regarding the performance of the priority CAREC corridors and actions that have been or are being taken to resolve identified bottlenecks and constraints. Private sector organizations (freight forwarders and road carrier associations, transport groups and trade logistics service providers) involved in the pilot phase in carrying out the time-cost-distance analysis will be provided with further support to participate in the development of a more integrated performance measurement scheme relevant to CAREC's needs and priorities, including adapting the time-release method of the World Customs Organization and the logistics performance index of the World Bank to the requirements of the CAREC priority corridors.
- (iii) Studies will be conducted and workshops organized to promote the adoption and the implementation of the single-window scheme in CAREC countries.
- (iv) Public-private dialogues will be organized to promote PPP and create a more conducive environment for private sector investment in trade facilitation. More proactive engagement with the private sector will provide opportunities for government policy makers, investors, entrepreneurs, and financial intermediaries to explore the investment potential and develop innovative financing arrangements in transport and trade facilitation, particularly with a view to defining necessary interventions to improve infrastructure and procedures at key border crossing points along the CAREC corridors. Support will be provided for the establishment and operations of the CFCFA, which is expected to represent the concerns and interests of the private sector in CAREC trade facilitation.
- (v) Training activities will be conducted in collaboration with the CAREC Institute on priority subjects in trade facilitation jointly identified by the CAREC countries.

### **C. Cost and Financing**

16. The total cost of the TA is estimated to be \$2,500,000 equivalent, of which \$1,500,000 equivalent will be financed on a grant basis by ADB through the Regional Cooperation and Integration Fund under the Regional Cooperation and Integration Financing Partnership Facility, and \$500,000 on a grant basis by the People's Republic of China Regional Cooperation and Poverty Reduction Fund and administered by ADB. The CAREC governments and the private sector participating in the TA will jointly contribute a total of about \$500,000 equivalent by providing counterpart staff, office space, support for training, seminars and conferences, and other administrative and logistical services. Details of the cost estimates and financing plan are in Appendix 2.

## **D. Implementation Arrangements**

17. A total of 25 person-months of international and 25 person-months of national consultant inputs will be required to provide advisory and technical services under the TA. The consultants and resource persons will be specialists in the areas of integrated trade facilitation, regional trade logistics, customs reform and modernization, and institutional and capacity building, with special knowledge of PPP development. Because the TA will involve varied activities that will consist mostly of straightforward assignments, consultants and resource persons will be selected and engaged by ADB as individuals based on their qualifications and experience in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). The outline terms of reference for consultants and resource persons are in Appendix 3. Office equipment will be procured by the implementing agencies in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time), and will be transferred to implementing agencies upon completion of the TA. The proceeds of the TA will be disbursed in line with ADB's *Technical Assistance Disbursement Handbook*.<sup>3</sup>

18. The TA will be implemented over 36 months, from January 2010 to December 2012. ADB will be the executing agency. The implementing agencies in the CAREC countries will be government agencies that take the lead in NJCs, in close collaboration with the private sector. The Financial Sector, Public Management and Regional Cooperation Division of ADB's East Asia Department will administer and implement the TA in close collaboration with the Transport and Communications Division of ADB's Central and West Asia Department and the concerned resident missions in the CAREC countries. Special efforts will be made to maximize the synergy between the work of the CCC and RJC and that of the transport sector coordinating committee. Efforts will also be made to strengthen the partnership with the World Customs Organization to ensure a coordinated approach to customs cooperation and other trade facilitation initiatives. The monitoring of implementation progress and outcomes will be carried out through periodic reviews, as outlined in the design and monitoring framework.

19. The TA outputs, particularly the findings and recommendations from the key studies, will be disseminated through workshops, seminars, conferences, publication, and the media. Where appropriate, representatives of the secretariats of other regional cooperation bodies will be invited to dissemination events.

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

20. The President, acting under the authority delegated by the Board, has approved (i) ADB administering a portion of technical assistance not exceeding the equivalent of \$500,000 to be financed on a grant basis by the People's Republic of China Regional Cooperation and Poverty Reduction Fund, and (ii) providing the balance not exceeding the equivalent of \$1,500,000 on a grant basis for Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation, and hereby reports this action to the Board.

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<sup>3</sup> ADB. 2008. *Technical Assistance Disbursement Handbook*. Manila.

### DESIGN AND MONITORING FRAMEWORK

<b>Design Summary</b>	<b>Performance Targets/Indicators</b>	<b>Data Sources/Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<b>Impact</b> Trade efficiency in the CAREC region will be improved, contributing to economic development and poverty reduction	Time required for crossing borders along the CAREC corridors reduced by 50% by 2012, compared with 2007	Corridor performance reports  Country reports	<b>Assumption</b> Participating countries will undertake customs modernization and trade facilitation reforms.  <b>Risk</b> CAREC countries fail to adopt reforms.
<b>Outcome</b> National and regional collaboration, including partnerships between the public and private sectors, will be strengthened in managing the key CAREC corridors and addressing broader issues of transport and trade facilitation.	NJCs established in each CAREC participating country by 2010  RJC, composed of representatives from NJCs, becomes operational by 2011	Government directives setting up the committees  Joint statement by CAREC countries on establishing the RJC  CAREC trade facilitation progress report	<b>Assumption</b> Governments and the private sector are willing to work together to identify and remove constraints to trade development.  <b>Risk</b> Political instability in some CAREC countries can delay establishment of NJCs in these countries.
<b>Outputs</b> 1. National joint committees and regional joint committee set up   2. Corridor performance measurement and monitoring system established	National transport and trade facilitation action plans prepared and approved by governments by the end of 2011  Regional action plan 2011–2015 endorsed by the Ministerial Conference by 2011  CPMM database and website set up by 2010  Policy recommendations for improving corridor performance and	Government endorsement of national action plans  Senior officials meetings and ministerial conference reports  CAREC trade facilitation progress report  Database and website  Senior officials meetings and ministerial conference reports  NJC and RJC reports	<b>Assumptions</b> Reliable and timely information from corridor performance monitoring scheme will enable NJCs and RJC to formulate relevant and workable action plans.  There are private sector participants willing to invest in trade logistics hubs.  <b>Risks</b> The willingness and capacity to cooperate on a regional basis may vary across countries.  The private sector's capacity to implement the



Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>3. Single-window scheme adopted and functioning effectively</p> <p>4. PPP opportunities developed to promote ITF</p> <p>5. CFCFA established and its functions improved</p>	<p>management formulated by 2011</p> <p>A common single-window concept adopted and a road map for implementing a single-window scheme formulated by 2011</p> <p>Workshops and public-private dialogues conducted at least annually</p> <p>Key investment proposals for trade-related infrastructure developed by 2011</p> <p>CFCFA set up in 2010 and functioning effectively by 2011</p>	<p>Senior officials meetings and ministerial conference reports</p> <p>NJC and RJC reports</p> <p>Forum reports and press clippings</p> <p>Prefeasibility reports</p> <p>NJC and RJC reports</p>	<p>ITF may vary across the CAREC countries.</p>
<p><b>Activities with Milestones</b></p> <p>1.1 Consultancy and advisory services to set up and strength NJCs in place, with defined terms of reference</p> <p>1.2 Training to enhance capacity of NJCs to promote national-level transport development and integrated trade facilitation efforts, including by conducting team-building exercises to deepen interagency collaboration and enhance partnerships between the public and private sectors</p> <p>1.3 Workshops to bring together government and private sector representatives to identify cross-border trade issues, taking into consideration the TTFS action plan, and preparing national action plans to resolve identified issues</p> <p>1.4 Regional consultations to (i) establish the RJC, which will work with the TFCC and CCC; and (ii) update the TTFS action plan.</p> <p>2.1 Design of a database and website for the CAREC CPMM system and corridor management</p> <p>2.2 Consultations with stakeholders (public and private) to identify their roles and responsibilities in setting up and maintaining the CPMM database and website (data collection, analysis, report dissemination, etc.)</p>			<p><b>Inputs</b></p> <p>ADB: \$1,500,000 (Regional Cooperation and Integration Fund)</p> <p>PRC: \$500,000 (People's Republic of China Regional Cooperation and Poverty Reduction Fund )</p> <p>Governments and private sector: \$500,000 equivalent (staff time and resources)</p>

<p><b>Activities with Milestones</b></p> <p>2.3 Training of CAREC personnel, freight forwarder associations, carrier associations and other relevant stakeholders on the WCO time-release method and World Bank's logistics performance index and data analysis to enable them to adapt CPMM system to needs and priorities of CAREC</p> <p>2.4 Design of an information dissemination system to ensure timely and transparent release of critical trade and transport information to policy makers and private sector participants</p> <p>2.5 Analysis of CPMM data and recommendations regarding policies and remedial measures to tackle the key constraints in monitoring and managing the CAREC corridors.</p> <p>3.1 Facilitation of the adoption of a common single-window concept</p> <p>3.2 Development of a road map for adopting and implementing the single-window scheme</p> <p>4.1 Promotion of private sector engagement by addressing limitations of the enabling environment for investment; diagnostics will be developed through consultations on constraints to trade and possible solutions on a per country basis</p> <p>4.2 Bringing together of top business executives and government policy makers in the region to identify priority investment areas and PPP opportunities in trade logistics services</p> <p>4.3 Development of priority investment proposals for transport and trade facilitation, including those to improve infrastructure at the key border crossing points along the CAREC corridors</p> <p>4.4 Promotion of awareness of investment potentials in trade logistics in the CAREC region among neighboring countries (Russian Federation, PRC, Turkey, etc.) through road shows and investment seminars</p> <p>5.1 Organization of annual CFCFA meetings</p> <p>5.2 Training for CFCFA members</p>	
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ADB = Asian Development Bank, CAREC = Central Asia Regional Economic Cooperation, CCC = Customs Cooperation Committee, CFCFA = CAREC Federation of Carrier and Forwarder Associations, CPMM = corridor performance measurement and monitoring, NJC = national joint committee on transport and trade facilitation, PPP = public-private partnership, PRC = People's Republic of China, RJC = regional joint committee on transport and trade facilitation, TTFS = Transport and Trade Facilitation Strategy, WCO = World Customs Organization.

## COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Total Cost
<b>A. Asian Development Bank Financing<sup>a</sup></b>	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	600.00
ii. National Consultants	150.00
b. International and Local Travel	100.00
c. Reports and Communications	100.00
2. Equipment <sup>b</sup>	10.00
3. Training, Seminars, and Conferences <sup>c</sup>	
a. Facilitators (Interpreters and Translators)	100.00
b. Training, Seminars, and Conferences	600.00
4. Resource Persons <sup>d</sup>	100.00
5. Miscellaneous Administration and Support Costs	40.00
6. Publications	50.00
7. Contingencies	150.00
<b>Subtotal (A)</b>	<b>2,000.00</b>
<b>B. Government Financing<sup>e</sup></b>	
1. Office Accommodation and Transport	200.00
2. Counterpart Staff, Administrative Support, and Translation	200.00
3. Others	100.00
<b>Subtotal (B)</b>	<b>500.00</b>
<b>Total</b>	<b>2,500.00</b>

<sup>a</sup> Financed by the Regional Cooperation and Integration Fund under the Regional Cooperation and Integration Financing Partnership Facility, and the People's Republic of China Regional Cooperation and Poverty Reduction Fund, and administered by the Asian Development Bank (ADB).

<sup>b</sup> Including laptop computers, scanners, and other small office equipment.

<sup>c</sup> The resources allocated for these items will be administered by ADB Financial Sector, Public Management and Regional Cooperation Division.

<sup>d</sup> Resource persons will be engaged to assist in the preparation of and attend or present to the in-country consultations, sector workshops, and targeted training events. In an exceptional case where an ADB staff member acts as a resource person, travel costs will be charged to the technical assistance only if he or she acts as a resource person.

<sup>e</sup> Imputed value of staff time, use of government facilities, and other in-kind contribution by the governments of Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, the People's Republic of China, Tajikistan, and Uzbekistan.

Source: Asian Development Bank estimates.

## **OUTLINE TERMS OF REFERENCE FOR CONSULTANTS**

1. A total of 25 person-months of international consultant and 25 person-months of national consultant inputs will be required to provide technical services to realize the objectives of the regional policy and advisory technical assistance (TA). The number of person-months is indicative and for planning purposes. Given that some of the activities are still being planned, flexibility will be allowed and detailed terms of reference for specific tasks may be revised at a later stage. The consultants will report to, and be supervised by, the Asian Development Bank (ADB) task manager(s) for the project, who will also be responsible for the overall coordination of the activities under the TA. The reporting requirement for the international consultants engaged will include (i) an inception report within 2 weeks of mobilization, including a work schedule; (ii) a draft final report 2 weeks before the end of the contract for review and comments by ADB; and (iii) a final report in both hard (3) and soft (2) copies, incorporating all comments. The final reports and the appendixes, if deemed necessary, will be translated into national languages.

### **A. International Consultants (25 person-months)**

#### **1. Corridor Performance Measurement and Monitoring and Corridor Management (9 person-months)**

2. Two international corridor performance measurement and monitoring (CPMM) experts will be hired to cover the eight participating countries of the Central Asia Regional Economic Cooperation (CAREC) (four countries by each expert; 3.5 person-months each). The experts will have adequate experience in the design and implementation of CPMM and corridor management systems in developing countries, preferably in Asia. They will

- (i) review and assess (a) the CAREC-modified time-cost-distance methodology adapted for the use of the partner associations; (b) the implementation arrangements; (c) the data gathering procedures; (d) the soundness of the indicators used for analyses; and (e) the data aggregation, report preparation and dissemination procedures;
- (ii) determine the need for—and if necessary, design—a more comprehensive CAREC CPMM scheme and corridor management system that will include benchmarks and performance indicators on service quality, reliability, and efficiency; asset utilization; and financing and regulatory practices;
- (iii) assist the CAREC countries pilot test and later implement a comprehensive CPMM and corridor management system, including examining the performance of and managing border crossing points;
- (iv) conduct technical training sessions to enhance the capability of CPMM participants to analyze data and prepare reports, assess the usefulness of methodologies used, and adapt such methodologies according to their expanding needs and requirements;
- (v) design and implement a skills-development program for both private and public sector participants to ensure the sustainability of the CPMM;
- (vi) assist the CAREC countries monitor the implementation of the CPMM scheme and institute measures to address identified barriers and constraints, including those related to corridor management;
- (vii) develop a regional database and website to facilitate access to relevant information regarding the corridors; and

- (viii) at the end of the project, prepare and submit a comprehensive report assessing the efficiency and effectiveness of the CAREC CPMM.

3. An international trade facilitation expert (2 person-months, intermittently over 1 year) with at least 5 years of working experience in trade facilitation in general and in Central and East Asia in particular, will be engaged to perform the following tasks:

- (i) review the available data gathered during the pilot test of the CPMM using the modified time-cost-distance methodology and determine if additional data is required;
- (ii) design a complementary methodology that will enhance the qualitative aspects of the data collection, analysis and report preparation;
- (iii) review the problems and issues identified that hinder the smooth flow of trade along the CAREC corridors, focusing on the delays, inefficiencies and high costs incurred at border crossing points;
- (iv) identify specific trade facilitation issues that hamper the implementation of an integrated approach to joint border-crossing inspections and non-enforcement of regional transit arrangements; and
- (v) assess the capacities of CAREC customs authorities to implement risk management techniques and post-entry audits that will help eliminate delays in customs and other border control procedures.

**2. National Joint Committees on Transport and Trade Facilitation and Regional Joint Committee on Transport and Trade Facilitation (4 person-months)**

4. An international transport and trade facilitation coordination expert with adequate experience in working with national and regional cooperative mechanisms will be hired to perform the following tasks:

- (i) assist CAREC countries strengthen their existing national joint committees on transport and trade facilitation (NJC), and where none exist, assist them in setting up NJCs by assessing existing collaboration mechanisms and gathering and sharing lessons from past interagency cooperation efforts;
- (ii) provide advisory services and conduct workshops and policy dialogues to help NJCs develop national integrated transport and trade facilitation action plans with measurable outputs and timelines;
- (iii) design and conduct capacity-building programs (training, seminars, and workshops) to strengthen the capabilities of NJC member agencies in supervising and evaluating projects and managing CAREC corridors, and to share knowledge in this area;
- (iv) help strengthen the regional joint committee on transport and trade facilitation (RJC) to provide regional leadership in the design, coordination, and implementation of the joint transport and trade facilitation strategy and action plan;
- (v) assist the RJC develop a monitoring scheme to ensure the synchronized development and management of CAREC corridors across all member countries in the CAREC region; and
- (vi) develop strategies to promote the participation and involvement of development partners, multilateral development agencies, and the private sector in the design,

implementation and evaluation of the joint transport and trade facilitation strategy and action plan.

### **3. Single Electronic Window (7 person-months)**

5. The services of an international single-window development expert (5 person-months), with adequate experience in the design and implementation of national and regional single-window schemes, preferably in Asia and the Pacific, and an international data exchange expert (2 person-months), with experience in developing electronic trade data interchange platforms, will be secured. The experts will work closely together to perform the following tasks:

- (i) assess the development and implementation of single electronic window (SEW) initiatives in CAREC countries where these have been introduced, including the advantages and disadvantages of the approaches taken, and current implementation issues encountered;
- (ii) assist the CAREC countries that have no SEW schemes in place to undertake feasibility studies that will include an assessment of the demand for SEW, availability of professionals and training needed, legal framework, implementation approach, business model, and promotion of the SEW scheme;
- (iii) based on the feasibility studies, assist CAREC countries develop national SEW road maps and implementation plans;
- (iv) assist CAREC countries agree on a common SEW framework suitable to the CAREC environment, with a view towards developing a regional SEW program for CAREC;
- (v) identify major steps that will lead to a regional SEW for CAREC and help establish the necessary coordinating mechanisms to develop a regional SEW road map, including forming subcommittees on form and data harmonization, legislative requirements, and procurement;
- (vi) conduct a feasibility study on adopting a common electronic data platform for CAREC; and
- (vii) assist the CAREC countries develop a regional SEW road map, including an indicative work program and terms of reference for a project implementation team.

### **4. Customs Cooperation (5 person-months)**

6. An international customs reforms expert, with at least 5 years working experience in customs procedures and regulations and adequate experience in customs modernization efforts in developing economies, including introducing international best practices in standardization and harmonization of documents and procedures, will:

- (i) provide technical advisory services to CAREC countries on the five priority areas identified by the Customs Cooperation Committee (CCC): (a) simplification and harmonization of customs procedures and documentation, (b) information communication technology for customs modernization and data exchange, (c) risk-management and post-entry audit, (d) joint customs control, and (e) regional transit development;
- (ii) assist CAREC countries realign customs modernization and reform efforts with the recently approved Customs in the 21st Century road map, including by

- assisting with development of a compendium of best practices that will be made available to all CAREC members;
- (iii) assist customs authorities develop innovative and phased-in approaches to introducing joint customs control and conduct pilot projects along CAREC priority corridors;
- (iv) organize technical workshops and dialogues to facilitate crafting of bilateral and multilateral agreements for simplified transit systems, including possible expansion of the “safe packet” scheme and other similar initiatives;
- (v) develop a proposal on how to establish a formal liaison mechanism under the CCC umbrella for customs intelligence exchange and management, including a coordination mechanism for law enforcement agencies in the region;
- (vi) provide advisory services to assist countries align their customs laws, regulations and procedures with international standards and best practices; and
- (vii) design and implement specialized training courses for customs officials, including arranging study tours to observe implementation of successful joint customs control, corridor performance monitoring, and prevention of customs offenses.

**B. National Consultants (25 person-months)**

7. National consultants will be recruited to assist the international consultants on various assignments by researching and compiling government policies and procedures, collecting relevant information, translating documents, and ensuring that the work produced by the international consultants is appropriate in the regional and national contexts. The national consultants will have extensive, in-depth regional and local knowledge and good contacts in various areas of trade facilitation, trade logistics, customs operations, and interagency coordination. The national consultants will be supervised by their respective international consultants and the ADB task manager(s).

**C. Resource Persons (international and national)**

8. Resource persons may be engaged to assist in the preparation of, and attend or make presentations to, conferences, seminars, and training events organized under this TA. In exceptional cases, ADB staff members with special knowledge and experience required for the conduct of specific TA assignments may be engaged as resource persons.