



Technical Assistance Report

Project Number: 46026-001
Regional—Policy and Advisory Technical Assistance (R-PATA)
December 2013

Facilitation of Regional Transit Trade in Central Asia Regional Economic Cooperation (Financed by the Japan Fund for Poverty Reduction)

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
CAREC	–	Central Asia Regional Economic Cooperation
CCC	–	Customs Cooperation Committee
ICT	–	information and communication technology
TIR	–	transports internationaux routiers (international road transport)
WCO	–	World Customs Organization

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Regional—Policy and advisory technical assistance (R-PATA)
Targeting classification	–	General intervention
Sector (subsectors)	–	Industry and trade (trade and services)
Themes (subthemes)	–	Regional cooperation and integration (trade and investments) economic growth (promoting economic efficiency and enabling business environment), capacity development (institutional development)
Location (impact)	–	national and/or regional (high), rural and urban (low)
Partnerships	–	Japan Fund for Poverty Reduction

NOTE

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

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I. INTRODUCTION

1. The proposed technical assistance (TA) was included in Implementing Central Asia Regional Economic Cooperation (CAREC) 2020 Strategic Framework: Wuhan Action Plan, endorsed by the 11th CAREC Ministerial Conference on 30 October 2012. The Strategic Framework for the CAREC Program, 2011–2020 (CAREC 2020) has two strategic objectives: (i) trade expansion; and (ii) improving industrial competitiveness.¹ Within CAREC 2020, trade facilitation is one of the four priority sectors of CAREC. Work in this area is guided by the Transport and Trade Facilitation Strategy (TTFS), approved in 2007 at the 6th CAREC Ministerial Conference. The TTFS has undergone a midterm review during 2012–2013 to optimize its implementation for the remaining period (2014–2020). As a result, a Refined TTFS 2020 and Implementation Action Plan has been developed and approved in 2013 by the 12th CAREC Ministerial Conference on 23–24 October in Astana, Kazakhstan.

2. At the core of the trade facilitation agenda is the customs cooperation work led by the Customs Cooperation Committee (CCC), which consists of heads of customs administrations of CAREC member countries. The objectives of the CCC are to promote concerted customs reforms and modernization, and to serve as a regional forum to address issues of common interest.

3. The CCC focuses its work on five priority areas: simplification and harmonization of customs procedures and documentation, information and communication technology (ICT) for customs modernization and data exchange, risk management and post-entry audit, joint customs control, and regional transit development. These priority areas are fully consistent with the 10 building blocks for customs in the 21st century as promoted by the World Customs Organization (WCO).

4. The TA will support the CCC's priority area on regional transit development.² The TA was discussed during the 12th CCC meeting held on 18 September 2013 in Astana, Kazakhstan. Members of the CCC agreed that the regional TA reflects the objectives of the priority area and expressed their full support. The design and monitoring framework is in Appendix 1. The TA will reinforce and complement work initiated by other TA projects of the Asian Development Bank (ADB) under the CAREC Trade Facilitation Program.³

II. ISSUES

5. International trade in Central Asian countries involves external customs transit through a neighboring country.⁴ The reason is their landlocked geography and that most of their trade is with noncontiguous countries⁵. International rail and road routes, especially those in Kazakhstan and Uzbekistan, are heavily used for regional transit between the southern Central Asian countries and their main trading partners Russia, Europe and PRC.⁶ It is estimated that the

¹ ADB. 2012. CAREC 2020: A Strategic Framework for the Central Asia Regional Economic Cooperation, 2011–2020. Manila.

² The TA first appeared in the business opportunities section of ADB's website on 24 October 2013.

³ ADB. 2007. *Technical Assistance for Integrated Trade Facilitation Support for Central Asia Regional Economic Cooperation*. Manila (TA 6437-REG); ADB. 2009. *Technical Assistance for Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation*. Manila (TA 7353-REG).

⁴ It involves transporting goods from the point of entry to the point of exit in the transit country without paying duties and taxes due on domestic consumption in that country.

⁵ ADB, 2006 "Central Asia: increasing gains from trade through regional cooperation in trade policy, transport and customs transit".

⁶ "International Transport in Central Asia: Current problems and ways forward", University of Central Asia, 2012.

overall transit freight traffic in 2009 in Azerbaijan, Uzbekistan, Turkmenistan and Tajikistan amounted near 62 million tons representing 58% of total trade of these countries. Even domestic trade between certain regions of Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan involves customs transit through another CAREC country.⁷ Accordingly, the customs transit regimes in place affect both intra- and extra-regional trade in CAREC countries and constitute a binding constraint on trade in the region. Poorly designed and implemented customs transit regimes in Central Asia make transit time long and unpredictable and are a major factor in higher trade costs.

6. The existing transit arrangements in the region are as follows:

- (i) **Bilateral and regional agreements.** There are many bilateral and regional transport agreements designed to mitigate nonphysical barriers to the movement of goods and people between CAREC member countries. These include (i) the Cross-Border Transport Agreement under the framework of CAREC, which has been ratified by two countries (the Kyrgyz Republic and Tajikistan) and is being studied for possible accession by a third (Afghanistan); and (ii) multilateral agreements, such as those under the Transport Corridor Europe–Caucasus–Asia Program, the Economic Cooperation Organization, and the Shanghai Cooperation Organization. Progress in finalizing and implementing these agreements has been varied. They mainly address key constraints on cross-border transport, such as restrictions on the entry of motor vehicles and different vehicle dimension standards. In terms of transit, these agreements tend to articulate only broad goals as policy directions for developing regional transit systems, while the bilateral agreements often reflect a balance between the interests of the two country parties and do not give sufficient consideration to other parties' interests. The existing bilateral and multilateral agreements in the region are not always in accordance with the WCO's general principles of customs transit; and some core customs transit issues, such as guarantee procedures, are usually left out of these agreements.
- (ii) **National transit regimes.** National transit applies to customs transit not covered by international or regional agreements⁸. National transit regimes are limited to national territory and do not provide a chain guarantee⁹ linking the adjacent countries. Consequently, a transport operator has to submit separate transit documents in several countries which increases transport time substantially. Providing separate guarantees in several countries is quite costly. In the absence of a guarantee, convoying is usually required and the fee for the service is rather high in some countries ranging from US\$100 to US\$285¹⁰. Another problem is that accumulating sufficient vehicles to make up a convoy takes time. In addition, all the vehicles in a convoy arrive at the same time creating an uneven workload for customs at border crossing points and causing significant processing delays.
- (iii) **International road transport customs transit system.** International road transport (TIR) is the international customs transit system implemented in the region to facilitate cross-border movements by providing a single procedure from the point of departure to

⁷ The transport networks inherited from the former Soviet Union crisscross their national borders.

⁸ It occurs when transit goods that have entered the country of destination are transferred within the national borders from the point of entry into the country to a location where they clear customs (dry port or inland container depot).

⁹ The principal of the transit operation is required to deposit a guarantee covering the value of taxes and duties that would be due in the country of transit. A guarantee can be provided as a bond by a bank, or as a form of insurance by a guarantor who can be reinsured internationally by well-known and reliable insurance companies.

¹⁰ ADB, 2006 "Central Asia: increasing gains from trade through regional cooperation in trade policy, transport and customs transit"

the point of destination, with an international guarantee chain.¹¹ It allows trucks covered by TIR carnets to travel through transit countries without a customs escort and payment of customs deposits. However, in CAREC countries, TIR is predominantly used for long-distance and high-value international shipments to Europe, Iran, and Turkey.¹² It is rarely used for shorter-distance movements within CAREC, because it is not regarded by national transporters as a cost-effective system for such shipments. The fixed costs of the TIR system are too high for most transport operators from Central Asia.

7. Currently, transit movements in the region are inhibited by a lack of regional cooperation especially (i) the lack of mutual recognition of customs control procedures, and customs seals and stamps; and (ii) inadequate regional guarantee systems.¹³ Even when a trade corridor crosses several countries, the basic transit procedure is implemented at the country level. It is partly due to transit difficulties through neighboring countries that some Central Asian countries have spent a considerable amount of resources on the construction of new roads primarily to avoid transit through a neighboring country.

8. Authorities in each customs territory along CAREC corridors are ultimately responsible for transit in that territory and can set their own rules. However, integrating transit across borders along a trade corridor instead of using a chain of national procedures will facilitate the movement of goods in transit. Large gains are possible with cross-border cooperation and the creation of a framework to integrate transit across territories into a single set of seamless procedures.

9. The Refined TTFS 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. In view of customs transit constraints in the region and considering the corridor-based approach adopted, this TA proposes to assist in identifying options for the establishment of an effective and affordable corridor-based customs transit regime as an option for transport operators.¹⁴ The TA will also determine the feasibility of implementing a pilot customs transit regime along a priority corridor involving two or more countries.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

10. The impact of the TA will be enhanced cross-border transit in CAREC. The outcome of the TA will be improvement of regional cooperation in customs transit for intraregional trade along CAREC corridors.

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

¹¹ The international transit regime initially known in French as *transports internationaux routiers* (international road transport) is now commonly referred to TIR. All CAREC countries except the People's Republic of China (PRC) and Pakistan are contracting parties of the TIR Convention. The PRC and Pakistan are in process of accession.

¹² Major long-distance routes using TIR are (i) between Europe and Central Asia, (ii) between Iran or Turkey and Central Asia, (iii) between Europe or Turkey and Azerbaijan, and (iv) between Azerbaijan and Iran.

¹³ Cooperation and mutual recognition ensure that control measures undertaken by the customs office of the exporting country are accepted by customs offices in the transit and destination countries, and cargo will not be subjected to repeated inspections unless otherwise justified in exceptional cases.

¹⁴ The TIR coexists in many countries with national, bilateral and regional transit systems. Transport operators have the freedom to choose a transit system with the understanding that operators are not forced to switch from one system to another once transit transport has started from the customs office of departure.

- (i) **Establishment of a single regional guarantee mechanism.** Developing a single regional guarantee throughout the transit period instead of multiple guarantees is the core component of a regional transit regime. This would be a chain guarantee system that ensures that customs duties and taxes at risk are covered by the national guarantee system of the transport operator.
- (ii) **Assessment of requirements for a streamlined legal and regulatory framework for regional customs transit.** Compatibility between the countries' national transit legislation will be assessed to minimize additional legislation requirements, and to prepare a set of draft requirements for a regional transit system that takes into consideration national and international dimensions.
- (iii) **Identification of a set of recommendations on ICT system development for the regional transit regime.** It is important to identify ICT solutions that can add value to the development of a regional guarantee system. Unlike customs clearance, which happens in one place, transit requires an exchange of information from at least three places: transit initiation, transit termination, and guarantor (to validate and discharge the bond). The management and tracing of cargo manifests are not always properly and rigorously implemented, and in many cases are not automated, causing major errors and delays. An ICT system can be an instrument for seamless exchange of information on a transit manifest, and for initiation and termination of a bond. ICT options should be reviewed at an early stage and should be decided on during the development of a transit system. The TA will provide recommendations on the proposed role of and requirements for an ICT system.

B. Methodology and Key Activities

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

- (i) **Single regional guarantee mechanism.** The project will support consultations between customs authorities, potential guarantee organizations (banks and insurance companies), transporters, and members of the CAREC Federation of Carrier and Forwarder Associations with a view to designing a chain guarantee system to ensure that customs duties and taxes at risk are covered. This will include discussions with current guarantors under national transit systems to consider how their national guarantees might be extended across borders.
- (ii) **Legal and regulatory framework.** Assistance will be provided to assess the compatibility between CAREC countries' national transit legislation to minimize legislation requirements. The results of the assessment will be used to prepare a set of draft requirements for a regional transit system that takes into consideration national and international dimensions.
- (iii) **ICT support systems.** An assessment will be done on the current use of ICT in transit operations in CAREC countries, and opportunities will be identified for enhancing ICT to support the development of a regional transit system.

C. Cost and Financing

13. The TA is estimated to cost \$1,500,000, which will be financed on a grant basis by the Japan Fund for Poverty Reduction and administered by ADB. The project will be part of the Trade Facilitation Mechanism initiated by the Government of Japan in November 2010. The governments of CAREC countries will provide counterpart support in the form of necessary

office space, counterpart staff, and other services to the consultants, and will assist in arranging meetings with counterpart agencies. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

14. ADB will serve as the executing agency. The Public Management, Financial Sector and Regional Cooperation Division of ADB's East Asia Department will be a focal point and will administer the TA in close coordination with the CAREC Unit of the Central and West Asia Department. The TA will be implemented in close coordination with the WCO and will contribute to implementation of the memorandum of understanding between ADB and WCO signed on 4 May 2010 during ADB's 43rd Annual Meeting in Tashkent, Uzbekistan. In addition, the Customs and Tariff Bureau of Japan's Ministry of Finance and Japan International Cooperation Agency were consulted in terms of relevance and approach of the proposals. It was decided that ADB will provide them with information about activities to be undertaken during implementation and that the Customs and Tariff Bureau will participate in workshops and events for experience sharing with CAREC countries. The TA will be implemented over 2 years and 2 months, from 1 March 2014 to 30 April 2016.

15. A total of 20 person-months of international consulting services and 70 person-months of national consulting services will be required to provide advisory and technical services under the TA. The outline terms of reference for consultants are in Appendix 3. All consultants will be selected and engaged through a firm, except for a transit facilitation project analyst who will be recruited on an individual basis. The preferred selection method for the consultants is quality- and cost-based selection with a quality cost ratio of 80:20. All consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Proceeds of the TA will be disbursed in accordance with the *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

16. The international consultants will be specialists in customs transit, transport, and trade facilitation. They will be supervised by ADB's task manager(s), with a lead consultant serving as the main focal point and providing overall coordination to a team of experts working mainly in the field. National consultants will be recruited to assist the international consultants by researching and compiling documents and information, translating documents, organizing training seminars and other events, and providing administrative and logistical support. The national consultants will have extensive, in-depth regional and local knowledge.

17. The TA outputs, particularly the findings and recommendations from assessments and studies, will be disseminated through workshops, seminars, conferences, and publications, as well as the CAREC website. Progress of the TA will be monitored using the intended outcome and outputs described in the design and monitoring framework.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$1,500,000 to be financed on a grant basis by the Japan Fund for Poverty Reduction for Facilitation of Regional Transit Trade in Central Asia Regional Economic Cooperation, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact</p> <p>Enhanced cross-border transit in CAREC corridors</p>	<p>By 2020, transit trade in the corridors where the agreed customs transit regime is piloted increases by 15% compared to the 2010 baseline¹</p>	<p>National customs service reports</p> <p>CAREC trade and transport facilitation progress reports</p> <p>CAREC Corridor Performance Measurement and Monitoring quarterly and annual reports</p> <p>CCC meeting reports</p> <p>TA completion report</p>	<p>Assumption</p> <p>CAREC governments continue to support regional cooperation initiatives to expand trade and improve competitiveness in the region.</p> <p>Risk</p> <p>Political instability in some CAREC countries may disrupt reforms being undertaken.</p>
<p>Outcome</p> <p>Regional cooperation in customs transit improved for intraregional trade along CAREC corridors</p>	<p>By September 2016 CAREC countries agree to pilot a customs transit regime for a corridor, involving at least two countries</p>	<p>CAREC trade and transport facilitation progress reports</p> <p>CCC meeting reports</p> <p>TA completion report</p>	<p>Assumption</p> <p>Regional transit development remains a regional cooperation priority for customs authorities of CAREC.</p> <p>Risk</p> <p>Control mentality and prevalence of customs convoys may hamper the adoption of the regional transit system.</p>
<p>Outputs</p> <p>1. Establishment of a single regional guarantee mechanism</p>	<p>By June 2015, an assessment of the potential to integrate current national transit systems to form a corridor-based customs transit regime undertaken</p> <p>By June 2015, options for the establishment of a chain guarantee mechanism examined</p>	<p>Progress and final reports by consultants</p> <p>CAREC trade and transport facilitation progress reports</p> <p>CCC meeting reports</p> <p>Ministerial Conference and Senior Officials Meeting progress reports</p>	<p>Assumptions</p> <p>Customs administrations cooperate to identify constraints and develop solutions.</p> <p>TA recommendations are applied.</p>

¹ The baseline data will be established during implementation of the TA.

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks												
<p>2. Assessment of requirements for a streamlined legal and regulatory framework for regional customs transit</p> <p>3. Identification of a set of recommendations on ICT system development for regional transit regime</p>	<p>By December 2015, an implementation plan for pilot testing of the transit regime prepared</p> <p>By May 2015, a regulatory review completed</p> <p>By July 2015, review of ICT status and ICT requirements for regional transit completed</p>														
Activities with Milestones		Inputs													
<p>1. Establishment of a single regional guarantee mechanism</p> <p>1.1 Develop questionnaires for various stakeholders (by May 2014)</p> <p>1.2 Undertake consultations with potential guarantee organizations (banks and insurance companies), transporters, and customs (by December 2014)</p> <p>1.3 Assess feasibility on how national guarantees could be extended across borders (by March 2015)</p> <p>1.4 Analyze potential methods of developing a chain guarantee system (by June 2015)</p> <p>1.5 Prepare implementation plan for pilot testing of the transit regime (by December 2015)</p> <p>1.6 Launch regional customs transit along at least one CAREC corridor (by February 2016)</p> <p>2. Assessment of requirements for a streamlined legal and regulatory framework for regional customs transit</p> <p>2.1 Conduct legislative evaluation to assess compatibility between the countries' national</p>		<p>Japan Fund for Poverty Reduction: \$1,500,000</p> <table border="1" data-bbox="818 1058 1443 1444"> <thead> <tr> <th data-bbox="818 1058 1143 1089">Item</th> <th data-bbox="1143 1058 1443 1089">Amount (\$'000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="818 1089 1143 1142">Consultants</td> <td data-bbox="1143 1089 1443 1142">1,030</td> </tr> <tr> <td data-bbox="818 1142 1143 1236">Training workshops, seminars, meetings</td> <td data-bbox="1143 1142 1443 1236">375</td> </tr> <tr> <td data-bbox="818 1236 1143 1289">Miscellaneous</td> <td data-bbox="1143 1236 1443 1289">20</td> </tr> <tr> <td data-bbox="818 1289 1143 1362">Contingencies</td> <td data-bbox="1143 1289 1443 1362">75</td> </tr> <tr> <td data-bbox="818 1362 1143 1444">Total</td> <td data-bbox="1143 1362 1443 1444">1,500</td> </tr> </tbody> </table> <p>Note: The government will provide counterpart support in the form of necessary office space, counterpart staff, and other services to the consultants, and will assist in arranging meetings with counterpart agencies and other in-kind contributions.</p>		Item	Amount (\$'000)	Consultants	1,030	Training workshops, seminars, meetings	375	Miscellaneous	20	Contingencies	75	Total	1,500
Item	Amount (\$'000)														
Consultants	1,030														
Training workshops, seminars, meetings	375														
Miscellaneous	20														
Contingencies	75														
Total	1,500														

Activities with Milestones	Inputs
<p>transit legislation (by March 2015)</p> <p>2.2 Prepare a set of draft requirements for a regional transit system taking into consideration national and international dimensions (by May 2015)</p> <p>3. Identification of a set of recommendations on ICT system development for regional transit regime</p> <p>3.1 Assess current use of ICT in transit operations in CAREC countries (by May 2015)</p> <p>3.2 Develop system requirements and operational scope of an ICT system in support of the regional transit regime (by July 2015)</p>	

CAREC = Central Asia Regional Economic Cooperation, CCC = Customs Cooperation Committee, ICT = information and communication technology, TA = technical assistance.
 Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Japan Fund for Poverty Reduction^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	520.00
ii. National consultants	285.00
b. International and local travel	160.00
c. Reports and communications ^b	65.00
2. Training, seminars, and conferences	375.00
3. Miscellaneous administration and support costs ^c	20.00
4. Contingencies	75.00
Total	1,500.00

Note: The technical assistance (TA) is estimated to cost \$1,600,000, of which contributions from the Asian Development Bank are presented in the table above. The governments will provide counterpart support in the form of necessary office space, counterpart staff, and other services to the consultants, and will assist in arranging meetings with counterpart agencies, and other in-kind contributions. The value of contribution from the governments is estimated to account for 6.25% of the total TA cost.

^a Administered by the Asian Development Bank.

^b Including cost of written translation of documents and publication of final reports.

^c Written translations, office supplies for events, printing of banners and leaflets, meetings assistants (copy person to reproduce materials, support for workshops).

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The East Asia Department of the Asian Development Bank (ADB) will oversee technical assistance (TA) implementation. The indicative time allocations and outline terms of reference of international and national consultants are listed in paras. 2–8. The terms of reference will be further refined and expanded before consultant recruitment.

A. International Consultants

2. International consultants in the following areas of expertise will be recruited through a firm. Sufficient flexibility based on periodic progress assessments will be allowed in determining the duration of the required expert inputs. The international consultants will be supervised by the ADB task manager(s), with a lead consultant serving as the main focal point and providing overall coordination to a team of experts mainly working in the field. The reporting requirements will generally include inception, interim, and final reports. The consultants are also expected to prepare training materials, conduct training sessions, and perform other tasks as requested by the ADB task manager(s). In addition to their professional contributions, all consultants and resource persons are to assist ADB in disseminating best practices and supporting high-level policy dialogues through knowledge products such as strategic publications, and policy and strategy papers.

3. **Trade facilitation specialist** (10 person-months). The specialist should have a university degree in economics, business administration, or law. He or she should have extensive knowledge of transport, transit, and trade facilitation, especially in the context of transport corridors and regional cooperation, preferably with at least 5 years of experience working with Central, West, and East Asia. Under the guidance of the ADB task manager(s), the consultant will

- (i) identify the major transit corridors in the Central Asia Regional Economic Cooperation (CAREC) region;
- (ii) establish baseline data against which to measure TA impact;
- (iii) assess the constraints in each corridor relating to customs transit procedures, including the
 - (a) availability of transit declaration,
 - (b) border procedures,
 - (c) incidence of convoying,
 - (d) pricing and basis of national guarantees,
 - (e) availability of information and communication technology (ICT) systems to manage transit, and
 - (f) level of operational irregularities;
- (iv) develop questionnaires and conduct interviews, and prepare a list of stakeholders to undertake consultations, including customs administrations, national international road transport associations, ministries of transport, and one or two major transport operators per country;
- (v) conduct meetings and prepare summary discussions and ranking of areas for action;
- (vi) compile the results of the needs assessment survey into a report identifying major national and regional constraints; and
- (vii) participate in presentations and technical meetings to discuss the findings as needed.

4. **Transit facilitation specialist** (10 person-months). The specialist should have a university degree in economics, business administration, or law. He or she should have extensive knowledge of transport, transit, and trade facilitation, 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 East Asia. The consultant will

- (i) analyze potential methods of developing a chain guarantee system;
- (ii) develop and undertake a survey to identify the constraints of the current national system;
- (iii) undertake consultations with customs administrations, banks and insurance companies, transporters, and major traders;
- (iv) assess the feasibility of extending national guarantees across borders;
- (v) examine the legal and regulatory framework in each country to establish the requirements of each system and the synergies between requirements;
- (vi) assess compatibility between the countries' national transit legislation;
- (vii) prepare a set of legislative requirements for a regional transit system;
- (viii) assess the current use of ICT in transit operations in CAREC countries;
- (ix) identify the role of ICT in the options for developing a regional transit system;
- (x) make proposals on the operational scope of an ICT system to support a regional transit regime; and
- (xi) based on the information gathered, identify a suitable transit corridor to pilot test the transit regime identified and prepare an implementation plan covering two countries in the region.

B. National Consultants

5. National consultants will be recruited to assist the international consultants by researching and compiling documents and information, translating documents, organizing training seminars and other events, and providing administrative and logistical support. The national consultants will have extensive, in-depth regional and local knowledge and good contacts in the areas of trade facilitation, customs, and transit facilitation. The national consultants will be supervised by the international consultants and the ADB task manager(s).

6. **Legal specialists** (two positions, 10 person-months combined). The specialists should have law degrees and experience in transit, trade, and transport facilitation; and regional cooperation. The consultants will help the transit specialists compile legal documents and assess national transit legislation as well as international conventions signed by each country. The experts will help prepare a set of legislative requirements for a regional transit system.

7. **Assessment team members** (four positions, 45 person-months combined). The team members will have degrees in economics, business, or a related field; and experience in trade and transport facilitation. They will (i) support and assist the international transit specialists, (ii) provide support to identify organizations to be interviewed and assist in scheduling interviews, (iii) prepare summaries of the information collected during the interviews, (iv) compile a list of impediments affecting transit, (v) help evaluate opportunities for eliminating the impediments, and (vi) organize workshops and events to discuss the findings of the assessments and action plans developed.

8. **Transit facilitation project analyst** (15 person-months). The analyst will have a graduate degree in economics, business, or a related field; and experience in regional cooperation. The analyst will provide technical and administrative support for activities to be

implemented under the TA. Specifically, the analyst will help the East Asia Department team coordinate TA activities, including facilitating communication with consultants and participating governments. He or she will provide secretariat and coordination support by preparing progress reports, compiling background documents for workshops and seminars, and updating TA information and data. The analyst will also assist in the preparation, publication, and dissemination of knowledge products emanating from the TA.