



Technical Assistance Report

Project Number: 47380-001
Regional—Policy and Advisory Technical Assistance (R-PATA)
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Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation (Phase 2)

(Cofinanced by the Regional Cooperation and Integration Fund
and the People's Republic of China Regional Cooperation and
Poverty Reduction Fund)

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ABBREVIATIONS

CAREC	–	Central Asia Regional Economic Cooperation
CFCFA	–	CAREC Federation of Carrier and Forwarder Associations
CPMM	–	corridor performance measurement and monitoring
DEfR	–	development effectiveness review
km	–	kilometer
SOM	–	senior officials' meeting
TA	–	technical assistance
TTFS	–	Transport and Trade Facilitation Strategy
WTO	–	World Trade Organization

NOTE

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

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POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 47380-001	
Project Name	Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation (Phase 2)	Department /Division	EARD/EAPF
Country Borrower	REG Regional	Executing Agency	Asian Development Bank
2. Sector	Subsector(s)	Financing (\$ million)	
✓ Industry and trade	Trade and services		0.75
Transport	Multimodal logistics		0.75
		Total	1.50
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
		No gender elements (NGE)	✓
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Regional	High
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		1.00	
Sovereign Policy and advisory technical assistance: Regional Cooperation and Integration Fund		0.50	
Sovereign Policy and advisory technical assistance: Technical Assistance Special Fund		0.50	
Cofinancing		0.50	
PRC Regional Coop. and Poverty Reduction Fund		0.50	
Counterpart		0.10	
Government		0.10	
Total		1.60	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		No	

I. INTRODUCTION

1. Trade facilitation is one of the Central Asia Regional Economic Cooperation (CAREC) Program's four priority sectors.¹ As described in the CAREC Transport and Trade Facilitation Strategy (TTFS),² trade facilitation program features two components: (i) customs-related work to cover concerted customs reform, modernization, and cross-border cooperation; and (ii) integrated trade facilitation to promote efficient regional trade logistics services, priority trade corridor development, application of sanitary and phytosanitary measures, adoption of single windows through enhanced interagency coordination, corridor performance measurement and monitoring (CPMM), and private sector participation.³ A midterm review⁴ of the TTFS documented achievements registered in the initial phase of TTFS implementation and identified areas where further work is needed.

II. ISSUES

2. The midterm review produced a refined TTFS (CAREC Transport and Trade Facilitation Strategy 2020) and implementation action plan, approved by the 12th CAREC Ministerial Conference on 24 October 2013.⁵ The refined TTFS, referenced as an integral part of this TA report, aims to strengthen interagency coordination and increase private sector participation to facilitate trade, develop an efficient regional trade logistics service sector, and monitor TTFS implementation. Priority actions include (i) continuing to conduct CPMM while expanding its coverage to capture data on the performance of trade logistics service providers, and making better use of the CPMM database to inform policy formulation, investment decisions, and transport operations; (ii) strengthening mechanisms for public-private dialogue, particularly through augmenting the CAREC Federation of Carrier and Forwarder Associations (CFCFA) capacity and ensuring its sustainability; and (iii) furthering capacity building for CAREC countries in trade facilitation.⁶ As the lead development partner for trade facilitation programs under CAREC, ADB is requested to finance regional TA to support these priority actions.

3. This TA is designed to support implementation of the refined TTFS. In this respect, it continues and expands upon efforts initiated under CAREC: Working with the Private Sector in Trade Facilitation by providing operational data to monitor TTFS implementation.⁷ The TA is also consistent with the ADB's strategic priorities for 2014–2020 as outlined in the Midterm Review of Strategy 2020, which calls for greater attention to trade facilitation, expanding

¹ CAREC was established in 1997 to promote development through cooperation among participating countries: Afghanistan, Azerbaijan, the People's Republic of China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. CAREC is an alliance of six multilateral agencies: Asian Development Bank (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.

² ADB. 2006. *Technical Assistance for the Central Asia Regional Economic Cooperation: Transport Sector Strategy Study*. Manila.

³ Customs cooperation has been the core of CAREC's trade facilitation program. With funding from Japan's Trade Facilitation Mechanism, ADB provides substantial TA: (i) ADB. 2013. *Technical Assistance for Coordinated Border Management for Results in Central Asia Regional Economic Cooperation*. Manila; (ii) ADB. 2013. *Technical Assistance for Aligning Customs Trade Facilitation Measures with Best Practices in Central Asia Regional Economic Cooperation*. Manila; and (iii) ADB. 2013. *Technical Assistance for Facilitation of Regional Transit Trade in Central Asia Regional Economic Cooperation*. Manila.

⁴ ADB. 2012. *Technical Assistance for Central Asia Regional Economic Cooperation: Midterm Review of the Transport and Trade Facilitation Strategy and Implementation Action Plan*. Manila.

⁵ ADB. 2014. *CAREC Transport and Trade Facilitation Strategy 2020*. Manila.

⁶ Detailed information on CFCFA and its membership is available at <http://cfcfa.net/>.

⁷ ADB. 2009. *Technical Assistance for CAREC: Working with the Private Sector in Trade Facilitation*. Manila.

connectivity and extending value chains, and support for second-generation of regional cooperation and integration initiatives focusing on productivity-led growth. Consultations were conducted with CFCFA members, other CPMM partners, and CAREC country trade facilitation sector focal points throughout 2013–2014 (in connection with a midterm review of the original TTFS and at senior officials' meetings [SOMs]) to determine the TA impact, outcome, outputs, and implementation arrangements. The TA is included in the CAREC list of medium-term priority projects endorsed by the ministerial conference. The SOM expressed broad agreement on key aspects of the TA and provided strong support for its design and implementation. The design and monitoring framework is in Appendix 1.⁸

4. The private sector has played an integral role in CAREC trade facilitation. To monitor TTFS implementation and CAREC corridor performance, ADB (funded initially from ADB's TA for Integrated Trade Facilitation Support for Central Asia Regional Economic Cooperation), together with CFCFA member associations, launched CAREC CPMM in 2009.⁹ CPMM features an elaborate operational methodology used to assess transportation effectiveness and efficiency of border procedures in CAREC. Vehicle drivers and freight forwarders recruited by CFCFA member associations gather detailed information on time and cost spent in transporting goods across the six CAREC corridors. (Memorandums of understanding governing traffic data collection and submission to ADB have been signed with transport carrier and freight forwarder associations in most CAREC countries.) This information helps identify constraints and bottlenecks hindering the flow of goods within the region and provides critical inputs in formulating viable solutions. CPMM supports policy reforms to improve transport links and facilitate trade between CAREC member countries.

5. CPMM plays a critical role for ADB, other development partners, and CAREC countries. A regional project approved in 2013 by ADB relied on CPMM data to identify key border crossing points where investments are urgently needed to reduce bottlenecks.¹⁰ CPMM data will be instrumental in assessing project impact and outcome. A World Bank evaluation of supply chain efficiency in Central Asia relies on CPMM data to support its analysis.¹¹ The United States Agency for International Development is also using CPMM data to assess the impact of its investments in Afghanistan. The annual CAREC development effectiveness review (DEfR) mandates that the benefits of CAREC corridors be maximized by identifying—and eliminating—key nonphysical barriers to cross-border transport. CPMM data contribute four trade facilitation indicators to the DEfR, thus guiding fulfillment of this mandate. Kazakhstan hosted a workshop on maximizing the use of CPMM data to improve corridor performance.

6. CPMM coverage has recently expanded to include traffic originating in, terminating in, or transiting Pakistan and Turkmenistan. The June 2013 CAREC SOM supported the continuation and refinement of CPMM. The scope of CPMM is expanding to gather more railway data. But further work is needed to enrich and make best use of CPMM, including: (i) creating metrics to capture trade facilitation contributions of trade logistics services; (ii) more thoroughly mining the CPMM database to extract valuable information for policymakers, investment decision-makers, inventory managers, and fleet managers; (iii) further strengthening the capacity of partner

⁸ The TA first appeared in the business opportunities section of ADB's website on 31 March 2014.

⁹ ADB. 2007. *Technical Assistance for Integrated Trade Facilitation Support for Central Asia Regional Economic Cooperation*. Manila.

¹⁰ ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grants to Kyrgyz Republic and the Republic of Tajikistan for the Central Asia Regional Economic Cooperation: Regional Improvement of Border Services Project*. Manila.

¹¹ Rastogi, Cordula, and Jean-François Arvis. 2014. *The Eurasian Connection: Supply-Chain Efficiency along the Modern Silk Route through Central Asia*. Directions in Development. Washington, DC: World Bank. doi:10.1596/978-0-8213-9912-5. License: Creative Commons Attribution CC BY 3.0 IGO

associations; and (iv) having more frequent dialogue between CPMM partners and customs officials responsible for conducting time release studies. The June 2014 SOM, encouraging CAREC countries to take further measures to address identified obstacles and improve corridor performance, noted the suggestions for CPMM refinements.

7. As recognized in the TTFS midterm review, customs cooperation alone cannot address all trade facilitation issues. The World Trade Organization (WTO) Trade Facilitation Agreement highlights the need to enhance collaboration among many agencies, including those in charge of transport, trade, customs services, and other cross-border activities.¹² Other stakeholders also need to be involved: private sector engagement is instrumental to ensure trade-facilitating measures enjoy broad support. Private companies face multiple difficulties in trading across borders in most CAREC 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, and (iv) high behind-the-border costs. These costs affect the private sector, which often lacks the means to comply with complex rules. The compliance costs for customs and border procedures and other non-tariff measures are significant relative to trade volumes. Comprehensive strategies and actions are needed to remove such constraints, and private sector stakeholders need to be involved in designing, implementing, and monitoring such strategies and action plans.

8. To initiate and encourage private sector engagement, ADB approved TA for CAREC: Working with the Private Sector in Trade Facilitation, which supported establishing the CFCFA. Apart from the role played by many of its members in contributing to CPMM, CFCFA has become an increasingly coherent advocate of the private sector in recommending how best to facilitate trade. At the country level, its members engage regulators and policymakers in dialogue. Regionally, CFCFA has organized outreach events, is developing a core curriculum of professional training programs, and is taking over as custodian of its website. Formally registered in Hong Kong, China, it has provided regular updates to CAREC SOMs, Customs Cooperation Committee gatherings and the CAREC Transport Sector Coordination Committee.

9. To give clarity and focus to its work, CFCFA established three working groups: (i) standardization and adoption of international best practices, (ii) cross-border and corridor development, and (iii) organization development and funding. The groups write annual work plans for CFCFA, engage with policymakers, and strive to make CFCFA a self-sustaining federation. At its August 2013 annual meeting, CFCFA identified issues encountered in shipping across borders—such as differences in pallet and container sizes and rules on truck sizes and weights—that result in delays and additional costs for CFCFA members. Involving private sector stakeholders may accelerate progress on the adoption of common standards. Industry-led promulgation of standards (shipping container dimensions, telecommunication protocols, etc.) has introduced greater efficiency in other contexts and can help to overcome trade obstacles in CAREC. Vehicle weight restrictions (axle loads) and pallet dimensions, for instance, differ from one country to the next. Agreement among CFCFA members on such matters can provide a basis for country-level discussions, leading eventually to regional accord.

10. CFCFA also examined issues related to insuring vehicles and goods in transit. Members agreed to identify and develop common standards that might be applied regionally to minimize the time and cost of cargo transshipment and cross-border transport. They commissioned an overview of insurance product offerings applicable to cross-border movements within CAREC.

¹² CAREC countries that have acceded to the WTO include the People's Republic of China, the Kyrgyz Republic, Mongolia, Pakistan, and Tajikistan.

11. CFCFA members recognize the value they derive from CFCFA and are prepared to pay membership dues. Now in CFCFA custody, the website can be used to generate revenue. As CFCFA seeks to ensure its sustainability, there is merit in continuing to provide transitional TA support for further capacity-building initiatives.

III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

A. Impact and Outcome

12. The impact will be expanded trade among CAREC countries and with global markets via CAREC corridors such that, by 2020, the value of interregional trade increases fivefold (from 2005 baseline: \$7.961 billion) and cost incurred at a border crossing point clearance decreases by 20% to \$149 (from 2010 baseline: \$186). The outcome will be sustainable, safe, and user-friendly transport and trade networks (and corresponding institutional frameworks) developed for CAREC. By 2018: (i) CFCFA membership will increase from 19 members (in 2013) to 25 members; and (ii) speed with delay to travel 500 kilometers (km) on CAREC corridor section will increase by 30% to 30.0 km per hour (from 2010 baseline: 23.5 km per hour).

B. Methodology and Key Activities

13. The impact and outcome will be achieved through the delivery of TA outputs, including: (i) conducting and expanding CPMM to quantify the contributions of trade logistics services and carrying out more insightful research, using CPMM data to yield valuable insights for policy formulation and improved operations; (ii) strengthening CFCFA to ensure its sustainability, and supporting its working groups to increase its relevance; and (iii) increasing private sector participation by supporting industry-generated standards to facilitate cross-border trade. Sustained conduct of CPMM will continue to inform key stakeholders, the CAREC DEfR, and development partners on the performance of CAREC corridors and progress toward achieving the impact and outcome of associated investments. Proactive responses to address shortcomings identified by CPMM will help ensure TA impact. Through improved public-private dialogue (leading to agreement on a series of industry-inspired CAREC-wide standards), comprehensive monitoring of and reporting on corridor performance, and effective delivery of capacity-building programs, the TA aims to ensure the efficient and safe movement of goods and people. CAREC-wide standards on such matters as vehicle weight can reduce the need to transfer shipments from one vehicle to another, limiting loss and damage in transit. More robust monitoring and analysis of corridor performance will prompt and guide improvements in infrastructure, trade regulation, and border management. Improved trade logistics skill sets will yield more efficient service delivery. Engaging stakeholders will help to achieve TA outcome.

14. Key assumptions include (i) continued implementation by CAREC country governments of economic- and trade-related reform programs, particularly the Trade Facilitation Agreement obligations undertaken by CAREC WTO members; and (ii) access to reliable railway, customs, and trade logistics performance data for CAREC corridors. Possible risks include slow progress on trade liberalization, incomplete implementation of regional commitments, and uncoordinated development of border-crossing facilities.

C. Cost and Financing

15. The TA is estimated to cost \$1,500,000, of which \$500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V); (ii) \$500,000 will be financed on a

grant basis by the Regional Cooperation and Integration Fund;¹⁴ and (iii) \$500,000 will be financed on a grant basis by the People's Republic of China Regional Cooperation and Poverty Reduction Fund and administered by ADB. CAREC governments and private sector stakeholders participating in and otherwise benefiting from TA-funded activities will provide counterpart support in the form of translation and interpretation support; venues for training, seminars, and conferences; domestic transportation; and other in-kind contributions. The CAREC Institute and the ADB Institute will be enlisted to share and disseminate best practice as well as strengthen and expand public-private dialogue. A detailed Cost Estimates And Financing Plan is in Appendix 2.

D. Implementation Arrangements

16. A total of 25 person-months of international consultant and 36 person-months of national consultant inputs will be required to provide TA advisory and technical services. The consultants will be specialists in integrated trade facilitation, regional trade logistics, customs reform and modernization, and institutional and capacity building, with special expertise in crafting agreement on common standards and increasing private sector participation in the provision of transport and trade logistics services. Because the TA will involve independent, intermittent, low-level-of-effort assignments requiring more independent situation assessments and less coordination of activities, consultants will be selected and engaged by ADB as individuals based on their qualifications and experience. The consultants will be engaged by ADB in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time). The outline terms of reference for consultants are in Appendix 3. TA proceeds will be disbursed in line with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended periodically).

17. The TA will be implemented over 42 months, from 1 January 2015 to 30 June 2018. ADB will be the executing agency. The implementing agency will be CFCFA constituent members. As the TA supervising unit, the Public Management, Financial Sector, and Regional Cooperation Division of ADB's East Asia Department will administer and implement the TA in collaboration with ADB's Central and West Asia Department and resident missions.

18. Memorandums of understanding will be concluded with CPMM partners to reimburse them for the cost of collecting, compiling, and transmitting to ADB time-cost-distance data reviewed and accepted by the internationally recruited CPMM experts. Per-time-cost-distance costs have been established for each CAREC country based on prevailing market conditions.

19. The TA outputs, particularly CPMM reports and other knowledge products, will be disseminated through workshops, seminars, conferences, and via the internet. As appropriate, outputs will also be disseminated at events convened by other regional cooperation initiatives.

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) ADB providing the balance not exceeding the equivalent of \$1,000,000 on a grant basis, for the Central Asia Regional Economic Cooperation: Working with the Private Sector in Trade Facilitation (Phase 2), and hereby reports this action to the Board.

¹⁴ Established by ADB. Financing partner: the Government of Japan.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Expanded trade among CAREC countries and with global markets via CAREC corridors</p>	<p>By 2020: Value of interregional trade increases fivefold (from 2005 baseline: \$7.961 billion)</p> <p>Cost incurred at a border crossing point clearance decreases by 20% to \$149 (from 2010 baseline: \$186)</p>	<p>Direction of Trade statistics, International Monetary Fund</p> <p>World Customs Organization and World Trade Organization reports</p> <p>National and provincial databases</p> <p>CAREC Institute, CCC, CFCFA, and TSCC periodic reports</p> <p>CAREC Development Effectiveness Review</p> <p>World Bank Doing Business</p> <p>World Bank logistics performance index</p> <p>COMTRADE^a</p>	<p>Assumption Trade facilitation and cooperation remain as key elements of CAREC country development agendas</p> <p>Risk Absence of substantial capital investment dampens incentives for countries to facilitate trade</p>
<p>Outcome Sustainable, safe, and user-friendly transport and trade networks (and corresponding institutional frameworks) developed for CAREC</p>	<p>By 2018: CFCFA membership increases from 19 members (in 2013) to 25 members</p> <p>Speed with delay to travel 500 km on CAREC corridor section increases by 30% to 30.0 km per hour (from 2010 baseline: 23.5 km per hour)</p>	<p>CAREC TSCC and CCC periodic reports</p> <p>CPMM quarterly and annual reports</p> <p>Consultant reports</p> <p>CAREC country government resolutions and enabling legislation</p> <p>World Bank Doing Business</p> <p>World Bank logistics performance index</p>	<p>Assumptions CFCFA continues to develop, establishing strategic partnerships with other representatives of the business community and recruiting new members</p> <p>NJCs prove to be active, productive forums for discussion and promulgation of action items for government consideration</p> <p>Risks Public-private dialogue generates more acrimony than amity</p> <p>Lack of stakeholder coordination and</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
			participation
<p>Outputs</p> <ol style="list-style-type: none"> 1. CPMM conducted, its methodology refined and strengthened, with emphasis on capturing performance of trade logistics services 2. Sustainability of CFCFA strengthened 3. Private sector participation opportunities developed to promote wider involvement in integrated trade facilitation 	<p>Identification of monitoring indicators for trade logistics services (by December 2014)</p> <p>A refined CPMM that captures data on trade logistics services (by July 2015)</p> <p>First CFCFA meeting convened without ADB sponsorship (by 2015)</p> <p>Industry-initiated standards developed, agreed upon, approved, and adopted by all CFCFA members (by 2017)</p>	<p>CAREC Development Effectiveness Review</p> <p>CPMM quarterly and annual reports</p> <p>CFCFA database and website (cfdfa.net)</p> <p>World Bank Doing Business</p> <p>World Bank logistics performance index</p>	<p>Assumption</p> <p>Prompt submission of complete data sets and strong commitment and participation of stakeholders</p> <p>Risks</p> <p>Data are not comparable from one country to the next</p>
<p>Activities with Milestones</p> <ol style="list-style-type: none"> 1. CPMM conducted, its methodology refined and strengthened, with emphasis on capturing performance of trade logistics services <ol style="list-style-type: none"> 1.1 Conduct review on how best to capture performance data on trade logistics services (by December 2014) 1.2 Roll out refined CPMM to partner institutions and associations (by July 2015) 1.3 Prepare and publish CPMM reports (quarterly and annually through 2017) 2. Sustainability of CFCFA strengthened <ol style="list-style-type: none"> 2.1 Develop a long-term sustainability strategy for CPMM (by December 2015) 2.2 Lead identification and development of a set of CAREC-wide standards to expedite cross-border movement of imports, exports, and transit traffic (by December 2017) 3. Private sector participation opportunities developed to promote wider involvement in integrated trade facilitation <ol style="list-style-type: none"> 3.1 Conduct specialized research on topics such as standardization of vehicles, public-private partnership (ongoing until 2018) 3.2 Collaborate with other subregional programs (e.g., Greater 		<p>Inputs</p> <p>ADB: Technical Assistance Special Fund (TASF-V): \$0.5 million</p> <p>People's Republic of China Regional Cooperation and Poverty Reduction Fund: \$0.5 million</p> <p>Regional Cooperation and Integration Fund: \$0.5 million</p> <p>Note: CAREC governments and private sector stakeholders participating in and otherwise benefitting from TA-funded activities will provide counterpart support in the form of translation and interpretation support; venues for training, seminars, and conferences; domestic transportation; and other in-kind contributions.</p>	

Activities with Milestones	Inputs
Mekong Subregion, South Asia Subregional Economic Cooperation) in trade facilitation (ongoing until 2018)	

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, km = kilometer, NJC = national joint transport and trade facilitation committee, technical assistance = TA, TSCC = Transport Sector Coordination Committee.

^a United Nations Commodity Trade Statistics Database.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Asian Development Bank^a	People's Republic of China Regional Cooperation and Poverty Reduction Fund^b	Regional Cooperation and Integration Fund^c	Total
1. Consultants				
a. Remuneration and per diem				
i. International consultants (25 person-months)		500.0		500.0
ii. National consultants (36 person-months)			108.0	108.0
b. International and local travel			108.0	108.0
2. Surveys and studies (corridor performance measurement and monitoring) ^d	500.0		175.0	675.0
3. Miscellaneous administration and support costs ^e			30.0	30.0
4. Contingencies			79.0	79.0
Total	500.0	500.0	500.0	1,500.0

Note: The Central Asia Regional Economic Cooperation (CAREC) governments and private sector stakeholders participating in and otherwise benefiting from TA-funded activities will provide counterpart support in the form of translation and interpretation; venues for training, seminars, and conferences; domestic transportation; and other in-kind contributions.

^a Financed by ADB's Technical Assistance Special Fund (TASF-V). Administered by ADB.

^b Administered by ADB.

^c Established by ADB. Financing partner: the Government of Japan.

^d The cost of conducting corridor performance measurement and monitoring (CPMM) is estimated at \$225,000 annually. The cost of data collection per country is determined by local market conditions.

^e Miscellaneous administration and support costs will cover CPMM report translation, submission by courier of original copies of memorandums of understanding concluded with CPMM partners, and courier delivery of activity expense liquidation reports submitted by resident missions.

Source: ADB estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A total of 25 person-months of international consultant and 36 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. 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 TA activities.

A. International Consultants (25 person-months)

1. Corridor Performance Measurement and Monitoring Experts (two experts, 18 person-months total)

2. Two corridor performance measurement and monitoring (CPMM) experts will be recruited to cover the 10 participating countries of the Central Asia Regional Economic Cooperation (CAREC). (Each expert will cover five countries over 9 person-months—3 months per year, intermittently, over 3 years.) The experts will have a minimum of 5 years' experience in the design and implementation of CPMM and corridor management systems in developing countries, preferably in Asia. They will

- (i) periodically review and assess
 - (a) the CAREC-modified time-cost-distance methodology adapted for partner associations' use,
 - (b) implementation arrangements,
 - (c) data gathering procedures,
 - (d) soundness of indicators used for analyses, and
 - (e) data aggregation, report preparation, and dissemination procedures;
- (ii) determine the need for—and if necessary, design—more comprehensive CAREC CPMM and corridor management 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 to pilot-test and implement more comprehensive CPMM and corridor management, including examining the performance and management of border-crossing points;
- (iv) conduct technical training sessions to enhance CPMM partners' capability 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 public and private sector participants to ensure CPMM sustainability;
- (vi) assist CAREC countries to monitor CPMM implementation 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) prepare and submit annual and quarterly reports summarizing CPMM data analysis and CAREC corridor performance.

The consultants should have earned an advanced degree (at least a master's degree or its equivalent) or have at least 15 years' operational experience in transport strategy development

and trade logistics, have relevant experience in several CAREC countries, and have either Chinese or Russian language skills in addition to English language fluency.

2. Business Association Capacity and Industry-Led Standards Development Specialist (4 person-months)

3. An expert skilled in supporting the sustained development of international business associations and the promulgation of industry-led standards will be recruited. The expert will have at least 5 years of practical working experience (including relevant work experience in several CAREC countries) in helping such organizations generate revenue sufficient to fund all aspects of an organization's operations and sustain its autonomy; provide value for members of a given organization; and develop annual budgets, work plans, and development plans for business associations. The expert will be engaged to (i) study the structure of the CAREC Federation of Carrier and Forwarder Associations (CFCFA) and its member associations to identify opportunities to increase revenue, beginning with membership dues; (ii) examine cfcfa.net and propose ways to use the website as a revenue-generating mechanism; (iii) propose a fee structure and schedule of offerings of CFCFA professional training programs; (iv) aid in establishing CFCFA banking arrangements, and ensure that they are sufficiently well-managed and transparent; and (v) work with CFCFA members to agree on a long-term development strategy that will lead to the development of industry-led standards for regional adoption and application, and consistently advocate regional policy objectives, both at the regional and country levels. Reporting requirements for the consultant will include (i) an inception report within 2 weeks of mobilization, including a work schedule; (ii) a draft final report (covering promotion of sound accounting and sustainable financing practices, new income-generating services, membership recruitment and retention measures, membership surveys and strategy workshops, modernization of secretariat organization and administrative systems, and internal and external communication) 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. If needed, the final report and appendixes will be translated into CAREC working languages.

3. Trade Logistics Performance Measurement and Monitoring Expert (3 person-months)

4. To quantify trade logistics performance and identify corresponding indicators for inclusion in CPMM, a consultant with demonstrable knowledge and experience in documenting and analyzing the performance of trade logistics service providers will be engaged to:

- (i) conduct a literature review to identify the most readily available, most insightful, and most reliable data used for assessing the performance of trade logistics service providers;
- (ii) examine CPMM methodology, database, and data-collection practices to determine how best to equip CPMM to assess the performance of trade logistics services;
- (iii) review the problems and issues identified that hinder the smooth flow of trade along CAREC corridors as defined in the refined Transport and Trade Facilitation Strategy, focusing on the delays, inefficiencies, and high costs incurred at border crossing points;
- (iv) identify specific trade facilitation issues that appear in the course of operationalizing designated rail corridors;
- (v) work with the CPMM team to identify partners best equipped to collect and provide data on trade logistics services; and

- (vi) design and implement a pilot trade logistics service module for CPMM.

The consultant should have earned an advanced degree (at least a master's degree or its equivalent) or have at least 15 years' operational experience in trade logistics monitoring and evaluation, have relevant experience in several CAREC countries, and have either Chinese or Russian language skills in addition to English language fluency.

B. National Consultant (36 person-months)

5. A national consultant will be recruited as CPMM coordinator and database manager to manage the CPMM database, contribute to the preparation of CPMM quarterly and annual reports, support CFCFA, and generally support the TA implementation. The national consultant will (i) have extensive, in-depth regional and local knowledge and good contacts in various areas of trade facilitation, trade logistics, customs operations, and interagency coordination; (ii) have demonstrated statistical analysis skills and a solid understanding of corridor performance parameters; and (iii) work closely with the international CPMM consultants and be supervised by the ADB task manager(s).