CENTRAL ASIA REGIONAL ECONOMIC COOPERATION PROGRAM
ELEVENTH CUSTOMS COOPERATION COMMITTEE MEETING
23-25 October 2012
Chengdu, People's Republic of China (PRC)

Roundtable Discussion 2: Monitoring and Evaluation

Background

1. Recognizing the pivotal role trade facilitation and transport connectivity play in the molding of the future of the region, the Central Asia Regional Economic Cooperation (CAREC) Transport and Trade Facilitation Strategy (TTFS) and its Action Plan was formulated, which focus on the development of six priority CAREC transport corridors. The developments of these corridors are expected to facilitate transport and trade within the CAREC region and link the region to the world's rapidly growing markets. The six priority corridors[1] are:

CAREC 1:	Europe–East Asia (KAZ, KGZ, and XUAR)
CAREC 2:	Mediterranean–East Asia (AZE, KAZ, KGZ, TAJ, UZB, and XUAR)
CAREC 3:	Russian Federation–Middle East and South Asia (AFG, KAZ, KGZ, TAJ, and UZB)
CAREC 4:	Russian Federation–East Asia (MON, IMAR, and XUAR)
CAREC 5:	East Asia–Middle East and South Asia- (AFG, KGZ, TAJ, and XUAR)
CAREC 6:	Europe–Middle East and South Asia (AFG, KAZ, TAJ, and UZB)

2. The TTFS and its action plan mandate that performance be measured and monitored periodically to ascertain the current situation along the links and nodes of each CAREC corridor, identify bottlenecks, and determine courses of action to address these bottlenecks. Several methods that measure and monitor corridor performance were considered appropriate to implement the CAREC Corridors Performance Measurement and Monitoring (CPMM) program. The Time/Cost Distance (TCD) Methodology will gather time and cost data associated with transit transport processes to identify constraints along a particular route by looking at a detailed breakdown of cost and time involved along every section of the route. Based on the CPMM data gathered, further work may be sanctioned using Time Release Studies to assess the legal and regulatory factors impinging on the efficiency of a route.

CAREC Corridor Performance Measurement and Monitoring (CPMM)

3. The CAREC CPMM was launched in April 2009 with the cooperation of members of the CAREC Federation of Carrier and Forwarder Associations. Since then a good amount of data on time and cost spent in transporting goods and people across the region have been accumulated in the last four years. The 2010 and 2011 Annual Reports[2] and the 2012 First Quarter Report[3] provide recent information on the border crossing points (BCPs) that experience the most delays for each of the 6 CAREC priority corridors. Customs clearance has been identified as one of the major causes of such delays.

---

[1] AFG=Afghanistan, AZE=Azerbaijan, KAZ=Kazakhstan, KGZ=Kyrgyz Republic, IMAR=Inner Mongolia Autonomous Region (PRC), MON=Mongolia, TAJ=Tajikistan, UZB=Uzbekistan, XUAR=Xinjiang Uygur Autonomous Region (PRC).

[2] Please see Annex 1 - CPMM 2011 Annual report; also available at www.cfcfa.net

[3] Please see Annex 2 - CPMM 2012 First Quarter Report

Time Release Studies (TRS)

4. The Time Release Study (TRS), a World Customs Organization (WCO) methodology, provides a snapshot of the effectiveness of customs administrative procedures and allows customs authorities to identify where the bottlenecks are and design reforms to address the identified constraints. TRS will supplement the CPMM results and can further pinpoint the specific activities that contribute to delays at identified problem BCPs. TRS results can provide customs officials the necessary information to remove these barriers to the smooth flow of trade.

5. A TRS Planning Workshop was held in Tashkent, Uzbekistan last March 2011 to prepare relevant customs officials to conduct the TRS and analyze the data collected. The WCO model terms of reference (TOR) for the TRS, survey questionnaire, and timetable need to be customized according the specific customs procedures and requirements of each country. In June 2011, a hands-on technical session on the use of the WCO TRS software was provided for approximately 30 customs officials of Uzbekistan. Mongolia and Uzbekistan reported at the 10th CCC meeting in Baku that they have initiated TRS studies in select BCPs.

6. Joint training on TRS, in coordination with the World Customs Organization and upon the request of Afghanistan and Pakistan custom authorities, will be held in Islamabad, Pakistan on 25-26 September 2012. The training will include hands-on technical sessions on how to conduct the TRS and use the WCO software.

7. There is need to further improve the survey questionnaire and provide advisory assistance, training, and improve capacities of CAREC customs to conduct TRS.

CAREC Development Effectiveness Review

8. The May 2009 CAREC Senior Officials Meeting in Ulaanbaatar, Mongolia considered a proposal to develop a CAREC Program Results Framework that will serve as the basis for an annual comprehensive development effectiveness review, tracking progress and achievements. The indicators for trade facilitation were discussed and approved at the Regional Joint Transport and Trade Facilitation Meeting held in Tashkent, Uzbekistan in February 2010. The TF indicators for 2011 (annual) and the first quarter of 2012 are shown in the table below.

	2011 Annual				2012Q1			
TF1	**Time taken to clear a border crossing point (hr)**							
	Mean	**8.7**	Median	**4.1**	Mean	**13.7**	Median	**4.0**
TF2	**Costs incurred at border crossing clearance (US$)**							
	Mean	**186**	Median	**114**	Mean	**152.7**	Median	**73.7**
TF3	**Cost incurred to travel a corridor section (US$)** Per 500km, for a 20-ton truck or a TEU Container							
	Mean	**712**	Median	**405**	Mean	**935.1**	Median	**598.1**
TF4	**Speed to travel on CAREC corridors (kph)**							
	SWOD	**35.2**	SWD	**23.5**	SWOD	**37.5**	SWD	**23.3**

SWOD= Speed without Delay; SWD= Speed with Delay

9. The results show that it took more time to clear a border crossing point but cost less in the 1st quarter of 2012 than the annual average in 2011. The cost incurred to travel a corridor section cost more in the first quarter of 2012 than in 2011 but the speed to travel the corridors, with or without delay, remained more or less the same.

Problem BCPs

10. The significant increase in time it takes to cross a BCP is mainly due to a number of problem BCPs in Corridors 1, 3, and 5 for road transport and Corridors 1 and 4 for rail.

ROAD

BCP	Country	Count	Duration (hrs) Average	Median	CV	Cost (US$) Average	Median	CV
Khorgos	KAZ	51	18.2	12.3	92	447	500	40
			Duration (hrs)			Cost (US$)		
Khorgos	PRC	43	69.3	33.5	111	516	532	46
Ala Shankou	PRC	15	353.2	254.0	80	548	586	28
Dostyk	KAZ	15	58.4	49.0	90	992	900	44
Alat	UZB	1	19.4	19.4		155	155	
Farap	TKM	1	16.3	16.3		760	760	
Tazhen	KAZ	29	13.1	7.5	115	242	160	86
Artik	TKM	26	15.4	8.1	78	191	85	83
Dautota	UZB	26	13.3	4.8	133			
Sarakhs	IRN	4	31.9	21.3	90	406	523	50
Ayraton	UZB	1	72.0	72.0				
Irkeshtan	PRC	15	178.4	5.3	144	63	8	128
Yallama	UZB	10	17.2	14.2	58			
Ayraton	UZB	6	31.9	7.5	126			
RAIL								
Ala Shankou	PRC	14	48.4	52.0	65	172	165	25
Erenhot	PRC	87	39.2	48.0	44	139	140	54
Zamyn Uud	MON	87	18.8	10.9	147	219	305	47
Naushki	RUS	30	26.8	24.0	65			
Sukhbaatar	MON	30	23.6	24.0	56			

11. The CPMM reports show that the most common causes of delays in these BCPs are: customs clearance, loading and unloading and waiting time.

12. It will be very useful to conduct of TRS in these problem BCP pairs in order to identify the specific procedures and requirements that cause the delays. Customs authorities in each country can then take the necessary corrective actions to remove the bottlenecks. Consultative dialogues among concerned customs authorities, based on TRS results, can help eliminate the barriers and improve the performance of these BCP pairs.

Issues for discussion:

13. Based on list of BCPs that experience the most delays, what direct actions can the concerned customs authorities take to resolve the problems? What actions can be taken bilaterally or regionally?

14. Are concerned customs authorities prepared to undertake TRS in these identified problem BCPs? What were the lessons learned by Mongolia and Uzbekistan customs in conducting the TRS? What further actions are needed to proceed with the conduct of the TRS in other countries? What are the possible sources of funds for the TRS?

15. How can the CPMM results be used by the customs authorities to improve their performance? What additional information is needed?

Annexes

Annex 1	CPMM 2011 Annual report
Annex 2	CPMM 2012 First Quarter Report
Annex 3	CAREC Development Effectiveness Review