



Technical Assistance Report

Project Number: 44048-01
Regional—Project Preparatory Technical Assistance (R-PPTA)
December 2010

Preparing the Central Asia Regional Economic Cooperation—Transport and Trade Facilitation: Border Crossing Point Improvement and Single Window Development Project (Financed by the Regional Cooperation and Integration Fund under the Regional Cooperation and Integration Financing Partnership Facility)

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
BCP	–	border crossing point
C&P	–	consultation and participation
CAREC	–	Central Asia Regional Economic Cooperation
CPMM	–	corridor performance measurement and monitoring
DFR	–	draft final report
km	–	kilometer
ICT	–	information and communication technology
NJC	–	national joint transport and trade facilitation committee
NSW	–	national single window
SWD	–	single window development
TA	–	technical assistance
TOR	–	terms of reference

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Regional–Project preparatory technical assistance (R-PPTA)
Targeting classification	–	General intervention
Sectors (subsectors)	–	Multisector: industry and trade (trade and services, industry and trade sector development); public sector management (economic management and management of public affairs); transport, and information and communication technology (transport management and policies, information and communication technology)
Themes (subthemes)	–	Regional cooperation and integration (cross-border infrastructure, trade and investments, other regional public goods); private sector development (private sector investment); economic growth (promoting economic efficiency and enabling business environment)
Location impact Partnership{s}	–	Regional/cross-country (high) – The Asian Development Bank (ADB) works with many partnerships in different activities and for different purposes in implementing the Central Asia Regional Economic Cooperation (CAREC) Joint Transport and Trade Facilitation Strategy, including the International Road Transport Union, the German development cooperation through GTZ, World Customs Organization, the United Nations Economic and Social Commission for Asia and the Pacific, the United Nations Economic Commission for Europe, and the United States Agency for International Development. ADB will continue to closely coordinate with these and other donors to ensure that its assistance does not duplicate their efforts. Ongoing work in the Association of Southeast Asian Nations and the Greater Mekong Subregion may also serve as points of reference.

NOTE

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

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I. INTRODUCTION

1. The Central Asia Regional Economic Cooperation (CAREC) transport and trade facilitation program promotes measures to streamline transport, trade logistics, customs, and other trade-related border control operations to increase cross-border trade in Central Asia.¹ The CAREC Ministerial Conference endorsed a transport and trade facilitation strategy and its action plan in 2007 and 2008, respectively. The CAREC Ministerial Conference in October 2009 in Ulaanbaatar, Mongolia, endorsed a plan to address physical infrastructure needs at border crossing points (BCPs) along each of the six priority CAREC corridors and establish and network national single window (NSW) systems in the region for the development of seamless corridors to support economic competitiveness.

2. The proposed regional investment project for BCP improvement and single window development (SWD) includes a number of small individual investments in key BCPs and support to achieve networking and interoperability of NSWs. All concerned countries will be encouraged to participate in the project; the five Asian Development Fund (ADF)–eligible countries will have access to subregional ADF funds.² A consultation mission visited Astana, Beijing, Bishkek, Dushanbe, Ulaanbaatar, and Urumqi from 9–21 January 2010, and Tashkent on 23 February 2010 to discuss the proposed regional project. All countries expressed interest in participating in the project because (i) they are embarking on BCP improvement and SWD unilaterally and they see value in a regionally coordinated approach to enhance efficiency, and (ii) the availability of subregional ADF allocations will augment the resource envelope for ADF–eligible countries. The proposed regional project preparatory technical assistance (TA) will launch preparatory work simultaneously in all participating countries.³

II. ISSUES

3. The CAREC corridor performance measurement and monitoring (CPMM), supported by ADB, works with a network of road carrier and freight forwarder associations to collect data on the time and cost of traveling along each of the six CAREC corridors. The data provide a detailed picture of the status of each corridor and the barriers to fast and reliable transport and trade along these routes. CPMM is instrumental in identifying bottlenecks and measuring results and progress achieved under various CAREC initiatives.

4. BCPs have been identified as the major bottleneck for transport and trade in the CAREC region. The CPMM program reveals that, for a typical 500-kilometer journey by a 20-ton truck, more than three-quarters of the total stopping time, or 24 hours, occurs at BCPs. Of these, more than 18 hours are spent waiting for the start of border-crossing formalities. A significant portion of delays is attributable to poor physical infrastructure, low utilization of inspection and information and communication technologies (ICTs), and limited supporting trade logistics facilities at the BCPs. To eliminate some of the bottlenecks, BCP infrastructure improvements are needed. Trade logistics support services must likewise be developed adjacent to, or in the immediate vicinity of, BCPs. Single windows, which enable trade and transport-related information and documents to be submitted through a single entry point and to be reviewed and processed by relevant government agencies prior to the cargo's arrival at the border, can provide significant efficiency gains. Consequently, many CAREC member countries have already begun to develop NSWs.

¹ Covering Afghanistan, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, Uzbekistan, and the Xinjiang–Uyghur and Inner Mongolia autonomous regions of the People's Republic of China. At the 9th CAREC Ministerial Conference in November 2010, Pakistan and Turkmenistan joined the CAREC program as well.

² Including Afghanistan, Mongolia, the Kyrgyz Republic, Tajikistan, and Uzbekistan.

³ The TA first appeared in the business opportunities section of ADB's website on 19 April 2010.

5. The full benefit of good BCP infrastructure cannot be fully realized if countries on both sides of the border do not fund complementary investments and border control agencies do not cooperate. In addition, the efficient flow of traffic along CAREC corridors could be less than optimal unless all BCPs along a given corridor benefit from improvements. Similarly, having NSWs alone would not be enough to achieve best results, because all CAREC countries are transit countries and many shipments must cross multiple borders. Traders and transporters must now file declarations and manifests each time they enter a neighboring country. The proposed regional investment project for BCP improvement and SWD will (i) improve CAREC corridor BCPs to remove bottlenecks and support the development of transport and trade logistics adjacent to BCP areas, and (ii) support NSW development in selected CAREC member countries and develop a regional platform for the networking and interoperability of NSWs. Issues on enabling policy and regulatory environments for SWD will continue to be addressed by broader CAREC trade and transport facilitation programs.

6. Country-level investments will depend on actual needs. Investments in BCP improvements under the project are estimated at \$90 million. Investments in NSW and regional platform development under the project are estimated at \$60 million. The total Asian Development Bank (ADB) investment will be \$150 million (\$100 million ADF and \$50 million ordinary capital resources). The five ADF-eligible countries can access subregional ADF funds.

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
ADF from country performance-based allocation	30.00	15.00
ADF from subregional pool	70.00	35.00
Ordinary capital resources	50.00	25.00
Governments	50.00	25.00
Total	200.00	100.00

ADF = Asian Development Fund.
Source: ADB estimates.

7. There is a range of policy and regulatory issues that must be addressed to ensure successful implementation of the investment project. The trade and transport facilitation programs being implemented by CAREC member countries with ADB assistance since 2002 will continue to address these issues in parallel with the proposed project. The CAREC trade facilitation programs focus on customs cooperation and integrated trade facilitation. Customs cooperation covers five priority areas: (i) simplification and harmonization of customs procedures and documentation, (ii) ICT, customs modernization and data exchange, (iii) risk management and post-entry audit, (iv) joint customs control, and (v) regional transit development. Integrated trade facilitation includes institutional building and strengthening nationally and regionally, transport CPMM, the promotion of single window systems, trade logistics development, engagement of the private sector, and the development of an integrated capacity-building framework.

8. Five ADF-eligible countries and three ordinary capital resources-borrowing countries are at various stages of improving BCPs and developing single windows. Therefore, investment needs will vary. The countries also have varying levels of implementation capacity. These factors will make project formulation and implementation more complex. ADB has approved a number of loans for trade facilitation and customs modernization in CAREC countries in recent years. Generally, the implementation of these loans has achieved good results.

III. THE PROPOSED TECHNICAL ASSISTANCE

9. The TA will be used to prepare project design and perform due diligence for the proposed project.⁴ Specifically, it will conduct a feasibility study for investment in (i) basic infrastructure upgrades and modernization of key BCPs, (ii) development of trade and transport logistics facilities at BCPs, and (iii) NSW development in selected countries and a CAREC regional platform for networking of NSWs. To ensure the technical and economic viability of the project, adequate governance standards will be followed during project implementation, a proper understanding of poverty and social impacts will exist; and due attention will be paid to all relevant safeguard requirements.

A. Impact and Outcome

10. The impact of the proposed project is the efficient movement of goods and people to allow CAREC countries to participate more fully in the international production chain for trade-led economic growth. The reduced cost of complying with trade procedures nationally can increase transit traffic. This will integrate CAREC countries further into the global economy and lead to sustained economic growth and improved living standards regionally.

11. The outcome is the agreed-upon design of the proposed project aimed at rapid, inexpensive, and predictable processes for cross-border transport and trade activities. This will be achieved by eliminating bottlenecks to trade and transport and by developing single filing as well as streamlined and cost-efficient trade and transport clearance processes.

B. Methodology and Key Activities

12. Ensuing investments under the proposed project may be made in a phased manner based on the readiness of the selected BCPs. The BCPs to be financed by the project will be selected based on the following criteria: (i) strong country ownership, (ii) technical and economic viability, (iii) positive due-diligence results, (iv) effective functioning of national joint transport and trade facilitation committees (NJC) in the selected countries, (v) accession to cross-border agreement(s), (vi) willingness of adjoining countries to make complementary investments in a given BCP, and (vii) readiness for implementation. NJCs, defined in the joint transport and trade facilitation strategy, are responsible for performance measurement, monitoring, and implementation of the action plan. The design and monitoring framework of the proposed regional investment project is in Appendix 1.

13. The major activities of the TA are to:

- (i) identify basic infrastructure investment needs for upgrades and modernization of key BCPs, and the development of trade and transport logistics facilities at BCPs in CAREC member countries based on the selection criteria specified in para. 12,
- (ii) identify investment needs to support NSW development in selected countries and develop a CAREC regional platform for networking of NSWs,⁵
- (iii) conduct economic and financial analyses on the project level, and assess national governance standards and project implementation capacity,

⁴ The TA, focusing on investment identification and due diligence, will engage a large team of consultants to launch the project preparatory work simultaneously in all participating countries.

⁵ Country studies of NSW readiness have been conducted and CAREC's trade facilitation program continuously monitors the progress of NSW development.

- (iv) assess project impacts on poverty reduction and social and gender issues, and environmental and social issues associated with the project, and
- (v) explore the most adequate financing mechanism for the project taking into account its multi-country nature and associated complexity.

C. Cost and Financing

14. The TA is estimated to cost \$2 million equivalent and will be financed on a grant basis by the Regional Cooperation and Integration Fund under the Regional Cooperation and Integration Financing Partnership Facility.⁶ ADB will administer the TA. The governments have been informed that approval of the TA does not commit ADB to finance any ensuing project. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

15. This is an important and complex PPTA and the first of its kind attempted by ADB. It involves two regional departments (CWRD and EARD) and covers the CAREC region. It will draw on the resources of both departments, requiring a high level of cooperation and efficient and clear implementation arrangements. Project preparation related work (including overseeing due diligence work undertaken by the consultants) will be managed by the ADB Project Team Leader with the overall responsibility. One task team will be responsible for developing the cross border infrastructure investments for the project. The other task team will be responsible for single window development and trade facilitation. ADB's regional hub in Almaty will be an integral part of both task teams and primarily responsible for coordination. This includes a substantive role in facilitating project development at the regional and national level; working with country resident missions throughout the CAREC region; and help coordinating the field work of the consultants. A key responsibility will be facilitating in-country consultations, as well as directly supporting the task teams. The work of the coordinators will be conducted in close collaboration with the country directors, Government officials, and task team managers. The Directors General of the Central and West Asia Regional Department and the East Asia Regional Department will provide the necessary support, guidance and directions to the two task teams.

16. The TA will require the services of international consultants (up to 47 person-months) and national consultants (up to 94 person-months).⁷ Expertise in the following areas will be accessed: transport; customs/BCP control; trade logistics; governance/financial analysis/economics; SWD; ICT; procurement; and gender, and environmental and social safeguards (see initial poverty and social analysis, Appendix 3). The outline terms of reference for the consultants are in Appendix 4. The consultants will be selected and engaged through a firm. The preferred selection method for consultants is quality- and cost-based selection with a quality–cost ratio of 80:20. Consultants will be engaged in accordance with ADB's Guidelines on the Use of Consultants (2010, as amended from time to time). The proceeds of the TA will be disbursed in line with the *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

⁶ Established by ADB.

⁷ Due to the regional coverage of the proposed project, consultants who are citizens of CAREC countries (and ADB members), but are engaged to support project preparation regionally, shall be regarded as 'national' as long as the primary work of these consultants is in their home country and they work outside of their countries only occasionally.

17. “No objection” letters will be obtained from each country before TA activities commence. The TA implementation will begin in January 2011 and end in December 2011. The consultants will submit the following reports:

- (i) inception reports, which will provide information about mobilization of the consulting team, establishment of the project office, and initial findings, will finalize the approach, present a detailed work plan and implementation schedule, and identify any need to improve the project components (within 1 month of implementation);
- (ii) interim progress reports, with a preliminary description of the investment project as a whole, including costing, findings, and recommendations; progress of the design for the border facilities; border management assessment and road maps; a brief summary of environmental implications (including cumulative, induced, and associated impacts); baseline data collection; summary poverty reduction; relocation and social strategy; mitigation programs; and socioeconomic studies to be submitted at appropriate stages during TA implementation (within 4 months);
- (iii) preliminary design for the border facilities, including (a) border facilities to be financed, (b) specifications, (c) cost estimates, (d) procurement plan, (e) implementation schedule, (f) construction supervision arrangements, (g) organizational structure for implementing the investment project, and, if needed, (h) environmental assessment reports (within 5 months);⁸
- (iv) a general gender action plan and a gender analysis should be prepared for the project; separate gender action plans will be prepared for subprojects as needed; and if needed, a social impact and indigenous peoples assessment report and a summary resettlement plan (within 5.5 months);
- (v) draft final reports (DFRs) covering detailed design and cost estimates, economic analyses, etc. (within 6 months) and the final report, 2 weeks after receiving comments on the DFR from ADB. Said comments will be issued no later than 1.5 months after the DFR is issued. This activity is allowed 2 weeks’ input time.

18. All reports will be written in English. The final reports and the appendixes, if deemed necessary, will be translated into national languages. Three copies of each report (in English) are to be submitted to ADB. Reports should address all aspects of the terms of reference with the level of detail appropriate for the given stage of the TA. Major project activities will be regularly monitored and reported on by ADB missions. Consultants’ reports will be presented at workshops and seminars organized to validate their findings.⁹ Members of the NJCs, the regional joint transport and trade facilitation committee, local communities, and ADB staff will participate in workshops.

IV. THE PRESIDENT’S RECOMMENDATION

19. The President recommends that the Board approve the provision of technical assistance not exceeding the equivalent of \$2,000,000 on a grant basis for preparing the Central Asia Regional Economic Cooperation—Transport and Trade Facilitation: Border Crossing Point Improvement and Single Window Development Project.

⁸ Project preparatory TA consultants will draft the preliminary design. The detailed engineering design will be made during project implementation by the engineering firm selected by the NJCs/implementing agencies using loan proceeds.

⁹ To be funded by relevant regional TAs under the CAREC trade facilitation program.

**DESIGN AND MONITORING FRAMEWORK
OF PROPOSED REGIONAL INVESTMENT PROJECT**

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Efficient and increased movement of goods and people across CAREC countries</p>	<ul style="list-style-type: none"> • Trade and investment in CAREC member countries cumulatively increases by 50% by 2020 from 2010 	<ul style="list-style-type: none"> • National and international economic statistics • World Bank-IFC Doing Business indicators 	<p>Assumptions</p> <ul style="list-style-type: none"> • CAREC corridors are key conduits for domestic and international traffic. • Reforms at country level for strengthening governance at customs and other trade related agencies and cooperation effort at the regional level both continue. <p>Risks</p> <ul style="list-style-type: none"> • Regional economies may be negatively affected on by the regional and global economic slow down and crisis. • Illicit trade increases.
<p>Outcome Speedy-low cost and predictable processes for cross-border transport and trade activities</p>	<ul style="list-style-type: none"> • Bottlenecks at key BCPs eliminated and waiting time reduced by 50% in 2015 compared with 2010 • Single-filing, streamlined and cost efficient clearance processes established in project participating countries with regional linkages by 2020 	<ul style="list-style-type: none"> • World Bank Logistics Performance Index • CPMM quarterly reports • Reports by national single window operators and by Alliance of National Single Window Operators of CAREC 	<p>Assumptions</p> <ul style="list-style-type: none"> • Extensive consultations with stakeholders are held. • Change management will be effectively implemented at country level to manage resistance from vested interest groups. • Intensive training with clearly defined outcomes will be conducted. • The project will be able to recruit, retrain, and retain skilled civil servants <p>Risks</p> <ul style="list-style-type: none"> • The turnover rates for ICT staff will be high. • Opportunity for private sector participation is limited.
<p>Outputs</p> <ol style="list-style-type: none"> 1. Adequate infrastructure, good transport and trade logistics facilities developed at selected BCPs and integrated processes among border control agencies 2. A single filing, streamlined, interoperable and cost efficient clearance process within and across CAREC member countries 3. Effective leadership, administration and coordination mechanisms among various agencies 	<ul style="list-style-type: none"> • Infrastructure in selected BCPs along CAREC corridors improved by 2015 including facilities for women travelers • Needed trade logistics facilities developed in selected key BCPs by 2017 • Conditions for NSW development improved and selected NSWs are up and running by 2017 • CAREC NSWs connected through an interoperability platform and the Alliance of NSW operators established by 2020 • Sex-disaggregated data collected in NSW databases 	<ul style="list-style-type: none"> • Reports by RJC/NJCs • CPMM quarterly report • Updates to SOM/MC • CFCFA reports 	<p>Assumptions</p> <ul style="list-style-type: none"> • There is adequate project implementation capability at the country and regional levels. • There will be a well-prepared and efficiently administered procurement system. • Coordination by RJC and NJCs will be good. <p>Risks</p> <ul style="list-style-type: none"> • Procurement and public works will be delayed. • There will be backsliding on the implementation of the essential administrative reforms

Activities with Milestones	Inputs
1.1 Development of good BCP infrastructure, optimal layout, and adequate equipment to provide efficient environment for streamlined operations of border control agencies and safe environment for transport operators and passengers, particularly women (milestones to be added upon completion of the PPTA) 1.2 Construction of good access roads and parking areas for differentiated vehicles & cargo (e.g., TIR trucks, perishable goods), to reduce waiting time 1.3 Construction of multimodal transport facilities 1.4 Construction of facilities for value added processing and cold storage and temperature controlled warehouse 1.5 Provision of safe & secured facilities for parking, refueling, truck repair, driver meals and rest including facilities such as washing rooms for men and women 1.6 Minimizing gaps in efficiency and quality of services at adjacent sides of the BCP of two countries 2.1 Coordination of clearance processes among key transport and trade control agencies and private sector 2.2 Coordination with ICT policy and investment plans both within the country and across the borders 2.3 Accelerating adoption of common data structure and streamlined data & document requirements 2.4 Accelerating progress in legal and regulatory reforms to facilitate electronic exchange of information 2.5 Ensuring smooth communication and coordination among border control agencies (both in-country and with neighboring countries) 3.1 Making available information and analysis to reduce trade & transport bottlenecks 3.2 Formulation of prudent strategy and plan implementation for BCP improvement and SW development 3.3 Ensuring that staff at trade related agencies have suitable qualifications and skills, and recruiting sufficient number of female staff 3.4 Improving level of ICT readiness and technical know how in transport and trade related agencies	<ul style="list-style-type: none"> • ADB financing in the range of \$150 million • effective project supervision

BCP = Border Crossing Point, CAREC = Central Asia Regional Economic Cooperation, CFCFA = CAREC Federation of Carrier and Forwarder Associations, CPMM = Corridor Performance Measurement and Monitoring, ICT = Information and Communication Technology, IFC = International Finance Corporation, MC = Ministerial Conference, NJC = National Joint Transport and Trade Facilitation Committee, NSW = National Single Window, RJC = Regional Transport and Trade Facilitation Committee, SOM = Senior Officials Meeting, SW = Single Window, TIR = Transports Internationaux Routiers.
 Source: ADB staff estimate.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
Asian Development Bank Financing^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (47 person-months)	1,280.00
ii. National consultants (94 person-months)	350.00
b. International and local travel	120.00
c. Reports and communications	10.00
2. Surveys	30.00
3. Miscellaneous administration and support costs	10.00
4. Contingencies	200.00
Total	2,000.00

^a Financed by the Regional Cooperation and Integration Fund under the Regional Cooperation and Integration Financing Partnership Facility.

Source: Asian Development Bank estimates.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	Preparing the Central Asia Regional Economic Cooperation—Transport and Trade Facilitation: Border Crossing Point Improvement and Single Window Development Project		
Lending/Financing Modality:	Regional and Sector	Department/ Division:	East Asia Department/Financial Sector, Public Management, and Regional Cooperation Division Central and West Asia Department/Transport and Communications Division

I. POVERTY ISSUES

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

As noted in the most recent Central Asia Regional Economic Cooperation (CAREC) Regional Cooperation Strategy, the region as a whole faces the serious challenge of poverty reduction. The People's Republic of China's western provinces account for 50% of the country's poor, but less than 30% of the total population. Per capita gross domestic product is less than \$450 in the Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan, and barely half this amount in Tajikistan.

An important goal for the CAREC program, therefore, is to help ensure that economic growth translates into reduced poverty and improved social indicators. CAREC's goal of improving living standards and reducing poverty in CAREC countries through rapid, broad-based, and sustainable economic growth is still valid, as are the original building blocks: transport, energy, and trade. By eliminating physical and administrative obstacles to trade at border crossing points (BCPs) and fostering the development of a regional platform for single window interoperability and data exchange, the proposed project will contribute to a general lowering of prices for foodstuffs and goods, and should also help reduce vehicle emissions in the vicinity of BCPs, thereby contributing to improved living conditions for the people of the CAREC region.

B. Targeting Classification

1. Select the targeting classification of the project:

- General intervention
 Individual or household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

2. Explain the basis for the targeting classification:

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy based, what type of poverty impact analysis is needed?

2. What resources are allocated to the project preparatory technical assistance (TA) and due diligence?

15 person-months of international and national consulting services are allocated under the project preparatory TA for environmental, social, and safeguard assessments.

3. If general intervention, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

As a general intervention, the proposed project will address poverty reduction indirectly. Reduced barriers to trade should have a positive economic impact and drive down; support for the development of trade logistics services should create jobs; and reduced waiting times of vehicles at BCPs should improve air quality and minimize health-care costs associated with respiratory ailments. The proposed project, while not featuring explicit pro-poor components, is aimed at reducing poverty.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

Primary project beneficiaries are (i) traders, freight forwarders, and road carriers who are conducting international trade and transport activities; (ii) communities situated in the vicinity of BCPs that depend on ease of access to cross-border markets; and (iii) international trade-dependant industries. The poor and socially excluded would benefit indirectly from trade-led economic growth.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The need for less administrative obstruction of commerce and for improvement of BCP infrastructure is the overarching theme justifying this project. The cost of proposed investments should be easily recovered by the economic benefits that should ensue.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

The capabilities of border control agencies charged with managing the improved border facilities and the information system operators charged with managing the single window may not be adequate. The proposed project and the CAREC trade facilitation program will enhance training and capacity-building activities.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

The principal stakeholders are: (i) the statistical departments of the government agencies of a given country responsible for gathering, analyzing, manipulating, and disseminating data on international trade activities; (ii) civil servants responsible for carrying out border management functions; (iii) truck drivers, transport service providers, and the employees and owners of manufacturing and/or processing plants producing commercial wares; and (iv) communities situated in the vicinity of BCPs.

2. What type of consultation and participation (C&P) or project processing (e.g., workshops, community mobilization, involvement of nongovernmental organizations and community-based organizations, etc.) is required during the project preparatory TA?

Extensive consultations will be undertaken during project preparation and implementation with various stakeholders, including government agencies, chambers of commerce, transport organizations, relevant private sector representatives, and international assistance agencies. The consultations will focus on the information and communication technology system design requirements, the potential impact of proposed works, obstacles impeding the adoption of more efficient operational procedures (a risk-management approach to vehicle inspection), and other aspects related to the economic development of border communities. Consultations will also be held with border management personnel stationed at BCPs, and with local authorities and civil society organizations.

A number of organizations and committees under the CAREC umbrella represent many of the stakeholders identified above. The Customs Cooperation Committee, Transport Sector Coordination Committee, and the CAREC Federation of Carrier and Forwarder Associations represent some of those most affected by the implementation of new, more streamlined documentation requirements. These organizations will be consulted frequently (as they already are) and take an active part in several aspects of project design and implementation.

3. What level of participation is envisaged for project design?

Information sharing Consultation Collaborative decision making Empowerment

4. Will a C&P plan be prepared? Yes No Please explain.

Current consultation and participation arrangements are sufficiently robust and comprehensive to preclude the need for a redundant plan.

C. Gender and Development

1. What are the key gender issues in the sector and subsector that are likely to be relevant to this project or program?

Human trafficking, especially of women as entertainers, laborers, or "wives" is an issue in East Asia and Central Asia. Available information about the magnitude of the problem remains limited, particularly sex-disaggregated on victims. Training of border officers on recognizing human trafficking cases, especially of women, and providing appropriate management without stigmatization is an important part of capacity building of BCP staff.

Cross-border trade of local communities is an important source of income, especially for women in Central Asia, where 90% of cross-border traders are women. Developing gender-sensitive facilities for cross-border trade can have an important impact on women's livelihoods in border communities.

Women-friendly infrastructure on BCPs is often lacking. Thus, gender-sensitive infrastructure development will improve the quality of traveling for women.

2. Does the proposed project or program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making? Yes No Please explain.

The project may present an opportunity to augment measures aimed at interdicting human trafficking. It may also provide for facilities at BCPs more respectful of women's needs, such as separate washrooms, a shelter for human trafficking victims, etc. The project provides scope to improve the trade of border communities, which is mostly handled by women traders, and thus improve women's livelihoods in communities around BCPs.

The proposed project is not expected to promote gender equality or women's empowerment significantly.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
 Yes No Please explain.

The proposed project is not expected to widen gender inequality or have an adverse impact on women. To ensure that this is the case, consideration may be given to designing an attached grant that would accompany the project to address gender issues identified during TA implementation.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary resettlement	Some proposed facilities may require land acquisition and resettlement.	Limited impact: BCPs that could trigger a category A response will not be included in the project.	<input type="checkbox"/> Full plan <input type="checkbox"/> Short plan <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> No action <input type="checkbox"/> Uncertain
Indigenous peoples	Some of the affected persons and project beneficiaries may be ethnic minorities.	Limited impact: Scoping activities under the TA will clarify matters to confirm project categorization, and determine specific measures.	<input type="checkbox"/> Plan <input type="checkbox"/> Other action <input checked="" type="checkbox"/> Indigenous peoples framework <input type="checkbox"/> No action <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Core labor standards	Local employment opportunities will be generated.	Limited	<input type="checkbox"/> Plan <input type="checkbox"/> Other action <input checked="" type="checkbox"/> No action <input type="checkbox"/> Uncertain
Affordability	Border crossing fees may rise and/or decrease. Local tradable goods should be cheaper due to increased trade.	Not known: To be estimated during TA project economic analysis	<input type="checkbox"/> Action <input type="checkbox"/> No action <input checked="" type="checkbox"/> Uncertain
Other risks and/or vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input checked="" type="checkbox"/> Human trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	Increased trade could cause an increase in narcotics and human trafficking as well as the rate of transmission of HIV/AIDS and other communicable diseases.	Not known: Issues and remedies to be clarified during TA implementation. To address public health concerns, the project may finance small clinics at selected BCPs.	<input type="checkbox"/> Plan <input type="checkbox"/> Other action <input type="checkbox"/> No action <input checked="" type="checkbox"/> Uncertain

IV. PROJECT PREPARATORY TECHNICAL ASSISTANCE/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the project preparatory TA (or other due diligence) include poverty, social, and gender analysis and the relevant specialist(s)? Yes No If no, please explain why.

2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social, and/or gender analysis, and C&P during the project preparatory TA or due diligence? Yes No If no, please explain why.

Source: Asian Development Bank.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. International consultants will be responsible and accountable for technical outputs, and be responsible for providing advice on key technical issues to policy makers and conducting stakeholder consultations. Consultants will select the border crossing points (BCPs) to be finalized under the project using the following criteria: (i) strong country ownership, (ii) technical and economic viability, (iii) positive due-diligence results, (iv) effective functioning of the national joint transport and trade facilitation committees (NJC) in the selected countries, (v) accession to cross-border agreement(s), (vi) willingness of both sides to make complementary investments on a given BCP, and (vii) readiness for implementation.

2. National consultants will be recruited to assist the international consultants, provide general background and specific studies, and translate documents. All consultants should possess good knowledge of, and sufficient experience in, the respective technical areas of engagement and in the Central Asia Regional Economic Cooperation (CAREC) region. (The Supplementary Appendix containing detailed terms of reference (TOR) for consultants is available on request.)

Summary of Consulting Services Requirement

Positions	Person-Months	Positions	Person-Months
A. International		B. National	
Transport specialist(s)	6	Transport specialist(s)	12
Customs and BCP control specialist(s)	9	Customs and BCP control specialist(s)	18
Trade logistics specialist(s)	8	Trade logistics specialist(s)	16
Financial analyst(s), economist(s) and governance specialist(s)	6	Financial analyst(s), economist(s) and governance specialist(s)	12
SWD specialist(s)	6	SWD specialist(s)	12
ICT specialist(s)	3	ICT specialist(s)	6
Procurement specialist(s)	4	Procurement specialist(s)	8
Gender, environmental, and social safeguard specialist(s)	5	Gender, environmental, and social safeguard specialist(s)	10
Total	47		94

BCP = border crossing point, ICT = information and communication technology, SWD = single window development.

Source: ADB estimates.

3. Consultants will be given flexibility to compose their teams. One person will be designated as the team leader. In addition to his or her own technical responsibilities, the team leader will be responsible and accountable for (i) overall management of project preparatory technical assistance implementation, liaising with the Asian Development Bank (ADB) and other related agencies; (ii) timely delivery of good-quality inception, interim, and final reports; (iii) the identification and management of resource persons in various technical tasks; and (iv) organization of workshops and other stakeholder consultation activities. The TOR for consultants, organized by broader areas of specialties, are the following:

A. Transport Specialists (international, 6 person-months; national, 12 person-months)

4. The specialists will:

- (i) identify major transport bottlenecks and weaknesses at BCPs;
- (ii) evaluate the technical and financial viability of investment proposals;
- (iii) assess the technical implementation capability of NJCs and implementing agencies;

- (iv) review policies, strategies, and plans; evaluate institutional capacity;
- (v) review all technical aspects presented in the feasibility study;
- (vi) review and update cost estimates on the basis of current prices; and
- (vii) review the arrangements and setup for project management and accounts.

B. Customs and Border Crossing Point Control Specialists (international, 9 person-months; national, 18 person-months)

5. The specialists will:

- (i) identify institutional, operational, and physical impediments and challenges to transport and trade facilitation between CAREC countries;
- (ii) identify major BCP process-related bottlenecks and weaknesses;
- (iii) identify BCPs' readiness for financing under the project based on selection criteria;
- (iv) undertake field visits and carry out due diligence at designated BCPs;
- (v) assess the technical implementation capability of NJCs and implementing agencies and, working with governance/procurement specialists, formulate procurement plans;
- (vi) identify and prepare inventory of laws, rules, regulations, and documentary requirements on border management and control;
- (vii) review existing border agreements between CAREC countries;
- (viii) identify training needs, propose elements of a capacity-building program;
- (ix) coordinate with donors; and
- (x) conduct and document public consultation and participation.

C. Trade Logistics Specialists (international, 8 person-months; national, 16 person-months)

6. The specialists will:

- (i) identify major bottlenecks and weaknesses in logistics facilities at BCPs;
- (ii) work with respective NJCs and the regional joint transport and trade facilitation committee to come up with investment plans;
- (iii) review plans for development of a transportation network and other infrastructure;
- (iv) evaluate the technical and financial viability of each investment proposal;
- (v) assess alternatives to the proposed project;
- (vi) identify the main commodities to be transshipped at proposed facilities, and the major beneficiaries;
- (vii) develop technical standards for equipment handling requirements;
- (viii) provide a layout of project areas; and
- (ix) assess respective NJCs and implementing agencies' project implementation capability.

D. Financial Analysts, Economists, and Governance Specialists (international, 6 person-months; national, 12 person-months)

7. The specialists will:

- (i) conduct financial analyses to establish sustainability for each CAREC member country participating in the project and for the region as a whole;

- (ii) conduct economic analyses for each CAREC member country and for the region as a whole, in accordance with ADB's *Handbook for Integrating Risk Analysis in the Economic Analysis of Projects*;¹
- (iii) conduct sensitivity tests for the economic internal rate of return calculated;
- (iv) establish the economic viability of the project;
- (v) propose how to redesign the project so as to make it economically viable in case the project as formulated is found economically not viable;
- (vi) assess and quantify the project's impacts on poverty reduction;
- (vii) establish the investment, replacement, and recurrent cost requirements for the project;
- (viii) establish the economic framework for measuring cost reduction and benefit increase;
- (ix) assess the economic life of the project, and identify economic benefits;
- (x) establish the minimum cost recovery for project facilities investment, replacement, and recurrent costs;
- (xi) assess the construction sector in participating countries and the potential level of competition;
- (xii) assess public financial management standards and practices, and procurement and anticorruption policies and practices;
- (xiii) conduct needs assessments of the institutional capacity of NJCs and implementing agencies;
- (xiv) design a project funds flow and disbursement mechanism; and
- (xv) evaluate the policy, legal, and institutional capacity for enforcing good governance.

E. Single Window Development Specialists (international, 6 person-months; national, 12 person-months)

8. The specialists will:
- (i) review and help improve the single window development (SWD) and implementation master plans;
 - (ii) identify opportunities for increased private sector involvement in single window systems;
 - (iii) propose concrete roles for NJCs and the regional joint transport and trade facilitation committee in project execution and oversight;
 - (iv) prepare a status report on each country's progress;
 - (v) evaluate the technical and financial viability of investment needs;
 - (vi) identify customized software and hardware requirements and training needs; and
 - (vii) working with governance/procurement specialists, formulate procurement plans.

F. Information and Communication Technology Specialists (international, 3 person-months; national, 6 person-months)

9. The specialists will:
- (i) review the readiness of various trade-related agencies for single window operations;
 - (ii) formulate project profiles for e-service, information systems, and applications;
 - (iii) design the feasibility study for each project formulated above;
 - (iv) recommend necessary investments in national single window systems;
 - (v) recommend and design the technological architecture for information systems and a regional platform, respecting international standards and interoperability;

¹ ADB. 2002. *Handbook for Integrating Risk Analysis in the Economic Analysis of Projects*. Manila.

- (vi) identify the related investment requirements at all levels of government and the user community, defining specifications of goods and software to be procured;
- (vii) assess the project implementation capability of NJCs and implementing agencies;
- (viii) identify training needs and prepare a road map for single window training programs;
- (ix) working with governance/procurement specialists, formulate procurement plans; and
- (x) prepare TOR for consultants to support an information and communication technology (ICT) network and infrastructure.

G. Procurement Specialists (international, 4 person-months; national, 8 person-months)

10. The specialists will:
- (i) propose appropriate agencies to execute and implement project components;
 - (ii) draft a project implementation schedule and project management plan;
 - (iii) prepare prequalification documents and outline bidding documents;
 - (iv) prepare the contract packages and bidding documents in accordance with ADB's Procurement Guidelines (2010, as amended from time to time);
 - (v) prepare the TOR for construction supervision;
 - (vi) draw up a procurement plan and prepare TOR for consultants; and
 - (vii) conduct implementing agency procurement capacity assessment, and capacity building activities for the NJC/implementing agency staffs.

H. Gender, Environmental, and Social Safeguard specialists (international, 5 person-months; national, 10 person-months)

11. The required activities to ensure compliance with gender, environmental, and social safeguards will depend upon (i) the selection of BCPs, (ii) a screening of safeguard issues for each BCP, and (iii) the readiness of subprojects for implementation. This will determine whether assessments are required and the type of safeguard documents to be prepared. The consulting team will ensure that the task team is staffed with dedicated gender specialists, environmental safeguard specialists, and social safeguard specialists.

12. Specifically, the social safeguard specialists will:
- (i) undertake social analysis and evaluate the significance and/or level of the different types of impact, and the actions that should be taken to satisfy ADB's social safeguard policies;
 - (ii) develop safeguard frameworks for each participating country;
 - (iii) review national laws and policies on land acquisition, resettlement, and indigenous peoples;
 - (iv) carry out basic scoping exercises of land acquisition and/or resettlement and indigenous peoples situation needs for each proposed subproject; and
 - (v) prepare social and poverty analyses for each proposed subproject.

13. The environment safeguard specialists will: develop an environmental assessment and review frameworks for each participating country.

14. The gender specialists will:
- (i) undertake social analysis and evaluate the significance and/or level of the project's gender impact, and the actions needed to satisfy ADB's gender mainstreaming policies;
 - (ii) analyze the project from a gender perspective;

- (iii) prepare a gender analysis for each proposed subproject;
- (iv) prepare a general gender action plan;
- (v) design country-specific HIV and human trafficking awareness-raising programs;
- (vi) explore anticipated gender benefits of reduced waiting time at the border crossings;
and
- (vii) collect key quantifiable sex-disaggregated data.

15. Considering the safeguard sensitivities and the risk rating of the proposed project, more descriptive TOR are provided in the Supplementary Appendix (para. 2).