



A Summary of Initial Findings and Preliminary Recommendations of the CPMM Review

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Outline

1. Overview of the CPMM
2. CPMM review (rationale, objectives and phases)
3. Weaknesses in the CPMM
4. Preliminary recommendations



Overview of the CPMM

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What is the CPMM?

- A tool for monitoring the performance of the CAREC corridors
- Based on ESCAP's Time/Cost-Distance Methodology
- Lunched in 2009
- Financed by ADB



CPMM Objectives

1.

Identify the causes of delay and unnecessary cost to cargo moving along the links and nodes of each CAREC corridor

2.

Help national CAREC authorities determine how to address identified bottlenecks

3.

Assess the impact of regional cooperation initiatives implemented along the CAREC corridors by member countries



CPMM Processes

1

Collection of primary data on the duration and costs of various activities entailed in transportation of goods along the CAREC corridors by road, rail and multimodal transport

2

Validation, cleaning and aggregation of the primary data to derive the CPMM Trade Facilitation Indicators (TFIs)

3

Analysis of the primary data and the TFIs

4

Dissemination of CPMM data and findings



CPMM Trade Facilitation Indicators

TFI1: Time taken to clear a border crossing point (BCP)

TFI2: Cost incurred at a BCP

TFI3: Cost incurred to travel a corridor section

TFI4: Speed to travel along CAREC corridors

SWOD: Speed without delay



CPMM Merits

Systematic
data on BCP
performance



- Cross-sectional comparison of BCP performance
- Intertemporal assessment of BCP performance

Granular
primary
data



- Identification of factors that raise transport costs and/or lengthen transport times
- Design of interventions aimed at eliminating or lowering the identified trade barriers



CPMM Review

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CPMM Review: Rationale, Objectives and Phases

Rationale:

The CPMM data have been used in research projects and publications extensively but not so much in policymaking

Objectives:

1. Identify weaknesses in the CPMM that adversely affect its effectiveness
2. Make recommendations that address the identified weaknesses

Phases:

Phase I: November-December 2023
Phase II: April-June 2024



Weaknesses in the CPMM



Weaknesses in the CPMM

- CPMM data issues
- Inadequacies in the dissemination of CPMM data and findings



CPMM Data Issues

- Gaps in the time series on BCP performance
- Inconsistencies with other evidence
- Need for complementary data



TFI₁ for Inbound Shipments through Selected Road BCPs, 2010-2022

BCP, country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bichigt, MON	-	-	-	-	3.7	1.8	1.0	1.7	1.4	1.4	1.6	-	-
Dostuk, KGZ	3.6	7.9	3.0	4.5	3.3	-	-	1.2	0.6	1.0	1.9	2.5	0.4
Dostyk, KAZ	40.8	19.1	49.3	-	-	-	-	-	-	-	17.0	46.8	20.7
Dustlik, UZB	10.2	23.3	9.2	6.8	7.2	-	-	-	1.1	0.6	2.4	1.9	0.9
Irkeshtan, PRC	-	-	-	6.0	-	-	-	-	-	1.6	0.8	-	-
Krasnyi Most, AZE	-	0.5	-	-	-	-	-	-	3.2	4.6	11.9	3.7	3.1
Merke, KAZ	2.5	3.1	7.0	1.2	-	-	-	-	0.3	0.1	-	-	-
Oybek, UZB	-	4.6	-	-	-	-	-	-	2.8	-	1.4	3.0	-
Tsiteli Khidi, GEO	0.4	0.3	0.3	-	-	-	-	-	1.2	2.1	3.1	1.4	1.8

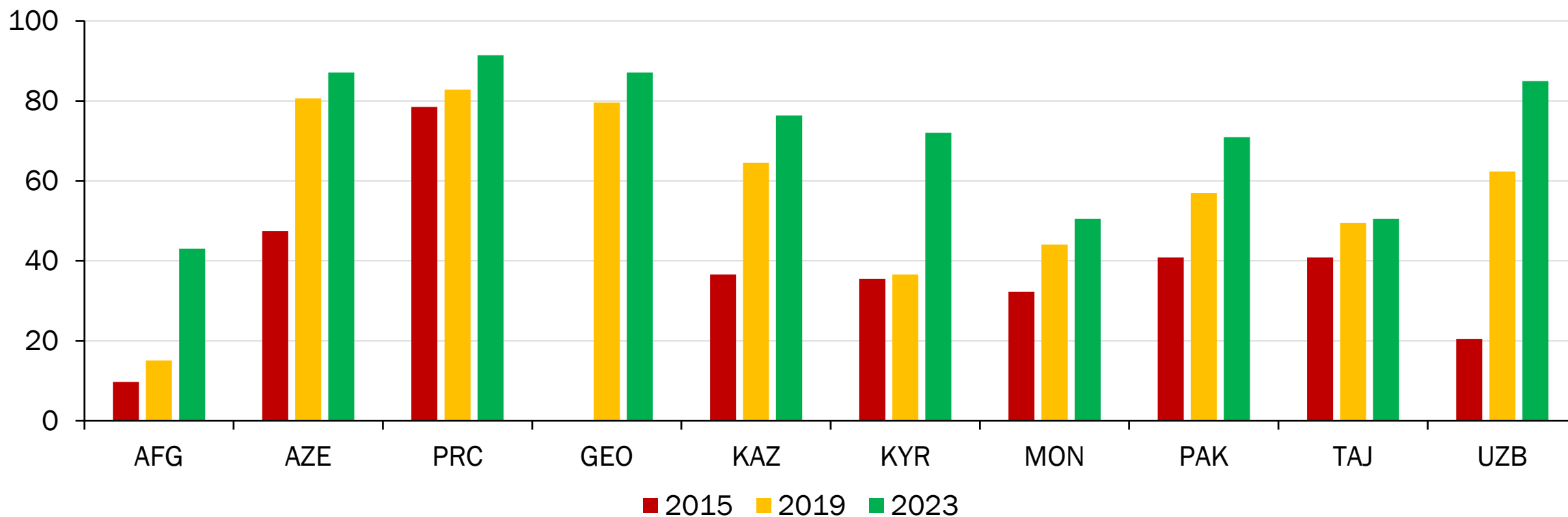
Source: CPMM database.

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Trade Facilitation Scores of CAREC Countries, 2015, 2019 and 2022

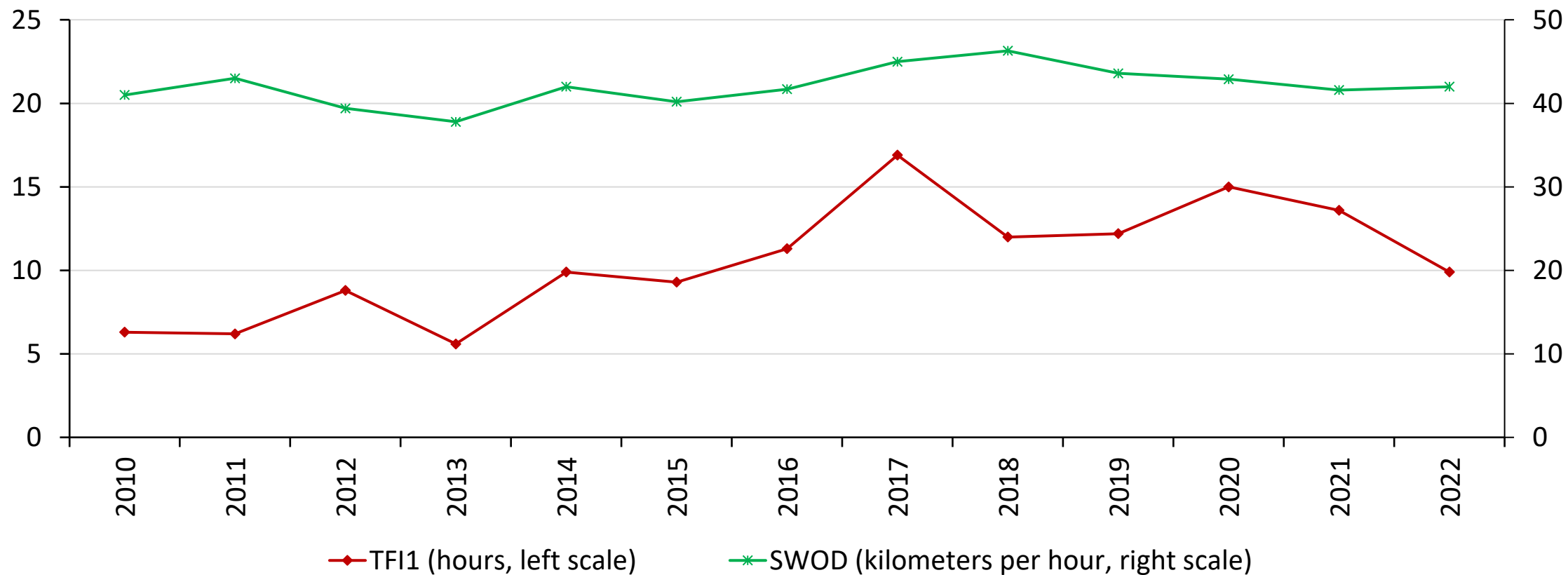


Note: Trade facilitation scores range from 0 to 100, with a higher score corresponding to greater progress in trade facilitation. Data on Turkmenistan are not available.
Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation. <https://www.untfsurvey.org/> (accessed 11 March 2024).

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Mean Values of the TFI1 and the SWOD for the CAREC Region, 2010-2022



Source: CPMM database.

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Causes of the Data Issues

- Shortcomings of the CPMM TTFs
- Limitations of the CPMM template
- Lack of structure in the CPMM samples
- Data aggregation by using simple averages
- Underutilization of the CPMM in data collection



Shortcomings of the CPMM TFIs

TFI1 & TFI2:

- cover operational transport activities whose duration and cost do not depend, or depend to a limited degree, on the efficiency of border controls
- include the duration and cost, respectively, of waiting in queue for entering a BCP
- do not differentiate shipments assigned to different channels under risk management in border controls

TFI3:

- the cross-sectional and intertemporal variations in the value of TFI3 fully or mostly reflect the differences and changes in the transport rates

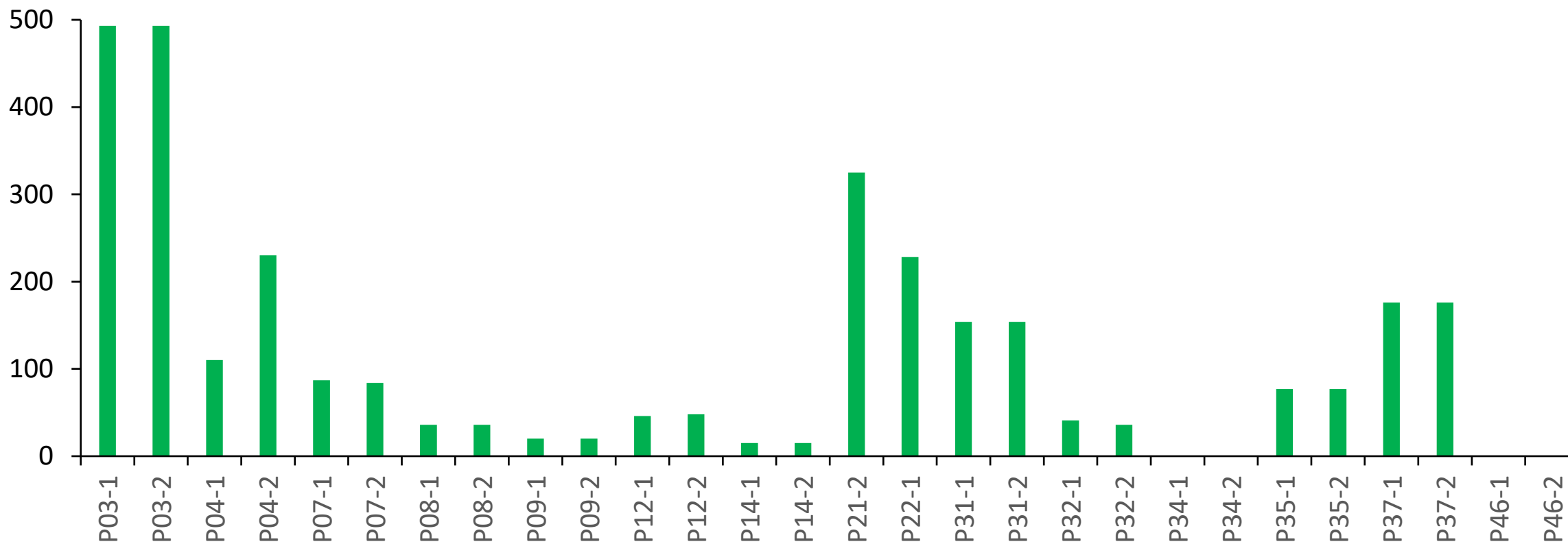


Limitations of the CPMM Template

- Requires that the time spent on and the cost of visa, customs, transport, phytosanitary, veterinary and other border controls be recorded separately
- Includes only a few variables that can serve as proxies for the adequacy of road transport infrastructure



Number of Shipments through Selected BCPs in the CPMM Database, 2022



Source: CPMM database.

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TFI Aggregation Levels

Aggregation level	TFI1	TFI2	TFI3	TFI4	SWOD
BCPs	For the inbound, outbound and all shipments in the sample		Not applicable		
CAREC corridors and corridor sections	For all shipments in the sample				
CAREC countries	For the inbound, outbound and all shipments in the sample		For all shipments in the sample		
CAREC region	For all shipments in the sample				

Source: CPMM review team.



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Inadequacies in the Dissemination of CPMM Data and Findings

- The CPMM annual reports are published with long lags
- CPMM policy briefs have not been prepared regularly
- Only a few CPMM blog posts have been published
- The online CPMM database is rather rudimentary



Preliminary recommendation

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CPMM Indicators

Replace the TFIs with the Transport and Trade Facilitation Indicators(TTFIs) that will

- separate waiting in queue to enter a BCP/port from other border crossing activities
- combine border controls and operational transport activities unrelated to border controls into two separate groups of border crossing activities
- separate the effects of the stops for emergency repair from those of the intermediate stops for checks and controls



Sampling

Impose more structure on the CPMM samples by

- (i) compiling—in consultation with stakeholders—lists of priority BCPs, ports and corridor sections that are to be covered by the CPMM
- (ii) fixing the types of shipments and the number of shipments of each type for which data are to be collected for each BCP, port and corridor section
- (iii) ensuring, as much as possible, that the target samples for various BCPs, ports and corridor sections serving the same mode of transport are comparable in terms of the types of the shipments
- (iv) allocating the resulting target samples to the CPMM partners in such a way that 2-4 CPMM partners will collect data on each BCP, port and corridor section



Data Collection

In addition to local associations of transport/logistics companies, engage foreign logistics companies, local survey companies and/or more local think tanks as CPMM partners

Collect information on key characteristics of the BCPs covered by the CPMM

Explore the possibility of collaborating with the customs of the CAREC countries whereby the customs will share data on trade/traffic flows via the BCPs with the CPMM team and the team will make a comparative assessment of the performance of the BCPs



Data Aggregation

Compute and report the TTFIs at low levels of aggregation (e.g., various categories of shipments, BCPs and ports)

Avoid using the TTFIs at high levels of aggregation (i.e., corridors, CAREC countries and the CAREC region)



Dissemination of CPMM Data and Findings

Discontinue publishing CPMM annual reports

Publish posts presenting CPMM findings in blogs and knowledge sharing platforms shortly after new CPMM data become available

Regularly prepare policy briefs based on CPMM data and, as appropriate, complementary data obtained from other sources



Dissemination of CPMM Data and Findings (continued)

Improve the online CPMM database so that users will be able to

- make online comparisons of the performance of BCPs/ports and corridor sections using various TTFIs
- visualize CPMM data online
- download all or subsets of the CPMM data using online queries
- review and download the CPMM metadata



Thank you!

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