

**STATEMENT OF  
CAREC FEDERATION OF CARRIER AND FORWARDER ASSOCIATIONS (CFCFA)  
12 OCTOBER 2009, SEOUL, KOREA**

**A. BACKGROUND**

1. International trade and transport is an integral component of the Central Asia Regional Economic Cooperation (CAREC) program and crucial to the integration of CAREC member countries into global economies. However, inadequate infrastructure and non-physical barriers hinder progress in linking the region to the global value chain and limit the benefits it can derive as a land bridge connecting Asia with Europe.

2. The non-physical barriers include complicated, lengthy and frequently changing procedures, as well as duplicative inspections, high fees, and long delays at border crossing points (BCPs). These bureaucratic obstacles create significant barriers for trade and transport and limit considerably the benefits to be derived from the CAREC program.

3. The CAREC Federation of Carrier and Forwarder Associations (CFCFA) is a regional coalition of carrier, freight forwarder, and logistics associations with common interest in facilitating and developing trade and transport in the CAREC region. Recognizing the importance of private sector participation in trade and transport development, the Asian Development Bank (ADB) agreed to support its formation.

4. CFCFA will serve as a unified platform for trade and transport companies to work with the governments of CAREC member countries in implementing the Joint Transport and Trade Facilitation Strategy (TTFS) and its Action Plan. The goals of the TTFS are:

- Establishment of seamless, competitive corridors across the CAREC region
- Facilitation of fast, efficient and reliable movement across borders
- Development of sustainable, safe, and user-friendly transport and trade logistics networks

5. Successful TTFS implementation requires active collaboration between trade and transport-related government agencies, and the private sector. CFCFA will support CAREC governments in coordinating improvements to transport infrastructure and regional trade processes, including harmonized cross-border procedures, and standards along the six CAREC corridors.

**B. GOALS**

6. The objectives of CFCFA shall include:

**Contributing a private sector perspective to CAREC transport and trade facilitation efforts**

- (i) Strengthen cooperation between road carrier, forwarder and logistics associations in promoting trade & transport facilitation in the CAREC region;
- (ii) Serve as a common platform for raising awareness on regional transport & logistics issues;

- (iii) Assist each other in collecting high quality data for the CAREC Corridor Performance & Monitoring Program (CPMM)

**Supporting relevant government agencies in improving transport and trade facilitation policies and infrastructure**

- (iv) Work with relevant government agencies to improve regional trade and transport efficiencies as well as to identify and remove barriers
- (v) Assist the governments of CAREC countries in formulating regional transport & logistics strategies
- (vi) Support relevant government agencies in implementing regional transport & logistics projects

**Enhancing professionalism within road carriers and freight forwarders industries**

- (vii) Ensure proper and effective adoption of international best practice in transport and logistics
- (viii) Raise the level of professionalism, efficiency and performance standards of CAREC road carriers, freight forwarders and logistics companies

7. CFCFA members shall adhere to the general principles of “mutual trust and benefits” and “cooperating extensively to deliver results” to be manifested in concrete actions that facilitate trade and transport throughout the CAREC region.

**C. OUTCOMES AND RESULTS FRAMEWORK**

8. The results framework for measuring CFCFA's success should include, but not be limited to, the following indicators:

- Increased amount of trade and transport throughout CAREC region;
- Reduced bottlenecks in the entire process of international trade and transport, and faster, reliable and predictable transit along CAREC corridors (measured and monitored by CAREC Corridor Performance Measurement and Monitoring Program);
- Improved trade- and transport-related infrastructure (including BCPs, road and rail networks);
- Improved operations of international trade and transport to reduce transaction cost and processing time
  - harmonized documents and procedures,
  - modern information and communication technology,
  - use of single window, and
  - coordinated border management schemes;
- Increased use of multimodal transport;
- Increased accession to multilateral trade and transport conventions;
- Reduced logistics cost as a percentage of GDP, and as the logistics cost component of final product cost;
- Increase in the number of trade and transport related investment projects (e.g. logistics centers, trade hubs);
- Increased foreign direct investment in CAREC countries;
- Improved ranking in the World Bank “Doing Business” and “Logistics Performance Index” surveys.

## **D. TERMS OF REFERENCE**

9. The proposed terms of reference for the CFCFA can be summarized by the following:

- (i) Promote successful implementation of the CAREC TTFS;
- (ii) Providing feedback to CAREC governments on TTFS Action Plan implementation;
- (iii) Accelerating the momentum for regional private sector cooperation;
- (iv) Support CAREC governments in developing effective transport and trade policies;
- (v) Assist CAREC governments in simplifying, harmonizing rules, regulations, standards & forms as well as streamlining trade and cross-border processes;
- (vi) Help CAREC governments identify areas where infrastructure investment and cooperation will generate the highest return;
- (vii) Advance public-private partnerships and private sector participation in CAREC regional trade and transport projects. Promote private sector investments in logistics centers and inland container depots;
- (viii) Serve as a common forum to discuss and resolve regional issues relating to transport and trade;
- (ix) Establish central database containing useful information for trade & transport (e.g. government regulations, emergency repair);
- (x) Develop standardized transport documents and standardized carriage contract for CAREC region;
- (xi) Build IT platforms that facilitate trade and transport;
- (xii) Raise the competency of trade & transport operators by mobilizing resources to upgrade logistics training in the region and to create a regional professional certification program.

10. CFCFA will establish links with counterpart bodies in other countries/regions, and sponsor joint workshops to exchange information, experience and best practices pertaining to transport and trade facilitation.

11. The progress of the CFCFA will be measured and monitored under the CAREC Results Framework.

## **E. ORGANIZATION STRUCTURE AND SCHEDULE OF MEETINGS**

12. CFCFA shall be comprised of carrier associations, freight forwarder associations and logistics associations located in the CAREC region. There will be an asset based carrier association group (trucking associations) and a non-asset based carrier association group (freight forwarder associations, logistics associations). Each group shall elect its own Co-Chair and its own Vice Chair. Each Co-Chair will serve for a one year term and will be succeeded automatically by the Vice Chair. The Vice Chair positions are up for election every year at the Annual Meeting.

13. CFCFA shall meet at least once a year and shall prepare an annual work program detailing the objectives, expected outputs and schedule of major activities for the upcoming year.

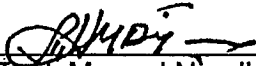
## G. COMMITMENTS OF SIGNATORIES

14. We have signed the Memorandum of Agreement for the creation of CFCFA and drafted its Constitution and Rules of Procedure. We are committed to devote our best effort to fulfill its goals and outcomes, and to make CFCFA a model of success in federation of regional transport and trade associations.

Signed on 12 October 2009, Seoul, Republic of Korea.



Mr. Ghulam Avas Ayen,  
Chief Executive Officer  
Association of Afghanistan Freight Forwarders Companies



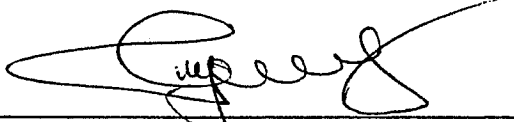
Mr. Tofik Mamed Nurullayev,  
President  
Azerbaijan International Road Carriers Association



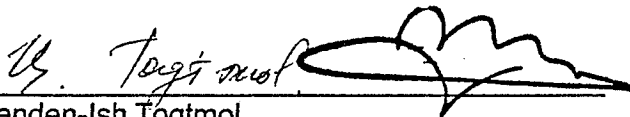
Mr. Ilya P. Segal  
Executive Director  
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и операторов грузов (контейнеров)



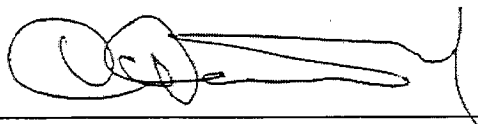
Mr. Faizulla Halmurzaev  
Secretary General, Kirgiz Association of Road Carriers



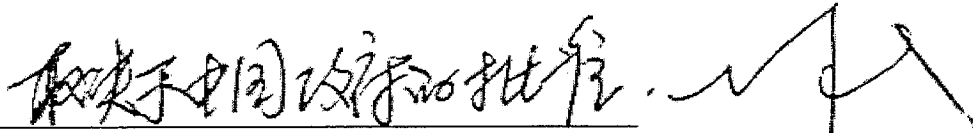
Mr. Temirbek Shabdaneliev,  
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Mr. Tsenden-Ish Togtmol  
General Secretary  
National Road Transport Association of Mongolia



Mr. Sambuu Demberel  
Chairman and CEO  
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Capt. Lin Zhong  
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Mr. Zhang Hai Feng, Chairman  
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