



TERMS OF REFERENCE
CFCFA Work Group 3
Organizational Development and Funding

A. Background

1. The CAREC Federation of Carrier and Forwarder Associations (CFCFA) is an international non-government and non-profit organization uniting carrier, freight forwarder, and logistics associations of the Central Asian Regional Economic Cooperation (CAREC) countries, as well as other countries. The purpose of CFCFA is to facilitate transport, trade and logistics development, and advance the interest of road carriers, freight forwarders and logistics providers associations that are its active members. The objectives of CFCFA include:

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

- (i) Strengthen cooperation between carrier and forwarder and logistic services provider associations in promoting transport, logistics and trade facilitation in the CAREC region and between the CAREC countries and other countries;
- (ii) Work with international government and non-government organizations, CAREC and other countries' governments to improve regional trade, transport and logistics efficiencies, as well as to identify and remove barriers to their development;
- (iii) Raise public awareness on regional transport, trade and logistics issues, and facilitate their resolution;
- (iv) Develop and promote strategies, programs, recommendations and regional technical cooperation projects aimed at developing high-quality, efficient and safe transport and logistics services;
- (v) Support CAREC member countries in implementing regional transport and logistic projects through the associations that are active CFCFA members;

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

- (vi) Support the governments in establishing conditions conducive to the development of transport, forwarding and logistic activities, and foreign economic relations in the Union member countries;
- (vii) Further implementation of regional transport and logistics projects in the member countries;
- (viii) Further development of Euro-Asian land transport;
- (ix) Promote development of multi-modal transport;
- (x) Counter discrimination of transport types and development of monopolism in provision of transport, forwarding and logistic services;

Enhancing professionalism within road carrier and freight forwarder industries

- (xi) Consolidate efforts of the national associations that are active members to improve efficiency of the domestic and international transport;
- (xii) Adoption of international best practices in transport and logistics;
- (xiii) Unify, improve and simplify national and international regulatory documents and procedures to improve transportation and trade;
- (xiv) Raise the level of professionalism, efficiency and quality of CAREC road carriers, freight forwarders and logistics companies.

2. At the 22 February 2011 CFCFA Executive Board Meeting in Chongqing, Mr. Berik Bulekbayev of Kazakhstan Freight Forwarder Association (KFFA), representing Mr. N. Issingar, reported on CFCFA achievements since its formal establishments in March 2010:

- (i) The institutional framework of the CFCFA has been set up. Constitution and By-laws of CFCFA including principles of CFCFA operation and basic documents required for CFCFA operation have been drafted and approved, Chairman, Vice-Chairman and Executive Board members have been elected.
- (ii) Government institutions of CAREC countries and international organizations operating in the CAREC region have been informed about the establishment, purpose and objectives of the CFCFA and cooperation relationships in various forms have been established.
- (iii) CFCFA priority projects are determined, and work started on the implementation of projects which can help Federation to become the effective organization for solving regional problems.
- (iv) CFCFA website has been designed, launched and is being improved; members can view the website: cfcfa.net and offer suggestions for further improvement.

3. In order to share the workload of Chairman and Vice-Chairman, to keep the work program focused on agreed on priorities, and to encourage ownership and active participation of all Executive Board members in CFCFA activities, it was agreed that 3 working groups (WG) will be created:

- (i) **Standardization and adoption of international best practices.** The WG will focus on the need for standardization and introduction of better international practices across the CAREC region in various aspects of operations of CFCFA members, and organize related capacity building activities;
- (ii) **Cross-border transport and trade.** The WG will tackle impediments of cross border movements of goods and people,¹ liaise with other government agencies and CAREC bodies to offer practical solutions and launch pilot programs;
- (iii) **Organization and funding.** The WG will suggest ways for better organization of the Federation to benefit from its members' practical experiences and relationship at country and regional level, and identify potential funding sources and operations that can be revenue generating for long term sustainability of the Federation.

B. Objectives of the Organizational Development and Funding Working Group

4. Articles 19 and 20 of the CFCFA Constitution deal with the financial standing of the Federation. In particular, Article 19 stipulates that '[t]he financial resources of CFCFA shall come from:

- (i) Admission fees paid by new Members;
- (ii) Members' annual fees;

¹ Certain specific issues, such as the difficulty in timely obtaining visas by drivers and business people can be tackled by the cross-border transport and trade WG.

- (iii) Charges, service revenue and income generated from properties and securities of CFCFA

The financial resources of CFCFA shall be used for:

- (i) Meeting the operating expenses of CFCFA
- (ii) Building a reserve'

5. In broad terms, the Organizational Development and Funding Working Group is tasked to develop ways to better organize and manage the Federation by utilizing its members' practical experiences. CFCFA member associations are expected – via established relationships at the country and regional level – to raise CFCFA's profile and give voice to transport operators and trade logistics service providers. A key task for the Working Group is to identify potential funding sources and revenue generating activities for long term financial sustainability.

6. CFCFA activities at present are funded by technical assistance grants provided by ADB. This source of funds is likely to expire 31 December 2012. It is imperative that the Working Group consider developing revenue-generating activities and tools that can sustain the Federation's operations beyond 2012.

C. Participation

7. Each Executive Board member should serve on at least one working group. All non- Executive Board members should also join at least one specific work group, but not more than two.

D. Scope of Work

8. The proposed terms of reference for the Organizational Development and Funding Working Group are focused on (i) **raising the profile of CFCFA** to attract new members and establish the Federation as a valued resource to be consulted on transport operations and trade logistics best practices and proposed policy and regulatory changes to the economic environment, and (ii) **placing CFCFA on a sound, sustainable financial base** by, for example, raising revenue from member associations, identifying commercial opportunities such as consulting, web-based services, and establishing representation partnerships with relevant international companies and commercial associations seeking a proxy presence in CAREC.

E. Detailed Tasks

9. Specifically, the Organizational Development and Funding Working Group will devise and propose measures for raising the profile of CFCFA through, among others:

- (i) Organizing frequent public-private consultations, workshops, and policy dialogues – involving economic operators and regulators – to:
 - Review and assess all on-going and proposed programs, projects and activities related to transport and trade facilitation in the identified priority corridors;
 - Clarify the roles and responsibilities of the various public and private sector actors involved; and
 - Highlight areas for improvement, identifying best practices meriting emulation;
- (ii) Gauging the interest of international organizations (development banks, industry associations, etc.) to collaborate on discrete activities of common interest/concern;

- (iii) Identifying potential new members and developing membership recruitment materials to solicit their membership;
- (iv) Developing a broad distribution list for CFCFA reports, including CPMM reports (both on-line and snail mail);
- (v) Tasking member associations with media analysis responsibilities and drafting op/ed commentaries or letters to the editor on matters of relevance to CFCFA;
- (vi) Developing advertising materials that could be placed on member association vehicles.

10. The Organizational Development and Funding Working Group will devise and propose measures to fund ongoing CFCFA activities by, among others

- (i) Identifying opportunities for generating revenue from cfcfa.net;
- (ii) Developing a series of training programs (together with CAREC Institute, FIATA, IRU, and others) which respond to the demonstrated needs of CFCFA members (current and prospective);
- (iii) Competitively selecting well-reputed financial institutions to manage CFCFA resources;
- (iv) Designing customized representation services for transport and logistics service providers seeking to establish a presence in CAREC.
- (v) Assessing demand for providing fee-based consulting services;
- (vi) Negotiating discounts on consumables for member associations.