

Trade and Transport Facilitation Monitoring Mechanism (TTFMM)

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National Trade and Transport Facilitation Monitoring Mechanism (TTFMM)

Towards a National Integrated and Sustainable
Trade and Transport Facilitation
Monitoring Mechanism: BPA+



ADB

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Item 7(a) of the provisional agenda

Recommendations and standards

Recommendations for approval

Revised

Recommendation N°42:

Trade and Transport Facilitation Monitoring Mechanism

Summary

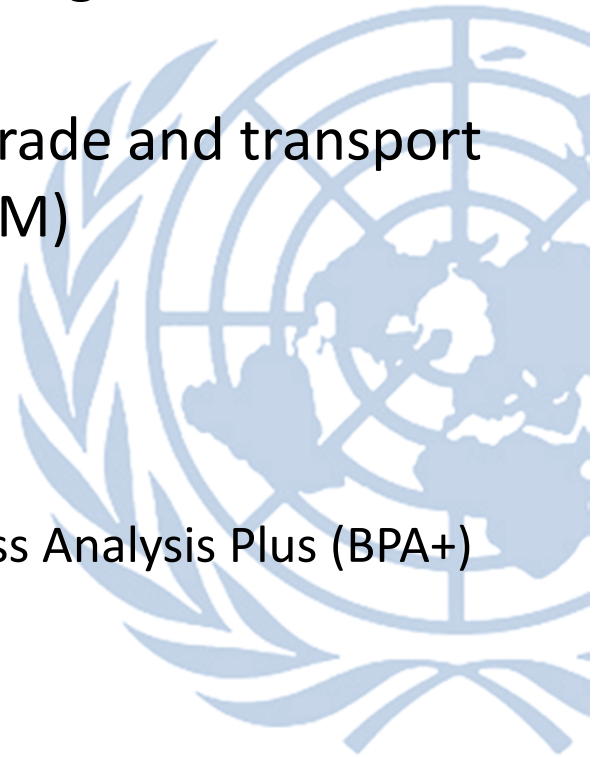
Many countries around the world have made efforts to facilitate trade and transport. Few, however, have established sustainable mechanisms to monitor the effectiveness of policies and procedures that facilitate trade and speed up international supply and value chains. There is, therefore, a need for countries to establish sustainable national trade and transport facilitation monitoring mechanisms to measure and assess progress, and to assist in policymaking and modernization efforts.

The purpose of this Recommendation is to encourage governments, business communities, development partners and international organizations to collaborate in the development of sustainable Trade and Transport Facilitation Monitoring Mechanisms (TTFMMs). Accordingly, this recommendation addresses issues related to institutional arrangements and methodology in designing and implementing a TTFMM.

Document ECE/TRADE/C/CEFACT/2017/8 is submitted to the twenty-third session of the UN/CEFACT Plenary for approval.

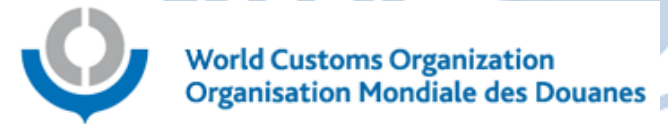
Agenda

1. Review of international cross-country indicators
2. Review of national experiences in conducting trade and transport assessments/studies
3. Need for a national sustainable national trade and transport facilitation monitoring mechanism (TTFMM)
4. TTFMM
 - i. Rationale and Purpose
 - ii. Framework
 - iii. Data collection and analysis: Business Process Analysis Plus (BPA+)
 - iv. Key functions of TTFMM
5. Implementation of TTFMM
6. Conclusion



Review of international cross-country indicators:

Trade Facilitation Performance and Monitoring Workshop, Wuhan, China, 22 October 2015



International cross-country indicators

- Examples include:
 - ESCAP-World Bank Trade Cost database
 - World Bank Logistics Performance Index
 - World Bank Doing Business / Trading Across Borders Indicators
 - UNCTAD Liner Shipping Connectivity Index
 - OECD Trade Facilitation Indicators



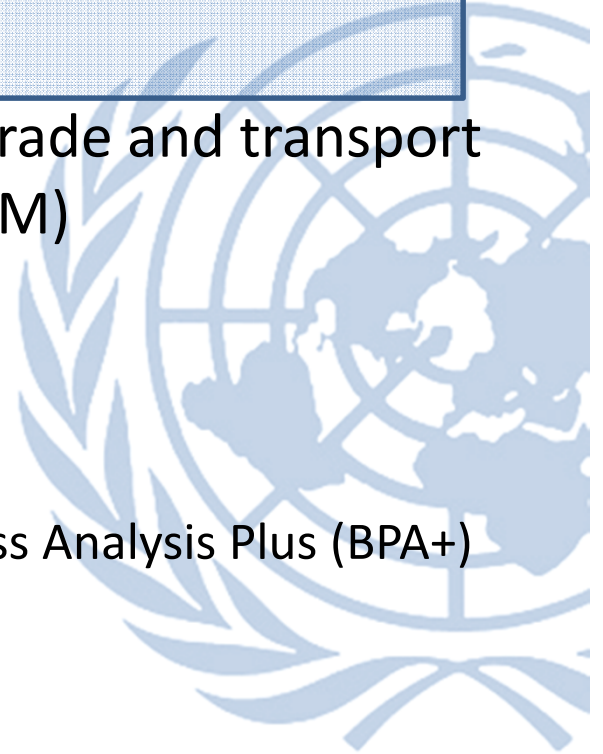
International cross-country indicators: strengths and weaknesses

- Strengths:
 - relevant and essential to assess trade facilitation at national level
- Weaknesses:
 - Not detailed enough to develop or update national trade facilitation action plans
 - Lack of country ownership



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National experiences: Time Release Study

Asia Pacific

- ❖ Australia
- ❖ Bhutan
- ❖ Brunei
- ❖ China
- ❖ Fiji
- ❖ India
- ❖ Indonesia
- ❖ Japan
- ❖ Korea, rep.
- ❖ Lao PDR
- ❖ Malaysia
- ❖ Mongolia
- ❖ New Zealand
- ❖ PNG
- ❖ Philippines
- ❖ Singapore
- ❖ Thailand
- ❖ Viet Nam

Africa

- ❖ Côte d'Ivoire
- ❖ Ethiopia
- ❖ Kenya
- ❖ Mozambique
- ❖ Niger
- ❖ Rwanda
- ❖ Tanzania
- ❖ Uganda
- ❖ Zambia

Other

- ❖ Jamaica
- ❖ Jordan
- ❖ Peru
- ❖ Poland
- ❖ Sweden
- ❖ Uzbekistan

International

- ❖ EAC

of

Source: Presentation by rep. from WCO at the Trade Facilitation Performance and Monitoring Workshop, Wuhan, China, 22 October 2015

National experiences: Business Process Analysis of trade procedures

Asia Pacific

- ❖ Azerbaijan
- ❖ Bangladesh
- ❖ Bhutan
- ❖ Cambodia
- ❖ China
- ❖ India
- ❖ Korea, Rep. of
- ❖ Lao PDR
- ❖ Malaysia
- ❖ Myanmar
- ❖ Mongolia
- ❖ Kazakhstan
- ❖ Kyrgyzstan
- ❖ Nepal
- ❖ Thailand

Africa

- ❖ Ethiopia
- ❖ Kenya
- ❖ Rwanda
- ❖ Tanzania
- ❖ Uganda
- ❖ Zambia

Other

- ❖ Greece




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Why is sustainable national trade and transport facilitation monitoring mechanism important and essential?

- Available international cross-country trade and transport indicators are useful but not sufficiently detailed or reliable
- Many trade facilitation monitoring exercises have been carried out in developing countries, but
 - One-off / Ad hoc assessment studies; Overlapping and not coordinated; No uniform method & approach
 - Lack of ownership of results, no follow-up



*If You
Can't
Measure It,
You Can't
Manage It!*

Need for an integrated and sustainable mechanism:

- (1) To provide adequate data & information to support decision making and to monitor implementation and impact of these decisions on trade facilitation measures
- (2) To reduce unnecessary duplication of efforts & ensure recommendations are implemented

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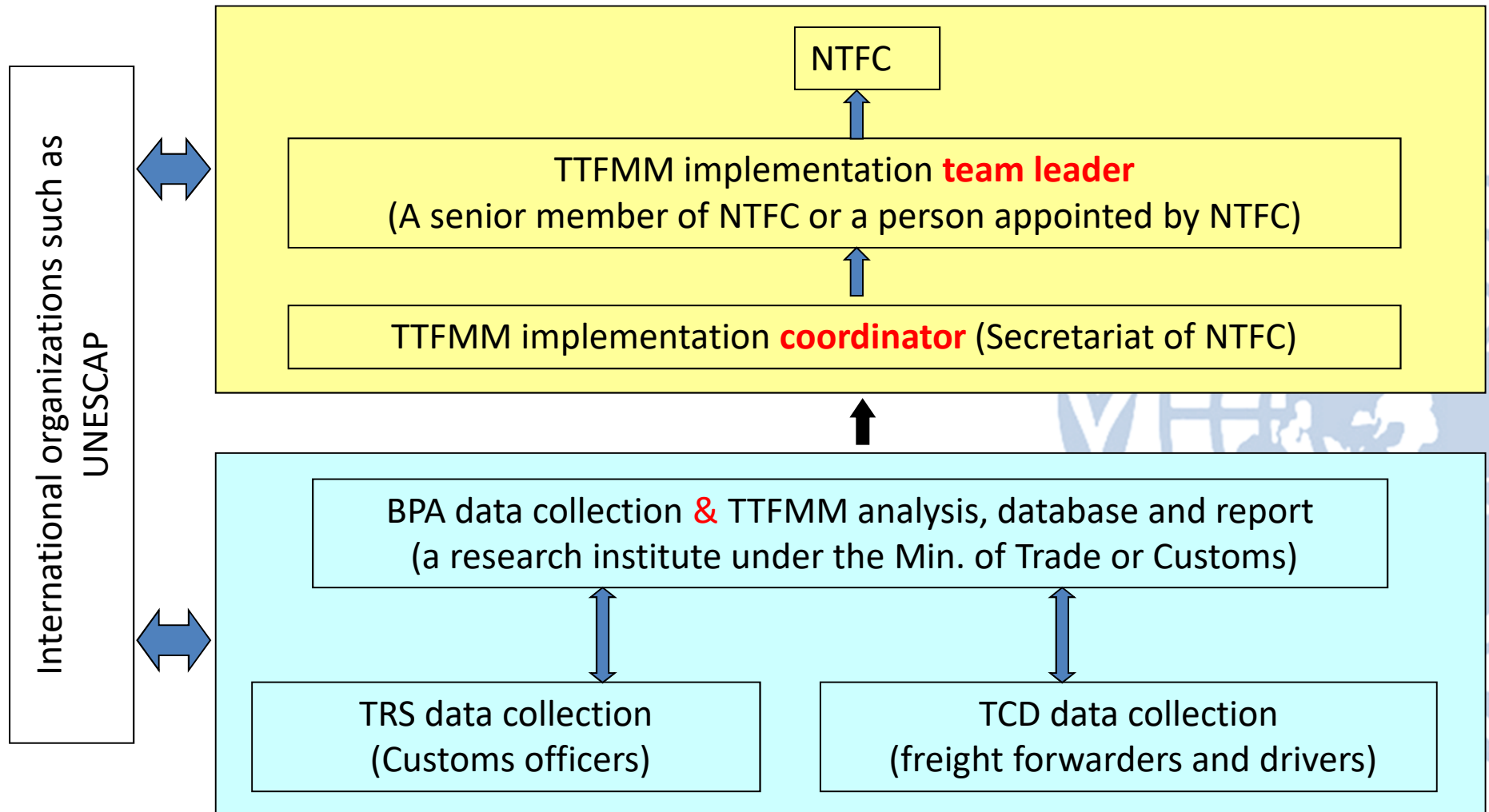
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TTFMM: Rationale and Purpose

- Existing studies have often been ad-hoc or one off. Countries have no long-term data to monitor the effectiveness of trade facilitation measures.
- In a nutshell, TTFMM will enable a country to collect its own data on trade and transport facilitation, develop a TF database and support evidence-based decision making and reform.
- TTFMM can be applied to all countries including LDCs, LLDCs and SIDS



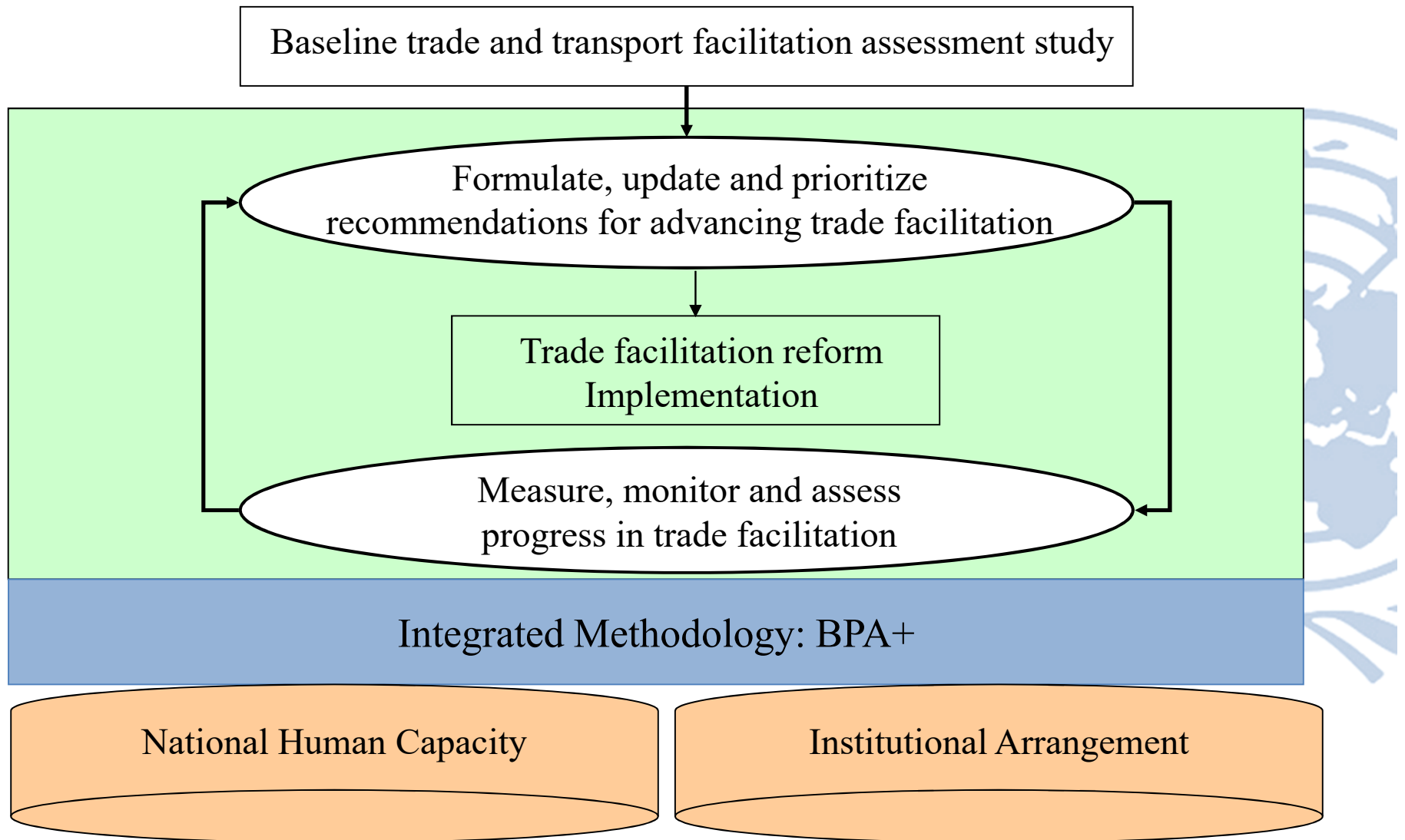
Institutional arrangement: an example



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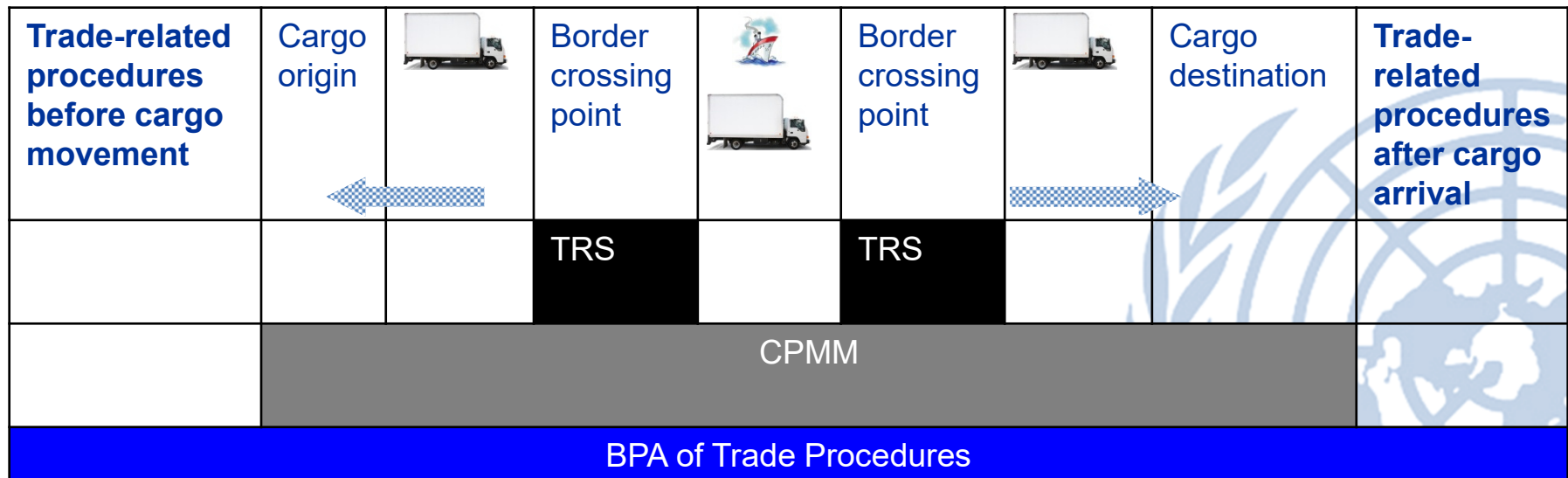
Framework



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An integrated methodology for data collection and analysis



Business Process Analysis (BPA) for diagnosis of
TF bottlenecks along entire supply chain

**Corridor Performance Measurement and
Monitoring** (CPMM) &
Time Release Study (TRS)

to Improve/verify BPA time and cost estimates

Agenda

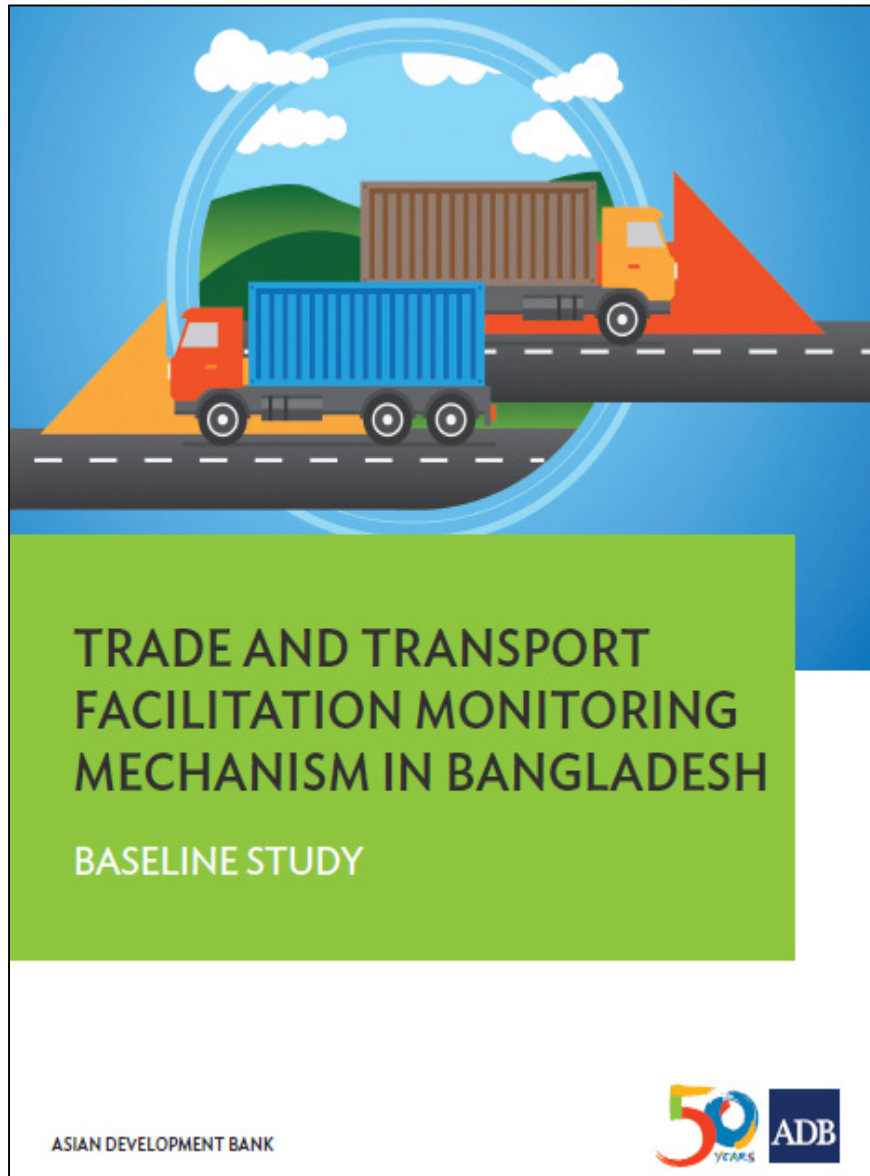
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An important workshop

Bangkok, 13-15 Jan 2015



TTFMM in Bangladesh: baseline study



The whole set of reports include

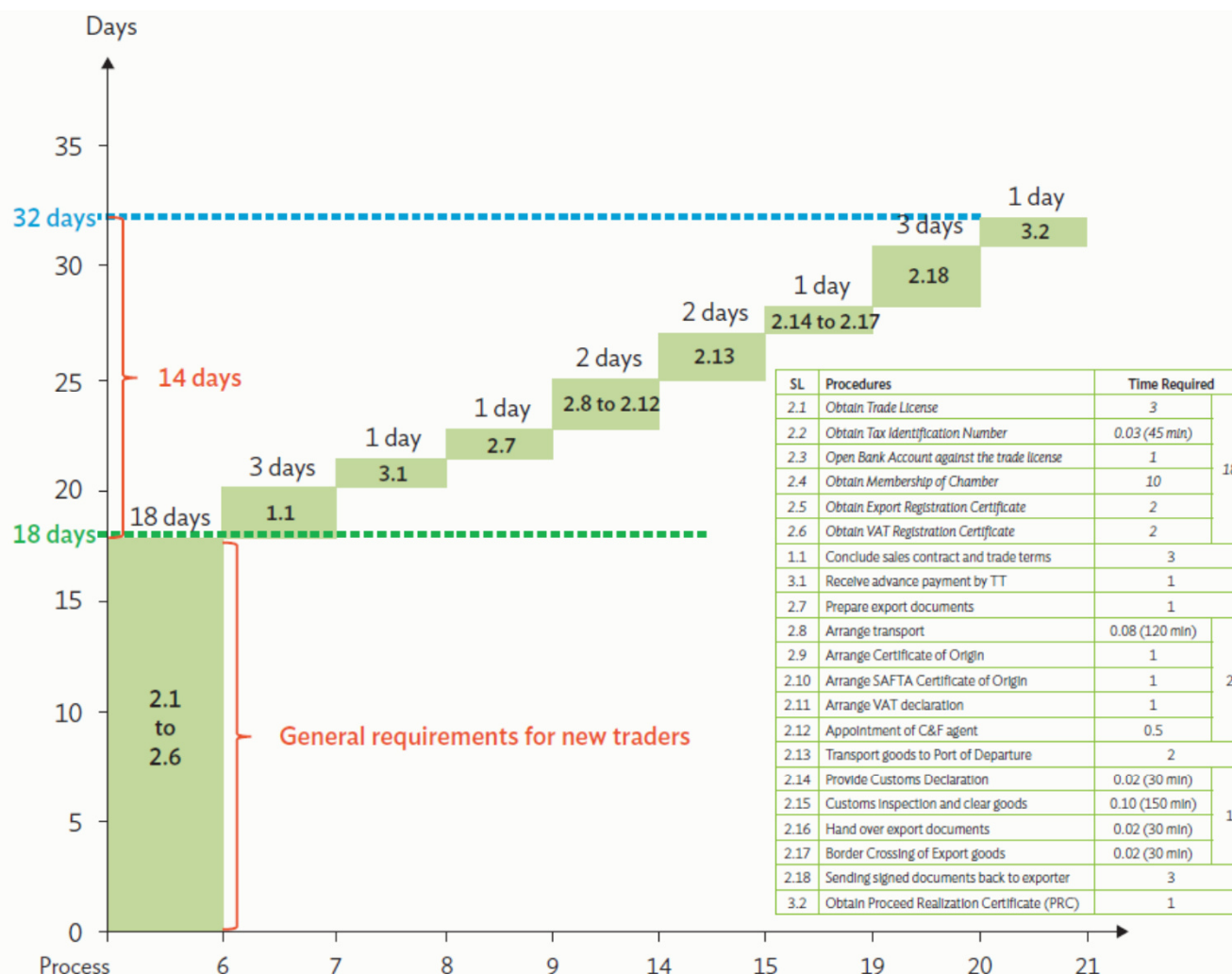


A synthesis report for policy makers or general public

Five subsidiary reports to provide technical details



An example of analysis: Time-Procedure chart for export of plastic kitchenware from Bangladesh (to Bhutan)



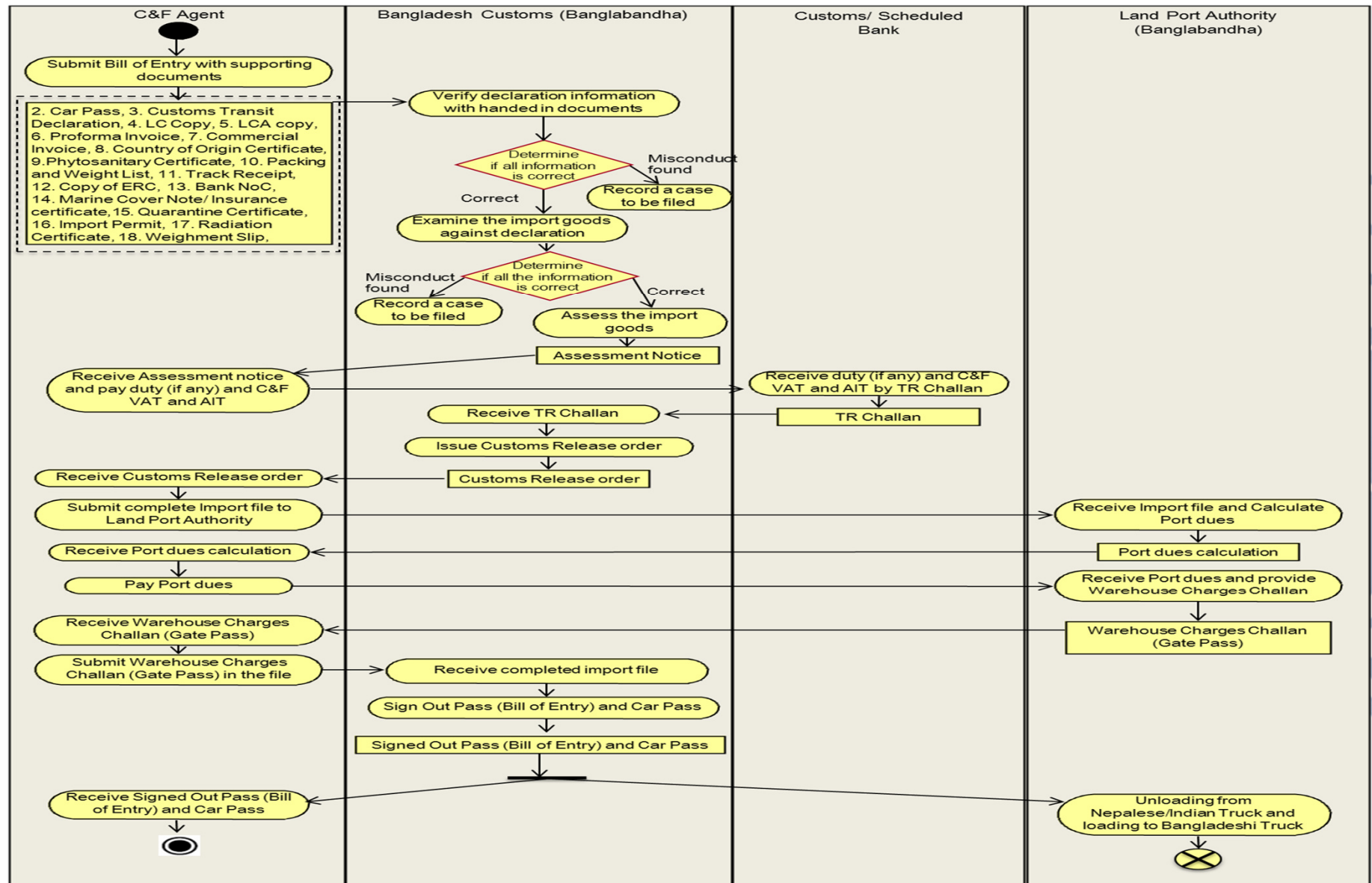
C&F = clearing and forwarding agent, min = minutes, SAFTA = South Asian Free Trade Area, TT = telegraphic transfer, VAT = value-added tax.

Note: The time required for completing general requirements of obtaining license/membership and certificates for conducting export business in Bangladesh is on average 18 days. After completion of general requirements, the time required for exporting plastic kitchenware and tableware from Bangladesh to Bhutan is on average 14 days.

Source: Prepared by the project team.



Another example of analysis: “customs inspection and clearance” activity diagram



Key indicators derived from the reports

Indicators		Export ^a	Import ^b
Time	Total trade time <i>excluding</i> onetime procedures for a new trader	14 days	15 days
	Total trade time <i>including</i> onetime procedures for a new trader	32 days	33 days
	Total time for transport, <i>including</i>	30 hours	28 hours
	– Travel time	19 hours	18 hours
	– Stoppage time	11 hours	10 hours
	Average time taken for release of cargoes, <i>including, among others</i>	2 hours 14 minutes	6 hours 34 minutes
	– Port Authority area—weighing and unloading ^c	–	4 hours 23 minutes
	– Customs procedures	1 hours 14 minutes	2 hours 45 minutes
	Banking procedures	–	0 hours 14 minutes
	Port Authority clearance procedures	0 hours 31 minutes	0 hours 18 minutes
Costs	Total trade costs <i>excluding</i> onetime procedures for a new trader	\$308	\$886
	Total trade costs <i>including</i> onetime procedures for a new trader	\$842	\$1,450
	Official costs incurred along the corridor	\$82	\$107
Number of procedures	Total number of procedures <i>excluding</i> onetime procedures for a new trader	15	13
	Total number of procedures <i>including</i> onetime procedures for a new trader	31	19
Number of documents	Total number of documents <i>excluding</i> onetime procedures for a new trader	11	18
	Total number of documents <i>including</i> onetime procedures for a new trader	20	27
Number of copies of document	Total number of copies of documents <i>excluding</i> onetime procedures for a new trader	93	71
	Total number of copies of documents <i>including</i> onetime procedures for a new trader	117	93
Speed along the corridor	Average speed with delays	15 km/h	17 km/h
	Average speed without delays	24 km/h	27 km/h

km/h = kilometers per hour.

^a Export of plastic kitchenware and tableware to Bhutan through Burimari land port.

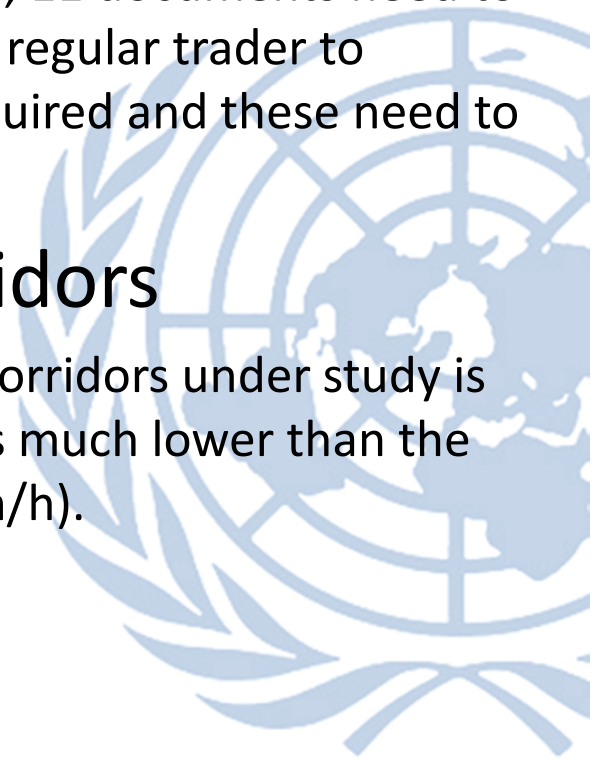
^b Import of lentils from Nepal to Bangladesh through Banglabandha land port.

^c Activities carried out in parallel with the customs procedures.

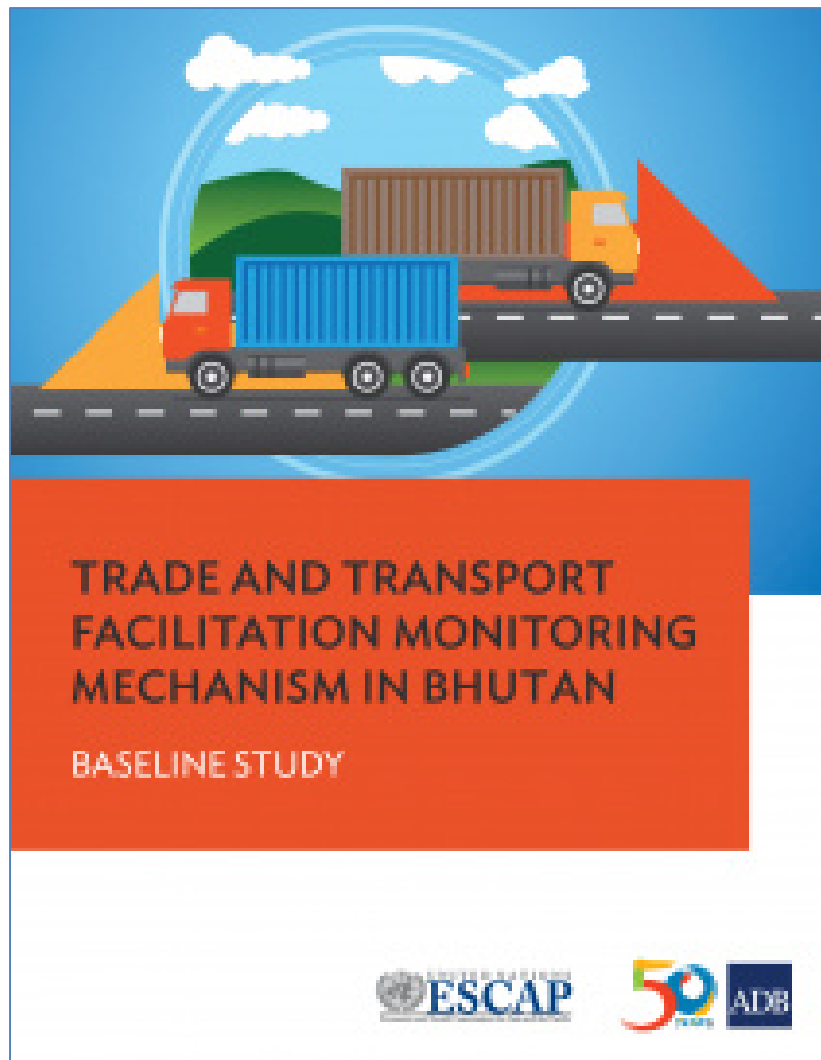
Source: Prepared by the project team.

Selected bottlenecks identified

- **Too many manual and repeated submissions**
 - For a regular trader to complete the export process, 11 documents need to be submitted repeatedly—93 times. Similarly, for a regular trader to complete an import process, 18 documents are required and these need to be submitted for a total of 71 times.
- **Low average speed along the corridors**
 - The average speed with and without delays along corridors under study is 15–17 km/h and 24–27 km/h, respectively, which is much lower than the average speed surveyed in Central Asia (over 30 km/h).



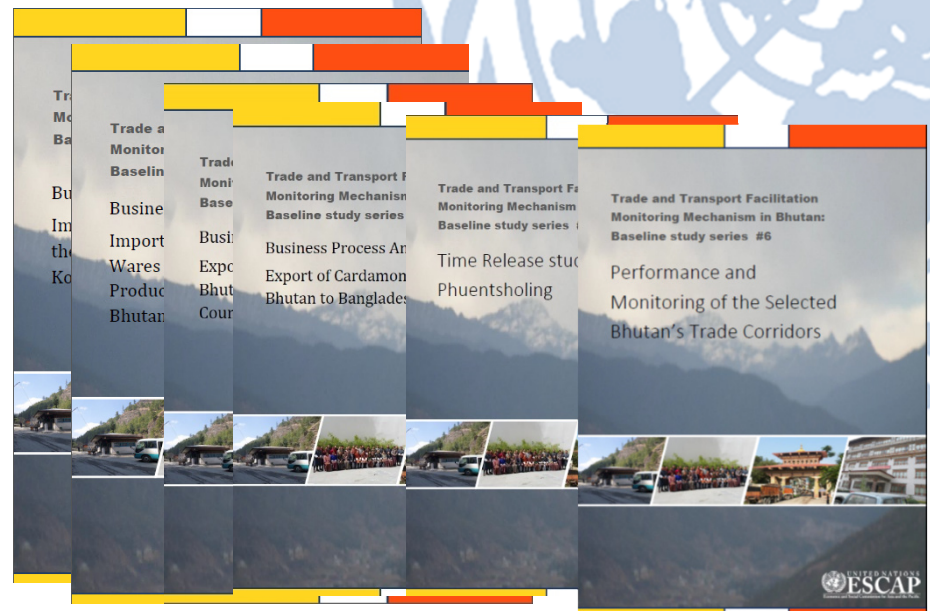
TTFMM in Bhutan: baseline study



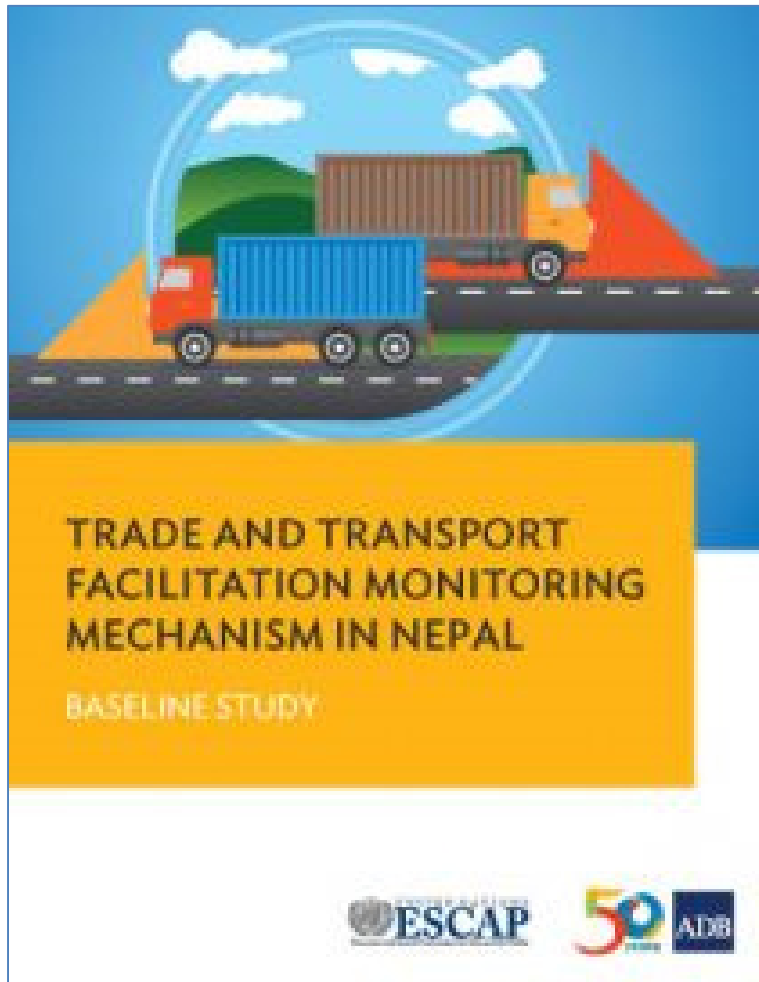
The whole set of reports include

← A synthesis report for policy makers or general public

Six subsidiary reports to provide technical details



TTFMM in Nepal: baseline study



The whole set of reports include



A synthesis report for policy makers
or general public

Four subsidiary reports to provide
technical details



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Key conclusions

- The reports identify trade facilitation measures that need to be administered in the short- and long-term, and therefore, supports a country to prioritize the implementation; and
- Any country will benefit from establishing long-term sustainable trade and transport monitoring mechanisms.



Questions

- What are the experiences of conducting trade facilitation monitoring in your country?
- What are the key challenges for establishing TTFMM in your country?

