

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Transport Trends and Economics

Twenty-third session
Geneva, 7- 8 September 2010

Transport and competitiveness

Note by the secretariat

1. At its 22nd session, The Working party considered the secretariat's proposal to initiate a project aimed at developing a new methodology for the measurement of supply chain efficiency of national transport system. This unique methodological tool would be developed to be commonly used by national Governments wishing to (i) benchmark performance of transport and logistics systems against peer economies; (ii) evaluate the contribution of the transport sector to the overall competitiveness of their economies; (iii) identify points of weakness in their transport system and their transport links with their main trading partners; and, (iv) identify appropriate policy interventions to improve performance and remedy problem areas.
2. The Working Party decided to support the formation of a Task Force with a mandate and the terms of reference as outlined in the Informal document No. 23, presented by the secretariat at 22nd session of the Working Party.
3. The first step in the proposed outline of the project was a Round Table "Supply Chain Challenges for National Competitiveness through Transport", which the secretariat organised on 2 December 2009. Round Table was organised in line with the draft approved by the Working Party at its 22nd session in September 2009. Conclusions of the round table are being circulated in Informal document No. __. The Round Table gathered 12 experts from member countries as well as participants from UNCTAD and UNECE. At its seventy-second session in February 2010, the Inland Transport Committee was informed about the outcome of the Round Table and approved the outline of the project, as well as the establishment of the relevant Task Force.
4. The Round Table showed that there has been a significant amount of research already done regarding the supply chains, their management and their economic importance both nationally and internationally as well as an important number of indicators and indexes developed in international context. In spite of this, participants concluded that there is still a lack of understanding and common grounds for assessing the real impact of supply chains and transport as their most important component on competitiveness of nations, since many governments have not been made aware of this link. The new methodological framework would therefore fill an important gap which governments face when they want to address the question what role should they play in developing

and creating economic and business environment conducive to supply chains and transport sector role in increasing the efficiency and productivity of supply chains.

5. In addition, the Round Table clearly indicated that development of a new methodological framework should be based on building blocks which would take into account functional characteristics of supply chains, which share common features across nations (seamless flows, costs, reliability, sustainability, etc.) but are specific for industry sectors, and specificities in various countries in terms of transport policies, markets and economic conditions related to “maturity” level of different types of countries. This feedback was important not only because it indicated to the secretariat the very complex nature and links between the issues to be considered in the project, but also because it revealed the need to engage variety of experts from various fields with specific knowledge of transport, supply chains, competitiveness and policy matters.

6. The initial timeline of the project envisaged establishment of the Task Force in March 2010. However, due to the feedback received from the Round Table, the secretariat was of the opinion that creation of the Task Force at this point in development of the project would be premature.

7. Therefore, the secretariat felt that the Task Force should be established only after the initial building blocks of the new methodological framework are laid down and when the concrete and focused discussion of the Task Force members, based on the draft of a new methodological framework, could move the project ahead towards its completion. In view of this, the secretariat proposes that the project’s timeline be revised in the following way:

September 2010	WP.5 to approve the new timeline; delegates, who indicate interest of their country to be on the Task Force, to communicate to the secretariat names of their experts;
October 2010	Secretariat to commission a consultant (TOR in the Annex I) to contribute to drafting a formal audit report on the existing research and indicators, building on the gap analysis exercise carried out by the secretariat to provide a comprehensive analysis of the strengths and weaknesses of the different measures and their potential value to Governments in developing policy analysis.
January 2011	Secretariat to commission a consultant (TOR in the Annex II) to contribute to the project, prepare the necessary analytical background and draft proposal of the methodology.
March 2011	Task Force to meet in Geneva and review first draft proposal of the methodology
June 2011	Task Force to meet in Geneva and finalize the methodology
September 2011	Methodology with pilot data presented to the Working Party.
February 2012	Inland Transport Committee to launch the new framework.

Annex I

Terms of reference for a consultant to prepare audit report

Objective:

The consultant will contribute to the secretariat's work on the full audit of existing research including methodologies and indices of competitiveness, with a particular focus on assessing their value for use in policy making. He/she will build on the gap analysis carried out by the secretariat in order to provide a comprehensive analysis of the strengths and weaknesses of the different methodologies and their potential value to Governments in developing policy analysis and responses.

Outputs of the work assignment:

Final report containing recommendations for the future work of the secretariat on the new methodological framework. The report will be reviewed by the secretariat and will help it formulate its approach and strategy for further work on the methodology.

Schedule of work:

The final report should be delivered by 1 December 2011. (Contract duration - 1 month).

Annex II

Terms of reference for a consultant to develop a new evaluation framework

Objective:

The consultant will be engaged to contribute to a draft of the new methodological framework which would be able to meet the objectives set out in the project proposal. The proposed framework should ensure a strong linkage between the measures reported and real world outcomes, and will need to incorporate a better matching between supply side factors and the demands that are placed on transport systems in a highly integrated global economy.

Analysis will not be limited exclusively to infrastructure bottlenecks (infrastructure being considered the hard component of logistics), but will also consider the rules and procedures regulating the services (soft component) to give a holistic treatment of trade and transport facilitation issues.

Outputs of the work assignment:

Final report containing the draft framework and the methodology will need to reflect and relate to strategic policy objectives, should be built on multi-criteria based tools and analysis and need to propose data collection strategy and allow for appropriate costs comparison.

Schedule of work:

The final report should be delivered by 15 March 2011. (Contract duration – 2 months).

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