

# TTFMM: Needs, Functions and Experiences

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Transport Facilitation Monitoring Mechanisms  
(TTFMM)**

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UNITED NATIONS  
**ESCAP**

Economic and Social Commission for Asia and the Pacific

# Agenda

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1. Review of international cross-country indicators
2. Review of national experiences in conducting trade and transport assessments/studies
3. Recap the key features of TTFMM
4. Key data need to be collected for TTFMM
5. Ongoing TTFMM baseline studies
6. Proposed UNCEFACT Recommendation on TTFMM
7. Ask for support from the experts
8. Conclusion

# Review of international cross-country indicators:

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

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# International cross-country indicators/databases

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## ❖ 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
- ▶ United Nations Regional Commissions Trade Facilitation and Paperless Trade Implementation Survey database

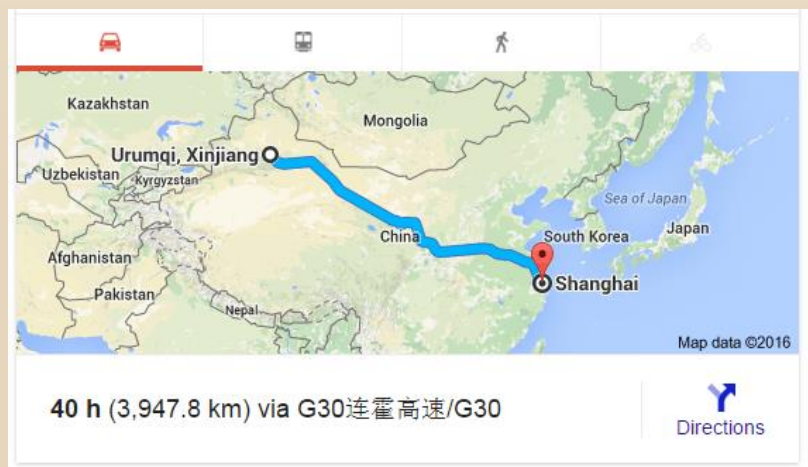
# International cross-country indicators/databases: strengths and weaknesses

## ❖ Strengths:

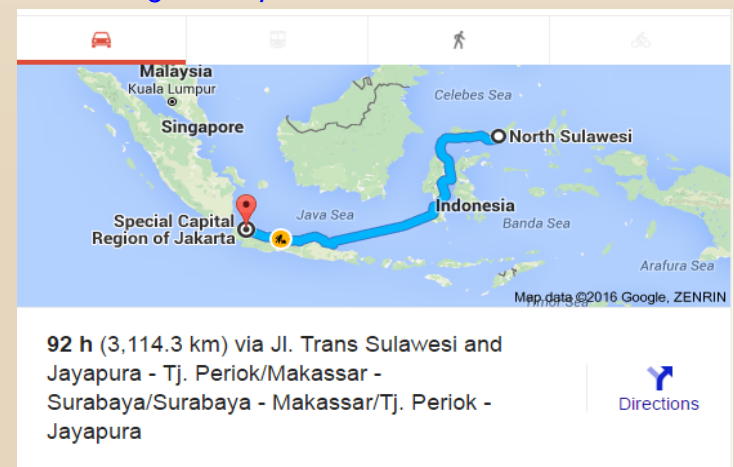
- ▶ relevant and essential to assess trade facilitation at national level

## ❖ Weaknesses:

- ▶ Not detailed enough to develop or update national trade facilitation action plans
- ▶ Lack of country ownership



*Do you know: Indonesia has over 14,000 islands according to Wikipedia*



*The maps used here are for illustration only. They do not imply the expression of any opinion whatsoever on the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries*

# National experiences: Time Release Study

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## 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

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## 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

# Key weakness of national trade and transport facilitation assessments so far...

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- ❖ Often ad-hoc or one off
- ❖ Sometimes driven by international organizations or development partners
- ❖ Often no adequate follow up

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Need for an integrated and sustainable mechanism:

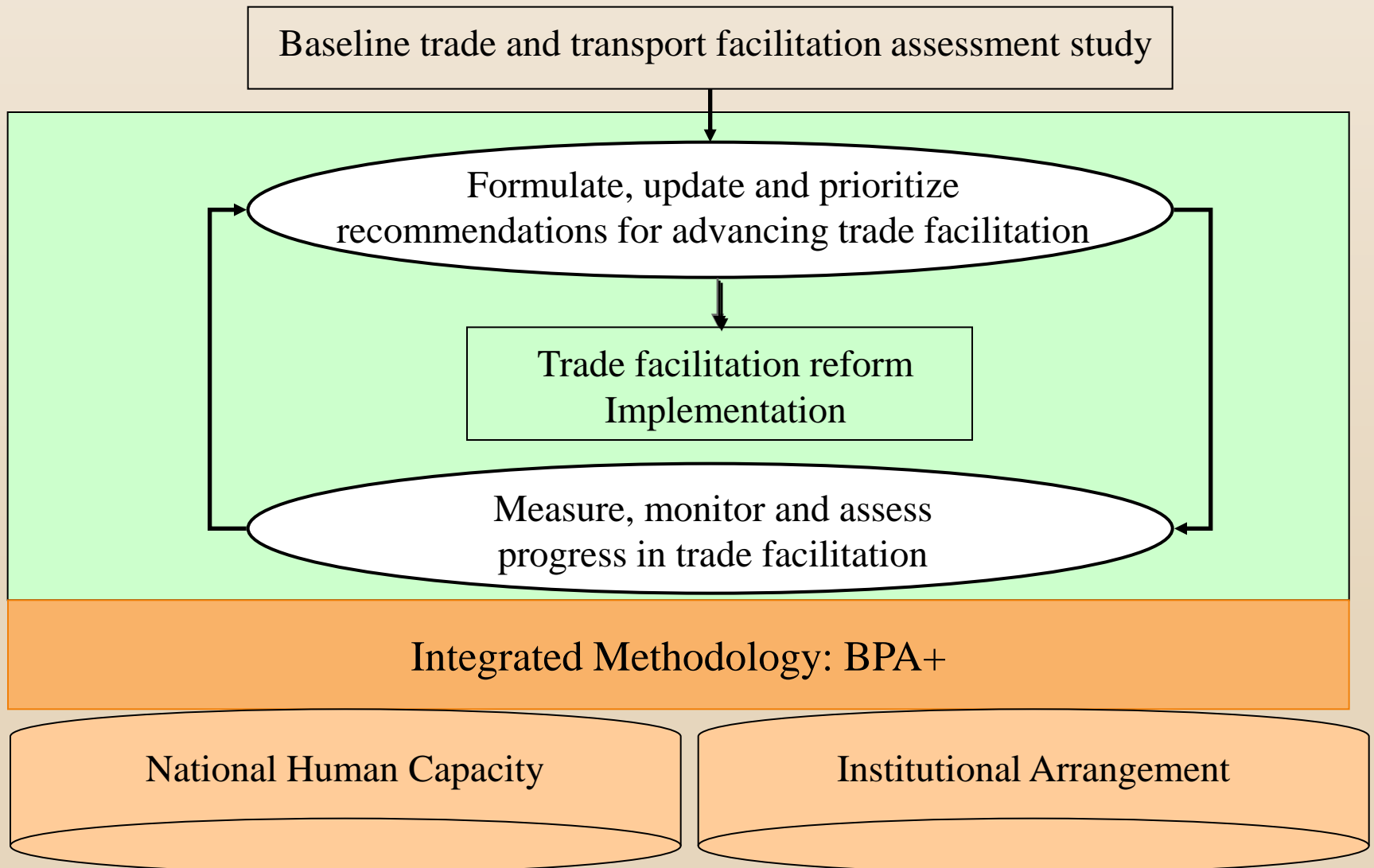
- (1) To provide adequate data & information to support decision making and to monitor implementation and impact of these decisions on trade facilitation measures
- (2) To reduce unnecessary duplication of efforts & ensure recommendations are implemented



# TTFMM: Rationale and Purpose

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# Scope for monitoring

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## ❖ Evolving strategy

- ▶ If the monitoring exercise is carried out for the first time in the country, the country may be focused on a small number of strategically important products and trade routes for the assessment studies. Over time, with the enhanced national capacity and experiences, more products and trade routes can be included for monitoring.

## ❖ Products

- ▶ In selecting the products for monitoring, the following factors should be taken into consideration whenever possible.
  - ✓ • The products should be strategically important for the country or the areas.
  - ✓ • The products should be relevant and important for farmers and SMEs.
  - ✓ • The products should have great contribution to employment
  - ✓ • The product should have high frequency of shipments
  - ✓ • The trade process of the product should include common (or many) bottlenecks/high number of agencies/inefficient procedures

## ❖ Trade routes and corridors

- ▶ Trade routes and corridors under assessment should be primarily decided by the products selected for assessments. In case that the products are transported along different routes, priority should be given to the routes which are most frequently used.

## ❖ Overall national trade and transport facilitation performance

- ▶ International cross-country trade and transport facilitation indicators should be included for assessing the overall national trade and transport facilitation performance.

# Data collection

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- ❖ Based on the UN/CEFACT Recommendation No. 18, Facilitation Measures Related to International Trade Procedures, Business Process Analysis of trade procedures are recommended for the purpose of data collection and analysis, as well as construction of trade and transport monitoring indicators.
- ❖ Other trade and transport facilitation monitoring methods such as, but not limited to, Time-Cost-Distance (TCD) and WCO Time Release Studies (TRS) can also be utilized to supplement BPA (the so-called BPA plus).
- ❖ Depending on each country's specific need and context, other trade facilitation assessment and monitoring methods such as those introduced in the World Bank's **Trade and Transport Corridor Management Toolkit** may also be integrated into TTFMM.

# Trade and Transport Corridor Management Toolkit (TTCMT)

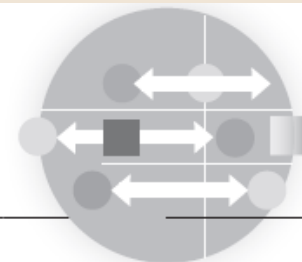
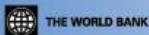
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## Trade and Transport Corridor Management Toolkit

Charles Kunaka  
Robin Carruthers



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This *Toolkit* is the product of a collaborative effort involving many colleagues at the World Bank and the African Development Bank, as well as practitioners in countries and regional economic communities. Its preparation was funded by the World Bank and a grant from the Multi-Donor Trust Fund for Trade and Development.

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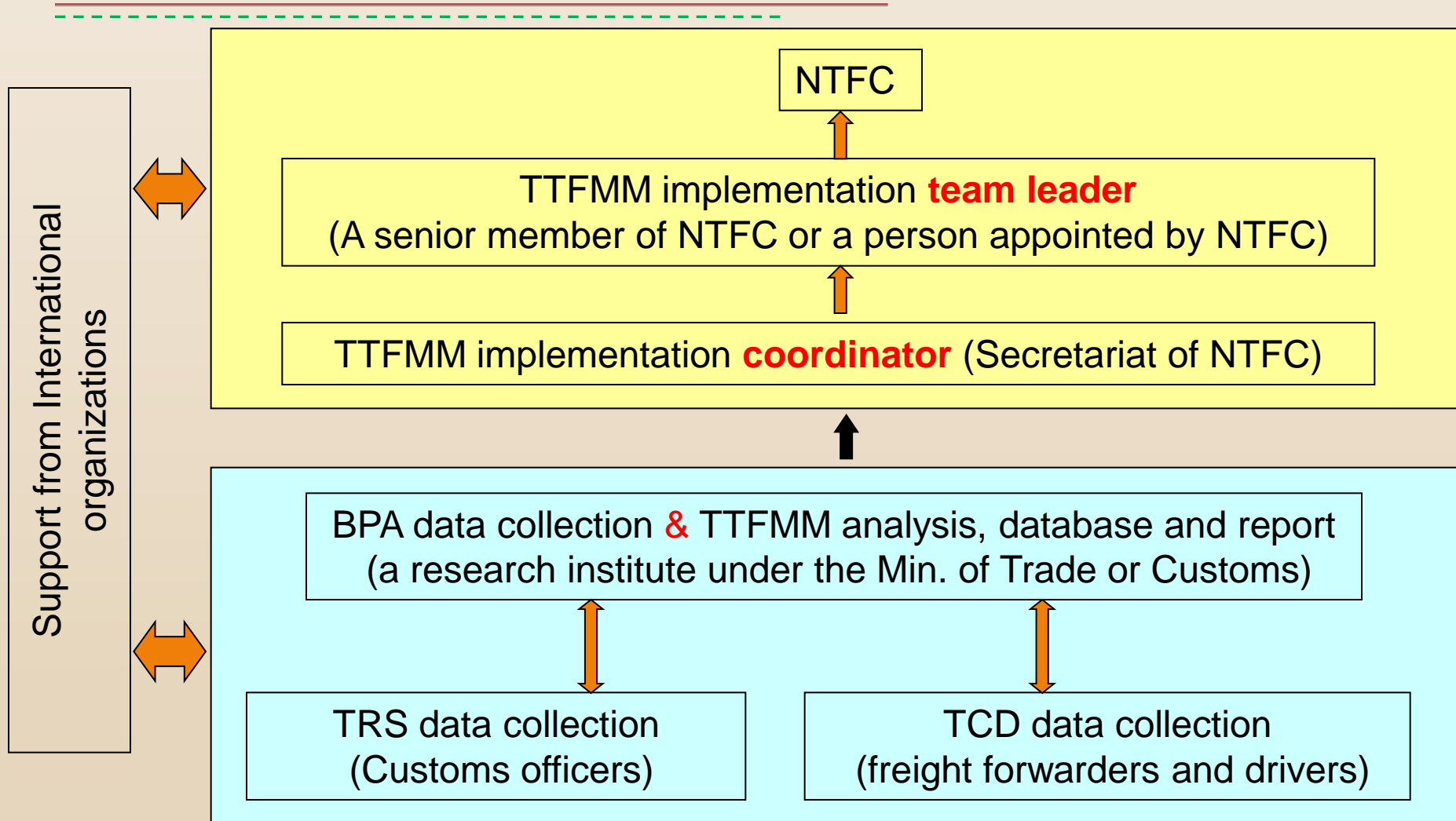
*It was certainly a great honour for me to be invited to be one of the reviewers of the draft toolkit*

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# Institutional arrangement: an example



# TTFMM – data and report

## ❖ TTFMM Database, including:

- ▶ International cross-border indicators whenever appropriate
- ▶ Description, activity diagram and related rules/regulations for each trade & transport procedure for selected products along selected corridors
- ▶ Time, Cost, No. of documents for each process/procedure

## ❖ Set of Indicators (dashboard)

- ▶ International cross-border indicators whenever appropriate
- ▶ Include Time, Cost, No. of documents for each process/procedure
- ▶ Average speed along the corridor
- ▶ Average border crossing time

## ❖ Analytical report(s)

- ▶ Presenting relevant summary information from the database to relevant stakeholders (including in-depth analysis and recommendations)



# Template of the TTFMM report

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- ❖ Chapter 1. Background and introduction
- ❖ Chapter 2. Scope for monitoring/studies
- ❖ Chapter 3. Methodology for data collection and analysis
- ❖ Chapter 4. Analysis and key findings
  - ▶ 4.1 This section analyses the important TTFMM indicators
  - ▶ 4.2 This section provides “as-is” analysis
  - ▶ 4.3 (except the situation that the study is carried out for the first time): This section reviews the actions and measures taken based on the previous TTFMM study recommendations and assess the effects of such actions and measures
  - ▶ 4.4 This section looks into “to-be” analysis.
- ❖ Chapter 5. Recommendations
- ❖ Chapter 6. Conclusions
- ❖ Annex
  - ▶ Some relevant and important information and data, such as use-case diagrams, activity diagrams, TRS and TCD charts, bottlenecks and recommendations should be included in the Annex.



# TTFMM baseline studies in South Asia

Inception Workshop in Bangkok 2013



National workshop in Phuentsholing Bhutan 2014



National Workshop in Dhaka



Dhaka 2014



# Scope of BPA in TTFMM: **Products**

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Import Processes	Export Processes				
		Bhutan	Bangladesh	Nepal	Third country
	Bhutan		Kitchen and table wares of plastics		Motor vehicles
	Bangladesh	Cardamom		Lentil	
	Nepal		Fabrics		Wools
	Third country	Ferro silicon		Woolen carpet	

# Scope of BPA in TTFMM: **Corridors**

Corridor	Countries Linked	Distance, Transit	Products
<b>Corridor 1</b> Kathmandu - Kakarvitta-Panitanki-Fulbari-Banglabandha - Dhaka	Nepal – India - Bangladesh	54 km	<b>Nep-Ban:</b> Lentil <b>Ban-Nep:</b> Fabrics
<b>Corridor 2</b> Thimpu - Phuentsholing-Jaigaon-Hasimara-Changrabandha-Burimari - Dhaka	Bhutan – India - Bangladesh	115 km	<b>Ban-Bhu:</b> kitchen and table wares of plastics <b>Bhu-Ban:</b> cardamom
<b>Corridor 4</b> - Kolkata – Raxaul – Birgunj - Kathmandu	Nepal - India	1047 km	<b>Import</b> of wools <b>Export</b> of woolen carpet
<b>Corridor 5</b> Kolkata – Jaigaon – Phuentsholing - Thimpu	Bhutan - India	760 km	<b>Export</b> of ferro silicon <b>Import</b> of motor vehicles

# TTFMM baseline studies in Bangladesh, Bhutan and Nepal

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- ❖ Notwithstanding various sorts of challenges for the baseline studies, the success story so far is that **all three LDCs can carry out the studies with their own national experts.**
- ❖ However, support from development partners and int'l organizations are crucial to build national capacity at the beginning stage

Data collection in Kolkata in March 2016



Project team met in Bangkok in Jan. 2016



# A Possible UNCEFACT Recommendation on TTFMM: *Suggestions on the Structure (I)*

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## I. Recommendation XXX: Trade and Transport Facilitation Monitoring Mechanism

- A. Introduction
- B. Purpose
- C. Scope
- D. Benefits
- E. Recommendation

## II. Guidelines to Recommendation XXX

# A Possible UNCEFACT Recommendation on TTFMM

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## ❖ A. Introduction

▶ ...

## ❖ B. Purpose

- ▶ The purpose of this recommendation is to advise Governments, the trading community, logistics and transport industry and other trade-related actors on establishing sustainable trade and transport facilitation monitoring mechanism.

## ❖ C. Scope

- ❖ This recommendation is primarily focused on national level. However, many of the basic principles and ideas can be equally applied to local, sub-regional and regional levels.

# A Possible UNCEFACT Recommendation on TTFMM

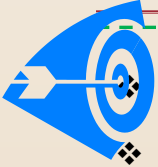
## D. Benefits

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- ▶ For the **governments**, TTFMM would support evidence-based policy making. It would enable the government and all trade-related stakeholders to identify the bottlenecks for trade facilitation and provide solutions. It would provide sustainable and cost-effective solution to trade and transport facilitation monitoring.
- ▶ The **national human capacity** will be developed under the framework of TTFMM.
- ▶ For **national trade facilitation committee**, TTFMM would enable them to produce concrete outputs to support policy making and make it more sustainable
- ▶ TTFMM will guide the **development partners and international organizations** to channel their resources to assist the countries to establish TTFMM, especially at the stage that the TTFMM is set up and the first TTFMM baseline study is carried out.

# A Possible UNCEFACT Recommendation on TTFMM

## E. recommendation



The UN/CEFACT at its XXX Plenary session on XXX in Geneva agreed to:

- ❖ (a) Recommend to governments and Trade on establishment of trade and transport facilitation monitoring mechanism (TTFMM).
- ❖ (b) Recommend to governments and Trade to undertake all measures necessary to sustain and enable TTFMM, including
  - ▶ (i) set up an institutional arrangement to support TTFMM. National Trade Facilitation Committee, whenever possible, should be fully utilized to lead the activities under TTFMM
  - ▶ (ii) whenever possible, utilize Business Process Analysis of trade procedures, which is based on UNCEFACT Recommendation 18, for data collection and construction of trade facilitation indicators. Some other assessment methods such as, but not limited to, Time Release study and Time-Cost-Distance should also be applied whenever possible.
  - ▶ (iii) include international cross-country indicators such as , but not limited to, those related to 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 database, United Nations Regional Commissions Trade Facilitation and Paperless Trade Implementation Survey database, whenever appropriate, for monitoring overall national trade and transport facilitation
  - ▶ (iv). accord high priority to build national capacity to ensure that all activities, whenever possible, should be carried out by national experts and teams.
- ❖ (c) Recommend to international organizations and development partners, whenever possible, to extend their assistance to the countries in need of assistance, especially the LDCs, LLDCs and SIDS, to establish TTFMM



# A Possible UNCEFACT Recommendation on TTFMM:

## *Suggestions on the Structure (2)*

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### II. Guidelines to Recommendation XXX

#### A. Introduction

#### B. Institutional arrangement

#### C. Scope for monitoring

- ▶ C1. Evolving strategy
- ▶ C2. Products
- ▶ C3. Trade routes and corridors
- ▶ C4. Overall national trade and transport facilitation performance

#### D. Data collection

- ▶ D1. Business Process Analysis Plus
- ▶ D2. International cross-country indicators
- ▶ D3. Construction and updating of national database

#### E. Data analysis and recommendations

- ▶ E1. Presentation of data and key results
- ▶ E2. Analytical report (including, among others, key policy recommendations)

#### F. Policy formulation and action plans

- ▶ F1. Communicate the results and recommendations
- ▶ F2. Formulating policy or action plans

#### G. National capacity development

#### H. Resources

#### I. International support

#### J. Collaboration with neighboring countries

Let us have detailed discussion on 27 April



# Ask for supports from the experts

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- ❖ Provide critical comments on TTFMM and the proposed UNCEFACT recommendation on TTFMM
- ❖ Help collect case studies on trade and transport facilitation monitoring exercises, success stories and lessons learnt

# Concluding Remarks

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- ❖ TTFMM concept builds on the key UN/CEFACT recommendations 4, 18, 33, 34 and 40
- ❖ TTFMM effectively supplements existing international cross-country indicators
- ❖ A UN/CEFACT recommendation on TTFMM would help take stock of some of the trade and transport facilitation monitoring exercises in different countries and develop an international standard for countries to follow.
- ❖ A UN/CEFACT recommendation will help guide the international organizations and development partners to channel their resources and extend their assistance to countries those LLDCs, LDCs and SIDS to establish sustainable TTFMM.