

4. ACTIVITIES AND RECOMMENDATIONS BY INTERNATIONAL ORGANIZATIONS ON NATIONAL COORDINATION MECHANISMS FOR TRADE AND TRANSPORT FACILITATION

Several international organizations have for many years been actively promoting programmes and measures to eliminate the barriers to international trade and transport. A number of these organizations have focused their attention on developing an interest and a capacity among national governments to coordinate the actions necessary to improve the flow of international trade and transport across their borders, mainly through the establishment and operation of multi-agency oversight and coordinating committees. This chapter reviews the recommendations of those international organizations which have been active in the field of trade and transport facilitation in recent years.

4.1 Global initiatives

4.1.1 Almaty Programme of Action

The Almaty Programme of Action resulted from the International Ministerial Conference of Landlocked and Transit Developing Countries, Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation which was held in Almaty on 28 and 29 August 2003. Its purpose was to identify specific actions to be taken by transit countries, by donor countries and institutions, and by the landlocked countries themselves in order to reduce the excessive trade transaction costs faced by the latter countries and to improve their competitiveness in the global trading environment.

The programme of action³¹ sets out specific actions to be taken in five priority areas, namely:

(i) Fundamental transit policy issues

Actions should be taken by landlocked and transit developing countries to review and revise their transit transport regulatory frameworks in order to allow greater participation of the private sector, make transport services responsive to user demands, and increase the transparency of transit and border regulations. In

³¹ United Nations General Assembly 58th session, *Outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation – Report of the Secretary-General*.

addition, these countries should promote the use of information technology and strengthen training programmes. Development partners should give priority in their assistance programmes to sustainable transport financing both through public/private partnerships, involving official development assistance and through private investments, including foreign direct investments. The application of international conventions on transport and transit should be encouraged to complement regional and bilateral agreements in achieving the harmonization, simplification and standardization of rules and documents for international trade and transit.

(ii) Infrastructure development and maintenance

Inadequate infrastructure was recognized as a major obstacle to establishing efficient transit transport systems in landlocked and transit developing countries. The lack of adequate infrastructure was seen to be the result of severely limited national financial resources and official development assistance for infrastructure development. Specific actions required to address this problem were identified as encouragement by development partners of private sector participation in transit transport infrastructure development through co-financing, Build-Operate-Transfer schemes and playing a catalytic role in attracting foreign direct investment, as well as in facilitating increased access to commercial bond markets.

(iii) International trade and trade facilitation

Excessive trade transaction costs were identified as the main reason for the marginalization of landlocked developing countries in the international trading system. Because of the inextricable linkage of trade and transport, transport costs can provide either a means of access, or a barrier, to foreign markets. Cumbersome and inefficient Customs and other border crossing procedures and documentation were recognized as contributing to excessive transit costs for landlocked countries, as were costly bank transactions. Actions to reduce or eliminate these problems were seen as appropriate, as were actions on the part of development partners to achieve better market access for goods of special interest to landlocked developing countries, by supporting their accelerated accession (and that of transit developing countries) to the World Trade Organization. One of the specific actions required is that landlocked and transit developing countries should consider establishing, where appropriate, and/or strengthening existing national trade and transport boards or committees involving all major stakeholders, including the private sector.

(iv) International support measures

It was recognized that as many of the landlocked developing countries are among the poorest of countries, the costs of establishing and maintaining efficient transit transport systems would be beyond their financial capacity and that therefore they would require assistance from the development partners. Such assistance was primarily identified in the form of increased official development assistance, and the application of innovative financing methods for transport infrastructure development. Donor countries and multilateral financial and development institutions were urged to continue their efforts to ensure effective implementation of commitments reached in the Monterey Consensus. Priority areas for financial and technical assistance were identified as: provision of "missing links" in transit transport corridors; alternative cost-effective routes; dry port projects; development of adjacent border posts; rehabilitation of transport infrastructure; and promotion of the implementation of agreed trade and transport facilitation measures. Finally, priority areas for technical cooperation were identified as: promotion of the implementation of bilateral, subregional, regional and international agreements; promotion of socially beneficial

and market-oriented transit transport policies; implementation of privatization programmes; development and delivery of Customs training programmes; and expansion of regional data bases on road transport.

4.1.2 United Nations Special Programme for the Economies in Central Asia

The United Nations Special Programme for the Economies in Central Asia (SPECA), which is supported by both UNECE and UNESCAP has adopted, as a key component of its work programme, the establishment of NTTFC's.

At its 10th session in Issyk-Kul, Kyrgyzstan, in March 2005, the SPECA Project Working Group on Transport and Border Crossing included in its programme of work for 2005-2006, the following activities:

- (i) *At the national level*, the establishment and strengthening of national transport facilitation committees, *as parts of national trade and transport interagency commissions*, involving:
 - For those countries which have not yet done so, establishment of NTTFC's; and
 - Formulation of National Action Plans for the development of international transport by NTTFC's (by the end of 2005).
- (ii) *At the subregional/regional level*, the organization of a subregional/regional workshop on NTTFC's.³⁴

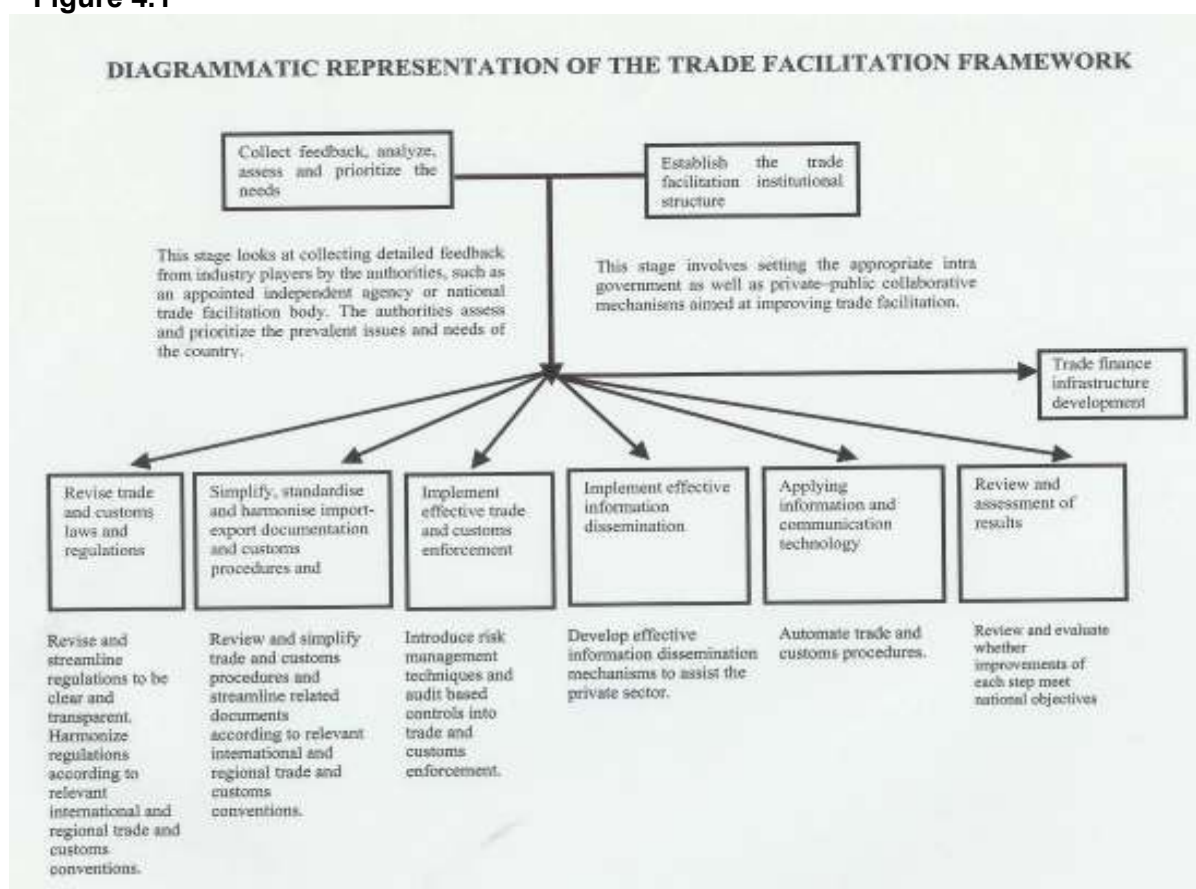
4.2 United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

In 2004, the UNESCAP developed a trade facilitation tool "UNESCAP Trade Facilitation Framework – A Guiding Tool". The purpose of the Framework is to provide guidelines for the governments to identify the problems and bottlenecks in a country's trade system and to find solutions. The Framework, which is depicted in Figure 4.1, provides a systematic step-by-step approach to identifying and eliminating problems and bottlenecks found within six key components of a trade facilitation system, all of which have a direct bearing on trade transaction methods and costs. These key components are:

- Trade and Customs legislation and regulations;
- Trade documentation and procedures;
- Customs clearance procedures;
- Trade and Customs enforcement practices; and
- Use of ICT.

³⁴ *Report of the 10th Session of the Project Working Group on Transport and Border Crossing (PWG-TBC)*, Issyk-Kul, Kyrgyzstan, 24 March 2005, Annex 5.

Figure 4.1



Source: UNESCAP Trade Facilitation Framework – a Guiding Tool, 2004, page 6.

The problems and solutions identified with the Framework can be submitted to relevant government agencies for action. In view of involvement of many government agencies in resolving major facilitation problems, Stage ii of the Framework recommends the countries to appoint a lead agency, which would be in charge of identifying all relevant stakeholders from both public and private sectors and creating the national trade facilitation body.

UNESCAP implemented a project on integrated transport and logistics system for North-East Asia. Under the project, the Subregional Expert Group Meeting, held at Ulaanbaatar, Mongolia on 6-10 September 2004, made some specific recommendations on the national coordination mechanism.

It was recommended that NTTFC's be established or the competent authority in charge of transport establish a suitable mechanism at the highest possible level, with participation of all stakeholders from different ministries, authorities or associations from both the public and private sectors. The committees (or equivalent bodies) should have clear terms of reference and the assistance of an interdisciplinary working group to be able to undertake, amongst others, the following:

- Analyze the trade and transport markets to determine possible traffic volume in tonnes as well as number of containers for the transport corridors under consideration;

- Prioritize the routes and identify the infrastructure requirements including intermodal connections along the network;
- Harmonize/coordinate the interactions between different parties from the public and private sectors;
- Collect relevant data and manage the database;
- Undertake route analysis applying the UNESCAP Time/Cost-Distance Model to identify and address physical and non-physical bottlenecks;
- Conduct studies with regard to the accession and implementation of international/regional transport agreements and evaluation of national transport and logistics performance;
- Further develop national action plans which could include facilitating competition, ensuring good connections between roads and ports and integrating unimodal ICT systems; and
- Support research and information exchange relating to integrated logistics and freight transportation.

During 2005 and 2006, UNESCAP implemented an inter-divisional project on trade and transport facilitation (of which the present study is a part). The objectives of this project are to:

- Establish and/or strengthen NTTFC's;
- Apply the UNESCAP facilitation tools;
- Formulate guidelines on legal frameworks for facilitation;
- Encourage the application of ICT; and
- Strengthen the capacity building activities of government agencies in the field of trade and transport facilitation.

UNESCAP is implementing several projects with other regional commissions as well.

The project "Capacity Building through co-operation in Developing Inter-regional Land and Land-sea Transport Linkages" being implemented by all the regional commissions includes aspects of transport infrastructure as well as facilitation. The Euro-Asian transport linkages component enabled 17 countries at the cross-roads of Asia and Europe to meet and share experiences on ways of facilitating the smooth movement of goods between the two regions. The project has also enabled the conduct of national workshops, the focus of which is the establishment and strengthening of facilitation mechanisms. The project also enables the identification and facilitation of transport links between UNESCAP region and west Asia.

Jointly with the UNECE, the secretariat has begun implementing new Development Account capacity building projects in trade facilitation for the countries of the SPECA programme. In regard to trade facilitation activities and measures, these projects aim at increasing competitiveness of traders in the SPECA countries and advancing sub-regional integration. Such activities and measures include:

- Developing a network of public-private partnerships for trade facilitation to improve collaboration among relevant agencies;
- Identifying needs and priorities;

- Promoting and implementing key trade facilitation measures (e.g. simplification of trade documents and their alignment with international standards; establishment of the Single Window facilities; development of roadmaps for transition to paperless trade).

With the coming into force of the Inter-Governmental Agreement on the Asian Highway Network in July 2005, and the signing of the Inter-Governmental Agreement on the Trans-Asian Railway Network in November 2006, UNESCAP member countries are increasingly aware that infrastructure alone will not ensure the smooth movement of intra-regional and inter-regional trade.

The Ministerial Conference on Transport held in Busan, Republic of Korea, on 10-11 November 2006 adopted a Regional Action Programme for Transport Development in Asia and The Pacific (Phase I, 2007-2011). The Regional Action Programme stressed that the smooth and efficient movement of goods and people across borders in the region requires close collaboration between ministries and agencies and support from all stakeholders, including the private sector. It includes the following activities:

- Preparation and publishing of guidelines on establishing or strengthening national facilitation coordination mechanisms;
- Organization of workshops, seminars and advisory services for establishing or strengthening national facilitation coordination mechanisms; and
- Organizations of regional forum for national facilitation coordination mechanisms.

Immediate objective of such activities is to promote collaboration between all stakeholders involved in international transport from the public and private sectors for transport facilitation.

4.3 United Nations Economic Commission for Europe (UNECE)

Through the UN/CEFACT, the UNECE develops instruments for trade procedures and documents. These include international standards, recommendations, guidelines, best practices and guidelines for simplification and standardization of trade documents and related procedures, and use of information technology, and standardized codes for international trade.

Some of the key UN/CEFACT instruments, most of which are based on over 30 trade facilitation and e-business recommendations, are:

- Recommendation No. 1 on United Nations Layout Key for Trade Documents (ISO 6422) and the Guidelines to this recommendation;
- Recommendation No. 4 on National Trade Facilitation Bodies and the Guidelines to this Recommendation;
- Recommendation No. 16 on the United Nations Code for Trade and Transport Locations;
- Recommendation No. 18 on Facilitation Measures related to International Trade Procedures;

- Recommendation No. 33 on Establishing a Single Window for Submitting Trade Documents;
- UN/EDIFACT; and
- The United Nations Trade Data Elements Directory (UNTDDED, ISO 7372).

Because of a global remit of these trades facilitation instruments, membership in UN/CEFACT is open to the countries all over the world. Currently, UN/CEFACT members from the Asia-Pacific region include public and private sectors representatives from Australia, Hong Kong (China), India, Iran (Islamic Republic of), Japan, Korea, Malaysia, New Zealand, Singapore and Thailand.

Recommendation 4 was adopted by UN/CEFACT³⁵ at its fifth session in March 1999. The essence of the original recommendation was "...that Governments establish and support national trade facilitation bodies with balanced private and public sector participation, in order to:

- *Improve dialogue between different bodies involved in trade and international transport;*
- *Define solutions to remove impediments to trade and transport at operational level;*
- *Identify issues affecting the cost and efficiency of their country's international trade;*
- *Develop measures to reduce the cost and improve the efficiency of international trade;*
- *Assist in the implementation of those measures;*
- *Provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation; and*
- *Participate in international efforts to improve trade facilitation and efficiency.*"³⁵

This recommendation was subsequently adopted for application to its TTFSE programme in South Europe and a programme in South Caucasus.

While this recommendation had an emphasis on trade facilitation and specifically on the need to implement measures to reduce the cost and improve the efficiency of international trade, it was proposed as the basis for the creation of trade and transport facilitation committees, or *Pro committees*, in the three countries of the South Caucasus. It also provided the basis for the establishment of national trade and transport facilitation committees in the ESCWA region.

Trade facilitation, for the purposes of Recommendation 4, was defined in terms of covering the formalities, procedures, documents and operations related to international trade transactions.³⁶ The goals of trade facilitation were defined as:

- *Simplification of formalities, processes and procedures related to the flow of trade across national borders;*

³⁹ UNECE, *National Trade Facilitation Bodies*, Geneva, October 2001, page 2.

⁴⁰ UNECE (October 2001) page 3.

- *Harmonization or alignment, among member countries, of national border crossing formalities, processes and procedures with international conventions, standards and practices; and*
- *Standardization or the process of developing internationally agreed formats for practices, procedures, documentation and information.*

Recommendation 4 stressed the importance of national trade facilitation bodies as forums which allow private sector managers, public sector administrators and policy makers to work together towards the effective implementation of jointly agreed facilitation measures.

Recommendation 4 urged that the composition of such committees should include representatives of all companies and institutions which participate in international trade transactions, including manufacturers, importers, exporters, freight forwarders, carriers, banks, insurance companies, and public administrations. It was observed that it is only with the active involvement of these parties that impediments can be analyzed meaningfully, and cooperative solutions devised.³⁷

Under the auspices of the UNECE, a range of conventions relating to facilitation of international land transport has been formulated. Some conventions have been widely applied.

4.4 United Nations Conference on Trade and Development (UNCTAD)

4.4.1 Promotion of NTTFC's

The UNCTAD has been actively involved in the creation of NTTFC's in several countries as part of its technical assistance programmes in the field of facilitation of international trade and transport.

Within the UNESCAP region, UNCTAD, with financial support from the World Bank, is executing trade and transport facilitation projects in Nepal and Pakistan. The establishment of NTTFC's in both countries has been a major initiative of these projects.

The NTTFC model developed by UNCTAD was based on Recommendation 4 of the Fifth Session of UN/CEFACT in 1999, as described in Section 4.3 above, but the UNCTAD model extends the functional scope of the committees recommended by UN/CEFACT to include transport facilitation in addition to trade facilitation. It also specifies a more prominent role for the private sector members of the committee.

A paper presented on behalf of UNCTAD to the sixth session of UN/CEFACT in March 2000 sets out the concepts underlying the NTTFC model developed by UNCTAD, in addition to the objectives, structure, activities, membership composition and method of funding recommended for these facilitation committees.³⁸

(i) Underlying concepts

³⁷ UNECE (October 2001) page 4.

³⁸ UNCTAD, *Creating an Efficient Environment for Trade and Transport*, paper presented to Sixth Session of UN/CEFACT, 27-30 March 2000.

The UNCTAD model recognizes an essential partnership between three key players in the facilitation of efficient international trade and transport:

- *Government agencies* (mostly ministries of trade, or commerce, transport, and finance, including Customs) which are responsible for regulating international trade and transport;
- *Trade and transport service providers* (such as carriers, freight forwarders, multimodal transport operators, Customs brokers, commercial banks, and insurance companies), supplying market oriented support services to the trading community; and
- *Traders* (i.e. exporters and importers) who stand to benefit from an improved trading environment created by institutional reforms and greater efficiency in service provision, and will increase their trade volumes to take advantage of these improved conditions and reduced transaction costs.

It is important to note that the second and third of these groups comprise mainly organizations from the private sector, although among the transport operators or carriers, and among the other trade service providers, there are often parastatal organizations, such as the railways and state owned trading banks, insurance companies and freight forwarding companies. Thus the essential partnership between the three main entities is usually one which crosses the public/private sector divide.

What distinguishes the UNCTAD model from other proposals for national trade and transport facilitation mechanisms, is UNCTAD's insistence that the private sector must be seen to play the leading role in, and to act as the "*de-facto*" *driving force* behind the initiatives taken by the three parties to the consultative process.

UNCTAD views the NTTFC's fundamentally as consultative mechanisms serving as national forums to propose, discuss, consult and seek for consensus among these three essential parties on facilitation measures to improve international trade and transport.³⁹ As is the case with most committees, the NTTFC's proposed by UNCTAD have no executive authority. Rather, they are viewed as advisory bodies which can, and should, reach consensus on actions to be taken voluntarily by those of their members with the executive authority to implement facilitation measures.

(a) Purpose and objectives

The purpose of the NTTFC's, as defined by UNCTAD, is *to encourage the modernization of trade and transport practices in support of the nation's foreign trade*.⁴⁰

Four specific objectives (or more properly *functions*) were identified for NTTFC's in order to help them to realize their main purpose:

- To provide a national forum for the facilitation of formalities, procedures and documentation used in international transport and trade (*Facilitation objectives*);

³⁹ UNCTAD (2000) pages 8-9.

⁴⁰ UNCTAD (2000), Annex One.

- To propose, for government approval, draft transport and trade related regulations and practices (*Regulatory objectives*);
- To make policy recommendations on future trade and transport-related investments (*Development policy objectives*); and
- To increase awareness of the methods and benefits of transport and trade facilitation (*Training objectives*).

(b) Activities

A number of activities were seen as necessary in order to allow NTTFC's to achieve their specific objectives (or to fulfill their specific functions).

Achievement of the *facilitation objective* would require the committees to keep under review and to propose measures intended to achieve the harmonization, simplification and standardization of documents and procedures required for the transaction of international trade and transport. These measures might include, for example, the simplification and alignment of trade and transport documentation on the basis of the United Nations Layout Key for Trade Documents, the introduction of documents designed for use in computer and other automated systems, and promotion of the use of standard trade and transport technology, as well as of international codes, for the exchange of trade and transport information.

Activities directed towards achievement of the *regulatory objective* were seen to include review, comment on, amendment, and proposal of draft regulations on liability and civil responsibility in international trade and transport transactions, as well as draft regulations on intermodal transport. In addition, these activities were seen to include examination of the benefits of accession to international conventions which can facilitate international trade and transport. International instruments considered by UNCTAD to be worthy of consideration included the *United Nations Convention on the Carriage of Goods by Sea*, the *Convention on International Multimodal Transport of Goods*, the *Kyoto Convention*, and the *Customs Convention on Containers*.

Activities related to achievement of the *development policy objective* were specified as: review and make recommendations on the policy content and implementation of investments in intermodal transport infrastructure (such as investments in Inland Container Depots) and trade information technology (such as EDI); and assess and make recommendations on the institutional development of regional and international intermodal transport.

Finally, major activities related to the achievement of the *training objective* were specified as: the implementation of campaigns to increase awareness (mainly among transport operators and the Customs and other government regulatory authorities) of the benefits of simplified documents and procedures; and the organization and delivery of workshops (directed mainly at policy-makers and senior decision-makers) on international trade and transport principles, practices and implications.

(c) Composition and limits of authority

Under the UNCTAD model, the membership of the NTTFC would comprise representatives of all organizations concerned with trade and transport issues in the country, including:

- Transport regulatory authorities (most often, ministries of transport) ;
- Other government regulatory or planning authorities (e.g. Customs departments or ministries of finance, ministries of planning, the central bank, etc);
- The trading banks and insurance companies;
- Transport users (e.g. importers, exporters, freight forwarders, trade associations and chambers of commerce, etc)
- Transport operators (shipping companies, airlines, multimodal transport operators, road haulage companies, railways, inland waterway transport operators); and
- Port authorities and transport terminal operators (e.g. operators of inland container depot).

It was envisaged that in all some 20-40 public and private sector representatives would constitute the committee.

A nominated government agency would accept overall responsibility for the NTTFC's activities and would provide a chairperson. It was considered that ministries of transport, trade or finance (being responsible for Customs) would be suitable lead agencies for this purpose, since they could also provide secretariat services to the committee. The chairperson would ideally be appointed from the highest levels of the designated agency – preferably at the level of Minister, Vice-Minister or Permanent Secretary.

Given the likelihood that the membership of the committee would be too large to allow it to consider proposals in detail, UNCTAD recommended that a permanent commission of about 10 members should be established from among the committee membership to follow-up on decisions by the committee and to provide support for its work programme. The task of the permanent commission would therefore be to prepare documentation for the committee, to assist the decision-making process. It was suggested that the permanent commission could organize its work in ad-hoc working groups which would be constituted on the basis of the specific requests or references from the committee.

Both the committee and the permanent commission would be assisted by a technical secretariat, to be responsible for the daily running of the committee and the permanent commission.

Meetings of the committee were envisaged to take place every three months, while those of the permanent commission were expected to be held twice per month.

The UNCTAD model limits the role of the committee to that of a consultative body. therefore it was envisaged that it would have authority to prepare recommendations and to advise on domestic and foreign policy matters related to the development of trade and transport. Its recommendations would be made in the form of proposals to the relevant member institutions with the authority to act upon them, as well as to the executive branch of government, and at the request of the committee would be transmitted by the chairperson to the appropriate authority.

(d) Work programme

A significant feature of the NTTFC model developed by UNCTAD would be the preparation of a work plan to focus the committee's activities on the achievement of its main objectives, notably:

- The implementation of harmonized national trade and transport regulations;
- The development of policies and solutions to trade facilitation and multimodal transport problems, *particularly the daily problems associated with Customs, port and inland transport operations*; and
- The national promotion of EDI system development.

(e) Sub-regional coordination

The effectiveness of trade and transport facilitation initiatives proposed at the national level will invariably depend upon the extent to which they can be coordinated with the initiatives of other national facilitation bodies.

To address the problem of coordination at the sub-regional level, UNCTAD has proposed the creation of a sub-regional trade and transport facilitation committee, composed of 2-3 members of each national committee (including the chairperson and head of the technical secretariat) and meeting once every six months.

The terms of reference for the sub-regional committee were broadly summarized as:

- To monitor regional progress in the field of transport and trade, and to coordinate regional awareness campaigns;
- To identify common impediments to trade and transport growth (technical, institutional and commercial);
- To identify common solutions/regional action required to solve existing problems; and
- To set region-wide standards for documentation, tariff structures, EDI, etc.

(f) Funding

The UNCTAD model specifies that funding support for the committee's secretariat should be provided jointly by all of its member institutions. Appropriately, it was recommended that funding should be provided on a rolling basis for periods of not less than three years. This funding support could comprise the following contributions:

- Contributions "in-kind" from government institutions, such as the provision of office space, furniture and equipment;
- Grants from government, from its own budget or from international loans;
- Financial contributions from the private sector institutions represented on the committee, e.g. each private sector institution could contribute annually the equivalent of one-month's salary of its representative on the committee; and

- Additional funding provided for “one-off” projects or special needs (as might be the case for projects sponsored by the World Bank or the ADB).

4.4.2 Development and application of the enterprise cluster concept in selected developing countries

The latest initiative being taken by UNCTAD in the field of trade and transport facilitation involves the development and application of the “Enterprise Cluster Concept” in a total of three landlocked and three transit developing countries throughout the world: Bolivia, Botswana, and Lao PDR (landlocked), and Chile, Namibia, and Thailand (transit). The vehicle for this initiative is a project entitled “Capacity building in trade and transport facilitation for land-locked and transit developing countries”, to be executed by UNCTAD with partner regional commissions over a period of three years, from 2004 to 2006.⁴²

For the purpose of this project, clusters have been defined as cooperative groupings of “interested parties”, consisting of public and private sector entities which are involved in the trade distribution chain in selected transit trade corridors of the participating countries. Clusters will therefore gather together private and public sector participants from shipping lines, shipping agencies, Customs brokers, freight forwarders, traders and shippers, Customs administrations, government sanitary and phytosanitary inspection agencies, and other relevant government regulatory agencies. The core function of clusters will be to establish the requirements for efficient trade and transport operation in designated corridors, including identifying major obstacles and possible improvements. For this purpose, local clusters will be formed at the seaport end, in the border crossing area and at the main inland trade origins and destinations.

Clusters are also envisaged to have the function of sharing knowledge among their members and of exchanging information and solutions with associated networked clusters in other locations along the corridor. Clusters will focus on problems and solutions related both to day-to-day operations and to medium to long term policy issues. They are expected to promote partnership agreements which will commit all participants in the supply chain.

The activities of the project concentrate on selected trade and transport corridors linking trade origins and destinations in land-locked countries with seaports in transit coastal countries. Within these corridors, a supply chain management methodology is used to identify significant causes of excessive cost and operational delay and, accordingly, to develop actions and strategies for cost and delay reduction.

⁴² UNCTAD, *Development Account 4th Tranche Project M: Capacity Building in Trade and Transport Facilitation for Landlocked and Transit Developing Countries*.

4.5 International development banks

Within the UNESCAP region, both the World Bank and the ADB are actively involved in programmes of assistance to developing countries in the fields of regional economic cooperation, and trade and transport facilitation.

The World Bank is providing financial assistance for the operation of public/private “Pro” committees in the countries of the South Caucasus, and for implementation of trade and transport facilitation projects (including the establishment of national facilitation committees) in Nepal and Pakistan. In addition, the World Bank has recently launched the Inner Mongolia Transport and Trade Facilitation Project in China, which has the objective of promoting and sustaining China’s cross-border trade with Mongolia and the Russian Federation, by improving transport infrastructure and logistics.⁴⁶

The ADB’s activities in the fields of trade and transport facilitation have recently been focused in three subregions: GMS, South Asia and Central Asia.

In the GMS, the ADB has sponsored through a technical assistance project the formulation of the GMS Cross-border Transport Agreement, which is partly in operation in 2007. As required by the Agreement, the six GMS countries have established NTFC’s for implementation of the Agreement and a Joint Committee at subregional level.

In South Asia, through a regional technical assistance project for countries participating in the South Asia Economic Cooperation Initiative, Bangladesh, Bhutan, India and Nepal, the ADB has enabled the identification of trade and transport barriers, and of actions needed to remove these barriers. In South Asia, also, the ADB is executing a cross-border trade and transport facilitation project in Afghanistan and, in cooperation with the SAARC⁴⁷ secretariat, is formulating a project on transport connectivity among the SAARC member countries, which will also identify measures to resolve impediments to increased trade and economic cooperation among these countries.

In Central Asia, the ADB’s activities since 1997 have been concentrated on execution of the Central Asia Regional Economic Cooperation (CAREC) Programme, which aims to encourage increased economic cooperation among the countries of Central Asia. This it is doing through investment in infrastructure development and improvement of the policy environment, especially in the priority area of transport, energy, trade policy and trade facilitation. In 2003, the programme was expanded to include partnerships with other international development agencies, including the European Bank for Reconstruction and Development (EBRD), the International Monetary Fund (IMF), the Islamic Development Bank (IDB), the UNDP and the World Bank.⁴⁸

⁴⁶ World Bank Project Information Document Project PO68752, *Inner Mongolia Transport and Trade Facilitation*, 14 September 2004.

⁴⁷ South Asian Association for Regional Cooperation.

⁴⁸ ADB website, www.adb.org.