

**CROSS-BORDER AND TRANSIT TRANSPORT
TOOLKIT**

QUICK USER GUIDE

October 2012

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FIRST STAGE: SETTING UP OF A CLUSTER

1. Set up the transit transport Cluster

A. Identify cluster members

Transit clusters' members: Traders, exporters and importers, freight forwarders, land transport operators, customs brokers, parties operating in inland terminals, terminal responsible authorities, business communities involved in international trade and transport activities from both transit and landlocked countries along a given corridor and governmental agencies providing a regulatory framework for international trade and transport, monitoring, promoting and regulating trade and transport: ministries of trade, transport and finance/Customs.

B. Launching workshop

- Training/induction of cluster members : the Cluster development methodology and Time/Cost-Distance Methodology are presented
- The clusters are being formed as a first action during the workshop
- The cluster members define the objectives of the cluster
- Cluster work plan is formulated including follow-up actions.

2. Define common objectives of the cluster

The cluster members understand the role of the cluster and its general objectives. Then, specific objectives are defined; these are specific to the context of their respective clusters.

General Objectives

- Help overcome the apparently conflictive respective interests;
- Build trust and cooperation on cross-border issues;
- Identify bottlenecks and create solutions that could benefit all participants.

Specific Objectives

- Define goals for corridors enhancement, in terms of time, cost and reliability
- Agree on the use of the Time/Cost-Distance Methodology to assess the corridor operation/performance
- Agree on the approach/method to collect data
- Agree on the institution(s) to run the Time/Cost-Distance Methodology
- Agree on the selection of the Cluster Development Agent
- Establish monitoring mechanisms; and,
- Define roadmap and action plan to be completed accordingly

3. Engage a Cluster Development Agent (CDA)

A Cluster Development Agent (CDA) is appointed to coordinate the development process of the cluster. The CDA is not a Cluster member and should ensure the efficiency and the achievement of the cluster's objectives

In the case of the present project, the CDA will be appointed by the Cluster's members in coordination with the UN implementing agency.

4. Undertake stakeholders' analysis

With the support of the cluster members, the CDA undertakes the following:

- Analysis of business segment;
- Highlight of cluster history;
- Cluster's institutions and their functioning;
- Cluster Map;
- Suggested Vision and Strategy.

In order to provide the required data to measure the performance of the corridor and elaborate the stakeholders' analysis, the Time/Cost-Distance Methodology as a performance measurement tool will be used.

5. Run the Time/Cost-Distance Methodology for assessing corridor performance

a. Cluster members agree on:

- Defining the corridor route(s) to be surveyed
- The commodity to be analysed
- The data to be collected
- The data sources
- The survey method
- The dates of the Time/Cost-Distance Methodology run
- The party entrusted with the run of the Time/Cost-Distance Methodology
- The timeframe to run the Time/Cost-Distance Methodology

b. An entity, be it the CDA or other institution, undertakes the data collection and run the Time/Cost-Distance Methodology to come up with results on the performance of the corridor.

c. The Time/Cost Distance Model¹

The minimum data needed to build the Time/Cost Distance Model are:

- The origin and destination of the cargo;
- The full routeing from origin to destination, with indication of the places where the cargo is essentially stationary (such as border crossings and points of intermodal transfer);
- Mode of transport for each leg;
- Distances involved for each leg;
- Transit time for each leg (in hours or days)²;
- Cost or quotes for each leg³;
- Average traffic volume per day;
- Breakdown of different vehicles types and age;
- Breakdown of different vehicles fuel types; and
- Average load in tons.

The collected data can then be put into a simplified process activity table. This table will help clusters to see more clearly which data is available and which data is missing in order to use the Time/Cost Distance model.

Activity No.	Operations (moving/not moving)	Average Time	Average Cost	Actors	Distance (cumulative)
1					
2					
3					

Data collected for cargo along a corridor can then further be graphically illustrated, which helps to describe the time and cost components of movement from origin to

¹ The Time/Cost-Distance Model is the application of the Time/Cost-Distance Methodology for a particular transport corridor or route

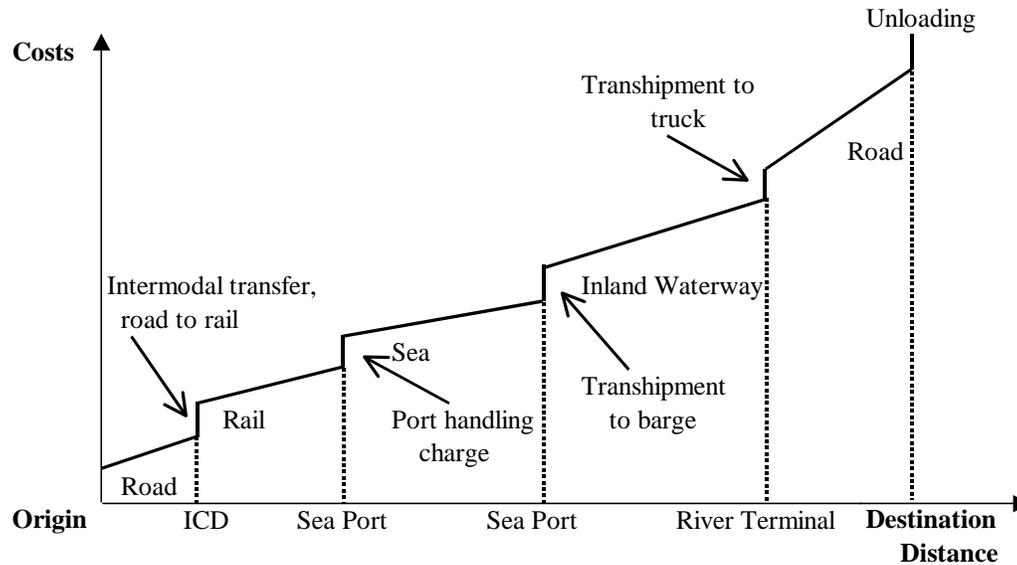
² For predicted long stay or high cost of places such as border crossings, separation of cost and time spent for each of control formalities is recommended

³ See footnote 1 above.

destination by each available route and mode as well as to illustrate the delays at borders or other inspection points up to the destination within the corridor.

The Time/Cost Distance model presented here includes both transport (road, rail, inland waterway, maritime) and intermodal transfer (ports, rail-freight terminals, inland clearance depots) as cost components (Figure 1).

Figure 1: The Time/Cost Distance Model



ICD = Inland Container Depot.

The preferred data collection method is the corridor-wide monitoring based on interviews of freight forwarders, transport operators, shippers, consignees and a partnership with port authorities and/or Customs.

The output of the Time/Cost Distance model will reflect the current situation in the corridor under study. It will show areas where improvements are possible. The objective for clusters is to use the Time/Cost Distance Methodology to identify bottlenecks and prepare action plans.

The clusters may collect data on the most typical commodities (for example, top five commodities covering more than a half of the total freight flow) transported along the given transport corridor to measure the corridor performance. Seasonality factor in the flow of particular goods may also be considered⁴.

⁴ For details, see Cross-Border and Transit Transport Process Management (CT-TPM) Toolkit Reference Material

d. Validation of the results by all the stakeholders

Data triangulation as data validation method can be applied. Triangulation is the use of multiple methods in the study of the same object.⁵

6. Setup Action Plans and strategy at national and corridor levels

Based on the stakeholders analysis including the Time/Cost Distance Methodology run, cluster members agree on the Action Plan formulation and the cluster strategy, including:

- Bottlenecks to be addressed
- Actions that can be adopted
- Parties responsible for these actions
- Timeline for implementation of these actions (immediate, medium and long-term actions)
- Ways to promote the implementation of action plans.

⁵ See footnote 3 above

SECOND STAGE: OPERATION

7. Implement actions

Cluster members:

- Implement the agreed plan of action
- Monitor the actions

8. Evaluate action outcomes

- Based on the timeframe agreed, an assessment/evaluation of the action outcomes is undertaken.
- Cluster members may decide to implement further changes and to re-run the Time/Cost-Distance Methodology focusing on new defined actions and new timeline to measure the impact of the newly identified measures.
- Time/Cost-Distance Methodology is run again to assess the improvements.
- New actions are decided according to the results of the new run, including a new timeline and responsibilities for implementation.