Trade and Transport Facilitation Alongside Transport Corridors: GIZ Approaches for Regional Cooperation

Florian Miß, GIZ SCSI
Beijing, 28 February 2019
UNESCAP Expert Group Meeting on Strengthening transport connectivity between the Republic of Korea and Europe through the Eurasian Transport Corridors
GIZ – Partner Worldwide

• Provision of services worldwide in the field of international cooperation for sustainable development

• Over 50 years of experience in a variety of areas

• 2017 business volume was around EUR 2.6 billion Euros.

• 2017 19,506 staff in over 120 countries

• Main commissioning party: Federal Ministry for Economic Cooperation and Development (BMZ)
GIZ Support for Economic Cooperation in Sub-Regional Initiatives in Asia (SCSI)

Commissioned by
- German Federal Ministry for Economic Cooperation and Development (BMZ)

Countries
- PR China, Mongolia, Cambodia, Lao PDR, Viet Nam

Overall Term
- 04/2015 – 03/2019

GIZ Support for GTI
- Since 2010 cooperation and support of GTI and GTI Secretariat

Further Information
- www.connecting-asia.org
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GIZ Experience: Alliance for Trade Facilitation
A New Instrument for Trade Facilitation Reform

Private and public sector actors jointly implement projects to address specific trade bottlenecks in developing and emerging economies.

For this purpose, the Alliance:

- Builds an understanding of the benefits of the TFA among public and private partners
- Partners with local governments, administrative authorities and businesses
- Leverages business expertise, leadership and resources to develop effective solutions
- Provides technical and legal assistance, capacity building and training for customs staff
- Benchmarks and evaluates trade facilitation reforms by established business metrics
Global Alliance for Trade Facilitation
A Public-Private Cooperation for Trade-led Growth

Secretariat:

Supported by:

A growing number of multinational enterprises, including:
German Alliance for Trade Facilitation
Alliance for the Implementation of Trade Facilitation in Developing Countries

Governmental partners:

Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
Bundesministerium für Wirtschaft und Energie

giz

Sector Associations:

BGA
ICC
BDI
DIHK
AVE
VDA

A growing number of German and international companies, including:

SIEMENS
BASF
KRONES
DHL
hp
DAIMLER
Dräger

Participating institutions and companies at the Working meeting in September 2017
GIZ Experience: Alliance for Trade Facilitation
A Project Example – Pre-Arrival Processing in Montenegro

Pilot Project: Cooperation between Germany, DHL Express and the Montenegrin Customs Authority

Objective: Expeditious release of express consignments through electronic risk-based pre-arrival processing

- 65% of all express consignments are released within one hour upon their arrival at the border

Approach:
1. establishing the legal and regulatory framework
2. optimizing procedures and develop technical capacities
3. training programs and study strips for customs officials
4. knowledge-transfer to the region and peer-to-peer exchange

Result: Pre-arrival processing has been implemented.

- The number of express consignments released within one hour upon their arrival at the border has increased from 25% to currently 53% (Oct., 2017)
## GIZ Experience: Alliance for Trade Facilitation
### A Project Example – Pre-Arrival Processing in Montenegro

<table>
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<th>Benefits from private sector involvement:</th>
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<td><strong>Co-creating a solution</strong></td>
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<td>• Requirements for effective solution</td>
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<td>• Working meeting at the company's operational site</td>
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<td>• Study trip for customs officials to gain first-hand insights into the company's operational activities</td>
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<td>• Trust building between customs officials and express operators</td>
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SCSI Practice: Promotion on cross-border Connectivity

The roundtable meeting on regional infrastructure investment initiatives, Hangzhou, PR China

Regional transit conference: Benefits of geolocation – Central Asia as a global transit hub, Astana, Kazakhstan
2015 roundtable meeting on regional infrastructure investment initiatives:

**Objective:** discussion platform between actors of main regional initiatives in Asia

**Involved Actors:** national and regional agencies, investment banks, experts

**Identified Challenges:**

- Heterogeneousness in endeavours and differing interests;
- financial gap between high demands and available resources:
  - PPPs
  - external knowledge sharing
  - increase infrastructure productivity

SCSI Practice: Promotion on Cross-border Connectivity

Regional transit conference: Benefits of geolocation - Central Asia as a global transit hub

**Objective:** to stress the need for an improved enabling environment to guarantee a competitive transit framework on the Eurasian level.

**Main topics:**

- Sustainability of infrastructure projects and long-term maintenance;
- Defining enabling environment;
- Alignment between infrastructure plans;
- Geopolitical risks evaluation;
- Specific issues of landlocked countries along transport corridors;
SCSI Practice: Promotion on Cross-border Connectivity

Supporting set-up of complementary mechanism - GTI LCC Logistics Sub-Committee (LSC):

Concern:
• lack of coordination capacity between member countries and no existing multi-dialogue mechanism over transport connectivity projects

Aim:
• enhance policy coordination
• knowledge exchange
• finding bottlenecks
• initiation and implementation for projects

Achievements:
• two trials of pilot transportation testing projects
Operational Structure of LSC:

Central Government:
- GTI Consultative Commission
- National Coordinators
- Sectoral Boards/Committees

Local Government:
- LCC (Local Government Level)
- LSC

Private Sector and Partners:
- EXIM Banks Association
- Research Institutions Network (ERINA)
- International Organizations (GIZ)
- Private Sectors
- Other Local Provinces

Policy Recommendation
Joint Session if necessary
LSC Cooperation:

**Cooperation:**
- Annual Joint Session during CC Meeting
- Report to the TIC
- Task force meeting

**Information Sharing:**
- Logistics Barriers and Cargo Data sheet
- Assessment Form on Logistics Barriers
- Brainstorming and project ideas

**Project Implementation**
- Software support to transport corridors operationalization
- Evaluation Study on NEA sea-land and routes
- Pilot Transport Testing Project in 2016
- New Pilot Transport Testing Project in 2018
- Port City Network in 2019 in GTI LCC
Objective:
- finding possible financial options for transport infrastructure development in GTR

Need:
- USD 3 billion to develop and improve transport infrastructure with a regional impact

Challenge:
- PPP could be a solution but Mongolia needs to develop PPP environment

Recommendations:
- Develop affordable PPPs more based on user charges
- Set-up of joint GTI financing facility and program implementation unit

Full text please find at: http://www.tumenprogramme.org/content/show.asp?m=115&d=22
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3. Recommendations
Recommendations:

1. Utilise comparative advantages of different partners:
   - International organisations and platforms (UNESCAP, World Bank, AIIB)
   - Regional cooperation and knowledge transfer within GTI (KMI, KDI PIMAC, CPPPC, PPP Development Center RF)

2. Avoiding “noodle bowl” effects with cooperation and coordination meetings between involved stakeholders

3. Transport connectivity in tandem with broader trade facilitation policies (WCO, GATF, GTI Member’s Custom Authorities, GIZ, KOICA)

4. Improving the enabling environment for private investment (GTI Business Plattform)

5. Foster more complementary mechanisms such as GTI LCC-LSC
References:


As a federally owned enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development.

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