

Trade and Transport Facilitation Monitoring and UN/CEFACT Recommendation 42

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Agenda

1. Why is TTFMM needed?
2. Key features of TTFMM
3. UN/CEFACT Recommendation No. 42 on TTFMM
4. TTFMM Baseline studies
5. Conclusion



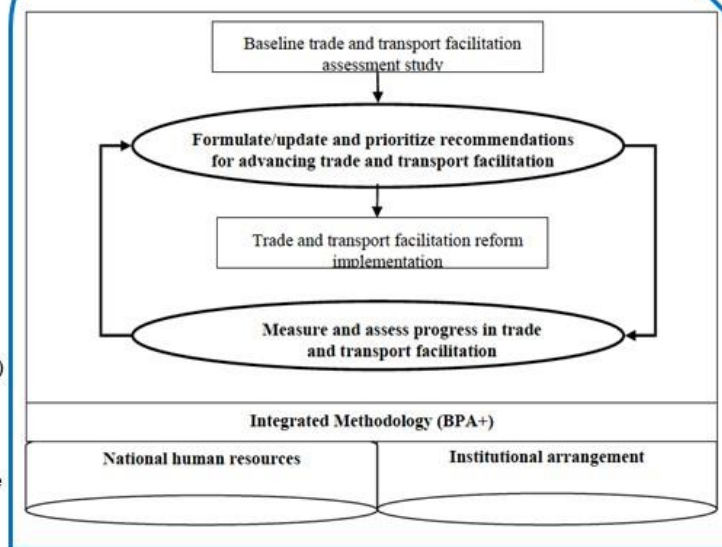
Indicators for Trade Facilitation: A Handbook (Version 1.0)



Beyond Aggregate Indicators and Cross-country Databases: Trade and Transport Facilitation Monitoring Mechanism (TTFMM)

- Although existing global trade facilitation performance surveys and databases provide useful information on benchmarking and raise awareness, they do not provide sufficiently detailed information to develop or update national trade and transport facilitation action plans.
- In this context, the trade and transport facilitation monitoring mechanism (TTFMM) has two key functions:
 - To formulate/update and prioritize recommendations for advancing trade facilitation
 - To measure and assess progress in trade facilitation
- Underpinning TTFMM is the methodology called Business Process Analysis Plus (BPA+) which is built on the [Business Process Analysis methodology](#), supplemented by Time Release Studies ([WCO TRS](#)) and Time-Cost-Distance (TCD) methodologies.
- It is envisaged that establishment of TTFMM would enable the countries to monitor and enhance trade facilitation on a continuous basis and in a sustainable manner (for more details see the [UN/CEFACT Recommendation No. 42](#)).

Example: Key Functions and Components of TTFMM



For more information: <http://www.unescap.org/resources/towards-national-integrated-and-sustainable-trade-and-transport-facilitation-monitoring>



Table of contents

National experiences: Time Release Study

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

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



A guideline on TTFMM



BPA TRAINING

- Training Overview
- Module 1 - BPA Introduction
- Module 2 - UML
- Module 3 - Project Scope Setting
- Module 4 - Project Planning
- Module 5 - Data Collection
- Module 6 - Process Analysis
- Module 7 - From BPA to TTFMM

ADDITIONAL RESOURCES

- Course Study Guide
- UNNEXT BPA Guide for TF
- TTFMM Guide
- BPA Case Studies
- Trade Process Analysis Database
- Course Certificate Recipients

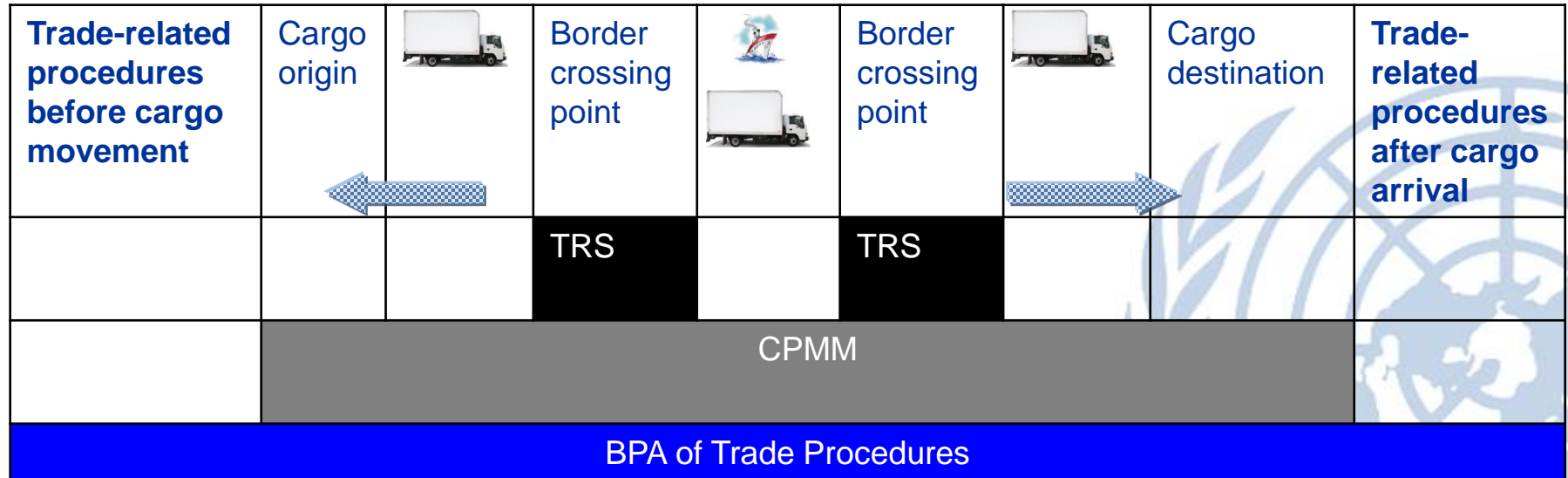
Module 7: From BPA to Trade and Transport Facilitation Monitoring Mechanism

This video is the seventh Module of the ESCAP e-Learning Series: Business Process Analysis to Simplify Trade Procedures. This last module focuses on highlighting the importance of implementing a sustainable trade and transport facilitation monitoring mechanism (TTFMM) after the Business Process Analysis has been conducted. An overview of TTFMM is provided as well as tips for ensuring its effectiveness.



More information can be found in the report *Towards a National Integrated and Sustainable Trade and Transport Facilitation Monitoring Mechanism: BPA+* available on the ESCAP website.

An integrated methodology for data collection and analysis

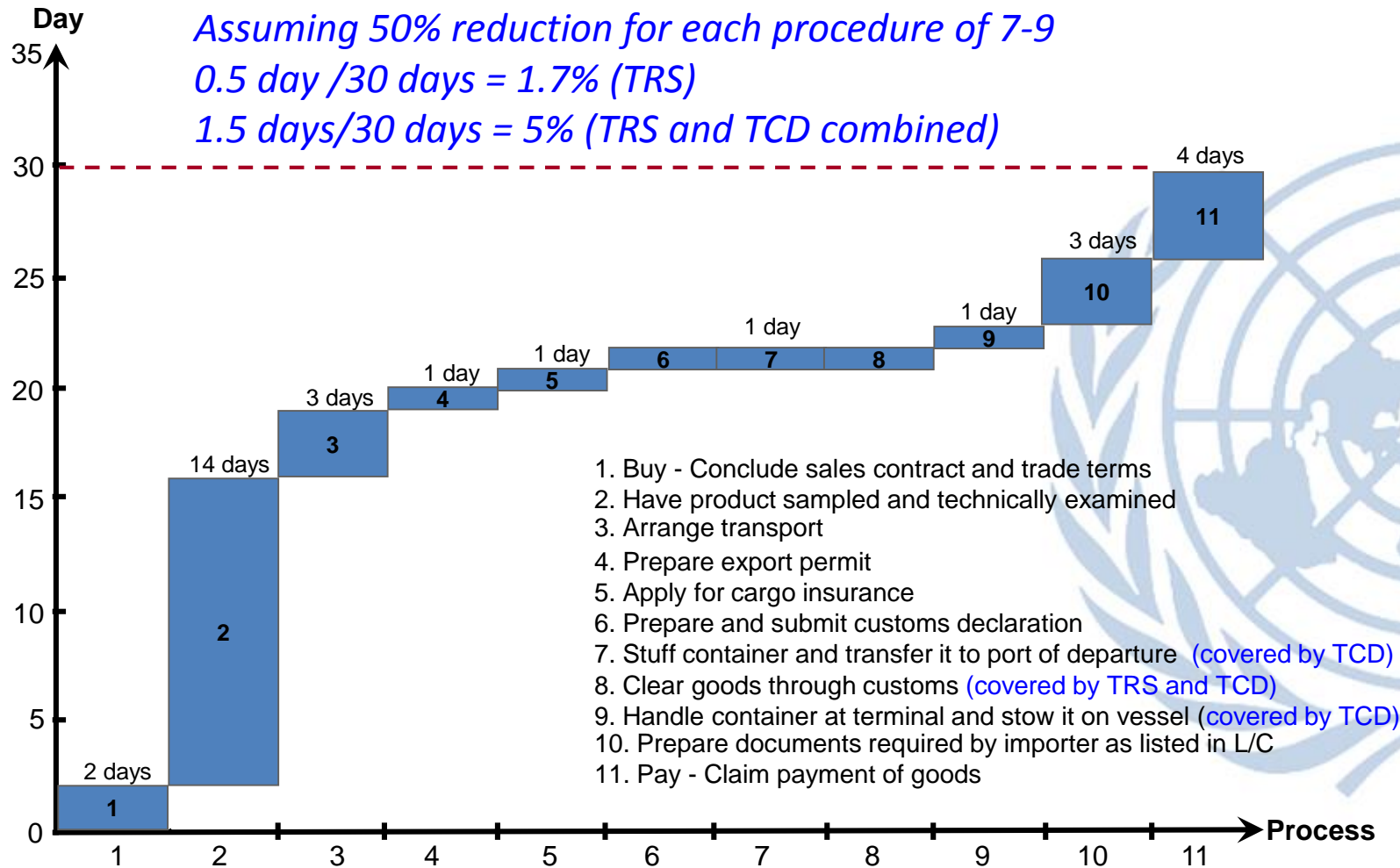


Business Process Analysis (BPA) for diagnosis of
TF bottlenecks along entire supply chain

**Corridor Performance Measurement and
Monitoring** (CPMM) &
Time Release Study (TRS)

to Improve/verify BPA time and cost estimates

A whole-of-supply-chain approach for monitoring



Time Release Study (TRS): Measuring 'time' for border crossing procedures



Shipping company
Shipping agent
Port Authority,
etc.

Importer,
Customs broker
Container Yard
OGAs, etc.

Customs,
Bank,
Customs
broker

Port Authority
Container Yard
Warehouse,
Forwarder,
etc.

Arrival of
cargo

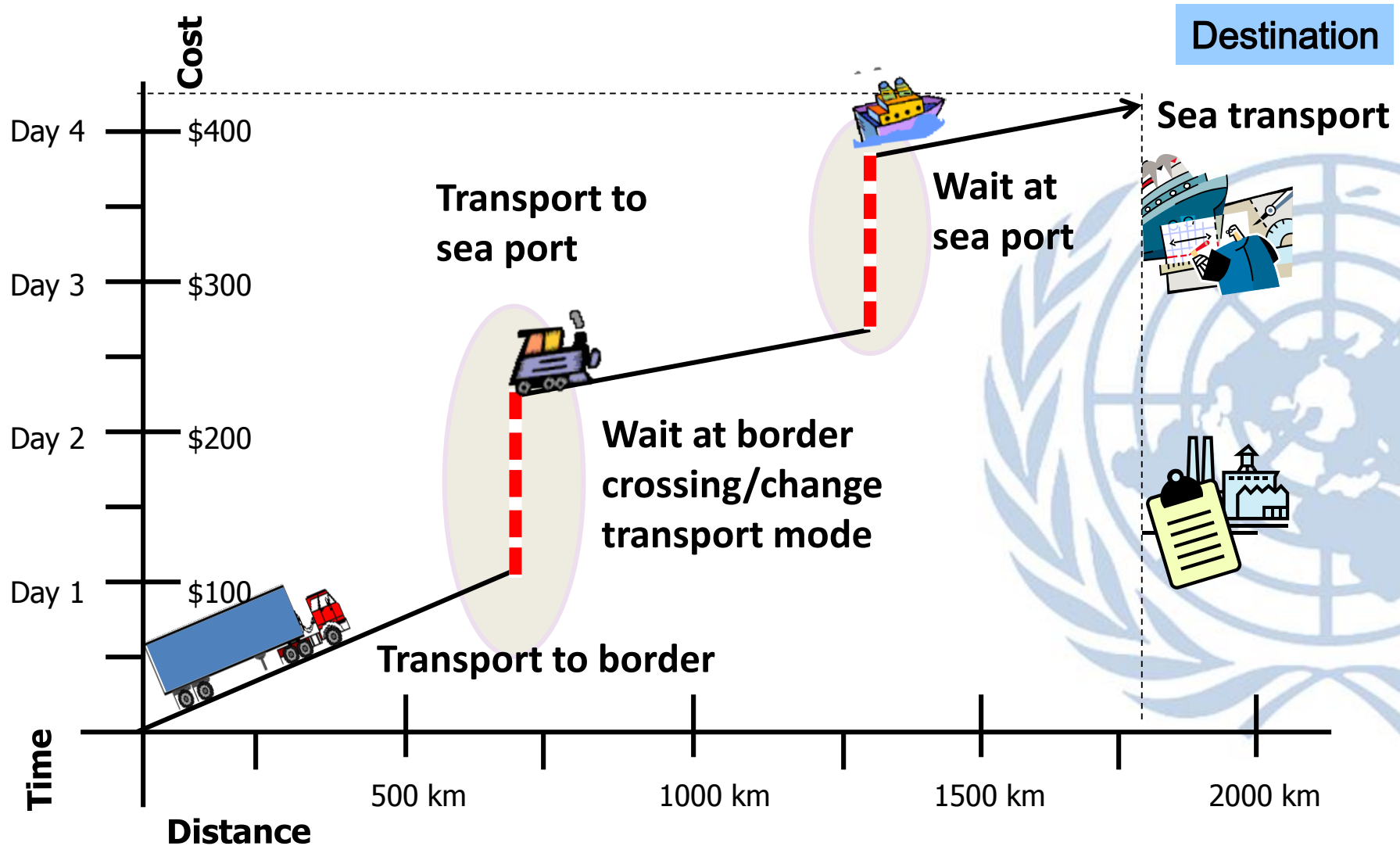
Unloading
/Storage

Submission of
Declaration

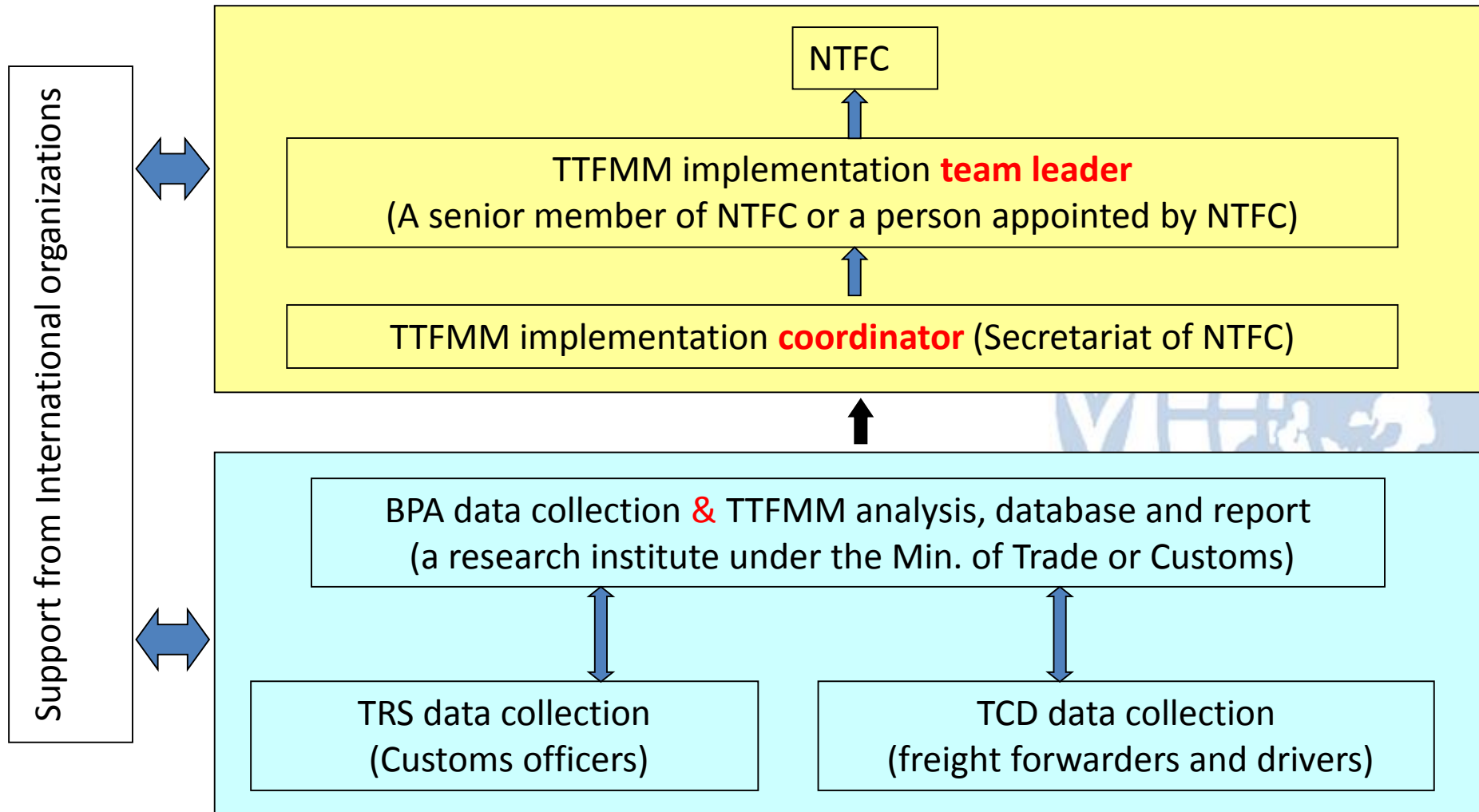
Customs
release
permission

Removal
of cargo

Time-Cost-Distance Method: record 'time' and 'cost' of physical movement of cargoes



Institutional arrangement: an example



**Economic Commission for Europe****Executive Committee****Centre for Trade Facilitation and Electronic Business**

Twenty-third session

Geneva, 3-4 April 2017

Item 7(a) of the provisional agenda

Recommendations and standards

Recommendations for approval

Revised**Recommendation N°42:****Trade and Transport Facilitation Monitoring Mechanism***Summary*

Many countries around the world have made efforts to facilitate trade and transport. Few, however, have established sustainable mechanisms to monitor the effectiveness of policies and procedures that facilitate trade and speed up international supply and value chains. There is, therefore, a need for countries to establish sustainable national trade and transport facilitation monitoring mechanisms to measure and assess progress, and to assist in policymaking and modernization efforts.

The purpose of this Recommendation is to encourage governments, business communities, development partners and international organizations to collaborate in the development of sustainable Trade and Transport Facilitation Monitoring Mechanisms (TTFMMs). Accordingly, this recommendation addresses issues related to institutional arrangements and methodology in designing and implementing a TTFMM.

Document ECE/TRADE/C/CEFACT/2017/8 is submitted to the twenty-third session of the UN/CEFACT Plenary for approval.



Recommendation No. 42: main content

A. Introduction

B. Institutional arrangement

C. Scope of monitoring

C1. General Principle for defining scope of monitoring

C2. Processes

C3. Products

C4. Trade routes and corridors

C5. Data available from international organizations

D. Data collection

D1. Principle for data collection and benchmarking: SMART

D2: Business Process Analysis Plus

D3. International cross-country indicators

D4. 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

K. Gender issues



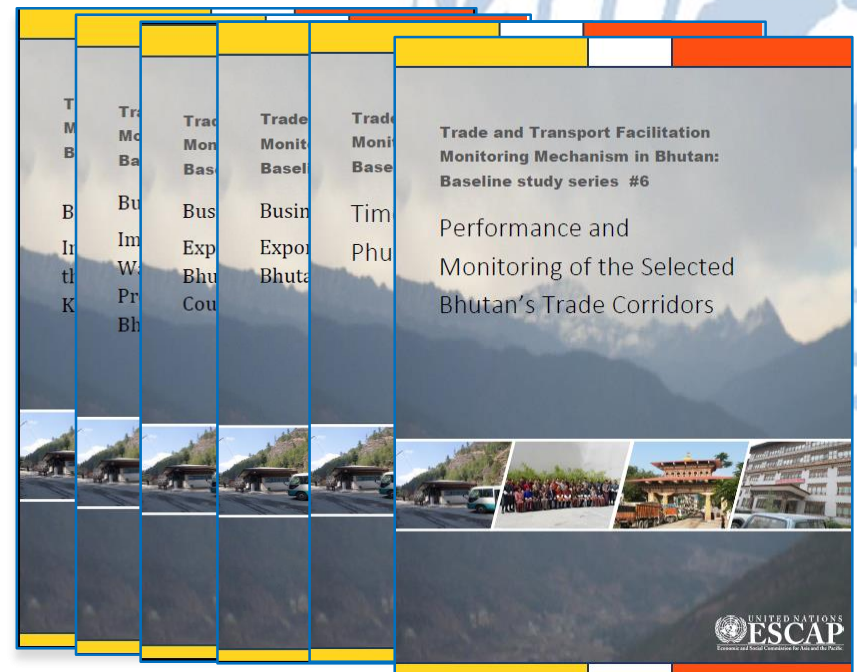
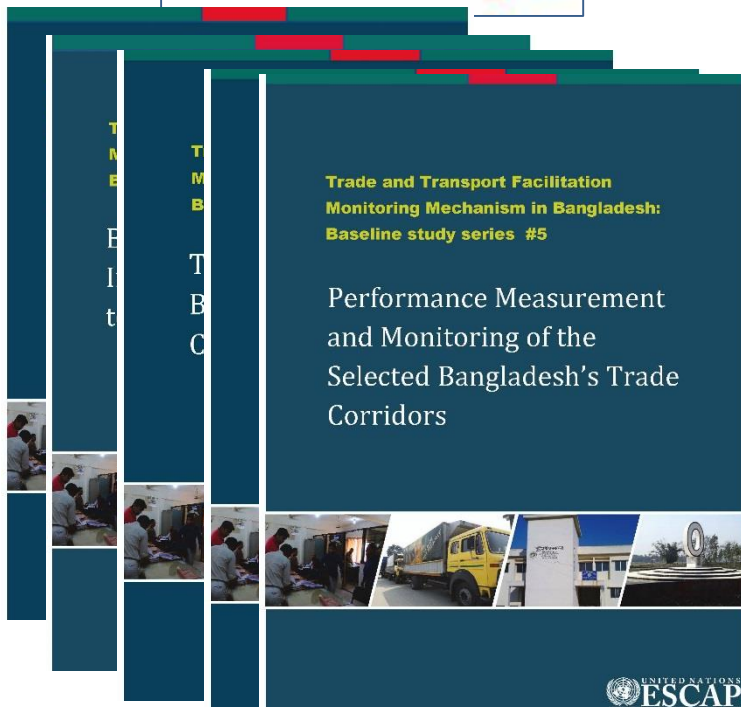
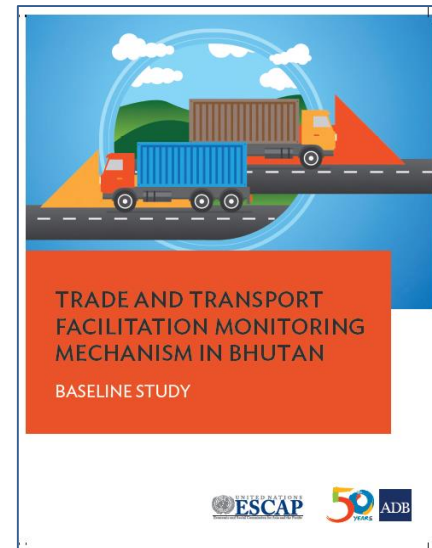
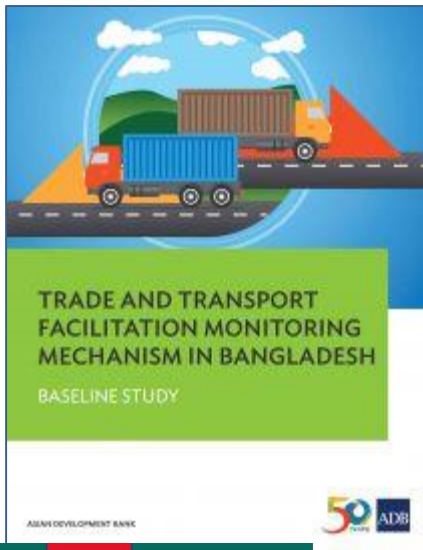
TTFMM Baseline studies in Bangladesh, Bhutan and Nepal

have migrated to a new system there
delay in our services due to
issues.
all our valued customers to bear
the time being
for your support & Patience.

Dial 1995 for queries



TTFMM baseline studies in Bangladesh and Bhutan (Nepal reports are forthcoming)



Indicators for policy makers and general public

Indicators	Including or Excluding Onetime Procedures	Imp 1 ^a	Imp 2 ^b	Exp 1 ^c	Exp 2 ^d
Total time (days)	Including onetime procedures	28.5	16	126	29
	Excluding onetime procedures	26.5	14	17	26.5
Time for transport (days)		3	2	6	1.5
Border crossing time at Phuentsholing (days)		1	1	0.5	0.5
Costs (\$)	Including onetime procedures	1,289	719	2,610	653
	Excluding onetime procedures	1,135	565	1,341	345
Number of procedures	Including onetime procedures	14	15	11	13
	Excluding onetime procedures	11	12	9	10
Number of actors involved	Including onetime procedures	20	22	23	22
	Excluding onetime procedures	17	20	17	18
Number of documents	Including onetime procedures	31	31	28	24
	Excluding onetime procedures	23	23	19	16
Number of copies submitted	Including onetime procedures	85	77	103	71
	Excluding onetime procedures	77	69	94	63
Indicators Not Limited to the Above Import or Export Products					
Average speed along the corridor (km/h)	With delays	9	5	-	-
	Without delays	15	16	-	-
Average border crossing time at Phuentsholing	Import from India	58 minutes for taxable goods and 28 minutes for nontaxable/exempted goods			
	Import from third country	16 hours for taxable goods and 7 hours for nontaxable/exempted goods			
	Export (for any products to any countries)	13 minutes			

- = not available, km/hr = kilometer per hour.

^a Import of light motor vehicles from the Republic of Korea via Kolkata Port.

^b Import of tableware and kitchenware of plastics from Bangladesh.

^c Export of ferrosilicon through Kolkata Port.

^d Export of cardamom from Bhutan to Bangladesh.

Source: Prepared by the project team.

Indicators for more detailed technical analysis

Procedures	Process to Be Completed	Mode of Documents Submission	Documents Needed	Copies Needed	Document Origin
1.1	Conclude export contract	Electronic	Pro forma Invoice	1	Private
			Letter of credit copy	1	Private
2.1	Obtain security clearance	Electronic	Application form for security clearance	1	Public
2.2	Obtain trade license and TPN	Electronic/Manual	Security clearance	1	Public
			Application form for trade license	1	Public
			Application form for TPN	1	Public
			CID card copy	1	Public
2.3	Register with Bhutan Exporters Association	Manual	Application form for registration	1	Private
			CID copy	1	Private
			Trade license	1	Public
2.4	Obtain certificate of origin	Electronic/Manual	Trade license	1	Public
			Commercial Invoice	Counted	
			Packing list	Counted	
			Letter of credit copy	1	Private
			Application letter	1	Private
			Undertaking letter	1	Private
2.5	Obtain phytosanitary certificate, fit for human consumption certificate, and nonradioactive certificate	Electronic/Manual	Application letter for registration	1	Private
			Application form for PSC	1	Public
			Trade license	1	Public
2.6	Arrange transport	Manual	Contract agreement	1	Private
2.7	Complete export documentation	Electronic/Manual	Commercial Invoice	7	Private
			Export declaration	7	Public
			Shipping bill	7	Private
			Packing list	7	Private
			Consignment note/truck receipt	7	Private
			Certificate of nonnegotiable documents	7	Private
			Weight slip (Bhutan)	1	Private
2.8	Transport and transit to Changrabandha, India	Manual	Shipping bill	Counted	
			Export declaration	Counted	
			Commercial Invoice	Counted	
			Consignment note/truck receipt	Counted	
			Car pass (1 set)	Counted	
			Queuing slip	1	Private
2.9	Arrange car pass	Manual	Application form for car pass (4 sets of 4 documents each)	4	Public: 1; Private: 3
			Driver's license	Counted	
			Vehicle registration	Counted	
			Driver's passport photos	Counted	

Some lessons learnt in conducting the TTFMM Baseline studies

1. "Worthwhile results come from hard work and careful planning" - John Wooden

In total, 11 meetings were organized to define the scope of studies, make study plans and check progress against the plans, review the preliminary results and validate the final outcome. Over 300 individuals participated in the workshops or share their expertise, or both. Nine (9) field trips were taken. Several thousand emails were exchanged.

2. The devil is in the details

It is not difficult to understand the principles of BPA but difficult to master it. In particular, it is not easy to get all the small details right.

3. Time Release Study is great but a holistic approach is greater

The reports show that border crossing time in some cases account for 1%-2% of total trade time, which means that optimizing border crossing alone is not enough. Other trade procedures must be taken into consideration in order to improve the trade process.

4. Another essential piece of the puzzle

- To complement international indicators

5. TTFMM and WTO TFA: Two sides of the same coin

- The reports support a country to prioritize the implementation of TFA.
- The indicators generated in the reports would lay a solid foundation to monitor the effectiveness of implementation of TFA

6. Data reliability and sustainability of data collection could be the Achilles' heel, and solutions

- Subject error (different results on different days); Subject bias (try to please researcher); Observer error and bias
- IT is the only way to ensure data reliability and main sustainability of data collection



Support from ESCAP

- Capacity building and technical advice, whenever possible
- Free Online course on Business Process Analysis for trade facilitation

Contact:

Yann Duval, Chief, a.i.,
Trade Policy and Facilitation
Section, TIID

duvaly@un.org

Website:

unnex.unescap.org



The screenshot shows the UN ESCAP website with the URL www.unescap.org/our-work/trade-innovation/trade-facilitation/bpa-course. The page features the ESCAP logo and a banner for "7 YEARS OF CONNECTING ASIA AND THE PACIFIC". The navigation menu includes links for About, Commission, 2030 Agenda, Our Work, Subregional Offices, Partners, Research & Data, Media Centre, and Events. The main content area is titled "BPA TRAINING" and lists the following modules:

- Training Overview
- Module 1 - BPA Introduction
- Module 2 - UML
- Module 3 - Project Scope Setting
- Module 4 - Project Planning
- Module 5 - Data Collection
- Module 6 - Process Analysis
- Module 7 - From BPA to TTFMM

Below the modules, there is a section for "ADDITIONAL RESOURCES" with links to:

- Course Study Guide
- UNNEX BPA Guide for TF
- TTFMM Guide
- BPA Case Studies
- Trade Process Analysis Database
- Course Certificate Recipients

The right side of the page features a section titled "E-Learning Series on Business Process Analysis for Trade Facilitation". It includes a description of the course, its purpose, and a list of modules. The course is divided as follows:

- Module 1: BPA for Trade Facilitation - An Introduction
- Module 2: Unified Modeling Language
- Module 3: Project and Scope Setting
- Module 4: Project Planning
- Module 5: Data Collection and Process Documentation
- Module 6: Process Analysis and Recommendations Development
- Module 7: From BPA to Trade and Transport Facilitation Monitoring Mechanism

For guidance on how to study this course, users are directed to download the Study Guide. The online course also includes the possibility of obtaining a BPA for Trade Facilitation certificate. For more information, users are advised to contact escap-tid@un.org.