



THE WORLD BANK

Trade and Transport Facilitation Assessment

A Practical Toolkit for Country Implementation



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invited to use specialized resources made available by various international sources. The World Bank is currently issuing toolkits for border management, port reform, supply chain security, and transit corridors.

We are fully confident that this document will be a useful guide that will help implement this important agenda in an increasing number of countries.

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We hope that this publication will encourage further substantive discussion on this topic.

Note

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Acronyms and Abbreviations

CAD	Cash against documents
CIF	Cost, insurance, freight
FOB	Freight on board or free on board
LPI	Logistics Performance Index
TIR	Transports Internationaux Routiers (International Road Transport)
TTFA	Trade and Transport Facilitation Assessment
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Commission on Trade and Development
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
USITC	United States International Trade Commission
VAT	Value added tax

What Is the Trade and Transport Facilitation Assessment Toolkit?

Practical trade facilitation reform has become a key development priority in recent years. In 2001, the World Bank issued the first Trade and Transport Facilitation Assessment (TTFA) toolkit.¹ A simple and cost effective instrument to analyze bottlenecks in international supply chains and prepare corrective measures, the TTFA is designed for any audience interested in trade facilitation and logistics in developing countries, including:

policy makers in developing countries

makers and private sector stakeholders have not had the benchmarking data they needed to identify trade constraints or create constituencies for reform. The Logistics Performance Index (LPI) filled that gap. By providing comprehensive data on country performance and a broad indication of where problems are, the 2007 LPI helped raise awareness and intensified the dialogue between policy makers and the private sector in several countries about logistics bottlenecks and priorities for reform in facilitating international trade and transportation at the country or subregional level.

But making trade logistics work for competitiveness at the country or subregional level requires more than just raising awareness through indicators like the LPI. Understanding the impediments to trade service delivery requires a variety of different analytical approaches and action plans. The TTFA is the primary instrument to respond to this need. It provides an in depth multidimensional assessment of the performance of services and processes. TTFA can be expanded to include more specific components including:

- supply chain analysis in key sectors (textile, automotive, agriculture, and distribution)
- user surveys
- thematic studies (skills and training, regional logistics, use of information technologies).

Phase 1 is similar to the original TTFA, intended to provide an understanding of the general problems in infrastructure, regulations, transport and logistics services, and border procedures that affect trade competitiveness in the country or region being assessed. It can be implemented rapidly by a small team. This phase 1 identifies general bottlenecks and provides the focus and organization for phase 2. The expected output of phase 1 includes a preliminary report and concept note for the phase 2 assessment, that incorporates the scope of work for the assessment team and the mode of interaction with the focal point in the country.

The phase 1 assessment alone may be sufficient to develop projects and modernization activities for smaller economies with limited diversity in their supply chains (such as least developed countries). In such cases, a final phase 1 report or policy note can be used to recommend specific project components. A phase 1 report may also be adequate in larger economies, in the context of an update or as a contribution to a broader assessment of competitiveness.

Phase 2 examines the relative importance of the problems identified in the phase 1 assessment, as well as the constraints and needs of specific international supply chains. This phase is intended to define a plan of action that includes a series of project components. It permits an in depth assessment of the relative importance of the problems identified in supply chain performance and of how services within a supply chain add value to traded goods. Phase 2 requires substantial resources mobilized over

Conceptual Framework

The Trade and Transport Facilitation Assessment (TTFA) is a tool for identifying inefficiencies in international supply chains that limit a country's ability to compete in international trade. The assessment examines problems that affect not only exports' competitiveness, but also the ability to import and distribute inputs to production and consumer goods.

The assessment acquires this knowledge through a series of structured interviews with key participants in the commercial or procedural transactions that make up an international supply chain. These participants include private service providers, such as freight forwarders, consolidators, transport operators, and financial intermediaries, as well as public agencies, such as customs, other border management agencies, port authorities, and transport regulators. By integrating this knowledge in a supply chain analysis, the assessment helps to identify corrective measures to facilitate trade and transportation and improve competitiveness.

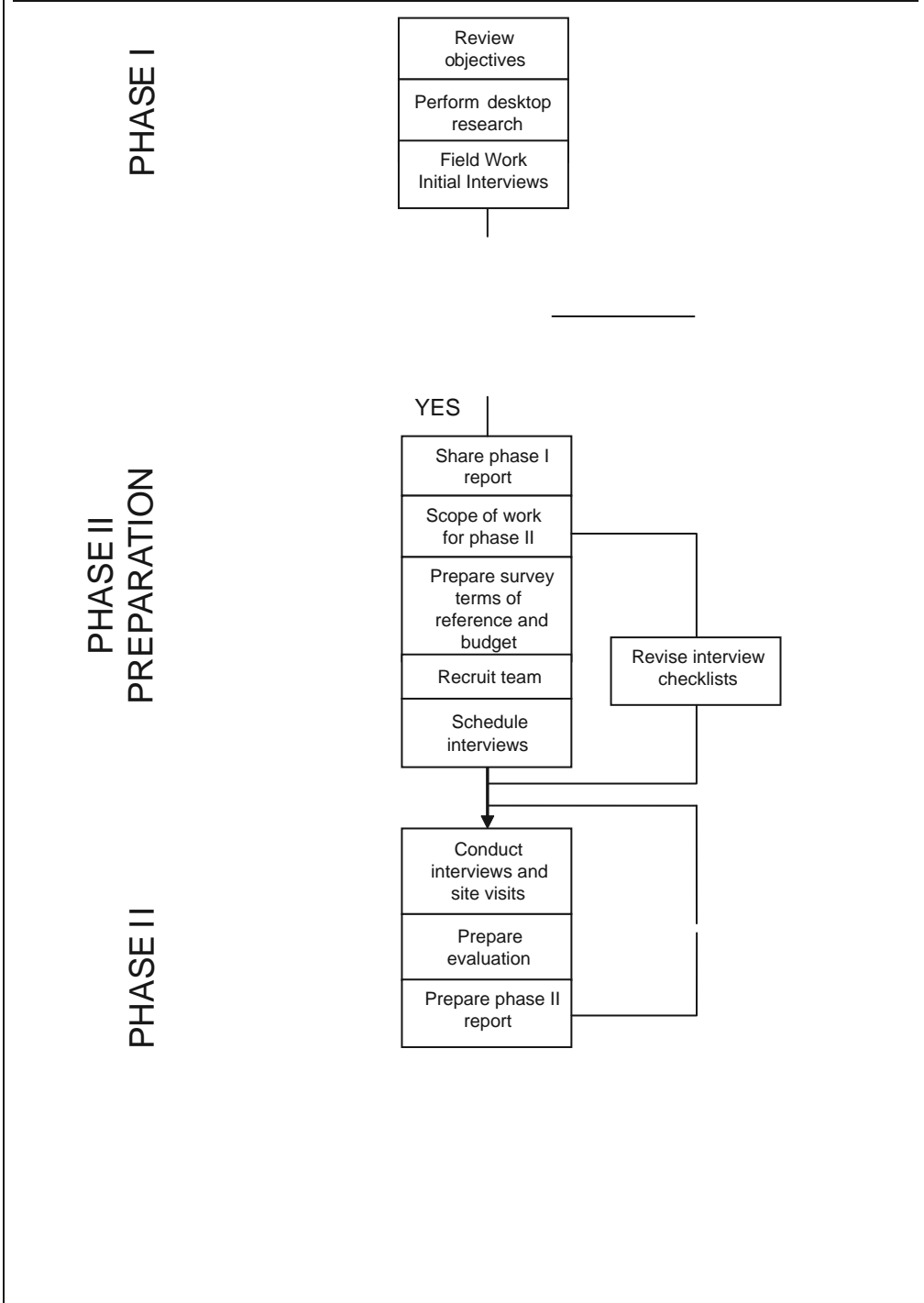
Defining the Objectives of the Assessment

The set of objectives pursued in a TTFA varies to meet each individual country's needs. Because an assessment's scope can become quite broad, it is important to carefully define its objectives, starting with a statement of what the results will be used for. Reasons for undertaking an assessment might include:

- to support a policy dialogue on the opportunities and mechanisms available for improving trade and competitiveness through better freight logistics
- to identify project components that will increase the effectiveness of new infrastructure or guide an effort to strengthen institutions.

Globalized competition and greater supply chain synchronicity needs have recently spurred demand for deeper facilitation reforms. In this context, a TTFA might pursue two different, specific objectives either jointly or separately. Depending on the needs of each country, the assessment might be oriented to inform country economic policies, or to develop action and reform plans to enhance trade competitiveness.

Figure 2.1. Activities and Outputs Flowchart, Two-phase Trade and Transport Facilitation Assessment



Source Authors.

Informing Country Economic Policies

The TTFA has become a frequent source of information for other analytical products

A single phase assessment may be sufficient for smaller countries with relatively simple trading patterns. Although it is possible to decide in advance to limit a TTFA to a single phase, this toolkit recommends that this decision be made at the end of phase 1. If the country government decides not to continue to phase 2, additional phase 1 interviews can be performed to provide sufficient information on specific impediments or initiatives proposed to overcome these obstacles.

During phase 2, usually required for more sophisticated trading environments, such as emerging economies with a variety of markets and export supply chains, in depth technical studies may be conducted to provide more detailed information on specific impediments that were identified and given priority during phase 1.

Notes

¹ See table C.1 (appendix C) for further details on how to map specific impediments into policy areas and project components.

² See appendix B for a detailed checklist of topics, participants, and activities needed to design specific project components.

³ In general, projects need to balance the goal of promoting competition with the need to integrate services in the domestic market and offer scale in the international market.

⁴ See box C.1 (appendix C) for a list of all policy areas covered in the assessment.

⁵ This is also the case when the security environment does not permit a wider investigation.

Overview of the Assessment

Analytical Structure and Key Transactions in the Trade Supply Chain

The logical framework to implement the assessment is to look at the supply chains linking a producer and a market, eventually distinguishing between different types of trades or commodities. The activities in the supply chain consist of a sequence of transactions between parties, logistics services, owner of the goods, regulatory agencies, banks, and infrastructure operators. The transactions may involve exchange of information, processing of documents, payments, and of course physical movement of goods.

Provided separately or in sequential combinations, logistics services include transport, consolidation, and storage of goods moving through a supply chain, as well as value added services, such as assembly and customization, packaging, labeling, repair, and replacement. Regulatory activities include customs inspections and laboratory tests. (See figure 2.2 for a sample supply chain diagram, showing the services for a typical international supply chain connecting producers of exports with retailers selling imports. 1)

The goods moving through the supply chain may remain under the ownership of the exporter or importer or may be transferred between intermediaries along the way. So, transactions associated with each link in the supply chain may include the exchange of documents, payments, or information among the participants.

Participants in transactions can be grouped into four categories: cargo owners or traders (buyers and sellers), logistics services providers (freight forwarders, brokers, transport operators, multimodal facility operators (for example, ports)), financial intermediaries, and public agencies. Appendix A presents the basic components of different types of transactions: payments, documents used during the transaction, and information exchanged during it. Documents are used to place and confirm orders, initiate and confirm payments for goods and logistics services, certify the type and origin of goods, record changes in ownership and liability for goods while they are moving through the supply chain, and to show they comply with regulatory requirements. Information exchanged during transactions can include data on the

location and status of goods within the supply chain, adjustments to production schedules and inventory, and the schedule and interface of sequential activities.

The TTFA brings knowledge on performance and bottlenecks by interviewing each side of key transactions in the supply chain. A typical interviewee will be part of several transactions with different counterparts. It is therefore essential that the team performing the assessment plan and conduct the interviews so as to cover well the transactions and physical movement of goods involved in the particular trades being assessed. However given the complexity of interaction and the scheduling constraints, the sequence of interviews is unlikely to follow that of the supply chain.

Phase 1

The first phase of the assessment is intended to provide an understanding of the quality of logistics services, physical and procedural bottlenecks, and how both contribute to competitiveness in international trade. Through direct interviews and feedback from participants in the international supply chains, phase 1 identifies activities and transactions that create bottlenecks and have the greatest impact on a country's or region's trade competitiveness. This phase is expected to require about six weeks to complete if there are no delays (figure 2.1).

Review and research Phase 1 begins with reviewing the assessment's objectives and the concerns that led to the decision to conduct it. This is followed by desk research to identify the country's principal trades and previous studies on problems in the quality of transport and logistics services.

Selecting types of trade or type of consignment to study. At this point, the investigators should decide which types of cargo (defined by commodity group and direction of trade) to include in the assessment, basing this decision on the results of the desk research, the objectives of the assessment, and discussions with government. Making this decision early in the process is necessary because the competitive factors to be analyzed differ according to the type of cargo, as does the choice of logistics services.²

Interviews. Following the selection of cargo types, the investigators should arrange a series of meetings with associations and selected companies involved in these trades and related logistics services. The meetings should be open ended and organized around the policy areas and

assessment should begin as early as possible. If the government decides not to continue to phase 2, investigators should prepare a final policy note with sufficient detail to support a policy dialogue and guide additional analytical work.

Phase 2

The second phase of the assessment provides information needed to design initiatives to improve the supply chain performance and estimate its benefits in terms of trade competitiveness.

Steering committee. Phase 2 implies a higher degree of participation of public and private stakeholders in the preparation of the assessment, its implementation and above all the preparation of the action plan that follows. It is therefore strongly recommended that the main focal point in the government organizes a steering committee that includes both public and private sector members. Key expected participants in the steering committee include transport agencies, customs, and commerce, with one agency being most likely the focal point for the assessment. Other participants include ministries of industry, infrastructure, planning, the central bank, business associations, freight forwarders' associations, and shippers' councils. The steering committee is expected to bring maximum ownership, facilitate access to information to the team of investigators, and increase relevance and implementability of the plans of action.

Selecting trades for supply chain analysis. Over the last two decades, a substantial portion of the effort to increase trade competitiveness has been directed at adding value in the supply chain. For this reason, the second phase of the assessment examines specific trades and their supply chains, defined in terms of their foreign and domestic origins or destinations and modes of international shipment.³ The assessment examines both activities and transactions made throughout the supply chain. Logistics services and government regulations contribute to supply chain performance equally, and are directly associated with the movement and storage of goods, any intermediate processing, financial flows, and the exchange of information among participants in the supply chain.

Because of the breadth of the issues covered in an assessment, it is not possible to conduct sufficient interviews to generate statistically reliable data on the performance of individual services and transactions, or on the overall performance of the supply chains for the major commodities. To obtain more precise information on logistics activities, services, regulatory processes, and transactions, investigators must limit the assessment sample to the supply chains for specific trades. For larger countries, the sample may have to be further limited to a specific domestic geographic area, in the form of a few trade corridors or catchment areas. These limits are necessary to ensure that the information collected can be extrapolated and serves the objectives of the assessment.

Interviews. The interviews conducted during the phase 2 assessment should be open ended and cover the same general topics as in phase 1, but in greater detail. They should be sequenced to replicate flows in the supply chain to allow for follow up questions concerning impediments to trade identified by the interviewees. During the interviews, respondents should provide subjective rankings for the importance of these

impediments, as well as some numeric data (such as time and cost) for use in validating these rankings.

Site visits . Interviews should be complemented with site visits to important facilities such as ports, border crossings, inland clearance facilities, and special zones to

offer a framework for implementing these measures, including a budget of the resources and time required.

The phase 2 assessment may also be complemented by data oriented activities. One example is the implementation of surveys with chambers of commerce of business associations: truckers• surveys and shippers• surveys.

Conducting the Assessment

The TTFA can be conducted in one or two phases (figure 3.1). This section describes the logistics of implementing a one or two phase assessment.

Phase 1

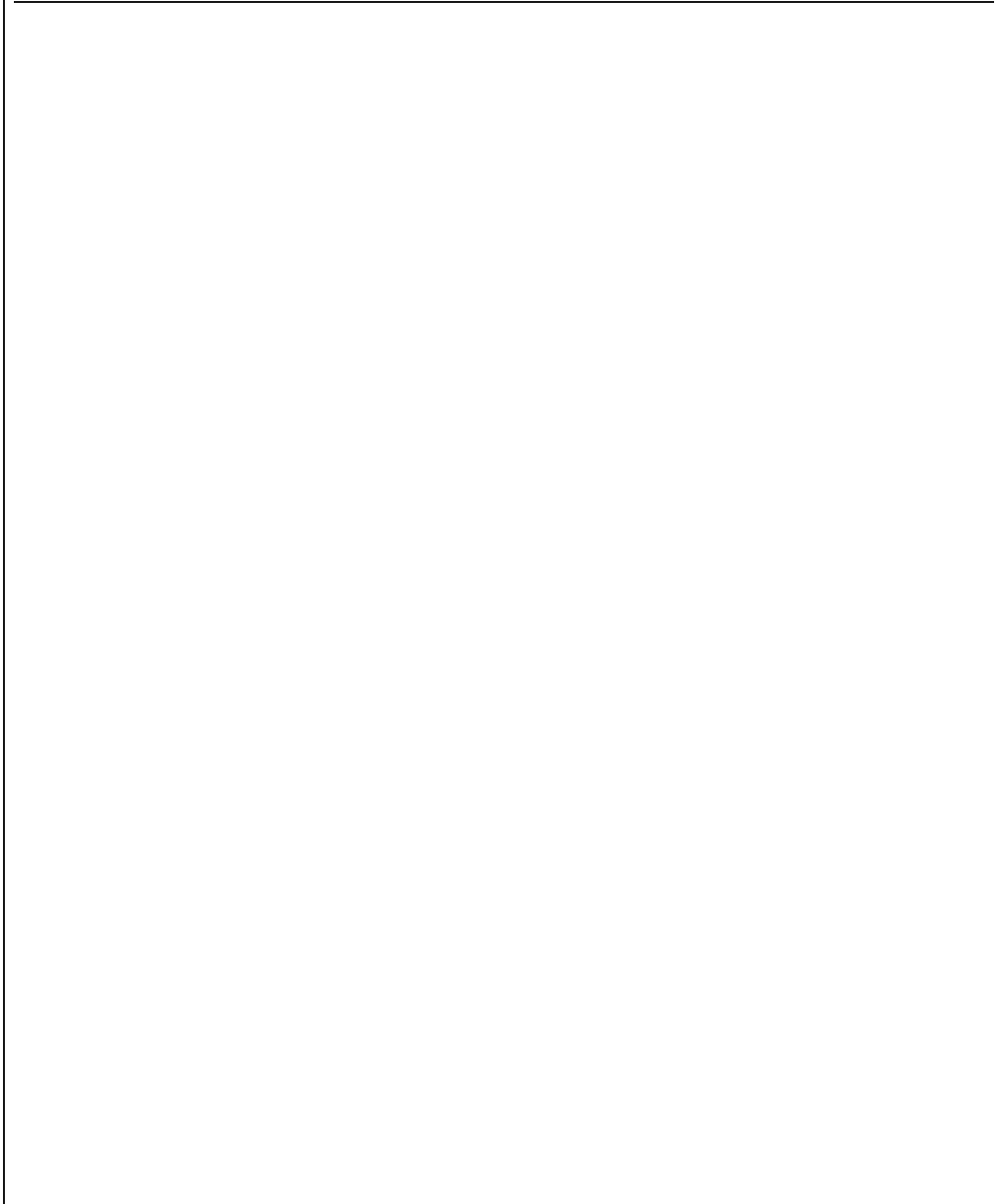
The purpose of phase 1 is to provide an understanding of the quality of logistics services, physical and procedural bottlenecks, and how both contribute to competitiveness in international trade. Therefore, phase 1 activities include:

- preparing a clear statement of the goals of the assessment
- performing desk research on the country's trade and freight logistics
- selecting commodities or type of consignment to be the focus of the assessment
- scheduling interviews with various associations and selected companies involved in these trades and related logistics services
- preparation of the initial report
- assisting in deciding whether the assessment should be continued to the next phase, and scope of work of the phase 2 assessment.

The phase 1 assessment requires the following personnel:

- task manager

Figure 3.1 Assessment Flowchart



Source Authors.

No matter how specific the objectives are, it is necessary to choose a limited set of commodities or cargoes and directions of trade on which the assessment will focus. Investigators can define the commodity groups with varying degrees of specificity, (for

It is especially important to distinguish trades according to the direction of flow,, imports, exports, re exports, and transit,because of differences in regulations and enforcement procedures. The default set should be exports of manufactured goods by container shipping. Imports are equally important, but because their distribution networks can be quite diverse, a narrower definition of the study set may be required. Despite this difficulty, the assessment should pay special attention to imports because they usually face tighter controls and greater delays (such as multiple inspections and delays in border crossing). Including air and rail shipments will require an increase in the resources used for the assessment, so they should be included only if they represent a substantial amount of the selected trades.

For example, a set of commodity groups chosen for an assessment might include containerized imports of consumer goods and equipment, exports of perishable goods requiring cold chains, consolidated shipments of manufactured exports, or high valued cargoes shipped primarily by air. Investigators might also need to consider more complex supply chains because it is becoming increasingly common for certain industries to combine imported parts and components for assembly and later export.

Performing Desk Research

After the objectives of the assessment have been identified, a desk study should collect

Box 3.1. Data Sources

Data on the structure of foreign trade (the major commodities traded), the principal overseas

Table 3.1. Number of Meetings in Phase 1

Initial meetings	Number	Participants
Associations, chamber of commerce	5...6	Board members, most active member
Regulatory agencies	2...4	Director, deputy, commissioner, assistant secretary
Development agencies	1...3	Project staff
Border agencies	1...3	Director general, facility manager
Facility visit	1-3	Facility manager
Transport infrastructure operators	n.s.	Operations manager
Freight forwarders	n.s.	Branch manager
Road transport operators	n.s.	General manager
Exporters-importers	n.s.	General managers, supply chain manager
Total	10...19	

Source Authors.

n.s. = Not significant.

representatives, the officers attending should have responsibility for general policy, legal, information technology, and risk management (see table 3.1 for an indicative list of participants). See appendix F for further details about preparing and executing phase 1 meetings.

Conducting Initial Meetings

The meetings should be conducted as open ended discussions of the issues listed in the agenda to identify specific impediments to the performance of the logistics sector, as well as opportunities for facilitating trade. At the conclusion of the discussion, the investigators, and the meeting participants should review the relative importance of the impediments within each policy area.⁷ For impediments already discussed during the meeting, the investigators should ask the participants if they feel that their impact

Table 3.2. Personnel Budget,Phase 1 (person days)

another two to three weeks. Therefore, the minimum time required for phase 2 should be three to four months.

Organizing a Steering Committee

The focal government agencies of the study should organize a steering committee with membership and objective as described above. The focal agency should build consensus in the committee, and especially act as secretariat not overlapping with administrative responsibilities of other key agencies. If preferable the committee might report to a non stakeholding agency (prime minister, minister of finance). The committee is expected to intervene at the following stages:

- endorsement of the work program of the assessment
- presentation of intermediate reports
- discussion and endorsement of final report
- preparation of the plan of actions.

Since the assessment team includes seasoned international experts, the committee has also a capacity building, if not training, role, bringing in global expertise to key policy makers in the country in an informal setting. The presentation of the intermediate or draft report also brings the opportunity to hold a series of workshops. These opportunities should be identified upfront as much as possible.

Preparing the Selection Frame

Because of the breadth of the assessment, the investigators should use a selection frame to select respondents with sufficient experience in trade and logistics (see appendix J for a sample frame and detailed discussion of selection frame components). To begin, the commodities or cargoes and direction of trade selected during phase 1 should be converted to specific trades that will serve as the focus of the interviews. A trade is

Once the trade and geographic area have been selected, the selection frame should specify the categories of enterprises and public agencies to be interviewed, along with the position of the appropriate persons to be contacted. The initial list would be developed from information collected during the desk research and referrals obtained during phase 1. Finally, the number of interviews in each category can be determined based on the available time and resources. Once the selection frame is complete, individual enterprises and agencies can be chosen (see appendix J on the various factors for choosing them).

Budgeting Assessment Resources

The task manager

writing the assessment report.) The budget should also include travel time for foreign experts and for local travel if the assessment covers a large geographical area.

Table 3.3. Sample List of Interviews

Groups interviewed	Number of interviews
Exporters/importers	6...12
Freight forwarders, integrators	4...8
Consolidator, distribution center	2...3
Customs broker	2...4
Road transport companies	4...8
National railways	1
Shipping lines	2...3
Cargo airlines	2...3
Port terminal	1...2
Airport cargo terminal	2
Free zone, dry port	1...2
Banking institutions	2
Unscheduled interviews	3...4
Subtotal	32...54
Customs facilities	2
Other government agencies	5...6
Total	39...62

Source Authors.

The personnel budget estimate in table 3.4 does not include the time required for any in depth studies. Although the level of effort for these studies will depend on the nature of the impediments and solutions being analyzed, they should be designed to be completed at the same time as the rest of phase 2, about two months following the start of the preparation stage.

Table 3.4. Personnel Budget, Phase 2 (person days)

Task	Task manager	Logistics expert	Technical experts	Admin. assist.
Phase 2, preparation				
Preparing sample frame	1	2		
Editing interview checklists		3		
Budget and interview list	1	3		
Terms of reference and recruitment	2	3		
Phase 2, execution				
Planning supervision	3		3	
T8	8			

Recruiting Assessment Personnel

The assessment team should normally include three to six experts, depending on the assessment's scope and deadlines, including technical experts familiar with transport, regulatory requirements, and supply chain management. Where possible, they should

Site visits should also be scheduled to important facilities such as ports, border crossings, inland clearance facilities, and special zones to provide a better understanding of the flow of activities, the quality of the infrastructure, and the logic of the sequence of activities.

Spontaneous interviews may occur during site visits, or ad hoc meetings may be arranged during scheduled interviews. To simplify the analysis, the information collected on these occasions should be classified into the same topics shown in appendix G. The assessment team may also schedule follow up interviews to clarify

Table 3.7. Intensity of Identified Impediments by Policy Areas (number of respondents)

Policy areas	Interviews			Qualitative evaluation by assessment team	
	Very important	Marginal	Not relevant		
Tools and institutions to measure and assess logistics performance	7	25	2	f	
Transport and infrastructure policies	11	15	3	3	
Multilateral cooperation	5	24	6	2	
Regional agreements and cooperation	6	15	4	3	
Domestic institutions promoting trade and transport facilitation policies, mandating effectiveness and governance	12	23	2	4	
Regulation of transport and logistics services	14	13	3	5	
Quality, reliability of logistics services	6	32	0	5	
Business practices	4	25	8	4	
Customs modernization	5	24	6	4	
Related procedures	16	15	4	3	
Trade facilitation initiatives	11	15	3	4	
Transit regime	4	26	8	5	
Air and sea connectivity and liberalization of services	6	32	0	5	
Public infrastructure	14	13	3	2	
Enhancing competitiveness of key products supply chains	12	23	2	2	

Source: Authors.

Following the prioritization of the impediments extracted from interviews knowledge, the team should also provide an expert assessment of the relative importance of each impediment based on the global expertise of its members. This evaluation should take into account the impact on supply chains of the identified impediments in time, cost, and reliability for the selected types of trades. For this purpose, a numeric scale from 1 (least impact) to 5 (most impact) can be used to confront the perception emerging from the interviews, with analytical understanding of the local supply chains. Although there is no systematic procedure to properly weight these two pieces of information, the assessment team should consider both when prioritizing project components, hence, striking a balance between the potential real impact of proposed components and the impediments which are most prevalent in the opinion of the interviewees.

Preparing a Plan of Actions

Finally, the team should work with the steering committee and the focal agency to prepare a plan of action describing the opportunities for improvement identified during the interviews and recommendations. Table C.1 (see appendix C) offers a basic framework for analyzing these impediments and translating them into remedial action through specific project components. Appendix B provides a conceptual map of the specific activities and participants involved in each component.

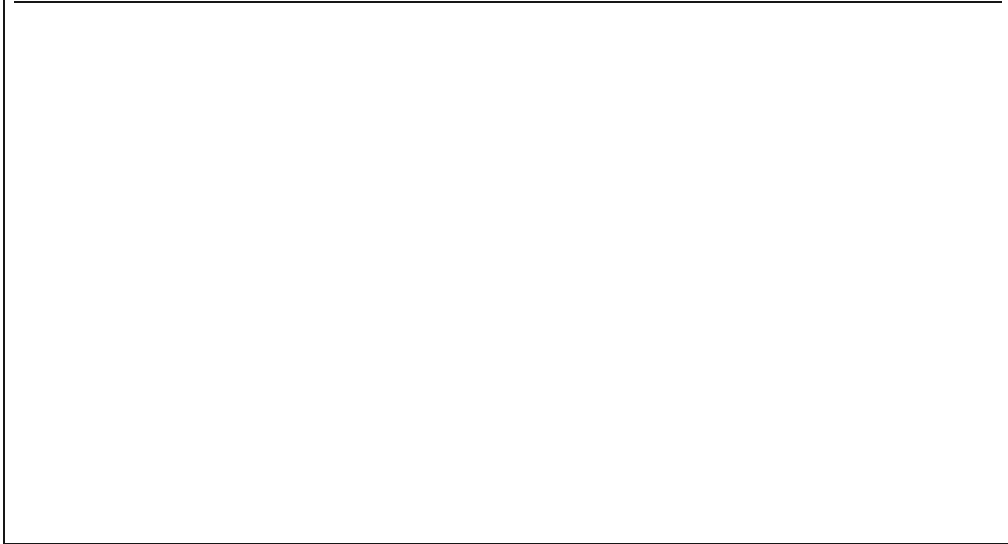
The summary should also include an assessment of the time required to implement the policy components it recommends (See table 3.8 for an example list of recommended policy components and their potential timeframe.) This data can then be combined with the perception of those interviewed to prioritize the impediments and evaluate the impact of the opportunities for improvements.

Table 3.8. Sample of Project Components to Improve Trade and Logistics Identified in the Assessment

Project component (by policy area)	Included measures	Time to implement (years)	Leading agency for the component
Overall project monitoring	Logistic council Logistics observatory to monitor performance	1 1-2	Transport or Commerce

The report should also provide an implementation strategy for remedial action that could be included in a trade facilitation project or other trade and transport projects. The project description should include timeframe, composition,

Figure 3.2. Technical and In-depth Studies for Designing Project Components



Source Authors.

The technical study should also include an assessment of the role of public...private partnerships in implementing projects, such as the following:

- improvements in the quality of logistics services
- introduction of new technologies
- improvements in operation of public infrastructure
- development of trade related clusters.

Typical Timeline of the Assessment

Notes

¹ This supply chain diagram assumes that the services are not integrated and that ownership is transferred only from the producer to the wholesaler and then to the retailer.

² For example, liquid and dry bulk cargoes have simple logistics organized by the producers. Unitized cargoes, which often include multiple consignments, have elaborate logistics organized by different parties in the supply chain.

³ Questions that might be used to select the trades are shown in table G.2 (appendix G).

⁴ Appendix G summarizes the information to be collected.

⁵

Issues and Examples in Conducting a Trade and Transport Facilitation Assessment

Many government and development agencies have implemented the original Trade and Transport Facilitation Assessment (TTFA) toolkit, including the World Bank, which conducted about 50 assessments during 2001...08. These assessments can provide useful insights about the effects that different levels of government participation will have on the assessment or about common challenges in identifying supply chain bottlenecks.

Levels of Government Participation in Implementing Recommendations

Since the first edition of this toolkit, a large number of assessments have been initiated by development agencies as a service delivered to the governments of developing countries. Increasingly, assessments are being performed at the request of governments interested in improving the performance of their logistics sector and international supply chains. Governments have responded in a variety of ways to the project components recommended by these assessments.

Box 4.1. Morocco and Tunisia: High Level of Government Involvement

The two Maghreb countries used different approaches in applying a variation of the Trade and

Box 4.3. Mashreq: Regional Assessments

An early version of this Trade and Transport Facilitation Assessment was used to develop a regional project for the Mashreq countries. Phase 1 assessments conducted in Syria, Jordan, and Lebanon identified a common interest in improving the main freight corridors serving the region, particularly the north...south corridor linking Turkey to Saudi Arabia and the United Arab Emirates. Because the three countries were in the process of implementing the ASYCUDA customs information system, have signed bilateral arrangements allowing trucks to transport cargo to and from neighboring countries, and are members of the TIR system, implementing a regional transit regime seemed feasible.

But the assessment results indicated that related difficulties discouraged movement through the region. Site visits to the border crossings between Jordan and Syria revealed reasonably efficient operations, but the convoy system used for internal transit was slow and cumbersome. Interviews with the port operators indicated that conversion to private operations had improved performance, but volumes and shipping services were still limited. Liberalization of the financial transactions and access to foreign exchange had allowed an increase in formal trade, but some vestiges of the earlier system designed to bypass government taxation remained. There was adequate road transport capacity, but formal allocation of import shipments continued to limit the quality of service in Syria and Lebanon. Though Jordan had successfully modernized its trucking fleet, Syria and Lebanon had older, less reliable trucks, creating downward pressure on trucking rates.

These findings were used to develop a regional corridor project with components to address these problems and complement investments in infrastructure. Within six months of completing the assessments a project incorporating many of their proposals was under preparation.

Source: World Bank, 2009.

Identifying Bottlenecks in the Supply Chain, Challenges and Opportunities

One of the challenges investigators and governments face is to identify hidden bottlenecks that have a critical impact on trade competitiveness, while most of the impediments identified by stakeholders in the field may not have the same impact. The

through careful cross checking and supply chain analysis, using cost and time data collected during the interviews, can those problems having a truly significant effect on supply chain performance be identified (box 4.5).

Box 4.4. Syria: Financial and Regulatory Impediments

Until recently, Syria faced a series of substantial challenges to seamless logistics. Government restrictions on trucking services and customs brokers and on public monopolies in shipping agencies and ports prevented modernization of these activities. Heavy regulation of trade, including excessive documentation and cumbersome customs procedures, added to the difficulties faced by exporters.

However, a 2004 logistics assessment indicated that a major impediment to trade was the complex procedures for accessing foreign exchange. Although the government had only recently liberalized exchange control, shippers continued to use complex supply chains devised to avoid exchange controls. And freight forwarders still provided trade financing in an effort to circumvent the exchange controls and reduce taxes by avoiding reporting the value of transactions. A 2009 assessment revealed substantial improvement in trade facilitation, including removal of the exchange rate controls, privatization of the ports, and other reforms, all allowing shippers to develop more efficient supply chains. Nevertheless, the practice of relying on offshore financing continued to reduce exposure to taxes.

Source: World Bank, 2004.

Box 4.5. Central Africa: Respondent Perspectives

Several studies have identified poor road conditions, roadblocks, and border crossings as the most important impediments to efficient transport along corridors in Central Africa. But a recent study of cargo movements concluded that none of these were the major constraint on supply chain performance.

Roadblocks and maintenance problems created by poor road conditions are particularly annoying to drivers because they cannot be controlled. However, analysis of the time and costs for the various components of the supply chain concluded that roadblocks account for less than 10 percent of road transport costs (and an even smaller percentage of transit time, around 5 percent). Maintenance costs account for a larger percentage of trucking costs, but much less than fuel. More important, maintenance and tires costs mainly caused by poor road conditions were not a significant portion of total transport costs compared to fuel costs.

Although poor road conditions increase travel time, about 75 percent of total transit time is actually spent in port. Cumbersome procedures and shippers' strategies explain why seaports account for a significant portion of total logistics costs. However, the most important cost factor for transport in Central Africa is the premiums charged by the trucking cartel that enjoys the protection of bilateral transit quotas and queuing systems.

Source: CEMAC Transit and Transport Facilitation Project (2007). Project Appraisal Document, World Bank.

A third difficulty is the classic case of blaming the messenger. Logistics services providers are often blamed for poor service quality in situations where they are merely responding to the demands of their clients (box 4.6). Continual efforts by shippers to reduce costs ultimately leads to problems such as overloaded trucks, poorly prepared

improve enforcement without being provided with adequate resources. And they face the same obstacles when asked to quickly expand the scope of their activity without being given time to develop an effective implementation plan. ⁴

Box 4.6. The Philippinu8038

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Notes

¹ The stakeholders likely to be directly involved in these project components are listed in tables B.2 and B.3 (appendix B).

² For example, a requirement that truckers had to guarantee payment of duties before entering a neighboring country created long queues of vehicles exiting the country. This caused congestion on the road network and rent seeking behavior by officials at the point of exit. In contrast, the neighboring country had an efficient, uncongested clearance operation.

³ A common example is the tendency to blame customs for delays that are caused by other participants in the supply chain. One of the purposes of the World Customs Organization's time release studies has been to differentiate the delays caused by customs procedures from those arising from the actions of other border management agencies and from the actions of the shippers.

⁴ Typical examples include government mandates to significantly increase collection of tariff revenues to meet revenue targets or the introduction of new security procedures with little thought as to their impact on trade or even the likelihood that they will achieve their stated objective.

Appendixes

Appendix A. Transactions

Table A.1. Transactions in a Typical Supply Chain

Part A	Part B	Intermediary	Documents	Payments	Information
Exporter	Importer	Banks	B/L (Bill of Lading) L/C (Letter of Credit)	L/C (Letter of Credit), CAD (Cash against documents), P.O. (Purchase Order) Freight, THC (Terminal Handling Charge)	Order status Sales projection
Exporter	Shipping line	Ship agent, Forwarder	Shipping order, B/L (Bill of Lading)		Estimated time of arrival, status
Exporter	Customs	Customs agent	Declaration, invoice Customs release	VAT refund	
Exporter	Transporter	Forwarder	Consignment note Manifest	Freight	
Shipping line	Customs	Ship agent	Permission to unload		
Consignee	Transporter	Forwarder	Consignment note	Freight	
Consignee	Customs	Customs agent	COO (Certificate of Origin), pro forma invoice, packing list, declaration Customs release	Deposit, check, e-payment	Pre-arrival notice

Appendix B. Potential Project Components

Table B.1. Mapping Policy Areas to Project Components and Activities

Policy areas	Project components	Improve organization and procedures	Modify policy framework	Capital investment	Assistance for
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Table B.1 (continued)

Policy areas	Project components	Improve organization and procedures	Modify policy framework	Capital investment	Assistance for institutional development	Sponsor
Customs modernization	Reform/automate customs procedures					G
	Improve border facilities					G
	Introduce risk management programs to expedite clearance: Reduced inspections Authorized economic operators					G G

Table B.1 (continued)

Policy areas	Project components	Improve organization and procedures	Modify policy framework	Capital investment	Assistance for institutional development	Sponsor
Transit regime	Plan and manage multimodal freight corridors					PP
Air and sea connectivity and liberalization of services	Develop urban and line-haul transport interface (e.g., urban truck terminals)					PP
Public infrastructure	Increase operator ^{operator} participation to provide and maintain public infrastructure					PP
	Introduce commercial management in port and airport operations					PP
	Construct new transport link					G
	Upgrade existing transport link					G
	Plan and manage multi-country freight corridor					G
	Establish dry ports and inland clearance facilities					G
	Develop logistics hubs (e.g., free zones, distribution centers)					PP

Table B.2. Mapping Policy Areas to Project Components and Private Sector Participants

Policy areas	Project components	Importer/ exporter	Clearing and forwarding	Transport operator	Terminal operator	Zone operator	Financial institutions	Information and communication technology services
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Table B.2 (continued)

Policy areas	Project components	Importer/ exporter	Clearing and forwarding	Transport operator	Terminal operator	Zone operator	Financial institutions	Information and communication technology services
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Table B.2 (continued)

Policy areas	Project components	Importer/exporter	Clearing and forwarding	Transport operator	Terminal operator	Zone operator	Financial institutions	Information and communication technology services
Customs modernization	Reform and automate customs procedures							
	Improve border facilities							
	Introduce risk management programs to expedite clearance. Reduced inspections Authorized economic operators							
	Improve trade security (e.g., scanners, secure supply chains)							
	Integrate activities of border management agencies							
	Introduce a single point of entry for information used in clearing cargo							
	Promote cross-border cooperation in monitoring and clearing cargo							
	Accept scanned copies for supporting document and e-signatures							

Table B.2 (continued)

Policy areas	Project components	Importer/exporter	Clearing and forwarding	Transport operator	Terminal operator	Zone operator	Financial institutions	Information and communication technology services
Related procedures	Simplify trade and infrastructure tariffs							
Trade facilitation initiatives	Reduce controlled commodities and certification requirements							
	Revise domestic tax policy to facilitate movement of goods within a country							

Reform banking practices related to trade, liberalize foreign exchange transactions

Table B.3 (continued)

Policy areas	Project components	Customs	Other border	Min. of Finance	Min. of Foreign Affairs	Min. of Trade/Commerce	Min. of Transport	Min. of Industry	Public Works	Min. of Commerce	Security
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Customs modernization

Appendix C. Report Outlines

This proposed exhaustive outline is appropriate for a TTFA phase 1 policy note. Depending on the characteristics of the assessed country or region (geography, size, and diversification of the economy), not all of the subtopics may be relevant or justified. And sufficient facts and data may not have been available for some topics to back a robust diagnosis in a phase 1 assessment.

For each of the topics and subtopics in the proposed outline (below), table C.2 links policy areas and issues with potential remedies. If the decision is made to do a more in depth phase 2 investigation, the outline areas marked with an asterisk should be given special attention during the execution of phase 1.

The final assessment report after a phase 2 assessment should cover the same themes listed in the phase 1 outline, with sections 9 (supply chains and sector issues) and 10 (assessment of trade logistics costs) likely expanded to accommodate the focus on specific supply chains. An outline of other areas likely to be covered in a phase 2 assessment report follows the main outline; investigators may select topics from this outline depending on the scope of work and decisions made with the government to undertake specific surveys or assessments.

Outline for Phase 1 Preliminary Report

- 1) Trade background information
 - a) Main trade patterns
 - principal exports and markets*
 - principal imports and suppliers*
 - previously identified impediments to trade and transport facilitation
 - b) Trade logistics patterns
 - Availability of statistics
 - Routes, modes, and gateway*

- 2) Trade logistics performance
 - a) Volumes*
 - b) Logistics performance: cost, time, reliability*
 - c) Arbitrage costs reliability by exporter and importers, specific commodities
 - d) Other issues: economies of scale, backload

- 3) Institutions and regulations
 - a) Trade policies
 - b) Transport policies
 - c) Multilateral agreements and conventions
 - d) Regional agreements*
 - e) Domestic institutions
 - f) Technical assistance received
 - g) Governance issues
 - h) Other border agencies
 - i) Trade licenses

- 4) Availability, quality, and performance of services
 - a) Logistics competence: practices and skills with consignees *
 - b) Trucking market structure*
 - c) Trucking operational performance*
 - d) Freight forwarding and integration*
 - e) Customs brokers*
 - f) Railways services*
 - g) Express
 - h) Banking and insurance
 - i) Warehousing, 3PLs (3rd party Logistics)
 - j) Other air cargo, river services
- 5) Customs facilitation
 - a) Customs clearance*
 - b) Customs regulations
 - c) Coordination, transparency, security, and information technology*
 - d) Import and export chains, main steps and structure of delays
- 6) Other trade facilitation
 - a) Trade procedures (permits and licenses for shipment)
 - b) Payment systems and exchange control
 - c) Public...private initiatives on facilitation
 - d) Trade promotion
- 7) International connectivity and transit
 - a) Transit systems*
 - b) Port and shipping connectivity*
 - c) Customs performance
 - d) Facilitation of multimodal transportation
- 8) Trade supporting infrastructure
 - a) Roads*
 - b) Ports*
 - c) Railroad
 - d) Airports
 - e) Other backbone infrastructure
- 9) Supply chains and sector issues
 - a) Example of supply chains, assessment of logistics costs
 - b) Specific sector issues (e.g., special trade and customs regimes)
 - c) Special Economic Zones (SEZ)
 - d) Other issues (contracts, trade finance)

- 10) Assessment of trade logistics costs
 - a) Consolidation of available information on dir

Table C.1. Policy Areas and Issues with Project Components and Remedies, per Outline Topic

Outline	Policy areas and issues	Project components and remedies
Trade background information a. Main Trade patterns <ol style="list-style-type: none"> 1. principal exports and markets* 2. principal imports and suppliers* 3. Previously identified impediments to 		

Table C.1 (continued)

Outline	Policy areas and issues	Project components and remedies
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Table C.1 (continued)

Outline	Policy areas and issues	Project components and remedies
Other trade facilitation a. Trade procedures (permits and licenses) b. Payment systems and exchange control c. Public-private Initiative facilitation d. Trade promotion	Related procedures Permitting of imports and exports* Payments methods for fees and duties Coordination among border agencies and procedural consistency with customs Implementation of single window concept, phase out of continued reliance on paper documents. IT readiness of non-customs procedures Conflicts between trade facilitation and other public concerns (revenue, trade promotion, and market information). Trade facilitation initiatives a. Private participation and voice in policy making. b. Recent across board facilitation initiatives and dedicated	Simplify trade and infrastructure tariffs Reduce controlled commodities and certification requirements Revise domestic tax policy to facilitate movement of goods within a country Reform banking practices related to trade, liberalize foreign exchange transactions Develop public information platforms for sharing trade and logistics data Introduce e-government services and e-signatures to facilitate government approvals Strengthen capacity authorities regulating trade and logistics Improve collection of key statistical information and performance indicators Develop capacity to analyze indicators, monitor results of policies and investments
International connectivity and transit systems		

Table C.1 (continued)

Outline	Policy areas and issues	Project components and remedies
<p>Supply chains and sector issues</p> <p>a. Example of supply chains, assessment of logistics costs</p> <p>b. Specific sector issues (e.g. special trade and customs regimes)</p> <p>c. Special Economic Zones (SEZ)</p> <p>d. Other issues (contracts, trade finance)</p>	<p>Enhancing competitiveness of key products supply chains</p> <p>a. Handicap created by fragmentation of transport and logistics services.</p> <p>b. Efficiency of Supply chain integration for domestic distribution</p> <p>c. Incoterms and international contracts used for the main products, dependence on foreign buyers</p> <p>d. Trade and customs regime to reduce production costs (drawbacks)</p> <p>Synergies between facilitation and proactive trade promotion policies</p> <p>a. Availability of trade finance</p> <p>b. Development of specific facilities and Special Economic Zones (SEZ)</p>	
<p>Assessment of trade logistics costs</p> <p>a. Consolidation of available information on direct costs, overheads, and impact of inventories</p> <p>b. Assessment of avoidable costs and measures with potential high gains</p>	<p>n.a.</p>	
<p>Recommendations</p>		

Box C.1. Policy Areas Covered in the Assessment

1. Tools and institutions to measure and assess logistics performance
 - a) Statistical instruments for trade in volume
 - b) Logistics performance on main routes and at gateway in terms of cost, time, and reliability
2. Tariff and nontariff trade policies
 - a) Complexity of tariff structure for imports
 - b) Nontariff barriers, such as quantitative restriction on some commodities
 - c) Authorization regimes for imports and exports
3. Trade promotion and proactive policies
 - a) Trade promotion and market information
 - b) Trade finance for export
4. Transport and infrastructure policies
 - a) Comprehensiveness and consistency
 - b) Legal landmarks
5. Multilateral cooperation
 - a) Participation in major trade facilitation agreement and fora
6. Regional agreements and cooperation
 - a) Trade
 - b) Transportation
 - c) Customs
 - d) Corridor-based cooperation and institutions
 - e) Constraining bilateral agreements

Table D.2. Policy Areas and Related Topics

Policy areas	Respondents	Type of logistics services	Supply chain	Financial transactions	Regulatory activities	Infrastructure	Level of information and communication technology
Tools and institutions to measure and assess logistics performance							
Tariff and nontariff trade policies							

Appendix E. Phase 1 Desk Research

Subjects

Background

- o Geographical relationship to neighbors and major trade routes
- o Key socioeconomic data related to trade

Trade data

- Possible sources: World Integrated Trade Solution (WITS), TradeMap (International Trade Centre)
- o Commodities
 - o Principal trading partners

Performance data (where available for individual countries)

- o Global Enabling Trade Index, World Economic Forum
- o Competitive Industrial Performance Index, United Nations Industrial Development Organization
- o Competitiveness indicators by World Economic Forum, iDevel ,yn

Rail transport

Possible sources: International Road Transport Union (IRU), International Road Federation (IRF), local Website, annual reports

- o Network description including gauge, number of lands, length of network, and border crossings
- o Volume of freight traffic (bulk, loose, container or trailer)
- o Scheduled unit container trains (local)
- o Number and location of loading yards with container gantries (local)
- o Number and location of rail inland container depots

Shipping lines

Possible sources: Website of the major shipping lines

- o Routes served
- o Types and size of vessels
- o Scheduled services
- o Size of vessels calling
- o Proportion of direct calls and feeder calls
- o Frequency of calls
- o Schedule of services

Fixed interval

Day of week -1.8987 -1.3481 Tkfoswn3ewenTTf -1.8987 -1.edo.2089 TD ()Tj /FTj /F18t tra

- o Transit regimes between border and border (local)
- o Certification of customs brokers (local)
- o Revenues collected at border

Trade taxes

Possible sources: National accounts

- o Tariff bands
- o Bilateral and multilateral agreements
- o Revenues from duties and excise as a portion of total tax revenues

Logistics service providers

Possible sources: Web sites

- o Designation (clearing and forwarding agents or separate agents for clearing and forwarding)
- o Freight forwarding and supply chain managers associations
- o Logistics and supply chain management curriculum
- o Industry designation for forwarders
- o Ability to issue international house bills of lading

Security, health, and safety

- o Agencies responsible for inspection at the border
- o Scanning
- o Responsibility for testing imported and exported goods

Commerce

- o Electronic payments for bank transactions and payments to government
- o Legislation for e signatures
- o Business to business (domestic, international)
- o Typical terms of payment (invoice, CAD)
- o Access to foreign exchange accounts

Warehousing

- o Large third party operators
- o Major truck terminals and distribution centers

Zones

Possible sources: Web sites, World Bank reports

- o Location, size, occupancy, and type of firms for export processing, free trade zones, and industrial zones
- o Location and size of inland container depots and dry ports

Corridors

Possible sources: Web sites and transport sector reports

- o Defined freight corridors with development plans
- o Ministry responsible for coordinated development for multimodal corridors
- o Dedicated corridor management (if any)

Distribution services

Possible sources: Web sites

- o National overnight package services (road and air)
- o National and international retail chains
- o National distribution centers and logistics hubs

Table E.1. Research Sources

Source	Information provided by source
Airports Council International	Airfreight by airport
CIA World Factbook	Country economic data
COMTRADE, International Trade Centre (ITC)	International trade statistics: World Integrated Trade Solution (WITS), Trade Map
Containerization International	Air traffic by port
Country annual statistical report	Annual summary of data on various issues, including trade and transport
DHL, Federal Express, UPS, etc.	Web sites for global forwarders
Doing Business Survey	General level of performance for trade and specific problem areas
Drewry, UK	Container freight rate
Economist Intelligence Unit (EIU) Country Reports	Trade data, macroeconomic performance, transport
International Federation of Freight Forwarders Associations (FIATA) Web site	Freight forwarders associations
International Air Transport Association (IATA)	Airfreight by carrier

International Monetary Fund (IMF) World Economic Outlook 2013: Global Growth in a Fragmented World

Table E.2. Commonly Available Data for Transport-Related Infrastructure and Facilities

Infrastructure or facility	Measures available
Airport	Number and length of runways, cargo handling capacity, tons loaded, discharged
Road	Length of highways, density, limit, gross vehicle weight limit
Truck transport	Fleet size, composition, fleet size, traffic (tons, ton-kilometers per year)
Rail	Length of lines and track, signaling, height limit, electrification
Rail transport	Fleet by wagon type, tonnage and ton-kilometers per year)
Ports	Depth, number of anchor berths and berth length, number of gantry cranes, Bulk terminal capacity, throughput (loaded TEU, tons per year)
Dry ports, inland container depots	Number, location, traffic (loaded TEU per year)
Customs	Revenues, staff, operating documentary requirements, percent physical inspections, percent scanned, information technology system
Free zones, industrial zones	Location, occupancy
Freight corridors	End points, distance, modes, lanes, traffic levels (average units per day)
Border crossings	Location, traffic (average trucks, tons per day)
Bonded storage	Number and location
Transit regimes	Regional or international transit regimes, licenses and carnets issued

Source Authors.

Appendix F. Phase 1, Meetings

In phase 1 of the assessment, the investigators hold meetings with private sector associations involved in trade and logistics and with agencies that regulate these two activities. Before the day of the meeting, it is important to explain the reason for the meeting, for example, to determine difficulties with the quality of logistics and enforcement of regulations that are a significant impediment to trade competitiveness, and to distribute a list of topics to be covered in the meeting. It is also important to request that persons attending be familiar with these areas of concern (see below). For each type of association and government agency, the Information Guide in this toolkit provides a list of topics to be discussed at the meetings, followed by a list of questions to be covered under these topics.

At the beginning of the meeting itself, the assessor should reiterate the reason for the meeting and confirm that the opinions expressed during the meeting will not be attributed to individuals, or to the organization.

Meetings with Associations

The purpose of meeting with associations is to identify consensus about common problems and opportunities for solving these problems. When setting up the initial meetings, it is important to communicate to the association representative person organizing them that there should be a sufficient number of association members present at the meeting to provide a breadth of experience. Meetings that involve only the head of the organization or a few senior executives will generally provide information about the characteristics of the economic sector that the organization represents, but little else.

During the meeting, the list of topics sent beforehand will serve as the agenda for an open ended discussion. The interviewer from the assessment team will be responsible for ensuring that all present participate and that an effort is made to reach

only certain types of activities, such as freight forwarders exclusive of air cargo.

Meetings with Government Agencies

For meetings with government agencies, the investigators should also provide a list of topics and request participation by members of the organization familiar with these topics. The purpose of these meetings, unlike those with the associations, is to identify difficulties in developing and enforcing regulations for trade and logistics services as well as for developing incentives for better logistics to stimulate the growth and diversification of trade. Therefore the participants should include senior staff familiar with each topic. The previously sent list of topics can be used as an agenda for the meeting, or the agency can determine the sequence in which the participants discuss their area of concern.

The time allotted for the meeting should depend on the number of topics and the depth to which they are to be discussed. For example, the meeting with officials from customs headquarters should include five to ten people specializing in the different regulatory activities. Because these activities and their difficulties are relatively well understood, the time required for each topic would not be extensive. In contrast, the discussions with other regulatory agencies might cover fewer topics that need more detailed discussion. A typical meeting should require one to one and a half hours. It is important that two interviewers from the assessment team attend these meetings, including one knowledgeable about the activities of the agency.

For each type of association and government agency, the Information Guide in this toolkit provides a list of topics to be discussed at the meetings, followed by a list of questions to be covered under these topics.

Appendix G. Phase 2, Selection of Supply Chains and Interview Guide Checklists

Selection of Supply Chains

Table G.1. Trade Categories, Phase 2

Origin and destination	International mode	Geographic area
Regional	Ocean	Corridor
Intracontinental	Road	Port hinterland
Pacific Rim	Air	Province
Europe/ East Coast USA	Sea...air,	

Supply and value chain

This section examines the structure of the supply and value chain, the order cycle and processing time of individual activities, and the synchronization of supply chain components, both upstream and downstream. It includes information on the respondent's efficiency in handling goods and the quality of services offered.

Financial transactions

This section examines the transactions that occur as goods move through the supply chain, specifically, the frequency and complexity of these transactions, to identify opportunities for simplification through changes in procedures or integration of services offered by an individual logistics service provider.

Regulatory activities

This section examines the regulation of both trade and logistics services to identify bottlenecks and excessive costs due to inefficient or unnecessary regulation. Trade regulation includes restrictions on importing and exporting and the procedures for cargo clearance, both customs and health and safety. Logistics services regulation covers regulation of service providers, both economic and health and safety.

Infrastructure

This section examines problems caused by insufficient or poorly maintained infrastructure, especially transport and trade related.

Level of information and communication technology

This section examines the use of computers and electronic data exchange to expedite the transactions and improve coordination of the activities in the supply chain.

Problems, opportunities, and responses

This section allows the respondent to identify and prioritize impediments to trade facilitation. This information is used to identify consensus among the parties about the principal sources of excess costs, unnecessary delays, and poor reliability, and to solicit recommendations for mitigating or eliminating these problems.

At the conclusion, the interview should request recommendations on who else might be interviewed, using the standard list in table G.3.

Table G.3. Possible Interviewees

Importers/exporters

Appendix H. Sample Terms of Reference for Members of Assessment Team

Phase 1

Objectives

The consultant will participate in a phase 1 Trade and Transport Facilitation Assessment to be carried out according to the methodology published by the World Bank in 2010 •Trade and Transport Facilitation Assessment Ž This methodology involves meetings with stakeholders involved in specific trades. This document is also available on the GFP Web site (www.gfptt.org).

The stakeholders include associations representing importers, exporters, providers of transport and logistics services, and government agencies involved in trade and logistics. The meetings and subsequent report will cover:

Availability and quality of logistics services and infrastructure available to exporters and importers.

Market structure and integration with other activities.

International competition for transport and logistics services.

Prepare a phase 2 assessment.

If a phase 2 assessment is to be conducted, the logistics expert should:

- Work with the task manager in selecting specific trades to be evaluated.
- Prepare a sample frame including categories of enterprises to be interviewed.
- Prepare a budget for the second phase.
- Determine number of interviews to be conducted based on available funding.
- Prepare implementation schedule.
- Prepare terms of reference for assessment team.
- Assist in recruiting specialists to participate in the team.
- Revise interview checklists.
- Prepare a preliminary list of enterprises and agencies to be interviewed.

Local Logistics Expert

The local logistics expert should work with the international logistics expert in:

- Selecting key commodities and cargoes and directions of trade that will be the subject of the assessment.
- Preparing list of associations and government agencies with whom to meet.
- Preparing agendas for these meetings and sending them to participants.
- Conducting meetings.
- Preparing summary of discussions and ranking of policy areas for action.
- Conducting complementary interviews and site visits as required to confirm findings of meetings.
- Preparing report summarizing the impediments to trade related to logistics and policy initiatives to reduce or eliminate these impediments.
- Participating in presentation of result to country director.

Researcher

The researcher will prepare a desk study for the country describing its major trading activities and supporting transport and logistics services. The information collected and presented in the research report should include:

- Volume, origins, destinations, and principal international modes for major exports and imports (by commodity category, one to two digits).
- Market structure and international competition.
- Principal freight corridors for imports and exports, the transport modes on the corridors, and any information on the traffic levels.
- Volumes of freight and frequency of services at the principal gateways for international trade.
- Mapping of the major trade corridors from the production centers to the international gateway.
- Contact information for principal associations involved in international trade and transport.
- Contact information for major importers, exporters, and logistics service providers.

Phase 2

Objectives

The consultant will participate in a phase 2 Trade and Transport Facilitation Assessment to be carried out according to the methodology published by the World Bank in 2010 •Trade and Transport Facilitation Assessment. Ž This methodology

Introduction of modern information and communication technologies related to transport and trade.

Key investments to improve trade potential, notably along the transport corridors.

Technical assistance measures, including training needs.

The assessment team should prepare a final assessment report that summarizes the findings from the evaluation of the interviews and recommends actionable measures. The measures should be prioritized, and a time frame for their implementation indicated.

This assessment will focus on the following specific trades: _____. The assessment is expected to take ___ weeks (see attached timeline).

Assessment Team Leader

The team leader should be responsible for managing the phase 2 assessment in accordance with the implementation plan previously prepared. Responsibilities should include coordinating:

Arrangements for the interviews in appropriate sequence.

Participation of the team members in the interviews.

Team travel.

Evaluation of the results from the interview.

Preparation of final report.

Assessment Team Members

The assessment team members should work under the direction of the team leader in:

- Identifying additional organizations to be interviewed and assisting in scheduling interviews.
- Interviewing enterprises and agencies.
- Preparing summaries of the information collected during the interviews.
- Compiling a list of impediments affecting trade competitiveness.
- Compiling costs, time, and uncertainty for components of typical supply chains.
- Assessing the relative importance of the impediments to supply chain performance.
- Evaluating opportunities for reducing or eliminating the impediments.
- Developing components of a trade facilitation project to realize their opportunities.
- Preparing a final assessment report.

Technical Specialist for In Depth Studies

For the in depth studies, terms of reference should be prepared for the specific type of problem to be addressed. These reports should have some common elements, including:

- An analysis of the problems and potential mitigation measures.
- An assessment of the expected benefits of these measures and the likelihood of successful implementation.
- Detailed proposals for implementing these measures.

Appendix I. Logistics Glossary

Air cargo agent	Independent agents or employees of the airlines who arrange flight shipments.
ASYCUDA	Automated System for Customs Data a program to manage clearance developed and maintained by the United Nations Conference on Trade and Development (UNCTAD).
Automated risk assessment	Use of a computerized risk module without intervention in the choice of risk channel.
Bonded warehouse	Warehouses in which goods can be stored that have not been cleared for entry into the country.
Bond	A guarantee for duties and taxes for goods entering territory without being cleared for consumption (e.g., transit, temporary admission).
Border crossings	Extent of modernization of major crossings, including int

Transit	Delayed clearance system by which goods sealed and bonded can move within a territory to be cleared out of the country to an inland destination.	
T1 transit document	In the European Common Transit system, the reference transit document of the single administrative document. It is attached to a guarantee to cover the liability for the duties and taxes on cargo while transported by truck from the border inland clearance point. The same format is widely used in ASYCUDA.	
TIR	Transports Internationaux Routiers (the International Road Transport) international transit system allowing the movement of goods in transit single document (carnets) and single mutually recognized guarantee for duties and taxes on cargo cleared transiting a country. The TIR is managed by a network of national guarantors under the auspices of the International Road Union. TIR is	

marketing manager. They should be accompanied by staff members familiar with the firm's supply chains.

Logistics Service Providers

To select the logistics service providers, the assessment team's international and local logistics experts should be familiar with the multinational and domestic firms operating in the country. However, most of the sample should be selected based on referrals made during the meetings with associations in phase 1 and on the interviews with exporters and importers in phase 2. This sampling strategy assumes that the

cargo division. If the operations are managed by private concession, the local manager of the concession should be interviewed.

Interviews with free zone operators should be included if these facilities have been identified as an important component of import and export supply chains. Selection of a free zone should be based on its size and level of occupancy. Zones with low occupancies or older zones that do not have new tenants are unlikely to provide useful information. Interviews should be held with the general manager or marketing manager of the zone.

The final logistics service provider group to interview consists of domestic and international financial institutions providing trade finance and documentary credits. Here, the interviews should be conducted with bank executives responsible for trade finance.

Regulators

Table J.2 provides a list of regulatory agencies to be interviewed. For these, the challenge is to identify individuals at the appropriate level in the agency. Selection of both agencies and individuals should be based on referrals by contacts within the government and by the local logistics expert, as well as on referrals from exporters, importers, and logistics service providers.

Appendix K. Analytical Components in Technical Studies

Technical studies should be conducted to determine the scope of a project component,

smaller tenants. The government can contribute land grants, basic infrastructure, and expedited regulatory procedures to attract producers of exports and distributors of imports.

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Abbreviation	Name	URL
CSCMP	Council of Supply Chain Management Professionals	www.cscmp.org
GFPTT	Global Facilitation Partnership for Transportation and Trade	www.gfptt.org
ICC	International Chamber of Commerce	www.iccwbo.org
IRU	International Road Transport Union	www.iru.org
ITC	International Trade Centre	www.intracen.org
LPI	Logistics Performance Index	www.worldbank.org/lpi
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business	www.unece.org/cefact
UNCITRAL	United Nations Commission on International Trade Law	www.uncitral.org
UNCTAD	United Nations Conference on Trade and Development	www.unctad.org
UNEDIFACT	United Nations Directories for Electronic Data Interchange for Administration, Commerce and Transport	www.unece.org/trade/untdid
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific	www.unescap.org
UNECE	United Nations Economic Commission for Europe	www.unece.org
World Bank	World Bank, Trade Facilitation	www.worldbank.org/tradefacilitation www.worldbank.org/tradelogistics data.worldbank.org See RBZ Open Data Initiative
WCWCO	World Customs Organization	www.wcoomd.org
WTO	World Trade Organization	www.wto.org

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