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Q1: Respondent details

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Q2: Country or Customs territory	- INTERNATIONAL ORGANIZATION
Q3: Organization	Other (please specify) International Organization

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Q4: Title of case story

Enhancing Connectivity through implementation of national trade and transport facilitation monitoring mechanisms (TTFMMs) in South Asian Least Developed Countries

Q5: Case story focus

Trade Facilitation.

Q6: Case story abstract

A project to support establishment of national Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Bangladesh, Bhutan and Nepal was initiated by ESCAP and ADB in October 2015, as part of implementation of the South Asia Subregional Economic Cooperation (SASEC) Trade Facilitation Strategic Framework and to enhance subregional connectivity.

A TTFMM aims to enable a country to measure and assess progress in trade and transport facilitation in a regular and systematic manner over time, so as to assist in the formulation and updating of related reform and implementation plans. Importantly, TTFMM is designed to be sustainable, i.e., carried out under the auspices of National Trade Facilitation Committees when in place or the lead trade facilitation agency, and fully taking into account national capacity and resources.

Under the project, ESCAP and ADB provided capacity building to national stakeholders on TTFMM, combining subregional and national-level trainings and consultations. As of December 2016, the TTFMM baseline studies in Bangladesh, Bhutan and Nepal have been finalized (or will be by January 2017) and will be used by National Trade Facilitation Committees to drive further reform and monitor and benchmark implementation and its effectiveness over time. The participating countries have a basis for establishment of an institutionalized mechanism for trade facilitation monitoring to enhance connectivity. Implementation of the project also resulted in UN/CEFACT experts initiating the development of a global Recommendation on establishment of TTFMM in early 2016.

Q7: Who provided funding?

Other (please specify)

For the TTFMM baseline studies in Bangladesh, Bhutan and Nepal, funding came from the Asian Development Bank. In-kind contribution from ESCAP and the participating countries ensure the project implementation.

Q8: Project/Programme type

Regional

Q9: Your text case story

- The origin of the project or programme

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.

Several global trade facilitation performance surveys and databases (these include, for example, the World Bank Doing Business and Logistics Performance Index databases, the World Economic Forum Executive Opinion Surveys, and the ESCAP-World Bank Trade Cost Database) are now available and very useful as benchmarking and awareness raising tools. But they do not provide sufficiently detailed information to assist developing or updating national trade facilitation action plans.

Trade and transport facilitation assessments have also been conducted in some countries. In many cases these are typically ad-hoc in nature, with little coordination among development partners, and with limited support by the governmental agencies involved.

A project to support establishment of TTFMM in Bangladesh, Bhutan and Nepal was initiated by ESCAP and ADB in October 2015, as part of implementation of the South Asia Subregional Economic Cooperation (SASEC) Trade Facilitation Strategic Framework. The project was initiated after a first round of analysis of trade procedures in SASEC countries, which suggested that the conduct of such analyses should be institutionalized and conducted more regularly to inform on-going and future trade facilitation reform efforts.

As of December 2016, the project has built the capacity of the three SASEC LDCs towards establishment of TTFMMs by supporting national teams in conducting baseline studies.

- How it was designed

TTFMM was designed in a holistic manner, drawing on guidelines on establishment of Trade and Transport Facilitation Monitoring Mechanism (TTFMM) (<http://www.unescap.org/resources/towards-national-integrated-and-sustainable-trade-and-transport-facilitation-monitoring>) developed by ESCAP and ADB based on lessons learned from earlier projects. It covers the areas such as institutional arrangement, scope of monitoring, data collection and analysis, policy formulation and action plans, national capacity development, identification of resources, international support and collaboration with neighboring countries.

In carrying out the TTFMM baseline studies in Bangladesh, Bhutan and Nepal, a methodology called Business Process Analysis Plus (BPA+) was adopted for data collection and analysis. In particular, BPA+ is built upon the UNNEXt Business Process Analysis methodology and supplemented by WCO Time Release Studies (TRS) and Time-Cost-Distance (TCD)/ Corridor Performance Measurement and Monitoring (CPMM) methods.

- Who executed it and how it was delivered and managed

The initial guideline on TTFMM was developed at ESCAP, in collaboration and building upon a previous joint project with ADB.

The baseline studies of TTFMM were carried out under the auspices of responsible government Ministries, agencies, including the National Trade Facilitation Committees when in place. ADB and ESCAP provided capacity building to national stakeholders and consultants, combining subregional and national-level trainings and consultations.

- What it sought to achieve

The project sought to develop capacity of the three LDCs in self-monitoring of trade and transport facilitation, enabling them to measure and assess their progress and use the information in formulating, updating and prioritizing actions to further facilitate trade. It sought to do so by promoting a harmonized methodology across the SASEC subregion, enabling greater cooperation and sharing of information among all the countries in that subregion. Most importantly, it sought to do so keeping in mind the needs and resource constraints of these countries to ensure the TTFMM would ultimately remain sustainable over time.

- Short-term outputs and outcomes

The project has increased awareness of the importance and usefulness of establishing TTFMM in countries; it has built the capacity of key national stakeholders in maintaining such mechanism in the three LDCs.

The TTFMM baseline studies in Bangladesh, Bhutan and Nepal have been finalized (or will be by January 2017), to be used by available to National Trade Facilitation Committees to drive further reform and monitor and benchmark implementation and its effectiveness over time.

As a result of the project, the participating countries have a basis for an institutionalized mechanism to facilitate data collection and analysis to enhance trade facilitation and connectivity.

Implementation of the project also resulted in UN/CEFACT experts initiating the development of a global Recommendation on establishment of TTFMM in early 2016.

- Medium-term impacts (e.g. changes in trade volumes, border clearance times, investment in infrastructure, creation of new jobs, poverty reduction, women's economic empowerment, etc.).

In the medium term, it is envisaged that TTFMM will be sustainably implemented in Bangladesh, Bhutan and Nepal, providing evidence and data needed for Government to implement trade facilitation reform – and for Donors to allocate Aid – more effectively. This can reasonably be expected to reduce trade costs of these countries in the longer term.

Q10: Lessons learnt

a) A sense of national ownership is crucial for the success of TTFMM. For the implementation of TTFMM baseline studies in Bangladesh, Bhutan and Nepal, support from senior government officials was crucial. The studies were anchored with the responsible government ministry and agencies, as well as NTFC. Such institutional arrangement proved to be essential for data collection and analysis.

b) The baseline studies in Bangladesh, Bhutan and Nepal (all LDCs) show that national capacity can be built to carry out the relevant studies under the project.

c) Methodologies, indicators, and scope should be tailored to the need and resources of the countries. Developing highly ambitious, complex and costly monitoring mechanisms is unlikely to be sustainable.

d) In the initial stage of establishment and operation of TTFMM, some countries, especially LDCs, may face difficulties in putting TTFMM in place on their own and may require technical and financial assistance and capacity building. International organizations and development partners may and should extend such assistance whenever possible, but projects should be developed with sustainability in mind, i.e. keeping external budgets small and the involvement of international consultants and experts to the strict minimum so that TTFMM costs can ultimately be internalized.

- Concluding remark

The relevance of TTFMM has increased along with the emphasis of Governments and the donor community on trade facilitation, including in the context of the WTO Trade Facilitation Agreement. In fact, a global Recommendation on TTFMM has now been developed under the auspices of UN/CEFACT, with experts from around the world refining the TTFMM concept (<https://www2.unece.org/cefact/pages/viewpage.action?pagelId=9603750>).
