

**PROJECT DOCUMENT**  
**11TH TRANCHE OF THE DEVELOPMENT ACCOUNT**

**EXECUTIVE SUMMARY**

Project Code and Title :	1819AC. Evidence-based trade facilitation measures for economies in transition
Start date:	January 2018
End date:	December 2021
Budget:	US\$ 490,000
Fund code:	64ROA
UMOJA cost centre(s):	13827
UMOJA functional area(s):	20AC0006
WBSE No:	SB-009412
Target countries:	Kazakhstan, Ukraine, Georgia, the former Yugoslav Republic of Macedonia
Executing Entity/Entities:	UNECE Economic Cooperation and Trade Division Ms. Maria Ceccarelli (Programme Manager)
Co-operating Entities within the UN Secretariat and System:	UNESCAP, UNCTAD  The project will also engage experts from UNDP, UNIDO, FAO, UN Environment

**Brief description:**

In recent years, trade facilitation has been recognized as a key factor in trade and economic development policy. The WTO negotiations produced a Trade Facilitation Agreement (TFA), which constitutes a key driver for the implementation of trade facilitation instruments developed and supported by UNECE and other international organizations.

The proposed project aims at strengthening national capacities for better integration of selected economies in transition in the international rules-based trading system (SDG 17.10). It aims at enhancing countries' exports and cross-border trade in their respective sub-regions. Special attention will be paid to help countries using the UNECE trade facilitation policy recommendations, standards and tools for the development of evidence-based policy coherence to support implementation of provisions of the WTO Trade Facilitation Agreement (TFA). Notably, the focus of the project is on assistance in the areas of expertise and experience of UNECE and the instruments of UN/CEFACT: notably TFA articles 23.2: national trade facilitation committees; art. 10.1: streamlining documentary formalities; art. 10.3 use of international standards; and art. 10.4: Single Window.

The project will focus on selected countries with economies in transition: one from each of the following sub-regions: Southeast Europe, Eastern Europe, the Caucasus and Central Asia (Kazakhstan, Ukraine, Georgia and the Former Yugoslav Republic of Macedonia). The key stakeholders of the project on the government side will be ministries of trade and customs services, various other trade control bodies, as well as the business community: freight forwarder and transport associations, port community systems, chambers of commerce and other private sector representatives, with special attention to small and medium-sized enterprises and their involvement in international trade.

The results of the project will include:

EA1. Enhanced capacities of national trade facilitation bodies and other stakeholders to develop and implement trade facilitation policies and measures, and

EA2. Improved capacities of policymakers to measure progress in trade facilitation, and achieve internal and cross-border policy coherence for the simplification and harmonization of trade procedures.

The project will also focus on exchange of best practice experience and the creation of a sustainable cooperation among these four countries as leaders in trade facilitation in the four subregions.

## 2. BACKGROUND

### 2.1. Context

In recent years, trade facilitation has been recognized as a key factor in trade and economic development policy. The WTO negotiations produced a Trade Facilitation Agreement (TFA), which constitutes a key driver for the implementation of trade facilitation instruments developed and supported by ECE and other international organizations. UNECE has been at the forefront of developing international standards and best practice recommendations for trade facilitation for over 50 years. Now it is helping member States with economies in transition, in cooperation with other organizations, with readiness assessments and the implementation of the TFA. Some of the measures have been indicated as difficult to achieve, and on some of them, UNECE has a long experience and instruments for their achievement.

There is increasing understanding that trade facilitation can generate major benefits for the economy in terms of competitiveness and efficiency and can greatly enhance the participation of developing and transition economies in the global economy. Discussions on trade facilitation at the WTO and other international fora have brought this subject to the highest level of political decision-making, and produced a Trade Facilitation Agreement that has become, with its entry into force on 22 February 2017, a major driver for the implementation of trade facilitation instruments developed and supported by UNECE and other international organizations. It is estimated that the implementation of the WTO TFA measures will cut total trade costs by about 14% on average, and will result in massive savings of over 1 trillion USD annually to economies, the majority of which will accrue to developing economies. Indeed, with trade facilitation on national political agendas, many countries are now faced with the challenge of translating this broad concept into specific implementation strategies that can achieve the expected results and economic benefits.

Some of the concrete results of implementing UNECE and UN/CEFACT trade facilitation policy recommendations and standards include the establishment of a Single Window system (EXIM) in the Former Yugoslav Republic of Macedonia or a Port Community System in Odessa, Ukraine.<sup>1</sup> UNECE has also assisted two transition economies (Ukraine and Kazakhstan) in assessing their readiness to implement the WTO TFA and, as a result, the final assessments were used both countries in the notification of their readiness to the WTO Secretariat and in planning further implementation.<sup>2</sup> In addition, the UNECE has undertaken in-depth studies of procedural and regulatory barriers to trade containing detailed recommendations for addressing identified problems in 6 transition economies (Albania, Belarus, Kazakhstan, Kyrgyzstan, Moldova, and Tajikistan).<sup>3</sup>

The proposed project will focus on the following key areas of trade facilitation (notably, four articles of the TFA):

- Establishing and maintaining functioning National Trade Facilitation Committees (art.23.2 of the WTO TFA; and UNECE and UN/CEFACT Recommendations 4 and 40);
- Implementation of international trade facilitation standards (WTO TFA art. 10.3; namely, the standards of UNECE, WCO, ISO, and key sectoral organizations);
- Streamlining formalities and documentation requirements (WTO TFA art. 10.1; UNECE Rec.1, codes and standards), using such tools as the UNECE and ESCAP Business Process Analysis Guide;
- Bolstering an enabling environment for Single Window for exports, imports and transit clearance (WTO TFA art.10.4; UNECE Recommendations 33, 34, and 35, and forthcoming Recommendation 36, UN and WCO Single Window implementation guides);
- Establishing national benchmarks for measuring progress, based on existing methodologies (UNECE, UNCTAD) and the results of a current project on International Trade and Transport Facilitation Monitoring Mechanism that UN/CEFACT is developing.

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<sup>1</sup> See [www.singlewindow.org](http://www.singlewindow.org)

<sup>2</sup> The procedure of defining the readiness on the various TFA measures is described in Section II (Special and Differential Treatment for developing countries) of the TFA.

<sup>3</sup> See <http://www.unece.org/tradewelcome/studies-on-regulatory-and-procedural-barriers-to-trade.html>

The proposed project will use the relevant results of previous projects in the transition economies, as for example the 10th Tranche project “Strengthening national capacities of the UNECE countries for evidence-based regulatory and procedural trade policies to achieve the Sustainable Development Goals (SDGs)”. It will also link up to ongoing efforts to advance trade facilitation as a means towards achieving relevant SDG targets. In the Special Programme for Economies of Central Asia (SPECA) region for instance, at its 11<sup>th</sup> session (Ganja, 23 November 2016), the Governing Council welcomed “the strengthening cooperation between SPECA, the Regional UN Development Group for Europe and Central Asia, UN Country Teams in the SPECA countries, and UN and other international organizations, supporting progress towards the achievement of SDGs through enhanced subregional cooperation and towards enhanced economic cooperation in the SPECA subregion.” In such context the SPECA WG-Trade decided to concentrate on three targets of SDG 17 (Partnerships for the Goals), and particularly target 17.10: promoting the universal, rules-based, open, non-discriminatory, and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under the Doha Development Agenda. SPECA, in cooperation with the WTO, GIZ, and other partners, helps the countries exchange best practice experiences, harmonize their policies, and further cooperate on the implementation of the new WTO Agreement on Trade Facilitation, which came into force on 22 February 2017. WTO Members and acceding countries in Central Asia face serious issues in preparing the implementation of this Agreement. Target 17.11 aims at significantly increasing the share of developing countries in global exports by 2020. Efforts to remove obstacles to mutual trade, including through trade facilitation, with assistance from UNECE, ESCAP, and other partners.

## **2.2. Mandates, comparative advantage and link to the Programme Budget**

The implementation of this project will contribute to the expected accomplishment (a) “Increased consensus on and strengthened implementation of ECE recommendations, norms, standards, guidelines and tools for trade facilitation and electronic business” of Subprogramme 6 “Trade” of the Strategic Framework for 2018-2019.

Within the framework of the United Nations Economic and Social Council, UNECE serves as the focal point for trade facilitation recommendations and electronic business standards, covering both commercial and government business processes that can foster growth in international trade and related services. In this context, the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) was established, as a subsidiary, inter-governmental body of the UNECE, mandated to support activities dedicated to improving the ability of business, trade and administrative organizations from developed, developing and transition economies to exchange products and relevant services effectively. The UNECE Regional Adviser and other staff of the UNECE ECT Division develop activities that assist developing and transition economies in implementing these instruments.<sup>4</sup>

UNECE and UNCEFACT have a comparative advantage in developing best practice recommendations on national trade facilitation bodies, streamlining documentary procedures, developing Single Window and other relevant trade facilitation tools, as well as developing and implementing trade facilitation standards for data and document exchange. These include instruments for the harmonization and standardization of documentary formats and procedures for filling in and approving documentary formats. UNECE has years of experience in implementing the key trade facilitation measures in the countries with economies in transition: including the establishment and functioning of national trade facilitation committees, streamlining documentary formalities, the use of international standards and establishing and maintaining enabling environment for Single Window. UNECE receives regular requests to contribute in these areas.

UNESCAP, which is a partner that will receive some of the funding in this project, has a mandate to analyze physical and non-physical barriers to trade and connectivity, to support initiatives for trade facilitation and address country-specific challenges in UNESCAP member States. The project is directly linked to the expected accomplishment (b) “Broadened and deepened capacity of member States to advance trade,

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<sup>4</sup> For the mandate and terms of reference of UN/CEFACT see:

[https://www.unece.org/fileadmin/DAM/cefact/cf\\_plenary/2017\\_Plenary/ECE\\_TRADE\\_C\\_CEFAC2017\\_15E\\_MandateToR.pdf](https://www.unece.org/fileadmin/DAM/cefact/cf_plenary/2017_Plenary/ECE_TRADE_C_CEFAC2017_15E_MandateToR.pdf)

investment, enterprise development, science, technology and innovation that support sustainable development and include gender perspectives” of Subprogramme 2 “Trade, investment and innovation” of UNESCAP’s Strategic Framework for 2018-2019.

UNCTAD has a mandate to support the empowerment of national institutions in developing countries to achieve trade facilitation, notably in the light of the entry into force of the WTO Trade Facilitation Agreement in February 2017. The project will use some methodologies for needs assessment and implementation of trade facilitation measures, developed by UNCTAD. Programme 10 “Trade and Development”, Subprogramme 4 “Technology and Logistics” of UNCTAD’s Strategic Framework for 2018-2019.

### **2.3. Country demand and target countries**

The project will focus on selected countries with economies in transition, which have expressed their will to work with UNECE the last couple of years: one from each of the following subregions: Southeast Europe, Eastern Europe, the Caucasus and Central Asia. The benefit of this inter-regional approach is that countries have different advantages (e.g. stronger involvement of the business community in Ukraine and stronger involvement of the State in trade facilitation and efficient regulations in Georgia).

The target countries include: Kazakhstan, Ukraine, Georgia and the Former Yugoslav Republic of Macedonia. Other countries in the four subregions may be invited to subregional events and training activities. The four countries were selected on the basis of expressed will to advance their work on trade facilitation, based on the implementation of the UN best practice recommendations and standards, working with UNECE and its partners to achieve it. These are countries with potential in trade facilitation; and when the project achieves its objectives in implementing the UN tools for trade facilitation, these will be pivotal countries in their subregions indicating the way for others to progress. UNECE, UNESCAP and their partners will help them further implement the four TFA measures selected for this project. Progress in these countries will then help develop cross-regional cooperation among these countries and the whole subregions. Other countries in the region (e.g. Kyrgyzstan and Tajikistan) already receive substantive support for trade facilitation from other donors. Yet, the project will also involve them in subregional activities.

Georgia and the FYR of Macedonia have made progress in implementing trade facilitation, notably the binding measures in the TFA. They have expressed willingness to participate in the project to obtain support in building/ strengthening sustainable national trade facilitation bodies, and the use of international trade facilitation standards. After the completion of the assessment of the readiness of Kazakhstan to implement the TFA in 2015, assisted by UNECE and UNCTAD, Kazakhstan requested continuation of its cooperation with UNECE, UNCTAD and ESCAP on trade facilitation and the Single Window. Ukraine has benefited from assistance from UNECE to establish a national trade facilitation working group, to assess its readiness to implement the TFA, and to establish a national Single Window. It has for long demanded further assistance for trade facilitation activities, yet limited resources have not permitted this to happen. The latest request from Ukraine is to support the NTFC as well as a sustained team of specialists to work on the national Single Window project. This proposed project will permit the country to receive valuable support for the functioning of its national trade facilitation committee, the finalization of a national trade facilitation roadmap for the achievement of evidence-based policy coherence, the implementation of a national Single Window project, the use of international trade facilitation standards, and streamlining documentary procedures.

### **2.4. Link to the SDGs**

The proposed project aims at strengthening national capacities for better integration of less developed economies in transition in the international rules-based trading system. The SDG targets addressed by this project include SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development Partnerships (target 17.10: Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization,

including through the conclusion of negotiations under its Doha Development Agenda) and enhancing their exports in their respective sub-regions, as well as SDG 17: Partnerships (target 17.11: Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020). In this sense, the project will use UNECE trade facilitation policy recommendations, standards and tools for the development of evidence-based policy coherence to support implementation of the provisions of the WTO TFA. Work on these targets is directly related to the expertise and experience of UNECE, UN/CEFACT and UNESCAP. The activities under this project will also focus on supporting women entrepreneurs and SMEs to access training opportunities and to connect to global value chains. This contributes to achieving SDG 5: achieve Gender equality (target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life) and SDG 9: Industry, innovation, and infrastructure (target 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets).

### **3. ANALYSIS**

#### **3.1. Situation analysis**

As countries with transition economies make progress in trade liberalization and accede to WTO, further tariff reduction is not expected to bring as important benefits as the reduction of procedural and regulatory barriers to trade. Indeed, inefficient procedures and business processes, hidden barriers to trade, non-transparent practices and other impediments still eat away much of what trade could contribute to sustainable growth in the economies in transition. According to OECD data, the cost of paperwork in international trade is equal to 3.5–7% of the goods value (10–15% if typing errors are taken into account). Each 1% reduction of such costs is equal to an economic value of up to USD 43 billion worldwide. Because of this potential, trade facilitation has grasped the attention of the global development community, especially since the adoption of the Bali Package (including the TFA) by the WTO Ministerial Conference in December 2013 and the subsequent entry into force of the TFA on 22 February 2017.

A major problem for the beneficiary countries is the lack of policy coherence. The problem stems from the fact that various regulatory agencies and sectors of the business community pursue limited interests, which have stymied efforts to achieve trade facilitation. Assisting the countries in establishing mechanisms of interagency cooperation, such as national trade facilitation bodies and Single Window mechanisms, would help find solution to these issues. The project will help achieve coherence not only among agencies working on trade facilitation, but it would also build cross-border cooperation among national trade facilitation bodies and relevant stakeholders. The proposed tool is the adoption and subsequent implementation of a national trade facilitation strategy in each country, using, among others, the UNECE Guide for drafting a national trade facilitation roadmap. The beneficiary countries were selected because of their expressed interest in trade facilitation reforms and in using the UNECE and other trade facilitation standards and instruments. These countries, despite some progress in implementation of trade facilitation, still face serious gaps in achieving trade facilitation both in terms of implementing the TFA and in terms of broader trade facilitation along the whole supply chain, which is the ultimate objective of trade facilitation reforms. The project will aim at, first, systematizing trade facilitation in comprehensive national road maps, and, second, creating a role model for the other transition economies of the region to follow.

The WTO TFA, focused on a defined set of measures, provides a window of opportunity to achieve policy coherence. Yet the selected measures under art. 10: streamlining documentary procedures, use of international standards and establishing a Single Window are primarily “best endeavor” measures. This means that a country just has to demonstrate an effort made in the direction of these measures. The project will be able to provide significant support for the full implementation of these measures. The TFA is actually designed as an umbrella for realizing the efforts of individual countries and international organizations with expertise in trade facilitation. The project will assist the target countries exactly for the full implementation of these measures.

Small and medium sized enterprises active in international trade in the transition economies are one of the vulnerable groups in the drive for trade facilitation and global liberalization. Receiving the fair benefits from the TFA is not warranted for these SMEs. It is easier for large companies to take advantage of trade liberalization and facilitation. The interests of SMEs in poorer countries with economies in transition are particularly at stake. Another point is the argument that trade facilitation and automation make staff in certain professions redundant. It is necessary to establish how efficiency gains from trade facilitation can be evenly distributed, creating advantages for people involved in the trade procedures. Women, SMEs, companies from less developed economies in transition should receive special attention, so that no one is left behind. This project is conceived as part of a conscious effort in support of SMEs and concrete people making gains from the efficiency gains introduced by trade facilitation.

### 3.2. Country level situation analysis

Table 1 – Country analysis

Country	Status of affairs	Realistic outcomes
Georgia	Georgia has made significant progress in trade facilitation and Customs reform in recent years namely a national Data Exchange Agency was established, which includes in its work planned Single Window for export and import clearance. On many trade facilitation indicators it performs better than similar middle income countries: e.g. on documentary formalities, automation, border agency cooperation and information availability. However, the country still does not have an established system for advance ruling <sup>5</sup> , a sustainable national TF body, nor a Single Window, and it still has to work on the implementation of international TF standards.	<p>Assessment will take place at the end of the first year of project implementation to assess the support required by each beneficiary country.</p> <p>Georgia has established a good basis for further advancement in trade facilitation. It has addressed many of the essential elements of the TFA. Yet the measures in the agreement are just a beginning for the full implementation of comprehensive TF reform, to which the project will contribute. Assistance and advice to the National Trade Facilitation Committee (NTFCs), especially on its practical activities beyond the TFA, assistance in drafting and adopting a national TF roadmap will help make the TF reforms sustainable. Building on years of cooperation, UN agencies can provide assistance for practical implementation of international TF standards and in planning and establish a Single Window, as indicated in EA1. Even if Georgia has notified the WTO secretariat that it has fulfilled the measures in article 10 of the TFA (which are best endeavor measures, i.e. not obligatory), further assistance will lead to the full implementation of these instruments and standards. The</p>

<sup>5</sup> See the OECD report on trade facilitation indicators in Georgia : [http://www.oecd.org/tad/facilitation/Georgia\\_OECD-Trade-Facilitation-Indicators.pdf](http://www.oecd.org/tad/facilitation/Georgia_OECD-Trade-Facilitation-Indicators.pdf)

		project will also help establish a mechanism to measure progress in implementing trade facilitation and paperless trade (EA2).
Kazakhstan	<p>Kazakhstan acceded the WTO in 2015 and ratified the TFA. Currently, it is establishing a National TF Committee based on the Interagency Commission on accession to WTO. It has carried out projects on trade facilitation with UNECE and other agencies, including on documentary procedures, and the Single Window (in the framework of SPECA and the Eurasian Economic Union). Now Kazakhstan is starting a project on ASYCUDA and the Single Window, and ECE's involvement will be very useful.</p> <p>Even if work has started on the National TF Committee and the Single Window, the country still has to go a long way to implement a sustained trade facilitation reform. Notable gaps exist in documentary formalities, and procedures, automation, as well as border agency cooperation and information availability.<sup>6</sup> It needs assistance for establishing a functioning the national TF committee and to carry out successfully its Single Window project. In this framework, additional assistance on streamlining documentary procedures and alignment with international standards, as well as building a mechanism for measuring progress in implementing TF reforms, is a must.</p>	<p>Assessment will take place at the end of the first year of project implementation to assess the support required by each beneficiary country.</p> <p>As a result of the project the NTFC will become more sustainable (EA1); activities related to business process analysis and streamlining documentary procedures will lead to sustained simplification, harmonization and standardization of trade procedures (EA2).</p> <p>The project will lead to alignment of trade procedures and related trade information flows with international standards, which will in its turn help the integration of the Kazakh economy in the world economy with all the benefits from integration in regional and global supply chains. The national SW project will receive a boost from the cooperation with UNCTAD. UNECE and UNCTAD have already cooperated on ASYCUDA and the Single Window, and this can be used in the context of Kazakhstan. ESCAP has experience in business process analysis in Kazakhstan, which can be used further to assist the Single Window project and for the measurement of progress in trade facilitation reforms.</p>
The Former Yugoslav Republic of Macedonia	<p>The Former Yugoslav Republic of Macedonia has worked on trade facilitation in collaboration with a number of agencies on several regional cooperation projects. With regard to the implementation of the measures in the TFA, the former Yugoslav Republic of Macedonia outperforms most upper middle-income countries with economies similar to its own.<sup>7</sup> Yet the objective would be to advance further with trade facilitation beyond the binding measures in the TFA.</p>	<p>Assessment will take place at the end of the first year of project implementation to assess the support required by each beneficiary country.</p> <p>The project will support the work of the national trade facilitation committee, notably, by increasing its capacity to provide services to the regulatory institutions of the country to implement the trade facilitation</p>

<sup>6</sup> See the OECD TF indicators report : [http://www.oecd.org/tad/facilitation/Kazakhstan\\_OECD-Trade-Facilitation-Indicators.pdf](http://www.oecd.org/tad/facilitation/Kazakhstan_OECD-Trade-Facilitation-Indicators.pdf)

<sup>7</sup> [http://www.oecd.org/tad/facilitation/FYR-Macedonia\\_OECD-Trade-Facilitation-Indicators.pdf](http://www.oecd.org/tad/facilitation/FYR-Macedonia_OECD-Trade-Facilitation-Indicators.pdf)



	<p>MakPRO, the national TF body in the past, made part of the Southeast European Cooperative Initiative (SECI). The former Yugoslav Republic of Macedonia established the second in Europe (after Sweden) national Single Window (EXIM). Yet the system concentrated on the additional documents for Customs clearance (licenses), while missing the establishment of electronic Customs declaration system. The current need is to work further on the cooperation among the various participating agencies and on the integration of information flows with other Single Window systems in the region – notably on Single Window interoperability. The project will concentrate on building interagency and cross-border cooperation, including through the support for a functioning National Trade Facilitation Committee and the implementation of international trade facilitation standards.</p>	<p>measures, including measures beyond the binding ones in the TFA (EA1). It will assist the authorities in (a) developing a national trade facilitation roadmap and (b) setting up a national system for monitoring and measuring progress in the implementation of trade facilitation (EA2).</p> <p>Increased capacity for the use of international trade facilitation standards is still an objective for the former Yugoslav Republic of Macedonia. Given its record in other areas of trade facilitation, the country can make fast progress with support from the project.</p> <p>The Single Window project in the country has been one of the first in Europe, started in collaboration with UNECE, yet it would need further development in light of the implementation of the TFA, development of the National TF Committee, interagency cooperation, and the further development of the national Single Window.</p> <p>An additional benefit of the project will be will be sharing good practices established in the country with other countries in the region (e.g. Bosnia and Herzegovina, Montenegro and Albania), and with the other subregions covered by this project.</p>
Ukraine	<p>Ukraine carried out a TFA readiness assessment with UNECE (in cooperation with UNCTAD) and a number of trade facilitation projects. Ukraine had made serious steps ahead in Customs modernization and e-Customs declaration in the 1990s and the first decade after 2000, yet the current crisis stymied further progress. Certain progress was made with support from the business community in assessing the readiness of Ukraine to implement the TFA, the establishment of a public-private working group on TF, and building a port community system as a pilot project for a national Single Window. The Government adopted a decree for establishing a national Single Window in 2016, but its implementation faces difficulties now. Ukraine is still in the process of</p>	<p>Assessment will take place at the end of the first year of project implementation to assess the support required by each beneficiary country.</p> <p>On the basis of the Ukrainian readiness assessment and work previously done in the country, UNECE can assist the establishing of the structure, work plan and functioning of the new national TF body and with the implementation of the National Single Window. The project will support the establishing of a functional national trade facilitation committee, capable of producing its own deliverables –</p>

	<p>establishing a National TF Committee, and a national SW project has started recently. Assistance is needed in the areas where Ukraine is falling behind its peers (lower middle-income countries) –streamlining documentary formalities and trade procedures, automation of procedures (building a Single Window), border agency cooperation (including through the national trade facilitation committee), and governance and impartiality.<sup>8</sup> On several occasions, Ukrainian stakeholders have requested assistance in these areas.</p> <p>The main asset of Ukraine in the current situation is a dynamic private sector, eager to advance trade facilitation. The main disadvantage is the effect of not yet completed reforms in the regulatory agencies, where some ambitious projects for establishing a national trade council and a national Single Window have encountered such problems as lack of budgetary and human resources to finalize them.</p> <p>Stakeholders in Ukraine have requested assistance for making the NTFC sustainable and functioning, using tools for trade facilitation suggested by the international community, as well as assistance for the establishment of a permanent expert group in support of the national Single Window.</p>	<p>trade facilitation tools, in collaboration with the country's trade regulatory agencies and the business community (EA1). The guidance and support for the national Single Window project, notably in the area of implementing international standards will lead to its alignment with international best practices and the use of international information exchange standards. On the platform of the national trade facilitation committee, the project will help finalize the development of a national trade facilitation roadmap and help establish a mechanism for monitoring and measuring progress in the implementation of trade facilitation (EA2).</p>
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### 3.3. Stakeholder analysis and capacity assessment

*Table 2 – Stakeholder Analysis*

Non UN Stakeholders	Type and level of involvement in the project	Capacity assets	Capacity Gaps	Desired future outcomes	Incentives
National Trade Facilitation Committees (NTFCs)	The NTFCs will become the key partner in the implementation of the project in each country. The project will contribute to the functional capacity of the	The NTFCs can benefit from the experience of the PRO Committees established in cooperation with UNECE in most of the countries. The	The NTFCs are being established through a largely bureaucratic process of mechanically implementing the provisions	The desired outcome is a sustainable and functional NTFC in each country that would focus on the national trade facilitation reform (beyond	The countries have an incentive to implement the WTO TFA, and the NTFCs should help (as prescribed by the TFA, art. 23.2). However,

<sup>8</sup> [http://www.oecd.org/tad/facilitation/Ukraine\\_OECD-Trade-Facilitation-Indicators.pdf](http://www.oecd.org/tad/facilitation/Ukraine_OECD-Trade-Facilitation-Indicators.pdf)

	NTFCs, but it will also use them as platform for advancing the other measures: projects for streamlining documentary procedures, implementation of international trade facilitation standards, developing the environment for Single Window, developing national trade facilitation roadmaps and mechanisms for monitoring and measuring trade facilitation.	establishment and functioning of NTFCs has received a strong boost from the entry into force of the TFA, which obliges each country to establish such a committee.	of the TFA. Many agencies and people staffing these committees have no prior experience with trade facilitation. Some of them believe that the task of the NTFC is only the implementation of the binding measures in the TFA, but the objective is to have a committee that would advance trade facilitation in a broad perspective, in compliance with the interests of the countries.	the implementation of the TFA). It should be able to develop and oversee the implementation of a national trade facilitation roadmap. It should be able to work on streamlining documentary procedures, the use of international TF standards; and be involved in the Single Window work.	the countries have a broader incentive to implement trade facilitation reforms, in order to deliver trade facilitation along the whole supply chain beyond the measures listed in the TFA. In that sense, the project will help establish sustainable, functional NTFCs that will deliver a platform for interagency and public-private dialogue on problems and possible solutions in the area of trade facilitation. The NTFCs will thus benefit from the participation in the project to broaden their capacities and functions, and to develop trade facilitation tools for their constituencies.
Customs agencies in the target countries	Customs is a key stakeholder in trade facilitation, so, they will be directly involved in many activities for streamlining	Customs is typically .advanced in the implementation of trade facilitation measures under the WTO TFA.	Coordination with other agencies is typically lagging behind. Cooperation of Customs in the NTFCs in each country should	Customs undertaking the tasks of (a) meaningful contribution to the work of the NTFC; (b) international trade	Customs has a strong incentive in implementing the TFA, as it is appr. 80% concentrated on streamlining Customs

	documentary procedures, implementation of international standards (here we will solicit the cooperation of the World Customs Organization) and implementing the Single Window.	They have experience that can be shared within the NTFCs and with other agencies. Notably, Customs has experience in implementing the WCO standards for trade facilitation. This experience can be used in the implementation of other TF standards (e.g. fuller implementation of the UNCEFACT standards). Customs is also a key (yet not the only) actor in the implementation of Single Window.	become both routine and pragmatic. Customs should cooperate even more with the NTFCs, with other regulatory agencies and with the business community in streamlining documentary procedures, implementing international standards offered by WCO, UNECE, ISO and sectorial organizations. Notably, cooperation with other agencies and the business community are needed for successful implementation of Single Window projects and in none of the countries (with the exception of the FYR Macedonia), this cooperation is well established.	facilitation standards implemented (notably those of WCO, UNCEFACT, ISO); (c) collaboration with other regulatory agencies on streamlining documentary and other procedures; (d) collaboration with other agencies in implementing national Single Window project; (e) a national trade facilitation roadmap and a trade facilitation monitoring and measuring mechanism developed and implemented with the participation of Customs.	procedures. Streamlining document exchange with other regulatory agencies and the business community, based on international standards (in the implementation of the relevant provisions of the TFA) will lead to higher efficiency of the Customs agencies.
Other regulatory agencies including ministries of economy and trade,	All trade-related regulatory agencies have to implement trade facilitation and ensure engagement in	Many agencies have a comparative advantage in implementing TF standards in their specific sectors	Many regulatory agencies are slower than Customs in implementing trade facilitation measures. It is	Increased capacity to participate in joint interagency projects and mechanisms for trade facilitation.	All regulatory agencies will benefit from trade facilitation in terms of higher efficiency of control

transport, agriculture, health and inspection agencies	the NTFCs, streamlining documentary procedures the use of international standards and monitoring and measuring trade facilitation.	(e.g. phytosanitary inspection agencies implement the relevant FAO standards for documentary procedures, coding, etc., which are based on broader standards, such as the UNCEFACT Layout Key for trade documents). In some of the target countries, they participate in Single Window projects. These are best practices, which can be taken as examples for other agencies to follow.	more difficult to attract them to participate in the NTFCs or Single Window projects. As a rule they have less qualified specialists in trade facilitation. There are not many specialists capable of working on streamlining and automating documentary procedures and implementing international TF standards beyond the immediate documentary and procedural standards in their sector.	The project will work with a number of regulatory agencies to increase their capacity to cooperate for trade facilitation. Improved interagency cooperation in NTFCs and Single Window projects on international TF standards, data harmonization and measuring progress in trade facilitation.	operations. Participating in NTFCs and SW projects and working groups, joint projects on business process analyses, streamlining documentary requirements and use of international standards will raise the efficiency of their work.
The business community (Chambers of Commerce, freight forwarding, customs brokers and other business associations, etc.)	The business community in each country will provide input from the business perspective to all activities; engage in the NTFCs as national fora for public-private dialogue on problems for trade facilitation. In some cases provide organizational and secretarial support to the NTFCs. Provide expertise and	Business is the key provider of trade data and information, and it is the ultimate user of trade facilitation tools. So, it has a key role to play in trade facilitation	Relations between regulatory agencies and the business community are often tight and there is no trust. Business associations are often very weak in the specific conditions of the transition economies. Not only these associations lack the capacity to represent properly the	More trust built between the public and private sectors, based on cooperation. Capacity of business associations to engage in concrete trade facilitation measures, as well as capacity of regulatory agencies to work with them, increased. More participation of the business	The government agencies have an interest to use the will of the business community to support trade facilitation, and an interest in using the material and human resources of the business community. The project will help the business community lift up its voice in the NTFCs and

	constructive dialogue in the analysis of shortcomings, redundancies and burdensome procedures in document and data exchange; business process analyses, time release studies, and measuring progress in trade facilitation. Provide expertise, as well as critical analysis in the implementation of national Single Window projects.		interests of their stakeholders and push for trade facilitation measures, but also there is a missing link between the relevant government agencies and representatives of the business community, especially SMEs.	community in trade facilitation reforms and the NTFCs.	in the TF reforms. Both sectors have an incentive to improve trust and build public-private partnerships for trade facilitation, notably in building Single Window mechanisms, but also for the use of international trade facilitation standards and planning and measuring progress in trade facilitation reforms.
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#### 4. PROJECT STRATEGY: OBJECTIVE, EXPECTED ACCOMPLISHMENTS, INDICATORS, MAIN ACTIVITIES

##### 4.1. Project Strategy

The project aims to enhance the capacities of national stakeholders, notably, national trade facilitation bodies, to facilitate trade with a focus on streamlining documentary procedures, using international trade facilitation standards, developing further the enabling environment for Single Window, and measuring progress. The activities under this project will focus on: (A1.1) analyzing the readiness of the countries to implement the relevant measures in the TFA, with a view to go beyond the binding and “best endeavor” provisions in the TFA and provide a vision for a holistic trade facilitation reform. The project will look first at the needs of the target countries, assessing the countries’ readiness to implement the selected measures, with a focus on SMEs. In this sense, the project will look beyond the list of measures in the WTO Trade Facilitation Agreement, and focus exactly on the small and vulnerable participants in the international supply chain.

On this basis, using a wealth of materials on trade facilitation in UNECE, WCO, UNCTAD, the World Bank and other organizations, the project will concentrate on (A1.2) developing training materials on the four selected measures from the WTO TFA: NTFCs (TFA art. 23.2); streamlining documentary formalities (art. 10.1); use of international TF standards (art. 10.3); and building an enabling environment for Single Window (art. 10.4). The training materials will include materials on developing national trade facilitation roadmaps and national mechanism for monitoring and measuring progress in trade facilitation. Case stories included in the training materials will be used to facilitate the exchange of experiences and practices. These materials will be linked to the UN Trade Facilitation Implementation Guide.

The next activity, using the training materials developed under A1.2 will be four training seminars for NTFCs

(A1.3) – how to ensure their sustainability, self-sufficiency (e.g. by producing trade facilitation instruments for the business community in their countries), how to prepare and oversee the implementation of national TF roadmaps. After that, the project will focus on organizing an interregional seminar (A1.4) for sharing experiences and best practices. Overall, the project will strengthen the capacity of national trade facilitation bodies; make them sustainable interagency and public-private forums, where SMEs, women in trade, and other vulnerable stakeholders in trade facilitation will be presented. Support for implementing international trade facilitation standards and streamlining documentary procedures will take place throughout activities A1.3, A1.4, A 2.1, A2.2, and A2.3.

Activity A2.1 on Business Process Analysis (BPA), the results of which will be used for setting the scene for national trade facilitation roadmaps, planning trade facilitation reforms, re-engineering business processes to build Single Window systems in the countries, and as a stepping-stone for measuring progress in trade facilitation in the countries. This activity will be done together with UNESCAP (or will be led by UNESCAP). Similarly, activities A2.2 and A2.3 will be organized with UNESCAP and will concentrate on training for establishing a measurement system for the implementation of trade facilitation measures (A2.2), and an actual project for establishing a mechanism for measuring trade facilitation implementation (A2.3). The concluding regional workshop (A2.4) will take an overall view of the achievements of the project, and will be aimed at establishing a region-wide network of national trade facilitation bodies supporting the implementation of international trade facilitation standards.

In order to advance trade facilitation and make it sustainable, it is very important to have the capability to measure progress in the implementation of various measures. For this reason model projects on business process analysis with recommendations for the rationalization of documentary procedures and subsequent subregional training seminars on measuring progress in trade facilitation, based on a new UNECE and UN/CEFACT methodology, have been included in the project. The concluding regional workshop will take stock of the results of the project and initiate further collaboration on developing evidence-based policies for trade facilitation and cross-border policy cooperation: Special attention in the final recommendations will be paid to aligning trading and production practices to the requirements of sustainable development and the SDGs.

The project as a whole, and the NTFCs, with which it will work, will focus on involving SMEs, women entrepreneurs, and other vulnerable groups, so that none of them is left behind. The success of trade facilitation depends on the involvement of these vulnerable groups. Large companies can facilitate trade for themselves, and the real subject of trade facilitation are SMEs and other groups, which feel the risks of the current stage of globalization and liberalization of international trade. The focus of this project is on assisting SMEs, and the objective is that they should not be left behind the current wave of trade facilitation.

## 4.2. Logical Framework

*Table 3 – Logical Framework*

<u>Intervention logic</u>	<u>Indicators</u>	<u>Means of verification</u>
<b>Objective</b> Strengthen national capacities of selected economies in transition in the UNECE region to implement evidence-based trade facilitation measures for better integration into the international rules-based trading system.		
<b>EA1:</b> Enhanced capacities of national trade facilitation bodies and other stakeholders to develop and implement trade	<b>IA 1.1</b> 4 countries established and/or maintained national	Notifications to the WTO secretariat (on the url and contact details of the TF bodies)

facilitation policies and measures;	trade facilitation bodies; <sup>9</sup>	
	<b>IA 1.2</b> 4 national roadmaps including implementation of international trade facilitation standards and practical simplification of export and import procedures, formulated by the National Trade Facilitation Committees in the 4 beneficiary countries;	National trade facilitation strategies presented at UNECE intergovernmental sessions, e.g. UNCEFACT, or national strategies discussed, amended or endorsed by governmental bodies to include trade facilitation measures, acts of national trade facilitation bodies, as confirmed by reports by such intergovernmental bodies.
<p><b>A1.1:</b> Conducting a readiness assessment study for the four target countries on the existing implementation of the WTO TFA provisions. This assessment will involve a survey of stakeholders (regulatory agencies and business in the target countries, if possible carried out by an independent expert), on the actual implementation of the concrete selected measures. It will be very important to go beyond the requirements of the “best endeavor” provisions of the TFA, and also consider aspects related to paperless trade facilitation and the contribution of trade facilitation to the achievement of the SDGs, particularly in relation to the facilitation of women entrepreneurship and SMEs access to international supply chains.</p>		
<p><b>A1.2</b> Development of supportive training materials and national trade facilitation roadmaps for implementation of WTO TFA provisions (based on the UNECE Trade Facilitation Implementation Guide and the UNECE Guide on the Development of a National Trade Facilitation Roadmap). Consultants will be hired to prepare these materials, which will be then translated into Russian, and will be uploaded on the UNECE Trade Facilitation Implementation Guide. The training materials will be used at four capacity building and policy seminars to support the functioning of national trade facilitation bodies, discuss and validate national trade facilitations roadmaps; and at a regional event for sharing experiences and strengthening cooperation on the implementation of international standards and Single Window systems for export and import procedures, as well as cross-border information exchange.</p>		

<sup>9</sup> Art. 23.2 of the WTO TFA mandates to parties of the Agreement the establishment of a National Trade Facilitation Committees. Such committees would need to function as a provider of tools for trade facilitation to its constituency on national and regional levels. However, in many countries, although established, they need support for effective functioning.



<p><b>A1.3</b> Organizing four capacity building and policy seminars to establish and/or support the functioning of national trade facilitation bodies and to validate the national trade facilitation roadmaps. These seminars will strengthen the capacity of National Trade Facilitation Committees to implement trade facilitation. They will focus on the functioning of the new National Trade Facilitation Committees, whose establishment is an obligation under art. 23.2 of the WTO Trade Facilitation Agreement. Yet it is important to pass the message to the beneficiary countries that these committees should not be focused on one agreement only, but should have a range of activities in support of the national economy, including on the implementation of international standards, streamlining of documentary procedures and advancement of paperless trade. National Trade Facilitation Committees can only be sustainable, if they work on a range of activities useful for trade and the national economy, rather than concentrate on an exogenous international agreement (this is the experience with several UNECE member States).</p>		
<p><b>A1.4</b> Organizing one regional event to share experience and strengthen cooperation on the implementation of international standards and Single Window systems for export and import procedures as well as cross-border information exchange. As standardization and alignment to international standards are at the core of trade facilitation, at this event, experts from the countries will clarify what they understand by international standards for trade facilitation and they are expected to agree on what needs to be done to support the implementation of international standards and on mutual assistance for the implementation of these standards. This project activity will also involve the preparation of countries fiches/case studies on progress in developing national Single Window systems, to be included in the Trade Facilitation Implementation Guide and the UNECE Single Window repository.</p>		
<p><b>EA 2:</b> Improved capacities of policymakers to measure progress in trade facilitation, and achieve internal and cross-border policy coherence for the simplification and harmonization of trade procedures.</p>	<p><b>IA 2.1</b> Trade and transport facilitation monitoring mechanism model established and utilized by at least 2 target countries.</p>	<p>Report of the intergovernmental meetings.</p>
	<p><b>IA2.2.</b> At least 40 policy makers and experts from the target countries acknowledged increased capacities on the development of the benchmarking system.</p>	<p>Reports from the trainings, training evaluation report, feedback from the trainees and their agencies.</p>
<p><b>A 2.1</b> Developing one model business process analysis (BPA) project: carrying out a BPA and formulating recommendations for the rationalization of documentary procedures. This activity will be used as a model for further business process analyses, carried out by the countries (a training the trainers exercise), and serve as the basis for activities on benchmarking and measuring progress in trade facilitation. The conclusions and recommendations of a BPA provide valuable information on gaps and redundant requirements of in trade control procedures, which are addressed by trade facilitation. As UNESCAP has been doing projects on this issue in Central Asia, this activity will be carried out in collaboration with UNESCAP, in one of the two target countries of double membership of UNECE and UNESCAP (Georgia or Kazakhstan).</p>		

**A 2.2** Organizing one or two subregional training seminars (depending on the remaining funds) on the development of benchmarks for measuring progress in trade facilitation, i.e. policy impact of trade facilitation. As UNESCAP, UNCEFACT and UNECE have been collaborating on this subject, this activity will be carried out in collaboration with UNESCAP, in the target countries of double membership of UNECE and UNESCAP. The aim of this/these seminars is to prepare trade facilitation specialists for the implementation of national systems for monitoring and measuring trade facilitation implementation.

**A 2.3** Development of at least one national trade facilitation benchmark system based on a new UNECE and UN/CEFACT methodology (published in UN/CEFACT Recommendation n° 42: Establishment of a Trade and Transport Facilitation Monitoring Mechanism (TTFMM)<sup>10</sup>. As UNESCAP, UNCEFACT and UNECE have been collaborating on this trade and transport facilitation measurement methodology, this activity will be carried out in collaboration with ESCAP, in at least one of the target countries of double membership of UNECE and UNESCAP.

**A 2.4** Organizing a concluding regional workshop on the development of evidence-based policies in trade facilitation, innovation, and related cross-border policy cooperation to align trading (and production) practices in support of SDGs. This workshop will wrap up the results of the activities under this project and will lead to drafting policy recommendations for the countries and their NTFCs. On the second day, the participants will discuss a proposal to launch a cross-regional initiative, involving the NTFCs, regulatory bodies and the business community, for the implementation of international trade facilitation standards. The work plans of the new committees will include streamlining documentary procedures and standardization, and this cross-regional initiative will assist them. Only through responding to the needs of the national economy, they can be sustainable, beyond the implementation of the WTO TFA provisions. This activity is thus linked to activity A 1.1.

### 4.3. Risks and mitigation actions

Table 4 – Risks and mitigation actions

Risks	Mitigating Actions
Low commitment of the governments of the beneficiary countries to the international rules-based trading system, including the WTO TFA, and to the use of UN trade facilitation recommendations, standards and tools weakens.	Influence the process and the commitment of the governments through intergovernmental bodies, notably UNCEFACT, networking with the business community, national trade facilitation bodies, and within the process of implementing the WTO Trade Facilitation Agreement (the relevant WTO committee), but also through support from stakeholders supporting work on SDG 17.10: “promote the international rules-based trading system”.
Vested interests among certain policy-makers and business leaders in the region clash with the objectives of trade facilitation, transparency, and making the products and tools of trade facilitation accessible to all. Experience has shown that such vested interests can stymie efforts to facilitate trade.	The TFA and some regional agreements provide a legal basis for addressing vested interests. The project will build on those norms, and will focus on the benefits of trade facilitation for the countries’ economies. In order to mitigate this risk, the project team will work with those stakeholders that are most affected by burdensome trade procedures, with the business

<sup>10</sup> [http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec42/ECE\\_TRADE\\_C\\_CEFAC\\_2017\\_8E\\_R1\\_Rec42.pdf](http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec42/ECE_TRADE_C_CEFAC_2017_8E_R1_Rec42.pdf)

	community through its business associations, and with positive, reform-minded policy makers from the target countries. Working with these partners, as well as the international community, the project will be able to cope with the negative influence of vested interests.
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#### **4.4. Sustainability**

The sustainability of the results of the project will be ensured through:

Strengthening the national trade facilitation committees. The project will help the NTFCs plan and implement activities supporting trade facilitation along the supply chain, and not just focus on the implementation of the remaining measures to be implemented in the WTO TFA in each of the target countries. The NTFCs will be sustainable and functional if they are truly national – working on trade facilitation to the benefit of national stakeholders along the supply chain, beyond a limitation of working with any single international organization, the WTO, the World Bank, UNECE, or another one.

Establishing longer-term commitment to use international standards for trade facilitation and paperless trade, and train trainers in this area (activity A1.3). As standardization is a key element of trade facilitation, if national regulatory agencies, new systems of automation of trade procedures, as well as logistical systems in the private sector base their logistics on international standards, this will ensure longevity of the results of this project.

Establishing a longer-term initiative on using international standards by the NTFCs, related regulatory agencies and the business community (notably SMEs) in the countries, which will also contribute to the sustainability of the results of the project. Additional funding will be sought for this initiative.

The project will disseminate the developed tools (including under 2.1.) and continue working with beneficiary countries and other countries of the UNECE region in order to ensure sustainability and further dissemination of project results.

Providing further support for the countries beyond the project framework within the existing intergovernmental process, notably through involving the target countries and the relevant stakeholders in the work of the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) and various subregional initiatives, such as the UN Special Programme for the Economies of Central Asia (SPECA).

### **5. MONITORING AND EVALUATION**

The UNECE project manager will be responsible for regular monitoring of the project implementation. The progress of the project will be reported each year by annual progress reports, and the material and information related to the project will be shared on the web site. In addition, a questionnaire will be developed by the project manager to evaluate the impact, effectiveness and long-term sustainability of the project activities. The questionnaire will be circulated regularly, after each workshop in the beneficiary countries among participants in the workshops. The evaluation of the project will be conducted by an external evaluator during the last six months of the project (2021). The evaluator will have access to project progress reports, workshop reports, as well as evaluation forms, which include a basic set of workshop evaluation questions in UNECE and, are completed by all participants in the workshops. The evaluator will also conduct interviews with key project stakeholders from target countries and partner organizations, conduct desk research and prepare the evaluation report. The evaluation will be completed in line with the UNECE Evaluation Policy.

### **6. MANAGEMENT, PARTNERSHIP AND COORDINATION AGREEMENTS**

UNECE will be the executing agency responsible for the overall management and organization of the activities of this project. UNESCAP will be involved in organizing activities in target countries with double membership.

UNECE will lead in delivering on EA.1 (A1.1 to A1.4): notably in support of enhancing capacities of national trade facilitation bodies and other stakeholders to develop and implement trade facilitation policies and measures. The UNECE project team will comprise of several staff members including the Chief of the Trade Facilitation Section, the Regional Advisor on Trade and the Economic Affairs Officer of the Trade Facilitation Section. The exact distribution of tasks (per activities) will be developed before the project funding is allocated (January 2018). UNECE also traditionally collaborates with UNCTAD on the implementation of concrete UNECE and UN/CEFACT recommendations and standards – e.g. Recommendation 4 and 40 on National Trade Facilitation Bodies and Consultation Approaches, and, more recently, on the Single Window. In these and other areas, the two organizations will work together.

Regarding EA2, UNESCAP will organize activities in countries with joint membership (Georgia and Kazakhstan), notably on business process analysis (activity A2.1), training on monitoring progress in trade facilitation and the development of one national trade facilitation benchmark study (activities A2.2 and A2.3). UNECE will organize a concluding regional workshop on the development of evidence-based policies in trade facilitation, innovation, and related cross-border policy cooperation (activity A2.4).

UNCTAD, UNIDO, UNDP, non-UN international and regional organizations active in trade facilitation: World Customs Organization (WCO), WTO, International Organization for Standardization (ISO), and other sectoral or regional organizations active in trade facilitation, such as FAO, OSCE, CAREC, Transport Corridor Europe-Caucasus-Asia (TRACECA), or Economic Cooperation Organization (ECO) will be invited to provide resource persons to the trainings, with UNECE and ESCAP to provide funding, as necessary. Their expertise will be sought on a case-by-case basis. On the management of funds, travel of these experts to capacity building activities will be covered by the project. UNECE will seek their input to the development of the training materials where appropriate. Input will be sought as well from such bilateral technical cooperation agencies as GTZ, USAID, and TIKa, and from development banks.

UNESCAP, which is a partner that will receive some of the funding in this project, has a mandate to analyze physical and non-physical barriers to trade and connectivity, to support initiatives for trade facilitation and address country-specific challenges in UNESCAP's member States, which include Kazakhstan and Georgia.

UNCTAD experts will participate with financing from the project in various activities under EA1 and EA2, and joint activities will be organized, without UNCTAD receiving part of the project budget.

# ANNEX 1: RESULT-BASED WORK PLAN AND BUDGET DETAILS

Table A1. – Results based work plan and budget

EA	Activity #	Timeframe by activity		Budget class and Code <i>(Please use the budget classes listed in the table above.)</i>		Amount (USD)
		Year <i>(Y1, Y2, Y3,Y4)</i>	Quarter <i>(Q1, Q2, Q3, Q4)</i>			
EA1	A1.1	Y1	Q1 - Q4	Other Staff Costs (GTA)	015	\$4,000
				Consultants and Experts	105	\$22,000
				Travel of Staff	115	\$10,000
	A1.2	Y1	Q1 - Q4	Other Staff Costs (GTA)	015	\$4,000
				Consultants and Experts	105	\$40,000
				Travel of Staff	115	\$10,000
				Contractual Services	120	\$4,000
				General Operating Expenses	125	\$5,500
	A1.3	Y2	Q1 - Q4	Other Staff Costs (GTA)	015	\$8,000
				Travel of Staff	115	\$15,000
				Contractual services	120	\$8,000
				Grants and Contributions (Workshops/ Study Tours)	145	\$24,000
	A1.4	Y2	Q4	Other Staff Costs (GTA)	015	\$4,000
				Consultants and Experts	105	\$25,000
				Travel of Staff	115	\$7,500
				Contractual services	120	\$4,000
				Grants and Contributions (Workshops/ Study Tours)	145	\$42,500
EA 2	A2.1	Y1-Y2	Q1 - Q4	Consultants and Experts	105	\$35,000
				Travel of Staff	115	\$7,500
	A2.2	Y3	Q1-Q4	Other Staff Costs (GTA)	015	\$8,000
				Travel of Staff	115	\$10,000
				Contractual services	120	\$8,000
				Grants and Contributions (Workshops/ Study Tours)	145	\$80,000
	A2.3	Y3-Y4	Q1 - Q4	Consultants and Experts	105	\$32,000
				Travel of Staff	115	\$10,000
	A2.4	Y4	Q3	Travel of Staff	115	\$7,500
				Contractual services	120	\$2,000
				Grants and Contributions (Workshops/ Study Tours)	145	\$42,500
External Evaluation				Consultants and Experts	105	\$10,000
Total:						\$ 490,000

## ANNEX 2: DETAILED JUSTIFICATION BY CODE

### 1. Other staff costs - GTA (015): \$ 28,000 (Total)

Temporary assistance to support implementation of the project activities:

A1.1 (1 month) x (\$ 4000 per work month) = \$ 4,000

A1.2 (1 month) x (\$ 4000 per work month) = \$ 4,000.

A1.3 (2 months) x (\$ 4000 per work month) = \$ 8,000.

A1.4 (1 month) x (\$ 4000 per work month) = \$ 4,000.

A2.2 (2. months) x (\$ 4000 per work month) = \$ 8,000.

### 2. Consultants and Experts (105): \$ 164,000 (Total)

(Provide separate breakdown by national/regional consultants and international consultants)

#### (a) *International consultants and experts (including travel)*

International consultants for the task(s) of developing training materials, projects on business process analysis and national trade facilitation benchmark systems in support of activities: A1.2 (6 work months), A1.4 (5 work months), A2.1 (7 work months), A2.3 (2 work months) x \$ 5,000 per month = \$100,000.

In support of the evaluation of the project: 2 x \$5000 per work month = \$10,000.

#### (b) *National / Regional consultants*

National consultants for the task(s) of drafting an initial needs assessment study and four benchmark studies in support of activities A1.1 (4 work months), A2.3 (4 work months) x \$ 3,000 per month = \$ 24,000.

#### (c) *Consultant travel*

12 missions by consultants in support of activities A1.1 (4 missions), A1.2 (4 missions), A2.3 (4 missions), \$2,500 mission cost x 12 missions = \$30,000.

### 3. Travel of Staff (115): \$ 77,500 (Total)

#### (a) *UN Staff from the implementing entity*

22 missions by UN staff in support of activities A1.1 (4 missions), A1.2 (4 missions), A1.3 (4 missions), A1.4 (2 missions), A2.1. (2 missions), A2.2. (2 missions), A2.3 (2 missions), and A2.4 (2 mission)

(\$2,500 average mission cost) x (22 missions) = \$55,000.

#### (b) *Staff from other UN entities collaborating in project: (UNESCAP, participation of UNCTAD will be arranged by UNECE)*

8 missions by other UN staff in support of activities A1.3 (2 missions), A1.4 (1 mission) A2.1 (1 mission), A2.2 (2 missions), and A2.3 (2 missions) and A2.4 (1 mission).

\$ 2,500 average mission cost x 9 missions = \$ 22,500.

### 4. Contractual services (120): \$ 26,000 (Total)

A provision of \$36,000 is required for contractual services in support of activities A1.2 (supporting the development of the training materials – editing and preparing for publication:

\$4,000); A1.3 (supporting the organization of four seminars - \$8,000); A1.4 (support organization of one regional event - \$4,000); A2.2 (supporting organization of two subregional training seminars - \$8,000); A2.4 (supporting organization of the concluding seminar- \$2,000).

**5. General operating expenses (125): \$ 5,500 (Total)**

Development of supportive training materials on the selected trade facilitation measures and national trade facilitation roadmaps (based on the UN Trade Facilitation Implementation Guide) in support of activity A1.2 = \$ 5,500.

**6. Grants and Contributions (145): \$ 189,000 (Total)**

**(a) *Workshops & seminars***

4 Seminars / Workshops in support of national trade facilitation bodies implementing international standards, streamlining documentary procedures and measuring progress in trade facilitation in the four beneficiary countries, in support of A1.3. Duration of each workshop: 3 days; (\$ 300 per participant) x (20 participants) x (4 workshops) = \$24,000

**(b) *Workshops & seminars***

One regional seminar/workshop on sharing experiences, cross-border information exchange and strengthened cooperation on the implementation of international standards and Single Window systems in one of the beneficiary, in support of A1.4. Duration of workshop: 3 days; (\$2,500 per participant) x (17 participants) x (1 workshop) = \$42,500

**(c) *Workshops & seminars***

Two seminars on benchmarks and measuring progress in trade facilitation, in support of A2.2. Duration of workshop: 3 days; (\$2,500 per participant) x (16 participants) x (2 workshops) = \$80,000

**(d) *Workshops & seminars***

Concluding seminar in support of A2.4. Duration of seminar: 3 days; (\$2,500 per participant) x (17 participants) x (1 seminar) = \$42,500

UNESCAP allocation will be discussed and finalized in January 2018. The proposed allocation is the following:

- A 2.1 Consultants and Experts \$35,000
- A 2.1, A 2.2 and A 2.3 Travel of Staff \$10,000
- A 2.2 Grants and Contributions (Workshops / Study tours) \$40,000