SPECA Regional Trade Facilitation Strategy

Zavqizoda Z. A. – First Deputy Minister of Economic Development and Trade of the Republic of Tajikistan

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Concept of the TF strategy / roadmap

Short comprehensive document, which will

- Define a vision (led by SDGs), e.g. to improve efficiency on key TF indicators; lower trade costs, time of exports and imports, e.g. by 50% till 2022;
- Describe the current and desired situations;
- Define goals and indicators of achievement;
- Define activities & monitoring mechanism;
- Define the resources necessary to implement TF;

Regional TF strategy

Structure of the Strategy Document

Structure of the logical framework

The Strategy:
What do we want to do and how we will do it?

Implementation of the RoadMap:
Who will do what? When? And how much will it cost?

Conditions:
What are the risks and assumptions that need to be considered?

Developing and implementing a TF strategy

Continuous change management – Prepare organizational, technical, methodological, competencies, regulatory change throughout the trade modernization effort

As-Is situation

Current indicators
Cost of exporting/importing a container
Time for exporting/importing a container
etc.

Implemented instruments
e.g.
Coordinated Border Management
Advance ruling
Risk Management,
Selectivity of controls
etc.

Carry out time release study

Business process analysis

Projects on implementing TF instruments in the WTO TFA and others: CBM, AEO, EO..

To-Be situation

Desired indicators (in 1-5 years)
Cut cost of exports/imports by 1/2
Cut time of exports/imports by 1/2
etc.

New instruments
Simplified and aligned trade documents
Coordinated Border Management
Authorised Economic Operators
Single Window, Risk Management,
Post-clearance audit and controls
etc.

Consultative process – Engage the business community in all steps of the modernization effort

Drafting a TF strategy

We are here

- **Initiation Phase**, draft the concept; nominate Lead Editor or Drafting Team (involve the key stakeholder agencies in a country).
- **Drafting Phase** of the document itself: 1) engage countries and stakeholders, 2) discuss with them existing issues and possible activities plan, and 3) define the performance indicators. Outcome – a consolidated draft strategy document. Gradually involve all key stakeholder agencies in all the countries. Good communication is a must. Support for some countries. Should not be an activity imposed from abroad.
  - Multi-stakeholder process – needs identification of issues and activities; resolving arguments (good moderator is needed) – encouraging dialogue, helping conciliate positions, summarizing and pointing to a solution. Workshops and brainstorming sessions necessary.
  - Review: the Drafting Team needs to assess whether the proposed activities of the Roadmap stand a chance to be supported by the key stakeholders.
- **Validation Phase**, the document is presented to the Member States. This phase may include a high-level regional meeting to endorse the strategy and start the implementation of the Activities.

- Principles: KISS: Keep It Short and Simple!
- SMART: specific, measurable, attainable, relevant, and time-bound

Trading across Borders, WB

Economy / group of countries	Rank	export				import			
		Border procedures Time for export (in hours)	Border procedures Cost of exports (USD)	Document procedures: Time for export (in hours)	Document procedures: Cost of exports (USD)	Border procedures Time for import (in hours)	Border procedures Cost of import (USD)	Document procedures: Time for import (in hours)	Document procedures: Cost of import (USD)
Afghanistan	177	48	453	228	344	96	750	324	900
Azerbaijan	84	17	214	33	250	14	300	33	200
Kazakhstan	102	105	470	128	200	2	0	6	0
Kyrgyzstan	70	5	10	21	110	72	512	36	200
Tajikistan	148	51	313	66	330	107	223	126	260
Uzbekistan	165	112	278	96	292	111	278	174	292
East Asia & Pacific	…	54,7	382,2	57,6	109,4	69,2	415,8	57	109,5
Europe & Central Asia	…	22,1	157,5	24,3	97,9	21,1	162,3	24,7	93,9
High-income OECD countries	…	12,5	139,1	2,4	35,2	8,5	100,2	3,4	24,9
Sub-Saharan Africa	…	97,3	605,8	72,8	168,8	126,3	684,3	97,7	283,5

Goals

SPECA countries adopting the Regional TF Strategy should aim to:

- implement TF measures and promote TF reforms,
- Ensure freedom of transit,
- Streamline formalities and documentation requirements,
- Improve the performance on a list of TF performance indicators, and help countries develop mechanisms to monitor and measure progress
- Include TF into other national and regional development plans,
- Enhance regional cooperation in TF and paperless trade to reduce trade costs and enhance regulatory compliance
- Enhance the use of international TF instruments and standards.

Regional Trade Facilitation Strateg: Activities (example) to be included in an Action Plan

- Establish an Advance Rulings Department
- Create an Authorized Traders Operators (AEO) regime
- Enhance Border Agency Cooperation
- Conduct BPA
- Draft a Corridor Management Policy
- Launch a Customs Cooperation Working Group
- Introduce a Customs Reform Strategy
- Harmonize Data
- Expedited Shipments
- Procure a paperless Trade System
- Advise Traders on Pre-Arrival Processing
- Publish and make Information Available
- Implement a Risk Management System
- Develop a Single Window
- Conduct a Time Release Study
- Establish a TF Committee and Consultation

Identify Activities Compliance Indicators (ACI), which measure whether an Activity has been successfully implemented in terms of quantity, quality, time frame and location.

Prioritize activities:

- Quick wins: moderate impact, but fast.
- Intermediary: considerable impact.
- Strategic: high impact on Goals.

Implementation schedule:

- Start-up phase:
- Delivery phase: 1-4 years.
- Review phase: evaluating whether the Goals have been achieved + drafting a new Roadmap for 3-5 years. Should start 6-12 months before the deadline.

Activities to implement the TF Strategy

1. Immediate objectives :

- modernization of pre-Customs and customs procedures;
- diagnostics of procedures (WCO);
- process analysis;
- electronic declaration;
- development of transit;
- export promotion;
- integration into international supply chains

2. Plan for implementation of the Strategy and change management

Thank you !