



Completion Report

Project Number: 48249-001
Technical Assistance Number: 8694
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Support for Trade Facilitation

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TA Number, Country, and Name: TA 8694-REG: Support for Trade Facilitation			Amount Approved: \$225,000	
			Revised Amount: N/A	
Executing Agency: Asian Development Bank (ADB)		Sources of Funding: TASF V	Amount Undisbursed: \$76,769.85	Amount Utilized: \$148,230.15
TA Approval Date: 31 July 2014	TA Signing Date: N/A	Fielding of First Consultant: 7 October 2014	TA Completion Date Original: 31 July 2015 Actual: 31 March 2016	
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Description

World trade volume has increased substantially in the past decades. At the same time, the trade pattern is becoming more complex than ever amidst deepening global and regional value chains. While there has been significant progress in lowering trade barriers centered on tariff rates through both bilateral and multilateral efforts, there remain significant behind-the-border hurdles, particularly in the area of trade facilitation (TF). Asia is not an exception in this regard. Given the growing importance of TF, ADB continuously provides support for the region's TF initiatives in line with regional integration agenda of ADB's Strategy 2020 and the regional cooperation and integration strategy adopted in 2006.

In this vein, this regional small-scale research and development TA had two main components: (i) review and assessment of best means of demonstrating the benefits of TF across Asia, in particular in selected subregions such as the Central Asia Regional Economic Cooperation (CAREC), and the Greater Mekong Subregion (GMS); and (ii) support the organization of the Asia Pacific Trade Facilitation Forum (APTFF) 2014—a comprehensive regional knowledge platform to share TF challenges and experiences in Asia and the Pacific, being jointly organized with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in the past six years.

Expected Impact, Outcome, and Outputs

The expected impact of the TA was an increase in trade volume in the region. The expected outcome was improved understanding of policy makers on TF through the following outputs: (i) component 1: a preliminary assessment study report on the best means of demonstrating the benefits of TF across Asia, specifically in the CAREC and GMS subregions; and (ii) component 2: the organization of the APTFF 2014.

Delivery of Inputs and Conduct of Activities

The selection and engagement of consulting services under the TA have been carried out in accordance with ADB's guidelines on the use of consulting services.¹ Actual consulting services inputs utilized were around 6 person-months for international consultants, 6 person-months for national consultant, and 1 person-month for resource persons. The Project officer for component 1 has rated the international firm engaged within the specified timeframe.²

Under component 1, three consultation workshops with ADB regional departments were held to (i) share major findings of the initial review of documents related to TF in the region, (ii) discuss the assessment on the benefits of TF, and (iii) present the final findings of the report. After the first consultation, it was suggested that the South Asia Subregional Economic Cooperation (SASEC) be part of the study. Accordingly the approval of a minor change in scope was made.³ The TA was again extended until 31 March 2016 to cover the publication process and dissemination activities.

Under component 2, the APTFF 2014 and its side events were held in Bangkok, Thailand from 24–27 September 2014, with the theme *Trade Facilitation for Inclusive Growth*. ADB and the UNESCAP sponsored the participation of 39 country participants from 28 ADB developing member countries (DMCs). In addition, several DMC officials were invited as resource persons, sponsored by ADB and UNESCAP. ADB also co-sponsored two side events.⁴

Evaluation of Outputs and Achievement of Outcome

Based on the results of the consultation workshops, the report on *Trade Facilitation Progress in Asia: Performance Benchmarking and Policy Implications* was designed to provide practical solutions to policy makers and practitioners in planning, implementing and monitoring actual TF measures in a holistic manner, focusing on CAREC, GMS and

¹ Engagements of consultants were done using the consultants' qualification selection (CQS) method.

² The national consultant engaged for component 2 was not rated within the specified timeframe.

³ Approved on 19 November 2014, international consultants' person months was increased as a result of SASEC inclusion to the study.

⁴ Regional Organizations Cooperation Mechanism for Trade Facilitation (ROC-TF) Annual Meeting 2014 (23 September 2014), and APTFF Capacity Building Workshop on Implementing Trade Facilitation: Perishable Goods and Single Window (26 September 2014).

SASEC subregions. Using the OECD TF indicators, the report finds that overall, the CAREC preformed the best, especially on advance rulings and fees and charges. GMS and SASEC lagged behind a bit and were scoring similarly as of 2013. The report concludes, among others, that in order to improve customs modernization and TF programs, developing Asia needs to (i) systematically and cost effectively monitor its progress on TF reforms; (ii) consider the use of Time Release Study surveys to monitor progress at the corridors; (iii) invest on ICT and coordinated border management to cost-effectively speed up TF transactions; and (iv) address illicit trade and passenger security through policy actions and conduct of capacity building programs. The key findings of the report were disseminated as part of ADB's Asian Economic Integration Report (AEIR) 2015, which was launched in Singapore in December 2015 and featured in over 70 news articles and four interviews.⁵

The APTFF 2014, co-hosted by the Government of Thailand, featured major issues of the World Trade Organization Trade Facilitation Agreement and its implications for the region, and also included sessions on agricultural TF, SME TF, and inter-agency coordination for TF. The Forum emphasized, among others, the (i) need to measure the potential benefits of TF through a quantification exercise in order to push forward challenging TF reforms, (ii) importance of agricultural TF in supporting supply chains and production networks for exporting agricultural products, (iii) need to support innovative trade financing for SMEs, and (iv) need for cooperation between agencies to address complexities and challenges of effectively promoting coordinated border management. Several international organizations (the World Bank, Organization for Economic Co-operation and Development, World Customs Organization [WCO], International Trade Centre, United Nations Conference on Trade and Development, United Nations Economic Commission for Europe, South Asian Association for Regional Cooperation, Greater Tumen Initiative, Asia Pacific Council for Trade Facilitation and E-Business, and Oceania Customs Organisation) sent participants on self-financing basis, with most of them serving as resource persons during the Forum.⁶ The Forum also attracted 25 private sector practitioners who, mostly, participated as speakers. The program and all presentation materials are available from the APTFF website.⁷

Overall Assessment and Rating

The TA is rated less than successful. The final report under output component 1 was shared with WCO, and its major findings were disseminated in various international and regional events, such as the (i) ADB-WCO Regional Workshop on Strategic Initiatives for Trade Facilitation—Mercator Program in Jakarta, Indonesia on 16–18 March 2015; (ii) Regional Conference on Time Release Studies in ADB Institute, Japan on 6–8 October 2015; and (iii) AEIR 2015 launch in Singapore on 8 December 2015. Nevertheless, the report did not reach the full publication stage as originally intended. The analysis of the report also fell short of substantiating benefits of TF, constraining the full fulfillment of intended outcome of awareness enhancement on this issue among policy makers.

With regard to the support for the APTFF, the TA has successfully organized the 2014 Forum and its side events, in collaboration with UNESCAP, the Ministry of Commerce of Thailand, ADB regional departments, and other international organizations. Intended to raise awareness on TF issues and provide venue for knowledge sharing to help improve TF further in the region, the Forum recorded the largest participation to date, with over 250 participants (both international and local).

Major Lessons

Close collaboration with ADB's regional departments and international organizations in producing knowledge products, particularly on areas relating to practical issues such as TF is a key in conducting analyses in a holistic manner and coming up with pragmatic policy recommendations. Although methodologically challenging, quantification of TF effects remains an area for further probing. Aside from partnering with local institutions and coordinating with ADB regional departments, the APTFF could benefit more from greater participation of the private sector and businesses, given their high stakes in the improvement in TF.

Recommendations and Follow-Up Actions

Given the evolving and fast-changing nature of TF related issues and associated challenges, there is a need to expand and deepen ADB's research work on TF and continue to monitor its progress in Asia and the Pacific. Continuation of ADB support to APTFF is also recommended.

TA = technical assistance.

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⁵ As part of the media outreach, the ADB Chief Economist was interviewed by *BBC News*, *Bloomberg Radio*, *CNBC* and *Channel News Asia* (ADB's Department of External Relation's media monitoring, 10 December 2015).

⁶ <http://unnex.unescap.org/tforum14-sideevents.asp>

⁷ <http://unnex.unescap.org/tforum14.asp>