



Completion Report

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ADB and UNESCAP's Asia-Pacific Trade Facilitation Forum 2015

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Description

The global economy, particularly Asia and the Pacific, has experienced substantial increases in trade volumes and complexities as a result of deepening globalization and robust economic performance of the emerging economies including developing Asia. Given the increasing importance of trade facilitation, ADB continuously provides support to the region's trade facilitation initiatives in line with the regional cooperation objectives of ADB's Strategy 2020 and the regional cooperation and integration strategy adopted in 2006. Part of ADB's support to promote trade facilitation in the region is through the Asia-Pacific Trade Facilitation Forum (APTFF)—a comprehensive regional knowledge platform that tackles trade facilitation challenges and experiences among the participants from Asia and the Pacific—being jointly organized with UNESCAP, together with a host country in the past six years.

In support to trade facilitation initiatives, this regional small-scale research and development TA provided support for the organization of the APTFF 2015 and its side events: (i) Capacity Building Workshop on Implementing Trade Facilitation Measures of the WTO Trade Facilitation Agreement (TFA), and (ii) Trade Facilitation Implementation and Performance Monitoring Workshop.

In addition, in order to improve the organization of the APTFF in the future, the TA conducted an evaluation survey during the forum. The survey was aimed at assessing the relevance, impact and effectiveness, and efficiency of the APTFF. It also solicited comments and suggestions from participants.

Expected Impact, Outcome, and Outputs

The expected impact of the TA was improved trade facilitation policy implemented by developing member countries (DMCs). The expected outcome was enhanced understanding and knowledge on trade facilitation related issues. The expected outputs of the APTFF was the delivery of high quality presentations and discussions at the event.

Delivery of Inputs and Conduct of Activities

The TA engaged one national consultant for 10 person-months through individual consultant system (ICS) in accordance with ADB's Guidelines on the Use of Consultants. The consultant's performance was generally satisfactory and worked well with ADB staff and other partners to deliver the expected outputs of the TA.¹ Five resource persons, some of who were DMC officials, were engaged by ADB for a total engagement period of 1 person-month. Other resource persons were sponsored by UNESCAP.

Activities under the TA were organized and conducted as planned. The APTFF 2015 was held in Wuhan, People's Republic of China (PRC) on 20–22 October 2015, with the theme, *Deepening Regional Integration Through Trade Facilitation*. ADB and UNESCAP sponsored the participation of 39 country participants from 27 ADB DMCs. In addition, several DMC officials were invited as resource persons and were sponsored by ADB and UNESCAP. ADB also co-sponsored two side events and participated as resource persons.² ADB's performance in this TA is quite efficient and satisfactory.

ADB disbursed only 50.9% of the total TA budget. The lesser amount expended than budgeted is attributable to the cost-sharing arrangement with UNESCAP who shouldered the airfare expenses of some participants and resource speakers.

¹ The consultant's performance was not rated through CMS at the specified timeframe.

² (i) APTFF Capacity Building Workshop on Implementing Trade Facilitation Measures of the WTO TFA: Authorized Economic Operator (AEO) and National Trade Facilitation Committee, and the (ii) Trade Facilitation Implementation and Performance Monitoring Workshop. Both events were held on 22 October 2015.

The APTFF evaluation survey component was conducted during the forum and an impact assessment survey sent out prior to the forum.

Evaluation of Outputs and Achievement of Outcome

The APTFF 2015³ and its side events were held successfully with support and participation from international organizations, the China International Electronic Commerce Center (CIECC), ADB DMCs, UN member countries, the private sector and Wuhan City, Hubei Province, PRC.⁴

The sessions imparted knowledge on trade facilitation and its related issues. The high-level panel discussion emphasized: (i) the importance of trade facilitation in deepening regional integration; (ii) country and regional experiences in implementing trade facilitation; and (iii) issues surrounding SMES, such as the high cost of transaction and trade flow.⁵

Session on overcoming high trade costs highlighted (i) technical assistance and capacity building support that developing and least developed countries can access from WTO TFA Facility; (ii) the reduction of trade costs through paperless trade, which encourages the participation of SMEs in trade; (iii) the fact that high trade costs can be partly attributed to the private sector, such as existing monopoly in transport; (iv) the role of the private sector in assessing trade facilitation measures such as in time/cost-distance and time release studies aimed at providing a clearer picture of the state of implementation of trade facilitation measures; and (v) OECD's trade facilitation indicators as a monitoring and benchmarking tool that economies can utilize.

Session on regional connectivity through transport and corridor facilitation highlighted (i) the port community system that emphasizes the need for both administrative and operational processes to be simplified, harmonized, automated and linked together to allow reuse of data for both administrative and operational purposes; and (ii) United Nations Economic Commission for Europe's eTIR project for international trade and transport.

Session on inclusive regional integration with focus on SMEs and the agriculture sector highlighted (i) promoting SME-friendly trade facilitation reforms, such as providing qualification criteria that can be met by SMEs; (ii) ensuring services beyond the capital/port city in local language to address language barriers and provide cheaper payment method facilities, such as mobile payment; (iii) agriculture and SPS issues and prioritization of international standards that countries need to meet; (iv) electronic information and SPS certification to cut costs and delays; and (v) the need for trade financing for farmers.

Session on cross-border e-commerce through paperless trade highlighted that while e-commerce trade can reduce trade costs, it also comes with risks that countries must address by having a secured and appropriate legal environment to ensure that e-commerce does not impose unnecessary cost to traders.

The last session, which was experience sharing on trade facilitation and regional integration, highlighted trade facilitation initiatives being promoted and implemented by regional and subregional forums and institutions, such as the Association of Southeast Asian Nations, Eurasian Economic Commission, South Asian Association for Regional Integration and the Oceania Customs Organization.

The capacity building workshop on the implementation of the WTO TFA focused on authorized economic operators (AEO) and national trade facilitation committees (NTFC).⁶ The World Customs Organization (WCO) representative introduced the AEO program and the Republic of Korea, Thailand, and India shared their experiences in implementing AEO. UNCTAD presented the framework for establishing the NTFC and Lao PDR, Pakistan, and the Kyrgyz Republic shared their NTFCs' experiences. The technical assistance and capacity building support that countries can access from the WTO TFA facility were emphasized during the workshop.

³ The program is available at http://unnex.unescap.org/tfforum15_APTFFprogramme.pdf

⁴ The participant list is available at http://unnex.unescap.org/tfforum15_listofparticipant.pdf

⁵ Among the country experiences shared were those of Indonesia's progress in implementing measures consistent with the WTO TFA, challenges faced by the Pacific countries that include infrequent flights and need for agreed policies across borders to streamline border transactions, ASEAN initiatives as good models like the single window, trade repository, and standards and processes streamlining and alignment to international standards, and the PRC's One Belt, One Road initiative that promotes trade by reducing trade barriers;

⁶ The program and presentations are available at <http://www.unescap.org/events/apdff-capacity-building-workshop-implementing-trade-facilitation-measures-wto-tfa>

The trade facilitation implementation and performance monitoring workshop focused on the databases and performance-tracking methodologies that countries can use in policy research.⁷ ADB, World Bank, OECD, WCO, UNESCAP, UNCTAD presented their database, indicators and tools used to analyze trade facilitation status.

A long-term impact assessment survey was conducted among the ADB-sponsored invited participants prior to the Forum. The survey inquired if the former participants from their country had improved policy making skills, shared the knowledge acquired from the Forum, and if the knowledge acquired contributed to the trade facilitation policy making processes of the country's institutions. Of the nineteen respondents, 95% affirmed the positive benefits of the APTFF in their policy making skills and the policy making processes of their institutions. Two respondents identified existing policies which could be potentially enhanced by their APTFF experience. To be more effective, some participants suggested extending capacity building workshops at the national level.

An evaluation survey during the forum was also administered for the various sessions of the APTFF and the side events. The evaluation survey of the APTFF 2015 had 81 respondents. Overall, satisfaction results were impressive with more than 91% of the respondents highly satisfied with how the APTFF was conducted; highly agreed that the Forum's theme was relevant to their countries and institutions. Around 87% highly agreed that the knowledge and skills acquired from the Forum are useful in formulating and implementing trade and trade facilitation policies and that their institutions would make use of such knowledge and skills. Respondents also generally rated highly the quality of presentations and handout materials and references to national/regional experiences. The evaluation survey for the side events on capacity building workshop and the trade facilitation implementation and performance monitoring workshop likewise yielded a generally highly satisfied feedback from the participants.

Aside from the sessions and side events, there was also a multimedia exhibition of publications and trade facilitation endeavors that was participated in by international organizations and the private sector. The CIECC also facilitated a study tour for participants on 23 October 2015. The study tour brought participants to the East Lake Free Trade Zone in Wuhan, Hubei Province, and showcased the procedures, flow of inspection, and the ongoing development in the free trade zone.

Overall Assessment and Rating

The TA is rated successful. It was able to impart knowledge and deliver the APTFF 2015 and improve capacities of participants through the side event workshops that demonstrated how to implement the trade facilitation measures of the WTO's TFA, and that on implementing and performance monitoring of trade facilitation. It is successful in that APTFF 2015 garnered a satisfaction rating of 91% based on the evaluation survey. The event was successfully conducted in collaboration with UNESCAP; CIECC; ADB regional departments; other international organizations; and Wuhan City, Hubei Province, PRC.

Major Lessons

Aside from partnering with local institutions and coordinating with regional departments, the APTFF can benefit more from larger participation from the private sector, given their increasing role in trade facilitation. Given the time it takes to formulate, approve, and implement policies at the national levels, it may be worthwhile to explore holding the APTFF every two years.

Recommendations and Follow-Up Actions

Noting the evolving and fast-changing nature of trade facilitation issues and challenges, there is a need to expand and deepen ADB's research work on trade facilitation and continue to monitor progress in trade facilitation across Asia and the Pacific. Close collaboration with international organizations and ADB's regional departments which have existing projects on trade facilitation in producing knowledge products, particularly on areas relating to trade integration, is a key in coming up with holistic analysis and policy recommendations. Continuation of ADB support to the APTFF is also recommended but to maximize benefits and allow for sufficient time for policies to be developed, implemented, and assessed, holding of the APTFF is suggested to be done biennially rather than annually.

TA = technical assistance.

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⁷ The program and presentations are available at <http://www.unescap.org/events/trade-facilitation-performance-and-monitoring-workshop>