



Assessing Regulatory and Procedural barriers – in cross-border agricultural trade



**ADB Regional
Workshop 26-17 March
2018**

UNECE - United Nations

TRADE



UNECE



European Union



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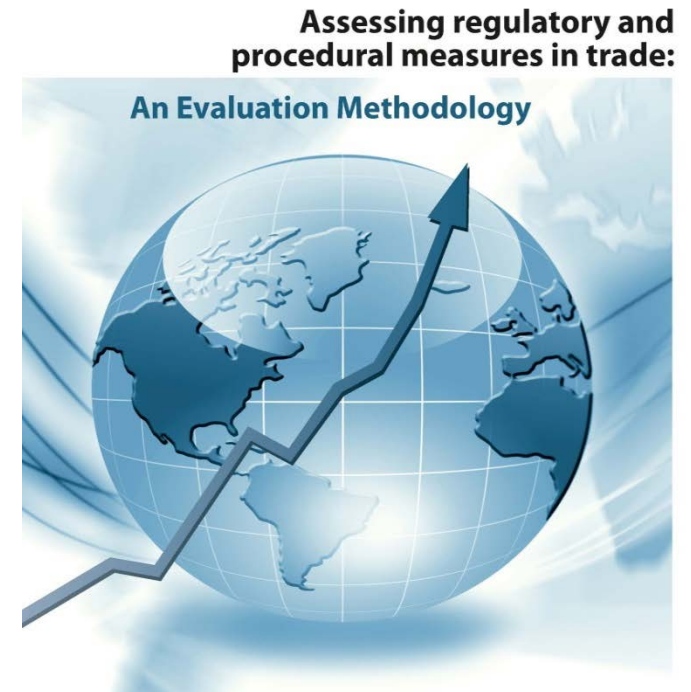


UNITED NATIONS

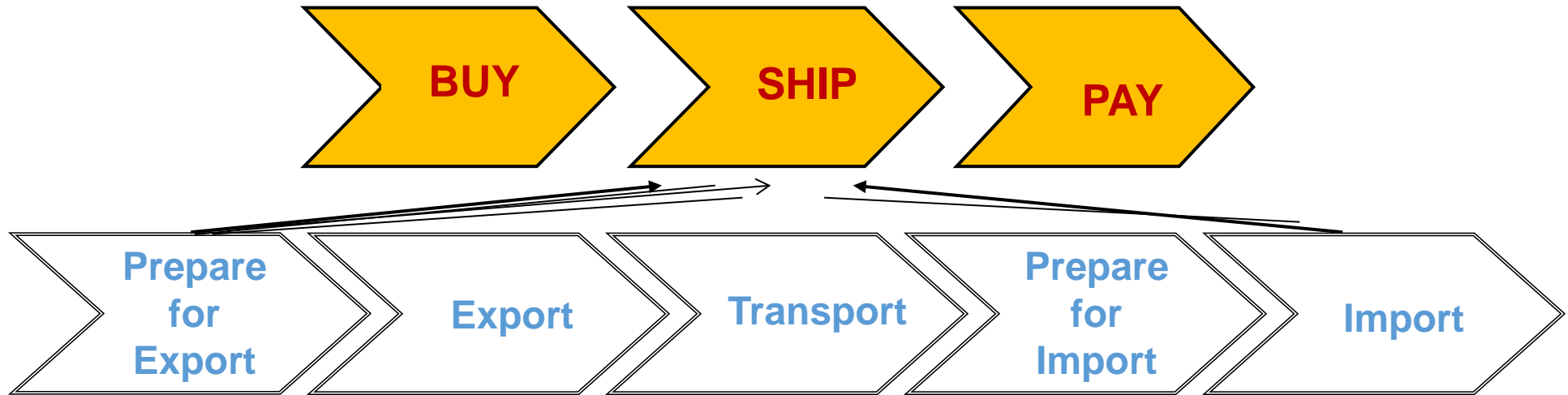
UNECE Methodology

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

- Scope: behind and at border regulatory and procedural trade barriers
- Evidence based: face-to-face interviews with supply chain players, using actor-oriented questionnaires
- Participatory approach: close consultations with national stakeholders
- Implementation since 2011: Belarus, Kazakhstan, Tajikistan, Kyrgyzstan, Albania, Republic of Moldova, Georgia and Armenia



Multilevel 1: Horizontal analysis of Trade and Transport Facilitation situation (analysis model)




Commercial Procedures

- Establish Sales Contract
- Order Goods
- Advise on Delivery
- Request Payment



Transport Procedures

- Establish Transport Contract
- Collect Transport and Deliver Goods
- Provide Waybills, Goods Receipts Status Reports




Regulatory Procedures

- Obtain Licences
- Provide Customs Declaration
- Provide Cargo Declaration
- Apply Trade Security Procedures
- Clear Goods



Financial Procedures

- Provide Credit Rating
- Provide Insurance
- Provide Credit
- Execute Payment
- Issue Statements

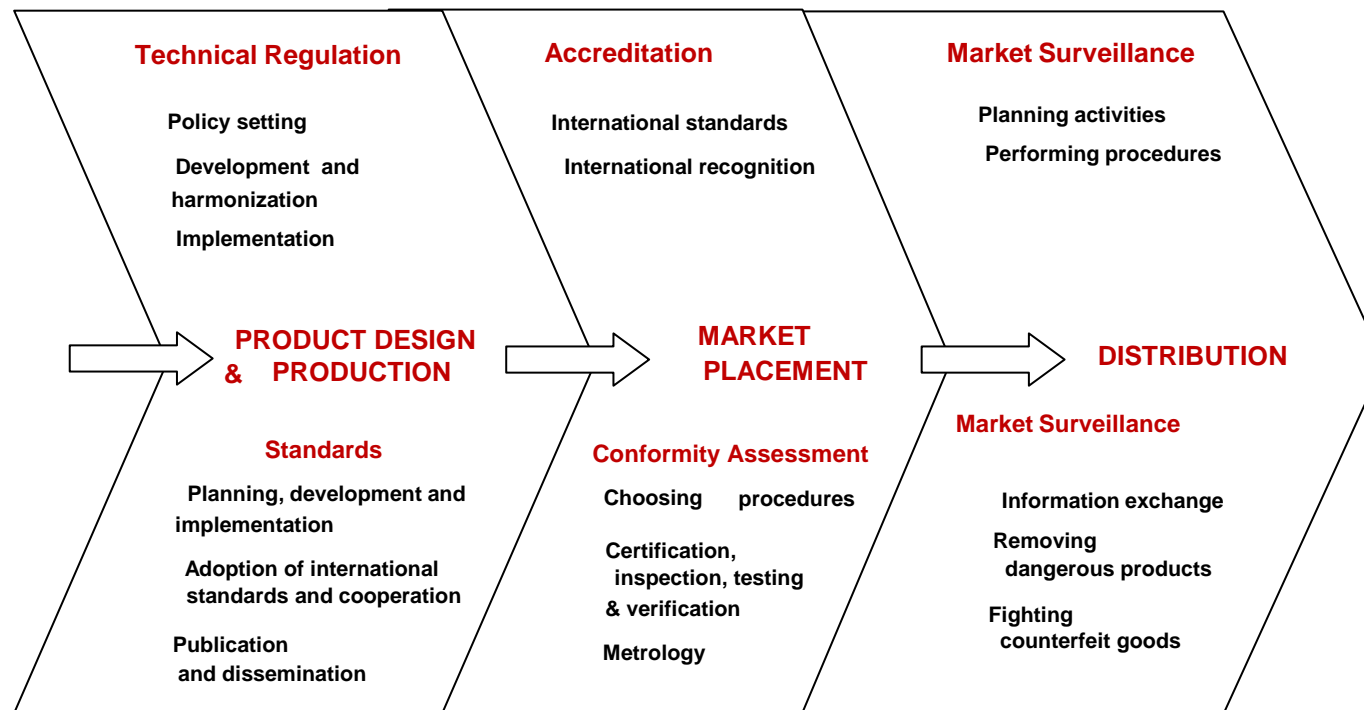




Multilevel 2: Horizontal analysis

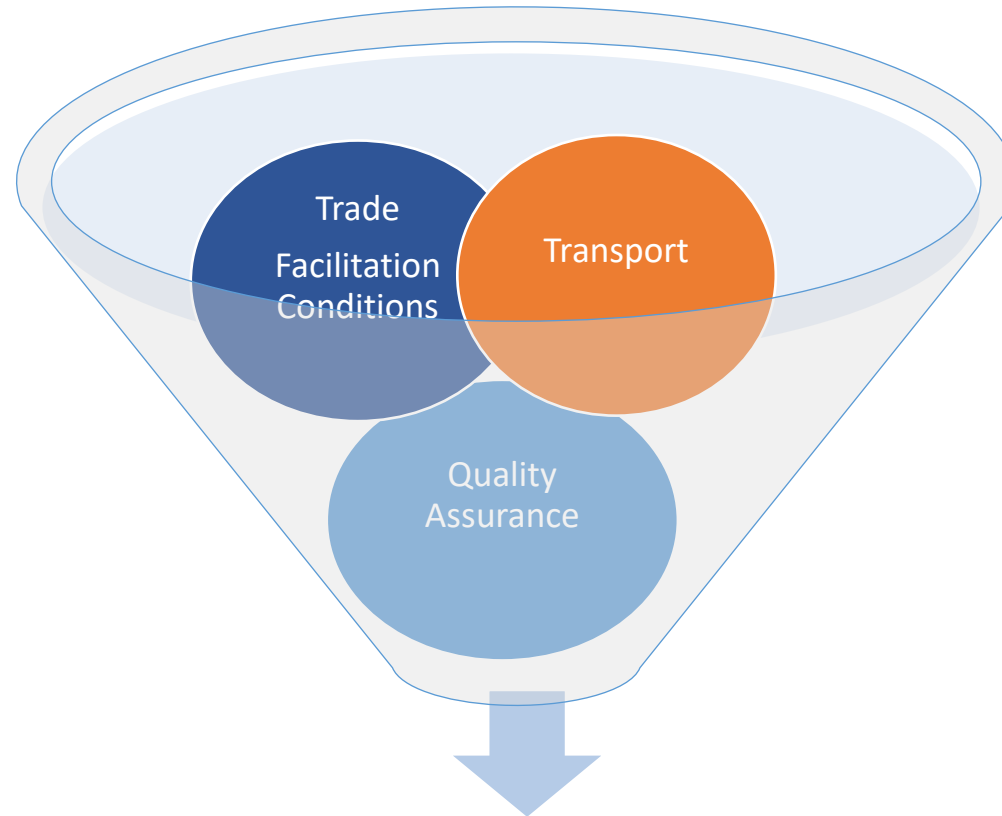
Quality control and assurance

Infrastructure, competence, management, environment



Regulatory activities

Results of multilevel horizontal analysis



Overall Cost of trade (financial and time wise) and implications for export growth



Actor-oriented approach (person-to-person interviews and overlap)

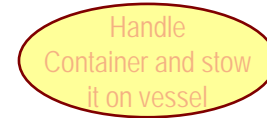
- Traders – Exporters and importers (min. 30)
- Customs
- Border control agencies (with control functions)
- Customs brokers (e.g. recommended)
- Freight forwarders (e.g. recommended)
- Railway operators, truck operators
- National standards bodies
- State agencies for technical regulations/conformity assessment
- Ministry of Trade and industry (...)
- Chambers of Commerce and industry or enterprise support institutions



Sector specific

-Business Process Analysis- most troublesome produce (export) based on traders' interviews) complement the comprehensive study (context)

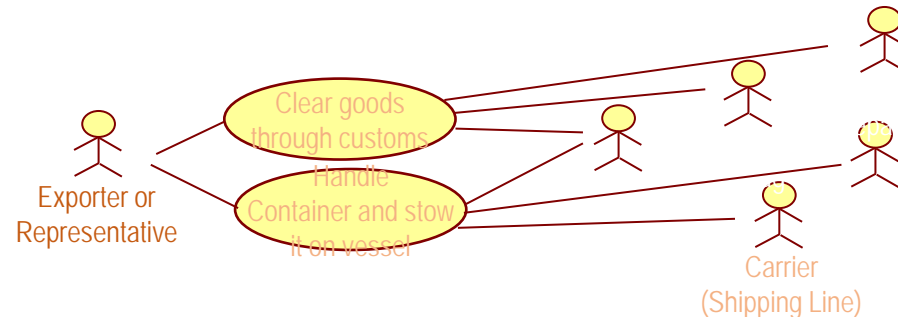
Key business processes



- Actors involved



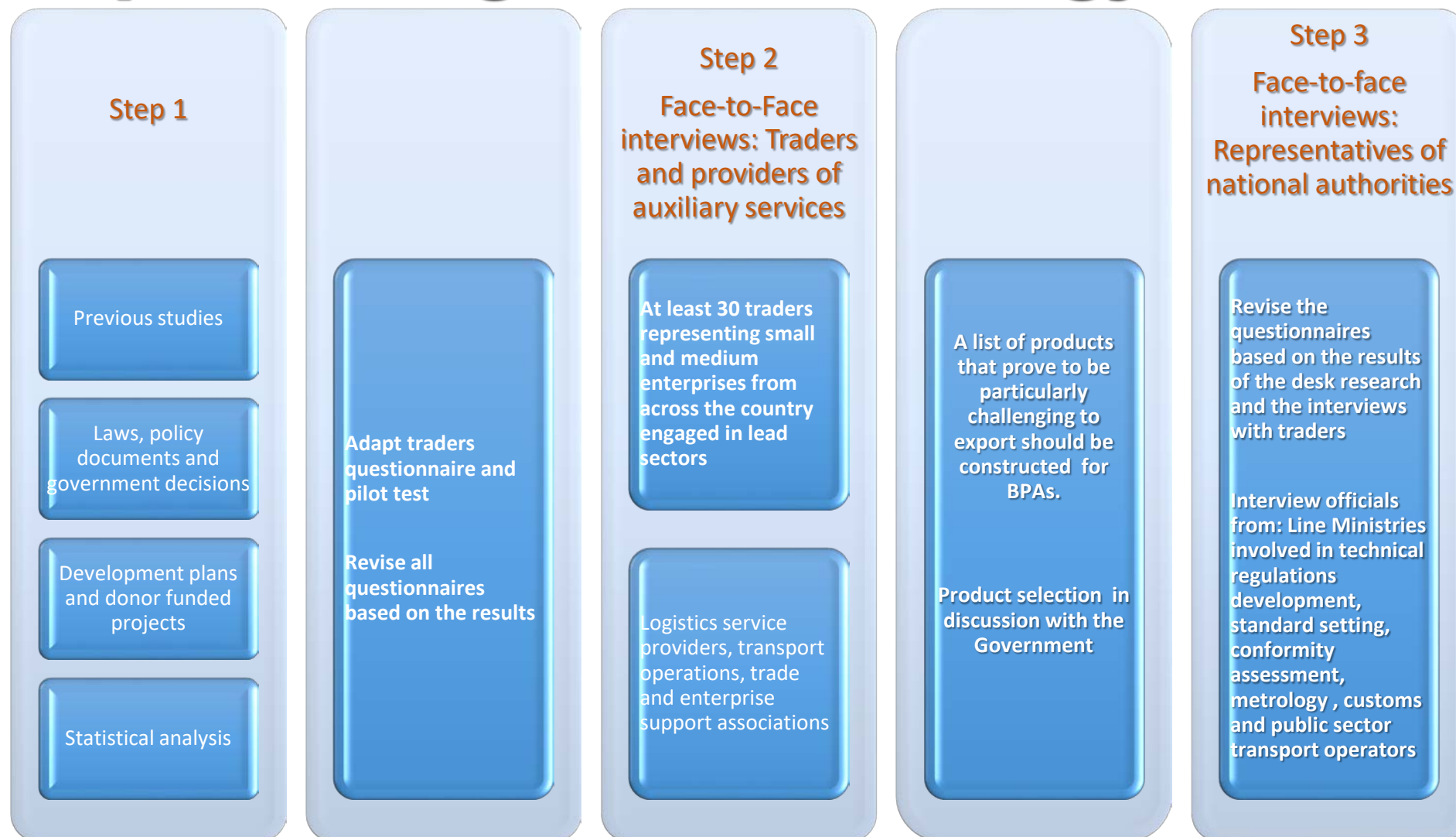
- Who does what and according to which rules and procedures



But horizontal issues are not everything - there are also systemic issues



Implementing the methodology



Examples of key findings

-Systemic bottlenecks-

- Transparency
- Documentary requirements & use of e-docs
- At the border control
- Transit trade issues
- Transport and logistics



Example - Transparency

Traders have to piece together information on regulatory requirements

- State agencies online information dissemination: published information on the agencies' websites is often not up to date. Where available, information is not detailed, and does not spell out the implications of new procedures and regulations for the different sectors.**

- Consultations with Government agencies could benefit from an increased focus on planned reform efforts, associated changes and their possible consequences for export/import processes.**

- With consultations focusing on introducing reforms, traders tend to be a hesitant partner: their participation in public-private sector consultations is modest and sporadic.**



Example: E-docs

Limited use of electronic documents among traders

Exporters

Traders seem to lack the required knowledge and/or IT capacity to use electronic documents

Importers

- No possibility for online submission of customs declaration for imports.**
- Where electronic submission is possible, efficiency gains are undermined by the requirement of submitting the original copies of the invoice and CoO, including those issued by EU countries.**
- For some, e.g., textile and wearing apparel importers, existing procedures do not allow online submission of customs declaration for less than full container load (LCL) consignments and for goods imported under the inward processing regime.**



Outcome – example

Identifying Inter-regional cooperation priorities

Country	Immediate priorities
Tajikistan	Enter into negotiations with China to harmonize legislation on overland transport and transit trade, so that traders would not have to unload and re-load the goods at the Kyrgyz border.
Kazakhstan	<p>Improve the interface connections between the Chinese and Kazakh railway and customs information systems.</p> <p>Simplify the procedures for obtaining transit permits, and reduce the number of documentary requirements.</p>
Kyrgyzstan	Transport by rail could be substantially improved if the trunk rail line from China through Kyrgyzstan to Uzbekistan is constructed as planned. This will transform Kyrgyzstan from a dead end for rail transport into a transit country.

Take away messages

- Knowing where the bottlenecks are, is important for planning interventions, cooperation and negotiating solutions needs to be based on a thorough, evidence-based, multi-stakeholder analysis to provide the context needed for reform.
- Removing regulatory and procedural barriers to trade or the development of the transport sector are not enough and should be underscored by efforts to improve the agro industries and farmers production capacity.

Take away messages

- Knowing the bottlenecks and knowing what to change helps in the resource-constraint situation of today
- Food is lost when procedures and processes do not work on a trade process – before and at the border.
- Climate change, environmental issues, population growth do not allow for food waste owing to inefficiencies or complex processes

What next?

- A study or and analysis or an assessment are a first step
- Most important part are realistic recommendations and FOLLOW-UP
- In UNECE region: nearly all countries have based reform plans, strategies and concrete action on these studies.



THANK YOU
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