

Trade Corridor Management Toolkit

Overview

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CONFERENCE EDITION



Overview of Trade Corridor Management Toolkit

1. Over the past several years the World Bank and other development agencies have worked on numerous trade and transport corridor projects, building considerable knowledge and experience in the area. However, this knowledge has not been consolidated sufficiently to allow new projects to benefit from previous experiences. In fact, Task Managers often spend a considerable amount of time looking for the best available analytical tools, which are not always readily discoverable. This is despite the fact that the existing knowledge, albeit in disparate projects, is deep enough to define a robust analytical approach to engender greater consistency in trade and transport corridor analysis. The existing knowledge on trade corridors is being compiled into a toolkit designed to assist operational teams to: firstly, define core indicators of performance of trade corridors; secondly, identify measures that can be taken to improve corridor performance and lastly, describe the trade facilitation agreement and institutional issues that impact on corridors.

2. There are several reasons why the corridor approach is increasingly used. Firstly, transport corridors are one of the direct ways to bring about regional integration. Regional integration is important to the growth prospects of middle and low income countries, especially those that are landlocked. Secondly, corridors help to prioritize the development of infrastructure to plug existing missing links, especially in developing regions. Thirdly, regulatory and other constraints to trade facilitation obtain a practical relevance at corridor level, enabling the design of appropriate interventions. Lastly, corridors provide a spatial framework to organize cooperation and collaboration between different countries and public and private sector agencies involved in providing trade facilitation infrastructure and services.

4. However, the inclusion of a wide range of both hard and soft issues in corridor projects makes them potentially complex. The variety of issues, numerous parties and entities involved has in the past made it difficult to design an all embracing methodology. As a result, each corridor or component of a corridor has tended to be approached differently, making the assessment of overall performance difficult, let alone comparisons of relative corridor performances.

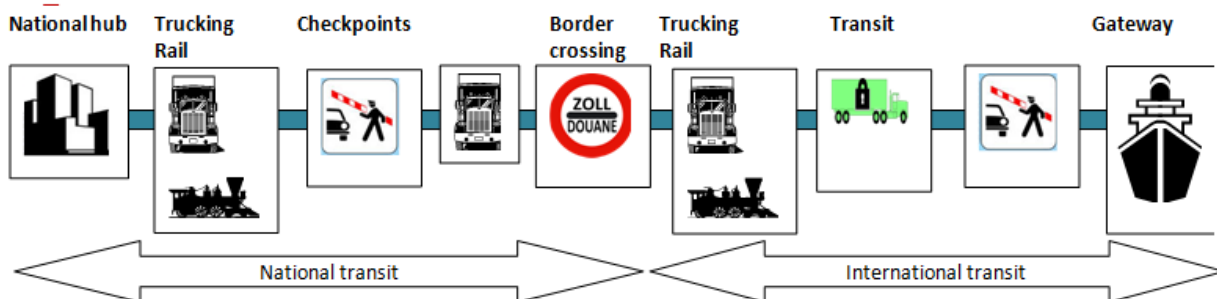
6. PRMTR is developing a Trade Corridor Management Toolkit (TCMT). The TCMT is designed as a comprehensive and holistic tool to help improve the performance of trade and transport corridors. The TCMT will provide a menu based reference for the Bank and other agencies involved in corridor-based projects. Task managers and policy makers will be able to access in a single place, a suite of instruments to assess, improve and manage corridor performance.

8. The toolkit combines new knowledge and modules developed from content that is already available in different places (different units and agencies, working papers, other toolkits, datasets, etc.). In instances where new knowledge needs to be developed, the toolkit will serve as the primary reference and resource. In those cases where knowledge is already available the toolkit will provide

guidance on how to use it for a corridor project, and go further to provide also examples and practical implementation tools such as TORs for aspects of the work that would have to be carried out.

9. **The TCMT will be compiled as a live document**, in a format that allows easy update of the content. The format will allow also future expansions of its modules, for instance to include new knowledge from other trade and transport related programs of potential interest to corridor practitioners. It is envisaged that this last category would include emerging areas such as assessing the competitiveness impact of logistics costs or trade in services.

10. **The toolkit is designed to address the issues involved in and interfaces between the seven principal stages of transit of freight through a trade and transport corridor.**



The seven stages of corridor transit for exports from a land-locked country are:

1. Access to the main transport mode
2. Loading to the main transit vehicle
3. Transport to a national border
4. Crossing the border
5. Transport in the transit country
6. Port activities
7. Maritime transport to a destination port

11. **Based on these stages, the TCMT has 13 modules:**

Part 1 Corridor Monitoring	Part 2 Corridor Performance	Part 3 Corridor Context
Module A: Corridor Indicators Module B: Corridor Assessments Module C: Evaluation of actions	Module A: Transit regimes Module B: Maritime transport Module C: Border Management Module D: Road transport Module E: Rail transport Module F: Port access Module G: Air freight	Module A: Trade Agreements Module B: Institutional arrangements Module C: Capacity building

Examples of the content of three of the modules are shown below.

Module 1A – Core Corridor Indicators

1. **Context**
2. **Objectives of basic corridor monitoring**
 - Different types of trade corridor and specification of corridor to be monitored
 - Assessment of corridor performance
 - Comparison of a corridor performance over time
 - Comparison with other corridors
2. **Desirable characteristics of indicators**
 - Averages and measures of variation
 - Consistency with other corridor indicators
 - Ease and low cost of data collection
3. **Corridor monitoring parameters**
 - Time
 - Cost
 - Informal payments
 - Reliability
 - Flexibility
 - Safety and Security
4. **Specification of monitoring parameters**
 - Typical product types
 - Consignment size and frequency
 - Imports and exports
 - Frequency of repetition of monitoring
 - International origins and destinations
6. **Current Corridor Monitoring Indicators**
 - UNESCAP method
 - FastPath
 - Ad hoc methods
7. **Proposed corridor monitoring indicators and analyses**
 - Specification of indicators and parameters
 - Relationship to detailed indicators for further analysis
8. **Sources of data and recommended procedures for basic monitoring**
 - Trade and Transport Facilitation Audits (TTFA)
 - Comprehensive studies of corridor performance
 - Planned and funded strategies for monitoring corridor performance
 - Outline of a strategy for regular corridor monitoring
 - How to establish a monitoring process
 - Responsibility for monitoring

Module 2C Border Management

1. **Purpose of the Module**
2. **Context**
 - Significance of Border Management
 - Relationship of border management to logistics and trade
 - Summary of Issues, Problems and Solutions
 - Relationship to Other Modules
3. **Components of a Border Management System**
 - Customs
 - Immigration and Security
 - Other Border Control Activities
 - Border Infrastructure
 - Border institutional arrangements
 - Information and communications systems
4. **Supply Chain Security**
5. **Border Management Issues**
 - Time taken for documentation and inspections
 - Duplication of processes on both sides of the border
 - Drivers' visas and vehicle and cargo insurance
 - Constraints on trucks crossing borders and need for transferring loads
 - Lack of use of risk management
 - Truck parking space
6. **Diagnostic Tools** for assessing importance of border issues
7. **Transparency of Border Formalities** and Performance
8. **Main resources** for information on addressing border management issues
9. **Best practices** for improvement and reform
 - Integration of border activities between agencies
 - Integration of border activities between countries
 - Institutions and Modernization
 - Information and Communications Technology
 - Regional Integration and Trade Agreements
 - Risk Management
 - Customs
 - Other Agencies
10. **Implementation of Improvements**
11. **Border performance indicators**

Module 2F - Port Access

1. **Purpose of the Module**
2. **Context**
 - Significance of land access to ports
 - Relationship of port access to logistics and trade
 - Port access and the urban environment
 - Relationship to Other Modules
3. **a. Port Accessibility Issues - trade**
 - Additional costs to export and import from traffic congestion
 - Uncertainties in delivery times to and from the port
 - Port storage of containers and risk management**b. Port Accessibility issues – urban environment**
 - Land use taken up by port activities in urban areas
 - Traffic generated and delays to urban traffic resulting from port activities
 - Transport infrastructure and truck parking in urban areas
 - Environmental considerations - air quality and noise
4. **Diagnostic Tools** to assess relative importance of issues
5. **Main resources** for addressing land access to ports
6. **Best practices for improvements, reform and modernization**
 - Daytime bans on trucks accessing the port
 - Improved queuing system for trucks to access the port
 - Move non-maritime port activities to a remote location with transport corridor
 - Move whole port to a non-urban location
 - Institutional arrangements for dealing with port access
7. **Case study** examples of Best Practice
8. **Port Access Performance** with port and corridor efficiency
9. **Implementation** of improvements
10. **Performance indicators**

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