

CAPACITY BUILDING FRAMEWORK FOR TRADE FACILITATION STAKEHOLDERS

Draft for Discussion

I. Background

1. The 7th Meeting of the CAREC Customs Cooperation Committee (CCC) held in Bishkek, Kyrgyz Republic, on 8-9 September 2008, recognized the importance of capacity building to support improved trade and customs administration in the CAREC region.

2. To ensure capacity building activities are practical and respond to real demand, the Meeting requested that a study be carried out for the CCC with the support of ADB to:

- assess training needs for customs and the broader array of stakeholders involved in trade facilitation;
- identify available institutional, financial and human resources both at regional (e.g., at CCC and CAREC Institute level) and national (e.g., customs colleges and training centers) levels;
- design standard curricula and tailor-made programs;
- recommend a capacity building framework for trade facilitation that best matches the available resources with identified training needs; and
- recommend the establishment of a common information space for exchange of information on available training programs and materials offered by various development agencies.

3. From December 2008 to February 2009 the Asian Development Bank (ADB) fielded a mission to selected countries in the CAREC Region: People's Republic of China, Kyrgyz Republic, Uzbekistan, Kazakhstan and Azerbaijan. The mission held consultation meetings with selected officials from customs, trade, immigration, quarantine/ border control, and related areas and from the Association of Freight Forwarders, Trade and Logistics to identify training needs and priorities, existing resources and to come up with a capacity development framework for the members of the Customs Cooperation Committee (CCC) and the other stakeholders in Trade Facilitation for CAREC participating countries.

II. Methodology

4. The Training Needs Assessment (TNA) has been approached by: (i) understanding the changes; (ii) identifying current capacity; and (iii) planning to develop. The main focus of the assessment is to determine the gaps, if there are any, between the demand side (i.e. current or future recipients of the identified capacity building/development framework) and the supply side (i.e. capacity building or development program providers, from the national and regional institutions from both government and private sectors).

5. In order to determine the current capacity of the supply side or the training providers, a TNA questionnaire has been administered to selected capacity building or development providers both from the government (i.e. Customs Training Centers) and the private sector (i.e. Association of Freight Forwarders and Logistics and Chambers of Commerce and Trade). The questionnaire has been supplemented by a series of personal and group interview-workshops and field visits to the facilities of the capacity building providers.

6. From the demand side, a series of personal and group interviews with selected officials and staff from the offices of customs, trade, immigration, quarantine (i.e. both sanitary and phyto-

sanitary), border control and related areas. In some cases, the officials and staff were also interviewed and observed in their respective work stations.

7. In relation to the assessment process, separate meetings were also held with multilateral and bilateral development institutions (i.e. GTZ, UNDP-BOMCA, etc) to determine their current contributions to the trade facilitation process. While CAREC documents pertaining to or related to the trade facilitation has been reviewed for reference.

III. Findings/Current Regional Training Needs

8. It has been apparent from our contacts with the trade and government representatives of the CAREC nations during the course of this project that process change, actual or conceived, is endemic in the field of cross-border trade – and new methodologies and systems are proliferating globally. Thus the need for targeted development of human resource is crucial if the proposed changes are to deliver the benefits envisaged.

9. The feedback from the CAREC nations visited or otherwise consulted has been remarkably consistent: training offered on Trade Facilitation-related matters has usually been delivered on an *ad hoc* basis, often by consultants external to the region, and sometimes without reference to: (i) the cultural background of the nation/region; (ii) the level of internal development of the nation/region; and (iii) the appropriate personnel level at which the training is best directed.

10. It was also evident that such training has lacked sustainability – for example there has rarely been any successful provision of skills transfer to national or regional trainers through the medium of “train the trainer” events. Nor has the quality or suitability of the training been monitored or evaluated by any other means than end-of course feedback sheets. The end result has been – particularly with the training received by a number of CAREC nations on the “single-window” – that the recipients have been overloaded with theory but have had no practical implementation training. This has left some of the CAREC nations clear on what is needed, but with little or no idea on how to go about achieving it with an inevitable effect on progress towards the goal.

11. It has also been found that in a number of nations, there was little effective dialogue between various stakeholders in the Trade Facilitation process. Where structures had been set up to promote this dialogue, feedback was received that the structures were dominated by one or other body and did not always promote or understand the needs of all the stakeholders. This has led to considerable frustration on the part of those who felt themselves excluded: particularly since these groups were keen to participate and often possessed skills and expertise which could prove useful. Thus any structures that are subsequently developed must be independently facilitated or chaired to avoid repetition of these problems.

12. Owing to time constraints it was not possible to undertake an operational/managerial level needs analysis: such require access to observation and interview at the appropriate levels. However, there proved to be considerable value in assessing need at a strategic level. This is particularly important when there is organisational and procedural change planned or underway. In this instance the concerns of the CAREC nations were remarkably consistent, since all had either embarked upon, or planned to implement, process simplifications in cross-border traffic. Almost all of the nations visited or whose member organisations were interviewed had had some exposure to training in the theory behind such simplification tools as the Border-Management Single Window. However, almost without exception this exposure had been pitched at the theory level: sometimes repeatedly. What had not been delivered had been any training or development support aimed at assisting implementation of such simplifications. The frustrations of this were evident in speaking to all stakeholders.

13. It was also clear that some of the border service users, or customers: such as exporters, logistics providers, freight forwarders and the like; had sometimes felt excluded from the process of planning the simplifications, or where included, were frustrated by the lack of progress. The proposed training development structure, detailed above, will help to redress this imbalance. Equally with the government agencies, these private sector bodies had needs that they had identified to support their own progress and efforts towards more efficient and cheaper cross-border movements – and also had ideas and in some cases well-developed training strategies of their own which could be of use to various sectors. It was made clear in some instances that more awareness of the needs, priorities and working methods of the private sector would greatly assist the facilitation of cross-border trade.

14. The end result of the analysis of the needs of the key stakeholders is produced below in the form of a core curriculum intended to be delivered at a regional level. It is also important that such a curriculum should be delivered in line with the recommendations for training structure above: namely that any training delivered should involve such skills transfer as to enable further national level development to be delivered by CAREC's own staff, creating local expertise.

15. A number of stakeholder organisations identified training facilities to us which could be utilised to host training and development events within the CAREC region. Owing to time constraints, we were unable to visit all the facilities that were identified to us, but it was clear that physical capacity exists in most countries in the region. In all countries visited, private conference facilities existed in hotels and purpose built centres which could be utilised for training and development purposes. Below are the physical training facilities that can be considered as venues for any proposed capacity building program for Trade Facilitation.

A. China

16. **Shanghai Customs College:** This is a significantly-sized, purpose-built college, situated outside Shanghai city. It features classrooms of various sizes, lecture halls, e-learning centre, and library and leisure facilities situated in gated, landscaped grounds. There is also good-quality dormitory accommodation for shared and individual occupation. The college has experienced tutors who are employed as full-time academic staff. Training is usually delivered lecture-style. Geographically, it is a considerable distance from the CAREC regional centre, but has good transport links.

17. **Urumqi Customs Training Centre:** This is a large, hotel-style complex situated close to Urumqi airport. Its training accommodation is conference-style, with a number of large rooms within the complex. It has on-site accommodation to a high standard with some internet capability. The site does not feature full-time tutors. Geographically, it is well-placed close to the centre of the CAREC region. Further investment would be needed to provide simultaneous translation facilities.

B. Kyrgyz Republic

18. **Customs Training Centre:** This is situated within the headquarters building in Bishkek and features a large lecture theatre with translation facilities and internet connections. No full-time tutors are employed by the centre and there is no dormitory accommodation.

19. **Border Agency Staff Development Centre:** This was built in 2005 with BOMPCA support and is situated outside Bishkek. The facility is shared with other government agencies. It features classrooms and conference facilities, but as yet has no dormitory accommodation: though there

are plans to develop such a feature along with a canteen. There are no full-time tutors employed by the centre.

C. Uzbekistan

20. **Higher Customs and Military Institute:** Situated in Tashkent, this establishment caters for both new recruits and for the further training of professional staff. It can cater for 500 students and provides classroom and dormitory accommodation.

D. Kazakhstan

21. **Ministry of Finance Training Centre:** Situated in Almaty, this centre provides training facilities for Kazakhstan Customs and other government bodies. We currently have no further information on this centre.

E. Azerbaijan

22. **Customs Regional Training Centre:** This centre situated in Baku provides classrooms, computer rooms, dormitories and canteen facilities.

IV. Capacity Development Proposals/Recommendations

23. Based on the identified needs and gaps, the following measures are being recommended: (i) establishment of training and development committees at regional and national level, to be possibly as sub-committees to the CAREC Regional Joint Transport and Trade Facilitation Coordination Committee and its national equivalents; (ii) the creation of a simple Regional Training Database, accessible to all member nations; and (iii) the creation of a simple training development structure, including the measures above, to ensure consistency in the identification of needs, appropriateness of content, level and quality of delivery and skills transfer; and (iv) the delivery of a trade facilitation core curriculum.

24. The training and development committees. The Regional Committee would be fed by and feed back into the National Committees, which would in turn be fed by and feed back into the stakeholders' national organisations. The committees at national level would consist of appropriate representatives from all key/interested stakeholder groups and would be chaired by a non-stakeholder representative – possibly by a member of ADB RM staff. The National Committees would meet twice a year, the second meeting timed to pre-date the annual Regional Committee. At CAREC Regional level, the committee would consist of two representatives of each National group, one from an appropriate public-sector organisation (i.e., the National Customs) and one from an appropriate private-sector organisation (Logistics, Forwarders, Chambers of Commerce etc)

25. **National Joint Trade Training and Development Committee's** responsibilities would be (i) collate and compile information on its members' identified training needs and newly-developed capacity; (ii) identify existing local solutions where possible; (iii) where a local solution does not exist, to create a needs document outlining the circumstances of the need and report to the Regional committee; (iv) report new capacity to the Regional Committee; (v) identify local recipients of "train the trainers" development in externally delivered subjects; (vi) seek feedback on the effectiveness of delivered training; (vii) update the CAREC training database with potential national contributions; (viii) identify and apply for funding in support of Nationally-identified needs.

26. **CAREC Regional Joint Trade Training and Development Committee's** responsibilities would be to (i) collate and compile information on national training committees' identified training needs and newly-developed capacity; (ii) identify existing CAREC regional solutions where available; (iii) identify CAREC-wide common needs; (iv) identify Regional needs on a strategic level; (v) liaise with CCC and other CAREC regional groups; (vi) source external training support where appropriate; (vii) oversee the maintenance of a CAREC regional database; and (viii) identify and apply for funding in support of Regionally-identified needs.

27. **The creation of a simple regional training database, accessible to all member nations.** The database will be expected to identify existing training and development available on appropriate topics within the region. It would also be expected to be updated regularly to be of continued use and it is proposed that the responsibility for maintenance lies with the Regional committee, while information on new/recent events would be provided through the National Committee by its members. It is recommended that the database would contain (i) training course title; (ii) target population & objectives of the event; (iii) type of training (classroom, coaching, e-learning, written manuals etc); (iv) duration of event; (v) location of expertise and contact details; and (v) date & location of last course/use.

28. The creation of a simple training development structure, including the measures above, to ensure consistency in the identification of needs, appropriateness of content, level and quality of delivery and skills transfer. The training structure would properly allow Ministries and national organisations to identify their own training needs locally. These needs would be recorded by means of a Needs Statement which would identify (i) the reason for the need (e.g. a change in process, newly-recruited officer, a planned innovation etc); (ii) the date the need was identified; (iii) the deadline for meeting the need; (iv) the number of people who have the need; (v) the new knowledge/skills/approach that need to be acquired.

A. Proposed Trade Facilitation Core Curriculum

29. **Single Window Process Development:** This would be focused on producing implementation planning for nations proposing a Single-Window approach. It would be aimed at Project Managers within CAREC member nations who would be taking an active role in managing the implementation of such innovations. The programme would be a mixture of knowledge and skills training, and classroom and on-site coaching and consultancy, delivered by tutors who had been engaged in a successful Single-Window implementation. It is important that this training encourages the collaborative approach and that it seeks to develop solutions which are culturally appropriate to the recipient nation, and sensitive to its level of infrastructure development. This programme would consist of a number of modules, delivered to appropriate groups and resulting in progress towards implementation and considerable skills-transfer. The programme could involve appropriately targeted study visits to the site of successful implementations, but these must be appropriately managed and involve well-defined objectives and outputs. It is also understood that China has made some progress towards a Single-Window solution and it might be useful for those involved in that project to outline progress to other CAREC nations. Similarly, in the Kyrgyz republic, work is advanced upon a pre-Customs Single-Window approach as an alternative to a Customs-centred solution. Similarly, presentations on their experience in this area could prove useful.

30. One of potential partners is GTZ, which has done initial development work, particularly in Kyrgyz Republic, on single-window development and has facilitated a number of workshops across the region which has had trade facilitation as a subject area. They are currently investigating a possible project in the field of single-window development in Uzbekistan. Another partner would be BOMPCA/UNDP. This organisation has completed a number of border development projects in the

region. We have received no information about existing single-window development or training projects. Third partner will be the Singapore Government. Funds have been offered by the Singaporean Government – which has a well-developed, technologically-centred Single-Window solution – to assist in this area. However it is important to stress that the solution implemented by Singapore is unlikely to be a good fit for all CAREC nations, since the practicality of the solution depends heavily upon the stage of development of the implementing nation and the environment in which it needs to operate. Other partners include China Customs and Kyrgyz pre-customs who have had some experiences in SW development.

31. **Risk Management Techniques in a Trade Facilitation Environment:** This programme would be aimed at those responsible for managing fiscal and anti-smuggling risk where simplified border clearance was planned. It would again focus on practical tools for risk management and equip its students to apply the skills in a live environment and develop appropriate risk-management procedures within the member nations. The programme would again require tutors with practical experience of applying risk management techniques and would be delivered initially as a classroom event with follow-up supervised practical work.

32. Potential partners would include China Customs which has developed training programmes that cover this area, though we do not yet have details on the content of the programmes, and a number of different organisations have developed and delivered programmes in this area and it should not be difficult to identify potential suppliers once the specification of the training has been further defined.

33. **Post-customs control:** This programme would be aimed at post-customs control managers and operational staff and would focus on the process of auditing importers/exporters at the traders' own premises using systems-audit techniques, along with a partnership approach to customs control between traders and officials. The delivery would be a mixture of classroom, practical and distance learning and would again require tutors with practical experience of operating post-customs control systems.

34. Potential partners would include China Customs which has developed training programmes that cover this area and which includes audit training for post customs control staff. Further detail of these programmes is awaited. There are also a number of different organisations have developed and delivered programmes in this area and it should not be difficult to identify potential suppliers once the specification of the training has been further defined.

35. **Legislative Reform & Trade Facilitation:** This programme would be aimed at those aiming to reform legislation in line with WTO and other international standards. Possibly delivered as a combination of classroom learning and workshop on live material, this would need to be delivered by tutors with experience of drafting legislation in response to changes in the control environment.

36. Potential partners would be non-CAREC as a number of different organisations have developed and delivered programmes in this area and it should not be difficult to identify potential suppliers once the specification of the training has been further defined.

37. **Regional General Logistics Development Programme:** This programme would be aimed at practitioners in the freight-forwarding and logistics field and would consist of a modular approach to training, combining classroom training and distance learning, with the intention of raising knowledge and skills of the trader population, encouraging consistency of approach and professionalism with the intention of increasing efficiency and reducing cost. The intention would

be to affiliate the training to an appropriate body and result in certification of successful participants.

38. Potential partners would include

- **GTZ:** which has run a logistics capacity development course in Kyrgyz Republic in 2008?
- **Economtransconsulting LLP:** This company, based in Kazakhstan, has previously developed and delivered logistics training in lecture/seminar format within Kazakhstan and is working with logistics suppliers and government organisations within Kazakhstan on trade facilitation simplifications.
- **Business Logistics Development Association, Uzbekistan:** The BDLA has proposed a detailed modular Logistics development programme and is seeking funding for its further development.
- **FIATA (International Federation of Freight Forwarders Associations):** FIATA has a well developed modular programme aimed at forwarders and logistics providers. FIATA also supports a programme of sustainable training and development as suggested above.

39. **Customs Procedures for Logistics Practitioners:** This programme would be delivered in-country and be aimed at raising the knowledge of customs procedures from a logistics or freight-forwarder's perspective in order to minimise preventable border delays caused by insufficient documentation, misunderstanding of procedures etc. This programme could usefully be delivered by the host country's customs trainers and would have the added benefit of developing healthy relationships between control authorities and the trade. Customs will be supported by trainer skills training and help with programme development.

40. **Trade Awareness for Border Control Staff:** This programme would seek to raise awareness and understanding of trade practices and priorities among border control staff in order to promote cooperation with the legitimate trade within the confines of legislation and practice. It is a companion programme to Customs for Logistics Practitioners and similarly would be effectively delivered by national trade bodies.

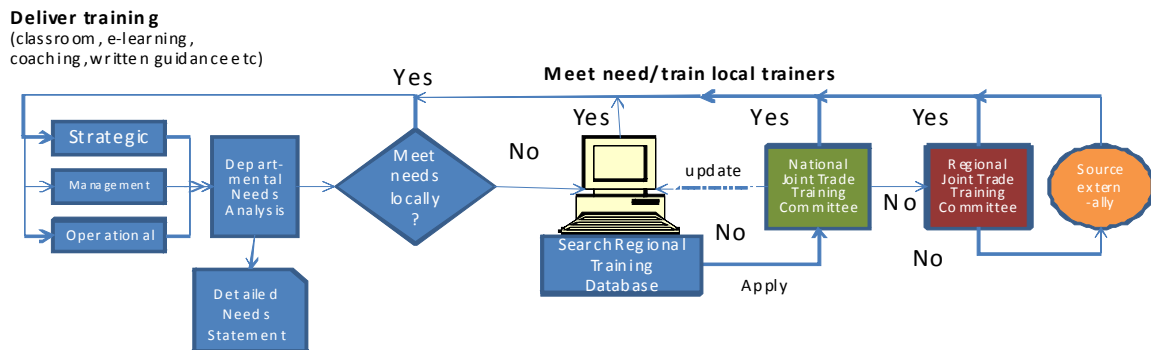
41. It makes sense that this training be provided by trade bodies in the country in which it is delivered with support given by means of Trainer Skills training and help with programme development.

42. **Training Needs Analysis (TNA):** This programme is aimed at organisations' Human Resource practitioners and would develop skills and processes which would support the operation of the proposed Training and Development Structure outlined above. The delivery would be a combination of classroom and practical work and would be delivered by tutors with practical TNA experience. A number of different organisations have developed and delivered programmes in this area and it should not be difficult to identify potential suppliers once the specification of the training has been further defined.

43. **Trainer Skills:** This course would aim to develop participative classroom skills which would support ongoing delivery in country of programmes such as those outlined above and enable sustainability of skills and knowledge development. A number of different organisations have developed and delivered programmes in this area and it should not be difficult to identify potential suppliers once the specification of the training has been further defined.

Appendix “A”

Proposed CAREC Joint Trade Training and Development Structure



Procedure:

If these needs could not be met within the Ministry/organisation, they would search the Regional Database, identify a training event which might meet the need, and apply through the National Committee for access/funding. If the use of the database has not identified a suitable existing training event, the need would be identified to the National Committee which would attempt to identify:

Similar existing need among the national committee's other member organisations; possible national suppliers of appropriate training from the committee's membership or outside sources;

If the need cannot be met nationally, application would be made to the next Regional Committee; The Regional Committee would look to identify:

- Similar existing need among the Regional Committee's other member nations;
- possible regional suppliers of appropriate training from the committee's membership or outside sources;
- If the need cannot be met regionally, the Regional Committee would seek support from outside the region.
- At all stages, training events or material would be made sustainable by training trainers at a regional or national level who could then deliver subsequent national or regional training when similar needs were identified, or when the numbers requiring the training were large.
- These measures, implemented consistently across the region, should help to ensure a sustainable approach to the identification and meeting of training need and a regional consistency of process.
- It is likely consultancy support will be needed to help establish these structures. It would also be necessary to deliver training support to underpin the structure, particularly in **Training Needs Analysis**, to ensure consistency of approach at national Ministry/ Organisation level.