

Terms of Reference

for

Consultancy/Research firm for conducting 03 studies suggested by NTTFC in FY 2018-19.

Background

The Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) – a member of the World Bank Group – for financing the cost of the Bangladesh Regional Connectivity Project 1 (BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders. This technical assistance project consists of following three (3) components:

- Component A: Develop (pilot) programs to support female traders and entrepreneurs. This component will pilot activities to help address barriers to women becoming more integrated into regional and global supply chains and trading opportunities.
- Component B: Capacity Development Support for the National Trade and Transport Facilitation Committee. The inter-ministerial National Trade and Transport Facilitation Committee (NTTFC) has been set up to coordinate all trade and transport-related policies and activities in Bangladesh, and will also serve as the Advisory Committee for the Project.
- Component C: Improvements to Bangladesh Trade Portal and to set up a National Enquiry Point for Trade. The Bangladesh Trade Portal (BTP) was launched in March 2016. This component will support further upgradation of the BTP to expand its functionality to include information of relevance to potential Bangladesh exporters and to ensure that content is kept up to date. This component will also set up the National Enquiry Point for Trade, which will help Bangladesh to meet a key requirement of WTO Trade Facilitation Agreement.

The Ministry of Commerce intends to apply part of the IDA Credit for procuring consultancy services from qualified research/consultancy firms or institutions/individuals to conduct three studies selected from the list of studies identified under NTTFC activities of the project (Component B). These studies aim to develop in-depth understanding about three relevant areas of trade facilitation and are directly linked with the activities of three implementing agencies of the BRCP-1 umbrella project.

2. Scope of Consultancy Services:

The project will conduct the following three studies in 2018-19 fiscal year that are critical for export promotion and trade facilitation:

Agenda 1: Review of collaborative border management-institutional mechanisms for coordinating across sectors/ministries and across countries;

Agenda 2: Analysis of laws and regulations governing border operations;

Agenda 3: How comparable countries are addressing implementation of TFA.

These studies will be conducted under a single package to explore best output from the study. The detail scope of the proposed studies is given below:

Agenda 1: Review of collaborative border management-institutional mechanisms for coordinating across Sectors/ministries and across countries

Border clearance processes are among the most important and problematic links in the global supply chain. According to Doing Business data, it takes three times as many days, nearly twice as many documents, and six times as many signatures to import goods in poor countries than it does in rich ones. Delays and high transaction costs at the border undermine a country's competitiveness by increasing the cost of exports and reducing reliability of supply. Therefore, trade facilitation reform that improves border management procedures has become an important development issue, as shown by the increased levels of investment in trade facilitation reform by governments and the development community alike.

Traditionally, the major tasks of border management related to export and import trade of a country includes:

- Protection and prevention of loss of revenue through smuggling and improper filing of trade documents;
- Protection of the health and well-being of the community through preventing illegal entry of harmful medicinal products and other psychotropic substances;
- Protection of flora and fauna and preventing entry of the same which would be detrimental to the agricultural interests of the country; and
- Prevention of illegal entry and exit of arms, explosives and other materials of like nature.

Border management involves many agencies, such as security, immigration, trade, customs, transport, sanitary and phyto-sanitary agencies and port authorities. Given the complexity of the issue, the improvement of border management may entail strong political commitment, active involvement of border agencies, sustainable financial and technical inputs, and maximum use of international instruments.

As a result of the complex nature of the requirement of many agencies at the border, interagency cooperation and coordination is required to ensure a safe and efficient border management. Besides ensuring that border security is not compromised, an effective border management can generate monetary and non-monetary benefits for the business community and result in the furtherance of legitimate trade. The benefits may include but are not limited to the following:

- Saving of compliance costs arising from simplification and harmonization of processes, procedures and formalities (preparation and submission of required documentation);
- Saving of costs for services related to transportation, cargo handling, warehousing and cargo examination;
- Saving of time arising from expeditious border and customs clearance, inspections and other forms of frontier control.

As mentioned earlier, the categories of controlling agencies involved in border management is similar in all the countries concerned. They may differ in the naming of the organization. The services include, the Frontier service, Customs service, Ministry of Shipping and its port authorities, Ministry of Agriculture in the capacity of veterinary and phyto-sanitary control, Ministry of Health (for sanitary and epidemiological control and in some vested responsibility for radiation control), and Ministry of Transport (Standards organizations for the assurance of conformity to national standards may also play a part). In the main, some of the organizations are not required to be physically present and can be well-served by evidence of documentary controls. Coordination and collaboration can take the form of empowering a single authority at the border crossing to function for the agency concerned. Clear guidelines and procedures will, however, have to be established. Adequate and continuous training must also be provided to the empowered agency. Coordination can also take the form of constant and regular meetings and dialogues between agencies to share and exchange information and reduce the over-lapping of responsibilities. An appropriate and clear definition of responsibilities for the border agencies may lead to efficient border management. Otherwise, it will cause confusion and abuse of authority. Without appropriate and clear definition of responsibilities, one agency may take actions without consulting other relevant agencies, or exercise authority in the areas which should be regulated by other agencies.

Good inter-agency coordination is essential to effective border management. For example, if the frontier and customs services operate at the border crossings on a daily basis (24/7), the other agencies must also do likewise. Lack of such coordination and juxtaposition of working hours will be detrimental and can lead to doling up border clearance and may add substantially to the costs of the importer/exporter. Intra-agency coordination is also equally important. The failure for the same agency with various posts and offices spread around the country, either at border posts or inland offices, failing to harmonize their procedures or failure to receive pertinent information from each other, can lead to incompetency of actions taken. Prompt communications and exchange of information will play a positive role not only for officials of controlling government agencies involved in border management but also for the trading community.

Apart from collaboration among domestic agencies there is also need to have an effective bilateral cross-border cooperation and multinational cooperation on border management issues. Multinational cooperation would also include the cooperation with relevant international organizations in creating, adopting and implementing different international standards and best practices harmonizing and adding effectiveness in coordinated border management.

Given the coordination and collaboration among local border clearing agencies and cooperation between border clearing agencies of neighbouring states are critical for effective trade facilitation this study has the following objectives to understand the current situation of collaboration of border management agencies as well as finding ways to create an enabling and coordinated institutional mechanisms for domestic coordinated border management processes.

1. What are the good practices utilised elsewhere to facilitate better management at the borders (e.g. Norway and Sweden/EU border, Switzerland and France/EU border)? Good practices should reflect applicable handbooks/guidelines for collaborative border management.¹²
2. Against that good practice template,
 - 2.1 what is the current status of coordination and collaboration among border agencies in Bangladesh?
 - 2.2 how is the intra-agency coordination mechanism in different border management agencies?
 - 2.3 how is the inter-agency coordination mechanisms among different border management agencies?
 - 2.4 what is the status of cross-border agency cooperation? What is the level of local cooperation between officials of both sides of the border, bilateral cooperation between neighbouring states and multinational cooperation?
 - 2.5 provide recommendations to establish an effective and efficient coordinated border management system (including identification of leading organization and capacity building needs) in Bangladesh.

Agenda 2: Analysis of laws and regulations governing border operations

Trade facilitation has emerged as a key factor for international trade efficiency and the economic development of countries. This is due to its impact on competitiveness and market integration and its increasing importance in attracting direct foreign investments. Over the last few decades, countries have made significant progress in lowering trade tariffs and dismantling quota systems. International trade has increased and manufacturing has become more global, with developing, emerging and transition economies connecting with international supply and value chains in terms of both their exports and imports. The worldwide distribution and sourcing cycles, along with just-in-time and just-in-sequence logistics services and the emergence of e-business, has created pressure on governments to ensure efficient, fast and reliable border crossing and clearance procedures. Governments started to realize that their export economies heavily depend on efficient import processing, hence the need to have a holistic approach for a more efficient management of end-to-end trade transactions. Lack of transparency about rules and regulations, redundant and lengthy clearance processes, and multiple documents requirements in different formats and with different data elements, increase the costs and time of doing trade. Today these obstacles are seen as posing greater barriers to trade than tariffs and quotas do. Hence, it is more important than ever to achieve trade facilitation to enhance administrative efficiency and effectiveness, reduce costs and time to markets, and increase predictability in global trade.

In order to achieve the goal of trade facilitation there is a need to make trade across borders (imports and exports) faster, and cheaper and more predictable, whilst ensuring its safety and security. In terms of focus, it is about simplifying and harmonizing formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain. There are great potential gains from trade facilitation for both governments and the business community. Public entities will profit in terms of enhanced trade tax collection, better use of resources and increased trader compliance. A

¹ Border Management Modernization, World Bank, 2012:

<https://openknowledge.worldbank.org/bitstream/handle/10986/2544/588450PUB0Bord101public10BOX353816B.pdf?sequence=1&isAllowed=y>

² Handbook of Best Practices at Border Crossings – A Trade and Transport Facilitation Perspective, Organization for Security and Co-operation in Europe, 2012: <https://www.osce.org/eea/88238?download=true>

more efficient and transparent delivery of public services will allow the administration to maintain high security levels and effective government control, while diminishing opportunities for corruption. Traders will gain in terms of higher predictability and speed of operations and lower transaction costs, resulting in more competitive exports on global markets. For countries as a whole, reducing unnecessary delays and costs attracts investments, and supports growth and job creation.

The fundamental principles of trade facilitation are transparency, simplification, harmonization, and standardization. While the transparency within border operations promotes openness and accountability of a government's and administration's actions, simplification of laws and regulations governing border operations eliminates all unnecessary elements and duplications in trade formalities, processes and procedures. Harmonization promotes the alignment of national procedures, operations and documents with international conventions, standards and practices. It can come from adopting and implementing the same standards as partner countries, either as part of a regional integration process or as a result of business decisions. The principle of standardization facilitates the process of developing formats for practices and procedures, documents and information internationally agreed by various parties of border operations. Standards are then used to align and, eventually, harmonize practices and methods.

In order to facilitate effective border operations, there is a need to have an enabling environment that involves different types of interventions and activities addressing the various dimensions of the government. This includes regulatory reforms aiming at a clear, concise, transparent legal framework. However, it requires an in depth analysis of law and regulations that are critical for border operations. It will include laws and regulations of different agencies that are involved in trade facilitation and border operations. This study has therefore aimed to conduct a study to do an elaborate analysis of regulatory regime that encompasses activities of different organizations. This study will explore the answers and guide the government through preparing recommendations in the following areas of regulatory regime of border operations:

- a. What are the good practices elsewhere in terms of organizations/laws/rules/regulations to facilitate better management at the borders?
- b. What are the organizations involved in trade facilitation through their border management tasks in Bangladesh and how do they relate to international good practice?
- c. What are the critical laws, rules and regulations in border operations for trade facilitation in Bangladesh and how do they relate to international best practice?
- d. How are these laws aligned with the trade related agreements and conventions and how do they relate to international good practice?
- e. How are these laws facilitating trade for exporters and importers in Bangladesh and how do they relate to international good practice?
- f. What adjustments or modifications are required for making these laws efficient, effective and harmonized for trade facilitation?

Agenda 3: How comparable countries are addressing implementation of TFA

The WTO's Trade Facilitation Agreement (TFA) has a key role to play in helping developing and least developed countries to reduce their trade costs linked to handling imports and exports. Many of the rules in the TFA are designed to be beneficial to businesses, especially SMEs. However, concerns remain in developing and least developed countries about whether they have the resources and expertise to

implement many of these rules and procedures, for which they will need technical and financial assistance from the international community.

In order to translate the challenges of TFA implementation into opportunities the Ministry of Commerce needs to know the short term requirements in the categorization and notification of TFA provisions as well as in estimating the financial and technical resources required to implement their category C commitments. It also needs to build the capacity of the institutions in addressing the challenges. The ministry may also need to build strong partnership with the private sector. The ministry will also need to prepare an implementation roadmap for each of the TFA priority measure, for instance: Advance Ruling Systems, Authorized Economic Operators and Post Clearance Audit, National Enquiry Points, among others. Subsequently, the MOC will need to estimate the costs and resources required for implementation of prioritized TFA measures and to approach donors to raise funds to mobilize technical assistance. The MOC has therefore planned to conduct this study with the following objectives:

- (a) Identification of current status of Bangladesh in implementation of the TFA;
- (b) Identification of gaps between the agreement and present situation in implementation of the TFA;
- (c) Identification of requirements for complete implementation of TFA;
- (d) Identification of status and best practices of regional countries in implementation of TFA and the measures they are taking to advance the implementation process;
- (e) Comparison between Bangladesh and other regional countries in implementation of TFA;
- (f) Recommendations for addressing the implementation challenges.

3. Timeframe of the Services:

The duration of the assignment is anticipated to run for a period of **six months** commencing on the date of signing the agreement. The Consulting Firm shall report to the Project Director or his assigned official for any clarification with regard to the assigned responsibilities or any issues that need to be mitigated.

Sl. No.	Report/ Deliverables	Expected date of Delivery
01	Inception Report	Within 02 Week from contract signing
02	Literature review and data collection	From Week 03-20 from contract signing
03	Presentation of the draft findings in a Workshop	Within 21 weeks from contract signing. All cost of the workshop will be borne by the Consultant.
04	Submission of the Final Reports	Within 24 weeks of contract signing

4. Expected deliverables from the firms/institutions:

The consultancy firm will at least submit the following reports for each of the studies to the project authority:

- a) Inception Report
- b) Draft Report
- c) Final Report

The Inception Report (IR) will contain scopes, methodologies and work plan for each of the studies separately and in detail. The IR must have an elaboration of study questions and objectives. This elaboration should follow the detail of research methodologies to be applied for each of the studies. The detail plan of quantitative and qualitative analysis and methods for data analysis will also have to be included in the inception report. The methodologies should include justification for choosing a particular methods of data collection, sampling design and indicators, data sources, detail of data collection methods and a set of data collection instruments to be used in each of the studies, detail of field survey or study and limitations in study. The inception report should also contain the detail of key persons engaged in the study and their specific responsibilities. It should also contain the plan for monitoring and evaluation of study progress by the research firm and the client's representatives. The work plan also needs to be detail so that the client understands how the studies will reach to final stage of report writing.

Draft Final Report (DFR) will contain detailed findings, qualitative and quantitative analysis on findings. The structure of DFR should at least contain executive summary of the study, introduction, literature survey, methodology of the study, findings of the study, discussion and analysis, recommendations and conclusions, references and annexures. This study will have three separate DFRs. Report should be delivered in English version.

The Final Report (FR) of the study should be submitted to PIU on agreed formats before the end of the contract period. The report should at least contain executive summary, introduction, literature survey, methodology, findings, discussions and analysis, lessons learned, recommendations/suggestions, conclusions, references and database in the annexure, The FR should also have a discussion about the observations of the stakeholders including clients and their answers. This study will have three separate FRs. Report should be delivered in English version.

All reports will be evaluated by the technical committee of the project and the recommendations of the technical committee will have to be reflected in the reports before finalization of the same.

The consultant will arrange for proof reading, if required to maintain the quality. All field notes and the data set should be submitted as annexure with the final report. Follow up meetings will be held time-to-time between the contracted agency/consultant and BRCP, MOC. Ten (10) printed copies of each of the final reports should be submitted along with soft copies. During the implementation, any other information that is important may be added/ deleted during discussion periods, which may become an integral part of the TOR.

5. Methodology of Study

Sampling: Depending on sub-components and components, the sampling unit will be decided in consultation with the implementing agency(s). A sample frame including number of participants in different data collection methods will be developed using standard sampling framework for each study topic according to agreed catchment area(s)/ principles in discussion with the implementing agencies.

Document Review: The studies will have a large number of document reviews to do analysis and comparison among regulatory regimes.

Questionnaire: The survey questions will be developed and agreed with the related implementing agency(ies). Testing of the questions will be required.

Key Informants Interviews:

To verify data collected from beneficiaries, group or individual interviews with key informants will need to be organized. Approach to selecting KII and guide is to be elaborated by the firm.

Focus Group Discussion:

The survey team can use the FGDs tool. The FGDs will complement the data generated from the survey questions and through other methods. The FGDs will be carried out in mix or separate male/female groups as appropriate and will be carried out based on an elaborated guide approved beforehand by the related implementing agency(ies). Detailed documentation of the proceedings of the FGDs will be maintained.

Public Consultations

These studies will also include public consultations at selected locations with the relevant stakeholders in discussion with the implementing agency (ies).

Data Analysis and reporting

The data will be processed in SPSS or similar data processing software. The qualitative data will be analyzed by using NVIVO or other similar software. Privacy of the survey data will be strictly maintained by the consultant/firm.

6. Consulting Firms qualification and experiences

The interested consulting firm should provide evidence of the following in their applications:

- The Consulting firm shall have the legal capacity to enter into the contract;
- The firm should have at least 07 years of general experience in providing consulting services out of which at least 03 years of experience in national and international trade related research or studies for public and private sector;
- The firm should have successfully completed at least one service contract related to national and international trade including border management operations of Bangladesh within last 5 years;
- The firm should have experience in working with development partner's funded projects (IDA financed project experience would be desirable);

- The required average annual turnover of the consulting firm shall be at least Tk. 30 Lac in last three years;
- A capacity statement on available training facilities, IT equipment, logistics support, transport and office space;
- Undertaking that the firm has not been blacklisted or debarred by any Government Organization or by IDA;
- List of key professional staff including proposed core team for the assignment, showing qualification and experience including the projects/assignment on which they have worked, their role in the assignment/project and duration of their engagement with the assignment/project.
- **Required Documents:** The company must submit the following documents:
 - a) Company Registration, Up to date Tax payment certification and VAT registration certificate;
 - b) Audited Financial statement (last 03 Years);
 - c) Company Brochure.

7. Team Composition and their Qualifications

The proposed services under this Terms of Reference shall be carried out by using a firm (Consultant) with adequate experience in designing and delivering the expected output of the study. The firm should propose the structure and composition of its team members. It should list the main disciplines of the assignment, the key experts, technical and support staff. An indicative team structure may be as follows:

- A: Team Leader-1.
- B. International Trade Expert-1;
- C: Legal Expert-1.

Position	Duration (man months)	Qualification, Experience and Responsibility
Team Leader-01 No.	06	<p>Team Leader (TL) must have a minimum of 15 years of general experience out of which at least 10 years' relevant prior experience. He must have relevant Master's degree from a recognized university preferably in International Trade, Trade Law, Business Administration or other related areas. She/he must have experience in working with trade regulating agencies and familiarity with trade environment and related international agreements. Must have experience of working with complex, multi-system environments in public sector.</p> <p>The Team Leader will take the overall responsibility for the execution of the assignment in accordance with the TOR and also for the coordination of all professional inputs. She/he will be responsible to the Employer and maintain close contact with Project Director (Employer's representative) to ensure that the contract is implemented in accordance with the World Bank guidelines. The Team Leader will act as the Consultant's authorized representative for both the design and implementation supervision phase and make decisions on all matters pertaining to the consulting services.</p>

International Trade Expert-01 No.	06	The incumbent must have a minimum of 15 years of general experience out of which at least 05 years' relevant experience in international trade areas. She/he must have relevant Master's degree from a recognized university preferably in International Trade, Trade Law, Business Administration, Operations Management, IT Management or other related areas. She/he must have experience in trade facilitation, logistics, infrastructure/connectivity assessment and planning. She/he must have least 8 years customs and border management experience. She/he should have familiarity with trade and transport issues in South Asia with specific exposure to overland trade, and cross border goods movement. She/he should have strong written and verbal skills in English Knowledge and understanding of business practices of trade regulating agencies.
Legal Expert-01 No.	06	The incumbent must have a minimum of 10 years of general experience out of which at least 05 years' relevant experience in trade related laws. She/he must have relevant Master's degree from a recognized university preferably in Law or Trade Law or International Trade or other related areas. She/he must have experience of working with trade regulating agencies. She/he should have strong analytical skills and understanding of trade regulating rules and regulations of Bangladesh.

The Consulting firm will also propose program support staff as per their work plan.

8. Payment

Payments shall be made in line with agreed-on outputs according to the following schedule:

- Inception Report: Ten (10%) per cent lump-sum of contract price shall be paid upon submission of the Inception Report duly accepted by the Client.
- Draft Final Report: Forty (40%) per cent lump-sum of contract price shall be paid after submission the draft report duly accepted by the Client and
- Final Report: Fifty (50%) per cent lump-sum of contract Price shall be paid after submission the final report duly accepted by the Client.
- All relevant taxes and VAT shall be deducted at source at the applicable rates by the Government of Bangladesh.

9. Miscellaneous

The firm (consultant) will facilitate monitoring of studies by the employer, and World Bank officials.

The project will provide to the Consulting firm all key program documents & reports such as:

- Relevant extract of Technical Assistance Project proposal (TAPP), if required;
- Sharing relevant up to date project information for a better understanding of the project;
- Providing timely feedback to the consulting firm on inception report, questionnaire, sampling, training module, draft reports etc.;
- Any logistic support such as transportation as well as office space will not be provided by the client.

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