



Assessing Cost-effectiveness of Non-Tariff Measures – A Toolkit

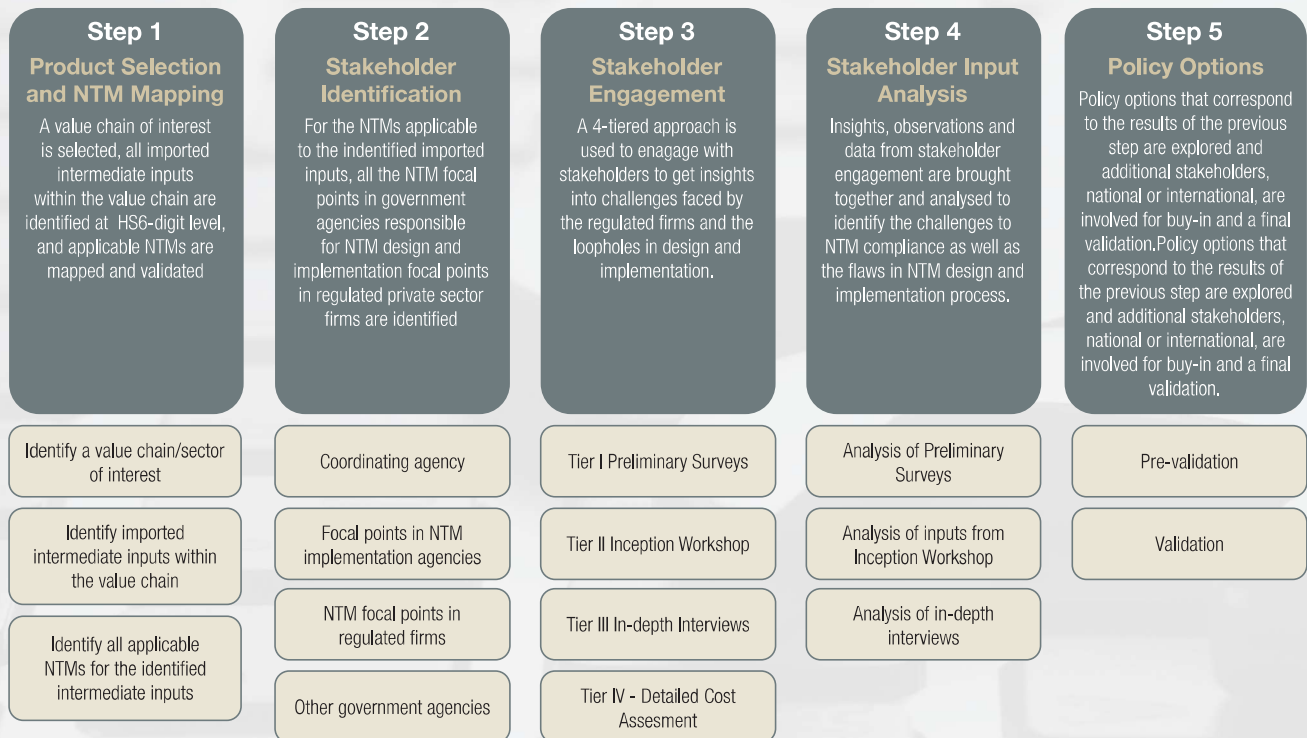
NTMs can increase the cost of doing business through increased compliance costs, thus reducing productivity. Poorly designed and inefficiently implemented NTMs can create administrative and financial burden for the private sector. This makes it necessary to review NTMs with the objective of minimizing compliance costs, improving design and making implementation processes more effective: all critical elements for boosting regional value chains (RVCs).

Governments' desire to streamline NTMs for facilitating trade and reducing business costs has gained traction in recent years. However, there are two sides to the coin – while NTMs have enforcement and compliance costs, they are usually necessary for achieving economic, social, and other policy goals. It isn't easy to quantify these costs and benefits. Yet, it is important to evaluate NTMs in terms of the objective they are *designed* for, the way they are *implemented*, and how easy it is for the private sector to *comply* with them.

The *Non-Tariff Measures Cost-Effectiveness Toolkit* is designed to provide governments and policy makers with a framework, plus respective tools to conduct such an evaluation. The toolkit is designed on 3 pillars – **Design, Implementation and Compliance**. The Design pillar evaluates how suitable the NTM has been/can be for meeting the stated objectives; Implementation assesses the efficacy of procedures and costs of implementing the NTM; and Compliance measures how burdensome the NTM has been on the private sector.

“In a nutshell, the toolkit provides a systematic approach and easy to use tools to review NTMs and find out how to improve the efficacy and costs of each NTM.”

5-step approach to reviewing NTMs



Prepared to review NTMs applicable to intermediate input(s) for a value chain/sector of national economic and political interest, the toolkit aims to encourage good regulatory practices amongst its users. The findings from the toolkit should enable users to generate policy options towards implementing well-designed NTMs that meet economic and non-economic policy objectives.

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