

TRADE FACILITATION SUPPORT PROGRAM



The Trade and Competitiveness (T&C) Global Practice of the World Bank Group (WBG) is launching the Trade Facilitation Support Program (TFSP) to provide technical assistance (TA) for developing countries.¹ The Program will help countries to reform their trade facilitation practices in a manner consistent with the main components of the new Trade Facilitation Agreement (TFA), reached at the 9th WTO Ministerial Conference in Bali, Indonesia, in December 2013. The Program will focus on the effective implementation of trade facilitation reforms in developing countries to enhance private sector competitiveness, thus leading to increased trade, investments and job creation.

Description of the Program

The Program has two main components:

(1) **Provision of Technical Assistance (TA):** Under the Program, the WBG will help developing countries reform their trade facilitation laws, procedures, processes and systems in a manner consistent with the WTO TFA. More specifically, the Program will provide support in the design and implementation of policy, regulatory, legal and institutional aspects, taking into account countries' schedules of commitments, identified gaps and implementation capacity. The main areas of intervention supporting the core principles of the WTO TFA include:

- Assistance to schedule commitments and implementation timelines;
- Review and validation of Self Assessments and identification of reform gaps;
- Support and strengthen national trade facilitation committees;
- Review/revision and drafting of trade-related laws and implementation regulations to ensure alignment with the TFA;
- Simplification, streamlining and harmonization of trade procedures and documents to reduce time and cost to trade;
- Integration of risk-based-management systems and other contemporary border management approaches into border inspections and clearance processes;
- Review of inter-agency coordination and design of institutional capacity building plans;
- Support of regional solutions to facilitate and support regional integration;
- Implementation of policies and practices to facilitate the recognition of agreed standards for goods crossing borders;
- Improvement of transparency and accountability measures of trade practices;
- Foster partnerships between public and private sectors to catalyze trade facilitation reforms; and
- Support for the design and implementation of automated systems and innovative technologies to facilitate trade, including e-payment systems, national trade portals and single window systems.

¹Trade facilitation activities can be funded via several WBG platforms: (1) TFSP described in this factsheet; (2) the WBG's lending instruments; (3) the Multi-donor Trust Fund for Trade and Development (MDTF-TD2), which aims to finance analytical work and support the WBG's broader trade and development strategy; and (4) the Trade Facilitation Facility (TFF), which finances mostly recipient executed projects in Africa and some other lower-income and lower-middle income countries.

Emphasis is given to rapid-response type interventions, with a view to create and sustain reform momentum. TFSP can also finance trade facilitation TA interventions that are not specifically covered by the TFA but which support the TFA's intention to create more open trade regimes and lead to higher impact.

(2) **Knowledge, Learning and Measurement:** The Program will also complement and underpin project interventions with the development of knowledge, learning and measurement toolkits and initiatives, in collaboration with the Trade and International Integration Team of the Development Economics Research Group. Such activities may include benchmarking of progress in TFA implementation, impact assessments and evaluations, piloting of best practices in the field of trade facilitation and border management, and development of project-level monitoring and result measurement indicators. Peer-to-peer learning and experience-sharing events within and across regions may also be organized to help encourage dissemination of best practices between developing countries.

Expected Impact

Trade facilitation boosts trade by reducing costs and delays for traders, through measures that provide predictability, simplicity, transparency and uniformity in customs and other border procedures. The OECD estimates that for every one-percent reduction in global trade costs, global incomes go up by \$40 billion. Other studies estimate that significant trade facilitation reforms could cut trade costs by almost 14.5 percent for low-income countries, 10 percent for high-income countries and lead to the generation of millions of new jobs across the globe. Forty percent of trade in manufactured goods from developing country exporters goes to other developing countries. As a result, developing countries are eager to reduce administrative barriers in other developing countries.*

Eligibility Criteria & Request for Support

Requests for assistance from TFSP can be made directly to the Program through WBG offices, the WTO, or through one of the founding partners. The following countries will be prioritized in the selection: (1) IDA-eligible, low-income, and fragile and conflict affected countries; and (2) middle-income countries that act as gateways to least developed countries (LDC) and/or whose performance significantly impact on the performance of regional LDCs as well as those that are willing to co-finance TA activities. To receive support under the Program, countries will be expected to have demonstrated strong commitment to implementing trade facilitation reforms in the areas covered by the WTO TFA.

To obtain information on how to access the Program, please go to www.TradeFacilitationSupportProgram.org and/or contact TFSP@worldbankgroup.org.

Our Partners:



* http://www.wto.org/english/news_e/news13_e/mc9sum_07dec13_e.htm

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