

INVESTMENT CLIMATE

Supporting Trade Facilitation in West Africa

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WORLD BANK GROUP
Trade & Competitiveness



Why is trade logistics important?

WBG Trade Facilitation Support

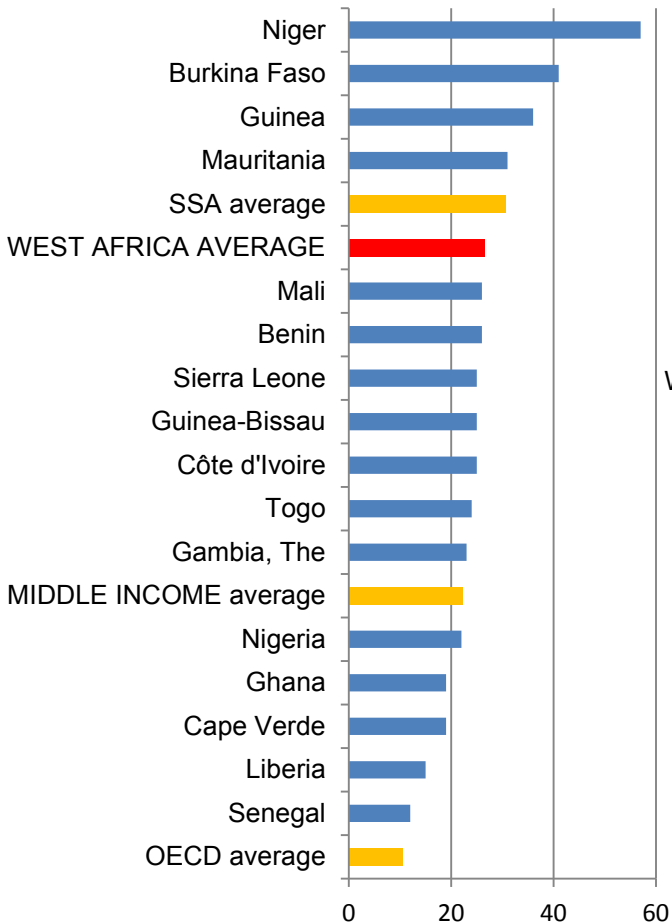
WBG implementation of Trade Facilitation Support Program

Trade Facilitation – A couple of definitions

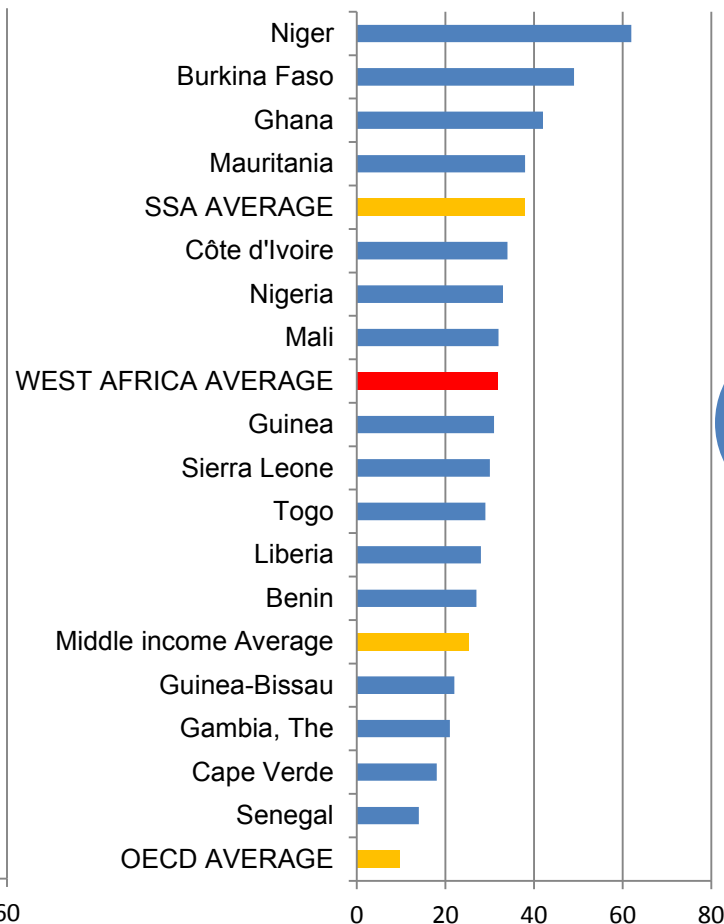
- ❑ “**simplification, standardization, and harmonization** of procedures & processes and associated information flows to move goods through the supply chain in a transparent and predictable manner”
- ❑ “identifying and addressing bottlenecks that are imposed by **weaknesses in trade related logistics and regulatory regimes** and that prevent the timely, cost effective movement of goods.”
- ❑ “trade facilitation measures are basically an extension of market access procedures that lower transaction costs and increase timeliness of transit.”

Why does it matter to countries? --West Africa's private sector face long time delays to export and import

Time to Export a 20-foot container through the closest port (days)



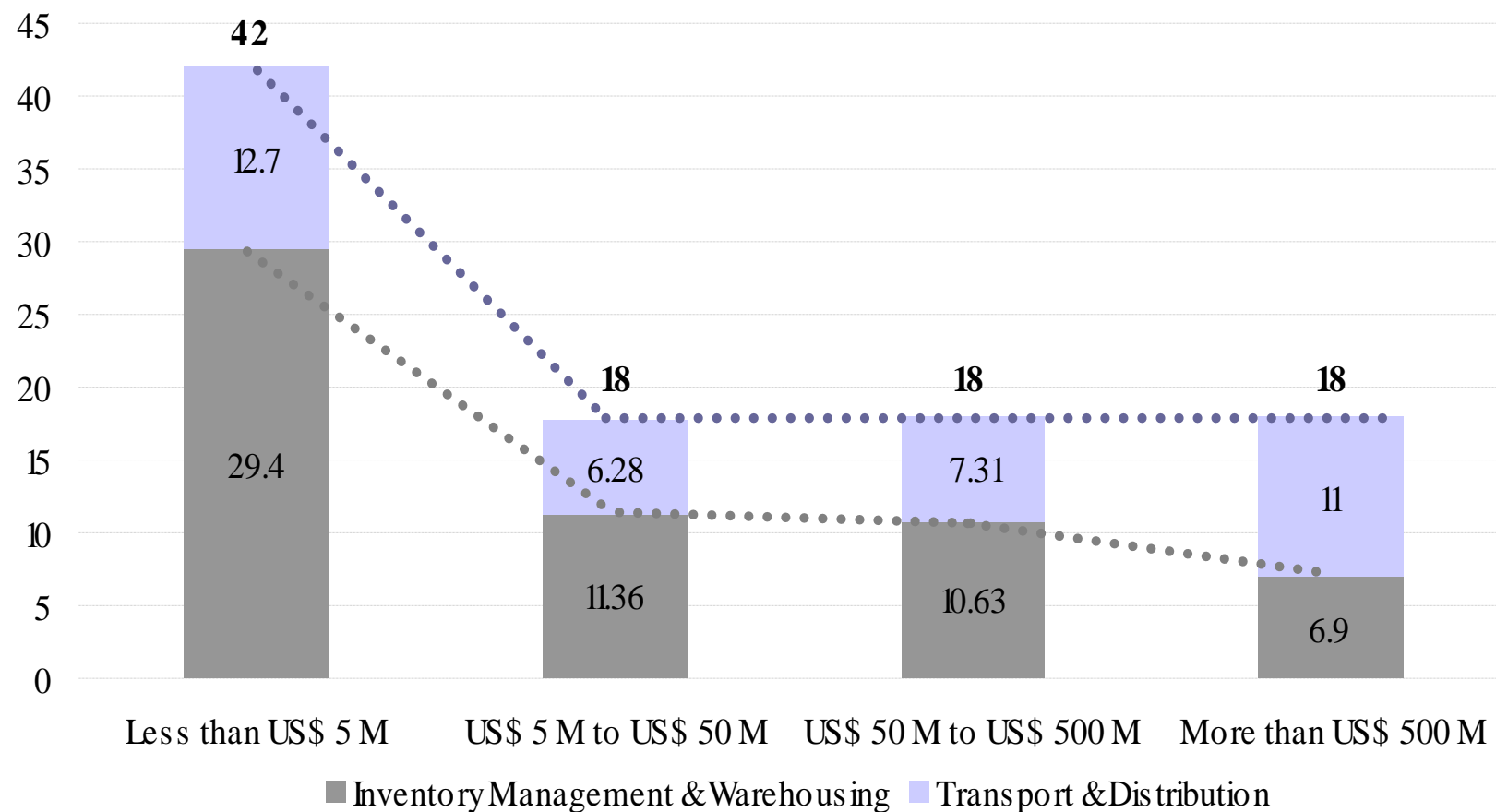
Time to Import a 20-foot container through the closest port (days)



Source: DB 2014

There is a disproportionate burden on small firms

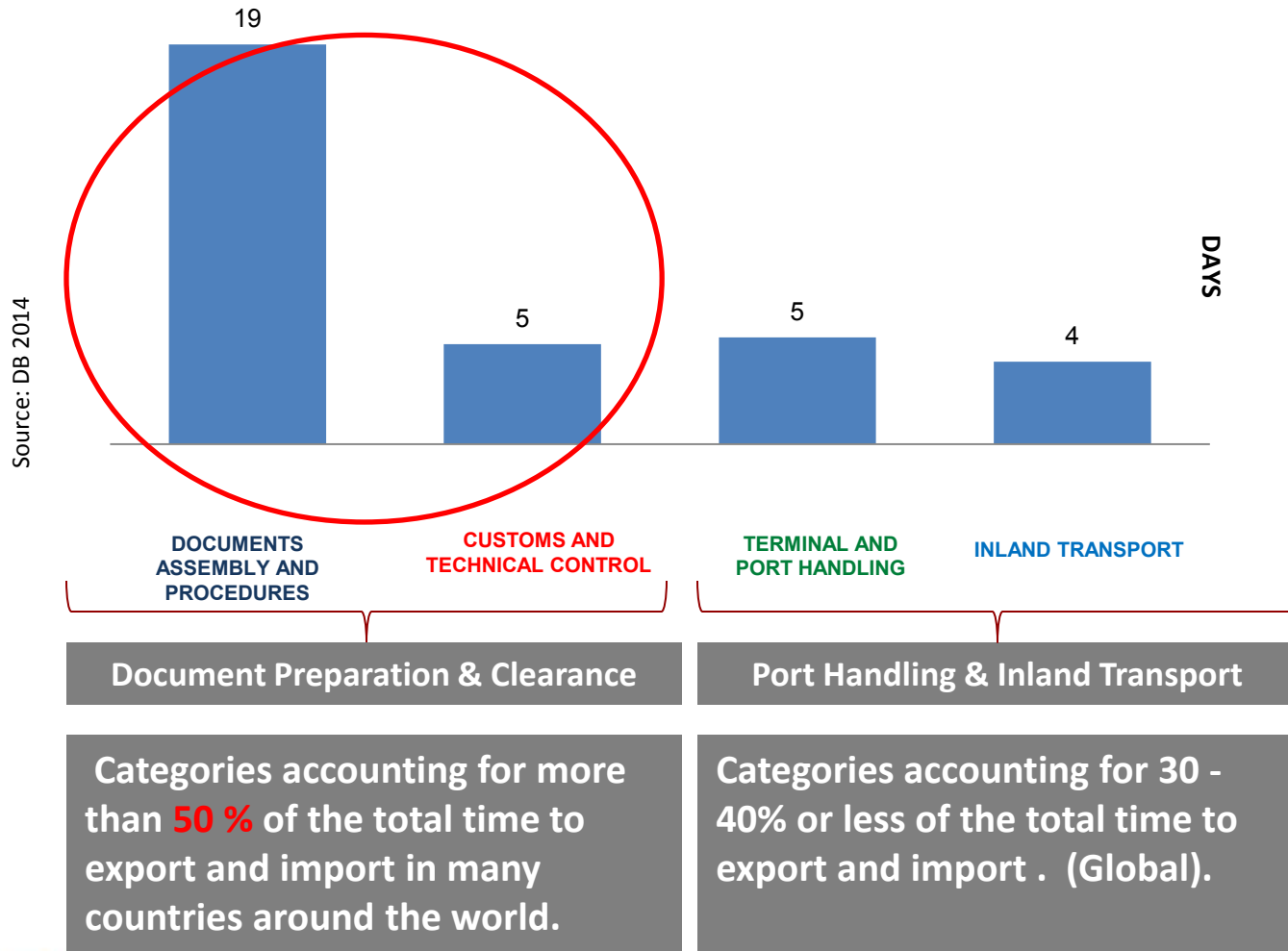
Average logistics cost as a % of sales



Source: Centro Logístico de Latinoamérica, Bogota, Colombia. Benchmarking 2007:
Estado de la Logística en América Latina Anexo, María Rey Logistic Summit 2008

...and in the West African countries these high costs are driven by documentary and clearance procedures

West Africa region average import time (days)



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World Bank Group Trade Facilitation Support

- World Bank Group is a major provider of trade related assistance throughout the world
- Fiscal year 2013 - \$5.8 billion devoted to trade facilitation projects
- Two thirds devoted to low or lower middle income countries
- Over 120 customs and border management projects over past 20 years

- Focus on three themes critical to improving trade competitiveness:
 1. Institutions
 - ❑ Customs and border management agency modernization
 - ❑ Adoption of simplified and harmonized procedures in line with international standards (WTO/WCO)
 - ❑ ICT
 2. Infrastructure
 - ❑ Ports
 - ❑ Border facilities
 - ❑ Road and rail networks
 3. Logistics Services
 - ❑ Trucking
 - ❑ Forwarding and clearing

World Bank Group's support to trade facilitation is wide ranging

MULTIDIMENSIONAL AND CROSS-CUTTING

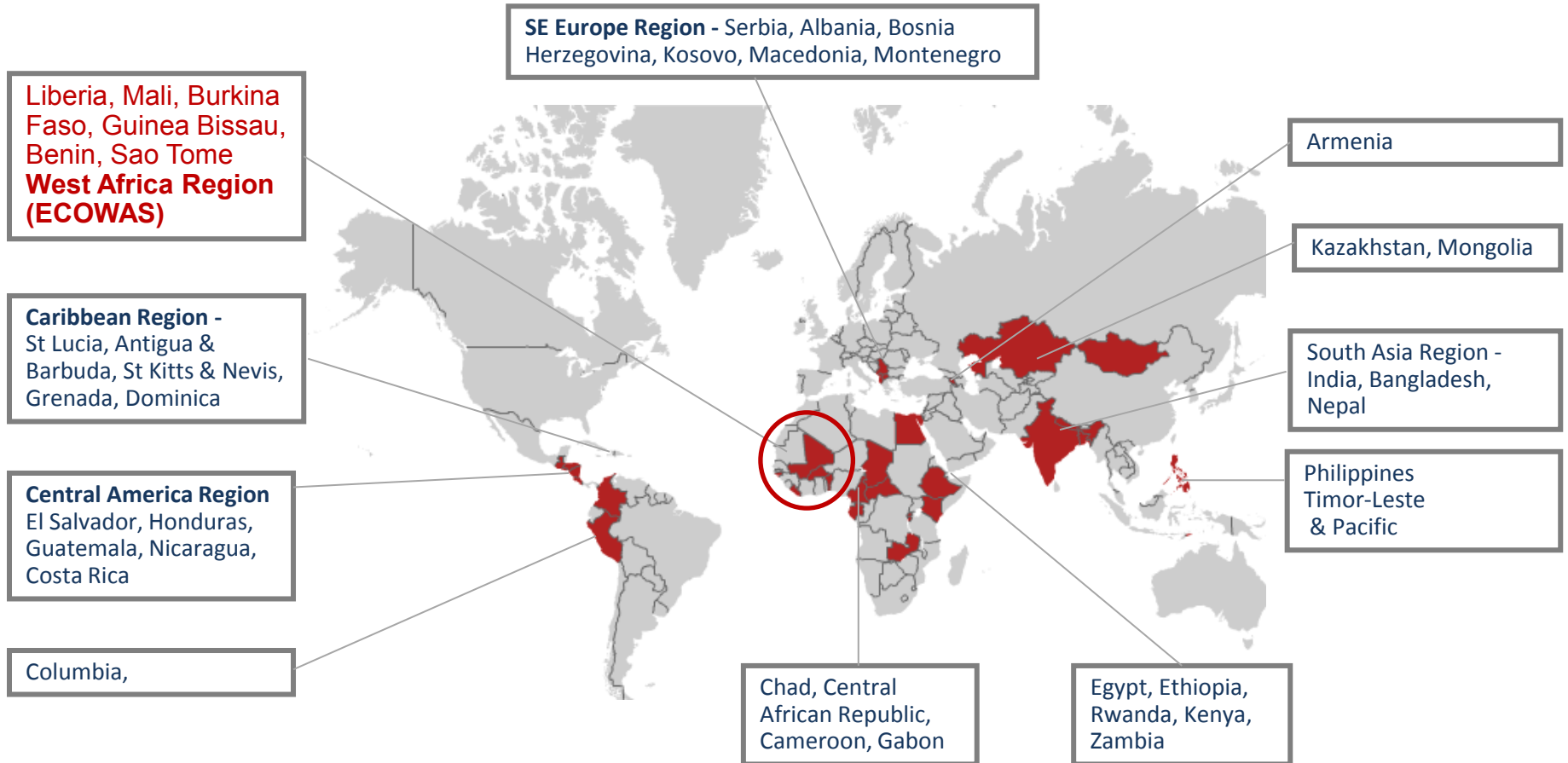
Technical Assistance and Capacity Building	<ul style="list-style-type: none">• Investment climate advisory services (trade rules and regulations; SEZs)• WBI South-South knowledge transfer programs
Financing, Loans and Credits	<ul style="list-style-type: none">• Focusing on export competitiveness and trade facilitation• IFC investments and trade finance facilities (Around half of total Bank Group aid for trade supports the private sector directly (IFC))
Policy Analysis and Advice	<ul style="list-style-type: none">• DTIS• Country-specific studies
Global Programs and Partnerships	<ul style="list-style-type: none">• Participation in the Aid for Trade initiative• Enhanced Integrated Framework
Data, Indicators and Research	<ul style="list-style-type: none">• Logistics Performance Index• Doing Business Trading Across Borders• Open Data initiative (http://data.worldbank.org)• Working papers, policy briefs, books, flagship reports

World Bank Group trade facilitation projects typically align closely with TFA measures:

- Trade Information Portals and National Single Window systems
- Legal and regulatory framework review and modernization
- Procedural simplification and harmonization
- National Trade Facilitation Committees – to improve inter-agency coordination and public/private dialogue

Often part of broader trade and transport projects

Trade Logistics Project Countries

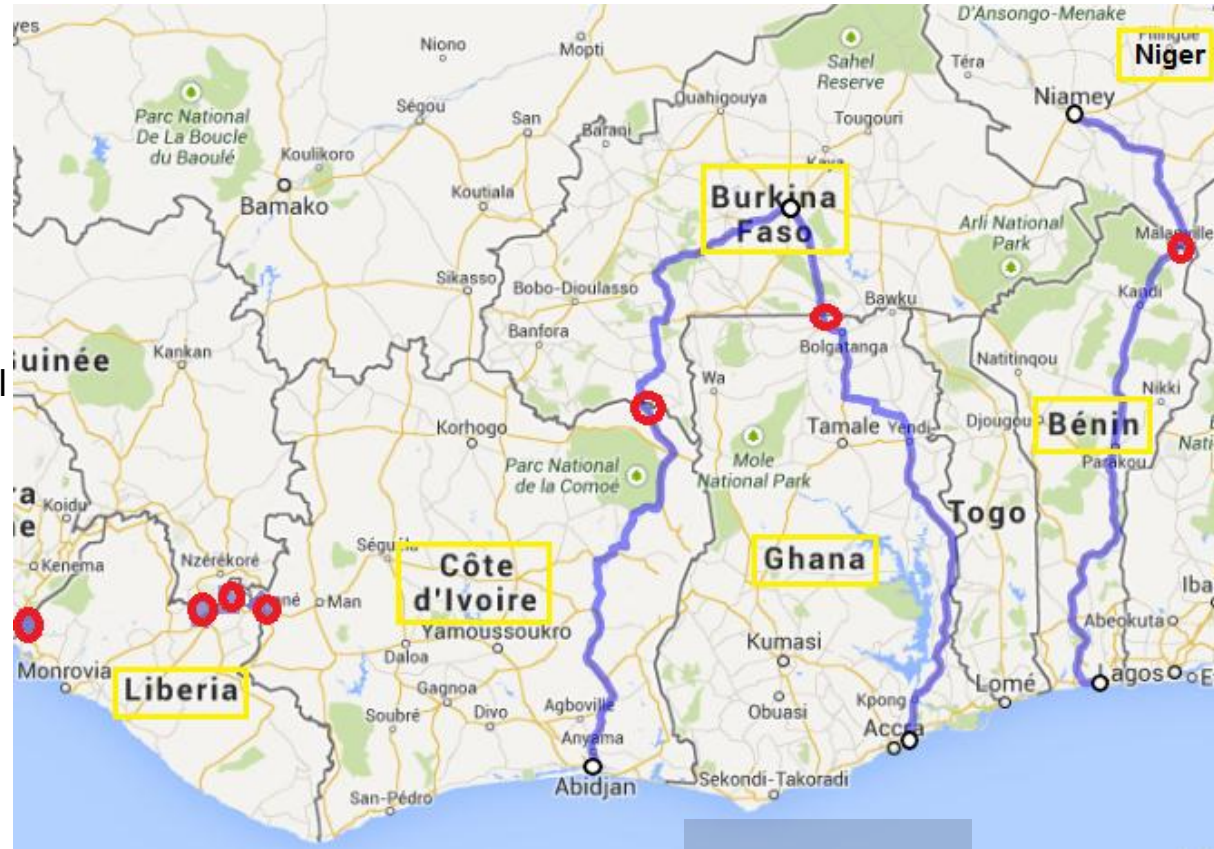


Trade Logistics projects in over 50 countries

West Africa Trade Logistics project (2014-2018)

Examples of planned activities:

- ❑ Collection of baseline data with focus on inland borders
- ❑ Establish Private Public Dialogue framework between trade community and border agencies
- ❑ Development of scorecard on compliance of international/regional agreements on trade
- ❑ Streamline processes and documents
- ❑ Enhance risk management system
- ❑ Automation of customs procedures
- ❑ Implementation of mobile technology for trade-related payments and information dissemination



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TFSP Preparation & Implementation Support

Program Objective

Assist developing countries reform their trade facilitation laws, procedures, processes & systems to in a manner consistent with the WTO TFA.



Program Features

- Implementation focused - TFA+ +
- WBG executed
- Rapid response capability
- Deep engagement with the private sector
- Strong monitoring, evaluation & results framework
- Complementary & sequenced TA activity
- WBG presence in most countries
- Global expertise

TFSP Components (1 of 2)

Provision of TA - Examples

- Assistance to **schedule commitments** and **implementation timelines**
- 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 including the implementation of a risk based approach
- Review of **inter-agency coordination** and design of institutional capacity building plans

TFSP Components (2 of 2)

Knowledge, Learning and Management

- Development of **knowledge, learning and measurement toolkits and initiatives**, with the WBG Trade and International Integration Team of the Development Economics Research Group
- **Benchmarking of progress in TFA implementation**, impact assessments, evaluations, and result measurement
- **Peer-to-peer learning** and experience-sharing events within and across regions

Program Sequencing of TFSP

WBG will support countries to align to the WTO TFA – All Categories

Phase 1

- Validation and review of Country Self Assessment
- Produce Reform Map
- Propose Sequence of Activities and Timeline
- Set up NTF committee to lead the reform program
- Support the categorization & commitment process
- Review inter-agency coordination.

Phase 2

- Identification and support in implementing Quick Wins and medium terms reforms
- Improve transparency and predictability for traders
- Review and align relevant trade laws
- Harmonization, simplification of procedures & systems
- Border agency coordination
- Risk management
- Support trade facilitation through innovative technology

Phase 3

- Support design and software for ICT tools to implement deeper and more systemic reforms
- Assistance with leveraging funds from the WB and other partners for longer term, large-scale ICT implementation, and infrastructure and institutional development projects

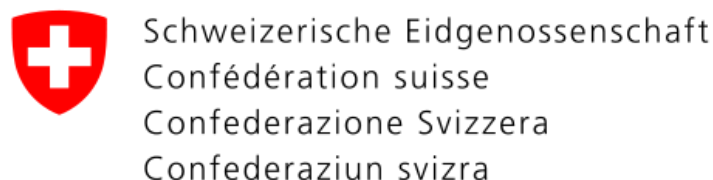
Importance of Reform Implementation Sequencing

(Article 8) Border Agency Coordination



Automation (10.4 Single Window)

TFSP Partners



Financial Commitment of US\$30 Million to date
Initial Program Time Frame: June 2014 – June 2019

Contact Information

To request for support, please go to our website:

www.TradeFacilitationSupportProgram.org

Or Contact: TFSP@worldbankgroup.org

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