

FORUM FOR NATIONAL TRADE FACILITATION COMMITTEES

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Empowering Public-Private partnership for trade facilitation

AFRICA

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“Trade Facilitation efforts and prospective in Africa”



WBG IS A MAJOR PROVIDER OF TRADE RELATED ASSISTANCE



Analysis and Diagnostics
Technical Assistance
Financing of major trade infrastructure and institutional reform projects
Research and data products (LPI/Doing Business)
Global advocacy and partnerships

The current portfolio is over \$7 billion for trade facilitation projects.

The World Bank Group has implemented more than **120** customs, border management and trade facilitation projects over the past 20 years that have resulted in major improvements in terms of reduced time to import and export, as well as better transparency, predictability, and reduced transaction costs for traders.



Part of this is the WBG's support to the WTO's TFA agenda through the Trade Facilitation Support Program (TFSP)

MACROECONOMICS, TRADE AND INVESTMENT (MTI): A JOINT GLOBAL PRACTICE



Software

Reengineering of systems and procedures, reduction of red tape, improvements in the competitiveness of transport and logistics markets, institutional development and coordination of trade-related agencies, and increasing the professionalism of logistics service providers.

**Trade facilitation
and logistics
support**

Hardware



Trade-supporting infrastructure investments such as roads, ports, cargo handling facilities, and ICT systems.

Maximize economic impact

(e.g. complementing cross-border road projects with reforms to streamline border clearance processes)

MTI projects directly cut trade costs and facilitate trade by:
improving cooperation across border management agencies, harmonizing procedures, and fostering smoother and more cost-effective logistics.

KEY TRADE FACILITATION CONCEPTS

Historical Approach

- Priority on control
- Reform episodes
- High levels of physical inspection
- Focus on goods
- Focus on identifying non-compliance
- Limited incentives for compliance
- One size fits all
- Limited use of ICT
- Adversarial relationship with trade
- Competition between agencies
- Limited cooperation with neighbors
- Limited operational statistics
- Immediate transaction focus

Modern Approach

- Facilitation/control balance
- Continuous improvement
- Intervention by exception (risk based)
- Focus on information
- Focus on compliance & non-compliance
- Strong incentives for compliance
- Flexible solutions for different clients
- Extensive use of ICT
- Constructive partnership with trade
- Collaboration between agencies
- Extensive cross-border cooperation
- Clear measures of performance
- Client compliance and audit focus

Fast, fair, predictable and transparent processing and clearance of import, export and transit goods

TRADE FACILITATION SUPPORT PROGRAM (TFSP)

OBJECTIVE

Assist developing countries in reforming and aligning their trade facilitation laws, procedures, processes & systems to enable implementation of the WTO TFA Requirements



- Launched in 2014 – 40Million
- Designed to provide practical and demand-driven assistance
- Focuses on supporting the full and effective implementation of the WTO TFA and related trade facilitation reforms
- Helps client countries identify constraints, plan reforms implementation, and align procedures with international standards covering import, export, and transit activities.



Canada



Ministry of Foreign Affairs of the Netherlands



Norwegian Ministry of Foreign Affairs



Sweden
Sverige



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra



from the British people

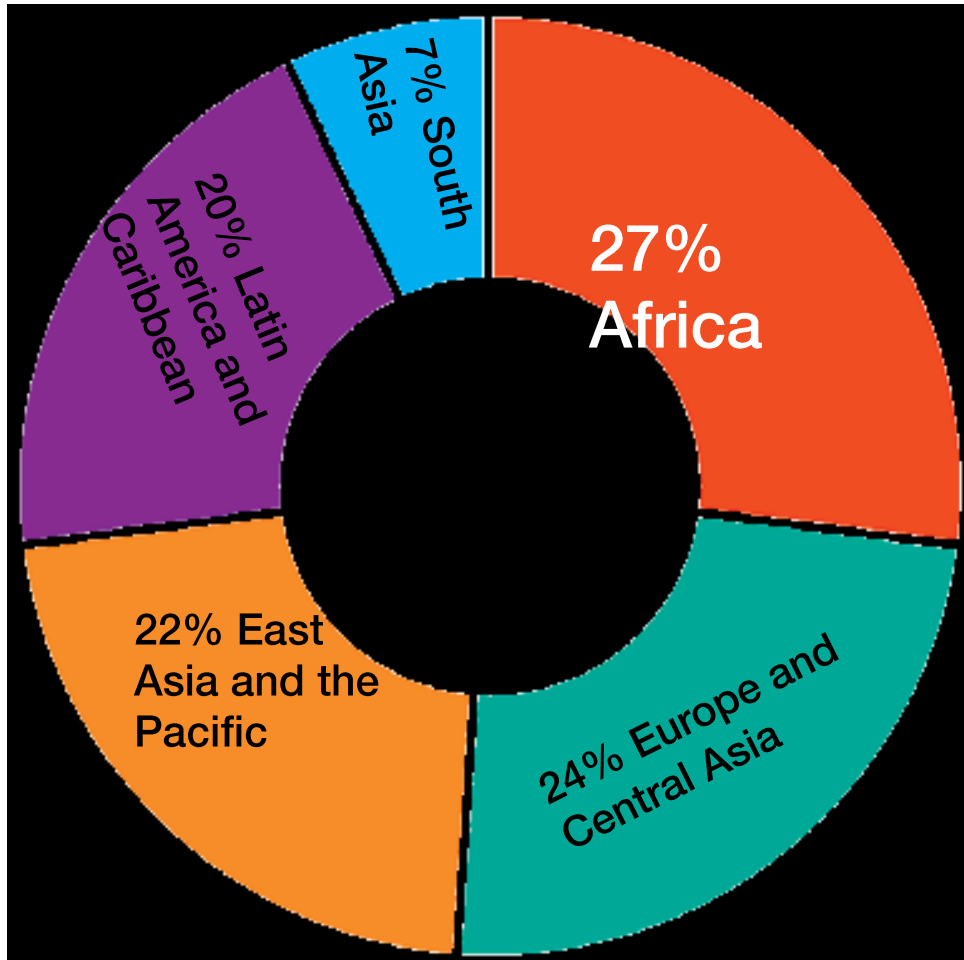


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SUB-SAHARAN AFRICA MAKES UP THE BIGGEST SHARE OF THE TFSP PORTFOLIO AND IS LIKELY TO EXPAND FURTHER



11 African countries supported by the WBG TFSP since its inception:

- Botswana
- Burundi
- Eswatini
- Ethiopia
- Lesotho
- Liberia
- Madagascar
- Malawi
- Sierra Leone
- Togo
- Zambia

Discussions on possible future TFSP support are under way with another 6 countries:

- Mali,
- Mozambique
- Niger
- Nigeria
- Tanzania
- Uganda

TRADE FACILITATION IN WEST AFRICA PROGRAM

Objectives:

Improve the free and efficient movement of goods in West Africa region through the reduction of time and cost.

The program aims to achieve this by:

- implementing regional trade facilitation measures
- strong focus on selected corridors
- supporting small-scale traders, especially women

Multi-donor program:

- Program conceived at the request of ECOWAS and WAEMU, two regional economic organizations (RECs) to support their trade facilitation initiatives in West Africa.
- Several donors, namely, USAID, EU, Netherlands and Germany supported the pooled funding approach, and asked the WBG and the GIZ to implement the program, with WBG as the leading agency.
- The program has an estimated budget of \$70M USD. The program is designed with the option for other donors to join.

- Advantage of concentrated focus of technical assistance

Focus on Corridors:

6 focus corridors:

Dakar – Bamako

Abidjan - Ouagadougou

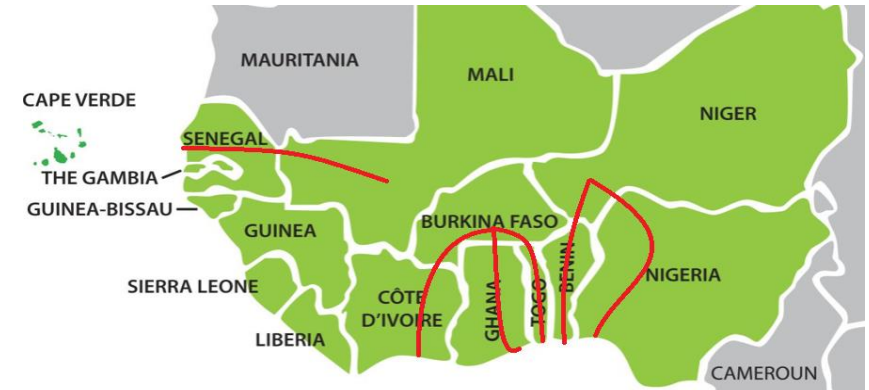
Tema – Ouagadougou

Lomé - Ouagadougou

Cotonou – Niamey

Lagos Kano Maradi /

Zinder - Niamey



- At inception, program will conduct a comprehensive corridor-wide assessment for each corridor.
- Program will address trade facilitation (including customs clearance) and logistics bottlenecks.

COMMON CHALLENGES FOR FULL AND EFFECTIVE IMPLEMENTATION OF THE WTO TFA

Challenges around prioritization and sequencing of WTO TFA provisions:

- Challenges exist with building consensus around reform priorities amongst all relevant stakeholders can be
- A general lack of awareness of processes and procedures exists among traders
- Mandatory documents and official fees and charges are often not published or made easily accessible
- Excessive manual processes and outdated legislation
- Lack of an integrated ICT environment & inefficient logistics
- Lack of an integrated approach to risk management for border clearance across border agencies
- Multiple checking of documents and duplication in data entry and recording



Long delays at check points

CRITICAL SUCCESS FACTORS

- Identification of **political champions** who will ensure and provide confidence in effective Government support across the lifetime of the project
- Investment in and strengthening of **public private dialogue** regardless of the country's stage of development. Both kinds of cooperation require multiyear support and **creating a culture of trust**
- Establishment of a **National Trade Facilitation Committee** that builds the basis for public private dialogue at a national level on trade facilitation reforms and provides a formal process for the private sector to be included in any reform agenda
- Establishment of **structured and effective border agency cooperation** between Customs, health, quarantine, standards and other border agencies
- Support for **data exchanges that reduce duplicative procedures, support coordinated inspections, set common risk profiles and systems**, in a realistic time scale

WANT MORE INFORMATION?

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