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Statement by

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Excellencies, Distinguished delegates, Ladies and gentlemen,

I am pleased to welcome you to the 10<sup>th</sup> session of the Commission on Trade and Development. The work carried out by the Division on Technology and Logistics (DTL) is quite central to this Commission's thematic focus, "Trade, multilateral cooperation and sustainable development".

**Focus on Sustainable Development, Aligned with Nairobi Maafikiano**

DTL's work on trade logistics, including trade facilitation, Customs automation through ASYCUDA, sustainable freight transport, port and corridor management are some examples that illustrate the wide scope and far-reaching nature of our work. The overarching focus of our work programme is on "Trade logistics for sustainable development"; and our work is fully aligned with mandates given in the Nairobi Maafikiano.

Allow me to illustrate these points:

1. Trade costs in developing countries are on average 1.8 times higher than in developed countries. Delays at the border and various informal payments incurred by traders because of inefficient trade procedures, are among the biggest challenges facing developing countries in their

efforts to integrate into global markets. It is a proven fact that trade facilitation reforms contribute to a country's integration into Global Value Chains, leading to productivity growth, employment, and export diversification. Our work in trade facilitation, delivered in over 50 countries through the Empowerment Programme for National Trade Facilitation Committees aims to do just that.

The full implementation of the WTO Trade Facilitation Agreement, is estimated to result in trade cost reductions ranging from of 9 to 23%.

In this way, the efficient trade logistics helps to achieve some important SDG targets, including those targeting resource mobilization under SDG 1; trade diversification under SDG 8; sustainable infrastructure, including transport under SDG 11; transparency and good governance under SDG 13 and 16; partnerships and the multilateral trading system under SDG 17.

For example, Customs automation through ASYCUDA, UNCTAD's largest technical cooperation programme, contributes directly to the SDG 1 by significantly increasing the domestic resource mobilization in 80 countries that have ASYCUDA operations. ASYCUDA also contributes indirectly to SDGs by promoting paperless trade. In Angola, paper work associated with goods clearance went down by 70%.

Another example of how relevant DTL's work is for trade and development is the work that we carry out on transport infrastructure and services as well as port management. With over 80% of global merchandise trade by volume and more than 70% by value being carried by sea, one cannot overemphasize the importance of this contribution to the 2030 Agenda.

2. Our work is fully aligned with the Nairobi Maafikiano, which recognizes in numerous places the central role of UNCTAD's work in trade logistics. And there are eight paragraphs in the Maafikiano that specifically call upon UNCTAD to assist developing countries to:
  - 1) undertake trade facilitation reforms, including implementation of the Agreement on Trade Facilitation of the WTO;
  - 2) improve the efficiency of trade transactions;
  - 3) cooperate with member States in implementing the Automated System for Customs Data (ASYCUDA);
  - 4) enhance the port efficiency, and improve transit and transport connectivity;
  - 5) build climate resilience of transport systems and infrastructure; and
  - 6) contribute actively to the effective implementation of international agreements that recognize the role of transport infrastructure, trade logistics and trade facilitation in the implementation of the 2030 Agenda.

The member States have given us a strong and clear mandate. And I assure you that our work is fully in-line with the Maafikiano. I will illustrate this point in detail on Wednesday, when I report on the progress on promoting and strengthening synergy among the three pillars of UNCTAD work.

### **Lessons from the field**

Let me share some lessons from our long-standing experience in technical cooperation, and assisting Member States to negotiate, and afterwards implement relevant multilateral agreements including the WTO Trade Facilitation Agreement:

**First**, trade logistics is a cross cutting issue that needs to bring together various government ministries and agencies, the private sector, and other stakeholders. It is not easy to bring together powerful Ministries such as Finance, Trade, Transport, Agriculture and Industry to work together, and on top of that, to get the private sector into the same room. UNCTAD, unlike many other international organizations, has a clear comparative advantage in bringing multi-stakeholder collaboration through our often underestimated “convening power”. This is what we have observed in over 50 countries that have benefited from the UNCTAD’s Trade Facilitation Empowerment Programme. I am pleased to let you know that we have been able to build effective private-public partnerships in these countries. We also use various instruments such as knowledge transfer strategies, the training of trainers, and e-learning material to ensure the long-term sustainability of these partnerships once the National TF Committees have been established.

**Second**, strong political will and visionary leadership is a must to pull together a whole of government approach that is required for the success of trade facilitation reforms. This is specially the case, when countries attempt to implement a Single Window environment for trade and transport procedures. In Rwanda where ASYCUDA has successfully implemented a Single Window environment by integrating over 20 government ministries and agencies, the political will at the highest level played a critical role.

**Third**, our experience, especially with ASYCUDA, shows that Customs Automation is an early win in pushing forward trade facilitation reforms. This is because 70% of the trade facilitation measures included in the WTO Trade Facilitation Agreement are around Customs.

ASYCUDA is not only speeding up and simplifying goods clearance processes in over 80 countries around the world. In fact, it is also providing timely and accurate trade data and key performance indicators, which are

critical to monitoring and evaluating the progress made—and also measuring the achievement of SDG targets.

**Fourth**, trade and transport facilitation greatly help women traders and small enterprises. By helping reduce the incidence of “informal trade” through greater transparency and simplification of procedures, trade facilitation measures improve the condition of these vulnerable groups who tend to be more present in the informal cross-border trade.

Our research shows, however, that almost half of National Trade Facilitation Committees, NTFCs, do not take concrete actions and decisions towards gender mainstreaming in trade facilitation due to lack of awareness. Our work with these Committees is helping address this information gap and raise awareness on gender issues.

**Fifth**, with the ratification of the WTO Trade Facilitation Agreement, developing countries have a clear direction on (i) “what” to reform, but many find it difficult to figure out (ii) “how” to proceed with the reforms. Here is where we have a strong role to play.

For instance, Article 11 of the Agreement stipulates that countries should nominate a National Transit Coordinator. But the Article does not provide guidance as to what would be the role of this Coordinator and what should be his profile. These are some of the questions that DTL has tried to answer last spring, when we organized an Empowerment Course for National Transit Coordinators for selected African Countries.

With a 60.4% commitment implementation rate on average, including implementation by developed countries, there remains some way to go to ensure that Trade Facilitation procedures are streamlined and that the WTO Trade Facilitation Agreement is fully implemented.

We continue to help developing countries to acquire the necessary trade facilitation implementation capacity. We also help countries to develop [Category C-] project proposals for those trade facilitation measures where they require technical or financial assistance.

In sum, these are just a few lessons from the ground to give you a glimpse of the kind of work we do—that our interventions are strategic, and they follow a medium-term programmatic approach to delivering technical cooperation. These lessons also illustrate how critical trade logistics is for trade, sustainable development and the 2030 Agenda.

Mr Chair, let me conclude by telling a story about cashew nuts —called the “poor farmers’ crop”. Cashew nuts was a topic of several news media outlets this past weekend. Today African farmers receive a meagre 88 cents to a dollar for a kilo of cashew nuts. One kilo of cashew nuts is then sold in Geneva for an equivalent of 28-30 US dollars. There is something seriously wrong here. Especially because the value added is not hugely complex--shelling, roasting, adding salt, and packing in a no-frills plastic container as the one I am holding in my hand.

As you know, among others, procedural barriers to international trade, and poor trade and transport logistics discourage farmers from adding value to their produce. This is the case across many products that developing countries are exporting. It is my hope that that our work in trade facilitation and transport logistics help poor farmers and small enterprises in some ways to capture “just value” for their products in Global Value Chains.

Thank you.