CHAPTER 4

IMPLEMENTING THE TRADE FACILITATION AGREEMENT

Contributed by the World Trade Organization

Abstract: *Economic research and field evidence show that removing administrative and regulatory bottlenecks at borders can have powerful effects on reducing trade costs and increasing trade. The purpose of the new WTO Trade Facilitation Agreement is to expedite the movement, release and clearance of goods, including goods in transit. Implementation should help developing and LDC members reduce border inefficiencies, and the resulting costs, so realizing these gains. One particular feature of the Agreement is the implementation flexibility that it accords to WTO members. First, many of the approximately 35 technical trade facilitation measures are written in language that does not mandate but rather requires "best efforts." Second, the Agreement allows each developing or LDC member to determine when it will implement each trade facilitation measure, and to determine the support needed for its implementation*

INTRODUCTION

After nearly 10 years of work, WTO members concluded negotiations on the WTO agreement on trade facilitation (TFA or the Agreement) at the Ninth Ministerial Conference held in Bali, Indonesia in December 2013 (the final edited version of the TFA was issued on 15 July 2014 as WT/L/931). The Agreement was opened for acceptance by the WTO's 160 members on 27 November 2014 and will enter into force once two-thirds of the membership notify the WTO of its acceptance (the General Council Decision and the Protocol of Amendment can be found in document WT/L/940).

This Agreement is a milestone for the WTO as well as for the trade and development communities. It is the first WTO multilateral trade agreement reached since the WTO's creation in 1995. Perhaps more significantly, it is an agreement that incorporates the principle, not found in any prior WTO or GATT agreement, that a developing or least developed country (LDC) country's obligation to implement the provisions of the agreement shall be conditioned upon that member's acquisition of the necessary technical capacity, which may require donor support, based on each member's evaluation of its own needs and priorities.

To realise this unique principle, the Agreement contains extensive provisions that define the roles and responsibilities of developing and LDC members on the one hand and the donor members and the international and multilateral organisations supporting trade facilitation on the other. It also sets out the institutions and procedures to support delivery of assistance.

This chapter will explain, briefly, the new Agreement, the needs and priorities of developing and LDC members and the available support. Because trade facilitation, in general, has been on the agenda of donors and developing and LDC members for a number of years, this paper will also provide examples of members' successful implementation of some of the provisions of the Agreement, with donor support and the resulting benefits.

THE AGREEMENT ON TRADE FACILITATION

The purpose of the new WTO Trade Facilitation Agreement is to expedite the movement, release and clearance of goods, including goods in transit. At present, importers and exporters incur significant costs due to inefficient control and clearance procedures at customs and other border authorities, unnecessary border formalities and documentation requirements and opaque administrative fees and charges – all of which add significant dead-weight economic cost to international trade.

To give more context as to why the TFA is important, consider the positions of stakeholders that are especially impacted by inefficient procedures. Smaller firms, who do not have the same resources to cope with burdensome controls, are particularly disadvantaged by these kinds of inefficiencies, as are exporters and producers in landlocked developing countries, whose goods and supplies must cross borders multiple times (often those of other developing countries). The same is also true for producers of agricultural and other perishable goods or goods that compete in just-in-time markets, where any delays in delivery can have a direct detrimental effect on the value of the goods and the financial well-being of the companies sending or receiving the goods.

Economic research bears this point out strongly. Hummels (2001) calculated that a one-day border delay drives up costs on average by about 0.8% around the world. Building on this work – and based on a study of 126 countries using a gravity model – Djankov et al. (2010) found that each day in transit had the effect of reducing trade volumes on average by slightly more than 1.0%. They were able to capture the effects of administrative delays by using the proxy of the number of signatures required to export or import. These delays had the equivalent effect of adding 70 kilometres to the distance between the plant and the final market. Hoekman and Nicita (2010, 2011) estimate that efforts to move the logistics and trade facilitation performance of low income countries (as measured by the World Bank's Logistics Performance Index and Doing Business cost of trading indicator) closer to middle income country levels would increase trade by 15.0%, double what would be achieved by converging on middle income average import tariffs.

The dead-weight cost of unnecessarily burdensome border controls also emerges strongly from many of the case stories submitted by respondents to the 2015 Aid for Trade Global Review monitoring exercise. A submission by ECOWAS noted that land border crossing points have been identified as crucial bottlenecks along key regional road corridors in West Africa. Various levels of malpractice as a result of discordant procedures and documentation and multiplicity of government agencies have been recorded, resulting in long and cumbersome border crossings by goods, persons and vehicles. A study quoted by TradeMark East Africa notes that only 43% of truck transport time along Rwanda's trade corridors is spent moving; the rest is time spent waiting at border crossings or road blocks or resting.

Removing the administrative bottlenecks can have powerful effects on reducing trade costs. Box 4.1 below highlights the savings and other benefits recorded by case story respondents as a result of single windows for border clearance.

BOX 4.1 Savings from single windows

"The Kenya TradeNet System enables traders who depend on East Africa's economic gateway seaport of Mombasa, and the country's airports and land borders to track, clear and move their goods across borders much faster, easier and cheaper through a simplified cargo clearance process. The potential benefits of the Kenya TradeNet System to the economy based on the present volume of goods imported and transited through Kenya as a result of streamlined procedures will result in annual savings to the Kenyan economy ranging between USD 150 million and USD 250 million during the first three years. This is expected to increase to between USD 300 million and USD 450 million annually in subsequent years." **Kenya Revenue Authority**

"With a budget of USD 3.5 million staggered over four phases between 2010 and 2014, the Rwanda Electronic Single Window project already reports results in reducing the time taken to clear goods to 23 hours in 2014 from two days and ten hours in 2010. The resulting estimated total cost of a declaration for an authorised economic operator has gone down from USD 350.0 to USD 64.5. It is estimated that return on investment based on savings is USD 18 million per year". **TradeMark East Africa**

"Since 2008, the government of Tajikistan has been developing with the support of development partners a single window facility to reduce the costs associated with exports and imports and improve trade facilitation conditions in the country. The single window programme stipulates a phased approach. The first phase focuses on standardising, simplifying and automating the exchange of information and documentary requirements associated with customs clearance, thereby setting the context for including other agencies, such as logistics service providers, during a subsequent second phase." **Tajikistan**

"The single window is part of our strategy to attract more international trade, reinforce the local economy and improve our position in the World Bank's competitive index in its Doing Business report. A particularly innovative billing system lies at the heart of the new Togolese single window: all payments and transactions are listed on one single document, enabling costs and taxes to be monitored more efficiently." **Togo**

Source: WTO Secretariat research

Studies show that reducing these unnecessary or overly burdensome administrative barriers can have significant economic benefits in terms of added export potential, increased foreign investment and greater access to a wider variety of goods for consumers. Developing countries, where these administrative and procedural barriers tend to be more prevalent, may have the most to gain from reforms. For example, according to OECD studies, a 1% decrease in global trade costs would yield an increased global income of USD 40 billion at a minimum, the bulk of which (63%) is expected to be realised by developing countries (OECD, 2013). Box 4.1 highlights the savings reported by monitoring respondents following implementation of the single window system as laid out in the TFA. Implementation of the WTO TFA should help developing and LDC members reduce border inefficiencies and the resulting costs, leading to substantial gains.

Reducing border costs: The technical measures

The TFA contains approximately thirty-five technical measures to expedite the movement, release and clearance of goods (see main article headings in Box 4.2. These technical measures impose obligations on WTO members to: 1) increase transparency; 2) improve governance through disciplines on rule and decision-making processes; 3) implement streamlined and modernised border procedures and control techniques; and 4) enhance the movement of goods in transit.

Greater transparency

Difficulty in obtaining accurate and reliable information about import, export or transit requirements is a significant source of delay and costs. A substantial amount of time in the total import or export process is spent by traders obtaining and completing the required forms and documents. Confusion about requirements leads to additional delays and costs in clearance when documents must be corrected and possibly penalties assessed. This is a particular concern of SMEs, who often do not have the resources to search out and comprehend the requirements of export markets, where they typically do not have a presence, particularly if requirements are available only in the form of legal acts or other technical documents and in a foreign language. A UNESCAP study found increased transparency and predictability tend to "increase the probability of exporting by SMEs…as well as export propensity" because the costs and risks of doing business are lowered. It also concluded that improvements in policy predictability by one unit generate a 66% increase in the probability of SMEs participating in export activities (Li and Wilson, 2009).

To improve transparency, the Agreement requires governments to publish certain specified trade information in an easily accessible manner. They are also required to publish on the internet the required forms and documents, as well as a practical description of import, export, transit and appeal procedures (in a WTO language, whenever practicable). In addition, they must establish enquiry points that traders and other governments may contact to obtain information and forms. To increase the predictability and certainty of costs, governments are required to provide binding rulings on the application of laws and procedures to a particular shipment of goods prior to their importation (advance rulings).

Improved governance

Inefficiency also results from redundant, indiscriminate or unwarranted border formalities and documentation requirements. These inefficiencies may persist where the government is not aware of their negative impacts on trade or that, possibly, other more efficient and effective solutions are available that would fulfil the government's regulatory objectives.

The Agreement requires governments to review their import, export and transit formalities and documentation requirements to ensure that such requirements are adopted or applied with a view to rapid release and clearance of goods, to reduce the cost and time of compliance and to determine there is no other reasonable alternative that would be less trade restrictive. Moreover, given that the persons directly affected by regulation are often the best source of information about impacts and alternatives, the Agreement requires governments to provide interested parties with opportunities to comment on any proposed new or amended laws and regulations and to hold regular consultation with their stakeholders.

To improve fairness in decision-making by border authorities, the Agreement also requires WTO members to provide rights of appeal against adverse customs decisions and imposes disciplines on the assessment of penalties by customs, requiring that the amount of any such penalties be commensurate with the level of the offense.

BOX 4.2 Trade facilitation agreement

"TECHNICAL AGREEMENT TECHNICAL MEASURES"

Article

1. Publication and availability of information
2. Comments and consultations
3. Advanced rulings
4. Procedures for appeal or review
5. Measures to enhance impartiality, non-discrimination and transparency
6. Disciplines on fees and charges
7. Release and clearance of goods
8. Border agency co-operation
9. Movement under customs control
10. Import, export and transit formalities
11. Freedom of transit
12. Customs co-operation

Source: WTO

Modernised border procedures

Most of the technical measures of the Agreement are those intended to streamline and modernise the processing of goods by customs and other border authorities. These measures will require implementation of new techniques and processes such as the following:

- the use of risk management to focus customs controls on high-risk goods
- pre-arrival processing to allow importers to declare and possibly clear goods before they arrive
- procedures to allow the release of goods from customs before payment of duty and tax
- the use of electronic forms for payments and documents in clearance
- the use of clearance simplifications for authorised (i.e. low risk and highly reliable) traders and express consignment operators.

There are also important provisions to promote greater co-ordination among the different border authorities (the lack of which is itself a common source of delay), including cross-border co-operation and implementation of a single window to permit traders to submit documents required by all border authorities at a single point.

Transit

Finally, the Agreement contains extensive provisions to respond to many of the costs and delays that importers and exporters face when their goods are moved through transit countries, such as excessive data and documentation requirements, internal checkpoints and mandatory use of convoys, delays in terminating transit operations and returning transit guarantees, poor transit infrastructure and lack of regional co-operation.

Implementation flexibility – a new approach to special and differential treatment

The feature that marks this new Agreement as unique and historic, more than any other, is the implementation flexibility that it accords to WTO members. This flexibility is of two kinds: first, a number of the approximately 35 technical measures are written in language that does not mandate ("shall" or "shall not") but rather requires "best efforts". That is, under these best efforts provisions, a WTO member is "encouraged" or obligated "to the extent practicable", or "as appropriate", to implement the technical requirement. This flexibility that is built into these particular technical measures is available to all WTO members (developed or developing) and allows each member to implement them in a manner they deem suitable to their capacity and specific legal, technical or other local factors.

Second, the Agreement reflects an understanding that without external technical assistance and capacity building (TACB) support developing or least developed country members may not be able to implement some or all of the technical measures. And the Agreement reflects the further understanding that these members themselves should determine what support they require and when they will be prepared to implement the measure. Essentially, these special and differential treatment (SDT) provisions of the Agreement allow each developing and least-developed country member to define its own implementation schedule, measure by measure, which can be conditioned on the receipt of the technical and capacity building support it deems necessary.

The Agreement sets out the mechanics by which countries may benefit from these unique SDT provisions. Each developing or least developed country member that wishes to take advantage of these provisions must categorise all the trade facilitation measures into one of three categories and notify these categories to the WTO Committee in accordance with specific timelines. These categories are as follows:

- **Category A:** provisions that a developing country member designates for implementation by the time the Agreement enters into force (LDC countries have an additional year)
- **Category B:** provisions that a developing or LDC member designates for implementation after a transitional period of time after entry into force of the Agreement
- **Category C:** provisions that a developing or LDC Member designates for implementation after a transitional period of time following the entry into force of the Agreement and requiring the acquisition of implementation capacity through the provision of assistance and support for capacity building.

The Agreement also provides additional safeguards for developing and LDC members:

- **Early warning mechanism:** whereby a member can request an extension from the WTO Trade Facilitation Committee if it experiences difficulties in implementing a provision in Category B or C by the date it had notified;
- **Expert group:** where a requested extension has not been granted and lacks capacity to implement, the Trade Facilitation Committee will establish an expert group to examine the issue and to make a recommendation
- **Shifting between Categories:** Members may shift provisions between Categories B and C;
- **Grace period:** developing and LDC members cannot be taken to dispute settlement in an initial period following the date they begin implementing the individual trade facilitation measures. With respect to developing countries, this grace period will apply for a period of two years to those measures placed under Category A.

Greater flexibility is to be accorded LDC members in light of their special needs. The Agreement thus lays down the general principle that LDC members "will only be required to undertake commitments to the extent consistent with their individual development, financial and trade needs or their administrative and institutional capabilities." On that basis, the Agreement specifically allows LDCs more relaxed notification requirements than developing countries, longer extensions of time to implement commitments, if needed, and longer grace periods of six years for Category A and eight years for Categories B and C, which will shield them from dispute settlement related to all categories of measures, not just Category A commitments.

The down side to this flexibility is that members can put off implementation of the TFA which would not only delay a country's realisation of the benefits resulting from its implementation, but could be harmful to neighbouring trade partners, especially if those neighbors are landlocked and hope to benefit from streamlined border and transit procedures. The opportunity is there for members to take advantage of the implementation support on offer to make meaningful reforms within reasonable time periods.

IMPLEMENTATION NEEDS AND OPPORTUNITIES

What type and level of implementation support will be required by developing countries and LDCs? Which measures of the Agreement will be the most difficult for these countries to implement? Which measures are priorities in terms of staging? And which measures will be the subject of the heaviest demand for external support?

Although these questions can only be definitively answered when countries make their Category B and C notifications, some insights are nonetheless possible based on information WTO members have communicated to date.

These communications are in the form of responses to questionnaires by 62 developing and LDC members as part of the 2015 monitoring exercise. In addition, 54 members countries have notified their Category A notifications (received by 31 March 2015), which indicate the measures that are least likely to require external support. And, most importantly, the large majority of WTO developing and LDC members have conducted one or more detailed self-assessments – an evaluation of their current situation in relation to each of the technical measures of the Agreement and their implementation needs and priorities – with support of the WTO Secretariat and development partners (see Table 4.1 below).

TABLE 4.1 WTO needs assessments conducted

	No. of needs assessments conducted	Developing Countries (DC)	LDC	Landlocked (also counted in DC LDC column)
2007–10	94	60	34	18
2013–14	90	40	30	14

Source: WTO

Typically, these assessments include participation of representatives from customs and other border authorities; the ministries of law or justice, trade or commerce and foreign affairs, as well as representatives from private sector trade associations, such as customs brokers, chambers of commerce and industry or trade associations.

Implementation Support Priorities

These sources indicate that the following technical measures of the Agreement are considered by developing and least developed countries to be the highest priority for technical assistance and support for capacity building – see Table 4.2 below.

As is apparent from these results, certain measures, namely single window, border agency coordination, authorised operator, risk management and advance rulings, are mentioned most frequently as priorities for technical support. What is less apparent from these topline results are the reasons these particular measures are considered to be a higher priority for technical assistance than others. It is not necessarily because they are the most challenging to implement.

No country is starting from scratch. All WTO members that completed a needs assessment are fully compliant with some of the measures. Most countries are already fully implementing, or in the process of implementing, a good number of the measures, often with donor support. In many cases a measure might be considered a high priority because it is already part of the country's modernization programme and/or is in high demand from traders. This is likely the case for single window, one of the many measures that the TFA only requires members' best efforts to implement. Many countries might be already implementing certain measures but see this as an opportunity to expand or improve their existing programmes, this could frequently be the case for risk management.

TABLE 4.2 Measures that are high-priority for support

WTO member Needs self-assessment priorities	Category A least-notified measures	Developing and LDC questionnaire (most difficult to implement – needs TACB focus)	Donor questionnaire – (needs most focus for TACB)
Single window	**Single window**	**Border agency co-operation**	Formalities (includes **single window**)
Test procedures	**Authorised operators**	Formalities connected with import, export, transit (includes **single window**)	**Border agency co-operation**
Risk management	Enhanced controls	Publication and availability of information	Customs co-operation
Authorised operators	Test procedures	Advance rulings	Release and clearance of goods (including **risk management** and **authorised operators**)
National committee on trade facilitation	Average release times	Release and clearance of goods (includes **risk management** and **authorised operators**)	The Agreement as a whole
Publication and availability of information	Enquiry points	Customs co-operation	Other measures to enhance impartiality
Border agency co-operation	**Border agency co-operation**		
Advance rulings	Advance rulings		

Note: Measures in common are highlighted in bold.

Implementation support for needs

The "self-assessments" conducted by developing and LDC members with the WTO Secretariat and other donor support, as described above, may provide some information as to the challenges that some countries face implementing some of the measures. This is of course important to understand as the underlying reason for the difficulty will determine the type of external support (e.g., legal expertise, IT or other technical expertise, infrastructure support, etc.) that may be required.

In conducting the self-assessments each country determined what would be needed to implement the measures where it was not already in compliance. Although many measures of the Agreement are "best effort", during the assessment participants assessed what would be required to fully implement each measure. A summary of the most commonly identified challenges and support needs are provided in this section.

Some of the case stories completed in connection with the 2015 Aid for Trade Global Review are mentioned throughout this section to draw attention to examples of successful implementation of the TFA measures. The trade facilitation programmes highlighted in the case stories predate the TFA. As such, while they do not speak to TFA implementation, they are instructive as to the type of issues and opportunities that arise in areas where the TFA has introduced rights and obligations.

■ *Co-ordination of Border Authorities*

A commonly-identified implementation challenge is the lack of co-operation and coordination between government border authorities; often complicated by overlapping roles and responsibilities. This can complicate implementation of the TFA in several ways.

First, co-ordination and co-operation of border authorities is an explicit requirement of the Agreement. Second, to oversee national implementation of the Agreement each member must establish a national trade facilitation committee that, to be effective, requires the participation of all relevant border agencies. Third, border agency co-operation and co-ordination is also an implicit condition of a number of measures of the Agreement. For example, it is an essential prerequisite to the implementation of a single window, which essentially requires integration or co-ordination of information requirements of different border authorities.

In some countries, some border authorities have expressed concerns that implementation of the TFA will conflict with their legal mandate. This may be due, in part, to a lack of understanding by these authorities of the TFA measures. Although officials from a range of border agencies typically participated in the national needs assessments, sensitisation about the terms and purposes of the Agreement may not always have been shared more broadly within all agencies.

It is important to note that the provision requiring each country to establish and maintain a national trade facilitation committee does not fall under the Agreement's special and differential treatment provisions and must be implemented by the time the Agreement enters into force. But this does not mean that donor support is not needed.

A case study on the development of Nigeria's national trade facilitation task force highlights its successful co-ordination of 23 ministries, departments and agencies as well as members of the organised private sector. The United Kingdom's Department for International Development (DFID) supported the development of short, medium and long term Action Plans that set out the role of the task force. This task force is the focal point of Nigeria's trade facilitation activities and provides a co-ordination role over an extensive reform programme that is supported by many donors.

■ *Information and Communication Technology (ICT)*

As a general rule, where implementation of a measure involves or depends on an Information and Communication Technology (ICT) project, developing and LDC members have identified the measure as a high priority for assistance and/or as a particular challenge.

Thus, many countries have indicated that they comply only partially with the provision requiring internet publication because of the lack of ICT capability, including deficient internet services, obsolete software and hardware, and limited capacity of both public and private sector agents to handle transactions electronically; in a few countries automation has yet to be implemented.

These deficiencies also hamper the ability to implement measures such as electronic payment and single window that require the use of IT. In addition, many measures require the capture and analysis of information such as risk management and establishment of release times. While others require fast and efficient exchange of information such as the measure on enhanced controls (so called "import alerts" systems), pre-arrival processing, enquiry points, and release of guarantees, to name a few.

Of the approximately 40 case stories, 19 included an ICT component, for example: enhancement of e-government modules for more efficient exchange of information (Belize); implementation of an electronic exchange for single customs forms – FAUCA (Central America); creation of trade information portals (Lesotho, Haiti, Lao PDR); creation of single windows (Rwanda, Kenya, Togo, Ecuador, Costa Rica, Peru); setting up electronic cargo tracking (Uganda, Tanzania, and El Salvador and Honduras); and upgrading the customs clearing system (Uganda, Rwanda).

A TradeMark East Africa case story highlights the return on investment of undertaking reforms to improve transit and clearance time through the use of ICT and streamlined procedures. This programme consists of 3 components: 1) enhanced automated customs clearing system (upgrade to ASYCUDA World), 2) authorised operators scheme, and 3) electronic cargo tracking system. Although this assistance project is still on-going substantial benefits have already been recognised. The average time to clear goods and get them from Mombasa to Uganda through the Northern Corridor has dropped from 18 days to 4 days. There has been a dramatic reduction in the number of customs documents, for instance, the number of customs documents for importations of fuel has been reduced by 90%. This reduction in the time to transport and clear goods has directly induced trade volumes so that fuel imports, for example, have jumped from 32.1 million litres to 108 million litres. The total savings for business resulting from these time savings is estimated at USD 373 million per annum.

- *Policy/legal framework*

Many countries lack a legal basis for the application of certain of the TFA measures. Outdated and obsolete legal frameworks could be a consistent impediment to the implementation of many provisions that were not considered at the time of the drafting of the countries' national legislation. Many countries indicated a need for technical assistance to review and revise laws and regulations to align to the Agreement.

Examples of modern procedures that typically require changes to legislation include allowing declarations to be filed before the goods arrive (pre-arrival declaration), allowing goods to be released before duties have been paid (separation of release from final determination of customs duties, taxes, fees and charges), allowing government agencies to accept copies of documents, and requiring laws to be published for comment in advance. Laws of some countries contain provisions that would impede the implementation of controls based on risk management principles, coordination among border authorities, and implementation of a single window.

- *Procedures*

A commonly reported impediment is the complexity and lack of clarity in procedures. Excessive and inefficient bureaucratic apparatuses seem to be frequent. Some countries need to develop trade and customs procedures and guidelines in line with the requirements, including the streamlining and simplification of trade-related documents and procedures.

Excessive and inefficient import, export and transit procedures are one of the main problems the TFA aims to address. It does so not only through the technical procedures to accelerate release of goods and improve customs controls, such as pre-arrival processing and risk management, but also through a direct requirement that members review their formalities and documentation requirements with a view to minimizing their incidence and complexity.

An innovative Joint Border Committee project in Tanzania funded by US-COMPETE aims to improve administrative and regulatory bureaucracy through the establishment of team work and close working relations amongst all agencies at the border as well as by offering a single package of services to importers and exporters at the particular border post. This project has been successfully established in 7 out of 14 key transit border posts.

Members must further provide simplified procedures to trusted traders or "authorised operators"; those traders that have a good compliance record and meet specified criteria. Authorised operators is one of the top priority measures noted above and is addressed in several of the case studies, either as a programme on its own, or as part of a broader authorised economic operator programme.

In a case story on an Authorized Economic Operator (AEO) scheme introduced in Uganda, with support from TradeMark East Africa, a plastics manufacturer in Kampala explained the benefits her company has realised since becoming an AEO.

> "Nice House Plastics saves approximately US USD 150 per day for 25 containers as a result of time savings that are as a result of reduced examination and inspection of goods and acceptance of pre-arrival import declaration. Additionally, we used to spend USH. 10 million to clear our cargo, this cost has come to zero. We used to adjust our prices every month prior to becoming an AEO. But now, we have not adjusted our prices for the last one year because our cost of doing business has remained stable."

■ *Human resources/training*

One of the most common concerns about implementing new trade facilitation measures is understaffing and a lack of training programmes for government officials as well as private sector. It is sometimes the case that trade facilitation measures are provided for in national legislation but the measures are not in use because government officials do not know how they should be implemented. In many countries technical assistance is needed in the development of official instructions or standard operating procedures to provide guidance to border officials on how to apply measures. This will also help to ensure more consistent uniform application.

The importance of having highly trained officials is reinforced by the fact that this was the most common "output" of the case stories, having been reported as an important component in 24 out of 40.

One of these case stories is on the very successful implementation of Peru's single window. Prior to its implementation, all government officials that work with the single window, as well as more than 8,000 national exporters and importers, were trained in its use by experts from the Inter-American Development Bank. This single window has now been used by more than 23 000 traders from all over the country and has resulted in a savings of USD 70 per transaction that has led to a cumulative savings of USD 11 million in 2014 alone.

■ *Equipment and infrastructure*

Countries commonly identified poor infrastructure as an obstacle that general trade facilitation support should address, including lack of reliable sources of electricity, roads and ports. Specific to implementation of the TFA measures the greatest needs reported by members were ITC equipment (as mentioned above) and equipment for inspection and laboratory testing. In a number of countries government laboratories are limited and private accredited laboratories do not exist. Laboratories are necessary if members implement the provision on notifications for enhanced controls or inspections and the provision for test procedures.

Although not required by the TFA many case stories reported on infrastructure projects that will help ensure more efficient border processing such as the integrated check posts (ICP) at a significant border between India and Pakistan through which mostly perishable goods pass through. This ICP aims for speedy clearance, provides expanded space for cargo and provides one-stop integrated facilities, such as quarantine, fumigation and a weigh bridge. The ICP has led to an increase in imports and exports, speedy clearance of goods and a significant reduction in clearance costs.

■ *Engaging the business community*

Another commonly-identified barrier is the lack of cooperation and coordination between government and private sector stakeholders. This problem was evident in the needs assessment programme, where attaining a high level of participation from the private sector was one of the biggest challenges.

BOX 4.3 The Viet Nam Trade Facilitation Alliance

In December 2014, Vietnam Trade Facilitation Alliance was established as a collaboration between U.S. Agency for International Development, the American Chamber of Commerce in Vietnam and the Vietnam Chamber of Commerce and Industry. The private sector-led alliance supports TFA implementation, as well as next generation of free trade agreements such as the Trans-Pacific Partnership. The Alliance also aims to improve competitiveness of Vietnam's domestic and foreign companies through a more predictable and transparent business enabling environment. There is special emphasis on helping Vietnam achieve the target it established in Resolution No. 19/NQ-CP to improve its performance trading across borders by significantly reducing the time and cost of importing and exporting to regional averages. Through its multi-stakeholder networks, the VFTA will improve information sharing on trade facilitation including participation in the annual Traders Satisfaction Survey, implemented by Vietnam Chamber of Commerce and Industry in partnership with General Department of Vietnam Customs, and the sharing of private sector generated data on customs performance.

www.usaid.gov/vietnam/press-releases/dec-12-2014-us-backed-alliance-facilitate-trade-through-public-private
Source: USAID.

There were several reasons for this. In some cases traders were not aware of the WTO negotiations and did not grasp the significance for their business. In other cases there was a hesitation to express views in front of government agencies for fear of reprisals at the border. Sometimes it was just the matter that time is money and a small business could not afford to have an employee away from the office for several days to participate in the assessment.

Improvements at the border are normally driven by the needs of the private sector. The WTO trade facilitation negotiations were no exception. WTO members negotiated this new agreement in order to secure improved conditions for their exporters in other WTO members. Continued engagement by the private sector helped sustain and move the negotiations forward throughout the 10 year period. The engagement of the International Chamber of Commerce and the Global Express Association in support of the TFA throughout its negotiation underlines this point.

To properly oversee implementation of the Agreement it is important for both governments and private sector to strive for effective co-operation. Representation of key industries and associations in the national trade facilitation committee is important in this regard.

It is in the best interest of the private sector to continue to press governments to ensure their needs are met in the implementation process. Many of the provisions of the agreement are best endeavor, and the measures were drafted to allow flexibility in the way they can be implemented at the national level. In some countries pressure from the private sector will be needed to ensure that governments make meaningful reforms; and that timeframes for implementation are reasonable.

In addition, private sector must ensure that in designing new programmes the government takes into account the needs and constraints of the private sector in order to help ensure that they will succeed. Business may have information about the way a modern business operates that the government is not aware of. In the case studies completed in connection with the 2015 Aid for Trade Global Review, 27 of the 44 submissions stated that engagement of the private sector was considered to be a key factor in successful implementation of trade facilitation reforms.

- *Other issues*

Other issues reported by members as creating a challenge include security risks, lack of awareness of best practices and inadequate financial resources. Some countries need to devise a strategy to work with donors, and to create work plans to increase their awareness of the needs and challenges. Other countries mentioned the need to establish customs unions to simplify compliance and reduce costs. Many countries expressed their desire to receive information from other countries on national experiences and previous efforts for reform.

REALISING THE OPPORTUNITY

The most common objective of the case stories is improved transparency and reduction of trade costs through improved clearance times. As evidenced from the case stories, great success is already being achieved in these areas through the implementation of trade facilitation measures. It is also evident from these case studies that donor organisations are in fact responding to the very needs and priorities that developing and LDC members have identified as their highest priorities.

BOX 4.4 Case stories – wider impacts from implementation of TFA measures

These studies also reported wider economic impact to the economy and development through increases in: the volume of trade, foreign investment, export market diversification, government revenue, domestic investment, and employment. With other side benefits such as reduced pollution and improved relationship between private sector and customs. In this context it is also interesting to note that donors responding to the 2015 monitoring exercise also highlighted that TFA implementation would have positive spin-offs on governance programme (75% of respondents) and reducing costs and delays associated with procurement by in-country programmes (67%).

IMPLEMENTATION SUPPORT

Implementation of the TFA will take place within a legal framework that defines roles and responsibilities of the developing and LDC members on the one hand, and the "donor members" and the international and multilateral organizations supporting trade facilitation on the other.

TFA implementation takes place within on-going, well-established relationships between developing countries and their development partners. TFA implementation does not take place in isolation, but within the context of these existing frameworks. As such, the legal obligations underpinning TFA implementation overlay these existing development relationships. Past trade facilitation support has been provided on the following basis:

- demand for trade facilitation support, as expressed through national and regional development strategies and other national planning documents (e.g. trade strategies, export strategies, transport infrastructure development etc) by LDCs and other developing countries; and
- provision of assistance by development partners (donor members, international and multilateral organizations) and south-south partners aligned around the needs expressed by the developing country in the context of planning documents and *ad hoc* requests.

In this context, the new element is not trade facilitation *per se*; it is the WTO Trade Facilitation Agreement. Of particular note in this regard is that the TFA adds a layer of scrutiny to the supply and demand for TFA implementation assistance, and the efficacy of the support provided.

This section examines how this system can work from the perspective of the TFA's provisions on the provision of assistance, an overview of existing TFA support and how the WTO's new Trade Facilitation Agreement Facility can seek to ensure that this system works in support of TFA implementation, notably where donors and developing countries might need matchmaking support.

Procedures and Mechanisms

Under the Agreement, WTO "donor members" agree to facilitate the provision of assistance and support for capacity building "on mutually agreed terms either bilaterally or through the appropriate international organizations." That is, the Agreement does not mandate that donors provide this assistance or define a process to match donors with countries requiring assistance, but leaves it to the respective members to work these arrangements out among themselves.

This both provides flexibility and imposes an obligation on developing and LDC members to seek out the development partners that will meet their needs.

To facilitate matchmaking, the Agreement imposes some transparency obligations on donors. It requires donor members to make information available about their assistance programmes, including contact points and information on the process and mechanisms for requesting assistance. WTO donor members are required to report annually on technical assistance projects. Non-Member organizations that provide trade facilitation implementation support are also encouraged to provide information on existing or concluded arrangements to the TFA committee.

To help ensure the assistance that is provided is effective, the Agreement sets out principles that should be followed, such as: assistance should be provided on mutually agreed terms, targeted assistance should help LDCs build sustainable capacity, it should take account of the overall developmental framework and promote regional integration and coordination. Box 4.4 below highlights an example of how trade facilitation has been integrated into national planning frameworks in Lao PDR and how assistance has been aligned around this prioritization of trade facilitation needs.

BOX 4.5 Trade facilitation in Lao People's Democratic Republic

Lao PDR has successfully obtained the support it needs to implement general trade facilitation reforms by highlighting trade facilitation as a priority in its 7th Five-year National Socio-Economic Development Plan (2011-2015). Lao PDR also elaborated a Trade Facilitation Strategic Plan for the same period, with six strategic measures: mainstreaming trade facilitation objectives across line ministries, simplification, harmonization and modernization of trade and customs procedures, implementation of WTO, ASEAN and GMS commitments; development of private sector capacity; provision of equipment and facilities; and creation of a national trade facilitation body.

Prioritization of trade facilitation by the Lao PDR government has attracted on-going donor support. For example, the Word Bank is providing support for customs and trade facilitation programmed on the basis of the Bank's Country Assistance Programme for Lao PDR for the period 2012-2016. The Asian Development Bank is likewise providing multi-annual assistance, through the Greater Mekong Delta Sub-region (GMS) programme, focusing on implementation of the GMS Cross-Border Transport Facilitation Agreement. Lao PDR is also receiving support to implement the ASEAN Trade in Goods Agreement, ASEAN single window and benefits from ASEAN's Strategic Programme of Customs Development. Donors active in Lao PDR include the EU (which also contributed funding for the World Bank's Lao PDR Trade and Development Facility) and the US through the Lao PDR – US and ASEAN Integration Project.

Source: WTO Secretariat research

Since beneficiary countries are in the best position to coordinate the assistance they receive, the Agreement encourages them to work with their assistance providers to avoid overlap and duplication and to promote internal co-ordination in the implementation of the Agreement and technical assistance.

To allow implementation oversight, the Agreement lays down certain reporting obligations for those members who wish to take advantage of implementation flexibilities accorded to developing and LDC members.

As noted, these members will be required to classify and notify to the WTO TF Committee each of the technical measures of the agreement into one of three categories, the so-called "Category A-B-C" notifications. Initial notifications will include indicative dates for implementation for each measure; subsequent notifications to the WTO Committee will include definitive dates of implementation. These notifications will be published thereby allowing all interested parties to track the implementation status in all developing and LDC WTO members.

Individual developing and LDC members, through their national trade facilitation committees, are expected to monitor their implementation progress, and to determine if it is developing sufficient capacity to implement the measures. If not, then the Agreement requires additional communications to the WTO Committee.

- A member can request an extension of the implementation date it notified for a particular measure or measures. If an extension is not granted then it can ask the WTO Committee to establish an Expert Group to examine the issue and make recommendations.
- If a member experiences difficulty in implementing parts of the Agreement by the implementation deadlines that it has notified, it can request the new WTO Trade Facilitation Agreement Facility to conduct a matchmaking exercise.

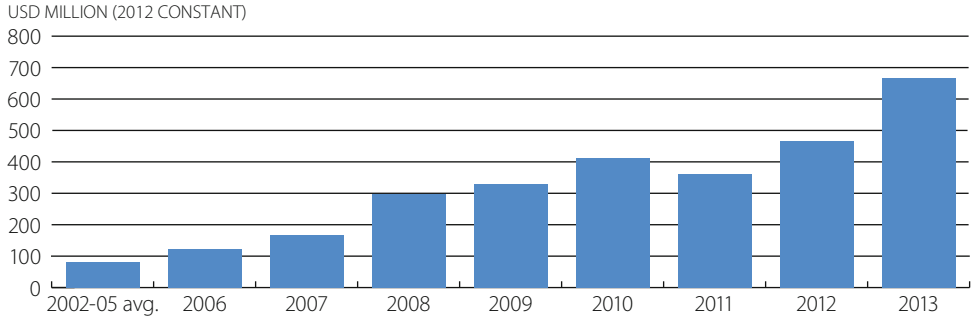
As noted above, the legal architecture of the TFA fits into existing national and regional development dialogues. In these dialogues, the provision of support is influenced by (a) the expression of trade facilitation as a priority area for support by the partner country in its dialogues with development partners and (b) donor(s) responding by programming support, e.g. on a discrete project basis, as part of multi-annual commitments (e.g. as part of country or regional assistance programmes) or due to membership of a technical organisation with technical assistance programmes in this subject area (the World Customs Organization).

The 2015 monitoring exercise suggests growing demand for trade facilitation support. Fifty-seven of the 62 partner countries that responded to the monitoring questionnaire stated that trade facilitation was reflected in new policy documents currently being updated and formulated – with 39 noting that trade facilitation was already a priority in the national development or trade development strategy. Trade facilitation was also noted as a priority in all the regional development strategies of the 7 regional economic communities and corridor projects that replied to the monitoring questionnaire.

Trade Facilitation Support

Figures 4.1 and 4.2 underline the fact that substantive funding has been expended on trade facilitation reform in the past decade - and that significant expertise has been acquired. Trade facilitation funding commitments rose from an average of USD 80 million in the period 2002-2005 to reach USD 668 million in 2013. Since 2005, some USD 1.9 billion has been disbursed in trade facilitation support, according to figures reported to the OECD Creditor Reporting System.

Figure 4.1: Trade facilitation funding commitments, 2002-2013



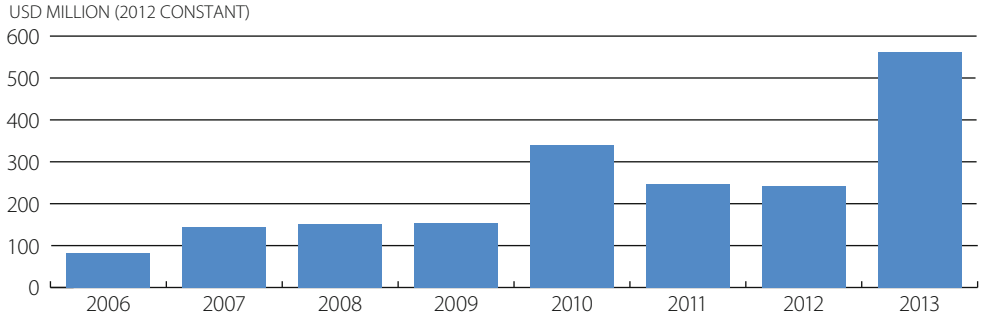
Source: OECD-DAC/CRS aid activity database.

StatLink http://dx.doi.org//10.1787/888933241189

Figure 4.2 on trade facilitation support disbursements, however, highlights a more nuanced story. It is a story of a rising trend in trade facilitation disbursements, but one also marked by considerable fluctuations, of peaks (such as 2010) and drops (such as 2011 and 2012) in flows – coupled with considerable regional and national variations in funding flows.

Donor responses to the 2015 monitoring exercise suggest that aid for trade facilitation may rise still further. Twenty-two of the 37 donor respondents indicated that they expected their trade facilitation support to increase in the next five years – with 4 of the respondents (Australia, New Zealand, UNCTAD, African Development Bank) expecting a more than 10% increase in support offered. Figure 4.1 makes clear that as the TFA negotiations progressed to their successful conclusion so the donor community has placed greater priority on trade facilitation as a development objective in its aid programming.

Figure 4.2 Trade facilitation disbursements, 2002-2013

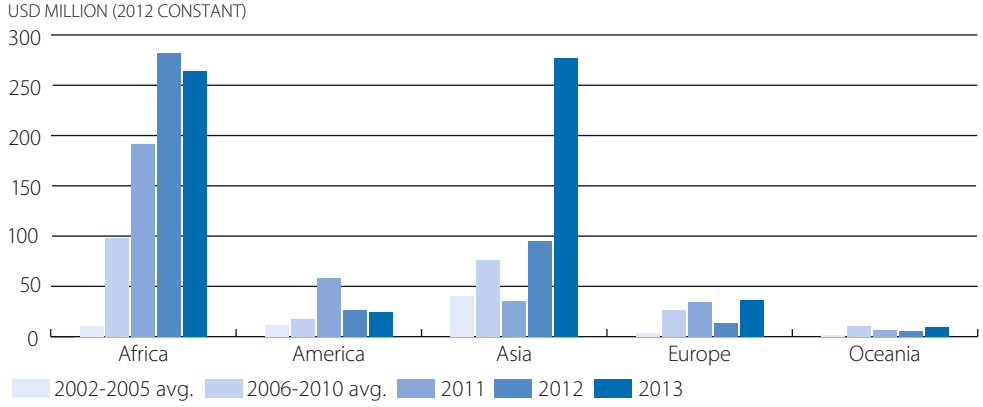


Source: OECD-DAC/CRS aid activity database.

StatLink http://dx.doi.org//10.1787/888933241197

The fluctuations in funding are evident at the regional level – see figure 4.3 below. For example, trade facilitation assistance to the Americas reported to the OECD CRS peaked in 2011 at USD 58 million and fell back to USD 24 million in 2013. The region also attracted considerably less support, as compared to Asia (USD 277 million in 2013) and Africa (USD 263 million in the same year).

Figure 4.3 Trade facilitation commitments by region, 2002-2013



Source: OECD-DAC/CRS aid activity database.

StatLink http://dx.doi.org//10.1787/888933241205

The variation is also pronounced at a national level. OECD Creditor Reporting System figures highlight that 12 countries received over USD 3 million in trade facilitation assistance over the period 2002 and 2013. In contrast, some 56 developing countries received less than USD 1 million in the same period - with some 14 countries not registering any direct national trade facilitation support in this period according to OECD figures.

It should be noted here however that there is a growing amount of assistance provided through regional and global programmes (USD 189 million in 2013 as compared to an average of USD 26 million over the period 2002-2005). This provides another important route for trade facilitation funding. As such, many countries that may not have been able to access trade facilitation support at the national level, may instead have been able to access regional funding sources. Box 4.5 discusses the example of Gambia.

BOX 4.6 Accessing regional trade facilitation support — the case of Gambia

Trade facilitation is a priority expressed in Gambia's national development strategy: the Programme for Accelerated Growth and Employment (PAGE). PAGE, which runs for the period 2012-2015, seeks to position Gambia as a transit hub by improving the road network and increasing the capacity of the Port of Banjul and Banjul International Airport. A TF needs assessment was also conducted by the WTO in the fall of 2013.

Trade facilitation reforms have been initiated, including the creation of an autonomous Gambia Revenue Authority (GRA) to enhance efficiency, the Customs and Excise Act updated in 2010 and the ASYCUDA system upgraded to ASYCUDA++. A Trade Facilitation Sub-Committee under the Ministry of Trade, chaired by the Customs Authority, discusses and co-ordinates actions relating to trade facilitation.

Trade facilitation support received to date has been geared towards regional integration and transport infrastructure upgrading. On-going projects include the EU Regional Indicative Programme and the African Development Bank/ World Bank West Africa Regional Transport and Transit Facilitation Program. The EU is funding a programme on Joint Customs Border Posts between Gambia and Senegal and the World Customs Organization has run a West African Customs Administration Modernization Project. In April 2015, national officials from Gambia participated in a two day ECOWAS Trade Negotiation Capacity Building project workshop (funded by the ECOWAS Commission and the Swedish International Development Cooperation Agency) on the TFA. Most trade facilitation support has been programmed on an ECOWAS-wide level to date.

Source: WTO Secretariat research

The OECD's Creditor Reporting System includes a discrete reporting code on trade facilitation. The OECD creditor reporting system guidelines give the following definition for trade facilitation assistance: "Simplification and harmonisation of international import and export procedures (e.g. customs valuation, licensing procedures, transport formalities, payments, insurance); support to customs departments; tariff reforms." (OECD , 2004) Reporting to this code has so far captured a broad definition of trade facilitation, rather than one based specifically on implementation of the TFA. The TFA was agreed at the WTO's Ninth Ministerial Conference in December 2013. The OECD is taking steps to offer further guidance on reporting under the trade facilitation code as a result of this new agreement. The OECD is also engaging with the World Customs Organization to ensure that assistance provided by the WCO is reflected in their reporting. Table 4.3 below highlights the ten largest trade facilitation projects reported by donors in 2013.

Taken together, the top 10 donors (both bilateral and multilateral) have accounted for between 77-97% of all trade facilitation assistance since 2002. Table 4.4 highlights that 2013 trade facilitation assistance was particularly concentrated on a core group of donors, the US, EU and the World Bank, that accounted for 78% of all trade facilitation support. Multilateral sources of funding are particularly important. In 2013, 43% of trade facilitation assistance was provided through multilateral organisations.

TABLE 4.3 Largest Trade Facilitation Projects, 2013

Aid provider	Aid recipient	USD million	Type of finance	Description
EU Institutions	Southern African Development Community	42.49	ODA Grants	SADC Trade Related Facility
World Bank	Myanmar	30.80	ODA Loans	Myanmar Reengagement and Reform Support Program
EU Institutions	Afghanistan	30.54	ODA Grants	Support for Afghanistan's Regional Cooperation
United Kingdom	South of Sahara, regional	21.28	ODA Grants	TradeMark Southern Africa Implementation Arrangement with the Common Market for East and Southern Africa
World Bank	Georgia	18.13	ODA Loans	Fourth East West Highway Improvement Project
United States	Pakistan	17.00	ODA Grants	Pakistan Private Investment Initiative - Business Enabling Environment
World Bank	Nepal	16.56	ODA Loans	Nepal-India Regional Trade And Transport Project
EU Institutions	Ethiopia	13.28	ODA Grants	Trade Enhancement and Facilitation Programme
United States	South Sudan	12.84	ODA Grants	Priority Infrastructure Development Transport Services

Source: OECD-DAC/CRS aid activity database

TABLE 4.4 Trade facilitation by donors, 2002-05 average and 2010 – 2013, USD million (2012 constant)

	2002 – 05 avg.	2010	2011	2012	2013
United States	6	7	1	12	260
EU Institutions	13	102	171	43	31
World Bank	11	89	55	258	130
United Kingdom	-	143	5	14	36
Japan	25	22	25	49	31
Canada	1	5	12	6	21
AsDB	9	-	-	25	18
Sweden	0	11	4	18	10
Norway	0	1	4	4	8
Germany	0	2	2	0	4
Total Trade Facilitation	**80**	**412**	**361**	**466**	**668**
Top 10 share in total	**83.5%**	**93.2%**	**77.1%**	**92.0%**	**97.0%**
Total bilateral	47	214	133	138	385
Total multilateral	33	197	228	328	283

Source: OECD-DAC/CRS aid activity database

Important to note also is that Aid for Trade Facilitation figures capture official development assistance (ODA) reported to the Creditor Reporting System. In addition to ODA financing, donors also provide non-concessional financing (typically loans that do not meet the 25% concessional element to qualify as ODA, but are more advantageous than borrowing at market rates) to countries for trade facilitation projects. In 2013, other official flows for trade facilitation support totalled USD 174.5 million, mostly aimed at middle income developing countries. An example here is the IADB's work with Pacific Alliance countries (Chile, Colombia, Mexico, and Peru) to support the inter-operability of their single windows

Several points emerge strongly from the preceding analysis:

- Trade facilitation support has grown strongly in the past decade. A great deal of expertise and experience has been accumulated in trade facilitation areas covered by disciplines of the TFA, including those identified as the challenging measures by developing countries (such as implementation of single window, border agency co-operation, and authorised operator schemes).
- Trade facilitation support relies on a core group of bilateral and multilateral donors. Past assistance has also tended to focus on specific regions and countries, with trade facilitation assistance wrapped up in projects of infrastructural upgrading, business environment or regional trade integration.

Developing Country Concerns in Implementation Support

Despite the evident rise in donor support for trade facilitation projects, and the built-in flexibilities for implementation, there remains concern on the part of a number of developing and LDC members about placing themselves under binding obligations to implement the trade facilitation measures without assurance that they will be able to access the support they need.

Table 4.5 below bears this point out strongly from the responses to the monitoring questionnaire. Some 37 out of the 62 respondents expected to face problems accessing external funds, due mainly to lack of information on funding opportunities, differing priorities of in-country donors or problems in demonstrating political will for TFA reforms. This last point ranked strongly among donors in their estimation of the likely problems to be faced in integrating TFA implementation support into their aid programming, with 20 of the 36 donor respondents citing it as a potential difficulty.

Funding issues are evidenced in a case story submitted by ECOWAS about a Joint Border Posts (JBPs) project in 2011 that was started with the aim to "decongest borders to enable the smooth passage of goods, transport and trade." Joint Border Posts have been completed between Togo/Ghana and Benin/Niger, but the JBPs between Nigeria/Benin, Benin/Togo, and Gambia/Senegal are still under construction and the JBPs between Ghana/Cote d'Ivoire, Guinea/Mali, and Ghana/Burkina Faso have yet to be built. The authors of the case story attribute this situation to a lack of funding and financiers for the designed JBPs, inadequate capacity and knowledge within Member States to support implementation of the JBPs, as well as long procurement processes in line with donor procedures. They conclude that with only two out of the eight planned JBPs completed, it is too early to say at this point whether or not the project will become a success.

Although many developing countries have expressed concern about accessing funds this is clearly not the case for Nicaragua as described in Box 4.6 below. Nicaragua undertook a TF needs assessment in October 2013 and notified its category A commitments to the Preparatory Committee on Trade Facilitation on 3 July 2014. Nicaragua has now to decide how (a) to proceed with national ratification of the TFA and the deposition of its acceptance of the TFA and (b) how it wishes to schedule outstanding TFA commitments (i.e. those not notified as Category A) between category B and category C commitments.

TABLE 4.5 Difficulties developing countries expect to face in securing Aid-for-Trade support for Trade Facilitation Agreement implementation

Options	Response percent	Response count
Problems accessing external funds	59.7%	37
Lack of information on funding opportunities	58.1%	36
Differing priorities of in-country donors	51.6%	32
National coordination and demonstration of political will	41.9%	26
Accessing the necessary expertise	32.3%	20
Accessing global programmes	32.3%	20
Problems to quantify TFA implementation needs	30.6%	19
Integrating TFA implementation into on-going programmes	30.6%	19
Accessing regional programmes	29.0%	18
Ensuring TFA implementation is a priority in national development planning documents	27.4%	17
Problems in formulating requests	24.2%	15
Ensuring coherence with past programmes	24.2%	15
Programming cycles	16.1%	10
None	4.8%	3
Other (please specify)	3.2%	2
		Number of responses: 62

Source OECD/WTO aid for trade monitoring exercise (2015).

To alleviate these concerns, developing and LDC members requested the WTO Director-General to establish a WTO Trade Facilitation Agreement Facility. This new Facility, which became operational at the end of 2014, can assist members to find the donor support they need by making information available on assistance programmes and, where needed, conduct matchmaking between donors and recipients. The Facility will also support members' efforts to implement the Agreement by acting as a repository for training materials, case studies and best practices on implementation of the measures. As such, the Facility will seek to leverage the experience accumulated by developing countries and their development partners from the past support provided. In addition, it will provide training programmes and support materials to assist members to fully understand their obligations.

In situations where no other support is available, the Facility will offer two types of grants: 1) a project preparation grant for up to USD 30 000 (USD); and, 2) a project implementation support grant for up to USD 200 000 (USD). With these grants a country can hire a consultant with the necessary expertise to meet their needs.

Another important role of the Facility will be to work with regional and multilateral agencies, bilateral donors and other assistance providers to promote coherence in the delivery of assistance support.

BOX 4.7 Nicaragua and Trade facilitation agreement implementation

Donors active in Nicaragua on trade facilitation issues include the World Bank, Inter-American Development Bank, the European Union and United States. The World Bank's Country Partnership Strategy for 2013 – 2017 includes reference to trade facilitation and transport infrastructure co-operation. The Inter-American Development Bank Country Assistance Strategy 2012 – 2017 also picks up the same themes. Article 54 of the EU -Nicaragua Association Agreement, signed in 2012, deals specifically with Cooperation and Technical Assistance on Customs and Trade Facilitation. In 2007, the USTR and Nicaragua agreed a "Capacity Building and Best Use of Trade Agreements Plan of Action". Other active development partners include EU member states, Japan and Switzerland. The OECD CRS reports that Nicaragua has received USD 6.7 million in assistance since 2002 – with some USD 0.4 million provided since 2010.

There is also an important regional dimension to TFA implementation through Nicaragua's membership of the Sistema de la Integración Centroamericana (SIECA), IADB's Regional Public Goods Initiative and trade facilitation specific programming, the DR-CAFTA free trade agreement with the US and the Association Agreement signed with the European Union in 2012. For example, the EU has been supporting regional integration in Central America through the Programme of Support for Regional Integration in Central America (PAIRCA) through two phases over the period 2004-2014

Source: WTO Secretariat

CONCLUSIONS

Implementation of the TFA can bring about significant reductions in cost for traders, and increased revenue for governments, fulfilling the promise of the Agreement.

WTO donor members and international organisations have committed to providing support to assist developing and LDC members to implement the Agreement and, as indicated in the case studies reviewed in this paper, the evidence to date is that these donors and organisations are responding to the very needs and priorities that developing and LDC members have themselves identified.

The evidence gathered here gives cause for optimism that support can be delivered in a coherent and timely manner. Ensuring that trade facilitation is aligned with other national priorities and expressed by developing and LDC members through existing national and regional development dialogues with their development partners is a critical step in TFA implementation.

The WTO Trade Facilitation Agreement Facility can play an important role in this regard by contributing to this process of matching supply to demand and helping developing and LDC members access the support they need, in part, by working to promote coherence of support programmes.

At the national level, successful implementation of reforms requires co-operation between government and private sector. In particular, implementation is most successful when the measures are important to the private sector, are measures that can receive sustained political support by the government; and these reforms are also something that donors are willing to support.

It will be equally important for all relevant border agencies to participate actively in their country's national committee in order to ensure that the SDT (or ABC) notifications and implementation time frames accurately reflect their country's needs. Apart from compliance with terms of the Agreement, a developing or LDC member that fails to notify needs and priorities within required time frames risks losing an opportunity to benefit from donor support and the possibility of meaningful reforms.

ANNEX 4.A1 Third party monitoring: Sources

Objective and methodology	Key areas
Global Express Association: Global Express Association (GEA) Customs Capabilities Report http://global-express.org/index.php?id=4	
To compile reports on market access and customs barriers in a large set of developed and developing countries; to identify national law and policies that make it difficult for express delivery companies and other transport companies to serve a particular country in an efficient manner as well as to identify capacity building needs in the country's customs administration **Methodology** Questionnaires, Surveys	Transparency Customs efficiency Post-release process
OECD: Trade Facilitation Indicators http://www.oecd.org/trade/facilitation/indicators.htm#About-TFI	
The purpose of the indicators is to help governments identify priorities in implementing trade facilitation. In doing so, technical assistance and capacity-building will ideally be better targeted at where it is needed most. **Methodology** Values for indicators are taken from open-source data and confirmed by interested parties	Advanced rulings Appeal procedures Internal/External co-operation Fees and charges Automation, documents, procedures formalities Governance and impartiality Information availability Involvement of the trade community
World Bank: Doing Business Indicators and Trading Across Borders Indicator http://www.doingbusiness.org/methodology/trading-across-borders	
To compile all the official procedures for exporting and importing a standardised cargo of goods by ocean transport and to measure the associated time and costs (excluding tariffs) **Methodology** Information collected from different stakeholders that comprise of local freight forwarders, shipping lines, customs brokers, port officials and banks	Number of all documents required to export/import goods Time necessary to comply with all the procedures required to export/import goods Cost associated with all the procedures required to export/import goods
World Bank: Logistics Performance Index http://lpi.worldbank.org/	
Measuring performance along the logistics supply chain within a country **Methodology** Worldwide survey of global freight forwarders and express carriers	Level of fees and charges Clearance time Percentage of physical inspections Efficiency of processes Changes in the Logistics Environment since 2005 Quality of tele-communications and IT

ANNEX 4.A1 Third party monitoring: Sources

Objective and methodology	Key areas
World Economic Forum: Global Competitiveness Report http://www.weforum.org/reports	
To provide an assessment of national competitiveness, offering a useful portrait of a country's economic environment and its ability to achieve sustained levels of prosperity and growth **Methodology** Information collected from international organizations, national sources, and WEF's Executive Opinion Survey	Transparency of government policy making Judicial independence Efficiency of legal framework in challenging regulations Irregular Payments and Bribes
Institutional Profiles Database (IPD) http://www.cepii.fr/IPD.asp	
To provide indicators on institutional characteristics of 123 developed and developing countries **Methodology** World survey	Effective of institutions Quality and implementation of institutional arrangements Dialogue structures between private and public actors within a country Functioning of courts with regard to commercial matters
Asia-Pacific Economic Cooperation (APEC) Sub-Committee on Customs Procedures – 2010 Evaluation Report on Customs Activities on APEC http://www.apec.org/Groups/Committee-on-Trade-and-Investment/	
To determine the status of the Collective Action Plan (CAP) items seeking to promote trade and investment liberalization and facilitation **Methodology** Surveys and questionnaires	Harmonization of Tariff Structure with the HS Convention Public availability of information on customs laws, regulations, administrative guidelines and rulings provided to the business sector on an ongoing basis Simplification and harmonization on the basis of the Kyoto Convention Adoption and support for the UN/EDIFACT/Paperless trading Adoption of the principles of the WTO Valuation Agreement Introduction of clear appeals provisions Introduction of an advance classification ruling system Risk management techniques Integrity Customs-business partnership
World Trade Organization: Trade Policy Reviews (Trade Policies and Practices By Measure) https://www.wto.org/ english/tratop_e/tpr_e/tp410_e.htm	
To review the national trade policies of various WTO members for consistency with their obligations to the WTO Agreements (all WTO members are subject to review with its frequency of review based on its share of world trade) **Methodology** Reviews are conducted by the Trade Policy Review Board (TPRB) with a report prepared by the economists of the Secretariat's Trade Policy Review Division	Measures directly affecting imports (e.g., customs, tariffs, ROO, MFN, SPS) Measures directly affecting exports (e.g., taxes, licensing) Measures affecting production and trade (e.g., taxes, subsidies, SOEs, competition policy, IPRs) Notifications Once the TFA enters into force the TPRs will report on its implementation.

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