Dedicated session on assistance and support

                                                DEDICATED SESSION ON AID

DG INTPA PRESENTATION ON AID TO WTO TFA AND COVID RESPONSE – 21 OCTOBER 2021 TFC COMMITTEE

Dear Chair, Thank you very much for having invited the European Commission to present the state of play of our support to the WTO TFA at this dedicated session on aid.

Dear Colleagues, Ladies and Gentlemen,

As you are fully aware, the global community is facing particular challenges caused by the Covid-19 pandemic.

Covid-19 has widened the SDG financing gap as DC resources have been dramatically reduced , while they need to be increased and expanded;

At the same time, trade between the EU and developing countries excluding China contracted by EUR 100 billion between 2019 and 2020;

We have seen, in this global external shock the pandemic brought, that LDCs are suffering the most , but they are still not getting enough AfT;

The Covid-19 pandemic has brought an economic crisis, has hindered growth and has disrupted trade and value as well as supply chains. For us, the EU, the provision and reinforcement of Aid for Trade (AfT), under which we provide support to Trade Facilitation,  remains crucial to help build back better, to boost exports and to assist our partner developing countries to become more resilient to any future such shocks should they arise;

AfT is useful to address the difficulties that may originate from systemic or structural challenges and to be prepared to counter various imports related measures, including climate related ones;

But also, Trade facilitation is crucial to accelerate economic recovery. Smooth and efficient import, export and transit procedures are key to boost trade flows again, to keep value and supply chains working and to keep trade flowing also in tormented times like we have witnessed last year and that have not fully finished yet – the Covid-19 pandemic.

In this particular situation, we are all going through in the context of the pandemic; trade facilitation and specifically the implementation of the WTO TFA are our allies to help rebuild damaged economies through more efficient and streamlined border and customs procedures.

Our AfT, including AfT supporting the TFA, is increasingly focused on countering current times challenges. As a result, we have focused on Covid recovery, greening of our AfT, increased social and environmental sustainability and supporting digitalisation.

We are convinced that our AfT assistance for more sustainable, greener and digitalised economies also support the TFA simultaneously;

In the recent years, we have launched and run worldwide AfT programmes supporting trade facilitation and social and environmental sustainability as well as digitalisation. (You can find their comprehensive overview by topic in our annual AfT progress report).

the EU and our Member States, with EUR 17.9 bn volume of Aif for Trade (according to the latest available OECD CRS data, for 2019), are the 1st world AfT donor, providing well over 1/3 of global AfT (38%).

In 2019, the latest year for which OECD data is available, the EU and our Member States provided EUR 232 million for Trade Facilitation[[1]](#footnote-1)[1], which stands for 48% of world’s TF support;

Since the entry into force of the TF Agreement in 2017, the EU and its Member States have committed to mobilise at least EUR 400 million in trade facilitation assistance over a five-year period, including for projects improving developing countries’ customs systems. EU and EU MS commitments for TF from 2017 to 2019 (latest year for which we have the OECD data available) already amounted to EUR 630 million.

The European Commission has given itself a specific threshold for the Multiannual Financial Framework (MFF) 2014-20 to dedicate EUR 240 million for trade facilitation over the time of the MFF. The cumulative value from 2014-2019 was EUR 423.7 million, by far exceeding the commitment to WTO at a time of signature of the Trade Facilitation Agreement (TFA);

During our yearly survey that we send to our Delegations to collect qualitative information for our annual EU Aid for Trade EU Progress Report, we found that, 32% of the EU Delegations surveyed this year said that they have been either ‘extremely’, or ‘considerably’ solicited to support the implementation of WTO TFA category C provisions. 35% of respondents said it was ‘moderate’ and 33% had only slight or non-existent demand for them.

43% of our partner countries did not request EU support for the National Committee for Trade Facilitation with a role of donor coordinator.

Let me use this opportunity to invite all our developing partners to pursue seeking our assistance on WTO TFA. Our EU Delegations are the primary contact points for WTO TFA aid requests.

At the EU we are extremely grateful to the countries that notified the WTO as regards gaps in assistance needed to implement category C commitments;

This helps us especially as currently we are in the process of programming our cooperation and assistance for the new EU Multiannual Financial Framework 2021-27. We can of course best target our aid where we know gaps exists and what remains to be done;

It is equally important to coordinate between donors in order to avoid duplication of assistance or on the contrary: lack of action.

For the same reasons, let me finish by stressing the importance of cooperation with our Delegations in the field and to notify us at the EU of an assistance needed to implement category C commitments under the WTO TFA.

Thank you very much, Chair.

1. [1] Under the DAC purpose code 33120. See the EU Aid for Trade Progress Report 2021:  new link [↑](#footnote-ref-1)