

# **WBG Trade Facilitation Agreement Implementation Support**



**WORLD BANK GROUP**

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**TFC**

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## WBG TRADE FACILITATION

- **The WBG is the one of the largest multilateral providers of financial and technical assistance support for trade facilitation.**
- **The WBG supports more than 100 countries across all regions through our:**
  - **Flagship Trade Facilitation Support Program,**
  - **Trade Facilitation West Africa and**
  - **Financing of transport related infrastructure including Digitization and NSW.**

## 2. WBG Flagship Trade Facilitation Support Program

# Trade Facilitation Support Program (TFSP)

**TFSP assists developing countries in reforming and aligning their trade facilitation laws, procedures, processes, and systems to enable implementation of the WTO TFA requirements**

- Launched in 2014
- Hosted by the WBG - draws on the expertise of both the **World Bank** and the **International Finance Corporation**
- 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
- Supported by:



Ministry of Foreign Affairs of the Netherlands



Norwegian Ministry of Foreign Affairs



**USAID**  
FROM THE AMERICAN PEOPLE



# Two Overall Program Components



## The Program comprises of two main components:

1. **Provision of technical assistance** in developing countries where the WBG helps reform trade facilitation laws, procedures, processes, systems, and consultative mechanisms within the context of the provisions of the WTO TFA, and;
2. **Facilitation of knowledge sharing**, peer-to-peer learning, and the measurement of progress and results.

# Implementation Support to 47 Countries

(as of June 30, 2020)



**IDA/LDC Countries: 57%**  
**Fragile and conflict affected: 15%**

## TFSP assistance since inception:

Albania, Bangladesh, Bolivia, Bosnia and Herzegovina, Botswana, Burundi, Cambodia, Costa Rica, El Salvador, Eswatini, Ethiopia, Fiji, Georgia, Grenada, Guatemala, Honduras, Jamaica, Kazakhstan, Kosovo, Kyrgyz Republic, Lao PDR, Lebanon, Lesotho, Liberia, Madagascar, Malawi, Moldova, Mongolia, Montenegro, Myanmar, Nepal, Nicaragua, North Macedonia, Panama, Papua New Guinea, Samoa, São Tomé and Príncipe, Serbia, Sierra Leone, Sri Lanka, St. Lucia, Tajikistan, Timor-Leste, Togo, Vanuatu, Vietnam, and Zambia.

## Regional Breakdown:

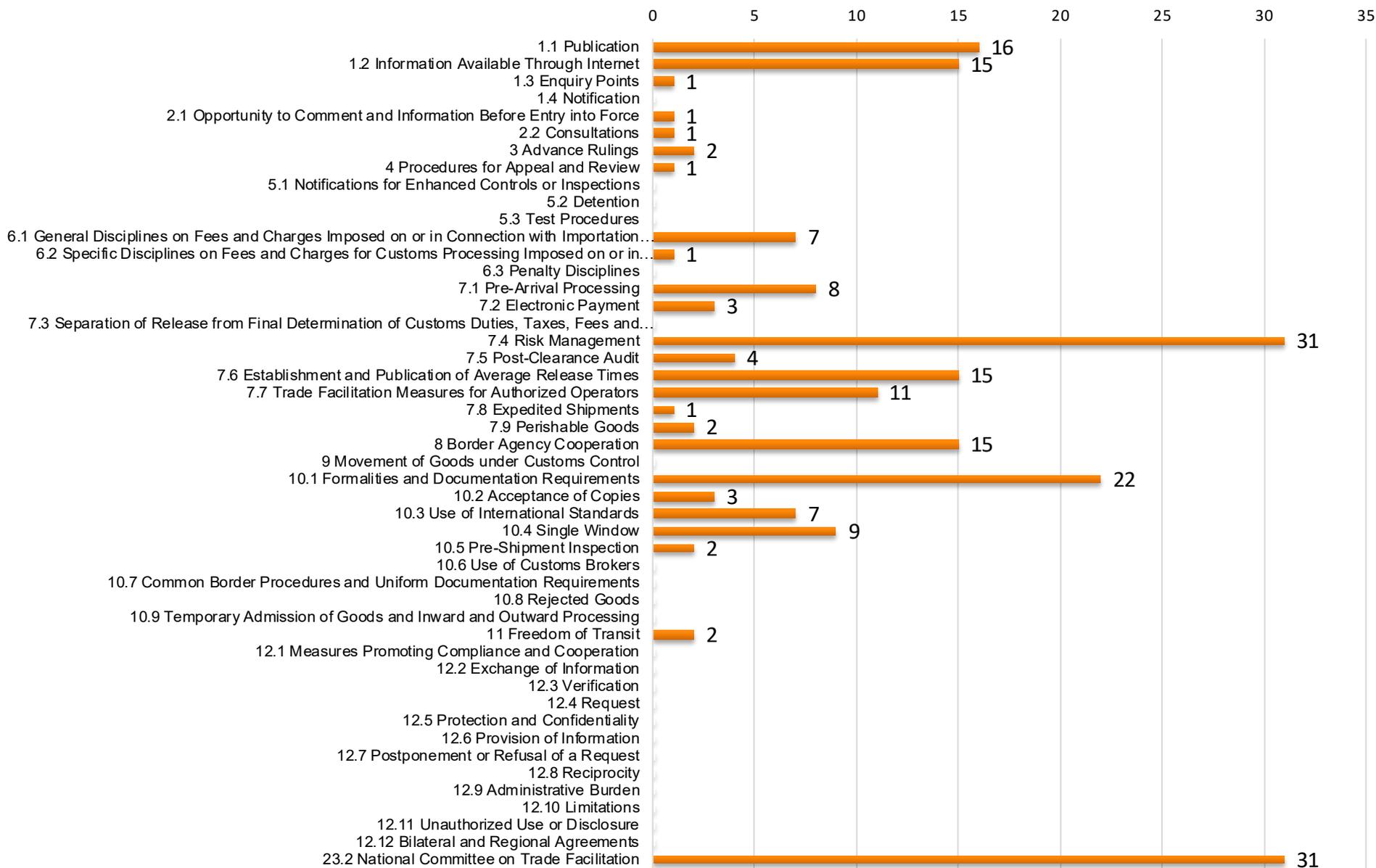
- 26% Africa
- 23% Eastern and Central Europe
- 21% East Asia and the Pacific
- 21% Latin America and the Caribbean
- 6% South Asia
- 2% Middle East

# Example of TFA Trade Facilitation Project Interventions

Interventions help reduce costs of cross-border trade



# TFSP Support by TFA Measure



■ Number of countries supported

# Trade Facilitation and COVID-19



COVID-19 has highlighted the importance of trade facilitation: Need fast flow of essential goods to minimize negative impacts of pandemic.

Distribution of vaccines will require careful storage, handling, and expedited delivery (i.e. simplified import, export, and transit processes and procedures) at very low temperatures.

TFSP is focusing support on: paperless and automated systems; streamlining of customs and border agency procedures; and harmonization of procedures to limit the impact of the pandemic.

**WBG knowledge products providing guidance in addressing key challenges related to the pandemic include:**

## **Video:**

- **Managing Risk and Facilitating Trade During COVID-19**  
<https://www.worldbank.org/en/news/video/2020/06/22/managing-risk-and-facilitating-trade-during-covid-19>

## **Guidance Notes:**

- **Managing Risk and Facilitating Trade During COVID-19**  
<http://documents1.worldbank.org/curated/en/751981585606039541/pdf/Trade-and-COVID-19-Guidance-Note-Managing-Risk-and-Facilitating-Trade-in-the-COVID-19-Pandemic.pdf>
- **Best Practices of Border Processes and Procedures**  
<http://documents1.worldbank.org/curated/en/824081587487261551/pdf/Trade-and-COVID-19-Guidance-Note-Trade-Facilitation-Best-Practices-Implemented-in-Response-to-the-COVID-19-Pandemic.pdf>
- [Recomendaciones sobre mejores prácticas en facilitación de comercio para Centroamérica como resultado de covid-19](#)

## 2. Regional Challenges & Country Examples

# Regional Variations in Trade Facilitation Challenges

Common challenges  
across regions:

Political

Economic

Levels of integration

Capacity & capability

Some landlocked

Some small island developing  
states

SAR

- Least integrated region
- LLDCs
- Inefficient land borders & ports

EAP

- Regional mix of LLDCs, MICs & Small Island Developing States
- Strong regional trading bloc

ECA

- Regional mix and connected to the Caucuses, Central Asia, and Western Europe
- EU accession agenda

MNA

- No natural corridors
- Mix of income levels political instability

AFR

- Low capacity
- Many land borders & long supply chains

LAC

- Regional integration challenges
- Mix of MICs , SIDS, LL and high income

# Example of TFSP Supported Work: Ethiopia: Connecting Border Agencies through NSW

## Challenge

Manual procedures required frequent face-to-face interaction with regulatory agencies. Many actors were involved in the clearance process, but there was little coordination among them. This resulted in severe trade delays.

## Response

The WBG helped develop an electronic Single Window (eSW) that connects the 16 major regulatory border agencies. Launched in early 2020, the eSW enables traders to submit documentation and receive electronic permits relating to import and export through a Single Window submission, significantly reducing the time and cost to trade.

## Results

- Enhances transparency for trade, which is important for easing movement of critical supplies during COVID-19
- Clearance times for traders reduced from 44 to 13 days\*
- Compliance costs are estimated to be reduced for traders by 50%\*

*\*According to the government of Ethiopia*



**“By creating a paperless environment, eliminating multiple physical inspections and repetitive document submissions, it will reduce clearance times for traders from 44 to 13 days.”**

**ABIY AHMED,  
PRIME MINISTER OF ETHIOPIA**

# Example of TFSP Supported Work: Guatemala and Honduras: Removing Duplicative Processes

## Challenge

Previously, clearing customs and traveling one kilometer between the two countries was expensive and time-consuming for business. Guatemala and Honduras required identical paperwork and duplicate processes on both sides of the border.

## Response

The WBG helped both countries integrate their trade procedures and remove duplicative processes with a single online instrument. Through the creation of a “Customs Union” between the two countries, trade procedures were better integrated and aligned.

## Results

- Traders are now only required to visit one single customs post and carry out a single procedure to trade across the border
- A single online instrument is scanned by a digital reader device and quickly certifies—online—whether or not an importer already paid the value-added tax on the goods in the destination country
- Time for traders to cross the border has been cut from up to **10 hours to 7 minutes**
- According to SIECA, this has led to an **increase of trade of 7% between both countries**



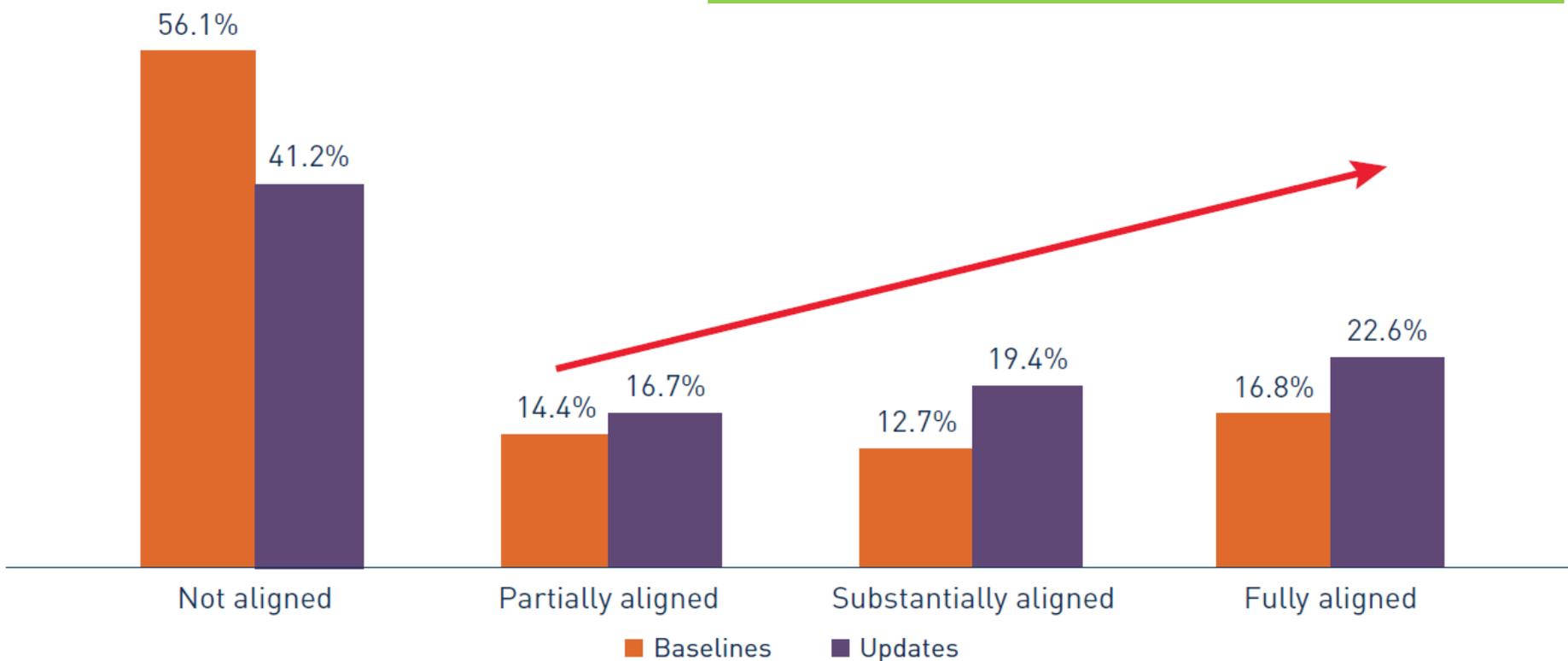
**“We now only have to go to a single customs post and carry out a single procedure to trade across the border in Guatemala and Honduras. This means less time and costs, which leads to more business opportunities with our clients and an increase in trade.”**

ARTURO GARCIA CASTRO, GENERAL MANAGER,  
GRUPO BIMBO CENTROAMERICA

# TFSP Supported Countries' Progress In Improving TFA Alignment

## Changes in Alignment

**Overall Alignment Improved:  
41% in baseline scores to 51% in FY20 updates\***



\*Baselines collected for 30 countries; updates for 21

# Private Sector Impact of TFSP Supported Activities

Caribbean  
(Jamaica,  
Grenada,  
St. Lucia)

Supported reforms in other regulatory border agencies; risk profiles and connection to ASYCUDA; roll out of a Trade Logistics Tool (St. Lucia & Grenada); elimination of import/export licenses and associated fees for certain goods (Jamaica & Grenada)

Total of USD 5.7 million in savings for the private sector

South Asia  
(Nepal,  
Bangladesh)

Comprehensive training of government officials on a variety of trade-related subjects to improve risk-management at the border crossing posts of Biratnagar and Birgunj (Nepal), as well as to implement an Online Licensing Module (Bangladesh)

Total savings of around USD 61 million for the private sector

## TFSP Special Focus on Gender

### Two global gaps in knowledge:

1. Lack of data on how trade facilitation interventions impact traders by gender, at the firm level.
2. A lack of knowledge of the proportion of cross-border traders who are women.

This lack of gender-specific data may reinforce biases against women in policy making.



# Primary Focus on the WTO TFA: the Questionnaire

- 50 questions largely focused on areas related to the WTO Trade Facilitation Agreement; 40 questions for freight forwarders
- Developed through a collaborative effort, incl. several WBG units and external experts
- The survey questionnaire was refined after each FGD



*\*Sub-topics are issues that may be touched upon, but are not part of the primary focus.*

# Completion of Work in the Pacific Region



- Pacific reports published in 2021
- Upcoming reports for:
  - Brazil
  - Philippines
  - South Africa &
  - India
- Findings used to inform trade facilitation project design

## What We are Seeing across countries.....

### Summary of Findings:



Women traders find it more difficult than men to access official information on border processes and procedures



Women are less often consulted than men on changes to processes that impact their cross-border trade



When information has been obtained, women traders tend to find the information harder to understand than their male counterparts



Women are less involved in trade/industry specific associations (that are often used by the governments to share border specific updates)



Fewer women traders are aware of the possibility to pay official fees electronically (fewer women traders pay fees electronically)



Women are underrepresented in AEOs



Few traders, regardless of gender are aware of the NTFC existence (but very few women know about the NTFC)

# UNECE Recommendation No. 38 Published – Trade Information Portals

- **TFSP Supported WB leadership and coordination of the UNECE Working Group to agree on Recommendation No 38 on Trade Information Portals.**
- **Establish a Trade Information Portal to improve transparency and predictability of trade information**
- **Establish a strategic vision for TIP within overall Trade Facilitation policy**
- **Appoint a Governance Body for strategic direction and oversight Collaborative, comprising all stakeholders**
- **Put in place agreements for collaboration and mechanisms for exchange of information**

Available at: [https://unece.org/trade/uncefact/tf\\_recommendations](https://unece.org/trade/uncefact/tf_recommendations)

Thank you

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Ministry of Foreign Affairs of the Netherlands



Norwegian Ministry of Foreign Affairs



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
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