**EU**

**II -DEDICATED SESSION ON ASSISTANCE AND CAPACITY BUILDING**

1. **Trade Facilitation within EU Aid for Trade strategy and support**

* **Trade facilitation and integration of partner countries in global trade play a critical role in EU development cooperation.**
* **Trade facilitation gained initial prominence with the entry of force into the WTO Trade Facilitation Agreement (TFA). From the entry into force of the Agreement, 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. Specifically, EU Aid for Trade will prioritise those Trade Facilitation Agreement provisions notified as Category C[[1]](#footnote-1).**
* **The EU’s Aid for Trade (AfT) Strategy was adopted in October 2007 in response to the WTO-led AfT Initiative to help developing countries better integrate into the international trading system and take greater advantage of poverty-reducing benefits of economic openness and enhanced trade efficiency. In context of the 2030 Agenda, the EU AfT Strategy was subsequently updated in 2017[[2]](#footnote-2).**
* **The Strategy’s objectives – the reduction of poverty and the integration of developing countries into world trade - remain unchanged. However, in the advancement of new instruments, such as the European External Investment Plan (EIP), the vision for EU AfT has evolved to deliver the high volume of EU AfT in an effective and impactful way, to seek complementarity between EU trade and development policies and to increase its effectiveness in the Least Developed Countries (LDCs) as priority.**
* **EU AfT encompasses a third of EU projects and programmes supporting trade and productive capacities in developing countries. EU AfT operated within the partner countries and regions’ trade and economic policies as mainstreamed into their development strategies. It plays a vital role in building the capacity of developing countries to negotiate and implement such agreements. We also work with key actors in partner countries, across many areas and types of aid, from strengthening the capacity of local government and private sector, to the facilitation of customs procedures and compliance with safety, technical and quality standards.**
* **EU AfT maintains a high degree of flexibility in order to incorporate the development cooperation implications of WTO topics relating to both existing negotiations and commitments. Multilateral and bilateral trade agreements which partner countries adhere to, including the TFA, Free Trade Agreements and Economic Partnership Agreements, are strong drivers for reform that EU AfT supports and builds on to scale up the development impact. In Africa specifically, implementation of the Continental Free Trade Area (AfCFTA) will be one of such drivers.**
* **During the 7th Global Aid for Trade Review at the WTO in Geneva of July of this year, the EU launched its EU Aid for Trade Progress Report. The Report reflects the prioritisation of a stronger coherence between EU and MS’ development priorities and trade and investment instruments, with a view to improve the economic, job creation and sustainability impacts. The Report itself is based on both qualitative data extracted from the OECD Development Assistance Committee Credit Reporting System, as well as qualitative information conveyed by EU Delegations, including information on projects from Member States in developing countries. The Report includes information on AfT related to trade facilitation.**
* **More than half of the countries where EU Delegations were surveyed have or intend to request assistance to implement provisions of the TFA. The EU is ready to respond to this, including supporting the establishment and effective cooperation of the National Committees for Trade Facilitation (NCTF).**
* **As EU AfT actions continue to expand and deepen, the establishment of active NCTF in developing countries is indeed pivotal to these actions. NCTF are composed of a dynamic working group of implementing agencies (e.g. Customs, Port Authorities), public institutions (e.g. Ministry of Transport) and the Private Sector (e.g. importers and exporters, carries and shipping associations).**
* **In 2018, the EU provided a full and clear overview to the WTO of current projects in the Aid for Trade Facilitation spectrum, and could provide key and concise updates for 2019.**

1. **Examples of EU Aid for Trade Programs in the area of Trade Facilitation:**

* **The EU and Member States are among the main donors regarding Trade Facilitation, with commitments reaching EUR 154 million in 2017[[3]](#footnote-3). We have clear examples of EU-funded regional and country programs that are actively contributing towards trade facilitation efforts in partner countries.**
* **First, the *West Africa Trade Facilitation Programme*, jointly commissioned by the EU (EUR 20 million), the WBG and GIZ, commenced in September 2018 and is improving and effectively implementing trade facilitation measures at the regional and national levels, encouraging a more efficient movement of goods along selected corridors and reducing barriers for small-scale traders, with an emphasis on improving conditions for female traders in particular.**
* **Second, the *COMESA Programme on Small-Scale Cross-Border Trading* (EUR 15 million) is increasing the formalisation of informal cross-border trade and enhancing small-scale cross-border trade flows in the COMESA/tripartite region, leading to increased fiscal revenues for governments as well as to increased security and higher incomes for small-scale cross-border traders.**
* **Third, *the INTEC (Integración Económica Regional Centroamericana) Programme* (EUR 20.5 million) is a flagship program for trade facilitation in Central America with the specific objective of reducing the regional constraints to competitiveness and diversification in this region, by supporting trade facilitation and increasing capacity to trade in goods and services.**
* **In addition, *the Support to Investment, Competitiveness and Trade in Central Asia Programme* (EUR 31.2 million), focused on five countries (i.e. Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Afghanistan and Mongolia) will promote international trade in Central Asia, as Kazakhstan, for instance, focuses on transforming its growth model away from reliance on natural resource extraction. With policy makers, ministries, private sector representative, and larger companies expected to benefit from trade facilitation reforms, the Programme will map trade regulation and procedures and publish them through online National Trade Facilitation Platforms, in compliance with the WTO Trade Facilitation Agreement. Furthermore, the Programme will provide capacity building for women’s associations to increase skills and confidence to advocate for their rights as traders and participate in the work of trade institutions, including NCTF.**
* **At country level, the EU Trade-Related Technical Assistance (TRTA) Programme (EUR 4.55 million) has allowed *Afghanistan* to advance swiftly in implementing the WTO TFA. Specifically, the EU has supported the Afghan government to categorise TFA commitments – including Category C – and supports the Afghan NTFC through increased private sector involvement, technical training and the promotion of inter-agency collaboration.**
* **Furthermore, within the *AfT portfolio, the EU supports the establishment and effective operation of the NCTFs*. For example, EU funding in *Cameroo*n has contributed to training officials of the Ministry of Commerce to finalise a road map of its NTFC, operational since 2016. This road map will define the measures and priorities of TFA implementation, including the allocation of measures under Category and C Notifications. In *Haiti,* the Ministry of Trade has organised two meetings with other concerned ministries, the private sector and the EU to prepare a process to finalise the needs assessment of the Category C Commitments and subsequently establish the country’s own NTFC. Furthermore, *in Sri Lanka*, the EU Trade Development Project supports the Government’s Trade Information Portal. The Portal streamlines documentation necessary for import and export, as well as providing regulatory information to traders. Hosted by the Department of Commerce with the NTFC, the Portal helps to improve predictability and transparency of Sri Lanka’s business environment by providing the domestic and foreign business communities and investors with timely access to trade rules and regulations.**

**EU programmes towards the neigbourhood**

* ***Regarding EU programmes that are about to be launched*, I would like to mention the following: the programme SEED + on systematic exchange of electronic data : It is a 4-year project that an implementing period between October 2019 to December 2022, with an allocated amount of €5.3 million that benefits the WB6 countries and Moldova, and is implemented by CEFTA. The project aims at securing the needed maintenance to the current SEED whilst developing new elements related to enhance progressive harmonisation and transparency of procedures among involved beneficiaries, in turn, enabling electronic exchange of trade documents in WB in line with the provisions and actions agreed upon in AP5**
* ***Regarding EU Tunisia cooperation*, the EU would like to stress the following: The EU is implementing a EUR 90M budget support programme in support of competitiveness and exports which covers the following aspects: digitalisation of a number of trade procedures ("titre du commerce extérieur", "visa d'embarquement" and "avis d'arrivée des marchandises"); publication of a trade procedures guide (to ensure transparency of procedures and facilitate cross-border operations (relates to article 10.1. in the notification table); improve the performance of the Sectoral Technical Centers (responsible for testing imported and exported products - relates to article 5.3. in the notification table); reduction of the number of imported and exported products subjected to technical controls (relates to article 7.5. in the notification table); increased productivity of Radès Harbour operations, which channels 80% of trade by sea; and increase in the number of “opérateurs économiques agrees” (relates to article 7.7. in the notification table). Finally, upon request by the Tunisian Authorities, the EU has organised a number of targeted events and activities in Tunisia using the Technical Assistance and Information Exchange instrument (TAIEX). TAIEX programmes are largely needs-driven and deliver appropriate tailor-made expertise to address issues at short notice through workshops, expert missions, and/or study visits. The EU has such programmes in the area of customs with Western Balkans and other countries and would consider additional support that could target trade facilitation activities if the Tunisian Authorities express a clear, and structured need for such activities to support the implementation of Tunisia TFA commitments.**

1. Category C notifications contain provisions that a developing country or LDC designates for implementation on a date after a transition period and requiring the acquisition of implementation capacity through the provision and assistance of capacity building (source: WTO). [↑](#footnote-ref-1)
2. Ref: COM(2017)667, Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions, ‘Achieving Prosperity through Trade and Investment: Updating the 2007 Joint EU Strategy on Aid for Trade.’ [↑](#footnote-ref-2)
3. Under the DAC purpose code 33120. [↑](#footnote-ref-3)