WTO TRADE FACILITATION AGREEMENT
World Bank Group Support for Implementation

Presentation to Global Facilitation Partnership for Transportation and Trade, April 2015

WORLD BANK GROUP
Trade & Competitiveness

Marcus Bartley Johns
Trade and Competitiveness Specialist
World Bank Group Geneva
mbartleyjohns@worldbank.org
Why is support for TFA implementation a priority?

**TFA = core TF reform priorities**

- Boost political will for TF reforms and provides new driver of inter-agency coordination
- Reaping full benefits of infrastructure and regional integration projects
- Increasing revenue collection for government + lowering trade costs for traders
- Lowering trade costs a key contribution to private-sector led growth
- Strong links to poverty reduction
  - Higher incomes and productivity
  - Linking rural poor to markets
  - New jobs in light manufacturing and services
World Bank Group support for TFA implementation

• TF is a **key trade priority** for the WBG

• TF portfolio is half of total trade-related financing

• Financed **120 customs and border management projects** in the past 20 years

• Strong alignment between WBG projects and TFA measures
World Bank Group support for TFA implementation

Three broad categories:

1. **Diagnostics and analytics**: identify gaps, operationally and in laws/regulations

2. **Technical Assistance projects**: often shorter-term, for quick wins

3. **Larger-scale reforms programs**: often linked to larger trade and infrastructure projects
Working with the World Bank Group on TFA implementation

How are our projects delivered?

• Combination of **short-term** and **longer-term**
• Diagnostic-driven: tailored to individual country needs
• Linked with regional integration priorities and projects
• **Close relationships** with international organizations; regional economic communities; bilateral donors; private sector

Some examples: Founding partner of GFPTT and Annex D group; analytical and advocacy work with WTO, EIF, OECD and more; operational work with UNCTAD, WCO, and more
Working with the World Bank Group on TFA implementation

Engagement with the private sector is essential

• Diagnostics: informed by understanding of barriers private sector encounters (e.g. LPI, Doing Business)

• Public-private dialogue at country level in TF projects

• Complements wider reforms to improve business environment, promote competition, support SMEs and job growth
Working with the World Bank Group on TFA implementation

Various sources of WBG support

**IDA/IBRD FINANCING**
Majority of funding: $7.1 B in current commitments for trade facilitation

**TRADE FACILITATION FACILITY**
- $52 M, Phase 1 completed
- Regional integration
- Medium- & longer-term reform
- Funding: Netherlands, Sweden, UK.

**TRADE FACILITATION SUPPORT PROGRAM**
- $30 M, launched in July 2014
- Support TF reform aligned with TFA measures.
- Rapid response, analyzing TFA gaps, short-term projects, leveraging WBG or other funding
- Funding: Australia, Canada, EU, Norway, Switzerland, US
Examples and results

• Key government partners: Commerce, Customs, Camcontrol (SPS)

• Modernizing import, export and transit operations: risk management, streamlining and harmonization of customs procedures; inter-agency cooperation

• Path to further reform: National Single Window Blueprint → NSW project ($13 M) under development

Results


• Customs clearance time: 6 days (2010) → 1.4 days (2014)

• Poverty reduction: agriculture and manufacturing export growth
Examples and results

Lesotho Trade Portal

Based on model developed for Lao PDR, benefits include:

1. **Transparency** of trade-related regulations, in line with TFA obligations
2. **Attractiveness** of Lesotho as investment destination and trade partner
3. **Coordination** among trade-related agencies, contributing to wider reform
Examples and results

• Improved legal code
• ICT systems improvements
• Revised organizational structure and HR management
• 2020 Customs Strategy adopted

Results

• Import declarations 30% → <5 %
• Non-energy export declarations 15% → 3% with improved inspection results
• Customs clearance time: 60% reduction
• Time between lodging of a customs declaration and issue of a release note: 83% reduction
Key Points

• Large financial resources, new mechanisms for support

• Deep experience across regions, levels of development, scale of project

• Close collaboration with other partners

• WBG assistance in TFA implementation:
  • in initial analysis/diagnostics;
  • short-term assistance to deliver quick wins;
  • and long-term reform programs.
Further information

- www.tradefacilitationsupportprogram.org
- www.worldbank.org/trade
- Gerard McLinden, Lead Trade Facilitation Specialist, gmclinden@worldbank.org
- Bill Gain, Global Product Specialist, wgain@worldbank.org
- Marcus Bartley Johns, Trade and Competitiveness Specialist, Geneva mbartleyjohns@worldbank.org