

WTO TRADE FACILITATION AGREEMENT

World Bank Group Support for Implementation

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WORLD BANK GROUP
Trade & Competitiveness

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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



Cambodia

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

- LPI: 129 (2010) → 101 (2012) → 83 (2014)
- Customs clearance time: 6 days (2010) → 1.4 days (2014)
- Poverty reduction: agriculture and manufacturing export growth



Lesotho

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



Russia

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
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