One hundred and ten members of the World Trade Organization (WTO) have ratified the Trade Facilitation Agreement (TFA), enabling the agreement’s entry into force, which gives legal effect to the TFA and signals an important means of supporting the multilateral trading system. Trade facilitation reforms will help lower trade costs, especially in developing countries. In low income countries, trade costs are on average three times higher than those faced by advanced economies – with trade facilitation one of the highest-impact areas of reform.

According to Anabel Gonzalez, Senior Director, World Bank Group Global Practice on Trade and Competitiveness, “The TFA’s entry into force is a critical global milestone. By ratifying the agreement, countries are showing a commitment towards a multilateral approach to reduce the costs to trade, and are setting high international standards to facilitate the movement of goods. Now that the agreement has entered into force, there will be a new momentum behind efforts to implement it fully and effectively – the World Bank Group will be a central part of this effort.”
The central vehicle for World Bank Group (WBG) support is the Trade Facilitation Support Program (TFSP). A key feature is assisting countries to design practical reform strategies, including the development of detailed reform sequencing plans that accord with country priorities, available resources and local implementation capacities. Activities are often implemented in collaboration with our international and donor partners.

**Recent highlights**

**Trade portals making cross border trade more efficient**

The governments of **Bangladesh, Botswana, Lesotho, and Malawi**, with support from the WBG, have launched trade information portals with the aim of increasing transparency and ultimately boosting trade, investments and growth in their respective economies. Trade information portals are web-based database systems providing all regulatory information on cross-border trade: laws, prohibitions, restrictions, technical standards, commodity classification and tariffs, procedures for license and permit application and clearance, copies of all forms and plain language instructions. The trade portals also enable traders to see, in response to a single query, all the obligations they need to comply with in order to import or export a specific product. The launch of the trade portal is a step towards further alignment with the WTO TFA that requires countries to publish trade-related information in an easily accessible and transparent manner. It will also assist traders and investors in complying with regulatory requirements associated with the importation and exportation of goods.

"With all this information readily available and clear instructions and flow-charts on how to export or import, traders should find it quicker and easier to be compliant and discharge all their formalities with fewer time-consuming interactions," said Vincent Seretse, Botswana Minister for Trade and Industry. Seretse added that the trade portal would boost Botswana's efforts to become a globally competitive player in the overall share of trade in the world.

**Implementation countries per region**

**32 countries implementing TFA reforms under TFSP:** Albania, Bangladesh, Botswana, Cambodia, Costa Rica, El Salvador, Fiji, Grenada, Guatemala, Honduras, Jamaica, Kosovo, Kyrgyz Republic, Lao PDR, Lesotho, Madagascar, Malawi, Moldova, Montenegro, Myanmar, Nepal, PNG, Saint Lucia, Sao Tome, Serbia, Sri Lanka, Swaziland, Tajikistan, Timor Leste, Togo, Vietnam, Zambia

**What’s next?**

**Sequencing:** Each country will need to create a plan for TFA reform that fits with its capabilities, budget, and resource constraints. Reforms have to be carefully planned out as many measures are interdependent. The WBG provides advice on sequencing reforms and helps countries plan which set of reforms can be done together, which set of reforms are more complex and require multiple stakeholders, and what efforts require short, medium and long term planning.

**Monitoring:** Supporting countries to measure their progress along further alignment with the TFA, the TFSP has developed a Tracking Tool that will help track reform performance and alignment as countries achieve results and implement 37 technical TFA measures. This tool helps both government and the private sector track progress against a baseline.

**Financing:** In addition to the TFSP, countries can benefit from the following World Bank Group financing vehicles to support trade facilitation:

- Bilateral programs with donor partners
- WBG lending instruments
Montenegro leading the way with the first NTFC in the Western Balkans

In May 2015, Montenegro established a National Trade Facilitation Committee (NTFC), moving it one step closer to alignment with the TFA. The road to full alignment is a long and complex one which has involved technical assistance from the WBG. To date, the TFSP program has provided support to strengthen the NTFC and formalize its procedures.

According to Novo Radovic, Co-Chair of the National Trade Facilitation Committee/Deputy Minister of Finance, “The World Bank Group played a very significant role in establishing NTFC. Their assistance included conducting a self-assessment and drafting NTFC terms of reference, work plan and rules of procedures. Thanks to this project, the framework governing the establishment and mode of operation of the NTFC has been fully introduced and put in place.”

The WBG has also supported the national revision of the categories B and C of the TFA and assisted in identifying gaps and preparation of an action plan to close the gaps and reach alignment with the requirements of each of the TFA articles.

Reducing trade costs for the private sector in Madagascar

In Madagascar, traders raised concerns regarding the imposition of the Advance Cargo Declaration (ACD) requirement because it duplicated data provision to government and levied a charge that is quite high and therefore imposes a burden on businesses and consumers. The fees for the ACD ranged from Euro 50-80 per container and the manner in which this was initially implemented, through little consultation with traders, is not in line with TFA article 2.1 (opportunity to comment) and TFA article 2.2 (consultations) of the WTO TFA. With support from the WBG, and after extensive, proactive consultations with the private sector, the Ministry of Tourism and Transport suspended the ACD fee (arrêté interministériel 456/2016) for vessel and cargo reporting. The resulting impact is that now traders, have enjoyed private sector savings in over 10 million euros in fees in the first year of this reform.

Find out more

The Trade Facilitation Support Program (TFSP), implemented by the World Bank Group, is helping developing countries implement trade facilitation reforms and improve trade facilitation systems and practices, thus leading to increased trade, investments, job creation, and private sector competitiveness.

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