**DEDICATED SESSION ON ASSISTANCE AND CAPACITY BUILDING**

**WTO Trade Facilitation Committee, 21 October 2020**

Trade facilitation and the integration of partner countries into the global rule-based trading system play a critical role in EU development cooperation on Aid for Trade.

At the European Union, we have stood ready from the start to support our partner countries in implementing the Trade Facilitation Agreement commitments. Our assistance is available upon request at country, regional and global level. We are implementing Aid for Trade and trade facilitation programmes at different level, and both our field EU Delegation offices as well as HQs remain available to support our partner countries implementing the Trade Facilitation Agreement within the notifications of aid that we did to the WTO.

During our yearly survey that we send to our Delegations to collect qualitative information for our annual Aid for Trade EU Progress Report, we found that, although since the entry into force of the Trade Facilitation Agreement in 2017 we have been approached by our partners from many countries, asking support to the agreement implementation, there is still room for improvement. Almost a quarter (24%) of our Delegations have not had such experience and further 9% reported on a slight dialogue on this topic.

Since the entry into force of the Trade Facilitation Agreement in 2017, 43% of our partner countries have requested EU support for the implementation. Let me use this opportunity to invite all our developing partners to pursue seeking our assistance on Trade Facilitation Agreement and contact our delegations in their country.

The current situation, with the COVID-19 crisis retaking strength in many parts of the world, makes the implementation of the Trade Facilitation Agreement even more relevant. The pandemic has accelerated reforms and renewed efforts to advance on the implementation of the Trade Facilitation Agreement in areas such as exports/imports and transit procedures simplification, digitization, cooperation at the borders and between border agencies, just to mention only a few dimensions of trade facilitation.

Moreover, the EU and its MS we follow the developments as regards the implementation of the AfCFTA. We think that he Trade Facilitation Agreement implementation by our African partners is an essential building block to the full implementation of the AfCFTA trading rules and procedures.

Enhanced trade facilitation in Africa would provide legal certainty, reduce administrative costs and export delays, which in turn would bring enormous economic opportunities that are even more pertinent to overcome the economic downturn of the Covid-19 epidemic.

As regards specific figures, the EU and our Member States, with EUR 13.5 bn volume of Aid for Trade (according to the latest available OECD CRS data, for 2018), are the 1st world Aid for Trade donor, providing nearly 1/3 of global Aid for Trade.

Since the entry into force of the TF Agreement in 2017, 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. EU and EU MS commitments for TF for 2017 and 2018 (latest year for which we have the OECD data available) solely already amounted to EUR 442 million[[1]](#footnote-1).

In 2018, the latest year for which OECD data is available, the EU and our Member States provided EUR 288 million for Trade Facilitation[[2]](#footnote-2), which stands for 51% of world’s TF support[[3]](#footnote-3).

**Challenges and lessons learned**

Challenges:

* Due to COVID-19, the mobilisation of experts has been difficult; in-person trainings and consultations were cancelled and had to be organized via virtual means.
* The COVID-19 crisis has also delayed the organisation of activities that cannot be organised in virtual way.
* Due to COVID-19 disruptions, it has proven challenging at times to agree on dates/implementation modalities of remaining activities and it will be a challenge to sequence them once the pandemic is over due to an overflow of activities of other programmes and donors that await the same moment;
* Another challenge is that at times of crisis, there seems to be low interest/capacity of the NCTF coordinating agency (usually under Min. of Trade) to take benefits from various development partners' programmes.
* Often reported: lack of coordination between Ministries and low institutional capacity of the Trade Facilitation Agreement stakeholders.

Lessons learnt:

* One of the key take-aways of the COVID-19 project adaptation is the need for coordination between national and international development partners. For instance, a series of surveys were launched almost at the same time to assess the COVID-19 impacts. That could be streamlined as we stressed in all dedicated sessions on aid.
* We gathered that in West Africa for example, the Trade Facilitation Agreement support structure already has multiple sources of donor and country funding to help West African countries implement the Trade Facilitation Agreement, including the United Nations Conference on Trade and Development (UNCTAD), the World Customs Organization, ITC, and the WTO. The EU on TF in West Africa aims to complement and leverage these multiple donor options to maximize the Trade Facilitation Agreement benefits for the region. In such cases, as the TFWA program did, it is best focus on understanding “who is doing what” in relation to the other partners working in the region, and developing a work plan in coordination with the other partners to advance the programme’s objective of Trade Facilitation Agreement ratification and notification of categories by all ECOWAS countries.
* SMES in the Caribbean region (under EU Regional Private Sector Development Programme for the Caribbean) have identified digital marketing, business continuity planning, and training in e-commerce as the top three areas of focus following COVID-19. Therefore, information on e-commerce that can be easily accessed by Caribbean firms and BSOs will be developed and made available, via the Agency´s CE-Intelligence portal. This information will include, but not be limited to the following: e-commerce platforms; e-payment gateways; logistics; shipping.
* Coordination and communication will be also needed at the time of recovery: when travel will be authorized again, project components and development agencies would need to make sure that not all activities are organized at the same time.

**Programmes examples:**

1. **EU-Sri Lanka Trade-Related Assistance Project,** 7.75 MEUR, 2016-21, implemented by the ITC. The programme supports the Government of Sri Lanka to prepare for the implementation of the WTO Trade Facilitation Agreement (Trade Facilitation Agreement), by providing technical support to implement specific Trade Facilitation Agreement measures, as well as by strengthening the institutional capacity of the National Trade Facilitation Committee (NTFC) to drive trade facilitation reforms in Sri Lanka.
2. **11th EDF Regional Private Sector Development Programme for the Caribbean**, 2017-21, 24 MEUR. It supports the Trade Facilitation Agreement obligations in terms of availability of information on rules and procedures, automation and e-service: (a) The CE Intelligence portal (https://www.ceintelligence.com) provides businesses with regional and international data on trade flows, packaging and labelling requirements, and a directory of buyers and suppliers in the Region. (b) i-guides for Caribbean countries (together with UNCTAD): the iGuide is a tool that enables potential investors to discover and have a guide on investment opportunities; get a better understanding of a country’s “doing business” environment; and know the laws and procedures that govern a country, so that they can make informed decisions on investment activities. So far, i-guides have been developed for Antigua and Barbuda, Jamaica, Saint Vincent and the Grenadines and Saint Lucia.
3. **EPA - Supporting Trade and Development in Mozambique – "PROMOVE Comércio**", 6 MEUR. Objectives include support to government with implementation of the Trade Facilitation Agreement trade facilitation reforms (along with support to the implementation of the EPA).
4. **Facilitating the Process of Uzbekistan's Accession to the WTO,** 4.75 MEUR, 2020-25, implemented by ITC. One component of the project is specifically dedicated to support the establishment/strengthening of the National Trade Facilitation Committee in Uzbekistan, which is one of the requirements (Article 23) provided in the WTO Agreement on Trade Facilitation (Trade Facilitation Agreement). One of the NTFC’s first tasks will be to review and agree upon the categorization of the trade facilitation measures (as per the Trade Facilitation Agreement nomenclature) for Uzbekistan. The Project may also contribute to support the review/development of the Trade Facilitation-related legislative/regulatory framework in line with the requirements of the Trade Facilitation Agreement. These activities will be implemented in collaboration with Reade for Trade Central Asia R4TCA Project.
5. **Egypt** The EU’s Trade-Related Assistance to Egypt includes Technical Assistance to the Government of Egypt, notably the Ministry of Trade and Industry and its affiliated agencies, in the field of Trade Facilitation. Here below some examples:

* The Trade and Domestic Market Enhancement Programme (TDMEP) implemented by the Egyptian Ministry of Trade and Industry (MoTI) in 2015-2019 was the EU trade-related flagship programme that responded to the emerging Trade-related needs of the Government of Egypt in key areas including Trade Facilitation issues and the implementation of the WTO’s Trade Facilitation Agreement. With an overall budget of EUR 20 million, TDPEM was structured around two components: 1) foreign trade and trade agreements, and 2) industrial policy and quality infrastructure.

The first component provided support to improving rules and procedures related to foreign trade (import/export law, intellectual property rights law, trade remedies, trade facilitation, etc.) and to reinforcing MoTI’s capacity to build positions, negotiate trade agreements, and analyse implications of international agreements.

As part of the TDMEP Component 1, a dedicated Technical Assistance project on Trade Policy and Trade Facilitation, worth EUR 6.41 million, was launched in 2015 in support the Government of Egypt’s Trade Facilitation-related needs for the period 2015-2019. Some of the deliverables of this specific Technical Assistance included:

* The IT design for border import and export procedures including e-payment and e-forms.
* The implementation of the National Single Window
* Additionally, within the framework of the EU facility for Inclusive Growth and Job Creation in Egypt, a Twinning Program with the Egyptian Customs Authority (ECA), worth EUR 1.7 million, is expected to start end of 2020. The project will contribute to simplify customs compliance requirements for businesses, including SMEs, to reduce customs bureaucracy for better trade facilitation, and to make the movement of goods across borders more efficient and predictable. The specific objective is to strengthen the administrative and operational capacities of the Egyptian Customs Authority (ECA) to perform more efficiently its core functions, by reducing bureaucracy and responding in an effective way to the needs of the trade community.

1. See the EU Aid for Trade Progress Report 2020: <https://op.europa.eu/en/publication-detail/-/publication/f022db96-d854-11ea-adf7-01aa75ed71a1/language-en>; p. 90 [↑](#footnote-ref-1)
2. Under the DAC purpose code 33120. See the EU Aid for Trade Progress Report 2020: <https://op.europa.eu/en/publication-detail/-/publication/f022db96-d854-11ea-adf7-01aa75ed71a1/language-en> [↑](#footnote-ref-2)
3. Total world volume TF: EUR 567 million [↑](#footnote-ref-3)