



Measuring Impact of TFA Implementation Beyond Notifications



WORLD BANK GROUP

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Key Messages

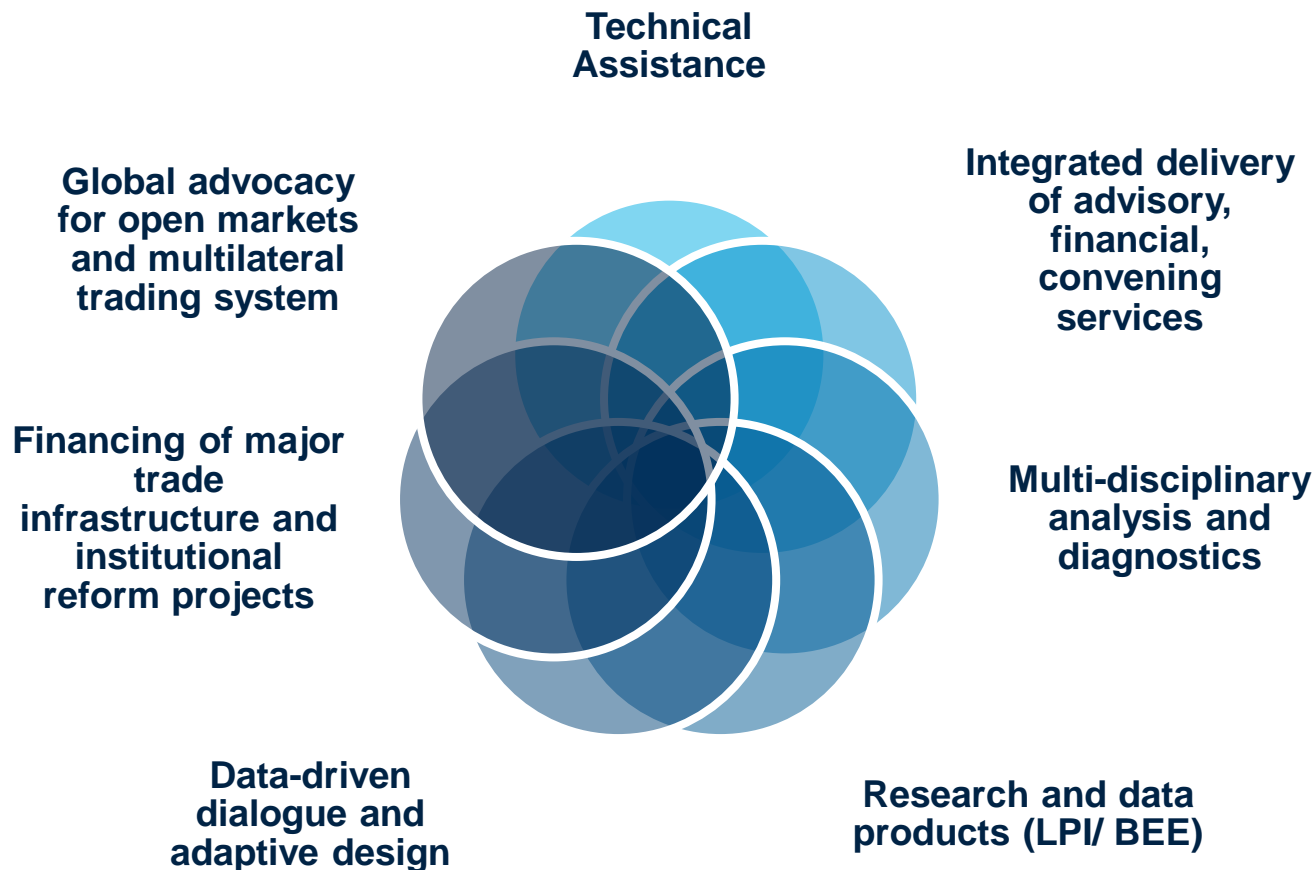
- I. WBG Support on Trade Facilitation
- II. Measuring Impact of TFA Implementation
- III. Looking Ahead

World Bank Group Support on Trade Facilitation



WBG is a Major Provider of Trade-Related Assistance

The WBG has implemented more than **120** customs, border management, and trade facilitation projects over the past 20 years that have resulted in major improvements in terms of reduced time to import and export, as well as better transparency, predictability, and reduced transaction costs for traders.



Flagship Program: Trade Facilitation Support Program (TFSP)

TFSP assists developing countries in reforming and aligning their trade facilitation laws, procedures, processes, and systems to enable implementation of the WTO TFA requirements

- Launched in 2014
- Hosted by the WBG - draws on the expertise of both the **World Bank** and the **International Finance Corporation**
- Designed to provide **practical** and **demand-driven** assistance
- Focuses on supporting the **full** and **effective implementation** of the WTO TFA and related trade facilitation reforms
- Helps client countries identify constraints, plan reforms implementation, and align procedures with international standards covering import, export, and transit activities
- Supported by:



Two main components:

1. **Provision of technical assistance** in developing countries where the WBG helps reform trade facilitation laws, procedures, processes, systems, and consultative mechanisms within the context of the provisions of the WTO TFA
2. **Facilitation of knowledge sharing**, peer-to-peer learning, and the measurement of progress and results.

WBG Supported Work in...

30

countries towards improvements in **risk management** practices through the establishment of risk management frameworks

15

countries for the completion of **TRSs**

12

countries in the design of **AO/AEO**
schemes

11

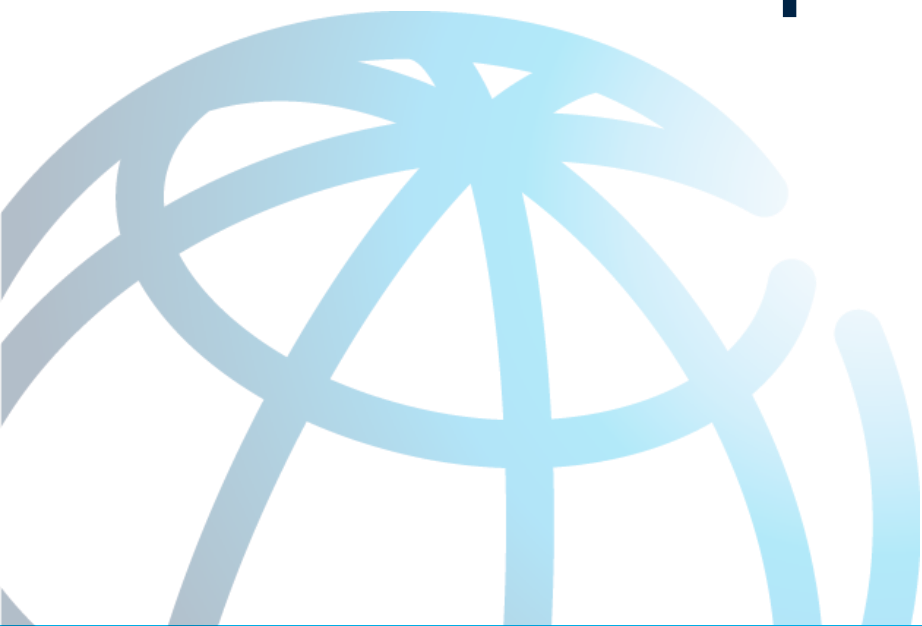
countries in the establishment and design - or has assisted in the implementation of - **TIPs**

10

countries in preparation for implementation of **Single Windows**

(among other areas in other countries)

Measuring Impact of TFA Implementation



Where to Start.....

Impact Measurement Components

Baseline (TRS)

Analytics, diagnostics, validation

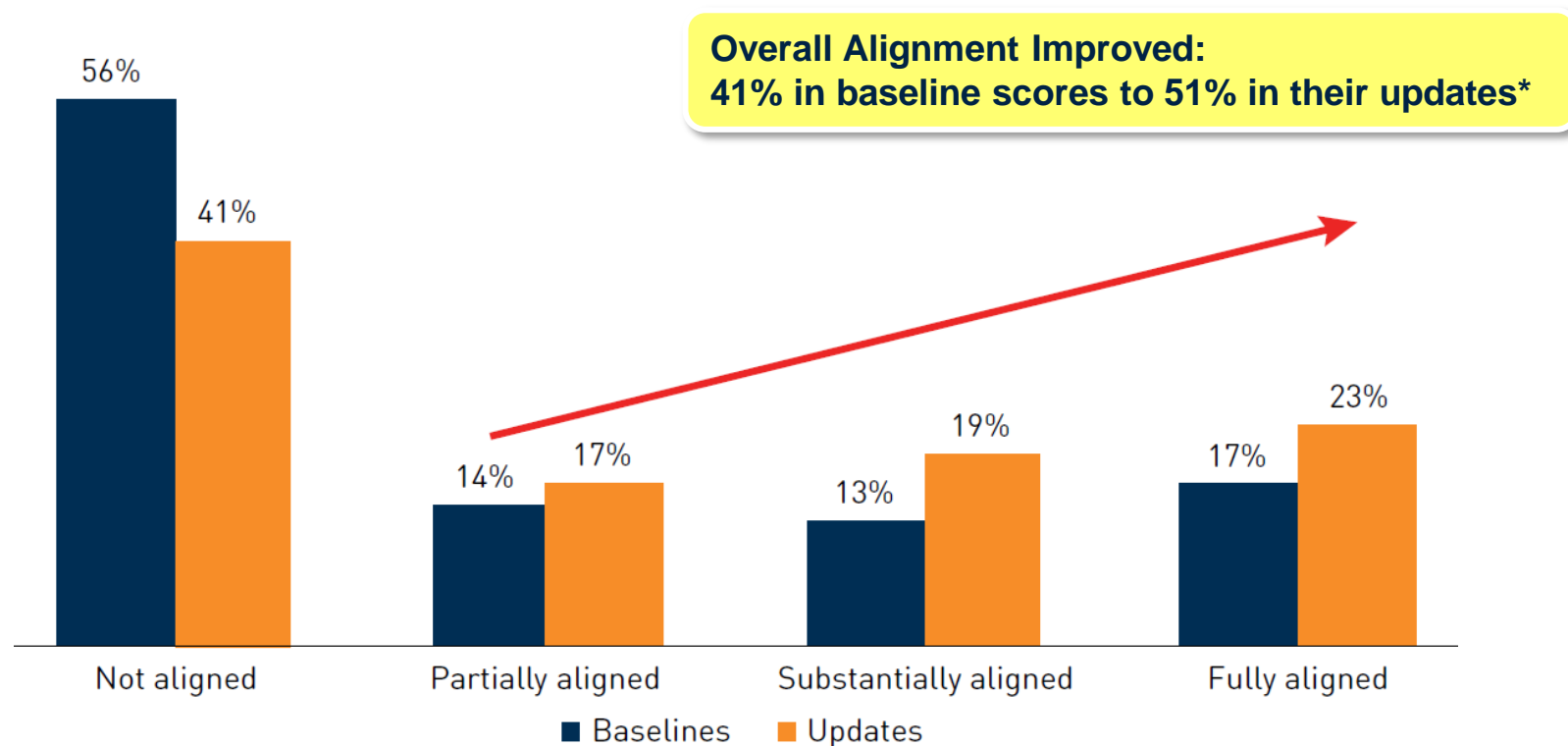
Change
management

Implement
reforms

Measure
Alignment with
TFA

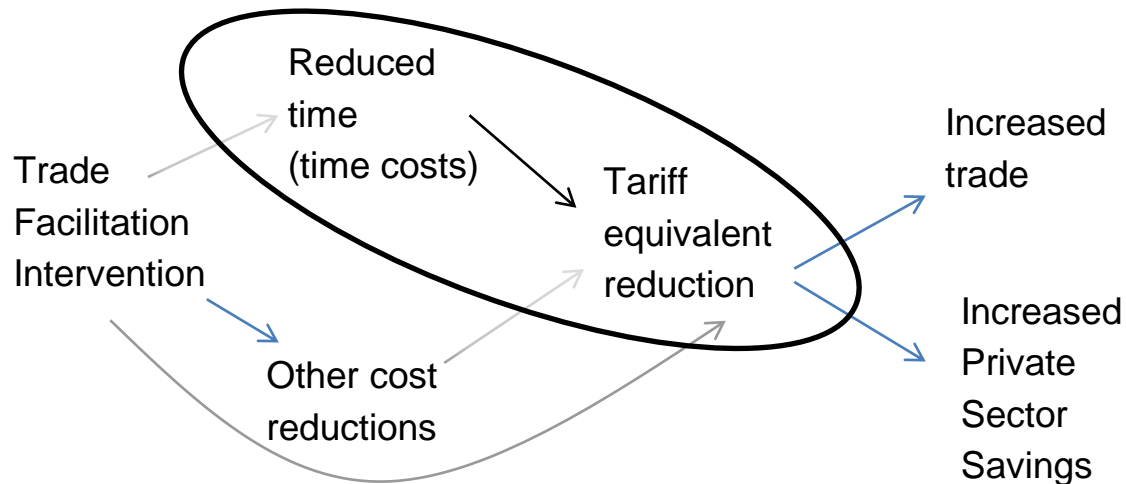
Communicate to
the private
sector

Improving TFA Alignment in Supported Countries (as of June 30, 2021)



* Cumulative of 21 TFSP-supported countries – WB TFA Tracking Tool

Private Sector Savings Methodology: Estimated Willingness-to-Pay for Time Reductions – \$210B P.A.



Every day saved reduces the cost of traded goods by roughly 1% (0.6 percent if the conservative estimate, which we use). The model suggests that **traders could pay between .6 and 2.1 percent ad valorem on average for each day of time.**

The methodology can be expressed through this formula:



Private Sector Impact Examples....

Caribbean (Jamaica, Grenada, St. Lucia)

Supported reforms in other regulatory border agencies; risk profiles and connection to ASYCUDA; roll out of a Trade Logistics Tool (St. Lucia & Grenada); elimination of import/export licenses and associated fees for certain goods (Jamaica & Grenada)

Total of USD 5.7 million in savings for the private sector

South Asia (Nepal, Bangladesh)

Comprehensive training of government officials on a variety of trade-related subjects to improve risk-management at the border crossing posts of Biratnagar and Birgunj (Nepal), as well as to implement an Online Licensing Module (Bangladesh)

Total savings of around USD 61 million for the private sector

Timor-Leste

Simplification of the customs clearance processes, such as enabling legal foundations for ASYCUDA World and other reforms and training

Reduced import time from 15.06 to 6.54 days & generated USD 5.5 million in savings for the private sector

Critical Cross-Cutting Mechanisms to sustain reform impact...

The **NTFC**'s role is to streamline procedures and implement trade facilitation measures at the national level. It is also an important mechanism for domestic coordination and stakeholder (public and private) engagement and leadership on trade facilitation.

The WBG:

- Provides TA and advocacy support, establish, strengthen and enhance NTFC.

Through, for example:

- Helping countries re-invigorate the TFA process where needed
- Supporting and mentoring the NTFC Secretariat on the development of a roadmap for TFA implementation
- Supporting the finalization of trade facilitation reform priorities
- Raising awareness of the TFA and the NTFC's work to internal and external stakeholders

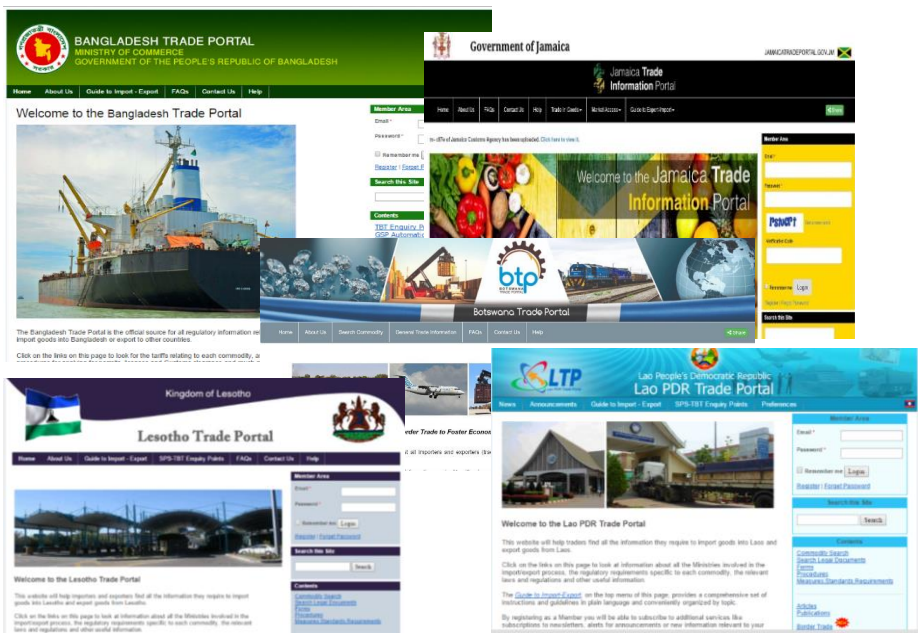
Leading to:

- **A strong mechanism to obtain buy-in and consensus on reform priorities**
- **Efficient use of resources through improved coordination among participants**
- **Leadership in making decisions to sequence reforms**

Enhancing Transparency Through Access to Information...

UN/CEFACT Recommendation No. 38 – Trade Information Portals, 2021

A Trade Information Portal (TIP) is an online facility that aggregates and publishes **all regulatory and procedural, import and export trade-related information** on an **internet portal** accessible to all stakeholders and the public at large. It allows traders to consult a **single source** to obtain searchable, accurate, comprehensive, and up-to-date information. This levels the playing field in terms of access to information and enables governments to publish information in a user-friendly and nondiscriminatory manner. A Trade Information Portal promotes transparency and unambiguity of rules through detailed and practical descriptions from a user's point of view. It ensures that information is accessible to all which can also allow micro- small- and medium-sized enterprises (MSMEs) to better approach other markets.



The World Bank Trade Information Portal

- Contains wealth of information (all laws, regulations, other legal instruments; license/permit requirements/NTMs; commodity classification and tariffs; duties and fees; license/permit application and clearance, etc.)
- Allows logical structuring of information
- Offers plain language instructions
- Provides contact form for queries; help features; enquiry points
- Market access information
- Latest news and announcements

Responding to the COVID-19 Pandemic w/ Expedited Clearance: **Tonga**

Kingdom of Tonga

- 169 islands across ~700,000 square kilometres EEZ
- 2 x international airports & seaports
- Population of 100,651
- WTO Member since 2007

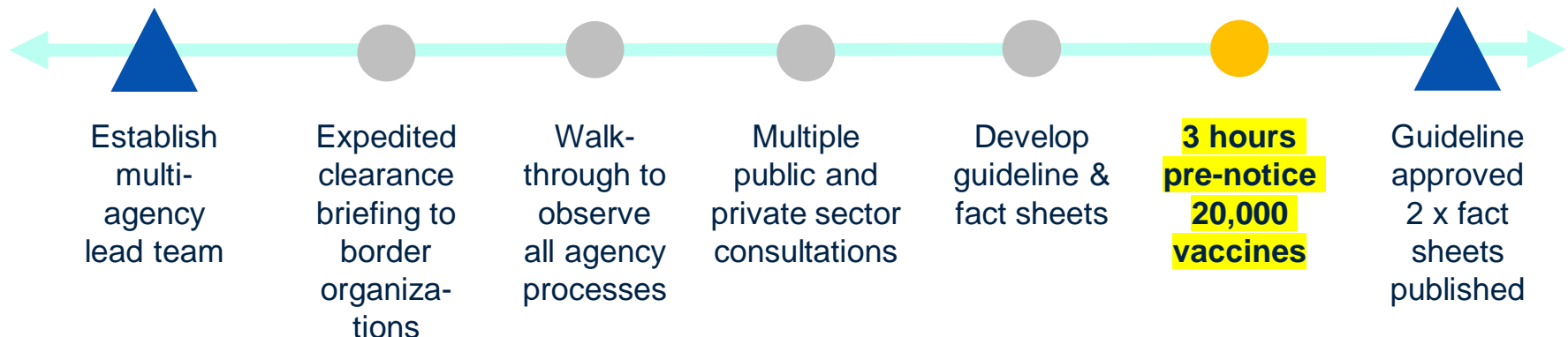
Trade Facilitation

- Tonga TFA Roadmap completed
- Time Release Study completed
- ASYCUDA World under development
- MOU with Tonga Chamber of Commerce & Industry

Health

- National COVID-19 Planning
- Infrastructure for COVID-19 vaccine in place
- Government major importer of pharmaceuticals

The Approach to Expedited Shipments



Relieving Bottlenecks and Improving Trade Flows: Kyrgyz Republic

TF Reform

- TRS was conducted in 2018
- Report suggested the Customs Administration standardize procedures across locations and introduce a trusted traders regime
- Customs Administration initiated the implementation of these and other improvements, while the WBG also trained the phytosanitary and veterinary agencies on how to develop risk-based controls to further reduce clearance times

Impact

A second TRS was conducted in 2021 and revealed that road import times were **reduced from 20 hours in 2018 to under 9 hours**

Enhancing Trade Opportunities and Economic Integration: Guatemala and Honduras

Challenges: regulatory and procedural constraints, the quality of roads, and transport and logistics barriers have hindered trade; Guatemala and Honduras required identical paperwork and duplicate processes on both sides of the border

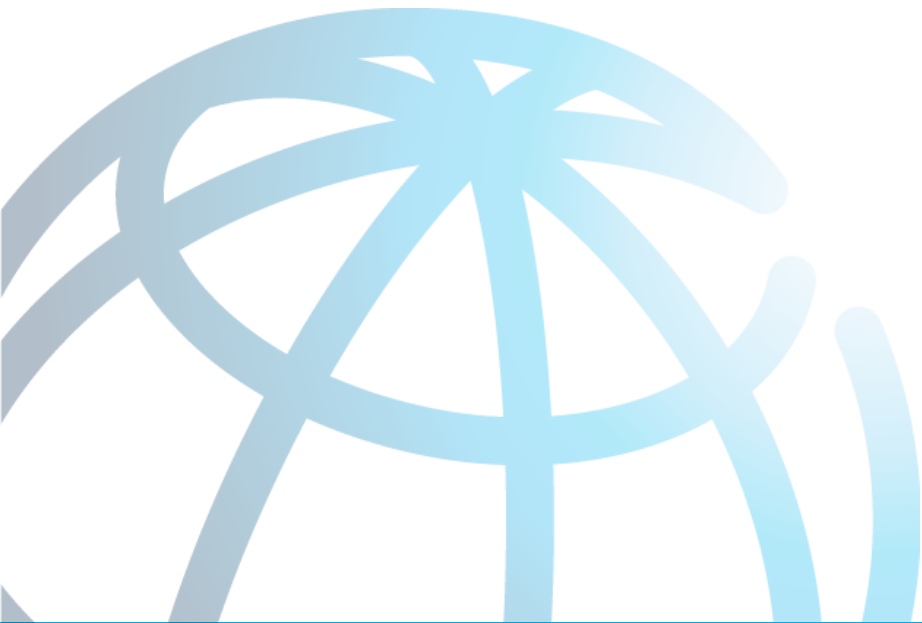
TF Reform

- Establish a joint customs union
- Merge trade procedures and house officials from both countries in one physical location
- Pilot the new process with the private sector
- Train the private sector to use the new process

Impact

Both countries have recently cut trade times **from 10 hours to just 15 minutes**, which - according to SIECA- has led to an increase of trade of 7% between both countries

Looking Ahead



Cementing Impact



Scaling Up Impact

- Accelerate TFA implementation
- Build upon successful reforms and continue to implement activities that lead to real results for both the public and private sectors
- Foster leadership and ownership
- Leverage digital tools to automate data collection



Building Resilience

- Continue to respond to the pandemic (short-term response and long-term recovery)
- Leverage the TFA to embed mechanisms to keep trade flowing against future crises (public health, environmental, etc.)
- You need to be prepared to respond when you need to.....



KM & Learning

- Continue peer-to-peer learning and broader knowledge sharing
- Continue to collect gender-disaggregated data to inform dialogue on how to mainstream gender and inclusivity issues into trade policy
- Continue to improve upon tools to monitor and evaluate TFA implementation

Thank You

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