

Introduction to the WTO Trade Facilitation Agreement: History and Key Concepts; Focus on the CAREC

Maria-Teresa Pisani
Trade Facilitation Section
Economic Cooperation and Trade Division
Sept 2017



Outline of the presentation



1) The World Trade Organization (WTO)

- Members and Observers
- Doha Round
- Ministerial Conference and Bali Outcome



2) Trade Facilitation

- Definitions
- Principles
- Case Stories



3) Legal Jargon

- Treaty
- From adoption to entry into force



4) TFA Measures

- Categorization and Trends
- Focus on the CAREC

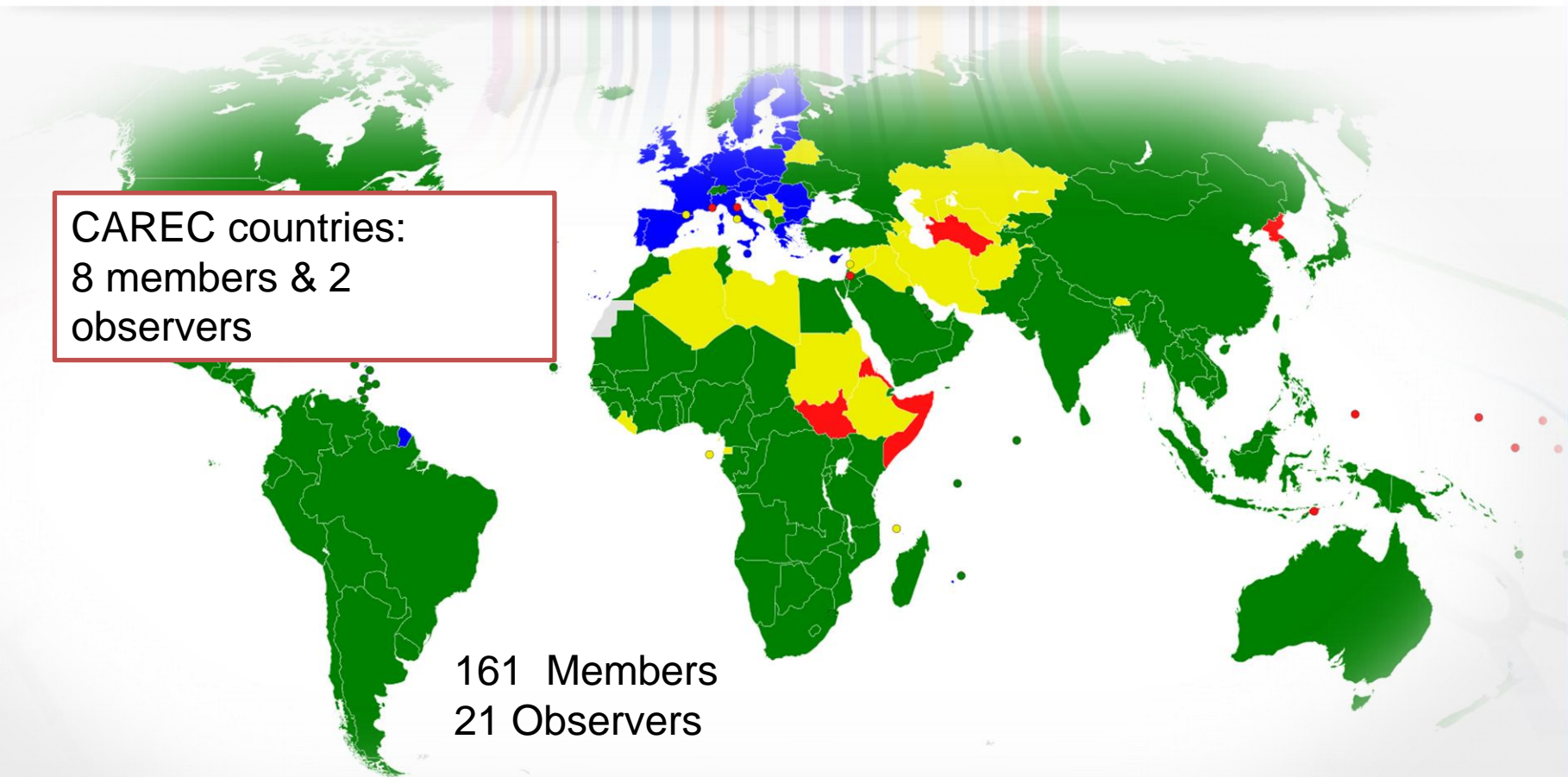
The background features a complex network of colorful lines (pink, blue, green, yellow, orange) that flow from the top and bottom edges towards the center. These lines are interconnected by a series of white circles, creating a web-like structure. The overall aesthetic is clean and modern, with a light blue and white color palette.

1) THE WORLD TRADE ORGANIZATION: MEMBERSHIP AND NEGOTIATIONS

WTO members and Observers

CAREC countries:
8 members & 2
observers

161 Members
21 Observers



The WTO Ministerial Conference

The **highest decision-making body of decision of the WTO**, which usually meets every two year

It brings together **all members of the WTO**, which are all countries or customs unions.

Can take decisions on all the subjects covered in the **multilateral trade agreements**.



9th MC in Bali, Indonesia

December 2013



10th MC in Nairobi, Kenya

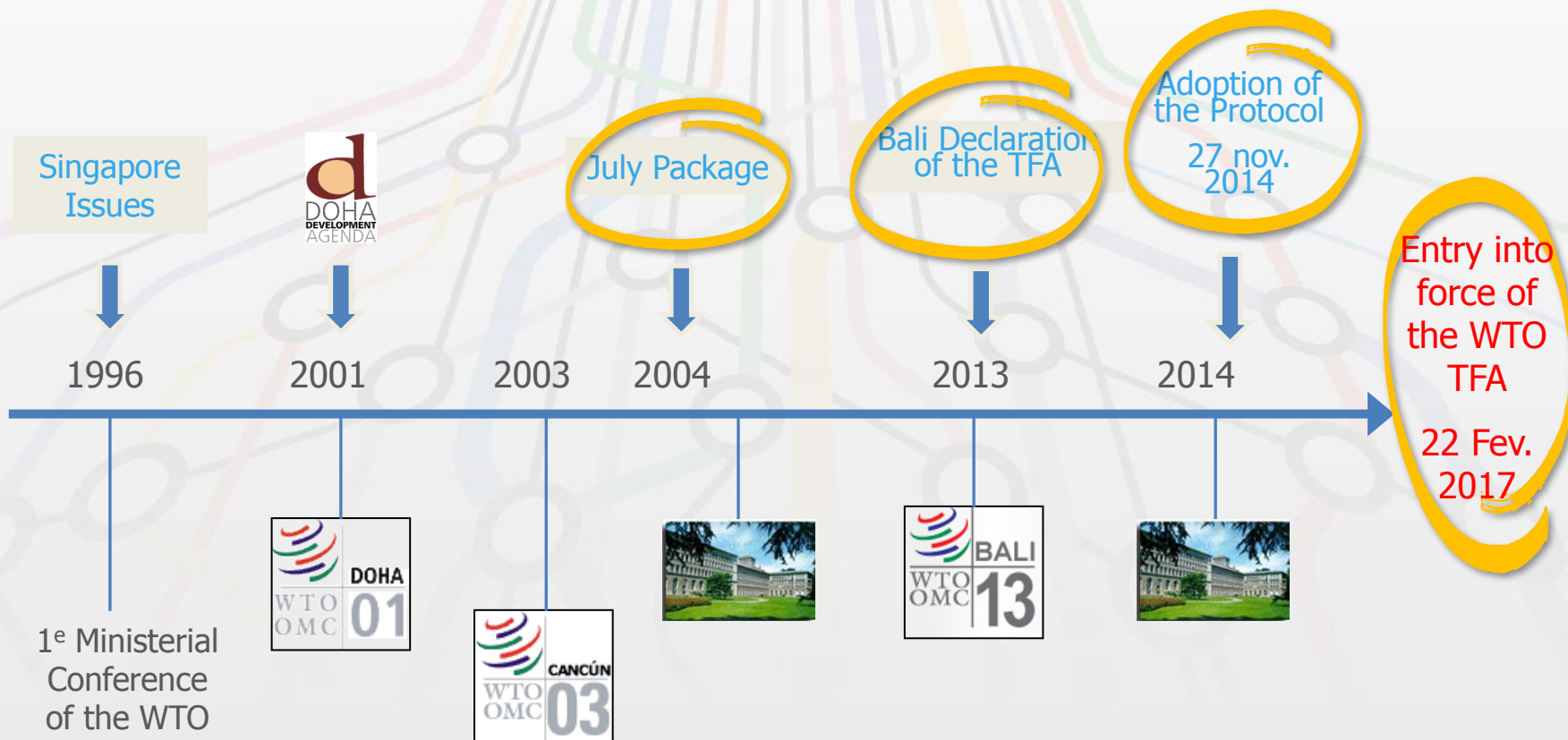
December 2015



11th MC

in Buenos Aires
Argentina
(Dec 2017)

Negotiations timeline



Source: UNCTAD Empowerment Programme for NTFCs

What is the WTO TFA?

- ✓ The WTO TFA contains provisions for the **simplification of procedures** for import, **export and transit operations, including movements, clearance and release** of goods, with a view to reducing the relative **costs** .
- ✓ It is based on the principle of **Special and Differential Treatment**, linking the implementation of the Agreement by developing and least developed countries to their necessary level of **technical assistance and financial support**.
- ✓ Full implementation of the TFA is expected to reduce over **14% of total trade costs** for low-income countries (OECD, 2013)

Source: UNCTAD Empowerment Programme for NTFCs



The background features a complex network of colorful lines (red, blue, green, yellow, purple) that flow from the top and bottom edges towards the center. These lines are interconnected by a series of white circles, creating a web-like structure. The overall aesthetic is modern and technical, suggesting a global or digital network.

2) TRADE FACILITATION DEFINITION AND PRINCIPLES

How to define trade facilitation?

Trade Facilitation is defined as the
“*Simplification, harmonisation and standardisation of procedures and associated information flows required to move goods internationally from buyer to seller and to pass payment in the other direction*”

UN/CEFACT

International procedures for trade transactions

Commercial Procedures

- Establish contract
- Order goods
- Advice on delivery
- Request for payment

Transport Procedures

- Establish a contract of carriage
- Collect, Transport and deliver goods
- Provide letters of transport, status of input, goods reports

Regulatory Procedures

- Get licenses etc.
- Provide customs and cargo declarations
- Apply security of trade procedures
- The goods cleared for export / import

Financial Procedures

- Provide credit rating
- Provide assurance
- Provide credit
- Perform the payments
- Make statements

Prepare to export

Export

Transport

Prepare to import

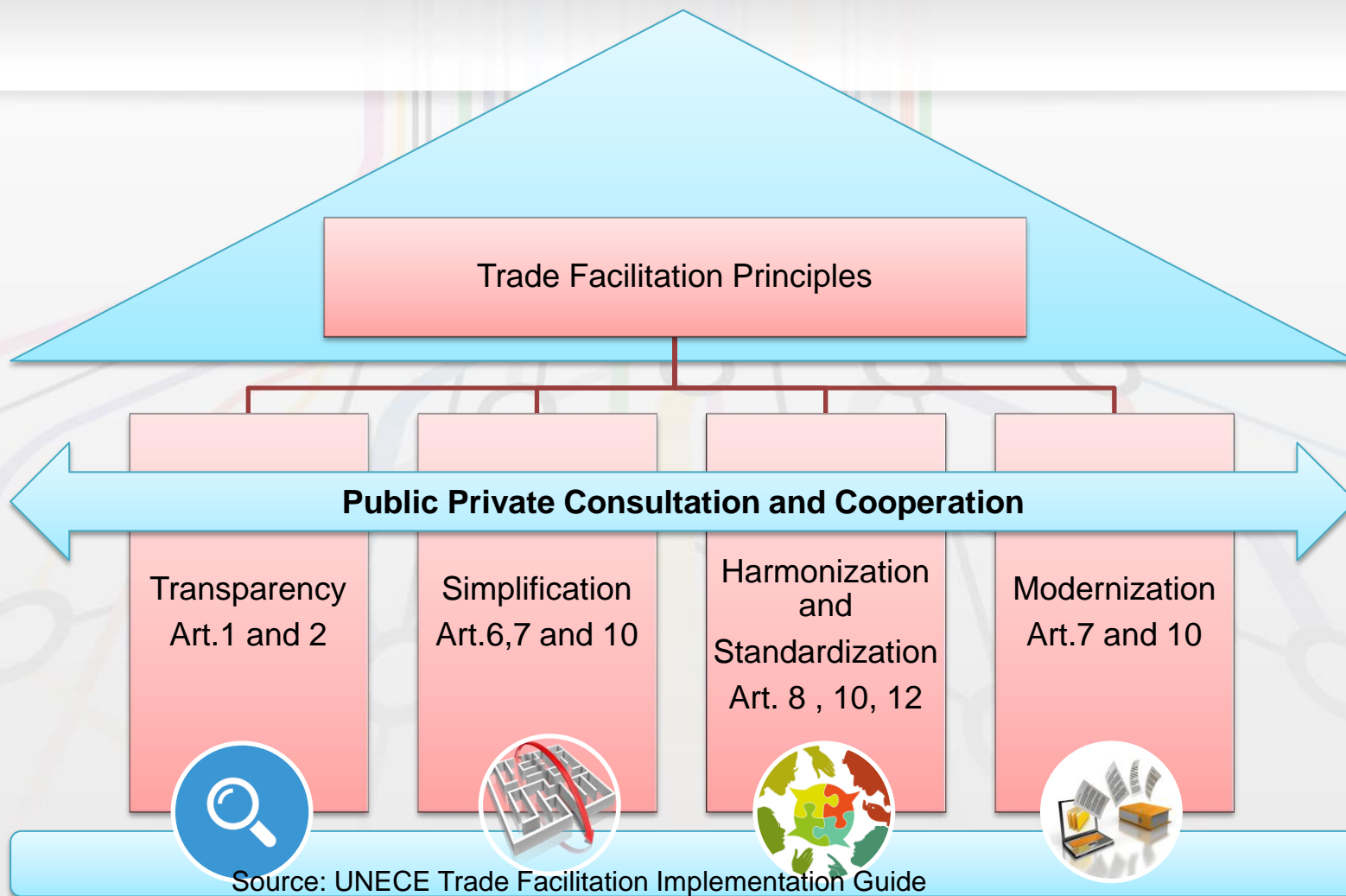
Import

Buy

Ship

Pay

The WTO trade facilitation agreement addresses the regulatory, practical activities and border formalities



The 4 trade facilitation pillars

TOLL CUSTOMS

Private

Corporate

Norwegian

AA

Search



Menu

Keep corporate as your preferred start page? [Yes](#) [No](#)



<http://www.toll.no/en/corporate/>

Search the Norwegian Customs Tariff

Commodity

Refer to item

Find

Commodity number (8 digits)

Refer to commodity number

Find

[Go to Norwegian Customs Tariff](#)



Norwegian Customs Tariff



Free trade



Transport and customs warehouse

Approved Exporters

Authorised Economic Operators



Shipping

Fish and crustaceans

Regulations





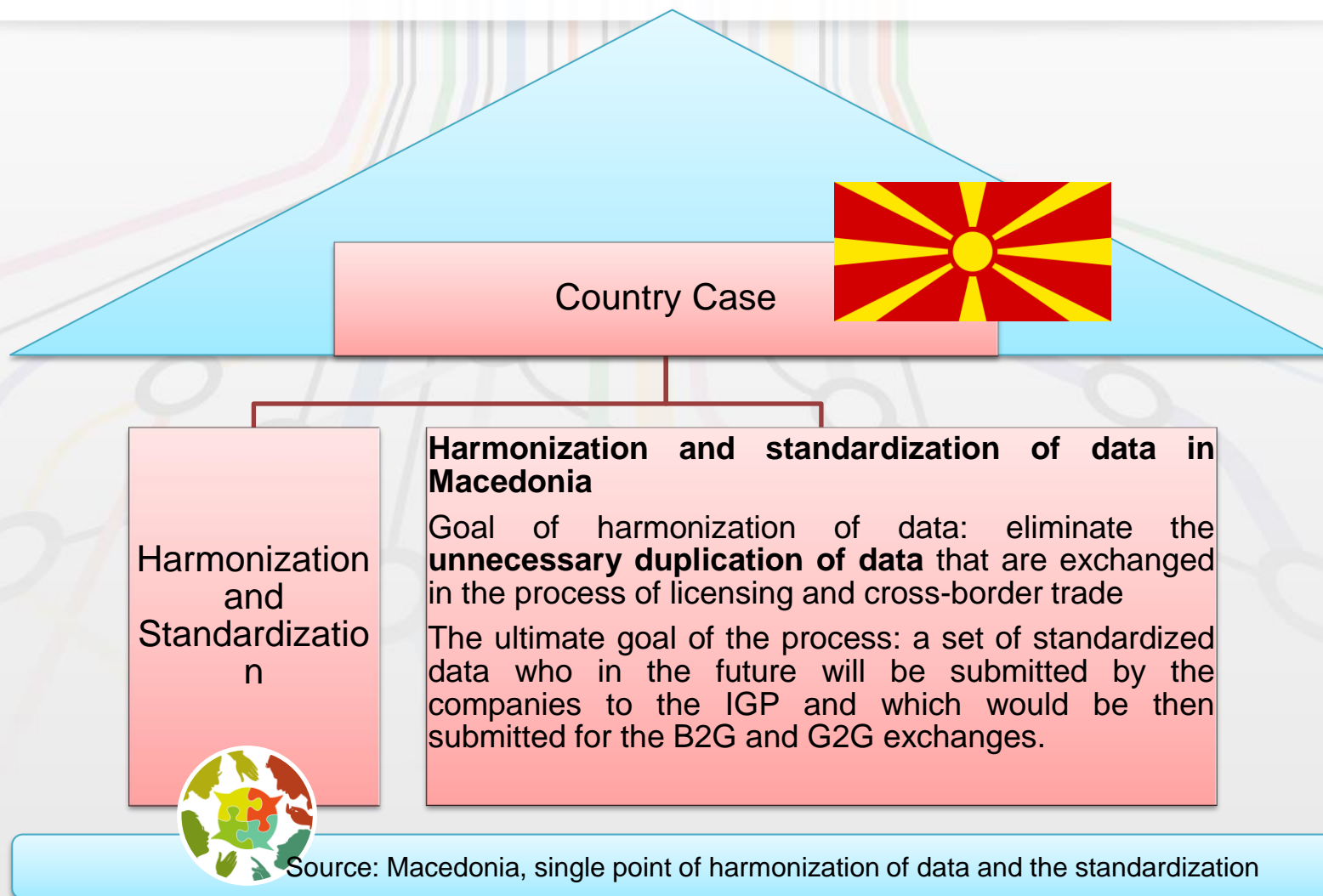
Lancement du Guichet unique : Le Bénin, un partenaire de choix dans le commerce international

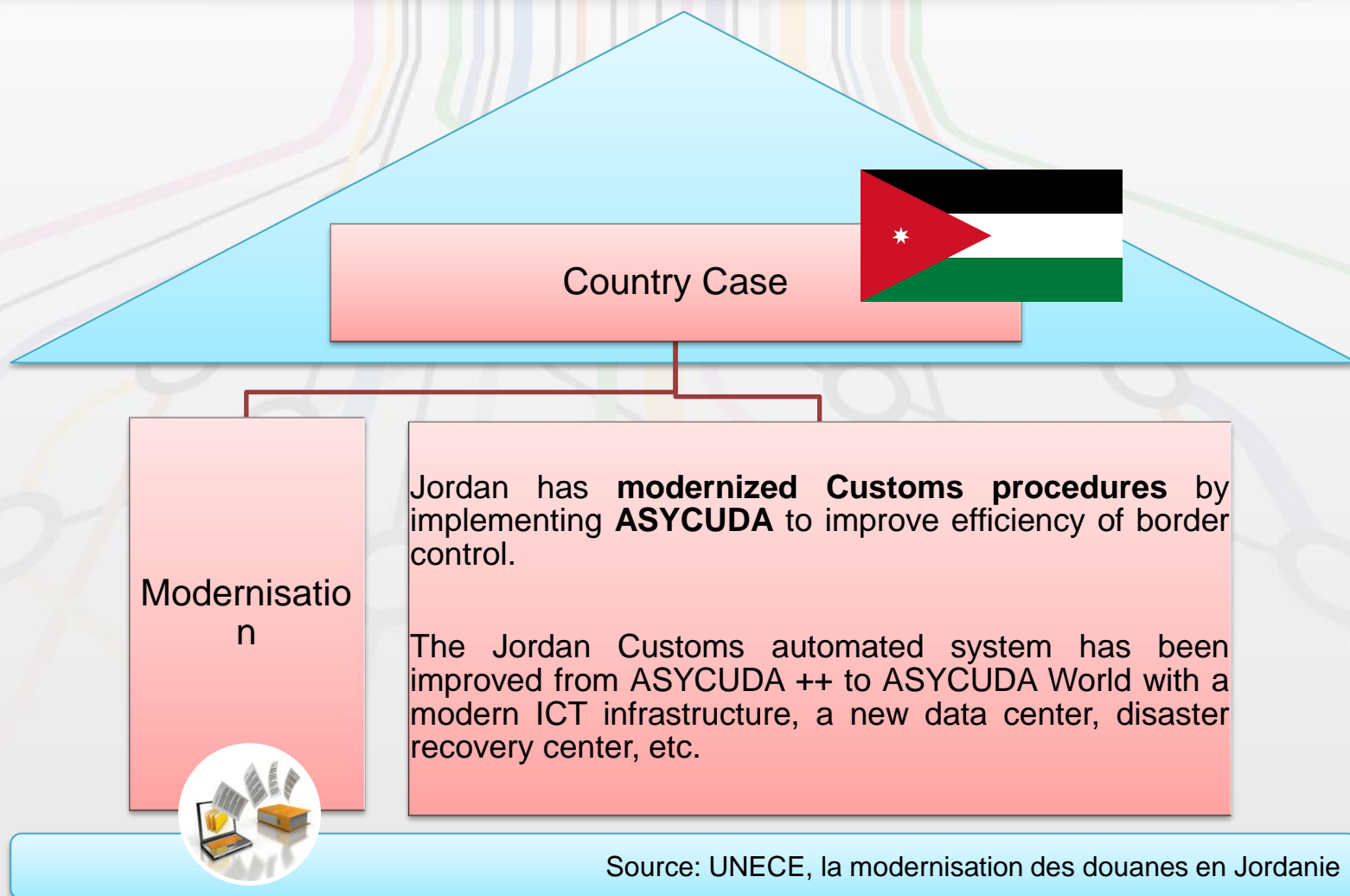


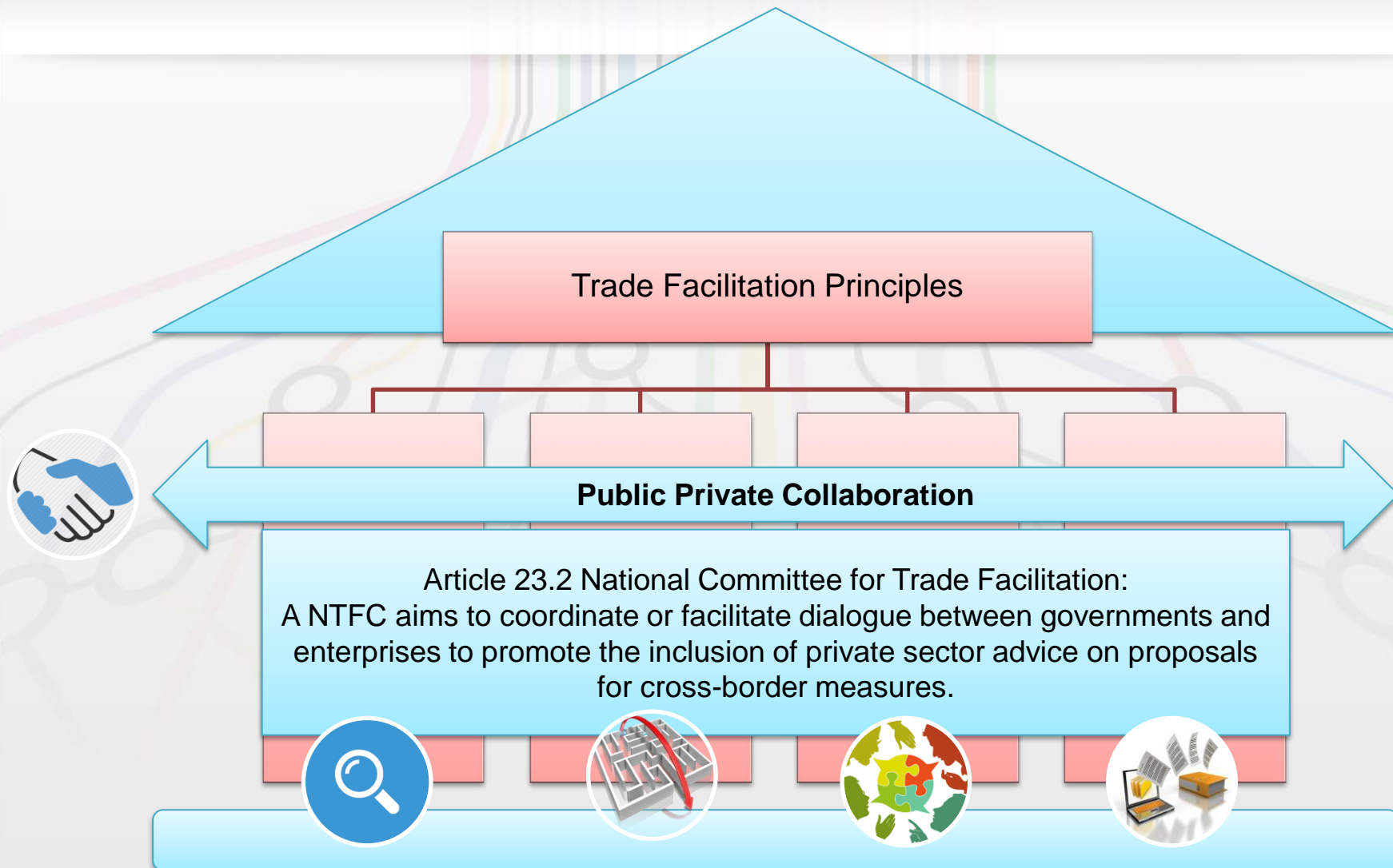
Komi Koutché, ministre de l'économie et des finances

<http://guoceanenin.bj>

<http://www.fraternitebj.info/societe/article/lanancement-du-guichet-unique-le>







Source: ITC, UNCTAD and UNECE, national trade facilitation committees: the implementation phase"

The background features a complex network of colorful lines (pink, blue, green, yellow, orange) that flow from the top and bottom edges towards the center. These lines are interconnected by a series of light gray circles, creating a web-like pattern. The overall aesthetic is modern and technical.

3) Legal Jargon

What is a Treaty?

The Vienna Convention
of 1969 on the Law of
Treaties:

*"an international
agreement concluded
between States in writing
and governed by
international law "*



A binding instrument, which means that the contracting parties intend to establish rights and legal obligations;



Concluded by States or international organizations with treaty-making power;

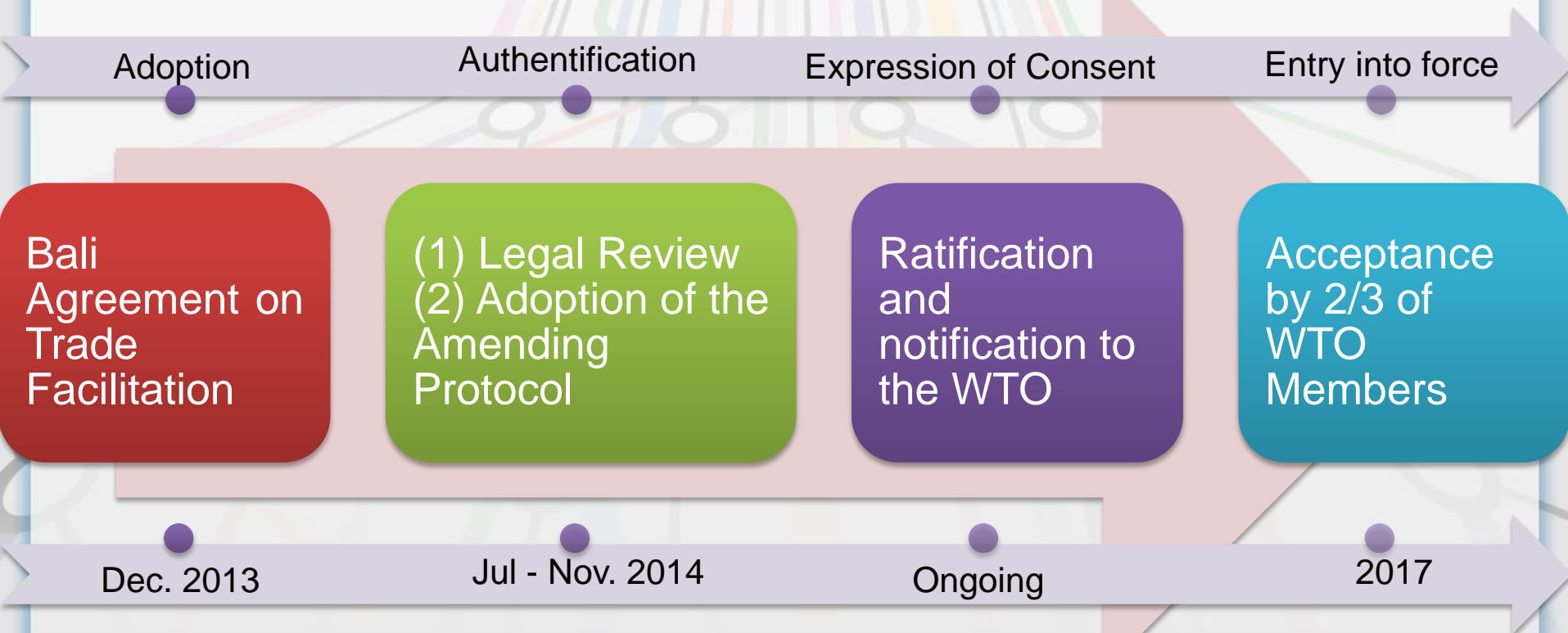


Governed by international law;



In writing.

TFA : From adoption to entry into force



121 instruments of acceptance deposited (as of 18 Jul 2017)

Source: UNCTAD Empowerment Programme for NTFCs

(1) LEGAL REVIEW: FOR EXEMPLE PREAMBLE

11 December 2013

- Members,
- Taking into account the Doha Round of multilateral trade negotiations;
- Recalling and reaffirming the mandate and principles set out in paragraph 27 of the Doha Ministerial Declaration and Annex D to the decision of the Doha Work Program adopted by the General Council on 1 August 2004, as well as paragraph 33 and Annex E to the Hong Kong Ministerial Declaration;
- Desiring to clarify and improve the relevant aspects of Articles V, VIII and X of the GATT 1994 with a view to further expediting the movement and clearance of goods, including goods in transit;



15 July 2014

- Members,
- Taking into account **the negotiations launched in the framework of the Doha Ministerial Declaration**;
- Recalling and reaffirming the mandate and principles set out in paragraph 27 of the Doha Ministerial Declaration **(WT / MIN (01) / DEC / 1)** and Annex D to the Doha Work Program Decision **(WT / L / 579)**, as well as paragraph 33 of Annex E to the Hong Kong Ministerial Declaration **(WT / MIN (05) / DEC)** ;
- Desiring to clarify and improve the relevant aspects of Articles V, VIII and X of the GATT 1994 with a view to further expediting the movement and clearance of goods, including goods in transit;

(2) ADOPTION OF THE AMENDING PROTOCOL

PROTOCOL AMENDING THE MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

Members of the World Trade Organization;

28 November 2014

Referring to the Agreement on Trade Facilitation;

Having regard to the Decision of the General Council in document WT/L/940, adopted pursuant to paragraph 1 of Article X of the Marrakesh Agreement Establishing the World Trade Organization ("the WTO Agreement");

Hereby agree as follows:

1. Annex 1A to the WTO Agreement shall, upon entry into force of this Protocol pursuant to paragraph 4, be amended by the insertion of the Agreement on Trade Facilitation, as set out in the Annex to this Protocol, to be placed after the Agreement on Safeguards.
2. Reservations may not be entered in respect of any of the provisions of this Protocol without the consent of the other Members.
3. This Protocol is hereby open for acceptance by Members.
4. This Protocol shall enter into force in accordance with paragraph 3 of Article X of the WTO Agreement.¹
5. This Protocol shall be deposited with the Director-General of the World Trade Organization who shall promptly furnish to each Member a certified copy thereof and a notification of each acceptance thereof pursuant to paragraph 3.
6. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this twenty-seventh day of November two thousand and fourteen, in a single copy in the English, French and Spanish languages, each text being authentic.

RATIFICATION

Ratification, acceptance and approval all relate to the international act by which a State establishes its consent to be bound by a treaty.

Ratification, acceptance and approval require two steps:

(a) The execution of an instrument of ratification, acceptance or approval by the Head of State, Head of Government or the Minister for Foreign Affairs, expressing the intention of the State to be bound by the relevant treaty; and

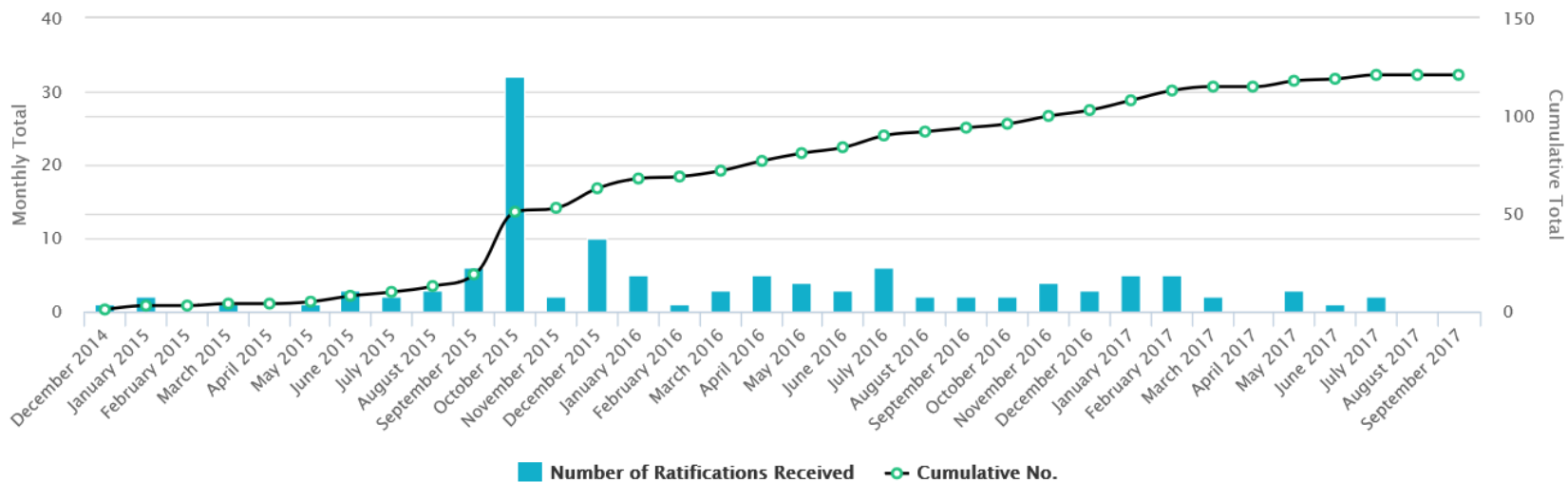
(b) For multilateral treaties, the deposit of the instrument with the depositary;

Source: United Nations Treaty Handbook

Ratification received

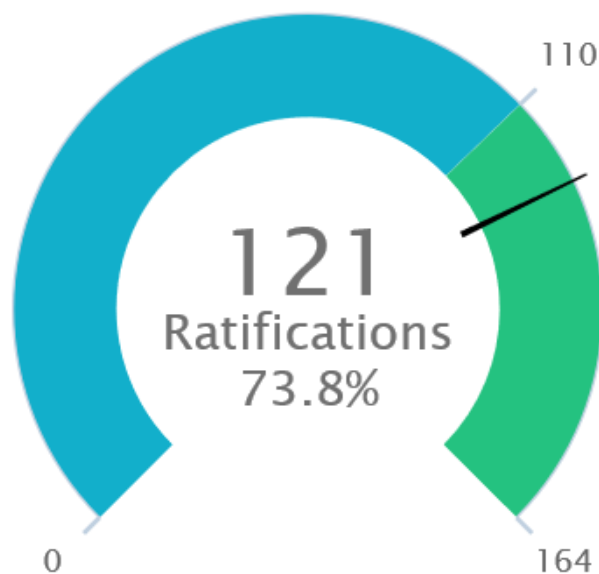
121 RATIFICATIONS RECEIVED

Timeline of Ratifications received to date (no. of Members having presented an instrument of acceptance)



Ratification received

The Trade Facilitation Agreement (TFA) entered into force on 22 February 2017 when the WTO obtained the two-thirds acceptance from its 164 Members.



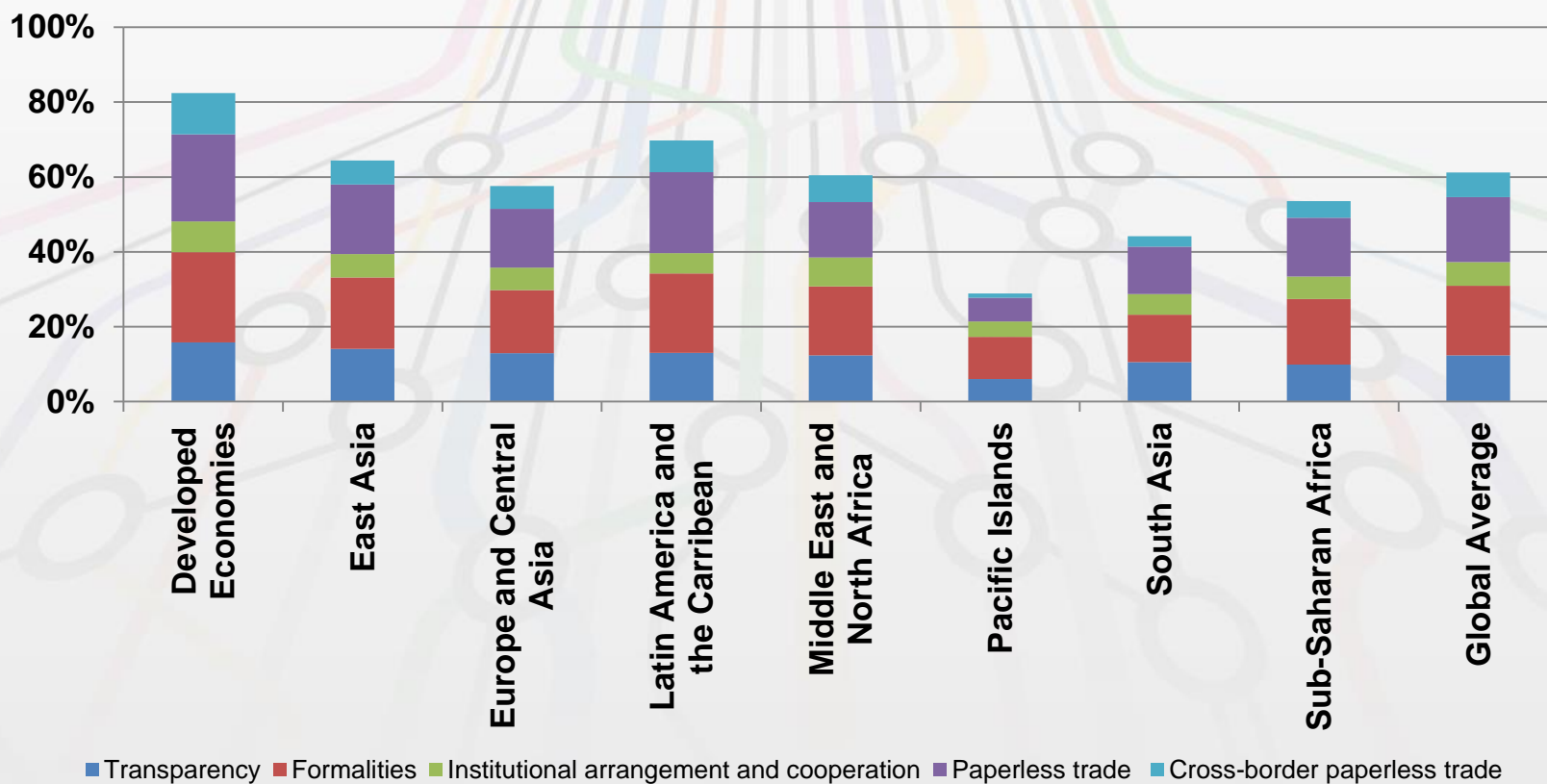
And CAREC?

7 countries have ratified
as of 6 Sept 2016
(Afghanistan, China,
Georgia, Kazakhstan,
Kyrgyzstan, Mongolia,
Pakistan)

The background features a complex network of colorful lines (red, blue, green, yellow, purple) that flow from the top and bottom edges towards the center. These lines are interconnected by a series of light gray circles, creating a web-like structure. The overall aesthetic is modern and technical, suggesting a global or interconnected theme.

4) Implementation of the provisions of the Trade Facilitation Agreement

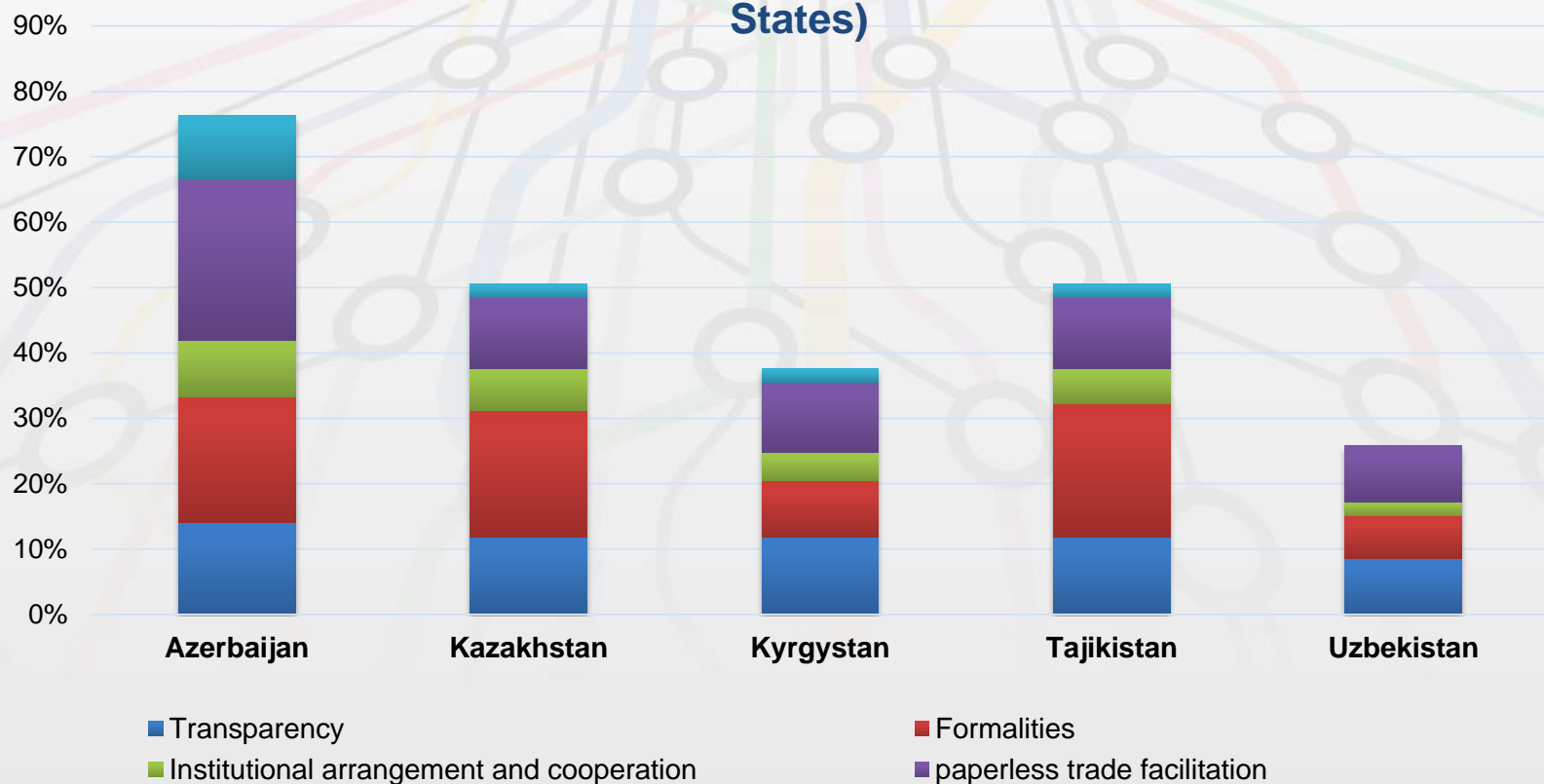
Global Performance: At a Glance



Source: UN Regional Commissions Survey on Trade Facilitation Implementation and Paperless Trade, 2017

CAREC Performance: At a Glance

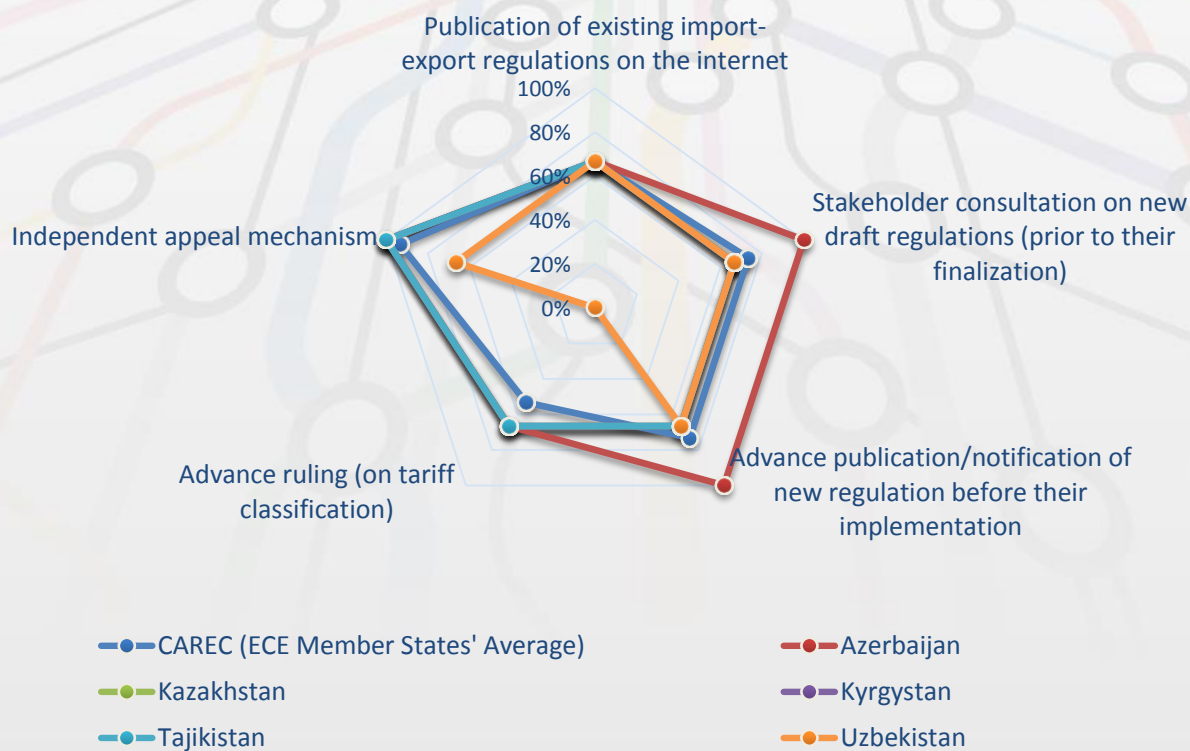
Overall Implementation of the CAREC Countries (UNECE Member States)



Source: UN Regional Commissions Survey on Trade Facilitation Implementation and Paperless Trade, 2017

CAREC: Transparency Measures

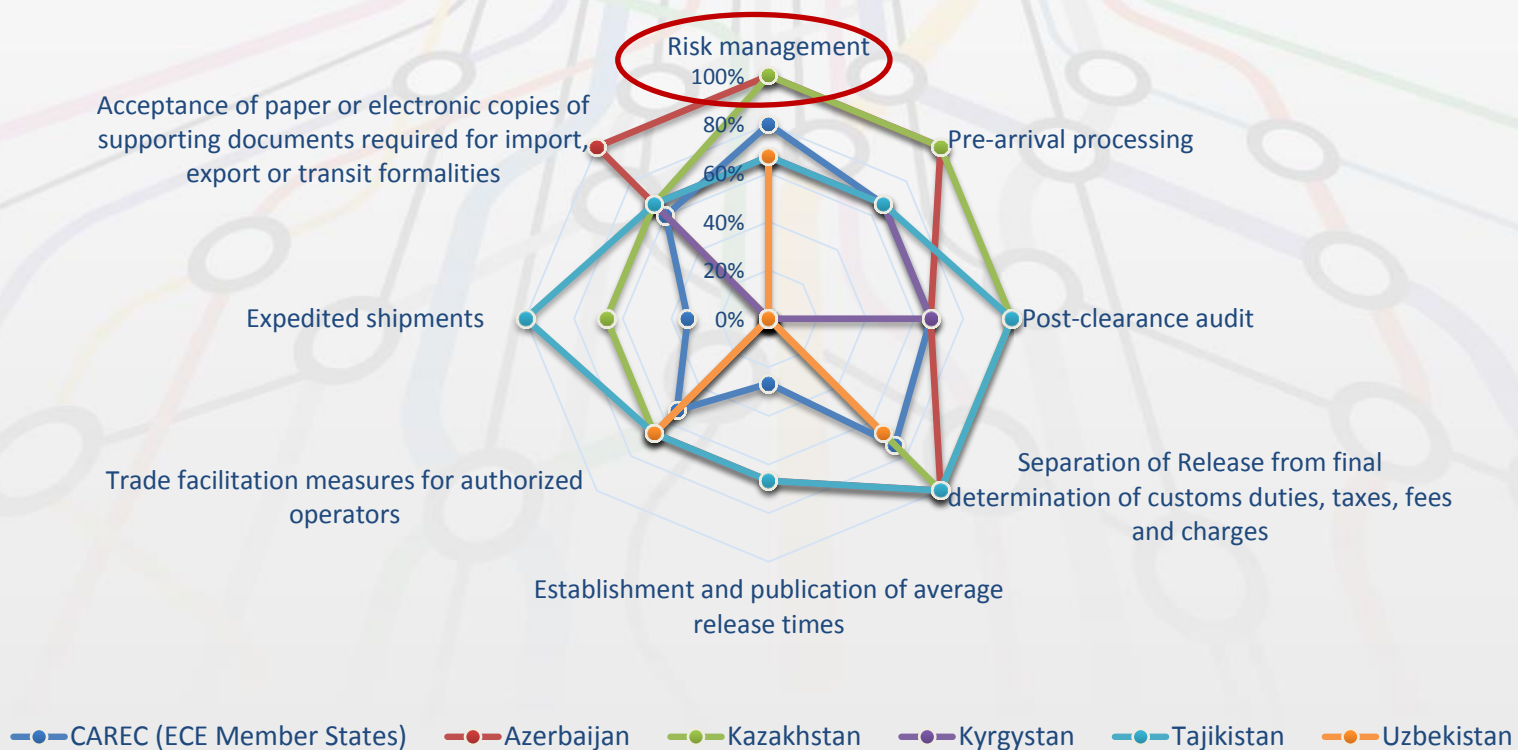
Implementation of Transparency Measures



Source: UN Regional Commissions Survey on Trade Facilitation Implementation and Paperless Trade, 2017

CAREC: Formalities Measures

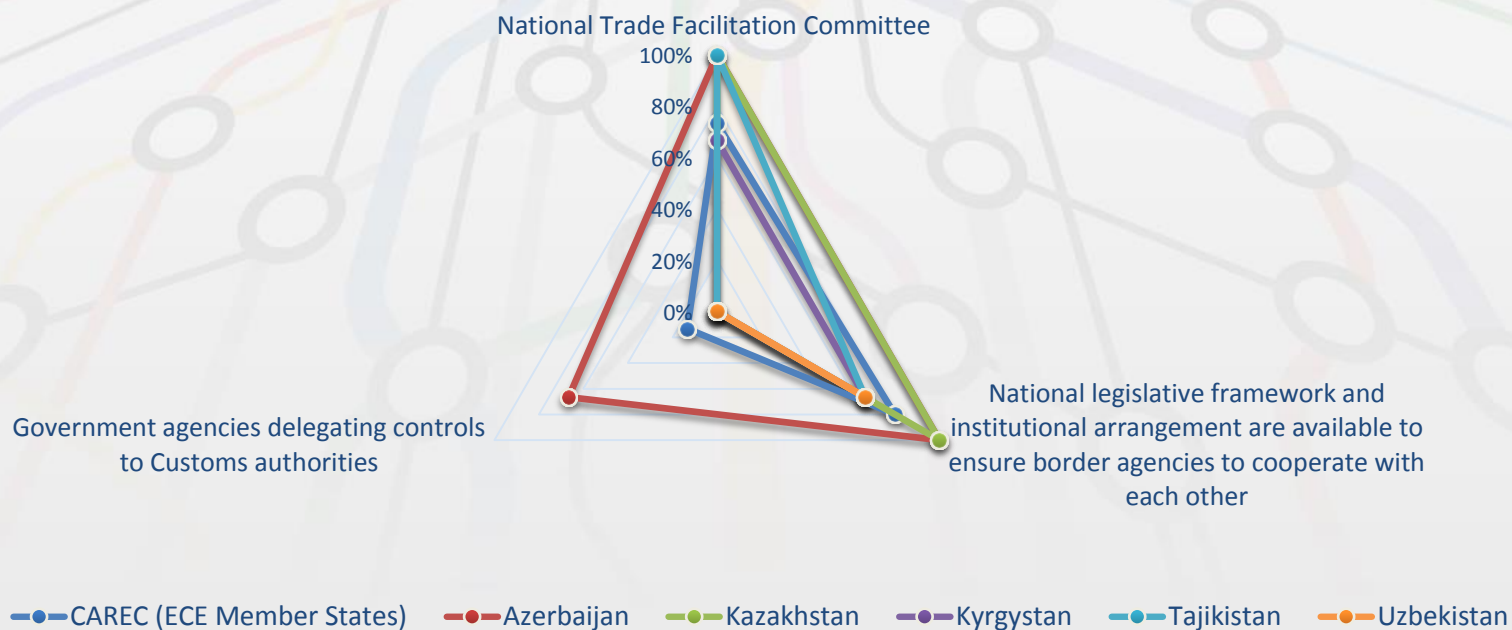
Implementation of Formalities Measures



Source: UN Regional Commissions Survey on Trade Facilitation Implementation and Paperless Trade, 2017

Institutional Arrangement Measures

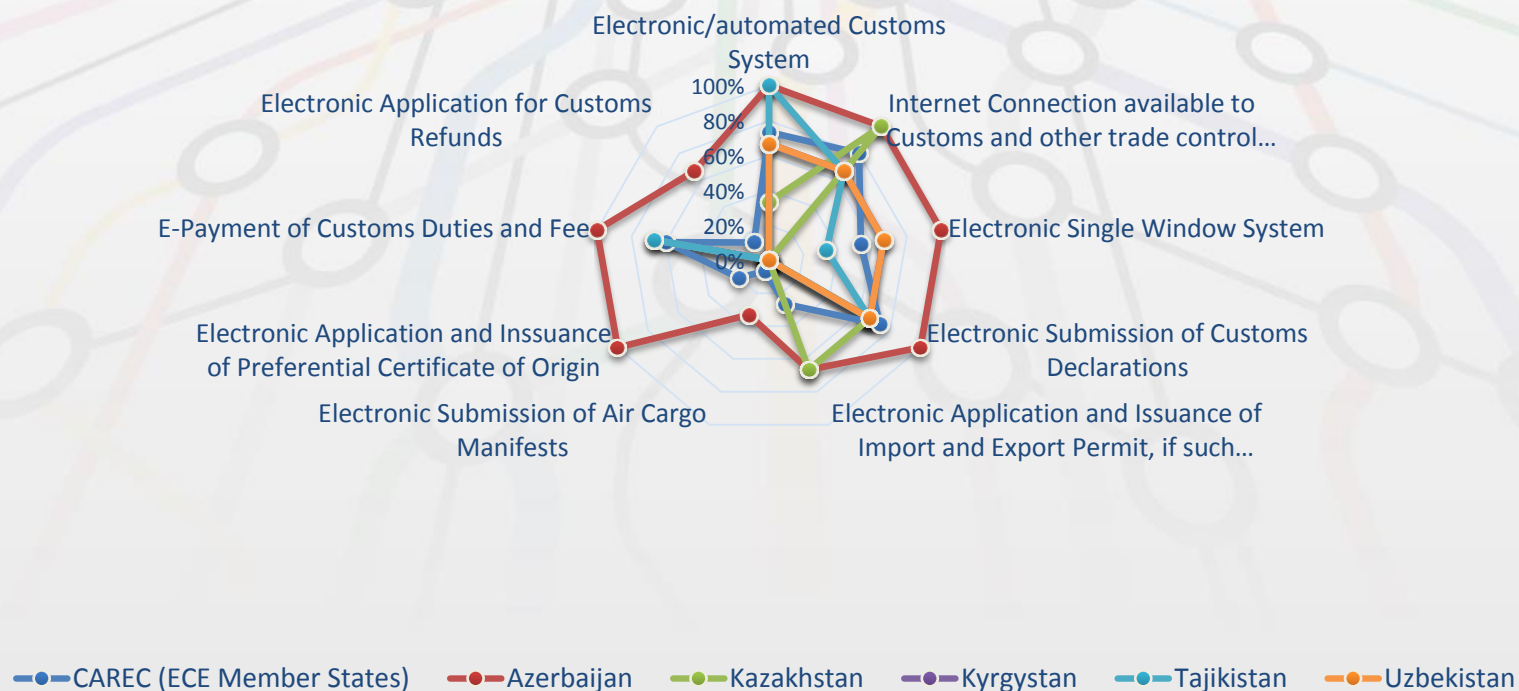
Implementation of Institutional Arrangement Measures



Source: UN Regional Commissions Survey on Trade Facilitation Implementation and Paperless Trade, 2017

Paperless Trade Measures

Implementation of Paperless Trade Measures



Source: UN Regional Commissions Survey on Trade Facilitation Implementation and Paperless Trade, 2017

36 MEASURES CATEGORIZED AS A, B OR C

**The WTO TFA
includes 36
measures**

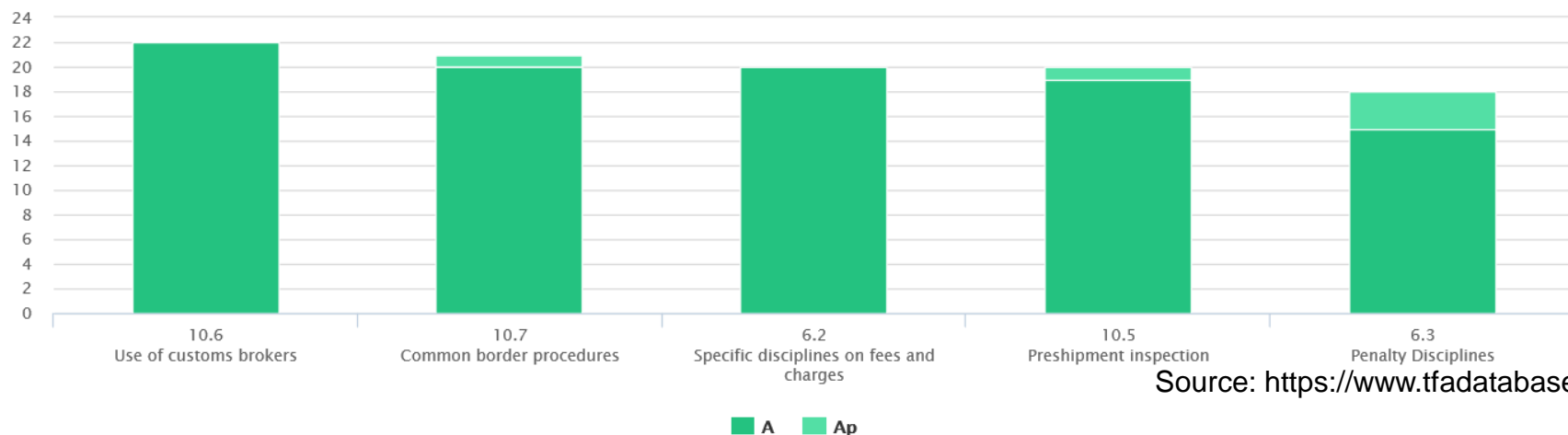
**3 catégories of measures :
A, B and C**

Cat.	Timing	Condition
A	Deadline of entry into force of the TFA	∅
B	(x) Years after entry into force	∅
C	(x) Years after entry into force	Financial and technical assistance

The 5 most notified measure in Category A in Asia&ThePacific

The 5 most notified measures in Category A

No. of measures fully or partially notified
Region: Asia & the Pacific

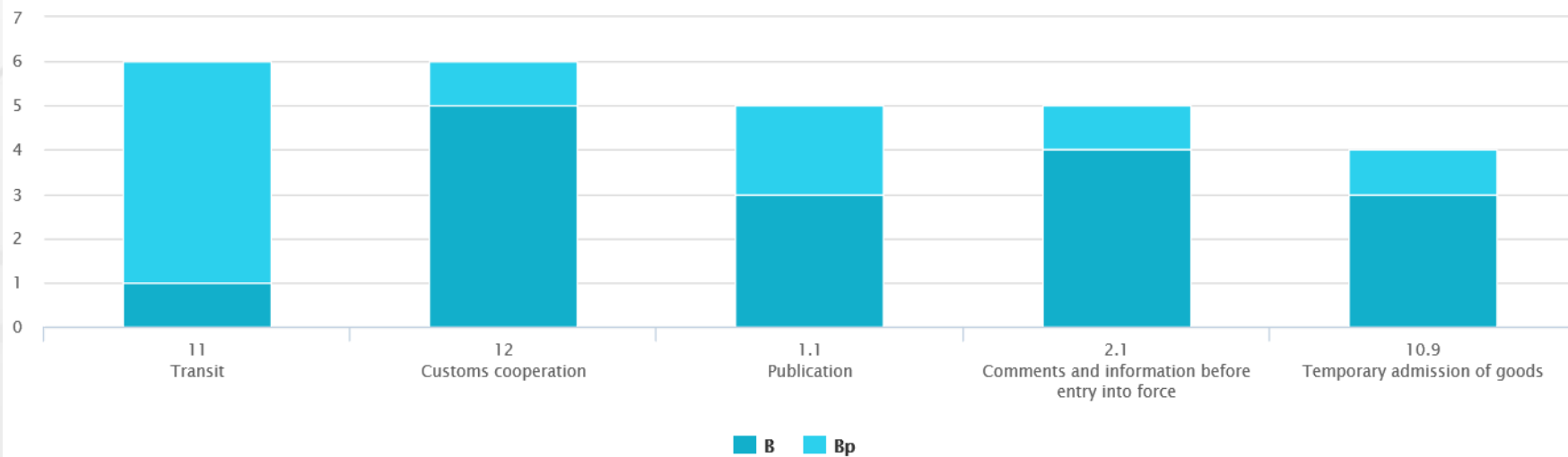


Source: <https://www.tfadatabase.org>

The 5 most notified measure in Category B in Asia&ThePacific

The 5 most notified measures in Category B

No. of measures fully or partially notified
Region: Asia & the Pacific

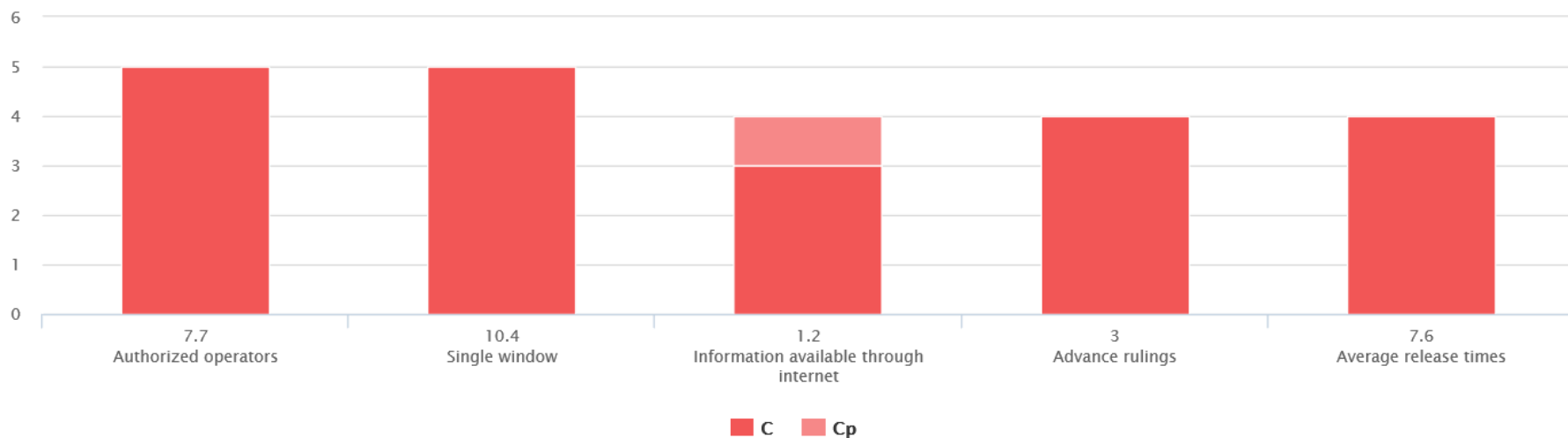


Source: <https://www.fdatatabase.org>

The 5 most notified measure in Category C in Asia&ThePacific

The 5 most notified measures in Category C

No. of measures fully or partially notified
Region: Asia & the Pacific



Source: <https://www.fdatatabase.org>

The background features a network of colorful lines (red, blue, green, yellow, purple) that branch out from the top and connect to various circular nodes, creating a complex web-like pattern. The lines and nodes are semi-transparent and layered, giving a sense of depth and connectivity.

5) UNECE Technical Assistance and Capacity Building in the CAREC

(UNECE Member States)

Facilitation of Global Trade

UNECE's Approach

Simplified Multilateral Trade



- Trade Facilitation and Electronic Business (UN/CEFACT)

Recommendations and Standards



- Training and Advisory Services
- Support to member States
- Evidence-based research

Outreach and Support

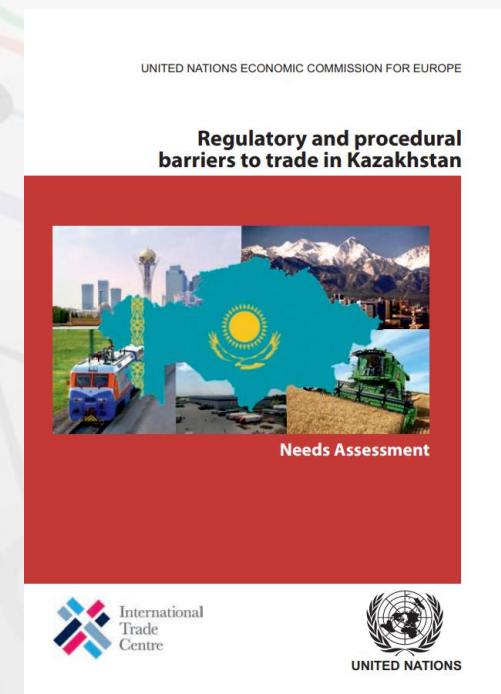
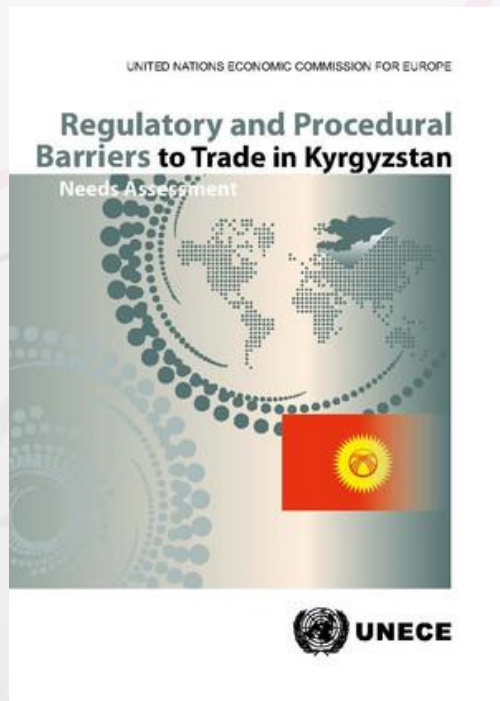


- Partnerships with key UN and other international organizations

Partnerships



National Assessments of Regulatory and Procedural Barriers to Trade



Currently starting an assessment in Georgia

Available on www.unece.org

Examples of recent capacity-building activities

Kyrgyzstan 2015: training enterprises on TF and standardization

Kazakhstan 2015: Regional workshop on Trade Facilitation and Paperless Systems for Agrifood Products in Almaty

Kazakhstan 2015: Workshop on Paperless Trade Facilitation for Small and Medium-sized Enterprises in Central Asia Products in Almaty,

China and Indonesia 2015: Workshop on implementing electronic phytosanitary certificates in Wuhan, China and in Bangkok

China 2016: Workshop on Single Window Implementation Roadmap

WTO TFA readiness assessments



Kazakhstan

2015

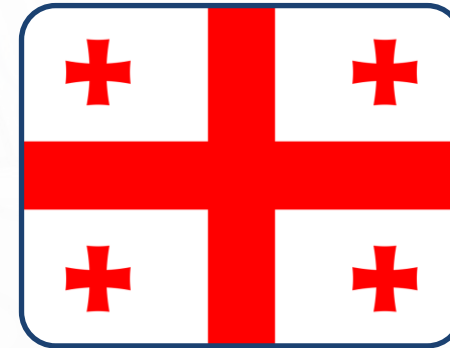
UNECE with
UNCTAD and
GIZ support



Azerbaijan

2017

UNECE with
UNCTAD
support



Georgia

2018

UNECE with
UNCTAD
support

Tangible Impacts

NTFB

- Azerbaijan, Afghanistan, Tajikistan, Kyrgyzstan, Uzbekistan

Single Window implementation Feasibility studies

- Tajikistan, Kazakhstan, Uzbekistan, Kyrgyzstan

Launch of Single Window implementation

- Azerbaijan 2009

Bilateral transit and transport agreements updates

- Afghanistan

Forms Repository Project

- Kyrgyzstan

Trade Policy Forum on “Central Asia and the Multilateral Trading System”

Results

- ❑ Experience exchange
- ❑ SPECA TF Strategy acceptance
- ❑ SDG 17.10
- ❑ concrete forms of regional trade cooperation

May 2016
Ashgabat,
Turkmenistan



Thank you!

Maria Teresa Pisani

Acting Chief, Sustainable Trade and Outreach
United Nations Economic Commission for Europe

maria-teresa.pisani@un.org

www.unece.org/trade