



International  
Trade  
Centre

TRADE IMPACT  
FOR GOOD

# Trade facilitation and regional cooperation

Asian Development Bank (ADB) Inter-Subregional Forum on Enhanced Implementation of the World Trade Organization Trade Facilitation Agreement

Bangkok, Thailand

30 October 2018

Dr. Mohammad Saeed

Senior Adviser

Trade Facilitation and Policy for Business

International Trade Centre (ITC)



# Coordinated regional approaches allow to maximize the benefits of the TFA

## 1 A more conducive environment for traders

- Streamlined requirements **reduces traders uncertainty and compliance costs**
  - E. g. : harmonized national AEO schemes will **support business participation in the region** and create a basis for mutual recognition

## 2 Enhanced functioning of customs unions

- Harmonization of customs legislation and procedures helps guarantee that the **customs union will function correctly and equitably**
  - Same rules reduce prospects of distorted trade flows towards countries with most efficient borders

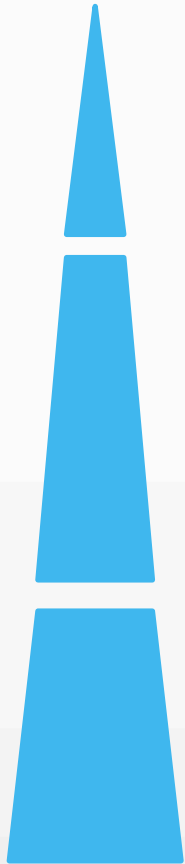
## 3 Leveraging economies of scale

- Implementing trade facilitation measures will be **less expensive if countries in the REC share the costs**
  - E. g. : regional programme in EAC to mutualize the costs of capacity-building trainings for border officials at OSBPs

## 4 Addressing development asymmetries

- Concerted approach helps to **avoid structural imbalances from different growth levels and structural gaps** among REC Member States
  - E. g. : regional fund in EU to stir infrastructure investment in Member States with structural challenges

# Three levels of regional intervention should be considered



## **Regional implementation**

- REC takes charge over the implementation over selected measure on behalf of its Member States (e.g. internet publication, enquiry points, border agency coordination)
- 

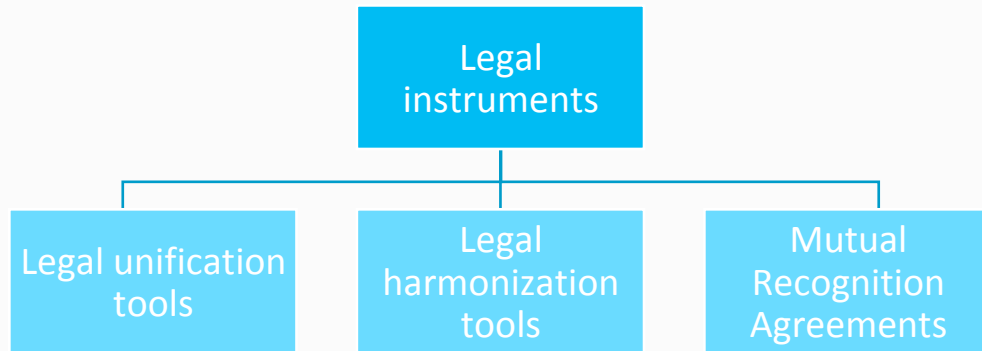
## **Regional coordination and cooperation**

- REC provides guidelines and ensures that implementation is synchronized over the region to ensure maximum benefits for the traders
  - REC facilitate the exchange of information, best-practices and tools to ensure the effective implementation of the TFA measures
- 

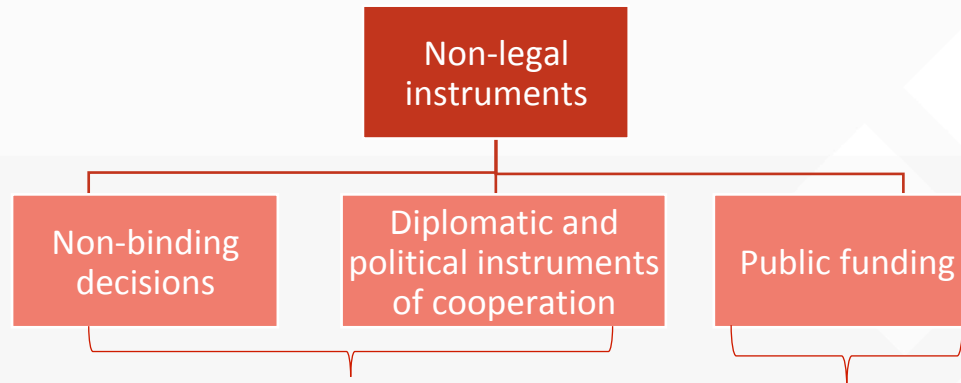
## **Regional harmonization**

- REC provides guidelines for the implementation of TFA measures but the country decide on an individual basis on the sequencing and timing of implementation

# Instruments to advance regional trade facilitation agendas



Require **strong agreement among member states**; greatly effective with **enforcement** in place. Typical of supranational communities with high levels of institutionalization and **ambitious agendas**



Easier to achieve but may not yield sufficient integration dynamics because **implementation by member states is voluntary** and there is **no credible enforcement mechanism**. Peer pressure, monitoring and reporting constitute the only mechanism of verifying compliance

**Can motivate and launch pilot activities**, and **fill structural gaps** among member states; however, they require available funds and there needs to be uniform access and delivery

# Responsibility-sharing options for the regional implementation of trade facilitation reforms

Intergovernmental approach

Supranational approach

## Decentralized implementation option

## Shared implementation option

## Centralized implementation option

Member States have the exclusive responsibility of implementing trade facilitation reforms

Regional bodies and Member States jointly contribute to the implementation of TF reforms within a regional TF roadmap

Regional bodies have the exclusive responsibility of implementing TF reforms identified within a regional TF roadmap

Economies of scale

Human/financial resources

Mutualizing of investments

Interoperability of TF mechanism

# Six steps to a regional trade facilitation roadmap

ITC has developed a six-step methodology to guide RECs and their Member States to design a regional roadmap to trade facilitation reforms tailored to their particular national environment.



1

Consolidate national TF needs and identify common requirements

2

Build consensus on TFA obligations to be implemented regionally

3

Define the set of legal and non-legal instruments to support implementation

4

Delineate Member States' and regional bodies' respective implementation responsibilities

5

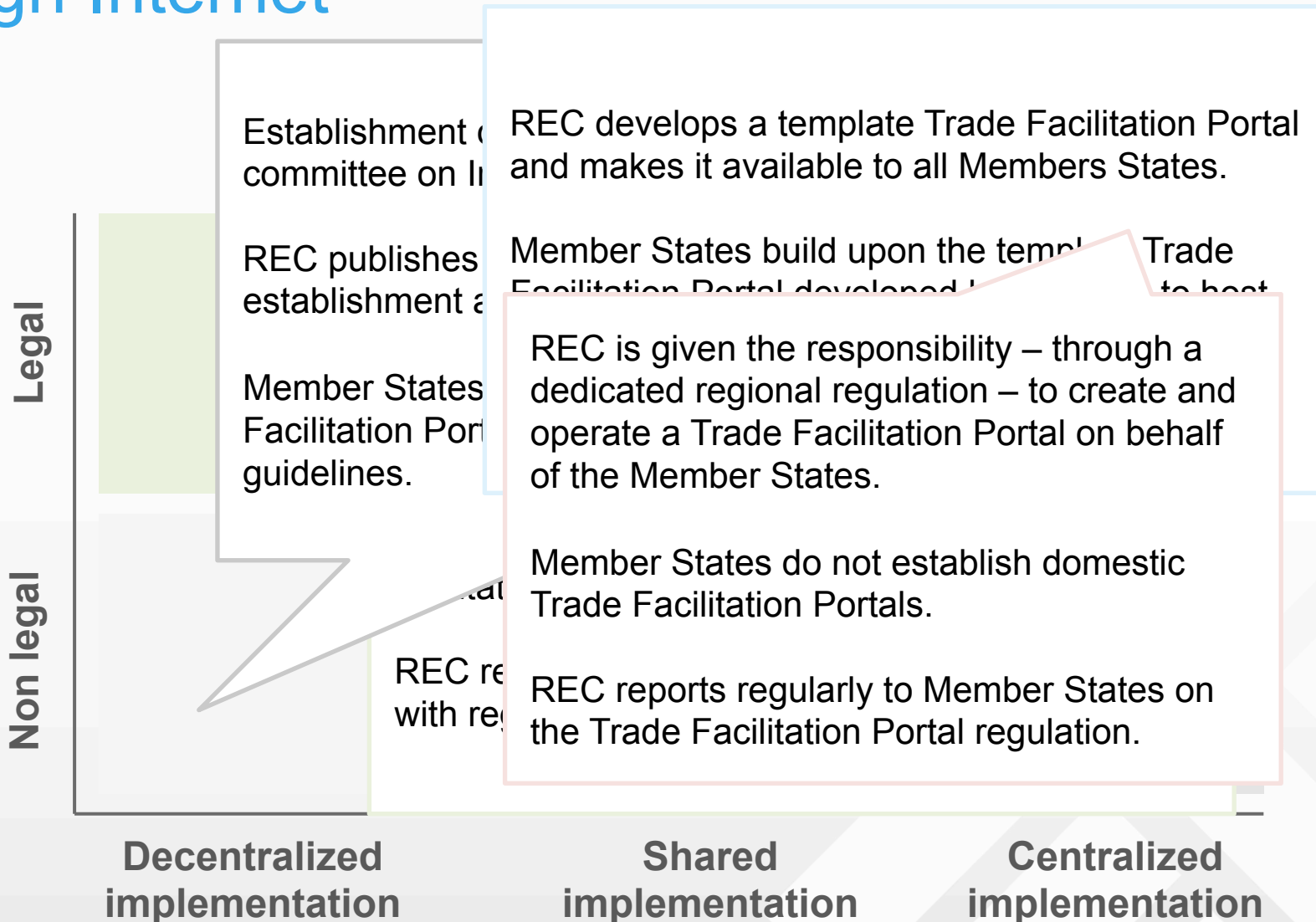
Define the target policy mix for each TF reform

6

Establish an institutional community platform to facilitate the design, implementation and monitoring of the regional trade facilitation roadmap

# Example: Article 1.2, information available through Internet

Implementation instruments



# The need for regional coordination mechanisms: e.g. Regional Trade Facilitation Committee (RTFC)

- ✓ To identify priority reforms to be implemented in a harmonized and coordinated way within the region
- ✓ To define the legal and non-legal instruments to be mobilized for reform implementation
- ✓ To clarify the division of roles and responsibilities between the Commission and the Member States
- ✓ To monitor and evaluate the implementation of trade facilitation reforms

## How is it practically achieved? The WAEMU experience

---

- **Legal basis:** regional decision to set up a RTFC validated by all Member States
- **Public and private membership**
  - Ministry of Trade
  - Customs
  - Private sector
- **Mandate and decision-making:** issue technical recommendations for consideration of Ministerial Council, taken on a simple majority rule (one voice per country)
- **Funding:** RTFC funded by the regional body



# Success lies in adopting a business perspective and enhancing public-private coordination

- 1 Business logic must be at the heart of regional integration projects**
  - Regional integration projects are initiated at the political level but they require a buy in from the private sector to be achieved
  - Intra regional trade will intensify only if it makes sense economically for the businesses
- 2 Coordination between governments and private sector must be strengthened**
  - Ensure adhesion of the businesses to the regional integration processes through awareness raising
  - Common identification of barriers to trade and the required solutions to remedy it and boost commercial trade flows within the region

# Thank you for your attention

Your  
contact  
at ITC



Dr. Mohammad Saeed  
Senior Trade Facilitation Adviser



[saeed@intracen.org](mailto:saeed@intracen.org)



+41 7 99 52 15 77

