



GLOBAL ALLIANCE
FOR TRADE FACILITATION

Annual Report

2021

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OUR PURPOSE

To boost trade competitiveness and business conditions, which are key drivers of inclusive economic growth and poverty reduction



OUR VISION

A world where cross-border trade is simple, fast, and cost-effective



OUR MISSION

To deliver targeted and measurable trade reforms through public private partnership in developing and least developed countries

IMPROVING LIVES

Trade catalyses positive change

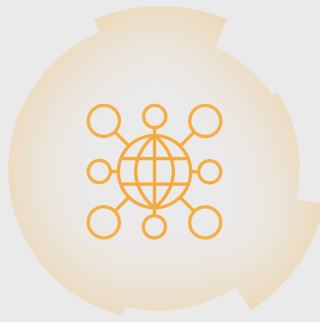
Our theory of change is based on achieving measurable results in trade facilitation that can help to reduce poverty, ultimately improving the lives of people in developing and least developed countries.

Trade that is simple, fast, and cost-effective can enable businesses of all sizes to grow by accessing global markets, generating more employment and investment that can drive inclusive economic growth.



FORGING STRONG PUBLIC PRIVATE PARTNERSHIPS

We bring governments and businesses together as equal partners in tackling trade barriers, to help all sides better appreciate each other's perspectives, identify the root causes of problems, and map out ways they might work together to resolve them. The Alliance's role is to be a neutral convenor and catalyst in these discussions, keeping up the momentum of engagement and ensuring all sides understand and meet their obligations to one another as they move ahead towards reaching technical solutions. A central element is raising awareness of the advantages to both sides in implementing the World Trade Organization's Trade Facilitation Agreement.



DELIVERING IMPACT

Our projects translate the trust and confidence of public private partnerships into concrete gains in the form of time and cost savings for both sectors. Most projects are created from the ground up by governments and businesses aiming for broad impact. Other projects are generated by businesses that have identified specific bottlenecks in their supply chains, while a third group scales up successful projects and applies them in other countries. The projects not only remove obstacles to trade by modernising and digitalising outdated processes, but they also leave a legacy of close collaboration and new techniques that governments and enterprises can apply well into the future.



MEASURING AND SHARING OUR RESULTS

We show the impact of our projects in cutting the time and costs associated with trade using verifiable, standardised measurements to quantify the savings achieved. We also share the lessons we learn to encourage others to tackle the red tape enmeshing trade in developing and least developed countries. By adopting international best practices, our projects are efficient and impactful, helping to enable countries to better harmonise their trade procedures and practices.

OUR DONORS



MINISTRY OF FOREIGN AFFAIRS OF DENMARK



Federal Ministry for Economic Cooperation and Development

LED BY



Center for International Private Enterprise

CIPE works with local partners to craft business-driven solutions to social-economic problems that affect millions of people. CIPE believes that democracy is at its strongest when the private sector is flourishing. Working with local partners, including business associations, chambers of commerce, think tanks, universities and advocacy organisations, CIPE helps to create the enabling environment for business to thrive. CIPE currently has more than 200 projects on the ground, including grants with local partners, in over 80 countries to help build those institutions.

International Chamber of Commerce

ICC is the institutional representative of more than 45 million companies in over 100 countries with a mission to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions, and standard setting, ICC promotes international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Members include many of the world's leading companies, MSMEs, business associations and local chambers of commerce.

World Economic Forum

The World Economic Forum is the international organisation for public-private cooperation. The Forum engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas. The independent, impartial, not-for-profit foundation strives to demonstrate entrepreneurship in the global public interest while upholding the highest standards of governance. The institution carefully blends and balances the best of many kinds of organisations, from the public and private sectors, international organisations and academic institutions.

IMPLEMENTING PARTNERS



US\$ 488,000 Total in-kind business contributions

112 Chambers of commerce & associations

167 MSMEs

39 Global business partners

GLOBAL BUSINESS PARTNERS INCLUDE:



LOCAL BUSINESS PARTNERS INCLUDE:

BRAZIL

Association of Customs Brokers of Sao Paulo
ICC Brazil
National Industry Confederation (CNI)

CAMBODIA

Cambodian Chamber of Commerce (CCC)
Federation of Associations for Small and Medium Enterprises of Cambodia (FASMEC)
Young Entrepreneurs Association of Cambodia (YEAC)

COLOMBIA

Colombian Association of Motor Vehicles (ANDEMOS)
ICC Colombia
National Business Association (ANDI)

ECUADOR

Association of Banana Exporters of Ecuador (AEBE)
AMCHAM Quito
Anecacao
Expoflores
ICC Ecuador
Kallari
Unión de Organizaciones Campesinas Cacaoteras (UNOCACE)
Quito Chamber of Commerce

GUATEMALA

Chamber of Industry of Guatemala (CIG)
ICC Guatemala
National Association of Shipping Agents (ASONAV)

INDONESIA

ICC Indonesia
Indonesian Canned Fish Entrepreneurs Association-APIKI
Indonesian Fishery Producers Processing and Marketing Association

JORDAN

ICC Jordan
Jordan Exporters and Producers Association for Fruits and Vegetables (JEPA)
The Association of Owners of Clearance and Transport Companies

KENYA

ICC Kenya
Kenya Private Sector Alliance

MADAGASCAR

Association of SMEs in Madagascar (FIVMPAMA)
Groupement des Exportateurs de Girofles de Madagascar (GEGM)
Groupement des Exportateurs de Vanille de Madagascar (GEVM)
Local professional groups of importers & exporters (GEM)

MALAWI

Clearing and Forwarding Agents Association of Malawi (CAFAAM)
Indigenous Customs Clearing and Forwarding Agents Association of Malawi (ICCAFA)

MOROCCO

Association Marocaine Des Exportateurs (ASMEX)
Confédération Générale des Entreprises Du Maroc (CGEM)
ICC Morocco
Professional Association of Maritime Agents, Consignees and Ship Brokers Chartering of Morocco (APRAM)

NIGERIA

Association of Nigerian Licensed Customs Agents (ANLCA)
ICC Nigeria
Lagos Chamber of Commerce and Industry (LCCI)
National Association of Chambers of Commerce Industry Mines and Agriculture (NACCIMA)
Organization for Women in International Trade Nigeria (OWIT Nigeria)

PERU

Chamber of Commerce of Lima (CCL)
ICC Peru
National Exporter's Association (ADEX)
Sociedad de Comercio Exterior del Perú (COMEX)
Sociedad Nacional de Industrias (SNI)

SENEGAL

Confédération Fédérative des Acteurs de l'Horticulture (CFAHS)
Cooperative Federation of Horticulture Stakeholders (CFAHS)
Syndicat des Exportateurs des Produits Agricoles (SEPAS)

TUNISIA

Tunisian Union of Agriculture and Fisheries (UTAP)
Tunisian Union of Industry, Commerce and Handicrafts (UTICA)

ZAMBIA

Customs Clearing and Freight Forwarding Agent Associations of Zambia (CCFFAAZ)
Zambia Customs & Forwarding Agents Association (ZCFAA)

OUR STEERING GROUP

Our Steering Group embodies public-private collaboration and puts partnership at the core of all Alliance work. It comprises representatives of our donor governments and global business partners. Our Steering Group provides strategic direction, approves projects, and authorises budgets on a consensus basis.



Leila Aridi Afas
Director of Global Public Policy
Toyota Motor North America



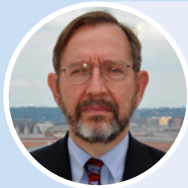
Stephan Bethe
Head of Division Trade Policy
German Federal Ministry for Economic
Cooperation and Development (BMZ)



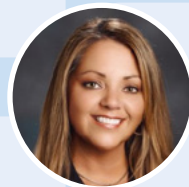
Jochen Daechert
Vice President
BASF Global Customs



Mark FeDuke
Director of Trade Compliance and Policy
ArdoVLM



Paul Fekete
Senior International Trade Advisor
USAID



Susie Hoeger
Senior Director, Global Trade Compliance
& Policy
Abbott Laboratories



David Lepage
Senior Policy Advisor
Economic Relations and Strategy
Strategic Policy Branch
Global Affairs Canada



Mads Thuesen Lunde
Minister Counsellor
(Economic and Commercial Affairs/WTO)
Ministry of Foreign Affairs of Denmark



Steven Pope
Vice President of Trade
Deutsche Post DHL Group



Amgad Shehata
Senior Vice-President of Global Public
Affairs & Strategic Development
UPS



Sarah Thorn
Senior Director
Global Government Affairs
Walmart

OUR YEAR IN REVIEW



9
NEW GLOBAL
BUSINESS PARTNERS



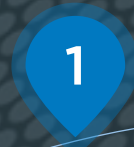
9
PROJECT
LAUNCHES



18
NEW PROJECT
APPROVALS



30
PROJECTS IN
IMPLEMENTATION



1
REGIONAL PROJECT



29
PROJECT COUNTRIES



70
PUBLIC PRIVATE
DIALOGUES

A LETTER FROM OUR DIRECTOR PHILIPPE ISLER



The disruption to global supply chains caused by the COVID-19 pandemic over the past two years has brought into sharp relief the strategic importance of trade facilitation reforms to businesses and communities across the world.

Against this backdrop, and despite the challenges associated with this extraordinary situation, the Alliance succeeded in further accelerating new project approvals, while keeping the execution of existing initiatives firmly on track.

We've done this backed by a firm belief in the power of public private partnership to deliver measurable results in trade facilitation reforms in developing and least developed countries. The Alliance's innovative model has also given us the agility and pragmatism to adapt and respond rapidly.

During 2021, our teams concluded three major projects in Brazil, Morocco, and Colombia. Our Steering Group approved 18 projects – representing an investment of US\$ 17.4 million – with an increasing number of governments seeking our support in helping them to meet their World Trade Organization Trade Facilitation Agreement (TFA) obligations.

In that vein, 2022 is shaping up to be just as busy: we are now fully engaged in 28 projects, spanning 30 countries across Africa, Asia, Latin America, and the Middle East, with in-kind assistance from 39 multinational private sector companies, and hundreds of local private sector associations and micro, small and medium-sized enterprises (MSMEs).

The Alliance provides a pathway for the private sector – local and international – to partner with governments in finding solutions

to trade issues. Business plays an active role by contributing expertise, tools, methodologies and advocating for reforms to enable more inclusive trade. Indeed, many of our projects are initiated by businesses that experience the negative effect of red tape every day.

But I believe the private sector can do even better. Business should speak up more about the benefits of trade facilitation, particularly in this time of widespread supply chain disruptions. Such engagement should be core to every international company – effective reforms cannot be taken for granted.

At a time when shareholders, customers, and employees are demanding greater action on sustainability, we should also amplify the potential of trade facilitation to meet key environmental, social, and governance goals. Just as corporate success no longer relies solely on maximising profits, trade facilitation is about more than ease of doing business.

In this context, the importance of the TFA as a blueprint for addressing massive development challenges is often overlooked. Done properly and at scale, trade facilitation can be a transformational force to create opportunity and power sustainable development.

For example, MSMEs remain largely excluded from global e-commerce, which now accounts for almost 20% of world retail sales. Removing administrative obstacles will make

it easier for local enterprises of all sizes to share in the benefits of this US\$ 4.9 trillion market.

The past two years have demonstrated the remarkable capacity of our teams on the ground to remain focused, even during hard lockdowns. Supported virtually by our global network, our local experts and managers were able to maintain momentum and to meet established targets.

In what was an intense but very rewarding year for the Alliance, I would like to thank our teams in various regions of the world for their continuing dedication and flexibility. I also extend my appreciation to our host organisations and implementing partners, and to our public and private sector partners. Finally, I wish to acknowledge the unwavering support of our donors who make it possible for the Alliance to work in the interests of people in developing and least developed countries.

In many ways, 2021 was a watershed year for the Alliance. We expect to see many of our projects come to fruition in 2022, delivering on our goal to making trade simpler and more cost-effective for everyone.

Now is the time to act – by doing. There has never been a better time to seize the opportunity to facilitate trade.



2. GLOBAL PROJECT PORTFOLIO

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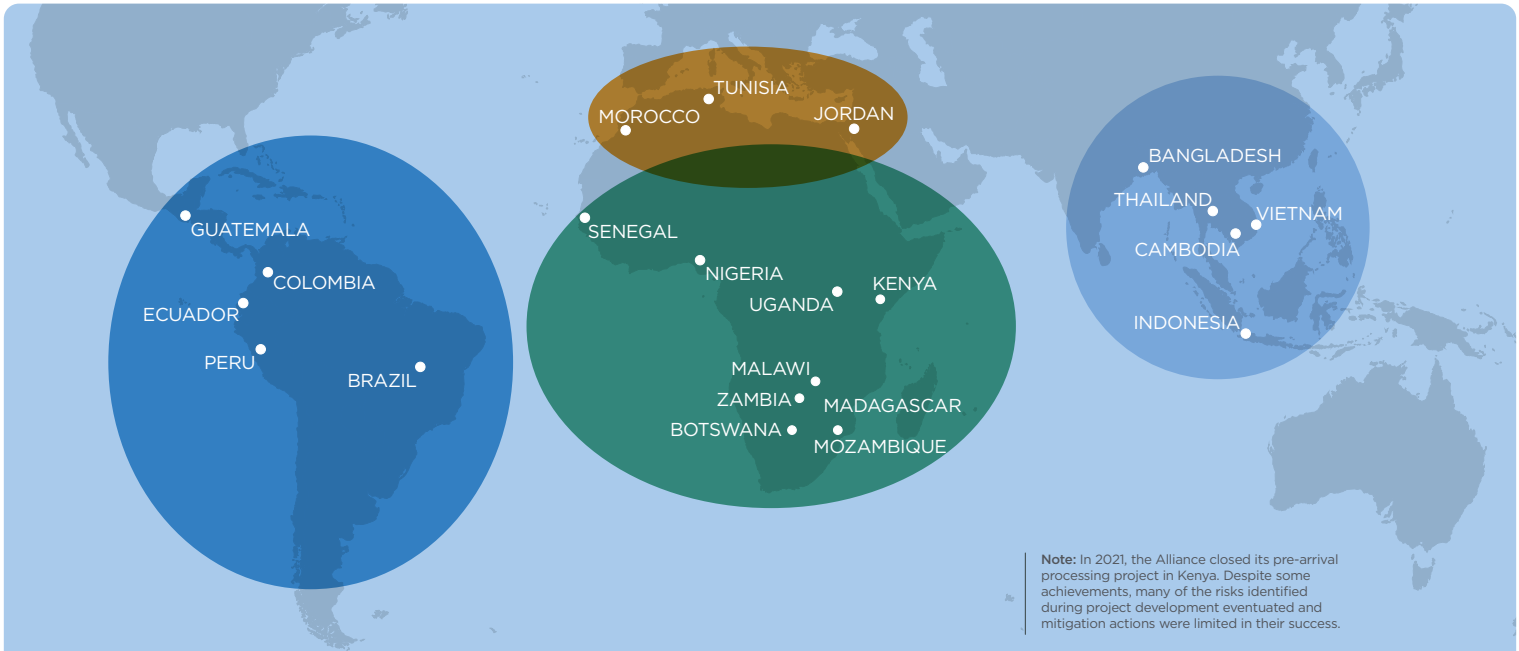
OUR PRESENCE

Our project work is designed to directly address the needs of both governments and the private sector. This philosophy, alongside our multilateral, multi-donor approach, has led to a diverse and growing global project portfolio, addressing a range of TFA provisions.

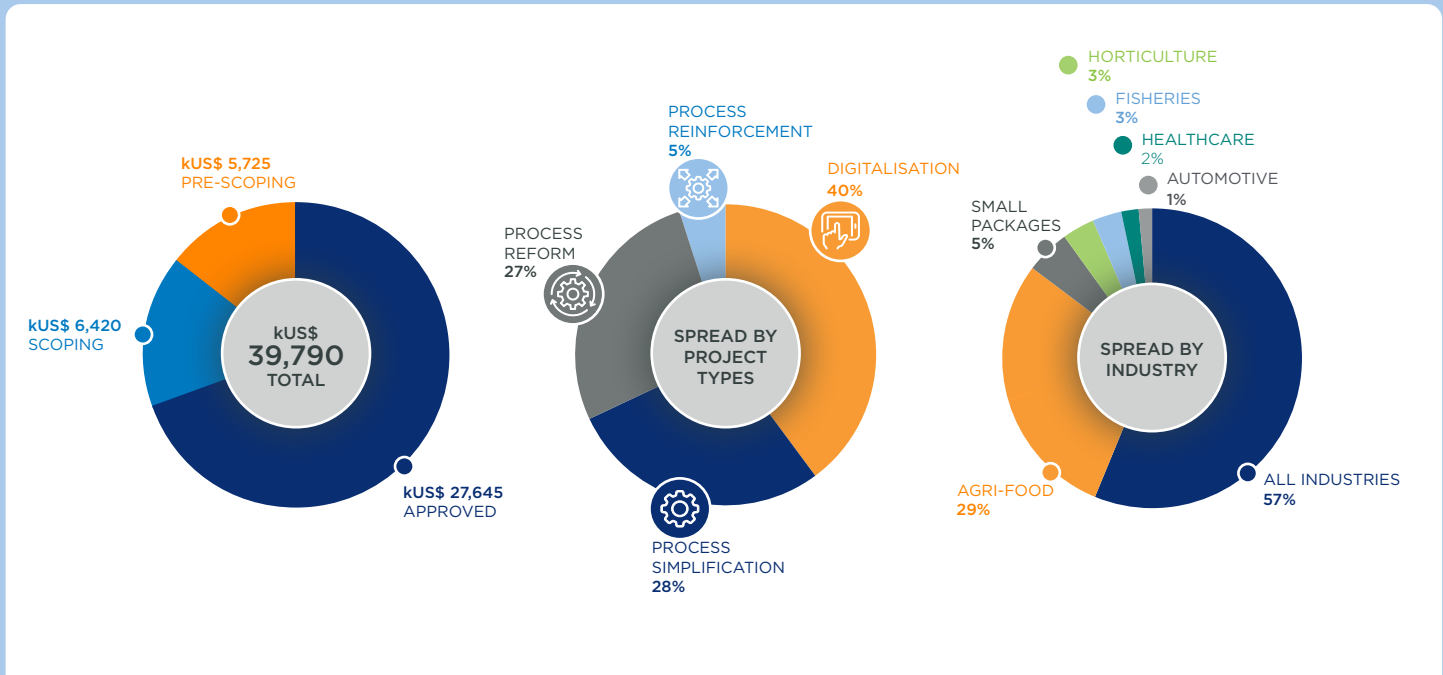
Our projects cover the spectrum of trade facilitation solutions, from broad, high-level reforms of customs regulations through to narrowly-focused, rapid interventions within a single sector or industry.

Alliance projects are unique in international trade, connecting private sector expertise with governments committed to improving their customs and border services. To reach approval, every Alliance project must

show that it will deliver measurable results within the overall objective of making trade smoother and more cost-effective for all, including MSMEs and women-owned businesses.



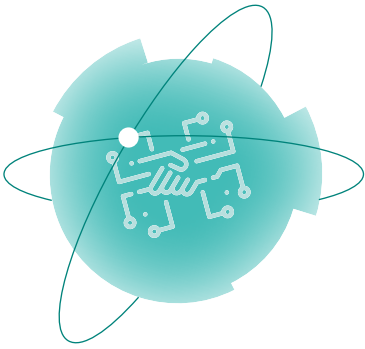
Note: In 2021, the Alliance closed its pre-arrival processing project in Kenya. Despite some achievements, many of the risks identified during project development eventuated and mitigation actions were limited in their success.



THE WAYS WE WORK

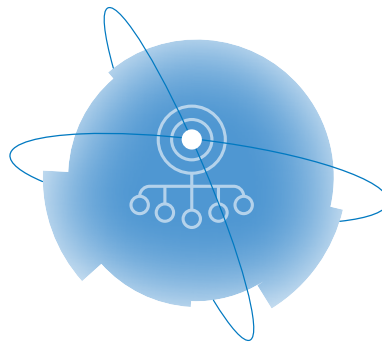
Our projects fall into three categories: **co-creation**, **business action** and **upscaling**.

All of our projects stem from joint recognition by the public and private sectors of the need to target identified trade barriers and the willingness to work on them together. Every Alliance project is launched with the full support of the beneficiary government and the local private sector.



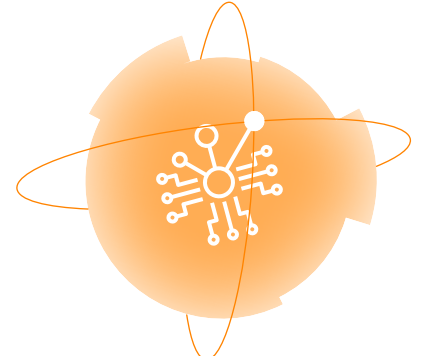
CO-CREATION

In co-creation projects, governments and businesses join with the Alliance to prioritise trade bottlenecks and align behind the idea of reform. We then encourage a willingness to collaborate in developing the project proposal and ensure the concept has feasible, targeted and measurable goals. The Alliance then leads project implementation, which relies on private sector delivery of technical expertise, resources, data, or modern systems.



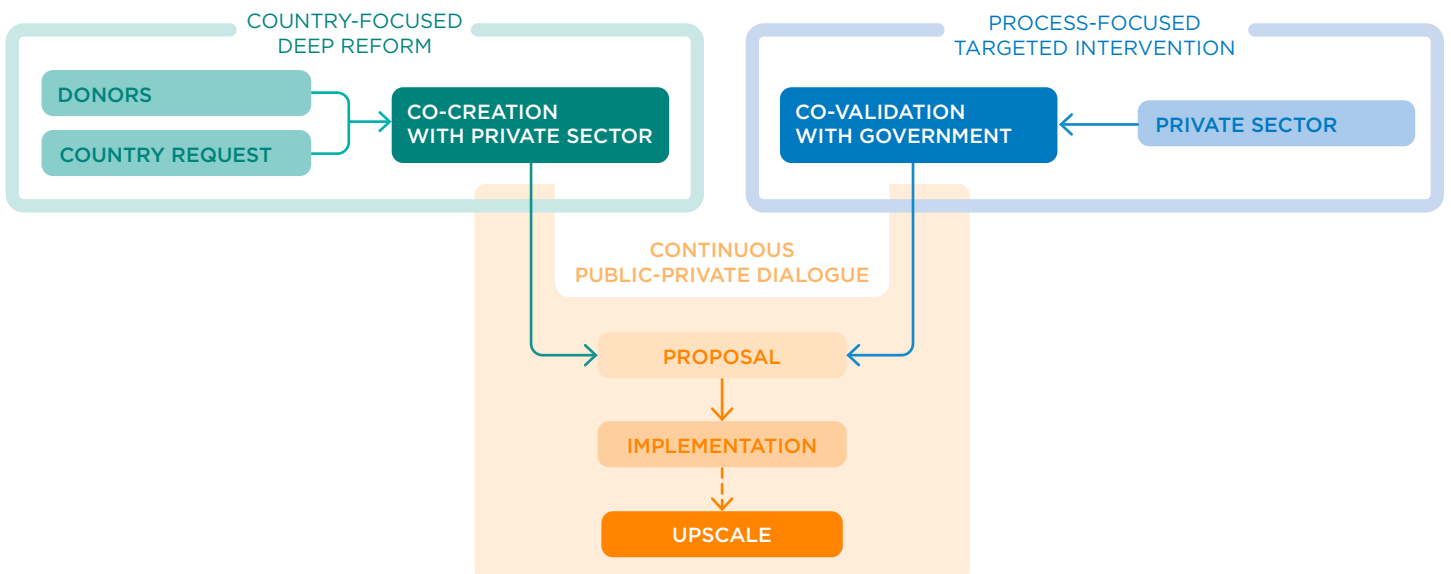
BUSINESS ACTION

Our business partners alert us to particular ‘pinch points’ hindering trade. We diagnose the underlying problem and act as an impartial catalyst to engage governments in formulating and delivering solutions. These targeted, short-term projects do not require deep policy changes or sweeping measures to achieve success, allowing governments and companies to align behind them quickly, paving the way for deeper and wider reforms.



UPSALING

Our successful implementation of trade facilitation reforms has encouraged other governments to ask for our help to follow suit. For example, Morocco’s agri-food sector has reaped the benefit from the country’s adoption of electronic phytosanitary certificates, or ePhytos. The Alliance is now helping several countries to emulate this success. Our reputation and the way we work has also encouraged engagement from different government agencies in the same country.



LATIN AMERICA & THE CARIBBEAN

BRAZIL

TFA Articles

- 7.4 Risk Management
- 8.1 Border Cooperation
- 10.4 Single Window Requirements



DIGITALISATION



PROCESS REFORM



REGULATORY REFORM

Risk management, digitalisation key to speedier trade and enhanced consumer safety. Pages 23-25

COLOMBIA

TFA Articles

- 1.3 Enquiry Points
- 2.2 Consultations
- 3 Advance Rulings



DIGITALISATION



PROCESS OPTIMISATION

Center of Excellence boosting competitiveness in Colombian automotive sector. Pages 26-28

COLOMBIA

TFA Articles

- 7.4 Risk Management
- 7.9 Perishable Goods
- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements



DIGITALISATION



PROCESS OPTIMISATION

Trade risk management in Colombia relies heavily on physical inspections, particularly in the agri-food sector, which can mean delays and additional costs for traders. In a two-pronged approach to streamlining trade, the Alliance is working with the country's Institute of Agriculture (ICA) and other public and private sector stakeholders to optimise the organisation's risk management system to reduce physical inspections and increase risk detection. Simultaneously, the Alliance is supporting ICA in substituting its current paper-based phytosanitary certification methods with the International Plant Protection Convention (IPPC) ePhyto Solution, enabling the electronic exchange of ePhytos with trading partners quickly, accurately and at low cost.

ECUADOR

TFA Articles

- 10.1 Formalities and Documentation Requirements
- 10.4 Single Window



DIGITALISATION



PROCESS OPTIMISATION

Ecuador has made significant progress in recent years towards digitalising trade processes but around 40% are still paper-based, requiring in-person filing. The Alliance is supporting enhancements to the country's Single Window that will be of particular benefit to Ecuador's agriculture and fisheries sectors, streamlining export declarations while also making it easier for exporters to import fertilisers, machinery, and aquaculture supplies. Another strand of the project focuses on digitalising the documentation process at the country's food testing laboratories. Initial training of officials is now complete and IT development work has begun, with significant private sector input into the modernisation of standards.

ECUADOR

TFA Articles

- 7.1 Pre-arrival Processing
- 7.9 Perishable Goods
- 10.1 Formalities and Documentation Requirements
- 10.4 Single Window



DIGITALISATION



PROCESS OPTIMISATION

Ecuador, the world's biggest banana supplier, exported around US\$ 3.6 billion of bananas in 2021, supporting an estimated 380,000 direct jobs. The Alliance is working with Ecuador's national plant protection agency, AGROCALIDAD, to replace its paper-based phytosanitary certification system with the International Plant Protection Convention (IPPC) ePhyto Solution. The Association of Banana Exporters of Ecuador will pilot the new system, which will then be extended to other crops. Successful implementation is expected to slash certificate issuing times by at least 50%, as well as reducing administrative overheads for exporters. In November 2012, Ecuador successfully exchanged its first test ePhytos with the United States and Senegal.

LATIN AMERICA & THE CARIBBEAN

GUATEMALA

TFA Articles

- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements
- 10.3 Use of international standards



DIGITALISATION



PROCESS OPTIMISATION

Arrival and departure processing at Guatemala's four main ports require shipping agents and ship's captains to make multiple in-person visits to satisfy a range of paper-based formalities, slowing inspection and clearance times. This ramps up costs for traders and ultimately consumers. The Alliance is partnering with the public and private sectors in Guatemala to automate these procedures. The project aims to produce greater uniformity across government agencies to satisfy port operations, while also digitalising the documentation process. This approach is being introduced at the four main ports in Guatemala - Santo Tomás de Castilla, Puerto Quetzal, Puerto Barrios, and Boyas San José.

PERU

TFA Articles

- 1 Publication and availability of Information
- 5 Other measures to enhance impartiality, non-discrimination, and transparency



DIGITALISATION



PROCESS REFORM



REGULATORY REFORM

Peru has grown agri-food exports exponentially over the past two decades, rising from US\$ 643 million in 2000 to US\$ 7 billion by 2019, but these figures mask the disparity between large-scale, industrial producers in more accessible coastal areas and the MSMEs that represent over 99% of companies. These producers, often women-owned, face many obstacles to entering international markets, including frequent delays in obtaining pre-market authorisations for their products. The Alliance is supporting the General Directorate of Environmental Health and Food Safety (DIGESA) to streamline internal functions of the pre-market authorisation system, introducing strict evaluation criteria and consistency in decision-making. This will help to create greater predictability for exporters, making trade faster and less costly while maintaining inspection quality.

REGIONAL

TFA Articles

- 2 Opportunity to Comment, Information Before Entry into Force and Consultations
- 7 Trade Facilitation Measures for Authorised Operators
- 12 Customs Cooperation



DIGITALISATION



PROCESS REFORM



PROCESS REINFORCEMENT

Meaningful progress continued towards making intra-regional trade simpler, faster, and more cost-effective among 11 Latin American and Caribbean countries by introducing an Authorised Economic Operator (AEO) Regional Recognition Arrangement. Companies with AEO status benefit from reduced inspections on goods and quicker clearance times at borders, allowing Customs to focus more attention on unknown high-risk cargo, making their operations more efficient and strengthening security. A regional arrangement allows recognition of a company's AEO status awarded in one country across all participating countries, cutting paperwork for both traders and Customs. The Alliance is helping to support this in a range of ways, including facilitating joint site validations and seeking private sector input into improvements of AEO programmes. Once the arrangement is signed, the Alliance will support the design and development of an IT platform for the participating countries to efficiently manage and exchange AEO data.

SUB-SAHARAN AFRICA

BOTSWANA

TFA Articles

- 7.1 Pre-arrival Processing
- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements



PROCESS REINFORCEMENT

Like in many other countries in its region, Botswana's imports of vital medicines and medical equipment are governed by manual, paper-based application and approval procedures. The ongoing pandemic has highlighted the problems of costly delays this incurs, as vaccines are time-sensitive and subject to spoilage, particularly if kept in unsuitable storage conditions. The Alliance is working with the government and UNICEF to reduce processing times by introducing pre-shipment approvals for vaccines before arrival at Botswana's borders, and improving cooperation between key government ministries, agencies, and Customs.

SUB-SAHARAN AFRICA

MADAGASCAR



DIGITALISATION

PROCESS
REINFORCEMENT

TFA Articles

- 3 Advance Rulings

Agriculture is the backbone of Madagascar's economy, employing almost 80% of the population, most of them working for MSMEs. Although agri-food accounts for around 70% of exports, daunting red tape is a deterrent to the MSMEs that comprise most of the sector. The Alliance is supporting Madagascar to introduce a pre-entry advance ruling programme to provide key decisions on shipments prior to import or export. Traders will be able to make an online application for a binding ruling, which will be uniformly applied by Customs, and valid for a set period, usually several years. This will make customs procedures more transparent and predictable, encouraging traders to enter export markets or consider expansion.

MADAGASCAR



DIGITALISATION

PROCESS
OPTIMISATION

TFA Articles

- 7.1 Pre-arrival Processing
- 7.9 Perishable Goods

Madagascar is committed to simplifying agri-food imports and exports by integrating into the International Plant Protection Convention ePhyto Solution, replacing paper phytosanitary certificates to make trade more rapid, secure and efficient. This project is being implemented in conjunction with the government and the country's National Trade Facilitation Committee, comprising members from both the public and private sectors. The project, launched in August 2021, made significant progress throughout the year and is expected to go live in mid-2022. The third steering committee meeting held in December validated the necessary specifications to develop the system and to provide training to customs officials.

MALAWI

REGULATORY
REFORMPROCESS
REINFORCEMENT

TFA Articles

- 10.6 Use of Customs Brokers

In Malawi, due to lack of available training for customs clearing agents, service can be inconsistent, leading to additional physical inspections and costly border delays. The Alliance is supporting efforts to design and implement a modern, equitable, robust clearing agent licensing system. The country's President has assented to the necessary legislation to implement this initiative. Towards the end of 2021, the project was preparing to finalise the revised regulations for clearing agents, who were in turn preparing for training and examinations on the new structures. The programme is designed to maximise participation by women, who are often disadvantaged by being unable to spend extended periods away from home.

MOZAMBIQUE



DIGITALISATION

PROCESS
REINFORCEMENT

TFA Articles

- 7.1 Pre-arrival Processing
- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements

In Mozambique, some import licence applications for HIV and malaria rapid test kits can take up to two weeks to process while these products, which have short shelf lives, are forced to wait in storage. In collaboration with the National Trade Facilitation Committee, Customs and the private sector, the Alliance is supporting Mozambican health agencies to cut red tape slowing the importation of these vital health supplies. The project involves digitalising processes and integrating them into the country's existing Single Window, helping to ensure that the rapid test kits reach those in need faster.

MOZAMBIQUE



DIGITALISATION

PROCESS
REINFORCEMENT

TFA Articles

- 7.1 Pre-arrival Processing
- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements

Traditionally, vaccines require a written pre-shipment government authorisation that includes details on their country of origin, proof of effectiveness, and content details. The paper-based application and approval process can take as much as two weeks while often time-sensitive vaccines vital to child health are held in storage. In collaboration with UNICEF, the project is digitalising these processes by integrating them into the country's existing Single Window, promoting more effective co-ordination between relevant government ministries, health agencies, and Customs, and creating a public-private health working group within the National Trade Facilitation Committee.

SUB-SAHARAN AFRICA

NIGERIA

TFA Articles

- 2.2 Consultations
- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements



Traders moving goods across Nigeria's borders must often provide the same information to different border agencies, while facing several physical inspections of their goods by these different agencies, causing significant delays to shipments. The Alliance is working with Nigerian government partners, businesses, and private sector associations to devise ways of simplifying processes, training border agency staff, and supporting improvements. The project is starting with air cargo at Murtala Muhammed Airport in Lagos, then moving on to sea freight at the Lagos Port, before potentially broadening the scope to additional sectors.

SENEGAL

TFA Articles

- 7.1 Pre-arrival Processing
- 7.9 Perishable Goods
- 10.1 Formalities and Documentation Requirements



Exporters of plants or plant products from Senegal must acquire a phytosanitary certificate to show that the produce is considered free from pests and that it complies with plant health regulations. Senegal is embracing the International Plant Protection Convention (IPPC) ePhyto Solution to remove the risk of erroneous, lost, or damaged paperwork that may result in delays and spoiled produce. In 2021, Senegal completed its first successful ePhyto exchanges with France and The Netherlands. A public private partnership approach is ensuring that all relevant stakeholders are being trained to use the new system, enhancing its sustainability. Digitalisation will contribute to making exporting easier, improving the competitiveness of plant export sales, which represented more than 10% of Senegal's total exports in 2020.

SENEGAL

TFA Articles

- 1 Publication and Availability of Information
- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements



Senegal has been upgrading its border administrative systems over recent years and has sought Alliance support to improve procedures and introduce digitalisation to speed up the process for importing agro-industrial products, but starting with seeds and plant products. The Alliance project team is now working on a change management approach to ensure sustainability after the integration of the new procedure into Senegal's existing Single Window, including training for all relevant public and private stakeholders on how best to use the new platform effectively.

UGANDA

TFA Articles

- 1.2 Information Available through the Internet
- 1.3 Enquiry Points
- 7.4 Risk Management
- 7.9 Perishable Goods
- 10.1 Formalities connected with Importation, Exportation, and Transit



Horticultural exports from Uganda are worth around US\$ 35 million a year but only about 20% of products are currently exported, suggesting high potential growth in export revenue and employment if existing inspection processes are made simpler, faster, and more cost-effective. Women make up 70% of the sector's workforce and own 30% of its businesses. The Alliance is supporting the government in streamlining and automating relevant processes at Entebbe airport and selected packhouses, where the lack of a risk-management system has meant physical inspections of every shipment. The government has stated its ambition to grow horticultural exports to US\$ 1 billion a year.

ZAMBIA

TFA Articles

- 10.6 Use of Customs Brokers



Zambia lacks a proper licensing framework and accreditation programme for customs clearing agents, leading to inconsistencies and errors in documentation that cause high levels of physical inspection and delays at the border, affecting Zambia's competitiveness. The Alliance is working with the Zambia Revenue Authority and the private sector to design and implement a new framework for licensing customs clearing agents. The course was initially designed to be a blended learning experience, but the pandemic has forced it online. However, the way is now clear for training, and examinations to take place.

ASIA & THE PACIFIC

BANGLADESH



DIGITALISATION

PROCESS
OPTIMISATION

TFA Articles

- 7.2 Electronic Payment
- 7.9 Perishable Goods
- 8 Border Agency Cooperation

Every day, it can take trucks almost five hours to clear Customs at the busy Bhomra Land Port on the Bangladesh border with India. More than 400 trucks a day on average are parked up at this crossing, which is only 60km from the northern India metropolis of Kolkata. The Alliance is working with BLPA, an independent body under the administrative control of the Ministry of Shipping to digitalise the current manual handling system.

CAMBODIA



DIGITALISATION

PROCESS
REFORM

TFA Articles

- 1 Publication and availability of information
- 7.1 Pre-arrival processing
- 7.4 Risk management
- 8.2 Border agency cooperation

MSMEs represent 99% of the country's private sector but only account for 10% of exports, compared to around 30% in other countries in the region. The Alliance is supporting Customs and Cambodia Post in linking their electronic systems for processing clearances of small packages to boost e-commerce exports. Implementation will involve software development, supplemented by change management workshops and training for relevant personnel. This project also includes working with the Cambodian Women Entrepreneurs Association to establish an online portal to provide information that will help the women-led businesses comprising 65% of MSMEs to better navigate cross-border trade.

INDONESIA

PROCESS
REFORM

TFA Articles

- 7.4 Risk management

Indonesia's fish imports, primarily mackerel, sardines and tuna, are treated as high-risk by the Fish Quarantine and Inspection Agency (FQIA) of the Ministry of Marine Affairs and Fisheries. High-risk imports face physical inspection and are kept in storage for up to 13 days pending release. Aside from the direct costs of storage and mandatory laboratory testing, there is risk of spoilage. The Alliance is working with FQIA and private sector partners to improve the effectiveness of import controls and inspections by improving risk management practices, reducing time and costs for importers while enhancing the efficiency and effectiveness of inspection processes. FQIA, fish business associations, exporters, and importers agreed this reform should be a priority during public private dialogues and in one-on-one meetings.

THAILAND



DIGITALISATION

PROCESS
OPTIMISATION

TFA Articles

- 7.9 Perishable Goods
- 10.1 Formalities and Documentation Requirements
- 10.4 Single Window

The agri-food sector plays a key role in Thailand's economy, representing 8% of GDP and employing roughly 6.4 million people - almost one-third of the total labour force. The Department of Agriculture (DOA) has already taken significant steps towards the adoption of ePhytos, but it has yet to connect to the International Plant Protection Convention (IPPC) Hub, which will enable it to exchange these electronic certificates worldwide, including with Australia, China and the United States, its most important trading partners. The Alliance is supporting the government in fully implementing the IPPC Solution. As well as upgrading the relevant technology, the project involves training government officials and traders in adapting to the new service.

VIETNAM



DIGITALISATION

PROCESS
REFORMREGULATORY
REFORM

TFA Articles

- 7.1 Pre-arrival Processing
- 7.3 Separation of Release
- 7.8 Expedited Shipments
- 10.1 Formalities and Documentation Requirements
- 10.9 Temporary Admission of Goods and Inward and Outward Processing
- 11.6 Freedom of Transit

Vietnam has been streamlining customs procedures, but many shipments still face delays in congested ports. The Alliance is working with the government and the private sector on a long-term goal to implement a modern customs bond system for the conditional release of goods. Traders will be able to purchase bonds to guarantee their payment of duties and taxes as well as regulatory compliance, allowing Customs to expedite release of their goods.

MIDDLE EAST & NORTH AFRICA

JORDAN



DIGITALISATION



PROCESS REFORM



PROCESS OPTIMISATION



PROCESS REINFORCEMENT

TFA Articles

- 2.2 Consultations
- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements
- 10.4 Single Window

The Alliance is supporting the introduction of electronic certificates of origin (eCOs), vital international trade records, certifying that goods in a particular export shipment are obtained, produced, manufactured, or processed in a specific country. Working with the government and the private sector, the Alliance is helping to digitalise the current paper-based system. An electronic platform will save all stakeholders time and money and is expected to be particularly beneficial for MSMEs. It may also eliminate some of the barriers that discourage many women entrepreneurs' exporting ambitions. The project also aims to encourage coordination between the various stakeholders engaged in trade facilitation.

JORDAN



DIGITALISATION



PROCESS OPTIMISATION

TFA Articles

- 2.2 Consultations
- 7.1 Pre-arrival Processing
- 7.9 Perishable Goods
- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements
- 10.4 Single Window

Cutting the time and costs of border clearance for perishable food products is an important goal to maintain and grow the country's US\$ 1 billion a year export market. The Alliance is working with the Department of Agriculture and the private sector to introduce the International Plant Protection (IPPC) ePhyto Solution and digitalise phytosanitary certificates. To measure the savings of implementing the solution, several companies have agreed to participate in an impact study. The government and private sector agri-food suppliers, importers and exporters, are highly committed to the initiative, which will generate significant benefits.

MOROCCO



DIGITALISATION



PROCESS REFORM

TFA Articles

- 2.2 Consultations
- 7.1 Pre-arrival processing
- 7.9 Perishable Goods
- 8 Border Agency Cooperation
- 10.1 Formalities and Documentation Requirements

At the Port of Casablanca, trucks carrying agri-food products must pass through several inspection points where various details are taken from them manually, using paper slips. Queues lasting days can mount quickly - a major problem when trading perishable products sensitive to time and temperature. The Alliance has designed an 'ePort' solution to digitalise the current process. The goals are to reduce turnaround times, cut congestion, enhance compliance, and improve data quality by limiting errors in documentation. The project, which was developed pre-pandemic, is on hold as trade facilitation priorities are assessed.

MOROCCO



DIGITALISATION



PROCESS REFORM

TFA Articles

- 7.9 Perishable Goods
- 10.1 Formalities and Documentation Requirements

Despite the best efforts of the Moroccan government, the country's agri-food exporters faced increased cost and delays by having to work with paper-based processing to obtain the necessary phytosanitary certification confirming shipments of plants and plant products were free of pests and diseases. The Alliance supported government agencies and the Moroccan National Plant Protection Organisation (Office National de Sécurité Sanitaire des Produits Alimentaires - ONSSA) to adopt the International Plant Protection Convention (IPPC) ePhyto Solution, largely replacing the manual system. In April 2020, Morocco exchanged its first ePhyto and now ranks among the biggest users in the world.

TUNISIA



DIGITALISATION



PROCESS SIMPLIFICATION

TFA Articles

- 10.4.4 Use of information technology in support of the Single Window

The Alliance is supporting a public-private initiative to simplify clearance processes for the country's agri-food exporters. Tunisia's export control process is paper-based, leading to lags that add both cost and risk for traders. The proposed solution involves digitalisation and connectivity with the country's existing Single Window. It also entails integrating regional offices and inspection laboratories into the Single Window. Public private dialogue is continuing into the best way to deploy the risk management system and the public partners are continuing to test the technology required for implementation.



3. DELIVERING IMPACT

- Measuring impacts: a holistic approach /PAGE 22
- Streamlining Brazilian imports /PAGE 23
- Accelerating Colombia's automotive industry /PAGE 26

MEASURING IMPACTS: A HOLISTIC APPROACH



Much of the attention in trade reform has been on measuring the *direct* costs stemming from complex documentation requirements, delays in border clearances or cargo handling. But quantifying and addressing the many *indirect* costs on trade is equally important.

To address this data gap and magnify the impact of targeted trade facilitation reforms, we apply our Total Trade and Logistics Cost (TTLC) methodology, originally developed by A.P. Møller-Maersk A/S.

In addition to assessing direct costs such as administrative fees, the TTLC framework considers the impact of another dozen indirect costs related to lost time, including from idle trucks, late delivery penalties, lost orders, extra storage and inventory costs, and demurrage and detention charges.

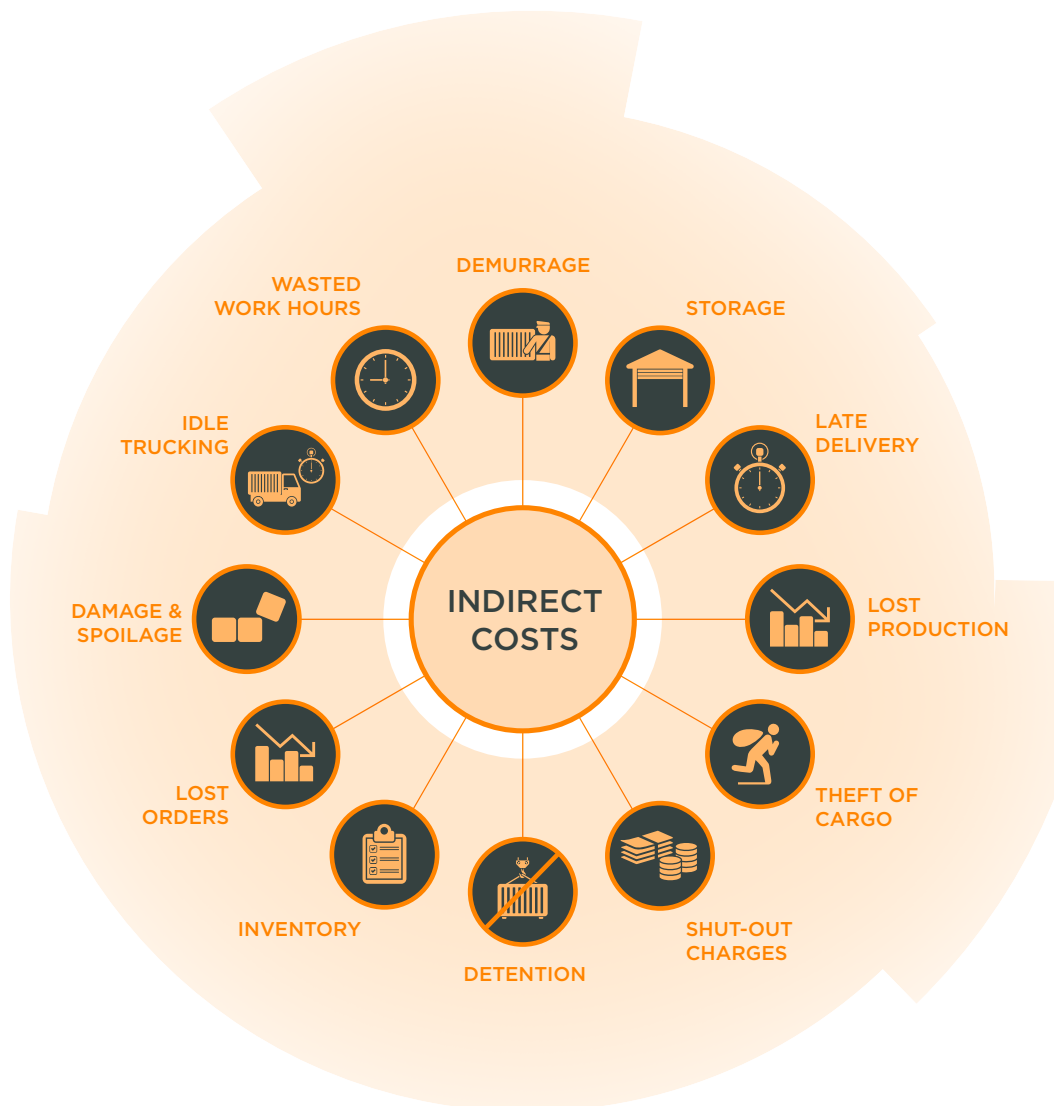
Such indirect costs have cascading effects and can severely impact supply chains, drive up production costs and hurt the reputations of both importers and exporters, significantly eroding trade competitiveness.

With public and private sector cooperation, in 2021 the Alliance collected data for a TTLC covering seed imports through the Port of Dakar in Senegal.

The study will capture the time and costs for traders of completing the necessary import documentation and any additional complications arising from its rejection. The results will be validated with the stakeholders.

Based on these figures, the study is seeking to estimate potential savings generated through digitalising the current, manual processes.

Aside from Senegal, the Alliance is working on several other TTLC studies in Madagascar, Ecuador, Peru, Jordan and Thailand.

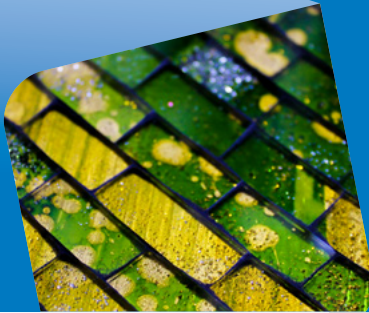


RISK MANAGEMENT, DIGITALISATION KEY TO EXPEDITING TRADE, ENHANCING CONSUMER SAFETY

BRAZIL



B



Timeframe: August 2018 – December 2021

Donor funding: US\$ 340,000

In-kind business contribution: US\$ 61,000

Projected annual savings: US\$ 1.4 million

THE SOLUTION

Brazil's transition to a more open economy has created a surge in demand for consumer and durable goods. The National Institute of Metrology, Quality and Technology (INMETRO), the standards agency responsible for issuing import licences, recognised the need for a sustainable solution to the backlogs this caused in processing applications. The Alliance worked with INMETRO and business to introduce modern risk management and IT systems, enabling approval of fully-compliant, low-risk applications within minutes of payment and a more streamlined appeals procedure.

ADDRESSING THE WORLD TRADE ORGANIZATION'S TRADE FACILITATION AGREEMENT

Article 7.4
Risk Management

Article 8.1
Border Cooperation

Article 10.4
Single Window


THE CHALLENGE

As Brazil integrated further into global supply chains, the demand for import licences for a wide range of consumer and durable goods was doubling year-on-year.

INMETRO was struggling to cope with the sheer volume of requests for everything from household appliances to toys. Traders had to use different systems to complete a licence request, which would then be vetted manually by INMETRO officials. This was creating serious backlogs, with many requests


taking up to 90 days to process. The absence of comprehensive risk management also increased the prospect that potentially harmful shipments might escape detection.

The agency had deployed temporary fixes to help mitigate these delays but recognised that a more sustainable solution was required.



“The reduction in internal processing time due to working only through Portal Único [Single Window] was significant. With the same team it is possible to work on a larger number of processes and get the clearance faster. What used to take 30 to 40 minutes to enter data, check and present, today takes 10 minutes to 15 minutes at most.”

Robert de Lima, Grupo V. Santos, Logística Internacional



“This project serves as a pilot for the development of other ideas. Integration with the [Single Window] benefits INMETRO, because people that work in repetitive activities now have this activity performed in an automated, more transparent and more efficient manner. Our officials can start working in areas that require the application of more intelligence, data analysis, checking the degree of risk and acting more where their expertise is really needed.”

Marcos Heleno Guerson de Oliveira Junior, President, INMETRO

“This (new system) is a modern management tool that will enable more agility in trade, and integrate processes with other public bodies, thereby reducing costs by working more efficiently.”

Marcelo Ferreira, Executive Coordinator, Conformity Assessment Department, INMETRO

WHAT WE DID

The project concentrated on two core objectives:

- 1. Introduction of a risk-based system** to tackle the one-size-fits all licensing treatment of every shipment, regardless of risk profile
- 2. Integration of the licensing process** into Brazil's new Single Window, Portal Único, in close collaboration with the Secretariat of Foreign Trade of the Ministry of the Economy (SECEX), allowing traders a single point of contact.

THE IMPACTS

These initiatives have had immediate, positive effects. The new system transformed the manual licence vetting process involving two, separate systems into one where fully compliant low-risk requests are automatically assessed and approved within minutes of payment confirmation. Also, when a licence is queried, it no longer returns to the back of the queue - now, it is considered a priority.

As a result, average approval times are projected to fall by up to 9.5 days, or 90%, per licence for high-volume imports, such as LED lamps, washing machines and refrigeration compressors.

Also, instead of having to obtain a permit for every shipment, a licence will typically cover multiple shipments valid for up to four years regardless of quantity. This is expected to translate into almost 37,000 fewer licence requests per year and an average cost reduction of US\$ 47 per licence, representing total annual savings of US\$ 1.4 million for business.

Combined with the introduction of a robust risk-management system, digitalisation freed up scarce INMETRO resources to focus on high-risk licences, enhancing the prospect of greater compliance and consumer protection. It also helped to build inter-agency cooperation and private sector trust in the licensing process, which encourages future collaboration.

The government can expect to generate more revenues from efficiency gains and higher throughput of licence applications, simultaneously affording greater safety for consumers. The longer-term benefits to traders may be even greater than these results show as predictability and fewer delays may lead to reduced inventories and increased customer satisfaction. The reduced overheads may, in time, be passed on to consumers or reinvested in the business.



REFORM THROUGH PUBLIC PRIVATE PARTNERSHIP

The Alliance's co-creation model allowed both sectors to jointly tackle a seemingly intractable problem. Through public private dialogues, government could see that licensing system reform would not only be good for consumers, it would also benefit business. The private sector played a crucial role in identifying the problems they were experiencing and suggesting possible reforms, particularly during the development of the project. The two sectors jointly identified and agreed targeted changes that would have maximum impact over a relatively short time frame. Key business associations that provided insights and support to the project include the National Confederation of Industry (CNI), Electrobras Foundation (ELECTROBAS), the National Association of Automotive Manufacturers (ANFAVEA), and ICC Brazil.

PROJECTED TIME AND COST REDUCTIONS

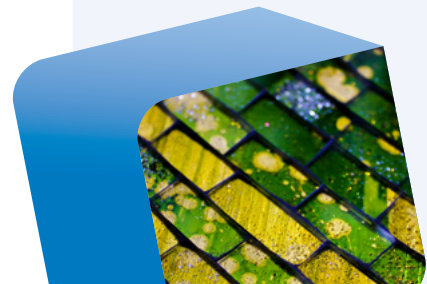


9.5 DAYS PER LICENCE

Projected reduction in approval time



REDUCING AVERAGE APPROVAL TIME BY 90%



REDUCTION IN LICENCE REQUESTS

36,564 annually



US\$47

SAVED PER LICENCE



SAVING

US\$1.4M

ANNUALLY



CENTER OF EXCELLENCE BRINGS CONSISTENCY TO COLOMBIAN AUTO PARTS IMPORTS

COLOMBIA



Timeframe: October 2017 - December 2021

Donor funding: US\$ 562,000

In-kind business contribution: Measurement in progress

Annual savings: Measurement in progress

THE SOLUTION

Inconsistent decisions on tariff classifications, shipment values, and rules of origin at Colombia's borders were incurring unnecessary delays and additional costs for automotive parts imports into the country.

The Alliance supported a collaboration between the Colombian Customs and Tax Administration (DIAN) and the private sector to develop a Center of Excellence - a virtual hub concentrating specialised automotive industry knowledge within DIAN to process advance rulings for the automotive industry.

The Center, the first of its kind in Latin America, required legislative change to modify the country's customs' structures. At its formal launch in December 2021, the public and private sectors signed a historic public-private legal agreement cementing the transformation of the relationship between Customs and the automotive industry.

“The work of the Alliance and the requisite trust we have built up with DIAN in recent years have been fundamental to the development of foreign trade in this sector, which generates 25,000 direct jobs and 100,000 indirect. The sector represents 6.6% of GDP, with production, exports, and imports crucial to the Colombian economy.”

Juliana Rico Ospina, Executive Director of ANDI (Chamber of the Automotive Industry, National Business Association)

ADDRESSING THE WORLD TRADE ORGANIZATION'S TRADE FACILITATION AGREEMENT

Article 1.3
Enquiry Points

Article 2.2
Consultations

Article 3
Advance Rulings

THE CHALLENGE

A historic lack of trust between Customs and the automotive industry had created a fraught relationship. Customs perceived low levels of private sector compliance, while industry cited unpredictable border procedures and a poorly functioning appeals system.

A cumbersome, inconsistent advanced rulings process translated to low take-up and a lack of engagement between public and private sectors, increasing time and cost.

Contested customs declarations might mean up to 12 days' additional clearance time and storage costs.

WHAT WE DID

The Alliance worked with DIAN and the private sector to create the Center of Excellence to provide consistency in how Customs classifies and treats components. The project involved establishing a working group comprising customs officials and representatives of the automotive industry to assist with its set-up, testing, training of personnel and launch. Then to work on its development, providing experts to assess its impact on users and customs clearance.

As part of the initiative, the Alliance also supported the creation of a new Division of Services and Trade Facilitation within Customs, which promotes coordination between the public and private sectors to increase the facilitation of foreign trade.

“The delays and costs associated with the importing of automotive parts seriously impedes the automotive business and ultimately leads to higher prices for consumers. This new Center will increase the competitiveness of the automotive industry, which is good news for everyone.”

Alberto Macias, Executive Director from ACOLFA (Colombian Association of Autopart producers)

“The Global Alliance for Trade Facilitation has been a driver of the public-private interaction and has been a key factor in the strengthening of trust between the different trade actors in Colombia. These real, two-way discussions are the key to understanding the needs and wants of businesses and developing meaningful solutions. Through such honest and open conversations, we hope to build trust further and make Colombia's automotive industry as competitive as possible.”

Ingrid Diaz, Customs Director, DIAN

THE IMPACTS

The Center is reducing delays and costs for importers while allowing border controls to concentrate on higher-risk shipments, by:

- improving predictability and harmonising customs processing across all ports of entry
- establishing a single point of contact to streamline administrative processes, eliminating duplication, and reducing requests for information
- enhancing Customs' knowledge of ruling on key automotive industry practices and importers' specific commodities

- reducing costs for both traders and government through quicker release times and fewer holds or examinations
- improving the competitiveness of the Colombian automotive industry, allowing it to attract further investment

A faster Advance Rulings system resulting from these reforms should reduce decisions on imports from 120 days to 90 days (based on the accepted global benchmark). A more streamlined process should also encourage greater take-up of the system.

Now that the Center is operational, the Alliance is measuring its impact, including:

- reduction in the number of valuation and classification disputes
- reduction of time and cost for border clearance
- savings per customer, generated partly by shorter average cargo release times at the border, which will lead to money saved on total transport and logistics costs



A MATTER OF TRUST

The successful launch of the Colombia Center of Excellence was built on a firm foundation of trust between the public and private sectors. A study commissioned by the Alliance found that trust had increased as both sectors experienced the benefits of working with each other.

The Alliance understood from the outset that success would require both sides working together – sharing information, listening to each other's views, understanding their aims, and having confidence that they were working for shared goals. This would require a change of attitude on both sides.

Interviews, focus groups, and a survey showed that key aspects of the project allowed the two sectors to connect through its opportunities to meet, share and learn about best practices. Public private dialogues, a central pillar of the Alliance's approach, built relationships while advancing progress toward project design and

implementation. Joint-training courses helped customs officials learn more about the businesses they were dealing with - their goals and their experiences - while company representatives came to appreciate the growing willingness of customs officials to listen and pursue real change.

The project also helped to unify previously fragmented industry associations. The Alliance, as a neutral party, played a leading role in establishing and building trust by assuming responsibility for leading the effort and assigning accountability for roles as the project advanced.

Working with academics from the University of Queensland, Australia, the Alliance used a combination of methods to retrospectively track changes in trust between private businesses and DIAN. Over the project, trust between the two groups was found to have significantly improved, with two-thirds of stakeholders from both the public and private sectors stating that their trust in the other had increased.



4. CATALYSING CHANGE

- Private sector plays crucial role in NTFCs /PAGE 30
- Harnessing the power of digitalisation /PAGE 31
- Realising TFA benefits for smaller businesses /PAGE 33
- Empowering equal access for women /PAGE 34

PRIVATE SECTOR PLAYS CRUCIAL ROLE IN NTFCs



Recognising the complex nature of achieving sustainable trade reform ambitions, the TFA mandated the creation of dedicated, public private partnerships at national level to ensure and oversee implementation in a structured, coordinated way.

Although National Trade Facilitation Committees (NTFCs) existed in many countries prior to the entering into force of the TFA in 2017, Article 23.2 of this landmark document made them compulsory. It is widely acknowledged that to be truly effective, NTFCs must be public private partnerships.

The Alliance has been working alongside the United Nations Conference on Trade and Development (UNCTAD) to support and strengthen Kenya's NTFC. UNCTAD introduced its Reform Tracker to empower the NTFC in fulfilling its role as coordinator of trade facilitation, while the Alliance catalysed the full participation of the committee's private sector members in the development of its 2022 workplan. The committee also agreed that one of its working groups would be private-sector led, demonstrating the active and full participation of business.

“The COVID-19 pandemic has highlighted the crucial role of NTFCs, particularly during times of emergency, when urgent border reforms require coordination between public and private sector stakeholders. NTFCs enable the involvement of the private sector as key partners in decision-making and in the implementation of trade facilitation measures.”

Poul Hansen, Chief, Trade Facilitation Section, UNCTAD



Gilbert K Langat, Chief Executive of the Shippers Council of Eastern Africa, represents the organisation on the NTFC. His organisation, which lobbies on behalf of cargo owners in Eastern Africa, says that trade facilitation reforms are necessary to bring down transport and logistics costs.

Mr Langat says trade facilitation will also involve greater automation of customs and border control systems, better inter-agency co-operation and seamless infrastructure connectivity.

“In the NTFC, we advocate for a reliable, efficient, cost-effective trade facilitation and logistics environment.

An efficient, predictable, transparent trade and transport system will provide a competitive environment for growth, reliability and effective trading across borders.

Trade facilitation reforms, including a better regulatory environment and controls on the proliferation of fees and charges, would reduce the time and cost of trade across borders, leading to increased investment.”

Davyline Busuru, Trade Policy and Regulatory Compliance Analyst at the Kenyan Private Sector Alliance (KEPSA), represents the organisation on the NTFC. KEPSA represents local and foreign business associations, chambers of commerce, professional bodies, corporates, multinational companies, start-ups and MSMEs on policy issues affecting private sector development.



“One of our key aims is to ensure year-on-year improvement in the business environment, including engaging in policy and regulatory reforms to facilitate trade and investment. The NTFC offers us an opportunity to advance our policy agenda through partnering and monitoring the implementation of reforms that enhance the business environment in Kenya for ease of doing business by businesses,” he said.

I want to be the voice of our small traders, including the cross-border traders who often lack the capacity to engage in public private dialogue with policy makers, particularly in matters pertaining to the implementation of the WTO TFA measures in Kenya, making sure that the discussions truly reflect the realities on the ground.”

HARNESSING THE POWER OF DIGITALISATION

The transformative power of digitalisation runs through many Alliance projects but introducing innovative technology alone will not have the desired impacts - successful implementation also requires leadership, public private sector buy-in, training and other supports. The Alliance invests about half of its project funds into digitalisation-related projects.



The flexibility of cloud-based technology entails little capital outlay up-front in comparison with the potential time and cost savings it brings, making it an attractive option for governments trying to address bottlenecks to trade, particularly in developing and less-developed countries.

Digitalisation in its many forms plays a key role in helping to combat red tape at borders, streamlining processes to make trade simpler, faster and more cost-effective.

For example, the Alliance is working with the agri-food sectors in several countries to modernise manual documentation processes, harnessing the possibilities of digitalisation. Employing various digitalisation techniques, including the interfacing of controlling agencies to local Single Window systems; enhancing risk management systems at ports; or automating Authorised Economic Operator (AEO) status can save traders money while making Customs and other government agencies more effective.

Traders in Dakar, Senegal, for example, currently face a 40km round trip from the Port of Dakar to a government office to obtain import permits. The Alliance is supporting the country's efforts to replace this cumbersome manual process that takes up to seven days to approve by digitalising two key import processes for plant-based foods.

This project has begun with selected seeds: onions, orange sweet potatoes, cherry tomatoes, and potatoes. Under the plan, pre-shipment authorisation will be integrated into the country's Single Window, allowing exporters to submit online authorisation approvals within 24 hours. The Single Window will also be the conduit for transferring official reports between

the Directorate of Plant Protection and Customs, saving traders as much as 20% on the average overall cost associated with seed and plant product imports, while improving border agency cooperation.

MSMEs in Cambodia, many of them women-owned, can anticipate easier access to global markets following completion of the digitalisation process for the customs clearing of small packages sent through the post. The country's customs and excise agency and its postal service have already established electronic systems for handling these e-commerce exports, but they are not yet joined up.

The Alliance is supporting the development of this 'missing digital link' to enable faster clearance of parcels, end the dependence on paper processes, and allow shipping information to be transmitted before a package arrives at its destination country.

The terms **digitisation** and **digitalisation** are often confused.

Digitisation involves converting paper-based information - documents, photographs - to a digital format.

Digitalisation, on the other hand, is about converting the way people work with the help of Information Technology.

The Alliance advocates and works towards true digitalisation.



4. CATALYSING CHANGE

‘Hackathons’ inspire collaboration to suggest disruptive solutions

Based on the premise that great minds don't think alike, in 2021 the Alliance organised its third innovation sprint, or 'hackathon', bringing a broad range of disciplines together to produce ideas to solve tough problems within a very tight timeframe.

In February 2021, the Alliance announced the results of its Morocco Smart Port Hackathon, in which 500 participants from around the world came together online to suggest disruptive solutions to challenges at the country's ports. Two of the winning teams focused on streamlining logistics, while a third explored generating energy for some port operations by transforming wave power into electricity.

Later in the year, in collaboration with the Rwandan Government and global business partner EnviroServe, the Alliance brought together ten teams comprising more than 170 computer programmers, engineers, developers, industry experts, entrepreneurs, business start-ups, and students to propose solutions associated with the yet unsolved challenge of cross-border e-waste transportation.

Both events built on the success of the first Hackathon in 2020 in Valencia, where contestants looked at novel ways that trade facilitation might deliver inclusive and sustainable economic growth in developing and least developed countries.



“The innovation sprint offered novel solutions to improve the collection of e-waste in Rwanda, and throughout Africa. We absolutely loved the idea of a Hackathon initiated by the Alliance and other partners. It was a great success. We received a great response, some brilliant ideas, and brilliant proposals. We would like to congratulate the Alliance and look forward to more collaboration.”

Olivier Mbera
Country General Manager, EnviroServe Rwanda

“Through our subsidiary company, MRC, Agility has a long-standing commitment to sustainable waste management and recycling. We supported two teams with mentorship based on our experience as well as reviewing one of the projects prior to final submission. The exercise provided a great networking opportunity for the participants and gave us some fresh insights into the similarities - and the differences - that countries face when it comes to tackling the problem of e-waste.”

Nabil Hajjaj
Business Development Director, MRC - Kuwait



REALISING TFA BENEFITS FOR SMALLER BUSINESSES



Trade is regarded as a vital driving force to development but for the MSMEs that form the economic backbone of developing and least developed countries, the prospect of breaking into lucrative export markets remains challenging.

Theoretically, any business with the right product at the right price should be able to sell anywhere in the world. The reality, of course, is quite different. MSMEs face seemingly unsurmountable obstacles, including trying to navigate red tape at borders. Unnecessary bureaucratic procedures and processes are daunting, time-consuming and costly.

International business is inherently risky for any enterprise but for most MSMEs, negotiating border controls is a gamble too far. As well as having to comply with the necessary paperwork, their goods may be held up for days, weeks or even months if documentation isn't correct.

Few MSMEs can afford to pay the consequent storage and other ancillary costs that delays entail and for agri-food producers it could mean looking on in frustration as their fresh fruit and vegetables decay and rot on the quayside.

And yet, several studies have shown that MSMEs stand to gain most from full implementation of the Trade Facilitation Agreement (TFA). As an organisation committed to this goal, the Alliance designs its projects to be sensitive to MSME needs, partnering with local business organisations on the ground, who represent and help us to engage MSMEs, and introducing user-friendly systems that traders can adapt to realise immediate gains.

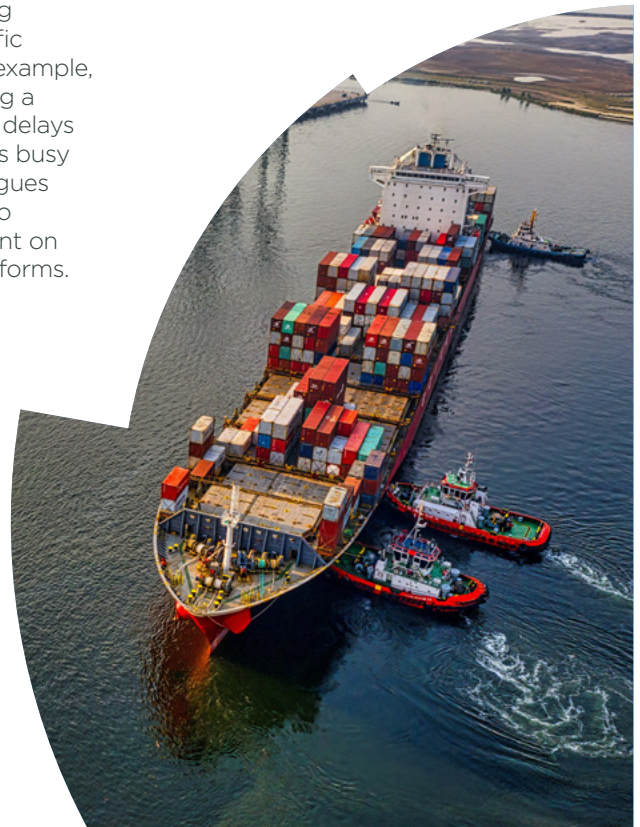
The Alliance's *Small Businesses, Great Opportunities* paper shows that MSMEs should be the main beneficiaries of trade facilitation reforms and suggests ways that these efforts can be better attuned

to their needs. It demonstrates how trade facilitation can unlock enormous value for smaller businesses if reform processes involve more MSMEs by recognising and making allowances for their limited time and resources.

The Alliance has also published a practical note on implementing MSME-sensitive trade reform, *The Trade Facilitation Agreement Through an MSME Lens*, to guide its own work and inform the efforts of policymakers and development professionals.

The Alliance is using its networks with local chambers of commerce and business organisations to ensure MSME participation in public private dialogues, raising their profile and attuning the public sector to their specific challenges. In Bangladesh, for example, where the Alliance is supporting a digitalisation project to reduce delays and congestion at the country's busy Bhomra Land Port, these dialogues have been a vital prerequisite to securing government agreement on implementing the necessary reforms.

Adapting the design of our activities, such as training sessions, also helps to ensure MSME involvement. For example, local project teams engaged by the Alliance build their schedules around the needs of MSMEs, ensuring that meetings take place at convenient times and places. This is an ongoing process, and the Alliance will continue to collect and share best practices as it continues to implement its mainstreaming approach.





EMPOWERING EQUAL ACCESS FOR WOMEN

Recognising the special challenges women traders must overcome to access global markets, gender mainstreaming is now a core component of every Alliance project, ensuring that everyone has an equal opportunity to benefit from trade facilitation. In 2021 the Alliance published its *Gender Mainstreaming Guidelines* as a blueprint for its commitment to tackling structural inequalities experienced by women and to emphasise the importance of breaking down the barriers perpetuating chronic dysfunction.

The Guidelines are the roadmap for gender sensitisation. The Alliance is equipping staff to implement them, and in 2021 100% of our projects in development were gender mainstreamed.

These guidelines show how practical, gender-sensitive actions can support equality in trade facilitation projects.

Based on industry best practice and first-hand knowledge gathered during Alliance projects, the guidelines recognise that trade reform is rarely gender neutral. The Alliance is committed to involving women and women's groups at every stage of a project to understand their challenges, believing there are concrete actions that can empower women entrepreneurs, traders, and employees. This might range from scheduling meetings at convenient times and places to providing flexible training opportunities to maximise participation.

The Alliance is determined to ensure gender inclusivity in all of its projects, entailing among other things:

- consultation with relevant stakeholder groups representing women
- analysing the effects of projects on men and women
- a focus on capturing information based on gender differences in mixed-gender situations.

The guidelines emphasise gender awareness and sensitivity in describing, monitoring, and evaluating project milestones and progress, to ensure the realisation of expected benefits and to apply mitigation measures where potential outcomes appear unequal.

These guidelines not only represent a statement of intent: the Alliance is putting them into practice in every project it started in 2021 and will continue to do so in the future, measuring and sharing results.

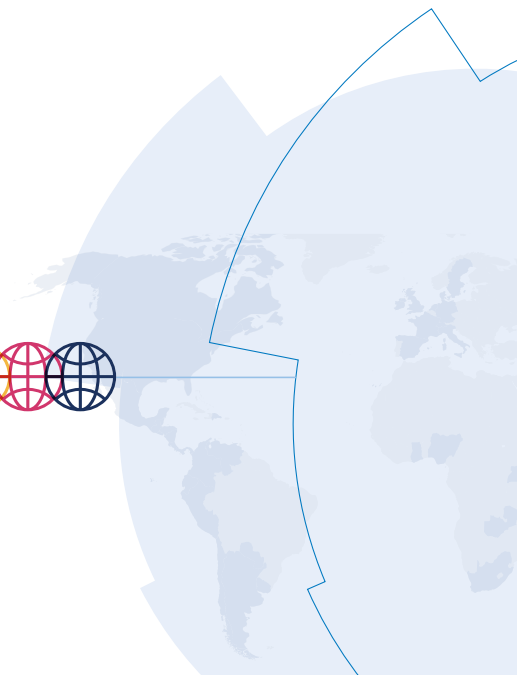
ALLIANCE GENDER VISION

A world where everyone benefits equally from trade facilitation reforms; where simple, fast, and cost-effective trade empowers women entrepreneurs, traders, and employees, and helps them contribute to their communities.

ALLIANCE GENDER MISSION

To ensure gender sensitivity in our projects. This means avoiding gender-blind actions, being conscious of the gendered effects of our work and employing measures so that our projects benefit men and women equally.

To better understand the barriers that women-owned businesses face in moving goods across borders, the Alliance and WEConnect International conducted workshops and surveys with women traders in Bangladesh, Guatemala and Nigeria. The participants in all three countries listed red tape among their biggest challenges and suggested possible solutions.





5. COVID-19 RESILIENCE AND RECOVERY

- Building resilience in an increasingly uncertain world /PAGE 36

BUILDING RESILIENCE IN AN INCREASINGLY UNCERTAIN WORLD



The urgency to move essential goods such as vaccines and medical equipment during COVID-19 impelled border reforms at an unprecedented rate. Governments had to streamline procedures, strengthening supply chains and demonstrating the potential of trade facilitation measures in ongoing development efforts and disaster preparedness.

Such measures are more urgent than ever. The latest United Nations (UN) Intergovernmental Panel on Climate Change report, published in March 2022, forecasts an inevitable increase in floods, heatwaves, wildfires, and other catastrophes related to global warming.

Separately, UN estimates show that 274 million people will need some form of emergency aid in 2022, a rise of 17% on 2021's record-breaking figure of 235 million people.

Modernising outdated border processes can play a significant role in optimising long-term development programmes and ensuring that humanitarian assistance reaches people quickly in the aftermath of disasters.

In early 2021, as distribution of Covid-19 vaccines began ramping up, the Alliance partnered with the US-ASEAN Business Council to offer governments in the ASEAN region expertise in applying scenario-based testing to identify potential fragility in their clearance processes and solutions to mitigate resulting delays in vaccination programs.

The Alliance also signed a Memorandum of Understanding with UNICEF, formalising a collaboration in engaging government agencies, businesses, and other relevant stakeholders to speed up imports and clearance of critical supplies for children and communities. UNICEF, the largest single vaccine supplier in the world, moves and clears supplies across 190 countries and territories.

Piloting this partnership, in Mozambique, the Alliance is working

with UNICEF to support government efforts to digitalise and streamline the imports of routine vaccines, including those for diphtheria, tetanus, hepatitis B, pneumonia, meningitis, measles and rubella, and polio, reducing unnecessary delays and costs that hinder the flow of these vital shipments. The Alliance and UNICEF are preparing to launch a similar project in Botswana in 2022.

Separately, the Alliance is also supporting the Mozambique government to import rapid test kits for HIV/AIDS and malaria and other medical goods, in collaboration with Alliance partners Abbott Laboratories, DHL Deutsche Post and Agility.

In partnership with governments, the private sector, and organisations such as the World Customs Organization (WCO), the Alliance has also been supporting countries in adopting trade facilitation reforms as part of their crisis management planning.

In Madagascar, the Alliance is partnering with the WCO and the National Center for Disaster Preparedness at Columbia University to support Madagascar Customs and

the National Office for Disaster and Risk Management (BNGRC) to test the effectiveness of new customs procedures for foreign aid imports during times of natural disaster and outbreaks of infectious diseases.

The contingency testing of these operating procedures, which were developed as part of a WCO Covid-19 project, funded by the government of Japan, applies scenario-based planning exercise techniques to identify and address potential bottlenecks.

“Supply chain blockages and unnecessary delays in the delivery of life-saving humanitarian supplies can and should be prevented. UNICEF has used innovation and grit to overcome the challenges imposed by the pandemic and continues to leverage partner expertise to support vulnerable children and families. We must continue to work together, both public and private actors, to build efficient systems to reach children in need. This exciting partnership, between the Alliance and UNICEF can help us get there.”

Carla Haddad Mardini, UNICEF Director for Private Fundraising and Partnerships





6. ADVANCING TFA IMPLEMENTATION

- Good for people, good for the planet /PAGE 38



GOOD FOR PEOPLE, GOOD FOR THE PLANET

Empty shelves, an urgent need to transport vaccines across borders and a growing reliance on e-commerce all helped in one way or another to propel the vital importance of functioning global supply chains into mainstream public consciousness during 2021

The signatories of the Trade Facilitation Agreement (TFA) envisioned its potential to improve and transform the lives and expectations of millions of people, particularly in developing and least developed countries.

The Alliance is continuing to play its part in driving forward momentum towards realising trade facilitation goals. All our projects address specific TFA articles to deliver concrete, measurable benefits to governments and to businesses of every size that demonstrate the practical impact of TFA implementation.

TFA implementation extends to combatting the negative effects of

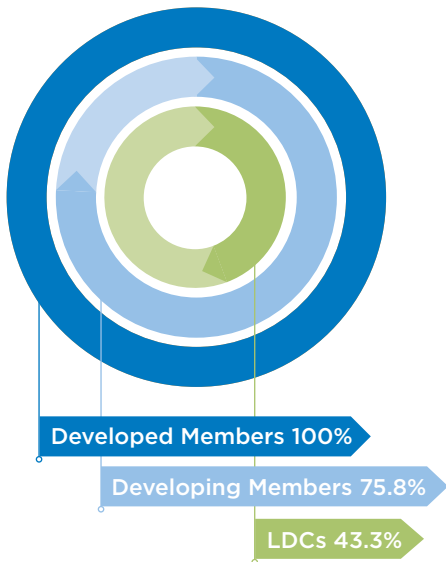
climate change, both directly and indirectly. For example, trade facilitation has the potential to reduce waiting times at borders and, by extension, the carbon emissions from lorries idling for long periods waiting for clearance.

When a cargo degrades or even spoils entirely, the losses go far beyond the produce itself, extending to the inputs required to grow and transport it, including a huge amount of water, fertilisers and energy.

And, of course, digitalisation can play its part in combatting the mountains of paper created by traditional, manual processes currently required for cross-border trade.

RATE OF IMPLEMENTATION COMMITMENTS

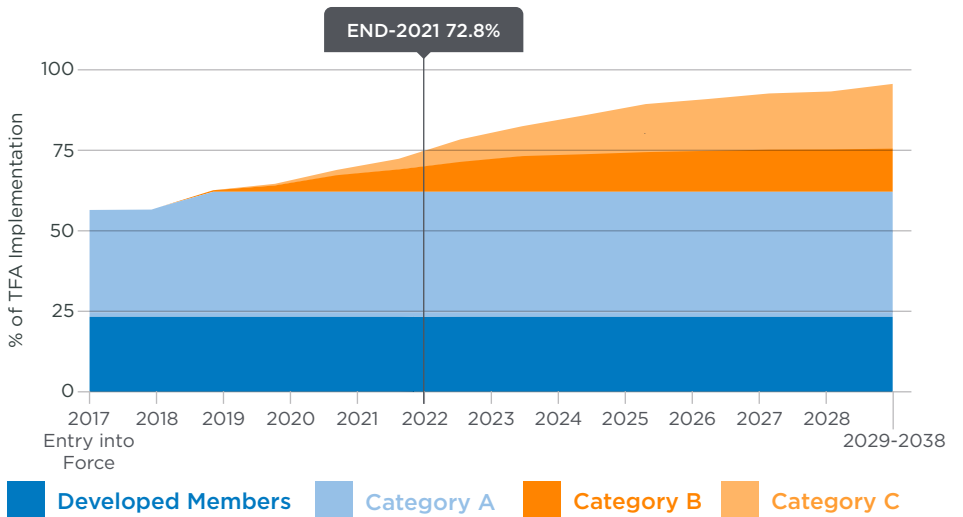
Source: WTO, Jan 2022



BY THE END OF 2021
93.9%
of WTO Member States
have ratified the TFA

TIMELINE OF IMPLEMENTATION COMMITMENTS

Based on implementation commitments by all WTO Members over time
Source: WTO, Jan 2022



Category A

Developing Members will implement the measure by 22/02/2017 and LDCs by 22/02/2018

Category B

Members will need additional time to implement the measure

Category C

Members will need additional time and capacity building support to implement the measure



7. FINANCIAL SUMMARY /PAGE 40

2021 FINANCIAL SUMMARY

INCOME		US\$
Donor contribution		12,434,737
EXPENDITURE		
Work stream 1: Creating public private partnerships and multi-stakeholder dialogues		2,203,980
Work stream 2: Delivering commercially-measurable trade facilitation reforms (in-country projects)		9,109,456
Work stream 3: Measuring results and building trade facilitation knowledge		1,121,301
TOTAL		12,434,737




Global Alliance for Trade Facilitation Annual Report 2021

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To get involved or for more information, please contact us at

info@tradefacilitation.org
www.tradefacilitation.org

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