

GLOBAL TRADE LOGISTICS ADVISORY PROGRAM


Trade Facilitation and Border Crossing Procedures
State of Play and Further Steps

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Why is trade logistics important?

Trade logistics program description

Project examples




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TRADE FACILITATION DEFINITIONS

“Simplification, standardization, and harmonization of procedures and associated information flows to move goods from seller to buyer and to make payment.”

but also relevant


“Identification and removal of bottlenecks imposed by **weaknesses in trade related logistics and regulatory regimes** that prevent the timely, cost effective movement of goods.”



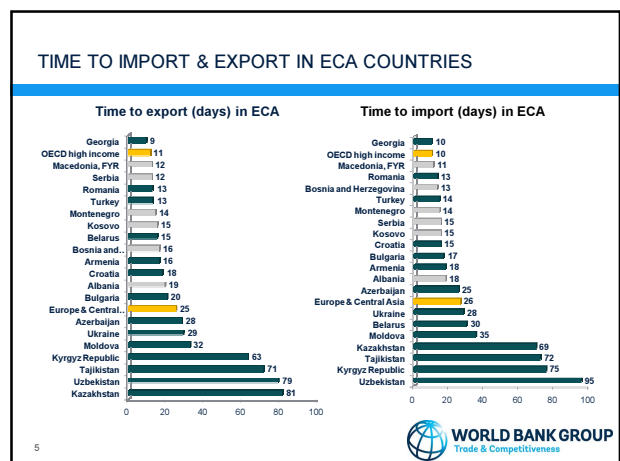
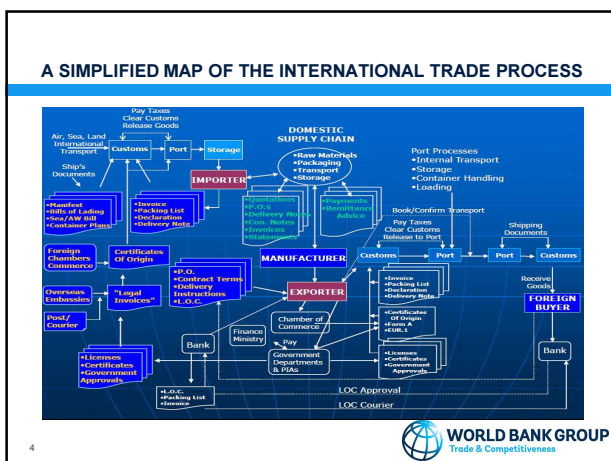
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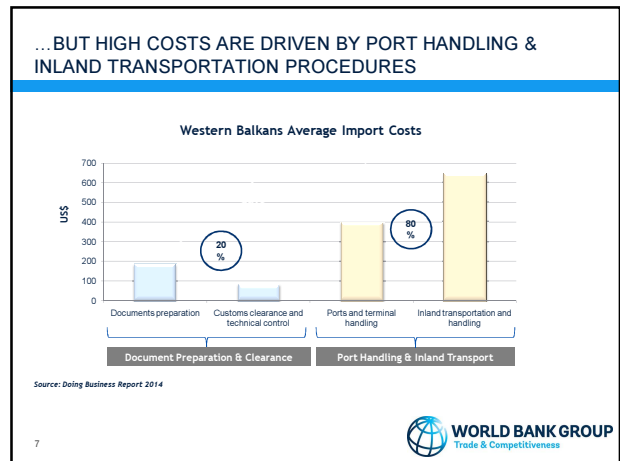
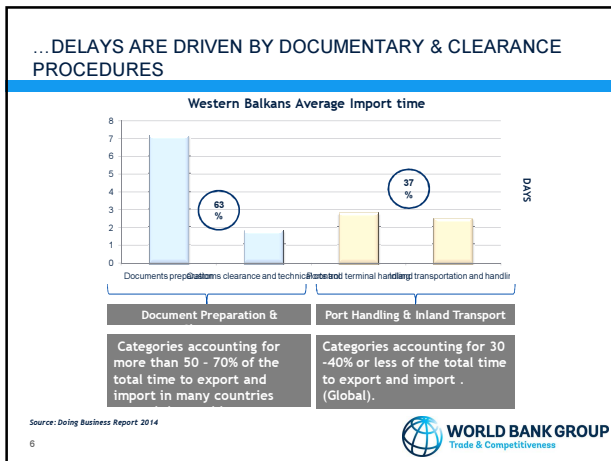
GLOBAL ECONOMIC GAINS OF TRADE FACILITATION

- If all countries reduce supply chain barriers halfway to global best practice (i.e. Singapore), global GDP could increase by 4.7% or US\$ 2.6 trillion and world trade by 14.5% or US\$1.6 trillion, far outweighing the benefits from the elimination of all import tariffs (WEF).
- Each additional day that a product is delayed prior to being shipped reduces trade by more than 1%.
- Improving the quality of physical infrastructure increase its exports by more than 10%
- 1% increase in aid-for-trade facilitation potentially result in US\$290 million of additional exports.
- Adopting electronic documentation for the air cargo industry could yield US\$12 billion in annual savings and prevent 70-80% of paperwork-related delays.



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TRANSPORT LOGISTICS IN THE WORLD BANK GROUP (WBG)

World Bank Group's Trade Strategy (2011) transport logistics pillar focuses on:

- Transport infrastructure connectivity
- Trade corridors and regional trade facilitation frameworks;
- Markets for logistics services

The pillars include a mix of "hard infrastructure" and "soft infrastructure"

WBG instruments for trade and transport logistics projects

- Investment Lending**
 - Infrastructure financing
 - Integration / corridor projects
 - Technical assistance
- Policy Lending**
 - Competitiveness
 - Trade facilitation
 - Green growth
- Non-lending technical assistance**
 - Fee-based services / IFC advisory services
 - Grants and economic & sector work

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TRADE LOGISTICS PRODUCT OBJECTIVES

OVERARCHING RATIONALE

- Globalization and the desire to be part of global networks
- Attracting private investment is a key objective for developing countries
- Faster, leaner & responsive supply chains essential for competitiveness
- Enhanced trade

A 10% reduction export time

Increases Export of ... by ...

Region	Percentage
Sub Saharan Africa	6.1%
South Asia	5.8%
East Europe & Central Asia	5.0%
Middle East & N. Africa	4.1%
East Asia and Pacific Islands	4.1%
Latin America and Caribbean	3.5%
OECD	1.7%

TRADE LOGISTICS VISION

Create simple, efficient and accountable trade logistics systems and services that fuel economic growth through:

- Reduced the time and cost to import and export.
- Increased trade and private sector savings.

Potentially leading to investments and job creation.

Governments and private sector energized to improve trade logistics services

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GLOBAL COVERAGE – CUSTOMIZED SOLUTIONS

- West Africa Region (ECOWAS)**: Liberia, Mali, Burkina Faso, Guinea, Bissau, Benin, Sao Tome & Principe
- Caribbean Region**: St. Lucia, Antigua & Barbuda, St. Kitts & Nevis, Grenada, Dominica
- Central America Region**: El Salvador, Honduras, Guatemala, Nicaragua, Costa Rica
- SE Europe Region**: Serbia, Albania, Bosnia Herzegovina, Kosovo, Macedonia, Montenegro
- Colombia, Peru**
- Chad, Central African Republic, Cameroon, Gabon**
- Egypt, Ethiopia, Rwanda, Kenya, Zambia**
- Armenia**
- Kazakhstan, Mongolia**
- South Asia Region - India, Bangladesh, Nepal**
- Philippines, Timor-Leste & Pacific**


Trade Logistics projects in over 50 countries

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TRADE LOGISTICS PRODUCT WORKSTREAMS*

Implementation of WTO TF Agreement	<ul style="list-style-type: none"> Simplifying & harmonizing trade procedures and documentation at borders and ports Conducting legal and regulatory reforms Integrating risk management systems into border inspections and clearance Implementing electronic processing/automation and Single Window Systems
Regional Integration	<ul style="list-style-type: none"> Improving border clearance, trade logistics systems and services at the regional level Mutual Recognition of agreed frameworks including the implementation and recognition of international standards, accreditation and certification at borders.
Agribusiness	<ul style="list-style-type: none"> Enhancing food security by improving trade logistics in agribusiness supply chains Streamlining NTBs and thus offering market access for key agribusiness products in client countries. Supply chain analysis for key export commodities
Trade Logistics Services	<ul style="list-style-type: none"> Improving efficiency of logistics services at major trade gateways Improve the quality of economic regulation and foster service competition Facilitate logistics services multimodality and integration

*part of the WBG product continuum



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SEQUENCING OF WTO TF SUPPORT PROGRAM

OBJECTIVE
Assist developing countries to reform and align their trade facilitation laws, procedures, processes & systems to enable implementation of the WTO ATF Requirements

WBG will support countries on WTO TF implementation on activities where: *

- Technical assistance is clearly required and requested by member countries (Category C), or
- Self implementation efforts require support (Category B)

Phase 1


- Validation and review of Country Self Assessment
- Produce Reform Map, Propose Sequence of Activities and Timeline
- Set up TF committee to lead the reform program
- Support the categorization & commitment process
- Review inter-agency coordination and design of institutional capacity building plans

Phase 2

- Identification-implementation of quick wins & medium-term reforms
- Improve transparency and predictability for traders
- Review - align relevant trade laws
- Harmonization, simplification of procedures & systems
- Border agency coordination
- Risk management and other border agency management approaches

Phase 3


- Support design and software for ICT tools to implement deeper and more systemic reforms
- Help leverage funds from WB and other partners for longer term, bigger scale ICT and infrastructure development



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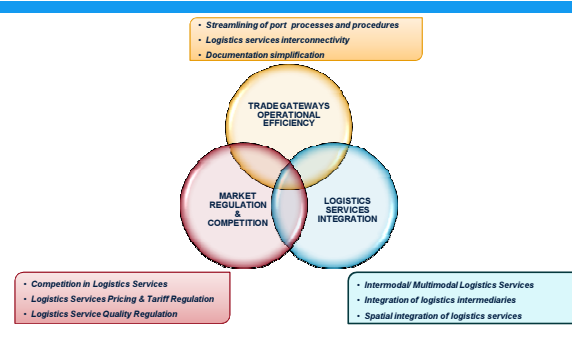
ASPECTS OF A POTENTIAL MODEL FOR IMPLEMENTATION OF AGRIBUSINESS TRADE LOGISTICS PROJECT

- The intervention needs to be tailored to the client's specific needs
- Economy and regional interventions necessary for shortening lengthy examination and clearance with high costs for perishable goods/the food sector
- IFC cross-product collaboration is essential for firm level interventions, financing and competition issues
- PPD mechanism - the private sector needs to be involved at a scoping, design and implementation level
- Linking farmers to markets for food security is at the core of the agribusiness trade logistics strategy




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TRADE LOGISTICS SERVICES CLUSTERS*



* In close coordination with the Transport & ICT Global Practice




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COLOMBIA TRADE LOGISTICS

Focus - Highly implementation focused! Selective targeted assessments only when required

Colombia is a good practice model for peer to peer learning for LAC & more!

Project scope responsive to client need (eg. BPM module) & development partner priorities (eg. integrity).

Private sector (ANALDEX, ANDI) involved through project cycle. ANALDEX also provided in-kind contribution!

Coordinating & Partnering with other devt. partners (USAID on BPM)

GoC gave the project \$300K (\$100K parallel fin), Spain and Norway funds (\$500K).

Joint staff in the field (Bogota). Mix of global & regional staff & consultants!


KEY PROJECT ELEMENTS:

- Implementing Single Window System for Trade - incl. streamlining processes, procedures & documents
- Introducing risk based inspections & border control

10% decrease in export time potentially increases export by:

SSA	6.1%
SA	5.8%
LAC	3.5%
Colombia projection:	\$700 million

Based on case study, cost savings to a private firm from is estimated at US 3.5 mill/ annum (\$350mill revenue firm)



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PHILIPPINES AGRI TRADE AND LOGISTICS PROJECT

Model

Activities under Objective 3: Reduced compliance and Transaction costs for farmers and Agribusiness sector

Trade facilitation and Logistics	<ul style="list-style-type: none"> Improve the process for issuing phyto-sanitary certificates and SPS import permits for agri-products/ related inputs Enhance and simplify importing and exporting procedures, processes and documents Advice on cargo movements at priority agri ports to improve efficiency for the movement of cargo 	Food security
Domestic Shipping reform	<ul style="list-style-type: none"> Simplify the permit process and promote competition for domestic shipping 	Diversify Agri-food Exports
Public Private Dialogue (PPD)	<ul style="list-style-type: none"> Convene private sector participation in policy solution design and advocacy 	

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CARIBBEAN – TRADE LOGISTICS PROJECT

Costing and Efficiency Exercise at the Ports with a view to enhancing quality and efficiency of services

Performance and Costing

- Help develop performance indicators
- Analyze cost of operations from an efficiency standpoint
- Benchmarking (with similar ports) – tbc
- Assist in improving operations

Due Diligence & Implementation Plan

- Observe cargo handling, facilities, operations
- Meet, discuss and learn of issues and challenges from managers and stakeholders
- Analyze, map and propose solutions
- Provide implementation assistance

Additionally, IFC can bring additional expertise from the WBG as needed/requested to discuss other activities i.e. additional revenue raising opportunities etc.

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CARIBBEAN – TRADE LOGISTICS PROJECT

Objective

Help Grenada in the development of a set of robust and modern acts and regulations in trade logistics, in particular, to allow for effective and efficient management of its sea port operations, marine environment, and shipping and related sectors.

Selected issues discussed

- Shipping Legislation: IMO model legislation adapted for Grenada?
- National Maritime Act reviewed? Is a central maritime authority required?
- Port Act reviewed (in terms of objectives and synergies and conflicts?)
 - Development in coastal zones
 - Jurisdictions of agencies
 - Regulation of concessions
 - Licensing (dive operators, water taxis etc.)

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Thank you !!!

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