Workshop on Single Window Modality and E-Trade and Their Role in Promoting Intra-OIC Trade
November 2015, Casablanca, Morocco

ITFC Group Activities in Trade Facilitation and Promoting Regional Economic Cooperation Among the OIC Member Countries
In this presentation

1. Why Trade Facilitation is Important?
2. Changing Nature of Regional/International Trade Agreement
3. How Single Window Help Countries implement WTO Trade Facilitation Agreement (TFA)
4. IDB Group is Pioneer in Supporting Trade-Led Economic Growth
5. Examples of IDBG Trade Related Technical Assistance
6. New IDBG Model for Enhancing Regional Economic Cooperation
7. Way Forward
Why Trade Facilitation Important?

The Benefits

Electronic Single Window (ESW) Systems will automate customs processing procedures and reduce irregular payments at border gates. Using the delay in the border by one day will drive down trade/transport costs on average by 0.8%. Improving companies competitiveness as a consequence of lower transaction costs and enable firms to export more.

Benefit Govts by improving efficient control and risk management methods/systems, leading to higher revenues, facilitating smooth flow of trade.

Implementation of WTO Trade Facilitation Agreement (TFA) could reduce worldwide trade costs by 12-17%.

Collective and Coordinated implementation of the WTO TFA will be an effective tool to promote regional economic integration and trade exchange.

For reduction in trade cost

A customs office in 2015?

40% of delays in the supply chain are due to inefficient administrative procedures (e.g., transmission of paper documents, lack of coordinated inspections, etc.)
Scope of the Regional Trade Agreements started to change

*After the tariff reductions, interest shift to trade facilitation/Non Tariff Measures*

<table>
<thead>
<tr>
<th>Measures contained in RTAs by frequency of occurrence (%)</th>
<th>Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange of customs-related information</td>
<td>69.6%</td>
</tr>
<tr>
<td>Cooperation in customs and other TF matters</td>
<td>59.4%</td>
</tr>
<tr>
<td>Simplification of formalities/procedures</td>
<td>52.5%</td>
</tr>
<tr>
<td>Publication and availability of information</td>
<td>50.2%</td>
</tr>
<tr>
<td>Appeals</td>
<td>41.5%</td>
</tr>
<tr>
<td>Harmonization of regulations/formalities</td>
<td>38.7%</td>
</tr>
<tr>
<td>Risk management</td>
<td>36.9%</td>
</tr>
<tr>
<td>Publication prior to implementation</td>
<td>36.4%</td>
</tr>
<tr>
<td>Transit</td>
<td>36.4%</td>
</tr>
<tr>
<td>Advance rulings</td>
<td>35.9%</td>
</tr>
<tr>
<td>Automation/electronic submission</td>
<td>35.5%</td>
</tr>
<tr>
<td>Use of international standards</td>
<td>33.2%</td>
</tr>
<tr>
<td>Disciplines on fees and charges connected with importation and exportation</td>
<td>32.7%</td>
</tr>
</tbody>
</table>

*Chart 2: RTAs containing Trade Facilitation components (in percentage of total Agreements)*
Why WTO Trade Facilitation Agreement (TFA) Important?

any international organizations have been dealing with different aspects of trade facilitation before the WTO.

✓ Compiling all TF Measures under one Agreement
✓ Common ground/rules for WTO 163 MCs
✓ Enforcement Mechanism through dispute settlement

General Framework Agreement for Trade Facilitation: Implementation is now becoming mandatory.
### Structure of the TFA

#### Section I
The TFA contains 12 Articles with approximately 40 “technical measures” (Articles 1 - 12)

#### Section II
Special provisions for developing and least-developed country Members (Articles 13 – 22)

#### Section III
Final provisions and institutional arrangements (Articles 23 – 24)

### Articles and Provisions

<table>
<thead>
<tr>
<th>Articles</th>
<th>Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 1</td>
<td>Publication and availability of information</td>
</tr>
<tr>
<td>Article 2</td>
<td>Opportunity to comment, information before entry into force and consultation</td>
</tr>
<tr>
<td>Article 3</td>
<td>Advance Rulings</td>
</tr>
<tr>
<td>Article 4</td>
<td>Procedures for appeal or review</td>
</tr>
<tr>
<td>Article 5</td>
<td>Other measures to enhance impartiality, non-discrimination and transparency</td>
</tr>
<tr>
<td>Article 6</td>
<td>Disciplines on fees and charges imposed on or in connection with importation and exportation and penalties</td>
</tr>
<tr>
<td>Article 7</td>
<td>Release and Clearance of Goods</td>
</tr>
<tr>
<td>Article 8</td>
<td>Border Agency Cooperation</td>
</tr>
<tr>
<td>Article 9</td>
<td>Movement of goods intended for import under customs control</td>
</tr>
<tr>
<td>Article 10</td>
<td>Formalities connected with importation, exportations and transit</td>
</tr>
<tr>
<td>Article 11</td>
<td>Freedom of transit</td>
</tr>
<tr>
<td>Article 12</td>
<td>Customs Cooperation</td>
</tr>
</tbody>
</table>

**Indirect Linkage with SW**
- Number of Customs documents/procedures reduced/harmonized
- Clearance procedures simplified & clearance times reduced
- Result trade/transport cost reduced

**Direct Linkage with SW**
Develop Key Economic Infrastructure

Enhance regional economic cooperation

Foster trade promotion and cooperation

Competitive trade financing solutions

Build capacity in member countries

Support Private Sector Investments

Enhance trade through export credit

- More than US$ 60 billion group trade financing since inception (≥ 50% of total financing)
- Half of the trade finance approval extended for OIC TRADE
- Over US$ 25 billion development financing of trade related infrastructure: roads, ports, border posts, construction of dams, etc.
- Over US$ 22 billion business covered through export credit and reinsurance of trade operations and private sector investments by ICIEC
- Trade related technical assistance (TRTA) for institutional capacity development
EXAMPLES OF TRADE RELATED TECHNICAL ASSISTANCE EXTENDED BY ITFC/IDB

- Study on Road Transport facilitation and implementation of TIR in Arab States (with AULT and IRU)
- IsDB-WB Capacity Building Program on Trade and Competitiveness
- Seminar on TF among Arab countries and their Integration into the MTS
- OIC Workshop/EGM on Roles of Transport Corridors in Trade and Tourism
- Workshop On the impact of Economic Partnership Agreements on Regional Integration in Africa
- OIC Regional Workshop on Trade Facilitation & Single Window for Enhanced Economic Cooperation
Examples of trade related technical assistance extended by ITFC/IDB

• Arabic Translation of Trade Facilitation Implementation Guide (TFIG) & Training on the TF Measures
• TA Grant to ECO for the implementation of Transit Transport Framework Agreement
• Study & Seminar on identifications of NTMs in the Arab Region
• The Regional Review Seminar on Reducing Trade Cost for Inclusive Sustainable Growth
• Technical Assistance Grant for Development of Quality/Standardization Infrastructure
• Study on the OIC Transport Corridors
**Objective & Mandate**

- Assist MCs to design and implement their National TTF Program
- Assist MCs to identify (and eliminate where possible) regulatory and procedural obstacles to trade
- Assist MCs to accede to relevant TTF agreements and to simplify and harmonize national trade and transport procedures
- Promote and support knowledge sharing and cooperation across MCs
- Enhance cooperation among OIC Institutions and International Organizations to prepare Regional TTF Programs
1. Establishment of interagency intergovernmental coordination platforms & technical groups for regional TTF Dialogue; removal of NTMs, harmonization of rules, regulations, standards,
2. Establishment of Regional Market Access website and/or Regional Electronic Single Window Application for enhanced information & data exchange
3. Joint/Coordinated Border Gate Management Initiatives

1. Completion of missing link in land and maritime transport
2. Construction of Logistical Centers
3. Customs Gate Modernization, ICT Upgrading for Enhanced Regional Integration

Key For Competitiveness, Economic Growth & Employment
Key for Regional and Global Integration
Key for Physical & Electronic Connectivity
**Recommendations & Way Forward**

**For MCs**

- Start from establishing the Secretariat for National Trade Transport Facilitation Committees (NTTFCs)
- Ensure allocation of financial resources from national budget
- Design National Trade Facilitation Program first in consultation with stakeholders
- Conduct a situation/Gap Analysis for National Single Window System to consolidate all relevant source of information for design and implementation
- Give priority at the initial stage to knowledge development; develop users manual/knowledge tool kits

**For OIC Institutions**

- Establish a dedicated Task Team under COMCEC TWG with a mandate to prepare an OIC TTF Program
- Pool the financial resources under a fund to support national/regional TTF Initiatives
- Establish inter-agency forum with expert UN institutions and regional organizations to coordinate OIC efforts to support national and regional TTF initiatives
- Support the implementation of WTO TFA by Member Countries at National/Regional Level
- Organize capacity building & consensus development seminars for regional projects
THANK YOU

QUESTIONS, COMMENTS?

HOSAM SADEDDIN
HSADEDDIN@ISDB.ORG