



**USAID**  
FROM THE AMERICAN PEOPLE

# **CEFTA: Regional Findings and Recommendations**

CEFTA Week  
Skopje, Macedonia  
November 20, 2014



**USAID**  
FROM THE AMERICAN PEOPLE

## Topics

- Benefits of TF
- Background and context
- Framework for assessing/understanding the WTO TFA
- Results from CEFTA Self Assessments
- Observations/Recommendations



October 20, 2014

## USAID SUPPORTS TRADE FACILITATION

**December 2013** Members of the World Trade Organization negotiated a landmark **Trade Facilitation Agreement**

This can lead to dramatic improvements in the speed and efficiency of moving goods across borders

USAID supports developing and least-developed countries in implementing this agreement and improving their ability to trade

### USAID Partnership for Trade Facilitation (PTF)

The PTF, launched in 2011, assists 19 developing countries in implementing commitments by providing demand-based, rapid, and flexible support

### WTO Trade Facilitation Needs Assessments

USAID is a leading donor in supporting needs assessments 23 completed and 4 scheduled

### Africa Regional Trade Hubs

USAID provides a variety of technical interventions focused on improving the trade facilitation environment. Assistance is provided by the Africa Trade Hubs, based in Botswana, Ghana, and Kenya, as well as through bilateral programs

OECD estimates: A country that fully implements the agreements could reduce total trade cost by:

- 14.1%** Low income countries
- 15.1%** Middle income countries

Reducing global trade costs by 1% = **\$40 billion+** increase in worldwide income



TOOLS



A Comprehensive Approach to Trade Facilitation and Capacity Building



Establishing Risk Management/Cargo Selectivity Capability



Information and Communications Technology Procurement: Best Practices Guide for Customs Administrations



Advance Rulings: A Resource Guide



Authorized Economic Operators



Post-Clearance Audit Programs: A Businesslike Approach to Customs Control

### USAID Upcoming Activities

<p><b>September 22-26</b></p> <p>USAID sponsors 2 Customs Modernization Advisors (CMA) from the World Customs Organization (WCO) to attend a WCO CMA Accreditation Workshop at the Advanced Training Center for Customs Border Protection in West Virginia</p>	<p><b>October</b></p> <p>USAID sponsors 2 Customs experts with WCO trade facilitation certification to help Southern African Development Community (SADC) develop a Comprehensive Trade Facilitation Program</p>	<p><b>October</b></p> <p>USAID and AmCham Vietnam move forward with Trade Facilitation Alliance</p>	<p><b>October 21-23:</b> Nigeria National Workshop on "Implementing the WTO TFA" aims to build an understanding of the TFA among national Trade Facilitation Task Force members</p>	<p><b>November 19-20:</b> Macedonia CEFTA Regional Workshop with focus on trade facilitation; follow-up from recent WTO needs assessments</p>
<p><b>October 10:</b> Vietnam Customs-Business Alliance Workshop on the Implementation of the WTO Trade Facilitation Agreement</p>	<p><b>November</b></p> <p>Burma study tour of Laos Trade Portal</p>			

WE WANT TO PARTNER WITH YOU.

Please contact: Virginia Brown, Director, Office of Trade and Regulatory Reform, Bureau of Economic Growth, Education, and the Environment, U.S. Agency for International Development, [ptf@usaid.gov](mailto:ptf@usaid.gov)





## **Presentation of the Regional Findings**

USAID has facilitated or supported TFSAs in the following CEFTA countries:

- Macedonia—March 24-28, 2014.
- Albania and Kosovo—May 5-8, 2014.
- Montenegro—July 16-18, 2014.
- Moldova—July 2014.
- Serbia (forthcoming—December 9-11, 2014.



**USAID**  
FROM THE AMERICAN PEOPLE

# Framework for understanding the WTO Trade Facilitation Agreement

- Categories A, B, and C
- Implementation categories
  - USAID has developed an approach to grouping and sequencing implementation of the specific TFA commitments.



**USAID**  
FROM THE AMERICAN PEOPLE

# A Comprehensive Approach to Trade Facilitation Capacity Building

Connecting Developing Countries to Supply Chains

Download at:

<http://tinyurl.com/tradefacilitation>



**USAID**  
FROM THE AMERICAN PEOPLE



A COMPREHENSIVE APPROACH TO  
TRADE FACILITATION AND CAPACITY  
BUILDING

CONNECTING DEVELOPING COUNTRIES TO SUPPLY CHAINS





## A sequenced approach to technical assistance



– The **13 articles** of the text contain a total of **37 specific** requirement for border control agencies.

1. Political will and implementation of fundamental principles
2. Procedural simplification
3. Compliance management
4. Border agency cooperation



## **Political Will and Adoption of Fundamental Principles Sequence Group 1**

**Article 1**

**Publication and Availability of Information**

**Article 2**

**Opportunity to Comment, Information Before Entry into Force, and Consultations**

**Article 13, Paragraph 2**

**National Committee on Trade Facilitation**





## Procedural Simplification - continued

*Requirements highlighted in bold text either specifically mention other agencies or logically require collaboration.*

<b>Article 10, Section 1</b>	<b>Formalities and Documentation Requirements</b>
<b>Article 10, Section 2</b>	<b>Acceptance of Copies</b>
<b>Article 10, Section 3</b>	<b>Use of International Standards</b>
<b>Article 10, Section 5</b>	<b>Pre-shipment Inspections</b>
Article 10, Section 6	Use of Customs Brokers
<b>Article 10, Section 7</b>	<b>Common Border Procedures and Uniform Documentation Requirements</b>
<b>Article 10, Section 8</b>	<b>Rejected Goods</b>
Article 10, Section 9	Temporary Admission of Goods/Inward and Outward Processing
Article 11	Freedom of Transit



**USAID**  
FROM THE AMERICAN PEOPLE

## Compliance Management – Sequence Group 3

*Requirements highlighted in bold text either specifically mention other agencies or logically require collaboration.*

Article 3

Advance Rulings

**Article 4**

**Appeal or Review Procedures**

Article 6, Section 3

Penalty Disciplines

**Article 7, Section 4**

**Risk Management**

Article 7, section 5

Post Clearance Audit

**Article 7, Section 7**

**Trade Facilitation Measures for Authorized Operators**



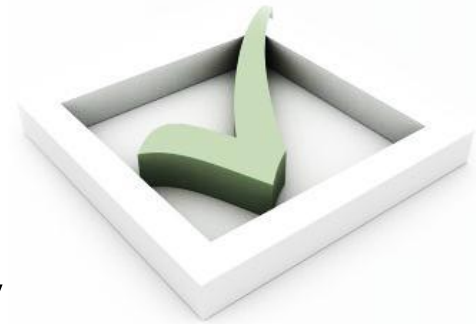
## Border Agency Cooperation – Sequence Group 4

- Article 7, Section 6**      **Establishment and Publication of Average Release Times**
- Article 8**                      **Border Agency Cooperation**
- Article 10, Section 4**      **Single Window**
- Article 10, Section 7**      **Common Border Procedures and Uniform Documentation Requirements**
- Article 12**                      **Customs Cooperation**



## Sequence Group 3: Compliance management

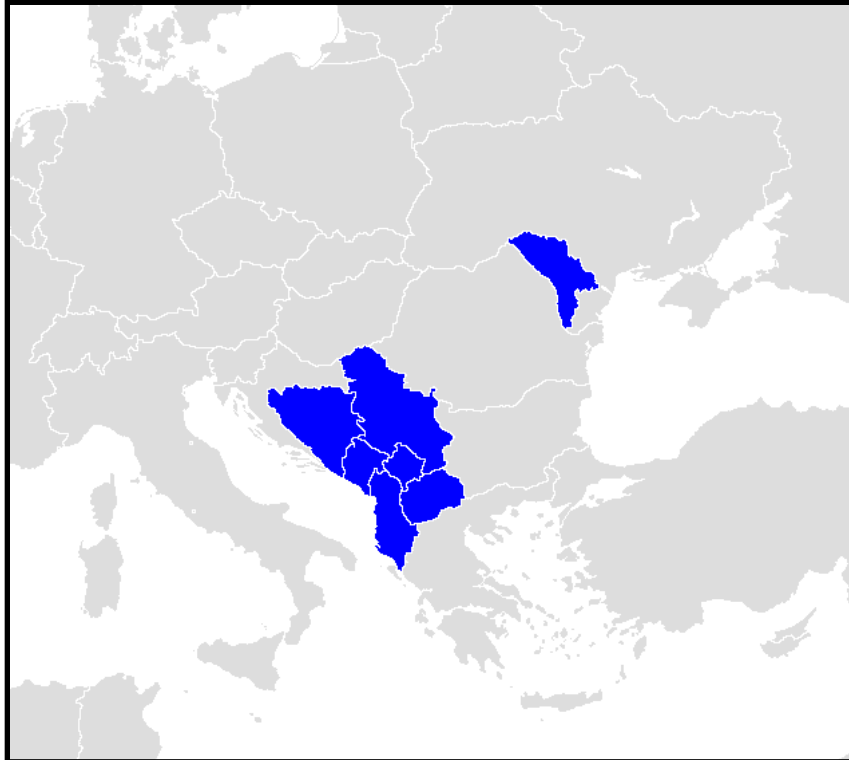
- Customs in many developing countries have moved from traditional controls to risk-based selective controls.
- Risk management efforts have primarily focused on a single-agency (Customs), rather than a more inclusive approach that would include other agencies with responsibility for agricultural pests, environmental and other public safety issues, etc.





**USAID**  
FROM THE AMERICAN PEOPLE

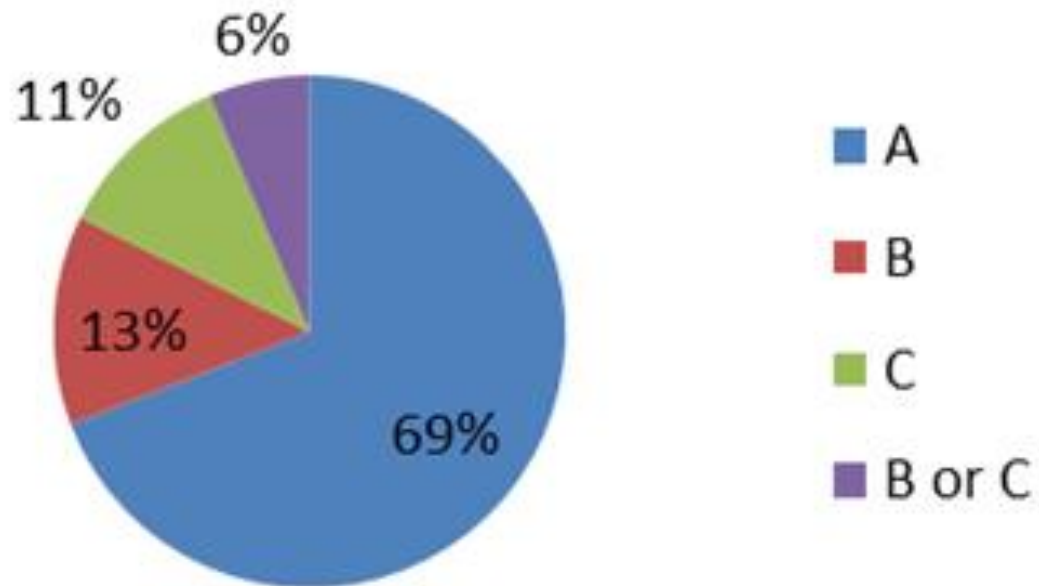
## Results of CEFTA\* TF Self Assessments



\*Excluding Serbia and BiH

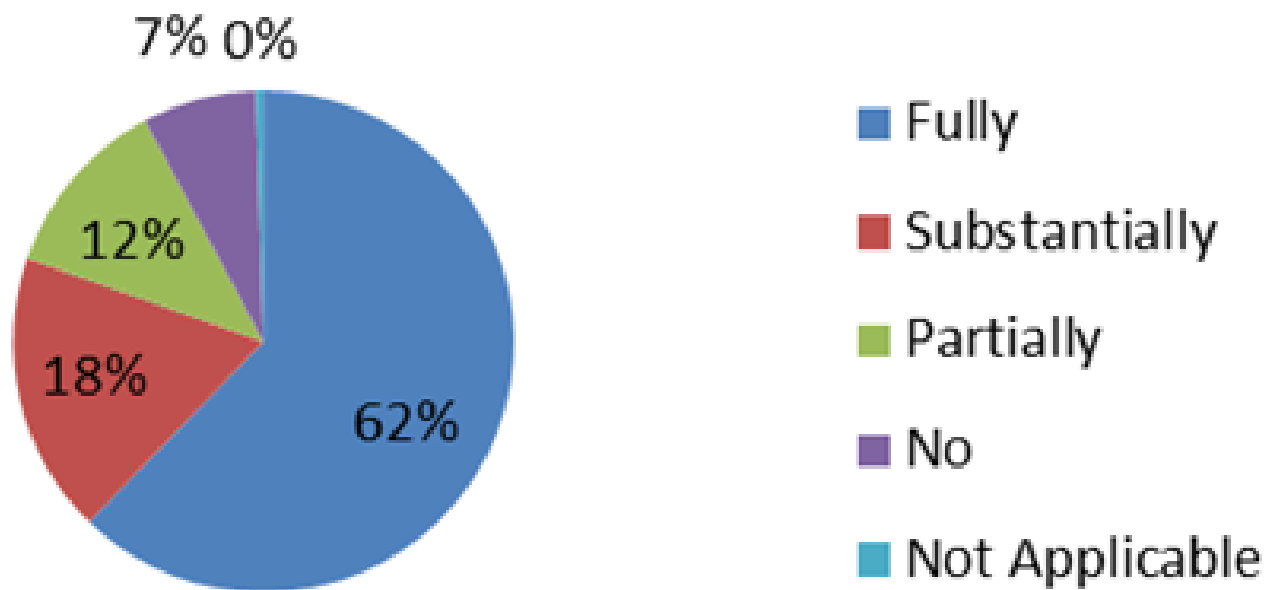


## Implementation Categories





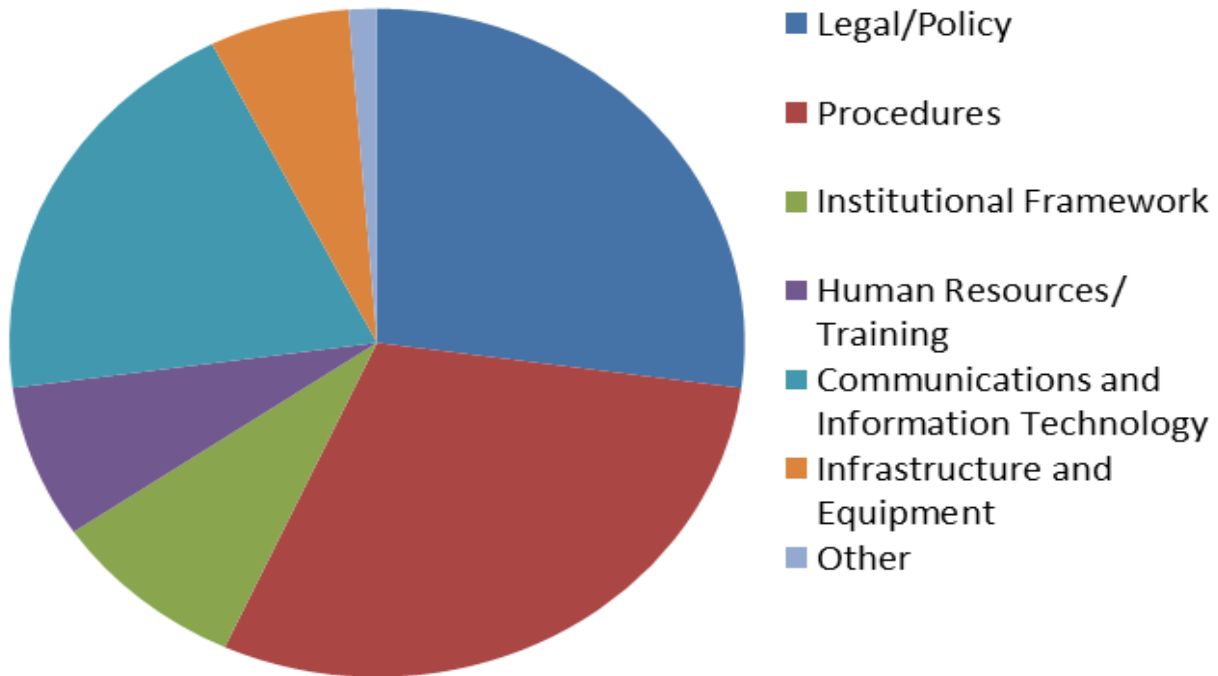
## Level of Compliance with Measures







### Types of Actions Required

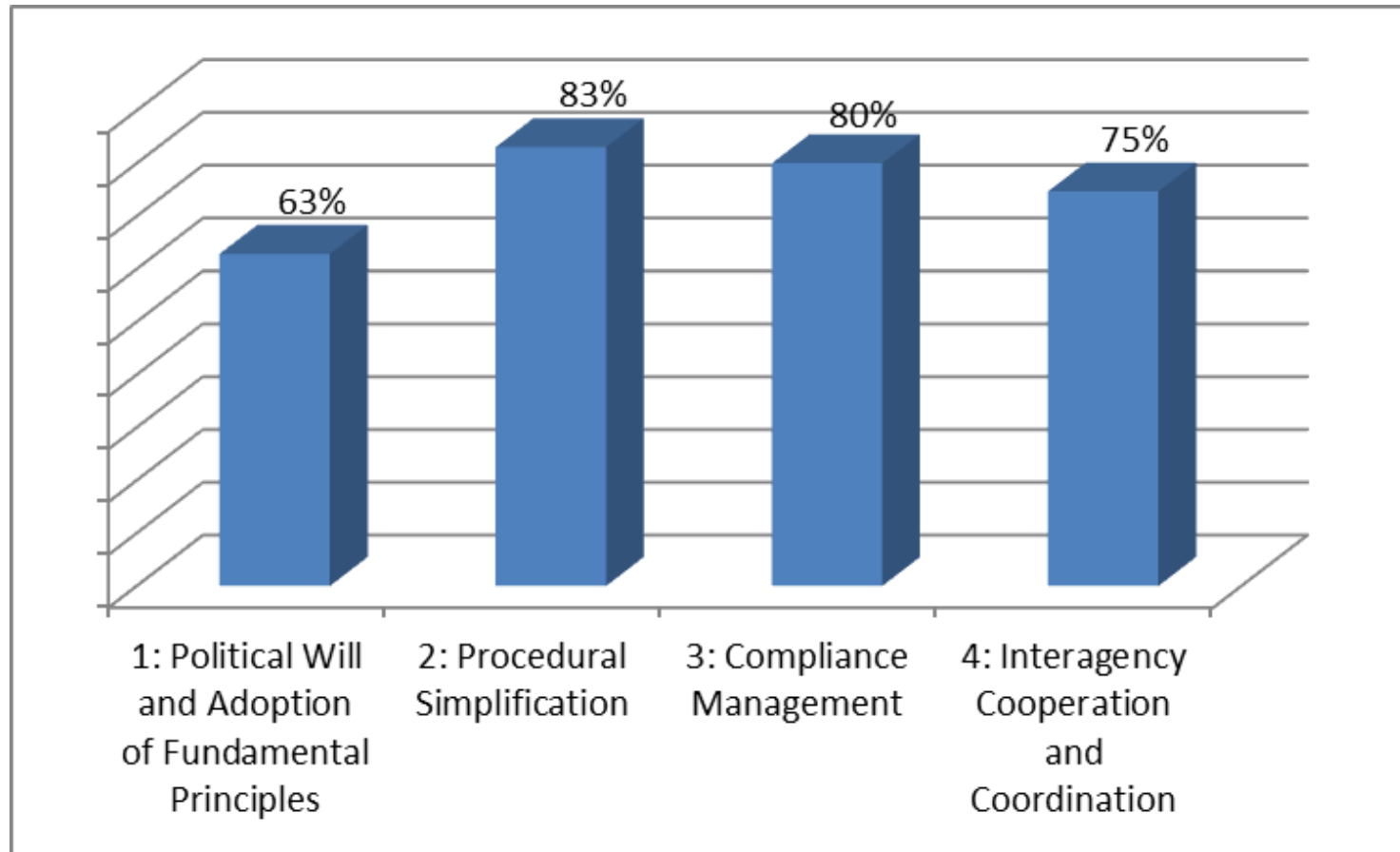




**USAID**  
FROM THE AMERICAN PEOPLE

## **Common challenges within CEFTA Members:**

- Enquiry Points
- Pre-arrival processing
- Single Window





**USAID**  
FROM THE AMERICAN PEOPLE

## Observations

- Political Commitment
- Mutual Accountability between Donors and Host Countries
- Public/Private Sector Cooperation and Transparency
- All Agency Inclusion

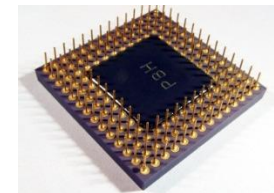




# Recommendations

**All government agencies and the private sector needs to be involved!**

- Need to move away from a Customs Authority-centric approach.
- **The priority should be the establishment and operationalization of National Trade Facilitation Committees (Article 13)**





## Why are National Committees important?

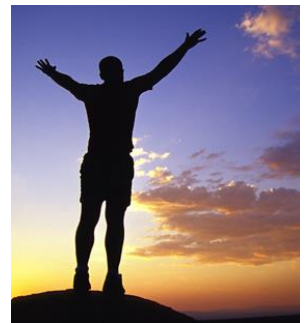
- If properly constituted, motivated, and empowered—National Trade Facilitation Committees can provide the dynamic leadership necessary to bring all of the relevant agencies and private sector stakeholders together in a concerted, collaborative effort to implement the procedural and other improvements required by the TFA.



**USAID**  
FROM THE AMERICAN PEOPLE

## Working Together

- USAID and other donors are prepared to work with countries as they implement the TFA, but the responsibility must be shared by all parties as we move forward.







**USAID**  
FROM THE AMERICAN PEOPLE

**USAID**

**Thank You!**

**Paul Fekete**

Senior International Trade Advisor  
Office of Trade and Regulatory Reform  
USAID

1300 Pennsylvania Ave. NW, Washington D.C

[pfekete@usaid.gov](mailto:pfekete@usaid.gov)