UK's Support for Trade Facilitation

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1. ***<u>Committed to 0.7% Target and Economic Development</u>***: The UK increased aid to developing countries by **30% last year to £11.4 billion, with aid as a proportion of Gross National Income (GNI) increasing to 0.72 per cent. As part of this DFID launched a new Economic Development Directorate which will guide the Department's spend of £1.8 billion on economic development, more than doubling the amount spent in 2012/13.** This is <u>in addition</u> to our core contributions to multilateral organisations.

2. ***<u>Aid for trade</u>***: **is a top priority for the UK. We provide over £1 billion a year directly to developing countries and through organisations such as the World Bank and African Development Bank.** This is over 50% more than the UK spent in 2006-08, the baseline for the 2010 G20 Seoul commitment.

3. ***<u>Helping implement the Bali Trade Facilitation Agreement (TFA)</u>***: **A substantial part of our aid for trade support is spent on trade facilitation projects which help developing countries implement reforms relevant to the implementation of the TFA.** The objective is to help developing countries, in particular the least developed ones, reduce barriers to trade and to use it as an instrument for growth, job creation and thus poverty alleviation. **Currently around £180 million worth of projects are working to support trade facilitation in these countries**.

4. Support is delivered through central, bilateral, regional, and multilateral channels: this includes a new **£15 million centrally managed programme** – The **Support to the implementation of the WTO Trade Facilitation Agreement programme (SITFA)**; a **Global Alliance on Trade Facilitation (public-private partnership)**. **Bilateral programmes** of around **£11 million** work on institutional development, reforming regulatory environment, and building and maintaining infrastructure. In ***South Sudan*** we are supporting customs administration modernisation and reduction in border and regulatory impediments; another project is improving transport, energy and ICT infrastructure in ***Mozambique***; and ***Kenya*** is being helped to reduce red tape for its businesses. These reforms contribute directly towards implementation of the TFA.

5. **Regional Programmes** of around **£53 million** are supporting regional integration and trade facilitation reforms in ***East and West Africa, South Asia, and the Caribbean***. These interventions focus on removing barriers to intra-regional trade by building required infrastructure, reforming cross-border management, and improving business and investment climate. Some of these programmes have already worked on identifying TFA implementation needs in selected countries and are ready to help further with actual implementation.

6. Through global programmes**,** DFID works with **multilateral institutions** to provide assistance primarily by supporting analytical and institutional capacities of developing countries. Over **£101 million** are being made available through facilities such as the World Bank's Trade Facilitation Facility as well as it Multi-donor trust fund. Recently DFID approved funding for the **World Bank/IFC Trade Facilitation Support Programme**, established to provide tailored technical assistance to help developing countries implement the TFA.

7. DFID is contributing **half a million pounds** to the **new WTO Trade Facilitation Agreement Facility,** which will work in sync with these programmes above by making developing countries aware of all existing programmes; highlighting any 'unmet' developing countries' needs; as well as sharing of best practice and lessons learnt.

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