UNITED STATES APPROACH TO TRADE FACILITATION ASSISTANCE: CONTRIBUTION BY THE UNITED STATES

As delivered by Paul Fekete, Senior International Trade Advisor, U.S. Agency for International Development

- The United States provides foreign assistance to support global peace, security, and development efforts and to provide humanitarian relief in times of crisis. We manage foreign assistance programs in more than 100 countries through the efforts of over 20 different U.S. government agencies.

- As Members can see from our notification under Article 22 of the TFA providing information on assistance and support for capacity building related to trade facilitation, a range of agencies are active in the field of customs reforms and broader trade facilitation programs.

- From our submission discussed earlier on our National Committee on Trade Facilitation you have heard that a main function of that body has been to discuss and enhance our TFA related capacity building activities.

- I represent the U.S. Agency for International Development, a leading provider of technical assistance to developing countries and have been particularly active on efforts related to trade facilitation over the past 15 years.

- USAID assistance has been delivered in a wide variety of single-country projects, in regional trade programs (Southeast Asia, Central America, Andean region; West, East, and Southern Africa), and in global project facilities that allowed USAID to provide short-term technical assistance “on demand” in scores of countries—much of it relating to trade facilitation.

- Over the course of the WTO negotiations, USAID’s Office of Trade and Regulatory Reform (TRR) supported the negotiations by sponsoring and facilitating WTO needs assessments in more than 20 countries and by launching vehicles such as the Partnership for Trade Facilitation, intended to help countries implement provisions of the TFA.

- Since entry into force of the TFA we have continued supporting trade reforms and have developed programs specifically to support implementation of the TFA. Increasingly we are carrying out this work in partnership with other donors and development agencies, and have developed innovative public-private partnerships to harness and take full advantage of the expertise and resources of the private sector.

- We wanted to share a few specific experiences today regarding our work in Africa where we have a long history of working in close partnership with governments to improve trade facilitation and reduce costs and burdens on traders.
In 2013 the United States launched Trade Africa to strengthen relations with Africa in order to significantly expand U.S.–African private and public sector collaboration to increase trade with and within Africa. Initially, the Trade Africa countries were Burundi, Kenya, Rwanda, Tanzania, and Uganda and in 2015, we expanded Trade Africa to include Côte d’Ivoire, Ghana, Mozambique, Senegal, and Zambia.

The U.S. Government implements most of its Trade Africa programs through its three Trade and Investment Hubs, bilateral programs in the expansion countries, and interagency agreements. The Office of the U.S. Trade Representative, U.S. Department of State, USDA, U.S. Department of Commerce, OPIC, EXIM, MCC, USAID, USTDA, USDOT, CBP, and Small Business Administration all implement policies and programs that foster the goals of the initiative.

From 2014 through 2016, the Trade and Investment Hubs facilitated more than $283 million in African exports and $140 million in investment under Trade Africa.

Specific examples of program outcomes include a significant reduction in the average time to trade goods across borders along the Northern Corridor, from Mombasa, Kenya, to Kampala, Uganda, from 18 days in 2013 to four days in 2014 — a 77 percent reduction.

From Mombasa to Kigali, Rwanda, average times declined by 71 percent, from 21 days in 2013 to six days in 2014. On the Dar es Salaam, Tanzania to Kigali route, it decreased by 80 percent, from 25 days in 2013 down to five in 2014.

Examples of our bilateral programs under Trade Africa include Ghana where we have worked in partnership Ghanaian agencies on aspects of TFA Articles 1.3 and 1.4, including establishment of Ghana’s TFA enquiry point and a notification system; Articles 6.1 and 6.2 Fees and Charges; Article 7.4 Risk Management; and Art. 8.1 Border Agency Cooperation.

In Cote d’Ivoire we are working closely with the Ministry of Trade, Customs and the Chamber of Commerce on TFA articles related to Publication and Availability of Information; Fees and Charges; Border Agency Cooperation and Freedom of Transit. Future work includes additional training for the NTFC on specified technical issues.

In Senegal, in cooperation with the Ministry of Trade, Direction du Commerce Exterieur and Customs, the projects include support for TFA articles related to Publication and Availability of Information; Fees and Charges; Penalties; Post Clearance Audits and Authorized Economic Operators.

Within the EAC countries, our initial work focused on an ambitious set of goals including reducing the average time to import or export a container from the ports of Mombasa in Kenya or Dar es Salaam in Tanzania to the land-locked interior and decease the average time a truck takes to transit selected borders.
- The USAID East Africa Trade and Investment Hub (the Hub) boosts trade and investment with and within East Africa. Through the Hub we work within the East African Community countries – Burundi, Kenya, Rwanda, Tanzania and Uganda – and in Ethiopia, Madagascar, and Mauritius.

- The East Africa Hub also supports Trade Mark East Africa – an important provider of technical assistance in the region.

- In West Africa, we pursued trade facilitation projects through the West African Trade and Investment Hub in cooperation with the Borderless Alliance, a public private partnership, providing assistance in fifteen countries.

- Some highlights from the West African Hub include a long-term capacity-building program for NTFCs in Senegal and Cote d’Ivoire in collaboration with UNCTAD and the ITC. Other work included improvements aimed at facilitating border crossing and reducing obstacles at Customs relating to livestock trade.

- One particularly noteworthy outcome from this support was a collective effort by seven countries to review documentation and certificate of origin requirements with a view towards streamlining and reducing the burdens on traders – exactly what is called for in Article 10.1 of the TFA.

- The result of these efforts is impressive - seven countries – Benin, Burkina Faso, Cote d’Ivoire, the Gambia, Guinea, Mali and Togo – have eliminated the COO requirement on food products – saving traders an average of 15 hours and $41.74 in time and costs for each document eliminated.

- We have also recently established a Southern African Trade and Investment Hub, closely aligned with SADC’s priorities.

- The program supports a wide range of customs, border and trade-related reform work and includes a specific component related to the enabling environment and trade facilitation, in cooperation with SADC and SACU, private sector and academics.

- The Hub has supported work on the TFA awareness among government officials and the private sector in Lesotho, and a workshop on the TFA and NTFCs for Botswana’s Technical Committee on Trade Facilitation.

- In partnership with Mozambique’s Ministry of Industry and Commerce, USAID has assisted with TFA ratification, categorization and implementation efforts. Technical assistance is being provided to begin implementation of some category C provisions including: preshipment inspection, fees and charges, and creating a trade portal. Our joint work has already resulted in a reduction in barriers that added $500 per container to Mozambican exporters.
• USAID has been at the forefront of leveraging private sector resources and expertise and to that end we have supported a number of public-private partnerships with significant focus on improving the trade environment, facilitating trade and implementing the TFA.

• As mentioned earlier, USAID supports the Borderless Alliance project in Africa, along with the Economic Community of West African States or ECOWAS and the West African Economic and Monetary Union or UEMOA and a wide range of private sector business and trading organizations.

• USAID also supports the Trademark East Africa project, focused on the East African Community members.

• USAID is also a partner in the Global Alliance for Trade Facilitation public-private partnership, and we will speak more about this under a later agenda item.

• We greatly appreciate the opportunity to share with the Committee today some of our experiences in supporting implementation of the Trade Facilitation Agreement specific to Africa in the dedicated session format. Our activities are significantly broader than we’ve been able to cover today, but we hope that the information we have provided was useful to other Members and we look forward to discussing our assistance efforts in greater detail at future meetings.