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# The role of Regional Organizations in TFA implementation

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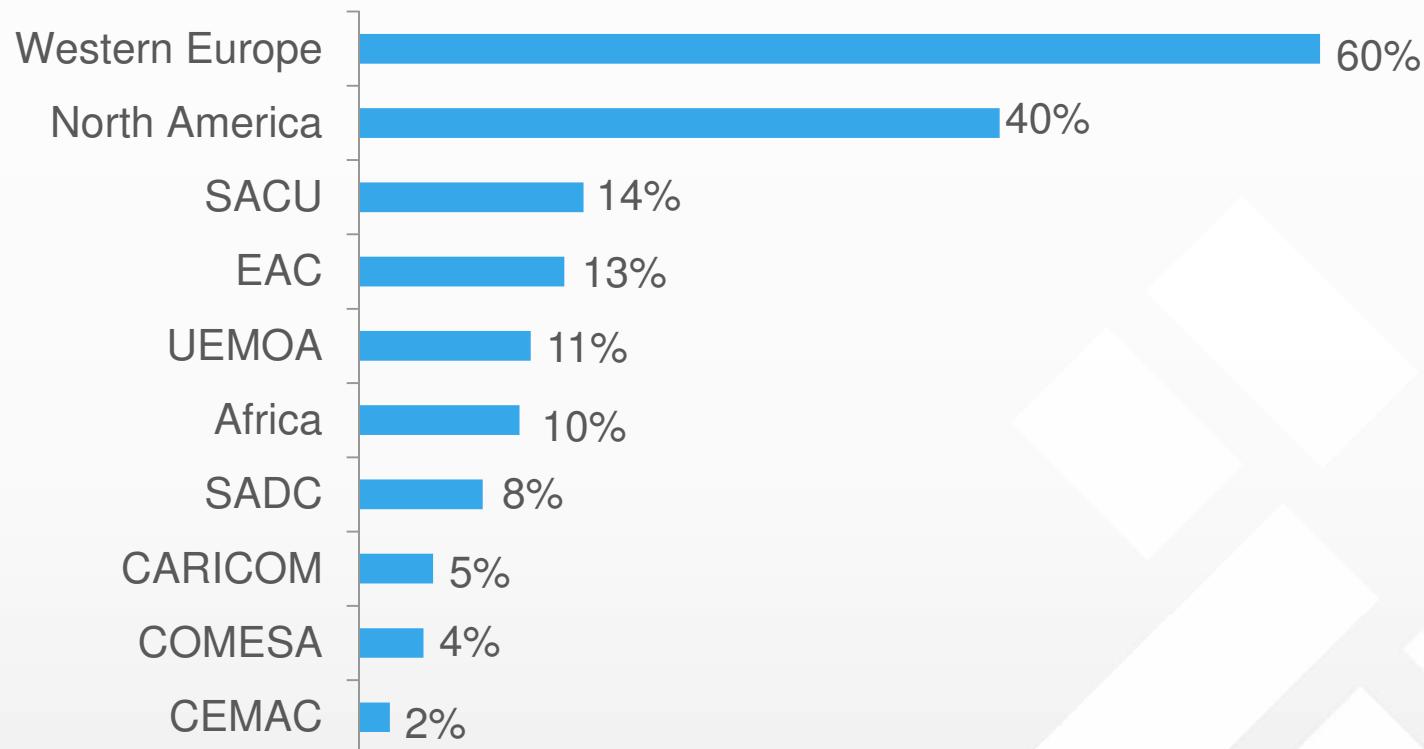
Market linkages



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# Intra-regional trade remains comparatively low in Africa vs. EU and North America

% of intra regional trade in ACP regions vs. North America and Europe



# Several root causes explain the weakness of intra regional trade

Policy	Insufficiently conducive business environment	<ul style="list-style-type: none"><li>• Cost and delay of transport and cross-border procedures</li><li>• Partial reforms of service sectors (ex. finance, logistics)</li><li>• Lack of infrastructures</li></ul>
Institutional	Limited capacity of regional integration organizations	<ul style="list-style-type: none"><li>• Lack of legitimacy of regional institutions</li><li>• Insufficient operational capabilities (ex. RH)</li><li>• Low representation of the private sector at regional levels</li></ul>
Businesses	Limited capacities of the private sector	<ul style="list-style-type: none"><li>• Insufficient networking capabilities (ex. buyers/suppliers)</li><li>• Difficulties in meeting technical or SPS requirements</li><li>• Low international marketing capabilities</li></ul>

## 2 key success factors needed to go forward

1

### **Business logic must be at the heart of regional integration projects**

- Regional integration projects are initiated at the political level but they require a buy in from the private sector to be achieved
- Intra regional trade will intensify only if it makes sense economically for the businesses

2

### **Coordination between governments and private sector must be strengthened**

- Ensure adhesion of the businesses to the regional integration processes through awareness raising
- Common identification of barriers to trade and the required solutions to remedy it and boost commercial trade flows within the region

# The TFA explicitly calls for regional approaches towards TFA implementation

**Art.21**  
**Provision of assistance**

*Members shall endeavor to include activities to address regional and sub-regional challenges and promote regional and sub-regional integration*

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**Art.24**  
**Final Provision**

*Members of a customs union or a regional economic arrangement may adopt regional approaches to assist in the implementation of their obligations under the Agreement on Trade Facilitation including through the establishment and use of regional bodies'*

## 2 TFA provisions are particularly important for regional integration

	Measure description	Impact on trade cost reduction
<b>Freedom of transit</b> - <b>Art. 11</b>	Facilitated, transparent and non-discriminatory treatment offered to the goods in transit passing through the national territory	 <b>-2.3%</b> <div style="display: flex; align-items: center; justify-content: flex-end;"> <span style="margin-right: 10px;"><i>OECD Transit formalities indicator</i></span> </div>
<b>Border agency cooperation</b> - <b>Art.8</b>	Coordinating and harmonizing border-crossing procedures both at the national level and for the countries sharing the border to reduce cost and delays	 <b>-1.9%</b> <div style="display: flex; align-items: center; justify-content: flex-end;"> <span style="margin-right: 10px;"><i>OECD Transit agreements and cooperation indicator</i></span> </div>

# Regional approach to implementation will maximize the benefits of the TFA

**Necessary when authority for rule making is transferred to the community level**

- Areas where regional statutory framework and policies are directly affected: regional intervention should come before national legislation

**Contributes to the proper functioning of a Customs Union**

- e.g. UEMOA customs code

**Prevents disruptive and counterproductive practices through harmonization of practices and regulations**

- e.g. internet publications, border agency coordination

**Helps achieve economy of scales and sharing of resources**

- e.g. establishment of temperature controlled warehouses for perishable goods

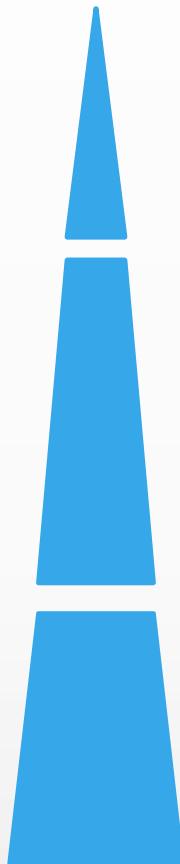
**Allows businesses to fully benefit from the TFA through synchronized reforms**

- Overall supply chain performance = performance of the weakest link

**Supports economic convergence between member states**

- e.g. transfer of funds to less developed EU members

# 3 levels of regional intervention should be considered



## **Regional Implementation**

- RIO takes charge over the implementation over selected measure on behalf of its Member States (e.g. internet publication, enquiry points, border agency coordination)

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## **Regional Coordination and Cooperation**

- RIO provides guidelines and ensures that implementation is synchronized over the region to ensure maximum benefits for the traders
- RIO facilitate the exchange of information, best-practices and tools to ensure the effective implementation of the TFA measures

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## **Regional Harmonization**

- RIO provides guidelines for the implementation of TFA measures but the country decide on an individual basis on the sequencing and timing of implementation

# The level of cooperation, coordination and regulatory/operation harmonization vary

Independent  
National  
approaches

Regional  
harmonization

Regional  
coordination  
and cooperation

Regional  
implementation



# There is a continuum of scenarios for regional approaches: Internet publication example

Independent National approaches	Regional cooperation	Regional harmonization	Regional coordination	Regional implementation
National website only: each country defines individually the content and operation modalities of its TF portal	Experience and best-practice sharing  Regional partners provide feedback on countries' TF portal  Provision of SI tool from one country to another	Working group on TF portal best-practices  Development of guidelines on national portal establishment  Establishment of a regional portal referencing the national ones	One common tool is agreed upon by Member States  Implementation is done at national level but sequencing and monitoring of the reforms is steered at the regional level	Establishment of national and/or regional TF portals by the REC on-behalf of Member states

## Example of a regional approach to implementation: WAEMU countries



- **WAEMU countries and WAEMU secretariat have chosen to privileged a coordinated approach for the implementation of the TFA**
- **Concerted approach to the categorization of the TFA provisions**
- **Identification of opportunities for community level implementation of selected measures**

# WAEMU has decided to prioritize 9 measures for regional implementation

**Art. 1.2**

Internet publication

**Art. 7.2**

Electronic payment

**Art. 7.4**

Risk management

**Art. 7.6**

Release time studies

**Art. 7.7**

Authorized operators

**Art. 8**

Border cooperation

**Art. 10.5**

Pre-shipment inspection

**Art. 11**

Transit

**Art. 12**

Customs cooperation



The ITC has assisted 6 out of the 8 REC Members to develop project proposals for category C projects with a view to consolidate technical and financial needs at the regional level

# Thank you !

**For further information, comments or questions,  
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