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FACTSHEET

Global Trade Facilitation Program (GTFP), Phase II

Fostering and facilitating international trade through enhanced capacities of Customs Administrations

Country/region
Global

Executing agency
WCO

Duration
2024-2028

Total budget
CHF 5,000,000

SECO contribution
CHF 5,000,000

World Customs Organization
Organisation Mondiale des Douanes

Rationale

Trade facilitation is a key measure to drive economic development and competitiveness of countries. It is closely tied into national agendas on social well-being, employment, poverty reduction and economic development of countries and their citizens.

Trade facilitation benefits both the business community and governments. Businesses gain competitiveness through reduced delays and costs from efficient movement of goods across borders. Governments use modern procedures to enhance controls, collect revenues due and boost economic development by increasing trade and foreign investment. However, in developing countries, high costs and delays for imports, exports and transit hinder economic growth and competitiveness. Consequently, trade facilitation efforts gained public interest, leading to WTO negotiations on trade facilitation in 2004 and the entering into force of the multilateral Trade Facilitation Agreement (TFA) in February 2017.

According to WTO estimates, the TFA's full implementation could cut trade costs by an average of 14.3% and boost global trade by up to $1 trillion per year, benefiting the poorest countries the most. Reforms often complement other trade-related changes in logistics, finance and policy. Therefore, continued investment in Customs modernization is crucial. Customs ensure legal and procedural frameworks for cross-border goods clearance, revenue collection, and securing international supply chains. Modernizing Customs to comply with international standards improves performance, reduces costs, and enhances transparency, benefiting trade and investment climates.

In this context, SECO partners with the World Customs Organization (WCO) since 2018 to support selected members of the WCO and their stakeholders in implementing their priority trade facilitation initiatives. SECO and the WCO have decided to pursue a second phase of their Global Trade Facilitation Programme (GTFP) to further support not only the current beneficiary Customs Administrations, but potentially also new countries, based on the positive collaboration with the WCO and concrete results.

Objectives and activities

The objective of the programme is to contribute to fostering and facilitating international trade through strengthening compliance of Customs Administrations (CA) in selected

developing countries, with international standards and best practices for the importation, exportation and transit of commercial goods. In particular, the programme will support the organizational and technical capacities of beneficiary CA to successfully lead, plan and implement sustainable and transparent customs reforms. In addition, the beneficiary CA, together with the relevant stakeholders, will learn and apply international standards and best practices, in particular those of the WCO and the WTO related to trade facilitation.

The program pursues three outcomes:

a. Organizational Development – This component serves to strengthen Customs' organizational capacity to manage reforms and ensure CA can fulfil their mission and improve national and regional competitiveness. New elements will be considered for the second phase to enhance trade facilitation enablers, such as Competency-Based Human Resource Management, gender and diversity mainstreaming, integrity, and improvement of Customs-stakeholder relations, in particular those with the private sector and National Committees on Trade Facilitation.

b. Trade Facilitation – As the core of the GTFP, this outcome aims to support efficient customs procedures and reduce trade-related costs. It includes compliance topics related to trade facilitation, aimed at equipping CA with the technical skills and necessary expertise to implement effective and efficient Customs controls to ensure compliance with laws, competitiveness, revenue security, and societal protection.

c. Continuous Learning and Public Goods – Continuous learning will promote cooperation between CA in neighbouring countries through regional support activities, peer-to-peer learning, and dissemination of best practices. It aims to strengthen internal capacities of CA and to secure the sustainability of Customs reforms. This new outreach will also aim at creating public goods for the global Customs community through the development of learning and materials and increasing the pool of experts and trainers.

The program encompasses two types of country assistance:

Type 1: Full-fledged country projects consist of multi-year workplans. The scope of full-fledged country projects can vary somewhat, also depending on the absorption capacity of the customs administration and the presence of other donors. Current country projects: Moldova and Uzbekistan.

Type 2: Targeted country projects consist of short-term technical activities based on needs identified. Such activities are limited in scope and focus on specific thematic areas in Trade Facilitation. Current country projects: Colombia, El Salvador, Morocco, Peru and Tunisia.

Key results of the first phase

The first phase has shown tangible results to build upon. For instance, it improved the compliance with the WTO trade facilitation provisions in the beneficiary countries, significantly reduced clearance times for cross-border transactions, introduced a comprehensive Performance Measurement Mechanism, benefitting 186 customs administrations worldwide and provided extensive trainings to more than 1,700 customs officials. Furthermore 216 national technical assistance and capacity building activities were delivered, 27 regional support workshops conducted and 14 WCO tools and instruments developed or enhanced.

Further information

Website: https://www.wcoomd.org/en/topics/capacity-building/activities-and-programmes/cooperation-programmes/seco_wco-gtfp.aspx

seco-cooperation.admin.ch
Rules-based trade system

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