



Global Trade Facilitation Program (GTFP)

Fostering and facilitating international trade through enhanced capacities of Customs Administrations.

Trade facilitation is one of the key factors for economic development and competitiveness of nations and is closely tied into national agendas on social well-being, employment, poverty reduction and economic development of countries and their citizens.

Rationale

Trade facilitation initiatives benefit both, the business community and governments. The business community benefits by obtaining enhanced competitiveness in national and international markets due to reduction in delays and costs which are achieved with predictable and efficient movement of goods across borders. National administrations are able to utilize modern procedures to enhance controls, ensure proper collection of revenues due and at the same time contribute to the economic development through increased trade and encouragement of foreign investment. However, especially in developing countries, delays and costs for imports, exports and transit of commercial goods generally remain high and constitute still a considerable obstacle for economic growth and competitiveness. This is why trade facilitation (TF) efforts have triggered keen public interest and led to the launch of World Trade Organization (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 full implementation of the TFA could reduce trade costs by an average of 14.3% and boost global trade by up to \$1 trillion per year, with the biggest gains in the poorest countries. For these reasons, trade facilitation is a global priority, reflected in the Sustainable Development Goals (SDGs). Trade facilitation reforms are often implemented along with (and complementary to) other trade-related reforms in the areas of logistics, finance and policy. However, it is important to keep on investing in the development and modernization of Customs. They play a critical role in the development and application of the legal and procedural framework for cross border clearance of goods, collect duties and taxes for the Government, and contribute to secure the international supply chains. Reforming and modernizing Customs and supporting trade in their efforts to comply with the global, regional and national cross border regulatory framework are important contributions to international trade facilitation. They enable the Customs to better comply with international standards and best practices, render their interventions more risk-oriented and improve their performance, service and level of transparency. This reduces transaction and operational costs and clearance times for trade, reduces unnecessary disrupt of trade flows and contributes to the improvement of the investment climate.

SECO country/region
Global

Executing agency
WCO

Duration
2018-2023

Total budget
CHF 5,500,000

SECO contribution
CHF 5,500,000



Objectives and activities

The objective of the program is to contribute to fostering and facilitating international trade through strengthening compliance of selected developing SECO partner countries, in particular Customs Administrations (CA), with international standards and best practices for the importation, exportation and transit of commercial goods. The purpose of the intervention is to strengthen the organizational and technical capacities of beneficiary CA to successfully lead, plan and implement sustainable and transparent Customs reforms, with involvement of relevant stakeholders, and apply international standards and best practices, in particular those of the WCO and the WTO related to trade facilitation.

The program will pursue three goals, thus responding to the main challenges identified in the area of Trade Facilitation:

- a. Organizational Development – Sustainable management of customs reforms and modernization by beneficiary CA through enhanced organizational development capacities;
- b. Trade Facilitation – Facilitated and enhanced trade through modern and efficient customs procedures compliant with international standards and best practices. Improving of compliance capacity through specialized capacity building and training for CAs and relevant stakeholders in international standards and best practices related to trade facilitation;
- c. Performance measurement – A comprehensive performance measurement tool for CAs is developed. Providing Customs managements with a tool to measure the performance of Customs in a more comprehensive and transparent manner.

Governance Structure

The WCO is responsible for implementing the program. SECO approves the annual work plans, the financial and narrative progress reports and the final reports provided by the WCO Secretariat's Program Management Team (PMT). SECO is part of the Central Program Steering Committee (CPSC) and liaises with the relevant in-country SECO representations, the Swiss Cooperation Offices (SCO).

The CPSC is responsible for the country selection, the overall strategic direction, the overall steering of the program, and the validation of progress and final reports. It consists of representatives of SECO's Headquarter and of the WCO Secretariat (high level representative of the management and WCO Program Manager). The inclusion of other stakeholders is considered on a case-by-case basis, subject to the needs required. The CPSC meets at least once a year.

The program encompasses two types of interventions: (1) Full-fledged country projects and (2) light-touched program interventions:

Type 1: all SECO priority and complementary countries are eligible, based on needs and (institutional) absorption capacities. The duration of the country projects is around 3 years, depending on the start and size/scope of the country intervention.

Type 2: will consist of short-term technical activities based on needs identified. These interventions are limited to SECO priority and complementary countries, but also include countries that are relevant in the realm of Swiss/EFTA Free Trade Agreements. Such activities are limited in scope and focus on specific thematic areas in Trade Facilitation.

Further information and contact details

Website: <http://www.wcoomd.org/>

Global Trade Facilitation Program at SECO: info.wehu.cooperation@seco.admin.ch

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