



Umbrella Facility for Trade

Using trade more effectively to expand sources of sustainable incomes is essential for developing countries to end extreme poverty and to boost shared prosperity.

The Umbrella Facility for Trade (UF) responds to increased demand for policy-related support to increase productivity, boost real incomes and create more and better jobs through helping countries better integrate into the world trading system. The UF also comes online amid rising scepticism about the benefits of trade integration. There is therefore a need to strengthen evidence-based arguments in support of the benefits of trade.

Rationale

Using trade more effectively to expand sources of sustainable incomes is essential for developing countries to end extreme poverty and to boost shared prosperity. Economic integration through trade and improved competitiveness is thus crucial to any economic development strategy. Despite the generally accepted positive impact of trade on development, there is still a considerable under-investment in public goods on trade in the form of analytical trade work in the public domain (e.g. policy-oriented analytical work, diagnostics and implementation toolkits or data and indicators) with a view to promoting outcomes in favor of development countries.

The newly created Umbrella Facility for Trade is a direct response to the shortcomings of under-investment in public goods on trade. The UF, a World Bank Group (IBRD/IFC) multi-donor trust fund, should have significant impacts on analytical trade work and helps disseminate knowledge on trade through training and learning activities. In addition, the UF compiles other programs such as the Trade Facilitation Support Program (TFSP), providing support for countries seeking assistance in aligning their trade practices with the WTO Trade Facilitation Agreement.

Objectives and activities

The UF will finance activities and projects with the goal of (1) increasing the number of projects that incorporate trade; (2) expanding the testing, experimentation, research and sharing of new ideas on trade; (3) gathering, documenting and disseminating results, data and knowledge on trade-related issues and (4) increasing the awareness on global trade issues through enhanced global partnerships and engagements. Activities and projects can be global, regional, economy-wide or at the sector/firm-level.

SECO country/region

Global

Main funding partners

Switzerland, UK,
Norway, Sweden and
the Netherlands

Implementing partner

World Bank Group

Duration

2017-2023

Total budget

USD 63,000,000

SECO contribution

CHF 5,000,000



WORLD BANK GROUP

Specific activities to provide targeted support include:

- a. Analysis, advisory services and diagnostics to support country programs and global advocacy;
- b. Technical assistance;
- c. Research;
- d. Capacity building and training;
- e. Specific data collection/surveys and development of analytical tools;
- f. National/regional/global stakeholder engagement (e.g. conferences and workshops);
- g. Knowledge management, external affairs and dissemination;
- h. Impact evaluation;
- i. Pilot projects.

Governance Structure

The UF relies on the existing management structure of the Trade and Competitiveness Global Practice (T&C) from the World Bank. It will make use of existing IBRD and IFC operational processes. Program management of the UF will be carried out by T&C staff and within the existing organizational structure. All projects and activities supported under the UF will be governed by standard IBRD/IFC review processes for approval and quality control.

SECO engages at the strategic level through the Consultative Group with other donors reviewing and commenting upon the UF's annual progress report and indicative two-year work programs and budgets as well as identifying opportunities for collaboration and learning between the WBG and other donors. The Consultative Group will formally meet annually.

Results so far

The UF was declared operational on April 22, 2017 during the International Monetary Fund and World Bank Group spring meetings in Washington D.C.

How to get involved

Contributing development partners to the UF have so far made total pledges of about US\$63 million. The UF will be open to contributions from initial development partners and additional contributors thereafter. Requests for technical assistance under the TFSP can be made directly to the Trade Facilitation Support Program or through WBG offices and partners.

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