

DEVELOPMENT CO-OPERATION DIRECTORATE
 TRADE DIRECTORATE

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OECD Regional Forum on Trade Facilitation: Maximising the Developmental Benefits of a Future WTO Agreement on Trade Facilitation

Draft agenda

**Proposed for 27 and 28 September 2006
 Douala, Cameroon**

PURPOSE: This document is circulated FOR INFORMATION, in particular to the DAC under item 10 of the 28 June 2006 agenda. The OECD Regional Forum on Trade Facilitation is jointly organised by the OECD Trade and Development Co-operation Directorates, in possible collaboration with the Government of Cameroon. The purpose of this event is three-fold:

- (1) Exchange lessons learned from national and regional experiences with trade facilitation reforms and TA/CB;*
- (2) Foster a national and regional dialogue around core policy and operational issues related to the ongoing negotiations, trade facilitation reforms and donor assistance, and*
- (3) Discuss with non-Members completed and ongoing OECD work on trade facilitation.*

LINK TO PROGRAMME OF WORK AND BUDGET: This event is being organised as part of Phase 2 of the DAC Project on Trade Facilitation (DCD/DAC(2006)7/PART1/REV1). It relates to output area 5.1.3, Policy Coherence for Development, Economic Growth and Poverty Reduction of the DAC PWB for 2005-6. It also relates to output area 3.1.3, Facilitation of WTO Negotiations, of the Trade Committee PWB for 2005-6. The event is financed by voluntary contributions.

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ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

**OECD REGIONAL FORUM ON
TRADE FACILITATION:
MAXIMISING THE DEVELOPMENTAL
BENEFITS OF A FUTURE WTO
AGREEMENT ON TRADE FACILITATION**

**A joint event organised by the OECD Trade and Development Co-operation Directorates,
in possible collaboration with the Government of Cameroon**

DRAFT ANNOTATED AGENDA

**Proposed for Wednesday 27 and Thursday 28 September 2006
Douala, Cameroon**

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BACKGROUND

1. Introduction

Trade facilitation can have a significant impact on economic development and poverty reduction. Studies by the OECD show that the benefits of trade facilitation reforms are multiple and occur on different fronts and for different stakeholders (*i.e.* government, private sector and consumers). More efficient international trade procedures and customs operations can significantly reduce trade transaction costs, which results in increased volumes of trade and welfare gains, particularly for developing countries. They can also increase competitiveness and the attractiveness for foreign investors, enhance collection of trade taxes and help prevent corruption and smuggling. Hence, committing resources to support such reforms is a sound and cost-effective investment that can have multiplier effects for development.

Trade facilitation reforms are, nonetheless, sometimes complex and their cost implications have been a significant concern for developing countries from the outset of the WTO negotiations in this field. While the 2004 WTO General Council Decision (*i.e.* the “July Package”) acknowledged that trade facilitation is important to make the process of trading smoother and simpler and to strengthen the participation of developing countries in the global economy, some countries argued that the disproportionate costs of trade facilitation may be difficult to justify in the light of other development priorities.

Accordingly, Annex D of the July Package indicates that negotiations on trade facilitation “*shall also address the concerns of developing and least-developed countries related to cost implications of proposed measures*”. In addition, Annex D of the July Package and Annex E of the 2005 Hong Kong Ministerial Declaration emphasise the vital importance of technical assistance and capacity building for developing and implementing a set of multilateral trade facilitation commitments, **and invite the OECD and other international organisations** to “*assist Members in (the) process ... of identifying individual Members’ trade facilitation needs and priorities and the cost implications of possible measures*” and to ensure that “*technical assistance and capacity building for trade facilitation (is) effective, operational and coherent.*” The *OECD Regional Forum on Trade Facilitation* is undertaken as part of the OECD Trade and Development Co-operation Directorates collaborative efforts to respond to this invitation.

Finally, the event is closely linked to the ongoing OECD work on aid for trade, which examines the amount of aid that donors already provide in support of trade; how effective these programmes are; and how aid for trade can be made an effective tool for helping developing countries, particularly LDCs, to fully benefit from trade liberalisation and WTO Agreements. This work responds to the WTO invitation to contribute to current discussions of the *WTO Task Force on Aid for Trade* and to the Director-General’s consultations on this subject (as is called for by the Hong Kong Ministerial Declaration, para.57).

2. Purpose

The *OECD Regional Forum on Trade Facilitation* aims to bring together key public and private sector stakeholders involved in trade facilitation in **Western and Central Africa** – including delegates involved in WTO negotiations, policymakers and practitioners engaged in trade facilitation reforms on the ground, donors and multilateral and regional agencies providing TA/CB for trade facilitation and private sector stakeholders contributing to reforms and assistance for the latter.

This Forum follows the *OECD Global Forum on Trade Facilitation* that was organised in Sri Lanka in October 2005 (information can be found on www.oecd.org/ech/facilitation).

The main objectives are to examine and discuss in an informal setting the:

- Benefits and costs of implementing trade facilitation measures;
- Tools and approaches for assessing needs and capacity gaps in trade facilitation;
- Lessons learned in formulating and conducting trade facilitation Action Plans or reforms;
- Good practices in designing and delivering technical assistance and capacity building (TA/CB) for trade facilitation; including the role of the private sector and regional organisations; and
- Options for funding, co-ordination and monitoring and review of TA/CB for trade facilitation.

In brief, the *OECD Regional Forum on Trade Facilitation* will provide the opportunity to:

1. Exchange lessons learned from practical national and regional experiences with trade facilitation reforms and TA/CB for the latter;
2. Foster a national and regional dialogue around core policy and operational issues related to the ongoing negotiations, trade facilitation reforms and donor assistance for the latter, including possible approaches for matching developing country commitments and capacities; and
3. Discuss completed and ongoing OECD work on trade facilitation with non-Members.

3. Organisation

The *OECD Regional Forum on Trade Facilitation* is organised by the OECD's Development Co-operation and Trade Directorates, in collaboration with the Government of Cameroon. The two day Regional Forum will be held on **Wednesday 27 and Thursday 28 September 2006** in Douala, Cameroon.

The presentations and discussions will be held in French and English and interpretation in both languages will be available.

The Forum will be structured as follows:

Session I – *The economics of trade facilitation* – will set the stage by presenting key findings of recent studies on the benefits and costs of trade facilitation for governments, businesses and the economy in general. It will provide the opportunity to discuss key challenges in the design and implementation of trade facilitation measures for the concerned administrations. Session I will also focus on the perspective of the private sector seeking to improve market access opportunities for their products.

Session II – *Devising policy responses: gaps analysis and implementation of reforms* – will then examine tools and practical experiences with assessing needs, priorities and capacity gaps in trade facilitation. It will also focus on sequencing and coherence of interventions and means to consult with all relevant stakeholders (including the private sector) and to link trade facilitation to broader reform programmes (e.g. tax reform/enhanced revenue collection).

Session III – *Roundtable discussion*: Participants will subsequently be invited to examine the implications of the discussions in Session I and II for ongoing WTO negotiations on trade facilitation and, in particular, how to ensure that commitments in the area of trade facilitation match the capacities of developing countries.

Session IV – *Effective design and delivery of TA/CB* – will examine how developing countries, bilateral donors, multilateral agencies, and regional organisations can ensure TA/CB for trade facilitation is effective and take account of the principles of the *Paris Declaration on Aid Effectiveness*.

Session V – *Funding and co-ordinating TA/CB* – will explore the adequacy of existing funding and co-ordination schemes at field and headquarters level (e.g. the Integrated Framework) for trade facilitation. Participants will also be invited to discuss the role of the private sector and regional development banks in financing TA/CB for trade facilitation.

Session VI – *Reviewing progress – mutual accountability for results* – will consider how developing countries and donors can best monitor TA/CB results at field level and at the global (WTO) level.

Wrap-up day 2

4. Relevant OECD background material

Relevant OECD background material can be downloaded from www.oecd.org/dac/trade/facilitation and www.oecd.org/ech/facilitation, e.g.:

- A review of past technical assistance and capacity building for trade facilitation;
- The costs of introducing and implementing trade facilitation measures.

5. Participants

The *Regional Forum* is of interest to:

- African and OECD trade officials from headquarters and delegates to the WTO Trade Facilitation Negotiating Group,
- African officials involved in development co-operation,
- Development experts and bilateral aid agency staff from headquarters and field level missions, including those involved with the Integrated Framework for Trade-Related Assistance (IF) and the Joint Integrated Technical Assistance Programme (JITAP),
- Representatives from multilateral organisations, e.g. WCO, World Bank, UNCTAD, UNECE.
- Representatives from regional organisations and development banks, e.g. the African Development Bank, West African Economic Union (WAEMU); Economic Community Of West African States (ECOWAS), Common Market for Eastern and Southern Africa (COMESA), Southern African Customs Union (SACU) and the New Partnership for Africa's Development (NEPAD).
- Customs experts and staff,
- Private traders and service providers, and
- African and OECD business associations.

DRAFT ANNOTATED AGENDA

DAY 1: WEDNESDAY 27 SEPTEMBER 2006

WELCOME AND OPENING REMARKS

9:00 – 9:30

Cameroon Ministry of Trade or Customs

OECD representative (R. Carey/M. Roeskau, Development Co-operation Directorate, and/or Anthony Kleitz, Trade Directorate)

Update on WTO negotiations (WTO Secretariat or Geneva-based African delegate)

SESSION I- THE ECONOMICS OF TRADE FACILITATION

9:30-12:30

This session will set the stage by providing key findings of recent studies on the benefits and costs of implementing trade facilitation measures from the perspective of both the governments and the private sector. It will also provide the opportunity to discuss concrete country experiences and lessons learned.

Issues to consider include:

- What is the potential impact of trade facilitation measures on trade and investment flows and on countries' productivity and export competitiveness?
- What are the cost implications and challenges of trade facilitation measures for developing and least-developed countries?
- What is the perspective of the private sector seeking to facilitate trade and improve market access opportunities for their products?
- Are there particular challenges for Africa?

Chair: **TBC**

Lead speakers: **OECD (costs/benefits- general findings)**

The challenges of trade facilitation for the African economies

Discussion

10:45-11:00

Coffee break

Lead speakers: **Private sector presentation**

Senegal case study (TBC)

Discussion

12:30-14:00

Lunch break

SESSION II – DEVISING POLICY RESPONSES : GAPS ANALYSIS AND IMPLEMENTATION OF REFORMS

14:00-16:00 This session will examine existing tools for identifying developing country needs and priorities in trade facilitation. It will review practical country experiences and lessons learned with assessing needs, priorities and capacity gaps and with steps taken for formulating coherent reforms.

Issues to consider include:

- How can we reflect the particular circumstances and needs of reforming countries so as to ensure ownership and sustainability of reforms?
- What instruments are available for measuring the gaps between a country's situation and the efforts required in the context of a WTO trade facilitation agreement?

Chair: TBC

Lead speaker: World Bank (gap analysis, experience with needs assessments)

WCO (WCO diagnostic tools)

Cameroon case study (TBC)

Discussion

16:00 – 16:15 Coffee Break

SESSION III (ROUNDTABLE DISCUSSION)– IMPLICATIONS FOR ONGOING NEGOTIATIONS : MATCHING COMMITMENTS AND CAPACITIES

16:15-17:30 This session will offer the opportunity to discuss the implications for ongoing WTO negotiations and, in particular, how to ensure that commitments match the capacities of concerned countries.

Issues to consider include:

- Taking into account the cost implications and challenges of trade facilitation measures, how can future commitments be best linked to the implementation capacities of WTO Members?
- What Special and Differential Treatment provisions can best ensure that potential benefits from a trade facilitation agreement will be fully reaped by all WTO Members?
- How can built-in flexibilities appropriately reflect the costs and complexities of trade facilitation measures, as well as their potential benefits?

Chair: TBC

DAY 2: THURSDAY 28 SEPTEMBER 2006

SESSION IV – EFFECTIVE DESIGN AND DELIVERY OF TECHNICAL ASSISTANCE AND CAPACITY BUILDING

10.00 – 12.30

This session will explore how bilateral donors, multilateral and regional agencies and developing countries can best work together to ensure that technical assistance and capacity building (TA/CB) for trade facilitation be “*precise, effective, and operational and reflects the trade facilitation needs and priorities of developing countries and LDCs*” (as is called for by Annex E of the 2005 WTO Hong Kong Ministerial Declaration) and be consistent with the basic principles of the *2005 Paris Declaration on Aid Effectiveness*.

Issues to consider include:

- How can the Paris Declaration’s aid effectiveness principles be applied to TA/CB for trade facilitation?
- What have we learnt from past experience with TA/CB for trade facilitation?
- How can donors and recipients best address capacity gaps in their own administrations?
- How can developing countries best link their trade facilitation TA/CB needs with more general development and poverty reduction strategies?
- What are the benefits (and difficulties) with designing and delivering TA/CB for trade facilitation on a *regional* basis?

Chair: **TBC**

Lead speakers: **OECD/DCD (Paris D. and good practices for TA/CB for TF)**

Mozambique or Rwanda and UK (country case study, TBC)

COMESA Secretariat and EC (regional case study – TBC)

11.15-11.30

Coffee Break

Discussion

12.30 -14.00

Lunch Break

SESSION V – FUNDING AND CO-ORDINATING TA/CB FOR TRADE FACILITATION

14.00-16.00

This session will examine in more detail how all relevant stakeholders can best fund and co-ordinate TA/CB for trade facilitation at the country, regional, donor headquarters' and WTO levels, in view of enhancing synergies and transparency and ensuring efficient use of available resources (as is called for by a number of WTO proposals).

Issues to consider include:

- How relevant are existing co-ordination and financing mechanisms, *e.g.* the Integrated Framework, JITAP, as well as Consultative group meetings and Roundtable meetings around PRSPs?
- What can we learn from other WTO agreements and Committees and from dedicated funds, *e.g.* the Standards and Trade Development Facility?
- How can regional development banks and organisations best finance and co-ordinate TA/CB?
- What is the role of the private sector and what are the benefits of public-private partnerships for financing TA/CB for TF?

Chair: **Donor co-ordinator at field level**

Lead speakers: **Major bilateral donor (e.g. USAID who works with the PS - TBC)**
Recipient country (e.g. IF Focal Point)
Representative from the “Improving Customs Administration in Africa” (BAAFICA) Initiative - TBC

Discussion

16.00 -16.15

Coffee Break

SESSION VI – REVIEWING PROGRESS: MUTUAL ACCOUNTABILITY FOR RESULTS

16.15-18.00

Regularly monitoring and reviewing the progress of domestic and regional reforms and donor support for the latter is essential for ensuring effective capacity building in the area of trade facilitation. Such a review mechanism will also be crucial in determining whether a developing country has acquired the capacity to enter WTO obligations after a certain period of time.

Issues to consider include:

- How can developing and donor countries best jointly monitor and evaluate TA/CB for trade facilitation at field level?
- What indicators should be used?
- Who should be involved in those reviews?
- How should the results of these reviews be channelled to the WTO (*e.g.* future Committee on Trade Facilitation)?
- Should such a review process be linked to wider (aid) assessments? How?

Chair: **Proponent of W/81 proposal (TBC)**

Lead speakers: **Major bilateral donor (*e.g.* Netherlands – TBC)**

WTO Secretariat (TBC)

Discussion

WRAP-UP DAY 2 - SUMMING UP AND WAYS FORWARD

18.00-18.30

This session will summarise the main conclusions emerging from the discussions in Session I to VI.

Chair: **TBC**