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TRADE COMMITTEE****Working Party of the Trade Committee****Trade Facilitation Indicators (TFIs) 2021 update and assessment**

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The report provides insights into implementation of trade facilitation measures since the COVID-19 pandemic for selected income and regional groups, based on the Trade Facilitation Indicators data collection. It also discusses the role played by border agency co-operation in addressing some of the disruptions experienced at borders.

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## Key insights

### *What is the issue and why is it important?*

- Trade facilitation measures at the border have supported supply chains in delivering goods where they were needed during the different phases of the COVID-19 pandemic. The ongoing implementation of the WTO Trade Facilitation Agreement (TFA) helped provide the basis for these responses, with countries at all levels of development making progress in facilitating trade since the TFA entered into force in 2017.
- Global supply chains continue to experience disruptions, including triggered by COVID-19. These disruptions are placing logistics under further stress and increasing uncertainty around trade costs. Trade facilitation measures remain key in offsetting some of the time and cost increases experienced by firms, particularly SMEs, and by consumers.
- The OECD Trade Facilitation Indicators (TFIs) help track the specific areas where progress has been made on the implementation of the TFA, as well as other trade facilitation policies. The TFIs also help identify where further reforms are needed. Their key value added is in identifying changes in both the regulatory frameworks for trade facilitation measures and their implementation in practice.

### *Where has progress been made on the transparency, predictability and streamlining of border processes?*

- Most progress since the last TFI update, across all income groups and regions, appears to be in the areas of information availability, and simplifying and harmonising documents, as well as automating and streamlining procedures.
- Implementation of digital tools has been accelerated by COVID-19, particularly the streamlining of trade-related documentation requirements. Digital tools have also helped traders navigate regulatory requirements and border clearance procedures, and contributed to contactless processes. Maintaining the momentum for these important reforms through accelerated TFA implementation will be important in the recovery. There is scope to embed permanently those digital trade facilitation measures implemented on a temporary basis. However, digitalisation of trade processes also requires a comprehensive approach, beyond areas covered by the TFA, to address wider institutional, technical and legal challenges.
- There are significant gaps between the establishment of regulatory frameworks for trade facilitation measures and their implementation in practice. Challenges in closing these gaps are heterogeneous across regions: for instance, the gap between setting up the necessary regulatory frameworks and operational practices in Sub-Saharan Africa is almost twice that in Europe and Central Asia.

### *How can border agency co-operation contribute to global supply chain resilience?*

- Many governments enhanced border agency co-operation to address bottlenecks throughout the COVID-19 pandemic. However, this largely focused on domestic inter-agency co-operation and targeted mainly “essential” goods. Fewer new initiatives have been recorded since Q2 2021, notwithstanding continued supply chain and border disruptions.
- Inter-agency co-operation committees or taskforces addressing COVID-19 border disruptions generally involved a wide range of government and private sector stakeholders, in many cases, going beyond existing structures for border agency co-operation.

- There is scope to build on COVID-19 inter-agency co-operation structures to enhance crisis responsiveness and resilience, as well as international co-operation more broadly. Country approaches during the COVID-19 pandemic point to different layers of potential action:
  - **Engaging additional border and government agencies in crisis preparedness mechanisms.** The next shock may not be a health crisis and the scope of “essential” goods may evolve. Mechanisms focused solely on COVID-19 goods and co-operation with health agencies could usefully be broadened.
  - **Embedding COVID-19 crisis committees or taskforces formally into existing structures for domestic border agency co-operation.** This would help build a robust co-operation infrastructure emphasising preparedness and planning for effective crisis management.
  - **Integrating domestic border agency co-operation mechanisms into regional and international processes.** The TFIs indicate that this requires improvements in co-ordination of border agencies’ computer systems and cross-border co-operation on risk management systems. Formal agreements between participating agencies need to clarify what information will be shared and with whom; how information will be exchanged; and how it can be tracked and traced.

## 1. Introduction: Trade facilitation is increasingly important for the resilience of global supply chains

1. Trade facilitation measures taken at the border have made it possible for supply chains to deliver goods to where they are needed throughout the different phases of the COVID-19 pandemic. By early May 2020, the number of COVID-19-related trade facilitating measures implemented by governments outweighed new, potentially cost increasing, protocols<sup>1</sup> (OECD, 2020<sub>[1]</sub>).

2. Disruptions have continued, however, to affect the functioning of global supply chains in the second half of 2021 and the first half of 2022, with delivery times for both intermediate and final goods on the rise. Strong consumer demand, particularly in economies benefitting from fiscal stimulus and with increasing vaccination rates, has been a key factor behind the impressive rebound in trade<sup>2</sup>. It has, however, also been an important factor behind delivery delays. Closures of ports and factories due to COVID-19 containment measures, together with labour shortages in ports, logistics and transportation sectors, are compounding the effects of the underlying demand/supply imbalance in 2021-22. This has led to overall delays in supply chains higher than those experienced in the spring of 2020. In September 2021, the schedule reliability<sup>3</sup> of shipping vessels was 33.6% and the average delays for late vessel arrivals was more than twice that recorded in 2018 (Sea-Intelligence, 2021<sub>[2]</sub>). The average shipment time between China and the United States in September 2021 was 83% higher than in the same period in 2019, while air, rail

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<sup>1</sup> Examples of new protocols at borders during the first COVID-19 wave included: introduction of additional controls and inspections; requirements for traders and shipping companies to present extra information and documentation, including related to at-the-border health checks; adjustments to release and clearance of goods procedures in response to temporary staffing disruptions due to confinement and physical distancing measures; and adjustments to port call processes.

<sup>2</sup> In the Port of Los Angeles, which together with the nearby Port of Long Beach is the busiest in the United States, import volumes were up 26% in 2021 compared to 2020.

<sup>3</sup> The share of shipping vessels arriving according to schedule.

and truck transport are also increasingly affected (Freightos, 2021<sup>[3]</sup>). Supply chain challenges continued in the first half of 2022 and average shipment delays are still high compared to pre-pandemic levels: for example, the average shipment delay between China and the United States was 4 times higher in April 2022 compared to the same period of 2019.<sup>4</sup>

3. In addition, the costs of trading increased, driven by shipping rates. From mid-2020 onwards, the shipping industry has been struggling to meet demand for ocean freight, as consumer demand for goods produced in Asia gained pace. Constraints on vessel capacity, not enough containers being available at the right port at the right time and on-shore logistics bottlenecks, partly due to COVID-19, combined to create tensions in the market and, consequently, rising freight rates (Arriola, Kowalski and van Tongeren, 2021<sup>[4]</sup>): average container shipping costs increased over 400% between October 2019 and 2021 (Drewry Shipping Consultants, 2021<sup>[5]</sup>). This is affecting SMEs disproportionately, as larger companies are able to rely more on inventories or even charter their own ships (Goodman, 2021<sup>[6]</sup>).

4. Against this backdrop, trade facilitation measures are key in offsetting some of the time and cost increases experienced by traders and consumers. The OECD Trade Facilitation Indicators (TFIs) provide a tool to assess the state of play on trade facilitation and identify areas for action. Section 2 of the report provides insights into progress made and remaining challenges in the different areas covered by the TFIs. This includes progress in establishing the regulatory frameworks for trade facilitation measures versus their implementation in practice, an under-studied area in existing analyses. Section 3 focuses on inter-agency co-operation in the COVID-19 pandemic, a further area where there is a lack of structured information and insufficient analysis on how domestic and international border agency co-ordination could be improved.

## 2. State of play of trade facilitation reforms: What appears to be driving progress and where do remaining challenges lie?

### 2.1. Preliminary insights across income groups and regions

5. This section provides preliminary insights into the state of play of trade facilitation reforms in the areas covered by the TFIs (Box 1 discusses these areas and the ongoing validation of information) for selected income groups<sup>5</sup>.

#### Box 1. Trade Facilitation Indicators: Areas covered and information collection

The TFIs provide a structured overview of the trade facilitation policy environment in over 160 individual economies. The indicators follow closely the structure of the WTO Trade Facilitation Agreement (TFA). The 11 TFIs (information availability; involvement of trade community; advance rulings; appeal procedures; fees and charges; documents; automation; procedures; internal border agency co-operation; external border agency co-operation; governance and impartiality) include 155 measures in total.

<sup>4</sup> <https://www.project44.com/supply-chain-crisis-tracker> .

<sup>5</sup> Selected income groups according to the latest World Bank classifications (<https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>): low income (LICs), lower middle income (LMICs), upper middle income (UMICs), high income (non-OECD) (list of economies in Annex Table A.1).

The TFIs cover both the regulatory frameworks for trade facilitation measures and their implementation in practice. For instance, for measures such as pre-arrival processing, the TFI on procedures looks at the existence of processes allowing for the submission of information to enable processing to begin prior to the arrival of goods, as well as the share of trade transactions that are covered in practice by pre-arrival processing. Similarly, for Authorised Operators (AOs), the TFI looks into the existence of procedures for submission and review of applications for AO status, as well as into the programme's actual reach (i.e. in terms of the share of traders or SMEs covered).

The TFIs measure the actual extent to which countries have both introduced and implemented trade facilitation measures in absolute terms, but also their performance relative to others.

Data collection rests on several layers of publicly available information, direct co-operation with countries, and checking of discrepancies. Insights draw on a comprehensive review of all publicly available information, including country official sources, such as websites of Customs and other border agencies, trade information portals, and trade-related legislation. Two key cross-checks of information are undertaken relative to the World Trade Organization TFA Database and information compiled through the United Nations Regional Economic Commissions (UN RECs) Global Survey on Digital and Sustainable Trade Facilitation.

Data collection also includes a comprehensive review of information available from other international and regional organisations, such as the World Customs Organization reports and case studies<sup>1</sup>; the World Bank *Logistics Performance Indicators* and *Trading Across Borders* indicators; UNCTAD analysis of National Trade Facilitation Committees; Global Alliance for Trade Facilitation case studies; and reports from inter-governmental fora (e.g. ASEAN, APEC<sup>2</sup>). It also includes a review of available private sector survey information, such as the Global Express Association *Customs Capabilities Report* and the World Economic Forum (WEF) *Global Competitiveness Report* (GCR).

The process also benefits from consultations with WCO, UNCTAD and UN RECs, as well as from regular participation in the WTO Committee on Trade Facilitation.

<sup>1</sup> The WCO and IMF also released in October 2021 aggregate results for a new joint International Survey on Customs Administration (ISOCA), covering 51 national or federal Customs administrations. Detailed country information are not available. The Survey had been launched in June 2019 and finalised in June 2020 and collected data for fiscal years 2016 and 2017.

<sup>2</sup> The indicators have then also in turn been used by APEC and ASEAN in analyses such as those relating to APEC's Supply Chain Connectivity Framework or the ASEAN-USAID Digital Integration Index.

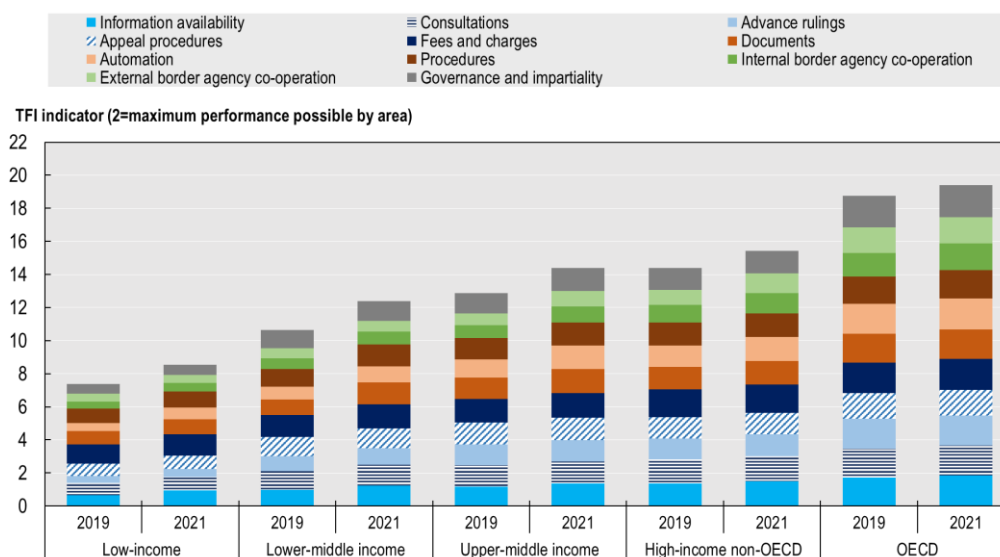
6. Preliminary estimates highlight that covered country income groups and regions have made progress since 2019 with respect to the implementation of trade facilitation reforms, confirming the positive momentum generated by the entry into force of the WTO TFA in 2017. Figure 1 shows that across income groups (including low-income, lower middle-income, upper middle-income, high-income non-OECD and OECD economies), availability of information, simplification of trade documents, automation, and streamlining of procedures have all improved significantly since 2019 (Figure 1). Internal and external border co-operation have also improved, but remain the most challenging areas.

7. Progress since 2019 is also comparable to that between 2017-19, highlighting the importance of trade facilitation and commitment to reforms in spite of difficulties relating

to the COVID-19 pandemic. Indeed, the pandemic accelerated progress on some trade facilitation reforms, notably in relation to automation and use of digital trade facilitation tools (Box 2). That said, the COVID-19 pandemic has posed more of a challenge to the acceleration of reforms in areas such as advance rulings and appeal procedures. Overall, the findings from the TFIs in this respect appear in line with the TFA notifications of most LICs, LMICs and UMICs.

8. These encouraging steps forward are confirmed when looking at selected regions (Figure 3). Most progress, on average, occurred in the Asia-Pacific, in Latin America and the Caribbean (LAC), and in Sub-Saharan Africa (SSA). Europe and Central Asia (ECA) continues to be the top regional performer, with its performance largely driven by the very good performance across all TFI dimensions of European Union economies and other European OECD economies.

**Figure 1. All income groups are showing progress on trade facilitation measures**



Source: TFIs 2021-22 data collection.

### Box 2. COVID-19-related measures

Between February and September of 2020, the Secretariat recorded trade policy measures relating to COVID-19 responses, including those regarding administrative measures at the border (OECD, 2020<sup>[11]</sup>). This resulting repository of 408 measures, 231 facilitating and 177 more likely to increase trade costs, covered 125 jurisdictions across all regions (covering 32 OECD economies, another 9 G20 members and 84 jurisdictions outside the OECD area).

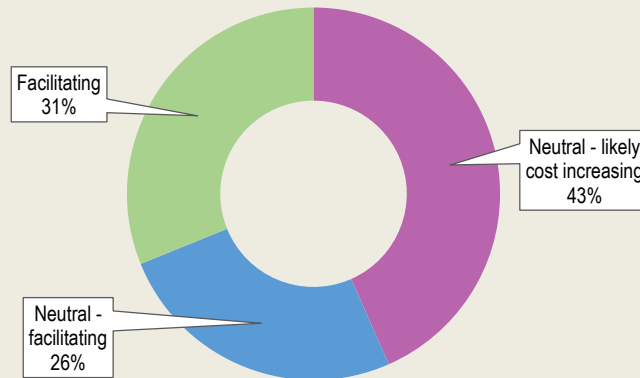
The majority of likely trade cost increasing measures recorded in the COVID-19 tracker database did not affect the TFIs, as the measures were generally temporary (i.e. temporary information/documentary requirements, border controls or protocols applied in different waves of the COVID-19 pandemic) (Figure 2).

In terms of trade facilitating measures, about 45% of the processes recorded did not affect the TFIs, as they also appear to be either temporary or targeting only specific sectors, such as COVID-19 medical goods or agro-food products. The remainder were

relevant for the TFIs and included measures in relation to documents, automation and procedures, in line with the existing methodology and interpretation of certain measures in the regulatory database. Similar interpretations of COVID-19-related measures are used in indices such as the Services Trade Restrictiveness Index (OECD, 2021<sup>[7]</sup>).

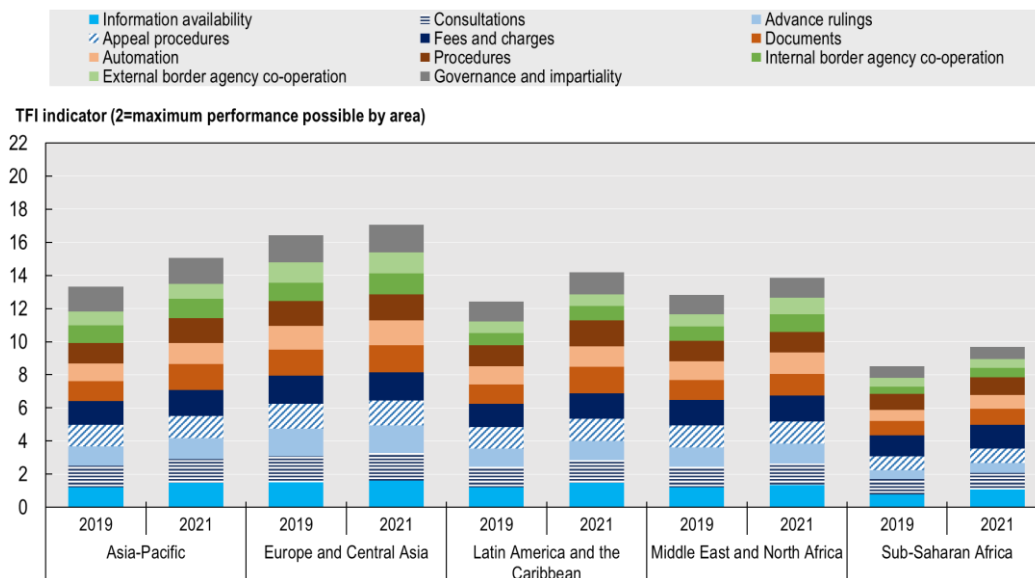
**Figure 2. Incorporating COVID-19 policy responses measures in the TFIs update**

Share of neutral vs facilitation measures in TFIs update within total recorded (%)



Source: Based on the repository of measures in (OECD, 2020<sup>[11]</sup>), including measures that were incorporated in the TFIs update (facilitating) and the temporary ones (neutral-facilitating and neutral-likely costs increasing).

**Figure 3. Progress is occurring across all regions**



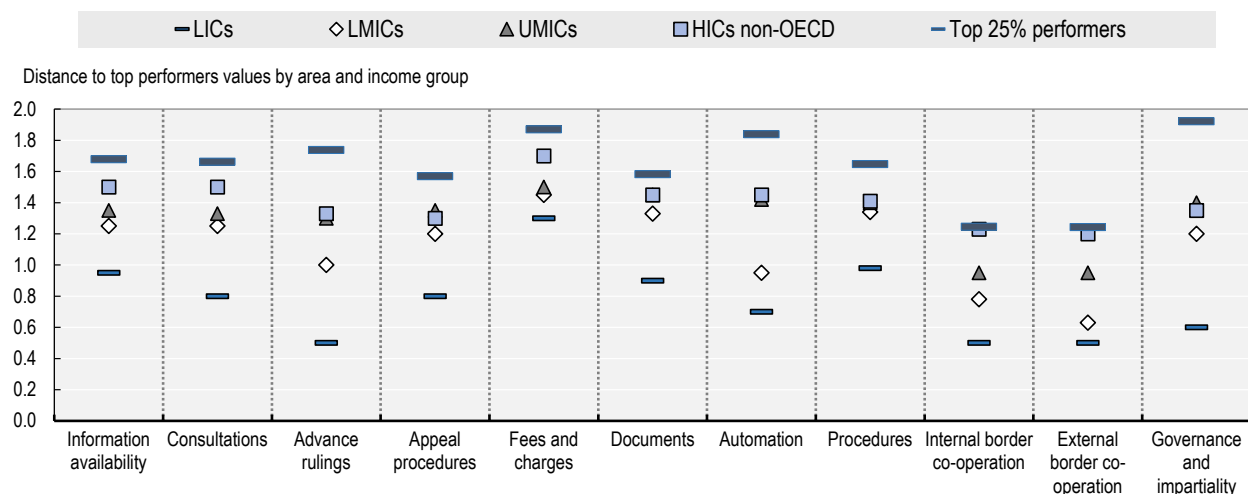
Source: TFIs 2021-22 data collection.

9. In the areas of transparency and predictability, there is progress across all regions with respect to information availability and simplification of fees and charges, while improvements in advance rulings and involvement of the trade community are notable in the Asia-Pacific, Middle East and North Africa (MENA), LAC, and SSA.

10. All regions made progress in simplifying and harmonising documents, automating, streamlining procedures and improving domestic border agency co-operation. While improvements are more modest for cross-border agency co-operation, the overall pace of reform appears to be more ambitious than that recorded between 2017 and 2019.

11. Performance among countries within income and geographic groups continues to be far from homogeneous (Figure 4). Policy areas showing a wider variation appear to be those that are inherently more challenging to implement, such as domestic and cross-border agency co-operation. Among LICs, more pronounced disparities in implementation occur in the areas of automation, advance rulings, and governance and impartiality. Among LMICs and UMICs, wide variations also remain in the implementation of areas such as advance rulings and automation. Gaps are gradually closing, however, for these groups in other areas, including information availability, involvement of trade community, and streamlining of processes. High-income countries outside the OECD area continue to reduce their disparities in implementation across all areas.

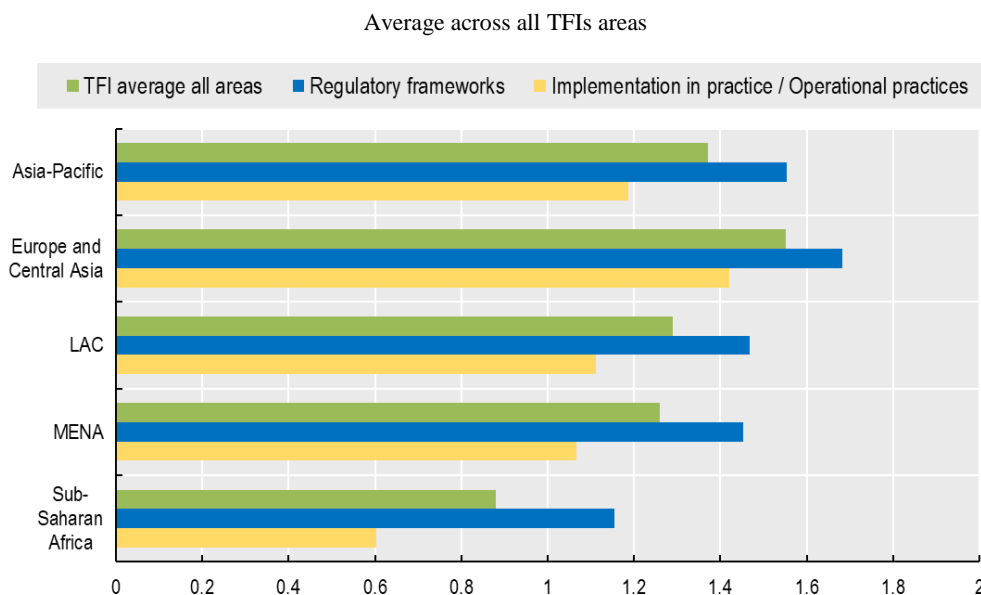
**Figure 4. Gaps in performance continue to narrow in some areas but remain significant in others**



Note: The figure shows the average gap between a group average's performance for a selected area and the performance level of the top 25% countries for each area covered (preliminary estimate). OECD members' performances are in the top quartile (best) performance for the overall sample.

Source: TFIs 2021-22 data collection.

12. As highlighted in Box 1, a key value-added of the TFIs is that they track not only changes in the establishment of regulatory frameworks, but also the extent to which these are operational in practice. Figure 5 points to the fact that improvements recorded across the different TFIs areas appear to be driven by progress in establishing the regulatory frameworks. Challenges in closing the gaps between establishing the regulatory frameworks and their implementation in practice are also heterogeneous across regions: for instance, the gap between the setting up of regulatory frameworks and operational practices in SSA is almost twice the gap in ECA.

**Figure 5. Implementation is more challenging than establishing regulatory frameworks**

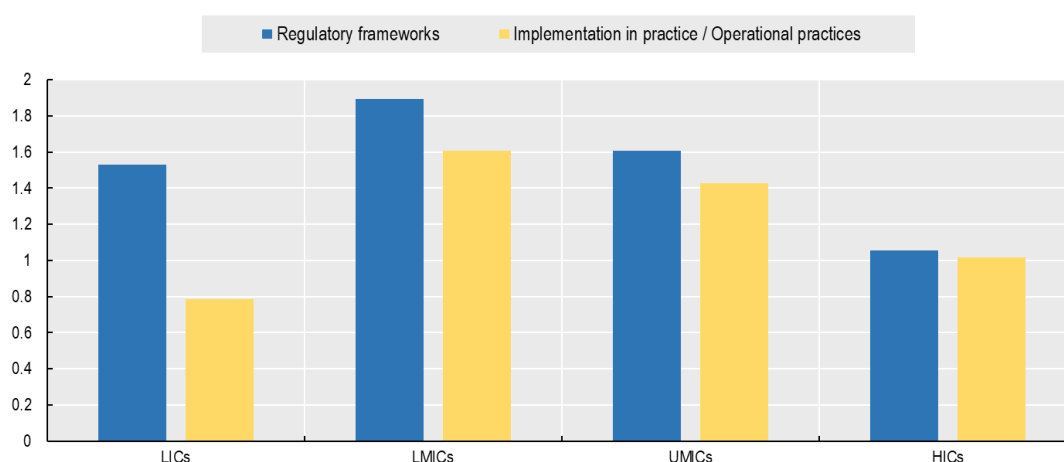
Note: The regulatory and operational frameworks each include the variables tagged as defining the ‘regulatory’ versus the ‘operational’ frameworks across all 11 TFIs.

Source: TFIs 2021-22 data collection.

13. The advances in the regulatory framework provide the basis for a more transparent and predictable environment and have been driven by progress in information availability, consultation with traders, streamlining of documents and trade processes, and border agency co-operation. They have focused on making trade-related legislation more easily available to traders, as well as publication in advance of regulations, providing guidelines and procedures for governing consultations mechanisms with traders, and introducing clear procedures for pre-arrival processing, Authorised Operators programmes and post-clearance audits, as well as institutionalised mechanisms to support border-agency co-operation.

14. Overall improvements in regulatory frameworks are most notable in MICs (Figure 6). Both LMICs and UMICs are increasingly improving the implementation in practice of regulations, while progress in the operational practices of LICs is lower. HICs have also continued their progress; while this appears to be at a slower pace compared with the other groups, this group of economies already has a better trade facilitation performance overall.

**Figure 6. Improvements in regulatory frameworks are notable across all income groups (2019-22)**

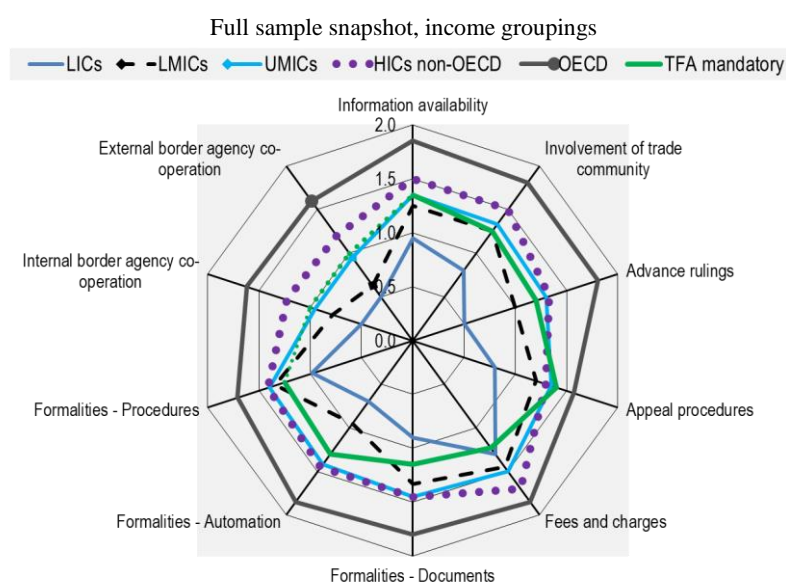


Note: The figure shows total improvements in regulatory frameworks and operational practices (as a sum of improvements across all TFIs).

Source: TFIs 2021-22 data collection.

15. Progress made in setting up regulatory frameworks in the different areas since 2019 also links to the overall state of implementation of the areas covered by the WTO TFA. Figure 7 highlights that gaps have narrowed, with mandatory TFA provisions in areas of information availability, consultations, fees and charges, as well as streamlining documents and procedures. The following sections will explore more in detail the way changes – in both regulatory frameworks and operational practices – since 2019 have been supporting implementation across specific areas.

**Figure 7. Improvements in regulatory frameworks to facilitate trade are supporting TFA implementation**



Note: The dotted green lines highlights that all TFA provisions for external border agency co-operation are “best endeavours”. The averages account for the economies where all indicators are available.

Source: TFIs 2021-22 data collection.

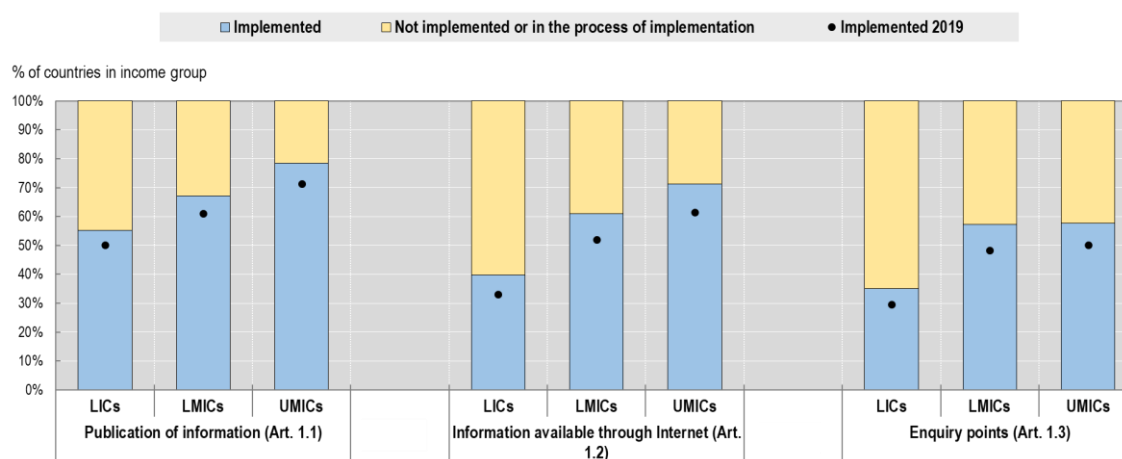
## 2.2. Developments in transparency and predictability

16. As supply chains continue to experience disruptions, transparency and predictability are important for improving early warning of disruptions and promoting reliability of supply chains. Figure 8 shows the improvements across different groups with respect to information availability, in particular in the areas of enquiry points and online publication. Information on classification and valuation rules (TFA Art. 1.1.d), on appeal procedures (TFA Art. 1.1.h) and on agreements with third countries (TFA Art. 1.1.i) – all part of the regulatory framework – remain challenging for LICs.

17. Specific challenges remain with respect to the provision of trade-related information through online means and the provision of an interactive interface allowing online filing of advance rulings requests. Difficulties were also recorded regarding the timeliness of responses from enquiry points: only about half of developing economies covered have hours of operation aligned with commercial needs or service charters establishing a standard response time to enquiries. In addition, more efforts are needed in improving the accessibility of information, notably to increase the user-friendliness of webpages or better target specific categories of users (e.g. interactive pages for firms).

**Figure 8. All income groups are making progress with respect to the availability of information**

Includes areas covered by TFA Article 1: Publication and availability of information



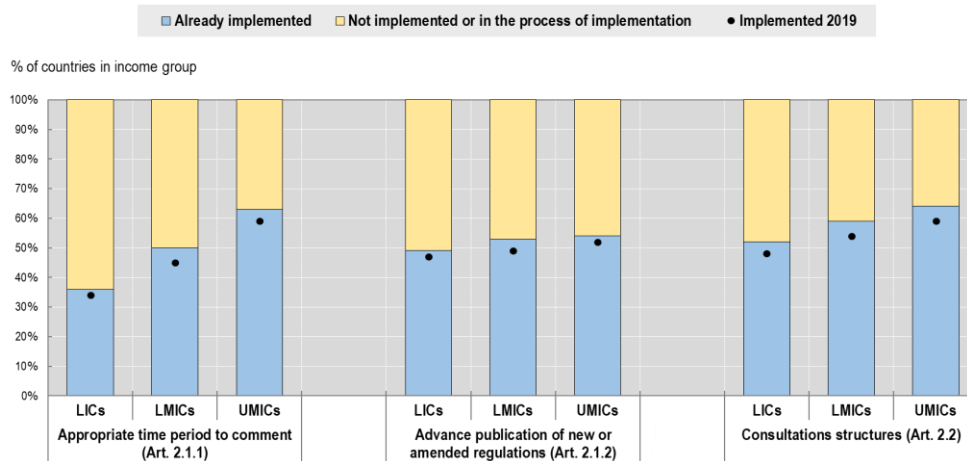
Source: TFIs 2021-22 data collection.

18. Both LICs and LMICs have been progressively developing guidelines and procedures to govern public consultation processes and are seeking to ensure the involvement of the trade community in the design and day-to-day operation of border-related policies and procedures (Figure 9). Drafts are also increasingly made available before the entry into force of a rule. In addition, stakeholder comments are possible across half of the developing and emerging economies covered. Only around a quarter of developing countries, however, involve the trading community during the drafting stages of new trade-related legislation.

19. Less progress was, however, recorded in terms of allowing for an interval between the publication and entry into force of all new or amended trade related laws and regulations. This was already identified as a challenge across the board in 2019.

## Figure 9. All income groups are also seeing continued improvements in consultations with traders

Includes areas covered by TFA Article 2: Opportunity to comment, information before entry into force, and consultations

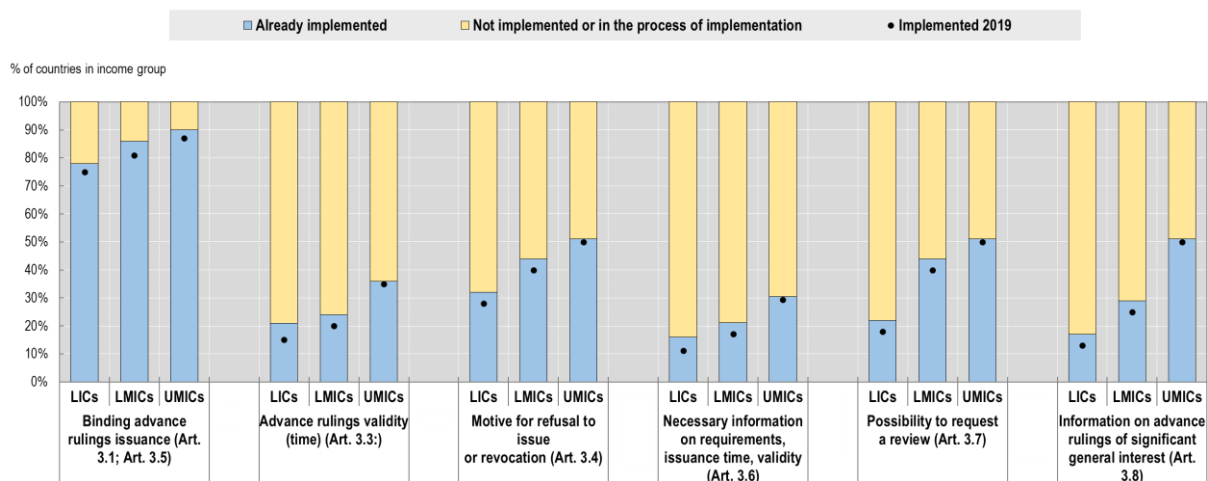


Source: TFIs 2021-22 data collection.

20. The full implementation of advance rulings systems continues to be challenging in many LICs and LMICs. However, both LICs and LMICs are continuing to make progress in closing the implementation gap on a number of provisions, in particular advance rulings validity (TFA Art. 3.3), motivation of the refusal to issue or the revocation of advance rulings (Art. 3.4), publication of rules applicable to advance rulings (Art. 3.6), possibility to review (Art. 3.7), and publication of advance rulings of general interest (Art. 3.8) (Figure 10). Less progress was identified across UMICs.

## Figure 10. Low-income and lower-middle income economies continue their progress in the implementation of advance rulings mechanisms

Includes areas covered by TFA Article 3: Advance rulings mechanisms

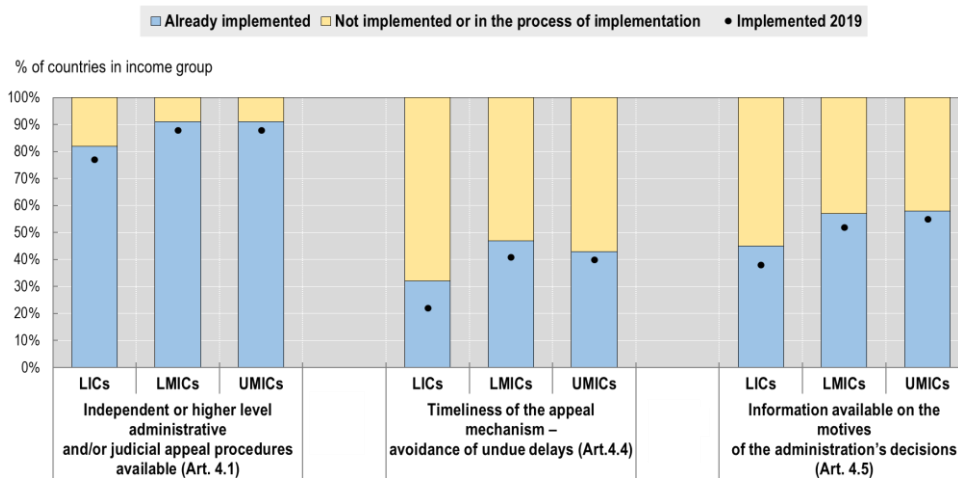


Source: TFIs 2021-22 data collection.

21. The functioning of appeal mechanisms recorded less progress across the selected income groups. This could be explained by challenges relating to the COVID-19 pandemic, with physical distancing measures leading to temporary suspensions in administrative and judicial appeals cases. While some economies could conduct operations remotely, this proved more challenging for LICs and MICs. That said, LICs and LMICs made some progress in providing sufficient time to contest a decision, and to prepare and lodge an appeal (Figure 11). Communication of the reasons for administrative decisions (Art. 4.5) remains a work in progress, including for MICs.

**Figure 11. Less progress appears to be recorded in the functioning of appeal mechanisms**

Includes areas covered by TFA Article 4: Appeal procedures

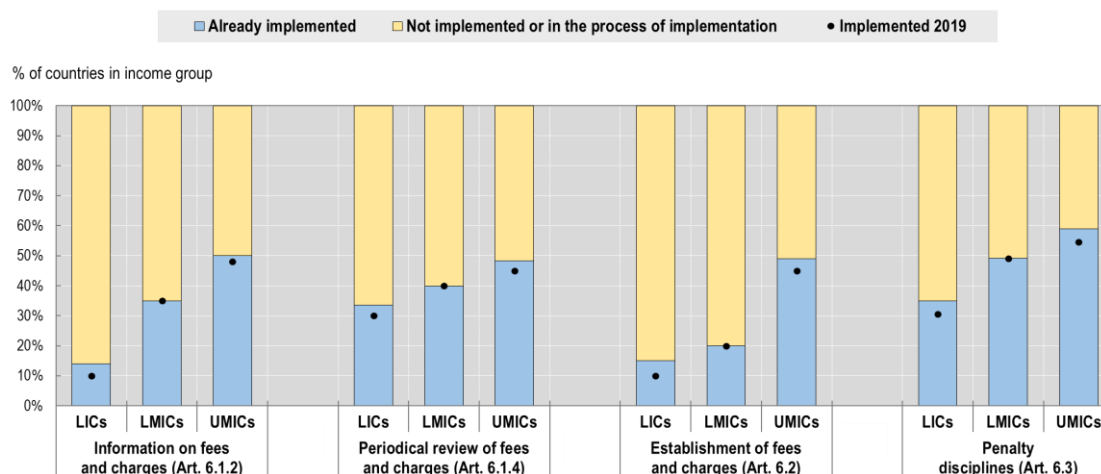


Source: TFIs 2021-22 data collection.

22. Most progress with respect to the transparency and predictability of fees, charges and penalties was observed in LICs and LMICs (Figure 12), notably in relation to accessible data on fees and charges and their periodical review, as well as limitation of fees and charges to the approximate cost of services rendered.

**Figure 12. Low-income and lower-middle income economies are seeing progress in streamlining fees and charges**

Includes areas covered TFA Article 6: Fees, charges and penalties



Source: TFIs 2021-22 data collection.

### 2.3. Developments in streamlining documentation requirements and processes and the role of digital tools

23. The areas of documents, automation<sup>6</sup> and streamlining of processes all appear to have recorded important improvements. These trends seem to have been increasingly driven by countries' use of digital tools in response to challenges arising from the COVID-19 pandemic (Box 3).

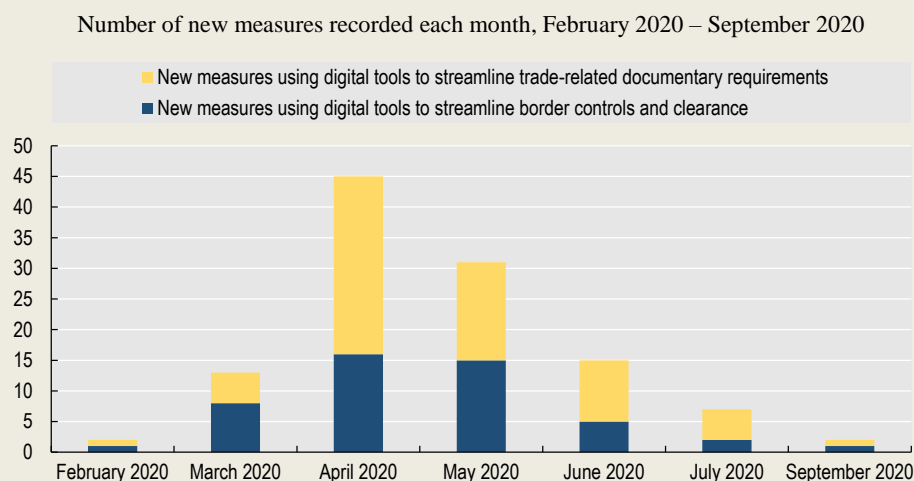
#### Box 3. Digitalisation of trade process during COVID-19

As part of their response to the challenges at borders triggered by the COVID-19 pandemic, many economies made increased use of digital tools to implement measures aimed at streamlining trade processes and documentary requirements (Figure 13).<sup>1</sup> Examples of such trade facilitation measures include: establishing specific COVID-19 online information portals; acceptance of digital trade-related documents in place of physical copies (including sanitary and phytosanitary certificates); or increases in the number of procedures benefitting from electronic pre-arrival processing. These were complementary to the introduction of measures such as “green lanes” (such as in the European Union) or “corridors” for fast clearance of certain products.

<sup>6</sup> TFI (g) on automation captures a wide range of elements such as the share of trade declarations cleared electronically, electronic pre-arrival processing, automated risk management, use of digital signatures and certificates, exchange of data electronically, among others. In addition, TFIs (i) and (j) on border agency co-operation include additional measures on harmonisation of data requirements, interconnected computer systems and sharing of information on inspection results between border agencies domestically and cross-border. Digitalisation of trade processes encompasses an even wider range of elements along the whole-of-the-supply-chain, including e-transferrable records, e-authentication, e-contracts, e-invoices, e-payments, which support a growing number of physical and digital transactions.

While these measures seem to apply only to certain goods, there is an opportunity to embed many of the digital trade facilitation actions permanently, as part of the gradual move to paperless trade. Better understanding of the policies that supported the increased use of digital tools in exchanging trade documents can help with addressing existing regulatory challenges in the automation of other documentation requirements.

**Figure 13. Use of digital tools to facilitate trade during COVID-19**



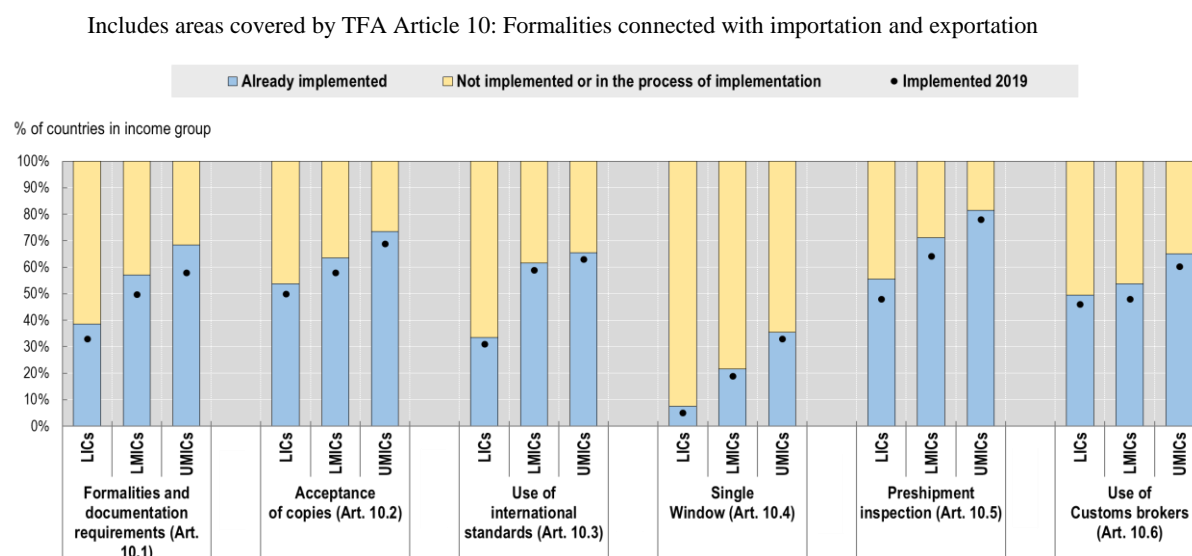
Source: Compilation based on (OECD, 2020<sup>[1]</sup>).

<sup>1</sup> Information on these initiatives was made available through various platforms set up by international and regional organisations such as: WTO Trade and trade-related measures and TFA Facility COVID-19 Trade Facilitation Repository, United Nations Supply Chain Inter-Agency Coordination Cell (SCICC), UNCTAD Port practices during COVID-19 and information on National Trade Facilitation Committees, UNESCAP Policy Responses to COVID in Asia and the Pacific, International Road Transport Union (IRU) Real-time country updates on COVID-19, European University Institute, Global Trade Alert and World Bank COVID-19 Trade Policy Database: Food and medical products, WCO COVID-19 update, UNCTAD, ITC and WTO Global Trade Help Desk (OECD, 2020<sup>[1]</sup>). Other initiatives private sector information platforms, such as for example, Nepia Shipping; Bollore Logistics; Kuehne+Nagel; Agility (OECD, 2020<sup>[1]</sup>).

24. As regards trade documents, LICs, LMICs and UMICs continued to simplify documentation requirements by increasingly accepting copies rather than originals only (almost two-thirds of economies in this group). This has been largely driven by countries' focus on addressing the lower availability of personnel to check documentation physically at the border. However, only around 20% of LICs and MICs accept copies without exceptions<sup>7</sup> beyond temporary changes during the COVID-19 pandemic. While efforts in harmonising trade documents with international standards appear to have stabilised (Art. 10.3), MICs have been reducing the number and complexity of required documents in response to periodic reviews (Figure 14).

<sup>7</sup> Related to the type of good, the circumstances or the agency, and for which the original may still need to be presented upon request.

**Figure 14. There appears to be sustained progress on several dimensions of trade formalities**



Source: TFIs 2021-22 data collection.

25. An additional mechanism introduced in reaction to physical distancing constraints at borders was the increase in the electronic exchange of trade documents, which registered progress across all groups. The progress recorded through the TFIs on trade declarations cleared electronically and overall procedures allowing for electronic processing took place in the context of broader efforts on digitalising trade-related documents (Box 4).

#### Box 4. Advancing the digitalisation of trade-related documents requires a comprehensive approach

The digitalisation of trade-related documents includes ongoing efforts by public and private actors, as well as regional and international organisations, to address institutional, technical and legal challenges. For instance, over 2020-21, UNECE continued its efforts to harmonise standards for multimodal transport information exchange by aligning to the semantic standards and reference data models of the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT). Ongoing discussions in the G7 under the UK Presidency have also been supporting the increased adoption and transposition into domestic law of UNCITRAL's Model Law on Electronic Transferable Records (MLETR) through the establishment of a *Framework for G7 Collaboration on Electronic Transferable Records*.<sup>8</sup> The recent OECD *Digital Trade Inventory* highlights, however, that only seven jurisdictions have adopted the MLETR to date (Nemoto and Lopez Gonzalez, 2021<sup>[8]</sup>). During New Zealand's presidency, APEC's Sub-Committee on Customs Procedures has been working towards *Guidelines for Paperless Trade* to assist APEC economies in implementing electronic / paperless customs procedures.

<sup>8</sup> G7 Digital and Technology - Ministerial Declaration, 28 April 2021, <https://www.gov.uk/government/publications/g7-digital-and-technology-ministerial-declaration>.

Private sector initiatives are gaining speed around the digitisation of bills of lading, such as those of the Digital Container Shipping Association (DCSA) for the maritime eBill of Lading or FIATA's (International Federation of Freight Forwarders Associations) multimodal eBill of Lading. Other initiatives in the area of blockchain applications are also focusing on the digitalisation of trade documents, with many of these applications actually increasing their 'maturity' (i.e. the stage projects are at) since the COVID-19 pandemic (Patel and Ganne, 2021<sup>[9]</sup>).

While all this progress is welcome, it raises issues concerning interoperability and scaling up of different platforms, including as regards their integration with border agencies' own systems (such as trade Single Windows), for achieving a fully paperless trade environment. Initiatives such as the International Chamber of Commerce (ICC) *Digital Standards Initiative* (DSI) aim to support harmonisation of digital processes across the trade ecosystem by enabling convergence of both industry systems and applicable legal frameworks. The DSI is conducted in partnership with key international institutions and governments. In the Asia-Pacific region, the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) *Framework Agreement on Facilitation of Cross-border Paperless Trade*, which entered into force in February 2021, promotes cross-border paperless trade by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitates interoperability among national and regional Single Windows and/or other paperless trade systems.

26. Several areas in the automation and streamlining of procedures highlight that, in achieving full implementation of TFA provisions, improving the regulatory framework is only the first step. This needs to be complemented by continued improvements in operational practices. LICs continued to improve their regulatory frameworks for mechanisms such as pre-arrival processing (and its application in an automated environment), electronic payment of related duties and fees (and its integration with an automatic cargo declaration system), or (automated) risk management, but with less progress in operational practices, while MICs also recorded improvements in the implementation in practice of such measures (Figure 15).

27. For other key areas (e.g. Authorised Operators (AOs), post-clearance audits), improvements were notable in the regulatory framework, but more needs to be done with respect to their implementation in practice. This concerns, for instance, the conditions and timeframes for obtaining the AO certification, the set of benefits granted, or the coverage of firms by AO programmes. On the latter, only about 15% of LICs registered progress since 2019.

28. Efforts concerning processes applicable to perishable goods – including physical inspections, storage conditions or the separation of release from clearance – made considerable headway, also driven by responses to the COVID-19 pandemic.<sup>9</sup>

29. Single Windows were still either planned or in the process of implementation in many countries, highlighting the importance that countries attach to this mechanism. However, there are also continued difficulties in making such systems fully operational. Despite progress on IT trade-related infrastructure, Electronic Data Interchange (EDI) and

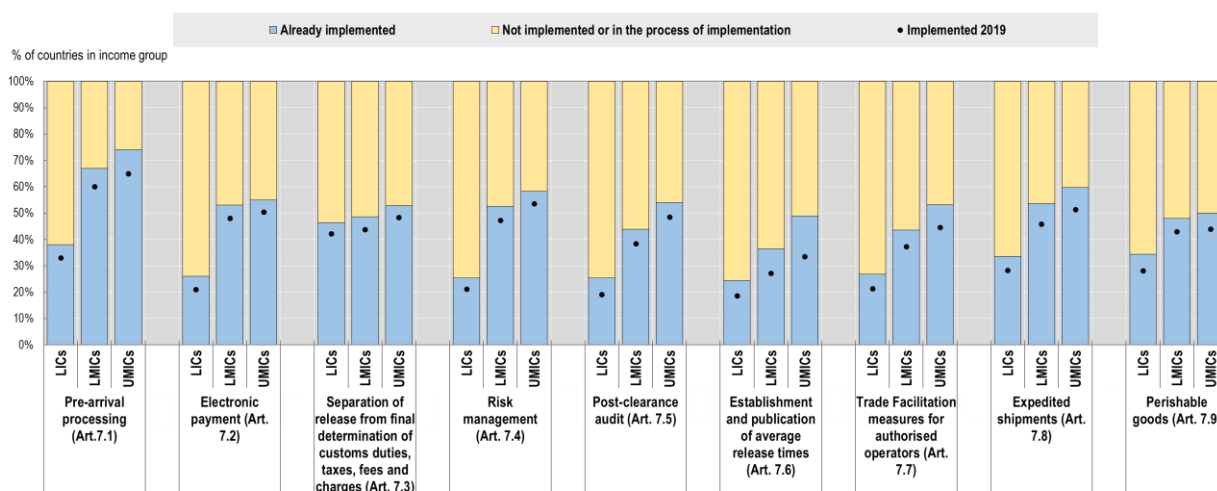
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<sup>9</sup> (Moisé and Sorescu, 2021<sup>[25]</sup>) set the basis for expanding the TFIs with a sub-set targeting perishable agro-food products. A pilot study has been initiated in 2022. This sub-set has the potential to offer a more complete picture of the specific complexities at the border for perishable agro-food products.

processing of electronic trade documents, the quality of co-operation and information exchange among different government agencies, Customs departments, and border control posts remains a key challenge for operationalising Single Windows across all income groups.

**Figure 15. But further efforts would be needed to smooth the release and clearance of goods**

Includes areas covered by TFA Article 7: Release and clearance of goods



Source: TFIs 2021-22 data collection.

### 3. Mapping domestic and international approaches to border agency co-operation in times of COVID-19

30. The TFIs on domestic and cross-border agency co-operation capture changes to intra- and inter-country co-operation on trade processes, across institutional, legal, and technical dimensions. Most of the COVID-19-related policy measures identified in these areas do not have an effect on the TFIs since they appear to be either temporary or to focus on specific sectors (as explained in Box 1). However, it is important to better understand these approaches to inter-agency co-operation as there is insufficient analysis on how national, regional and international co-ordination could be improved to respond better to crises and disruptions at borders. In addition, some of the efforts could be continued to improve border agency co-operation beyond the COVID-19 pandemic.

#### 3.1. Overall changes in border agency co-operation since 2019 through the lens of the TFIs

31. The TFIs on internal and domestic border agency co-operation provide detailed measurement of governance frameworks and levels of co-ordination. For domestic border agency co-operation, institutional and legal frameworks have shown significant progress since 2019: explicit co-ordination strategies at the domestic level now exist in 40% of LICs and almost 75% of MICs (Figure 16). More countries appear to have established inter-agency co-ordination bodies, but detailed information about their operation remains scarce in LICs and LMICs. By comparison, across the majority of OECD economies such co-ordination platforms display at least three of the following characteristics: established terms of reference and procedures for conducting their activities; clear provisions for their

financing; a permanent technical Secretariat; decisions and recommendations published on a dedicated webpage; a Steering Committee which monitors the implementation of decisions; and inclusion of at least 60% of relevant agencies.

32. At the domestic level, relevant agencies also took significant steps to streamline their processes and improve their interactions. On the one hand, practices such as sharing inspection results and co-ordinating risk management mechanisms, sharing infrastructure, and delegating controls from other border agencies to Customs continue to gain ground in MICs and non-OECD HICs. On the other hand, inter-agency collaboration on the certification of AOs remains a work in progress across all groups.

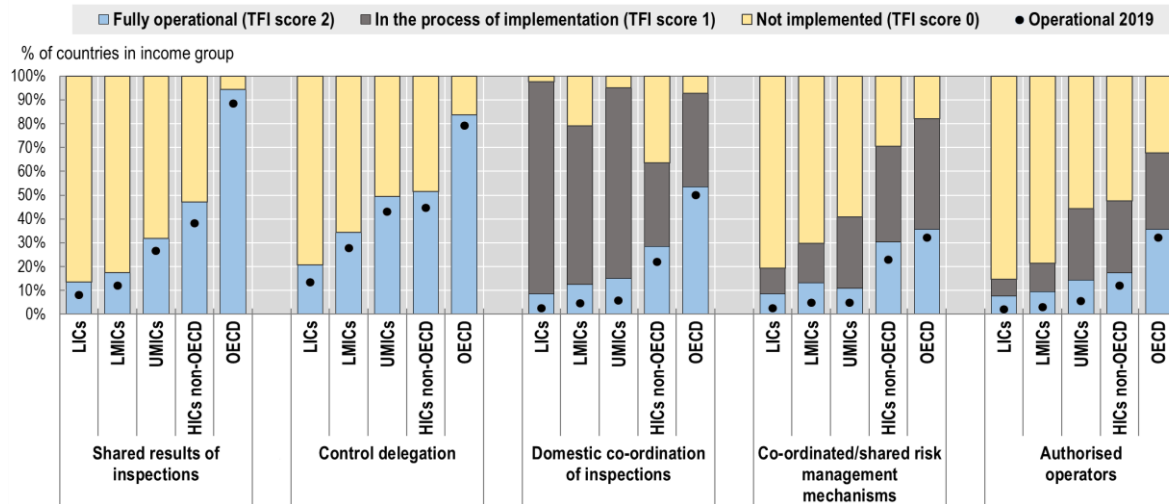
33. OECD and UMICs economies made progress in automating domestic co-operation operations. This can help with day-to-day implementation, particularly through systems connectivity, open communication amongst relevant agencies and clear frameworks for sharing data. Advances were more modest in the other income groups.

34. Efforts to deepen cross-border agency co-operation through automation continue to advance, particularly in OECD, non-OECD HICs and UMICs (Figure 17). Such advances are found mainly in the alignment of procedures and formalities and the co-ordination/harmonisation of data requirements and documentary controls.

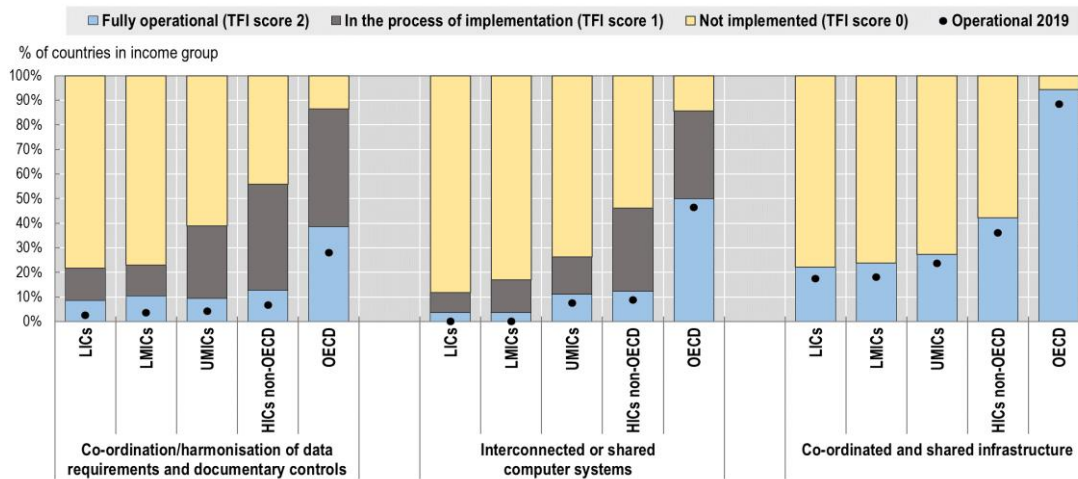
35. In other areas, such as co-ordination/harmonisation of different computer systems, risk management co-operation and systematic sharing of control results, implementation by OECD countries remains significantly more advanced than in other economies. In such areas, a formal agreement among all participating agencies is a first step in clarifying what information will be shared and with whom, how the information will be exchanged, and how it can be tracked and traced. Regarding cross-border co-ordination and harmonisation of computer systems, further steps need to be taken with respect to both regulatory frameworks and implementation in practice.

**Figure 16. Further improvements are being recorded in tools for streamlining and automating co-ordination of processes domestically**

Panel a. Streamlining of processes

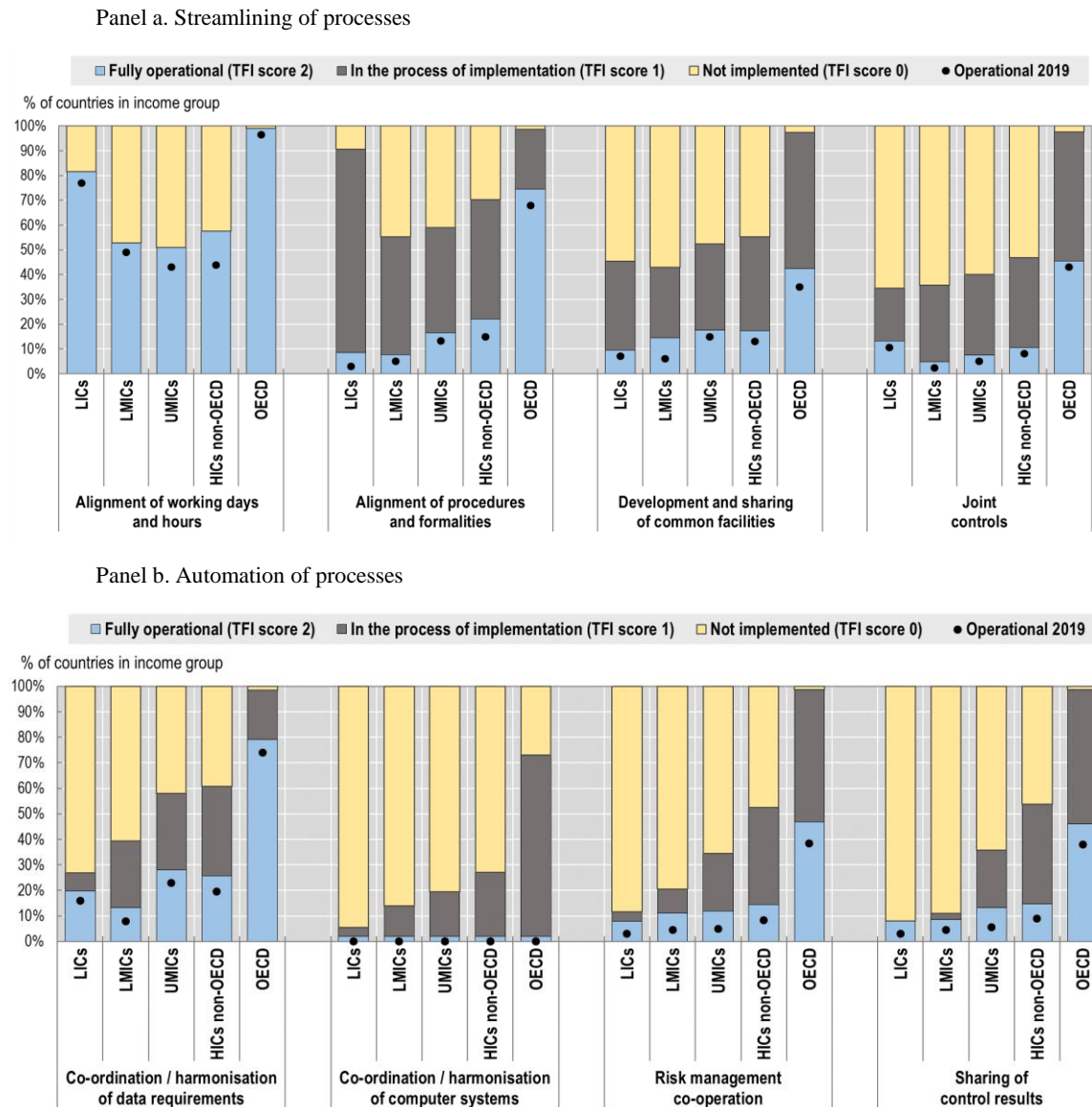


Panel b. Automation of processes



Source: TFIs 2021-22 data collection.

**Figure 17. Progress across all regions continues to be recorded in co-ordinating cross-border processes**



Source: TFIs 2021-22 data collection.

### 3.2. The different waves of co-operation among border agencies during the COVID-19 pandemic

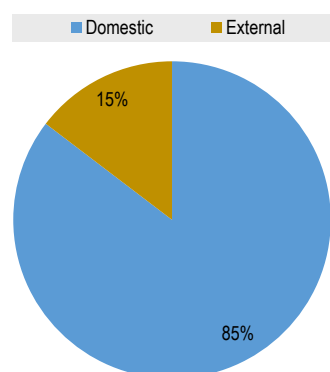
36. This section reviews how approaches to domestic and cross-border agency co-operation have evolved since the beginning of the COVID-19 pandemic. A first wave of border agency co-operation responses occurred in the initial phase of the pandemic, between March and May 2020. These largely focused on facilitating trade in ‘essential’ goods such as medical and personal protective equipment (PPE) or agro-food products. A second wave of co-operation measures followed, ranging from the last quarter of 2020 until the second quarter of 2021. These broadly focused on facilitating COVID-19 vaccines trade. Starting in the third quarter of 2021, efforts relating to border agency co-operation to address disruptions at borders were recorded much less systematically.

*COVID-19-related responses have been dominated by domestic border agency co-operation measures and focused on specific mechanisms for co-operation*

37. The measures taken in both waves predominantly concerned co-operation at the domestic level (Figure 18). In the case of both domestic and cross-border agency co-operation during the COVID-19 pandemic, a strong emphasis was placed on enhancing overall communication and co-ordination among border agencies. This had the objective of enabling swift responses to disruptions and ensuring the continued flow of essential goods at borders. A wide range of government agencies were involved in these efforts. Moreover, in many cases, the committees and taskforces set up included a higher number of agencies than the existing institutionalised mechanisms<sup>10</sup> supporting inter-agency co-operation.

**Figure 18. Border agency co-operation responses during the COVID-19 pandemic largely focused on domestic measures**

Share in total COVID-19-related border agency co-operation measures recorded (%)



Source: Based on a repository of COVID-19 structures for inter-agency co-operation (covering COVID-19 specific aspects in addition to the border agency co-operation aspects in the TFIs).

38. In economies across various regions, flexible forms of domestic border agency co-operation helped adapt border processes and facilitate trade of selected goods in the context of the COVID-19 pandemic.<sup>11</sup> The focus was thus largely on improving co-operation between Customs agencies and health-related agencies, such as the Ministry of Food and Drug Safety in Korea (Fu, 2020<sub>[10]</sub>), the Centre for Disease Control in the United States (U.S. Customs and Border Protection, 2020<sub>[11]</sub>), the National Drug Agency and the Ministry of Health in Bolivia, or the National Health Authority and the Sanitary Inspection and Registration Authority in Argentina (World Customs Organization, 2021<sub>[12]</sub>). Several economies also included other agencies involved in border management processes, such as airport and railway-related authorities in China (Fu, 2020<sub>[10]</sub>), the governmental Supermarkets Taskforce in Australia (World Customs Organization,

<sup>10</sup> In line with the definition in the TFIs, an institutionalised border agency co-operation structure should meet the following conditions: has established terms of reference and procedures for conducting its activities; has a permanent technical Secretariat; its decisions and recommendations are made publicly available on a dedicated webpage; has a Steering Committee which monitors the implementation of decisions; has clear provisions for its financing; and includes at least 60% of relevant agencies.

<sup>11</sup> The examples provided in this section aim to be illustrative and are not exhaustive.

2021<sub>[13]</sub>), and the Ministry of Defence and the National Guard in Mexico (Mexico General Administration of Customs, 2020<sub>[14]</sub>).

39. Many of the structures for inter-agency co-operation identified benefited from formal / institutionalised mechanisms (Figure 15). For example, Australia established a taskforce to expedite the clearance of essential air cargo in the first wave of trade facilitation responses. This was followed by a whole-of-government, senior-level committee and a working-level joint planning group for the import of COVID-19 medical goods and vaccines in the second wave (World Customs Organization, 2021<sub>[12]</sub>). Other examples include multi-agency taskforces in Singapore, Uzbekistan or Kenya, Ecuador's trade facilitation roundtable, New Zealand's Customs Centre of Excellence team, Saudi Arabia's working groups on mobile applications and the United States COVID-19 Cargo Resolution Team (World Customs Organization, 2021<sub>[12]</sub>), (World Customs Organization, 2021<sub>[13]</sub>), (State Customs Committee of Uzbekistan, 2020<sub>[15]</sub>), (National Customs Service, Ecuador, 2020<sub>[16]</sub>). In most instances, the taskforces / teams were led by Customs agencies. In some cases, however, (e.g., in Guatemala), Customs was included at the same level as other agencies (World Customs Organization, 2021<sub>[13]</sub>).

40. Due to the time sensitive nature of measures, many of the committees or taskforces identified did not utilise formal mechanisms for co-operation (i.e. they were *ad hoc* taskforces). Moreover, the majority of formal committees / taskforces identified did not appear to have a specific roadmap or strategy for co-ordinating their COVID-19-targeted activities with existing institutionalised structures for inter-agency co-operation (Figure 15). This is an important observation, as the next shock may not be a health crisis and the scope of "essential" goods may evolve. Therefore, mechanisms focused solely on COVID-19 goods and co-operation with health agencies would not provide sufficient scope or flexibility. More institutionalised forms of border agency co-operation would better ensure crisis management beyond the COVID-19 pandemic.<sup>12</sup>

41. It is challenging to document the specific actions taken by the committees / taskforces in terms of the variables covered by the TFIs. A preliminary and broad overview of the initiatives identified shows that automation and information exchange tools were important (Figure 19). Examples include India's digital facility enabling agencies to co-operate on digitally signed certificates and authorisations (De, 2020<sub>[17]</sub>) or Serbia's System of Electronic Exchange of Data providing advance notifications on the arrival of essential goods to all involved agencies in order to ensure priority clearance (World Customs Organization, 2021<sub>[13]</sub>).

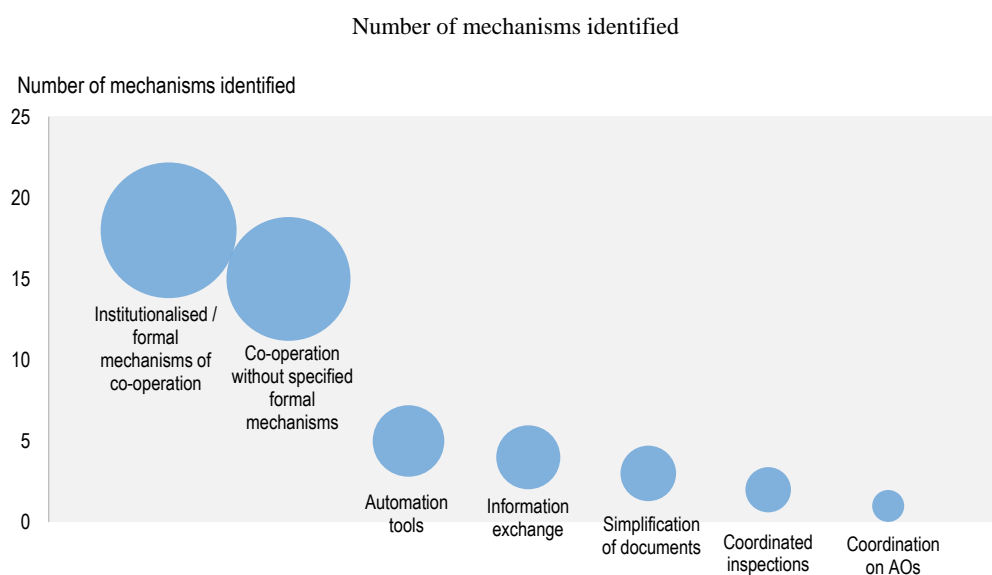
42. Other specific actions concerned co-ordinated inspections. For example, Namibia Customs undertook joint examinations and goods clearance for emergency supplies among the police authority, health authorities, agri-food related agencies, and postal agencies (Ministry of Finance, Namibia, 2020<sub>[18]</sub>). In Indonesia, the Ministry of Health and other agencies delegated to the Customs agency documentary checks, physical inspection and goods clearance (World Customs Organization, 2021<sub>[12]</sub>). The enhanced efforts towards automation, information exchange and co-ordinated inspections during the COVID-19 pandemic have the potential to enhance future co-operation and increase crisis preparedness.

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<sup>12</sup> In addition, in the context of regional trade agreements (RTAs), (WTO, 2021<sub>[26]</sub>) identifies only four with provisions on natural disasters relating specifically to trade facilitation. For example, the amended RTA between Canada and Israel requires the parties to ensure that their Customs procedures allow for the expeditious release of goods in emergency situations, such as natural disasters.

43. Fewer initiatives targeted cross-border agency co-operation. One example of cross-border agency co-operation was the permanent communication channels between the General Administration for Customs of Mexico and the United States Customs and Border Protection (Mexico General Administration of Customs, 2020<sub>[14]</sub>). Several partners were also involved in the co-operation between the General Administration of Customs of China (GACC) and border agencies of countries along the CR Express train line (linking China to various EU countries such as Germany, Poland or Spain, and used to transport essential goods during the pandemic) (Fu, 2020<sub>[10]</sub>). The most comprehensive effort identified in terms of cross-border agency co-operation was the “green lanes” mechanism set up within the European Union.

**Figure 19. Areas covered by COVID-19-specific border agency co-operation structures**



Source: Based on a repository on COVID-19 structures for inter-agency co-operation (covering COVID-19 specific aspects in addition to the border agency co-operation aspects in the TFIs).

44. For several regional co-operation fora, the COVID-19 pandemic acted as a catalyst for acceleration of comprehensive trade facilitation initiatives initiated prior to the pandemic. For instance, the ASEAN Customs Transit Systems (ACTS) was established in November 2020 and appears to be fully operational in six member economies. The system, co-ordinated by Customs agencies and land transport authorities of participating countries, supports information exchange and simplifies documentation requirements (ASEAN, 2020<sub>[19]</sub>). In the EU, the European Commission set forward a proposal for an EU Single Window Environment for Customs in October 2020 to enable better co-operation and improved data sharing between different agencies involved in processes of border clearance (European Commission, 2020<sub>[20]</sub>). The European Commission launched in March 2021 the gradual transition towards the trans-European Customs system, enabling real-time communication across borders and data harmonisation across EU Customs and tax agencies (European Commission, 2021<sub>[21]</sub>). Even though all these processes were initiated prior to the COVID-19 pandemic, ASEAN emphasised the potential of the ACTS in handling the pandemic through expediting the movement of medical essential goods (Lim, 2020<sub>[22]</sub>). The European Commission too stipulated crisis management – including as regards COVID-19 – as one of the core functions of the EU Single Window (European Commission, 2020<sub>[20]</sub>). Integrating crisis preparedness into such longer term initiatives can

help ensure that recent improvements in border agency co-operation will continue beyond the COVID-19 pandemic.

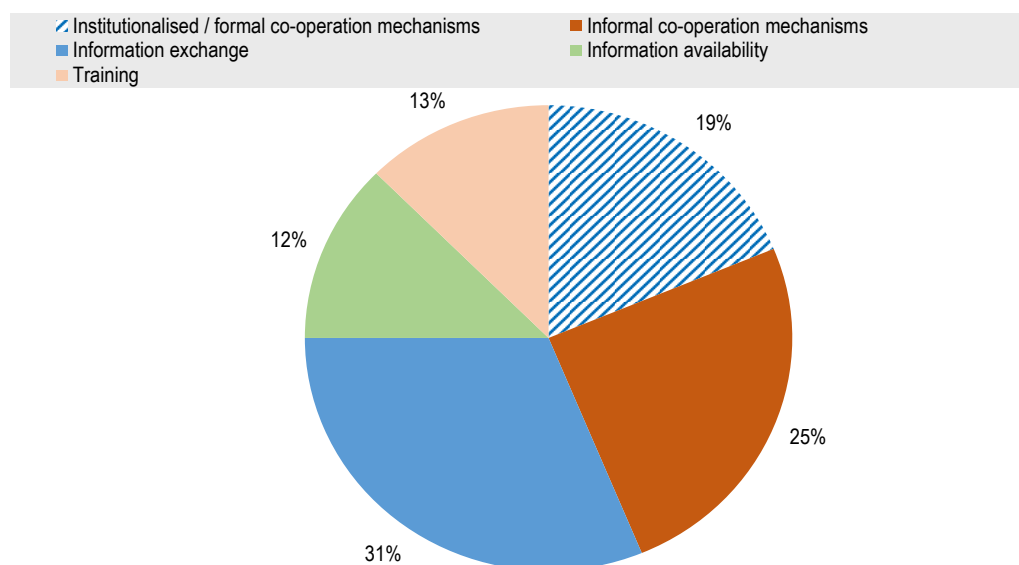
*Inclusion of the private sector in COVID-19-related mechanisms for border agency co-operation*

45. Many government agencies also aimed to enhance collaboration with private sector stakeholders through taskforces set up during the pandemic (Figure 20). Here again, there was a particular focus on expediting border clearance of COVID-19 ‘essential’ items. A significant share of such efforts remained at the level of informal (ad hoc) co-operation and co-ordination, including stakeholders such as industry associations or warehouse operators. In some cases, co-operation was driven by a new COVID-19 rapid response team (e.g., in Nepal); in others, it was steered by Customs agencies (e.g., in the United States) (World Customs Organization, 2020<sub>[23]</sub>). Other economies implemented more institutionalised forms of co-operation with private sector stakeholders. For instance, Singapore and Peru included private sector representatives in their multi-agency taskforces for expediting COVID-19 vaccines imports (World Customs Organization, 2021<sub>[12]</sub>), while the Australian Customs agency established a monthly virtual conference with stakeholders from both government and industry (World Customs Organization, 2021<sub>[13]</sub>).

46. As for domestic inter-agency co-operation mechanisms, information sharing was an important component of collaboration with the private sector:

- In some economies, information was directly provided to industry stakeholders on an ad hoc basis. Examples include the South African taskforce making relevant information available to supply chain stakeholders via business association representatives (World Customs Organization, 2021<sub>[12]</sub>).
- In other economies, a more regular, mutual exchange of information was established between border agencies and the private sector. For instance, New Zealand Customs liaised with all importers, exporters and manufacturers of essential goods, providing regular information on shipments of critical supplies and compiling concerns from the private sector (World Customs Organization, 2021<sub>[12]</sub>). Similarly, the United States COVID-19 Cargo Resolution Team liaised regularly with industry partners involved in the development of COVID-19 vaccines and other treatments; this enabled addressing potential bottlenecks prior to shipment clearance (World Customs Organization, 2021<sub>[12]</sub>).

47. Co-operation with the private sector also included elements of training, which appeared to be absent in inter-agency collaboration. For instance, Australian government agencies and industry stakeholders performed test runs of placebo vaccine shipments with COVID-19 vaccine manufacturers, supported by the WCO and Australia’s Department of Health. This enabled stakeholders to streamline processes before the arrival of the first vaccine shipments (World Customs Organization, 2021<sub>[12]</sub>). An example in the LAC region was provided by the Customs authority of Guatemala carrying out training sessions on vaccine imports with the Ministry of Health, airports warehouses and private sector stakeholders (World Customs Organization, 2021<sub>[12]</sub>).

**Figure 20. Types of co-operation mechanisms with the private sector**

Source: Based on a repository on COVID-19 structures for inter-agency co-operation (covering COVID-19 specific aspects in addition to the border agency co-operation aspects in the TFIs).

48. Co-ordinated early-warning systems across border posts are key to regional and international co-operation and to providing traders with flexibility during times of crises. These can alert traders and shipping companies of disruptions, helping inform adjustment to routes in real time and helping to prevent supply chain blockages. (OECD, 2020<sup>[11]</sup>) highlights that the adoption of common protocols and information exchange systems between border agencies would provide the necessary “circuit breakers”<sup>13</sup> for ports experiencing temporary difficulties: by sharing information on challenges faced, ports would be able to prevent choke points in supply chains and redirect goods towards other points of entry/exit for clearance or warehousing before a problem shuts the system down. This stresses nevertheless also the need to integrate all these dimensions into resilience strategies and crisis preparedness plans for ports (UNCTAD, 2022<sup>[24]</sup>), which should provide clear guidance on which other ports could provide support in times of crisis to avoid chokepoints.

49. There is scope to build on COVID-19 inter-agency co-operation structures to enhance crisis responsiveness and resilience, as well as international co-operation more broadly. Country approaches during the COVID-19 pandemic point to different layers of potential action:

- *Engaging additional border and government agencies in crisis preparedness mechanisms.* The next shock may not be a health crisis and the scope of “essential” goods may evolve. Mechanisms focused solely on COVID-19 goods and co-operation with health agencies could usefully be broadened.

<sup>13</sup> As identified by Dervis and Strauss (2020) (*What COVID-19 means for international cooperation*, <https://www.brookings.edu/opinions/what-covid-19-means-for-international-cooperation/>) in crafting internationally co-ordinated protocols for temporary travel and trade restrictions in the event of potential pandemics.

- *Embedding COVID-19 crisis committees or taskforces formally into existing structures for domestic border agency co-operation.* This would help build a robust co-operation infrastructure emphasising preparedness and planning for effective crisis management.
- *Integrating domestic border agency co-operation mechanisms into regional and international processes.* The TFIs indicate that this requires improvements in co-ordination of border agencies' computer systems and cross-border co-operation on risk management systems. Formal agreements between participating agencies need to clarify what information will be shared and with whom; how information will be exchanged; and how it can be tracked and traced.

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## Annex A. TFIs dataset coverage

Table A.1. Database coverage, by selected income groups

| Grouping                                     | Economies  |
|--|--|
| <b>Low-income economies (LICs)</b>           | Burundi; Burkina Faso; Central African Republic; Chad; Congo, Dem. Rep.; Ethiopia; Gambia, The; Liberia; Madagascar; Mali; Mozambique; Malawi; Niger; Rwanda; Sudan; Sierra Leone; Togo; Uganda; Yemen, Rep.   |
| <b>Lower-middle income economies (LMICs)</b> | Algeria; Angola; Benin; Bangladesh; Belize; Bolivia; Bhutan; Cambodia; Côte d'Ivoire; Cameroon; Congo, Rep.; Comoros; Djibouti; Egypt, Arab Rep.; El Salvador; Eswatini; Ghana; Honduras; Indonesia; India; Kenya; Kyrgyz Republic; Kiribati; Lao PDR; Lesotho; Micronesia, Fed. Sts.; Morocco; Myanmar; Mongolia; Nigeria; Nicaragua; Nepal; Pakistan; Papua New Guinea; Philippines; Samoa; Senegal; Solomon Islands; Sri Lanka; Tajikistan; Tunisia; Tanzania; Ukraine; Uzbekistan; Vanuatu; Viet Nam; Zambia; Zimbabwe |
| <b>Upper-middle income economies (UMICs)</b> | Albania; Argentina; Armenia; Azerbaijan; Bulgaria; Bosnia and Herzegovina; Belarus; Brazil; Botswana; People's Republic of China; Cuba; Dominica; Dominican Republic; Ecuador; Fiji; Gabon; Georgia; Guatemala; Jamaica; Jordan; Kazakhstan; Lebanon; Malaysia; Maldives; Marshall Islands; Mauritius; Moldova; Montenegro; North Macedonia; Namibia; Panama; Peru; Paraguay; Romania; Russian Federation; Serbia; South Africa; Suriname; Thailand; Tonga; Turkey; Tuvalu   |
| <b>High-income non-OECD economies (HICs)</b> | Antigua and Barbuda; Bahrain; Bahamas, The; Barbados; Brunei Darussalam; Cyprus <sup>1</sup> ; Hong Kong, China; Croatia; Kuwait; Malta; Nauru; Oman; Palau; Qatar; Saudi Arabia; Singapore; Trinidad and Tobago; Chinese Taipei; United Arab Emirates; Uruguay  |
| <b>OECD economies</b>                        | Australia; Austria; Belgium; Canada; Chile; Colombia; Costa Rica; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Iceland; Ireland; Israel <sup>2</sup> ; Italy; Japan; Korea; Latvia; Lithuania; Luxembourg; Mexico; Netherlands; New Zealand; Norway; Poland; Portugal; Slovak Republic; Slovenia; Spain; Sweden; Switzerland; Turkey; United Kingdom; United States  |

<sup>1</sup>Note by Turkey: The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the “Cyprus” issue. Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

<sup>2</sup>The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Note: Based on World Bank's classification as of November 2021.

Source: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.