The World Bank Group has assisted countries to implement more than 120 customs, border management and trade facilitation projects over the past 20 years that have resulted in major improvements in terms of reduced time to import and export, as well as better transparency, predictability, and reduced transaction costs for traders.

Part of this is the WBG’s support to the WTO’s TFA agenda through the Trade Facilitation Support Program (TFSP)
WTO-TFA PREPARATION & IMPLEMENTATION SUPPORT
TRADE FACILITATION SUPPORT PROGRAM (TFSP)

Objective

Assist developing countries in reforming and aligning their trade facilitation laws, procedures, processes & systems to enable implementation of the WTO TFA Requirements.

Vision

- Implementation focused
- Rapid response capability
- Deep engagement with the private sector
- Strong monitoring, evaluation & results framework
- Complementary & sequenced Technical Assistance (TA) activity
- IFC-WB presence in most countries, project components included at national and regional levels
- Global expertise
Trade Facilitation Leads to Big Global Gains

A 1-day delay prior to shipping is estimated to reduce trade by >1%

E-docs in air cargo could yield USD12 billion in annual savings

Supply chain barriers reduced halfway to global best practice could increase world trade by USD1.6 trillion

Global gains from full implementation of WTO TFA is tentatively estimated at USD210 billion per annum
Logistics costs increase prices for the consumers: 60% of the cost related to the importation of pineapples CR to Saint Lucia related to documentation preparation, border clearance, transportation and logistics.

Source: Gain, 2013, Adapted from: Logistics, Transport and Food Prices in LAC (2009) and OECS Backward Linkages Study (2008)
INCREASING EFFICIENCY THROUGH AUTOMATION……

• The TFA mandates Governments consider implementing a Single Window to manage imports and exports

• Integrating PCS, Customs processing Systems and NSWs

• Challenging for least developed Countries
A facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. For information submitted electronically, individual data elements should only be submitted once.

UN CEFACT, Recommendation No. 33, July 2005
THE REGULATORY SINGLE WINDOW

- **Single Submission of data and information;**
  Meaning each separate data item pertaining to the release/clearance of a shipment is only required to be supplied once (whether by a commercial operator or a government agency)

- **Single and Synchronous processing of data and information;**
  Meaning that the handling of the data in a specific release/clearance process by government agencies should involve one-time handling, from a Trader’s perspective, that may be synchronous across agencies, and

- **Single Decision-making for Customs release and clearance of cargoes**
  Meaning a single point of decision for the release/clearance of cargoes by Customs on the basis of decisions, if required, taken by line ministries and agencies and communicated in a timely manner to Customs
Concept of Single Window

Trader

Government Agency (e.g. Agriculture, Health, etc.)

Customs (Border)

AGENCY (Border)

Bank

LOGISTICS NETWORKS

Trades Folder

Trade Transaction

Application

Invoice

Bill of Lading

Packing list

Permits

Licenses

Declaration

Assessments

Inspection reports

Receipt

Release Note

WSW

CUSTOMS

Registration

Business License

VAT Certificate

Authorisations
Strategy for building a National Single Window Environment

Strategy Components

- Vision Statement
- Functional Model
- Operational Model
- Governance Model
- Financial Model
- Capacity Building Plan
- Legal Framework
- Constraints

Leading to...

Blueprint for Implementation to take to market
LESSONS LEARNT….

**Managing complexity:**
- SW implementation is a long-term endeavor and complex
- Any automation solution cannot be stand-alone, needs to be appropriate and customized for the existing context;
- Must include all stakeholders, particularly SPS Agencies.

**Creating an enabling institutional framework:**
- A change champion often important to initiate the process but change champions needed to sustain the long term effort involved
- Leadership important but need to make sure all stakeholders share the same vision and accountability for success
- Clear and unambiguous mandate for the lead agency is essential

**Planning is key:**
- An automation trade processing system is an enabler and preparation beforehand is crucial
- Challenges and risks need to be identified and pragmatically assessed - Ambitions and timelines need to be realistic (e.g. telecoms infrastructure, business culture etc)
- Sequencing is key - Trade Information Portal a good place to start – requires the same inter-agency coordination
PORT EFFICIENCY IS CRITICAL...

PORTS IN DEVELOPING COUNTRIES:

- Represent core assets for economic development
- Constitute key logistical nodes of regional trade corridors
- Recognized as important interfaces between sea and land transport systems (de facto multimodal)
- Often lead to inefficiencies with negative impact on trade competitiveness

WHAT ARE THE BIGGEST CHALLENGES PLAGUING THE PORTS AND MARITIME INDUSTRY?

- Poor coordination between partners: 57%
- Too little transparency and visibility: 50%
- Inefficiencies within the supply chain: 37%

DO YOU AGREE THAT REAL-TIME ACCESS & SHARING OF INFORMATION IS VITAL?

- 99% feel this is important
- 59% feel it’s extremely important

Source: Competitive gain in the Ocean Supply Chain, BPI Network, 2017
A couple of Emerging Issues.......
Minimizing pest movement on/in sea containers - Regulators Challenge

• “…Substantial evidence that sea containers represent an important pathway for the unintentional movement of species on the external or internal surfaces of sea containers, some of which are known to be invasive pests…”¹

• Draft ISPM on Minimizing pest movement by sea containers

• Likely net economic benefits from the proposed (draft) International Standard for Phytosanitary Measures 'Minimizing Pest Movement by Sea Container’

¹. Research paper presented to the CPM on the ‘Role of sea containers in unintentional movement of invasive contaminating pests (so-called “hitchhikers’), and opportunities for mitigation measures'
“The person who packs and secures cargo into/onto the cargo transport unit (CTU) may be the last person to look inside the unit until it is opened at its final destination.”

CTU Code (2014)

Also….

- Information can flow ahead of goods
- Structured and systematic risk process makes it easier for officials to make the right decisions
- Identifying the people best placed to manage the risk
Minimizing pest movement on/in sea containers – Industry Perspective

- Contamination is more likely to occur at the pack and unpack points
- Pack and unpack points are generally under the control of the shipper
- Shipping companies cannot be accountable for preventing contamination at this point
- Proposed an alternative - *IMO/ILO/UNECE Code of Practice for Packing of Cargo Transport Units (CTU Code)* and *Joint Industry Guidelines for Cleaning of Containers* - updated with additional practices and phytosanitary information designed to reduce the threat of contamination.
ADOPTION OF THE SOLAS AMENDMENTS

The SOLAS amendments Resolution MSC.380(94)

- Entered into force on the 1st of July 2016.

- The verified gross mass (VGM) is a condition for loading a packed container onto a ship.

- The shipper is responsible for providing VGM.

Method 1: Weighing the packed container using calibrated and certified equipment; or

Method 2: Weighing all packages and cargo items, and adding the tare mass of the container to the sum of the single masses, using a certified method approved by the competent authority of the State in which packing of the container was completed.
ADOPTION OF THE SOLAS AMENDMENTS

IMPLEMENTATION CHALLENGES

1. Access to container weighing facilities by shippers/forwarders (Method 1).
2. Market conditions conducive to competitive pricing e.g. competition in the market for weighing services.
3. Criteria and entities able to certify weighing infrastructure in the country.
4. Processes and fees for Method 2 certification.
5. Costs related to the VGM information transmission to Shipping Line and Terminal Operator.
6. Procedural handling of cases where container lands at the port without a VGM.
7. Coordination between countries handling transit export containers and landlocked countries concerning common standards and criteria.
8. Excessive fees and surcharges applied by terminal operators.

COSTS FOR TRADERS
• Cost of Weighing
• Cost of Transmitting VGM Information
• Costs passed on by freight forwarders and operators to traders

ADDITIONAL TIME TAKEN FOR EXPORTING
• Time taken for Weighing
• Time taken to transmitting the information

REGULATORY GAPS
• Inadequate adoption of IMO VGM amendment into national regulation
• Enforcement & governance challenges
POTENTIAL AREAS OF FOCUS

- Alignment of the national regulation and guidelines issued with the IMO regulation and associated guidelines
- Streamline the processes and procedures of export supply chains
- Prevent unnecessary adoption of fees and surcharges
- Ensure the use of ICT for the proper transmission of VGM data and the concurrent elimination of paper submission requirements.
- Assess the market structure of facilities of VGM related services in the country and identify issues leading to trade facilitation challenges
- Support the existing mechanisms for shippers to report perceived issues and concerns related to the implementation of the VGM regulation
Acceptable level of assurance for compliance
• Strengthened collaboration to minimize point of entry inspection and control for both low risk and compliant trade/traders
• Improves risk communication & transparency
It takes ‘whole of Government’ approach at the border to reduce time and cost and achieve economic outcomes for the community

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