



WORLD BANK GROUP

IsDB-World Bank Capacity Building

Trade and Competitiveness

Oct 20-22, 2011

TRADE AND TRANSPORT FACILITATION ASSESSMENT

Diagnostic Tools and Action Plans

Monica Alina Mustra

INTERNATIONAL TRADE DEPARTMENT

Agenda

1. Regional Cross-Border Program

2. Trade Facilitation Facility

Implementing the TTFA

A toolkit for policy makers and remedial action

What has been implemented?

Original concept = phase 1

- 45 assessments concluded to date
- 5 in progress
 - Half were in the context of DTIS
 - The rest in CEM or Bank ESW on trade and competitiveness
 - Very few independent TTFA assessments

What has been implemented?

Phase 2 trade facilitation and logistics ESW in several MIC:

- **Colombia, Uruguay, Argentina, Brazil**
- **Morocco, Tunisia**
- **Indonesia**
- **Demand for a few other countries**

- **Phase 2 Emphasis on**
 - **Logistics Services**
 - **General Regulation**
 - **Government Participation**

What has been implemented?

- In addition, some **regional assessments** (ECA, SAR, MNA, CAFTA) =
 - more than the sum of component national assessments
- Implemented by other organizations (IADB, UNCTAD, USAID)

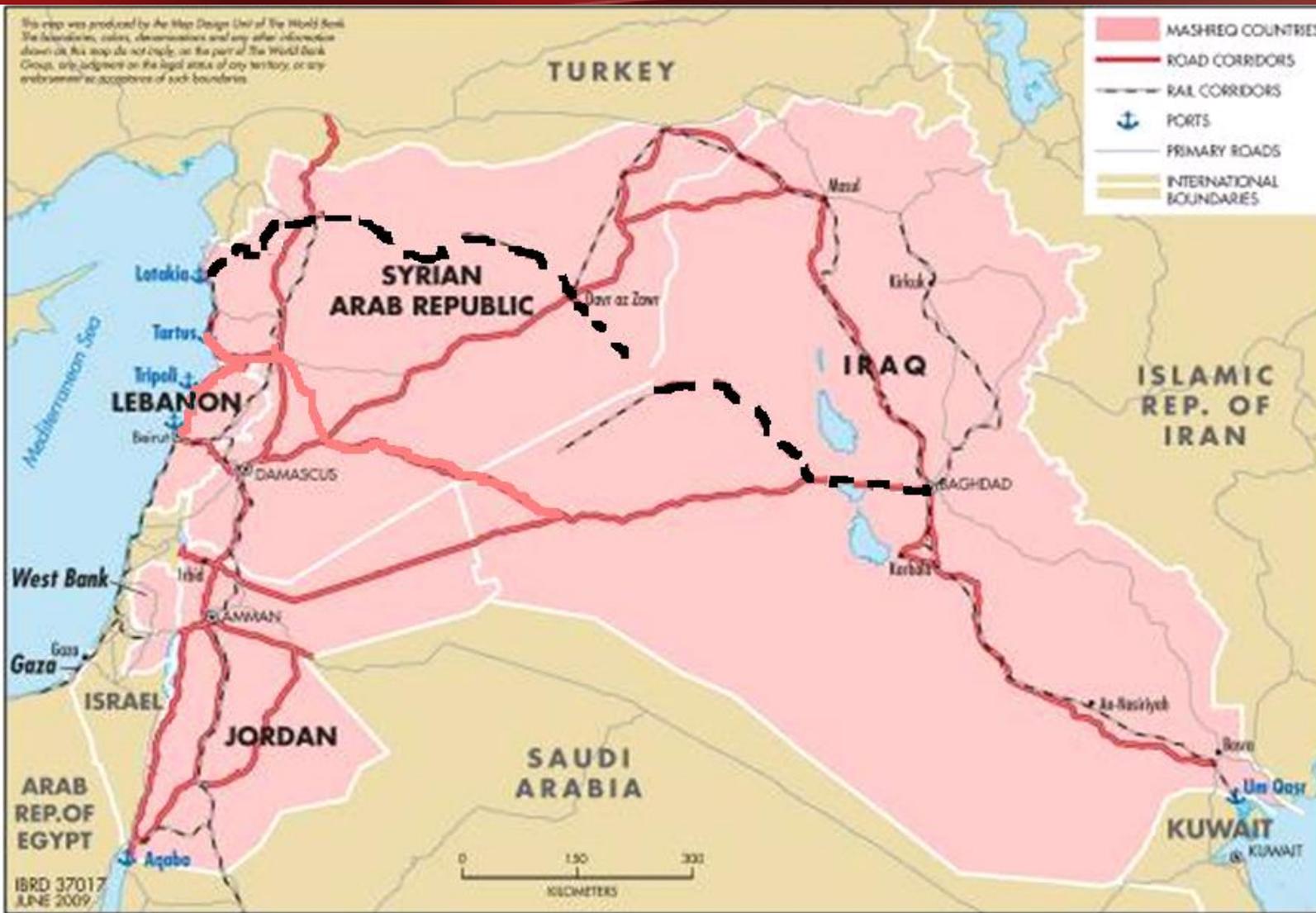
1. Regional Cross-Border Program/Project

Trade Facilitation and Infrastructure

Mashreq Countries

(Iraq, Jordan, Lebanon, Palestine , Syria)

The Mashreq main routes



Improved trade within the region and between the region and the rest of the world

Trade of the Mashreq countries

- 1. In relation to comparable countries, total Mashreq exports as a share of GDP are significantly lower and imports are higher**
- 2. Intra-Mashreq trade is low**
 - more trade with the EU (25% of their total) than with each other (17% of their total)
- 3. Iraq (66%) and Jordan (51%) have comparatively high export shares to the rest of the world compared with Lebanon (26%) and Syria (9%)**

A 2009 study identified main Regional issues:

- 1. Lack of coordination of national projects and policies related to trade facilitation, logistics and transport**
- 2. No integration of cross border facilities or procedures between countries**
- 3. Low quality of trucking fleets ...long delays at borders with third countries**
- 4. No regional trade hub to serve north of Mashreq region**
- 5. Lack of sub-regional economic or corridor management agency**

and proposed recommendations

- Implementation would be best in a **trade corridor context**, managed by a **Corridor Management Agency** rather than a new economic institution
- Focus on Trade Facilitation improvements
- **The World Bank's Mashreq Corridor Program (MCP)**
 - Implementation over 15 years (2 phases)
 - USD 6.8 billion

Methodology of the Study

- **Study based on Regional Trade and Transport Facilitation Assessments (TTFAs) and**
- **Review of relevant previous studies:**
 - **UNESCWA**
 - **European Union (through its EuroMed scheme)**
 - **World Bank**
 - **Other international and bilateral organizations**

Benefits of improved trade facilitation for the Mashreq countries

Potential trade and GDP benefits of improved trade facilitation would include:

- **Annual cost savings more than USD 600 million per year**
- **This translates into additional exports of about USD6 billion per year by 2020.**

Project Objective & Role of Training

Improved trade within the region and between the region and the rest of the world

Project Cost is mostly in infrastructure (border crossings facilities, road and rail improvements) but the **main benefits will come from the trade facilitation measures which include:**

- **Training Programs and**
- **Professional Competence Certification**
 - **Forwarders (with FIATA)**
 - **Customs Brokers (with IFCBA)**
 - **Truck Companies (with IRU – play a major role)**

Further Regional Studies: Maghreb Countries

- The Mashreq study was the first in a series
- The World Bank is currently undertaking a similar study in the **Maghreb Countries**
- And will soon start a trade facilitation assessment in Egypt

2. Trade Facilitation Facility

Trade Facilitation Facility

TRADE FACILITATION FACILITY

Multi-donor trust fund

Managed by the World Bank

Support concrete improvements in TF systems

Help reduce developing countries' trade costs

Emphasis on Africa/low-income countries

Training outcomes and follow up

- **TTFA work in the region is initiated**
- **TTFA phase I/II implementation**
- **Preparation of TTFA workshop based on implementation of TTFA in region**

The World Bank Group
International Trade Department

www.worldbank.org/trade
www.worldbank.org/tradefacilitation
www.worldbank.org/tradelogistics
www.worldbank.org/lpi
www.gfptt.org

Washington Office
1818 H Street NW
Washington DC 20433



Contact: tradefacilitation@worldbank.org