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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 1**

to the Commission Implementing Decision on the financing of the multiannual action plan for the thematic programme Global Challenges (Prosperity) for 2023-2025

**Action Document for EU contribution to the World Bank Trade Facilitation Support Programme**

**MULTIANNUAL PLAN**

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	<b>EU Contribution to the World Bank Trade Facilitation Support Programme</b> OPSYS number: ACT-62115 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative (TEI)</b>	No
<b>3. Zone benefiting from the action</b>	Global
<b>4. Programming document</b>	NDICI-Global Europe Global Challenges Multi-annual Indicative Programme 2021-2027 <sup>1</sup>
<b>5. Link with relevant MIP(s) objectives / expected results</b>	Priority area: Prosperity Specific objective 1: Investment climate, private sector, decent work, employment and trade
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Trade facilitation – DAC code 33120
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: SDG 8: Decent Work and Economic Growth Other significant SDG: SDG 9: Industry, Innovation and Infrastructure
<b>8 a) DAC code(s)</b>	DAC code 33120 – Trade Facilitation – 100%
<b>8 b) Main Delivery Channel</b>	World Bank - 44001

<sup>1</sup> C(2021)9157

<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		YES <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	/
Connectivity @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital connectivity energy transport health education and research		YES <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	/
Migration		<input checked="" type="checkbox"/>	<input type="checkbox"/>	

	Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line: 14.020242 Total estimated cost: EUR 8 000 000 Total amount of EU budget contribution EUR 8 000 000 The contribution is for an amount of EUR 8 000 000 from the general budget of the European Union for 2023			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1			

## 1.2 Summary of the Action

The Trade Facilitation Support Programme (TFSP) was launched in June 2014 to support countries seeking assistance in aligning their trade practices with the World Trade Organization Trade Facilitation Agreement (WTO TFA). The TFSP's funding helps countries— particularly developing countries (DCs) and less developed countries (LDCs)—achieve full and effective implementation of the WTO TFA and related trade facilitation reforms. The action will support the design and implementation of trade facilitation policies in partner countries, alongside the necessary regulatory reform, fully in line with EU standards, values and where relevant legislation, in particular as regards fundamental rights (including data protection and privacy).

The second phase of the Trade Facilitation Support Programme (TFSP II) will support partner countries to:

1. Identify existing constraints and bottlenecks to cross-border trade
2. Design and plan for implementation of practical reform strategies
3. Increase the predictability, transparency, and harmonisation of systems and procedures in line with international standards covering import, export, and transit activities

Key areas of assistance include, but are not limited to:

- Supporting the ratification and notification of the WTO Trade Facilitation Agreement (TFA)
- Undertaking WTO TFA Gap Assessments and implementation of reform action plans
- Supporting the establishment and strengthening of National Trade Facilitation Committees (NTFCs)
- Assisting with the design of risk-based approaches for border clearance
- Preparing for Single Window implementation
- Leveraging global and regional partnerships and knowledge sharing to ensure optimal delivery of support.

Activities implemented through the TFSP involve experts from the World Bank (WB) and the International Finance Corporation (IFC) to engage both the public and private sector perspectives in reforming trade facilitation laws, procedures, processes, and systems to align with the WTO TFA. They implemented the first phase of this programme.

## 2 RATIONALE

### 2.1 Context

This action is supporting least developed & developing countries' efforts to reform their trade facilitation practices in a manner consistent with the main components of the WTO Trade Facilitation Agreement.

International cooperation and a strengthened global trading systems remain key to improving prospects for sustainable long-term growth in Developing Countries and Least Developed Countries (LDCs). The TFSP II is designed to provide practical and demand-driven assistance to partner countries in aligning their trade practices with the World Trade Organization Trade Facilitation Agreement (WTO TFA) and thereby making cross-border trade easier and more accessible.

The action will focus on: identifying existing constraints and bottlenecks to cross-border trade; designing and planning for the implementation of reforms; and increasing the predictability, transparency, and harmonization of systems and procedures in line with international standards covering import, export, and transit activities. Priority will be given to addressing LDCs integration into trade markets by strengthening their trade policies and addressing their main constraints thanks to the TFSP II. Middle-income countries that act as gateways for LDCs or whose performance significantly affects the performance of regional LDCs and small-island nations are also considered for support.

The EU Green Deal, as well Green Deal related regulations and other international agreements, such as the Paris agreement, will guide the implementation of this action.

Political impact:

This action is part of the implementation of the **Global Gateway (GG)** and will help to leverage the EU as a key partner within trade facilitation reform. To ensure that the five investment priorities of the Global Gateway effectively deliver on sustainable long-term impact, Global Gateway actively promotes the consolidation of a **trade friendly environment in partner countries**. Besides, the TFSP programme directly addresses the implementation of the Global Gateway, as it supports both the **public and private sector** in creating a trade friendly environment, increasing transparency, predictability and impact of the actions and investments that the EU is putting forward.

On the side of the **public sector**, the TFSP programme supports better regulation, stronger and accountable institutions able to deliver public services related to trade in an efficient and effective manner, and the facilitation of trade and business. Further, it supports policy and regulatory dialogue and delivers technical assistance on trade facilitation. On the **private sector** side, and in line with the Global Gateway, the action aims to strengthen private initiative to enhance investment climate and business environment and promote regional integration.

In the wider perspective of trade, the EU will continue to deliver EU trade and investment policy tools for enabling environments for sustainable infrastructure (notably the existing bilateral trade and investment agreements or planned/ongoing negotiations of such agreements) with partner countries. In order to ensure continued build-up and impact, the EU will continue to support Alliances for Sustainable Growth and Jobs through various programmes on business environment and investment climate as well as regional economic integration, trade and connectivity.

## 2.2 Problem Analysis

*Short problem analysis:* Recent events (such as the COVID-19 pandemic) have highlighted the vulnerability of trade and logistics worldwide to global crises. To respond, trade facilitation can play a key role in supporting business continuity and recovery efforts - as well as ensuring the swift and efficient delivery of essential goods across borders - by fostering the simplification, modernization and harmonization of export and import processes and thus minimizing disruptions. More generally, trade facilitation makes trade faster and more affordable, levelling the playing field for those that want to engage in international trade.

To help countries implement best practice trade facilitation measures, the WTO's Trade Facilitation Agreement (WTO TFA) contains 36 technical measures on the procedures and requirements to expedite the movement, release, and clearance of goods. Uniquely, the WTO TFA also has special and differential treatment provisions, which allows developing and LDC countries to determine when they will implement individual provisions of the WTO and to identify which ones will can only be implemented upon receipt of technical assistance and capacity building (by notifying these as Category B or C to the WTO respectively). Many LDCs and developing countries have notified the WTO that they require external support to implement technical measures contained with the WTO TFA, particularly technical measures such as risk management, formalities, increased access to information, Advance Rulings, and Single Window. These technical measures are complex and take time and sequencing to implement. Consequently, many LDCs have notified to the WTO these measures as C categories requiring time

and external support to fully and effectively implement. These barriers affect all countries but are particularly burdensome for LDCs and therefore they need a particular and tailor-made support.

The TFSP II is designed to provide this support to assist countries in reforming and aligning their trade facilitation laws, procedures, processes, and systems with the WTO TFA requirements and other international standards. The TFSP's objective is to help countries achieve full and effective implementation of the WTO TFA and related trade facilitation reforms, and its support covers a full spectrum of border procedures and takes a whole-of-government approach that engages with all relevant agencies that exercise border control functions within a country—e.g., customs, standards, sanitary and phytosanitary (SPS), food safety, animal health, and human health—to improve coordination and the efficiency of their respective control functions.

*Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:*

The key stakeholders as well as beneficiaries are the relevant Ministries and/or agencies involved in the export and/or import of goods such as the Ministry of Trade, Finance, Customs as well as line Ministries as the Ministry of Agriculture, Ministry of Industry, etc. Private sector will be a major stakeholder, beneficiary, and partner, including through the Chambers of Commerce and sectoral associations and co-operatives. TFSP actively promotes engagement with private sector entities – either directly, through the NTFC, or with industry associations – to gather feedback from all relevant stakeholders in order to deliver robust support. Regional organisations may also benefit from this programme in case a regional approach seems more adequate than a national approach.

Stakeholders include all border agencies including Customs Administrations, SPS agencies, Ministry of Trade, Standards authorities and relevant border agencies. In addition, the programme will engage and partner with the private sector particularly in supporting the establishment and sustainability of National Trade facilitation Committees.

Local authorities involved in trade are indirectly targeted in this action as it is envisaged to engage with trade actors on several level. The action will not involve Civil Society Organisations (CSOs).

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to facilitate trade across countries.

The **Specific Objective** of this action is to improve Developing Countries' and Less Developed Countries' customs laws, procedures and processes, in alignment with WTO TFA.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

- 1.1 Enhanced capacity of governments in the partner countries to develop and implement trade policies, processes and procedures consistent with the WTO TFA
- 1.2 Improved management systems related to border inspections and clearance processes
- 1.3 Enhanced access to automation and innovative solutions for trade facilitation, including e-payment systems, national trade portals and single window systems.

#### 3.2 Indicative Activities

Activities relating to Output 1.1

The main areas of intervention supporting the core principles of the WTO TFA include:

- Assistance to schedule commitments and implementation timelines;
- Review and validation of Self Assessments and identification of reform gaps;
- Undertake diagnostic studies;

- Support and strengthen national trade facilitation committees;
- Review/revision and drafting of trade-related laws and implementation regulations as needed to ensure their alignment with the TFA;
- Foster partnerships between public and private sectors to catalyse trade facilitation reforms; and
- Emphasis is given to rapid-response type interventions, with a view to create and sustain reform momentum. TFSP can also to create more open trade regimes and lead to higher impact.

#### Activities relating to Output 1.2

- Integration of risk-based management systems and other contemporary border management approaches into border inspections and clearance processes;
- Review of inter-agency coordination and design of institutional capacity building plans;
- Support of regional solutions to facilitate and support regional integration;
- Implementation of policies and practices to facilitate the recognition of agreed standards for goods crossing borders;
- Improvement of transparency and accountability measures of trade practices.

#### Activities related to Output 1.3

- Support for the design and implementation of automated systems and innovative technologies to facilitate trade,
- Promote the knowledge, training and use on e-payment systems, national trade portals and single window systems.
- Facilitate harmonisation of e-payments systems, procedures and regulations.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

Trade and the environment have positive and negative effects on each other. On one hand, for example, each stage of the trading process can generate greenhouse gas emissions, exacerbating climate change. At the same time, trade can be disrupted by climate change with extreme weather events often devastating transport and logistics. On the other hand, trade can offer a solution by helping countries adapt to higher average temperatures and more extreme weather events, for example, by offering consumers lower-emissions goods and services and facilitating the use of climate-friendly technology. The action aims to mainstream climate change in order to use trade to adapt and leverage new opportunities as the world adjusts to climate change. Greening trade facilitation by ensuring all actions are sustainable and respectful of the environment, but also securing additional resources into more green related actions and fostering increasing coherence between policies and actions on trade facilitation linking with environmental and sustainable approaches. Investing in national processes in both developed and developing countries will be essential for integrated decision making and stakeholder consultation on the role of trade and trade policies in sustainable development—and the environment-related and A4T priorities that flow from these. Reducing the time and cost at ports and land borders provides an opportunity to effectively reduce emissions and environmental impacts related to cross border trade.

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

#### **Gender equality and empowerment of women and girls**

In order to achieve the objectives of the action, relevant cross-cutting issues will be addressed. In line with the Gender Action Plan (GAP) III and the Youth Action Plan, the action will support the participation of women, young and vulnerable/marginalized groups (small-scale cross-border traders, informal sector traders & workers, ethnic minorities, disabled).

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1.

TFSP includes the deployment of an instrument to identify and assess the specific constraints in cross border trade faced by woman owned, led and/or managed firms as it relates to undertaking and completing trade processes and procedures. Recommendations are made on how to address the challenges – leveraging trade facilitation measures – based on the constraints identified.

### Human Rights

n/a

### Disability

n/a

### Reduction of inequalities

n/a

### Democracy

n/a

### Conflict sensitivity, peace and resilience

n/a

### Disaster Risk Reduction

TFSP remains flexible to respond to any emerging crises. TFSP-supported activities are highly relevant to combatting crises by helping countries embed efficient and effective trade facilitation-related measures that can strengthen resilience against future negative shocks that impact regional and global trade and supply chains. Activities, for example, have included mainstreaming the creation of expedited shipments regimes for priority products related to vaccines and climate related event imports. Trade facilitation will continue to play a critical role by removing administrative and regulatory bottlenecks at borders to reduce the time and cost to access global markets while improving transparency and predictability for traders, which is critical to relieving supply chain pressures and trade disruptions that impact the global economy in the time of crises.

### Other considerations if relevant

n/a

**Digitalisation for development** is a further mainstreaming area of the action due to its relevance to trade and to the new priorities of the EU for international partnerships. Digital tools will offer access to recent technologies to drive mitigation and adaptation.

## 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood	Impact	Mitigating measures
3	Lack of country's commitment.	Low	Low	Clear commitment by countries will form part of the country selection criteria, and cooperation agreements are to be signed before implementation starts.
3	Countries may be at different stages of reform and reform commitment. Also, there might be uneven political	Medium	Medium	The programme team will engage in an on-going communications strategy with private and public stakeholders in beneficiary countries to make sure that reform commitment continues to be strong and that all the key stakeholders

	commitment among key stakeholders.			are clear on the reform objectives and their relevant roles.
3	Limited capacity at multiple stakeholder agencies can delay the implementation	Medium		To mitigate the risk of delays, the programme design includes a monitoring and evaluation framework with a consistent feedback mechanism to support timely implementation of reforms.  Steering Committees will be established to oversee the implementation of the project and they will work with partners on capacity building where possible.
2	Long-term nature of the reform and sustainability.	Medium		Close cooperation with the private sector stakeholders will ensure that commitment to the reforms is maintained in the long term.

### Lessons Learnt:

Through the implementation of Phase I, it was identified that many countries face common technical challenges that can make trade inefficient. This includes:

- A general lack of awareness of processes and procedures among traders
- Mandatory documents and official fees and charges are not often published or made easily accessible
- There are excessive manual processes and outdated legislation
- There is a lack of integrated ICT environments and inefficient logistics
- There is a lack of an integrated approach to risk management
- There are multiple checks of documents and duplication in data entry and recording
- There are multiple interpretations of the WTO TFA or a lack of clear understanding of the legal implications of the TFA
- Not all government agencies are fully integrated into the TFA agenda

These are areas that can benefit from trade facilitation measures to make information more accessible and transparent, make processes simpler, and improve border agency coordination. Sequencing, coordination, commitment, capacity building, and legal updates, public-private dialogue, ICT support/connectivity are key factors to successful trade facilitation reforms. More details on some of lessons learned in relation to the design and execution of TFSP-supported activities in phase I are described below. While some of the challenges are unique most are common across countries.

**Capacity:** Particularly in LDCs the NTFC may be weak or inactive. In such instances, it is critical to enhance its capacity because the NTFC is a good mechanism for obtaining buy-in and consensus on reform priorities, especially when it has participation from the private sector. Early set-up of an NTFC supports efficient use of resources by improving coordination among participants and reduces the risk of duplicating funds.

Where implementation capacity varies across border agencies (customs agencies often have higher implementation capacity than other agencies), capacity building across all border agencies is vital to enhance their overall understanding of trade reforms and ensure that benefits of interventions are maximized.

Where smaller countries lack sufficient resources, it is important to develop a project implementation plan that will take into account their specific issues and capacities. The work plan should ensure there is a logical sequence in implementation and that staff is not exhausted.

**Legal:** There can be unclear mandates or frequent changes at customs, border agencies, and it is critical to ensure the leadership mechanism is in place to ensure the sustainability of reforms. Each NTFC Secretariat requires a legal framework that defines the Secretariat's functions and its mandate. It should have an adequate structure with dedicated professionals to support the implementation process, including programme and project management and strong communications capabilities.

Additionally, countries with more stable administrative frameworks generally make faster progress because full and effective implementation of reforms requires clear legal mandates and legal foundations. From a legal standpoint, codifying interagency cooperation through an interagency agreement can establish the ground rules for how agencies will interact as well as how they will exchange trade data and handle import and export declarations. To mitigate issues related to reshuffling of staff or government changes, a broad distribution of contact points on the government side (across agencies) can be helpful in ensuring continuity of work.

**Prioritisation and sequencing:** Some government agencies are not aware of the importance of prioritising their border activities. High level political support is needed to take the lead in making decisions to sequence reforms on the basis of identified priorities, ensure that there is sequential flow between technical assistance on a measure and its implementation, periodically take stock of the streams of technical assistance coming from different development partners, and take steps to achieve a balance between the requirements for technical assistance and the capacity of the beneficiary organisation to receive it. Initial general introductory "what this is all about" workshops and meetings followed by a quick transformation to action-based activities are also helpful to set priorities. Failing to recognise where to set priorities may result in inefficient and ineffective allocation of resources, and thus data collection and analysis serve to help clients better identify, prioritise, and target reforms.

**Commitment:** Frequent delays or frustration with implementation goals hampers the trust among stakeholders and commitment to the reform agenda. Political will is important for successful reforms. Prompt communication and messaging about trade facilitation initiatives is necessary in order to clarify any misconceptions on the possible outcomes of the initiatives and to garner whole-hearted support from the relevant agencies.

### 3.5 The Intervention Logic

This programme will support the implementation of the WTO Trade Facilitation Agreement (TFA) in Developing and Least Developed Countries. Activities will be carried out at the country, regional, and global level. These activities include, among others, the provision of technical assistance and capacity building for trade facilitation reforms; diagnostics, needs assessments and reforms plans; support the implementation of policies and practices, promote the knowledge and training, facilitate the harmonisation of procedures across borders, etc. These activities are expected to address key challenges related to inconsistent/unreliable/costly trade challenges as well as the lack of transparency and trust among stakeholders.

The complex and comprehensive set of activities will enhance the capacity of governments in the partner countries to develop and implement trade policies, processes and procedures consistent with the WTO TFA, improve the management systems related to border inspections and clearance processes and will also enhance access to automation and innovative solutions for trade facilitation, including e-payment systems, national trade portals and single window systems.

With the implementation of this programme the time and cost to trade will be reduced through the simplification, modernisation, and harmonisation of trade procedures and practices; enhancement of collaboration and coordination between border agencies and the private sector; integration of risk-based approaches; and improvement of transparency and predictability of trade facilitation measures.

Overall, the programme will improve Developing Countries' and Less Developed Countries' customs laws, procedures and processes, in alignment with WTO TFA.

Activities will be implemented in collaboration with international partners and leveraged through the creation of the National Trade Facilitation Committees to ensure the public-private dialogue mechanism is in place to lead the implementation and sustainability of the reforms.

### 3.6 Logical Framework Matrix

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To facilitate trade across countries	increase trade volumes in DC and LDCs Increase trade volumes in intra regional trade within DC and LDC	TBC during first year of implementation	TBC during first year of implementation	WTO DATA OECD DATA	<i>Not applicable</i>
Outcome	To improve Developing Countries' and Less Developed Countries' customs laws, procedures and processes, in alignment with WTO TFA	Number of Trade facilitation related laws approved in DC and LDCS number of countries that have advanced in the implementation of the WTO TFA	TBC during first year of implementation	TBC during first year of implementation	WTO TFA reports WTO TFA meetings reports TFSP reports	

<p><b>Output 1.1</b></p>	<p>Enhanced capacity of governments in the partner countries to develop and implement trade policies, processes and procedures consistent with the WTO TFA</p>	<p>1 Number of governmental institutions in DC and LDC that implemented recommended changes, yearly</p> <p>1.2 Number of recommended trade laws/regulations/amendments/codes enacted or government policies adopted , aligned to the WTO, yearly</p> <p>1.3 Number of recommended procedures/firm-level policies/practices/standards that were improved or eliminated with the TFSP II support, yearly</p> <p>1.4 Number of trade portals implemented with TFSP-support</p> <p>1.5 Number of Time Release Studies (TRS) published</p> <p>1.6 Number of National Trade Facilitation Committees (NTFCs) established per the WTO TFA</p> <p>1.7 Number of agreements between governments completed to improve trade facilitation</p>	<p>TBC during first year of implementation</p>	<p>TBC during first year of implementation</p>	<p>2.1 World Bank Group project appraisal, supervision and completion reports</p> <p>2.2</p>	<p>Project activities build capacity of relevant stakeholders to implement and operationalize recommended reforms, practices and/or standards</p> <p>Public and private stakeholders engage in project activities and commit to cross-border collaboration</p> <p>Government agencies are willing to share information, data and legal documents related to trade, including with cross-border partners</p> <p>Relevant stakeholders are able to access online resources, including web-based trade portals</p>
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						and/or other IT systems
<b>output 1.2.</b>	Improved management systems related to border inspections and clearance processes	<p>Number of risk management approaches supported in customs and/or other agencies</p> <p>Number of countries that reduced the number of cargo inspections. Measured annually, by border clearance agencies</p>	TBC during first year of implementation	TBC during first year of implementation	World Bank Group project appraisal, supervision and completion reports	<p>Project activities build capacity of relevant stakeholders to implement and operationalize recommended reforms, practices and/or standards</p> <p>Public and private stakeholders engage in project activities and commit to cross-border collaboration</p> <p>Government agencies are willing to share information, data and legal documents related to trade, including with cross-border partners</p> <p>Relevant stakeholders are able to access online resources, including</p>

						web-based trade portals and/or other IT systems
<b>Output 1.3</b>	Enhanced access to automation and innovative solutions for trade facilitation, including e-payment systems, national trade portals and single window systems	<p>Number of processes related to partner country practices on trade, investment and business, or promoting the external dimension of EU internal policies or EU interest, which have been influenced ( GERF 2.15)</p> <p>1.1.4 Number of e related trade laws/regulations/amendments/codes /government policies developed with support of the EU-funded intervention</p> <p>1Number of procedures/firm-level policies/practices/standards recommended for improvement or elimination with support of the EU-funded intervention</p>	TBC during first year of implementation	TBC during first year of implementation	World Bank Group project appraisal, supervision and completion reports	Technical assistance provided is of high quality, demand-driven and delivered on-time

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is **72** months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.<sup>2</sup>

#### 4.3.1 Indirect Management with an entrusted entity

This action will be entirely implemented in indirect management with the World Bank, which has been selected by the Commission's services using the following criteria:

- Through Trade Facilitation Support Programme (TFSP), the entrusted entity has provided Trade Facilitation Agreement (TFA) implementation support to over 50 countries.
- The entrusted entity must have a network of global and regional partners that can be leveraged to deliver joint initiatives and activities to ensure a coordinated and complementary implementation of technical assistance and capacity-building.
- Phase 1, managed by the entrusted entity, has helped countries improve their alignment with the WTO TFA.
- The entrusted entity has the resources and competence to manage the programme required to rapidly respond to country demand including country offices in most countries. This modality in phase I was particularly relevant during COVID-19 when support and travel was limited.
- The WB is an important multilateral partner for the EU.
- The WB has the unique advantage of being able to convene a whole of Government approach leveraging strong relationships with other international organisations including the WTO, WCO, ITC, IATA, and regional secretariats.
- The WB has the resources and competence to manage the programme required to rapidly respond to country demand including country offices in most countries. This modality in phase I was particularly relevant during COVID-19 when support and travel was limited.

The entrusted entity will assure the TFSP II will respond to country demand and provide support to fully and effectively implement measures of the WTO TFA including, among others, the following activities:

- Undertake TFA and/or related gap analysis;

<sup>2</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- Assistance to schedule commitments and implementation timelines;
- Review and validation of Self Assessments and identification of reform gaps;
- Support and strengthen national trade facilitation committees;
- Review/revision and drafting of trade-related laws and implementation regulations as needed to ensure their alignment with the TFA;
- Specific implementation support for technical measures identified to the WTO in category B and C.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

#### 4.4. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Outputs 1.1, 1.2 and 1.3	
Indirect management with the WBG – cf. section 4.3.1	8 000 000
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	may be covered by another Decision
<b>Totals</b>	8 000 000

#### 4.5 Organisational Set-up and Responsibilities

This action is to be implemented by the WBG and will be built on the lessons learned and best practices from the TFSP Phase I, launched in 2014 and coming to an end in June 2024.

Being this a global trust fund managed by the WBG, the programme organisational set up and responsibilities will be jointly defined with the other donors and will be aligned to WBG practices and international requirements.

Currently, the TFSP I is supported by nine donors: the European Commission, Sweden, the Netherlands, Canada, Norway, Australia, Switzerland, the UK and the US and collaborates with other international organisations (for example, WTO, World Customs Organization (WCO), United Nations Conference on Trade and Development (UNCTAD), United Nations Economic Commission for Europe (UNECE), Global Alliance).

These donors have confirmed their commitment to further support the implementation of the WTO TFA with a second phase to the donors' trust fund TFSP Phase II. New donors can eventually join.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: The WB will provide an Annual TFSP Report to all Donor Partners including to the European Commission. The logframe is aligned with the TFSP Programme logframe to ensure consistency.

## 5.2 Evaluation

Having regard to the nature of the action, an ex-post evaluation may be carried out for this action or its components through a joint mission.

Mid-term and final programme evaluation and final audits will be funded by the programme and will be carried out by independent consultants recruited directly by the World Bank.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the action will be implemented by the WBG as trust fund manager and implementing partner of this global trust fund.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measures constituting a Financing Decision.

## 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

# 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 '[Communicating and Raising EU Visibility: Guidance for External Actions](#)', it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures covering the entire TFA Support Programme (Trust Fund...) which shall be based on a specific Communication and Visibility Plan of the Action.

The Communication and EU visibility measures shall be implemented by the entrusted entity in accordance with the terms of the Framework Agreement between the EU and the World Bank.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations. Moreover, the European Commission – World Bank Group Joint Visibility Guidelines included in the Framework Agreement should be used as a reference.

As far as possible, the TFA Support Programme should identify potential areas where broader strategic communication could be sought.

## Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

<b>Action level (i.e. Budget Support, blending)</b>		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action