

PROGRAMME



OECD Regional Forum on **Trade Facilitation**

Challenges and Opportunities for Eastern and Southern Africa

11-12 June 2008, Cape Town, South Africa



ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT

WITH THE FINANCIAL SUPPORT
OF THE EUROPEAN UNION



BACKGROUND

Why does trade facilitation matter?

Trade facilitation can have a significant impact on economic development and poverty reduction. More efficient international trade procedures and customs operations can significantly reduce border-related trade transaction costs, which results in increased volumes of trade and welfare gains, particularly for developing countries. Moreover, they can increase a country's competitiveness and attractiveness for foreign investors, enhance its tax collection and help prevent corruption and smuggling. Reforms in that policy area can thus bring valuable benefits to businesses, governments and consumers alike.

However, trade facilitation reforms may, in some cases, be complex to design and implement. In addition, their cost implications have been a significant concern for developing countries in the framework of the WTO negotiations on trade facilitation. While the 2004 WTO General Council Decision (the "July Package") acknowledges that trade facilitation is important to make the process of trading smoother and to strengthen the participation of developing countries in the global economy, some countries argued that the disproportionate costs of trade facilitation may be difficult to justify in the light of other development priorities. Accordingly, Annex D of the July Package indicates that negotiations on trade facilitation "shall also address the concerns of developing and least-developed countries related to cost implications of proposed measures". Annex D also invites the OECD and other international organisations to "assist Members in (the) process ... of identifying individual Members' trade facilitation needs and priorities and the cost implications of possible measures" and to ensure that "technical assistance and capacity building for trade facilitation is effective, operational and coherent".

What is the OECD doing in the area of trade facilitation?

To respond to this invitation and support the work of the WTO negotiating group on trade facilitation, the OECD has produced various *analytical studies* that examine the costs and benefits of introducing trade facilitation measures, identify good practices and approaches for implementing such measures at national and regional levels, and provide practical recommendations to increase the effectiveness of technical assistance and capacity building in this area. The latest OECD work include the following papers and publications, which can all be downloaded free of charge at www.oecd.org/trade/facilitation/workingpapers : "Examining the trade effect of certain customs and administrative procedures"; "Logistics and time as a trade barrier"; "A review of technical assistance and capacity building initiatives for trade facilitation", "Special and differential treatment in the area of trade facilitation"; "The role of automation in trade facilitation"; and "The cost of introducing and implementing trade facilitation measures".

In addition, the OECD has regularly participated in *WTO-led technical assistance* on trade facilitation and has engaged in the *organisation of Global and Regional Forums*, in view of generating discussions between member and non-member countries on the results of its analytical work. The primary objectives of those Forums are to enhance members' and non-members' understanding of the issues at stake in the current WTO negotiations and to promote an **informal dialogue and confidence-building** amongst all relevant stakeholders (i.e., governments, businesses and civil society), in view of promoting a successful conclusion and implementation of a future WTO Agreement on Trade Facilitation. The first of those events was organised in Colombo, Sri Lanka in October 2005 and gathered stakeholders from all regions; the second was organised in Yaoundé, Cameroon, in September 2006 and mainly gathered stakeholders from Western and Central Africa.

The 2008 Regional Forum on Trade Facilitation

This year's OECD Regional Forum is organised in Cape Town, South Africa, on 11 and 12 June 2008, with the generous support of the European Union. The Forum will gather 80 to 100 stakeholders from Eastern and Southern Africa. It will be preceded by the bi-annual meeting of the *Global Facilitation Partnership for Transportation and Trade* on 9-10 June 2008 (organised by the World Bank).

DAY 1, Wednesday 11 June 2008

WELCOME

8:30-9:00 **Registration**

9:00-9:30 **Opening Remarks**

Mr. Leonard Radebe, Manager Operations, South Africa Revenue Service
Mr. Stefan Tangermann, Director, OECD Trade and Agriculture Directorate

9.30-9.45 **Update on the WTO negotiations on trade facilitation**

Mr. John Malone, DG Taxud, European Commission

SESSION 1: THE ECONOMICS OF TRADE FACILITATION

9:45-10:45 This session will set the stage by presenting key findings of recent studies on the benefits and costs of trade facilitation reform for governments, businesses and consumers. It will also provide the opportunity to discuss concrete country experiences and lessons learned.

Questions to consider include:

- What is the potential impact of trade facilitation measures on countries' trade and investment flows, productivity, export competitiveness and regional integration efforts?
- What are the cost implications and the challenges of trade facilitation measures for developing and least-developed countries?
- What is the perspective of the private sector seeking to benefit from facilitated trade and improved market access opportunities for their products?

Chair: Mr. Tom Butterly, Trade Facilitation Branch, UNCTAD

Lead speakers:

- Mr. James Ng'ang'a, Port Community Based System, Kenya, *The Benefits of Trade Facilitation for Trade Flows, FDI and Governance*
- Ms. Evdokia Moise, OECD Trade and Agriculture Directorate, *The Costs of Trade Facilitation Measures*
- Mr. Richard Morgan, Unilever plc Africa, *The Business Perspective*
- Ms. Emma Wanjiru Ng'ang'a-Gichuhi, SDV Transami/ Bolloré, Kenya, *Comments on the Business Perspective on Trade Facilitation*

10:45-11:00 **Coffee break**

11:00-12:30 **Open discussion**

12:30-14:00 **Lunch**

DAY 1, Wednesday 11 June 2008 (cont.)

SESSION 2: CHALLENGES FOR EASTERN AND SOUTHERN AFRICA

14:00-15:15 This session will outline the main trade facilitation related challenges countries face at national and regional levels. Discussions will focus more specifically on the impact of informal cross-border trade and weak transport infrastructure and services on trade facilitation. The session will also identify key political and institutional features necessary for successful reform (e.g., public-private collaboration, government agency coordination and sustained political will).

Questions to consider include:

- What are the particular challenges facing Eastern and Southern Africa?
- Does informal cross-border trade get in the way of trade facilitation reforms, and can such reforms help firms switch from informal to formal trade?
- How do institutional and political factors affect the design and implementation of trade facilitation reforms?

Chair: Mr. Anthony Kleitz, OECD Trade and Agriculture Directorate

Lead speakers:

- Mr. Creck Buyonge, Centre for Customs and Excise Studies, Africa Office, *Trade Facilitation in a Regional Context*
- Mr. Peter Malinga, Uganda Revenue Authority, *Informal Cross-Border Trade and Trade Facilitation in Eastern and Southern Africa*
- Mr. Gerard McLinden, World Bank Trade Department, *Key Institutional Factors for Successful Trade Facilitation Reform in Eastern and Southern Africa*

15:15-15:30 **Coffee break**

15:30-17:00 **Open discussion**

18:30 **COCKTAIL**

DAY 2, THURSDAY 12 JUNE 2008

SESSION 3: PREPARING THE GROUND FOR SUCCESSFUL IMPLEMENTATION OF TRADE FACILITATION REFORMS

9:30-10:45 This session will focus on key aspects for the successful implementation of trade facilitation reforms. It will consider the tools designed to help developing countries assess their needs and capacity gaps in relation to trade facilitation reforms; it will examine how domestic and regional capacities for the implementation of trade facilitation reforms can be strengthened; and how donors can best support developing countries in their endeavours. The session will also assess the likely implications these issues might have for the implementation of a future WTO Agreement on Trade Facilitation.

Questions to consider include:

- How can we take account of the particular circumstances, needs and capacity gaps of reforming countries so as to ensure ownership and sustainability of reforms?
- What are the benefits and difficulties of designing and delivering technical assistance and capacity building support for trade facilitation on a regional basis?

- How can developing countries address capacity gaps in their administrations? And what is the role of donors in this regard?

Chair: Ms. Christina Rahlén, Ministry of Foreign Affairs, Sweden

Lead speakers:

- Ms. Elisabeth Tamale, Ministry of Tourism, Trade and Industry, Uganda, *Experience with the WTO Self-Assessment Tool*
- Joe Kelly, World Customs Organisation, *Benefits and Challenges of Regional Capacity Building*
- Mr. Vishnu Bassant, Ministry of Finance and Economic Development, Mauritius, *Aid for Trade and Trade Facilitation*

10:45-11:00 Coffee break

11:00-12:30 Open discussion

12:30-14:00 Lunch

SESSION 4: CONCLUDING ROUNDTABLE: THE WAY FORWARD

14.00-16:30 This session will offer the opportunity to reflect on the Forum discussions and their implications for the ongoing WTO negotiations and consider the possible challenges following an eventual conclusion of a WTO Agreement on Trade Facilitation.

Questions to consider include:

- Taking into account the cost implications and challenges of trade facilitation measures, how can future commitments be best linked to the implementation capacities of WTO Members?
- What provisions for special and differential treatment can best ensure that the potential benefits from a trade facilitation agreement will be fully reaped by all WTO Members?
- What are the main challenges of trade facilitation in the aftermath of a possible conclusion of a WTO agreement?

Chair: Mr. Stefan Tangermann, Director, OECD Trade and Agriculture Directorate

Discussants:

- Mr. John Malone, DG Taxud, European Commission
- Mr. Tom Oommen, Department of Foreign Affairs and International Trade, Canada
- Mr. Erich Kieck, Customs Strategic Policy Dept., South Africa Revenue Authority
- Mr. Lucas Saronga, Minister Plenipotentiary, Tanzania Mission to the WTO
- H.E. Mr. Arsene Balihuta, Ambassador, Uganda Mission to the WTO

Open discussion

16:30-17:30 Summing up

Mr. Stefan Tangermann, Director, OECD Trade and Agriculture Directorate

Closing Remarks

Mr. Erich Kieck, Customs Strategic Policy Dept., South Africa Revenue Authority