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Q1: Respondent details

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Q2: Country or Customs territory

- INTERNATIONAL ORGANIZATION

Q3: Organization

Public sector

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Q4: Title of case story

Leveraging the WTO Trade Facilitation Agreement to boost intra-regional trade in West Africa

Q5: Case story focus

Trade Facilitation.

Q6: Case story abstract

Since early 2014, the ITC and the WAEMU secretariat and its Member States have embarked on a journey towards the regionally harmonized and coordinated implementation of the the WTO Trade Facilitation Agreement. With a view to establish a more consistent and predictable trade environment within the region and to reduce the implementation costs through economy of scales, the ITC and the WAEMU have mobilized public and private stakeholders from all Member States and reached a consensus on the modalities of a regional approach to the TFA implementation.

Q7: Who provided funding?

Bilateral donor, Multilateral organization

Q8: Project/Programme type

Regional

Q9: Your text case story

The context

The West African Economic and Monetary Union is a regional economic community comprising Benin, Togo, Burkina Faso, Mali, Niger, Guinea Bissau and Ivory Coast. With the objective of establishing a single regional market the WAEMU countries (often referred to by their French acronym, UEMOA) have taken important steps to establish a common external tariff and common customs code. Despite significant progress however, some challenges to deeper regional integration persist.

According to the World Bank Doing Business – Trading Across Borders indicators, the cost of conducting trade transactions in the WAEMU region remains 15% higher than the world average - almost four times higher than in advanced economies. The high time and cost of cross-border operations contributes to relatively low level of intra-

advanced economies. The high time and cost of cross-border operations contributes to relatively low level of intra-regional trade, which in 2014 accounted for only 13% of WAEMU members' total.

To address these challenges, the bloc in 2013 launched an ambitious regional trade facilitation programme with a view to facilitate the circulation of goods by simplifying and harmonizing cross-border procedures and requirements. After WTO members concluded the Trade Facilitation Agreement later that year, the WAEMU secretariat and its Member States decided to accelerate and deepen their efforts to reduce barriers to intra-regional trade.

Using the WTO TFA to support regional trade facilitation

Immediately after Bali Ministerial Conference where the TFA was agreed, the WAEMU Secretariat and member states decided to adopt a regional approach for TFA implementation. They sought ITC assistance in this endeavour.

Under the TFA, governments need to categorize their future obligations into 'Category A' commitments, which they are already implementing or will implement immediately upon the agreement's entry into force; 'Category B' commitments, for which they require additional time; and Category C commitments, for which they require additional time and technical or financial assistance.

The WAEMU secretariat initially wanted to issue a common region-wide categorization notification (i.e. all countries would submit the same list of category A, B and C commitments). But an ITC-organized regional event, involving representatives from relevant ministries, border agencies and the private sector, revealed great disparity among countries' conformity with future TFA obligations: the eight countries had only one category A measure in common!

ITC then suggested an alternative path towards a regional approach to TFA implementation: the harmonized implementation of selected category B and C measures, supported by a coordinated effort to raise technical and financial assistance for WAEMU member states.

ITC then developed criteria conceptual framework to help the WAEMU secretariat and member states identify measures suitable for a coordinated approach:

- The measure is allocated in category B or C by a majority of UEMOA countries
- Implementing the measure would require changes in the regional legal framework
- Uncoordinated and non-harmonized implementation of the measure would make the trading environment more complex for traders
- The measure supports the corridor framework driving regional integration
- Synergies achievable through a regional approach

Recognizing that a one-size-fits-all approach to all eight countries was not appropriate, ITC proposed a multi-level scheme for the degree of harmonization and coordination of TFA measures::

- Level 1 – Regional cooperation - information, best-practices and tool sharing
- Level 2 – Regional harmonization - development of regional implementation guidelines but individual countries decide on the sequencing and timing of implementation
- Level 3 – Regional coordination: WAEMU provides guidelines and ensures that implementation is synchronized over the region to ensure maximum benefits for the traders
- Level 4 – Regional implementation: EC takes charge of implementing selected measure on behalf of member states (e.g. internet publication, enquiry points, border agency coordination)

In close collaboration with the WAEMU Secretariat, ITC has designed and implemented the following three-step methodology:

- First, ITC organized a regional TFA assessment that mapped each country's measure-specific level of compliance with the TFA Agreement, , providing a comprehensive understanding of best-practices and gaps
- Next, with a view to identifying the common technical assistance needs in the region, ITC has developed project proposals for the implementation of category C measures in six out of the eight WAEMU countries.
- Finally, ITC organized a regional event in Dakar in March 2016, gathering public and private stakeholders from all countries during which 9 measures relevant for a regionally harmonized and coordinated implementation approach.

The implementation of this strategy relied on two key principles throughout: private sector involvement and donor coordination. For businesses, especially for small and medium sized enterprises (SMEs), TFA implementation offers a path to internationalization, by allowing them to access international value chains at lower cost and at greater speeds. To maximize their gains from the TFA, SMEs must have a sound understanding of how the new procedures and requirements will complement their business priorities. Like other WTO agreements, the degree to which the intended benefits of the TFA can be actually realized will depend upon how it is implemented in national law and practice. While governments are primarily responsible for implementation, businesses play a critical role in the consultative process to

advise authorities as to best to apply the agreement in the national environment. This is why ITC has systematically involved private sector representatives to voice their priorities and needs in the process of developing TFA implementation project proposals as well as in regional events.

In addition, ITC has consistently used its network of partnerships with leading public and private organizations in the area of trade facilitation to mobilize the best available expertise and avoid duplication of work. In this context, the World Bank, UNCTAD, the World Customs Organization and the Global Alliance for Trade Facilitation have been active participants and co-organizers of regional events.

Key Results

ITC's work with the WAEMU Secretariat and its member states to coordinate TFA implementation across the region has led to several significant outcomes:

- Five of the eight WAEMU Member States have ratified the WTO trade facilitation agreement, and two have already notified their category A provisions;
- Policymakers agree on the importance of involving the business community in the identification, design and implementation of trade facilitation reforms, reflecting a significant change in mindset;
- Selected best-practices have been identified at the regional level that could be replicated in the context of a regional trade facilitation implementation plan: Trade Facilitation Portals in Mali, Authorized Operator Scheme in Senegal...
- Establishment of governance structures to facilitate the implementation of the TFA at national (NTFC) and Regional (RTFC) levels
- WAEMU members have reached consensus on the measures to be harmonized at the regional level.

Q10: Lessons learnt

Several key success factors have been identified in the course of this ITC-WAEMU initiative and that should be taking into account going forward or when replicating similar approaches in other regional economic communities:

- Keep the momentum high: the design and implementation of regionally harmonized and coordinated trade facilitation reforms require a strong commitment from the REC as well as from the Member States. To ensure the sustainability of the process, it is critical that all stakeholders are regularly mobilized through regional workshops and/or active communication on the progress of the initiative. Otherwise, the road of the least resistance will lead countries to focus on national approaches rather than regional ones. From 2014 to 2016, ITC and WAEMU have organized 12 activities at national and/or regional level to keep a high level of engagement of all stakeholders.
 - Identify a "coalition of the willing": the regional design and implementation of the TFA is an iterative process that requires frequent interactions between national and regional stakeholders. To ensure that the discussions can continue from one workshop to the other, it is important to build a network of committed professionals in each country early in the project. This network should then be systematically mobilized in all activities and will constitute the backbone of the initiative.
 - Identify and start implementing quick wins: to demonstrate the relevance and the impact of a regional approach towards the implementation of the TFA, the REC should identify and implement small scale initiatives as a proof of concept. In the context of WAEMU, the secretariat launched a project for the dematerialization of the regional Certificate of Origin. This project acted as a catalyst for the discussion on the TFA implementation, identifying the challenges and opportunities of regional initiatives
 - Involve the private sector: the benefits of the TFA for the private sector can only be achieved if the implementation modalities reflect the needs of businesses for increased competitiveness. Therefore, representatives from the business community must systematically be included in all activities. In addition, the private sector can act as a relay in countries to keep the reform momentum high.
 - Strengthen donor coordination: many donors and technical partners are active in the WAEMU region both at the national and regional level. To ensure that the regional approach towards TFA implementation can build on existing initiatives, ITC and WAEMU have systematically called upon all available partners – World Bank, UNCTAD, World Customs Organization, Border Alliance, Global Alliance for Trade Facilitation - to participate in their activities and to harmonize and coordinate trade facilitation reforms in the region.
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