



# **Implications of the WTO Trade Facilitation Agreement on the LLDCs**

2 June 2014

Ulaanbataar, Mongolia

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# Benefits of the Agreement to LLDCs

- Speed up border crossing procedures;
- Make trade easier, faster, cheaper and more competitive;
- Provide clarity, efficiency and transparency;
- Reduce bureaucracy and corruption;
- Provide opportunity to join global value chains
- Application of information technology and best practices;
- National and MFN for goods in transit.
- International support to build capacity for the implementation of the trade facilitation measures.

# Freedom of Transit

- Goods (...) shall be deemed to be in transit across the territory of a contracting party when the passage across such territory (...) is only a portion of a complete journey beginning and terminating beyond the frontier of the contracting party across whose territory the traffic passes.
- There shall be freedom of transit through the territory of each contracting party, via the routes most convenient for international transit (...), No distinction shall be made which is based on the flag of vessels, the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods, of vessels or of other means of transport.
- (...) such traffic coming from or going to the territory of other contracting parties shall not be subject to any unnecessary delays or restrictions and shall be exempt from customs duties and from all transit duties (...)

## **Article 6 - Disciplines on fees and charges imposed on or in connection with importation and exportation**

Traffic in transit shall not be conditioned upon collection of any fees or charges; fees should be limited to the size of fees and charges to the approximate cost of services rendered.

Information on fees and charges shall be published promptly.

An adequate time period shall be accorded between the publication of new or amended fees and charges and their entry into force.

Each Member shall periodically review its fees and charges with a view to reducing their number and diversity.

## **Article 8 - Border Agency Cooperation**

- Members shall cooperate on mutually agreed terms to coordinate procedures at border crossings to facilitate cross-border trade.
- alignment of - working days and hours;
- alignment of procedures and formalities;
- development and sharing of common facilities;
- Joint controls
- One stop border posts.

## **Article 10 – Formalities connected with importation and exportation and transit**

- Provisions aims at harmonizing, simplifying and reducing transit formalities and documentation.
- Accept paper or electronic copies of export or import documents.
- Establish or maintain a single window.
- Use relevant international standards as a basis for importation, exportation or transit formalities and procedures.
- The TF Committee shall develop procedures for the sharing of information, and best practices on the implementation of international standards.

## **Article 13 - Institutional Arrangements**

Each Member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of provisions of the Agreement.

## Provision of Assistance for Capacity Building

- Donor Members agree to facilitate the provision of assistance and support for capacity building to developing country and LDC Members, on mutually agreed terms and either bilaterally or through the appropriate international organizations to implement the provisions of the Agreement.
- The following principles -
- take account of the overall developmental framework of recipient countries and regions;
- include, where relevant and appropriate, activities to address regional and sub-regional challenges and promote regional and sub-regional integration;
- ensure that ongoing trade facilitation reform activities of the private sector are factored into assistance activities;



## **Information on Assistance to be Submitted to the Committee**

- To provide transparency to developing and LDCs Members on the provision of assistance and support, each donor Member assisting shall submit to the Committee, at entry into force of the Agreement and annually thereafter, the following information on its assistance and support for capacity building:
  - a description of the assistance and support for capacity building;
  - the status and amount committed/disbursed;
  - procedures for disbursement of the assistance and support;
  - the beneficiary country, or, where necessary, the region; and
  - the implementing agency in the Member providing assistance and support.

# Actions to ensure optimal benefits to the LLDCs

1. Encourage ratification of the agreement by WTO members
2. LLDCs need to assess their technical assistance and capacity building support needs and priorities to implement the agreement and ask development partners to make available support to meet their needs.
3. A decision on the work programme on small economies was taken in Bali in 2013 – this could be of relevance to some of the LLDCs.
4. It is important for the WTO to launch a dedicated Work Programme for the LLDCs - assist LLDCs address their special needs -Trade Facilitation, Aid for Trade, Services, Electronic Commerce and WTO accessions

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# Thank You

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