



USAID
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GLOBAL ALLIANCE FOR TRADE FACILITATION

The World Trade Organization’s Trade Facilitation Agreement (TFA) has the potential to dramatically improve the speed and efficiency of moving goods across borders. To help countries take full advantage of this historic agreement, USAID played a catalytic role in launching the Global Alliance for Trade Facilitation. By bringing together the private sector, other governments and international NGOs, the Alliance seeks to unlock and develop overseas markets—benefiting both American companies and USAID’s partner countries worldwide.

The Alliance (tradefacilitation.org) recognizes that private sector voices are critical to trade facilitation reforms. The Alliance utilizes the expertise of two dozen private companies, including FedEx, Fiat Chrysler, Maersk and Walmart. It uses a private sector-driven approach and relies on the real experience of traders at the border for country selection, problem identification, technical solutions and monitoring the impact of the activities.

Originally conceived by USAID, the partnership now includes the governments of Australia, Canada, Germany and the United Kingdom. The International Chamber of Commerce, the World Economic Forum and the Center for International Private Enterprise run day-to-day operations of the Alliance.

THE PROMISE OF THE TRADE FACILITATION AGREEMENT

The TFA, which entered into effect in February 2017, provides a unique opportunity to promote inclusive growth by making cross-border trade easier, quicker and less costly for businesses of all sizes.

The projected impact is huge. By one estimate, full implementation of the TFA has the potential to reduce global trade costs by an average of 14 percent, and the Organisation for Economic Co-operation and Development has calculated that a 1 percent reduction in global trade costs increases worldwide incomes by \$40 billion. The World Trade Organization estimates full implementation could create 20 million jobs worldwide, including in the United States.

THE ALLIANCE IN ACTION

The Alliance supports efforts in developing countries to enhance awareness of the importance of TFA and of the role of public-private cooperation in implementing customs and border reforms. It has launched activities in seven countries across three continents to decrease the time and cost to trade—helping goods more efficiently flow across borders.

LATIN AMERICA

In **Colombia**, the Alliance is supporting an improved risk management mechanism for inspection of food, medicines, medical equipment and cosmetics with the Colombian National Food and Drug Surveillance Institute. The Alliance is also working with the Colombian customs authority on the development of expedited clearances for targeted imports, including automobiles.

ASIA

In **Sri Lanka**, the Alliance is exploring public-private partnerships in several areas ideas, including support to facilitating trade through a consolidation hub.

In **Vietnam**, the Alliance is working with the customs authority to establish a bond guarantee process aimed at enabling conditional releases of goods from the ports, which will have an immediate impact on clearance times.

AFRICA

In **Ghana**, the Alliance used private-sector expertise to review direct and indirect costs of trade bottlenecks on supply chains. It will utilize this evidence to implement specific reforms related to pre-arrival processing.

In **Kenya**, the Alliance used a similar private sector-driven approach to determine specific trade facilitation priorities related to pre-arrival processing. The Alliance worked with business to gain a clearer picture of the trade barriers they face by collecting day-to-day data on trade times and costs.

In **Morocco**, the Alliance is working with the business community and government to explore possible areas for cooperation to support trade-led growth and job creation.