

German Aid for Trade

5th GTI Trade Facilitation Committee Meeting

Changchun, PRC, 02 September 2015



Content:

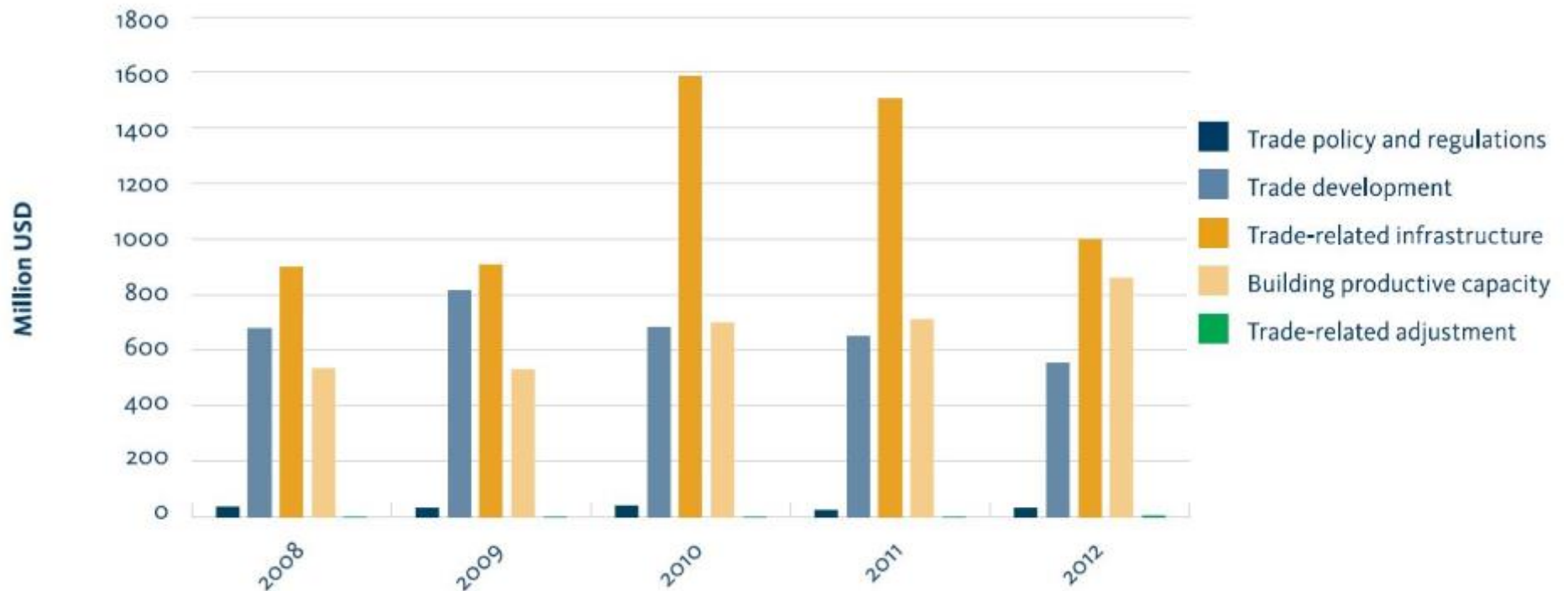
- 1. Aid for Trade: details on German contribution**
2. Aid for Trade: programme logic example
3. WTO Trade Facilitation Agreement
4. WTO Trade Facilitation Agreement: example



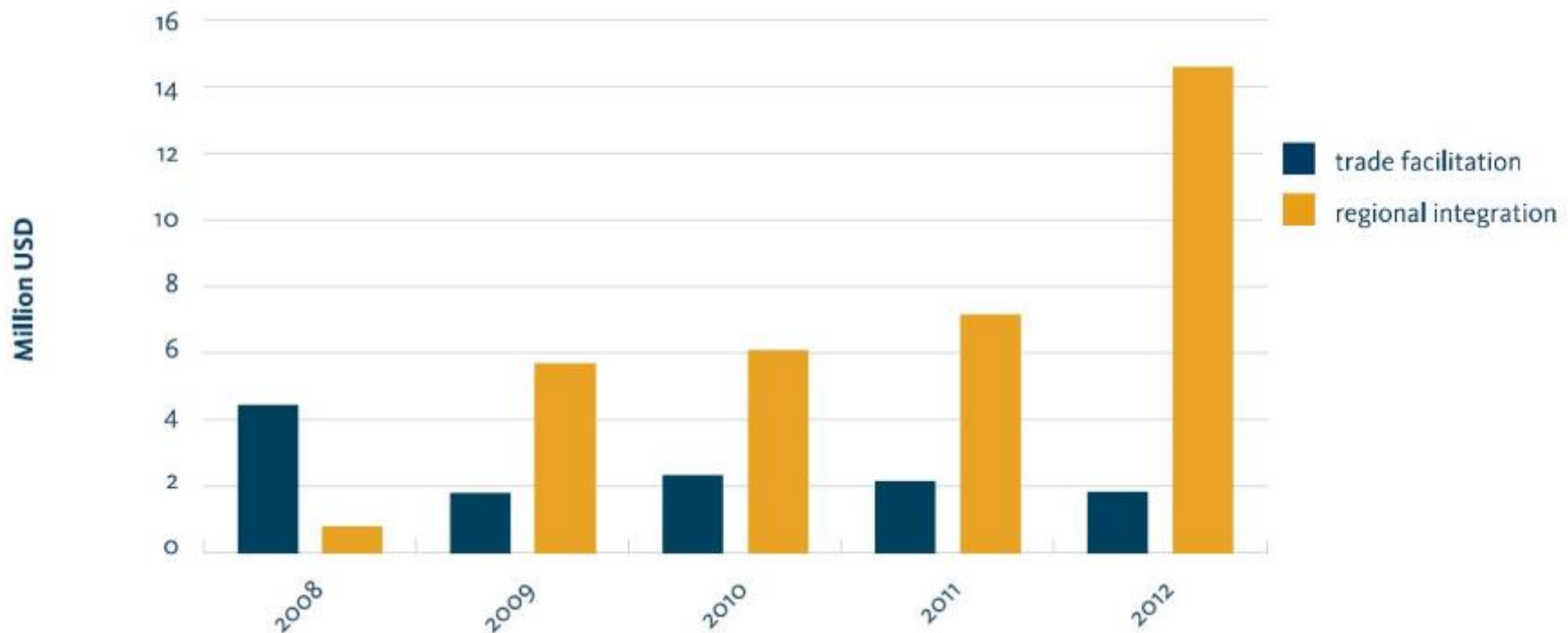
Aid for Trade

- Need for trade related development policy identified by WTO Doha Round in 2001
- Aid for Trade launched in 2005 at 6th WTO Ministerial Conference
- Logic: trade as important engine of economic development
- Aim: strengthening link between development policy and trade policy in the interest of developing countries

German Bilateral AfT Disbursements by AfT Category (in current prices)



German Trade Facilitation and Regional Integration (in current prices)



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GIZ

**Support for Economic
Cooperation in
Subregional Initiatives in
Asia**

Programme Phase 2

July 2015 – June 2019
Volume: 4,5 Mio. €



Objective

- Support to subregional integration and cooperation initiatives
 - Trade facilitation
 - Maritime Economy
 - Public-Private Partnerships

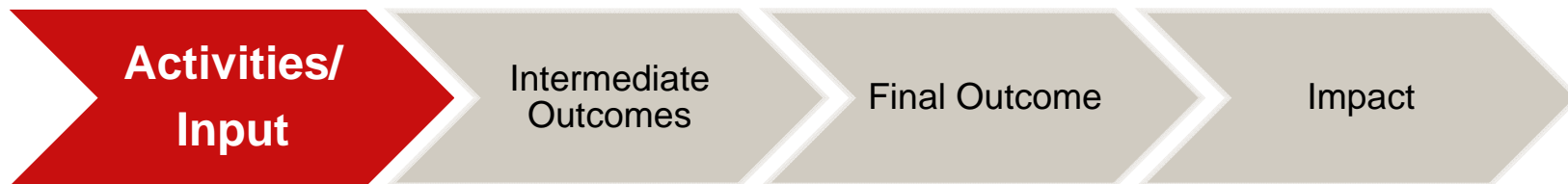
Approach

- Capacity development
- Support to implementation of regional strategies and plans

Commissioned by

- German Federal Ministry for Economic Cooperation and Development (BMZ)

Programme Logic of the German AfT Concept



Trade Policy and Regulations

- Intergovernmental Macro-Level: Advising secretariats of regional organisations
- National Macro-Level: Assistance of partner governments in implementing trade policies

Trade Development

- Meso-Level: Support of business-oriented trade promotion organisations, and private sector organisations
- Micro-Level: Helping SMEs and small-scale firms

Programme Logic of the German AfT Concept



Trade Capacity

- Strengthened (trade) negotiation capacities and capacities for (trade) policy design
- Enhanced capacities to effectively implement (trade) agreements and policies
- Increased export and supply capacities of the private sector
- Improved integration into regional and international value chains

Programme Logic of the German AfT Concept



Trade Performance

- Partner countries diversify their economies and exports
- Partner countries successfully integrate themselves into the global economic system and regional economic communities

Programme Logic of the German AfT Concept



Sustainable development and poverty reduction

Thematic Focus: Trade Facilitation

Activity	Description
1 ACFTA Trade Mapping	<ul style="list-style-type: none"> Technical Input: Mr. Edmund Sim, Appleton Luff Int. Lawyers and Mr. Zhang Wei, SIST Partners: Shenzhen Institute of Standards and Technology (SIST) Participants: Chambers and line ministries of Viet Nam, Lao PDR, Cambodia
2 Single Window Training	<ul style="list-style-type: none"> Technical Input: Mr. Andrej Kuznetsov, Simourg Ltd. Partners: Mongolian Customs (MCGA), General Agency for Specialized Investigation (GASI), Mongolian Chamber (MNCCI) Participants: Line ministries of Mongolia, Lao PDR, Cambodia, Tajikistan
3 Infrastructure Financing	<ul style="list-style-type: none"> Technical Input: Marcel van den Broeck, Consulting Partners: Greater Tumen Initiative (GTI)
4 Regional Knowledge Exchange	<ul style="list-style-type: none"> Technical Input: Various practitioners and experts Partners: GTI, UNESCAP, DoCom Guangxi, line ministries and research institutes from all over Asia Participants: Line ministries of all Asian partner countries

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4. WTO Trade Facilitation Agreement: example



WTO Trade Facilitation Agreement

- “Bali-Package” adopted in December 2013
- Trade Facilitation Agreement is the most important agreement of the Bali-Package
- The Agreement is legally binding upon all members
- Aim: simplification, harmonisation and standardisation of trade procedures

WTO Trade Facilitation Agreement

- The Agreement contains trade facilitation measures that all members have to implement:
 - Measures on transparency, fees, charges and formalities as well as cooperation of customs administrations
- All industrialised countries made the commitment to support developing countries in the implementation of these measures

WTO Trade Facilitation Agreement

Potential impact of these measures:

- Reduction of global trade related transaction costs by 15%
- Rise in global GDP by 1 trillion USD
 - In developing countries: 500 billion USD
 - Creation of 21 million jobs worldwide

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Global Trade Facilitation Alliance

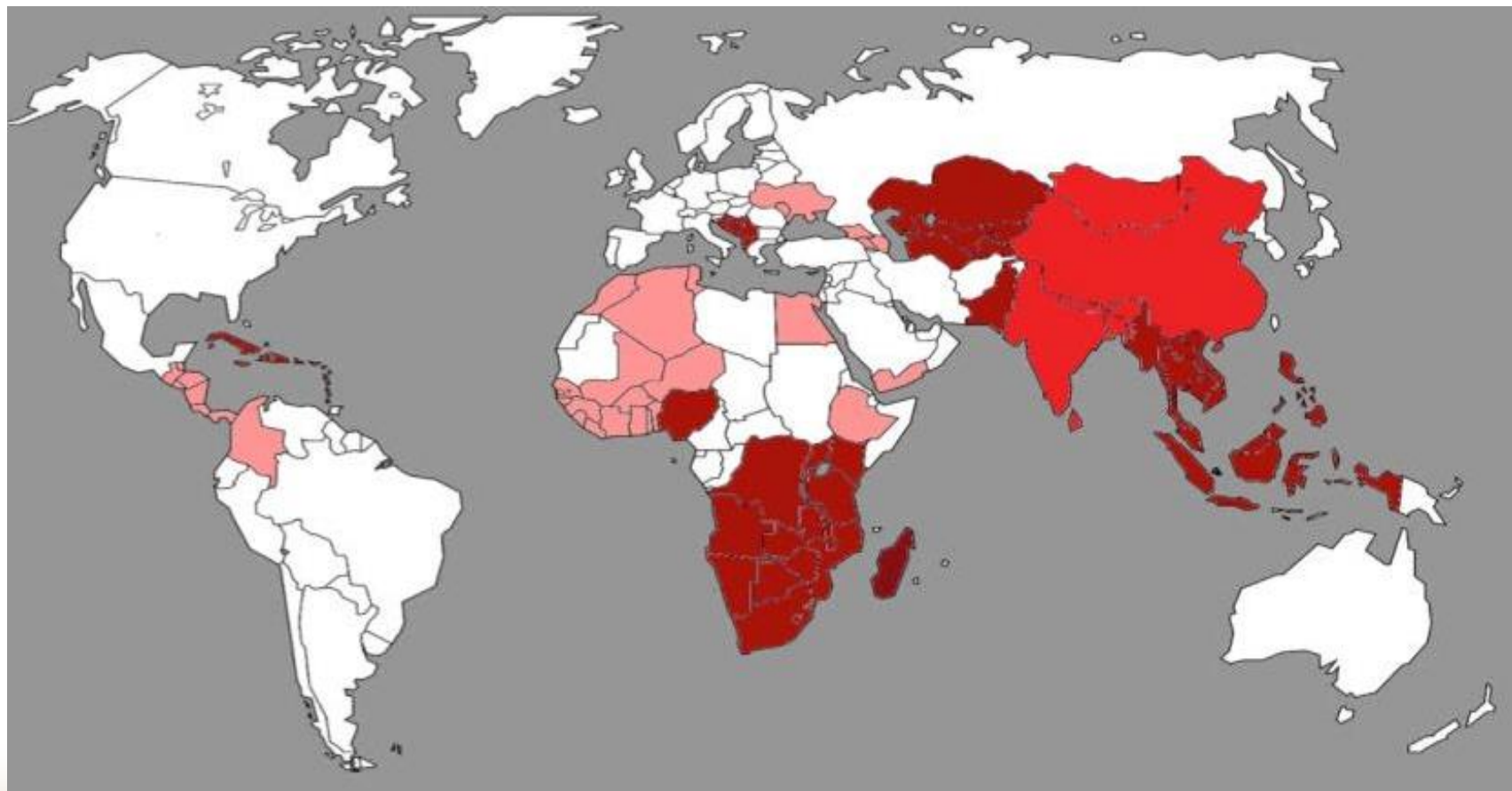
- Multi-donor initiative that focuses on the interests and the engagement of the private sector in the implementation of the Trade Facilitation Agreement



Global Trade Facilitation Alliance

- „Strategic Alliance“ between international companies and donors (US, UK, GER, CAN, EU)
- Secretariat at WEF, ICC, CIPE, with an estimated fund of 50 Mio. USD
- Trade Facilitation projects for and with companies, donors and developing countries and countries in transition
- German contribution of 6 mio. EUR via GIZ

Trade Facilitation within BMZ's Aid for Trade Portfolio



Sources

Federal Ministry for Economic Cooperation and Development [Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung, BMZ] (2011): *Aid for Trade in German Development Policy, BMZ-Strategy Paper 07/2011e*, Bonn/Berlin: BMZ, Division Globalisation, Trade, Investment.

German Institute for Development Evaluation [Deval] (2015): *Aid for Trade – Policies and Strategies in German Development Cooperation*, Bonn: German institute for Development Evaluation.

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