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Committee on Trade Facilitation

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**TRADE FACILITATION AGREEMENT FOUR YEAR REVIEW
ARTICLE 23.1.6 OF THE TFA**

COMMENTS ON THE WTO SECRETARIAT FACTUAL REPORT (G/TFA/W/41)

**COMMUNICATION FROM MONGOLIA ON BEHALF OF THE GROUP OF LANDLOCKED DEVELOPING
COUNTRIES**

The following communication, dated 15 July 2021, is being circulated at the request of the delegation of Mongolia on behalf of the Group of Landlocked Developing Countries.

1. LLDC group would like to suggest the following items for consideration with regard to the First Review of the Operation and Implementation of the Trade Facilitation Agreement Factual Report contained in document G/TFA/W/41:

- Add a table to reflect the number of LLDC notifications under categories A, B, and C on an article by article basis plus the common articles notified under each category. This may be relevant in identifying the most difficult provisions to implement in various LLDCs' experience or those requiring assistance under category C;
- Present comparative trade (export and import) data based on the different groups of countries such as developed, developing, LLDCs and LDCs from the year 2017 to 2020. This would be essential for the general understanding of the relation between TFA implementation and a global trade scenario in different groups of Members;
- Include a chart identifying the type of technical assistance required by LLDCs to demonstrate a clear picture of LLDCs' priority;
- Incorporate into the report a separate section on LLDCs with a brief assessment of both challenges and achievements. This would provide a clear understanding of the situation of the LLDCs in TFA implementation and areas for collaboration, especially in transit facilitation.

2. In this regard, the group suggests the Secretariat including the following factual information in the report:

- i. Out of 26 LLDCs that are members to WTO, all have ratified the TFA. As of 1 June 2021, the implementation rate of the TFA by LLDCs stands at 50.7 per cent. LLDCs have been successful in the implementation of 10.5 on preshipment inspection (92.3%), 5.2 on detention (88.5%), 9 on movement of goods (88.5%), 10.6 on use of customs brokers (84.6%), 10.9 on temporary admission of goods and inward and outward processing (80.8%), 10.8 on rejected goods (76.9%) and 10.7 on common border procedures (73.1%) with current implementation rates above 70 per cent.
- ii. However, articles 10.4 on single window (23.1%), 5.3 on test procedures (26.9%), 7.7 on authorized operators (26.9%), 8 on border agency cooperation (27.6%), 7.4 on risk management (33.7%), 1.3 on enquiry points (34.6%), 7.8 on expedited shipments (34.6%), 1.2 on information available through internet (38.5%), 3 on advance rulings (38.5%), 7.6 on average release times (38.5%) and 10.3 on use of international standards (38.5%) lag behind with implementation rates below 40% in LLDCs.

Table 1. Rate of TFA implementation commitments by LLDCs

Article	Heading/Description	Global rate of implementation commitments (%)	LLDC rate of implementation commitments (%)	Category C future implementation commitments
1.1	Publication	67.1	46.2	26.9
1.2	Information available through internet	65.5	38.5	53.8
1.3	Enquiry points	64.6	34.6	61.5
1.4	Notification	71.8	57.7	15.4
2.1	Comments and information before entry into force	73.8	65.4	7.7
2.2	Consultations	70.6	53.8	11.5
3	Advance rulings	61.8	38.5	30.8
4	Procedures for appeal or review	78.9	65.4	15.4
5.1	Notifications for enhanced controls or inspections	68.6	50	34.6
5.2	Detention	89	88.5	3.8
5.3	Test procedures	55.8	26.9	69.2
6.1	General disciplines on fees and charges	69.9	65.4	15.4
6.2	Specific disciplines on fees and charges	71.8	69.2	11.5
6.3	Penalty disciplines	81.9	65.4	7.7
7.1	Pre-arrival processing	74.2	42.3	42.3
7.2	Electronic payment	68.7	46.2	42.3
7.3	Separation of release	79.5	65.4	11.5
7.4	Risk management	59.8	33.7	66.3
7.5	Post-clearance audit	68.7	46.2	50
7.6	Average release times	63.8	38.5	57.7
7.7	Authorized operators	54.3	26.9	57.7
7.8	Expedited shipments	72.3	34.6	50
7.9	Perishable goods	72.4	46.2	30.8
8	Border agency cooperation	59	27.6	71.8
9	Movement of goods	90.2	88.5	3.8
10.1	Formalities	69.8	50	46.2
10.2	Acceptance of copies	70.8	46.2	26.9
10.3	Use of international standards	69.9	38.5	53.8
10.4	Single window	45.1	23.1	73.1
10.5	Preshipment inspection	91.1	92.3	7.7
10.6	Use of customs brokers	87.1	84.6	7.7
10.7	Common border procedures	83.5	73.1	11.5
10.8	Rejected goods	86.5	76.9	7.7
10.9	Temporary admission of goods and inward and outward processing	86.8	80.8	3.8
11	Transit	76.1	58.4	20.7
12	Customs cooperation	70.8	57	39

- iii. LLDCs have identified human resources and training, legislative and regulatory frameworks, and information and communication technologies, infrastructure and equipment, institutional procedures, awareness-raising, diagnostic and needs assessment as their primary concerns, in order of importance.
 - iv. In relation to aid-for trade-flows to LLDCs: since 2006, LLDC have received close to USD 85 billion in aid-for-trade disbursements. In 2019, LLDCs, received disbursements of USD 7.7 billion, slightly less than in 2018 (USD 8.0 billion). Yet, at 17%, the share of Aid for Trade going to LLDCs as compared to global disbursements has been relatively stable since 2017.
 - v. Five LLDC members have notified donor arrangements and technical assistance progress.
 - vi. One of the key provisions of the TFA for the LLDCs is Article 11 on Freedom of Transit. Notifications on Article 11 show that LLDCs have implemented 58.4% of obligations. 20.9% of Article 11 obligations will be implemented after a transition period and a further 20.7% will be implemented after the acquisition of capacity through technical assistance. In the case of the transit developing countries these figures are 56.7%, 14.3% and 29.0%, respectively.
 - vii. Mongolia and the Kyrgyz Republic circulated information on their National Transit Coordinator in accordance with article 11.17.
3. Under the sub-heading 3.2. "Experience sharing exercise/thematic discussions", insert a summary of common issues and constraints of LLDCs for the general understanding of the issues and challenges faced by such a group of countries.

Recommendations

4. LLDC group suggests that the following recommendations are included in the report:
- Urge Members to continue to provide technical, financial and capacity building assistance to LLDCs on a sustainable basis, with a view to the effective implementation of the Agreement;
 - Call for the constructive cooperation of transit countries for the early and effective implementation of disciplines that will contribute to reducing transit time and costs, simplify procedures and introduce greater certainty in cross-border trade;
 - Recognise the severe negative impacts for the progress of post-COVID-19 recovery and resilience building efforts of the LLDCs;
 - Considering the importance of international trade to LLDCs, addressing trade related challenges faced by LLDCs and building their trade capacities is fundamental for mitigating the impact of the pandemic and in building back better post-COVID-19. In this sense, the Aid4Trade support to LLDCs is therefore fundamental to addressing the impact of COVID-19 and in supporting their post- COVID-19 recovery efforts;
 - Call on donors and development partners to pay more attention to LLDCs in granting technical assistance, especially for the implementation of articles which lag behind;
 - Encourage LLDC Members to notify donor arrangements and technical assistance progress;
 - Encourage LLDCs and Transit Members to nominate their National Transit Coordinator and inform the Committee;
 - Encourage further cooperation between National Trade Facilitation Committees, sharing best practices and experiences, in particular between LLDC NTFCs and transit country NTFCs.
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