

Department of Foreign Affairs and Trade (DFAT) Australia Management Response

Stocktaking/Assessment & Learning Review of the World Bank Group (WBG) Trade Facilitation Support Program (TFSP)

Recommendation	Response	World Bank Action to be Taken	DFAT Response	Timeframe
<p>1. Improve sustainability of the National Trade Facilitation Committees (NTFCs) and interventions in general by increasing private sector engagement.</p> <ul style="list-style-type: none"> • Main focus of TFSP is with public sector stakeholders – border agencies. • Private sector needs to be more involved at NTFC level. • A well-structured plan that not only formalizes private sector participation but enhances involvement in decision-making processes is needed. • Success of TFSP leveraging the Global Alliance for Trade Facilitation for private sector engagement should become more standard rather than exceptional. • Approach requires stronger investment of resources, training, and capacity-building to strengthen private sector’s capacity to participate. 	<p style="text-align: center;">Agree</p>	<p>The World Bank Group (WBG) appreciates this recommendation and will explore ways to increase involvement and build the capacity of the private sector, including potentially designing specific capacity building to increase the sustainability and effectiveness of private sector stakeholders. Initial discussions to partner with the Global Alliance and ICC are underway.</p>	<p>DFAT agrees that the sustainability of NTFCs requires focused improvement, particularly in terms of active private sector engagement.</p> <p>The relevance and effectiveness – and ultimately the sustainability of the NTFCs will only be as strong as the involvement of their stakeholders, including the private sector.</p> <p>Therefore, NTFC coordination and processes must reflect the value of the NTFCs as an inclusive platform where a range of perspectives are represented and heard, and where priorities are integrated into trade facilitation initiatives.</p> <p>DFAT urges the WBG to develop a plan with time bound goals for strengthening private sector participation and decision making within NTFCs, inclusive of e.g., women traders/associations and MSMEs/SMEs.</p>	<p>Pre-Phase 2</p>

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<p>2. Enhancing the monitoring and evaluation function.</p> <ul style="list-style-type: none"> • Revise the TFSP Program objectives in the theory of change (TOC) and results framework to replicate indicators used at the project level. • Agree on targets for all indicators in the program-level results framework, including output, outcome, and impact level. • Report achievement against all indicators in the results framework on an annual basis, as well as cumulative over the life of the program. • Build in routine gap assessment/tracking of alignment to TFA periodically to ensure comprehensive tracking of progress. • Include support for NTFCs to be able to also track progress through self-assessment after project support has ended. • Consider how individual country-level TFA Tracking Tool data can be made available publicly, particularly to private sector operators in the relevant countries, while protecting the sensitivity of the data. 	<p>Agree</p>	<p>As TFSP phase 1 concludes and phase 2 begins, the TFSP Secretariat will take the opportunity to update the program level results framework and indicators to reflect accurate reporting and areas of activity as follows:</p> <ul style="list-style-type: none"> • The TOC will be revised, and the program and project level indicators will be updated and integrated into one framework. • Where possible, targets will be set and updated periodically for outputs and outcomes. Given the demand driven nature of TFSP support, special care must be given to set targets that take into account the fluidity of program support as countries are added and/or completed through the life of the program. • Results will be reported both annually and cumulative over the life of the program. • Routine tracking tool updates will be undertaken periodically to measure TFA alignment. • The team is also in discussions with the OECD to jointly develop indicators useful to measure impact in LDCs and MICs. 	<p>DFAT strongly agrees with this recommendation and all related actions.</p> <p>This area has been identified as one requiring action in previous evaluations. It requires priority attention.</p> <p>Given the program’s Phase 1 is coming to an end (Dec 2024), DFAT now – in the lead up to Phase 2 – would be an ideal opportunity to <u>address all recommendations</u> from this latest evaluation. This would lead to a stronger, results driven program.</p> <p>In addition to revising the objectives in the ToC and results framework to replicate indicators used at the project level, DFAT urges the WBG to action the recommendation to <i>‘explicitly include impact on the private sector in terms of reduced time and cost of trading across borders.’</i></p> <p>As a <u>priority</u>, DFAT urges the WBG to establish an action plan for addressing the specific monitoring and evaluation recommendations of this report and share with donors for consultation.</p>	<p>High Priority Pre-Phase 2</p>

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		<ul style="list-style-type: none"> The team will discuss with Donor Partners the merits of the country level Tracking Tool scores being made public given the sensitivities of comparing countries. 		
<p>3. Implementing more specific activities on trade and sustainability.</p> <ul style="list-style-type: none"> Need for more inclusive trade facilitation to build on current initiatives encompassing not only gender but also digitalization of trade, e-commerce, climate and greening trade facilitation, disability access and MSME inclusiveness. Interconnectedness between trade facilitation and sustainable practices: It is important to address environmental impacts at cross-cutting level. Consideration of disability access, particularly in digital trade and trade information portals, reflects a commitment to accessibility and inclusivity. 	<p>Agree</p>	<p>More engagement on and leverage of these complementary cross-cutting issues is required to move the trade and trade facilitation agenda forward as the 21st century evolves. TFSP is responding to these cross-cutting emerging issues in addition to accelerating support to aid countries in implementing their Category C commitments.</p> <p>Regarding <u>gender</u>, TFSP will continue to disseminate and advise on the Trade and Gender Study with the overall objective of helping countries identify and quantify obstacles that women-led firms face when conducting cross-border trade. TFSP-supported project teams will work with government counterparts to integrate the findings and recommendations into the design of activities and interventions.</p> <p>On <u>trade facilitation</u>, <u>climate</u>, and the <u>environment</u>, TFSP will continue</p>	<p>DFAT agrees with the recommendation and supports the WBG’s responses on its various initiatives addressing, gender, digitalisation, e-commerce, climate and disaster preparedness.</p> <p>We take note that the WBG has already laid some good groundwork in areas such as gender, digitalisation, and emergency disaster preparedness. I will be important to keep up the momentum on these issues by engaging with and supporting countries to identify their priorities and assisting them to implement a cross-cutting approach.</p> <p>Consistent with the evaluation’s recommendations, DFAT requests the WBG to include how it will promote disability access in its approach.</p>	<p>Pre-Phase 2</p>

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		<p>working on the development of a methodology and indicators to measure trade facilitation’s impact on climate change and sustainability. This work began in FY24 and will continue in FY25. The methodology will enable collection of baseline data to quantify how a broad range of trade facilitation measures – such as digitization, coordinated border management, pre-arrival processing – can impact paper lifecycle and/or vehicle emissions.</p> <p>On <u>digitalization</u>, TFSP will continue to support implementation of robust digital infrastructure (such as Single Windows, ASYCUDA, Trade Information Portals, and tools) to help the public and private sector automate the cross-border trade process. Ways to further upgrade the border management environment through automation and digitalization will be explored.</p> <p>For <u>emergency preparedness</u>, by leveraging the experiences and lessons learned through helping countries with their emergency response to the COVID-19 pandemic, TFSP will support countries to introduce emergency preparedness</p>		

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		<p>measures to help keep goods flowing during emergencies and natural disasters. Measures include expedited clearance of imported cargo, modernized customs legislation, institutional policy reform to increase the resilience of the build environment, a whole-of-government approach to border clearance, and improved communication mechanisms.</p>		
<p>4. Furthering the utilization of digital tools across a whole of government approach.</p> <ul style="list-style-type: none"> • Intensify work with agencies other than Customs to adopt technology tools, introduce change management and become more efficient and transparent. • Consider introducing in the program’s approach to digitization and preparation for the implementation of National Single Windows the integration of artificial intelligence (AI) into various areas, with a specific focus on data-gathering processes. • The aim is to leverage AI to enhance the quality, accuracy, and speed of data collection, ensuring that the 	<p>Agree</p>	<p>TFSP scoping and diagnostics will continue to adapt to include a ‘whole of government approach’ and include all border agencies, leveraging emerging technologies of AI, blockchain, and IOT as relevant for countries.</p>	<p>DFAT agrees with this recommendation and related actions in-principle given the importance of emerging technologies in enhancing trade efficiencies and the divide in its access and application between developed and developing countries/LDCs.</p> <p>However, we also acknowledge that the evaluation did not address in detail the WBG’s capacity and resources to address this aspect effectively.</p> <p>To provide the necessary assurances based on the WBG response to this recommendation, DFAT requests the WBG to provide an assessment of its internal capabilities and strategy for integrating emerging technology tools relevant to trade facilitation (as</p>	<p>Ongoing</p>

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<p>information gathered is more reliable for decision-making.</p> <p><u>Expected outcomes:</u> Improving risk management, finding efficiency gaps in current processes, identifying areas for automating repetitive tasks, reducing delays, optimizing workflows, enhancing efficiency with limited resources in border agencies, cleaning up noise in data and estimating missing data, and improving the overall quality of data used in decision-making processes.</p>			<p>appropriate to country conditions). This may also include looking at other areas of the WBG’s work where it is applied, lessons learnt and good practices which could help inform the WBG’s strategy in this area.</p> <p>In addition to a ‘whole of government approach’, the WBG should also consider how it can leverage the private sector and industry stakeholders to engage and advise when it comes to awareness and application of emerging technologies.</p>	
<p>5. Introduce more formal channels for communicating activities and results.</p> <ul style="list-style-type: none"> Updating an accessible web page or excel sheet with the planned missions/countries and topics that TFSP will address for the upcoming 1-3 months, or email communication to donor focal points to inform them of key missions where it would be useful for the team to touch base with local teams. Strengthening communication mechanisms for better collaboration and synergy among partners involved in TFSP. 	<p>Agree</p>	<p>TFSP will continue to collaborate with implementation partners on communications, such as the World Trade Organization Trade Facilitation Agreement Facility (WTO TFAF) and the Standards and Trade Development Facility (STDF), the World Customs Organization (WCO), and others.</p> <p>Communication products will continue to be shared with partner agencies and featured on their channels: podcast, blogs, videos, etc.</p> <p><u>Specific plans for CY2024:</u> TFSP has planned virtual reality films to showcase TFSP-supported reforms: in emergency preparedness in Tonga;</p>	<p>DFAT agrees with the recommendation and related actions.</p> <p>Consistent with the evaluation, DFAT would like the WBG to consider what formal communication mechanisms can be used to enhance coordination and collaboration with Annex D organisations.</p> <p>DFAT is aware of and appreciates the good collaboration between TFSP and the likes of the WTO, TFAF and STDF.</p> <p>However, given the active role of UNCTAD in trade facilitation support (both hard and soft infrastructure), especially in the Pacific, DFAT would like</p>	<p>Ongoing</p>

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<ul style="list-style-type: none"> More communication at national or regional level. One example is the inclusion of monthly or quarterly lunches or briefings with various other project leaders from various donors in a country to have an informative, coordinating function built naturally into workflows. 		<p>and in risk management and digital certification in Zambia (mid-2024).</p> <p>The films will be complemented with other knowledge products (such as blogs) and shared with partner organizations and donors for dissemination.</p> <p>TFSP plans to collaborate with the WCO on communicating the launch of the new Time Release Study methodology (when finalized, mid-late 2024).</p> <p>The WBG participates in the STDF Electronic Certification Advisory Committee. A knowledge product is planned on e-certification as a tool for trade facilitation, which will be jointly developed and communicated across partner organizations (late 2024).</p> <p>Regular communications will also be programmed with donor partners, and mission and activity plans will include visibility and dialogue opportunities where relevant, including ensuring connections between Capital and country representatives</p>	<p>the WBG to provide further information on how it plans to consult and coordinate with UNCTAD in the region.</p>	