



WORLD TRADE  
ORGANIZATION



Trade Facilitation  
Agreement Facility

# **WTO Trade Facilitation Agreement Facility**

## **Guidelines for applicants to the Grant Program**

**September 2018**

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This document is provided only as guidance for applicants to the Trade Facilitation Facility (TFAF) Grants Program. In case of any questions of interpretation with regards to the Operating Rules of the TFAF Grants Program, the Rules take precedence over this guidance.

## 1 INTRODUCTION

Helping developing Members to gain access to implementation assistance, in the context of their commitments under the WTO Trade Facilitation Agreement (TFA), is a primary function of the Trade Facilitation Agreement Facility (TFAF).<sup>1</sup> If a WTO developing country Member is unable to find the assistance it needs in order to implement one of its notified Category C commitments, it can – through an Expression of Interest – request that the Facility assist in identifying Partners on its behalf. In this context, a TFAF grant offers a useful alternative source of support when assistance remains unavailable through other channels.

This note provides information and guidance on the process of preparing and submitting an expression of interest, the types of grant funding available, eligibility criteria, and the application and review process. It should be read carefully by anyone interested in applying for TFAF support. The TFAF Secretariat also provides tailored advice and information to applicants upon request, including assistance to identify and/or develop possible projects in priority areas of interest. Applicants are encouraged to contact the Secretariat ([tfaf@wto.org](mailto:tfaf@wto.org)) to discuss their needs prior to submitting an application.

### 1.1 Who can apply for TFAF support?

WTO developing Members are eligible to apply for support providing that all of the following criteria are fully met:

- i. The Member has ratified the Trade Facilitation Agreement (TFA) Protocol of Amendment and deposited its Instrument of Acceptance with the WTO;
- ii. the Member has officially notified its category C provisions, as defined in Article 14 of the TFA;
- iii. the Member is not subject to administrative measures.<sup>2</sup>

### 1.2 How does the expression of interest process work?

A developing country Member may at any time submit an expression of interest to request TFAF assistance in identifying sources of support. The expression of interest will be circulated to all donors operating in the relevant geographical area that possess the requisite expertise to support the trade facilitation (TF) thematic topic in question. A specific timetable to respond to the request will be agreed depending on its complexity. If the requisite support has not been successfully identified during that time, the Member in question may become eligible for TFAF grant funding. In certain cases with the agreement of the relevant donor partner, a Member that has submitted an expression of interest may then also be eligible to apply for a project preparation grant to support an application for assistance from a source identified in the initial expression of interest.

WTO observers may also submit an expression of interest, on the basis of which the TFAF may assist the observer in identifying a suitable partner for their needs. Observers are not eligible to apply for grant support.

### 1.3 If the expression of interest does not identify a suitable partner, what type of funding is available under the TFAF?

Two types of funding are available under the TFAF:

- i. Project preparation grants (PPGs), up to a maximum value of US\$30,000 (see Section 2, below);

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<sup>1</sup> Implementation support programs, contact points for Partners, and additional information on the Facility can be found in the Operational Guidelines, annual work plans, and reports, available at [www.TFAFacility.org](http://www.TFAFacility.org).

<sup>2</sup> Members subject to Administrative Measures falling under Categories II or III are not eligible to apply.

- ii. Project implementation grants (PGs), up to a maximum value of US\$200,000 (see Section 3, below).

## 2 PROJECT PREPARATION GRANTS (PPGs)

### 2.1 What assistance can be requested under PPGs?

A Member that can demonstrate that they have been unable to access support from other sources, including through the TFAF expression of interest process, may request a PPG to prepare a project proposal, analytical report, or diagnostic study that may be used to facilitate access to implementation assistance;

A PPG may also be granted to support the preparation of an application for a TFAF project implementation grant.

### 2.2 What information is required as part of a PPG application?

To request a PPG, a Member must complete and submit the PPG application form available on the TFAF website.

In addition to the information already provided in the expression of interest, the following information is also required:

- i. Details on the background and rationale for the PPG application;
- ii. a brief description of the expected implementation phase of the project preparation, which should include major activities to be carried out during preparation of the project proposal, analytical studies, and diagnostic reports;
- iii. a reasonable budget for all the activities to be carried out. The budget may include consultancies, travel, and costs of organizing stakeholder workshops. The size of the budget requested should correspond to the scope of the activities and outputs envisaged under the PPG.

#### 2.2.2 Background and rationale

**Relevance to the TFA:** PPG requests should clearly explain how the proposed activity will facilitate access to funding which in turn will support implementation of the Member's Category C commitments notified under the TFA. This could include the preparation of a feasibility study (prior to project development) to assess the potential impact of the possible proposals in terms of their expected costs and benefits; and/or the preparation of a project proposal itself.

**Specific issue/problem to be addressed:** PPG applications should describe the key TFA implementation barriers and/or opportunities to be addressed, including their relevance in terms of market access and poverty reduction. The background and rationale should explain the actions to be undertaken during the PPG itself.

**Complementarity with existing projects and programs and other initiatives:** PPG requests should clarify linkages, if any, between the main TFA implementation issue or issues identified and national poverty reduction strategies, and relevant sectoral development policies and strategies. For LDC applicants, reference should also be made to relevant issues identified in the Diagnostic Trade Integration Study (DTIS) carried out under the Enhanced Integrated Framework (EIF), if such a study exists.

**Public-public and/or public-private cooperation:** evidence should be provided that the PPG application has been prepared with, and has the support of, the concerned Member's government and private sector stakeholders as represented in the relevant National Trade Facilitation Committee (NTFC). Government agencies, private sector, academic, or other organizations that support the PPG application should be clearly identified. The inclusion in the application of letters of support from these bodies would be advantageous;

**TF context:** in countries where TF needs assessments have been carried out, PPG applications should refer to relevant issues and priorities already identified, where possible. Requests should explain any linkages that exist between the PPG and other relevant, completed, ongoing and/or planned national programs and/or donor-supported projects. The TFAF Secretariat looks for evidence that the PPG, and any project expected to result from it, complements and builds upon any pre-existing and related activities. There should be no duplication;

**Cross-cutting issues:** the application should briefly explain how cross-cutting issues (such as gender and the environment) are relevant for this PPG and, if appropriate, how they will be addressed. For instance, are there any specific issues, needs or opportunities in this project proposal that relate to issues of gender or the environment?

### 2.2.3 Description

A brief description should be included of the activities to be carried out during implementation of the PPG. This could include, but is not limited to, missions of international consultants, meetings with stakeholders, consultations with donors, project formulation, and validation workshops.

If applications propose particular national experts or international consultants to take the lead in project development under PPGs, a Curriculum Vitae for each of these consultants should be attached. In cases where the applicant is unable to identify such persons, the TFAF Secretariat will provide a shortlist of consultants if and when the request is approved.

### 2.2.4 Budget

An amount of up to US\$30,000 may be requested under a PPG. The PPG application should include a reasonable budget for all of the activities to be carried out. The budget may include consultancy costs, travel, costs of organizing stakeholder workshops, and so on. The size of the budget requested should correspond to the scope of the activities and outputs envisaged under the PPG, with US\$30,000 to be considered as an upper limit rather than the standard request.

## 2.3 What criteria are used to evaluate PPGs?

Requests for PPGs will be reviewed based on the accuracy, clarity, and completeness of the information provided on the application form and in its attachments. In accordance with the Paris Principles on Aid Effectiveness, it is essential for applications to demonstrate national support and ownership for the proposed PPG, as well as a good overall understanding of TF issues and priorities in the country or region.

The main criterion in awarding a PPG is the likelihood that the award will result in a well-drafted project proposal, which is likely to receive funding and to achieve sustainable and effective results in terms of concrete action towards the goal of full TFA implementation.

## 3 PROJECT IMPLEMENTATION GRANTS (PG)

### 3.1 What assistance can be requested under PG projects?

The TFAF offers project implementation grants that allow developing country Members that are unable to secure funding elsewhere to undertake actions to implement their Category C commitments notified under the TFA. A Member that can demonstrate that they have been unable to secure alternative sources of support, including through the TFAF "expression of interest" process, may request a PG to implement a provision or provisions of the TFA.

### 3.2 Are there any restrictions on the type of activities that can be funded under PG projects?

- i. The TFAF provides support as a backstop to 'traditional' channels of technical assistance. Clear evidence must be presented that the applicant Member has been unsuccessful in seeking support through all other available channels and in the context of an "expression of interest" process;

- ii. the TFAF funds projects whose primary aim is the delivery of workshops only if they are training-based and accompanied by a set of tangible outputs in the trainees' home country or region (in other words, an actionable plan for the implementation of a TFA commitment);
- iii. the TFAF does not provide funding for buildings, vehicles, and major equipment items, with the exception of information technology and minor equipment items that are necessary to achieve the specific outputs and objectives of a project. Funding provided for information technology and minor equipment items shall not exceed 10% of the total TFAF contribution to the project;
- iv. the TFAF does not fund regular staff salaries.

### **3.3 What is the duration of PG projects?**

TFAF projects should have a maximum duration of two years. Funding is not available for further or follow-on phases of TFAF projects. Project grants should be contracted within twelve months of their approval.

### **3.4 How much funding is available for PG Projects?**

Project grant financing up to a maximum sum of US\$200,000 is available from the TFAF. No minimum limit applies but projects should preferably fall within the range of US\$50,000 to US\$200,000.

Applicants are expected to contribute towards the overall cost of each project and such contributions are in addition to the TFAF contribution. The level of such a contribution is dependent upon the beneficiary country or countries' classification in the OECD Development Assistance Committee list of Official Development Assistance recipients. The expected contribution is calculated as follows:

- i. Applicants from Least Developed Countries (LDCs) and Other Low-Income Countries (OLICs) should provide at least an additional 10% of the TFAF's total contribution to the project.
- ii. Applicants from Lower Middle-Income Countries (LMICs), should provide at least an additional 30% of the TFAF contribution to the project; and
- iii. Applicants from Upper Middle-Income Countries (UMICs) should provide at least an additional 50% of the TFAF contribution to the project.

Applicants are required to meet part of the implementation costs of the project proposal either through financial or in-kind contributions (such as staff time, use of premises, vehicles, or other pre-existing assets). Such in-kind contributions should be costed and included within the project proposal's budget, and are subject to audit.

### **3.5 Does the TFAF fund regional projects?**

The TFAF encourages regional projects. Applications for regional implementation efforts should include a letter of support from the relevant regional bodies. The amount of funding for regional projects varies according to the involvement of LDCs or OLICs. The expected in-kind contribution for regional projects is as follows:

- i. For regional projects with at least one LDC or OLIC, the in-kind contribution should be equivalent to at least 10% of the TFAF contribution to the project;
- ii. for regional projects without an LDC or OLIC, the in-kind contribution should be equivalent to at least 20% of the TFAF contribution to the project.

### 3.6 What information is required as part of a project application?

Requests for projects should be completed using the project application form available on the TFAF website. Guidance on particular information that should be included in each section is provided below.

#### 3.6.1 Background and rationale

**Relevance to the TFA:** The application should demonstrate how the successful project will result in the implementation of a specific Category C commitment notified under the TFA.

**Specific issue/problem to be addressed:** The application should make a clear link between the specific problem to be addressed through the project and the TF situation in the country/region with regard to market access, economic growth, employment creation, and poverty reduction. Applicants should refer to the achievement of the Sustainable Development Goals (SDGs) wherever possible.

**National and regional priorities:** The proposed project should be coherent in relation to national development plans describing how government agencies and development partners aim to contribute to economic growth and poverty reduction, as well as any relevant national/regional strategies or policies, including TF action plans where they exist.

**Complementarity with existing projects and programs and other initiatives:** The application should include detailed information about relevant past, ongoing, or planned national programs and/or donor projects relating to broad TF and TFA implementation actions in the country or region, as appropriate, as well as any TF components of broader customs or trade capacity building programs. It should explain how lessons learned from previous projects have been considered in the design of the proposed project, and clarify how it will complement related initiatives. Where applicable, the application should explain how the project relates to the EIF and/or other donors. The TFAF Secretariat looks for evidence that there is no duplication with other technical cooperation activities.

**Public-public and/or public-private cooperation:** Responsibility for TF issues is often shared across a number of different government agencies (such as customs agencies, ministries of trade, TF-related bodies, etc.). The private sector also plays an essential role. The TFAF encourages projects that seek to enhance coordination between different government agencies, as well as public-private sector coordination. The application should therefore explain how the proposed project has been presented to and agreed by the relevant NTFC between different public and/or private sector organizations that are involved in the TF area.

**Target beneficiaries:** The application should clearly identify the intended beneficiaries of the project, who may include small producers, workers, consumers, and so on. It should explain how these groups are expected to benefit and quantify these anticipated benefits as far as possible.

#### 3.6.2 Ownership

**Ownership and stakeholder commitment:** The proposed project should be based on national demand and priorities in line with the Paris Principles of Aid Effectiveness. This requires that the applicant demonstrate that the application is actively supported by relevant stakeholders in the country/region, such as by government agencies responsible for TF, and by any relevant national committees (NTFCs and others) and the private sector. In particular:

- i. Projects submitted under the responsibility of one government ministry or organization should produce evidence of support for the project across all relevant government ministries or organizations, as well as from any relevant private sector associations;
- ii. regional projects should include letters of support for the project from all the national governments concerned as well as the relevant regional organization;



### 3.6.3 Cross-cutting issues

**Gender-related issues:** The application should identify and address any of the project's specific needs and opportunities linked to gender. This should include an analysis of the possible positive/negative effects of the project on gender equality. For instance, how are different genders involved (for example, as producers, farmers, traders, workers in food business operations) in particular value chains of relevance to the project, what constraints (if any) do they face, and how could they be addressed to take advantage of new opportunities? How are different genders expected to benefit from the project? Wherever possible, applicants are encouraged to include gender-specific indicators (such as expected income increase among women/men small-scale producers, number of women-headed households to be covered by the project, number of women/men to be involved in training activities, and so on.). This should be quantified in terms of the targets agreed under SDG 5 where possible.

**Environmental-related issues:** The application should briefly discuss any environmental-related issues and implications that are relevant to the project. It should address the environmental implications of project activities, and their potential positive and/or negative implications or consequences, and mitigating measures to be employed.

### 3.6.4 Objectives, activities and outputs

**Logical framework (logframe) and performance indicators:** All project applications should include a logframe based on the template provided in the application form. Applicants are advised to begin the project design process by developing the logframe. The logframe should be consistent with the rest of the project document. It should provide a succinct overview of the relationship between the immediate objective (purpose) of the project, the outputs (expected results) and the main activities. The immediate objective describes the purpose or outcome of the project. The outputs describe the measurable end results of the planned activities and should contribute to the immediate objective. The activities describe the actions that will be carried out to achieve the specified outputs. The logframe should also identify the key risks and assumptions made, as well as indicators for monitoring and evaluation. Indicators are used to set realistic targets for measuring whether or not the objectives at each level have been met. They should be quantified as far as possible, and be specific, measurable, attainable, realistic and time-bound. Wherever relevant, the application should include gender-specific indicators (see sub-paragraph 3.7.3 above).

**Work plan:** Project applications should include a detailed work plan that identifies particular activities and when they will be undertaken. A template for a work plan – including a quarterly calendar – is included in the project application form. Applicants may also use a monthly calendar if preferred.

**Expected end-of-project situation and sustainability of results:** The application should quantify the benefits of the project for beneficiaries including the expected impact on poverty reduction for smallholders and other producers, employment opportunities, and an improved domestic and/or regional TF situation, as appropriate. The application should address the financial and institutional sustainability of the project beyond the period of TFAF support. And it should also describe the project's added value and expected catalyzing role.

### 3.6.5 Budget

**Budget and in-kind contribution:** Project applications should include a complete and detailed realistic budget that clearly reflects the relationship between the outputs and the resources needed to complete the activities proposed. In preparing the budget, the applicant should take note of the following points:

- i. Personnel expenses may include the cost of hiring project staff, as well as national or international consultants, including details of daily rate or fee, number of days to be worked, per diem for consultants (based on official UN rates), etc;
- ii. travel expenses may include any international or national flights (in economy class) for consultants, local transportation, vehicle hire, etc;

- iii. if training is included, the budget should provide a breakdown of the costs of organization and delivery of training workshops, facilities, travel and accommodation of participants, training materials, etc;
- iv. other expenditures in the budget may include costs relating to the following: meetings and workshops (such as project steering committee meetings, project stakeholder workshops, etc.); IT, laboratory or other equipment items necessary to achieve the specific outputs and objective of the project (not to exceed 10% of the total TFAF contribution); project management; information dissemination (such as cost of developing and hosting a website to disseminate information about the project, preparation of information materials, etc.); general operating expenses (such as telephone calls, photocopying, etc.);
- v. contingency costs (approximately 5% of project budget) may be budgeted to cover any unforeseen expenses;
- vi. the budget should clearly specify the amount requested from the TFAF; and the applicant's own contribution to the project (see sub-paragraph 3.4), which may be in the form of a financial or an in-kind contribution (such as staff time, use of premises, etc.) and is subject to audit.

Applicants should be realistic when drawing up funding requests. Evidence that the implementing organizations have the capacity to manage the level of funding requested should also be provided in the form of a record of financial probity and list of achievements (attached as an appendix). See sub-paragraph 3.4 above for details on the required size of the in-kind contribution.

**Cost-effectiveness:** Projects should represent a cost-effective contribution to addressing TF obstacles and constraints. As far as possible, proposals should justify the costs and benefits of the activities in the proposed project against possible alternatives.

### 3.6.6 Project implementation and management

**Implementing organization:** Applications should clearly identify the organizations responsible for implementation of the project and provide a contact name and correct telephone/e-mail address for follow-up. If the applicant intends to implement the project without additional support, it must provide evidence of its technical and professional capacity to do so. If the application indicates that a TFAF partner or third party acceptable to the TFAF will implement the project, written consent from that organization should be attached as an appendix. Applicants are encouraged to consult with the TFAF Secretariat to discuss selection of the implementing organization.

**Clear management structure:** Projects, particularly those involving several different partners, should include a clear management structure. Depending on the type and complexity of the project, a project steering committee may be included.

**Terms of reference:** Where appropriate, terms of reference for key national or international experts to be involved in implementation of the project should be included as an appendix. The terms of reference should include information on specific tasks and responsibilities, duration of assignments, number of missions (if appropriate), and required qualifications/experience.

### 3.6.7 Reporting, monitoring and evaluation

**Reporting and dissemination:** Projects should include a clear schedule for reporting progress achieved in the implementation of the project activities to the TFAF. The reporting plan should include provision for the following: (i) progress reports every six months (unless agreed otherwise); and (ii) a final report at the end of the project.

**Monitoring, evaluation, and lessons learned:** Applications for project funding should include monitoring and evaluation activities as well as indicators (see sub-paragraph 3.7.4 above). Good monitoring and evaluation helps to improve performance by focusing projects on the delivery of outputs and impact. It also provides a system on the basis of which to record lessons learned which can be used by the implementing organization and others to improve future project design and

activities. Monitoring and evaluation activities are also important to enable the TFAF to monitor and evaluate the performance of its grant assistance as a whole.

**Dissemination of the project's results:** The project application should pay attention to how to effectively disseminate information, training materials (for example, manuals, PowerPoint presentations, etc.), and knowledge generated through the project, as well as lessons learned. For example, this may include provision of information and key materials on a project webpage on the TFAF website, development of a separate project website, and/or the organization of a workshop at the end of the project to share experiences and results with relevant stakeholders.

### **3.7 What criteria are used to review project applications?**

Project requests are reviewed on the basis of the accuracy and completeness of the information provided in the application form, their fit with the objectives of the TFAF, and their potential to achieve sustainable and effective results in terms of TFA implementation.

In addition to the essential criteria under sub-paragraphs 2.1 and 3.1 above, favorable consideration is given to projects that focus on one or more of the following:

- i. the identification, development and dissemination of good practice in TF-related technical cooperation, including the development and application of innovative and replicable approaches;
- ii. TFAF work on cross-cutting topics of common interest;
- iii. the use of regional approaches to address TF constraints; and/or
- iv. collaborative and inter-disciplinary approaches focused on the interface/linkages between a border agency cooperation and cross-border approaches, and benefiting from the involvement of two or more TFAF partners or other relevant organizations.

## **4 REVIEW PROCESS FOR PPGs AND PGs**

### **4.1 What is the review process and how are applicants informed about decisions on funding?**

The TFAF Secretariat reviews applications received against their respective eligibility criteria and other requirements described above. Applications that pass this initial review are considered by the members of the TFAF selection committee, which makes decisions on requests for funding. The TFAF Secretariat informs applicants of the outcome of their request in writing after it has been discussed in a selection committee meeting.

In cases where applications do not pass the initial review by the TFAF Secretariat, the Secretariat will provide written feedback on the application in question and, if appropriate, advise the applicant on how to improve the application for possible consideration by the TFAF selection committee at a later date.

### **4.2 Can rejected applications be re-submitted?**

In some cases, the selection committee may invite applicants to revise and re-submit proposals that were not approved. Details about any specific issues to be addressed or clarified will be provided in writing to the applicant.