



## Project Implementation Grant

# Articles 6.1, 6.2 and 6.3 Fees, charges and penalties related to services provided in connection with the import/export of goods to Madagascar

## Fee Methodology Project – Dialogue & TFA Compliance

TFAF/PG/MDG/8  
July 2025

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## Summary

<b>Link to the WTO Trade Facilitation Agreement</b>	Article 6.1, 6.2 and 6.3 Fees, charges and penalties
<b>Title</b>	Fees, charges and penalties related to services provided in connection with the import/export of goods to Madagascar
<b>Objective</b>	Madagascar may establish and maintain systems of fees, charges and penalties for services related to the import and export of goods, in accordance with the TFA.
<b>Outputs</b>	<ol style="list-style-type: none"> <li>1. The NTFC of Madagascar has methodological expertise to set, revise and publish fees and charges related to imports and exports based on their administrative cost.</li> <li>2. Madagascar's NTFC has a comprehensive approach to implementing a customs sanctions regime consistent with the TFA.</li> <li>3. Stakeholders from public administration and the private sector are consulted on the updated approaches</li> </ol>
<b>Beneficiaries</b>	Traders, Madagascar Customs Agency
<b>Applicant(s) / Political Partner(s)</b>	Ministry of Foreign Affairs, Trade and Export Development of Madagascar
<b>Full name and contact details of the focal point</b>	
<b>Technical Partner(s)</b>	
<b>Full name and contact details of the member's monitoring manager</b>	Executive Secretariat of the CNFE CNFE MALGACHE <a href="mailto:spcnfe.madagascar@gmail.com">spcnfe.madagascar@gmail.com</a>
<b>Duration</b>	18 months
<b>Amount</b>	The total amount is USD 239,852 and the TFAF grant amount is USD 197,852
<b>Implementing organization</b>	TFAF

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## I. CONTEXT

### 1) Implementation of the WTO TFA

The WTO Trade Facilitation Agreement (TFA) entered into force on 22 February 2017. It sets out measures to expedite the movement, release and clearance of goods, including goods in transit, as well as cooperation between customs and other competent authorities on trade facilitation and customs compliance issues. It also contains provisions for technical assistance and capacity building (hereinafter "TACB") in this area. The Agreement breaks with the traditional practice of special and differential treatment in WTO agreements. The special and differential treatment mechanism adopted in the Agreement *"calls for an individual, country-by-country and measure-by-measure approach. It explicitly avoids a one-size-fits-all model"*<sup>1</sup>.

Developing and least-developed country (LDC) Members may designate provisions of the Agreement whose implementation will take place after a transition period and which will require the acquisition of implementation capacity through capacity-building measures. These provisions are commonly referred to as Category C measures. A total of 98 Members have notified 1,160 Category C Members by 2022. Donor Members have committed to provide targeted assistance and support to address the capacity gaps underlying Category C measures.

Madagascar ratified the WTO Trade Facilitation Agreement on June 20, 2016 and submitted the notification of categories "A", "B", "C" in February 2018 and the final implementation dates for category "C" in August 2022.

Madagascar's National Trade Facilitation Committee meets regularly and benefits from strong participation from border agencies. It is co-chaired by the Directorate General of Customs and the Directorate General of Trade. A permanent secretariat is composed of four customs officials and four trade officials. Trade facilitation reforms enjoy political support. The Malagasy government recognizes, at the ministerial level, that trade facilitation reforms provide important support to the private sector.

The World Bank<sup>2</sup> estimates that there are approximately 600 companies involved in import-export, dominated by a small number of formal exporters, particularly in the vanilla, textile, and mining sectors. About 70% of these are MSMEs. Other available data corroborate this figure.

### 2) Alignment with TFAF strategic objectives

The TFAF may award grants for projects for which a developing member has been unable to benefit from technical assistance from another development partner. Madagascar is requesting a grant to strengthen its national capacity to meet the requirements of Article 6 of the Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation, and Penalties, including Articles 6.1, 6.2, and 6.3. These three provisions have been notified as Category C commitments, and the final implementation date has been set for October 2035.

In March 2022, Madagascar contacted the TFAF for support in accessing technical assistance for all 29 Category C measures. An expression of interest was circulated by the TFAF to partners in April 2022, but no development partners came forward to engage directly with the member. Subsequently, Madagascar requested a grant from the TFAF for the preparation of projects addressing all Category C commitments. The grant was awarded in August 2023, a consultant was recruited, and the report was finalized in January 2024. The PPG report was circulated to development partners and discussed at a donor coordination meeting in July 2024, with no potential donors identified for any of the provisions discussed, including

<sup>1</sup> Neufeld, Nora (2014) "The Long and Winding Road: How WTO Members Finally Reached a Trade Facilitation Agreement", WTO publication, ERSD-2014-06, available at: [WTO | Research and Analysis - Working Paper: Trade Facilitation Provisions in Regional Trade Agreements: Characteristics and Trends](https://www.wto.org/Research/Trade_Facilitation_Provisions_in_Regional_Trade_Agreements_Characteristics_and_Trends)

<sup>2</sup> <https://www.worldbank.org/en/country/madagascar/publication/madagascar-economic-update>

those in Article 6.

### 3) Analysis of the problem and potential

The World Bank's Systematic Country Diagnostic (SCD) for Madagascar identifies weak governance, lack of transparency, and poor enforcement of anti-corruption laws as major obstacles to development. Implementing Article 6 of the TFA can address these challenges by supporting the development and enforcement of transparent, fair, and predictable fee, charge, and penalty systems, reducing legal uncertainty, promoting compliance, and facilitating trade.

In Madagascar, customs and other border agencies charge fees for specific services provided during the import and export of goods. Madagascar has not established a list of these fees and charges, has not published them as required by Article 6.1.2, and has no mechanism for the periodic and systematic review of these fees and charges. These fees are regulated by the Customs Code following the revision of the 2025 Finance Law <sup>3</sup>.

#### Fees and charges

The Malagasy government continues to sign contracts with GasyNet (30% state-owned and 70% foreign-owned by a private company, SGS) to implement its policy of modernizing and dematerializing customs procedures, through GasyNet 's management of the TradeNet electronic single window since 2007. Import customs declarations and related documents must be submitted via the TradeNet electronic window. GasyNet 's fees are calculated on an ad valorem or specific basis, depending on the volume, rather than on the administrative cost of the service in question.

#### GasyNet usage fees

Import regime		Export regime and special regime for free zones and businesses (ZEF)	
FOB value of goods	Service charges	Shipping method	Service charges
Less than the equivalent of EUR 1,000	Equivalent of 10 EUR	20 or 40 foot container	Equivalent of 10 EUR
Between the equivalent of 1,000 EUR (including tax) and 2,500 EUR	Equivalent of 25 EUR	Groupage container	Equivalent of 100 EUR
Between the equivalent of EUR 2,500 including tax and EUR 10,000 excluding tax	Equivalent of 75 EUR	Air shipment with an fob value exceeding the equivalent of EUR 5,000 (including VAT)	Equivalent of 50 EUR
Between the equivalent of EUR 10,000 including tax and EUR 25,000 excluding tax	Equivalent of 145 EUR	Air shipment with an fob value less than the equivalent of EUR 5,000 (excluding VAT)	Equivalent of 10 EUR
Greater than or equal to the equivalent of EUR 25,000	0.5% of the CIF value	Not applicable.	Not applicable.

Source: Order No. 8426/2007 setting the prices of the GasyNet service <sup>4</sup>on operations subject to a legal customs declaration to be filed with a computerized customs office.

All maritime imports are subject to a fee <sup>5</sup>of €30 (20-foot container) or €60 (40-foot container) charged by the Agence Portuaire Maritime et Fluviale (APMF). Other fees may include storage fees, unloading

<sup>3</sup> [CUSTOMS CODE-NEXT-LFI-2025.pdf](#)

<sup>4</sup> <https://www.pic.commerce.mg/fr/arrete-ndeg84262007-mfbsgdgd-du-4-juin-2007-fixant-les-frais-de-prestation-de-la-societe-gasynet>.

<sup>5</sup> Created by decree no. 2012-391

fees, customs brokerage commission, CIVIO fees for used vehicle imports, etc.

Madagascar must conduct research and analysis on existing import and export fees and taxes, and develop a methodology to calculate the administrative cost of issuing them. Once this methodology is developed, a revenue impact assessment can be conducted. Based on this assessment, fees and taxes can be restructured in accordance with the TFA.

At the same time, there may be concerns about a revision of these fees and charges or difficulties in reaching an agreement with the Ministry of Finance on whether such a revision would have a negative impact on customs and tax revenues – which constitute the largest source of tax revenue in Madagascar, representing up to 30% of the total.

### Sanctions regime

The Malagasy customs sanctions regime is established by “Title X” of the Customs Code, following the revision of the 2025 Finance Act. Detailed sanction scales are not publicly available online. A comparison between the 2005 Customs Code (well before the existence of the TFA) and the 2025 update (annual updates) shows that, despite some amendments and additions, the sanctions text has not been significantly revised. It is therefore difficult to determine the extent to which the legal basis of the sanctions regime is consistent with Article 6.3 of the TFA. Moreover, the Malagasy regime appears more punitive and enforcement-oriented, with an emphasis on deterrence through confiscation and imprisonment. In contrast, the WTO's TFA emphasizes fairness, proportionality and transparency, aiming to reduce arbitrary or excessive penalties and promote confidence in customs procedures.

The following table presents a comparison of the current approach to customs sanctions in Madagascar, with the relevant aspect of Article 6.3 of the TFA.

Category	Customs Code of Madagascar	Article 6.3 of the WTO Trade Facilitation Agreement
Scope and objective	It aims to punish smuggling, fraud and procedural violations with fines, confiscations and imprisonment.	Aims to ensure fair, transparent and proportionate penalties for violations of customs laws.
Who can be penalized	Sanctions may apply to any party involved, including brokers and carriers.	Sanctions should only be imposed on the person or persons responsible for the offence.
Proportionality and transparency	Penalties are fixed or based on a range (e.g., 1 to 2 times the value of the goods, 6 to 12 months imprisonment).	Sanctions must be proportionate to the seriousness of the offence and based on the facts and circumstances.
Written explanation	No explicit requirement for written justification in the Code.	Requires a written explanation specifying the nature of the violation and the applicable law.
Conflict of interest	Customs can detain goods and impose penalties, which may raise concerns about their impartiality.	Members shall avoid conflicts of interest in the assessment and collection of penalties.
Voluntary Disclosure	No mitigation provision based on voluntary disclosure.	Encourages mitigation if the breach is voluntarily disclosed prior to discovery.

### Problem analysis

Fees and taxes collected by public authorities in Madagascar may be legal given their enabling legislative basis. However, these practices are not necessarily efficient, transparent, and equitable, as required by Articles 6.1 and 6.2 of the TFA. Public authorities authorized by law to collect fees and taxes for services provided in connection with the import and export of goods lack information on the actual costs of providing these services at a disaggregated level. They also lack the necessary technical understanding of the principles and administrative issues needed to set fees and taxes proportional to the cost of services

rendered, as this expertise is considered specialized within centralized government departments responsible for budgetary and audit matters. By strengthening the technical skills of selected civil servants, this project aims to address this gap.

Inaction regarding Articles 6.1 and 6.2 is also linked to the fear of losing revenue, combined with or reinforced by the lack of visibility of real costs mentioned above. The project addresses this resistance to change by raising awareness of different pricing practices and introducing a methodology for calculating the real costs of services that will allow for the analysis of the financial impact of a transition to a cost-of-service practice. Furthermore, Madagascar's National Trade Facilitation Committee has recognized that the review of fees and charges could contribute to a discussion on improving the efficiency of service delivery, including by promoting digitalization.

In order to establish a national customs sanctions regime consistent with the principles and specific requirements of Article 6.3 of the WTO Trade Facilitation Agreement, Madagascar will pursue a revised sanctions regime that aims to ensure that sanctions for violations of customs laws, regulations or procedural requirements are imposed in a fair, transparent, proportionate manner and in a manner that avoids conflicts of interest, thereby supporting trade facilitation.

The draft should recognize and address interdependencies with other provisions of the AFE, such as Article 1 (Publication and Availability of Information), Article 2 (Opportunity to Comment) and Article 4 (Appeal or Review Procedures).

Although the project aims to provide advice and expertise, it cannot, on its own, control the implementation of the legal changes necessary for the adoption of a new pricing practice and a new sanctions regime during its lifetime. The transparency and effectiveness aspects of Article 6.1 will not be central to the project, but advice will be provided during the work and the NTFC may work on them after the project closes.

**Problem Statement:** Madagascar's public authorities lack the expertise and policies to establish and maintain a system of fees, charges, and penalties relating to imports and exports to comply with Article 6 of the TFA.

**The objective of the project is:** Madagascar can establish a strong and lasting partnership between public authorities and with the private sector, with the necessary expertise to develop and maintain systems of fees, charges and penalties for services related to the import and export of goods, in accordance with the TFA.

#### 4) Synergies with other TACB projects of other development partners

Table 1: List of other ATRC project activities in the project area

TACB Project	Description	Synergies
World Bank Group Trade Facilitation Support Program Project in Jamaica	Article 6.1 of the Agreement on Tariffs and Trade (TFA): Method of calculating the administrative cost of fees and charges in Jamaica  The World Bank Group's Trade Facilitation Support Program (TFSP) supported TFA implementation efforts in Antigua and Barbuda, Jamaica, Saint Kitts and Nevis, and Saint Lucia. In Jamaica, the TFSP supported work on fees and charges. A costing methodology was developed by the TFSP for use in Jamaica. The proposed project will reuse this methodology, extend it to all customs fees, and apply it in Madagascar. Project beneficiaries and the World Bank Group team in Jamaica will share their experiences as part of this project.	Synergy at the output level
EU PADEIR - Export	Operationalize the National Trade Facilitation Committee (NTFC), which coordinates the implementation of TFA measures and seeks to ensure	Synergies at the implementation

Development Support Programme and Regional Integration	that public and private sector actors are involved in developing and monitoring reforms Support the development of a roadmap for trade facilitation,	level thanks to the support provided to the NTFC.
Upcoming GATF Project	Although the full details of the project are still being worked out, the initiative is expected to focus on:  Streamlining customs and border processes to reduce delays and costs for traders.  Promote the digitalization of business procedures, such as pre-arrival processing and electronic documentation.  Strengthen risk management systems to improve border efficiency and security.  Strengthen collaboration between government and the private sector, ensuring that reforms are practical and business-friendly.  Strengthen institutional capacity through training and technical assistance to customs and trade-related agencies.	The project is still under development and will therefore be kept informed of the progress of the TFAF project in order to create potential synergies.

## II. DESCRIPTION OF PROJECT INTERVENTION

### 1) Project Objectives and Outputs

The project contributes to the implementation of the TFA in accordance with the notifications submitted by Madagascar. It will contribute to strengthening Madagascar's capacity to implement Articles 6.1, 6.2 and 6.3 in order to establish systems of fees, charges and penalties for services related to the import and export of goods, in accordance with the TFA.

#### Impact

The successful implementation of the project will help strengthen economic operators' confidence in government practices. It will better justify the collection of fees and contribute to a reflection on the efficient use of revenue generated by these fees. It will also eliminate unnecessary administrative costs resulting from the lack of transparency and efficiency in pricing practices. Madagascar will implement a regime providing that penalties are imposed in a fair, transparent, and proportionate manner, and in a manner that avoids conflicts of interest.

#### Specific objective

The specific objective is that, through its National Trade Facilitation Committee, Madagascar can establish a strong and lasting partnership between public authorities and with the private sector, with the necessary expertise to establish and maintain systems of fees, charges and penalties for services related to the import and export of goods, in accordance with the TFA.

The following two indicators are used to measure the achievement of this objective:

- A methodological toolbox for the review and setting of fees and charges was presented within the NTFC or its working group. (Reference: 0, Target 1, Q4)
- A guidance document proposing consultation, publication and review of the revised customs sanctions regime has been submitted to the National Customs Committee (NCC) or its working group. (Reference: 1, Objective: 2, Q4)

#### Outputs



The project Outputs are :

1. The NTFC of Madagascar has methodological expertise to set, revise and publish fees and charges related to imports and exports.

The indicators are:

- Number of officials trained in the methodological tool adopted in Jamaica and Madagascar. (Baseline: 0; Target: 10, Q6)
  - A policy for the periodic review of fees and charges in Madagascar was presented to the NTFC. (Reference 0, Target: 1, Q6)
2. The NTFC of Madagascar has methodological expertise to establish the procedures and training program for a customs sanctions regime

The indicators are:

- A good practice document, including a review of the current approach to the sanctions regime, is published (Baseline: 0, Target: 1, Q4)
  - Number of officials trained in the application of the guidance document. (Baseline: 0, Target: 30, Q6)
3. Stakeholders from public administration and the private sector are consulted on the updated approaches

The indicators are:

- Consultations (workshops, focus groups, written comments) are held with all public and private stakeholders on draft legislative amendments, SOPs and guidelines (Baseline 0, Target 6 reaching 70% of stakeholders by Q6)
- A review log is maintained to show where comments have been incorporated to demonstrate that proposed reforms are understood, practical, and widely supported. (Reference 0, Target 1 Q6)

## 2) Target beneficiaries

In terms of impact, the project's beneficiaries are all economic operators involved in import and export transactions, including intermediaries providing customs brokerage and transit services. These beneficiaries are reached through change agents, selected Malagasy civil servants. The Madagascar Customs Directorate General and the Ministry of Finance benefit directly from the project's human capacity development activities.

Madagascar's NTFC serves as the basis for a partnership that will benefit from the development of human and organizational capacities through this project. It will directly benefit from the Outputs of the organizational consultancy in the form of a policy review of pricing and penalty practices. This will enable the NTFC and the Malagasy government to move towards compliance with the WTO TFA articles.

### ***Inclusivity<sup>6</sup>***

MSMEs dominate Madagascar's private sector. Small businesses (5 to 19 employees) are the most numerous and face the greatest difficulties accessing financing, infrastructure, and markets. Only 8% of businesses have access to bank loans, and this figure is even lower for small businesses (5%).

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<sup>6</sup> Data from <https://www.worldbank.org/en/country/madagascar/publication/madagascar-economic-update>

Exporting is rare among MSMEs, largely due to long customs clearance times (an average of 19 days for direct exports), poor infrastructure and limited access to international markets.

#### Women-owned and operated businesses

In 2022, 21.6% of businesses were majority-owned by women (compared to 10.5% in 2009).

37.3% of companies had a woman at their head (compared to 28.2% in 2013).

Women-led businesses are more common among small businesses and in sectors such as clothing, retail, and wholesale.

However, they face greater constraints: 30.3% of women-led businesses cite access to finance as a major constraint (compared to 16.6% for men-led businesses). Women-led businesses are therefore less likely to engage in exporting due to these obstacles.

The project does not have a negative impact on gender equality as it aims to include all economic operators, including micro and small enterprises involved in cross-border trade activities.

### 3) Impact hypothesis

The formulation of outputs is based on the following impact hypothesis. **Output 1** aims to strengthen the human capacity of civil servants working in selected Malagasy administrations. By transferring technical skills on calculating the actual costs of services provided and expertise on administrative issues related to reviewing and setting fees and amendments, the project strengthens the methodological capacities available to carry out the required technical assessment. This will contribute to the development of a policy and procedures for reviewing and setting fees and charges. The assumption is that trained experts participate in policy development. The project also addresses the ongoing administration and management of fees and charges, determined by general rules, policies, and administrative issues.

**Output 2** ensures the development of guidance documents that policymakers can use to establish and adopt practices providing an updated approach to sanctions, in accordance with Article 6.3 of the TFA. The impact hypothesis is that the practical guidance can be sufficiently adapted to Madagascar's political and administrative context that stakeholders are willing to align their practices. The transition to a new sanctions practice requires political commitment to structural change, which may be hampered by the authorities' reluctance to reform.

**Output 3** encourages dialogue and experience sharing among stakeholders, which can enhance transparency, engagement, and potential efficiency gains in Madagascar. The impact hypothesis is that a representative sample of economic operators and border agencies actively participate in the development and discussion of guidelines, tools, and dialogue.

### 4) Project strategy, activities and instruments

**Duration:** The total duration of the project is 18 months.

**Strategy:** The project operates at three levels: individual, organizational, and institutional development. It supports the capacities of change agents by transferring technical skills and expertise, and developing their methodological capabilities to prepare for policy advancements. It also strengthens the organizational capacity of public authorities to adopt fairer and more transparent pricing practices in order to optimize their policies and processes. At the institutional level, legislative revision is the fundamental element for anchoring sustainable change, in line with the project's objectives.

**Output 1** aims to strengthen the capacity of selected officials to carry out the methodological work required to revise pricing practices. Using the methodology for calculating the actual costs of services developed and tested by the World Bank's TFSP project in Jamaica, the project will transfer expertise on the use of the methodology, update and extend it as necessary to the Malagasy context, and train staff in its use. The project provides technical expertise for training, in line with the expectations of the

Madagascar Customs Directorate General and applicable to the fees and taxes to be revised. In addition, the project will provide technical advice on good administrative practices that will enable government officials to review their current practices and develop a policy for change. Output 1 is delivered when the Madagascar Customs Directorate General has prepared a policy document for the revision of pricing practices, in accordance with Articles 6.1 and 6.2 of the WTO TFA. The CNFE will contribute to these results by providing a dedicated team to work jointly with the project expert(s).

**Output 2** aims to strengthen the capacity of selected officials to conduct best practices analysis for the revision of the sanctions regime. The project provides technical expertise for training, in line with the expectations of the Madagascar Customs Directorate General and applicable to the fees and taxes to be revised. In addition, the project will provide technical advice on good administrative practices that will enable officials to review their current practices and develop a policy for change. Output 2 is obtained when the Madagascar Customs Directorate General has developed a policy document for the revision of the customs sanctions regime, in accordance with Article 6.3 of the WTO TFA. The CNFE will contribute to these results by providing a dedicated team to work jointly with the project expert(s).

**Output 3** The project would provide resources, including a national expert and funding, that enable regular stakeholder consultations on the proposed legislative amendment. These consultations improve transparency and accountability by aligning policies more closely with real needs. It also strengthens the adaptability of the system by integrating diverse perspectives, making governance more responsive and resilient. Output 3 is delivered once the policy documents are finalized, with feedback integrated and presented to stakeholders. The NTFC will contribute to this activity by providing a dedicated team to work jointly with the project expert(s).

**Resources/Inputs** : International and national experts will be recruited to provide technical advice to the project. As part of Output 1, a short-term international expert will adapt the methodology developed by the World Bank and used in Jamaica to the Malagasy context, including by broadening the scope. A second short-term international expert will be recruited to consult Malagasy stakeholders on the legal and administrative framework, including reviewing administrative practices, general laws, and policies applicable to pricing practices. The expert will also prepare a draft policy and revise it jointly with the Malagasy experts. A national expert will also be responsible for conducting three training sessions for selected government officials. The experts are expected to travel to Madagascar twice.

For Output 2, a short-term international expert will develop the guidance document on the updated sanctions regime. This same expert will be recruited to consult Malagasy stakeholders on the legal and administrative framework, including by reviewing administrative practices, general laws, and policies applicable to the existing sanctions regime. The expert will also prepare a draft policy and revise it jointly with Malagasy experts. A short-term national expert will also be recruited to draft a training manual and conduct three training sessions for selected officials. The experts are expected to travel to Madagascar twice.

For Output 3, a national expert will be engaged to develop and implement a consultation strategy with targeted stakeholders and to maintain a review log based on their feedback.

Table 2: List of activities

To go out	Activity	Instruments
<b>Output 1</b> The NTFC of Madagascar has methodological expertise to set, revise and publish fees and charges related to	<ol style="list-style-type: none"> <li>1. Adaptation of the methodology developed by the World Bank for costs and charges related to imports and exports in Madagascar</li> <li>2. Technical advice to review Madagascar's administrative practices and policies</li> </ol>	<p>1 short-term international expert for the preparation of the methodology</p> <p>1 short-term international expert for organizational advice</p> <p>1 short-term national expert to</p>

imports and exports.	3. Training of officials of relevant government agencies in the use of the methodological instrument	deliver 3 training sessions to a group of selected national experts 3 training sessions for a group of selected national experts
<b>Output 2</b> The NTFC in Madagascar has methodological expertise to establish the legal framework, procedures and training program for a customs sanctions regime	1. Prepare a practical guidance document for the establishment of a customs sanctions regime compliant with the TFA in the context of Madagascar. 2. Draft training manual (user guide) for the updated sanctions regime	1 short-term international expert to review the existing approach and prepare a guidance document 1 short-term national expert for the preparation of the training manual and the delivery of 3 training sessions for a group of selected national experts 3 training sessions for a group of selected national experts
<b>Output 3</b> Stakeholders from public administration and the private sector are consulted on the updated approaches	1. Consultations (workshops, focus groups, written comments) are organized with all public and private stakeholders on draft legislative amendments, SOPs and guidelines. 2. A revision log is maintained to show where comments have been incorporated to demonstrate that proposed reforms are understood, practical and have broad support.	1 short-term national expert to develop and implement a consultation strategy. 6 consultation/awareness activities to be defined by the consultation strategy and reach 70% of stakeholders

## 5) Sustainability

The project focuses on human capacity building as a key element of the change process. By investing in strengthening the methodological skills of a sufficient number of civil servants from different government entities, the project strengthens their ability to make independent (autonomous) decisions. By funding the development of a documented methodology, a practical guide, and a training manual, the project develops replicable tools that can be used after the project ends to maintain operational capabilities in the future. Engaging stakeholders throughout the process and taking their feedback into account can promote acceptance of the change program and increase its long-term adoption potential.

## 6) Budget

Project costs are covered by the TFAF grant and Madagascar's in-kind contribution. The total amount is USD 239,852, including USD 197,852 for the TFAF grant. The table below details the budget by cost type.

Table 3: Total project budget

Table 3: Total project budget			
Type	Description	Amount (USD)	
		TFAF	In kind
Staff and travel			
Output 1	Short-term international expert (methodology) (Output 1) 20 days	16,000	
	Short-term international expert (Change consulting) (Output 1) 40 days	32,000	
	Short-term National Expert (Training) (Output 1) 40 days	16,000	

	International travel (Outputs 1)	18,568	
<b>Output 2</b>	Short-Term International Expert (Guide) (Output 2) 50 days	40,000	
	Short-term National Expert (Training) (Output 2) 30 days	12,000	
	International travel (2 Outputs)	9,284	
<b>Output 3</b>	Short-term national expert (consultations) (Output 3) 90 days	36,000	
<b>All Outputs</b>	National Coordinator for the interface with the NTFC (90 days)		36,000
<b>Subtotal</b>		<b>179,852</b>	<b>36,000</b>
<b>Other costs</b>			
<b>All Outputs</b>	Costs of home training and consultation sessions	18,000	6,000
<b>Total</b>			<b>6,000</b>
<b>TOTAL</b>		<b>197,852</b>	<b>42,000</b>

TFAF grant rules specify that for projects involving an LDC or an OIC member, the in-kind contribution must be equivalent to at least 10% of the TFAF contribution to the project. The grant amount is USD 197,852. Madagascar's in-kind contribution must be at least USD 19,785. The estimated in-kind contribution is USD 42,000.

Table 4: In-kind contribution from member(s)

	Description	Estimated value
General Directorate of Customs of Madagascar and Ministry of Finance	National Coordinator	90 days (USD 36,000)
	Costs of training and home consultations	12 sessions (6,000 USD)

### III. PROJECT ORGANIZATION

#### 1) Political partner

The political partner of the project is the National Committee for Trade Facilitation of Madagascar:

The NTFC will oversee the activities of the first Output of the project and provide policy and strategic guidance to ensure the commitment of all relevant government agencies. It will establish a working group to evaluate progress and Outputs. The Madagascar Customs and Excise Division will coordinate and monitor the progress of training activities in collaboration with other relevant government authorities, such as the Ministry of Finance and the Auditor General.

#### 2) Implementation Partner

The project will be implemented directly by the TFAF, which will be responsible for researching and recruiting the required expertise, managing the project, and coordinating between all stakeholders.

#### 3) Risk analysis

The project faces medium-scale risks that may have a medium to high impact on its completion.

Table 6: Risks, impact and mitigation measures

Risk description	Probability	Impact	Strategies attenuation
Limited awareness or capacity of traders and logistics providers to comply with new procedures.	High	High	Conduct awareness-raising, training and public-private dialogue activities to strengthen compliance capacities.
Inadequate digital infrastructure can hamper the transparency and automation of fee and penalty systems.	High	Medium	Develop communication and implementation solutions adapted to digital infrastructure
Changes in government or political unrest can delay or reverse reforms aimed at facilitating trade.	Medium	High	Build cross-party consensus and institutionalize reforms through legislation.
Events such as pandemics, commodity price crashes, or global recessions can divert resources and attention.	Medium	High	Integrate the implementation of the Trans-Pacific Partnership (TFA) into broader economic resilience and recovery plans.
Corruption involving actors from neighbouring countries can compromise the application of transparent practices.	Medium	High	Strengthen regional cooperation in the fight against corruption and intelligence sharing.
Overreliance on external technical or financial assistance may delay implementation if funding is withdrawn.	Medium	Medium	Develop sustainable national financing mechanisms and capacity building programs.
Overlapping mandates between ministries or agencies can lead to delays or inconsistencies.	Medium	Medium	Work with the NTFC to develop a clear coordination approach.

Annex 1: Logical framework

	Indicators and objectives	Sources of verification	Hypotheses
<b>Objective</b> Madagascar may establish systems of fees, charges and penalties for services related to the import and export of goods, in accordance with the TFA.	1. A methodological toolbox for reviewing and setting fees and charges was presented within the NTFC or its working group Reference value: 0 Objective 1, Q4	NTFC Minutes	
	2. A guidance document proposing consultation, publication and review of the revised customs sanctions regime has been presented to the NTFC or its working group. Reference: 1 Goal: 2, Q4	NTFC Minutes	
<b>Output 1</b> The NTFC of Madagascar has methodological expertise to set, revise and publish fees and charges related to imports and exports.	1.1 Number of officials trained in the methodological tool adopted from the Jamaican context to the Malagasy context Reference value: 0 Target: 10, Q6	Training attendance register	The assumption is that trained experts are involved in policy making.
	1.2 A policy for the periodic review of fees and charges in Madagascar was presented to the NTFC Baseline 0 Objective: 1, Q6	NTFC Minutes	
<b>Output 2</b> The NTFC of Madagascar has methodological expertise to establish the procedures and training program for a customs sanctions regime.	2.1 A good practice document, including a review of the current approach to the sanctions regime, is published (Baseline: 0, Target: 1, Q4)	Government website	The assumption is that the practical guidelines can be sufficiently adapted to the political and administrative context of Madagascar so that stakeholders are willing to align their practices with them.
	2.2 Number of officials trained in the application of the guidance document Baseline: 0, Target: 30, Q6	Training attendance register	
<b>Output 3</b> Stakeholders from public administration and the private sector are consulted on the updated approaches	3.1 Consultations (workshops, focus groups, written comments) are held with all public and private stakeholders on draft legislative amendments, SOPs and guidelines (Baseline 0, Target 6 reaching 70% of stakeholders by Q6)	Consolidated consultation report	The assumption is that a representative selection of economic operators and border agencies actively participate in the development and discussion of guidelines, tools and dialogue.

	3.2 A review log is maintained to show where comments have been incorporated to demonstrate that the proposed reforms are understood, practical and have broad support. (Reference 0, Objective 1 Q6)	Revision Journal	
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Appendix 2: Work plan

To go out	Activities	Responsibility	Q1	Q2	Q3	Q4	Q5	Q6
<b>Output 1: The NTFC of Madagascar has methodological expertise to set, revise and publish fees and charges related to imports and exports</b>								
	1. Adaptation of the methodology developed by the WB for costs and charges related to imports and exports in Madagascar.	International Consultant						
	2. Training of officials of relevant government agencies in the use of the methodological instrument	National Consultant						
	3. Technical advice to review Madagascar's administrative practices and policies	International Consultant						
<b>Output 2: The NTFC of Madagascar provides stakeholders with practical guidance for revising the customs sanctions regime.</b>								
	1. Prepare a practical guidance document for the revision of the customs sanctions regime adapted to the Malagasy context.	International Consultant						
	2. Draft training manual (user guide) for the application of a customs sanctions regime	International Consultant						
	3. Provide training to officials on the enforcement sanctions regime	National Consultant						
<b>Output 3: Public administration and private sector stakeholders are consulted on updated approaches</b>								
	1. Consultations (workshops, focus groups, written comments) are organized with all public and private stakeholders on draft legislative amendments, standard operating procedures and guidelines.	National Consultant						
	2. A review log is maintained to show where comments have been incorporated to demonstrate that the proposed reforms are understood, practical and have broad support.	National Consultant						

Appendix 3: Budget per Output

Activities	Description of costs	Costs / USD	Costs / USD	Total
		TFAF	In kind	
<b>TOTAL</b>		<b>197,852</b>	<b>42,000</b>	<b>239,852</b>
<b>Output 1: The TF working group in Madagascar has methodological expertise to set, revise and publish fees and charges related to imports and exports</b>				
	<i>Total amount</i>	<i>83,068</i>	<i>13,500</i>	<i>96,568</i>
1. Adaptation of the methodology developed by the World Bank for costs and charges related to imports and exports in Madagascar	Int'l Consulting Days (20 days, USD 800)	16,000		16,000
2. Technical advice to review Madagascar's administrative practices and policies	Int'l Consulting Days (40 days, USD 800)	32,000		32,000
3. Training of officials of relevant government agencies in the use of the methodological instrument	nat'l Consulting Days (30 days, USD 400)	12,000		12,000
Workshop costs	3 training sessions for 20 participants (1500 project , 500 in kind, room rental)	4,500	1,500	6,000
Travel expenses 2 x International experts x 2 missions	Airfare 1,500/expert/mission, transport costs 200/expert/mission, per diem 206 per day/expert, 14 days	18,568		18,568
Interface with NTFC and local agencies	National Coordination Days (30 days, USD 400)		12,000	12,000
<b>Output 2 : The NTFC of Madagascar provides stakeholders with practical guides to review the customs sanctions regime.</b>				
	<i>Total amount</i>	<i>69,784</i>	<i>13,500</i>	<i>83,284</i>
1. Prepare a practical guidance document for the review of the sanctions regime	Int'l Consulting Days (50 days, USD 800)	40,000		40,000
	Travel expenses 1 x International expert x 2 missions (Air tickets 1,500/expert/mission, 200 transport costs/expert/mission, per diem 206 per day/expert, 14 days)	9,284		9,284
2. Draft a training manual (user guide) for the updated sanctions regime and deliver training sessions	Nat'l Consulting Days (40 days, USD 400)	16,000		16,000
	3 training sessions for 20 participants (1500 project , 500 in kind, room rental)	4,500	1,500	6,000
Interface with NTFC and local agencies	National Coordination Days (30 days, USD 400)		12,000	12,000
<b>Output 3: Public administration and private sector stakeholders are consulted on updated approaches</b>				
	<i>Total amount</i>	<i>45,000</i>	<i>15,000</i>	<i>60,000</i>
1. Consultations (workshops, discussion groups, written feedback)	nat'l Consulting Days (90 days, USD 400)	36,000		36,000
2. Maintaining the revision log				
Consultation sessions with public and private sector stakeholders	6 sessions (30 participants) (1500 project , 500 in kind, room rental)	9,000	3,000	12,000
Interface with NTFC and local agencies	National Coordination Days (30 days, USD 400)		12,000	12,000

