

3 March 2025

(25-1506) Page: 1/10

# **Committee on Trade Facilitation**

# **ANNUAL REPORT 2024**

# TRADE FACILITATION AGREEMENT FACILITY (TFAF)

# **Contents**

1	TFAF ACTIVITIES IN 2024	2
	1 Grant Programme	
	2 Technical Assistance and Capacity-Building (TACB)	
	3 Engagement with Annex D and Development Partners	
2	OUTCOMES AND IMPACT	5
2.	1 Monitoring of Progress	5
2.:	Performance Improvement	8
3	EXPENDITURES AND FUNDS	8
4	RISKS	10

This report sets out the activities and outcomes of the WTO's Trade Facilitation Agreement Facility (the Facility, or TFAF) for the calendar year 2024, as required by the Framework for the Management and Operation of the TFAF (G/TFA/3).

#### 1 TFAF ACTIVITIES IN 2024

## 1.1 Grant Programme

1.1. The TFAF Grant Programme was launched in October 2018 to assist Members that are unable to find assistance from other development partners to implement their TFA commitments by providing funding for project preparation or implementation grants.

### Project Preparation Grants

1.2. In 2024, a total of five applications for a project preparation grant (PPG) were received from three LDC Members¹ and one developing Member.² Two of these applications were approved and completed in 2024, and one was approved with its implementation scheduled for 2025. One PPG that had been awarded in 2023 was completed in early 2024. The two remaining PPG applications were incomplete and placed on hold.

#### Project Implementation Grants

- 1.3. In 2024, the TFAF Secretariat received five applications from developing Members<sup>3</sup> for project implementation grants (PGs). All five applications fully met the formal eligibility criteria of the grant programme. TFAF reviewed the applications to assess and, where necessary, improve technical aspects and deliverables. Following this review, all five applications were considered eligible to move to the next step. However, one application was placed on hold because a development partner had signalled its interest in engaging with the Member directly for the provision of the relevant assistance and capacity-building. For this reason, only four of the five applications were submitted to the Grant Selection Committee for their consideration in early 2025.
- 1.4. During the review process, the TFAF Secretariat travelled to two Members to meet domestic stakeholders and their respective National Trade Facilitation Committee (NTFC) to discuss details of their applications and assess the level of political ownership. The TFAF Secretariat also organized a dialogue with the CARICOM Secretariat and OECS Commission to gauge the regional dimension of the applications.

# 1.2 Technical Assistance and Capacity-Building (TACB)

- 1.5. Members can request TACB support which relates to the following outcomes: (i) identifying implementation assistance; (ii) ratification of the Agreement; (iii) notifications under the Agreement; and (iv) strengthening the operation of the NTFC.
- 1.6. In 2024, more than 224 participants from 71 developing Members, including 26 LDC Members, benefited from the TFAF TACB activities. The following TACB activities were carried out.

### In-Person Mission to Cameroon

1.7. Upon request from its National Trade Facilitation Committee, TFAF organized an in-person mission to Cameroon from 12-15 March 2024 to help the NTFC identify the current TACB needs and to meet with development partners present in Cameroon. The mission led to the identification of TACB gaps, which resulted in the update of the TACB implementation plan. The TFAF Secretariat met with development partners present in Cameroun to discuss TFA related assistance during the course of the mission.

<sup>&</sup>lt;sup>1</sup> Angola (two applications); Senegal; Togo.

<sup>&</sup>lt;sup>2</sup> Kenya

<sup>&</sup>lt;sup>3</sup> Grenada; Guyana; Kyrgyz Republic; Saint Vincent and the Grenadines; Sri Lanka.

### Capital-Based Officials Participating in the Committee on Trade Facilitation

1.8. One capital-based delegate from an LDC Member participated in the meeting of the Committee on Trade Facilitation (CTF) on 16-17 April 2024 to share that Member's implementation experience and discuss TACB arrangements with potential partners. Six capital-based experts from developing and LDC Members, and five capital-based experts from Land-Locked Developing Countries (LLDCs), participated as discussants at the CTF's dedicated session on transit of 10 July 2024. In October, TFAF funded the participation of four capital-based representatives to the CTF, including the panel discussion during the dedicated session on TACB.

Humanitarian Relief - The Role and Preparedness of NTFCs

1.9. The TFAF, together with UNICEF, UNCTAD, UN IMPACCT, Vanuatu, WCO and World Bank organized a panel on "Humanitarian Relief – The Role and Preparedness of NTFCs" at UNCTAD's 3rd Global Forum for NTFCs in Barbados on 22 May 2024. The panel discussed the application of TFA principles to facilitate the movement of humanitarian relief consignments in the event of a natural disaster.

Short-Term Advisory Mission (Saint Lucia and Grenada)

1.10. The TFAF funded a short-term technical expert to draft, based on meetings with relevant stakeholders, the high-level business requirements for St Lucia and Grenada's Single Window. The NTFC subsequently used the expert's findings to advance the tendering process for the Single Window. To maximize the benefit of the technical expert's mission to St Lucia and Grenada, and responding to a request from Grenada, the expert also facilitated a stakeholder dialogue on the road towards implementation of the Single Window in Grenada.

### Retreat for the Geneva Missions of LDC Members

1.11. Upon the LDC Group's request, the TFAF organized a dialogue, on 17 October 2024, for the Geneva missions of LDC Members. The purpose of the dialogue was to address key issues surrounding TFA implementation, with a focus on accessing TACB. The event assembled 25 Geneva-based delegations from LDC Members, and successfully strengthened linkages between these Geneva-based missions and their respective capital-based NTFCs. A TFAF survey launched prior to the meeting revealed that most NTFCs did not maintain regular contact with their Geneva missions. The missions in Geneva emphasized that they lacked sufficient information from their Capitals on implementation progress and challenges to enable them to particate actively in the CTF and to mobilize TACB.

ALADI-STDF-TFAF 4<sup>th</sup> Regional Meeting of National Trade Facilitation Committees - Digitalization for Trade Facilitation

1.12. The 4<sup>th</sup> Latin American Meeting of National Trade Facilitation Committees was held on an in-person attendance basis in Montevideo, Uruguay, from 23 to 26 November 2024. Thirty-nine experts from NTFCs from 10 Members, and 3 regional/international Organizations (IACA, IADB, WCO) attended the meeting in person, while more than 20 experts attended online. The objective of the meeting was to discuss interoperability of domestic and cross-border data exchanges. Participants shared their respective national experiences implementing electronic certification, such as ePhyto and eVET, discussed the role of the NTFC in coordinating digitalization initiatives, and had an opportunity to better understand the use of international standards for the digitalization of trade documents.

# Mission to the Republic of the Congo

1.13. The Republic of the Congo requested support to establish a National Committee under Article 23.2, and to review its technical assistance needs. TFAF organized an in-person mission to Brazzaville, from 10-13 December 2024, to facilitate subsequent discussions and to advise on establishing an NTFC. Members from Côte d'Ivoire, Rwanda, and Senegal, participated in this mission virtually and in person to share their experiences with the Republic of the Congo. Further to that mission, the Republic of Congo intends to establish a Working Group under the leadership of the Ministry of Trade to draft and share with partners a technical assistance plan for the implementation

of the TFA in the Republic of the Congo. TFAF also met with development partners in Brazzaville to discuss TFA implementation support.

# TFA Diagnostic - Comoros

1.14. As part of its post-accession work, Comoros requested assistance from TFAF for an in-person diagnostic of their technical assistance needs and to help with the preparation of their TFA notifications pursuant to the commitments made during the accession process. These activities were initiated in December 2024 and completed in early 2025. The Comoros has submitted their TFA notifications on time for the CTF meeting in March 2025.<sup>4</sup>

**Table 1: TACB Activities 2024** 

Activity and date	Outcome	No. of Members/Participants
In-person mission to identify the assistance gaps for category C commitments, Cameroon, March	Strengthen the NTFC Identify TACB needs	1/18
Participation of capital-based delegates in the meeting of the Committee on TF (CTF), experience sharing presentation, and meeting with potential donor, Switzerland, April	Strengthen the NTFC Assistance finding implementation partners	1/1
Participation of capital-based delegates in the dedicated session on transit, Switzerland, July		6/6
Participation of capital-based delegates in the dedicated session on TACB, Switzerland, October		4/5
TFAF and development partners' panel on Humanitarian Relief – The Role and Preparedness of NTFCs, during the 3 <sup>rd</sup> Global NTFC Forum, organized by UNCTAD, Barbados, May	Strengthen the NTFC	20/50
Short-term advisory mission for Article 10.4, Saint Lucia and Grenada, July	Strengthen the NTFC	2/40
Retreat for LDC Members, Switzerland, October	Assistance finding implementation partners	25/42
ALADI-STDF-TFAF 4 <sup>th</sup> Regional Meeting of NTFCs – Digitalization for Trade Facilitation, Uruguay, November	Strengthen the NTFC	10/39
In-person mission to identify assistance gaps for category C commitments and discuss NTFC options, Congo, December	Strengthen the NTFC Identify TACB needs	1/23
Diagnostic for the notification to the CTF and TACB mobilization, Comoros <sup>5</sup> , January 2025	Identify TACB needs	1/20

### 1.3 Engagement with Annex D and Development Partners

### **Partnerships**

- 1.15. In 2024, the TFAF leveraged technical expertise and funding from the Standards and Trade Development Facility (STDF) for the 4<sup>th</sup> Regional Meeting of NTFCs in ALADI. This collaboration deepened synergies between digitalization initiatives to implement the TFA, in particular the Single Window (Article 10.4), and electronic certification initiatives conducted by SPS competent authorities.
- 1.16. The TFAF also collaborated with the Enhanced Integrated Framework (EIF) for the TACB activity in Comoros with a view to integrating TFA capacity building needs into the donor coordination process managed by the EIF's National Implementation Unit.

<sup>&</sup>lt;sup>4</sup> <u>G/TFA/N/COM/1</u>; <u>G/TFA/N/COM/2</u>; and <u>G/TFA/N/COM/3</u>.

<sup>&</sup>lt;sup>5</sup> The activity was undertaken in early 2025 but its expenses were accounted to 2024.

### Participation in Partners' Events and Coordination

- 1.17. The TFAF Secretariat participated, alongside other Annex D organizations, in the WCO Permanent Technical Committee's meeting in April 2024 to discuss agency collaboration. The TFAF Secretariat also participated in a meeting of the WCO's Green Customs Initiative, in February 2024, to discuss opportunities to strengthen linkages between various GCI activities in the implementation of the TFA.
- 1.18. Upon UNCTAD's request, the TFAF funded the participation of nine Caribbean region NTFC representatives and one each from the OECS and CARICOM Secretariat in the 3<sup>rd</sup> Global NTFC Forum, in Barbados, in May 2024. TFAF also hosted the panel on Humanitarian Relief and participated in four panel discussions of the Global NTFC Forum.
- 1.19. In October 2024, TFAF invited Annex D+ Organizations, the GATF, and donor Members to a coordination meeting to foster coherence among, and alignment of, activities supporting Members implementing the TFA. TFAF presented findings from its study of TACB gaps in relation to TFA Articles, and highlighted that plugging these gaps would be of benefit to Members.

#### **2 OUTCOMES AND IMPACT**

2.1. The role of the Facility is to assist developing Members and LDCs to implement the TFA. TFAF aims to assist developing and LDC Members to better access development partner support, and assist development partners to better target TFA capacity building needs in the assistance they provide.

#### 2.1 Monitoring of Progress

- 2.2. To monitor and measure progress towards the successful achievement of its objectives, the TFAF uses a logframe with outcomes.<sup>6</sup> The expected outcomes of TFAF activities are as follows:
  - To locate assistance resources to help developing and LDC Members to fully implement all relevant TFA provisions ;
  - to ratify the TFA;
  - to submit TFA Section II notifications within the deadlines agreed; and
  - to enhance the operation of the NTFCs.

Find Assistance for the Implementation of the Provisions of the TFA

- 2.3. Ninety-four developing and LDC Members have notified in total 1,159 category C measures for which they require assistance and support for capacity development. The mobilization of such TACB takes place bilaterally and at regional level between development partners and developing and LDC Members.
- 2.4. Since 2019, TFAF has assisted 46 developing Members, including 18 LDC Members, identifying development partners, through sharing information on the capacity building needs or the preparation of a project document. Ten developing Members, including two LDC Members, have found TACB partners and arrangements<sup>8</sup> for all or some of their TFA capacity-building needs through or with TFAF support.

 $<sup>^{\</sup>rm 6}$  The logframe was originally developed in 2015 and revised in 2018. A new logframe will be used as from 2025.

<sup>&</sup>lt;sup>7</sup> Does not include recently acceded Member Comoros and Timor-Leste as the categorization of commitments was not circulated at the time of drafting this annual report.

<sup>&</sup>lt;sup>8</sup> TFAF is not able to track with any certainty if the arrangements resulted in actual projects or if the desired capacity-building results were delivered.

Examples of such matches are:

<u>Mongolia</u>: Following a TFAF-funded PPG on Articles 3, 8, and 10.4, the WBG-TFSP committed to support the development of an Advance Ruling regime (Article 3) as part of its continued collaboration with Mongolia. An EU-funded project committed to incorporating remaining capacity C measures, namely the Single Window, in a domestic trade-specific project.

<u>Ghana</u>: Ghana used the TFAF channels to twice circulate their pending TACB needs to development partners. USAID had signalled its ability to address the TFA category C needs; however, subsequent discussions failed to lead to a TACB engagement. TFAF relaunched the request two years later, after which the WBG-TFSP began to support Ghana.<sup>9</sup>

**Jamaica:** Following a PPG for Jamaica, the WBG-TFSP supported capacity-building needs with regard to fees and charges (Article 6.1 and 6.2). They developed a methodology for the calculation of border-related fees and charges in alignment with Article 6.1 of the WTO TFA. The project also provided technical assistance to strengthen risk-based assessments at the border.

- 2.5. Since 2023, there has been an increase in demand for PGs from developing Members and LDC Members that have not found targeted TACB for their capacity building needs from other development partners. In 2024, TFAF assisted five Members to prepare the documents needed for the application to the TFAF grant programme.
- 2.6. However, this increased demand is not necessarily a positive development as it indicates that some Members face challenges mobilizing targeted TFA support from development partners. The TFAF grant programme is not designed, nor intended, to replace development partners' TFA implementation support. Consequently, TFAF must increase its efforts, jointly with all its development partners, to address the underlying causes for these challenges.

PPG received

PPG received

0 2 4 6 8 10 12 14 16

2019-2023 2024

Chart 1: PGs and PPGs received since 2019

Ratification of the TFA

2.7. By end-2024, 160 of 166 WTO Members had ratified the TFA.<sup>10</sup> Members no longer request assistance from TFAF in relation to the ratification process.

Submit TFA Section II Notifications Within Agreed Deadlines

2.8. The deadlines for the Article 16 notifications have expired for both developing and LDC Members. 

11 Members no longer request assistance from TFAF in relation to the preparation of

Seven LDC Members had been granted an extension for the submission of the deadline until end-2023.

<sup>&</sup>lt;sup>9</sup> Ghana reported the progress in TACB arrangement in G/TFA/N/GHA/4.

<sup>&</sup>lt;sup>10</sup> This number includes two Members that acceded to the WTO after the entry into force of the TFA.

 $<sup>^{11}</sup>$  The deadlines were in 2018 for developing Members and in 2022 for LDC Members.

the categorization, the identification of technical assistance needs, and the definitive dates. TFAF continues to track updated TACB arrangement notifications or notifications of early implementation dates, under different outcomes.

### Enhance the Operation of the NTFCs

2.9. Through the TACB activities and the PPGs, TFAF assists NTFCs in developing and LDC Members to better monitor TACB mobilization and implementation progress and to improve the effectiveness of the NTFCs. In this way, TFAF enabled four Members, including two LDC Members, to update their domestic TFA and/or TACB planning documents. One Member submitted an early implementation date notification using the updated information. One Member updated the terms of reference of its NTFC taking into consideration experiences shared by three other Members during a TFAF activity.

### Examples:

The findings from the **PPG for Angola** in relation to Article 10.6 Customs Broker, allowed the NTFC to take an informed decision on the next implementation steps and to integrate them into the national implementation plan.

Following the TFAF mission and supported by TFAF advice, the **NTFC in Cameroon** updated its TFA progress monitoring and identified pending priority needs under the TFA that require TACB funding.

2.10. Since 2018, the TFAF has funded more than 150 capital-based experts from 60 Members to participate in meetings of the CTF. This afforded capital-based officials an opportunity to better understand and engage with the CTF, to meet with relevant development partners, and to learn from the implementation experiences of other Members. Since the COVID-19 pandemic, CTF and TFAF meetings are held in hybrid format, making it easier for capital-based officials to participate. For this reason, TFAF now only funds the participation of technical experts that can actively partake in the thematic topic discussions of the CTF to share relevant lessons learned.

**Table 2: Outcome Monitoring** 

Outcome	Indicator <sup>13</sup>	Results 2024	Cumulative since 2018
Find assistance for the implementation of the provisions of the TFA	<ul> <li>PPGs (completed)</li> <li>Partner/Member match</li> <li>PGs (approved)</li> <li>TACB arrangement progress notification</li> </ul>	• 3 • 2 • 0 • 0	• 11 • 13 • 0 • 0
Ratify the TFA	Count of ratification instrument <sup>14</sup>		5
Submit TFA Section II notifications within agreed deadlines	Count of Article 16 notifications <sup>15</sup>		131 <sup>16</sup>
Enhance the operation of the NTFCs	<ul> <li>TFA strategy documents prepared or amended</li> <li>Capital-based delegates participating in person in CTF</li> <li>NTFC terms of reference drafted or amended</li> </ul>	<ul> <li>4</li> <li>12/10 Members (8/6 LDC Members), 7/5 LLDC Members</li> <li>1</li> </ul>	<ul><li>n.a.</li><li>156/60 Members</li></ul>

<sup>&</sup>lt;sup>12</sup> See <u>G/TFA/N/COG/1/Add.2</u>.

 $<sup>^{13}</sup>$  The  $\overline{2018}$  logframe lacks measurable outcome and output indicators.

 $<sup>^{14}</sup>$  It is difficult to directly link the ratification to a TFAF activity. Therefore, only ratifications that occur in a limited period after a TFAF activity were counted.

<sup>15</sup> Only notifications that were made in a short period following a TFAF activity were counted.

 $<sup>^{16}</sup>$  This number also includes transparency notifications and update of notifications.

### **2.2 Performance Improvement**

- 2.11. The TFAF Secretariat continues to implement the recommendations of the 2022 external evaluation, namely: (i) to strengthen the results framework; (ii) to continue awareness-raising of the matchmaking mechanism; (iii) to streamline the grant programme to make it more efficient; (iv) to modify the PPG to meet development partners' needs; (v) to allocate more resources to follow-up during the matchmaking process; and (vi) to strengthen grant-related activities.
  - (i) Results framework: TFAF defined indicators and tracks progress in the annual report using these indicators;
  - (ii) Awareness raising: the Secretariat increased its outreach to Members through meetings with the Geneva-based missions of LDC Members that continue to face challenges mobilizing targeted TACB for the TFA;
  - (iii) Grant programme: the TFAF Secretariat moved four Members to the PG stage that had submitted EoIs between two and four years ago without securing assistance from a development partner;
  - (iv) Modification of PPGs: one PPG was approved to develop a project document for a development partner (GATF). The other PPGs were approved for diagnostic studies and analytical reports with a view to identify more specific capacity building needs and solutions;
  - (v) Matchmaking process: the TFAF Secretariat has devoted additional in-person resources to processing of Members' requests and has been able to provide tailored responses to more than 20 Members, with a particular focus on under-served French-speaking and LDC Members; and
  - (vi) Grant programme: more resources have been allocated to the grant programme and the management of associated activities.

### **3 EXPENDITURES AND FUNDS**

- 3.1. In 2024, the TFAF spent a total of CHF 874,728.65, including overheads, from an opening balance of CHF 3,395,146. The closing balance on 31 December 2024 was **CHF 2,520,417.04**.
- 3.2. The expenses per TFAF activities are CHF 107,218 for the grant programme, CHF 154,707 for TACB activities, CHF 20,926 for engagement with development partners, CHF 5,483 for the TFAF website, CHF 485,763 for staff costs, and CHF 100,633 for overheads (see Table 5).
- 3.3. The 2024 expenses are significantly lower than in the estimated budget amended in March 2024 (G/TFA/TFAF/6). TFAF anticipated that 10 PG applications would be received and approved. However, only five eligible applications were received, and they could be moved to the approval stage, as the Grant Selection Committee had to be constituted first through the CTF. The expenses for participation of capital-based officials to meetings of the CTF were also reduced, thanks to hybrid meetings, and a change in approach to more limited but targeted participation of experts.

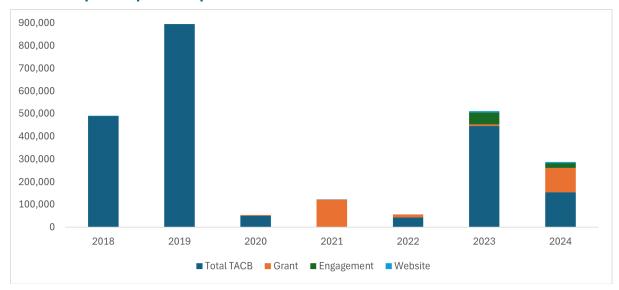
Table 3: Budget breakdown per activity

ACTIVITY	TFAF Work plan 2024	Expenditure 2024
Grant Programme		
Project Preparation Grants and PG application related travel	1,590,000	107,218
Technical Assistance and Capacity-Building		
Delivery Mode B: Technical Assistance and Capacity-Building: Domestic activities (Cameroon, Congo, Grenada and Saint Lucia)	60,000	61,537
Delivery Mode B: Technical Assistance and Capacity-Building: Regional activities (ALADI 4 <sup>th</sup> Regional NTFC Forum)	50,000	30,357

ACTIVITY	TFAF Work plan 2024	Expenditure 2024
Delivery Mode B: Technical Assistance and Capacity-Building: National Needs Assessments (Comoros)	20,000	5,111
Delivery Mode B: Technical Assistance and Capacity-Building: Matchmaking events and thematic knowledge work activities	30,000	14,916
Delivery Mode B: Capital-based officials attending CTF meetings	280,000	42,875
Engagement with Annex D and Development Partners		
Delivery Mode C: Engagement with Annex D and Development Partners	13,000	20,926
TFAF Website		
Delivery Mode D: TFAF Website Maintenance and development	15,000	5,483
Staff costs	490,139	485,763
TOTAL	2,548,139	774,096

3.4. Since 2021, TFAF spends more resources for the grant programme while reducing spending for the TACB activities (see Chart 2). This aligns with the shift in developing and LDC Members' needs from notification to the CTF to the implementation of their commitments. TFAF expects that demand for TFAF grant funding, including PGs, will continue to grow. An increasing number of developing and LDC Members indicate that they have not yet been able to mobilize TFA-targeted support.

Chart 2: Expenses per TFAF pillar since 2018<sup>17</sup>



3.5. In 2024, no new voluntary contributions to the TFAF Trust Fund were received.

Table 4: Opening Balance as at 1 January 2024

Member	CHF
Australia (contribution to TTFAF and transfer from TTFNA <sup>18</sup> )	345,421.82
Austria (contribution to TTFAF)	90,287.70
China (contribution to TTFAF)	436,517.57
Czech Republic (contribution to TTFAF)	29,893.57
Finland (contribution to TTFAF)	183,359.13
France (contribution to TTFAF)	179,923.10
Ireland (transfer from TTFNA)	14,790.33
New Zealand (contribution to TTFAF)	20,259.45

<sup>&</sup>lt;sup>17</sup> Excluding staff costs.

<sup>&</sup>lt;sup>18</sup> Trust Fund Trade Facilitation Needs Assessment.

Member	CHF
Norway (contribution to TTFAF and transfers from TTFNG <sup>19</sup> and TTFNA)	1,908,473.97
Chinese Taipei (transfer from TTFNA)	14,407.77
United Kingdom (contribution to TTFAF)	153,310.30
United States (transfer from TTFNA)	18,500.98

Total Funds 2024 **3,395,146**Total Expenditures 2024 874,729

Total Balance 2,520,417

## 4 RISKS

4.1. The increase in demand for the grant programme increases financial risks for the Trust Fund, which has not received new contributions for the past three years. The diminishing resources of the Trust Fund will affect TFAF's ability to respond to Members' needs through its TACB activities and the grant programme. This may negatively affect developing and LDC Members' ability to meet the definitive dates notified to the CTF and result in an increase in extension requests for additional time to implement their category C commitments.

 $<sup>^{\</sup>rm 19}$  Trust Fund Trade Facilitation Negotiating Group.