

## **The World Bank Group**

### **The Aid for Trade Facilitation Project:**

#### **A Public - Private Partnership to Ignite Growth and Development<sup>1</sup>**

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The global economic crisis has affected all the world's citizens. A long-term and sustained recovery that reduces poverty and expands trade requires innovative and concrete public-private initiatives. **The Aid for Trade Facilitation Project** is designed to advance this important goal. Achieving sustainable development requires aligning aid for trade commitments with the engine of private sector innovation and dynamism.

Economic recovery also demands new momentum for reform and more effective delivery of aid for trade. These are shared goals which the public and private sector can help achieve together by addressing longstanding logistics constraints. A new vision and action plan for "aid for trade facilitation," offers a unique opportunity to build durable reforms that reduce trade costs, expand trade and generate greater prosperity for all.

The World Bank is launching a new partnership with corporate leaders, in support of the WTO's aid for trade initiative, to develop an "aid for trade facilitation" action agenda. We seek to create a high profile platform to leverage bilateral and multilateral aid for trade to significantly increase its "rate of return" in terms of lowering trade costs for firms and consumers in developing countries. The aim will be to design and implement *practical and achievable* trade facilitation projects that lower trade costs by addressing the lack of capacity of developing countries to rapidly move goods and services across borders. A central focus of the work will be to improve the "software" of trade logistics and border management to complement and enhance aid funding for hard infrastructure projects.

**The Aid for Trade Facilitation Project** is unique in several important ways. The partnership will involve a true collaboration of private firms – working through and with industry associations – in both developed and developing countries to best harness the knowledge, energy, and motivation needed to achieve meaningful and long-term

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results. The partners will jointly sponsor the new trade facilitation projects – and monitor each project from start to finish – ensuring concrete results. The pledges of support for the projects and the initiative by all the partners will be visible upfront and will demonstrate a joint investment and commitment to success.

The centerpiece of the partnership will be a series of pilot projects to lower trade costs and provide “best practice” examples that will help to shape and inform the broader aid for trade initiative. As the pilot projects are implemented and lessons are learned and shared, they will be replicated in other partner developing countries over time.

### **Leadership and Focus**

The project has the direct sponsorship and support of the President of the **World Bank Group** along with other international organizations and corporate **CEO's** from the information technology, express delivery, logistics and retail industries around the world. The primary focus of the program is the design and implementation of concrete low cost, high return projects that can be replicated in a broad cross-section of developing countries. The initial focus will be to work with countries that have already demonstrated real records of accomplishment in improving their business and investment environments in trade logistics. Over time the partners will seek to advance progress across the full spectrum of willing and ready partners in the developing world – from least developed to middle-income countries.

### **Design and Launch**

The initial phase of **the Aid for Trade Facilitation Project** began with a design workshop with the President of the Bank Robert Zoellick and other senior officials at the Annual Meetings of the World Bank and International Monetary Fund on October 4, 2009 in Istanbul. A briefing on the partnership and will be held concurrent with the WTO Ministerial in Geneva in November 2009. A third Project Launch workshop is under discussion for meetings in Davos, Switzerland during the World Economic Forum meetings in January 2010 to formally initiate the first series of projects for the partnership.