

A very specific initiative from the United Kingdom and with a long historical tradition is the HM Customs & Excise - International Assistance. The HM Customs & Excise is

providing high level legislative advice about customs systems to governments around the world.

HM Customs & Excise - International Assistance*

HM Customs & Excise charts date back to the ninth century. It now has substantial experience in revenue collection, law enforcement and systems development. Working increasingly within consortia of public and commercial organisations, HM Customs & Excise is delivering solutions around the world through projects funded by the United Nations, the World Bank, the International Monetary Fund, the European Union, and others.

HM Customs & Excise supports UNCTAD with their Trade Facilitation Programme by providing on the ground expertise to the automated cargo system ASYCUDA. HM Customs & Excise is involved in ASYCUDA projects within Central and Eastern Europe, South East Asia, Caribbean Region and Southern Africa. As part of the overall customs reform programme HM Customs & Excise is seeking to introduce international customs conventions like the harmonised system of tariffs, single administrative documents, ISO codes and GATT valuation where appropriate. To combat smuggling and commercial fraud - in particular, the trafficking of drugs - HM Customs & Excise works with other countries and commercial organisations to make the international effort more effective.

Over the next three years, HM Customs & Excise plans to increase the number of its staff assisting overseas Governments from 90 people to around 300. They will be working in a variety of ways: giving training to customs staff in over 25 countries around the world, working as part of commercial teams advising on new administrative systems, acting as advisers on short and long-term loan overseas.

Fresh approaches to customs administration are being shared. For example, the staff spend more time now on risk assessment and spot-checks to further facilitate trade, and as a more efficient way of tracking fraud. Furthermore, systems have also been developed which give more responsibility to individual traders for the payment of excise duties. The UK's experience of administering sales tax forms part of its international consultancy service.

This new drive to support customs systems development internationally will see a new era of public/private ~~partnerships which will~~ combine the experience and integrity of both in new professional collaborations.

* Information made available at the joint Swiss/UNCTAD seminar on Technical Co-operation for Trade and Development in the face of Globalisation, 23-24 November 1995, Ascona, Switzerland.

UNITED STATES

Background

230. The US Government has a \$ 40 million assistance programme, administered by the US Trade and Development Agency (TDA). This programme provides support for private sector and infrastructure development in developing and middle-income countries. Specifically TDA provides grants to fund feasibility studies on infrastructure and industrial projects, reverse trade missions and technical assistance and training related to infrastructure projects. TDA funds activities in Africa, the Middle East, Asia, Latin America, Central and Eastern Europe and the NIS. The following presentation of US trade development is mainly based on the information provided by the *Second Africa Trade and Development Report* (February 1997).

Trade and development policy for the countries of Africa

231. The primary goal of the Administration's trade and development policy for the countries of Africa is to support sustainable development in the region and to quicken the pace of development, which is expected to boost US trade and investment in Africa. The US Administration seeks to accelerate the pace of development by:

- increasing trade flows between the United States and Sub-Saharan Africa;
- promoting economic reform as well as the development of the private sector and infrastructure;
- improving the investment climate; and
- strengthening efforts toward democratic governance.

232. For the present survey, the main emphasis is on those aspects of the Africa

Report which focus on trade liberalisation and promotion.

The multilateral Framework

Uruguay Round Agreements

233. The United States has promoted efforts in several international organisations (WTO, World Bank, IMF, AfDB) to increase the integration of African countries into the international trading system. Within the framework of the WTO and its Committee on Trade and Development, the United States has encouraged the WTO to refocus its technical assistance programmes on promoting the understanding and implementation of WTO obligations among Members. As a result, technical assistance programmes now give special attention to the needs of the least-developed countries.

234. In addition to supporting WTO and the efforts of International Financial Institutions to assist developing countries in Africa and elsewhere on trade issues, the United States is encouraging African efforts to liberalise trade regimes individually and collectively. For example, the United States is encouraging the liberalisation of trade regimes by giving increased attention to identifying arbitrary and unfair tariff barriers that exist in certain African nations in the *National Trade Estimates Report*. In some cases, these citations have led to bilateral consultations aimed at arriving at resolutions that will encourage increased trade flows.

Regional co-operation

235. USAID's Initiative for Southern Africa (ISA) has sponsored a number of activities to provide small and medium-sized enterprises with a forum for discussion of regional policy. These activities include the formation of Small Enterprise Promotion Advisory Council, as well as the

establishment of a permanent office of the Southern Africa Enterprise Development Fund in Johannesburg. The Fund has already received 262 investment proposals from the business sector in the region. Also under the ISA umbrella, a regional framework has been developed with the SADC Transport and Communications Commission to improve the regional flow of goods and services.

236. In the SADC, where regional integration is underway, USAID's Regional Centre for Southern Africa financed the preparation of SADC's regional trade protocol agreement. In May 1996, a group of USAID economists travelled to the SADC countries to assess the trade and investment environment and identify major constraints to regional integration.

237. In 1995 the Greater Horn of Africa Initiative provided funds for a study that examined policy and regulatory constraints faced by business interested in investing in the Greater Horn of Africa countries. USAID also supported the restructuring and revitalisation of the Intergovernmental Authority on Development (IGAD), a regional organisation with a mandate to harmonise economic policies among the Horn of Africa countries and to improve food security in the region.

General System of Preferences (GSP)

238. The Administration has been successful in obtaining an important amendment to the GSP statute. The GSP programme provides duty-free entry for half of the 9000 products listed in the US Tariff schedule. As revised, the programme should be more useful to the least developed beneficiary countries, particularly those in Africa. The (LDBC) exemption from competitive need limits continues to apply. These countries are not limited to a ceiling on the value or amount of imports of eligible GSP items.

239. Another special benefit for the LDBCs is the possible addition of up to 1,895 tariff line items to the list of articles with preferential duty-free access. Many of

the Sub-Saharan countries of Africa could benefit because they meet United Nation's criteria for least developed countries.

240. The Administration intends to launch a sustained effort to inform African governments and the private sector of the GSP programme benefits, requirements, and methods of operation. With the renewal of the GSP programme, USAID can now proceed with plans to hold Worldnet programmes on GSP and on other topics related to trade with Africa. Depending upon available funding, on-site seminars/workshops on "how-to import" into the United States will be arranged.

241. In addition, the Administration has determined that once SADC members ratify their trade protocol, it will designate SADC countries as "regional GSP beneficiaries". This will allow goods produced partially in one or more SADC countries having GSP status to qualify for GSP treatment. Extension of this benefit to SADC members who are individual GSP beneficiaries should provide an incentive to increase regional processing for export.

Trade enhancement

242. The United States focus on increasing private sector non-traditional exports in Kenya, Ghana, Uganda, Zimbabwe, Guinea-Bissau, Guinea, and Malawi continues to help these countries generate much needed foreign exchange and income for micro-enterprises and farmers. In Ghana, for example, USAID's market liberalisation efforts have imported the enabling environment for non-traditional export production and marketing. In Guinea-Bissau, the USAID mission encourages the production and exports of cashews through its assistance to the National Agricultural Producers and National Association of Women with Economic Activities.

243. In February 1997, the Commercial Development Mission to Africa (Brown mission) built a foundation for expanded commercial ties between Africa and the

United States. The mission visited five countries : Côte d'Ivoire, Ghana, Kenya, Uganda and Botswana. In each country major initiatives were undertaken with African governments and private sector representatives to ensure continued benefits for both Africa and the United States. During this mission meetings with government leaders and private representatives from nearly 40 African countries and more than 150 US firms were organised. As a result, numerous contracts and agreements for American companies totalling nearly \$ 500 million were signed. A Memorandum of Understanding between the Department of Commerce and SADC was signed, aimed at increasing trade and investment ties between the United States and this twelve-country regional organisation by promoting SADC project opportunities to US industry.

244. To maximise scarce resources, three of the existing Commercial Service offices in Africa - Abidjan, Nairobi and Johannesburg - have taken on regional

outreach responsibilities in co-operation with their State Department colleagues in neighbouring diplomatic posts. The regionalisation of the Commercial Service enables the Department of Commerce and the Department of State to combine their efforts in trade promotion, business facilitation, and direct support for American companies.

In April 1996, the Trade Promotion Coordination Committee (TPCC) Africa Working Group was created. The group involves senior representatives of State, Commerce, USTR, Treasury, Labour, Agriculture, the Export-Import Bank (Eximbank), the Overseas Private Investment Corporation (OPIC), the US Trade and Development Agency (TDA), Energy, USAID and other interested agencies. The Working Group meets as necessary to follow up on initiatives of the Brown mission, and to address such key issues as trade and project finance, reverse commercial missions, and outreach to the US business community.

Annex

SURVEY OF DAC MEMBERS' CO-OPERATION FOR CAPACITY DEVELOPMENT IN TRADE

REQUEST FOR INFORMATION

Explanatory Note

1. Development co-operation should play a vital role in helping developing countries, both indirectly and directly, to unlock their trade potential and promote the kind of economic and political environment necessary to attract investments, enhance competitiveness and mobilise domestic and international resources. It can contribute to developing the capacity necessary in a wide range of areas which are essential for trade, such as support for private sector and infrastructure development, good governance and human resource development. These are fundamental elements of development co-operation which underpin successful integration of developing countries in a highly competitive world economy.

2. Experience has demonstrated that to be effective in this area, development co-operation must take a holistic approach linking demand and supply sides, macro-economic and structural reform, market access and capacity development. Individual measures to create the right policy framework or to build productive capacities are not in themselves sufficient if taken in isolation. They have to be combined through a comprehensive approach and carried out in an integrated way, otherwise, there is a risk of losing synergies and undermining potential in stimulating trade and investment.

3. In this light, it is difficult both conceptually and practically to delink direct and indirect activities aimed at enhancing

trade capacity. Nevertheless, to fill specific information gaps, the scope of the present survey will be limited to those activities which are directly geared towards enhancing trade capacity, using the following framework for reference. It would be useful in this context to extend coverage of information to the activities of Member countries' trade promotion organisations providing assistance to developing countries.

4. **Members are requested to report briefly (and provide any supplementary documentation) on their development co-operation activities, underway or planned, in relation to each of the following categories.**

The multilateral framework

- *Uruguay Round Agreements:* Donors can help developing countries understand and implement agreed international trade rules with respect to all the major areas covered such as agriculture, textiles and clothing, trade-related intellectual property rights, market access for goods and services. Development co-operation in this area can help developing countries make the most of the new opportunities available and acquire the means to participate effectively in relevant meetings. Special assistance is also directed to adjusting countries which may experience temporary losses from the Uruguay Round, and

to those wishing to accede to the WTO.

- *Environmental requirements:* Developing countries are facing a range of new environmental policies and requirements in their export markets. Donors can enhance their partners' trade opportunities and environmental performance by helping them to comply with new standards at the national, regional and international level.
- *Food safety and health requirements:* Consumer pressure is leading to increased regulation and stricter enforcement in the food industry as a consequence of growing publicity about food-borne diseases. Developing countries can be at a disadvantage in international trade with less sophisticated means for food safety control. Development co-operation can help them build the necessary regulatory framework and infrastructure to enhance their food safety standards and comply with international standards.
- *Regional co-operation and integration:* For many developing countries, trade with neighbouring countries is a step towards broader integration. Development co-operation can help countries engaged in regional co-operation arrangements to adapt to trade agreements, thus facilitating the transition to competition in larger markets.

National policy making

- *Policy formulation and implementation:* Development co-operation can assist in strengthening institutional and human resource capacity in the public sector including the training of trade policy experts, strengthening of ministries/ departments responsible for trade policy, facilitating dialogue with the private

sector and direct support to delegations from developing countries to participate effectively in trade negotiations

- *Tariff structures and customs regimes:* Donors can assist developing countries to rationalise and simplify their trade policy regime and customs procedures.

Trade enhancement

- *Trade-related infrastructure:* Development co-operation can help to promote investment in relevant physical infrastructure, improve access to information, and develop commercial and research infrastructure.
- *Entrepreneurial capacity:* Development co-operation can help with training and apprenticeships to master basic business management skills including financial management, improved production, technology acquisition and application.
- *Human and institutional capacities:* Development co-operation can help develop the capacities of professional associations, business networks or wider networks linking research, product development, production and marketing, and encourage dialogue between the public and private sectors.
- *Trade finance:* Donors can help to provide export cover, pre-export financing and working capital.

Export development: Development co-operation can help support special centres for developing trade capacity and related services in the area of product design and packaging, marketing information and expertise. Donors can also support trade missions, linkages to foreign business partners and distribution networks.