

Trade contributes to economic development, which is one of the cornerstones for development and poverty alleviation. When a country lacks prerequisites such as political stability, rule of law and infrastructure it is difficult to take advantage of the opportunities that free trade brings. Sweden contributes to the international Aid-for-Trade agenda, which includes: trade-related infrastructure (roads, ports, railways, energy etc), building productive capacity (private sector, financial sector, agriculture), as well as trade policy and regulations. Disbursements within trade policy and regulations amounted to SEK 352 million, and Aid-for-Trade SEK 2.5 billion in 2013.



MAIN AREAS OF SUPPORT

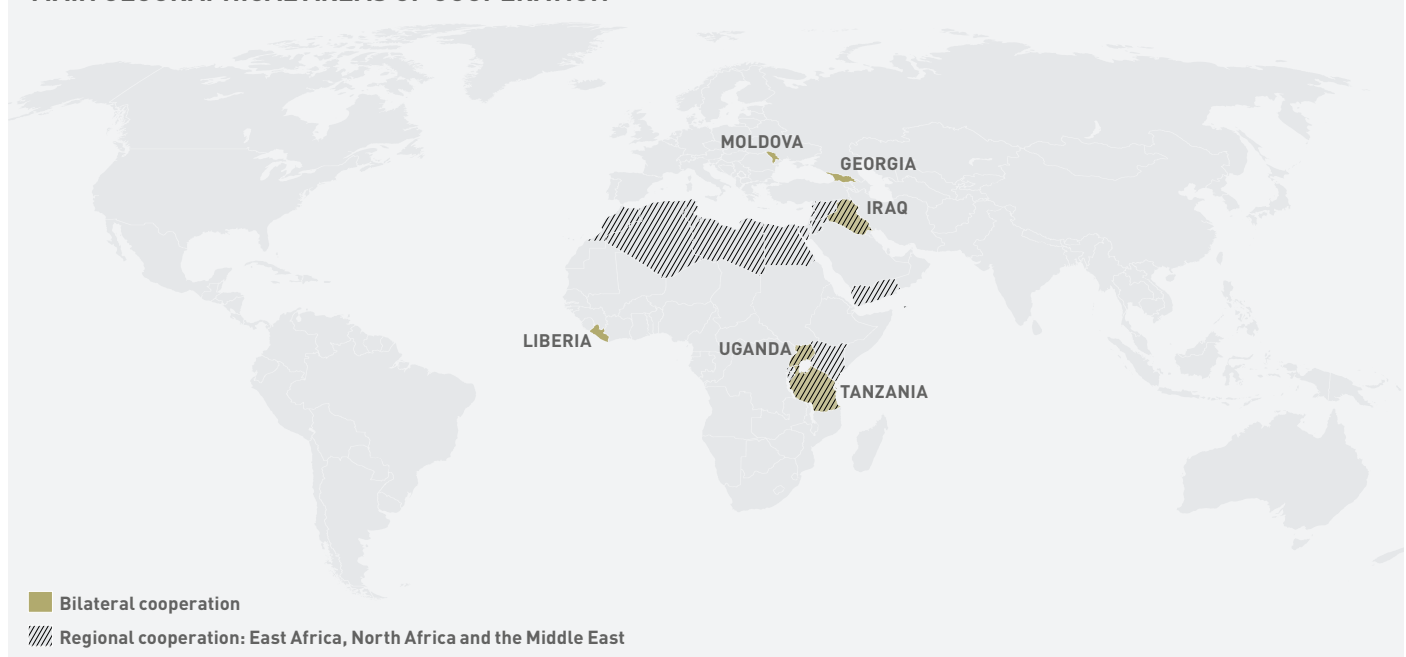
The Swedish support to trade policy and regulations contributes to developing countries' increased participation in international trade, and promotes regional economic integration. It is channelled through multilateral, regional as well as bilateral channels. About 40 percent of the bilateral support goes to African countries, followed by the Middle East/North Africa (19 percent), and Eastern Europe (8 percent). Within the regional programmes Africa dominates with 70 percent of the disbursements in 2013. A large part of the global programmes also take place in Africa. The main areas of support in 2013 were:

- Trade facilitation: efforts to simplify bureaucracy and decrease costs related to international trade.
- Technical barriers to trade: ensuring that goods produced in developing countries adhere to international standards.
- Trade and environment: Capacity building on trade and environment.

The interventions aim to:

- Strengthen countries in the international context – Sida contributes to developing countries' capacity to participate effectively in the World Trade Organisation (WTO), and to implement and take advantage of opportunities provided through trade agreements. Sida supports capacity building e.g. through "Trade Policy Training Centre in Africa (trapca)" in Tanzania. The priority of the cooperation with Eastern Europe and Western Balkan is increased internationalisation through economic integration with the EU.
- Promote regional trade and regional economic integration – to trade with neighbouring countries can be a step towards the international market. Sida provides support e.g. through the East African Community, and the implementation of regional trade agreements in the Middle East/North Africa. →

MAIN GEOGRAPHICAL AREAS OF COOPERATION



Note: Funds channelled via global organisations are difficult to allocate geographically, but most relate to Africa

RESULTS

DEVELOPMENT IN THE WORLD

As duties on international trade decrease and are often no longer seen as a major barrier to trade, the focus has turned to other issues, such as trade facilitation, i.e. the procedures, administration and associated costs involved in moving goods across borders. After lengthy negotiations within the WTO an agreement on trade facilitation was reached in December 2013, (although yet to be adopted). The implementation of the agreement is expected to lead to smoother and less costly international trade as complicated customs administration and bureaucracy is reduced. The agreement also includes assurances of support to countries who feel they are not able to implement parts of the agreement.

SWEDISH SUPPORT

Sweden takes an active interest in trade facilitation, and is one of the largest bilateral donors within the area. A majority of the support is channelled through multilateral organisations, such as the World Customs Organisation. Sida also provides considerable support through TMEA (TradeMark East Africa), which is an organisation with a mission to promote rapid advances in East Africa's integration, trade and global competitiveness for all East Africans. By 2016, TMEA would like to see the following:

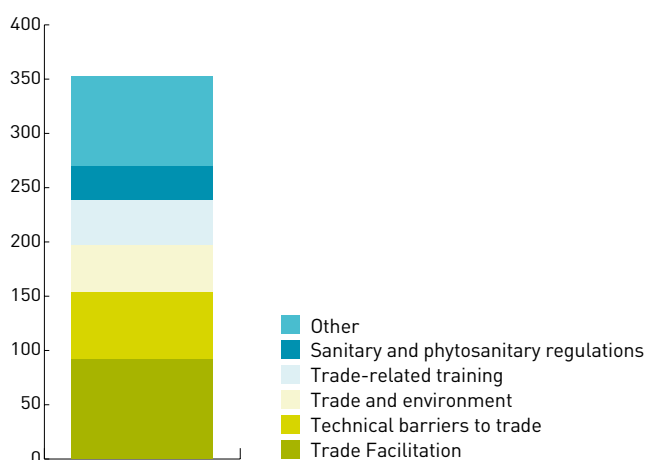
- 10 percent increase in the total value of exports from the EAC region
- 25 percent increase in intra-regional trade exports when compared to total exports in the region
- 15 percent reduction in average time to import or export a container from Mombasa or Dar es Salaam to Burundi and Rwanda
- 30 percent decrease in the average time a truck takes to cross selected borders

STORY OF CHANGE

Example of a result achieved within trade facilitation:

- Reliable import and export operators with a good track record within the East African Community (EAC) have been certified with support of the World Customs Organisation. As a result USD 400–800 has been saved per shipment. The waiting time for a certified operator at Dar-es-Salaam's port has been decreased from 2 days to 20 minutes. Waiting times at border crossings have in some instances been decreased from a day to a couple of hours.

TABLE 1: TRADE POLICY AND REGULATIONS, DISTRIBUTION BY SUB-SECTOR, DISBURSEMENTS 2013, MILLION SEK)



Aid for Trade – a global initiative to increase trade with developing countries

Sweden contributes to the international initiative "Aid for Trade", which seeks to address issues of importance to developing countries' ability to export and import. In addition to trade policy and regulations, it includes trade-related infrastructure and the building of productive capacity (business and financial services, agriculture, manufacturing, mining etc). The initiative aims to bring attention to the role of trade in development, and mobilise financing of activities that promote increased trade. It is lead by the World Trade Organisation (WTO). Sweden's contribution to "Aid for Trade" amounted to SEK 2.5 billion during 2013.



– The efficiency and effectiveness of customs procedures can significantly stimulate the economic competitiveness in our countries.

Saleh Mshoro, Acting Commissioner General, Tanzania Revenue Authority