



WORLD TRADE
ORGANIZATION



Trade Facilitation
Agreement Facility

WTO Trade Facilitation Agreement Facility

Operational Rules for the Grant Program

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WTO TRADE FACILITATION AGREEMENT FACILITY (TFAF) OPERATIONAL RULES FOR THE GRANT PROGRAM

1 INTRODUCTION

1.1. This document sets out the operational rules for the grant program offered by the WTO Trade Facilitation Agreement Facility (TFAF or the Facility) to assist developing and least developed country (LDC) Members to implement the Trade Facilitation Agreement (TFA). The purpose of this grant program is to support WTO developing Members that have not been able to secure assistance for implementation of TFA provisions from WTO donor and developing Member partners or multilateral or regional organizations (hereinafter the term "Partner" will be used to refer to WTO donor and developing Member partners and multilateral and regional organizations). It is intended to provide a safety net to ensure that no developing Member is left behind.

1.2. The Secretariat may revise these operational rules periodically. The Secretariat will seek feedback from Members in order to ensure that the grant program is operating efficiently and effectively and is meeting the needs of Members; and will make adjustments as needed. All revisions to these rules will be transparent and made available through the TFAF website.

1.3. Helping Members find implementation assistance from Partners is a primary function of the Facility.¹ Information on implementation support programs and contact points for Partners is available on the TFAF website. The Facility also provides opportunities for developing Members to meet with Partners through national and regional workshops as well as events held in Geneva. If a WTO developing Member is unable to find the implementation assistance it needs from Partners it can request the Facility - through an Expression of Interest - to assist in contacting Partners on its behalf. If the necessary assistance is not available to help a developing Member implement a provision or provisions of the TFA then the TFAF grants are available.

1.4. Two types of grants are available in cases where a Member is unable to obtain TFA implementation assistance from a Partner, or to assist a Member in its pursuit of this assistance. They are as follows:

- a. Project preparation grants (PPGs), up to US\$30,000;
 - A Member may request a PPG in order to prepare a project proposal, analytical report or diagnostic study that may be used to acquire implementation assistance from a Partner.
 - A PPG may also be granted for the preparation of an application for a TFAF project implementation grant.
- b. Project implementation grants (PGs), up to US\$200,000;
 - A Member may request a PG in order to implement a provision or provisions of the TFA.

2 ADMINISTRATION OF THE GRANT PROGRAM

Governance arrangements

2.1. The Facility follows the governance arrangements of the World Trade Organization (WTO) and is bound by its legal and fiduciary rules. The TFAF has no legal personality.

Role of the WTO Secretariat

2.2. The grant program and trust fund are administered by the WTO Secretariat.

¹ Information on the Facility can be found in the Operational Guidelines, annual work plans and reports that are available at www.TFAFacility.org.

2.3. The WTO Secretariat is responsible for overseeing the grant program by conducting, inter alia, the following:

- a. advise Members about requirements for submission of Expressions of Interests and of PPG and PG applications, and the criteria used for their review;
- b. acknowledge receipt of Expressions of Interest and applications and confirm their eligibility;
- c. support Members to find assistance from Partners ("matchmaking"), following receipt of an Expression of Interest;
- d. review PPG and PG applications to make sure they are complete; including on whether they appear to be feasible, practical and sustainable and are likely to achieve the expected outputs, outcome and impact;
- e. approve PPG applications;
- f. make PG applications available to the Selection Committee;
- g. request input from experts, if requested by the Selection Committee;
- h. draft terms of reference for approved PPGs;
- i. prepare contracts and facilitate the contracting process between the WTO and the implementing organization or consultant;
- j. ensure publication on the TFAF website of all PPG and PG grants once contracted.

2.4. The WTO Secretariat reports on its activities at WTO Trade Facilitation Committee meetings; including matchmaking activities, grant requests and approvals.

Selection Committee

2.5. A Selection Committee is established to review and approve applications for PGs; and PPGs if requested by the WTO Secretariat. The Committee consists of a maximum of three representatives of Members that contributed funds to the TFAF trust fund in the preceding two calendar years; three from developing Members from different regions, of which at least one should be from an LDC; two from Annex D+ partner organizations; and one from the WTO Secretariat.

2.6. The Selection Committee makes decisions on the basis of consensus. It is chaired by the WTO Secretariat. The working language shall be the official languages of the WTO.

2.7. Members of the Selection Committee will serve from 2-4 years, with staggered rotation, in order to ensure continuity of the work of the Committee. (This can be adjusted depending on the volume of applications received). The contributing Members and Annex D + organizations can decide amongst themselves who will serve.

2.8. Representatives from developing countries shall inform the WTO Secretariat of their interest in serving on the committee. This expression of interest must be accompanied by a letter from the representative's administration or organization confirming their availability to serve.

2.9. Representatives on the Selection Committee will demonstrate expertise in the TFA and knowledge relating to the development and implementation of project proposals, including on results based management.

2.10. In order to expedite the process, the Selection Committee makes decisions electronically unless the WTO Secretariat and/or one or more Committee members determine that it is necessary for the Selection Committee to meet. Applications are considered to be approved if no concerns or objections are received within a specified time-period.

2.11. The Facility will fund the participation of developing country representatives for Selection Committee meetings held at the WTO in Geneva. Funding will be provided according to the WTO travel rules.

2.12. The Committee may need the advice of experts in the particular TFA provision(s) at issue to evaluate a grant application in order to judge its feasibility, practicability and sustainability, including an assessment of the likelihood that the project will achieve its expected outputs, outcome and impact. In this case, the Selection Committee will ask the WTO Secretariat to send the application to an appropriate expert, or experts, and request their written comments. Because of the broad range of TFA provisions the WTO Secretariat depends on the cooperation of Partners and other WTO Members to provide the appropriate expertise to review grant requests, on a case by case basis. The WTO Secretariat provides the information received from experts to the Selection Committee to help it make a determination.

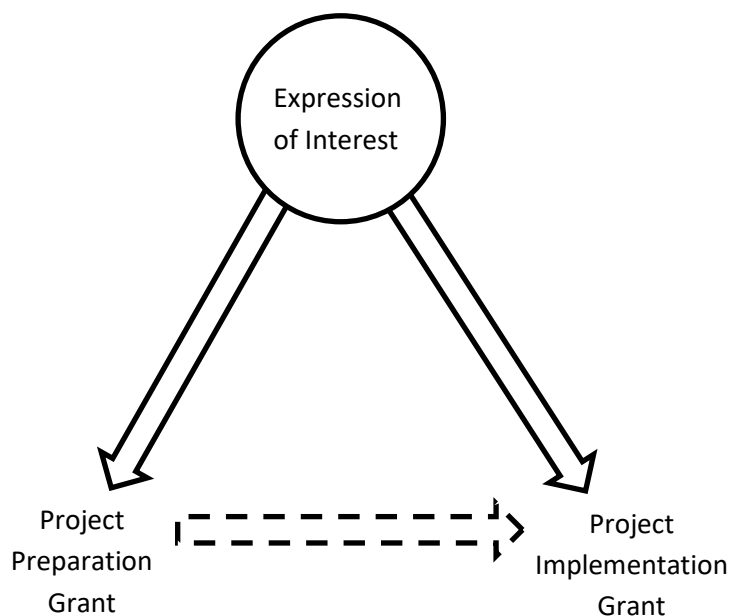
2.13. Members of the Selection Committee shall declare conflicts of interest and shall not review, approve or prioritize applications for which such conflicts exist. Where necessary, the Chair of the Selection Committee will determine if a conflict of interest exists.

3 GRANT APPLICATION PROCESS

3.1. TFAF grants are only available for WTO developing Members that have not been able to secure implementation assistance. A Member requesting a grant has to show it has approached Partners directly, or through the WTO Trade Facilitation Committee, without success. In addition, the first step in this grant program will be an attempt by the WTO Secretariat to help the requesting Member to find the assistance it needs from a Partner.

3.2. In order to keep the procedures simple and streamlined, requests for assistance follow a stepwise approach with minimal information needed at the start. The process is set out in Figure 1.

Figure 1: TFAF Grant process



Step One

3.3. The Member submits an Expression of Interest.

3.4. The information that must be provided includes the following:

- i. The TFA provision or provisions for which assistance is requested;

- ii. List of the government agencies that are expressing interest in obtaining the assistance requested;
- iii. A description of the type of assistance needed for each agency that requires this assistance;
- iv. The current state of implementation of the TFA provision or provisions in question;
- v. Partners that have been approached for assistance in implementing the TFA provision(s) at issue, their contact information, and response(s) to the request;
- vi. Contact point and contact information for the person(s) responsible for the request.
- vii. Results of national trade facilitation needs assessments and other relevant TFA-related diagnostic or analytical reports. LDC Members should reference any relevant issues identified in the Diagnostic Trade Integration Study (DTIS) carried out under the Enhanced Integrated Framework (EIF).

3.5. This information should be provided by completing the Expression of Interest form found on the Facility website.

3.6. The WTO Secretariat will use the information provided to attempt to find a suitable Partner(s). The requesting Member may be invited to discuss its implementation needs with the WTO Secretariat.

If Step One does not result in finding a suitable Partner(s):

Option One

3.7. If a Partner has been identified but this Partner requires a project proposal or a diagnostic study, and the preparation of this proposal or study cannot be funded and conducted by the Partner, then the requesting Member can complete the project preparation grant application form that is available on the TFAF website.

3.8. A PPG may also be requested for the preparation of an application for a WTO TFAF project implementation grant.

Option Two

3.9. The requesting Member can apply for a project implementation grant. This requires completion of the project implementation grant application form that is available on the TFAF website, with details on how the funding will be used and monitored as well as the provision of a log frame, proposed budget, and monitoring plan.

General eligibility requirements

3.10. All WTO developing Members can submit an Expression of Interest at any time during the calendar year.

3.11. WTO developing Members are eligible to apply for PPG or PG funding if all of the following criteria are met:

- i. The Member has ratified the TFA Protocol of Amendment and deposited its Instrument of Acceptance with the WTO;
- ii. The Member has officially notified its category C provisions, as defined in Article 14 of the TFA;
- iii. The Member is not subject to administrative measures²;

² Members in level III or IV cannot apply.

3.12. WTO observers can submit an Expression of Interest, following which the WTO Secretariat may help the observer in finding a suitable Partner. Observers are not eligible to apply for PPG and PG grants.

Overall Conditions

3.13. The TFAF grants should not be a substitute for other sources of assistance available from the development community. Members should first contact Partners directly, or through the WTO Trade Facilitation Committee, before approaching the TFAF.

3.14. A Member can only request a grant for implementation of the TFA provisions that it notified under Category C. (Please note that wider assistance is available from Partners for full and effective implementation of the TFA, including provisions notified in categories A and B.)

3.15. Members are responsible to request any necessary extensions of their notified implementation deadlines following the procedures set out in TFA Article 17. The submission of an Expression of Interest or a request for a grant does not create an extension.

3.16. Applications for PPG and PGs should have written endorsement from:

- i. The national trade facilitation committee (NTFC).
- ii. Applications for joint efforts (i.e. with two or more Members) should include a letter of support from the NTFCs of all the Members.
- iii. Applications for regional implementation efforts should include a letter of support from the relevant economic regional bodies.

3.17. Applications are accepted in one of the three working languages of the WTO (English, French and Spanish). Costs of translation from French and Spanish into English (the working language of the Selection Committee) are borne by the WTO Secretariat, if and where appropriate.

Funding of grants

3.18. Grants are financed through the WTO Trade Facilitation Agreement Trust Fund which is funded by WTO Members on a voluntary basis. This trust fund also supports other programs carried out by the Facility.

Processing of grant applications

3.19. The WTO Secretariat addresses Expressions of Interest upon receipt. Requests for PPGs and PGs are reviewed on a quarterly basis. Deadlines for the submission of applications are announced on the Facility website each quarter.

3.20. The WTO Secretariat reviews all grant requests to verify the eligibility of the Member(s) and that complete information is provided. If the eligibility requirements are met but the application, or supporting information, is incomplete the Secretariat advises the Member(s) to provide the full and complete information. An application is considered to be officially received once all necessary information is provided and this is acknowledged in writing by the WTO Secretariat.

3.21. The WTO Secretariat sends complete applications to the members of the Selection Committee through electronic means and provides a deadline for their response.

3.22. The Selection Committee can ask the WTO Secretariat to request additional information from the requesting Member(s), advice from experts in the TFA provision(s) at issue, or to arrange a meeting of the Selection Committee to discuss the application.

3.23. All PPG and PG grant applications, once contracted, are published on the TFAF website.

4 PROJECT PREPARATION GRANTS (PPGs)

Objectives and general conditions

4.1. Project preparation grants (PPGs) are available up to a maximum of US\$30,000.

4.2. PPGs are intended to help overcome constraints faced by developing Members in the articulation of their needs to implement specific provisions in the TFA.

4.3. A Member may apply for a PPG in order to prepare a project proposal, analytical report or diagnostic study that may be used to seek assistance from Partners to implement specifically named provisions of the TFA. A PPG may also be used for the preparation of a PG application.

Application requirements

4.4. To request a PPG a Member must complete and submit the PPG application form that is available on the TFAF website.

4.5. In addition to the information provided for the Expression of Interest, the following additional information is required:

- i. Details on the background and rationale for the PPG, and how it will be implemented.
- ii. A brief description should be included of the major activities to be carried out during preparation of the project proposal, analytical study, or diagnostic report. This could include, but is not limited to, travel of international consultant(s), meetings with stakeholders, consultations with Partners, project formulation, and validation workshops.
- iii. A reasonable budget for all the activities to be carried out. The budget may include consultancies, travel, and costs of organizing stakeholder workshops. The size of the budget requested should depend on the scope of activities and outputs envisaged under the PPG.
- iv. Explain any linkages between the PPG and other relevant completed, ongoing and/or planned national programs and/or Partner-supported projects. The WTO Secretariat (or Selection Committee) looks for evidence that the PPG, and any project expected to result from it, complements and builds on related activities. There should be no duplication.
- v. If applications propose particular national experts or international consultants to take the lead in project development under PPGs, a Curriculum Vitae for each of these persons should be attached.

Criteria for the review of PPG applications

4.6. Requests for PPGs are reviewed and approved by the WTO Secretariat (or, in cases where the Secretariat feels it necessary, by the Selection Committee) based on the accuracy, clarity and completeness of the information provided in the application form and attachments. This information should include, *inter alia*, the purpose of the PPG, the TFA provision(s), the government agency(s) that needs the implementation support, the activities that would be carried out, a budget, how the PPG fits into other national programs, and a letter of support from the National Trade Facilitation Committee.

4.7. In accordance with the Paris and Busan Principles on Aid Effectiveness, and because of the cross cutting nature of the TFA, it is essential for applications to demonstrate national support and ownership for the proposed PPG.

4.8. The main criterion in awarding a PPG is the likelihood that it will result in a well-drafted project proposal, analytical study or diagnostic report which is likely to receive funding and to achieve sustainable and effective results.

4.9. The WTO Secretariat will maintain an evolving roster of experts that may be considered eligible to carry out contracts under PPGs. Experts for the roster can be proposed, *inter alia*, by the WTO Secretariat,

Members, Observers and other partners. Criteria for being included on (or excluded from) the roster will be transparent and objective.

4.10. The requesting Member may propose a consultant to carry out the contract. If the WTO Secretariat (or Selection Committee) finds the proposed consultant to be unsuitable for any reason, or in case no consultant is proposed, the Secretariat will recommend a consultant(s) from the roster of experts to implement the approved PPG application. If more than one suitable consultant is identified the requesting Member will make the final selection.

4.11. Consultants contracted to prepare project proposals are not eligible to implement the resulting project. Organizations contracted to prepare project proposals may, exceptionally, be selected to implement the resulting project on a case by case basis.

5 PROJECT IMPLEMENTATION GRANTS

5.1. Project implementation grants (PGs) are available up to a maximum of US\$200,000.

5.2. Members must contribute to the project from their own resources, either in the form of financing or in-kind contributions such as staff time, use of premises, vehicles or other already existing assets. In-kind contributions should be costed and included within the project budget, and are subject to audit.

5.3. The beneficiaries' own contribution to the project depends on the beneficiary Member(s) classification in the most recent OECD DAC List of ODA recipients, as follows:

- a. Beneficiaries from LDCs and OLICs should contribute at least 10% of the requested TFAF contribution to the project;
- b. Beneficiaries from Lower Middle Income Countries (LMICs), except LDCs, should contribute at least 30% of the requested TFAF contribution to the project;
- c. Beneficiaries from Upper Middle Income Countries (UMICs) should contribute at least 50% of the requested TFAF contribution to the project.

Applications

5.4. Developing Members may request a PG for implementation of specified provisions of the TFA when they have not been able to find implementation assistance, including through the assistance of the WTO Secretariat through the Expression of Interest phase.

5.5. Requests for PGs should be completed using the PG application form that is available on the TFAF website.

5.6. The Member must specify the TFA provision(s) for which assistance is requested. This should correspond to provisions identified in category C of the Member's notification.

5.7. The application should include information on the project's background, rationale and justification, its immediate objectives, outputs and activities, inputs and budget, project implementation and management structure, as well as monitoring and reporting arrangements. It should show how the project will lead to implementation of the TFA provision(s) for which the grant is requested.

5.8. The applicant should include detailed documented information about attempts to receive assistance from Partners and why the member was unable to obtain assistance from these other sources. Contact points for the Partners must be provided. Any relevant correspondence should be provided with the grant application.

5.9. Information on relevant past, present or planned national- or Partner-funded projects and programs related to implementation of the TFA provision should be provided to help establish the gaps.

5.10. The application should include a detailed work plan, including key activities and expected results, as well as an implementation plan. Terms of reference for national and/or international experts involved in

implementation should be included in the work plan. The terms of reference should include information on specific tasks and responsibilities, duration of assignments, number of missions (if applicable), and required qualifications/experience.

5.11. The application should include a logical framework matrix ("logframe"). The purpose of the logframe is to provide monitoring and evaluation of the implementation of the provision(s) and ensure that the objectives of the project are met.

5.12. The application should include a detailed budget, and evidence that the implementing organization(s) has the necessary capacity to successfully implement the project, including financial and fiduciary capacities.

5.13. The application should include a schedule for reporting implementation of the project-related activities to the WTO Secretariat. The reporting plan should include provision for six-monthly progress reports (unless agreed otherwise) and a final report at the end of the project.

5.14. The application should also address the financial and institutional sustainability of the project after the end of TFAF support.

5.15. Projects which include the delivery of workshops will only be funded if they are training-based and accompanied by a set of tangible outputs in the trainees' home countries (e.g. showing how it leads to implementation of the TFA measure and builds capacity of officials).

5.16. The TFAF will not provide funding for buildings, vehicles or other major equipment items, with the qualified exception of information technology or minor equipment items that are necessary to achieve the specific outputs and objective of the project. Funding provided for information technology and minor equipment items shall not exceed 10% of the total TFAF contribution to the project.

5.17. Where applicable the project application should include a strong communications and outreach component. This may include training materials and knowledge management, such as lessons learned and experience sharing, as well as outreach to traders to inform them of the new TF procedure. Members should also present the lessons learned and experience sharing in the Trade Facilitation Committee.

5.18. The proposal should clearly identify the organization responsible for implementation of the project and outline a clear management structure. The organization may be required to produce a list of achievements and a record of financial probity. The prior written consent of this organization must be obtained by the Member prior to the submission of the application. This organization will be subject to the approval of the Selection Committee.

5.19. PGs can also be requested to add additional funding to grants awarded, for example, by the Standards and Trade Development Facility or the Enhanced Integrated Framework that support implementation of a provision(s) of the TFA.

Criteria for the review of applications

5.20. Requests for PGs are reviewed based on the accuracy, clarity and completeness of the information provided in the application form and attachments. In accordance with the Paris and Busan Principles on Aid Effectiveness, and due to the cross-cutting nature of the TFA, it is essential that applications demonstrate national support and ownership for the proposed PGs.

5.21. The main criterion in awarding a PG is the likelihood that it will result in implementation of the TFA provision(s) and to achieve sustainable and effective results.

5.22. The WTO Secretariat will introduce a template with transparent and objective criteria to ensure coherence of the assessment of applications by the Selection Committee.

Implementation of Project Preparation and Project Implementation Grants

5.23. Once an application has been approved by the WTO Secretariat or Selection Committee, a contract shall be agreed between the WTO as administrator of the TFAF Trust Fund and the implementing

organization or consultant (in the case of PPGs). The contract, based on the approved PPG or PG, shall specify the rights and obligations of both parties in relation to inter alia:

- a. Implementation of activities and services provided;
- b. Duration, remuneration and budget disbursement;
- c. Performance and requirements for project administration;
- d. Monitoring and evaluation, periodic reporting, auditing and financial management;
- e. Ownership of equipment, supplies and other property;
- f. Intellectual property rights;
- g. Use, distribution and publication of information;
- h. Conflict of interest and confidentiality;
- i. Project termination and arbitration; and
- j. Liability and privileges and immunities enjoyed by the WTO as an international organization.

5.24. PPGs must be contracted within six months from the date the grant is approved by the WTO Secretariat (or the Selection Committee, where applicable). PGs must be contracted within 12 months from the date the grant is approved by the Selection Committee. If a grant is not contracted within the appropriate time period, the WTO Secretariat shall withdraw the approval of funding and inform the requesting Member(s) accordingly. Should a Member whose funding has been withdrawn still wish to pursue the grant, and is in a position to follow through, it can resubmit the request. In exceptional unforeseen circumstances, such as a natural disaster, upon approval of the WTO Secretariat or Selection Committee, as appropriate, the applicant Member can submit a request to reactivate the positive decision.

5.25. PPGs are expected to have a duration of no more than six months. PGs are expected to have a duration of no more than two years. In the case of an unforeseen delay, an extension to the contract can be requested from the WTO Secretariat.

6 REPORTING AND FIDUCIARY RESPONSIBILITIES

Reporting

6.1. The WTO Secretariat provides an annual report on the grant program by June of the following financial year. Reporting on the grant program could be included in the annual report of the TFAF, or as a separate report.

6.2. The WTO Secretariat reports on Expressions of Interest, grant requests and approvals to the regular meetings of the WTO Trade Facilitation Committee.

6.3. Contracted grants are published on the TFAF website.

6.4. The accounting period of reference is the calendar year.

6.5. Where applicable and appropriate, each year the Chair of the WTO Trade Facilitation Committee will randomly select projects that were completed in the previous calendar year for an external impact evaluation. The WTO Secretariat can also select projects for an external impact evaluation.

Fiduciary Responsibilities

6.6. The WTO serves as the administrator of the TFAF and the trust fund. The WTO Financial Rules and Regulations, together with the financial and administrative provisions contained in this document, shall apply to the management of the TFAF trust fund.

6.7. Financial and accounting records are kept in Swiss Francs. Financial transactions and financial statements are subject to internal and external auditing procedures laid down in the WTO Financial Rules and Regulations.

6.8. The WTO is free to subcontract certain of the Secretariat functions and use the services of outside experts as it deems necessary.
