

**TFAF PROJECT PREPARATION GRANT (PPG)  
APPROVAL DOCUMENT**

<b>Project title</b>	Diagnostic study on the status of implementation of TFA Article 8 - Border Agency Cooperation in Angola
<b>TFAF Reference</b>	TFAF/PPG/AGO/013
<b>Budget requested from TFAF</b>	<b>USD 29'916</b>
<b>Full name and contact details of the requesting authority</b>	National Trade Facilitation Committee of Angola Executive Secretariat of the NTFC Angola Revenue Administration Ministry of Finance
<b>Contact person and details for the grant in the Member</b>	Severino Kofele Ferreira Dinis Executive Secretariat of the NTFC Angola Revenue Administration - Customs Directorate Ministry of Finance Rua Marechal Brós Tito nº 59 Luanda Angola Telephone: 222 70 60 00
<b>Date of grant application</b>	16 July 2024

## 1. BACKGROUND

### 1.1. Rationale for the application

Angola ratified the TFA on 9 April 2019 and has notified 10 provisions in category C. Article 8 on Border Agency Cooperation was notified in category C, with a definitive date of 30 June 2024. In April 2024 Angola requested an extension of the deadline until 30 June 2026 which was approved by the Committee on Trade Facilitation on 16 April 2024.

The National Trade Facilitation Committee of Angola, chaired by the Ministry of Industry and Commerce with the Directorate of the Customs Services under the Ministry of Finance as executive secretariat, requested support from TFAF to identify a development partner for assistance and capacity building related to Article 8 at the end of April 2024. The TFAF circulated the expression of interest, but no development partners responded with the possibility to assist Angola's implementation efforts. Angola then submitted an application for A TFAF Project Proposal Grant in mid-July.

Angola launched its National Roadmap for Trade Facilitation in December 2023, identifying four objectives:

1. Reduce customs clearance times by 30% by 2025.



2. Implement the external trade single window (JUCE) by 2027.
3. Implement at least 85% of the TFA by 2025
4. Implement a Trade Information Portal by 2026

While implementation of Article 8 is a direct element of objective 3. Activities under this project would also contribute to the other objectives which require an understanding and improvement of border agency coordination.

The roadmap was also drafted in alignment with Angola's National Development Plan (PDN) 2023-2027. Programme 4 of the PDN seeks to implement administrative reforms and modernisation, including objective 4.1.4 to: Promote continuous improvement of the business environment, seeking to strengthen the attractiveness of the Angolan economy. This includes a specific priority 4.1.4.1 which explicitly targets a coordinated approach to border management.

In both its recent long-term planning strategies, Angola 2025 and Angola 2050, Angola, a least developed country (LDC), pursued ambitious and broad economic reforms with the goal of shifting from a state-led and oil-centred economy to a diversified one led by the private-sector. Angola's reform programme, implemented against particularly challenging economic conditions compounded by the COVID-19 pandemic, has delved deep into economic governance, policies, and regulatory frameworks, including on investment, competition policy, state-owned enterprises (SOEs), incentives, and government procurement. Trade policies have seen some positive changes too, including with respect to trade processes, following Angola's ratification of the Agreement on Trade Facilitation (TFA) in 2019, and the establishment of an inter-ministerial National Commission for Trade Negotiations. This reflects an on-going and deep commitment to reform and modernisation of administrative procedures that underpin this proposal.

#### 1.2. Engagement with development partners

Angola has signed an agreement with the World Bank Group for the project Accelerate Economic Diversification and Job Creation. The financing agreement was signed in June 2023. This project will address capacity gaps with regards to Article 1.2 and 6.1.4 by creating a Trade Information Portal and by providing assistance for the development of a legal framework, operational procedures and reinforcement of staff capabilities in relation to Article 6.1. Due to concerns over entering into financial obligations, the needs under Article 8 were withdrawn from this project. Other donors or development partners were not originally sought for Article 8 as it was originally included in the WBG project when donor coordination discussions took place.

The European Union and USAID are both actively providing support to economic diversification efforts in the Lobito corridor. Implementation needs identified by this PPG will be communicated with these partners to see if they can be integrated into on-going activities and projects.

Linkage with TFA implementation priorities:

## 2. TFA CAPACITY BUILDING ISSUES AND OPPORTUNITIES

### 2.1. Methodology

This project preparation grant is requested for an analytical report to assess the potential areas of improvement for domestic and cross-border cooperation of border agencies taking into account Members' practices, namely the experience of Brazil and the Customs administration, *Receita Federal*, specifically.

The WTO TFA Article 8 Border Agency cooperation requires that Members ensure domestic cooperation between authorities and agencies responsible for border controls and cooperate, to the extent possible and practicable, with other Members with regards to, inter alia, alignment of working days, hours, procedures and formalities, joint controls, and establishment of one stop border post control.

The assessment will extensively draw from

1. Observation of the practices and operations at one border crossing point, Santa Clara at the border with Namibia. Santa Clara is the main border crossing point for commercial goods from Namibia by road. The feedback from this border crossing will lead to valuable findings applicable to other border crossings and the policy and operational level in general.
2. Observations of the practise and operations at one border crossing in Brazil. The field visit will allow Angolan officials to observe operations in real time and to discuss with relevant experts and officials the applied approaches and solutions. This mission will be used to develop benchmarks for approaches and practices to be applied In the Angolan context.

#### 2.2. Implementation capacity building challenge(s) and potential(s):

In 2020, Angola had notified the following assistance and capacity building needs for the implementation of Article 8.

- Review existing cooperation mechanisms both within Angola and across borders.
- Human and institutional capacity building for coordinated border management.
- Funding of border agencies.
- ICT

Underpinning these needs are capacity gaps with regards to operational approaches and solutions as well as cooperation systems that are needed to facilitate collaboration between agencies agency at the strategic, operational and border crossing level.

In 2023, the Ministry of Finance has established a coordinated Border Management committee. They are now aiming to develop a coordinated border management strategy to advance operational alignment, including at the border level. The Government is also seeking to enter into cooperation agreements with their neighbouring Members, foremost Namibia with whom discussions regarding the establishment of a Joint border stop have been initiated 10 years ago but were paused .Angola has borders with four WTO Members: the Republic of Congo, the D.R. of Congo, Namibia, and Zambia and cross-border cooperation is also important in the context of the development of the Lobito Corridor, a railway corridor across the borders with neighbouring country DRC and Zambia.

At this stage and in view of developing the strategic approach, there is the need to have a clear understanding of how best to align the different agencies and their regulatory responsibilities with regards to their strategies, approaches, processes, control measures and IT infrastructure<sup>1</sup>. Angolan Authorities however lack the expertise and experience that would enable them to assess their current situation and identify practices to be adopted to improve domestic and cross-border agency cooperation. It is also rather difficult to access practical implementation guidance on this matter that builds on Members' practices and provides sufficient detail to act upon. The sharing of practices from Brazil is highly valuable in this respect also considering the shared language.

#### 2.3. Impact of the PPG

The PPG will allow the NTFC to draw a clear roadmap towards implementing the Article 8 of the TFA namely through the design and application of a coordinated border management strategy and government to government cooperation agreements with their neighbouring countries.

It will enable the NTFC in collaboration with the Coordinated Border Management (CBM) Committee to assess whether the necessary information, stakeholder buy-in, and capacities and resources are in place and to undertake adjustments at the strategic, operational and border level to foster agency cooperation. The NTFC Executive Secretariat and CBM Committee central coordination function are both carried out by Angola Revenue Administration which will facilitate this collaboration.

### 3. ACTIVITIES TO BE CARRIED OUT

#### 3.1. Activities to be carried out

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<sup>1</sup> A single window project is currently developed with the World Bank Group

The following activities will be carried out

- I. Diagnostic analysis through the observation and evaluation of practices at the border crossing point, dialogues with respective stakeholders from the Angolan government coordinated by the NTFC in Luanda
- II. Conduct of information / awareness workshop on coordinated border management and Brazilian practices, strengths, challenges and recommendations, preferably to be held in Santa Clara;
- III. Study visit to Brazil, including an onsite assessment of a border crossing point, preferably a One-Stop Border Post of the common procedures adopted and the management of people and goods, and meetings with relevant stakeholders in Brazil. In a multidisciplinary, multisectoral and pluralistic approach four government officials will be taking part in the study visit
- IV. Identify and determine current gaps in the coordinated border management approach and determine practices and approaches to address these gaps
- V. Validation workshop of the recommendations (online)

### 3.2. Responsibilities:

The TFAF will directly manage the grant and be responsible for

- Funding of the travel and logistical arrangement for the Brazilian experts in Angola
- Coordination with ABC and stakeholders in Angola, including the NTFC and agencies
- Contracting domestic / international consultant for the report writing

The RF of Brazil will directly contribute to the grant with in-kind expertise and be responsible for

- Making available technical expertise to carry out the assessment in the field and the stakeholders workshop in Angola
- Arrange for stakeholder meeting and visit to border post in Brazil

The Ministry of Finance, in its role as Executive Secretariat of the NTFC will

- Arrangement for stakeholders meetings in Luanda and Santa Clara
- Logistical arrangements for the workshop in Santa Clara (or tother location as defined later)
- Logistics arrangements for the visit of the border post in Santa Clara

### 3.3. Budget:

The total budget requested for the project is **USD 30,000**, which falls within the maximum limit of **USD 30,000** set by the TFAF.

Activity	Responsible	Cost item	Estimated budget
1) Diagnostic analysis	TFAF Brazil	International travel for 2 to Luanda from Brasilia	4'000
		Domestic travel for 2 experts to Santa Clara	1'000
		Accommodation for 2 - 6 nights - Luanda 2 nights (382), Santa Clara 4 nights (122)	1'528 (Luanda) 976 (Santa Clara)
		Subsistence	
		6 days x 2 experts	

2) Conduct of information / awareness workshop on coordinated border management	Angola	Workshop 1 (30 people) 1 day	2'000
3) Study visit to Brazil	Brazil	International travel for 4 to Brasilia from Luanda Domestic travel for 4 to OSBP Accommodation for 4 - 6 days - Brasilia and cc Subsistence (x USD per days for food (6 days for 4= 24x 163)	8'000 3'000 3'912
4) Analytical report and proposal 5) Validation workshop of the recommendations (online)	TFAF	Expert fees: 10 days	5'500
		Overall TOTAL	<b>29'916</b>

The in-kind contribution of expertise from Brazil to this activity significantly strengthens the value for money aspect of the activity, allowing the TFAF contribution to unlock the peer-to-peer support between Members sharing a language and closer economic proximity than drawing on examples from developed Members.

The grant funds will be utilized to ensure the successful delivery of key outputs, including the preparation of the diagnostic workshop, the benchmarking mission, and if applicable, the drafting of the TFAF project implementation grant application.

The allocation of funds ensures that the costs for accommodation, meeting facilities, consultancy fees, travel, and other minor expenses are covered, allowing the project to be completed within the grant's financial limits.

#### 4. APPROVAL SIGNATURES

For the applicant Member: <i>Severino Dinis</i> <i>Angola NTFC</i>	For the WTO: <i>B. Viehl</i> Birgit Viehl Head, TFAF
<i>Luanda, 17.02.2025</i> Place and date	<i>Geneva, 11.02.2025</i> Place and date