



Trade Hot Topics

Natural Disasters and Recovery Efforts: Tapping into Trade Facilitation as a Response Tool

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1. Introduction

In recent decades, natural disasters have been increasing in both frequency and strength, causing significant human and financial losses, particularly to least developed countries (LDCs) and small island developing states (SIDS). This is a result of their pre-existing developmental challenges, which exacerbate the negative impacts of natural disasters. These challenges include fragile infrastructures, higher dependence on international trade, vulnerability to external shocks, limited financial, capital or human resources, and limited access to affordable channels of financing.

These recurrent natural disasters risk reversing years of progress in promoting growth and sustainable development objectives within a single event, while plunging an estimated 26 million people back into poverty annually (World Bank, 2016b). The economic effects are often significant and include loss of income, the destruction of physical and human capital and damage to infrastructure and property (WTO, 2019b). The costs of these are estimated to be in the region of US\$300 billion to \$520 billion per year (Roberts and Mohammed, 2017), resulting in long-lasting impacts on national development strategies. These figures are predicted to rise

further, as the risks brought by climate change will result in increasing both the severity and the frequency of natural events, be they weather-related (hurricanes, floods, droughts), geophysical (earthquakes) or biological (epidemics, such as the recent COVID-19 pandemic). The damage caused by natural disasters often reverberates for many years after it occurs (World Bank, 2016b), warranting further understanding on how best to prepare and respond.

Trade policy can play an important role in addressing some of these challenges. In particular, trade facilitation can support countries in the aftermath of a disaster by ensuring effective and timely clearance systems are in place, which can speed up the entry of relief goods, and supporting longer-term recovery efforts. It also has the potential to reduce pressure by providing clearer and more streamlined trading procedures, reflecting international best practices for the swift release of critical goods.

In this context, this issue of *Trade Hot Topics* explores the linkages between trade facilitation and natural disasters, highlighting key provisions of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) and exploring novel issues in trade facilitation to shed light on this interplay to

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better understand how countries can promote trade facilitation reform with a view to respond better to the impacts of natural disasters.

2. Main challenges caused by natural disasters

There are various stages to the relief and recovery efforts following a natural disaster. These begin with emergency relief. During this phase, it is paramount to meet the basic needs of a community or nation, which requires timely delivery of food, medicines, water and shelter from a multitude of national, regional and international organisations. Once these basic needs have been met, the focus transitions to short-term recovery, to ensure affected communities can return to some kind of normal existence, with children returning to school (potentially in temporary venues) and people returning to work where possible. This phase can take weeks to months or even years depending on the severity of the disaster, initial vulnerability, access to resources and the resilience and adaptability of a country. Efforts then transition into medium- to long-term recovery, during which the focus is on repairing, replacing and rebuilding permanent structures, enabling children to return to a school building and the working population to build and restore their livelihoods and economies.

Four core challenges in trade facilitation impinge on relief and recovery efforts following a natural disaster: (i) customs requirements linked to tariff and non-tariff barriers; (ii) economic and administrative barriers that affect both the cost and the flow of relief consignments; (iii) obstacles relating to trade facilitation of services that affect the timely entry of relief workers and relief agencies and the set-up of operations in a disaster-impacted country; and (iv) lack of coordination between stakeholders in relief efforts.

The COVID-19 pandemic has demonstrated that, when external shocks occur (in this case a biological natural disaster), supply chains can become severely disrupted and the damaging consequences can escalate at a fast pace, worsening pre-existing difficulties in relation to trading bottlenecks and time-consuming red-tape. Nevertheless, this pandemic has highlighted the critical role trade facilitation can play in ensuring affected countries are able to import correct and sufficient medical equipment, including personal protective equipment, food and agricultural products, and other critical goods to help them respond effectively to the health, social and economic crisis.

Moreover, COVID-19 and natural disasters have an important common denominator, relating to time and speed. In fact, the timing of responses often determines their success, and this is where trade facilitation becomes an important tool: timely and efficient trade facilitation can help deliver quicker cross-border trade in goods that are urgently needed. Countries with robust trade facilitation frameworks have seen less disruption to trade flows and thus to value chains.

SIDS are particularly vulnerable to the risks of natural disasters and their lasting negative consequences. Given their geographical configuration and their limited size, these countries are often severely hit by typhoons, hurricanes and tropical storms, and several have placed natural disaster and climate change resilience at the core of their developmental strategies. The Bahamas provides an interesting case in point (Box 1). As an acceding Member to the WTO, The Bahamas will have to incorporate the WTO's normative and institutional *acquis*, including the TFA. In this sense, as the country prepares itself to join the multilateral trade governance body, it can look into implementing trade facilitation mechanisms with a view to embedding resilience in its regulatory framework to enable improved natural disaster response and recovery.

3. Leveraging on trade facilitation mechanisms to enhance disaster preparedness and responsiveness

While the TFA does not explicitly encompass the clearance of disaster relief and recovery goods, it contains provisions to support the efficient movement, release and clearance of goods (WTO, 2020a) in addition to provisions to promote effective border agency cooperation between customs and other intervening agencies. Implementation of the TFA can therefore provide an opportunity for developing countries (and in particular LDCs) to design and pursue trade facilitation regulatory reforms that will facilitate critical and timely responses after a natural disaster, when time is of the essence, (IFRC, 2018). Specific TFA articles, including risk management, border cooperation and the single window, can be leveraged to support critical emergency relief efforts in the days and weeks following a natural disaster. The same provisions can also be used to support recovery efforts following a natural disaster, where the focus shifts from availability of critical goods as a matter of urgency and involves the restoration of normal activities disrupted by the disaster itself (Lindell,

Box 1: Case study – The Bahamas

The Bahamas, situated in the Lucayan Archipelago in the West Indies, presents an example of recurring natural disasters. The archipelagic state comprises a chain of almost 700 islands, which are low-lying and therefore vulnerable to the effects of both sea level rise and natural climatic events such as storms and hurricanes. The country has experienced successive storms and hurricanes over the past 20 years (1999–2019).

Successive storm events in The Bahamas over the past 20 years (1999–2019)

| Name | Year | Name | Year |
|-----------------------|------|-----------------------------------|------|
| Hurricane Floyd | 1999 | Hurricane Irene | 2011 |
| Hurricane Isabel | 2003 | Hurricane Sandy | 2012 |
| Hurricane Frances | 2004 | Hurricane Bertha | 2014 |
| Hurricane Wilma | 2005 | Hurricane Erika | 2015 |
| Hurricane Noel | 2007 | Hurricane Joaquin | 2015 |
| Hurricane Hanna | 2008 | Hurricane Kate | 2015 |
| Hurricane Ike | 2008 | Hurricane Irma | 2017 |
| Tropical Storm Bonnie | 2010 | Tropical Storm Gordon | 2018 |
| Tropical Storm Nicole | 2010 | Hurricane Dorian | 2019 |
| Tropical Storm Bret | 2011 | Tropical Storm/Hurricane Humberto | 2019 |

As with many SIDS, it is not that The Bahamas is in a cycle of disaster and recovery but rather that, given the increased frequency of natural disasters in the region (WTO, 2019b), it is often still in the recovery phase when another tropical storm or hurricane strikes.

Hurricane Dorian struck the Caribbean island on 1 September 2019. It intensified at an unprecedented rate, with winds of 185 miles per hour just before hitting the islands of Grand Bahama and Abaco, located in the northwest of The Bahamas. The hurricane battered the islands for an estimated 68 hours. The US Agency for International Development estimated that 87 per cent of the buildings on both islands (Grand Bahama and Abaco) were damaged, with 60 per cent either completely or severely damaged and 27 per cent moderately damaged, causing mass internal displacement as thousands of people sought refuge on other islands. Others who remained on the affected islands faced severe food and water shortages.

Only 13 days after Dorian had struck The Bahamas, tropical storm Humberto, which later strengthened into a hurricane, moved through the region. Although the storm did not threaten land in The Bahamas, it did generate strong winds, heavy rain and flooding, which compounded the destruction in Grand Bahama and Abaco and hindered recovery efforts of The Bahamas National Emergency Management Agency (NEMA). NEMA stated, five days after hurricane Dorian had hit, that “protocols for relief supplies [were] being finalised” (Caribbean Disaster Emergency Management Agency, 2019). The country also experienced challenges coping with the volume of assistance that arrived after hurricane Dorian hit, and struggled to distinguish relief assistance from unsolicited bilateral donations (UBDs) and normal commercial transactions.

2013). This can include the restoration of water, electricity, telecommunications and ports, as well as ensuring roads are cleared and restored, bridges rebuilt and transport channels cleared and ready to use (with construction materials, machinery and equipment, etc.).

As such, implementing the TFA has significant potential to reduce trade complexity and support both relief and recovery efforts following a natural disaster. The TFA articles, which are dealt with in

more detail below, can facilitate the release and clearance of goods (Article 7), promote border agency cooperation (Article 8), provide for the establishment of a single window (Article 10.4) and enhance customs cooperation (Article 12), all of which are vital in the import of relief goods following a natural disaster. The next section will illustrate how these selected provisions can be useful in natural disaster response and provide some examples of measures adopted by Commonwealth member countries.

3.1 *Swift clearance and delivery of relief goods*

When natural disasters occur, countries must prioritise their response and seek to allocate public resources efficiently. In trade, this can be achieved by prioritising the clearance of those goods that are vital in dealing with the aftermath of the event. This would streamline lengthy and complex customs procedures, which can become even more burdensome and strain already-limited resources. Article 7 of the TFA can help facilitate clearances process, which can then be applied so as to prioritise clearance of relief and recovery cargos.

The World Customs Organization (WCO) (2018) has produced guidelines for achieving this for particular products, which, through pre-arrival data submission and processing, customs would be in a position to “release ... immediately upon arrival or even prior to the arrival.” The most recent version of the guidelines is from 2018, and they contain useful guidance for processing supporting documentation for goods that are critical to addressing immediate needs in the aftermath of a disaster. Enabling this clearance process to occur prior to the arrival of the goods allows authorities to prioritise and process critical relief goods.

In this regard, relevant international organisations and stakeholders also have a role to play in helping countries assess and identify a list of essential goods that ought to be prioritised, with lists consolidating tariff lines and their respective code under the Harmonised System (HS) nomenclature that can benefit from priority clearance treatment. The WCO, for instance, has been instrumental in drawing up such a list in the context of the COVID-19 pandemic, making it easier for member countries to identify goods and to expedite clearance (or to provide duty exemptions on such goods). In the context of natural disasters, it is important that solutions for crisis management are implemented quickly. Having a prepared list of goods readily available for reference and guidance can be useful and time-saving, facilitating trade in such products.

3.1.1 *Pre-arrival processing*

Pre-arrival processing procedures are a way to facilitate clearance and release of goods by relying on information and data sent and processed before the arrival of the goods. This involves submission of the necessary information on the products being imported/exported in advance, facilitating the immediate release of goods on arrival if the relevant

criteria are satisfied. This can significantly reduce the time involved in processing goods, and can enable critical goods and essential supplies to reach the market faster. Here, once again, the “speed” element in trade facilitation measures is met without compromising the necessary controls and checks and while ensuring the safety of the products imported.

Article 7.1 of the TFA covers the obligation of establishing or maintaining procedures allowing for pre-arrival processing, and to enable supporting documents to be lodged electronically, as appropriate. This provision, when viewed in light of all new technological solutions that could automate and fully digitise pre-arrival clearance, can greatly contribute to facilitating the entry of critical goods and essential supplies to address the more urgent needs of countries affected by a natural disaster (including medical and pharmaceutical goods, machinery and equipment, and food and agricultural products). Thus, strengthening pre-arrival procedures so goods can be released on arrival is a key trade facilitation mechanism that could be further explored in preparing customs and border agencies to respond to crises emerging from natural disasters. This becomes even more relevant in the context of new technologies that can streamline procedures even further, all the while ensuring the safety of the products being imported is controlled.

In the context of the COVID-19 pandemic, some Commonwealth members have developed responses along these lines. Cameroon, for instance, has ensured relief and humanitarian assistance consignments are eligible for the following procedures: (i) pre-arrival completion of customs formalities, with inspection on quayside/ runway followed by quick removal of the goods; (ii) pre-arrival declaration; and (iii) immediate collection subject to lodging of a provisional declaration and security. Antigua and Barbuda have enacted a list comprising tariff lines under the HS codes that largely align with WCO’s indicative list of HS codes for emergency goods and medical supplies to combat the COVID-19 pandemic. Replicating these mechanisms when disaster hits can facilitate the continuation of cross-border trade flows when infrastructure and resources have been affected by a natural disaster.

3.1.2 *Risk management*

Article 7.4 of the TFA requires members to adopt or maintain, to the extent possible, a risk management

system for customs control. This is a mechanism that allows countries to target higher-risk consignments and thus respond by optimising their control operations and rationalising the use of already-limited resources (i.e. infrastructure, personnel).

For most countries, inspection of goods is still predominantly a physical process, which can generate delays and bottlenecks. Where the country has just suffered a natural disaster, this can become even more critical, as the situation often entails damaged infrastructure and limited personnel, leading to long processing times. In addition, when particular goods are urgently needed, this can create “an enabling environment” that facilitates illegal payments and corruption in order to speed the clearing process (UNECE, 2012).

A solid and operational risk management system can contribute to increasing the efficiency of controls, all the while ensuring compliance with rules and regulations through the customs clearance stage. This requires establishing a mechanism for effective sharing of pre-arrival information to facilitate the processing of electronic data and “feed” into the risk management system, identifying different channels of control, saving time and resources for the authorities involved in the clearance.

Several countries have adopted such risk management systems to contribute to improving their national disaster response mechanisms. The Maldives, for instance, has implemented risk management systems that can help expedite the release of consignments, subjecting only the necessary items to examination when warranted by a higher risk. Previously, when cargo inspections were not submitted to an appropriate risk management system, almost all consignments were subject to being inspected at the border, generating longer processing times. Transitioning to an integrated risk-based clearance system, with digitalisation of some of the steps involved, greatly facilitates their ability to trade and could avoid delays if natural disaster hits and imports of relief goods need to be expedited.

3.1.3 Access to information and transparency

A central concept underpinning the TFA is the importance of transparency and access to information. This allows stakeholders, traders, policy-makers and business operators to identify the applicable rules and have access to relevant regulatory information relating to their trading

operations. This becomes particularly important in the context of frequent changes and rapidly evolving market conditions, which entail constant updates on rules and regulations. Hence, the TFA encompasses several disciplines around making relevant regulatory information accessible. It provides rules around facilitating such access through, for instance, defining platforms for ensuring information is made easily (and electronically) available.

The TFA encourages, for instance, in Article 10.4, that members establish a single window (UNECE, 2018), defined as “a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements... if information is electronic, then individual data elements should only be submitted once” (UN/CEFACT, 2005). This can facilitate international trade by speeding up and simplifying information flows between both traders and government institutions, and can lead to higher rates of compliance with applicable regulations (see Box 2).

Customs and border processes are often highly technical and require documents, certificates and permits, among others. Thus, having the necessary and relevant information consolidated on one single platform greatly enhances ease of access and visibility for this type of information. In particular, when natural disasters hit, and critical goods need to be imported and cleared quickly, this consolidated system will make complex and frequently fragmented information easily accessible in a user-friendly format. This will allow interested parties to know in advance the steps needed to conduct trading operations in the affected country and to follow up on applications submitted for licences and authorisations. Single windows can entail additional features, including the ability to pay applicable fees by means of the same platform; rationalising an operation (which can often be lengthy and complex) through a unique portal; and speeding up availability of critical relief goods in the immediate aftermath of a natural disaster.

Similarly, Article 1.1 of the TFA creates the obligation to publish information on import and export procedures, while Article 1.3 establishes inquiry points. Both of these provisions can contribute to making regulatory information readily and easily accessible, and enable

Box 2: Rwanda and the Electronic Single Window

Rwanda, a landlocked LDC, was one of the first countries to implement the Electronic Single Window (ReSW), enabling traders to access online, standardised information and documents from a single entry point. The ReSW has greatly reduced the costs and time associated with importing goods into Rwanda, with clearance times reduced from 11 days in 2012 to 1.5 days in 2014 (Asycuda, 2018). In addition, both direct and indirect costs connected with international trade have been reduced as processes were re-engineered and simplified (Nizeyimana and Wulf, 2015). Following the outbreak of COVID-19, for example, Rwanda established a Trade Information Portal – a dedicated COVID-19 portal listing the emergency measures adopted with a view to facilitating trade in pharmaceuticals and medical equipment. During the pandemic, members have enacted new policies and regulations on an almost daily basis, with changes occurring rapidly and at short notice (as is the case in times of crisis). The ability to consult updated information on applicable measures is also a great value-added of the single window system. Similarly, the single window system has the potential to significantly assist in the context of post-disaster relief and recovery, ensuring changes are reflected on its platform and readily available for traders and operators, particularly when the trade is in tightly regulated goods (such as medical equipment, machinery, goods for reconstruction of destroyed infrastructure, testing kits, among others). It can also assist in ensuring the necessary transparency and predictability; keeping stakeholders informed of any regulatory changes; and providing details of and procedures for applicable requirements to be able to import the necessary goods to help manage the challenges resulting from the natural disaster. This gives exporters timely and accurate information to ensure their goods are compliant.

operators to comply with requirements to trade. These obligations constitute a key pillar in the general objective of enhancing transparency and predictability of laws and regulations and can greatly contribute to facilitating trade in goods when circumstances and context are rapidly evolving (such as in the aftermath of a natural disaster).

3.2 Handling of unsolicited bilateral donations

Many countries experience challenges with border clearance. The United Nations Conference on Trade and Development (UNCTAD) states that an estimated 20–30 parties are involved in the average customs transaction, which involves “40 documents, 200 data elements (30 of which are repeated at least 30 times) and the re-keying of 60 – 70 percent of all data at least once” (WTO, 2014). Recent research on six disaster-hit countries indicates that “import systems even in normal times were not set up for the sudden surge in volumes of relief imports that arrived in the immediate disaster response phase” (WTO, 2019b). These challenges are aggravated following a natural disaster, when a combination of physical damage to buildings, limited storage space and inefficient processes and procedures leads to struggles to process, clear and release the surge of containers. This is further compounded by a significant rise in unsolicited bilateral donations (UBDs), which typically surge after the occurrence

of a natural disaster as nations across the world try to help in any way they can. These items, while well intentioned, can generate a set of new challenges, placing a burden on the already limited resources of affected countries and creating additional logistics and processing bottlenecks that can hamper the relief effort, slowing the clearance of more urgently needed items. These goods arrive into ports unannounced or with limited notice, and are often characterised by incomplete paperwork, lack of a clearly defined consignee, non-standard items and incorrect packaging (Logistics Cluster, 2020). In addition, these goods often do not match the need of the affected population, with, for instance, donations of inappropriate items of clothing or accessories delivered after earthquakes, and of food products that will decay unless processed promptly.

The World Food Programme, through its Logistics Cluster, has enacted some practical recommendations on how to address some of the challenges arising from UBDs. The guidelines offer some practical insights into how best to manage the surge of imports and ensure critically needed food and humanitarian supplies are handled. The TFA does not mention UBDs specifically. However, countries can develop Standard Operating Procedures (SOPs) to address the challenges of UBDs. These can be adapted to collaboration

frameworks at the bilateral or even regional scale to facilitate processing of UBDs and enable faster clearance of the most urgently needed goods (such as food products).

3.3 Trade facilitation, transport and logistics

The TFA can be perceived as “a floor and not a ceiling”, meaning that countries can use it as a building block in strengthening their national facilitation systems. Countries can seek to go further than the provisions set therein and adopt modern approaches to trade facilitation, which ensure their longevity and adaptation to respond to new challenges that global trade can bring. In this perspective, trade facilitation is understood *latu sensu* as a series of measures and policies that aim to reduce costs and time in clearing goods, while being mindful of the objectives of ensuring compliance and adherence with laws and regulations and ensuring revenue collection levels are not reduced by fraud or other illicit forms of trading. Countries can then use the TFA as a pathway to implement specific provisions, while also assessing which other policies they can promote that will be at the intersection with their trade facilitation implementation, specifically in the logistics and transport sector.

Following the occurrence of a natural disaster, the ability to import critical relief goods in a timely manner depends on there being in place an important network of logistics and transport activities, ensuring that goods and services reach their desired location. Transport and logistics services are necessary for trade facilitation systems to operate, and will contribute to improving the efficiency of cross-border trade in goods (and are responsible for enabling the transport of goods to entry and exit points for their clearance).

Article 11 of the TFA refers to the concept of “freedom of transit”, which aims to facilitate traffic for goods in transit and requires that formalities, documents and customs controls are not pursued in a discriminatory manner. This prohibits burdensome delays or additional restrictions on goods in transit. In addition to certain core obligations, the article calls on members to pursue stronger cooperation and coordination with a view to enhancing freedom of transit and to facilitating the processes, formalities and regulatory aspects that apply to traffic in transit.

In the context of natural disasters, supplies of logistical services may be disrupted. Physical destruction to trading infrastructure (such as ports,

roads, warehouses) regularly affects the regular transit of trade in goods and can cause additional delays and bottlenecks. Facilitating the continuation of transit and logistical operations emerges as a key pillar in the disaster response, enabling trade transactions to continue. While the TFA focuses on trade in goods, policies that aim at facilitating the provision of transit and logistical services should be pursued in parallel, as they are crucial to enable lasting trade facilitation reforms. Facilitating the delivery and transport of goods can help in the disaster response by managing delays and ensuring freedom of transit continues, which will allow critical goods to move across transit and transport corridors and networks to continue to flow. For landlocked countries, for instance, freedom of transit is an important element in connecting to key infrastructure “hubs” for import and export into markets.

In addition, transport and logistics facilitation offers a unique opportunity to engage in regional cooperation to achieve this common goal. This could be achieved by developing and adhering to reciprocal standards or mutually accepted regulatory frameworks and controls; streamlining the controls on goods in transit; and ensuring goods are able to transit freely and reach their intended destination – and these policy choices are becoming increasingly possible through technology solutions. Technology start-ups in transports and logistics are exploring new and novel ways to ensure maximum efficiency in delivery of these services, which can be extremely useful for disaster response (e.g. electronic tracking of cargo can provide real-time and accurate information on where the goods are and allow customs authorities to plan ahead).

3.4 Designate priority or green lanes

Countries can implement priority lanes or “green lane” transport corridors to facilitate and expedite transport through particular channels within regional networks and create priority lanes for freight that will enable supply chain continuity and avoid bottlenecks. When roads and infrastructure have been affected, having transport, logistics and freight services continue to operate will enable the delivery of critical goods and relief supplies to continue. This goes in tandem with trade facilitation policies, which aim to prioritise and expedite such goods, which would then need to enjoy unhindered transport facilitation. One example of such a mechanism is the Southern African Development Community (SADC) Tripartite

Guidelines on “Trade and Transport Facilitation for the Movement of Persons, Goods and Services across the Tripartite Region” adopted during the COVID-19 pandemic (COMESA et al., 2020). The guidelines aim to establish measures to simplify, automate and facilitate trade and transport facilitation during the pandemic, with a view to avoiding regional disruptions to transport and the facilitation of trade in goods and ensuring inter-state regional trade flows continue. This example (among many other similar initiatives) can provide lessons learnt from managing the pandemic and be transposed in the context of countries affected by natural disasters, where trade in critical supplies and humanitarian assistance needs to continue and the necessary regional cooperation mechanisms can help maintain this.

3.5 Promote border agency cooperation

While the TFA is often described as “the Customs Agreement”, over half of its 37 disciplines deal with other agencies and authorities involved in trade facilitation. Many of the core provisions require members to establish coordinated border management systems. This is essential in the context of a natural disaster, when intervening agencies need to cooperate in order to avoid delaying clearance processes. Without this cooperation, agencies run the risk of aggravating the situation through potential overlapping or redundant functions (such as duplication of controls, extreme reliance on paper documentation to be checked and transferred, etc.). If one or more intervening agents are unable to complete their functions they could potentially halt the whole process, provoking longer delays and creating harmful bottlenecks.

Border agency cooperation mechanisms are relevant in pursuing a “balance” between the need to speed up/streamline checks and controls and adhering to/complying with applicable standards and regulations. The aim is to ensure the timely clearance of critical goods and the safety and quality of the products cleared (WTO, 2019a). The ability of customs to work closely and collaboratively with other regulatory agencies that manage public health and safety can ensure that processing and clearance of relief goods operate smoothly and facilitate movement.

4. Conclusion

The implementation of trade facilitation reforms has seen renewed political endorsement of cooperation, as expressed in several multilateral and regional fora following the initial outbreak of COVID-19. The

Ottawa Group, a group of WTO members (Australia, Brazil, Canada, Chile, the European Union, Japan, Kenya, Republic of Korea, Mexico, New Zealand, Norway, Singapore and Switzerland), released a statement recognising the importance of trade facilitation, instructing ministers to “identify ways to take full advantage of the opportunities for trade facilitation” and to promote best practices. The Group encourages countries to adopt new technologies and digital solutions to support the trade “of essential goods across borders as smoothly as possible” (WITA, 2020). In a time-critical situation, such as the aftermath of a natural disaster, countries should ensure their border clearance processes are streamlined as much as is feasibly possible, with digitally adapted solutions when possible to shift documentary checks, verifications and controls to the digital sphere.

The above are examples of trade facilitation policies that can help enable priority clearance for critical/vital goods, and of the use of technologies to automate and digitise procedures in reducing red tape and unnecessary formalities. These can greatly optimise the time and resources needed to clear those goods, and so become more relevant in the context of natural disasters. These political endorsements renew the importance of tapping into trade facilitation policies to maintain the flow of cross-border trade in critical goods and supplies.

4.1 Design business continuity strategies and natural disaster-resilient policies

National trade facilitation frameworks can be adapted to ensure that, through some of the selected provisions discussed above, companies are still able to engage in cross-border trade, albeit in reduced volumes and quantities, when disruptions affect the day-to-day operation of businesses (particularly small and medium enterprises). Planning response mechanisms that help the private sector can alleviate some of the challenges businesses face in resuming normal activities and transactions.

In this regard, the World Bank has drafted practical guidelines that policy-makers can draw on to maintain business operations and activities in the context of the COVID-19 pandemic, with particular importance attached to trade facilitation as a means to ensure continuity, some of which can be transposed to the context of natural disasters. Some of the key examples developed include the

“relaxation” of some trade formalities to speed up clearance processes; resorting to risk management systems to prioritise clearance of critical goods; and strengthening border agency cooperation (a central tenet underpinning several of the TFA’s key provisions) (World Bank, 2020). While prepared in the context of COVID-19, these examples illustrate how trade facilitation tools can be used to manage trade responses when disaster hits.

One central element in trade facilitation comprises access to technical assistance and capacity-building for trade facilitation reforms, crystallised in the TFA’s category C commitments. Trade finance and investment to implement these projects are necessary to ensure the Agreement delivers on its objective. As countries grapple with the challenges of natural disasters, a response from the trade facilitation community can also take the form of embedding climate or natural disaster resilience in the financing of trade facilitation reforms and investments. As we argue, embedding the natural disaster response by means of a “resilience lens” can assist when formulating trade facilitation policies. This can ensure such policies take into consideration financial and investment needs to encompass these risks and ensure they are embedded in the financial arrangement for trade facilitation projects (since trade facilitation reforms will sometimes be accompanied by larger projects on critical infrastructure for trade). In this context, as countries seek to secure financial resources to advance their national trade facilitation reforms, the financing available for these responses should take into account climate change risks and ensure these projects encapsulate policies aligned with better preparedness and disaster risk reduction objectives.

4.2 Enhance regional and multilateral collaboration and cooperation

Countries face similar operational challenges when having to facilitate relief shipments, and this is particularly true for those more resource-constrained countries (SIDS, developing countries and LDCs). Frequently, natural disasters will affect entire regional networks, and impacts in one country can spill over into regional partners, cascading into further challenges. This is particularly true in the context of landlocked developing countries, whose access to ports may be hindered as a result of a natural disaster, which can thus be effectively cut off from trade.

As such, the nature of trade facilitation reforms mean it can be useful for members to explore regional trade facilitation strategies that encompass regional dimensions (in particular for regions that are more exposed to these events, such as the Caribbean and the Pacific). Trade facilitation is an area of trade policy that lends itself particularly well to experience-sharing, and to trying to replicate (adapting to national or regional contexts) trade facilitation solutions and frameworks that have worked for other members.

During the COVID-19 pandemic, solutions taken by different regional groupings (e.g. SADC), aimed at keeping borders open, resulting in customs clearance processes being adapted and adjusted to new time constraints and challenging circumstances. These are examples of regional cooperation, which can also be pursued in building resilience into regional trade facilitation mechanisms. Thus, creating mechanisms for institutionalising regional cooperation and collaboration on trade facilitation can contribute to improving countries’ response to natural disasters on a regional level.

An example of this is the Pacific Humanitarian Pathway initiative (PIFS, 2020), agreed within the context of the Pacific Island Forum’s response to the COVID-19 pandemic. The Pathway initiative has developed a set of actions, priorities and objectives to strengthen the regional response in times of crisis. This includes setting up expedited customs clearance, and establishing protocols for handling customs and biosecurity controls and checks as well as on “clearance for Aircraft and Ships Transporting Medical and Humanitarian Assistance, Technical Personnel, and Repatriating Nationals”. Though the protocols are to provide guidance only, the rationale underlying their launch responds to similar concerns and challenges when discussing the role of trade facilitation in assisting countries hit by natural disasters: ensure the timely and efficient clearance of goods and compliance with regulatory requirements; and avoid unnecessary or bureaucratic red tape that further increases delays and disruptions. This can enable the fast processing of essential goods and facilitate their access in the immediate aftermath of a crisis. It is also a strong example of what can be done at the regional level, particularly as regions concerned (such as the Pacific and the Caribbean) are largely composed of SIDS, and regional trade facilitation strategies embedding natural disaster preparedness and resilience are warranted.

In conclusion, climate change, natural disasters and (more recently) the COVID-19 pandemic have brought global attention to the critical role of trade facilitation as a tool to respond to disasters. In the case of natural disasters, key relief supplies include food, medical equipment, construction materials and relief workers, all of which need to arrive in the recipient country as soon as possible to support relief efforts. The multiplicity of uncoordinated responses can result in further damage, particularly for landlocked countries, and thus regional strategies and approaches to trade facilitation reform should be explored if countries are to build resilience into their trade facilitation reforms.

We argue that countries can find in trade facilitation disciplines a range of useful tools and mechanisms to mitigate the impacts of natural disasters. In addition, in pursuing their trade facilitation implementation strategies, countries can promote embedded resilience in their infrastructure (both hard and soft). This will help ensure they have rapid response mechanisms and use TFA implementation to leverage capacity-building opportunities for implementing efficient customs and clearance processes.

Developing and least developed countries, and in particular SIDS, are calling for greater understanding of the interface between trade and natural disasters, tapping on existing tools and technical expertise developed by relevant international organisations to contribute to the design of forward-looking policies and protocols for when disaster hits.

This will promote a more holistic approach that helps in understanding the role trade facilitation can play in the context of natural disasters, one that recognises the need to obtain critical goods and services in a timely manner while fully encapsulating the objectives underpinning trade facilitation: faster, safer trade.

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Trade Hot Topics

ISSN: 2071-8527 (print) ISSN: 2071-9914 (online)

Commonwealth Trade Hot Topics is a peer-reviewed publication which provides concise and informative analyses on trade and related issues, prepared both by Commonwealth Secretariat and international experts.

Series editor: Brendan Vickers

Produced by Trade, Oceans and Natural Resources Directorate of the Commonwealth Secretariat

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