



INFORMAL WORKING GROUP ON MSMEs

DRAFT DECLARATION ON MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES (MSMEs)

The following communication, dated 9 November 2020, is being circulated at the request of the Coordinator of the Informal Working Group on MSMEs.

We, the Heads of Delegations representing the following Members of the WTO: [...],

Acknowledging that promoting the participation of Micro, Small and Medium-sized Enterprises (MSMEs) in international trade is an important issue in the WTO agenda, all the more considering the significant negative impact that the COVID-19 pandemic has had including on MSMEs, as well as the contribution that the WTO can make to support the global recovery;

Reaffirming our pledge, as contained in our Joint Ministerial Statement at Buenos Aires¹, to address obstacles related to foreign trade operations that represent a significant burden for MSMEs interested in participating in international trade;

Reiterating our resolve to favour horizontal and non-discriminatory solutions which are likely to yield benefits for the participation of MSMEs in international trade, taking into account the specific needs of developing countries and least developed countries;

Building on the work of the WTO Informal Working Group on MSMEs since the 11th WTO Ministerial Conference that took place in Buenos Aires, Argentina, in December 2017,

Are pleased to endorse the following recommendations and declarations:

- a) Recommendation on the collection and maintenance of MSME-related information (Annex 1);
- b) Declaration on access to information (Annex 2);
- c) Recommendation on trade facilitation and MSMEs (Annex 3);
- d) Recommendation on promoting MSMEs' inclusion in regulatory development in the area of trade (Annex 4);
- e) Recommendation on MSMEs and the WTO Integrated Database (Annex 5);
- f) Declaration on addressing the trade-related aspects of MSMEs' access to finance and cross-border payments (Annex 6).

¹ WT/MIN(17)58/Rev.1.

The Informal Working Group on MSMEs will continue to focus on issues of core significance to MSMEs, including supporting these recommendations and declarations, with the aim of identifying actions that could be taken in support of MSMEs' participation in international trade. We will also continue striving for a multilateral outcome for MSMEs at the next Ministerial Conference.

ANNEX 1**RECOMMENDATION ON THE COLLECTION AND MAINTENANCE OF MSME-RELATED INFORMATION**

Recalling the Declaration on the Establishment of a WTO Informal Work Programme for MSMEs (WT/MIN(17)/58);

Desiring to support the WTO Secretariat in its regular work on trade policy reviews;

Noting the discussions by the MSME Informal Working Group of information of particular interest to MSMEs that could be included in WTO Trade Policy Reviews;

Seeking to ensure that such information is systematically collected and catalogued for ongoing use and reference; and

Acknowledging that the provision of such information is on a voluntary basis and subject to the availability of data;

We, the members of the Informal Working Group on MSMEs, *recommend* that:

1. All WTO Members voluntarily provide during their trade policy review process, to the extent it is readily available, the MSME-related information contained in the checklist in Annex 1. Members are encouraged to provide additional information not included in the checklist, as appropriate;
2. Members voluntarily provide such information either in their own Government Reports, or in the Secretariat Report by asking the Secretariat to request the information for inclusion, or a combination of both;
3. In drafting its Government Report, the Member voluntarily includes the MSME-related information in a dedicated section of the report or in other relevant sections, as appropriate;
4. If a Member asks the Secretariat to request MSME-related information for inclusion in the Secretariat Report, the Secretariat is encouraged to include it in a dedicated section or in other relevant sections, as appropriate;
5. Members whose trade policy reviews will not occur within three years of the adoption of this recommendation, or Members who wish to provide the MSME-related information included in the checklist contained in Annex 1 separately from the trade policy review process, are encouraged to voluntarily provide it, to the extent it is readily available, directly to the Informal Working Group within three years of the adoption of this recommendation;
6. Members that experience difficulties collecting MSME-related information they wish to provide in support of this recommendation consider, as appropriate and on a voluntary basis, requesting technical assistance from the WTO Secretariat to this end;
7. The WTO Secretariat establish and maintain a database of the information collected or provided by Members in order to: (i) provide Members with an overview of MSME-related information; (ii) support an exchange of information between Members; and (iii) inform analysis and discussions of MSME-related agenda items in WTO Councils and Committees.

**CHECKLIST OF MSME-RELATED INFORMATION TO VOLUNTARILY INCLUDE
IN WTO TRADE POLICY REVIEWS**

Background information

1. How MSMEs are defined for the purposes of statistical and policy analysis.	
2. Available statistics on the role of MSMEs in the economy and their participation in international trade; any identifiable trends. This information, disaggregated to the extent it is readily available, could include: (i) total number of MSMEs; (ii) percentage of businesses that are MSMEs; (iii) employment profile of MSMEs, e.g. percentage of total employment generated by MSMEs; (iv) contribution of MSMEs to gross domestic product; and (v) export and imports by MSMEs, e.g. percentage of all exports and imports for MSMEs, total number of MSMEs that are exporting and importing.	
3. Available statistics (overall or by sector) on MSME ownership by diverse groups (e.g., women, youth, etc.).	

Marketplace Framework

1. Specific references, if any, to MSMEs in the domestic marketplace framework (i.e., legislative and regulatory regime).	
2. Consultation mechanisms, if any, for MSMEs to provide input to and comment on new or revised legislation and regulations.	
3. Processes implemented, if any, to review new legislation or regulations in relation to their effects on MSMEs.	
4. Procedures and assistance, if any, to support MSMEs' compliance with new regulatory or legislative requirements.	

Government Programs and Policies

1. General programs or policies, if any, that seek to address challenges faced by MSMEs to their integration into international trade.	
2. Provisions in Regional Trade Agreements, if any, to support MSMEs in cross-border trade, e.g. cooperation, investment.	
3. Collaborative engagement with other countries that support MSMEs, e.g. international cooperation efforts on standardization to reduce regulatory burden across jurisdictions.	

ANNEX 2**DECLARATION ON ACCESS TO INFORMATION**

Noting that enhanced transparency and access to information on trade-related information are recurring demands from Micro, Small and Medium Enterprises (MSMEs), from all over the world, in their efforts to internationalize;

Recognizing that improving transparency and access to information contributes to promoting the participation of MSMEs in international trade;

Recognizing that the Global Trade Helpdesk (<https://www.globaltradehelpdesk.org/en>), developed jointly by the ITC, UNCTAD and the WTO, is a powerful tool that tackles MSMEs' demand for increased trade and market intelligence and that this platform needs to be nourished with updated information from WTO Members;

We, the members of the Informal Working Group on MSMEs:

1. *Call on* all WTO Members to contribute to the success and the prompt operationalization of the Global Trade Helpdesk (GTH);
2. *Agree* on a voluntary basis and subject to the availability of data to:
 - a) within a year of the adoption of this declaration, provide to the extent possible to the WTO Secretariat updated and complete information pursuant to the Annex of this declaration. The information pursuant to the Annex does not need to be provided if similar information has already been provided to the WTO Secretariat or the ITC;
 - b) every two years thereafter, provide to the WTO Secretariat, as necessary, updated information pursuant to the Annex;
3. *Will consider* taking actions in relevant WTO bodies to enhance transparency with the aim of improving the operationalization of the GTH. Examples of actions include initiatives to improve the availability of trade-related information for its use in the GTH;
4. *Ask* that technical assistance by the WTO Secretariat shall be provided upon request to help developing and least-developed country Members implement the provisions of this declaration;
5. *Instruct* the Informal Working Group on MSMEs to review the operationalization of this declaration no later than two years after the adoption of this declaration. A review process may include, *inter alia*, an assessment of the relevance of the information requested in the Annex, the difficulties experienced by Members in submitting the requested information in the Annex and the required need for technical assistance.

GLOBAL TRADE HELPDESK BASELINE COORDINATION QUESTIONNAIRE

I. BASIC INFORMATION

1)	Member	
2)	Contact point(s) (If possible, provide the following contact details: name, institutional affiliation, email, phone number.)	

II. TRADE DATA

3)	Does your country already collect and publish trade data online?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, please provide the website.	
4)	Which agency or ministry collects/centralizes trade-related information for your country?	
	Relevant contact point(s) for information on trade flows (If possible, provide the following contact details: name, email, phone number.)	

III. TARIFF AND TAX DATA

5)	Does your country already collect and publish tariff data online?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, please provide the website.	
6)	Which agency or ministry collects and centralizes information related to tariffs, quotas, and trade remedies for your country?	
7)	Does your country already collect and publish tax-related information online?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, please provide the website.	
8)	Which agency or ministry collects/centralizes tax-related information for your country?	
9)	Relevant contact point(s) for information on tariff, quota and trade remedy and tax. (If possible, provide the following contact details: name, email, phone number.)	

IV. NON-TARIFF MEASURES (NTMs) DATA

10)	Does your country already collect and publish NTM data online?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, please provide the website.	
	Specify where your country publishes (a) its final TBT measures, and (b) its final SPS measures.	
11)	Which agency or ministry collects/centralizes information on NTMs in your country?	
12)	Relevant contact point(s) for information on NTMs. (If possible, provide the following contact details: name, email, phone number.)	

V. DOMESTIC TRADE PROCEDURES

13)	Does your country already collect and publish Domestic Trade Procedures data online?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, please provide the website.	
14)	Which entity or ministry in your country collects/centralizes information on domestic trade procedures in your country?	
15)	Relevant contact point(s) for information on domestic trade procedures. (If possible, provide the following contact details: name, email, phone number.)	

VI. COMPANY DATA

16)	Does your country already collect and publish company data online?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, please provide the website.	
17)	Which entity or ministry in your country collects/centralizes information on company data in your country?	
18)	Relevant contact point(s) for information on company data. (If possible, provide the following contact details: name, email, phone number.)	

VII. MARKET PRICE INFORMATION

19)	Does your country already collect and publish market price data online for agricultural and other products?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, please provide the website.	
20)	Which entity or ministry in your country collects/centralizes information on agricultural market price in your country?	
21)	Relevant contact point(s) for information on market price. (If possible, provide the following contact details: name, email, phone number.)	

ANNEX 3

RECOMMENDATION ON TRADE FACILITATION AND MSMEs

Recalling the Declaration on the Establishment of a WTO Informal Work Programme for Micro, Small and Medium-sized Enterprises (MSMEs) (WT/MIN(17)/58);

Welcoming the focus of WTO Members on trade facilitation and the work done in the context of the WTO Committee on Trade Facilitation;

Recognizing that while the WTO Agreement on Trade Facilitation (TFA) establishes horizontal and non-discriminatory rules, the benefits of its implementation accrue particularly to MSMEs;

Recognizing the importance of digital solutions to speed up processing and ensure that trade is as frictionless as possible;

Desiring to better support MSMEs through implementation of the TFA and digitalization;

We, the members of the Informal Working Group on MSMEs:

1. *Call on* WTO Members to fully implement the TFA, in accordance with their commitments, including transparency measures;
 2. *Invite* WTO Members, the WTO Secretariat and donor organizations to work together in order to design and provide capacity building and technical assistance that could consider the trade needs and challenges of MSMEs on the implementation of the TFA;
 3. *Recommend* that WTO Members, when conducting consultations in accordance with the TFA, engage with stakeholders including MSMEs located within their territories;
 4. *Encourage* WTO Members, when sharing their TFA implementation experiences in the WTO Committee on Trade Facilitation, to illustrate, as appropriate, how the interests of MSMEs are taken into account in order to identify and promote good practices for the implementation of the TFA in a MSME-friendly manner;
 5. Bearing in mind paragraph 2, *call upon* the constructive cooperation between Members with a view to enhancing freedom of transit. In this regard, we emphasize the importance for MSMEs of the effective application of trade facilitation disciplines that contribute to reducing transit time and costs, streamlining procedures through digital solutions and enhancing certainty in cross-border trade;
 6. *Endeavour* to identify additional opportunities for trade facilitation and promote best practices, including the adoption of digital solutions that can support the movement of goods across borders.
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ANNEX 4**RECOMMENDATION ON PROMOTING MSMEs INCLUSION IN REGULATORY DEVELOPMENT IN THE AREA OF TRADE**

Recalling the Declaration on the Establishment of the WTO Informal Work Programme for MSMEs (WT/MIN(17)/58/Rev.1);

Recognizing that regulatory changes may be particularly burdensome for MSMEs and that WTO Members could minimize potential challenges by assessing the impact of new rules on MSMEs and by providing adequate opportunity for MSMEs to comment on and adapt to new regulatory requirements;

Noting the discussions by the MSME Informal Working Group of horizontal and non-discriminatory solutions in the area of regulatory practices, which are likely to yield benefits for the participation of MSMEs in international trade;

Noting that principles of MSME inclusion in regulatory development have been established in a number of Members' domestic jurisdictions and included in a number of regional trade agreements;

Noting that WTO agreements include rules on consultations with stakeholders in the process of regulatory development but do not explicitly refer to MSMEs;

We, the members of the Informal Working Group on MSMEs:

1. *Encourage* WTO Members to promote the consideration of the specific needs of MSMEs in domestic regulatory development with respect to issues covered by the WTO agreements, consistent with their implementation capacities and to the extent practicable;
2. *Draw attention* to our discussion of the following non-exhaustive list of elements of domestic regulatory procedures, that may be beneficial for MSMEs, with respect to issues covered by the WTO agreements:
 - a) engagement of MSMEs, as appropriate, throughout the process of domestic regulatory development;
 - b) publication of drafts of regulations before their adoption, or of consultation documents that provide sufficient details about a possible new regulatory measure, preferably at an early stage of their development;
 - c) assessment of the impact of possible new regulatory measures on MSMEs and, as appropriate, consideration of potential steps to identify and mitigate potential economic impacts on MSMEs – including alternative compliance approaches where appropriate – while allowing the Member to fulfil its regulatory objectives;
 - d) provision of a reasonable period of time for all the interested parties, including MSMEs, to comment on drafts or consultation documents related to possible new regulatory measures as referred to in subparagraph b);
 - e) prompt publication of such adopted regulations so as to allow economic operators to adapt to the new regulatory requirements;
 - f) retrospective review of adopted regulations to assess whether there are opportunities to more effectively achieve public policy objectives and reduce unnecessary regulatory burdens, including on MSMEs;
 - g) making available the public documents referred to in subparagraphs a) through f) in electronic form and provision of free access to them;

3. *Encourage* WTO Members to exchange experiences on practical ways to help the participation of MSMEs in domestic regulatory development with respect to issues covered by the WTO Agreements, including on possible training and capacity building programs to help MSMEs to understand these issues.
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ANNEX 5

RECOMMENDATION ON MSMES AND THE WTO INTEGRATED DATABASE

Recalling the Declaration on the Establishment of a WTO Informal Work Programme for MSMEs (WT/MIN(17)/58);

Considering the role of the WTO Integrated Database (IDB) as the official source of tariff and other trade-related information and its importance in ensuring transparency in the trade policy regimes of Members, including through the dissemination of these data to other international organizations and relevant stakeholders;

Desiring to improve access for MSMEs to reliable and official market access information relevant to their participation in international trade; and

Seeking to ensure that information in the WTO Integrated Database is kept up to date and is as comprehensive as possible;

We, the members of the Informal Working Group on MSMEs, *recommend* that:

1. WTO Members voluntarily provide to the IDB, to the extent it is readily available, the information set out in paragraph 2 of the Decision on the Modalities and Operation of the Integrated Database (IDB Decision)², and in particular the applied preferential tariffs in the context of regional trade agreements;
2. WTO Members voluntarily contact the Secretariat to discuss the feasibility of entering into a voluntary agreement with the Secretariat for the automatic electronic transmission of their tariff or import data to the IDB, as provided for in paragraph 8 of the IDB Decision.

² Decision of the Committee on Market Access adopted on 28 May 2019 (G/MA/367).

ANNEX 6**DECLARATION ON ADDRESSING THE TRADE-RELATED ASPECTS OF MSMEs' ACCESS TO FINANCE AND CROSS-BORDER PAYMENTS**

Recalling the Declaration on the Establishment of the WTO Informal Work Programme for MSMEs (WT/MIN(17)/58/Rev.1);

Recognizing that the participation of MSMEs in international trade contributes significantly to the socioeconomic development of developing countries, particularly the least developed countries (LDCs);

Noting that significant challenges associated with trade-related aspects of MSMEs' access to finance and cross-border payments impede MSMEs' integration in international trade;

Considering that the bank penetration rate in developing countries and particularly in LDCs is very low and, moreover, that finance for MSMEs by traditional operators (banks, investment funds and donors), in particular trade finance, is extremely difficult in developing countries and particularly in LDCs and impedes MSMEs' participation in international trade;

Noting that various means such as a global legal identification of companies or digitalization are available that can facilitate addressing the challenges associated with trade-related aspects of MSMEs' access to finance;

Acknowledging that MSMEs are facing a range of other financial challenges to participate in international trade, such as issues related to cross-border payments;

Noting the severe impact that the Covid-19 pandemic has on MSMEs and the key role that addressing the trade-related aspects of MSMEs' access to finance and cross-border payments - among other necessary initiatives - plays in helping MSMEs face the trade-related challenges resulting from the pandemic;

We, the members of the Informal Working Group on MSMEs:

1. *Call on* WTO Members to consider the trade-related aspects of MSMEs' access to finance and cross-border payments and to actively engage in relevant fora, such as the Informal Working Group on MSMEs in cooperation with relevant WTO bodies and relevant multilateral institutions, to identify concrete measures that can facilitate addressing the challenges linked thereto with a view to promote their international diffusion, particularly through:
 - a) the exchange of best practices; and
 - b) information-sharing on relevant technical assistance and capacity-building;
 2. *Welcome* international initiatives aimed at facilitating adoption of a global legal identification system for companies such as the global Legal Entity Identifier (LEI) and invite WTO Members to cooperate in such initiatives;
 3. *Invite* the WTO Secretariat to organize, with the support of relevant international organizations, information sessions on topics related to trade-related aspects of MSMEs' access to finance and cross-border payments including, for example, the global Legal Entity Identifier (LEI), to inform reflections and potential actions of Members;
 4. *Encourage* all WTO Members, in cooperation with other multilateral institutions, to consider the trade-related aspects of MSMEs' access to finance and cross-border payments, taking into account the context of the economic recovery during and post-Covid-19, particularly, in the most affected developing countries and LDCs.
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