

# Can Link the Institutional Design of Public-Private Partnerships (PPPs) to International Policy Instruments lead to PPPs external effectiveness? An Examination of the Global Alliance for Trade Facilitation (GATF)

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## Abstract

*This paper examines whether linking the institutional design of public-private partnerships (PPPs) to international policy instruments lead to PPPs external effectiveness. To answer this question, I selected the Global Alliance for Trade Facilitation (GATF) as a study case. GATF is an emerging PPP aimed at making international trade simple, fast and cost-effective while creating new business opportunities, enabling greater economic and social development and reducing poverty across developing and least developed countries. While GATF's current projects are still in progress, it has reported tangible output results aligned with the partnership's institutional design comprising a roadmap of outcomes and impact results intended over the forthcoming years. Through an exhaustive desk-review of GATF's annual reports and a general-knowledge interview directed to GATF staff members, I argue that GATF's institutional design linked to the World Trade Organization's Trade Facilitation Agreement and the 2030 Agenda for Sustainable Development attributes this partnership a significant potential to reap impact effectiveness. By analyzing GATF's institutional design features according to conceptualization perspectives on PPPs effectiveness, I found that GATF offers a suitable institutional design model to attain both external and policy implementation effectiveness. While publicly available information on GATF's structure and progress up to date support my findings, I stated the need for empirical assessments on GATF's performance after its delivery process. Overall, GATF offers a good institutional design model for PPPs aimed at enabling enticing business environments for harnessing trade and investment strategies to advance sustainable development projects across the world.*

## 1. Introduction

The Global Alliance for Trade Facilitation—known as GATF—is a public-private partnership (PPP) launched in 2015 to support governments in developing and least developed countries implement the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA)<sup>1</sup>. With a vision of simple, fast and cost-effective trade linked to new business opportunities, greater economic and social development and poverty reduction, GATF aims at addressing customs delays and unnecessary red-tape at borders while deploying targeted reforms that deliver commercially quantifiable results<sup>2</sup>. To this journey, GATF brings together governments and businesses as equal partners to identify

opportunities for easier trade, with predictable procedures, streamlined regulations and modern automation<sup>3</sup>. GATF comprises an organizational structure led by the Center for International Private Enterprise (CIPE), the International Chamber of Commerce (ICC) and the World Economic Forum (WEF), in cooperation with Gesellschaft für Internationale Zusammenarbeit (GIZ)<sup>4</sup>.

This paper argues that linking the institutional design of PPPs to international policy instruments lead to PPPs external effectiveness, with tangible impact results in sustainable development. To support my argument, I selected GATF as a study case for two main reasons. Firstly, GATF emerged as an institutional platform to ensure the implementation of the WTO's Trade Facilitation Agreement across WTO country members—140 of the 164 WTO members (85.4%) had ratified the agreement at the end of 2018<sup>5</sup>. Being grounded in an international trade agreement determined specific output, outcomes and impact results GATF is intended to achieve during its planned horizons. Indeed, GATF monitors indicators stated in TFA's articles 1-12 across its current portfolio<sup>6</sup>. Secondly, GATF's targeted outcomes and impacts at countries' national levels offer a significant potential to contributing to meet economic and social dimensions of the 2030 Agenda for Sustainable

<sup>1</sup> The Trade Facilitation Agreement (TFA) aims at lowering, or removing, barriers to trade imposed by burdensome border requirements. The WTO concluded the TFA in December 2013, which officially entered into force in February 2017. GATF (2016) refers that "In ratifying the TFA, countries will commit to a series of reforms to reduce red tape at borders—from measures on the release and clearance of goods, through to enhanced cooperation between border agencies. Average trade costs reductions of 14.5% and 20 million new jobs are some of the benefits estimating from the implementation of the TFA reforms. For more information, see: GATF, 2016; WTO (2015, September 17). WTO trade facilitation in action — launch of Global Alliance for Trade Facilitation: Speech by Director-General Roberto Azevêdo. Retrieved from [https://www.wto.org/english/news\\_e/spra\\_e/spra106\\_e.htm](https://www.wto.org/english/news_e/spra_e/spra106_e.htm)

<sup>2</sup> GATF website. Who we are. Retrieved from <https://www.tradefacilitation.org/who-we-are/about-us/>; GATF, 2017.

<sup>3</sup> GATF, 2017.

<sup>4</sup> GATF website. Who we are. Retrieved from <https://www.tradefacilitation.org/who-we-are/about-us/>

<sup>5</sup> GATF, 2017. Pp. 10.

<sup>6</sup> Ibid.

Development<sup>7</sup>. Building on WTO's policy strategies stressing the role of trade in attaining the Sustainable Development Goals—SDGs or Global Goals, GATF has the impact potential to support country partners in meeting the global goals no. 1, 2, 5, 8, 16 and 17, with intended results in terms of poverty alleviation, hunger ending, food security, improved nutrition, gender equality, economic growth, peace and security, and effective partnerships between government, business and civil society actors<sup>8</sup>.

The content of this paper is organized into eight sections. Section I contains the introduction. Section II lays out the theoretical framework. Section III consists of the analytical framework. Section IV describes the methodology utilized in this paper. Section V presents results. Section VI contains this paper's conclusions. Section VII lists bibliography sources. And section VIII includes appendix sources.

## 2. Theoretical Framework

The theoretical framework underlying the present research paper centers attention on different conceptualization perspectives on Public-Private Partnerships (PPPs) and general reasons literature works attributes to the emergence of PPPs.

### 2.1. Definitions of PPPs

The last two decades of the twenty-first century have witnessed an increasing importance of PPPs in the policy arena. The World Bank through its Private Participation in Infrastructure Project database<sup>9</sup> has drawn findings suggesting the spread of PPPs across the globe.

According to the World Bank (2014), "134 developing countries implemented new PPP projects in infrastructure alone between 2002 and 2011"<sup>10</sup>. PPPs have been approached as a pragmatic tool and policy strategy by several actors concerning pressing issues facing countries and societies around the world. Conceptualizing the dynamic forces and key actors behind the appearance of PPPs has motivated researchers, scholars and practitioners across several institutional sectors to examine the role of partnerships in the fields of socio-economic development, public policy, governance, and international business.

The academic literature identifies recent works that conceptualize the term of PPPs in the global governance context. For instance, Liliana Andonova (2017) developed a definition of PPPs regarding the role of global partnerships in the face of international governance.

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<sup>7</sup> The 2030 Agenda for Sustainable Development is a plan of action comprising 17 Sustainable Development Goals—known as SDGs or global goals—aimed at eradicating poverty while achieving sustainable development through its economic, social and environment dimensions. For more information, see: United Nations, 2015.

<sup>8</sup> GATF website. How we support the SDGs. Retrieved from <https://www.tradefacilitation.org/helping-achieve-un-sustainable-development-goals/>

<sup>9</sup> World Bank website. Private Participation in Infrastructure Database. Retrieved from: <https://ppi.worldbank.org/>

<sup>10</sup> World Bank (2012). Pp. v, 9-10.

According to Andonova (2017), "Global public-private partnerships are voluntary agreements between public actors (IOs, states, or substate public authorities) and non-state actors (nongovernmental organizations [NGOs], companies, foundations, etc.) on a set of governance objectives and norms, rules, practices, or implementation procedures and their attainment across multiple jurisdictions and levels of governance."

Following a similar path than Andonova (2017), Marco Schäferhoff, Sabine Gampe and Christopher Kaan (2009) introduce the term of PPPs as a central research topic for the discipline of International Relations. By building upon previous literature works conceptualizing PPPs as authoritative decision-making platforms shared by nonstate actors and transnational corporations (TNCs), Schäferhoff, Gampe and Kaan (2009) defined PPPs as, "... hybrid governance forms through which the political authority of nonstate actors has been extended. Instead of influencing global governance through lobbying, nonstate actors are directly involved in political steering, and co-govern along with state actors." (Pp. 453) They continued arguing that "...PPPs are continuing and relatively institutionalized transboundary interactions, which include public actors, such as governments and international organizations, and private actors." (Pp. 453)

So far, Andonova (2017) and Schäferhoff, Gampe and Kaan (2009) presented definitions of PPPs in mainstreaming IR literature. As they conceptualized PPPs as governance structures managed by state and nonstate actors, which in turn exhibits the wide range of public and private actors that engage in PPPs, additional definitions on PPPs emphasize the role that these actors play in driving PPPs in other knowledge disciplines, e.g., public policy, socio-economic development, and international business. For instance, the World Bank (2012) has been a leading international organization generating theoretical and policy knowledge around PPPs. The PPP Knowledge Lab of the World Bank defines a PPP as "a long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance"<sup>11</sup>.

### 2.2. Why do Public and Private Actors Partner?

Understanding the dynamic nature and forces driving public and private actors to engage in PPPs introduces the research motivation of this paper. By observing the various disciplines, sectors, countries and regions exhibiting the operationalization of PPPs, several motives may justify the common ground paths and synergies that engage public and private actors alike in PPPs. The academic literature on PPPs has identified broad categories of theoretical foundations and pragmatic reasons underlying the emergence of PPPs.

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<sup>11</sup> World Bank website. What are Public Private Partnerships? Retrieved on May 24, 2019 from: <https://ppp.worldbank.org/public-private-partnership/overview/what-are-public-private-partnerships>

Schäferhoff, Gampe and Kaan (2009), for instance, provide theoretical perspectives about the emergence of transnational PPPs within the discipline of IR. They identified neo-Gramscian and constructivist theories, as well as three different variants of rational choices approaches to the foundations of PPPs.

Regarding the first two groups of IR theories, Schäferhoff, Gampe and Kaan (2009) point out that a neo-Gramscian approach suggest the nexus of PPPs to the corporations' response to the anti-globalization movement that creates an interest to stabilize the hegemonic capitalist worldview and to reproduce a corporate-friendly global governance system (Pp. 455). On the other hand, Schäferhoff, Gampe and Kaan (2009) emphasize that states, NGOs and corporations jointly accept the responsibility for the provision of collective goods aimed at responding to the expectations generated in the global institutional arena—a new “global public domain” as referred by (Ruggie 2004:500).

By contrast, Schäferhoff, Gampe and Kaan (2009) refer rationalist approaches and their increasing empirical relevance to account for the emergence of transnational PPPs. They identified three groups of rational approaches. The first one offers a functionalist explanation by which scholars sustain that PPPs convey rational actors purposefully interested in solving complex transboundary problems while attaining beneficial consequences (Pp. 456). The second one offers an incentives-based approach suggesting that PPPs are institutions formed by rational actors seeking relative gains in obtaining resources rather than closing governance gaps (Pp. 456). The third one consists of the situation-structural approach developed by regime theorists who argue that PPPs emerge according to varying institutional forms of international regimes dictating the underlying situation structure for the concerned partnerships—PPPs may be based in ‘coordination’ or ‘collaboration’ mechanisms depending on the nature of rules, incentives and targeted problems agreed by the PPPs actors—(Pp.457)<sup>12</sup>.

In additional to theoretical perspectives on the emergence of PPPs within the IR discipline, scholars and institutions have emphasized the importance of PPPs in the international development arena. For instance, Peter Utting and Ann Zammit (2009) intended to answer the inclination of world's business, international development and civil society organizations, and elites to the partnership ap-

proach. By drawing on ideational, institutional, political and economic forces driving PPPs, Utting and Zammit (2009) argue that PPPs emerge due to institutional reform, changing fortunes, corporate globalization and the struggle for hegemony (Pp. 41-48). The first one refers that PPPs constitute institutional reforms efforts aimed at responding to normative and structural dimensions of global governance (Pp. 41-44). The second one centers PPPs as a strategic channel to catalyze private sector funding when macroeconomic, country-level performance limit public sector delivery on basic social services pertaining to development needs (Pp. 44-45). The third one suggest that PPPs emerge to play a key role in legitimizing the global economic system (Pp. 45-46). The four one refers PPPs as a collective response to transparency and accountability pressures driven from civil society (Pp. 46-48).

Schäferhoff, Gampe and Kaan (2009), as well as Utting and Zammit (2009) offer compelling theoretical and pragmatic perspectives on the relevance of PPPs in the disciplines of international relations and international development. While their findings outline the linkages of PPPs to wide-ranging settings in the field of global governance, other conceptualization works place the importance of PPPs to attain public policy goals, which represents an important analytical factor introducing the next section of this paper. Regarding the nexus between PPPs and policy objectives, the World Bank (2014) stated that PPPs are arrangements between public and private entities to achieve a range of public policy goals, such as: a) Information-sharing mechanisms to combat healthcare fraud; b) Voluntary activities engaging private companies towards public ends, e.g., corporate social responsibility<sup>13</sup>; c) Private funding of public investment projects; d) Research and innovation projects to draw on skills and information; and e) Government interventions supporting private sector development in general or across sectors, e.g., energy, water and sanitation, health, agriculture (Pp. 24).

### 3. Analytical Framework

The present section aims to provide an analytical framework supporting the research question that motivated this paper: Can link the institutional design of PPPs to international policy frameworks lead to external effectiveness? From the research question underlying this paper, understanding the nexus between institutional design of PPPs and external effectiveness in the literature acquires particular relevance. The focus of the present paper is centered in the institutional design of PPPs, as the selected case study refers to a PPP that is still in an initial stage of progress—the PPP case study refers its current active projects under a phase of implementation. Therefore, this section will provide a literature review of works highlighting analytical frameworks that scholars have developed to assess the external effectiveness of PPPs, which will then be compared to institutional design aspects from the PPP case study for this paper in the following two sections.

<sup>12</sup> Schäferhoff, Gampe and Kaan (2009) drew attention on the distinction between the ‘coordination’ and ‘collaboration’ mechanisms underlying the emergence of PPPs according to the situation-structural approach. This view states that relatively low formalized and centralized regimes characterize coordination situations while a more severe form of collective action problems involves collaboration situations. (Pp. 457). The World Bank's World Development Report 2017, Governance and the law, offers a complementary conceptualization approach to the terms defined by the regime theorists. The World Bank (2017) provided a comprehensive theoretical and policy frameworks of the terms ‘commitment’, ‘coordination’ and ‘cooperation’ as drivers of policy effectiveness in global governance settings. For more information, see World Bank (2017, Pp. 5).

<sup>13</sup> World Bank (2014) refers the example of community health or education projects attached to major foreign direct investment projects.

Literature sources on effectiveness of PPPs distinguish broadly between the notions of internal and external effectiveness. As a starting point, it is important to emphasize that this paper focus particularly in the external effectiveness dimension. The reason for this selection lies in the research question underlying this paper that aims to answer whether linking the institutional design of PPPs to international policy instruments may lead to partnerships' external effectiveness.

Liliana Andonova and Moira Faul (2019) offer a compelling distinction between internal and external effectiveness, where the latter makes the case for the indirect linkages between international policy instruments and the external effectiveness of PPPs. Andonova and Faul (2019) developed an illustrative, four-quadrants diagram that distinguishes the conceptualization terms between 'outside' and 'inside' partnerships related to their role in attaining external and internal effectiveness respectively (Pp. 6).

According to Andonova and Faul (2019), the concept of 'outside' partnerships refers to the impact of partnerships outside the partnership itself (Pp. 5-6). This approach refers to the impact dimension of partnerships, which in turns relates to their external effectiveness. With that regard, Andonova and Faul (2019) further identified that 'outside' partnerships attain external effectiveness by achieving two objectives. The first one states that partnerships achieve effectiveness when they solve sustainable development problems, consisting of addressing the economic environmental and social problems confronted by multiple social groups in the partnerships' target populations (Pp. 7-8)<sup>14</sup>. The second one sustains that partnerships reap effective results when they create value for their target populations and participant actors and stakeholders, which from business and civil society organizations to local, national or global public institutions (Pp. 8-10).

On the other hand, Andonova and Faul (2019) drew the concept of 'inside' partnerships, representing the intrinsic matters, e.g., processes, actors, practices and mechanisms that may enable or constrain the partnerships' effectiveness. With the aim of outlining the internal factors driving the partnerships' delivery capacity on external impacts, Andonova and Faul (2019) formulated two objectives for partnerships' internal effectiveness. The first one refers the role of horizontal collaboration between the partners inside the partnership (Pp. 11-13). This question arises concerns whether the inclusion and exclusion of certain partners along with their degree of credible cooperation contributes to partnerships' internal effectiveness. The second one

<sup>14</sup> The economic, environmental and social dimensions of sustainable development were developed as part of the recent international development framework developed for the 2030 Agenda for Sustainable Development. This agenda refers to a set of 17 goals aimed at eradicating poverty while achieving sustainable development through its economic, social and environment dimensions. For more information, see: United Nations, 2015; United Nations website. Transforming our world: the 2030 Agenda for Sustainable Development. Retrieved from <https://sustainabledevelopment.un.org/post2015/transformingourworld>

suggests that partnerships may likely attain internal effectiveness when they involved stakeholders outside the partnership (Pp. 13-14). In other words, this objective points out that including target population in solution seeking may lead effectiveness results from the partnerships by allowing beneficiaries to influence partners' behavior and willingness to engage in new commitment and address certain issues (Pp. 14).

In addition to the conceptualization approach on effectiveness of PPPs developed by Andonova and Faul (2019), other academic works categorize partnerships' effectiveness in terms of functionality directions. Regarding this, Schäferhoff, Gampe and Kaan (2009) classify PPPs effectiveness under two broad functions of policy formulation and implementation (Pp. 457).

The former concept refers to the purpose of PPPs in formulating rules and policies aimed at facilitating the implementation of certain, targeted projects. A vast majority of examples provided by the authors on partnerships' effectiveness related to policy formulation related to the concept of internal effectiveness previously discussed. As Schäferhoff, Gampe and Kaan (2009) further describe, partnerships' effectiveness in terms of policy formulation examines whether the inclusion or exclusion of certain actors attain the results and objectives expected from the subjected partnerships (Pp. 458).

The latter concept explores the effectiveness of PPPs with regard to policy implementation, a key category underlying the analysis further conducted in this paper. Schäferhoff, Gampe and Kaan (2009) refer that PPPs are effective in terms of policy implementation when they attain a given set of outputs, outcomes and impacts intended as part of their objectives (Pp. 460-461)<sup>15</sup>. By drawing on the effectiveness implications derived from the PPPs attainments of their outputs, outcomes and impacts, the aforementioned authors further placed the important nexus between the drivers of PPP effectiveness and the institutional design best suited to further PPP effectiveness. This, indeed, is an on-going debate in terms of PPP effectiveness related to policy implementation, which contextualizes the motivation of the present paper and its further analytical work presented in the next sections.

#### 4. Methods

To test the research question underlying this paper, a PPP case study was selected. The Global Alliance for Trade Facilitation (GATF) is an emerging PPP in the field of international development with policy relevance in mainstreaming discussions around the relevance of PPPs and

<sup>15</sup> Schäferhoff, Gampe and Kaan (2009) offer a distinction between outputs, outcomes and impacts based on previous academic works. They describe output indicators as the weakest indicators in terms of effectiveness, comprising tactical measures to operationalize the provisions of regimes. On the other hand, outcomes related to compliance measures with regime rules while the impact dimension focuses on problem-solving results that ultimately guide partnerships' actors to assess whether their efforts resolved their targeted problems (Pp. 460).

their effectiveness to attain public policy goals, among other objectives. While GATF is still at an early stage of progress, with its current, active projects under a phase of implementation, it offers particular attributes in terms of its institutional design that may offer potential insights about the potential effects of PPP institutional design linked to international policy instruments in PPP external effectiveness. Therefore, the analytical goal of this paper is to assess GATF’s institutional design and progress up to date according to the conceptualization approaches on external effectiveness—‘outside’ partnership effects and policy implementation effectiveness—reviewed in the previous section. In this endeavor, a special attention will be placed on GATF’s institutional design rooted in the World Trade Organization (WTO)’s Trade Facilitation Agreement (TFA) in first place, as well as in the United Nations (UN)’s 2030 Agenda for Sustainable Development.

The present section will begin by providing a description of GATF’s main features, such as institutional objectives and design, international policy instruments, value creation for partners and management and operational features. Then, the two main analytical methods employed in this paper will be explained. Results provided in the following sections were obtained by a desk review of publicly available annual reports and relevant documents about GATF’s state of progress and by a general knowledge interview to GATF staff.

**4.1. The Global Alliance for Trade Facilitation**

The Global Alliance for Trade Facilitation—known as GATF—is a public-private partnership (PPP) launched in 2015 to support governments in developing and least developed countries implement the World Trade Organization’s (WTO) Trade Facilitation Agreement (TFA)<sup>16</sup>. With a vision of simple, fast and cost-effective trade linked to new business opportunities, greater economic and social development and poverty reduction, GATF aims at addressing customs delays and unnecessary red-tape at borders while deploying targeted reforms that deliver commercially quantifiable results<sup>17</sup>. To this journey, GATF brings together governments and businesses as equal partners to identify opportunities for easier trade, with predictable procedures, streamlined regulations and modern automation<sup>18</sup>.

<sup>16</sup> The Trade Facilitation Agreement (TFA) aims at lowering, or removing, barriers to trade imposed by burdensome border requirements. The WTO concluded the TFA in December 2013, which officially entered into force in February 2017. GATF (2016) refers that “In ratifying the TFA, countries will commit to a series of reforms to reduce red tape at borders—from measures on the release and clearance of goods, through to enhanced cooperation between border agencies. Average trade costs reductions of 14.5% and 20 million new jobs are some of the benefits estimating from the implementation of the TFA reforms. For more information, see: GATF, 2016; WTO (2015, September 17). WTO trade facilitation in action — launch of Global Alliance for Trade Facilitation: Speech by Director-General Roberto Azevêdo. Retrieved from [https://www.wto.org/english/news\\_e/spra\\_e/spra106\\_e.htm](https://www.wto.org/english/news_e/spra_e/spra106_e.htm)

<sup>17</sup> GATF website. Who we are. Retrieved from <https://www.tradefacilitation.org/who-we-are/about-us/>; GATF, 2017.

<sup>18</sup> GATF, 2018.

GATF comprises an organizational structure led by the Center for International Private Enterprise (CIPE), the International Chamber of Commerce (ICC) and the World Economic Forum (WEF), in cooperation with Gesellschaft für Internationale Zusammenarbeit (GIZ)<sup>19</sup>.

As it was previously mentioned, GATF’s central objective is to accelerate trade facilitation progress in both developing and least developed countries by supporting governments to implement the WTO-TFA. This aim developed the subsequent GATF’s vision and mission that have been announced as follows<sup>20</sup>:

- Vision: “A world where cross-border trade is simple, fast and cost-effective, creating new business opportunities, enabling greater economic and social development and reducing poverty.”
- Mission: “To enhance trade facilitation implementation by bringing together the public and private sectors as equal partners to identify and deliver commercially meaningful reforms in developing and least developed countries.”

GATF’s proponents developed an institutional design grounded in a theory of change that outlines how GATF’s intended outcomes would achieve its central objective while achieving impact outside the partnership. Table (1) describes GATF’s sequence from outcomes to central objectives to impact.

**Table 1. GATF's Theory of Change: Outcomes, Central Objectives and Impacts**

Outcomes	
1. Sustainable public-private partnerships and inclusive multi-stakeholder dialogues on trade facilitation reform:	Sustainable public-private partnerships (PPPs) and multi-stakeholder dialogues (MSDs) where both public and private stakeholders work together on trade facilitation are vital to ensuring reforms address the needs of both sectors and projects benefit from private sector expertise. Building an environment conducive to trade facilitation includes enhancing public awareness and support for TFA ratification and implementation.
2. Commercially measurable trade facilitation reforms:	Delivering commercially meaningful trade facilitation reforms will make trade simpler, faster and more cost effective, increase in-country capacity to enact reforms and demonstrate that change through PPPs works.
3. Evidence, analysis and insight based Alliance projects:	Capturing lessons learnt from trade facilitation reform through monitoring and evaluation and sharing best practices will encourage more governments and businesses to identify and pursue meaningful reforms. At the same time, the adoption of international best practices makes their design more efficient and impactful and contributes to the harmonization of trade procedures and practices around the globe.

<sup>19</sup> GATF website. Who we are. Retrieved from <https://www.tradefacilitation.org/who-we-are/about-us/>

<sup>20</sup> GATF website. Our mission, vision and values. Retrieved from: <https://www.tradefacilitation.org/who-we-are/about-us/>

Central Objectives	
1. Enhanced trade facilitation implementation:	The Alliance's central objective is to accelerate trade facilitation implementation.
2. Reduced time and cost of cross-border trade:	Analysis suggests that enhanced trade facilitation through the TFA alone could reduce total trade costs by more than 14% for low-income countries and more than 13% for upper middle-income countries by streamlining the flow of trade across borders.
Impacts	
1. Increased trade and investment:	The reduction in trade costs associated with implementation of the TFA could increase developing countries' exports by up to US\$730 billion per year. Trade facilitation reform also has the potential to significantly increase investment, especially into sectors such as manufacturing.
2. Inclusive economic growth and poverty reduction:	The macroeconomic link between trade and investment and economic growth is well established, and broadly, economic growth is critical for poverty alleviation. Improved trade facilitation policies can connect poor people to regional and global markets, allowing for increased incomes and reduced poverty.

Source: Author's illustration based on GATF website. Our theory of change. Retrieved from <https://www.tradefacilitation.org/theory-of-change/>

GATF emerged as an institutional platform to ensure the implementation of the WTO-TFA across WTO country members—140 of the 164 WTO members (85.4%) had ratified the agreement at the end of 2018<sup>21</sup>.

Being grounded in an international trade agreement determined specific output, outcomes and impact results GATF is intended to achieve during its planned horizons. Indeed, GATF monitors indicators stated in TFA's articles 1-12 across its current portfolio<sup>22</sup>.

Furthermore, GATF's targeted outcomes and impacts at countries' national levels offer a significant potential to contributing to meet economic and social dimensions of the 2030 Agenda for Sustainable Development<sup>23</sup>. Building on WTO's policy strategies stressing the role of trade in

<sup>21</sup> GATF, 2018. Pp. 11.

<sup>22</sup> For more information about the TFA's articles 1-12 GATFs monitors across its projects, see: GATF, 2018. Pp. 10; World Trade Organization website. Trade Facilitation. Retrieved from: [https://www.wto.org/english/tratop\\_e/tradfa\\_e/tradfa\\_e.htm](https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm)

<sup>23</sup> The 2030 Agenda for Sustainable Development is a plan of action comprising 17 Sustainable Development Goals—known as SDGs or global goals—aimed at eradicating poverty while achieving sustainable development through its economic, social and environment dimensions. For more information, see: United Nations, 2015.

attaining the Sustainable Development Goals—SDGs or Global Goals, GATF has the impact potential to support country partners in meeting the global goals no. 1, 2, 5, 8, 16 and 17, with intended results in terms of poverty alleviation, hunger ending, food security, improved nutrition, gender equality, economic growth, peace and security, and effective partnerships between government, business and civil society actors<sup>24</sup>.

In order to engage public and private sectors with delivery platforms of trade facilitation reform, GATF's proponents developed a co-creation process<sup>25</sup>. This process means that private sector is an equal partner to government from start to finish, leading the two sectors to take joint ownership of trade facilitation reforms by actively participating in all the reform cycles from design to delivery<sup>26</sup>.

By implementing the co-creation approach, GATF seeks to deliver projects with business-efficiency standards guided by rigorous monitoring and evaluation mechanisms<sup>27</sup>. With this regard, GATF offers certain benefits for donors, businesses and governments exploring to become potential partners. Figure (2) indicates the benefits GATF presents to each of the actors previously mentioned.

**Table 2. GAT's Value Benefits offered to Potential Business, Governments and Donors Partners**

<b>Business</b>	<ul style="list-style-type: none"> <li>– Improve the ease of doing business.</li> <li>– Build trust and productive working relationships through public-private dialogue.</li> <li>– Become a recognised leader in trade facilitation and sustainable development</li> </ul>
<b>Governments</b>	<ul style="list-style-type: none"> <li>– Boost exports by connecting local companies to global supply chains.</li> <li>– Improve revenue collection by increasing trade flows.</li> <li>– Improve revenue collection by increasing trade flows</li> </ul>
<b>Donors</b>	<ul style="list-style-type: none"> <li>– 14.3% reduction in trade costs making developing countries more competitive and creating new opportunities for economic growth</li> <li>– 20 million new jobs the majority in developing countries.</li> <li>– \$1 trillion annual boost for global trade supporting sustainable development goals</li> </ul>

Source: Author's based on GATF website. How to get involved. Retrieved from: <https://www.tradefacilitation.org/as-a-business/>

<sup>24</sup> GATF website. How we support the SDGs. Retrieved from <https://www.tradefacilitation.org/helping-achieve-unsustainable-development-goals/>

<sup>25</sup> GATF website. Our co-creation process. Retrieved from <https://www.tradefacilitation.org/unique-co-creation-process/>

<sup>26</sup> For more information about GATF's co-creation approach during the trade facilitation reforms' implementation cycle, see: GATF website. Our co-creation process. Retrieved from

<https://www.tradefacilitation.org/unique-co-creation-process/>

<sup>27</sup> Some indicators tracked by GATF's monitoring and evaluation strategies are mention in the 2017 and 2018 editions of their annual reports. For more information, see: GATF website. Publications. <https://www.tradefacilitation.org/global-alliance-publications/>

**4.2. Analytical Methods**

Two analytical methods were used to present the results intended by this paper. This method consisted of reviewing GATF’s website content, annual reports published up to date and related material publicly available online in order to identify GATF’s main institutional design features. Thus, extracting key informational pieces would allow then to

describe the extent to which GATF’s institutional design and recent progress respond to conceptualization approaches on external effectiveness reviewed in the theoretical and analytical sections of this paper.

In order to complement the written material available on GATF’s recent process and structure, a general knowledge interview was conducted to GATF’s staff based in Geneva. GATF’s staff members who participated in this interview coordinate some of the partnership’s projects overseen by one of the organizations in GATF’s core management team: The World Economic Forum<sup>28</sup>. The staff members’ roles in GATF’ coordination team, and the list of questions included in the aforementioned interview are included in the appendix section of this paper.

**5. Results**

This section presents the result intended to obtain by answering the research question that motivated this paper. As it was referred in previous section, the aim of this section is to contrast the publicly-available information on GATF and insights from the conducted general knowledge interview with mainstreaming literature on PPPs external effectiveness assessment. Thus, the following results may present directions suggesting the potential contribution of PPPs institutional designs linked to international policy commitments to attain PPPs external effectiveness. Regarding this, the following subsections present the analysis results drawn from the effectiveness approaches developed by Andonova and Faul (2019)<sup>29</sup>.

Table 3 presents the results obtained by assessing GATF’s institutional design features according to the external effectiveness approach proposed by Andonova and Faul (2019). From the four-quadrant diagram developed by Andonova and Faul (2019), these results focus on the two quadrants regarding the impact dimension.

**Table 3. Linkages between GATF's Institutional Design and Andonova and Faul (2019) Approach on External Effectiveness**

	Effectiveness Aspects	GATF Reports
Impact	Q1: Solving sustainable development problems	– Targetting SDGs no. 1, 2, 5, 8, 16, and 17. – Accelerating progres on WTO-FTA implementation across developing and least developed countries.
	Q2: Value	– Business: ease of doing business, build

<sup>28</sup> For more information about the rest of GATF’s management team and steering group, see: GATF, 2018. Pp. 8-9; GATF website. Governance. Retrieved from <https://www.tradefacilitation.org/who-we-are/governance/>

<sup>29</sup> Further analyses based on Schäferhoff, Gampe and Kaan (2009) and Andonova and Faul (2019) were elaborated for this paper. They are reported in the appendix section.

creation for partners	trust and become a recognised leader – Governments: boost exports, improve revenue collection and attract FDI – Donors: 14.3% reduction in trade costs, 20 million new Jobs and US\$ 1 tn annual boost for global trade.
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Source: Author based on Andonova and Faul (2019) and GATF (2018).

Impact quadrants no. 1 and 2 address whether PPPs contribute to solving sustainable development problems while generating value creation for partners. GATF’s institutional design is grounded in two international policy instrument guiding the partnership’s progress and impact measurement in the countries where it operates. GATF has a mandate to accelerate trade facilitation across developing and least developed countries according to articles 1-12 from WTO’s Trade Facilitation Agreement. Furthermore, it offers support to countries’ efforts aimed at meeting the Sustainable Development Goals (SDGs) on poverty and hunger eradication, gender equality, economic growth and decent employment, peaceful and inclusive societies and global partnerships for sustainable development. As of 2018, GATF is currently operating in nine countries across four world regions, for which it reports how the partnership’s intended outcomes are contributing to attain GATF’s central objectives and intended impact by measuring progress on targeted trade facilitation and sustainable development indicators<sup>30</sup>. As GATF projects deliver progress according to its theory of change, it also offers a certain range of benefits and value creation for the partnerships partners ranging from businesses to governments to donors.

**6. Conclusions**

The Global Alliance for Trade Facilitation (GATF) offers an institutional design model suitable to PPPs envisioning achieving external effectiveness. By analyzing key institutional features pertaining GATF according to mainstreaming literature on PPPs effectiveness, this paper suggest that PPPs institutional design linked to international policy instruments may lead to impact ‘outside’ the partnership.

GATF is grounded in a theory of change guiding outcomes and impact measures aimed at advancing progress regarding the World Trade Organization’s Trade Facilitation Agreement and the United Nations’ 2030 Agenda for Sustainable Development across developing and developed countries.

While results drawn from this research contribute to theoretical debates on the nexus between institutional design and external effectiveness, further empirical research is needed to test more in-depth correlations and causal relations among different factors related to the aforementioned nexus and impact effectiveness expected from GATF’s progress over its planned time horizon.

<sup>30</sup> For more information, see: GATF (2018) ; GATF website. Country projects. Retrieved from <https://www.tradefacilitation.org/country-projects/>

Overall, GATF offers a good institutional design model for harnessing trade and investment strategies to advance for PPPs aimed at enabling enticing business environments sustainable development projects across the world.

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