



White Paper
Encouraging Private
Sector Participation in
National Trade Facilitation
Bodies

April 2022

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Acknowledgements

This document was prepared under the leadership of Birgit Viohl and Jake Schostag, Domain Coordinators UN/CEFACT; with the guidance of Estelle Igwe, Vice-Chair UN/CEFACT; with the support from Lance Thompson, Secretary to UN/CEFACT within the United Nations Economic Commission for Europe (UNECE) and Maria Rosaria Ceccarelli, Chief of Trade Facilitation Section, UNECE. UNECE hosts UN/CEFACT which develops standards and best practice for trade facilitation and electronic business. The project leadership would like to thank the following experts who contributed in their private and professional capacity to make this paper possible: Kevin Atkinson, Sherifat Omokide Aliu, Nicole Austin, Kim Campell, Gupta Deep, Lorena Gonzalez, Hakkı Gürkan, Modeste Joeline Hariniaina, Malou Le Graet Smart Masoni, Benedicte M. K. Meille, Joseph Nguene Nteppe, Margaret Ugonma Onwudinjo, Robin Gaarder Reese, Simon Rickards , Rose Ronoh, Yuri Saito, Christy Robinson, Felix Yvan Rugwizangoga, Bismark Sitorus Daniele Tumietto, Gabriela Uqillas and Safari Vincent.

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1 Introduction

This white paper evaluates practices and solutions to strengthen private sector participation in National Trade Facilitation Bodies (NTFBs) to make them more effective and to strengthen the impact of NTFB to trade facilitation reforms. Public-private dialogue is vital for trade facilitation as it ensures a service-centered approach and collaboration. NTFBs should therefore strive to get meaningful contribution and commitment from relevant private stakeholders.

2 Purpose and Scope of this paper

A NTFB aims to provide a trusted, permanent, and effective environment for public-private dialogue on trade facilitation. Over the past years' governments, donors and international organizations have invested into establishing NTFBs, and such bodies currently exist in many countries around the world. The focus now shifts from setting up NTFBs to ensuring that these NTFBs are sustainable, effective and have a meaningful impact on trade facilitation reform.

Trade facilitation aims to simplify paperwork, speed up customs and border clearance, and make cross-border trade more predictable and efficient. It lowers the costs and reduces the barriers for participating in international trade for all trading companies, including small and medium size enterprises (SME) and women traders. It also delivers efficiency gains that reduce adverse environmental impact of trade and facilitates the flow of essential goods in times of crisis. The private participation in the NTFB should not depend on government affections or disaffections, therefore it is very important to assure the permanent participation as an integral and mandatory part of a NTFB.

A defining factor for successful trade facilitation initiatives is to bring in the private sector as stakeholder, and partner. The existence of a NTFB is precisely to ensure public-private partnership in trade facilitation. Every NTFB must ensure that private sector representatives are offered membership to have an equal voice in the NTFB discussions, deliberations, and decisions. However, membership in a NTFB is only a first step to a successful private-public dialogue on trade facilitation. The NTFB needs to be shaped into a trusted and effective collaborative partnership. This requires a dedicated focus on motivating the private sector to actively engage in and to trust the process. Insignificant participation from the private sector is a risk to the credibility, impact and sustainability of NTFBs.

This white paper addresses the challenge of mobilizing private sector engagement. It provides guidance on how to design and facilitate a NTFB with a view to strengthen the contribution, ownership, and representativeness of the private sector. It completes UNECE Recommendation 4 on National Trade Facilitation Bodies¹ and Recommendation No. 40 on Consultation Approaches by providing focused insights on the ability of NTFBs to facilitate a private-public dialogue.

2.1 Background

Since the 1970s, UNECE has recommended that governments establish NTFBs as a platform for stakeholder coordination and public-private consultation. The first edition of the UNECE Recommendation 4 on NTFBs was published in 1974, a second edition with guidelines was issued in 2001 and revised again in 2015.

Since the Recommendation No. 4, NTFB is used as a generic term to describe trade facilitation organizations with private-public membership. In fact, various types of NTFBs with different names and organizational structures currently exist. Nowadays, most of these are referred to as a national

¹ United Nations Recommendation No. 4: National Trade Facilitation Bodies, New York and Geneva, 2015 (ECE/TRADE/425)

trade facilitation committee. This paper does not distinguish between the different types and uses the generic term NTFB to include all relevant organizations.

UNECE Recommendation 4 recognizes the importance of private membership in NTFBs and recommends that “private sector participants in such bodies should include representatives from all industry sectors, all types and size of business, and institutions taking part in international trade: manufacturers, importers, exporters, freight forwarders, customs brokers, carriers, banks, insurance companies, etc.”²

Specifically this includes:

- Private sector traders (importers and exporters), who can benefit from such solutions in their international trade transactions; and
- Private sector trade services providers (carriers, freight forwarders, multimodal transport operators, banking institutions, insurance companies, software providers, etc.), who can offer market-oriented trade and transport solutions within the framework of national and international trade and transport practices, obligations and laws.

The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) contains the obligation to set up a national trade facilitation committee. Article 23.2 of the TFA however does not define the composition of such a national committee and does not contain a reference to the participation of the private sector³. International organizations, such as the United Nations Economic Commission for Asia Pacific (UNESCAP), do however recommend “a balanced membership from both public and private sectors”⁴ for such national trade facilitation committees. In fact, the majority of the national trade facilitation committees that have been set up in the context of the WTO TFA implementation do have private sector members.

2.2 Status Quo of NTFBs

Whilst NTFBs have existed since the 1970s, their number has increased significantly since the WTO TFA came into force in 2017. According to the 2020 UN Digital and Sustainable Trade Facilitation Survey⁵, 101 out of 142 respondent economies have established NTFBs and 26 have partially established NTFBs.

Most of the existing NTFBs have a private – public dimension. The UNCTAD database of National Trade Facilitation Committees provides information on NTFBs worldwide⁶. In July 2021, all the 112 NTFBs listed in the repository had at least one member from the private sector. On average, each NTFB has eight representatives from the Private Sector. The NTFB in Canada, the Border Commercial Consultative Committee, has even more than 40 private sector members and the one in Nigeria more than 20 private sector members. Overall, the ratio of private-public members across all the 112 entities varies from 5 to 83 percent⁷. The most frequent private sector members are the respective national chamber of commerce and other professional or sectoral associations, such as transport and logistics associations. Few NTFBs have individual businesses as formal members. Whilst the private sector is well represented in the membership, they are not often included in the chairmanship of the

² Recommendation No. 4, 2015, Op. Cit. p.3

³ World Trade Agreement on Trade Facilitation: Protocol of Amendment (WT/L/940), 28 November 2014. Article 23.2 “Each member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement.”

⁴ ADB, UNESCAP (2013) Designing and implementing trade facilitation in Asia and Pacific, Bangkok, UNESCAP 2013

⁵ Survey and data can be accessed under <https://www.untfsurvey.org>

⁶ Accessible at <https://unctad.org/page/trade-facilitation-committees-around-world>, accessed July 2021.

⁷ See footnote 6

NTFB. Only 6 out of the 112 entities in the UNCTAD database are co-chaired by the public and private sector.

The formal establishment of a NTFB is a first step but is not in itself a sufficient condition for its success. A closer examination of qualitative aspects of those existing, reveal that many NTFBs still only meet irregularly, lack a strategy and some are dependent on donor support for funding and expertise. They face multiple challenges on the way to become an effective platform for trade facilitation consultation and coordination.

A global survey carried out by UNCTAD in 2019 found that the involvement of the private sector is one of the four factors contributing to the sustainability of NTFBs⁸. This confirms findings from a previous WTO survey published in 2017 that reported an inclusive involvement of the private sector was considered the most important success factor⁹.

2.3 Value of private sector involvement

A strong private sector engagement in NTFBs positively impacts the relevance, legitimacy, and credibility of a NTFB and encourages a business-centric approach to trade facilitation.

Firstly, consultation with the private sector leads to holistic and co-creative solutions that respond better to actual trade facilitation needs and problems. The private sector has direct and first-hand knowledge of bottlenecks and inefficiencies. It thus can be the bond between public instruction and [real] operations, showing the real pros and cons of regulations and procedures.

Secondly, the private sector has knowledge of practices in other countries and sectors which they can share with the government. An example would be the experiences of the trade and logistics sector with new technologies to facilitate trade such as artificial intelligence, blockchain, or Internet of Thing (IoT). Involving and learning from the private sector can strengthen the public sector innovation capacity and help the public sector with fresh thinking.

Thirdly, the private sector is also a contributing partner for trade facilitation. This refers both to private sector internalizing and taking responsibility for compliance, as well as private sector complementing and augmenting government resources and capabilities¹⁰. The private sector can also provide relevant information and data for problem identification and decision-making.

Finally, it is often stated that consulting with the private sector is a contingent and mediating factor that can help acceptance and legitimacy of decisions and reforms. Public and private partnership may even be key to overcoming resistance to change from individual stakeholders, both from the public and private sectors.

If a NTFB is mainly government-driven, there is a possibility that outputs lack relevance or even worse increase burdens when not aligned to business operating models. Conversely, if the NTFB is mainly private sector driven, there is a risk of a disconnect with public sector strategy and decisions that may be biased towards a few vocal participants, at the expense of smaller non-participatory stakeholders. Limited private sector involvement results in lack of accountability and failure to adopt good governance principles in public policy making processes.

⁸ See UNCTAD (2020) "National trade facilitation committees as coordinators of trade facilitation reforms", Transport and Trade Facilitation, Series No.4, United Nations, Geneva 2020, UNCTAD/DTL/TLB/2020/1 page xi

⁹ Accessible at https://www.tfafacility.org/sites/default/files/news/tfa_national_committees_trade_facilitation_web_e.pdf

¹⁰ For more on this see Andrew Grainger "The role of the private sector in border management reform" in Gerard McLinden and others (2011) Border Management Modernization (Washington D.C, IBRD/WorldBank,2011).

3 Determining factors for private sector participation in NTFBs

The nomination of private sector members alone is not sufficient for a successful private-public dialogue. It takes time and effort for collaborative partnership to emerge and to maintain. With the right motivation and commitment, it is possible for private sector participation to become a success factor for a NTFB. A closer look into what drives private sector participation helps guide design choices that strengthen private sector engagement with a NTFB.

3.1 Basic Principles for successful consultation

UNECE Recommendation No. 40¹¹ lists six basic principles to be met for trade facilitation consultation approaches, including for NTFBs.

These are:

- Partnership and Trust;
- Transparency;
- Managing differences of opinion and interests;
- Results orientation;
- Consultations as an iterative process with respect for time and timing; and
- Accountability and responsibility.

Both, members from the private and the public sector, need to be committed to these principles and share responsibilities for the success of a NTFB. Trust amongst both sectors plays an important role not only for the success of NTFBs but for trade facilitation reforms in general¹². NTFBs therefore need to invest in trust building amongst its members. A trusted collaborative work environment is characterized by ‘willingness to rely on and share information with the other sector’¹³.

3.1.1 Different perspectives and priorities

The private and public sectors have different priorities and perspectives of policy issues and risks. Whilst they may share a common public goal, such as health safety, environmental, etc., they may have different understanding of how to ensure such goals. This flows from their different mandates and objectives. The public sector is responsible for setting trade policy, defining the regulatory framework, and ensuring that trade is compliant with these regulations and the collection of taxes and duties. The private sector is guided by business objectives and seeks competitiveness and reliability of its operations and supply chains. These different positions can affect the level of trust amongst the members and reduce their willingness to contribute and be open about feedback. At its most extreme, the control orientation and priorities of government agencies may lead to mistrust¹⁴ and fear repercussions by government agencies for speaking up and criticizing.

¹¹ United Nations Recommendation No. 40: Consultation Approaches Best Practices in Trade and Government Consultation on Trade Facilitation Matters, New York and Geneva, 2015 (ECE/TRADE/423).

¹² See Global Alliance for Trade Facilitation, 2021. Trade Facilitation Reform as a Trust Catalyst. Publication forthcoming.

¹³ See footnote 12.

¹⁴For example, a study by the Global Alliance for Trade Facilitation on trust between Customs and the private sector associations in Colombia revealed that the history of drug trafficking in the country led to a ‘control orientation’ by Customs which led to a mutual distrust between the sectors. The study found that to overcome this mutual suspicion took consistent dialogue, making progress on promised reforms, strong leadership, and the presence of a neutral third party to mend any damaged relationships. Global Alliance for Trade Facilitation, 2021. Trade Facilitation Reform as a Trust Catalyst. Publication forthcoming.

Private and public sectors may measure achievements in a different manner. A NTFB must make decisions for the general good of the economy, rather than individual companies and sectors. It can be a challenge to align policy with business interests. Trade facilitation reforms may take time to materialize and to trickle down to the level of costs and time savings of individual businesses. The NTFB must be perceived as a credible arena where the balance between the different positions can be established, including the balance between different private sector interests. This requires a trusted framework for dialogue and mutual understanding of each other's positions.

It is imperative for both to see themselves as customers to each other and at the same time critical stakeholders in the success of NTFBs, but primarily making the private sector see what impact they make or bring.

3.1.2 Knowledge and language gap

Frequently, dialogue is marred by knowledge and language barriers. For many in the private sector, WTO matters including the WTO TFA and trade facilitation matters are not very well known, whilst the public sector often has limited understanding of the actual business operations. The private sector is often not properly informed about the trade policy objectives and initiatives, whilst the public sector, at management level, may be little aware of the situation the private sector is facing when dealing with procedures.

Use of different language and terminologies often amplifies the knowledge gap. The public sector tends to use legalistic language and refers to the de jure design of procedures whilst the private sector uses business terminologies and reports on de facto application of rules and procedures. Frequent rotation in participation of members can negatively affect the shared knowledge and understanding necessary for a successful dialogue and trust.

3.1.3 Communication and perception

Participation in a NTFB is attractive for private sector, when the NTFB enjoys a good reputation amongst its peers and in the public sector. Several factors impact the reputation. Of foremost importance is the messaging that is being sent out by the political leadership of the NTFB. High level political commitment to trade facilitation and consultation with the private sector must be seen and heard. Commitment must also be shared across the different branches of government. In many countries however, the legislative branches and political appointees in the public administration have little awareness of the work of the NTFB. And, too frequently, not all government agencies participate at the same level. Whilst Customs administration frequently take an active role within NTFBs, other government agencies that directly impact trade facilitation, are rarely involved if at all. A NTFB is lacking relevance if relevant public stakeholders are not participating in it.

The reputation also depends on transparency about the NTFB. Without good communication, the private sector may perceive them as non-transparent and have limited information on the objectives and organizational details, such as how they can participate. Attractiveness is also linked to the perception of dynamism and proactive enthusiasm. Irregularity of NTFB and technical group meetings discourage the full implication of members in the long run.

And finally, the perception of the role and impact of NTFB determines private sector involvement. As a government led initiative, there is the risk that the NTFB is perceived as "something done to them" with potential negative impacts, such as additional taxes or obligation, and that the formal objectives are disconnected from businesses' realities. From a business' perspective, compliance with the WTO TFA matters very little for their operations. Private sector expects a clear message and measurable activities that can reduce paperwork and speed up customs and border clearance. For the private

sector, there must be demonstrable evidence that their participation is valuable and generates results in terms of trade facilitation and an enhanced ease of 'doing business' environment. In the most positive scenario, the private sector will feel ownership of the NTFB.

3.2 Organizational aspects

3.2.1 Costs of participation

Participation in NTFBs is resource intensive. Businesses have to allocate staff and time for the activities, and transportation costs or expenses for internet access to attend physical and online meetings. Larger companies with dedicated government relations or compliance departments can cover these costs much easier than smaller businesses. Businesses which are not located in the capital are also less likely to participate in meetings due to transportation costs. Small, medium and micro-sized enterprises, women traders and regional businesses may therefore not be able to participate at an equal level with bigger businesses, which increases the risk that few private sector interests dominate and control the private sector participation.

3.2.2 Acknowledgment and feedback

NTFBs are advisory bodies without legislative or executive authority. The ability to impact policy and regulatory decisions depend on the legitimacy and reputation of the NTFB. The private sector frequently questions the lack of follow-up on the decisions and the lack of visibility of impact. Associations and businesses also risk their reputation with their members if different and divergent opinions are not properly acknowledged and represented in the official communications and decisions. There is no interest by the private sector being part of a box checking exercise of private sector consultation.

3.2.3 Membership and participation

The organizational design may play out in favor or against active involvement of the private sector. The selection of private sector members determines representatives and participation. The formal mandate of the NTFB defines the membership composition and mostly includes professional or sectoral associations. – see box 1 below on pros and cons of representation. It is usual for NTFBs to be based in a country's capital city. There is the risk that businesses which are based where their main operations are undertaken, e.g., at the country's borders, may not participate in and be aware of the NTFB as much as capital-based businesses.

Interest in the NTFB may be low when relevant sectors feel that they have limited ability to present their views, or when only dominant or large players' interests are voiced. What matters to the private sector is that all actors, including micro, small and medium-sized enterprises (MSME), women traders and enterprises outside the capital, have access to participate in the NTFB indirectly or directly. When defining the membership there is a need to identify the right level of participation depending not only on the segment/level of expertise and level of impact on either trade volume/values, but also in terms of impact on economic development (MSME, women traders, national producers/exporters, etc.).

Secondly, there may be too many government committees. A multitude of working groups, committees, and networks with overlapping or similar mandates is confusing for the private sector and will make the NTFB less attractive for the private sector. Bodies and initiatives that function well for the private sector, such as at sub-state or agency level, should not be closed or crowded out by a new initiative to establish a NTFB.

Box 1: Pros-and cons of representation

Professional and sectoral associations represent their members. Relying on them to engage the private sector in NTFBs has advantages and disadvantages.

Advantages

- reduces the costs of participation and knowledge gaps for individual members
- increases weight of opinions as they represent a larger number of businesses
- neutrality of opinion as they present the entire membership and no single players
- better reflection of diversity of private sector and in particular opinions of SME and MSME
- increases quality of participation as trained and dedicated staff experienced in administrative affairs can work on the issues.

Disadvantages

- insufficient resources and knowledge of associations' staff, for newly established bodies or bodies without a mandatory and fee-paying membership
- lack and weakness of associations representing new sectors, e-commerce, or women traders
- risk of centralization of members to the capital in countries with a large geography
- political interference and competing associations with different political support
- unequal level of consultation process within association
- crowd out individual businesses that are eager to participate in the activities.

3.3 Drivers for private sector participation

The private sector has concrete expectations from trade facilitation reforms: reduction in “customs” release time and decrease in administrative formalities and paperwork. The achievement of these interests is a key factor for the private sector to spend time and costs for the NTFB. Results and progress need to be documented and communicated regularly, ideally using real case examples of the benefits for the private sector.

The desire, or even the requirement, to attend regular meetings, probably unpaid, probably either in your own time or company time with no-one covering your outstanding workload, is quite a hard sell. Nonetheless NTFBs offer other incentives for the private sector which motivates them to participate in the meetings and activities. The private sector values first-hand and early information on initiatives, projects, and legislative drafting. They get a sneak peek at proposed rules which enables them to examine potential impact to the general business environment and provide feedback and workable alternatives as well as propose possible penalties for non-compliance to the public sector ahead of any public hearing.

Participating in a NTFB does help building a professional network and helps the individual employee (a) enhance their knowledge and (b) professional development by expanding their professional network on a global level. The individuals from the private sector that participate often have a genuine interest and volunteer their participation, which should be encouraged, as their presence at meetings not only raises their own visibility but also enhances their personal knowledge of trade facilitation principles.

4 Good practices to strengthen Private Sector participation

The following chapter allows us to plan concrete steps to improve the engagement of the private sector in a NTFB. The solutions presented are applicable to any type and form of NTFB and can be

adopted as it fits the specific legal and organizational context of each NTFB. The steps are grouped in the following three action areas: empowerment; access; and impact.

4.1 Action area 1: Motivation

The recommended practices seek to attract and motivate the private sector to engage with the NTFB by strengthening empowerment and ownership.

4.1.1 Empowerment

Recommended actions:

1. Delegation of responsibilities to both private and public sector

Commitment to the NTFB stems from a feeling of ownership and empowerment. For this the private sector needs to clearly see the impact it can make and bring to a NTFB. Delegating responsibilities for activities to the private sector will ensure their participation in the work plan of the NTFB.

This starts with involving the private sector into developing the strategy and a workplan, which sets a clear map of the NTFB activities and objectives. In this process, the private sector should identify their contribution to delivering the activities and take on responsibilities for carrying out or providing leadership for the implementation of specific activities that are relevant to them. A member of the private sector and a member of the public sector can also co-lead projects and the private sector can take on responsibilities for technical working groups.

2. Inclusive agenda setting

The mandate or internal procedures should give a voice to the private sector in agenda setting, action planning, annual programming and powers to call for a meeting. Ideally, private sectors are consulted during the preparation of the agenda and invited to propose points to be included prior to a meeting. Private stakeholders must also be given an opportunity to propose or prioritize actions to be carried out by the NTFB. All stakeholders must appreciate that the majority of NTFB action items are created with the help and support of the private sector.

4.1.2 Creation of incentives

Convincing representatives to participate in NTFB activities can be a difficult sell: it's unpaid, carries opportunity costs for the company and adds to the workload of individuals. Motivating people requires answering the question, "What's in it for me?"

1. Professional skills development

Training and practical guidance on "how to trade" and fulfilling documentary requirements are much sought after by private businesses in particular SMEs. Such trainings are however commonly not delivered by NTFB but rather by government agencies, export or trade promotion bodies or private sector associations. The NTFB can facilitate access to such training by keeping a directory and disseminating information to its members on existing training offered by academia, professional bodies, government agencies, international organizations and technical assistance projects. NTFBs can also carry out regular training needs assessment of its members and work with government agencies to prepare and deliver adequate training programs.

2. Community of practitioners

NTFBs can strive, when they become a recognized platform to share experience, knowledge and solutions amongst practitioners from private and public sector. Time should be allocated for learning from each other and learning about best practices and trade facilitation solutions. Visits to border

crossing points, government agencies, logistics centers, and private companies help build a better understanding of each other and identify competencies and ideas that can contribute to solutions. Cooperation with other NTFBs can be established to share practices across the borders.

3. Access to first-hand information

Access to first-hand information on government plans is a key driver for the private sector's participation in NTFB. A session dedicated to information on legal, regulatory or operational initiatives can be integrated as a recurrent agenda point into NTFB meetings. However, access to this information should come hand in hand with active and regulator participation to avoid company's/organizations occupying seats only to obtain the information without the bandwidth or the interest to actively participate in the NTFB. There has to be a baseline expectation that those private sector members that are members of the NTFB have to actively participate in its activities.

4. Team spirit

Members need to feel that they belong or feel part of the committee. A shared statement of purpose in plain language is useful to create a mutual understanding of the vision, spirit of collaboration and principles of interaction. The statement should state in simple language "who we are, what we do and what we don't do and what is expected from all participants".

4.2 Action Area 2: Access

The recommended practices seek to ensure inclusiveness and representativeness of the private sector in a NTFB, particularly with regards to MSMEs, women traders, individual businesses, and from locations outside the political capital.

4.2.1 Strengthen inclusivity

Successful private sector engagement depends on the ability to reach out to and engage the actual real players, to include women traders, and to include MSMEs and new businesses – see box 2 on importance of involving MSMEs. The challenge for a NTFB is to identify important stakeholders and attract their collaboration at the right level of a NTFB's work.

Recommended actions

1. Pragmatic and flexible attitude towards membership

NTFBs have members from both public and private sector, to which all should have equal rights and obligations. In defining membership, a NTFB needs to commit to its legal rules while also remaining flexible with regards to inclusivity and engagement of private sector.

Flexibility entails combining permanent members with observers and allowing individual companies into the process. Observers, as opposed to members, may be invited for a defined period or activity, such as when participating in a technical working group. Observers can state their opinion but not have a right to vote. Private sector members should also be allowed and encouraged to take on the role of chairperson of technical working groups.

Individual companies and persons may request to become observers but must be approved through a vetting process by the NTFB. Individual companies may also be invited to provide additional input to single meetings when needed. In some contexts, specific rules for nomination of observers and acceptance of individual companies will

need to be defined in the legal mandate. In others, transparency of this process may be sufficient.

A NTFB should also periodically review its formal membership to either add new or replace members. Some NTFBs have adopted the principle of rotation of the private sector membership amongst associations to ensure that different and potentially competing associations can be represented.

2. Public consultation sessions

It may be a good practice to include a public consultation session at all the meetings of a NTFB. This session would be open for any member of the private sector to attend and to speak at. The main objective of the session is to provide updates on regulatory or legislative changes and initiatives as discussed in point 4.1.2.

3. Reach out to MSME, regions and women traders

To overcome the challenge of limited representation of women traders and MSME in professional associations, it is recommended to set a goal of participation from each sector. The private sector could include 30% small business, 30% women traders, 30% SMEs. Assigning a “regional”, “small business” or “women trader” representative with a yearly rotation is also a practical solution to increase representativeness.

Box 2: Why is it important to reach out to MSMEs

Micro-sized enterprises have limited lobbying empowerment, many of which are women-owned and are small scale cross-border traders. They are often not formally registered as business entities and also have little awareness and formal training of conducting international trade. They also have specific interests, which need to be taken care of and may be relevant to the wider group of businesses – such as opening hours of border crossings and protection from hassle.

Small and medium sized enterprises also have specific interests as they are often newly created businesses or operating in niche and new sectors and bring grass roots experiences to the table. The costs of participating in a NTFB are higher for small and medium sized enterprises with less staff.

4.2.2 Lower barriers for participation

1. Create and maintain virtual presence of a NTFB

A virtual presence on social media platforms is useful to keep the broader public informed about the activities, offer channels of engagement outside of meetings, and increase awareness of the NTFB in general. They can also be used to collect feedback on specific issues and activities. Another form of open communication is an email inbox where members can send questions or suggestions.

A web page is also helpful to raise awareness about the work being done by a NTFB and to keep stakeholders (including the general public) informed. Websites however demand financial resources and should only be considered if they are essential for delivering NTFBs objectives.

2. Use of digital tools for communication with members

Virtual meetings or hybrid meetings enabling “digital” and “in person” participation from the private sector. Participants who do not have time and resources to travel to physical meetings may find it easier to participate in an internet call. It is however not recommended to go 100% virtual – see box below. Virtual meetings are useful when broad participation is needed to ensure inclusivity of all members, such as yearly programming. For transparency purposes a meeting report should be made available. However, meetings should not be recorded as this may prevent people from interacting for fear of reprisal. Physical networking events, to allow face to face interaction in a less formal setting on a yearly basis, are also important to mobilize participation.

Digital tools can also be used for immediate communication. During the COVID-19 times some NTFBs have effectively used messenger forums or chat groups to keep communication going. Chat groups have been effective to alert problems to the groups and to seek direct action. This form of communication needs to be used with caution – see box 3 below on the shortcomings of using digital tools.

Box 3: Shortcomings of using digital tools

Digital tools are good to overcome cost and location barriers of participation and are also more environmentally friendly. Nevertheless, virtual meetings are not likely to replace all in-person meetings for several reasons. Virtual meetings are less effective when it comes to a real exchange of ideas and personal networking which is a reason for many participants from the private sector to engage. Bandwidth and price of internet connectivity may again lead to exclusion of some participants, namely SMEs and traders in remote locations. It is also necessary to educate people on the use of digital tools, and legal issues of data privacy and protection complicate the use of digital communication and related software. A combination of in-person meetings with virtual meetings and a digital presence is the best approach for engaging with private sector members. Virtual meetings allow a good one-way communication for large group settings and interaction in a small group setting where they already know each other. Whilst people tend to speak out less in video calls, they use the chat function to raise questions.

Using chat fora for reporting immediate problems should not confuse the role of the NTFB and undermine due administrative processes. A NTFB is neither a help desk nor a body for lodging individual complaints. Other channels, such as chat fora, may be more effective for solving immediate problems, however, instead of involving everyone, they risk focusing on single issues affecting few. When operating such a channel it is necessary to filter the issues to only address those that affect trade in general and report to all members on actions taken.

4.3 Action Area 3: Impact

The recommended practices seek to improve the impact and relevance of the NTFB by mainstreaming private sector interests into the planning process and improving performance management.

4.3.1 Mainstreaming business orientation

Recommended actions

1. Develop a business-centric strategy for the NTFB

The vision and work plans need to set clear goals with tangible benefits from the private sector in the vision and agenda. This requires the use of a consultative mechanism for designing the work plan. Private sector surveys and focus group meetings can be used to collect broad input from the private sector including individual companies. It is recommended to prioritize one goal per year or subset of goals in an annual program.

2. Evidence based activities

A NTFB can develop a channel of communication to report bottlenecks and ensure that the issues reported filter into the work of the NTFBs. To this end they can operate an email inbox to receive various on-the-spot reports on bottlenecks. The Secretariat will periodically evaluate the reported issues and present relevant issues to the NTFB for discussion. This is a useful mechanism to align the activities of the NTFBs with private sector concerns and will lead to well-informed recommendations.

4.3.2 Strengthen performance measurement

Recommended actions

1. Progress measurement and communication

A NTFB should measure the status of implementation of the annual and mid-term work plan and progress towards achievement of objectives using the benchmarks and indicators defined in the work plan. They should also continuously and regularly report on the progress made to its own members.

UNCTAD has developed an online tracking tool, the so-called reform tracker, that can be used by NTFBs for following up the communications of activities post meetings. It allows the checking of the progress of an activity by logging in to monitor the status without having to meet every time – see box 4 on Reform Tracker below.

Box 4: Madagascar and the reform tracker of UNCTAD¹⁵

The establishment of the reform tracker in 2021 is proving how digitalization is supporting the national trade facilitation committee of Madagascar to achieve its mandate. The reform tracker helps to manage and monitor the progress of trade facilitation agreement implementation at national level in real time. Moreover, the reform tracker plays an important role for the national trade facilitation committee of Madagascar to coordinate their activities online.

Team management tool: The reform tracker allows the national trade facilitation committee to organize information about its members and other trade facilitation practitioners, such as their contact information, roles, and systematically inform them on the latest updates related to international trade and trade facilitation.

Tracking of priority actions: The reform tracker allows for a coordinated interagency implementation of priority trade facilitation initiatives through the involvement of all cross-border stakeholders from the public and private sectors

Monitoring of results: The reform tracker provides a platform that allows the committee and its working groups to monitor progress in implementation, and to take necessary measures in case of setbacks

Sustainability: The reform tracker assures sustainability of the committee, as it facilitates project documentation and allows for systematic knowledge transfer. New members of the committees have access to current and past projects and can get acquainted with their new role in no time.

2. Adoption of an evaluation framework

UNECE Recommendation No. 40¹⁶ stated that “dissatisfaction with the process and participants’ perception of an ineffective involvement may lead to their disengagement and the failure of consultation processes”. It recommends carrying out evaluations at the outcome and process level. At the process level the evaluation can measure whether the process was effective in reaching out to and engaging the private sector and whether contribution from the private sector could be mobilized. Examples of relevant evaluation criteria for which data can be easily collected are level of participation in meetings, number of activities carried out by the private sector, and number and type of activities carried out with the private sector as target.

An example of an evaluation framework is the so-called NTFC Maturity Framework jointly rolled out by the Economic Community of Western African States (ECOWAS) and the Western African Economic and Monetary Union (UEMOA) within the West Africa region. It is a self-assessment methodology and user-friendly tool to identify the NTFBs maturity baseline, develop or strengthen their respective action plan and to monitor in a regular manner their maturity progress – see Box on NTFC Maturity Framework below.

¹⁵ <https://unctad.org/topic/transport-and-trade-logistics/trade-facilitation/reform-tracker>

¹⁶ United Nations Recommendation No. 40: Consultation Approaches^[SEP] Best Practices in Trade and Government Consultation on Trade Facilitation Matters, New York and Geneva, 2015 (ECE/TRADE/423).

Box 5: the ECOWAS NTFC Maturity Framework

The tool developed under the Trade Facilitation for West Africa Program (TFWA) has been progressively rolled-out since 2020 under the supervision of the Economic Community of Western African States (ECOWAS) and the Western African Economic and Monetary Union (UEMOA). Acknowledging that the NTFBs are the right platform to bring together the public, private sectors and civil society to address trade bottlenecks and improve trade facilitation within the region, the ECOWAS National Trade Facilitation Committee (NTFC) Maturity Framework is structured around 3 pillars supporting the adapted operationalization of the international recommendations and best practices as well as fostering the regional network of practices and exchange of experience.

The NTFC Maturity framework revolves around 3 pillars for highly performing NTFBs:

Pillar 1: Institutional Capacity and Decision-making, and the NTFB ability to operationalize an efficient institutional framework to advocate relevant technical recommendations and effectively influence the government reform agenda related to cross-border trade

Pillar 2: Strategic Planning, Project Management and Monitoring & Evaluation, and the NTFB ability to plan, monitor and evaluate the execution and implementation of sustainable TF measures ensuring strategic alignment and operational coherence through a result-based approach.

Pillar 3: Consultation and Inclusiveness, and the NTFB ability to integrate inclusive participatory processes to the TF policymaking to guarantee institutional efficiency and public accountability

The use of the self-assessment tool has ensured transparency and ownership: it is done either in plenary or by a restricted NTFC working group gathering public and private NTFB members before its validation in plenary together with the updated Action Plan.

The effective participation of the private sector in the NTFB work and deliberations is considered as a cross-cutting enabler and is integrated through numerous self-assessment indicators in all the 3 pillars. Without being exhaustive, some indicators are presented below. The tool measures the adoption and effectiveness of a service-centered approach (through the development and operationalization of a NTFC Quality Charter for example). It also measures the systematic and inclusive stakeholders mapping and engagement (e.g. considering non-NTFB Members' added value for sub-committee or working group); measuring how inclusive and gender-sensitive the institutional coordination and anchoring is (involving less obvious Ministries like the one in charge of Women's Affairs as a key in the continent to support the African Continental Free Trade Area (AfCFTA) focus on Women and Youth); evaluating the adoption of trade facilitation performance indicators answering to the diversity of the private sector operating models, including the adoption of gender-sensitive monitoring and evaluation tools to support women entrepreneurship; and assessing the reporting mechanisms to liaise with local consultative platforms in the field. And finally, the NTFBs are invited to reach the higher maturity level to strengthen their communications strategy with direct outreach to the trade facilitation stakeholders and users through 360° surveys or interviews to ensure that the NTFBs are proactively managing their stakeholders' relationships.