

1 **Date of the current version:** 11/12/2014  
2 **Version number:** v0.7  
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## 4 NATIONAL TRADE FACILITATION BODIES

### 5 RECOMMENDATION No. 4 6

#### 7 Table of contents

8	NATIONAL TRADE FACILITATION BODIES.....	1
9	RECOMMENDATION No. 4.....	1
10	Introduction.....	2
11	Purpose and Scope.....	2
12	Benefits.....	2
13	International Standards.....	3
14	Recommendation.....	3
15	GUIDELINES TO RECOMMENDATION NO. 4.....	4
16	A. INTRODUCTION.....	4
17	A.1 Trade Facilitation – a practical definition.....	4
18	A.2 Partnership.....	5
19	B. ESTABLISHMENT OF A NATIONAL TRADE FACILITATION BODY (NTFB).....	5
20	B.1. Purpose of a NTFB.....	6
21	B.2 NTFB’s membership.....	6
22	B.3. Organization of the NTFB.....	7
23	B.4. Responsibilities and role of the NTFB components.....	7
24	B.5. Work Programme.....	8
25	C. COORINATION OF NATIONAL TRADE FACILITATION BODIES AT NATIONAL OR REGIONAL LEVELS.....	8
26	C.1 Coordination of national trade facilitation bodies (NTFB).....	8
27	C.2 Coordination of Regional Organizations.....	10
28	D. FUNDING, BUDGET and STAFFING.....	11
29	D. 1 Financial needs.....	11
30	D.2. Budget needs.....	12
31	D.3. Staff needs.....	12
32	E. STEPS TOWARDS THE CREATION OF A NTFB.....	13
33	Annex 1 – Terms of Reference.....	15
34	Annex 2 – NTFB around the world.....	17
35		

## 37 **Introduction**

38 Since the 1960s UN/CEFACT has constantly and consistently promoted and encouraged the  
39 facilitation of domestic and international trade procedures. The impetus to simplify, harmonise and  
40 standardise the processes in the supply chain came from the recognition of the rapid developments  
41 in trade, transport and communications technologies. By 1974 UN/CEFACT decided to formalise its  
42 advice and guidance by publishing Recommendation 4 – National Trade Facilitation Organs:  
43 Arrangements at the National Level to Co-ordinate Work on Facilitation of Trade Procedures (usually  
44 abbreviated to Trade Facilitation Bodies). The Recommendation encouraged the implementation of  
45 recommendations on facilitation of international trade procedures through setting up national  
46 organisations or committees, or by administrative or other suitable means.

47 The Recommendation was enhanced in March 2000 by the publication of Guidelines that provided  
48 detailed information about the purposes, membership, organisation, responsibilities and work  
49 programme of a National Trade and Transport Facilitation Committee (NTTFC). A year later the  
50 Recommendation was revised to reflect the trade environment and dynamic of its time.

51 In light of the World Trade Organization (WTO) agreement on Trade Facilitation as well as the  
52 proliferation of forms of consultation implemented to date, the International Trade Procedures of  
53 UN/CEFACT suggest the current update of the recommendation text and propose additional  
54 guidelines on consultation.

55 One time-proven method of conducting dialogue between Government and the trading community  
56 and identifying trade issues and priorities is the establishment of a National Trade and Transport  
57 Facilitation Committee.

## 58 **Purpose and Scope**

59 Governments and the trading community should adopt trade facilitation as an indispensable  
60 component of trade policy formation and should aim at the establishment of a national trade  
61 facilitation body embracing the views and opinions of all stakeholders in pursuing agreement,  
62 cooperation and collaboration in the development and implementation of simplified, harmonised  
63 and standardised measures.

64 The fundamental purpose of trade facilitation is to improve the trading process and related  
65 interchange of documents (information) whether domestic or international. To achieve this, trade  
66 facilitation measures aim to provide transparency of supply in the buying and selling of goods and  
67 services. The scope of trade facilitation can be broadly divided into three categories; simplification,  
68 harmonisation and standardisation.

69 Simplification is the process of eliminating all unnecessary elements and duplications in formalities,  
70 processes and procedures

71 Harmonization is the alignment of national formalities, procedures, operations and documents with  
72 international conventions, standards and practices.

73 Standardization in trade facilitation is the process of developing internationally agreed formats for  
74 practices and procedures, documents and information.

## 75 **Benefits**

76 Trade facilitation bodies and consultation will provide stakeholders the means to voice their  
77 viewpoints, clarify issues, and engage in meaningful dialogue.

78 Facilitation activities must be approached in a coordinated manner to ensure that problems are not  
79 created in one part of the transaction chain by introducing solutions to another part. The needs of all  
80 parties, both private and public sectors, must be identified before solutions can be found and those  
81 best placed to explain their needs are those directly involved in the transaction chain. This requires  
82 an effective forum where private sector managers, public-sector administrators and policy makers  
83 can work together towards the effective implementation of jointly-agreed facilitation measures.

84 **International Standards**

85 The importance of trade facilitation has been emphasised by the World Trade Organization  
86 Agreement on Trade Facilitation (ATF) concluded at the Ministerial Conference in Bali in December  
87 2013. Based on Articles V, VIII and X of the General Agreement on Tariffs and Trade (GATT 1994) the  
88 Bali ATF places obligations on WTO Members to support and sustain initiatives and measures to  
89 improve international trade performance.

90 Within the range of measures required by the TFA, is a requirement for Member Nation governments  
91 to provide opportunities, and an appropriate time period to traders and other interested parties to  
92 comment on the proposed introduction or amendments of laws and regulations ... through regular  
93 consultation (Article 2) Also the Agreement requires Institutional Arrangements and has created a  
94 Committee on Trade Facilitation (Article 13.1). Further under these arrangements the Agreement  
95 requires Member Nations to establish and maintain a national committee on trade facilitation  
96 (Article 13.2).

97 **Recommendation**

98 The United Nations Centre for Trade Facilitation and Electronic Business at its XX<sup>th</sup> Plenary session in  
99 XX in Geneva recommends that Governments establish and support national trade facilitation bodies  
100 with balanced private and public sector participation in order:

- 101 1. To include trade facilitation as part of a national integrated strategy for trade policy, economic  
102 development and the creation of sustainable employment;
- 103 2. To identify issues affecting the cost and efficiency of their country's international trade and  
104 to develop measures to reduce such barriers and to assist in their implementation;
- 105 3. To develop measures to reduce the cost and improve the efficiency of international trade and  
106 to assist in the implementation of those measures;
- 107 4. To provide a national focal point for the collection and dissemination of information on best  
108 practices in international trade facilitation;
- 109 5. To participate in international efforts to improve trade facilitation and efficiency;

110

## GUIDELINES TO RECOMMENDATION NO. 4 NATIONAL TRADE FACILITATION BODIES

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112  
113

### 114 A. INTRODUCTION

115 The establishment of a national body to adopt and pursue the implementation of trade facilitation can  
116 take many forms. Experience has shown that for optimum success certain essential factors must be  
117 included in the organization, administrative arrangements and operation of the national body. Some  
118 of the prerequisites needed from the outset are:

- 119 • Active private and public sector participation;
- 120 • The identification of issues affecting the costs and efficiency of the country's international  
121 trading performance, and the setting of priorities for action on the issues;
- 122 • The collaborative development of measures to reduce the cost and improve the effectiveness  
123 of international trade transactions;
- 124 • The resources (both human and financial) to assist the implementation of the agreed  
125 measures;
- 126 • The provision of a national focal point for the collection and dissemination of information on  
127 best practices and standards in international trade facilitation; and
- 128 • The participation in international efforts to improve trade facilitation efficiency.

129 Trade Facilitation activities must be approached in a coordinated manner to ensure problems are not  
130 created in one part of the supply chain by the introduction of measures or solutions to another part.  
131 The needs of all parties, both the private and public sectors and third party interests, must be identified  
132 before solutions can be developed. The people best placed to explain their needs are those directly  
133 involved in the various, interlinking parts of the supply chain. This requires an efficient and effective  
134 forum where trade policy makers, private-sector managers, public-sector administrators and other  
135 stakeholders can collaborate towards the implementation of jointly-agreed facilitation tools and  
136 techniques and modernisation measures.

#### 137 A.1 Trade Facilitation – a practical definition

138 Trade facilitation is defined as the simplification, standardization and harmonization of procedures  
139 and associated information flows required to move goods and provide related services from seller to  
140 buyer and to make payments. (Trade Facilitation Strategy and Action plan for 2005-2007,  
141 TRADE/CEFACT/2005/6)

142 The fundamental purpose of trade facilitation is to simplify the trading process whether domestic or  
143 international. To achieve this objective trade facilitation aims at transparency on all commercial and  
144 regulatory rules concerning trade procedures in order to allow the trading community to prepare and  
145 comply. UN/CEFACT aims to contribute to a comprehensive set of efficient and effective business  
146 processes, as well as optimizing the level of government control and oversight so that these are  
147 proportionate to the costs and risks involved.

148 Trade facilitation activities (especially in relation to the application of electronic business) can be  
149 broadly divided into three categories; simplification, harmonization and standardization:

- 150 • **Simplification** is the streamlining of trade procedures by removing redundant requirements  
151 and activities, thus reducing the cost and burdens in administering the trade transaction.
- 152 • **Harmonization** is the aligning or rationalizing of information flows that accompany the  
153 movement of goods or services in the domestic marketplace, or in international transit,  
154 especially at national borders.

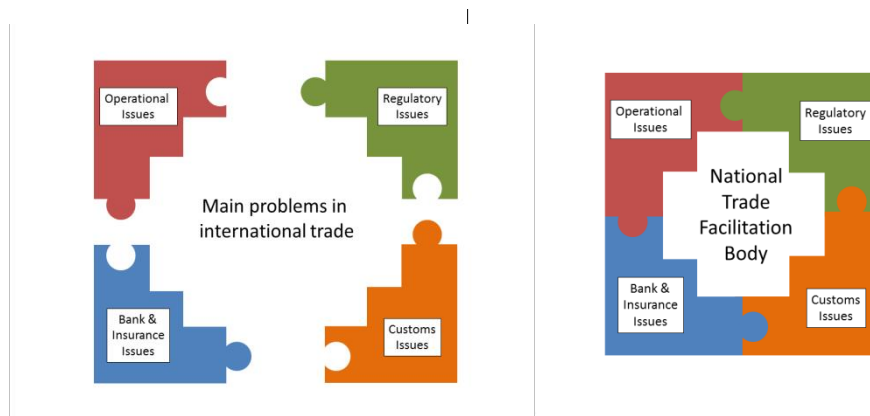
- **Standardization** is ensuring that required information is described, understood and applied in a consistent manner<sup>1</sup>. Many international standards development organizations, consortia and communities have developed standards concerning the description, definition, use and transfer of information related to international trade.

## A.2 Partnership

10. From the above description, **facilitating the total trade transaction process** ~~trade efficiency~~ requires a series of actions and measures combining ~~door-to-door logistics~~, trade facilitation, **the movement of goods, all relevant regulatory requirements, notably government** ~~and Customs~~-reform, modernization and automation... It covers not only the economic, commercial and operational aspects of the international trade transaction ~~(including the movement of goods)~~, but also other issues relating to the facilitation of transport (including the responsibility for goods while in transit).

11. The implementation of these actions and measures implies consideration of the interlinked roles of the three main players closely involved in the ~~trade and transport~~ **international trade** sectors of the country, who -together- can work towards trade facilitation and develop growth: **partnership for growth**:

- the **Public Sector** ~~Government~~ (all relevant government trade-related agencies ~~Ministries of Transport, Trade, and Finance, including Customs, and related institutions~~), in designing and implementing national laws and regulations regarding trade and transport and in a coordinated way by working together at the border of a country to streamline the border process;
- the **Private Sector**
  - o ~~the Traders, i.e. the transport users~~ (importers and exporters), who can benefit from such solutions in their international trade transactions; and
  - o **Services Providers** (carriers, freight forwarders, multimodal transport operators, banking institutions, insurance companies, software providers, etc.), by offering market-oriented trade and transport solutions within the framework of national and international trade and transport practices, obligations and laws.



## B. ESTABLISHMENT OF A NATIONAL TRADE FACILITATION BODY (NTFB)

19. As a proper consultation mechanism, governments are invited to consider the possibility of establishing National Trade Facilitation Bodies, along the lines described hereafter, and on the basis

<sup>1</sup> A feature often referred to as “interoperability”.

186 of the terms of reference included in Annex 1 and based on the principles laid out in the UN/CEFACT  
187 Recommendation No. 40 on Consultation Approaches.

### 188 **B.1. Purpose of a NTFB**

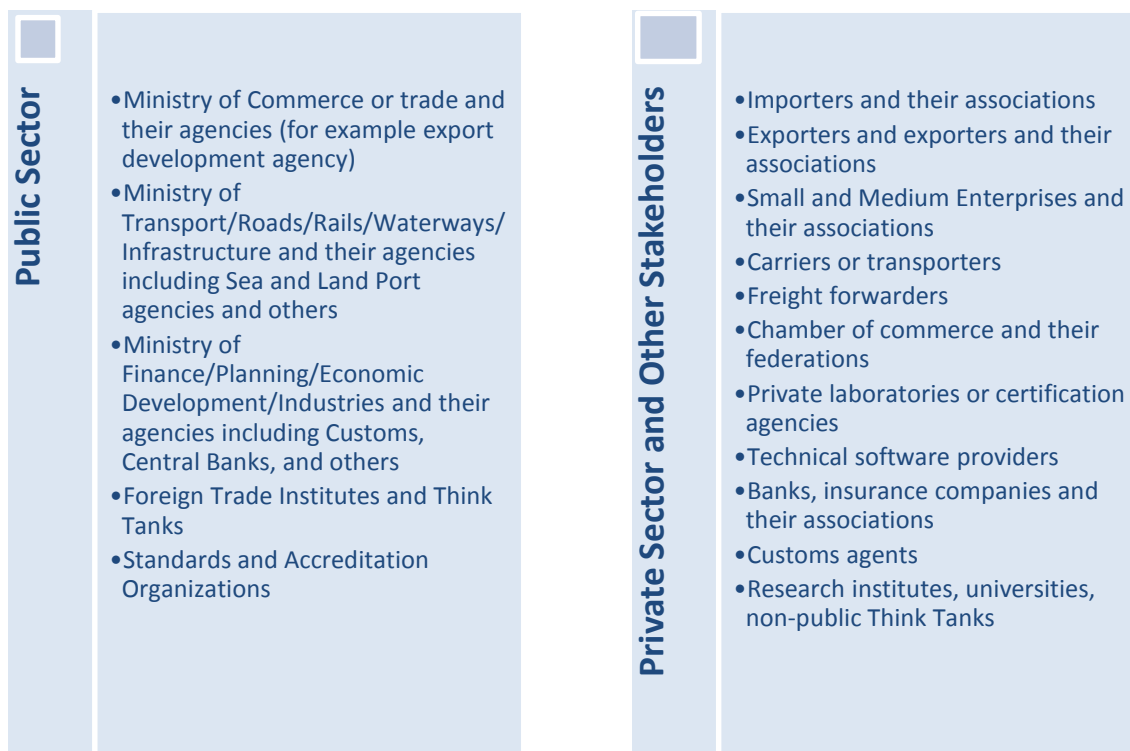
189 20. A NTFB is a formally constituted body where all interested parties from public and private sectors  
190 in the country's international trade, multimodal transport, logistics, finance and other related topics  
191 could present their respective views and problems, and seek, through consultation and consensus,  
192 mutually agreeable solutions. It would act as an inter-institutional forum to promote trade  
193 facilitation, facilitate inter-agency coordination, and provide directives on major trade facilitation  
194 issues.

195 Depending on the national context, the specific purposes of the NTFB could entail the following:

- 196 - Championing the national strategic priorities;
- 197 - Developing new national policies mapped against the existing international common and  
198 harmonized existing methods;
- 199 - Promoting existing facilitation solutions (existing) and help implementing them;
- 200 - ~~To make the new measures approved in full concert with the appropriate national and~~  
201 ~~international organizations.~~
- 202 - Participate actively in the creation and maintenance of trade facilitation measures  
203 internationally. This could include a liaison link with government representative to  
204 international bodies such as the WTO, UN, WCO or others.

### 205 **B.2 NTFB's membership**

206 22. The membership of the NTFB should be made of all key partners to the country's international  
207 trade, be they from the public sector or the private sector. One lead ministry or agency should  
208 initiate the process for establishing the Body. The following diagram (non-exhaustive) includes some  
209 private or public sector institutions that may be member of NTFB:



210

211

212 24. The participation of these institutions in NTFB should be made through authorized  
213 representatives who will be in a position to express the views of their respective institutions.

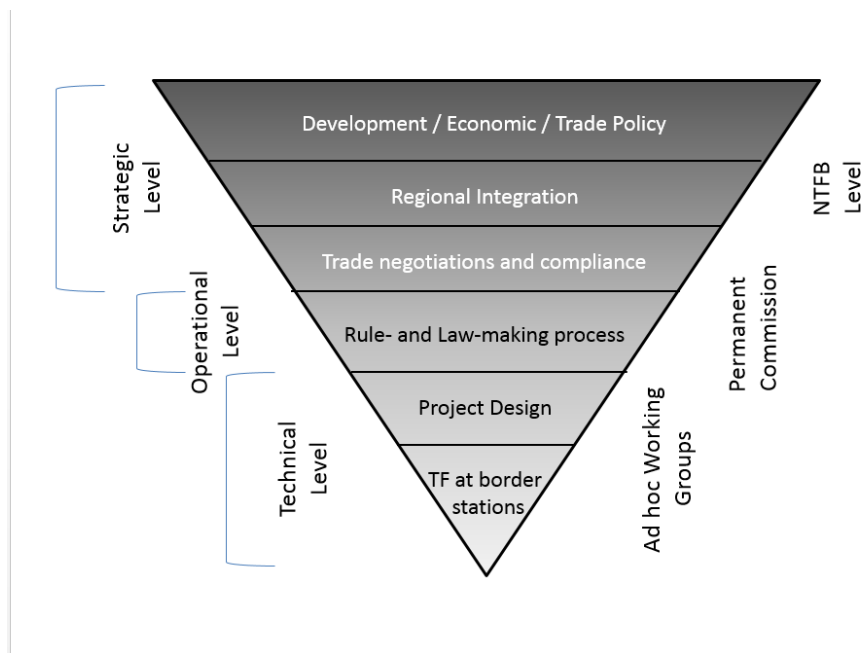
### 214 B.3. Organization of the NTFB

215 26. Given that a large pool of stakeholders will form the membership of NTFB, it is suggested that a  
216 **Permanent Commission** should be created to follow up the decisions and prepare relevant  
217 documentation.

218 27. This **Permanent** Commission would include a limited number of participants (less than 10), from  
219 the most relevant public and private sector stakeholders. It could organize its work in **ad-hoc**  
220 **Working Groups** constituted on the basis of specific requests from the Body. Representation in these  
221 working groups should be drawn from relevant industry sectors to ensure quality of input into the  
222 policy making process.

223 28. A **Secretary** to the **Permanent** Commission should be nominated from the lead ministry or the  
224 agency, which initiated the process for establishing the NTFB. The main duties would be to ensure  
225 the day-to-day functioning of the Commission and the preparation of the NTFB meetings.

226 29. A conceptual representation of this structure has been developed within the Recommendation  
227 40 and is explained through the following diagram:



228

### 229 B.4. Responsibilities and role of the NTFB components

230 30. The NTFB is expected to meet **at least 3 times a year** as required to pursue its objectives. The  
231 agenda of these meetings would cover, *inter alia*, the following items:

- 232 a. Trade facilitation strategy and measures, problems, remedies, action plans, work  
233 programmes or projects, inter-agency coordination, regional and multilateral coordination.  
234 b. The proposals of solutions to problems identified in previous meetings;  
235 c. Formation of ad hoc working groups.  
236 d. Allocation of tasks to members.

237 31. The ~~Permanent~~ Commission should meet on a regular basis, at ~~least twice a month~~ a regular basis.  
238 It should follow up the work of the ~~Committee-Body~~ members and ad hoc working groups in their  
239 search for solutions to the identified issues. The ~~Permanent~~ Commission should also keep a  
240 repository of the allocation of tasks to the members and ad hoc working groups.

241 32. The member institutions would continuously work, within ad-hoc Working Groups, towards the  
242 elaboration of documents supporting the solutions they wish to propose to the NTFB. They would be  
243 assisted in their tasks by the Secretary.

## 244 **B.5. Work Programme**

245 33. Trade facilitation should be an ongoing strategy, which needs a focused work programme  
246 covering the international trade transactions.

247 34. The development of the work programme should be undertaken in consultation with all the  
248 interested parties involved in or related to trade facilitation through workshops, seminars, or  
249 "brainstorming" sessions. For many countries, where such work programmes already exist, may  
250 consider the WTO Trade Facilitation Agreement for necessary modifications, if any. The work  
251 programme should also consider the contribution of the technical assistance into the work  
252 programme and alignment of the assistance received. It needs to be flexible enough to take into  
253 account issues that arise which cannot be anticipated.

254 35. The NTFB should also seek representation with relevant external bodies and organizations, for  
255 example, UN/CEFACT, the World Customs Organization, International Chamber of Commerce and  
256 regional coordination initiatives.

## 257 **C. COORINATION OF NATIONAL TRADE FACILITATION BODIES AT** 258 **NATIONAL OR REGIONAL LEVELS**

### 259 **C.1 Coordination of national trade facilitation bodies (NTFB)**

260  
261 Within the framework of the World Trade Organization's Trade Facilitation Agreement, it is expected  
262 that every country around the world will put in place a national trade facilitation committee:  
263

264 "Each Member shall establish and/or maintain a national committee on trade facilitation or  
265 designate an existing mechanism to facilitate both domestic coordination and implementation of  
266 provisions of this Agreement." (WTO-TFA, article 13.2). [This reference needs to be verified with the  
267 final version of the WTO TFA.]

268  
269 As this obligation rightly points out, in some countries, a national committee on trade facilitation  
270 may already exist. There may also be cases of several organizations which may claim to fulfill this  
271 function. What types of organizations may make such claims? How can these be coordinated  
272 between each other?

#### 273 ***C.1.1 National organizations which may fulfill the role of trade facilitation committee***

274 The ideal organization is a full public-private partnership as outlined elsewhere within this document,  
275 both Government and Trade collaborating through a national trade facilitation body with a clear  
276 mandate to fulfill the requirements of the WTO TFA. However, for historical reasons or for practical  
277 reasons, there may be another valid organization which preexists and which the government may  
278 want to invest with this role. The following is a non-exhaustive list of ~~typologies-types~~ of  
279 organizations.

- 280  
281 • A fully private sector national trade facilitation body



- 282 • A fully private sector shipper’s association with a trade facilitation mandate
- 283 • A fully private sector transport association with a trade facilitation mandate
- 284 • A trade union with a trade facilitation mandate
- 285 • A public sector consultation committee concentrating on trade facilitation matters
- 286 • A ministry-lead committee (public sector) with a trade facilitation mandate
- 287 • Etc.

288  
289 Each of these types of organizations may already exist in any country and may satisfy the  
290 requirements of the WTO TFA. Governments may wish to elect one of these organizations to take on  
291 such a role. Within the WTO TFA, there is no obligation that the resulting committee has  
292 representation from both the public and private sectors; however, there are undeniable benefits in  
293 including both Government and Trade in such consultative bodies as reflected in the UNECE  
294 Recommendation 40 (pending approval). For this reason, it is strongly suggested that if a private  
295 sector organization is chosen that the public sector takes an active role within the organization,  
296 perhaps by integrating the executive board. Likewise, if a public sector organization is chosen, it is  
297 strongly suggested that it be opened to active participation from the private sector, eventually  
298 reserving a number of key positions to Trade.  
299

### 300 *C.1.2. Coordination among multiple trade facilitation organizations*

301 Another path may be chosen which would result in multiple organizations working on trade  
302 facilitation. There can be at least two possible scenarios: the government establishes an official NTFB  
303 to respond to the WTO TFA, but other organizations (public, private or PPP) also exist; or, the  
304 government may wish to respond to the WTO TFA obligations through a coordination of these  
305 multiple organizations.

#### 306 *C.1.2.a. NTFB coordinating with other trade facilitation organizations*

307 The government-established NTFB responding to the WTO-TFA obligations should study the other  
308 organizations that exist within a country that are working on the same or similar topics. These may  
309 be within the private sector or within the public sector. Insofar as the missions and visions of trade  
310 facilitation coincide, the NTFB should try to coordinate as much as possible with these other national  
311 organizations in order to avoid duplication of efforts. This could take the form of  
312 bilateral/multilateral agreements outlining the activities of each organization. It could, however, be  
313 less formal, inviting these organizations to discuss activities to be performed and distributing work on  
314 an as-needed basis.

#### 315 *C.1.2.b. Coordination of national trade facilitation organizations to create an official NTFB*

316 An alternative solution would be to fulfill the requirements of the WTO TFA through the coordination  
317 of existing, multiple trade facilitation organizations. A government-appointed committee would need  
318 to identify all of the existing organizations (public, private and/or PPP) and the different themes that  
319 they could work on; again one of the key factors will be to avoid duplication of efforts.

320 For example, the government-appointed coordinating committee would be the main deciding body  
321 and focal point for official national trade facilitation activities and consultation – the strategic level  
322 structure. However associated operational or technical work could be distributed to these other  
323 organizations who would then report back to the coordinating committee that could correct its  
324 perspective depending on the ongoing work. Likewise, the government could enable appointed  
325 officials/experts to oversee work on each level (strategic, operational and technical) who would  
326 coordinate the work of the other, pre-existing organizations.

327 **C.1.2.c. Disadvantages of using existing trade facilitation organizations**

328 Such a set-up would have the advantage of reducing costs for the government and avoid duplication  
329 of effort through optimization of resources. There could also be some setbacks from relying on other  
330 organizations, such as the primary focus of these other organizations. Trade associations, unions or  
331 even specific ministry-driven organizations were most likely established with a specific mission which  
332 may not necessarily be trade facilitation; these organizations may also have been established to  
333 accommodate a specific type of actor in the supply chain. Their participation in any trade facilitation  
334 activity may have alternative motives which may or may not be compatible with the global trade  
335 facilitation task which is at hand.

336 To remedy this situation, it is advisable to ensure that all actors of the supply chain are represented  
337 through the chosen organizations (not just port authorities... or not just shippers... or not just a  
338 specific ministry...). Much of the work will be to ensure that all of these representative organizations  
339 actively participate and that topics or work is not driven solely by one single point of view. Much can  
340 be done during an identification phase when choosing the organizations, determining not only that  
341 they are working on trade facilitation, but also any alternative motivations which should be  
342 considered. Recommendation 40 (pending approval) proposes within its Annex I a tool box for  
343 stakeholder analysis which would be pertinent to this exercise.

344 **C.2 Coordination of Regional Organizations**

345 Under the umbrella of global trade facilitation work the regional trade facilitation organizations have  
346 an important role to play.

347 Quite often the NTFB's from the same region do struggle with similar challenges, not only because of  
348 the geographical environment like common borders but also similar bases for regulation, trading  
349 traditions and trading partners. Hence, through to regional cooperation NTFB's can support and  
350 strengthen each other's activities, discuss about approaches to trade facilitation and also create and  
351 agree upon common solutions to their trade facilitation issues.

352 The Regional Trade Facilitation **Committee-Organization** can be constituted of the representatives  
353 from National **CommitteesBodies**, including e.g. the chairmen and the Technical Secretaries. Regional  
354 committees shall meet regularly, based on the agreed time table and agenda.

355 The basic terms of reference for such Regional **OrganizationCommittee** could be:

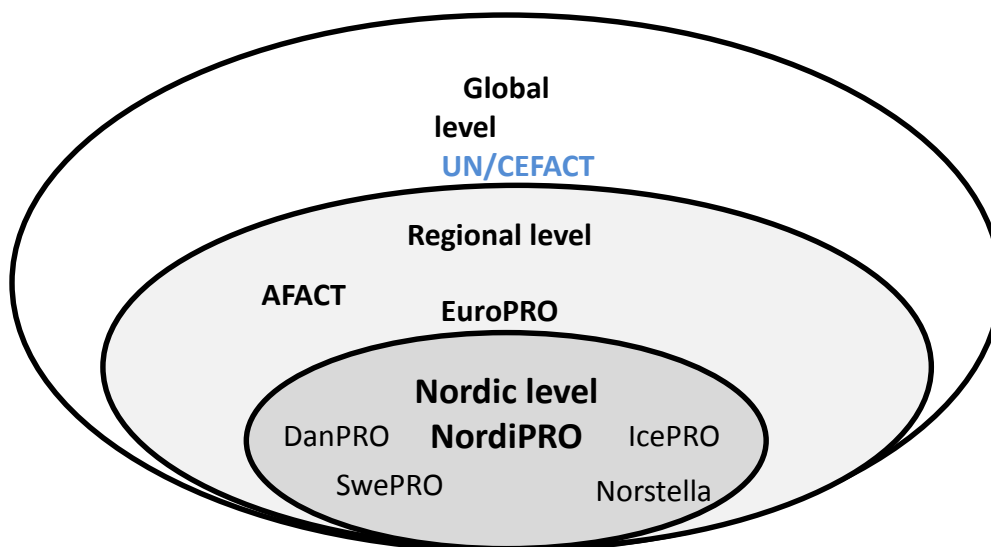
- 356 • To monitor regional progress of trade and transport facilitation and to coordinate regional  
357 awareness rising activities
- 358 • To identify common inhibitions (technical, institutional or commercial);
- 359 • To identify common solutions/regional action required to solve existing problems,
- 360 • To support the region-wide use of trade related standards, recommendations, tariff  
361 structures, EDI, etc.

362 The important steering role of the Regional **Committee-Organization** could be substantially  
363 strengthened by assigning *ad-hoc* expert services or task force at its disposal when deemed  
364 necessary to focus on a specific trade facilitation issue.

365 Note: we can illustrate the global organisation/structure of **NTFC's-NTFB's** with a similar picture as  
366 the organisation of **NTFC-NTFB** is described in the guideline text.

367  
368 Below is a draft example of the illustration idea:

369  
370



371

## 372 **D. FUNDING, BUDGET and STAFFING**

### 373 **D. 1 Financial needs**

374 36. Irrespective of the structure selected and the decision for the range of its operations, the NTFB  
 375 would need to pay for the staff and activities. Clearly the type and amount of funding needed would  
 376 depend on the several factors to ensure optimum performance and the realisation of the benefits of  
 377 its trade facilitation work programme and outputs. Consequently the funding arrangements must be  
 378 both sustained and sustainable. To guarantee appropriate financial provision from the outset,  
 379 making the NTFB some type of legal entity could be considered as a method of protecting the  
 380 funding arrangements.

381 37. Many options exist to arrange the finance for a NTFB and these include (but are not limited to):

- 382 • Representative private sector organisations financial contribution (providing this did not
- 383 undermine the remit and terms of reference of the NTFB);
- 384 • Government grant, through its own budget;
- 385 • A public-private partnership;
- 386 • Contributions 'in kind' in the form of office space and maintenance, and office equipment;
- 387 • Additional funding for specific trade facilitation studies. These contributions could be
- 388 sourced from trade and industry sectors that would benefit from the introduction of trade
- 389 facilitation proposals.

390 38. For many developing countries and economies in transition, the subject of funding is problematic  
 391 and could prove an impediment to the establishment and long-term operation of a NTFB. The  
 392 government might lack the financial resources or the private sector is unable to marshal sufficient  
 393 funds from representative business sectors or trade associations. Consequently imaginative and  
 394 innovative solutions would need to be considered. For example, the loan of staff from relevant  
 395 government departments, authorities and agencies for a specific period or activity. Equally the  
 396 private sector enterprises could agree to secondments while continuing to meet the costs of those  
 397 staff.

398 39. Another option could be the development of a business plan for submission to Donor Countries  
 399 for the appropriate level of funding in the form of international aid. This approach could have the  
 400 additional benefit of Donor Countries offering to supply trade facilitation experts and practitioners as  
 401 well as (or, indeed, instead of) financial aid.

402 40. In addition to paying staffing costs, whether for permanent or seconded staff, the NTFB would be  
403 responsible for meeting operational expenses such as travel and subsistence and training. Therefore  
404 the accounts of the NTFB must be open and transparent and available to all representative  
405 organisations, or approved third parties for audit purposes. This would be especially important if the  
406 NTFB is given legal status in the country or economy.

## 407 D.2. Budget needs

408 41. When funding has been agreed and approved the parties to the NTFB should establish a formal  
409 budget. The budget could be divided into ~~four~~ distinct components:

- 410 a. Capital expenditure such as rent of building and utility costs;
- 411 b. Operating expenses related to staff such as salary, training and association  
412 membership fees;
- 413 c. Costs relating to the recruitment of any local consultants and for the procurement of  
414 local studies and surveys;
- 415 d. Expenses related to the organization of NTFB meetings, as well as conferences,  
416 workshops and seminars to promote the work of the organisation and encourage  
417 wider support and acceptance of trade facilitation proposals;
- 418 e. Travel and subsistence, divided into national activities and the costs of attending  
419 sub-regional, regional and international meeting as approved;
- 420 f. Expenses related to the procurement of office equipment, communication facilities,  
421 stationery, and office management and maintenance;
- 422 g. Miscellaneous expenses related to reproduction and dissemination of documents  
423 and other publicity and information material; and
- 424 h. A contingency fund for any unforeseen expenses deemed necessary by agreement of  
425 the contributing organisations, parties and individual participants.

## 426 D.3. Staff needs

427 42. The staff of the NTFB would be its greatest asset. Therefore care must be taken in their selection,  
428 whether recruited as permanent employees or accepted as secondments for a term defined period  
429 as part of the financial contribution from a representative organisation. Where staff are recruited for  
430 a permanent position in the NTFB, national laws governing recruitment and labour regulations  
431 concerning terms and conditions of employment must be observed. Equally important any staff  
432 seconded from a representative organisation (either public or private sector) must be assured any  
433 overarching employment contract would be honoured during the term of their secondment.

434 43. All candidates for permanent employment or secondment to the NTFB should be subjected to a  
435 rigorous, yet fair selection process. The aim should be to select the best applicant or nominee based  
436 on expertise and experience, and the value the person can add to the trade facilitation work  
437 programme and activities. Some of the qualities needed would be a skills set including interpersonal,  
438 oral, written and presentation abilities, plus knowledge and competencies to perform research,  
439 undertake negotiations and prepare trade facilitation proposals. The abilities described are  
440 indicative, not exhaustive and candidates would also have additional, specific skills that ideally fit  
441 them for the position. Finally, but equally important, the process must appreciate national diversity  
442 in the form of gender, religion, ethnicity, age and other personal characteristics.

443 44. Experience has demonstrated that a NTFB usually requires Members, representatives and staff to  
444 undertake a number of different ~~the following~~ functions. This can include, but not restricted to or  
445 required to the following:

- 446 • A Chairman (or similarly appointed official)
- 447 • A Board
- 448 • A Chief Executive

- 449
- A Secretary
- 450
- A secretariat (Including a Persona Assistant to manage the daily schedule of the Chairman, Board Members and Chief Executive)
- 451
- Staff with recognised experience and expertise in the fields of trade facilitation, business and commercial processes, government trade regulations, transport issues and the financial and insurance sectors.
- 452
- 453
- 454

455 **This list could be used as a checklist to ensure that certain functions have not been omitted.** The staff  
456 appointed to these positions must have some security of tenure to ensure the continuity of the NTFB  
457 work programme and consistency in the output of trade facilitation proposals.

## 458 **E. STEPS TOWARDS THE CREATION OF A NTFB**

459 45. Certain steps are needed to ensure the launch of a NTFB is a success, receiving strong support  
460 from all parties involved in domestic and international trade. If this support is not forthcoming then  
461 the NTFB would fail in its overall objective of engaging the public and private sectors and  
462 encouraging them to design, develop and implement more efficient and cost effective trade  
463 facilitation measures.

464 46. A preliminary step towards the creation of a NTFB would be to inform all interested parties of the  
465 development of trade, transport and finance issues, the BUY-SHIP-PAY components of the UN  
466 CEFACT International Supply Chain Model. An awareness campaign could be organized through  
467 seminars, workshops, round-tables in specific industry sectors of the national economy. Such  
468 awareness campaigns may be organized by local professional associations, such as Chambers of  
469 Commerce, shippers' councils, freight forwarders association and other relevant organisations.  
470 However, it must be recognised that awareness and publicity campaigns would have a budgetary  
471 impact on the lead organisation and any partner associations.

472 46. After any approved awareness campaign, the following actions could be considered when  
473 establishing the National trade Facilitation Body:

- 474
- a. Prepare the legal base, structure, funding and administrative framework of the NTFB. The  
475 legal base would differ one country or economy to another and would be dependent on  
476 national law, regulation and administrative procedures.
  - b. Prepare a constitution document for the formal establishment of the NTFB. The document  
477 should specify, as a minimum, the relevant law, the structure of the organization, the  
478 appointment of Officers and staff, and the range of its operations and activities;
  - c. Agree the terms of the appointment for the Officers of the NTFB including Chairman, Board  
480 Members, Chief Executive and Secretary;
  - d. Agree the terms and conditions of employment for permanent staff and the requirements  
482 for the appointment of seconded persons and the recruitment of consultants or other  
483 experts;
  - e. Agree the remit of the NTFB and the areas of policy development. This could be achieved  
485 through the preparation of a 'statement of intent' ;
  - f. Prepare a proposal for the funding of the NTFB;
  - g. Identify key issues to be initially considered by the NTFB;
  - h. Identify all potential key partners and stakeholders;
  - i. Call a meeting of all identified key partners to launch the NTFB, to agree on the terms of  
490 reference of the organisation, the preparation of a 'corporate plan' and work programme.
  - 491 j. Agree the procedures for the formation of any Working Groups for specific tasks;
  - 492 k. Set up (institutionalize) the NTFB;
  - 493 l. Agree a schedule regular meetings (once a quarter, for example);
- 494

- 495 m. Agree the reporting procedures within the NTFB and the way outputs in the form of trade  
496 facilitation proposals are presented to government and the business community;  
497 n. Undertake the development of implementation strategies for agreed proposals; and  
498 o. Coordinate with other trade facilitation bodies (such as UNECE, UN/CEFACT, UNCTAD,  
499 UNCITRAL) and make use of materials produced by these organizations (presentations, case  
500 studies, recommendations) and other international standards bodies.

501 This inventory of suggested good practice is not exhaustive. However it should provide a checklist to  
502 ensure essential actions are not overlooked or ignored. Clearly the steps needed to create a NTFB  
503 would be wholly dependent of the requirements of each country or economy.  
504

505 **Annex 1 – Terms of Reference**

506

507 **A. Purpose and Objectives**

508 1. The purpose of the National Trade Facilitation Body (NTFB) is to encourage the modernization of  
509 international trade practices in support of the Nation’s foreign trade.

510 2. The specific objectives of the body are as follows:

- 511 a. to provide a national forum equipped with a consultation mechanism for the facilitation of  
512 formalities, procedures and documentation used in international trade (*facilitation*  
513 *objectives*);
- 514 b. to propose, for government approval, draft trade-related regulations and practices  
515 (*regulatory objectives*);
- 516 c. to make policy recommendations on future trade related investments (*development policy*  
517 *objectives*); and
- 518 d. to increase awareness of the methods and benefits of trade facilitation (*training objectives*).

519 3. These four specific objectives will lead to the following activities:

- 520 a. *Facilitation objectives:*
  - 521 i. to ensure the proper coordination in the field of facilitation of international trade;
  - 522 ii. to keep under review the procedures required in international trade, including  
523 multimodal transport, with a view to their simplification and harmonization;
  - 524 iii. to collect and disseminate information on international trade formalities,  
525 procedures, documentation, and related matters;
  - 526 iv. to pursue the simplification and alignment of trade documentation on the basis of  
527 the United Nations layout key, including transport documents designed for use in  
528 computer and other automated systems; and
  - 529 v. to promote the use and adoption of standard trade and transport technology and  
530 international codes ( for example EDI communications).
- 531 b. *Regulatory objectives:*
  - 532 i. to review, comment, amend, and propose for government approval new draft  
533 documents on liability, civil responsibility, banking and intermodal transport  
534 regulations with a view to update current regulations and practices embodied in the  
535 Commercial Code and other legal texts;
  - 536 ii. to follow up on the final approval of proposed regulations and practices with the  
537 various institutions concerned and through institutional and executive channels; and
  - 538 iii. to examine the convenience for the country to adhere to international conventions  
539 and standards.
- 540 c. *Development Policy objectives:*
  - 541 i. to review the national policy content of trade investments and to facilitate, the  
542 introduction and development of appropriate trade technologies; and
  - 543 ii. to address, as a national consulting body, questions related to the institutional  
544 development and management of international trade facilities; and other relevant  
545 issues.
- 546 d. *Training objectives:*
  - 547 i. to organize and implement campaigns to publicize the benefits and requirements of  
548 simplified documents and procedures, aimed at policy-makers and senior decision-  
549 makers in government organizations, parastatal bodies and transport operators,  
550 Customs and other regulatory bodies;

- 551           ii.    to organize and present series of seminars and workshops for policy-makers, senior  
552                    decision-makers and managers from the public and private sectors, to make them  
553                    aware of international trade principles, practices and implications; and  
554           iii.    to organize, as a follow-up to the awareness programs, visits by technical experts to  
555                    advise on how to improve trade transactions, to streamline ports/transport logistic  
556                    operations, and to maximize the benefits derived from facilitation.

557   **B. Composition and Authority**

558   4. The National Trade Facilitation Body would bring together authorized representatives of all parties  
559   concerned with international trade issues in the country:

- 560       • trade related and relevant government agencies (including the Justice Department,
- 561       • the central bank and other banking institutions
- 562       • insurance companies
- 563       • transport authorities and users (shippers, consignees, importers, exporters, freight  
564        forwarders, etc.)
- 565       • international transport operators (shipping companies, airlines, and their agents)
- 566       • port authorities and terminal operators
- 567       • inland transport operators (road, rail, inland waterways)
- 568       • Chamber of Commerce
- 569       • software solution providers
- 570       • standards organization(s)

571



572 **Annex 2 – NTFB around the world**

573  
 574 National Trade Facilitation Bodies (NTFBs) are important platforms for institutional coordination and  
 575 stakeholders' consultation with balanced private and public sector participation. They enable the  
 576 planning and implementation of successful trade facilitation (TF) reforms. UNCTAD has actively  
 577 participated and supported the establishment of NTFBs in developing countries. In line with this long-  
 578 standing commitment, UNCTAD has established an online repository containing case studies from  
 579 countries that have set up NTFBs. The online repository is available at <http://unctad.org/tfc> . For  
 580 sending new or updated country's experience to this repository, UNCTAD has provided the following  
 581 contact: TFbodies@unctad.org

582  
 583 The data have been collected through desk research and a detailed survey with national entities,  
 584 providing information about different types of NTFBs. The questionnaire used for data collection is as  
 585 follows:

586  
 587 Template for case studies on  
 588 setting up and sustaining a multi-agency Trade Facilitation body

589  
 590 [Country] - Status [Month] [Year]  
 591

Questions	Answers for [Country]
<b>Background</b>	
What is the official name of the national trade facilitation (TF) coordination mechanism?	
What motivated the establishment of the TF body?	
What year was it established?	
Do you have other national bodies dealing with WTO issues and/or with TF?	
Was the TF body based on a previously existing multi-agency group/committee (for example a trade and transport facilitation committee)?	
What is the current status of the TF body (running, pilot phase, study)	
<b>Institutional Framework</b>	
Has the TF body been set up as an ad hoc group, or a legal entity/organisation?	
What specific documents were necessary to institutionalise the group? Which body and at which level made the decisions?	
What is the scope/mandate of the TF body?	
Does the TF body have terms of reference?	
Which is the coordinating agency?	
What is the structure of the TF body (Chair/co-chair, sub-groups etc.)?	
Do you have a permanent technical Secretariat?	
<b>Funding</b>	
Do you have a formal budget for the operations of the TF body?	
If yes, what major items are covered by it?	
What are the sources of funding?	

Questions	Answers for [Country]
<b>Objectives / Focus</b>	
What are the objectives of the TF body?	
Does it have a working plan?	
How do you monitor progress in implementing the working plan?	
How often, and in which form and to whom is the TF body reporting?	
<b>Membership / Composition</b>	
What public or quasi-public agencies participate in the TF body?	
What private associations or entities participate?	
What is the level of seniority of the participants?	
<b>Participation</b>	
Does the TF body meet regularly?	
What is the level of participation in each of the meetings?	
Do you use different meetings formats (such as focus groups, brainstorming, Citizen jury's etc)?	
<b>Promotion / Communication</b>	
How do you keep all stakeholders informed of the TF body's meetings and new documents, upcoming events etc?	
How does the TF body interface with other working groups/committees working on similar issues?	
Do you undertake special information session for the general public or particular stakeholders?	
<b>Benefits</b>	
What was the impact of the work of the group?	
How does it benefit your country's responsiveness to the WTO negotiation process?	
Have there been concrete operational outcomes?	
<b>Lessons learned</b>	
What are the crucial success factors?	
What are the greatest obstacles?	
What are the main lessons learned?	
<b>Future plans</b>	
What are the plans for further development of the TF body?	
<b>Contact information</b>	
Please indicate the contact details of the chairman, president or Secretariat of the TF body.	