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3

4 **NATIONAL TRADE FACILITATION BODIES**

5 **RECOMMENDATION No. 4**

6

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38 Introduction

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

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

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

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

59 ~~One time-proven method of conducting dialogue between Government and the trading community~~
60 ~~and identifying trade issues and priorities is the establishment of a National Trade and Transport~~
61 ~~Facilitation Committee.~~

62 Purpose and Scope

63 Governments and the trading community should adopt trade facilitation as an indispensable
64 component of trade policy formation and should aim at the establishment of a National Trade
65 Facilitation Body (NTFB) embracing the views and opinions of all stakeholders in pursuing agreement,
66 cooperation and collaboration in the development and implementation of simplified, harmonised
67 and standardised measures.

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

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

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

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

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

Commenté [LT1]: Comment received: Generally, sentences are too long and several of them are negative. In several places, the text does not correspond to the title of the paragraph.

Commenté [LT2]: Comment received: this phrasing is wrong. Should read "Since the 1960s, UN/CEFACT and its predecessors..."

Commenté [LT3]: Comment received: true in the last century...The stakes are now on winning markets.

Commenté [LT4]: Comment received: poorly worded (recommendation that encourages recommendations...)

Commenté [LT5]: Comment received: this implies the 'readers' are aware of the previous versions... ?

Benefits

Trade facilitation bodies and an inclusive and constructive consultation process will provide stakeholders the means to voice their viewpoints, clarify issues, and engage in meaningful dialogue. Facilitation activities must be approached in a coordinated manner to ensure that problems are not created in one part of the transaction chain by introducing solutions to another part. The needs of all parties, both private and public sectors, must be identified before solutions can be found and those best placed to explain their needs are those directly involved in the transaction chain. This requires an effective forum where private sector managers, public-sector administrators and policy makers can work together towards the effective implementation of jointly-agreed facilitation measures. A Trade facilitation body and an inclusive and constructive consultation process will provide stakeholders with the means to voice their viewpoints, clarify issues, and engage in meaningful dialogue.

Benefits

- Helps compete internationally
- Reduce cost of international trade (both for government agencies and Trade)
- Adopts most effective best practices (effective business processes aligned to international standards)
- Brings public and private sector together towards trade facilitation practices.

International Standards

The importance of trade facilitation has been emphasised by the World Trade Organization ~~Agreement on~~ Trade Facilitation Agreement (ATF/TFA) concluded at the Ministerial Conference in Bali in December 2013. Based on Articles V, VIII and X of the General Agreement on Tariffs and Trade (GATT 1994) the Bali ATF places obligations on WTO Members to support and sustain initiatives and measures to improve international trade performance. Within the range of measures required by the TFA, is a requirement for Member Nation governments to provide opportunities, and an appropriate time period to traders and other interested parties to comment on the proposed introduction or amendments of laws and regulations ... through regular consultation (Article 2) Also the Agreement requires Institutional Arrangements and has created a Committee on Trade Facilitation (Article 13.1). Further under these arrangements the Agreement requires Member Nations to establish and maintain a national committee on trade facilitation (Article 13.2).

Establishment of a National Trade Facilitation Body

The establishment of a National Trade Facilitation Body is dependent on many factors. Some of these include (but are not limited to) national culture and traditions; government economic development and trade policies; a robust and dynamic private sector; available human and financial resources, and a genuine to improve the performance of the international trade transaction and supply chains. The introduction of simpler, more modern measures to enhance efficiency and improve effectiveness is an objective that experience has shown is better achieved through dialogue and co-operation between government and the business community.

A NTFB has proven, over many decades, to provide expert input into the development and implementation of simpler trade measures. Government and trade working together could identify points in the domestic and international supply chain where problems occur to retard or damage the smooth flow of goods from buyer to seller. In collaboration through a NTFB the public and private sectors could design measures to eliminate or drastically reduce the barriers to efficient and effective trading processes. This approach to solving the problems in the international supply chain is improved if the NTFB works with similar organisations at the regional (and sub-regional) and international level, and participates in the work programmes of international bodies dedicated to trade facilitation and the development of standards.

Commenté [LT6]: Comment received: these lines are not 'benefits' but advice.

Commenté [LT7]: The exact same phrase is stated in the guideline, section A.

Mis en forme : Titre 2

Mis en forme : Paragraphe de liste, Avec puces + Niveau : 1 + Alignement : 0,63 cm + Retrait : 1,27 cm

Commenté [LT8]: Comment received: These lines have nothing in common with standards.

132 **Recommendation**

133 The United Nations Centre for Trade Facilitation and Electronic Business at its XXth Plenary session in
134 XX in Geneva recommends that Governments establish and support national trade facilitation bodies
135 with balanced private and public sector participation in order:

- 136 1. To include trade facilitation as part of a national integrated strategy for trade policy, economic
137 development and the creation of sustainable employment;
- 138 2. To identify issues affecting the cost and efficiency of their country's international trade and
139 to develop measures to reduce such barriers and to assist in their implementation;
- 140 3. To develop measures to reduce the cost and improve the efficiency of international trade and
141 to assist in the implementation of those measures;
- 142 4. To provide a national focal point for the collection and dissemination of information on best
143 practices in international trade facilitation;
- 144 5. To participate in international efforts to improve trade facilitation and efficiency;

145

Commenté [LT9]: There was a comment to interject this between the 'Benefits' and 'International Standards' section.

146 **GUIDELINES TO RECOMMENDATION NO. 4**
147 **NATIONAL TRADE FACILITATION BODIES (NTFB)**
148

149 **A. INTRODUCTION**

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

- 154 • Active private and public sector participation;
- 155 • The identification of issues affecting the costs and efficiency of the country's international
156 trading performance, and the setting of priorities for action on the issues;
- 157 • The collaborative development of measures to reduce the cost and improve the effectiveness
158 of international trade transactions;
- 159 • The resources (both human and financial) to assist the implementation of the agreed
160 measures;
- 161 • The provision of a national focal point for the collection and dissemination of information on
162 best practices and standards in international trade facilitation; and
- 163 • The participation in international efforts to improve trade facilitation efficiency.

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

172 **A.1 Trade facilitation – a practical definition**

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

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

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

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

190 • **Standardization** is ensuring that required information is described, understood and applied
191 in a consistent manner. Many international standards development organizations, consortia
192 and communities have developed standards concerning the description, definition, use and
193 transfer of information related to international trade.

194 **A.2 Partnership**

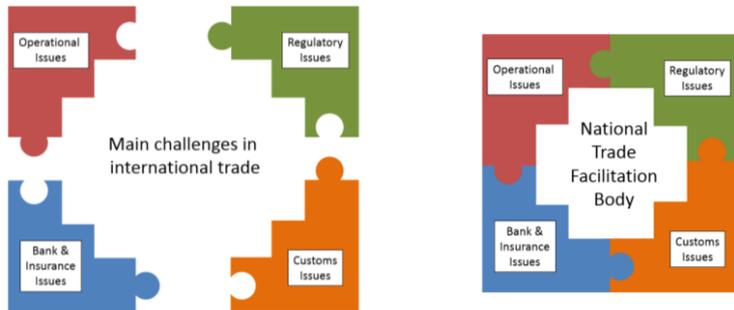
195 10. From the above description, facilitating the total trade transaction process requires a series of
196 actions and measures combining the movement of goods, all relevant regulatory requirements,
197 notably government reform, modernization and automation... It covers not only the economic,
198 commercial and operational aspects of the trade transaction, but also other related issues in the
199 supply chain including finance, transport, transit, compliance with international standards, trade
200 related infrastructure and logistics, sectorial priorities (for example, agriculture) and legal
201 frameworks.

202 11. Trade facilitation implies consideration of the interlinked roles of the three main actors closely
203 involved in the international trade sectors of the country where the NTFB is to be set up. These are:

- 204 - **Public sector** (all relevant government trade-related agencies), in designing and
205 implementing national laws and regulations regarding trade in a coordinated way by working
206 together and to streamline import, export and transit procedures;
- 207 - **Private sector traders**, (importers and exporters), who can benefit from such solutions in
208 their international trade transactions; and
- 209 - **Private sector services providers** (carriers, freight forwarders, multimodal transport
210 operators, banking institutions, insurance companies, software providers, etc.), by offering
211 market-oriented trade and transport solutions within the framework of national and
212 international trade and transport practices, obligations and laws.

213
214 There are issues in international and national transactions and National Trade Facilitation Bodies can,
215 among other objectives, address these challenges.

Commenté [LT10]: According to Oxford dictionary, service provider provides telecommunication connections. Suggest to change this term here and elsewhere to: 'Private sector related services'



216

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

218 19. As a proper consultation mechanism, governments are invited to consider the possibility of
 219 establishing National Trade Facilitation Bodies (NTFB), along the lines described hereafter, and on the
 220 basis of the terms of reference included in Annex 1 and based on the principles laid out in the
 221 UN/CEFACT Recommendation No. 40 on Consultation Approaches.

222 **B.1 General definition of a NTFB**

223 A NTFB is a formally constituted body where all interested parties from public and private sectors in
 224 the country's international trade, multimodal transport, logistics, finance and other related topics
 225 could present their respective views and problems, and seek, through consultation and consensus,
 226 mutually agreeable solutions.

227 **B.2 Purpose of a NTFB**

228 20. A NTFB acts as an open forum to promote trade facilitation, facilitate inter-agency coordination,
 229 and provide directives on major trade facilitation issues.

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

- 231 - Champion the national strategic priorities;
- 232 - Develop new national policies mapped against existing international common and
 233 harmonized methods;
- 234 - Promote existing facilitation solutions and help implementing them;
- 235 - Participate actively in the creation and maintenance of trade facilitation measures
 236 internationally.
- 237 - Contribute to the work of established international organizations such as UN, the WCO's
 238 committees, the WTO under the framework of the Trade Facilitation Agreement and so on.

239 **B.2 Membership of a NTFB**

240 Participants from the Government and public administrations, each with a joint and separate interest
 241 in the facilitation of trade. Private sector participants in such bodies should represent all industry
 242 sectors, all types and size of business, and institutions taking part in international trade:
 243 manufacturers, importers, exporters, freight forwarders, carriers, banks, insurance companies, etc. It
 244 is only with the active involvement of these participants that impediments can be meaningfully
 245 analysed and cooperative solutions devised.

246 The following diagram provides a list (non-exhaustive) of public and private actors that may become
 247 member of NTFB. The categorization of the actors is interchangeable in some cases. For example, an
 248 exporters' association may as well act as a related service provider to the trader.

Commenté [LT11]: Suggestion to change title in following tables. Related service providers to become: "Related services"



249
250
251 24. NTFBs should invite recognized experts based on their knowledge and competencies within their respective fields.

252 **B.3. Organization of the NTFB**

253 The NTFB can be envisioned in three levels: a strategic level, an operational level and a technical
254 level. The lead agency responsible for the NTFB takes the strategic lead, setting the direction that the
255 NTFB should follow. This responsibility should be defined within the agency with a focal point within
256 the agency.

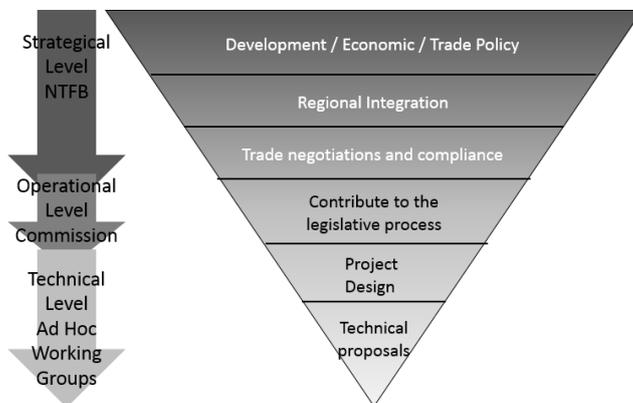
257 At an operational level, the lead agency should establish a structure in which the private sector and
258 all relevant government agencies can collaborate and develop the direction set out at the strategic
259 level. This would be the actual NTFB. At this level, a **Board** should be created with a limited number
260 participants from the most relevant public and private sector stakeholders. This level would be in
261 charge of developing action plans and identifying best practices based on the direction established by
262 the lead agency.
263

264 In order to ensure the continuity of work and follow any tasks which are delegated to ad-hoc working
265 groups, a **Secretariat** should be established. The staffing of such a secretariat would depend on the
266 work load involved in accomplishing the defined direction and managing the additional working
267 groups.
268

269 At a technical level, **ad-hoc Working Groups** would accomplish specific tasks (either temporary or
270 permanent) defined by the NTFB and the lead agency. Representation in these working groups
271 should be drawn from relevant industry sectors to ensure quality of input into the policy making
272 process.
273

274
275 29. A conceptual representation of this structure has been developed within the Recommendation
276 40 and is explained through the following diagram:

Commenté [LT12]: It would be useful to suggest some such ad-hoc working groups. Some examples: customs compliance committee, national SW implementation committee, etc.



277

278 **B.4. Responsibilities and role of the NTFB components**

279 30. The NTFB is expected to meet as required to pursue its objectives. The agenda of these meetings
 280 would cover, *inter alia*, the following items:

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

286 31. The Commission should meet on a regular basis, at a regular basis. It should follow up the work of
 287 the Body members and ad hoc working groups in their search for solutions to the identified issues.
 288 The Commission should also keep a repository of the allocation of tasks to the members and ad hoc
 289 working groups.

290 32. The member institutions would continuously work, within ad-hoc Working Groups, towards the
 291 elaboration of documents supporting the solutions they wish to propose to the NTFB. They would be
 292 assisted in their tasks by the Secretary. The resulting documents would be presented to the Board of
 293 the NTFB for approval.

294 **B.5. Work Programme of the NTFB**

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

297 34. The development of the work programme should be undertaken in consultation with all the
 298 interested actors. These should be encouraged to formulate their views using techniques such as
 299 workshops, seminars, or "brainstorming" sessions. The results would then be presented to the NTFB.
 300 The work programme needs to be flexible enough to take into account issues that might arise which
 301 cannot be anticipated.

302 35. National representatives to relevant external bodies and organizations such as UN/CEFACT, the
 303 World Customs Organization, the World Trade Organization, International Chamber of Commerce,
 304 region coordination initiatives, etc. should if possible be encouraged to join the NTFB. The agenda
 305 should in part reflect the activities of these external bodies and organizations as a part of the NTFB's
 306 horizon scanning and monitoring process.

Commenté [LT13]: Perhaps add a phrase to say that the actors should do their homework before presenting to the NTFB. (in alignment to Rec40).

C. COORINATION OF NATIONAL TRADE FACILITATION BODIES AT NATIONAL OR REGIONAL LEVELS

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

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

~~"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 provisions of this Agreement." (WTO TFA, article 13.2). [This reference needs to be verified with the final version of the WTO TFA.]~~

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

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

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

- A fully private sector national trade facilitation body
- A fully private sector shipper's association with a trade facilitation mandate
- A fully private sector transport association with a trade facilitation mandate
- A trade union with a trade facilitation mandate
- A public sector consultation committee concentrating on trade facilitation matters
- A ~~ministry~~government agency-lead committee (public sector) with a trade facilitation mandate
- Etc.

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

C.1.2. Coordination among multiple trade facilitation organizations

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

Commenté [LT14]: Suggestion to eliminate this section (C.1.1.) completely as this line of reasoning is likely not fruitful and not helpful.

Commenté [LT15]: It is suggested that references to the WTO TFA and Rec40 may be overwhelming here and may make the future implementer feel they are accountable to the WTO.

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

357 ~~The~~ government-established NTFB ~~responding to the WTO TFA obligations~~ should study the other
358 organizations that exist within a country that are working on the same or similar topics. These may
359 be within the private sector or within the public sector. Insofar as the missions and visions of trade
360 facilitation coincide, the NTFB should try to coordinate as much as possible with these other national
361 organizations in order to avoid duplication of efforts. This could take the form of
362 bilateral/multilateral agreements outlining the activities of each organization. It could, however, be
363 less formal, inviting these organizations to discuss activities to be performed and distributing work
364 ~~(through ad-hoc working groups, for example)~~ on an as-needed basis.

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

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

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

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

378 Such a set-up would have the advantage of reducing costs for the government and avoid duplication
379 of effort through optimization of resources. There could also be some setbacks from relying on other
380 organizations, such as the primary focus of these other organizations. Trade associations, unions or
381 even specific ministry-driven organizations were most likely established with a specific mission which
382 may not necessarily be trade facilitation; these organizations may also have been established to
383 accommodate a specific type of actor in the supply chain. Their participation in any trade facilitation
384 activity may have alternative motives which may or may not be compatible with the global trade
385 facilitation task which is at hand ~~and may or may not be compatible with the direction the lead~~
386 ~~agency wants to take~~.

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

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

396 Under the umbrella of global trade facilitation work, ~~the~~ regional trade facilitation organizations have
397 an important role to play.

398 Quite often the NTFB's from ~~the a~~ same region ~~do~~ struggle with similar challenges, not only because
399 of the geographical environment like common borders but also similar ~~bases for~~ regulations, trading
400 traditions and trading partners. Hence, ~~through to~~ regional cooperation of NTFB's can support and
401 strengthen each ~~other's national body's~~ activities, discuss ~~about~~ approaches to trade facilitation and
402 also create and agree upon common solutions to their trade facilitation issues.

Commenté [LT16]: Suggestion to remove reference to 'Nordipro' below. This inclusion may make the task feel overwhelming. Also, Nordipro has not met in a long time and not very active recently.

403 The Regional Trade Facilitation Organization can be constituted of ~~the~~ representatives from National
404 Bodies, including e.g. the chairmen and the Technical Secretaries. Regional committees shall meet
405 regularly, based on the agreed time table and agenda.

406 The basic terms of reference for such Regional Organization could be:

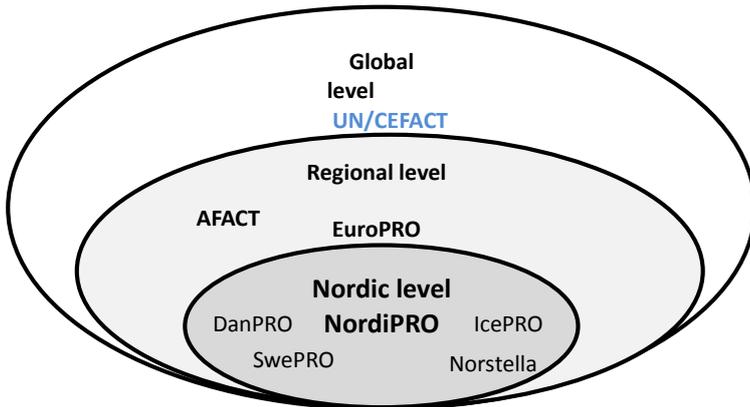
- 407 • To monitor regional progress of trade and transport facilitation and to coordinate regional
408 awareness rising activities
- 409 • To identify common inhibitions (technical, institutional or commercial);
- 410 • To identify common solutions/regional action required to solve existing problems,
- 411 • To support the region-wide use of trade related standards, recommendations, tariff
412 structures, EDI, etc.

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

416 Note: we can illustrate the global organisation/structure of NTFB's with a similar picture as the
417 organisation of NTFB is described in the guideline text.

418
419 Below is a draft example of the illustration idea:

Commenté [LT17]: Suggest to remove the Nordic level as this complicates the view.



422

423 D. FUNDING, BUDGET and STAFFING

424 D. 1 Financial needs

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

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

- 433
- 434
- 435
- 436
- 437
- 438
- 439
- 440
- Representative private sector organisations financial contribution (providing this did not undermine the remit and terms of reference of the NTFB);
 - Government grant, through its own budget;
 - A public-private partnership;
 - Contributions 'in kind' in the form of office space and maintenance, and office equipment;
 - Additional funding for specific trade facilitation studies. These contributions could be sourced from trade and industry sectors that would benefit from the introduction of trade facilitation proposals.

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

Commenté [LT18]: Comment received: This Recommendation should not make the statement of the difficult budgetary situation prevailing in a greater number of countries. The only free possibility should be an outreach to retired people! Should crowd-funding be envisaged?

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

Commenté [LT19]: Comment received: Which can be Donor countries? Trade facilitation cannot live on handouts.

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

Commenté [LT20]: Comment that this is the rule for any organization, company, association.

458 D.2. Budget needs

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

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

Commenté [LT21]: Comment that this is too detailed...

477 D.3. Staff needs

478 42. The staff of the NTFB would be its greatest asset. Therefore care must be taken in their selection, whether recruited as permanent employees or accepted as secondments for a term defined period

Commenté [LT22]: Suggestion that this section should be entitled : 'Operation of a NTFB' or 'Operating a NTFB'

480 as part of the financial contribution from a representative organisation. Where staff are recruited for
481 a permanent position in the NTFB, national laws governing recruitment and labour regulations
482 concerning terms and conditions of employment must be observed. Equally important any staff
483 seconded from a representative organisation (either public or private sector) must be assured any
484 overarching employment contract would be honoured during the term of their secondment.

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

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

- 497 • A Chairman (or similarly appointed official)
- 498 • A Board
- 499 • A Chief Executive
- 500 • A Secretary
- 501 • A secretariat (Including a Persona Assistant to manage the daily schedule of the Chairman,
502 Board Members and Chief Executive)
- 503 • Staff with recognised experience and expertise in the fields of trade facilitation, business and
504 commercial processes, government trade regulations, transport issues and the financial and
505 insurance sectors.

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

509 E. STEPS TOWARDS THE CREATION OF A NTFB

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

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

523 46. After any approved awareness campaign, specific actions should be considered when establishing
524 the National Trade Facilitation Body. The type and range of measures would be dependent on the

Commenté [LT23]: Comment received that such way of operating cannot be permanent.

Commenté [LT24]: There was a suggestion that paragraph 43 should come after paragraph 42.

Commenté [LT25]: Comment received that the recommendation should not be a lesson on how to recruit staff.

Commenté [LT26]: Comment that this is much too detailed. A secretariat is enough. The tasks mentioned were true in the last century and the chairman has not an overloaded schedule.

Commenté [LT27]: Suggestion received to remove the term "trade facilitation" since this concept is that of a NTFB.

Commenté [LT28]: Comment received that these lines are not useful.

Commenté [LT29]: Suggestion from Salehin: The current list may confuse readers with the structure in section B. Moreover, it gives an idea that there is a lot hierarchy in the body (we need to decide if we want that or not). To me, the structure is:

•NTFB

○Commission

•Ad hoc working groups

It may be good to omit the list here and refer to the final structure (whatever it may be, irrespective of the above remains or not) in Annex 1 (ToR). Text could read like:

'Experience has demonstrated that a NTFB usually requires Members, representatives and staff to undertake a number of different functions. For example, the tasks of Chair of the NTFB or the Secretary need to be performed by current staffs of the NTFB members. It may require hiring support personnel (administrative staff).

Commenté [LT30]: Comment received that these lines are not useful.

Commenté [LT31]: Comment received: who will inform the interested parties? The proposed chairman? Who will organize the awareness campaign? Who will carry out all of these actions?

525 national needs, culture and capabilities. Some of the provisions could be: the following actions could
526 be considered when establishing the National trade Facilitation Body:

- 527 a. Formal establishment with preparations for the legal base, constitution, structure, funding
528 and administrative framework of the NTFB;
- 529 b. Agree the appointment of the Officers and staff of the NTFB including the terms and
530 conditions of employment, the status of seconded persons and the recruitment of
531 consultants or other experts;
- 532 c. Agree the remit of the NTFB and the areas of policy development and **identify key issues to**
533 **be initially considered;**
- 534 d. Identify all key partners and stakeholders to agree on the terms of reference and, areas of
535 policy development, and the preparation of a 'corporate plan' and work programme.
- 536 e. Agree the procedures for the formation of any Working Groups for specific tasks;
- 537 f. Agree the reporting procedures within the NTFB and the way trade facilitation outputs,
538 Including implementation strategies, are presented to government and trade;
- 539 g. Coordinate with trade facilitation bodies (such as UN, WTO, WCO) and other international
540 standards bodies (ISO) and make use of materials produced by these organizations.
- 541 a. ~~Prepare the legal base, structure, funding and administrative framework of the NTFB. The~~
542 ~~legal base would differ one country or economy to another and would be dependent on~~
543 ~~national law, regulation and administrative procedures.~~
- 544 b. ~~Prepare a constitution document for the formal establishment of the NTFB. The document~~
545 ~~should specify, as a minimum, the relevant law, the structure of the organization, the~~
546 ~~appointment of Officers and staff, and the range of its operations and activities;~~
- 547 c. ~~Agree the terms of the appointment for the Officers of the NTFB including Chairman, Board~~
548 ~~Members, Chief Executive and Secretary;~~
- 549 d. ~~Agree the terms and conditions of employment for permanent staff and the requirements~~
550 ~~for the appointment of seconded persons and the recruitment of consultants or other~~
551 ~~experts;~~
- 552 e. ~~Agree the remit of the NTFB and the areas of policy development. This could be achieved~~
553 ~~through the preparation of a 'statement of intent';~~
- 554 f. ~~Prepare a proposal for the funding of the NTFB;~~
- 555 g. ~~Identify key issues to be initially considered by the NTFB;~~
- 556 h. ~~Identify all potential key partners and stakeholders;~~
- 557 i. ~~Call a meeting of all identified key partners to launch the NTFB, to agree on the terms of~~
558 ~~reference of the organisation, the preparation of a 'corporate plan' and work programme.~~
- 559 j. ~~Agree the procedures for the formation of any Working Groups for specific tasks;~~
- 560 k. ~~Set up (institutionalize) the NTFB;~~
- 561 l. ~~Agree a schedule regular meetings (once a quarter, for example);~~
- 562 m. ~~Agree the reporting procedures within the NTFB and the way outputs in the form of trade~~
563 ~~facilitation proposals are presented to government and the business community;~~
- 564 n. ~~Undertake the development of implementation strategies for agreed proposals; and~~
- 565 o. ~~Coordinate with other trade facilitation bodies (such as UNECE, UN/CEFACT, UNCTAD,~~
566 ~~UNCITRAL) and make use of materials produced by these organizations (presentations, case~~
567 ~~studies, recommendations) and other international standards bodies.~~

Commenté [LT32]: Comment received: This will be the first task for the NTFB when it is created. Here, it sounds like putting the cart before the plough.

568 This inventory of suggested good practice is not exhaustive. However it should provide a checklist to
569 ensure essential actions are not overlooked or ignored. Clearly the steps needed to create a NTFB
570 would be wholly dependent of the requirements of each country or economy.
571

572 **Annex 1 – Terms of Reference**

573

574 **A. Purpose and Objectives**

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

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

- 578 a. to provide a national forum equipped with a consultation mechanism for the facilitation of
579 formalities, procedures and documentation used in international trade (*facilitation*
580 *objectives*);
- 581 b. to propose, for government approval, draft trade-related regulations and practices
582 (*regulatory objectives*);
- 583 c. to make policy recommendations on future trade related investments (*development policy*
584 *objectives*); and
- 585 d. to increase awareness of the methods and benefits of trade facilitation (*training objectives*).

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

- 587 a. *Facilitation objectives:*
 - 588 i. to ensure the proper coordination in the field of facilitation of international trade;
 - 589 ii. to keep under review the procedures required in international trade, including
590 multimodal transport, with a view to their simplification and harmonization;
 - 591 iii. to collect and disseminate information on international trade formalities,
592 procedures, documentation, and related matters;
 - 593 iv. to pursue the simplification and alignment of trade documentation on the basis of
594 the United Nations layout key, including transport documents designed for use in
595 computer and other automated systems; and
 - 596 v. to promote the use and adoption of standard trade and transport technology and
597 international codes (for example EDI communications).
- 598 b. *Regulatory objectives:*
 - 599 i. to review, comment, amend, and propose for government approval new draft
600 documents on liability, civil responsibility, banking and intermodal transport
601 regulations with a view to update current regulations and practices embodied in the
602 Commercial Code and other legal texts;
 - 603 ii. to follow up on the final approval of proposed regulations and practices with the
604 various institutions concerned and through institutional and executive channels; and
 - 605 iii. to examine the convenience for the country to adhere to international conventions
606 and standards.
- 607 c. *Development Policy objectives:*
 - 608 i. to review the national policy content of trade investments and to facilitate, the
609 introduction and development of appropriate trade technologies; and
 - 610 ii. to address, as a national consulting body, questions related to the institutional
611 development and management of international trade facilities; and other relevant
612 issues.
- 613 d. *Training objectives:*
 - 614 i. to organize and implement campaigns to publicize the benefits and requirements of
615 simplified documents and procedures, aimed at policy-makers and senior decision-
616 makers in government organizations, parastatal bodies and transport operators,
617 Customs and other regulatory bodies;

Commenté [LT33]: Comment received : The main objective is to increase the percentage of global trade and to help countries starting to trade to be successful. The terms of reference should be summarized.

Commenté [LT34]: This list should be identical to the list in B.1. Perhaps B.1. should be reorganized around these activities?

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

624 **B. Composition and Authority**

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

- 627 • trade related and relevant government agencies (including the Justice Department,
- 628 • the central bank and other banking institutions
- 629 • insurance companies
- 630 • transport authorities and users (shippers, consignees, importers, exporters, freight
- 631 forwarders, etc.)
- 632 • international transport operators (shipping companies, airlines, and their agents)
- 633 • port authorities and terminal operators
- 634 • inland transport operators (road, rail, inland waterways)
- 635 • Chamber of Commerce
- 636 • software solution providers
- 637 • standards organization(s)

638

Commenté [LT35]: Comment received: This and the list have already been stated. The list of all the stakeholders should appear only once.

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

640 National Trade Facilitation Bodies (NTFBs) are important platforms for institutional coordination and
 641 stakeholders' consultation with balanced private and public sector participation. They enable the
 642 planning and implementation of successful trade facilitation (TF) reforms. UNCTAD (United Nations
 643 Conference on Trade and Development) has actively participated and supported the establishment of
 644 NTFBs in developing countries. In line with this long-standing commitment, UNCTAD has established
 645 an online repository containing case studies from countries that have set up NTFBs. The online
 646 repository is available at <http://unctad.org/tfc> . For
 647 sending new or updated country's experience to this repository, UNCTAD has provided the following
 648 contact: TFbodies@unctad.org

650 The data have been collected through desk research and a detailed survey with national entities,
 651 providing information about different types of NTFBs. The questionnaire used for data collection is as
 652 follows:
 653

654 Template for case studies on
 655 setting up and sustaining a multi-agency Trade Facilitation body

656 [Country] - Status [Month] [Year]

657

658

659

Questions	Answers for [Country]
Background	
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)	
Institutional Framework	
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?	
Funding	
Do you have a formal budget for the operations of the TF body?	
If yes, what major items are covered by it?	

Commenté [LT36]: It was asked if this survey is still pertinent? Is this work within UNCTAD not already finished?

Commenté [LT37]: Comment received: Writing this will encourage the readers to seek financial help from UNCTAD. Suggested change: "For examples of how NTFBs operate, case studies can be found in the repository of UNCTAD is available at..."

Code de champ modifié

Questions	Answers for [Country]
What are the sources of funding?	
Objectives / Focus	
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?	
Membership / Composition	
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?	
Participation	
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?)?	
Promotion / Communication	
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?	
Benefits	
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?	
Lessons learned	
What are the crucial success factors?	
What are the greatest obstacles?	
What are the main lessons learned?	
Future plans	
What are the plans for further development of the TF body?	
Contact information	
Please indicate the contact details of the chairman, president or Secretariat of the TF body.	