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4 NATIONAL TRADE FACILITATION BODIES

5 RECOMMENDATION No. 4 6

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40 **Introduction**

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

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

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

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

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

64 **Purpose and Scope**

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

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

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

79 ~~Simplification is the process of eliminating all unnecessary elements and duplications in formalities,~~
80 ~~processes and procedures~~

81 ~~Harmonization is the alignment of national formalities, procedures, operations and documents with~~
82 ~~international conventions, standards and practices.~~

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: Unable to understand the exact meaning of 'One time-proven method'. Is this mean that 'it has been proved clearly' ?

Commenté [LT3]: Comment received: this phrasing is wrong. Should read "Since the 1960s, UN/CEFACT and its predecessors..."

Commenté [LT4]: Comment received: true in the last century...The stakes are now on winning markets.

Commenté [LT5]: Comment received: poorly worded (recommendation that encourages recommendations...)

Commenté [LT6]: Comment received: this implies the 'readers' are aware of the previous versions... ?

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

85 **Benefits**

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

97 **Benefits**

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

103 **International Standards**

104 The importance of trade facilitation has been emphasised by the World Trade Organization
105 ~~Agreement on~~ Trade Facilitation Agreement (ATF TFA) concluded at the Ministerial Conference in Bali
106 in December 2013. Based on Articles V, VIII and X of the General Agreement on Tariffs and Trade
107 (GATT 1994) the Bali ATF places obligations on WTO Members to support and sustain initiatives and
108 measures to improve international trade performance.
109 Within the range of measures required by the TFA, is a requirement for Member Nation governments
110 to provide opportunities, and an appropriate time period to traders and other interested parties to
111 comment on the proposed introduction or amendments of laws and regulations ... through regular
112 consultation (Article 2) Also the Agreement requires Institutional Arrangements and has created a
113 Committee on Trade Facilitation (Article ~~13.1~~23.1). Further under these arrangements the
114 Agreement requires Member Nations to establish and maintain a national committee on trade
115 facilitation (Article ~~13.2~~23.2).

116 **Establishment of a National Trade Facilitation Body**

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

124
125 A NTFB has proven, over many decades, to provide expert input into the development and
126 implementation of simpler trade measures. Government and trade working together could identify
127 points in the domestic and international supply chain where problems occur to retard or damage the
128 smooth flow of goods from buyer to seller. In collaboration through a NTFB the public and private
129 sectors could design measures to eliminate or drastically reduce the barriers to efficient and effective
130 trading processes. This approach to solving the problems in the international supply chain is

Commenté [LT7]: Comment received: these lines are not 'benefits' but advice.

Commenté [LT8]: 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 [LT9]: Comment received: These lines have nothing in common with standards.

Commenté [LT10]: Comment received : It is necessary to define the role of 'Committee on Trade Facilitation' in TFA comparison with 'National committee of Trade Facilitation' in TFA. The latter can be recognized as NTFB in Rec.4. Whether the former can be recognized as 'Global level' on the illustration in Line 421 or not ?

131 improved if the NTFB works with similar organisations at the regional (and sub-regional) and
132 international level, and participates in the work programmes of international bodies dedicated to
133 trade facilitation and the development of standards.

134 **Recommendation**

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

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

147

Commenté [LT11]: There was a comment to interject this between the 'Benefits' and 'International Standards' section.

Commenté [LT12]: Comment received : The two phrases 'to develop~' in 139 and '3. To develop~' in 140-141 look duplicated.

148 **GUIDELINES TO RECOMMENDATION NO. 4**
149 **NATIONAL TRADE FACILITATION BODIES (NTFB)**
150

151 **A. INTRODUCTION**

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

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

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

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

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

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

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

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

Commenté [LT13]: Comment received :

Is this phrase 'Active ~ participation' the same meaning as '~ the active involvement of ~'?

If there is no intention to distinguish 'active participants' and 'non-active participants', the latter phrase is easier to understand.

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

196 A.2 Partnership

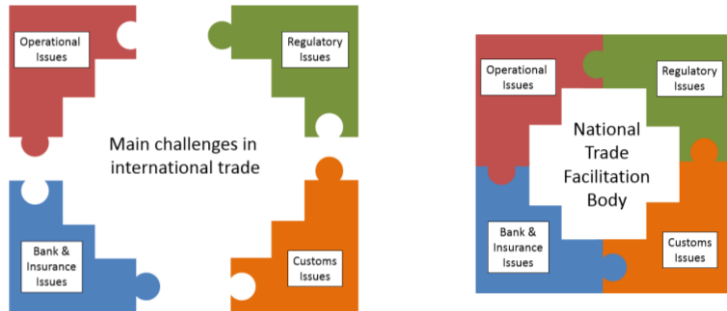
197 10. From the above description, facilitating the total trade transaction process requires a series of
198 actions and measures combining the movement of goods, all relevant regulatory requirements,
199 notably government reform, modernization and automation... It covers not only the economic,
200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

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

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

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

Commenté [LT14]: According to Oxford dictionary, service provider provides telecommunication connections. Suggest to change this term here and elsewhere to: 'Private sector related services'



218

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

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

224

B.1 General definition of a NTFB

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

229

B.2 Purpose of a NTFB

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

232

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

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

241

B.2 Membership of a NTFB

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

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

Commenté [LT15]: Suggestion to change title in following tables. Related service providers to become: "Related services"



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

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

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

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

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

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

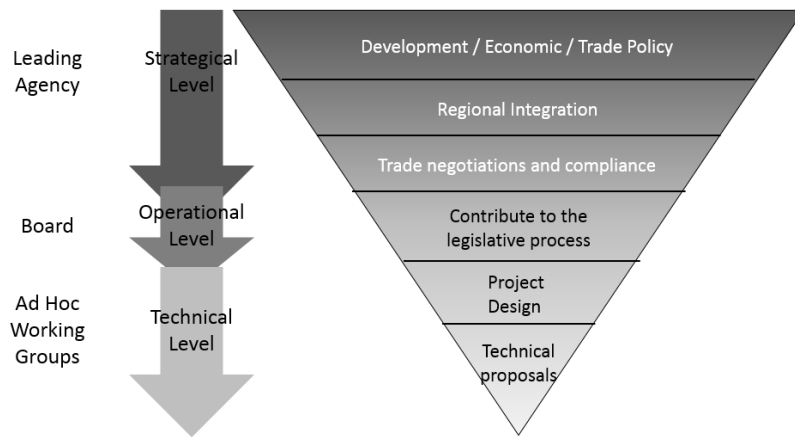
275
276
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279

Commenté [LT16]: Comment received : TOR in roles in NTFB is rather difficult to understand. 'A Board'(Line 260), 'A secretariat' (Line 266) and 'The commission'(Line 286) are described in the text.

I understand the diagram used in current guideline at the article C.5, was removed in this draft as result of discussion. But some sort of similar diagram may be worthwhile for readers to have a clearer image about the organization of NTFB.

Commenté [LT17R16]: Diagram below has been modified. I believe this responds to that part of this comment.

Commenté [LT18]: It would be useful to suggest some such ad-hoc working groups. Some examples: customs compliance committee, national SW implementation committee, etc.



280

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

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

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

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

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

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

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

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

305 35. National representatives to relevant external bodies and organizations such as UN/CEFACT, the
306 World Customs Organization, the World Trade Organization, International Chamber of Commerce,
307 region coordination initiatives, etc. should if possible be encouraged to join the NTFB. The agenda

Commenté [LT19]: Perhaps add a phrase to say that the actors should do their homework before presenting to the NTFB. (in alignment to Rec40).

Commenté [LT20R19]: Does adding the term « informed » respond to this ?

308 should in part reflect the activities of these external bodies and organizations as a part of the NTFB's
309 horizon scanning and monitoring process.

310 C. COORINATION OF NATIONAL TRADE FACILITATION BODIES AT 311 NATIONAL OR REGIONAL LEVELS

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

313 Many countries want or need to establish a NTFB but have not yet considered the structure and
314 details of such a body. Meanwhile, nationally, there may be other sectorial organizations that
315 provide in part or in full the function of trade facilitation body. Governments may wish to provide an
316 official endorsement of one of these organizations in order to fulfill the role of NTFB; or they may
317 wish to coordinate several of these organizations for this.

318
319 Furthermore, the government may wish to call upon one or more of these organizations temporarily,
320 in order to quickly establish an interim NTFB while they finalize their planning for a fully mandated,
321 independent NTFB.

322 C.1.1 National *sectorial* organizations which may fulfill the role of trade facilitation

323 The ideal organization for an NTFB is a full public-private partnership as outlined elsewhere within
324 this document, both Government and Trade collaborating through a national trade facilitation body.
325 However, for historical reasons or for practical reasons, there may be another valid sectorial
326 organization which preexists and which the government may want to invest with this role. The
327 following is a non-exhaustive list of types of organizations.

- 328
- 329 • A fully private sector national trade facilitation body
- 330 • A fully private sector shipper's association-organization with a trade facilitation mandate
- 331 • A fully private sector transport association-organization with a trade facilitation mandate
- 332 • A trade union with a trade facilitation mandate
- 333 • A public sector consultation committee concentrating on trade facilitation matters
- 334 • A government agency-lead committee (public sector) with a trade facilitation mandate
- 335 • Etc.
- 336

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

346

347 C.1.2. Coordination among multiple trade facilitation organizations

348 Another path may be chosen which would result in multiple organizations working on trade
349 facilitation. There can be at least two possible scenarios: the government establishes an official NTFB,
350 but other organizations (public, private or PPP) also exist; or, the government may wish to coordinate
351 these multiple organizations in order to create their official NTFB.

352 C.1.2.a. NTFB coordinating with other trade facilitation organizations

353 A government-established NTFB should study the other organizations that exist within a country that
354 are working on the same or similar topics. These may be within the private sector or within the public

355 sector. Insofar as the missions and visions of trade facilitation coincide, the NTFB should try to
356 coordinate as much as possible with these other national organizations in order to avoid duplication
357 of efforts. This could take the form of bilateral/multilateral agreements outlining the activities of
358 each organization. It could, however, be less formal, inviting these organizations to discuss activities
359 to be performed and distributing work (through ad-hoc working groups, for example) on an as-
360 needed basis.

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

362 An alternative solution would be the coordination of existing, multiple trade facilitation
363 organizations. A government-appointed committee would need to identify all of the existing
364 organizations (public, private and/or PPP) through a stakeholder analysis and the different themes
365 that they could work on; again one of the key factors will be to avoid duplication of efforts.

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

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

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

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

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

392 Under the umbrella of global trade facilitation work, regional trade facilitation organizations have an
393 important role to play.

394 Quite often the NTFBs from a same region struggle with similar challenges, not only because of the
395 geographical environment like common borders but also similar regulations, trading traditions and
396 trading partners. Hence, regional cooperation of NTFBs can support and strengthen each national
397 body's activities, discuss approaches to trade facilitation and also create and agree upon common
398 solutions to their trade facilitation issues.

Commenté [LT21]: This analysis would actually be pertinent throughout this section C.1 as well as B.2. We may want to consider reproducing this analysis as an annex to this recommendation as well, simplifying its reference within these sections.

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

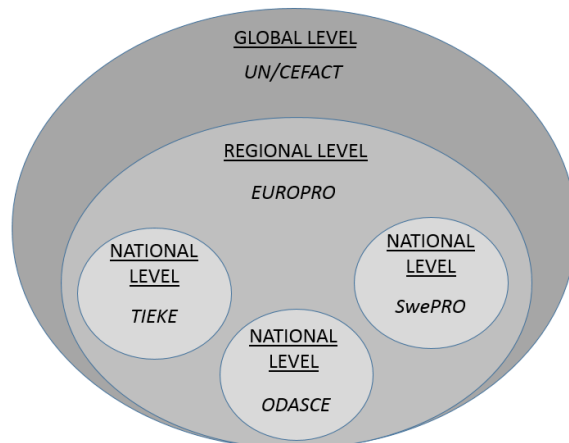
402 The basic terms of reference for such Regional Organization could be:

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

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

412 Note: we can illustrate the global organisation/structure of NTFBs with a similar picture as the
413 organisation of NTFB is described in the guideline text.

414 Below is a draft example of the illustration idea:
415
416



417
418

419 D. FUNDING, BUDGET and STAFFING

420 D. 1 ~~Financial needs~~ Financing a NTFB

421 Once a government has decided to legally endorse a particular body/organization, the government
422 must consider its sustainment. The legal recognition of the body/organization implies a proposed
423 funding schema for all aspects of the NTFB – see examples of the foreseeable expenses in Annex 1.
424 Accounts must be open and transparent and available to all representative organizations, or
425 approved third parties for audit purposes.

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

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

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

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

450 **D.3. Operating a NTFB**

451 42. The staff of the NTFB would be its greatest asset. Therefore care must be taken in their selection,
452 whether recruited as permanent employees or accepted as secondments¹ for a term defined period
453 as part of the financial contribution from a representative organisation. Where staff are recruited for
454 a permanent position in the NTFB, national laws governing recruitment and labour regulations
455 concerning terms and conditions of employment must be observed. Equally important and under the
456 same laws any staff seconded from a representative organisation (either public or private sector)
457 must be assured any overarching employment contract would be honoured during the term of their
458 secondment.

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

- 462 • A Chairman or similarly appointed official (Strategic level)
- 463 • A Board (Operational level)
- 464 • An Executive Secretary / Manager (day-to-day running of the NTFB) and a secretariat
465 (Operational level)

¹ Secondment, according to the Oxford Dictionary "The temporary transfer of an official or worker to another position or employment" (<http://www.oxforddictionaries.com> as of January 2015).

466 E. STEPS TOWARDS THE CREATION OF A NTFB

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

475 46. After any approved awareness campaign, specific actions should be considered when establishing
476 the National Trade Facilitation Body. The type and range of measures would be dependent on the
477 national needs, culture and capabilities. Some of the provisions could be:

- 478 a. First and foremost, agree the remit of the NTFB and the areas of policy development and
479 identify key issues to be initially considered;
- 480 b. Formal establishment with preparations for the legal base, constitution, structure, funding
481 and administrative framework of the NTFB;
- 482 c. Agree the appointment of the Officers and staff of the NTFB including the terms and
483 conditions of employment, the status of seconded persons and the recruitment of
484 consultants or other experts;
- 485 d. Identify all key partners and stakeholders to agree on the terms of reference and, areas of
486 policy development, and the preparation of a 'corporate plan' and work programme.
- 487 e. Agree the procedures for the formation of any Working Groups for specific tasks:
- 488 f. Agree the reporting procedures within the NTFB and the way trade facilitation outputs,
489 including implementation strategies, are presented to government and trade;
- 490 g. Coordinate with trade facilitation bodies (such as UN, WTO, WCO) and other international
491 standards bodies (ISO) and make use of materials produced by these organizations.

492 This inventory of suggested good practice is not exhaustive. However it should provide a checklist to
493 ensure essential actions are not overlooked or ignored. Clearly the steps needed to create a NTFB
494 would be wholly dependent of the requirements of each country or economy.
495

Commenté [LT22]: 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.

Commenté [LT23R22]: I have moved this to first in the list and added the words « First and foremost... » before it. I believe it responds to the comment. Is this acceptable?

Annex 1 – Terms of Reference

A. Purpose and Objectives

1. The purpose of the National Trade Facilitation Body (NTFB) is to encourage the coordination and implementation of measures that lead to the facilitation of ~~encourage the modernization of~~ international trade practices in support of the Nation's foreign trade.

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

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

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

a. *Facilitation objectives:*

- i. to ensure the proper coordination in the field of facilitation of international trade;
- ii. to keep under review the procedures required in international trade, including multimodal transport, with a view to their simplification and harmonization;
- iii. to collect and disseminate information on international trade formalities, procedures, documentation, and related matters;
- iv. to pursue the simplification and alignment of trade documentation on the basis of the United Nations layout key, including transport documents designed for use in computer and other automated systems; and
- v. to promote the use and adoption of standard trade and transport technology and international codes (for example EDI communications).

b. *Regulatory objectives:*

- i. to review, comment, amend, and propose for government approval new draft documents on liability, civil responsibility, banking and intermodal transport regulations with a view to update current regulations and practices embodied in the Commercial Code and other legal texts;
- ii. to follow up on the final approval of proposed regulations and practices with the various institutions concerned and through institutional and executive channels; and
- iii. to examine the convenience for the country to adhere to international conventions and standards.

c. *Development Policy objectives:*

- i. to review the national policy content of trade investments and to facilitate, the introduction and development of appropriate trade technologies; and
- ii. to address, as a national consulting body, questions related to the institutional development and management of international trade facilities; and other relevant issues.

d. *Training objectives:*

- i. to organize and implement campaigns to publicize the benefits and requirements of simplified documents and procedures, aimed at policy-makers and senior decision-makers in government organizations, parastatal bodies and transport operators, Customs and other regulatory bodies;

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

549 **B. Budgetary considerations**

- 550 41. When funding has been agreed and approved the parties to the NTFB should establish a formal
551 budget. The budget could be divided into distinct components:
- 552 a. Capital expenditure such as rent of building and utility costs;
 - 553 b. Operating expenses related to staff such as salary, training and association
554 membership fees;
 - 555 c. Costs relating to the recruitment of any local consultants and for the procurement of
556 local studies and surveys;
 - 557 d. Expenses related to the organization of NTFB meetings, as well as conferences,
558 workshops and seminars to promote the work of the organisation and encourage
559 wider support and acceptance of trade facilitation proposals;
 - 560 e. Travel and subsistence, divided into national activities and the costs of attending
561 sub-regional, regional and international meeting as approved;
 - 562 f. Expenses related to the procurement of office equipment, communication facilities,
563 stationery, and office management and maintenance;
 - 564 g. Miscellaneous expenses related to reproduction and dissemination of documents
565 and other publicity and information material; and
 - 566 h. A contingency fund for any unforeseen expenses deemed necessary by agreement of
567 the contributing organisations, parties and individual participants.

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

578
579 **C. Composition and Authority**

580 4. The National Trade Facilitation Body would bring together authorized representatives of all parties
581 concerned with international trade issues in the country. The following is a non-exhaustive list which
582 can serve as the start of a check-list:

583 Government authorities / agencies:

- 584 • Commerce or trade and their agencies (for example export development agency)
- 585 • Transport/Roads/rails/Waterway/Infrastructure and their agencies including Sea and Land
586 Port agencies and others
- 587 • Finance/Planning/Economic Development/Industries and their agencies including Customs,
588 Central Banks and others
- 589 • Justice and their agencies
- 590 • Foreign Trade Institutes and Think Tanks

Commenté [LT24]: I believe that Customs should come as an independent point as this is not always under a Finance ministry/authority (see US, China, Turkey...)

- 591 • Standards and Accreditation Organizations
- 592 • _____
- 593 Traders
- 594 • Importers and their associations
- 595 • Exporters and their associations
- 596 • Small and Medium Sized Exporters and Importers and their associations
- 597 Related services
- 598 • Carriers or transporters
- 599 • Freight forwarders
- 600 • Chamber of commerce and their federations
- 601 • Private laboratories or certification agencies
- 602 • Technical software providers
- 603 • Banks, insurance companies and their associations
- 604 • Customs agents
- 605 • Academic institutions, non-public Think Tanks
- 606
- 607 • ~~trade related and relevant government agencies (including the Justice Department,~~
- 608 • ~~the central bank and other banking institutions~~
- 609 • ~~insurance companies~~
- 610 • ~~transport authorities and users (shippers, consignees, importers, exporters, freight~~
- 611 • ~~forwarders, etc.)~~
- 612 • ~~international transport operators (shipping companies, airlines, and their agents)~~
- 613 • ~~port authorities and terminal operators~~
- 614 • ~~inland transport operators (road, rail, inland waterways)~~
- 615 • ~~Chamber of Commerce~~
- 616 • ~~software solution providers~~
- 617 • ~~standards organization(s)~~
- 618

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

620 National Trade Facilitation Bodies (NTFBs) are important platforms for institutional coordination and
 621 stakeholders' consultation with balanced private and public sector participation. They enable the
 622 planning and implementation of successful trade facilitation (TF) reforms. For examples of how NTFBs
 623 operate, case studies can be found in the repository of UNCTAD (United Nations Conference on
 624 Trade and Development). The online repository is available at <http://unctad.org/tfc> . For sending new
 625 or updated country's experience to this repository, UNCTAD has provided the following contact:
 626 TFbodies@unctad.org OR trade.logistics@unctad.org
 627

628 The data have been collected through desk research and a detailed survey with national entities,
 629 providing information about different types of NTFBs. The questionnaire used for data collection is
 630 available online in English, French and Spanish and is as follows (as of January 2015):
 631

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

634 [Country] - Status [Month] [Year]

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?	
What are the sources of funding?	
Objectives / Focus	

Questions	Answers for [Country]
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.	