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4 NATIONAL TRADE FACILITATION BODIES

5 RECOMMENDATION No. 4 6

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43 **Introduction**

44 Experiences in many countries have shown over the years that conducting dialogue between
45 Government and the trading community and identifying trade issues and priorities is the
46 establishment of a National Trade Facilitation Body.

47

48 The importance of trade facilitation has been emphasised by the World Trade Organization Trade
49 Facilitation Agreement (TFA) concluded at the Ministerial Conference in Bali in December 2013. Thus
50 there was a need to revise the previous Recommendation No. 4 and reflect the needs, challenges
51 and priorities to give national agencies and companies a competitive edge necessary to boost the
52 world wide trading of products, commodities and services.

53
54
55

56 **Purpose and Scope**

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

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

66 This recommendation will outline the objectives, terms of references and best practices of
67 operating a NTFB. NTFB will deliberate or discuss on trade facilitation regulatory, operational,
68 customs and banking and finance issues among other related topics.

69

70 Trade facilitation bodies and an inclusive and constructive consultation process will provide
71 stakeholders the means to voice their viewpoints, clarify issues, and engage in meaningful dialogue.
72 NTFB can provide a holistic approach to national trade facilitation activities including a coordination
73 at a policy level, develop plan, strategies and action plan. NTFB will identify ~~the~~ the needs of all parties,
74 both private and public sectors, before solutions can be found and those best placed to explain their
75 needs are those directly involved in the transaction chain. NTFB is a forum where private sector
76 managers, public-sector administrators and policy makers will work together towards the effective
77 implementation of jointly-agreed facilitation measures.

Comment [k1]: Replace if there is a better substitute

Comment [k2]: Markus will provide revised text

78 **Benefits**

79 This recommendation helps articulate how the NTFB would be established. The Implementation of
80 this recommendation can lead to multiple benefits through creation of NTFBs. Some of the key
81 benefits are:

- [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.](#)

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International Standards

[Based on Articles V,VIII and X of the General Agreement on Tariffs and Trade \(GATT 1994\) the Bali TFA places obligations on WTO Members to support and sustain initiatives and measures to improve international trade performance.](#)

Comment [k3]: Consult Lance. Relationship is between NTFB implementing the international standards.

Comment [k4]: Bismark will provide a short text on this

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 23.1). Further under these arrangements the Agreement requires Member Nations to establish and/or maintain a national committee on trade facilitation (Article 23.2).

Establishment of a National Trade Facilitation Body

[The establishment of a National Trade Facilitation Body is dependent on many factors. Some of these include \(but are not limited to\) favourable government policies for economic development and trade; a robust and dynamic private sector; availability of human and financial resources, and a strong political will 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.](#)

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Comment [LT5]: Comment received : This paragraph enumerates the purposes of a NTFB.

[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.](#)

Comment [LT6]: There was a comment to interject this between the 'Benefits' and 'International Standards' section. It could be added: *In response to this request, this Recommendation specifies the principles such as the organization, structure, operation, funding to create a NTFB.* In this way, the reader will raise awareness on the contents of the Recommendation.

This wording is already mentioned twice, in the "Introduction" and in "Establishment of a NTFB" which is: -To 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.

-To design measures to eliminate or drastically reduce the barriers to efficient and effective trading processes

This should be placed in the "Purpose section".

Recommendation

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

1. To include trade facilitation as part of a national integrated strategy for trade policy, [and sustainable economic development and the creation of sustainable employment](#);
2. To identify issues affecting the cost and efficiency of their country's international trade and to develop measures to reduce such barriers and to assist in their implementation;
3. [To develop](#) measures to reduce the cost and improve the efficiency of international trade and to assist in the implementation of those measures;
4. To provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation;

Comment [LT7]: Comment received : The two phrases 'to develop~' in 139 and '3. To develop~' in 140-141 look duplicated.

130 5. To participate in international efforts to improve trade facilitation and efficiency;

131

132 **GUIDELINES TO RECOMMENDATION NO. 4**
133 **NATIONAL TRADE FACILITATION BODIES (NTFB)**
134

135 **A. INTRODUCTION**

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

- 140 • Active private and public sector participation;
- 141 • The identification of issues affecting the costs and efficiency of the country's international
142 trading performance, and the setting of priorities for action on the issues;
- 143 • The collaborative development of measures to reduce the cost and improve the
144 effectiveness of international trade transactions;
- 145 • The resources (both human and financial) to assist the implementation of the agreed
146 measures;
- 147 • The provision of a national focal point for the collection and dissemination of information on
148 best practices and standards in international trade facilitation; and
- 149 • The participation in international efforts to improve trade facilitation efficiency.

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

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

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

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

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

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

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

180 A.2 Partnership

181 10. ~~As described in the previous section~~~~From the above description~~, facilitating the total trade
182 transaction process requires a series of actions and measures combining the movement of goods, all
183 relevant regulatory requirements, notably government reform, modernization and automation... It
184 covers not only the economic, commercial and operational aspects of the trade transaction, but also
185 other related issues in the supply chain including finance, transport, transit, compliance with
186 international standards, trade related infrastructure and logistics, sectorial priorities (for example,
187 agriculture) and legal frameworks.

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

- 190 - **Public sector** (all relevant government trade-related agencies), in designing and
191 implementing national laws and regulations regarding trade in a coordinated way by working
192 together and to streamline import, export and transit procedures;
- 193 - **Private sector traders**, (importers and exporters), who can benefit from such solutions in
194 their international trade transactions; and
- 195 - **Private sector trade services providers** (carriers, freight forwarders, multimodal transport
196 operators, banking institutions, insurance companies, software providers, etc.), by offering
197 market-oriented trade and transport solutions within the framework of national and
198 international trade and transport practices, obligations and laws.

199
200 ~~There are issues in international and national transactions and National Trade Facilitation Bodies can,~~
201 ~~among other objectives, address these challenges.~~

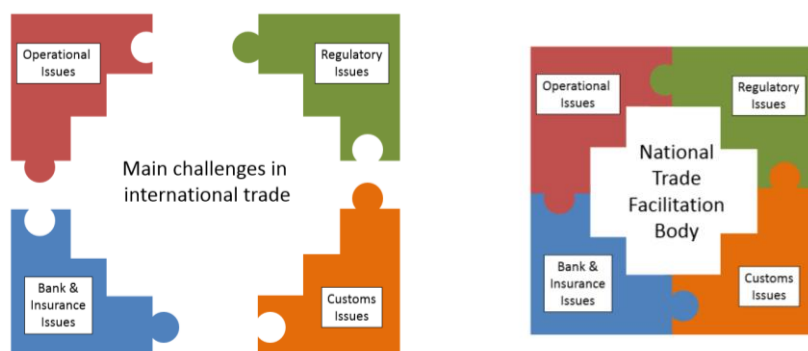


Figure 1. International trade brings together a number of issues which can be challenges to the trading community; a National Trade Facilitation Body can help bring these together coherently.

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

19. As a proper consultation mechanism, governments are invited to consider the possibility of establishing National Trade Facilitation Bodies (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.

B.1 General definition of a NTFB

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.

B.2. Purpose of a NTFB

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

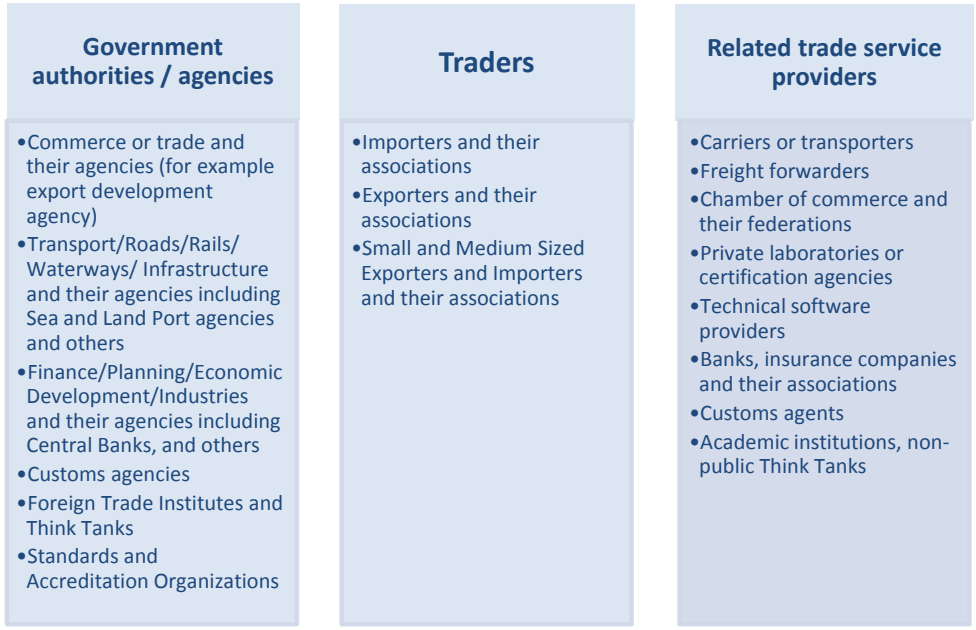
Depending on the national context, the specific purposes of the NTFB could entail the following:

- 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.

B.2 Membership of a NTFB

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. [Annex 3 proposes a toolbox for identifying the pertinent actors.](#) It is only with the active involvement of these participants that impediments can be meaningfully analysed and cooperative solutions devised.

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



238 **Figure 2.** The three main types of actors – representation from all of these should be sought when
 239 [establishing a NTFB.](#) [The actors may fall into different categories depending on the country or](#)
 240 [context.](#)

Comment [LT8]: This seems to be a repetition of the paragraph right before the diagram. Suggest to delete.

241
 242
 243 24. NTFBs should invite recognized experts based on their knowledge and competencies within their
 244 respective fields.

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

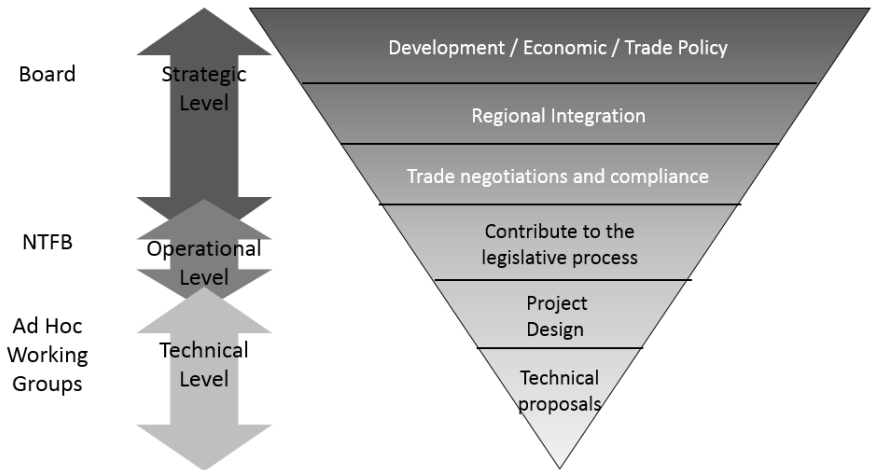
246 [A National Trade Facilitation Body could be organized on three distinct levels; strategic, operational](#)
 247 [and technical.](#)

- 248 • [at the strategic level would be the Board of the NTFB. They would be responsible for](#)
 249 [implementing the trade facilitation plan advised by the Lead Agency, whether government](#)
 250 [\(as envisaged by the World Trade Organization in its Agreement on Trade Facilitation –](#)
 251 [Article 13\), private sector or a partnership between trade and government that established](#)
 252 [the body. The Board would set the work programme based on the national policy and](#)
 253 [priorities advised by the Lead Agency. The Board would report back on its activities.](#)
 254 [Proposals and recommendations to the Lead Agency;](#)
- 255 • [at the operational level the NTFB would prepare reports, develop proposals and offer](#)
 256 [recommendations for achieving the objective of the strategic plan. These activities would be](#)
 257 [undertaken by permanent NTFB staff \(in senior and managerial positions, including a](#)
 258 [secretariat\) plus any staff seconded staff from the public or private sector. The results of this](#)
 259 [work would be presented top the Board for strategic consideration;](#)
- 260 • [at the technical level ad hoc Working Groups \(either permanent or temporary\) could be](#)
 261 [formed to undertake specific tasks defined by the NTFB, The composition of the Working](#)
 262 [Groups should include representatives from trade and industry sectors, consultancy and](#)
 263 [contributions from individual trade experts \(either in person or by written submission\). This](#)

264 [approach should ensure the quality of input into the process and that outcomes advised to](#)
 265 [the NTFB at the operational level would be constructive and valuable.](#)
 266 The NTFB can be envisioned in three levels: a strategic level, an operational level and a technical level.
 267
 268 The **Board** should be created with a limited number of participants from the most relevant public and
 269 private sector stakeholders. This would be the strategic level of the organization, setting the
 270 direction that the NTFB should follow. The NTFB was empowered by an organization or agency
 271
 272 *When applicable, the NTFB is established by a government administration; the Board should report*
 273 *back to the lead agency that empowered the NTFB on its activities and outcomes.*
 274
 275 At an operational level, the Board should establish a structure in which the private sector and all
 276 relevant government agencies can collaborate and develop the direction set out at the strategic level.
 277 This would be the actual NTFB. This level would be in charge of developing action plans and
 278 identifying best practices based on the direction established by the Board.
 279
 280 In order to ensure the continuity of work and follow any tasks which are delegated to ad-hoc working
 281 groups, a **Secretariat** should be established. The staffing of such a secretariat would depend on the
 282 work load involved in accomplishing the defined direction and managing the additional working
 283 groups.
 284
 285 At a technical level, **ad-hoc Working Groups** would accomplish specific tasks (either temporary or
 286 permanent) defined by the NTFB and the lead agency. These groups could include customs
 287 compliance committee, national single window implementation committee, etc. Representation in
 288 these working groups should be drawn from relevant industry sectors to ensure quality of input into
 289 the policy making process.

Comment [LT9]: Check the term « Board » with French and Russian will be applicable.

291 29. A conceptual representation of this structure has been developed within the Recommendation
 292 40 and is explained through the following diagram:



293
 294 **Figure 3.** [Each level of consultation should be clearly defined in both scope and authority with open](#)
 295 [and transparent channels of communication and reporting. In most consultation processes there is a](#)
 296 [need for communication between the levels in both directions so that, for instance, when a technical](#)
 297 [level group meets, it has information on what has been discussed at the strategic and operational](#)

298 | level. Similarly, information from discussions at the technical level will then need to be communicated
299 | to both the strategic and operational level.

300 | **B.4. Responsibilities and role of the NTFB components**

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

- 303 | a. Trade facilitation strategy and measures, problems, remedies, action plans, work
304 | programmes or projects, inter-agency coordination, regional and multilateral coordination.
- 305 | b. The proposals of solutions to problems identified in previous meetings;
- 306 | c. Formation of ad hoc working groups.
- 307 | d. Allocation of tasks to members.

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

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

316 | **B.5. Work Programme of the NTFB**

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

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

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

329 | **C. COORINATION OF NATIONAL TRADE FACILITATION BODIES AT** 330 | **NATIONAL OR REGIONAL LEVELS**

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

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

337 |
338 | Furthermore, the government may wish to call upon one or more of these organizations temporarily,
339 | in order to quickly establish an interim NTFB while they finalize their planning for a fully mandated,
340 | independent NTFB.

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

342 The ideal organization for an NTFB is a full public-private partnership as outlined elsewhere within
343 this document, both Government and Trade collaborating through a national trade facilitation body.
344 However, for historical reasons or for practical reasons, there may be another valid sectorial
345 organization which preexists and which the government may want to invest with this role. The
346 following is a non-exhaustive list of types of organizations. [Annex 3 can provide some guidance on](#)
347 [identifying these.](#)

- 348
- 349 • A fully private sector national trade facilitation body
 - 350 • A fully private sector shipper's organization with a trade facilitation mandate
 - 351 • A fully private sector transport organization with a trade facilitation mandate
 - 352 • A trade union with a trade facilitation mandate
 - 353 • A public sector consultation committee concentrating on trade facilitation matters
 - 354 • A government agency-lead committee (public sector) with a trade facilitation mandate
 - 355 • Etc.
- 356

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

366

367 ***C.1.2. Coordination among multiple trade facilitation organizations***

368 [A method of coordination may be chosen that could result in multiple organizations working on trade](#)
369 [facilitation within the country \(or economy\) or within a regional grouping, if such an arrangement](#)
370 [been agreed by the participating countries or economies. This could lead to two possible scenarios;](#)
371 [first, the government \(or regional grouping\) establishes an official NTFB but other organizations](#)
372 [\(public, private, PPP or trade or industry specific\) continue to exist in at the same time. Second, the](#)
373 [government could coordinate the activities of these multiple organizations using the NTFB as a focal](#)
374 [point of collaboration. The consequences of these two different circumstances are explored in the](#)
375 [following sections of the guidelines.](#)

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

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

381 A government-established NTFB should study the other organizations that exist within a country that
382 are working on the same or similar topics. These may be within the private sector or within the public
383 sector. Insofar as the missions and visions of trade facilitation coincide, the NTFB should try to
384 coordinate as much as possible with these other national organizations in order to avoid duplication
385 of efforts. This could take the form of bilateral/multilateral agreements outlining the activities of
386 each organization. It could, however, be less formal, inviting these organizations to discuss activities
387 to be performed and distributing work (through ad-hoc working groups, for example) on an as-
388 needed basis.

389 **C.1.2.b. Coordination of national trade facilitation organizations to create an official NTFB**
390 An alternative solution would be the coordination of existing, multiple trade facilitation organizations.
391 A government-appointed committee would need to identify all of the existing organizations (public,
392 private and/or [Public Private Partnership](#)) through a stakeholder analysis ([see Annex 3](#)) and the
393 different themes that they could work on; again one of the key factors will be to avoid duplication of
394 efforts.

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

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

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

412 To remedy this situation, it is advisable to ensure that all actors of the supply chain are represented
413 through the chosen organizations (not just port authorities... or not just shippers... or not just a
414 specific ministry...). Much of the work will be to ensure that all of these representative organizations
415 actively participate and that topics or work is not driven solely by one single point of view. Much can
416 be done during an identification phase when choosing the organizations, determining not only that
417 they are working on trade facilitation, but also any alternative motivations which should be considered.
418 [See annex 3. Recommendation 40 \(pending approval\) proposes within its Annex I a tool box for](#)
419 [stakeholder analysis which would be pertinent to this exercise.](#)

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

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

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

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

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

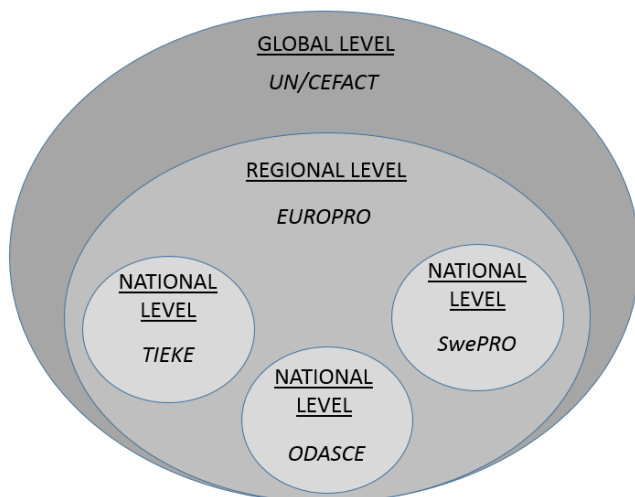
- 432 • To monitor regional progress of trade and transport facilitation and to coordinate regional
433 awareness rising activities

- 434
- 435
- 436
- 437
- To identify common inhibitions (technical, institutional or commercial);
 - To identify common solutions/regional action required to solve existing problems,
 - To support the region-wide use of trade related standards, recommendations, tariff structures, EDI, etc.

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

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

443 Below is a draft example of the illustration idea:
 444
 445



446
 447 [Figure 4. Coordination of National Trade Facilitation Bodies at a regional level and on a global level.](#)
 448

449 D. FUNDING, BUDGET and STAFFING

450 D. 1 Financing a NTFB

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

456 36. [Irrespective of Whatever](#) the structure selected and the decision for the range of its operations,
 457 the NTFB would need to pay for the staff and activities. Clearly the type and amount of funding
 458 needed would depend on the several factors to ensure optimum performance and the realisation of
 459 the benefits of its trade facilitation work programme and outputs. Consequently the funding
 460 arrangements must be both sustained and sustainable. To guarantee appropriate financial provision
 461 from the outset, making the NTFB some type of legal entity could be considered as a method of
 462 protecting the funding arrangements.

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

- 464 • Representative private sector organisations financial contribution (providing this did not
- 465 undermine the remit and terms of reference of the NTFB);
- 466 • Government grant, through its own budget;
- 467 • A public-private partnership;
- 468 • Contributions 'in kind' in the form of office space and maintenance, and office equipment;
- 469 • Additional funding for specific trade facilitation studies. These contributions could be
- 470 sourced from trade and industry sectors that would benefit from the introduction of trade
- 471 facilitation proposals.

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

479 D.3. Operating a NTFB

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

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

- 491 • A Chairman or similarly appointed official ([Strategic level](#))
- 492 • A Board ([Strategic level](#))
- 493 • An Executive Secretary / Manager (day-to-day running of the NTFB) and a secretariat
- 494 ([Operational level](#))

495 E. STEPS TOWARDS THE CREATION OF A NTFB

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

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

Comment [LT10]: Suggested alternative text :

44. Experience has demonstrated a NTFB usually requires Member, staff and representatives from stakeholder sectors an organizations to undertake the different and differing functions. The positions are neither pre-requisites nor restricted to the following:

At the strategic level;

- A Board,
- A Chairman (or similarly appointed official).

At the operational level;

- A Chief Executive,
- A Secretary,
- A secretariat (including a Personal Assistant to manage the schedule of the Chairman, Bord Members and Chief Executive).

At the technical level;

- Staff with recognised experience and expertise in the fields of trade facilitation, business and commercial processes, government trade regulations and procedures, transport issues and the financial and insurance sectors,
- Participants and contributors to Ad hoc Working Groups (a member of the permanent staff should be responsible for the administration of individual Working Groups),
- Consultants, and
- Interns, possibly students on unpaid work experience.

This list could be used as a checklist to ensure certain functions have not been omitted. Staff appointed to post in the technical level must have some security of tenure for the continuity of the NTFB work programme and consistency in the output of trade facilitation proposals and recommendations. Equally, terms and conditions must be agreed for the employment of any staff seconded from the public or private sectors, consultants and interns.

Comment [LT11]: I personally feel that this suggestion provides too much guidance on staff and creates something which might be too big for some economies. I prefer the original suggested staff which provides a minimum – but this is just my opinion.

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

- 507 • Agree the remit of the NTFB and the areas of policy development and identify key issues to
508 be initially considered;
- 509 • Formal establishment with preparations for the legal base, constitution, structure, funding
510 and administrative framework of the NTFB;
- 511 • Agree the appointment of the Officers and staff of the NTFB including the terms and
512 conditions of employment, the status of seconded persons and the recruitment of
513 consultants or other experts;
- 514 • Identify all key partners and stakeholders to agree on the terms of reference and, areas of
515 policy development, and the preparation of a 'corporate plan' and work programme.
- 516 • Agree the procedures for the formation of any Working Groups for specific tasks:
- 517 • Agree the reporting procedures within the NTFB and the way trade facilitation outputs,
518 including implementation strategies, are presented to government and trade;
- 519 • Coordinate with trade facilitation bodies (such as UN, WTO, WCO) and other international
520 standards bodies (ISO) and make use of materials produced by these organizations.

521 This inventory of suggested good practice is not exhaustive [and does not list in order of priority the](#)
522 [performance of these tasks](#). However it should provide a checklist to ensure essential actions are not
523 overlooked or ignored. Clearly the steps needed to create a NTFB would be wholly dependent of the
524 requirements of each country or economy.
525

526 **Annex 1 – Terms of Reference**

527 **A. Purpose and Objectives**

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

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

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

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

- 541 a. *Facilitation objectives:*
 - 542 i. to ensure the proper coordination in the field of facilitation of international trade;
 - 543 ii. to keep under review the procedures required in international trade, including
544 multimodal transport, with a view to their simplification and harmonization;
 - 545 iii. to collect and disseminate information on international trade formalities, procedures,
546 documentation, and related matters;
 - 547 iv. to pursue the simplification and alignment of trade documentation on the basis of
548 the United Nations layout key, including transport documents designed for use in
549 computer and other automated systems; and
 - 550 v. to promote the use and adoption of standard trade and transport technology and
551 international codes (for example EDI communications).
- 552 b. *Regulatory objectives:*
 - 553 i. to review, comment, amend, and propose for government approval new draft
554 documents on liability, civil responsibility, banking and intermodal transport
555 regulations with a view to update current regulations and practices embodied in the
556 Commercial Code and other legal texts;
 - 557 ii. to follow up on the final approval of proposed regulations and practices with the
558 various institutions concerned and through institutional and executive channels; and
 - 559 iii. to examine the convenience for the country to adhere to international conventions
560 and standards.
- 561 c. *Development Policy objectives:*
 - 562 i. to review the national policy content of trade investments and to facilitate, the
563 introduction and development of appropriate trade technologies; and
 - 564 ii. to address, as a national consulting body, questions related to the institutional
565 development and management of international trade facilities; and other relevant
566 issues.
- 567 d. *Training objectives:*
 - 568 i. to organize and implement campaigns to publicize the benefits and requirements of
569 simplified documents and procedures, aimed at policy-makers and senior decision-
570 makers in government organizations, parastatal bodies and transport operators,
571 Customs and other regulatory bodies;

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

578 **B. Budgetary considerations**

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

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

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

607 **C. Composition and Authority**

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

611 Government authorities / agencies:

- 612 • Commerce or trade and their agencies (for example export development agency)
613 • Transport/Roads/rails/Waterway/Infrastructure and their agencies including Sea and Land
614 Port agencies and others
615 • Finance/Planning/Economic Development/Industries and their agencies including Central
616 Banks and others
617 • Customs agencies
618 • Justice and their agencies

- 619 • Foreign Trade Institutes and Think Tanks
- 620 • Standards and Accreditation Organizations
- 621 •

- 622 Traders
 - 623 • Importers and their associations
 - 624 • Exporters and their associations
 - 625 • Small and Medium Sized Exporters and Importers and their associations

- 626 Related services
 - 627 • Carriers or transporters
 - 628 • Freight forwarders
 - 629 • Chamber of commerce and their federations
 - 630 • Private laboratories or certification agencies
 - 631 • Technical software providers
 - 632 • Banks, insurance companies and their associations
 - 633 • Customs agents
 - 634 • Academic institutions, non-public Think Tanks

- 635

- 636

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

638 National Trade Facilitation Bodies (NTFBs) are important platforms for institutional coordination and
 639 stakeholders' consultation with balanced private and public sector participation. They enable the
 640 planning and implementation of successful trade facilitation (TF) reforms. For examples of how NTFBs
 641 operate, case studies can be found in the repository of UNCTAD (United Nations Conference on
 642 Trade and Development). The online repository is available at <http://unctad.org/tfc> . For sending new
 643 or updated country's experience to this repository, UNCTAD has provided the following contact:
 644 TFbodies@unctad.org OR trade.logistics@unctad.org
 645

Field Code Changed

Field Code Changed

646
 647 The data have been collected through desk research and a detailed survey with national entities,
 648 providing information about different types of NTFBs. The questionnaire used for data collection is
 649 available online in English, French and Spanish and is as follows (as of January 2015):
 650

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

653 [Country] - Status [Month] [Year]
 654
 655

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.	

656

657

658 **Annex 3 – Stakeholder analysis toolbox**
 659 This annex is an excerpt from the Annex 1 of the proposed Recommendation 40 on Consultation
 660 Approaches.

661 **Stakeholder analysis**

662 Prior to initiating consultations, the lead agency or organization will need to identify
 663 the stakeholders that are concerned by the issue, proposal or change of procedure.
 664 Stakeholder analysis is an important tool by which to gather this information. The
 665 approach is a disciplined and structured way to map organizations and companies
 666 with an interest in the issue(s) at hand and consists of identifying end users, agents,
 667 organizations and grouping them into direct and secondary stakeholders, in terms of
 668 how they will be impacted. The process continues with descriptions of the
 669 stakeholders’ needs, interests, organizations, capacities and so on.. Information
 670 collected as part of this stakeholder mapping should also include an analysis of
 671 priority interests, what Government needs from this group, perceived attitudes/risks,
 672 and what it will take to persuade this group to agree to requested changes.

673 A sample template of how this can be mapped is provided below:

Stakeholder Strategy Matrix						
Stakeholder	Description/ Members	Stake in Proposed Change/ Priority	What do we need from them?	Perceived attitudes/ risks	What will it take to get support?	Stakeholder Management Strategy

674
 675
 676 A successful analysis will also promote and track the progress of specific
 677 stakeholders during the consultation process (that is, recognition of the baseline,
 678 creation of awareness, development of understanding, and finally, acceptance /
 679 readiness). This approach involves close coordination with the lead agency driving
 680 the change and requires consistent outreach focused on promoting discussions,
 681 awareness, understanding and acceptance across all the key stakeholder groups.

682 The following is offered as a quick stakeholder analysis checklist:

- 683 • what is the agency need(s) or priority?
- 684 • how flexible is the agency in its ability to change or modify this need or
 685 priority in the view of new proposals or developments?
- 686 • who are all the impacted stakeholders?
- 687 • how is information to be shared between the parties?
- 688 • what information can be shared, and with which stakeholders?
- 689 • what is the appropriate time to share this information so that parties have the
 690 necessary time to react?