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4 NATIONAL TRADE FACILITATION BODIES

5 RECOMMENDATION No. 4 6

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40 **Introduction**

41 Experiences in many countries have shown over the years that conducting dialogue between
 42 Government and the trading community and identifying trade issues and priorities is the establishment
 43 of a National Trade Facilitation Body.¹

44

45 The importance of trade facilitation has been reaffirmed by the World Trade Organization (WTO) Trade
 46 Facilitation Agreement (TFA) concluded at the Ministerial Conference in Bali in December 2013. The
 47 Bali TFA places obligations on WTO Members to support and sustain initiatives and measures to
 48 improve international trade performance through the implementation of a series of trade facilitation
 49 measures and best practices. Upon entry into force, WTO Members are expected to have established
 50 a national committee or designated an existing mechanism "to facilitate both domestic coordination
 51 and implementation of the provisions of this Agreement" (Article 23.2).

52 **Purpose and scope**

53 Governments and the trading community should adopt trade facilitation as an indispensable
 54 component of trade policy formation and should aim at the establishment of a National Trade
 55 Facilitation Body (NTFB) embracing the views and opinions of all stakeholders in pursuing agreement,
 56 cooperation and collaboration. Trade facilitation is defined as the simplification, harmonization and
 57 standardization of procedures and associated information flows required to move goods and provide
 58 related services from seller to buyer such as payments. NTFB encompasses trade facilitation regulatory,
 59 operational, customs and banking and finance issues among other related topics. Key success factors
 60 for establishing NTFB include (but are not limited to) favorable government policies for economic
 61 development and trade; a robust and dynamic private sector; availability of human and financial
 62 resources; and a strong political will to improve the performance of the international trade transaction
 63 and supply chain.

64

65 Trade facilitation bodies as well as inclusive and constructive consultation process will provide
 66 stakeholders the means to voice their viewpoints, clarify issues, and engage in meaningful dialogue.
 67 Within the overall national trade policy framework formulated by the Government, the NTFB can
 68 coordinate with the relevant stakeholders to formulate a national trade facilitation. This strategy can
 69 provide a holistic approach to national trade facilitation activities including a coordination at a policy
 70 level, develop strategies and action plans. The NTFB can present this strategy to the relevant high level
 71 government institutions for approval, support and the implementation of the strategy.

72

73 **Benefits**

74 This recommendation articulates the establishment of the NTFB. The implementation of this
 75 recommendation can lead to multiple benefits through creation of NTFBs. Some of the key benefits
 76 are:

- Helps compete internationally

¹ UNCTAD has done a lot of work on the subject. A report as well as information on NTFB worldwide are available at: <http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=928>

- 78
- Reduce cost of international trade (both for government agencies and Trade)
- 79
- Adopts most effective best practices (effective business processes aligned to international
- 80
- standards)
- 81
- Brings public and private sector together towards trade facilitation practices.
- 82

83 In collaboration through a NTFB the public and private sectors could design measures to eliminate or
84 drastically reduce the barriers to efficient and effective trading processes. This approach to solving the
85 problems in the international supply chain is improved if the NTFB works with similar organisations at
86 the regional (and sub-regional) and international level, and participates in the work programmes of
87 international bodies dedicated to trade facilitation and the development of standards.

88 **International standards**

89 Within its trade facilitation role, the NTFB identifies pertinent standards and recommendations for
90 suggested implementation nationally. The NTFB therefore needs to keep abreast of all relevant
91 standards work. Close collaboration with other NTFB as well as active participation within international
92 standards bodies such as UN/CEFACT will be very important in this role.

93

94 International standards such as those in the various UNCEFACT recommendations are readily available
95 to serve as basis for national and regional trade facilitation initiatives. Countries through their
96 memberships in other international organizations, such as WCO and ISO, may have also agreed to a
97 set of standards that guide their national trade facilitation reforms. In all of these, national trade
98 facilitation body is naturally needed and regarded as a key catalyst in mobilizing all domestic
99 stakeholders of international trade to progress in achieving milestones of national and regional trade
100 facilitation reforms.

101

102 **Recommendation**

103 The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) at its XXth
104 Plenary session in XX in Geneva recommends that Governments establish and support national trade
105 facilitation bodies with balanced private and public sector participation.

106 UN/CEFACT recommends that such an NTFB should:

- 108 1. include trade facilitation as part of a national integrated strategy for trade policy and
109 sustainable economic development;
 - 110 2. identify issues affecting the cost and efficiency of their country's international trade and to
111 develop measures to reduce such barriers and to assist in their implementation;
 - 112 3. develop measures to reduce the cost and improve the efficiency of international trade and to
113 assist in the implementation of those measures;
 - 114 4. provide a national focal point for the collection and dissemination of information on best
115 practices in international trade facilitation;
 - 116 5. participate in international efforts to improve trade facilitation and efficiency;
- 117

118 **GUIDELINES TO RECOMMENDATION NO. 4**
119 **NATIONAL TRADE FACILITATION BODIES (NTFB)**
120

121 **A. INTRODUCTION**

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

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

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

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

145 Trade facilitation is defined as the simplification, standardization and harmonization of procedures and
146 associated information flows required to move goods and provide related services from seller to buyer
147 and to make payments.

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

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

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

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

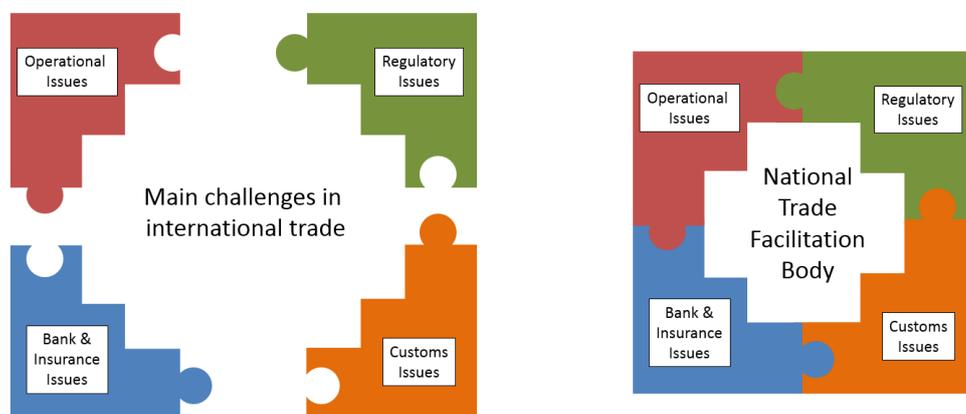
165 A.2 Partnership

166 10. As described in the previous section, facilitating the total trade transaction process requires a series
167 of actions and measures combining the movement of goods, all relevant regulatory requirements,
168 notably government reform, modernization and automation... It covers not only the economic,
169 commercial and operational aspects of the trade transaction, but also other related issues in the supply
170 chain including finance, transport, transit, compliance with international standards, trade related
171 infrastructure and logistics, sectorial priorities (for example, agriculture) and legal frameworks.

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

- 174 - **Public sector** (all relevant government trade-related agencies), in designing and implementing
175 national laws and regulations regarding trade in a coordinated way by working together and
176 to streamline import, export and transit procedures;
- 177 - **Private sector traders**, (importers and exporters), who can benefit from such solutions in their
178 international trade transactions; and
- 179 - **Private sector trade services providers** (carriers, freight forwarders, multimodal transport
180 operators, banking institutions, insurance companies, software providers, etc.), by offering
181 market-oriented trade and transport solutions within the framework of national and
182 international trade and transport practices, obligations and laws.

183
184



185
186 **Figure 1.** International trade brings together a number of issues which can be challenges to the
187 trading community; a National Trade Facilitation Body can help bring these together coherently.

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

189 19. As a proper consultation mechanism, governments are invited to consider the possibility of
190 establishing National Trade Facilitation Bodies (NTFB), along the lines described hereafter, on the basis
191 of the terms of reference included in Annex 1 and the principles laid out in the UN/CEFACT
192 Recommendation No. 40 on Consultation Approaches (see annex 3).

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

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

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

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

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

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

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

211 Participants from the Government and public administrations, each with a joint and separate interest
212 in the facilitation of trade. Private sector participants in such bodies should represent all industry
213 sectors, all types and size of business, and institutions taking part in international trade: manufacturers,
214 importers, exporters, freight forwarders, carriers, banks, insurance companies, etc. Annex 3 proposes
215 a toolbox for identifying the pertinent actors. It is only with the active involvement of these
216 participants that impediments can be meaningfully analysed and cooperative solutions devised.

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



Figure 2. The three main types of actors – representation from all of these should be sought when establishing a NTFB.

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221
222
223
224
225

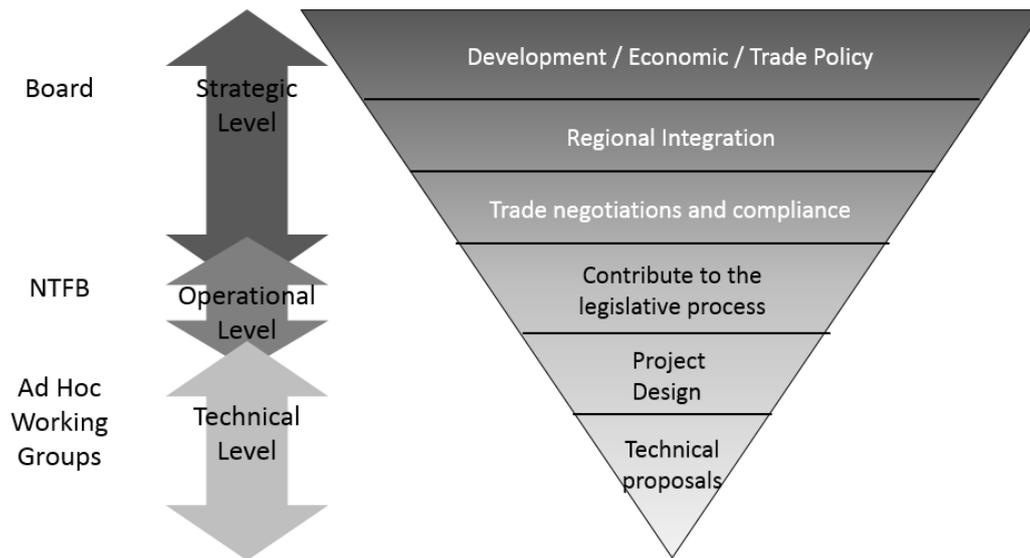
24. NTFBs should invite recognized experts based on their knowledge and competencies within their respective fields.

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

227 A National Trade Facilitation Body could be organized on three distinct levels; strategic, operational
228 and technical.

- 229 • at the strategic level would be **the Board** of the NTFB. They would be responsible for
230 implementing the trade facilitation plan advised by the Lead Agency, whether government (as
231 envisaged by the World Trade Organization in its Agreement on Trade Facilitation – Article 13),
232 private sector or a partnership between trade and government that established the body. The
233 Board would set the work programme based on the national policy and priorities advised by
234 the Lead Agency. The Board would report back on its activities. Proposals and
235 recommendations to the Lead Agency;
- 236 • at the operational level **the NTFB** would prepare reports, develop proposals and offer
237 recommendations for achieving the objective of the strategic plan. These activities would be
238 undertaken by permanent NTFB staff (in senior and managerial positions, including a
239 secretariat) plus any staff seconded staff from the public or private sector. The results of this
240 work would be presented top the Board for strategic consideration;
- 241 • at the technical level **ad hoc Working Groups** (either permanent or temporary) could be
242 formed to undertake specific tasks defined by the NTFB, The composition of the Working
243 Groups should include representatives from trade and industry sectors, consultancy and
244 contributions from individual trade experts (either in person or by written submission). This
245 approach should ensure the quality of input into the process and that outcomes advised to the
246 NTFB at the operational level would be constructive and valuable.
247

248 29. A conceptual representation of this structure has been developed within the Recommendation 40
 249 on Consultation Approaches and is explained through the following diagram:



250

251 **Figure 3.** Each level of consultation should be clearly defined in both scope and authority with open
 252 and transparent channels of communication and reporting. In most consultation processes there is a
 253 need for communication between the levels in both directions so that, for instance, when a technical
 254 level group meets, it has information on what has been discussed at the strategic and operational
 255 level. Similarly, information from discussions at the technical level will then need to be
 256 communicated to both the strategic and operational level.
 257 B.4. Responsibilities and role of the NTFB
 258 components

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

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

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

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

274 B.5. Work program of the NTFB

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

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

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

287 **C. COORINATION OF NTFB AT NATIONAL OR REGIONAL LEVELS**

288 **C.1 Coordination of National Trade Facilitation Bodies (NTFB)**

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

294
295 Furthermore, the government may wish to call upon one or more of these organizations temporarily,
296 in order to quickly establish an interim NTFB while they finalize their planning for a fully mandated,
297 independent NTFB.

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

299 The ideal organization for an NTFB is a full public-private partnership as outlined elsewhere within this
300 document, both Government and Trade collaborating through a national trade facilitation body.
301 However, for historical reasons or for practical reasons, there may be another valid sectorial
302 organization which preexists and which the government may want to invest with this role. The
303 following is a non-exhaustive list of types of organizations. Annex 3 can provide some guidance on
304 identifying these.

- 305
- 306 • A fully private sector national trade facilitation body
 - 307 • A fully private sector shipper's organization with a trade facilitation mandate
 - 308 • A fully private sector transport organization with a trade facilitation mandate
 - 309 • A trade union with a trade facilitation mandate
 - 310 • A public sector consultation committee concentrating on trade facilitation matters
 - 311 • A government agency-lead committee (public sector) with a trade facilitation mandate
 - 312 • Etc.
- 313

314 Each of these types of organizations may already exist in any country. Governments may wish to elect
315 one of these organizations to take on the role of NTFB. There is no obligation that the resulting
316 organization has representation from both the public and private sectors; however, there are
317 undeniable benefits in including both Government and Trade in such consultative bodies as reflected
318 in the UNECE Recommendation 40. For this reason, it is strongly suggested that if a private sector
319 organization is chosen that the public sector takes an active role within the organization, perhaps by
320 integrating the Board. Likewise, if a public sector organization is chosen, it is strongly suggested that it
321 be opened to active participation from the private sector, eventually reserving a number of key
322 positions to Trade.

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

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

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

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

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

341 An alternative solution would be the coordination of existing, multiple trade facilitation organizations.
342 A government-appointed committee would need to identify all of the existing organizations (public,
343 private and/or Public Private Partnership) through a stakeholder analysis (see Annex 3) and the
344 different themes that they could work on; again one of the key factors will be to avoid duplication of
345 efforts.

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

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

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

363 To remedy this situation, it is advisable to ensure that all actors of the supply chain are represented
364 through the chosen organizations (not just port authorities... or not just shippers... or not just a specific
365 ministry...). Much of the work will be to ensure that all of these representative organizations actively
366 participate and that topics or work is not driven solely by one single point of view. Much can be done
367 during an identification phase when choosing the organizations, determining not only that they are
368 working on trade facilitation, but also any alternative motivations which should be considered. See
369 annex 3.

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

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

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

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

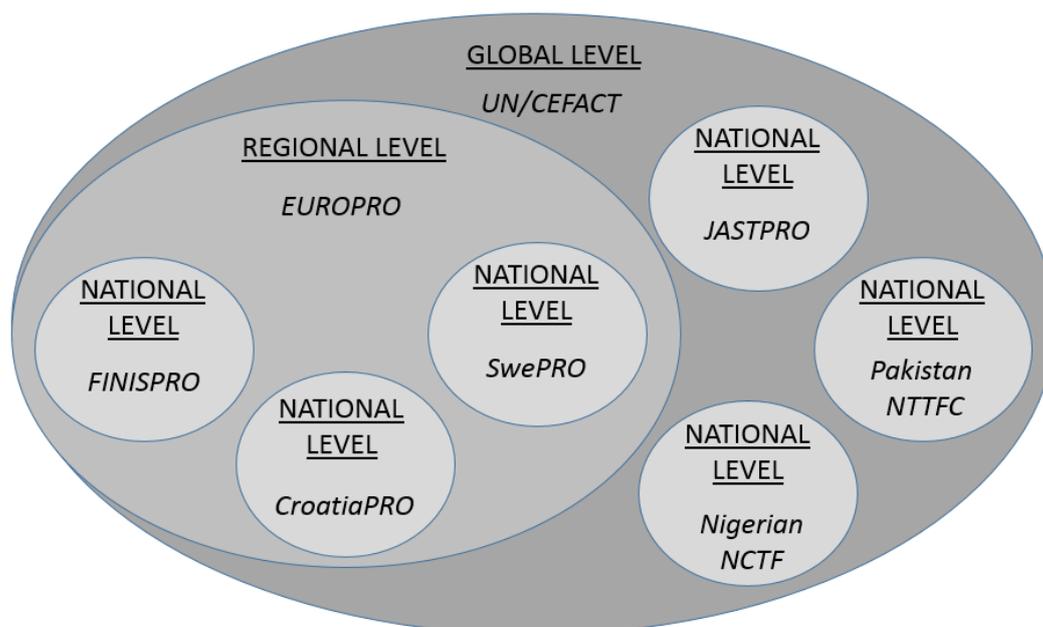
381 The basic terms of reference for such Regional Organization could be:

- 382 • To monitor regional progress of trade and transport facilitation and to coordinate regional
383 awareness rising activities
- 384 • To identify common inhibitions (technical, institutional or commercial);
- 385 • To identify common solutions/regional action required to solve existing problems,
- 386 • To support the region-wide use of trade related standards, recommendations, tariff structures,
387 EDI, etc.

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

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

393
394 Below is a draft example of the illustration idea:
395



396 **Figure 4.** Coordination of National Trade Facilitation Bodies at a regional level and on a global level.
397

399 **D. FUNDING, BUDGET and STAFFING**

400 **D. 1 Financing a NTFB**

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

406 36. Whatever the structure selected and the decision for the range of its operations, the NTFB would
 407 need to pay for the staff and activities. Clearly the type and amount of funding needed would depend
 408 on the several factors to ensure optimum performance and the realisation of the benefits of its trade
 409 facilitation work programme and outputs. Consequently the funding arrangements must be both
 410 sustained and sustainable. To guarantee appropriate financial provision from the outset, making the
 411 NTFB some type of legal entity could be considered as a method of protecting the funding
 412 arrangements.

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

- 414 • Representative private sector organisations financial contribution (providing this did not
 415 undermine the remit and terms of reference of the NTFB);
- 416 • Government grant, through its own budget;
- 417 • A public-private partnership;
- 418 • Contributions ‘in kind’ in the form of office space and maintenance, and office equipment;
- 419 • Additional funding for specific trade facilitation studies. These contributions could be sourced
 420 from trade and industry sectors that would benefit from the introduction of trade facilitation
 421 proposals.

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

429 **D.3. Operating a NTFB**

430 42. The staff of the NTFB would be its greatest asset. Therefore care must be taken in their selection,
 431 whether recruited as permanent employees or accepted as secondments² for a term defined period
 432 as part of the financial contribution from a representative organisation. Where staff are recruited for
 433 a permanent position in the NTFB, national laws governing recruitment and labour regulations
 434 concerning terms and conditions of employment must be observed. Equally important and under the
 435 same laws any staff seconded from a representative organisation (either public or private sector) must
 436 be assured any overarching employment contract would be honoured during the term of their
 437 secondment.

² 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).

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

- 441 • A Chairman or similarly appointed official
- 442 • A Board
- 443 • An Executive Secretary / Manager (day-to-day running of the NTFB) and a secretariat

444 **E. STEPS TOWARDS THE CREATION OF A NTFB**

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

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

- 456 • Agree the remit of the NTFB and the areas of policy development and identify key issues to be
457 initially considered;
- 458 • Formal establishment with preparations for the legal base, constitution, structure, funding and
459 administrative framework of the NTFB;
- 460 • Agree the appointment of the Officers and staff of the NTFB including the terms and conditions
461 of employment, the status of seconded persons and the recruitment of consultants or other
462 experts;
- 463 • Identify all key partners and stakeholders to agree on the terms of reference and, areas of
464 policy development, and the preparation of a 'corporate plan' and work programme.
- 465 • Agree the procedures for the formation of any Working Groups for specific tasks:
- 466 • Agree the reporting procedures within the NTFB and the way trade facilitation outputs,
467 including implementation strategies, are presented to government and trade;
- 468 • Coordinate with trade facilitation bodies (such as UN, WTO, WCO) and other international
469 standards bodies (ISO) and make use of materials produced by these organizations.

470
471 This inventory of suggested good practice is not exhaustive and does not list in order of priority the
472 performance of these tasks. However it should provide a checklist to ensure essential actions are not
473 overlooked or ignored. Clearly the steps needed to create a NTFB would be wholly dependent of the
474 requirements of each country or economy.

475

476 **Annex 1 – Terms of Reference**

477 **A. Purpose and Objectives**

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

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

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

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

490 a. *Facilitation objectives:*

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

501 b. *Regulatory objectives:*

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

510 c. *Development Policy objectives:*

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

516 d. *Training objectives:*

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

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

527 **B. Budgetary considerations**

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

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

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

555 **C. Composition and Authority**

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

559 Government authorities / agencies:

- 560 • Commerce or trade and their agencies (for example export development agency)
561 • Transport/Roads/rails/Waterway/Infrastructure and their agencies including Sea and Land
562 Port agencies and others
563 • Finance/Planning/Economic Development/Industries and their agencies including Central
564 Banks and others
565 • Customs agencies
566 • Justice and their agencies

- 567 • Foreign Trade Institutes and Think Tanks
- 568 • Standards and Accreditation Organizations
- 569 •

- 570 Traders
 - 571 • Importers and their associations
 - 572 • Exporters and their associations
 - 573 • Small and Medium Sized Exporters and Importers and their associations

- 574 Related services
 - 575 • Carriers or transporters
 - 576 • Freight forwarders
 - 577 • Chamber of commerce and their federations
 - 578 • Private laboratories or certification agencies
 - 579 • Technical software providers
 - 580 • Banks, insurance companies and their associations
 - 581 • Customs agents
 - 582 • Academic institutions, non-public Think Tanks

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

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 587 National Trade Facilitation Bodies (NTFBs) are important platforms for institutional coordination and
 588 stakeholders' consultation with balanced private and public sector participation. They enable the
 589 planning and implementation of successful trade facilitation (TF) reforms. For examples of how NTFBs
 590 operate, case studies can be found in the repository of UNCTAD (United Nations Conference on Trade
 591 and Development). The online repository is available at <http://unctad.org/tfc> . For sending new or
 592 updated country's experience to this repository, UNCTAD has provided the following contact:
 593 TFbodies@unctad.org OR trade.logistics@unctad.org
 594

595 The data have been collected through desk research and a detailed survey with national entities,
 596 providing information about different types of NTFBs. The questionnaire used for data collection is
 597 available online in English, French and Spanish and is as follows (as of January 2015):
 598

599 **Template for case studies on**
 600 **setting up and sustaining a multi-agency Trade Facilitation body**

601 [Country] - Status [Month] [Year]
 602
 603

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?	

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

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606 **Annex 3 – Stakeholder analysis toolbox**

607 This annex is an excerpt from the Annex 1 of Recommendation 40 on Consultation Approaches.

608 **Stakeholder analysis**

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

620 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

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

The following is offered as a quick stakeholder analysis checklist:

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