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4 NATIONAL TRADE FACILITATION BODIES

5 RECOMMENDATION No. 4 6

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41 **Introduction**

42 Experiences in many countries have shown over the years that conducting dialogue between

43 Government and the trading community and identifying trade issues and priorities can be achieved

44 through the establishment of a National Trade Facilitation Body.¹ With this objective in mind,

45 representatives of Member States and international organizations have developed and adopted the

46 previous versions of Recommendation 4, which were used for the establishment of trade and

47 transport facilitation committees in many countries since the 1970s.

48

49 The importance of trade facilitation has been confirmed by the World Trade Organization (WTO)

50 Trade Facilitation Agreement (TFA) concluded at the Ministerial Conference in Bali in December 2013.

51 The Bali TFA places obligations on WTO Members to support and sustain initiatives and measures to

52 improve international trade performance through the implementation of a series of trade facilitation

53 measures and best practices. Upon entry into force, WTO Members are expected to have established

54 a national committee or designated an existing mechanism "to facilitate both domestic coordination

55 and implementation of the provisions of this Agreement" (Article 23.2).

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 to establish a National Trade Facilitation Body

59 (NTFB) embracing the views and opinions of all stakeholders in pursuing agreement, cooperation and

60 collaboration. Trade facilitation is defined as the simplification, harmonization and standardization of

61 procedures and associated information flows required to move goods and provide related services

62 from seller to buyer such as payments.

63

64 A NTFB encompasses all trade facilitation issues covering regulatory, operational, customs,

65 multimodal transport, transit, logistics, banking and finance, agriculture, sanitary and phyto-sanitary,

66 health, electronic business among other related topics. Key success factors for establishing NTFB

67 include (but are not limited to) favorable government policies for economic development and trade;

68 a robust and dynamic private sector; availability of human and financial resources; and a strong

69 political will to improve the performance of the international trade transaction and supply chain.

70

71 Trade facilitation bodies, as well as an inclusive and constructive consultation process, will provide

72 stakeholders the opportunity and means to voice their viewpoints, clarify issues, and engage in

73 meaningful dialogue. Within the overall national trade policy framework formulated by the

74 Government, the NTFB can coordinate the relevant stakeholders to devise a strategy that offers a

75 holistic approach to national trade facilitation activities including a coordination at a policy level, the

76 development of trade simplification measures and proposals for action plans. The NTFB can present

77 this strategy to the relevant government institutions for endorsement and support with a mandate

78 for implementation of the strategy.

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> (as of April 2015)

79

80 Benefits

81 The establishment of a NTFB can significantly benefit to the advancement of a national trade
82 facilitation policy. Some of the key advantages are:

- 83 • Help a country to compete internationally
- 84 • Reduce the costs of international trade (both for Government and Trade)
- 85 • Adopt the most efficient and effective best practices (government procedures and business
86 processes aligned to international standards)
- 87 • Bring public and private sector together to adopt and support trade facilitation practices.

88

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

95 International standards

96 Within its trade facilitation remit, the NTFB should monitor all relevant work on international
97 standards and recommendations and suggest, where appropriate, national implementation. Close
98 collaboration with other NTFBs as well as active participation within international standards bodies
99 such as UN/CEFACT will be very important in this role.

100

101 International standards contained in the various UN/CEFACT recommendations and guidance are
102 readily available to offer a basis for national and regional trade facilitation and simplification
103 measures. Some countries through their membership in other international organizations such as
104 WCO and ISO, may already have agreed a set of standards to guide their national trade facilitation
105 initiatives, and reform and modernisation programmes. A NTFB can be a key catalyst in galvanising
106 stakeholders to adopt international standards in achieving milestones in trade facilitation,
107 modernization and reform programmes.

108

109 Recommendation

110 The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) recommends
111 that Governments establish and support national trade facilitation bodies with balanced private and
112 public sector participation.

113

114 UN/CEFACT recommends that such a National Trade Facilitation Body should:

- 115 1. include trade facilitation as an integral part of a national integrated strategy for trade policy
116 and sustainable economic development;
- 117 2. identify issues affecting the cost and efficiency of their country's involvement in
118 international trade, develop simplifications measures to eliminate or reduce such barriers
119 and assist in their implementation;
- 120 3. provide a national focal point for the collection and dissemination of information on best
121 practices in international trade facilitation;
- 122 4. participate in international efforts to improve trade facilitation and efficiency.

123

124 **GUIDELINES TO RECOMMENDATION NO. 4**
125 **NATIONAL TRADE FACILITATION BODIES (NTFB)**

126 **A. INTRODUCTION**

127 The establishment of a national body to adopt and pursue the implementation of trade facilitation
128 can take many forms. Experience has shown optimum success requires certain essential factors must
129 be included in the organization, administrative arrangements and operation of the national body.
130 Some of the prerequisites needed from the outset are:

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

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

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

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

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

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

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

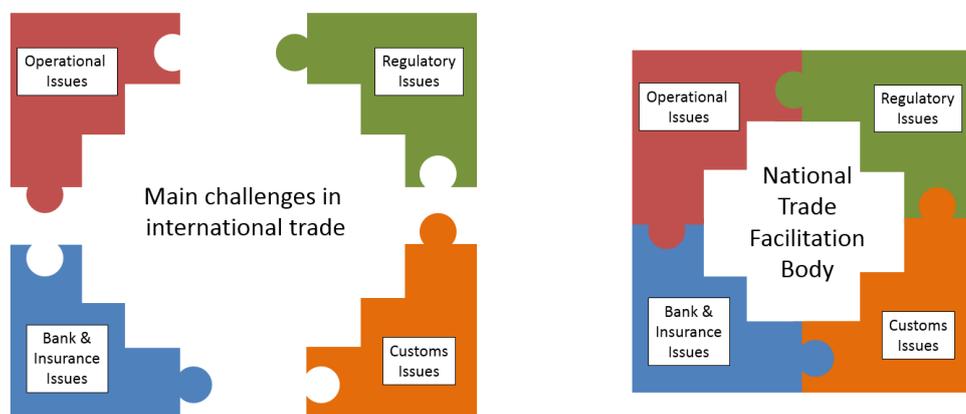
- **Standardization** is ensuring that required information is described, understood and applied in a consistent manner. Many international standards development organizations, consortia and communities have developed standards concerning the description, definition, use and transfer of information related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

169 A.2 Partnership

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

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

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



190 **Figure 1.** International trade includes a number of issues that can be challenging for the trading
 191 community. A National Trade Facilitation Body can help bring these issues together in coherent way.
 192

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

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

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

199 A NTFB is a formally constituted body where all interested parties from public and private sectors in
200 the country's international trade, multimodal transport, transit, logistics, finance, agriculture,
201 sanitary and phyto-sanitary, health, electronic business and related topics could present their
202 respective views and problems, and seek, through consultation and consensus, mutually agreeable
203 solutions.

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

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

207 Depending on the national context, the specific purposes of the NTFB could entail the following (not
208 only):

- 209 - Facilitate inter-agency coordination;
- 210 - Provide directives on major trade facilitation issues;
- 211 - Champion the national strategic trade priorities;
- 212 - Develop new national policies mapped against existing international standardized and
213 harmonized methods;
- 214 - Promote existing facilitation solutions and help implementing them;
- 215 - Participate actively in the creation and maintenance of trade facilitation measures
216 internationally;
- 217 - Contribute to the work of established international organizations such as UN working parties,
218 WCO committees, the WTO under the framework of the Trade Facilitation Agreement and
219 other recognized international bodies.

220 **B.3 Membership of a NTFB**

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

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



Figure 2. The three main types of actors in international trade. The establishment of a NTFB should aim to seek representation from all these categories.

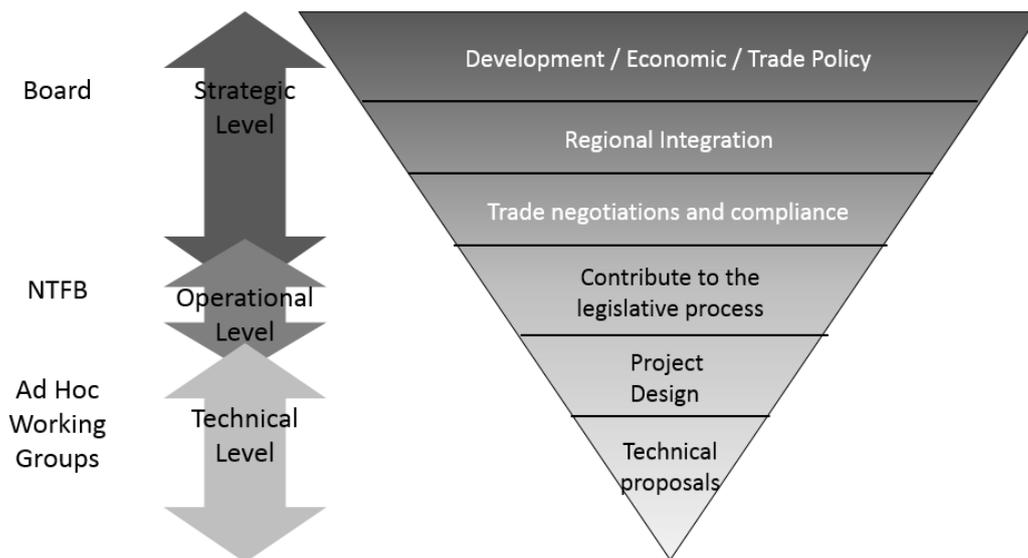
A NTFB should invite recognized experts based on their knowledge, experience and competencies within their respective fields.

B.4. Organization of the NTFB

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

- at the strategic level would be **the Board** of the NTFB. They would be responsible for implementing the trade facilitation plan (policy and priorities) advised by the Lead Agency, whether government (as envisaged by the World Trade Organization in its Agreement on Trade Facilitation – Article 23.2), private sector or a partnership between trade and government, that established the body. The Board would set the work programme of the NTFB and report back to the Lead Agency on its activities with any proposals, recommendations or other outcomes;
- at the operational level **the NTFB** would prepare reports, develop proposals and offer recommendations for achieving the objective of the trade facilitation plan. These activities would be undertaken by permanent NTFB staff (in senior and managerial positions, including a secretariat) plus any seconded staff from the public or private sector. The results of this work would be presented to the Board for strategic consideration;
- at the technical level **ad hoc Working Groups** (either permanent or temporary) could be formed to undertake specific tasks defined by the NTFB. The composition of the Working Groups should include representatives from trade and industry sectors, consultancy and contributions from individual trade experts (either in person or by written submission). This approach should ensure the quality of input into the process and that outcomes advised to the NTFB at the operational level would be constructive and valuable.

259 A conceptual representation of this structure has been developed within Recommendation 40 on
 260 Consultation Approaches and is explained through the following diagram:



261
 262 **Figure 3.** Each level of consultation should be clearly defined in both scope and authority with open
 263 and transparent channels of communication and reporting. In most consultation processes there is a
 264 need for communication between the levels in both directions. For instance, when a technical level
 265 group meets, it should have information on discussions and decisions at the strategic and operational
 266 level. Similarly, information from discussions at the technical level must be communicated to both
 267 the strategic and operational level.
 268

269 **B.5. Role and responsibilities of the NTFB components**

270 The NTFB should meet as required to pursue its objectives. The agenda of these meetings would
 271 cover the following items; the list is indicative, not exhaustive,

- 272 a. Trade facilitation strategy, inter-agency coordination, regional and multilateral collaboration
- 273 b. Identifying problems and barriers to international trade identified by stakeholders
- 274 c. Developing solutions, remedies and simplification measures
- 275 d. Proposing work programmes, projects, action plans and preparing implementation
- 276 strategies
- 277 e. Formation of ad hoc working groups.
- 278 f. Allocation of tasks to NTFB, stakeholders and other members.

279 32. The tasks and activities of the ad-hoc Working Groups would be supported by a Secretary from
 280 the permanent staff of the NTFB. The Secretary would be responsible for presenting any proposals
 281 for trade facilitation and, or simplification measures, action plans, research papers or other report
 282 documents to the Board of the NTFB for consideration and approval.

283 **B.6. Work programme of the NTFB**

284 33. Trade facilitation should be a progressive strategy, requiring a focused work programme covering
 285 all aspects of the international trade transactions and supply chains.

286 34. The development of the work programme should be undertaken in consultation with all
 287 stakeholders and other interested parties. These actors should be encouraged to formulate their

288 views using tried-and-tested techniques such as workshops, seminars, or "brainstorming" sessions.
289 The results would then be presented to the NTFB. The work programme needs to be flexible enough
290 to take into account issues that might arise which could not have been anticipated.

291 The NTFB should encourage national representatives in relevant international organizations (such as
292 UN/CEFACT, the World Customs Organization, the World Trade Organization, International Chamber
293 of Commerce) and regional coordination bodies to join in the work of the NTFB. The NTFB agenda
294 should reflect the activities of these external organizations and bodies as part of its international
295 trade monitoring function.

296 C. COORDINATION OF NTFB AT NATIONAL OR REGIONAL LEVELS

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

298 Many countries want or need to establish a NTFB but have not yet considered the governance, the
299 structure and details of the operation of such a body. Meanwhile, nationally, there may be other
300 sectorial organizations that provide in part or in full the function of trade facilitation body.
301 Governments may wish to provide an official endorsement of one of these organizations in order to
302 fulfill the role of NTFB; or they may wish to coordinate several of these organizations to achieve this
303 objective.

304
305 Furthermore, the government may wish to call upon one or more of these organizations temporarily,
306 in order to establish an interim NTFB while the planning is completed for a fully mandated,
307 independent NTFB.

308 *C.1.1 National sectorial organizations that might fulfill the role of trade facilitation*

309 The ideal organization for an NTFB is a full public-private partnership as outlined elsewhere within
310 this document, with both Government and Trade collaborating. However, for historical reasons or
311 present-day practicalities, the government might want to invest an existing, well-founded sectorial
312 organization with this role. The following is a non-exhaustive list of types of organizations that could
313 fulfil the role of a NTFB. Annex 3 provide some guidance on identifying these organizations.

314

- 315 • A fully private sector national trade facilitation body
- 316 • A fully private sector shippers' organization with a trade facilitation mandate
- 317 • A fully private sector transport organization with a trade facilitation mandate
- 318 • A trade union with a trade facilitation mandate
- 319 • A public-private partnership committee working on trade facilitation matters
- 320 • A public sector consultation committee concentrating on trade facilitation matters
- 321 • A government agency-lead committee with a trade facilitation mandate.

322

323 Each of these types of organizations may already exist in any country and Governments may wish to
324 select one to take on the role of a NTFB. There is no guarantee the organization has representation
325 from both the public and private sectors; however, there are undeniable benefits in including both
326 Government and Trade in such consultative bodies as reflected in the UNECE Recommendation 40.
327 For this reason, if a private sector organization is chosen then that the public sector must take an
328 active role within the organization, perhaps through an integrated the Board. Likewise, if a public
329 sector organization is chosen, then it should be open to active participation from the private sector,
330 perhaps by reserving a number of key positions to Trade representatives.

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

332 A method of coordination may be chosen that could result in multiple organizations working on trade
333 facilitation within the country (or economy) or within a regional grouping, if such an arrangement has

334 been agreed by the participating countries or economies. This could lead to two possible situations;
335 first, the government (or regional grouping) establishes an official NTFB but other organizations
336 (public, private, public and private partnership, or trade or industry specific) continue to exist at the
337 same time. Second, the government could coordinate the activities of these multiple organizations
338 using the NTFB as a focal point of collaboration. The consequences of these two different
339 circumstances are explored in the following sections of the guidelines.

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

341 A government-established NTFB should study the other organizations already existing within the
342 country and working on the same or similar topics. These may be within the private sector or within
343 the public sector. Insofar as the missions and visions of trade facilitation coincide, the NTFB should
344 try to coordinate as much as possible with these other national organizations in order to avoid
345 duplication of effort. This could take the form of bilateral or multilateral agreements outlining the
346 activities of each organization. However a less formal approach could be to invite these organizations
347 to discuss activities to be performed and distributing work (for example, through ad-hoc working
348 groups) on an agreed basis.

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

350 An alternative solution would be the coordination of existing, multiple trade facilitation organizations.
351 A government-appointed committee would need to identify all of the existing organizations (public,
352 private and/or Public Private Partnership) through a stakeholder analysis (see Annex 3) and the
353 different functions they perform. Again one of the key factors of the analysis would be to ensure
354 there is no duplication of effort.

355 For example, the government-appointed coordinating committee would be the main decision body
356 and focal point for official national trade facilitation activities and consultation – the strategic level of
357 the structure. However associated operational or technical work could be distributed to these other
358 organizations that would report back to the coordinating committee to ensure the work has the
359 correct perspective proper direction and continues to meet agreed objectives. Likewise, the
360 government could enable appointed officials or experts to oversee the work at each level (strategic,
361 operational and technical) to coordinate the work of the other, pre-existing organizations.

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

363 Using an existing trade facilitation organization would have the advantage of reducing costs for the
364 government and avoiding duplication of effort through the optimization of resources. However,
365 there could be some disadvantages, such as the primary focus of the other organizations. Trade
366 associations, unions or even specific ministry-driven organizations were probably established with a
367 specific mission that might not necessarily be trade facilitation. These organizations might also have
368 been established to accommodate a specific type of actor in the supply chain. Their participation in
369 any trade facilitation activity might have ulterior motives that could be incompatible with global
370 trade facilitation objectives or the strategic direction the lead agency wants to follow.

371 To remedy this situation, all actors of the supply chain should be represented in the chosen
372 organizations (not just port authorities... not just shippers... not just a specific ministry...). Much of
373 the administrative work would be to ensure all representative organizations participate actively and
374 positively, and topics or tasks are not driven solely by one single point of view or agenda. Much can
375 be achieved during an identification phase of choosing the organizations, determining not only that
376 they are working on trade facilitation, but also considering any alternative motivations that direct its
377 work.

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

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

381 Quite often the individual NTFBs from a same region struggle with similar challenges, not only
382 because of the geographical environment like common borders but also similar regulations, trading
383 traditions and trading partners. Hence, regional cooperation of NTFBs can support and strengthen
384 each national body's activities and approaches to trade facilitation, and also create agreed common
385 solutions to their trade facilitation issues.

386 The Regional Trade Facilitation Organization can be constituted of representatives from National
387 Bodies, including for example the Chairmen and the Technical Secretaries. Regional committees
388 should meet regularly, based on the agreed time table and agenda.

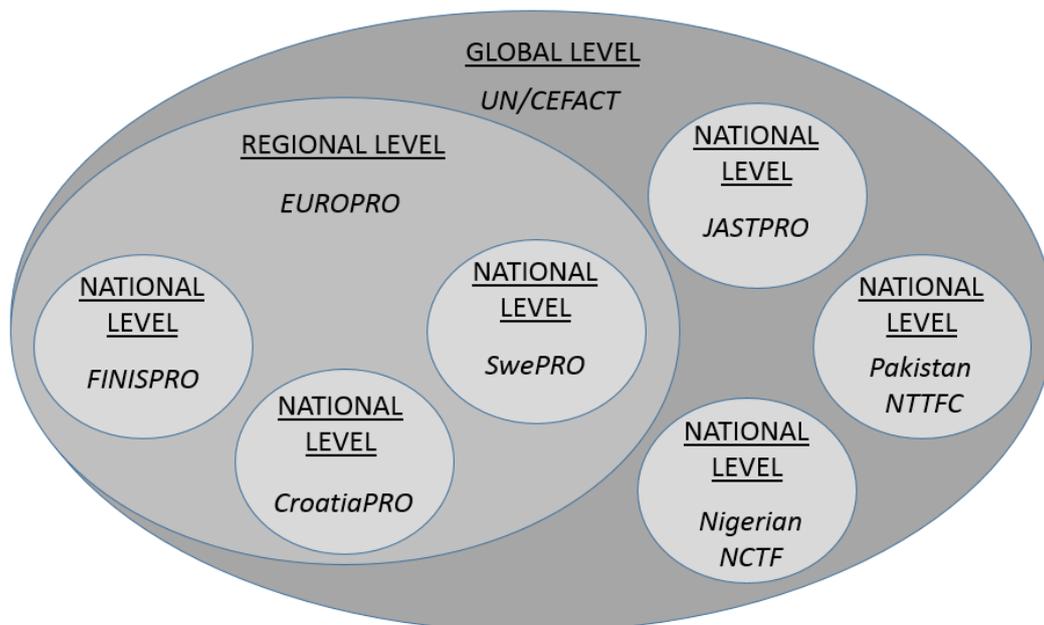
389 The basic terms of reference for such Regional Organization could be:

- 390 • To monitor regional progress of trade and transport facilitation and to coordinate regional
391 awareness raising activities
- 392 • To identify common barriers and inhibitors (technical, institutional or commercial);
- 393 • To identify common solutions and regional action required to solve existing problems,
- 394 • To support the region-wide use of trade related standards, recommendations, tariff
395 structures, electronic data interchange and other simplification tools and techniques.

396 The important steering role of the Regional Organization could be substantially strengthened by
397 assigning *ad-hoc* expert services or task forces at its disposal to focus on a specific trade facilitation
398 issue.

399 An illustration of the regional and global organisation and, or structure of NTFBs (similar to the
400 diagram for the organization of a NTFB described earlier in the Guideline text) is reproduced below:

401



402
403
404

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

405 D. FUNDING, BUDGET and STAFFING

406 D. 1 Financing a NTFB

407 Once a government has decided to endorse legally a particular body, the government must consider
408 its sustainability and this implies funding for all aspects of the NTFB – see examples of the potential
409 expenses in Annex 1. Accounts must be open and transparent and available to all representative
410 organizations, or approved third parties for audit purposes.

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

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

- 419 • Financial contributions from representative private sector organisations (providing this did
420 not undermine the remit and terms of reference of the NTFB);
- 421 • Government grant, from its own budget;
- 422 • A public-private partnership;
- 423 • Contributions ‘in kind’ in the form of office space and maintenance, and office equipment;
- 424 • Additional funding for specific trade facilitation studies. These contributions could be
425 sourced from trade and industry sectors that would benefit from the introduction of trade
426 facilitation proposals.

427 38. For many countries, the subject of funding is a challenge and could prove an impediment to the
428 establishment and long-term operation of a NTFB. The government might lack the financial resources
429 or the private sector is unable to marshal sufficient funds from representative business sectors or
430 trade associations. Consequently imaginative and innovative solutions would need to be considered.
431 For example, the loan of staff from relevant government departments, authorities and agencies for a
432 specific period or activity. Equally the private sector enterprises could agree to secondments² while
433 continuing to meet the costs of those staff.

434 D.3. Operating a NTFB

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

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

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).

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

449 E. STEPS TOWARDS THE CREATION OF A NTFB

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

459 46. After any approved awareness campaign, specific actions should be considered when establishing
460 the NTFB. The type and range of measures would be dependent on the national needs, culture and
461 capabilities. Some of the provisions could be:

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

476
477 This inventory of suggested good practice is not exhaustive and does not list in order of priority the
478 performance of these tasks. However it should provide a checklist to ensure essential actions are not
479 overlooked or ignored. Clearly the steps needed to create a NTFB would be wholly dependent of the
480 requirements of each country or economy.
481

482 Annex 1 – Terms of Reference

483 A. Purpose and Objectives

484 1. In brief, the main purpose of the National Trade Facilitation Body (NTFB) is to act as an open forum
485 to promote trade facilitation, facilitate inter-agency coordination, and provide directives on major
486 trade facilitation issues. There are a number of specific purposes or objectives that guides the
487 activities of the NTFB.

488 2. The specific objectives of the body are as follows (but not limited to):

- 489 a. to provide a national forum equipped with a consultation mechanism for the facilitation of
490 formalities, procedures and documentation used in international trade, multimodal transport,
491 transit, logistics, finance and other related topics (*facilitation objectives*);
- 492 b. to propose, for government approval, draft trade-related regulations and practices in the
493 areas mentioned in 2.a. (*regulatory objectives*);
- 494 c. to make policy recommendations on future trade related investments (*development*
495 *objectives*);
- 496 d. to increase awareness of the methods and benefits of trade facilitation (*outreach and*
497 *capacity building*); and
- 498 e. to support trade facilitation negotiations in bilateral, regional or multilateral levels
499 (*negotiations objectives*).

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

501 a. *Facilitation objectives:*

- 502 i. to ensure the proper coordination of facilitation of international trade;
- 503 ii. to keep under review the procedures required in international trade, including
504 customs, multimodal transport, transit, logistics, finance, agriculture, sanitary and
505 phyto-sanitary, health, electronic business and related topics with a view to their
506 simplification and harmonization;
- 507 iii. to collect and disseminate information and best practices on international trade
508 formalities, procedures, documentation, and related matters;
- 509 iv. to pursue the simplification and alignment of trade documentation on the basis of
510 the United Nations layout key, including transport documents designed for use in
511 computer and other automated systems;
- 512 v. to promote the use and adoption of standard trade and transport technology and
513 international codes (for example EDI communications); and
- 514 vi. to implement national projects or programmes, and review project proposals or
515 other documentations and provide constructive suggestions (if any), implemented by
516 other organizations on trade facilitation.

517 b. *Regulatory objectives:*

- 518 i. to review, comment, amend, and propose government approval for new draft
519 documents on trade, customs, intermodal transport, transit, logistics, finance,
520 agriculture, sanitary and phyto-sanitary, health, electronic business, liability, civil
521 responsibility, and other trade facilitation related regulations with a view to update
522 current regulations and practices embodied in the Commercial Code and other legal
523 texts;
- 524 ii. to follow up on the final approval of proposed regulations and practices with the
525 various institutions concerned and through institutional and executive channels; and
- 526 iii. to examine and support the country's adherence to international conventions,
527 recommendations and standards.

- 528 c. *Development objectives:*
529 i. to review the national policy content of trade investments and to facilitate, the
530 introduction and development of appropriate trade technologies including
531 information and communication technology; and
532 ii. to address, as a national coordinating or advisory body, questions related to the
533 institutional development and management of trade facilitation reforms; and other
534 relevant issues.
- 535 d. *Outreach and capacity building objectives:*
536 i. to organize and implement campaigns to publicize the benefits and requirements of
537 simplified documents and procedures, aimed at government policy-makers and
538 private sector;
539 ii. to organize and present series of seminars and workshops for policy-makers, senior
540 decision-makers and managers from the public and private sectors, to make them
541 aware of international trade principles, practices and implications;
542 iii. Support mobilizing resources for implementation of trade facilitation reforms and
543 coordinating technical assistance by national and international donors in the country;
544 iv. to share capacity building materials (e.g. guides), sources (websites) and related
545 information and experiences with various parties involved in Trade Facilitation;
- 546 e. *Negotiations objectives:*
547 i. to support trade facilitation negotiations in bilateral, regional or multilateral levels;
548 ii. Act as the national committee for facilitating coordination and implementations of
549 provisions in WTO Trade Facilitation Agreement; and
550 iii. Facilitate and actively participate in bilateral, regional and multilateral cooperation in
551 trade facilitation and related areas.

552 B. Administrative considerations

553 4. The NTFB can hire temporary or permanent staffs or experts according to its structure for
554 administrative and substantive purposes, as required. Hiring of staffs or experts needs to follow a
555 precise Terms of Reference agreed upon either by the Bureau of the NTFB or members of the NTFB
556 and a transparent selection process. All candidates for permanent employment or secondment to
557 the NTFB should be subjected to a rigorous, yet fair selection process. Some of the qualities needed
558 would be a skills set including interpersonal, oral, written and presentation abilities, plus knowledge
559 and competencies to perform the related tasks (e.g. conduct research, undertake negotiations and
560 prepare trade facilitation proposals or reports).The abilities described are indicative, not exhaustive
561 and candidates would also have additional, specific skills that ideally fit them for the position. Finally,
562 but equally important, the process must appreciate national diversity in the form of gender, religion,
563 ethnicity, age and other personal characteristics and avoid any form of discrimination.

564
565 5. The NTFB should be a ready source of information for all trade facilitation related information. For
566 smooth functioning. It needs to maintain, record and supply information (reports, official orders,
567 meeting minutes, policy documents, project documents, trade or related quantitative data etc.)
568 generated for or from NTFB meetings, ad hoc working groups or other members or stakeholders that
569 may be relevant for the activities of NTFB.

570

571 C. Budgetary considerations

572 6. When funding has been agreed and approved members of the NTFB should establish a formal
573 budget. The budget could be divided into distinct components:

- 574 a. Capital expenditure such as rent of building and utility costs;
575 b. Operating expenses related to staff such as salary, training and association
576 membership fees;

- 577 c. Costs relating to the recruitment of any local consultants and for the procurement of
578 local studies and surveys;
- 579 d. Expenses related to the organization of NTFB meetings, as well as conferences,
580 workshops and seminars to promote the work of the organisation and encourage
581 wider support and acceptance of trade facilitation proposals;
- 582 e. Travel and subsistence, divided into national activities and the costs of attending
583 sub-regional, regional and international meeting as approved;
- 584 f. Expenses related to the procurement of office equipment, communication facilities,
585 stationery, and office management and maintenance;
- 586 g. Miscellaneous expenses related to reproduction and dissemination of documents
587 and other publicity and information material; and
- 588 h. A contingency fund for any unforeseen expenses deemed necessary by agreement of
589 the contributing organisations, parties and individual participants.
- 590

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

592
 593 National Trade Facilitation Bodies (NTFBs) are important platforms for institutional coordination and
 594 stakeholders' consultation with balanced private and public sector participation. They enable the
 595 planning and implementation of successful trade facilitation (TF) reforms. For examples of how NTFBs
 596 operate, case studies can be found in the repository of UNCTAD (United Nations Conference on
 597 Trade and Development). The online repository is available at <http://unctad.org/tfc> . For sending new
 598 or updated country's experience to this repository, UNCTAD has provided the following contact:
 599 TFbodies@unctad.org OR trade.logistics@unctad.org
 600

601 The data have been collected through desk research and a detailed survey with national entities,
 602 providing information about different types of NTFBs. The questionnaire used for data collection is
 603 available online in English, French and Spanish and is as follows (as of January 2015):
 604

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

607 [Country] - Status [Month] [Year]
 608
 609

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.	

610

611

612 **Annex 3 – Stakeholder analysis toolbox**

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

614 **Stakeholder analysis**

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

626 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

627
628

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.

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

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

644

645