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**INTERNATIONAL TRADE PROCEDURES DOMAIN (ITPD)**

**Final Draft for Public Review Recommendation No. 4**

**National Trade Facilitation Bodies**

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## 49 Introduction

50 Experiences in many countries have shown over the years that conducting dialogue between  
51 Government and the trading community and identifying trade issues and priorities can be achieved  
52 through the establishment of a National Trade Facilitation Body.<sup>1</sup> With this objective in mind,  
53 representatives of Member States and international organizations have developed and adopted the  
54 previous versions of Recommendation 4, which were used for the establishment of trade and  
55 transport facilitation committees in many countries since the 1970s.

56  
57 The importance of trade facilitation has been confirmed by the World Trade Organization (WTO)  
58 Trade Facilitation Agreement (TFA) concluded at the Ministerial Conference in Bali in December 2013.  
59 The Bali TFA places obligations on WTO Members to support and sustain initiatives and measures to  
60 improve international trade performance through the implementation of a series of trade facilitation  
61 measures and best practices. Upon entry into force, WTO Members are expected to have established  
62 a national committee or designated an existing mechanism "to facilitate both domestic coordination  
63 and implementation of the provisions of this Agreement" (Article 23.2).

## 64 Purpose and scope

65 Governments and the trading community should adopt trade facilitation as an indispensable  
66 component of trade policy formation and should aim to establish a National Trade Facilitation Body  
67 (NTFB) embracing the views and opinions of all stakeholders in pursuing agreement, cooperation and  
68 collaboration. Trade facilitation is defined as the simplification, harmonization and standardization of  
69 procedures and associated information flows required to move goods and provide related services  
70 from seller to buyer such as payments.

71  
72 A NTFB encompasses all trade facilitation issues covering regulatory, operational, customs,  
73 multimodal transport, transit, logistics, banking and finance, agriculture, sanitary and phyto-sanitary,  
74 health, electronic business among other related topics. Key success factors for establishing NTFB  
75 include (but are not limited to) favorable government policies for economic development and trade;  
76 a robust and dynamic private sector; availability of human and financial resources; and a strong  
77 political will to improve the performance of the international trade transaction and supply chain.

78  
79 Trade facilitation bodies, as well as an inclusive and constructive consultation process, will provide  
80 stakeholders the opportunity and means to voice their viewpoints, clarify issues, and engage in  
81 meaningful dialogue. Within the overall national trade policy framework formulated by the  
82 Government, the NTFB can coordinate the relevant stakeholders to devise a strategy that offers a  
83 holistic approach to national trade facilitation activities including a coordination at a policy level, the  
84 development of trade simplification measures and proposals for action plans. The NTFB can present  
85 this strategy to the relevant government institutions for endorsement and support with a mandate  
86 for implementation of the strategy.

## 88 Benefits

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

- 91 • Help a country to compete internationally
- 92 • Reduce the costs of international trade (both for Government and Trade)

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<sup>1</sup> 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)

- 93
- Adopt the most efficient and effective best practices (government procedures and business processes aligned to international standards)
- 94
- Bring public and private sector together to adopt and support trade facilitation practices.
- 95
- 96

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

### 103 International standards

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

108

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

116

### 117 Recommendation

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

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

- 122 1. include trade facilitation as an integral part of a national integrated strategy for trade policy  
123 and sustainable economic development;
  - 124 2. identify issues affecting the cost and efficiency of their country's involvement in  
125 international trade, develop simplifications measures to eliminate or reduce such barriers  
126 and assist in their implementation;
  - 127 3. provide a national focal point for the collection and dissemination of information on best  
128 practices in international trade facilitation;
  - 129 4. participate in international efforts to improve trade facilitation and efficiency.
- 130
- 131

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

132  
133

134 **A. INTRODUCTION**

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

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

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

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

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

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

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

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

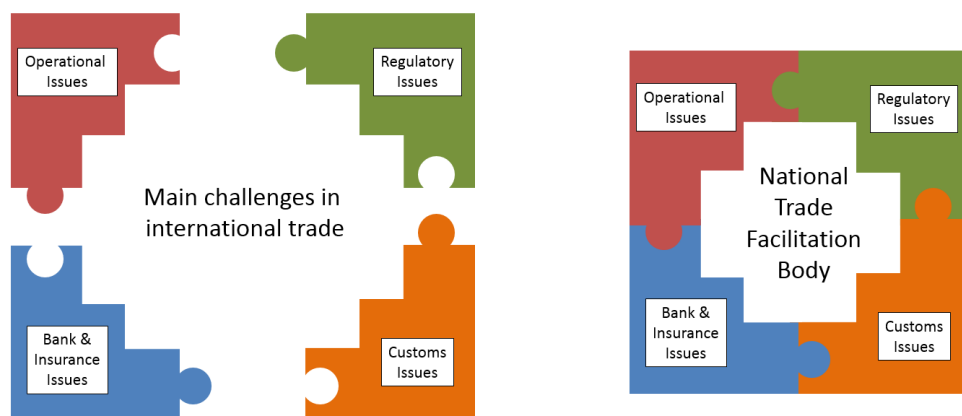
- **Standardization** is ensuring that required information is described, understood and applied in a consistent manner. Many international standards development organizations, consortia and communities have developed standards concerning the description, definition, use and transfer of information related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

## 177 A.2 Partnership

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

185 11. Trade facilitation implies consideration of the interlinked roles of the three main actors closely  
 186 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.



198 **Figure 1.** International trade includes a number of issues that can be challenging for the trading  
 199 community. A National Trade Facilitation Body can help bring these issues together in coherent way.  
 200

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

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

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

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

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

213 20. A NTFB acts as an open forum to promote trade facilitation, encourage inter-agency coordination,  
214 and provide directives on major trade facilitation issues. The success and sustainability of a NTFB  
215 relies on reflecting the interests, objectives and activities of the national stakeholders in the long run.

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

- 218 - Facilitate inter-agency coordination;
- 219 - Provide directives on major trade facilitation issues;
- 220 - Champion the national strategic trade priorities;
- 221 - Develop new national policies mapped against existing international standardized and  
222 harmonized methods;
- 223 - Promote existing facilitation solutions and help implementing them;
- 224 - Participate actively in the creation and maintenance of trade facilitation measures  
225 internationally;
- 226 - Contribute to the work of established international organizations such as UN working parties,  
227 WCO committees, the WTO under the framework of the Trade Facilitation Agreement and  
228 other recognized international bodies.

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

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

237 The following diagram provides a list (non-exhaustive) of public and private actors that may become  
238 member of NTFB. The categorization of the actors is interchangeable in some cases. For example, an  
239 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.

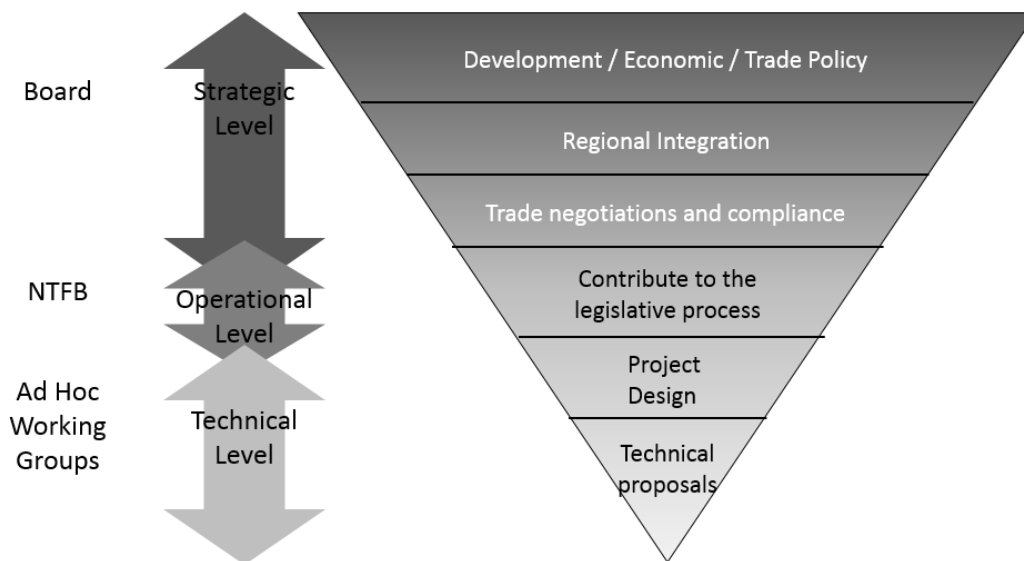
#### B.4. Organization of the NTFB

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.



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



270  
 271 **Figure 3.** Each level of consultation should be clearly defined in both scope and authority with open  
 272 and transparent channels of communication and reporting. In most consultation processes there is a  
 273 need for communication between the levels in both directions. For instance, when a technical level  
 274 group meets, it should have information on discussions and decisions at the strategic and operational  
 275 level. Similarly, information from discussions at the technical level must be communicated to both  
 276 the strategic and operational level.  
 277

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

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

- 281 a. Trade facilitation strategy, inter-agency coordination, regional and multilateral collaboration
- 282 b. Identifying problems and barriers to international trade identified by stakeholders
- 283 c. Developing solutions, remedies and simplification measures
- 284 d. Proposing work programmes, projects, action plans and preparing implementation  
285 strategies
- 286 e. Formation of ad hoc working groups.
- 287 f. Allocation of tasks to NTFB, stakeholders and other members.

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

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

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

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

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

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

## 305 C. COORDINATION OF NTFB AT NATIONAL OR REGIONAL LEVELS

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

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

313  
314 Furthermore, the government may wish to call upon one or more of these organizations temporarily,  
315 in order to establish an interim NTFB while the planning is completed for a fully mandated,  
316 independent NTFB.

#### 317 C.1.1 National sectorial organizations that might fulfill the role of trade facilitation

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

323

- 324 • A fully private sector national trade facilitation body
- 325 • A fully private sector shippers' organization with a trade facilitation mandate
- 326 • A fully private sector transport organization with a trade facilitation mandate
- 327 • A trade union with a trade facilitation mandate
- 328 • A public-private partnership committee working on trade facilitation matters
- 329 • A public sector consultation committee concentrating on trade facilitation matters
- 330 • A government agency-lead committee with a trade facilitation mandate.

331

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

#### 340 C.1.2. Coordination among multiple trade facilitation organizations

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

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

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

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

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

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

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

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

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

380 To remedy this situation, the existing governance should be reviewed and amended, if necessary. All  
381 actors of the supply chain should be represented in the chosen organizations (not just port  
382 authorities... not just shippers... not just a specific ministry...). Much of the administrative work would  
383 be to ensure all representative organizations participate actively and positively, and topics or tasks  
384 are not driven solely by one single point of view or agenda. Much can be achieved during an  
385 identification phase of choosing the organizations, determining not only that they are working on  
386 trade facilitation, but also considering any alternative motivations that direct its work.

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

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

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

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

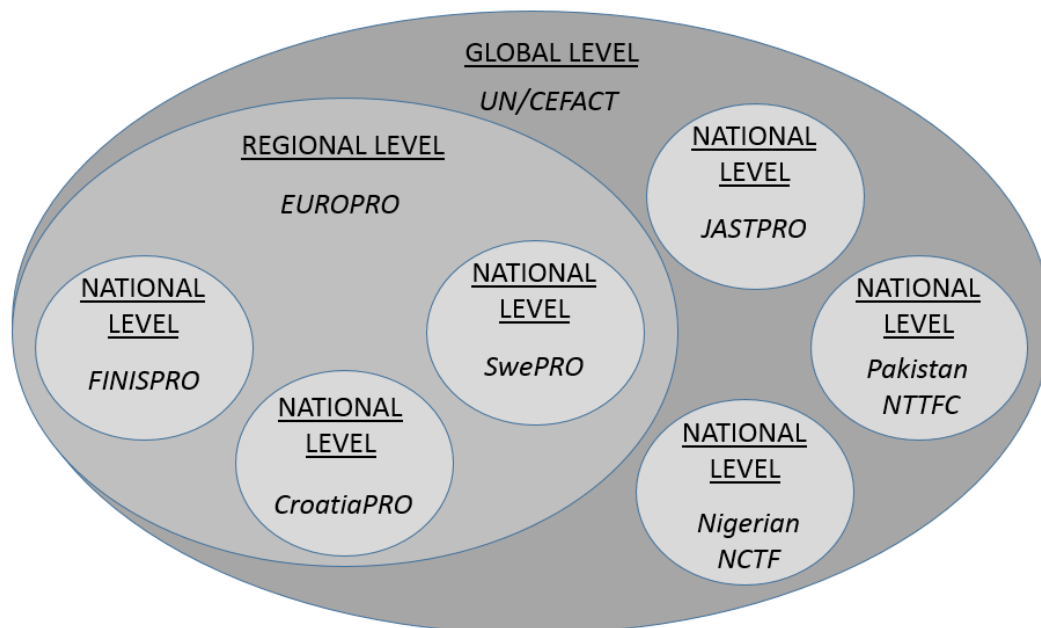
398 The basic terms of reference for such Regional Organization could be:

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

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

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

410



411 **Figure 4.** Coordination of National Trade Facilitation Bodies at a regional level and on a global level.  
412  
413

## 414 D. FUNDING, BUDGET and STAFFING

### 415 D. 1 Financing a NTFB

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

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

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

- 428 • Financial contributions from representative private sector organisations (providing this did  
429 not undermine the remit and terms of reference of the NTFB);
- 430 • Government grant, from its own budget;
- 431 • A public-private partnership;
- 432 • Contributions ‘in kind’ in the form of office space and maintenance, and office equipment;
- 433 • Additional funding for specific trade facilitation studies. These contributions could be  
434 sourced from trade and industry sectors that would benefit from the introduction of trade  
435 facilitation proposals.

436 38. For many countries, the subject of funding is a challenge and could prove an impediment to the  
437 establishment and long-term operation of a NTFB. The government might lack the financial resources  
438 or the private sector is unable to marshal sufficient funds from representative business sectors or  
439 trade associations. Consequently imaginative and innovative solutions would need to be considered.  
440 For example, the loan of staff from relevant government departments, authorities and agencies for a  
441 specific period or activity. Equally the private sector enterprises could agree to secondments<sup>2</sup> while  
442 continuing to meet the costs of those staff.

### 443 D.3. Operating a NTFB

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

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

---

<sup>2</sup> 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).

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

#### 458 E. STEPS TOWARDS THE CREATION OF A NTFB

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

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

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

485  
486 This inventory of suggested good practice is not exhaustive and does not list in order of priority the  
487 performance of these tasks. However it should provide a checklist to ensure essential actions are not  
488 overlooked or ignored. Clearly the steps needed to create a NTFB would be wholly dependent of the  
489 requirements of each country or economy.  
490

## 491 Annex 1 – Terms of Reference

### 492 A. Purpose and Objectives

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

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

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

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

#### 510 a. *Facilitation objectives:*

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

#### 526 b. *Regulatory objectives:*

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

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

## 561 B. Administrative considerations

562 4. The NTFB can hire temporary or permanent staffs or experts according to its structure for

563 administrative and substantive purposes, as required. Hiring of staffs or experts needs to follow a

564 precise Terms of Reference agreed upon either by the Bureau of the NTFB or members of the NTFB

565 and a transparent selection process. All candidates for permanent employment or secondment to

566 the NTFB should be subjected to a rigorous, yet fair selection process. Some of the qualities needed

567 would be a skills set including interpersonal, oral, written and presentation abilities, plus knowledge

568 and competencies to perform the related tasks (e.g. conduct research, undertake negotiations and

569 prepare trade facilitation proposals or reports).The abilities described are indicative, not exhaustive

570 and candidates would also have additional, specific skills that ideally fit them for the position. Finally,

571 but equally important, the process must appreciate national diversity in the form of gender, religion,

572 ethnicity, age and other personal characteristics and avoid any form of discrimination.

573

574 5. The NTFB should be a ready source of information for all trade facilitation related information. For

575 smooth functioning. It needs to maintain, record and supply information (reports, official orders,

576 meeting minutes, policy documents, project documents, trade or related quantitative data etc.)

577 generated for or from NTFB meetings, ad hoc working groups or other members or stakeholders that

578 may be relevant for the activities of NTFB.

## 580 C. Budgetary considerations

581 6. When funding has been agreed and approved members of the NTFB should establish a formal

582 budget. The budget could be divided into distinct components:

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



- 586 c. Costs relating to the recruitment of any local consultants and for the procurement of  
587 local studies and surveys;
- 588 d. Expenses related to the organization of NTFB meetings, as well as conferences,  
589 workshops and seminars to promote the work of the organisation and encourage  
590 wider support and acceptance of trade facilitation proposals;
- 591 e. Travel and subsistence, divided into national activities and the costs of attending  
592 sub-regional, regional and international meeting as approved;
- 593 f. Expenses related to the procurement of office equipment, communication facilities,  
594 stationery, and office management and maintenance;
- 595 g. Miscellaneous expenses related to reproduction and dissemination of documents  
596 and other publicity and information material; and
- 597 h. A contingency fund for any unforeseen expenses deemed necessary by agreement of  
598 the contributing organisations, parties and individual participants.
- 599

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

601  
 602 National Trade Facilitation Bodies (NTFBs) are important platforms for institutional coordination and  
 603 stakeholders' consultation with balanced private and public sector participation. They enable the planning and  
 604 implementation of successful trade facilitation (TF) reforms. For examples of how NTFBs operate, case studies  
 605 can be found in the repository of UNCTAD (United Nations Conference on Trade and Development). The online  
 606 repository is available at <http://unctad.org/tfc> . For sending new or updated country's experience to this  
 607 repository, UNCTAD has provided the following contact: [TFbodies@unctad.org](mailto:TFbodies@unctad.org) OR [trade.logistics@unctad.org](mailto:trade.logistics@unctad.org)  
 608

609 The data have been collected through desk research and a detailed survey with national entities, providing  
 610 information about different types of NTFBs. The questionnaire used for data collection is available online in  
 611 English, French and Spanish and is as follows (as of January 2015):  
 612

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

615 [Country] - Status [Month] [Year]  
 616  
 617

Questions	Answers for [Country]
<b>Background</b>	
<b>What is the official name of the national trade facilitation (TF) coordination mechanism?</b>	
<b>What motivated the establishment of the TF body?</b>	
<b>What year was it established?</b>	
<b>Do you have other national bodies dealing with WTO issues and/or with TF?</b>	
<b>Was the TF body based on a previously existing multi-agency group/committee (for example a trade and transport facilitation committee)?</b>	
<b>What is the current status of the TF body (running, pilot phase, study)</b>	
<b>Institutional Framework</b>	
<b>Has the TF body been set up as an ad hoc group, or a legal entity/organisation?</b>	
<b>What specific documents were necessary to institutionalise the group? Which body and at which level made the decisions?</b>	
<b>What is the scope/mandate of the TF body?</b>	
<b>Does the TF body have terms of reference?</b>	
<b>Which is the coordinating agency?</b>	
<b>What is the structure of the TF body (Chair/co-chair, sub-groups etc.)?</b>	
<b>Do you have a permanent technical Secretariat?</b>	
<b>Funding</b>	
<b>Do you have a formal budget for the operations of the TF body?</b>	
<b>If yes, what major items are covered by it?</b>	

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

619 **Annex 3 – Stakeholder analysis toolbox**

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

621 **Stakeholder analysis**

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

633 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

634  
635

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

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

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

651

652