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UNITED NATIONS
CENTRE FOR TRADE FACILITATION AND ELECTRONIC BUSINESS
(UN/CEFACT)

INTERNATIONAL TRADE PROCEDURES DOMAIN (ITPD)

Final Draft Recommendation ##

Consultation Approaches
Best Practices in Trade and Government Consultation
on Trade Facilitation Matters

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22

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24

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70 **Recommendation No. ##**
71 **Consultation Approaches**
72 **Best Practices in Trade and Government Consultation**
73 **on Trade Facilitation Matters**

74 **1 Introduction**

75 The key principles for trade facilitation, as conceptualized by the United Nations Centre for
76 Trade Facilitation and Electronic Business (UN/CEFACT), are simplification, standardization,
77 harmonization and transparency. Consultation across government agencies must consistently
78 include the participation of private sector stakeholders in order to achieve these key principles.
79 Successful consultation approach will help encourage adoption of decisions by all parties
80 involved and stimulate innovative ideas through a collaborative exchange between Government
81 and Trade. This approach can help develop a best practice model that is based on trust,
82 understanding and genuine collaboration of all sides. This concept was recognized in UNECE
83 Recommendation No.4, National Trade Facilitation Organs. *“The needs of all parties, both private
84 and public sectors, must be identified before solutions can be found and those best placed to explain
85 their needs are those directly involved in the transaction chain.”*

86 Although the importance of consultation has long been acknowledged, experience shows that
87 establishing concrete methodologies and best practices is essential to ensure effective
88 consultation. Even when consultation is granted by law and supported by existing consultative
89 procedures, measures have to be taken to guarantee a transparent and accountable dialogue
90 that fully considers the differences in mind-set and culture as well as the capacity of public and
91 private sector agencies to participate.

92 Key aspects which should be considered when putting in place consultation include trust
93 between Government and Trade, ensuring mutual benefits, transparency, managing various
94 opinions / objectives, measuring the effectiveness of consultation and choosing the right topics
95 and the right actors to participate. Each of these key aspects is developed in the Guidelines that
96 accompany this recommendation.

97 **2 Purpose**

98 The purpose of this recommendation is to advise governments and the business community on
99 how to approach effective consultations that will be flexible, transparent, fair, accountable and
100 participatory. The United Nations Centre for Trade Facilitation and Electronic Business
101 encourages governments to develop a consultative approach for trade facilitation that is
102 inclusive of trade and government stakeholders. This approach must include a process by which
103 the interests of all concerned parties may be voiced and addressed on a continuum.

104 This recommendation addresses issues such as information sharing, preparations necessary
105 before consultations, and measures that aim at building a trust-based dialogue. When available,
106 best practices in the field of consultation are provided.

107 Preparations before consultations are necessary to foster a collaborative culture and achieve
108 concrete results. Although the preparations may be different in nature depending on whether
109 the party concerned is, for instance, a government agency, a traders' association or a Chamber of
110 Commerce, there are best practice processes that will be recurrent in most of these
111 preparations. Governments that integrate this approach into their everyday operational
112 practices will find that building partnership with Trade will result in both effective trade
113 facilitation reforms and policy harmonization and will yield benefits to both Government and
114 Trade.

115 **3 Scope**

116 This recommendation primarily envisages consultations at a national level between key
117 stakeholders in trade and border crossing. However, many of the basic principles and ideas can
118 be equally applied to local, sub-regional and regional levels.

119 This recommendation on consultation approaches is not specific to a particular set-up which
120 advocates specified media or organizational set-ups, but instead, encourages the flexibility that
121 may be found in the whole mind-set of approaches to consultations. The principles described in
122 this recommendation are also applicable to a large number of other consultative set-ups, such as
123 informal discussions, focus groups, formal or informal trade facilitation committees or other
124 consultative situations.

125 **4 Benefits**

126 Consultation will provide stakeholders the means to voice their viewpoints, clarify issues, and
127 engage in meaningful dialogue.

128 For Government and public agencies consultation provides opportunities to disclose
129 information and solicit feedback on actions taken or to be taken. This will ensure accountability,
130 effectiveness, and improvement in the quality of decision making. For Trade it provides an
131 opportunity to voice opinions and concerns and suggest solutions to existing challenges, while
132 allowing for timely preparations for planned legislation or reform.

133 Consultations will help governments and organizations prioritize agendas and communicate
134 results which will result in building trust between the parties, and in increasing transparency in
135 the process. Stakeholders will, as a result, find that each party will have the time needed to
136 prepare for new rules or regulations. Each party will also have been given the opportunity to
137 contribute valuable input prior to any final decision or action. This will promote successful
138 legislation, and ensure overall compliance.

139 Working together, the parties will be able to find innovative, effective, cost-efficient and
140 simplifying solutions to any issue discussed. In contrast, if stakeholders work in isolation, even
141 simple changes of rules or regulations may encounter problems not considered or anticipated
142 without prior consultation with the impacted stakeholders. Such problems can lead to, for
143 instance, longer waiting times at the border, corruption, loss of revenue, compliance risks and
144 overall mistrust between the parties that will hamper if not deter future efforts.

145 **5 Recommendation**

146 The United Nations Centre for Trade Facilitation and Electronic Business at its XXth Plenary
147 session in XX in Geneva agreed to:

- 148 1. **Recommend** to governments and Trade a consultative approach that fosters trust,
149 transparency as well as a timely and accountable dialogue between all stakeholders.
- 150 2. **Recommend** to governments and Trade to **undertake all measures necessary to**
151 **sustain and enable the consultations, including**
- 152 a. build trust through transparency, involvement of Trade and of all relevant agencies,
153 inclusion of trade issues within the process;
- 154 b. address key issues in a timely manner, consolidating where possible public sector
155 views and encouraging Trade to consolidate their views;
- 156 c. establish mechanisms to share information, build capacity and awareness and
157 measure the performance of consultation.

158

159 **Guidelines to Recommendation No. ##**

160 **1 Introduction**

161 Many countries are already engaged in consultations. For this reason the focus of this
162 recommendation is about approaches rather than institutional structure or organizational
163 forms. While not ignoring forms, tools, institutions or management, this recommendation
164 focuses on attitude, engagement and openness. The previously published UNECE
165 Recommendation No 4 on “National Trade Facilitation Bodies” focuses on the establishment of
166 permanent consultative committees and how they work. This recommendation should be seen
167 as a complement to Recommendation No 4, as it provides suggested alternative forms and
168 approaches to consultation and offers a qualitative methodology to improve the very core of the
169 consultative dialogue.

170 The goal is to present flexible and diverse approaches to consultations and inspire successful
171 solutions. There is no one unique approach for any given situation; any combination of these
172 approaches may be used to achieve efficient and effective consultations. Consequently, there is
173 no constraint on the reader of these guidelines to follow all the given paths. The reader should
174 maintain the flexibility to adapt any of these approaches as may apply to the environment and
175 circumstance at hand. It is recognized that consultations are to be conducted according to the
176 existing legal requirements and cultural background specific to each country and as such,
177 consultations should be approached according to existing legislation.

178 The basic principles, modes, forms and approaches presented below should serve as inspiring
179 examples, indicative of success factors and cases of best practice.

180 **2 Basic Principles for Consultation**

181 **2.1 Partnership and Trust**

182 **2.1.1 Building Partnership and Trust**

183 Partnership and trust is something which is constructed over time. This will be facilitated by
184 respect of the opinions of each side, understanding of each side’s point of view, the opportunity
185 to provide comments and concerns, receiving constructive feedback to input provided. It is
186 necessary to understand and respect each party’s priorities, resources and ability to meet
187 deadlines. Even if the item on the consultative agenda is very subject matter specific, and the
188 consultation process limited in time, the consultation will be perceived by many stakeholders as
189 part of a bigger set of issues, and significant in terms of the relationship to a certain Government
190 authority.

191 Trust is the by-product of collaboration and true partnership. If meetings are conducted without
192 a scripted end and participants are willing to suspend pre-existing mental models (or individual
193 points of view), compliance turns to commitment and distrust turns to trust. This is something

194 that occurs over time and may not be immediately present in the early stages of collaborative
195 efforts.

196 In order to maintain trust and foster a constructive dialogue, all parties need to be respected and
197 provided the opportunity to voice their comments and concerns, especially in light of the
198 importance and magnitude of potential change processes. There is a mutual need to form a true
199 partnership that includes understanding and respect for each party's priorities, resources and
200 ability to meet deadlines; this will foster trust. Although building trust can take a significant
201 investment of time, it may be easily compromised. This breach of trust can result from a non-
202 respect of confidentiality, the lack of response to comments submitted, solutions imposed on
203 stakeholders without the opportunity to comment, or one way communication such as
204 notifications disguised under the name consultation.

205 2.1.2 Mutual Benefits

206 There needs to be some level of return on investment for both Trade and Government.
207 Consultation is an opportunity for both sides, but it is also an investment in time and money.
208 Trade needs to feel their input and points of view are taken into account and integrated into any
209 chosen solution. Government needs to feel that Trade's participation is not only in the pursuit of
210 individual interests. If either side feels that it is not receiving adequate return on investment, it
211 will most likely result in discontinuity of that time or financial investment in consultation.

212 2.1.3 Consultations - Not a Place for Instructions, Compliance Controls or 213 Lobbying

214 Insofar as possible, both Trade and Government should come to the table as equal partners in
215 the framework of consultation. In some cases, Government may approach consultation as
216 enforcers preaching compliance and instructions. This is likely to be counter-productive to
217 encourage Trade's input. If Trade feels that any input they provide will become a source of
218 control later on, they will most likely not share their experiences. Likewise, if Trade comes to the
219 table as a large company highly active in national investment and attempts to force their unique
220 point of view on regulators, it will also be counter-productive. Trade needs to understand the
221 Government's point of view and the greater picture of national interests.

222 Participation in consultations should not be used as an opportunity or a forum for single issue
223 advocates. This could lead the Government to making an unpopular policy decision that does
224 not take all interests into consideration and that weighs heavily on the larger trading
225 community.

226 2.1.4 Learning About Your Partners' Needs

227 Consultations between Trade and Government institutions are motivated by the fact that no one
228 stakeholder will solely be able to fully understand the consequences of new legislation, ideas for
229 improvements or even simple changes of procedures. Many governments are currently engaged
230 in complex processes in the area of trade such as trade facilitation programmes, customs

231 modernization initiatives or increased use of Information and Communications Technology
232 (ICT). For any of these efforts, trade stakeholders will be affected in various degrees but are
233 often expected to provide solutions with regard to their own processes, adapt their ICT systems
234 to fit new systems for compliance or otherwise significantly change the way they currently
235 conduct business. Consultation is a means to achieve workable solutions for trade and
236 compliance.

237 What are each parties' priorities, instructions, drivers, limits, and so on? Genuine interest and
238 investment of time to learn about each other will make consultations easier and discussions run
239 smoother once the real issues are on the table. Long-term consultations will enhance this
240 process and make the investment in time more affordable; the same applies to shorter
241 consultation processes.

242 Cultural differences and goal divergence have often ruined promising partnerships. Trade
243 organizations can have a membership with divergent views. For instance, many freight
244 forwarders associations have members who act as customs brokers or others who act as
245 transporters. It is likely that their views on some topics can vary. Similarly, government agencies
246 will have different priorities and interests. It is key to the progress of any consultation that these
247 divergent interests are not only represented but also understood and respected if any progress
248 is to be made.

249 2.1.5 Leadership

250 It is common that a specific government agency will introduce new procedures, legislation or a
251 process of change and be the lead agency in a consultation process. However, this leadership can
252 also come from other stakeholders who have identified a need for change and who are willing to
253 facilitate the process through leadership.

254 Although a particular Government authority may be responsible for a certain policy area and
255 therefore may act as the lead agency to initiate dialogue, all stakeholders stand to lose from poor
256 dialogue and lack of trust.

257 In the context of consultation, leadership is the ability to act positive, promote discussion
258 towards consensus building and encourage constructive and conclusive decision making. To
259 maximize the effectiveness of the consultation method, the leader should use every opportunity
260 to give voice to all stakeholders and develop the potential of every participant or contributor.

261 In addition to a high degree of personal skills and abilities (such as analysis, judgement, initiative
262 and decisiveness), the representatives of the lead organization should also exhibit organizational
263 sensitivity and awareness. They must be able to perceive the way decisions impact other parts of
264 the consultation process. The lead agency should accept the need to build consensus through
265 collaboration, negotiation and conciliation to embrace the various and varied views of
266 participants.

267 2.2 Transparency

268 Transparency is one of the basic pillars of trade facilitation. It is a communications issue, but
269 involves more than the concept of communication. Transparency is ultimately an attitude and a
270 strategy aiming at open dialogue and trust.

271 In the context of consultations, a transparent and accountable dialogue can be defined as an
272 iterative process that begins with the early availability of information for all stakeholders.
273 Transparency will permit stakeholders to prepare for consultation, familiarize themselves with
274 the issues, ideas and plans of other stakeholders, and compare that feedback to their own needs,
275 goals and priorities.

276 To many organizations it can be a challenge to openly discuss plans and ideas before they have
277 been fully conceptualized or formally accepted. However, in order to involve other stakeholders
278 in the process of refining a concept, stakeholder views need to be heard at a stage where
279 possible solutions are still fluid and not finalized. To consult on a concept that has been fully
280 developed and agreed to within an authority will make stakeholders feel excluded leading them
281 to conclude their views have not been considered, thus making consultations more difficult in
282 the present as well as in the future.

283 The consistent engagement of stakeholders in consultative meetings for which information is
284 provided openly, continuously and without prejudice, establishes a process that is inclusive,
285 participatory, collaborative and responsive to all impacted stakeholders. Transparency is not a
286 one way communication process, but requires a qualified and mature response in order to
287 encourage a continued dialogue. All parties in consultations need to be transparent about their
288 reasoning and priorities in order to foster a collaborative participation.

289 2.3 Managing Differences of Opinion and Interests

290 In the process of trade facilitation consultations many different voices will be heard. Dividing
291 lines will not always be as clear cut. There can be cross cutting issues where trade and
292 government stakeholders may not share a common view on for example, a specific policy,
293 regulation or law. The goal of the process is to highlight the issues of all the stakeholders in light
294 of the proposed process or legislation. It is critical during this process that the interests of all
295 parties are represented and that bias toward any majority is avoided so that a holistic view can
296 be maintained, also taking into consideration the potential pain points of minority interests.

297 Weighing interests is the core functioning of Government.

298 The fact that so many stakeholders are to be coordinated can be daunting. Stakeholder
299 organizations can be of great help, provided they can hold informed discussions with their
300 membership. In many countries consultations covering the vast majority of the trade, in volume
301 or in value, can be achieved by talking to a relatively low number of stakeholders. Governments
302 will find that supporting civil society and especially trade organizations will pay off. An example
303 of this is proposed legislation that is distributed for comments to impacted organizations, thus

304 providing these organizations with a stronger argument of influence available through the
305 membership.

306 When addressing larger segments of Trade it is important not to forget the importance of the
307 protection of smaller trade sectors or even individual companies. An effective consultative
308 process aims at depicting the consequences to stakeholders of proposed changes and the impact
309 on a few companies can be very important.

310 2.4 Results Oriented

311 In view of the investment of time from all concerned stakeholders it is important that the
312 consultation process be results oriented. This means that each stakeholder must clearly identify
313 key initiatives and priorities that are critical and that will be the focus of the dialogue. To that
314 end, the dialogue must be driven to focus on achievable results that meet the needs of all those
315 concerned, where possible. Each side must understand that collaboration and compromise must
316 be key factors in allowing dialogue to continue and progress.

317 2.5 Consultations as an Iterative Process with Respect For Time 318 and Timing

319 Consultations as described in this recommendation can be conducted as a singular event focused
320 on a specific topic or around a singular change process. However, as trading communities in
321 most countries tend to be small and the same people often come to the table representing their
322 organizations, it would also be helpful to adopt a mind-set to singular events, as part of a larger,
323 long-term cooperation context in the operating government framework. For larger projects such
324 as proposed legislation or changes in procedures, consultations will be iterative. The parties will
325 have to meet consistently in order to make the consultation constructive and effective.

326 Stakeholders must be provided with adequate opportunities to understand the changes that will
327 be forthcoming and must also be allowed to discuss and provide their concerns or
328 recommendations. Discussions should not be a singular event but must be approached as
329 systematic; this means touching base routinely with stakeholders to ensure that all parties are
330 being kept abreast of planned changes at all stages. Consistent communication will increase the
331 probability of success and minimize the risk of changes that need to be withdrawn due to
332 insufficient stakeholder awareness or preparation.

333 2.6 Accountability and Responsibility

334 Providing a continuous record of the changes to be implemented will provide greater accuracy
335 of impact assessment, assist with and shorten problem determination time, and ensure
336 accountability for all changes identified. Used effectively, consultation should encourage
337 compromise and cooperation, so long as it is tied to an obligation of responsibility and
338 accountability. All participants in a consultation must act responsibly, fully embracing the
339 concepts of trust and respect, appreciating a wide range of views or opinions without prejudice
340 or discrimination. Equally important, representatives have a responsibility to truthfully and

341 faithfully report back the outcome of deliberations without bias or partiality to their
342 constituents.

343 Another critical aspect of accountability and responsibility is a formal reporting structure.
344 Results of consultation should be published and made available to all interested parties. Both
345 sides (Government and Trade) should be held accountable for producing easy-to-read and easy-
346 to-understand (i.e., jargon and acronym free) reports of meetings, oral and written contributions
347 received, and the outcomes of other forms of deliberation used in the consultation process.

348 However, and perhaps more important, a final report must be presented identifying the tangible
349 results achieved by the consultation process and reflecting how input from all sides was taken
350 into consideration and the way it was used in making decision.

351 **3 Forms of Consultation**

352 Consultations can be formal or informal. They can take many forms and are often combined in
353 the continuous consultation process. In choosing a consultation approach it is key to remain
354 flexible in terms of the approach as this will vary depending on the nature of the issues, the
355 participating stakeholders, or timing. This recommendation focuses on approaches rather than
356 forms. Examples are provided of frequently used forms of consultations that may serve to
357 inspire a particular country or environment.

358 Regardless of the form chosen, there are three key underlying components that should be
359 present in all forms. From the onset, the organizing stakeholder should make every attempt to
360 provide detailed information to all parties of proposed actions and how those actions will impact
361 all stakeholders. Secondly, adequate time must be provided to gather feedback and respond to
362 questions/concerns from impacted stakeholders. Finally, all parties should be made to feel that
363 they had a part in the ultimate decision for the path forward. These key components must be
364 part of a deliberate process regardless of whether the form of consultation is a small group in an
365 informal environment (e.g., focus groups or work-shops) or a large group in a formal
366 environment.

367 Consultations will also be conducted by different modes. That is, they can be oral or written
368 contributions, on-site or “virtual” meetings (e.g., using telephone conferences or the internet)
369 and any combination thereof. As already stated, existing factors such as the nature of the issues
370 to be discussed and the availability of stakeholder resources will usually dictate the best
371 method. The selection of the appropriate consultation form will be dependent on many factors,
372 as for example, national requirements, government and trade facilitation policies, business
373 needs, regional (or sub-regional) or international trading agreement. Other considerations could
374 be the commitment of stakeholders, both public and private sector, and the willingness to seek
375 results through genuine negotiation and collaboration.

376 One way communications like press conferences or public announcements can have their value,
377 but cannot be seen as consultation as such, as only one view will be presented.

378 The forms of consultation listed are indicative, not exhaustive, and some overlap in terms of
379 formation and operation. The examples provided below start from the more formal in structure
380 to those that are less formal, nevertheless, all have been used to the same degree of success. It is
381 important to also note that the listing below should not be interpreted as a limit or restriction to
382 the development of new and innovative approaches.

383 3.1 Permanent Consultative Committees

384 The permanent consultative committee has been the most commonly used form of consultation.
385 The committee can be established by either the government (usually a department with direct
386 contact with the trading community, such as customs) or the private sector (often a trade or
387 industry sector organization. The committee is normally structured within a legal or
388 administrative framework with the appointment of a Chairman, Vice Chairmen and a Secretary.
389 Experience has demonstrated that rotating the chairmanship between Trade and Government
390 (for example every two years) can create trust and respect, encourage continuing participation
391 and produce positive results from the co-operative consultation process.

392 The committee could form sub-groups or working parties to progress initiatives or agreed to
393 projects. These groups could be structured in the same way as the main committee but with a
394 specific focus to examine procedural, technical and operational issues and a deadline to report
395 back with recommendations. A further sub-group could be established to oversee the
396 implementation of any new legislation, political decree, governmental ordinance, regulation and
397 administrative procedure. This group might have a different structure as it would need to
398 interface with systems and solutions developers and vendors as well as operational staff
399 responsible for implementation.

400 A special form of the permanent consultative committee is the national trade facilitation body, as
401 recommended by the UNECE in *Recommendation 4 on Trade Facilitation Bodies*. A national trade
402 facilitation body is an independent and permanent forum where relevant stakeholders from the
403 public and private sectors discuss and coordinate trade facilitation measures at national level. A
404 condition to make such a consultative body work is that the government must be politically
405 committed to establishing and supporting the committee as a national forum for promoting
406 trade facilitation measures and that it is established by some legal framework, for instance a
407 political degree or a governmental ordinance. There needs to be a clear mandate and the
408 participants should be sufficiently high-level to have real influence on the issues for both
409 Government and Trade. Experience shows that many national bodies have been incorporated in
410 ministries in an effort to use resources more efficiently. This has not meant that the purpose or
411 scope of the strategic matters discussed has changed.

412 **Case story – Joint Customs Consultative Committee, United Kingdom:**

413 The Joint Customs Consultative Committee (JCCC) was established by Her Majesty's (HM)
414 Customs & Excise (now HM Revenue and Customs) in 1969 to exchange views on and discuss
415 proposed changes to customs procedures and documentation relating to the entry and clearance
416 of goods. The JCCC acts as the main forum for the department and gives custom the opportunity

417 to consult representations from over 20 member trade organizations on a face-to-face basis.
418 There are three scheduled meetings every year, chaired by either a Director or Deputy Director
419 of customs. A number of smaller subgroups are used to discuss in-depth technical and
420 operational issues. These groups are formed as required and disbanded once their purpose is
421 achieved and the results reported to the main committee.

422 3.2 Centres of Experience and Expertise

423 Government or Trade could establish a formal centre of experience and expertise, or a network
424 of experts to address issues in a variety of subject areas including, administration, management,
425 academia, compliance, systems requirements, and law. The objective would be to seek views and
426 opinions from recognized experts on the full range of issues on the subject or measure under
427 discussion. The department or organization establishing the collaborative effort could identify
428 experts and invite them to participate. Equally, experts could nominate themselves for
429 contributions in their particular field of experience or expertise. The aim of this approach would
430 be to ensure the collaboration is both transparent and inclusive. Unlike the establishment of
431 committees, this consultation method is less resource intensive with costs and effort more
432 widely spread. However, it would require proper leadership and management.

433 3.3 Network of Subject Matter Experts

434 Another method of consultation could be the establishment of informal reference groups
435 composed of subject matter experts in specific fields. These groups would be invited to
436 contribute on specific issues within their field of expertise. For example national bodies such as
437 regional development agencies could be invited to submit oral or written contributions on the
438 potential impact of a proposed new measure or procedure within their region. Similarly
439 individual trade and industry organizations could be asked to contribute on the introduction of
440 new practices in their specific sector. Procedural subgroups can be established to provide Trade
441 and Government with best practices for individual trade facilitation issues derived from
442 identification of pain points and lessons learned. Similarly, technical subgroups can be organized
443 to provide valuable insight for pretesting of electronic formats or testing of proposed technical
444 solutions to current manual processes. The main benefit of this approach is the proposed new
445 measures are 'tested' by the people directly affected and at important milestones of their
446 development.

447 3.4 Peer-to-Peer Groups

448 The peer-to-peer method of consultation could prove useful as a way to share experiences at the
449 point of introduction of a new measure. Implementations frequently follow similar patterns and
450 encounter broadly similar problems requiring quick solutions to ensure the introduction is not
451 stalled. Consulting a peer group of contemporary colleagues with equal competencies and
452 abilities could offer valuable contributions on technical and operational issues, help identify
453 potential difficulties and provide positive remedial actions to overcome implementation hurdles.

454 3.5 Implementation Working Parties

455 Once results or consensus has been achieved, a successful roll out of the proposed solution is
456 best achieved when stakeholders that have been involved in the process (and have comprised
457 any of the groups mentioned above) are also used to champion and communicate the
458 forthcoming changes to their constituents. Implementation working parties, consisting of
459 impacted trade sectors and developers/vendors of implementation solutions, can help to
460 manage the introduction of new procedures and practices by positively communicating those
461 changes within their sectors. The benefit of this process may take years to be fully recognized,
462 but over time, as trust and partnerships build, the results will be very positive. There are many
463 benefits to such an approach including the ability to reach key contacts of those within the
464 implementation work group, expanded access to resources (both human and financial) for
465 communication campaigns, and increased credibility due to impacted stakeholders advocating
466 the changes across their networks.

467 3.6 Conferences

468 A special form of consultation can be in the way of an annual conference. An annual conference
469 has the advantage that the information from the organizing stakeholder can be given to a large
470 number of stakeholders and companies. On the other hand, a disadvantage is that it can be
471 difficult to have a dialogue where all present have a say. To mitigate this difficulty it is common
472 practice to offer break-out sessions or additional sessions featuring round table discussions with
473 selected stakeholders or larger companies so that a meaningful exchange of dialogue among
474 stakeholders can also occur.

475 **Case Story: Customs Day Conferences, Sweden:**

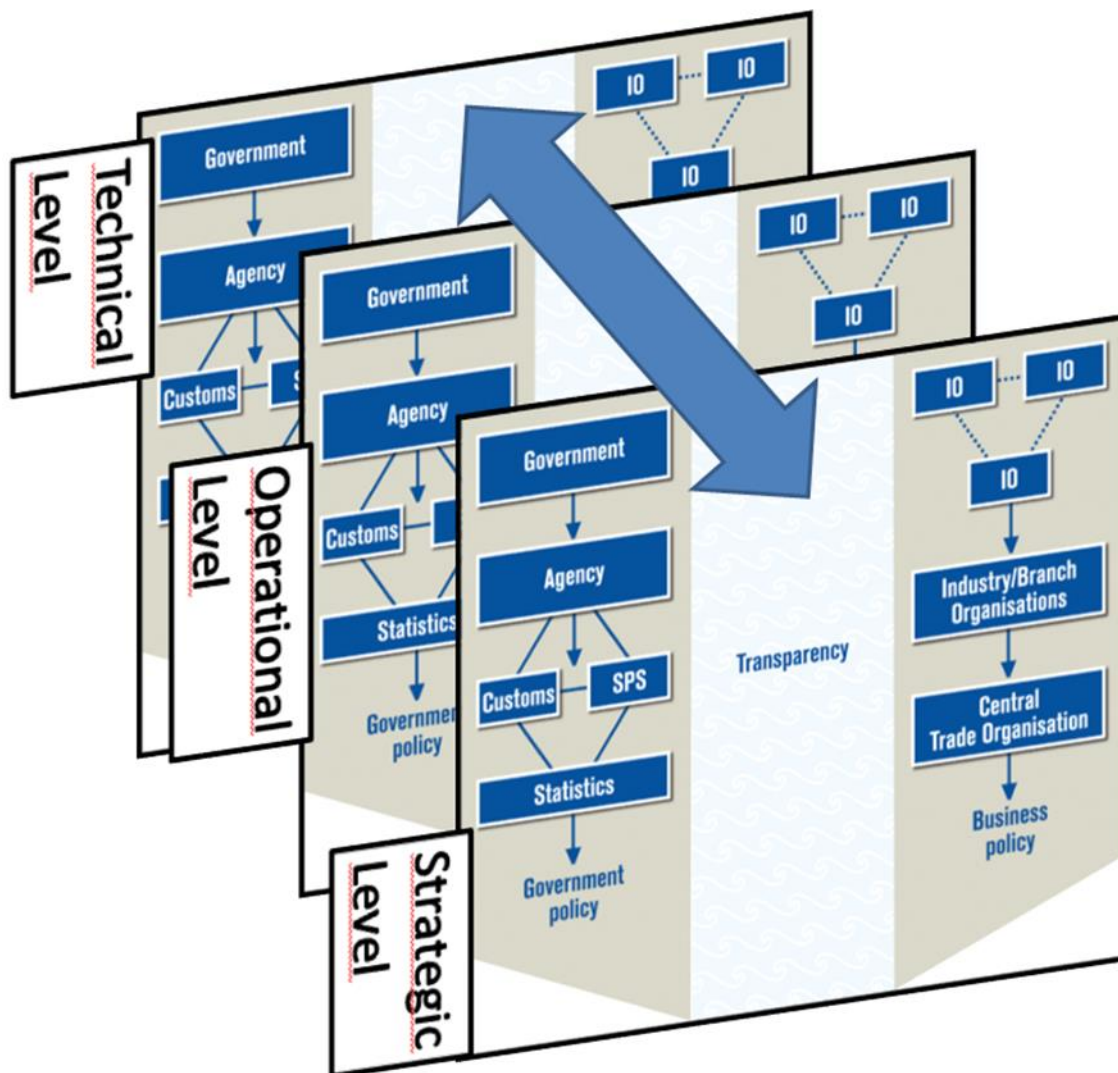
476 Swedish Customs, Swedish Trade Federation and the Chambers of Commerce in Stockholm,
477 West Sweden and South Sweden organize an annual event called the "Day of Customs." The
478 event is centrally planned and most of the content is repeated in the three venues, Stockholm,
479 Gothenburg and Malmoe. The event that is primarily aimed at compliance and customs
480 responsibilities in importing and exporting is opened by the Director General of Swedish
481 Customs and the programme includes other authorities as well as various trade federations.

482 A generic consultation model, inclusive of the different levels, is described below. It is intended
483 as an illustration of the need for preparations and transparency and of the iterative nature of
484 consultations. Hopefully this illustration can be applied to most forms of consultations.

485 4 Levels of Participation

486 For consultation between Trade and Government to work efficiently and (more importantly)
487 effectively, the process must include representation from the full diversity of the stakeholders
488 i.e., from the leadership all the way down to the users who will be impacted. Participants should
489 be of appropriate position and status, including experts with established and acknowledged
490 competence. Consultations must also be complete in all respects and inclusive of strategic,
491 tactical and operational issues. Each level of consultation should be clearly defined in both scope

492 and authority with open and transparent channels of communication and reporting. In most
 493 consultation processes there is a need for communication between the levels in both directions
 494 so that, for instance, when a tactical level group meets, it has information on what has been
 495 discussed at the strategic and operational level. Similarly, information from discussions at the
 496 tactical level will then need to be communicated to both the strategic and operational level.



497
 498 Figure 1. Consultation takes place at various levels while at the same time including various
 499 stakeholders and their internal processes.

500 At the **strategic level** discussions would include trade facilitation policy issues. At this level,
 501 meetings need occur only occasionally to monitor progress and take corrective actions if
 502 necessary. Participants to the committee should include senior officials, aides coordinating the
 503 political agenda and government policy makers. Trade participation would include senior
 504 decision makers of multi-national and national companies who are responsible for preparing
 505 new innovative business processes and commercial practices and systems. The agenda would
 506 consider trade facilitation measures as part of the overall objectives of trade and industry policy,

507 economic development, fiscal and monetary (including taxation) policy and strategies for social
508 and community cohesion. At this level existing regional / sub-regional / international
509 obligations and agreements, conventions, recommendations and international standards are to
510 be taken into account.

511 At an operational **level** participants would discuss the development of official procedures and
512 commercial practices to allow the smooth implementation of the enabling measures. This is akin
513 to a product management level. The working group would be comprised of parties from
514 Government (senior government officials) and Trade (corporate/business managers, logistics
515 practitioners...) with acknowledged competencies in the international supply chain. The agenda
516 for the group would be an examination in detail of the legislation, regulation and administrative
517 procedures to enact and enable the policy. The issues involved could include, but not be limited
518 to, offering analysis of the legislative sections, articles and clauses and making recommendations
519 for necessary or appropriate amendments; development of guidance and advisory services
520 (including Public Notices); the design of an implementation programme; and a plan for a
521 promotion and publicity campaign.

522 Finally, the technical layer can focus on specific technical tasks such as establishing a single
523 window to achieve a higher strategic objective. Technical discussions would include (but again
524 not limited to) change management, the roll out of promotional communication products and
525 publicity, training of both private and public operatives and the development of a dispute
526 resolution process for local conflicts or disagreements. Participation and contribution at this
527 level of consultation should be extended to organizations, companies, individuals and other
528 interested parties that would develop the solutions to support the efficient implementation.
529 Software and systems developers and vendors, information and communication technology
530 experts, trade and transport consultants, media professionals and behavioural specialists would
531 provide a wealth of valuable information on the impact of any new operational procedures or
532 practices.

533 **5 Topics for Consultation**

534 Governments consult to assess among other things traders' preferences and opinions, identify
535 concerns and problems, leverage ideas for improvement, share information, and build a common
536 vision and strategy. A successful consultation approach must address a clear topic.

537 Although consultation processes inform a decision, the final decision remains with the
538 government or the mandated authority. For this reason, public interests or security reasons may
539 prohibit consultation or may lead the government to adopt less interactive forms of consultation
540 when dealing with issues considered sensitive for confidentiality or security reasons.

Case stories: Thailand and Pakistan

542 In Thailand the Steering Committee on National Single Window Development dealt with the
543 development of the action plan for its implementation and monitoring. At a sub-level a technical
544 working group dealt specifically with drafting guidelines for the sharing and exchange of data,
545 the deployment of authentication, and developing a national data set.

546 (Source: TFIG case stories, <http://tfig.unece.org/cases/Thailand.pdf> as of June 2014.)

547 In Pakistan the National Transport and Trade Facilitation Committee (NTTFC) covers topics and
548 activities including the continuous review of trade and transport procedures and systems, the
549 alignment of trade and transport documents to the UN Layout Key, adoption of standard trade
550 and transport terminology and international codes for trade and transport information
551 promoting training and research.

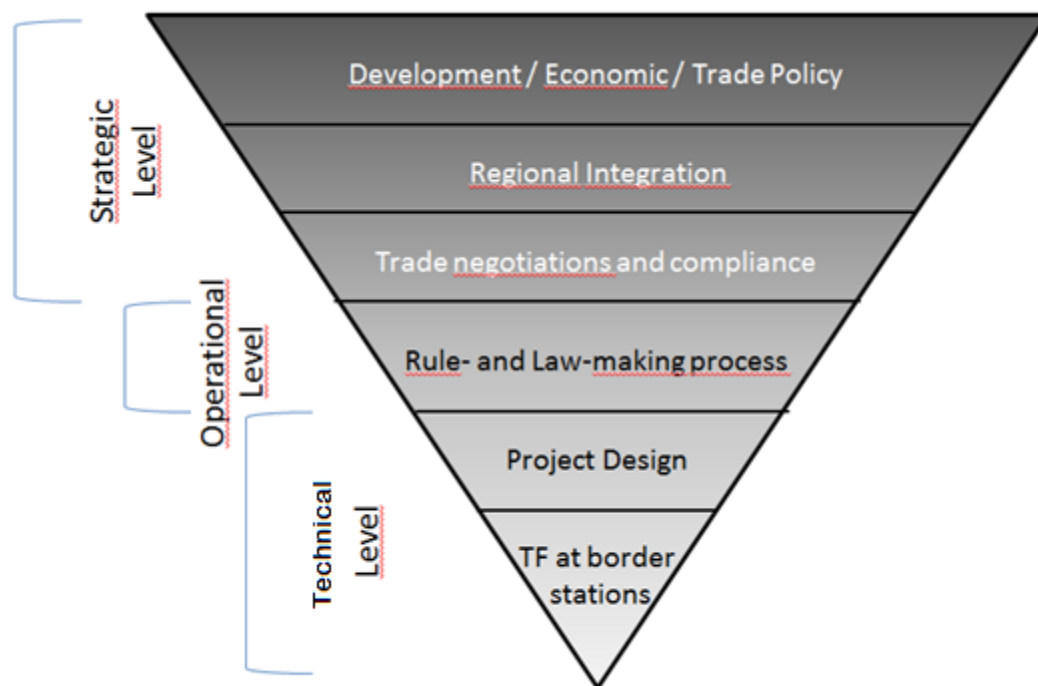
552 (Source: TFIG case stories, <http://tfig.unece.org/cases/Pakistan.pdf> as of June 2014.)

553 The goals and the topics of a consultation process need to be defined in advance. A consultation
554 process without a clear topic will not attract interest and participation. Stakeholders will
555 participate when matters have a direct bearing on business and daily operations. The issue or
556 topic at stake in the consultation has a direct impact on the planning for the consultation
557 process. The selection of stakeholders and the “technique/mode/instrument” for the
558 consultation will be specific to the topic and the purpose. A clear setting of the topic and its
559 relevance to the stakeholders must therefore be part of the framing of the consultation process.

560 The level of participation of the process has to be aligned to the topic. Strategy policy topics may
561 involve a broad number of stakeholders. At a political level; operational issues are more
562 effectively dealt with limited number of selected stakeholders with an expert knowledge. The
563 topics chosen for the consultation should be aligned to the level and experience of collaboration
564 in the group. Solving operational issues with a quick win for many can lay the ground for more
565 substantial and sustained collaboration.

566 There also need to be possibilities for all stakeholders to bring items to the agenda for
567 consultations. The lead agency should make sure that requests for agenda items are sought from
568 Government and Trade, as well as from any other interested parties.

569



570

571 Figure 2. The above figure illustrates the width of various topics for consultations. The top three
 572 levels indicate an operational level, the middle level indicates a tactical level and the bottom two
 573 indicate a strategic level for the consultation.

574 6 Preparations for Consultations

575 Preparations for consultations are crucial for effective and efficient discussions. Each part needs
 576 to know the priorities and limits of its constituency for each issue that is on the table for
 577 consultation. This can be a time consuming process and transparency about upcoming proposals
 578 and other issues on the consultative agenda are crucial to allow both sides to prepare.

579 In order to promote transparency, flexibility and efficiency there is need for mutual
 580 understanding of the trade and government environments. The priority of Trade is not
 581 consultation but the running of everyday business. In some countries the degree of organization
 582 within Trade is weak. Government must be constructive and creative in finding partners that
 583 will help an informed debate. Over time, lending support to organizations representing Trade
 584 can be a constructive investment in future dialogue and will do much in facilitating the much
 585 needed preparation that is required for all sides before consultation can begin.

586 7 Resources

587 Many stakeholders, administrations or even countries have expressed worries that consultation
 588 might drive costs. However, financing consultation does not necessarily require investments of
 589 large sums of money. Each party participating will normally have an interest in consultation and

590 could reasonably be expected to cover his own time and any related travel expenses. In this case,
591 the only real external cost is a meeting room large enough to accommodate all the participants.

592 In some cases, certain subjects which call for regular consultation or which would benefit from
593 calling upon external experts might require a bit more investment. Aspects like coffee breaks,
594 meals, and elaborate venues should be considered as social aspects which although might be an
595 added benefit to attract the participation of experts, should not be considered essential since the
596 true purpose of consultation should be working together towards effective trade facilitation and
597 simplification. However, in the event that such expenses are necessary, it is possible to consider
598 alternative options for funding. As for example, the funding for the initial expenditure could be
599 in the form of a government grant, corporate sponsorship, or subscription fees from the
600 business representatives.

601 The selection of a less resource intensive method of consultation would naturally reduce
602 commencement and operating costs. However to ensure sustainability some resources would be
603 required to establish the consultation method and then lead and manage the process. Funding
604 would be needed for the distribution of relevant material either physically or through a
605 managed website.

606

607 **Annex 1. A Proposed Toolbox for Consultations**

608 This section provides recommendations that can be viewed as a set of tools that can be used to
 609 facilitate dialogue among stakeholders. The consistent consideration of the diverse tools
 610 available within three key areas will result in the path to successful and productive dialogue.
 611 These three areas are (1) assessment, (2) planning and execution, and (3) sustainment.

612 Assessment tools include activities focusing on stakeholder analysis, stakeholder impacts and
 613 identification of high level needs for communications, training, and policy changes for proposed
 614 changes. In the planning and execution stage, information gathered as a result of assessment
 615 will help to determine the appropriate level of engagement of stakeholders, as well as
 616 communications and training, so that activities can be planned accordingly. The third and
 617 perhaps most critical area and often overlooked, is sustainment. Once proposed changes are
 618 implemented, engagement and communication with stakeholders must continue to monitor the
 619 effectiveness of the work that was performed. Uninterrupted monitoring of stakeholders will
 620 help to reinforce the collaborative nature of this relationship.

621 **I. Assessment Tools**

622 Assessment activities must provide a basic understanding of how different stakeholder groups
 623 will be affected by proposed changes as well as provide guidance and the necessary assurances
 624 to stakeholders of how their business processes will continue in the new environments. In order
 625 to build trust, the specifics of the changes must be provided to stakeholders and they must be
 626 given an opportunity to voice their comments or concerns so that both short and long terms
 627 plans are clearly identified.

628 **I.1. Stakeholder Analysis**

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

639 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

640

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

646 **The following is offered as a quick stakeholder analysis checklist:**

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

655 I.2. Impact Matrix

656 The Impact Matrix provides a baseline assessment of stakeholder impacts as a result of
 657 proposed changes. This matrix is particularly useful when planning a project that will result in
 658 both technical changes to systems as well as operational polices.

659 Technical Feature	User Description	Pilot period?	User Deployment Date	User Impact Type	Policy Impact	Commu- nication Impacts	Training Impacts	Actions	Owner
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660 Activities in this area will focus on identifying technical and policy changes that will have an
 661 impact on stakeholders as well as identifying high level needs for communications, training, and
 662 policy changes for each impact.

663 I.3. Policy Integration Template

664 The policy template focuses on identifying current organizational policies and how they align to
 665 proposed changes. Current policies will either partially align to proposed changes and need
 666 modification, or policies will need to be created because they do not yet exist. Key questions in
 667 this assessment include:

- 668 1. What business process area is being addressed by the proposed change?
- 669 2. What is the goal(s) of the proposed change?
- 670 3. What are the specific changes?
- 671 4. Will this change in policy/automation resolve a current problem? If so, which problems?
 672 a. Can you explain some issues with the current process?
- 673 5. Does any written policy exist for the current policy?
- 674 6. How was the policy issued?
- 675 7. Is the policy current?
- 676 8. Are there any uniformity issues with this policy?
- 677 9. Are there regulations for the current process?

- 678 a. Are you looking to change/amend existing regulations? If so, how?
679 10. Will this impose new requirements on the trade community or other government agency?

680 Activities will focus on the development of tool and templates to facilitate working with
681 stakeholders on change integration, identification of points of contact for policy development,
682 coordination of meetings at the different levels (strategic, operational and technical) and the
683 tracking of all these different processes.

684 II. Planning and Execution Tools

685 II.1. Change Management Activities

686 A successful approach to managing change in current policy or process must include a sustained
687 and structured method of readiness assessment across all stakeholders. In many instances,
688 stakeholders are comfortable with the current state and may not be aware of external factors
689 that would necessitate or warrant a need for change.

690 The initiator of change must be prepared to conduct a readiness assessment of its stakeholders
691 to undergo that change. Stakeholders must be aware of the “as is condition” as well as the “go to
692 condition.” This dialogue is necessary so that obstacles and risks are discussed and mitigated at
693 the earliest opportunity.

694 “Engagement” of the stakeholder community must be well organized and make use of all feasible
695 means of distributing the necessary information. This includes written communications,
696 opportunities for comments, and posting of electronic information when websites are available.
697 Where feasible, Government should also provide education and training so that impacted
698 stakeholders are more willing to support the advocated changes.

699 Information gathered in the assessment stages will help determine the appropriate engagement
700 and activities to be planned at each level. Engagement activities will target both internal and
701 external audiences impacted by upcoming changes. This plan should include two-way
702 communication so that stakeholders can provide continuous feedback to the program as they
703 experience changes resulting from executed changes. Well planned activities should reach all
704 levels of a stakeholder group, from leadership to end users.

705 Activities at this level should focus on:

- 706 1. Communication plan
707 a. On site outreach
708 b. Email communication & newsletters
709 c. Information notices
710 d. Webinars
711 e. Websites
712 2. Training Plan
713 a. In person
714 b. Web based
715 c. Training and Reference Guides

- 716 d. Videos
- 717 3. Policy
- 718 a. Policy coorgination meetings
- 719 b. Publication of legal notices for comment

720 II.2. Sustainment

721 In addition to the “readiness” activities referenced above, preparations must also be made to
722 sustain the necessary changes by providing for continuous process improvement, standards of
723 measurement, and business process reengineering. This will result in smoother transition from
724 the old to the new, positive perception of the changes advocated, less resistance to change, and
725 improved cooperation. Activities in this area can focus on establishing surveys for completion by
726 stakeholders, monthly metrics reports and continuous outreach.

727 III. Evaluation

728 Consultation processes should not only be established but also evaluated to determine if the
729 investment of time, money and energy provided value. The value lies in the quality of the
730 consultation process and the outcome it generates. Dissatisfaction with the process and
731 participants’ perception of an ineffective involvement may lead to their disengagement and the
732 failure of consultation processes. An evaluation is conducted to audit and manage a particular
733 consultation process and to learn from that specific experience for improvement of future
734 efforts.

735 The aim of the evaluation is to determine whether an open, transparent and non-discriminatory
736 form of consultation was used from beginning to end. Lessons learned should also be identified
737 for future projects.

738 III.1. Evaluation process

739 Commonly evaluations are conducted at the end of a process, project or activity. In the case of
740 consultation processes it is often difficult to define an end-point because of the continuity of its
741 activities. It is therefore recommended to define in advance the timing of the evaluation and to
742 consider repeating an evaluation over time to measure the evolution. In any case, the planning
743 for an evaluation has to start early, ideally when initiating the consultation process, to
744 collaboratively agree upon the timing, the form and the method. If behavioural goals such as
745 attitudes are used as evaluation criteria, data needs to be collected at the beginning and the end
746 stage.

747 III.2. Evaluation framework

748 To evaluate the worth and success of a consultation process, one first has to define what
749 constitutes a successful consultation. An evaluation framework defines the evaluation criteria
750 with its indicators / data sources, and then set targets / assumptions for each criterion.
751 Evaluation criteria reflect the goals pursued by the consultation process. They can be outcome
752 and/or process oriented. Process related evaluation criteria for example, address questions

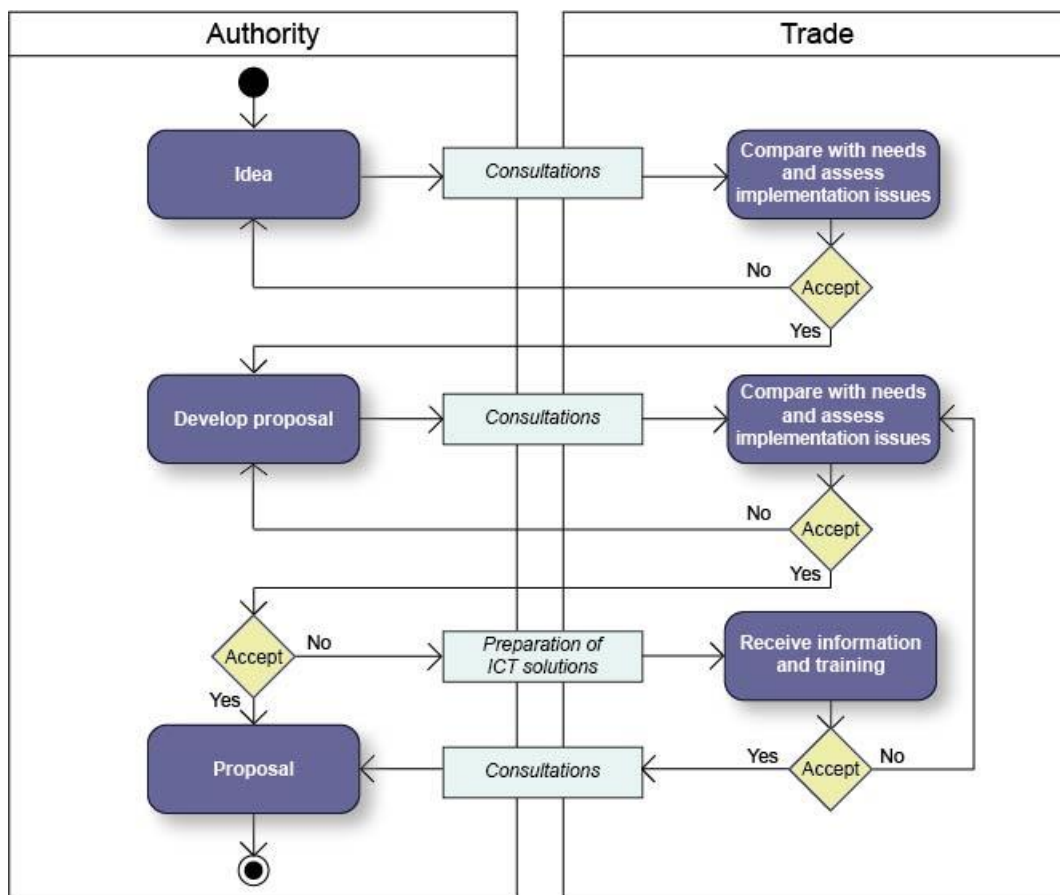
753 pertaining to the fairness and openness of the process, and effectiveness in terms of managing
754 resources and getting the right people involved at the right time. Outcome related criteria for
755 example, refer to the impact of a consultation process on trust and relationships and on policy
756 decision or the quality of public services.

757 Each evaluation criterion can have at least one indicator—qualitative or quantitative —that is
758 used to measure the overall criteria. An example of an indicator for the representative criteria is
759 the number of participants and the organizations they represent. Data indicates the source
760 where information on the indicator can be found and defines the method and tool used to collect
761 the data. Finally, targets reflect the planned goal.

762 III.3. Evaluation methods

763 There are different methods and tools for the data collection and analysis in an evaluation;
764 namely surveys, interviews, studying documentation, and observation. The choice of these
765 methods is specific to each evaluation and the evaluation framework. For example, visits to
766 various and varied locations to conduct interviews with staff performing the daily tasks
767 introduced by the new measures are useful. The objective would be to identify whether clear
768 and precise information was provided and if the staff were offered suitable training prior to the
769 introduction of the measure. Also, such visits would discover where local conditions required
770 amendment to procedures and practices to ensure implementation.

771

772 **Annex 2: Generic Model**

773

774 **Figure 3. A Generic Consultation model.**

775 The generic model illustrated in Figure 3 is an attempt to provide guidance for those trying to
 776 engage in consultations and highlights the processes that are both desirable and consistently
 777 present in consultations. This model should not be seen as complete in all respects, as for
 778 example, it does not clearly reflect the iterative nature of consultations or the fact that there
 779 needs to be a continued effort to sustain the commitment.

780 In Figure 3, the *idea* is originating from the *Authority*, but it could also be initiated from *Trade*; in
 781 which case the headings of the two boxes would be inversed.

782 The basic components of the consultation in this model will, for all simplicity, have certain
 783 designation. For instance the term *Authority* means any governmental body, agency or indeed
 784 department. *Trade* stands both for individual companies and traders and their respective
 785 organizations. The joint procedures will be *consultations*, but also various other forms of
 786 preparations and implementations.

787 Importantly, the respective stakeholders also need to have their own internal processes where
 788 the views of their constituency are prepared. This internal process consists both of
 789 disseminating information and getting feedback on a suggested approach or idea.

790 In the proposed model, the consultation process is set in motion by an idea. Trade procedures
791 are governed by policy and procedures, and any item of consultation will inevitable come from
792 an idea of opportunities for new policies and procedures or in its more developed form,
793 *proposals*. This is true independently of whether these ideas are a suggestion from Trade, new
794 legislation imposed from a regional level or any of the other topics discussed in Section 5 of the
795 Guidelines on Topics for Consultations.

796 From the *consultations* there will come a *proposal* for policies and procedures. The proposal may
797 also lead to new problems and issues. These can be addressed by either *training* or new *ideas* or
798 *proposals* on re-organization for new procedures or policies. This overall landscape of
799 consultations is depicted in Figure 3.

800 The most basic part of the consultation model is an idea formulated and prepared in either
801 *Authority* or *Trade* and through transparency procedures shared with the other stakeholders
802 before the final decision on the final proposal is made. That process is depicted in the upper part
803 of Figure 3. Please note that the prerequisite of transparency as early as at the problem
804 formulation stage, applies to both stakeholders. Of course, there will be cases where quite
805 substantial preparatory consultations are made with the stakeholders' own constituencies. This
806 is surely the case when the issues are more complex. In this model that process has been given
807 the name "*Compare with needs and assess implementation issues*", but it can be both more and
808 less complex depending on where in the process it happens and the nature of the idea at hand.

809 The process "*Compare with needs and assess implementation issues*" is a simplification of the
810 process in the stakeholder's constituency that occurs in parallel with the overall consultation. It
811 has great resemblance to the process between the main stakeholders. The constituency needs to
812 be informed about the proposal and their views on the feasibility must be heard. Here
813 transparency helps the stakeholders to prepare their constituencies for the changes linked to the
814 proposal so they can be well informed on the technical details that will be discussed. The
815 exchange of information and modification of position is simultaneous, or almost simultaneous,
816 to the consultation process.

817 Subsequent or parallel to the proposal being modified (or not) based on the input from the
818 stakeholders, the Authority will judge what implementation measures will be needed. This
819 process is continued when the proposal is formally presented with a deadline for
820 implementation. In this process, the Authority provides training or information that is shared
821 with the Trade stakeholders and in turn, the Trade stakeholders give feedback on the efficiency
822 of the information and training provided. A process that can be both separate and on-going is
823 Evaluation. In principle it makes the same loop as the consultations in the model, but will involve
824 feedback on the consultation process itself and the results it has generated. The overall model
825 tries to show the involvement of all stakeholders and the information sharing over time.