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13 **ENCOURAGING PRIVATE SECTOR PARTICIPATION IN NATIONAL TRADE FACILITATION BODIES**  
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93 This white paper evaluates practices and solutions to strengthen private sector participation in National  
94 Trade Facilitation Bodies (NTFBs) to make them more effective and to strengthen the impact of NTFB  
95 to trade facilitation reforms. Public-private dialogue is vital for trade facilitation as it ensures a service-  
96 centered approach and collaboration. NTFBs should therefore strive to get meaningful contribution and  
97 commitment from relevant private stakeholders.

## 98 1 Purpose and Scope of this paper

99 A NTFB aims to provide a trusted, permanent, and effective environment for public-private dialogue on  
100 trade facilitation. Over the past years' governments, donors and international organizations have invested  
101 into establishing NTFBs, and such bodies currently exist in many countries around the world. The focus  
102 now shifts from setting up NTFBs to ensuring that these NTFBs are sustainable, effective and have a  
103 meaningful impact on trade facilitation reform.

104 Trade facilitation aims to simplify paperwork, speed up customs and border clearance, and make cross-  
105 border trade more predictable and efficient. It lowers the costs and reduces the barriers for participating in  
106 international trade for all trading companies, including small and medium size enterprises (SME) and  
107 women traders. It also delivers efficiency gains that reduce adverse environmental impact of trade and  
108 facilitates the flow of essential goods in times of crisis. The private participation in the NTFB should not  
109 depend on government affections or disaffections, therefore it is very important to assure the permanent  
110 participation as an integral and mandatory part of a NTFB.

111 A defining factor for successful trade facilitation initiatives is to bring in the private sector as stakeholder,  
112 and partner. The existence of a NTFB is precisely to ensure public-private partnership in trade facilitation.  
113 Every NTFB must ensure that private sector representatives are offered membership to have an equal  
114 voice in the NTFB discussions, deliberations, and decisions. However, membership in a NTFB is only a  
115 first step to a successful private-public dialogue on trade facilitation. The NTFB needs to be shaped into a  
116 trusted and effective collaborative partnership. This requires a dedicated focus on motivating the private  
117 sector to actively engage in and to trust the process. Insignificant participation from the private sector is a  
118 risk to the credibility, impact and sustainability of NTFBs.

119 This white paper addresses the challenge of mobilizing private sector engagement. It provides guidance  
120 on how to design and facilitate a NTFB with a view to strengthen the contribution, ownership, and  
121 representativeness of the private sector. It completes UNECE Recommendation 4 on National Trade  
122 Facilitation Bodies<sup>1</sup> and Recommendation 40 on Consultation Approaches by providing focused insights  
123 on the ability of NTFBs to facilitate a private-public dialogue.

### 124 1.1 Background

125 Since the 1970s UNECE has recommended that governments establish NTFBs as a platform for  
126 stakeholder coordination and public-private consultation. The first edition of the UNECE Recommendation  
127 4 on NTFBs was published in 1974, a second edition with guidelines was issued in 2001 and revised again  
128 in 2015.

129 Since the Recommendation 4, NTFB is used as a generic term to describe trade facilitation organizations  
130 with private-public membership. In fact, various types of NTFBs with different names and organizational  
131 structures currently exist. Nowadays, most of these are referred to as a national trade facilitation committee.

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<sup>1</sup> United Nations *Recommendation No. 4: National Trade Facilitation Bodies*, New York and Geneva, 2015 (ECE/TRADE/425)

132 This paper does not distinguish between the different types and uses the generic term NTFB to include all  
133 relevant organizations.

134 UNECE Recommendation 4 recognizes the importance of private membership in NTFBs and recommends  
135 that “private sector participants in such bodies should include representatives from all industry sectors, all  
136 types and size of business, and institutions taking part in international trade: manufacturers, importers,  
137 exporters, freight forwarders, customs brokers, carriers, banks, insurance companies, etc.”<sup>2</sup> Specifically  
138 this includes:

- 139 ● Private sector traders (importers and exporters), who can benefit from such solutions in their  
140 international trade transactions; and
- 141 ● Private sector trade services providers (carriers, freight forwarders, multimodal transport operators,  
142 banking institutions, insurance companies, software providers, etc.), who can offer market-oriented  
143 trade and transport solutions within the framework of national and international trade and transport  
144 practices, obligations and laws.

145 The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) contains the obligation to set up  
146 a national trade facilitation committee. Article 23.2 of the TFA however does not define the composition of  
147 such a national committee and does not contain a reference to the participation of the private sector<sup>3</sup>.  
148 International organizations, such as the United Nations Economic Commission for Asia Pacific (UNESCAP),  
149 do however recommend “a balanced membership from both public and private sectors”<sup>4</sup> for such national  
150 trade facilitation committees. In fact, the majority of the national trade facilitation committees that have been  
151 set up in the context of the WTO TFA implementation do have private sector members.

## 152 **1.2 Status Quo of NTFBs**

153 Whilst NTFBs have existed since the 1970s, their number has increased significantly since the WTO TFA  
154 came into force in 2017. According to the 2020 UN Digital and Sustainable Trade Facilitation Survey<sup>5</sup>, 101  
155 out of 142 respondent economies have established NTFBs and 26 have partially established NTFBs.

156 Most of the existing NTFBs have a private – public dimension. The UNCTAD database of National Trade  
157 Facilitation Committees provides information on NTFBs worldwide<sup>6</sup>. In July 2021, all the 112 NTFBs listed  
158 in the repository had at least one member from the private sector. On average, each NTFB has eight  
159 representatives from the Private Sector. The NTFB in Canada, the Border Commercial Consultative  
160 Committee, has even more than 40 private sector members and the one in Nigeria more than 20 private  
161 sector members. Overall, the ratio of private-public members across all the 112 entities varies from 5 to 83  
162 percent<sup>7</sup>. The most frequent private sector members are the respective national chamber of commerce and  
163 other professional or sectoral associations, such as transport and logistics associations. Few NTFBs have  
164 individual businesses as formal members. Whilst the private sector is well represented in the membership,  
165 they are not often included in the chairmanship of the NTFB. Only 6 out of the 112 entities in the UNCTAD  
166 database are co-chaired by the public and private sector.

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<sup>2</sup> Rec4 2015, Op. Cit. p.3

<sup>3</sup> World Trade Agreement on Trade Facilitation: Protocol of Amendment (WT/L/940), 28 November 2014. Article 23.2 “Each member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement.”

<sup>4</sup> ADB, UNESCAP (2013) Designing and implementing trade facilitation in Asia and Pacific, Bangkok, UNESCAP 2013

<sup>5</sup> Survey and data can be accessed under <https://www.untfurvey.org>

<sup>6</sup> Accessible at <https://unctad.org/page/trade-facilitation-committees-around-world>, accessed July 2021.

<sup>7</sup> See footnote 6

167 The formal establishment of a NTFB is a first step but is not in itself a sufficient condition for its success. A  
168 closer examination of qualitative aspects of those existing, reveal that many NTFBs still only meet  
169 irregularly, lack a strategy and some are dependent on donor support for funding and expertise. They face  
170 multiple challenges on the way to become an effective platform for trade facilitation consultation and  
171 coordination.

172 A global survey carried out by UNCTAD in 2019 found that the involvement of the private sector is one of  
173 the four factors contributing to the sustainability of NTFBs<sup>8</sup>. This confirms findings from a previous WTO  
174 survey published in 2017 that reported an inclusive involvement of the private sector was considered the  
175 most important success factor<sup>9</sup>.

### 176 **1.3 Value of private sector involvement**

177 A strong private sector engagement in NTFBs positively impacts the relevance, legitimacy, and credibility  
178 of a NTFB and encourages a business-centric approach to trade facilitation.

179 Firstly, consultation with the private sector leads to holistic and co-creative solutions that respond better to  
180 actual trade facilitation needs and problems. The private sector has direct and first-hand knowledge of  
181 bottlenecks and inefficiencies. It thus can be the bond between public instruction and [real] operations,  
182 showing the real pros and cons of regulations and procedures.

183 Secondly, the private sector has knowledge of practices in other countries and sectors which they can share  
184 with the government. An example would be the experiences of the trade and logistics sector with new  
185 technologies to facilitate trade such as artificial intelligence, blockchain, or Internet of Thing (IoT). Involving  
186 and learning from the private sector can strengthen the public sector innovation capacity and help the public  
187 sector with fresh thinking.

188 Thirdly, the private sector is also a contributing partner for trade facilitation. This refers both to private sector  
189 internalizing and taking responsibility for compliance, as well as private sector complementing and  
190 augmenting government resources and capabilities<sup>10</sup>. The private sector can also provide relevant  
191 information and data for problem identification and decision-making.

192 Finally, it is often stated that consulting with the private sector is a contingent and mediating factor that can  
193 help acceptance and legitimacy of decisions and reforms. Public and private partnership may even be key  
194 to overcoming resistance to change from individual stakeholders, both from the public and private sectors.

195 If a NTFB is mainly government-driven, there is a possibility that outputs lack relevance or even worse  
196 increase burdens when not aligned to business operating models. Conversely, if the NTFB is mainly private  
197 sector driven, there is a risk of a disconnect with public sector strategy and decisions that may be biased  
198 towards a few vocal participants, at the expense of smaller non-participatory stakeholders. Limited private  
199 sector involvement results in lack of accountability and failure to adopt good governance principles in public  
200 policy making processes.

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<sup>8</sup> See UNCTAD (2020) "National trade facilitation committees as coordinators of trade facilitation reforms", Transport and Trade Facilitation, Series No.4, United Nations, Geneva 2020, UNCTAD/DTL/TLB/2020/1 page xi

<sup>9</sup> Accessible at [https://www.tfafacility.org/sites/default/files/news/tfa\\_national\\_committees\\_trade\\_facilitation\\_web\\_e.pdf](https://www.tfafacility.org/sites/default/files/news/tfa_national_committees_trade_facilitation_web_e.pdf)

<sup>10</sup> For more on this see Andrew Grainger "The role of the private sector in border management reform" in Gerard McLinden and others (2011) Border Management Modernization (Washington D.C, IBRD/WorldBank,2011).

## 201 2 **Determining factors for private sector participation in NTFBs**

202 The nomination of private sector members alone is not sufficient for a successful private-public dialogue. It  
203 takes time and effort for collaborative partnership to emerge and to maintain. With the right motivation and  
204 commitment, it is possible for private sector participation to become a success factor for a NTFB. A closer  
205 look into what drives private sector participation helps guide design choices that strengthen private sector  
206 engagement with a NTFB.

### 207 **2.1 Basic Principles for successful consultation**

208 UNECE Recommendation 40<sup>11</sup> lists six basic principles to be met for trade facilitation consultation  
209 approaches, including for NTFBs. These are

- 210 ● Partnership and Trust
- 211 ● Transparency
- 212 ● Managing differences of opinion and interests
- 213 ● Results orientation
- 214 ● Consultations as an iterative process with respect for time and timing
- 215 ● Accountability and responsibility

216 Both, members from the private and the public sector, need to be committed to these principles and share  
217 responsibilities for the success of a NTFB. Trust amongst both sectors plays an important role not only for  
218 the success of NTFBs but for trade facilitation reforms in general<sup>12</sup>. NTFBs therefore need to invest in trust  
219 building amongst its members. A trusted collaborative work environment is characterized by 'willingness to  
220 rely on and share information with the other sector'<sup>13</sup>.

#### 221 **2.1.1 Different perspectives and priorities**

222 The private and public sectors have different priorities and perspectives of policy issues and risks. Whilst  
223 they may share a common public goal, such as health safety, environmental, etc., they may have different  
224 understanding of how to ensure such goals. This flows from their different mandates and objectives. The  
225 public sector is responsible for setting trade policy, defining the regulatory framework, and ensuring that  
226 trade is compliant with these regulations and the collection of taxes and duties. The private sector is guided  
227 by business objectives and seeks competitiveness and reliability of its operations and supply chains. These  
228 different positions can affect the level of trust amongst the members and reduce their willingness to  
229 contribute and be open about feedback. At its most extreme, the control orientation and priorities of  
230 government agencies may lead to mistrust<sup>14</sup> and fear repercussions by government agencies for speaking  
231 up and criticizing.

232 Private and public sectors may measure achievements in a different manner. A NTFB must make decisions  
233 for the general good of the economy, rather than individual companies and sectors. It can be a challenge  
234 to align policy with business interests. Trade facilitation reforms may take time to materialize and to trickle  
235 down to the level of costs and time savings of individual businesses. The NTFB must be perceived as a

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<sup>11</sup> United Nations Recommendation No. 40: Consultation Approaches Best Practices in Trade and Government Consultation on Trade Facilitation Matters, New York and Geneva, 2015 (ECE/TRADE/423).

<sup>12</sup> See Global Alliance for Trade Facilitation, 2021. Trade Facilitation Reform as a Trust Catalyst. Publication forthcoming.

<sup>13</sup> See footnote 12.

<sup>14</sup>For example, a study by the Global Alliance for Trade Facilitation on trust between Customs and the private sector associations in Colombia revealed that the history of drug trafficking in the country led to a 'control orientation' by Customs which led to a mutual distrust between the sectors. The study found that to overcome this mutual suspicion took consistent dialogue, making progress on promised reforms, strong leadership, and the presence of a neutral third party to mend any damaged relationships. Global Alliance for Trade Facilitation, 2021. Trade Facilitation Reform as a Trust Catalyst. Publication forthcoming.

236 credible arena where the balance between the different positions can be established, including the balance  
237 between different private sector interests. This requires a trusted framework for dialogue and mutual  
238 understanding of each other's positions.

239 It is imperative for both to see themselves as customers to each other and at the same time critical  
240 stakeholders in the success of NTFBs, but primarily making the private sector see what impact they make  
241 or bring.

### 242 2.1.2 Knowledge and language gap

243 Frequently, dialogue is marred by knowledge and language barriers. For many in the private sector, WTO  
244 matters including the WTO TFA and trade facilitation matters are not very well known, whilst the public  
245 sector often has limited understanding of the actual business operations. The private sector is often not  
246 properly informed about the trade policy objectives and initiatives, whilst the public sector, at management  
247 level, may be little aware of the situation the private sector is facing when dealing with procedures.

248 Use of different language and terminologies often amplifies the knowledge gap. The public sector tends to  
249 use legalistic language and refers to the de jure design of procedures whilst the private sector uses business  
250 terminologies and reports on de facto application of rules and procedures. Frequent rotation in participation  
251 of members can negatively affect the shared knowledge and understanding necessary for a successful  
252 dialogue and trust.

### 253 2.1.3 Communication and perception

254 Participation in a NTFB is attractive for private sector, when the NTFB enjoys a good reputation amongst  
255 its peers and in the public sector. Several factors impact the reputation. Of foremost importance is the  
256 messaging that is being sent out by the political leadership of the NTFB. High level political commitment to  
257 trade facilitation and consultation with the private sector must be seen and heard. Commitment must also  
258 be shared across the different branches of government. In many countries however, the legislative  
259 branches and political appointees in the public administration have little awareness of the work of the NTFB.  
260 And, too frequently, not all government agencies participate at the same level. Whilst Customs  
261 administration frequently take an active role within NTFBs, other government agencies that directly impact  
262 trade facilitation, are rarely involved if at all. A NTFB is lacking relevance if relevant public stakeholders are  
263 not participating in it.

264 The reputation also depends on transparency about the NTFB. Without good communication, the private  
265 sector may perceive them as non-transparent and have limited information on the objectives and  
266 organizational details, such as how they can participate. Attractiveness is also linked to the perception of  
267 dynamism and proactive enthusiasm. Irregularity of NTFB and technical group meetings discourage the full  
268 implication of members in the long run.

269 And finally, the perception of the role and impact of NTFB determines private sector involvement. As a  
270 government led initiative, there is the risk that the NTFB is perceived as "something done to them" with  
271 potential negative impacts, such as additional taxes or obligation, and that the formal objectives are  
272 disconnected from businesses' realities. From a business' perspective, compliance with the WTO TFA  
273 matters very little for their operations. Private sector expects a clear message and measurable activities  
274 that can reduce paperwork and speed up customs and border clearance. For the private sector, there must  
275 be demonstrable evidence that their participation is valuable and generates results in terms of trade  
276 facilitation and an enhanced ease of 'doing business' environment. In the most positive scenario, the private  
277 sector will feel ownership of the NTFB.



## 278 2.2 Organizational aspects

### 279 2.2.1 Costs of participation

280 Participation in NTFBs is resource intensive. Businesses have to allocate staff and time for the activities,  
281 and transportation costs or expenses for internet access to attend physical and online meetings. Larger  
282 companies with dedicated government relations or compliance departments can cover these costs much  
283 easier than smaller businesses. Businesses which are not located in the capital are also less likely to  
284 participate in meetings due to transportation costs. Small, medium and micro-sized enterprises, women  
285 traders and regional businesses may therefore not be able to participate at an equal level with bigger  
286 businesses, which increases the risk that few private sector interests dominate and control the private  
287 sector participation.

### 288 2.2.2 Acknowledgment and feedback

289 NTFBs are advisory bodies without legislative or executive authority. The ability to impact policy and  
290 regulatory decisions depend on the legitimacy and reputation of the NTFB. The private sector frequently  
291 questions the lack of follow-up on the decisions and the lack of visibility of impact. Associations and  
292 businesses also risk their reputation with their members if different and divergent opinions are not properly  
293 acknowledged and represented in the official communications and decisions. There is no interest by the  
294 private sector being part of a box checking exercise of private sector consultation.

### 295 2.2.3 Membership and participation

296 The organizational design may play out in favor or against active involvement of the private sector. The  
297 selection of private sector members determines representatives and participation. The formal mandate of  
298 the NTFB defines the membership composition and mostly includes professional or sectoral associations.  
299 – see box 1 below on pros and cons of representation. It is usual for NTFBs to be based in a country's  
300 capital city. There is the risk that businesses which are based where their main operations are undertaken,  
301 e.g., at the country's borders, may not participate in and be aware of the NTFB as much as capital-based  
302 businesses.

303 Interest in the NTFB may be low when relevant sectors feel that they have limited ability to present their  
304 views, or when only dominant or large players' interests are voiced. What matters to the private sector is  
305 that all actors, including micro, small and medium-sized enterprises (MSME), women traders and  
306 enterprises outside the capital, have access to participate in the NTFB indirectly or directly. When defining  
307 the membership there is a need to identify the right level of participation depending not only on the  
308 segment/level of expertise and level of impact on either trade volume/values, but also in terms of impact on  
309 economic development (MSME, women traders, national producers/exporters, etc.).

310 Secondly, there may be too many government committees. A multitude of working groups, committees, and  
311 networks with overlapping or similar mandates is confusing for the private sector and will make the NTFB  
312 less attractive for the private sector. Bodies and initiatives that function well for the private sector, such as  
313 at sub-state or agency level, should not be closed or crowded out by a new initiative to establish a NTFB.

#### 314 **Box 1: Pros-and cons of representation**

315 Professional and sectoral associations represent their members. Relying on them to engage the private  
316 sector in NTFBs has advantages and disadvantages.

#### 317 Advantages

318 - reduces the costs of participation and knowledge gaps for individual members

- 319 - increases weight of opinions as they represent a larger number of businesses
- 320 - neutrality of opinion as they present the entire membership and no single players
- 321 - better reflection of diversity of private sector and in particular opinions of SME and MSME
- 322 - increases quality of participation as trained and dedicated staff experienced in administrative affairs can
- 323 work on the issues.

#### 324 Disadvantages

- 326 - insufficient resources and knowledge of associations' staff, for newly established bodies or bodies without
- 327 a mandatory and fee-paying membership
- 328 - lack and weakness of associations representing new sectors, e-commerce, or women traders
- 329 - risk of centralization of members to the capital in countries with a large geography
- 330 - political interference and competing associations with different political support
- 331 - unequal level of consultation process within association
- 332 - crowd out individual businesses that are eager to participate in the activities.

### 333 **2.3 Drivers for private sector participation**

334 The private sector has concrete expectations from trade facilitation reforms: reduction in “customs” release  
335 time and decrease in administrative formalities and paperwork. The achievement of these interests is a key  
336 factor for the private sector to spend time and costs for the NTFB. Results and progress need to be  
337 documented and communicated regularly, ideally using real case examples of the benefits for the private  
338 sector.

339 The desire, or even the requirement, to attend regular meetings, probably unpaid, probably either in your  
340 own time or company time with no-one covering your outstanding workload, is quite a hard sell. Nonetheless  
341 NTFBs offer other incentives for the private sector which motivates them to participate in the meetings and  
342 activities. The private sector values first-hand and early information on initiatives, projects, and legislative  
343 drafting. They get a sneak peek at proposed rules which enables them to examine potential impact to the  
344 general business environment and provide feedback and workable alternatives as well as propose possible  
345 penalties for non-compliance to the public sector ahead of any public hearing.

346 Participating in a NTFB does help building a professional network and helps the individual employee (a)  
347 enhance their knowledge and (b) professional development by expanding their professional network on a  
348 global level. The individuals from the private sector that participate often have a genuine interest and  
349 volunteer their participation, which should be encouraged, as their presence at meetings not only raises  
350 their own visibility but also enhances their personal knowledge of trade facilitation principles.

### 351 **3 Good practices to strengthen Private Sector participation**

352 The following chapter allows us to plan concrete steps to improve the engagement of the private sector in  
353 a NTFB. The solutions presented are applicable to any type and form of NTFB and can be adopted as it fits  
354 the specific legal and organizational context of each NTFB. The steps are grouped in the following three  
355 action areas: empowerment; access; and impact.

#### 356 **3.1 Action area 1: Motivation**

357 The recommended practices seek to attract and motivate the private sector to engage with the NTFB by  
358 strengthening empowerment and ownership.

### 359 3.1.1 Empowerment

#### 360 Recommended actions

##### 361 1. Delegation of responsibilities to both private and public sector

362 Commitment to the NTFB stems from a feeling of ownership and empowerment. For this the private  
363 sector needs to clearly see the impact it can make and bring to a NTFB. Delegating responsibilities  
364 for activities to the private sector will ensure their participation in the work plan of the NTFB.

365 This starts with involving the private sector into developing the strategy and a workplan, which sets  
366 a clear map of the NTFB activities and objectives. In this process, the private sector should identify  
367 their contribution to delivering the activities and take on responsibilities for carrying out or providing  
368 leadership for the implementation of specific activities that are relevant to them. A member of the  
369 private sector and a member of the public sector can also co-lead projects and the private sector  
370 can take on responsibilities for technical working groups.

##### 371 2. Inclusive agenda setting

372 The mandate or internal procedures should give a voice to the private sector in agenda setting,  
373 action planning, annual programming and powers to call for a meeting. Ideally, private sectors are  
374 consulted during the preparation of the agenda and invited to propose points to be included prior  
375 to a meeting. Private stakeholders must also be given an opportunity to propose or prioritize actions  
376 to be carried out by the NTFB. All stakeholders must appreciate that the majority of NTFB action  
377 items are created with the help and support of the private sector.

### 378 3.1.2 Creation of incentives

379 Convincing representatives to participate in NTFB activities can be a difficult sell: it's unpaid, carries  
380 opportunity costs for the company and adds to the workload of individuals. Motivating people requires  
381 answering the question, "What's in it for me?"

#### 382 Recommended actions

##### 383 1. Professional skills development

384 Training and practical guidance on "how to trade" and fulfilling documentary requirements are much  
385 sought after by private businesses in particular SMEs. Such trainings are however commonly not  
386 delivered by NTFB but rather by government agencies, export or trade promotion bodies or private  
387 sector associations. The NTFB can facilitate access to such training by keeping a directory and  
388 disseminating information to its members on existing training offered by academia, professional  
389 bodies, government agencies, international organizations and technical assistance projects.  
390 NTFBs can also carry out regular training needs assessment of its members and work with  
391 government agencies to prepare and deliver adequate training programs.

##### 392 2. Community of practitioners

393 NTFBs can strive, when they become a recognized platform to share experience, knowledge and  
394 solutions amongst practitioners from private and public sector. Time should be allocated for  
395 learning from each other and learning about best practices and trade facilitation solutions. Visits to  
396 border crossing points, government agencies, logistics centers, and private companies help build

397 a better understanding of each other and identify competencies and ideas that can contribute to  
398 solutions. Cooperation with other NTFBs can be established to share practices across the borders.

### 399 3. Access to first-hand information

400 Access to first-hand information on government plans is a key driver for the private sector's  
401 participation in NTFB. A session dedicated to information on legal, regulatory or operational  
402 initiatives can be integrated as a recurrent agenda point into NTFB meetings. However, access to  
403 this information should come hand in hand with active and regulator participation to avoid  
404 company's/organizations occupying seats only to obtain the information without the bandwidth or  
405 the interest to actively participate in the NTFB. There has to be a baseline expectation that those  
406 private sector members that are members of the NTFB have to actively participate in its activities.

### 407 4. Team spirit

408 Members need to feel that they belong or feel part of the committee. A shared statement of purpose  
409 in plain language is useful to create a mutual understanding of the vision, spirit of collaboration and  
410 principles of interaction. The statement should state in simple language "who we are, what we do  
411 and what we don't do and what is expected from all participants".

## 412 3.2 Action Area 2: Access

413 The recommended practices seek to ensure inclusiveness and representativeness of the private sector in  
414 a NTFB, particularly with regards to MSMEs, women traders, individual businesses, and from locations  
415 outside the political capital.

### 416 3.2.1 Strengthen inclusivity

417 Successful private sector engagement depends on the ability to reach out to and engage the actual real  
418 players, to include women traders, and to include MSMEs and new businesses – see box 2 on importance  
419 of involving MSMEs. The challenge for a NTFB is to identify important stakeholders and attract their  
420 collaboration at the right level of a NTFB's work.

#### 421 Recommended actions

##### 422 1. Pragmatic and flexible attitude towards membership

423 NTFBs have members from both public and private sector, to which all should have equal rights  
424 and obligations. In defining membership, a NTFB needs to commit to its legal rules while also  
425 remaining flexible with regards to inclusivity and engagement of private sector.

426 Flexibility entails combining permanent members with observers and allowing individual companies  
427 into the process. Observers, as opposed to members, may be invited for a defined period or activity,  
428 such as when participating in a technical working group. Observers can state their opinion but not  
429 have a right to vote. Private sector members should also be allowed and encouraged to take on  
430 the role of chairperson of technical working groups.

431 Individual companies and persons may request to become observers but must be approved  
432 through a vetting process by the NTFB. Individual companies may also be invited to provide  
433 additional input to single meetings when needed. In some contexts, specific rules for nomination of  
434 observers and acceptance of individual companies will need to be defined in the legal mandate. In  
435 others, transparency of this process may be sufficient.

436 A NTFB should also periodically review its formal membership to either add new or replace  
437 members. Some NTFBs have adopted the principle of rotation of the private sector membership  
438 amongst associations to ensure that different and potentially competing associations can be  
439 represented.

## 440 2. Public consultation sessions

441 It may be a good practice to include a public consultation session at all the meetings of a NTFB.  
442 This session would be open for any member of the private sector to attend and to speak at. The  
443 main objective of the session is to provide updates on regulatory or legislative changes and  
444 initiatives as discussed in point 3.1.2.

## 445 3. Reach out to MSME, regions and women traders

446 To overcome the challenge of limited representation of women traders and MSME in professional  
447 associations, it is recommended to set a goal of participation from each sector. The private sector  
448 could include 30% small business, 30% women traders, 30% SMEs. Assigning a “regional”, “small  
449 business” or “women trader” representative with a yearly rotation is also a practical solution to  
450 increase representativeness.

### **Box 2: Why is it important to reach out to MSMEs**

451 Micro-sized enterprises have limited lobbying empowerment, many of which are women-owned  
452 and are small scale cross-border traders. They are often not formally registered as business entities  
453 and also have little awareness and formal training of conducting international trade. They also have  
454 specific interests, which need to be taken care of and may be relevant to the wider group of  
455 businesses – such as opening hours of border crossings and protection from hassle.

456 Small and medium sized enterprises also have specific interests as they are often newly created  
457 businesses or operating in niche and new sectors and bring grass roots experiences to the table.  
458 The costs of participating in a NTFB are higher for small and medium sized enterprises with less  
459 staff.  
460

## 461 3.2.2 Lower barriers for participation

462 Digital tools help in overcoming geographical and cost barriers for attending meetings of the NTFB and  
463 increasing transparency at lower costs. During the COVID-19 pandemic many NTFBs have adopted digital  
464 platforms for meetings and sharing of information, to continue their activities despite the restrictions for in-  
465 person meetings.

### 466 Recommended actions

#### 467 1. Create and maintain virtual presence of a NTFB

468 A virtual presence on social media platforms is useful to keep the broader public informed about  
469 the activities, offer channels of engagement outside of meetings, and increase awareness of the  
470 NTFB in general. They can also be used to collect feedback on specific issues and activities.  
471 Another form of open communication is an email inbox where members can send questions or  
472 suggestions.

473 A web page is also helpful to raise awareness about the work being done by a NTFB and to keep  
474 stakeholders (including the general public) informed. Websites however demand financial  
475 resources and should only be considered if they are essential for delivering NTFBs objectives.

476 2. Use of digital tools for communication with members

477 Virtual meetings or hybrid meetings enabling “digital” and “in person” participation from the private  
478 sector. Participants who do not have time and resources to travel to physical meetings may find it  
479 easier to participate in an internet call. It is however not recommended to go 100% virtual – see  
480 box below. Virtual meetings are useful when broad participation is needed to ensure inclusivity of  
481 all members, such as yearly programming. For transparency purposes a meeting report should be  
482 made available. However, meetings should not be recorded as this may prevent people from  
483 interacting for fear of reprisal. Physical networking events, to allow face to face interaction in a less  
484 formal setting on a yearly basis, are also important to mobilize participation.

485 Digital tools can also be used for immediate communication. During the COVID-19 times some  
486 NTFBs have effectively used messenger forums or chat groups to keep communication going. Chat  
487 groups have been effective to alert problems to the groups and to seek direct action. This form of  
488 communication needs to be used with caution – see box 3 below on the shortcomings of using  
489 digital tools.

490 **Box 3: Shortcomings of using digital tools**

491 Digital tools are good to overcome cost and location barriers of participation and are also more  
492 environmentally friendly. Nevertheless, virtual meetings are not likely to replace all in-person  
493 meetings for several reasons. Virtual meetings are less effective when it comes to a real exchange  
494 of ideas and personal networking which is a reason for many participants from the private sector to  
495 engage. Bandwidth and price of internet connectivity may again lead to exclusion of some  
496 participants, namely SMEs and traders in remote locations. It is also necessary to educate people  
497 on the use of digital tools, and legal issues of data privacy and protection complicate the use of  
498 digital communication and related software. A combination of in-person meetings with virtual  
499 meetings and a digital presence is the best approach for engaging with private sector members.  
500 Virtual meetings allow a good one-way communication for large group settings and interaction in a  
501 small group setting where they already know each other. Whilst people tend to speak out less in  
502 video calls, they use the chat function to raise questions.

503 Using chat fora for reporting immediate problems should not confuse the role of the NTFB and  
504 undermine due administrative processes. A NTFB is neither a help desk nor a body for lodging  
505 individual complaints. Other channels, such as chat fora, may be more effective for solving  
506 immediate problems, however, instead of involving everyone, they risk focusing on single issues  
507 affecting few. When operating such a channel it is necessary to filter the issues to only address  
508 those that affect trade in general and report to all members on actions taken.

509 **3.3 Action Area 3: Impact**

510 The recommended practices seek to improve the impact and relevance of the NTFB by mainstreaming  
511 private sector interests into the planning process and improving performance management.

512 **3.3.1 Mainstreaming business orientation**

513 Recommended actions

- 514 1. Develop a business-centric strategy for the NTFB

515 The vision and work plans need to set clear goals with tangible benefits from the private sector in  
516 the vision and agenda. This requires the use of a consultative mechanism for designing the work  
517 plan. Private sector surveys and focus group meetings can be used to collect broad input from the  
518 private sector including individual companies. It is recommended to prioritize one goal per year or  
519 subset of goals in an annual program.

## 520 2. Evidence based activities

521 A NTFB can develop a channel of communication to report bottlenecks and ensure that the issues  
522 reported filter into the work of the NTFBs. To this end they can operate an email inbox to receive  
523 various on-the-spot reports on bottlenecks. The Secretariat will periodically evaluate the reported  
524 issues and present relevant issues to the NTFB for discussion. This is a useful mechanism to align  
525 the activities of the NTFBs with private sector concerns and will lead to well-informed  
526 recommendations.

### 527 3.3.2 Strengthen performance measurement

#### 528 Recommended actions

##### 529 1. Progress measurement and communication

530 A NTFB should measure the status of implementation of the annual and mid-term work plan and  
531 progress towards achievement of objectives using the benchmarks and indicators defined in the  
532 work plan. They should also continuously and regularly report on the progress made to its own  
533 members.

534 UNCTAD has developed an online tracking tool, the so-called reform tracker, that can be used by  
535 NTFBs for following up the communications of activities post meetings. It allows the checking of  
536 the progress of an activity by logging in to monitor the status without having to meet every time –  
537 see box 4 on Reform Tracker below.

#### 538 **Box 4: Madagascar and the reform tracker of UNCTAD<sup>15</sup>**

539 The establishment of the reform tracker in 2021 is proving how digitalization is supporting the  
540 national trade facilitation committee of Madagascar to achieve its mandate. The reform tracker  
541 helps to manage and monitor the progress of trade facilitation agreement implementation at  
542 national level in real time. Moreover, the reform tracker plays an important role for the national trade  
543 facilitation committee of Madagascar to coordinate their activities online.

544 Team management tool: The reform tracker allows the national trade facilitation committee to  
545 organize information about its members and other trade facilitation practitioners, such as their  
546 contact information, roles, and systematically inform them on the latest updates related to  
547 international trade and trade facilitation.

548 Tracking of priority actions: The reform tracker allows for a coordinated interagency implementation  
549 of priority trade facilitation initiatives through the involvement of all cross-border stakeholders from  
550 the public and private sectors

551 Monitoring of results: The reform tracker provides a platform that allows the committee and its  
552 working groups to monitor progress in implementation, and to take necessary measures in case of  
553 setbacks

<sup>15</sup> <https://unctad.org/topic/transport-and-trade-logistics/trade-facilitation/reform-tracker>



554 Sustainability: The reform tracker assures sustainability of the committee, as it facilitates project  
555 documentation and allows for systematic knowledge transfer. New members of the committees  
556 have access to current and past projects and can get acquainted with their new role in no time.

557 2. Adoption of an evaluation framework

558 UNECE Recommendation 40<sup>16</sup> stated that “dissatisfaction with the process and participants’  
559 perception of an ineffective involvement may lead to their disengagement and the failure of  
560 consultation processes”. It recommends carrying out evaluations at the outcome and process level.  
561 At the process level the evaluation can measure whether the process was effective in reaching out  
562 to and engaging the private sector and whether contribution from the private sector could be  
563 mobilized. Examples of relevant evaluation criteria for which data can be easily collected are level  
564 of participation in meetings, number of activities carried out by the private sector, and number and  
565 type of activities carried out with the private sector as target.

566 An example of an evaluation framework is the so-called NTFC Maturity Framework jointly rolled  
567 out by the Economic Community of Western African States (ECOWAS) and the Western African  
568 Economic and Monetary Union (UEMOA) within the West Africa region. It is a self-assessment  
569 methodology and user-friendly tool to identify the NTFBs maturity baseline, develop or strengthen  
570 their respective action plan and to monitor in a regular manner their maturity progress – see Box  
571 on NTFC Maturity Framework below.

572 **Box 5: the ECOWAS NTFC Maturity Framework**

573 The tool developed under the Trade Facilitation for West Africa Program (TFWA) has been  
574 progressively rolled-out since 2020 under the supervision of the Economic Community of Western  
575 African States (ECOWAS) and the Western African Economic and Monetary Union (UEMOA).  
576 Acknowledging that the NTFBs are the right platform to bring together the public, private sectors  
577 and civil society to address trade bottlenecks and improve trade facilitation within the region, the  
578 ECOWAS National Trade Facilitation Committee (NTFC) Maturity Framework is structured around  
579 3 pillars supporting the adapted operationalization of the international recommendations and best  
580 practices as well as fostering the regional network of practices and exchange of experience.

581 The NTFC Maturity framework revolves around 3 pillars for highly performing NTFBs:

582 *Pillar 1: Institutional Capacity and Decision-making*, and the NTFB ability to operationalize an  
583 efficient institutional framework to advocate relevant technical recommendations and effectively  
584 influence the government reform agenda related to cross-border trade

585 *Pillar 2: Strategic Planning, Project Management and Monitoring & Evaluation*, and the NTFB ability  
586 to plan, monitor and evaluate the execution and implementation of sustainable TF measures  
587 ensuring strategic alignment and operational coherence through a result-based approach.

588 *Pillar 3: Consultation and Inclusiveness*, and the NTFB ability to integrate inclusive participatory  
589 processes to the TF policymaking to guarantee institutional efficiency and public accountability

590 The use of the self-assessment tool has ensured transparency and ownership: it is done either in  
591 plenary or by a restricted NTFC working group gathering public and private NTFB members before  
592 its validation in plenary together with the updated Action Plan.

593 The effective participation of the private sector in the NTFB work and deliberations is considered  
594 as a cross-cutting enabler and is integrated through numerous self-assessment indicators in all the  
595 3 pillars. Without being exhaustive, some indicators are presented below. The tool measures the  
596 adoption and effectiveness of a service-centered approach (through the development and

<sup>16</sup> United Nations Recommendation No. 40: Consultation Approaches<sup>[11]</sup> Best Practices in Trade and Government Consultation on Trade Facilitation Matters, New York and Geneva, 2015 (ECE/TRADE/423).



597 operationalization of a NTFC Quality Charter for example). It also measures the systematic and  
598 inclusive stakeholders mapping and engagement (e.g. considering non-NTFB Members' added  
599 value for sub-committee or working group); measuring how inclusive and gender-sensitive the  
600 institutional coordination and anchoring is (involving less obvious Ministries like the one in charge  
601 of Women's Affairs as a key in the continent to support the African Continental Free Trade Area  
602 (AfCFTA) focus on Women and Youth); evaluating the adoption of trade facilitation performance  
603 indicators answering to the diversity of the private sector operating models, including the adoption  
604 of gender-sensitive monitoring and evaluation tools to support women entrepreneurship; and  
605 assessing the reporting mechanisms to liaise with local consultative platforms in the field. And  
606 finally, the NTFBs are invited to reach the higher maturity level to strengthen their communications  
607 strategy with direct outreach to the trade facilitation stakeholders and users through 360° surveys  
608 or interviews to ensure that the NTFBs are proactively managing their stakeholders' relationships.

DRAFT