



International
Trade
Centre

NATIONAL TRADE FACILITATION COMMITTEES

MOVING TOWARDS IMPLEMENTATION



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The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.

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Abstract for trade information services

ID=43166

2015

F-09.07 NAT

International Trade Centre (ITC)

National Trade Facilitation Committees – Moving Towards Implementation

Geneva: ITC, 2015. xii, 46 pages (Technical paper)

Doc. No. TFPB-15-324.E

The report focusing on the World Trade Organization's Trade Facilitation Agreement (TFA), and its Article 23.2 that mandates Member States to establish or maintain national trade facilitation bodies (NTFBs) - analyses the scope and purpose of Article 23.2 and links it with the trade facilitation activities of other international organizations; considers some possible models for NTFBs and draws lessons and experiences from those that already exist; includes examples of NTFBs that have been established by governments or the private sector; sets out a detailed step-by-step process on how to establish an NTFB, and suggestions for developing countries to consider as they reflect on the best way of implementing the TFA to suit their own circumstances; concludes with an analysis of ways in which NTFBs may choose to engage with business stakeholders, from participation in working groups to public-private dialogue, including the UNECE recommendations on NTFBs and consultation approaches, includes bibliographical references (pp. 45-46).

Descriptors: **Trade Facilitation, WTO, Trade Agreements, Trade Policy.**

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English

ITC is the joint agency of the United Nations and the WTO dedicated to supporting the internationalisation of Small and medium enterprises (SMEs). Through its trade related capacity building and market intelligence, ITC works with SMEs, trade and investment support institutions (TISI) and policy makers to foster sustainable development through trade and to support the achievement of the UN Global Goals.

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Foreword

Governments around the world are preparing to implement the World Trade Organization's Trade Facilitation Agreement (TFA), a key outcome of the WTO's 9th Ministerial Conference in Bali in December 2013.

Implementation of the agreement will make an important contribution to improving a country's business and trade environment. Simplifying customs, border procedures and related documentation speeds up the movement of goods across borders, reduces trade transaction costs and improves predictability in delivery time. These issues are critical to efficient global value chains and the integration of countries into the world economy.

The agreement contains an important provision (Article 23.2) requiring Member States to "establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of provisions of this Agreement".

Policymakers, trade and investment support institutions and the business community all have a role in determining the best way to work together to promote implementation of this important TFA provision.

The benefits of national trade facilitation bodies (NTFBs) are many. They bring governments and traders together to work in partnership through a platform for continuous dialogue. This enables the design and implementation of border procedures that minimize regulatory costs and inconvenience to trade flows, while enabling governments to pursue public policy objectives related to border controls, consumer protection, public health and revenue collection.

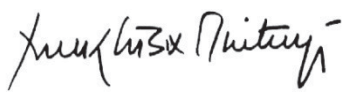
When NTFBs bring together the right constellation of stakeholders, they understand trade facilitation from the perspective of both the public and private sectors. They use their technical knowledge of border procedures and their experience in complying with regulations. They draw upon best practices in their own countries and from around the world. By recommending optimal solutions to maximize trade flows and minimize trade transaction costs, a well-run NTFB can help countries implement their WTO commitments and benefit from trade facilitation reforms.

This document helps developing countries to better evaluate the policy, organizational and funding options that best suit their circumstances in three ways. First, it draws upon the lessons of both longstanding and newly established trade facilitation bodies. Second, it takes into account existing recommendations and guidelines, to offer consistent strategic, technical and operational suggestions. Finally, it seeks to set out a detailed roadmap to implement the TFA obligation on NTFBs.

This publication was produced by the International Trade Centre (ITC), the United Nations Conference on Trade and Development, UNCTAD), and the United Nations Economic Commission for Europe, UNECE), including the United Nations Centre for Trade Facilitation and Electronic Business, and illustrates the power of inter-agency cooperation. It draws from the rich technical assistance experiences of each organization, to provide developing countries with a holistic perspective on challenges and opportunities to be gained from a national trade facilitation body. It is an example of the UN system delivering as one.



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Acknowledgements

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This publication was produced with the advice and support of the trade facilitation teams at UNCTAD and UNECE.

Special thanks to Jennifer Freedman, ITC consultant, for editing support, and to the ITC publications team, particularly Natalie Domeisen, Evelyn Seltier and Mixtli de la Peña Gimenez, for quality control and production management. We also thank Serge Adeagbo and Franco Iacovino for providing graphic and printing support.

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Abbreviations

The following abbreviations are used:

| | |
|-----------|-------------------------------------------------------------------------------------------------------------------------|
| EDI | Electronic data interchange |
| EU | European Union |
| GFP | Global Facilitation Partnership for Transport and Trade |
| HMRC | Her Majesty's Revenue and Customs (UK) |
| ITC | International Trade Centre |
| JCCC | Joint Customs Consultative Committee (UK customs committee) |
| NTFB | National trade facilitation body |
| NTFC | National trade facilitation committee |
| NTTFC | National transport and trade facilitation committee |
| OECD | Organisation for Economic Co-operation and Development |
| PSCG | Private Sector Consultative Group (WCO) |
| RKC | Revised Kyoto Convention – International Convention on the Simplification and Harmonization of Customs Procedures (WCO) |
| SAIIA | South African Institute of International Affairs |
| SITPRO | UK Simpler Trade Procedures Board, later SITPRO Ltd |
| SWEPRO | Swedish Trade Procedures Council |
| TFA | Trade Facilitation Agreement |
| TFAWG | WCO Working Group on the WTO Agreement on Trade Facilitation |
| UN | United Nations |
| UNCTAD | United Nations Conference on Trade and Development |
| UNECE | United Nations Economic Commission for Europe |
| UN/CEFACT | UN Centre for Trade Facilitation and Electronic Business |
| WCO | World Customs Organization |
| WTO | World Trade Organization |

Executive Summary

WTO Member States have reached agreement on how to implement the so-called Bali Package, a series of decisions taken at the Ninth WTO Ministerial Conference in Bali, in December 2013. Included in the Bali Package is the WTO's new Trade Facilitation Agreement (TFA), an accord to simplify customs and other border procedures for the efficient clearance of goods for import and export.

Among the commitments included in the TFA is one – Article 23.2 – that mandates Member States to establish or maintain national trade facilitation bodies (NTFBs).

Chapter 1 of this publication analyses the scope and purpose of Article 23.2 and links it with the trade facilitation activities of other international organizations. The main purpose of Article 23.2 is to create national monitoring and consultative mechanisms for overseeing the implementation of the TFA. But the potential role of an NTFB is much wider, creating what some parts of the world refer to as a public-private dialogue over the promotion and implementation of trade facilitation procedures and initiatives at national, and even international, levels. Indeed, its role could potentially extend to an approval process for notifications to the WTO under the Agreement, and even for deciding which obligations under the TFA should be pursued as project proposals for technical assistance.

Chapter 2 considers some possible models for NTFBs and draws lessons and experiences from those that already exist. This chapter includes examples of NTFBs that have been established by governments or the private sector. In some countries, NTFBs are found as trade facilitation units within chambers of commerce. Other countries have adopted them as government coordinating mechanisms for their own border agencies, with or without the involvement of business. There is no right or wrong way, as long as their deliberations are transparent and open enough for businesses to be able to offer opinions on processes that affect them, as pressure for simplification generally comes from business.

Some of the oldest NTFBs have been around for 40–50 years. Created in the 1960s, their task was to stimulate international thinking about best practices for border procedures and exchanges of information on consignment data. As international trade has become more efficient, complex and challenging, NTFBs have established themselves as bridgeheads between traders, on the one hand, and border agencies, on the other. The complexity of international trade is demonstrated by the current focus on global value chains, which form the basis of many production networks for multinational companies. The efficiency of global value chains depends on effective clearance of raw materials and components at the border, as delays add costs that global value chains are intended to save. At the same time, the security risks in international trade have also been heightened, prompting customs agencies to review their procedures constantly and introducing new and ever more onerous requirements on importers and exporters, such as pre-arrival and pre-departure information. Today, there is more need than ever for dialogue between traders and government to make sure these requirements do not impose overly burdensome obligations on legitimate businesses, while ensuring secure borders and high levels of compliance.

Chapter 3 sets out a detailed step-by-step process on how to establish an NTFB, and suggestions for developing countries to consider as they reflect on the best way of implementing the TFA to suit their own circumstances.

Chapter 4 concludes with an analysis of ways in which NTFBs may choose to engage with business stakeholders, from participation in working groups to public-private dialogue, including the UNECE recommendations on NTFBs and consultation approaches.

Chapter 1 WTO Agreement on Trade Facilitation

WTO Members are implementing the Agreement

WTO Member States have agreed on how the so-called Bali Package, a series of decisions taken at the WTO Ministerial Conference in Bali in December 2013, will be implemented. Included in the Bali Package is the WTO Agreement on Trade Facilitation ('the TFA')¹, an accord to simplify customs and other border procedures for the efficient clearance of goods for import and export. A Protocol of Amendment adopted on 27 November 2014 incorporates the TFA into the WTO Agreement. Member States are beginning the process of acceptance of the Protocol and ratification of the TFA into national law.

All obligations under the TFA are binding on developed country Member States as soon as the Agreement enters into force. The Agreement recognizes that some developing countries and least developed countries (LDCs) will require technical assistance before they can implement some or all of the obligations to which they will be bound. Such Member States have begun to notify commitments to the WTO arising from the Agreement, under three categories:

- Category A** commitments are those that the Member will implement when the Agreement enters into force (or, in the case of LDCs, within one year after entry into force);
- Category B** indicates provisions that the Member will implement after a transitional period once the Agreement enters into force;
- Category C** specifies provisions requiring assistance and support for capacity building to allow the Member to implement them following a transitional period after the Agreement enters into force.

For Category C commitments, each country concerned will seek from donor agencies the technical assistance and/or capacity building that it requires. Following such agreements, such a country must notify the WTO of its expected implementation date.

As of 9 March 2015, 54 Members had notified the WTO of their Category A commitments.

WTO Members must have a national trade facilitation body²

The TFA sets out new binding obligations mandating that Member States implement a range of simplified procedures and documentary requirements for the clearance of goods by border agencies. These commitments include the obligation in Article 23.2 that:

'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 provisions of this Agreement.'

During the negotiation of the TFA, Member States recognized that the wide range of government agencies with interests in managing the cross-border flow of goods, as well as the interests of the private sector in minimizing transaction costs at the border, required effective coordination mechanisms. One important task would be to oversee and advise on the implementation of the TFA itself. The Agreement obliges all Member States to set up or maintain such bodies or committees. This obligation is mandatory for all WTO Members once the TFA comes into force. Some donor assistance may be available to countries that require or request it, but this does not allow Member States to defer their obligations under Article 23.2 as they may do in respect of commitments notified as falling under Categories B or C.

¹ WTO document WT/MIN(13)/36 • WT/L/911

² The word 'committee' is used in the text of the Trade Facilitation Agreement. However, the concept of 'body' is commonly understood as a general term referring to any institution involved in trade facilitation activities at the national level, which may become a committee as per the TFA.

An NTFB could be a new committee (in countries where no NTFB exists) or the designation of ‘an existing mechanism’ (undefined) whose objectives are broadly the same. Many trade facilitation committees were established during the TFA negotiations to support the negotiating process. The continuation of these mechanisms should meet the obligation under Article 23.2, provided their mandate also includes TFA implementation and domestic coordination.

Article 23.2 is silent on the legal structure or the composition of such bodies or committees, leaving Member States to decide this for themselves. Some countries have created a ‘national committee on trade facilitation’ composed solely of relevant government ministries, while others have included the private sector.

The stated aim in the Article is to facilitate:

- 1) ‘domestic coordination’ and
- 2) ‘implementation of provisions of this Agreement’

The purpose of ‘domestic coordination’ is to bring border agencies together so border management policy and practice are genuinely linked. Such coordination would ensure that in matters of border management, the relevant agencies discuss proposals with each other so duplicate or unnecessary procedures are avoided, and the border process is streamlined, e.g. through data and inspection sharing. Although this can be done without the participation of traders, they should be involved. Traders are affected by border controls and can see – in ways that border agencies may not be able to see – how processes could be enhanced to reduce compliance costs while improving levels of compliance.

The second function is ‘to facilitate the implementation of provisions of this Agreement’. This is important, because full implementation of the TFA would bring significant benefits to implementing governments, traders, consumers and the multilateral trading system. NTFBs play a key role in aiding the implementation of the TFA, as in many measures require inter-agency and public-private coordination for effective implementation in a way that promotes trade and development. The TFA will be a legally binding WTO agreement. The NTFB’s role in facilitating implementation is therefore particularly important to prevent possible future disputes or other negative consequences associated with non-implementation.

One of the primary aims of an NTFB is to bring government and business closer together to discuss and apply trade facilitation measures. This means the most effective NTFBs involve the private sector. Indeed, in some countries, the private sector leads these bodies.

Standard principles on setting up NTFBs

The TFA establishes a Committee on Trade Facilitation under Article 23.1 that will convene at WTO headquarters and give all Members an opportunity to exchange views on implementation of the Agreement. NTFBs should work closely with their Geneva-based permanent missions and ministry responsible for WTO matters to ensure that they are informed about what is happening on the Committee on Trade Facilitation. They should also make sure the key points from NTFB meetings and activities are communicated to their colleagues who attend meetings of the committee, so their country’s voice is effectively heard in Geneva.

NTFBs have been active in some countries for up to 50 years. There was a strong belief in the 1960s that such bodies were useful in providing advice and information to traders on the complexities of international trade, so they became part of some countries’ export promotion efforts. Others wanted to address these complexities and try to make procedures simpler for business.

The emergence of the first trade facilitation bodies coincided with international efforts led by the United Nations Economic Commission for Europe (UNECE) in the early 1960s to develop recommendations on the simplification and standardization of international trade documents. The first of these recommendations was a standardized layout key setting out precise document sizes, form designs and a list of items to be included. The UN Layout Key became the first international trade facilitation standard to be recommended by UNECE, followed in 1974 by a recommendation (Recommendation No. 4 – see Box 1) to encourage the establishment of national organizations to implement recommendations on the facilitation of international trade procedures. These national organizations became known collectively as ‘PRO’ organizations or committees.

Box 1. UNECE’s Recommendation No. 4

UNECE Recommendation No.4, developed by the UNECE’s Centre for Trade Facilitation and Electronic Business (UN/CEFACT) was adopted initially in 1974, and later amended in 2001. This was again revised in April 2015 due to the changing context of trade facilitation and the adoption of the WTO Trade Facilitation Agreement.

The revised Recommendation suggests that governments establish national trade facilitation bodies (NTFB) as an indispensable component of trade policy formation embracing the views and opinions of all stakeholders in pursuing agreement, cooperation and collaboration. Due to the multiplicity of Trade Facilitation bodies that have emerged in countries in recent years (e.g. Coordination Committee for Single Window, National Trade and Transport Facilitation Committees, National Logistics Council, and so on) there is increased demand for a national platform, which will be the main coordinating body for any trade facilitation reforms, facilitate effective consultation among the public and private sector stakeholders.

The UNECE recommendation and guidelines provide a detailed description of the steps for establishing the national trade facilitation committee, which is also a requirement in the WTO Trade Facilitation Agreement, adopted in Bali in December 2013. The guidelines also include a terms of reference (non-exhaustive) for the NTFB for the countries to use or customize based on the country context.

The recommendation suggests that the NTFB should be structured in three layers: Strategic, Operational and Technical. At the strategic level, the NTFB Board provides strategic decisions coherent with national economic policies and priorities. At the operational level, all NTFB members discuss and recommend specific actions to implement the decisions while at the technical level, working groups undertake the actual technical work as needed. A conceptual representation of this structure has been developed in UNECE Recommendation no. 40 on consultation approaches.³

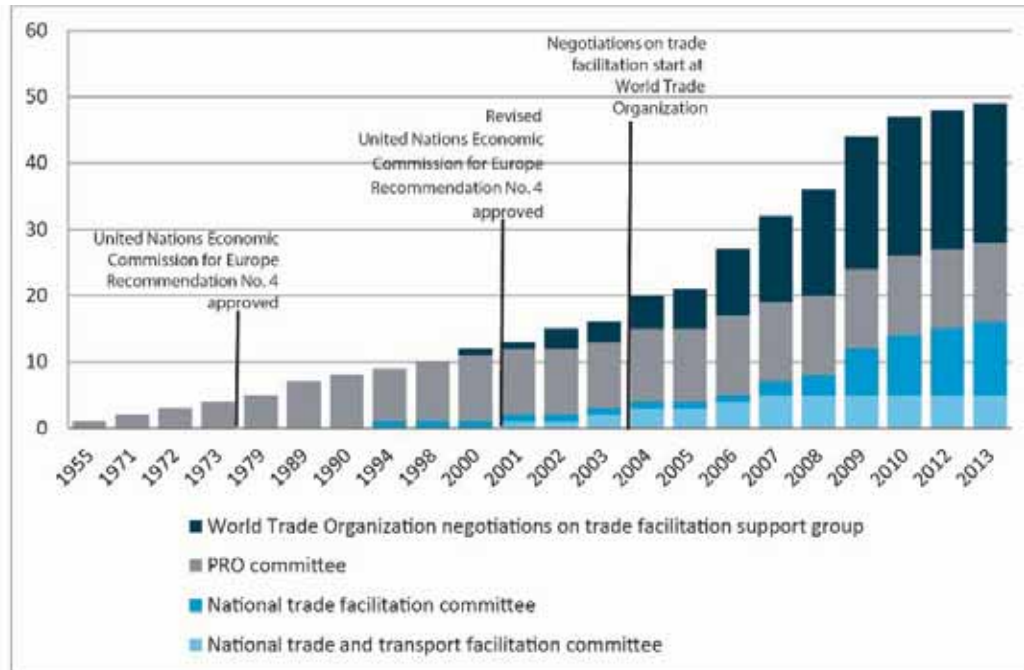
The Recommendation provides terms of reference (ToR) and non-exhaustive list of the participants that should be represented, including importers, exporters, freight forwarders, carriers, customs, other government agencies, banks, insurance companies and other stakeholders.

The Recommendation is supported by guidelines to assist governments in setting up National Trade and Transport Facilitation Committees (NTTFCs), discussed in Chapter 2 below.

³ Document reference ECE/TRADE/C/CEFACT/2015/9

Pioneers in international trade facilitation efforts were two PRO organizations, SWEPRO (the Swedish Trade Procedures Council) and SITPRO (the UK's Simpler Trade Procedures Board). Both organizations (see Chapter 2) were influential in working in the 1970s to develop international standards for trade procedures and documentation through UNECE.

Figure 1. National trade facilitation bodies grow over time



Source: UNCTAD (2014)

Chapter 2 Organizing National Trade Facilitation Bodies

The role of trade facilitation bodies

Before one can begin to understand how to set up a new national trade facilitation body, it helps to understand how other countries have approached this issue. As previously noted, some NTFBs have been around for a long time, predating and contributing to the recommendations on best practice that other countries have subsequently followed. What motivated those pioneering bodies, and why did they choose the models they followed?

Sweden stands out as one of the first countries to pursue a trade facilitation agenda (National Board of Trade, 2008). In the 1950s, producers of Swedish wood, paper and pulp products were experiencing increasing problems with the number of documents required to export goods, and identified a need for standardization. A Committee of Export Documents was formed comprising the agencies involved in issuing the documents and the private sector, and its activities were jointly funded by those contributing organizations. At the time, the joint involvement of government and business in redesigning and standardizing forms was unique. The role and support of Swedish Customs had been crucial. It was subsequently recognized that national standardization alone was not enough, and the pioneering work of Sweden was taken to UNECE in 1963. This led to the establishment of the UN Layout Key. The successful public and private sector cooperation continued, and was formalized as SWEPRO in 1975.

Meanwhile, in the UK, a similar process was beginning in the 1960s. As John Raven noted (Raven, 2005):

By 1968 the UK government had become uneasy at the incipient problems of adjusting documents, procedures and associated liabilities, based on traditional port to port and supplementary, separate road or rail movements, to the completely different requirements of inter-modal origin-destination through transport. They decided to set up an informal, mainly business-manned, committee, under a former Treasury Minister, Lord Thorneycroft, to 'study documentation in international trade' and 'make recommendations to assist the more efficient flow of trade'. This remit was backed by a generous two-year financial grant and a convenient nesting place in the then fashionably influential National Economic Development Office (NEDO). The results of two years' very practical debate between practising experts transformed the overall prospects and perspectives of simplification and harmonisation from a relatively superficial documentary focus to a much deeper and radical analysis of underlying procedures.

The UK Simpler Trade Procedures Board was born in 1970. The relationship between SWEPRO, SITPRO and UNECE laid the foundation for international best practice in the establishment of NTFBs.

Trade facilitation bodies may take different forms

A review by UNCTAD in 2006 (updated in 2014) noted that most countries had established their NTFBs around a small set of different types of trade facilitation bodies (UNCTAD, 2006). The four main types of NTFBs are PRO committee, National Trade and Transport Facilitation Committee (NTTFC), National Trade Facilitation Committee (NTFC) and the WTO negotiations on trade facilitation support group. Table 1 sets out their relative importance in terms of development and geography.

Table 1. NTFBs around the world

| Type of NTFB | Number of countries | Percentage |
|------------------------------------------------------|---------------------|------------|
| National trade and transport facilitation committee | 5 | 10 |
| National trade facilitation committee | 11 | 22 |
| PRO-committee | 12 | 24 |
| WTO negotiations on trade facilitation support group | 22 | 44 |
| TOTAL | 50 | 100 |

| Level of development | Number of countries | Percentage |
|---------------------------|---------------------|------------|
| Developed country | 11 | 22 |
| Developing country | 22 | 44 |
| Least developed country | 14 | 28 |
| Transition economy | 3 | 6 |
| TOTAL | 50 | 100 |
| Geographical distribution | Number of countries | Percentage |
| Africa | 15 | 30 |
| Americas | 8 | 16 |
| Asia | 16 | 32 |
| Europe | 11 | 22 |
| TOTAL | 50 | 100 |

Source: UNCTAD (2014)

PRO Committee: These are based on UNECE Recommendation No. 4, and include such bodies as SWEPRO (Sweden), SITPRO (UK), JASTPRO (Japan) and CROATIAPRO (Croatia). The earliest PRO organizations influenced the original UNECE Recommendation No. 4 from 1974⁴, which promoted the establishment of PRO (i.e. 'procedures') committees 'with balanced private and public sector participation' to coordinate the planning and implementation of trade facilitation measures. Subsequent PRO organizations followed the Recommendation's guidance on their structure and tasks, which were to:

- Identify issues affecting the cost and efficiency of their country's international trade;
- Develop measures to reduce the cost and improve the efficiency of international trade;
- Assist in the implementation of those measures;
- Provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation; and
- Participate in international efforts to improve trade facilitation and efficiency

The UN's Trade Facilitation Implementation Guide notes that by the end of the 1990s, PRO committees had been established in more than 50 countries (although many no longer exist). They address facilitation of procedures across all modes of transport, identifying bottlenecks to trade and promoting solutions. They were the main driver for the implementation of the EDIFACT⁵ system of electronic data exchange. PRO committees are independent organizations that usually receive direct and indirect funding from the public sector.

⁴ http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec04/rec04_ecetrd242e.pdf

⁵ UN/EDIFACT (the United Nations rules for Electronic Data Interchange for Administration, Commerce and Transport) comprises a set of internationally agreed standards, directories and guidelines for the electronic interchange of structured data between independent computerized information systems.

Box 2. SWEPRO (Sweden)

SWEPRO, the Swedish Trade Procedures Council, is Sweden's forum for discussion and information regarding international work on trade facilitation issues. The Swedish Government set up SWEPRO to 'promote simplification and efficiency in international trade procedures through active participation in central international forums, in which these matters are addressed'. The Council monitors and discusses national and international work and thereby constitutes a platform for Swedish representation in international organizations. The SWEPRO secretariat, which is administered by the Swedish National Board of Trade, coordinates and participates in work that is mainly conducted within the framework of the United Nations, the WTO and the European Union. SWEPRO includes representatives of business and public authorities and consists of the Swedish Bankers' Association, the Swedish Trade Council, the Swedish Alliance for Electronic Commerce, the National Board of Trade, the Swedish Federation of Trade, the Swedish International Chamber of Commerce, the Confederation of Swedish Enterprise, the Swedish International Freight Association, Swedish Customs and the Swedish Ministry for Foreign Affairs, as well as The Transport Group and Svensk Handel.

Box 3. SITPRO (UK)

SITPRO (closed by the United Kingdom Government in 2010 due to public-sector budget cuts following the 2008 financial crisis) was formed in 1970 as the UK's Simpler Trade Procedures Board. Its original terms of reference were 'to study documentation in international trade and the commercial and governmental procedures associated with it, particularly in light of the widening use of computers and data links, and to make recommendations to assist the more efficient flow of trade'.

SITPRO typically operated with around 10–12 staff (some seconded or loaned from the Department of Trade and Industry as well as Customs) and a government grant of about £1 million. It had a board of five directors drawn from business and government, as well as ex officio members from government including Customs, supported by an Advisory Council of senior traders who advised the board on strategy for trade facilitation. SITPRO ran several working groups covering port and border procedures, electronic business standards and a strategic advisory group on Europe. Typical membership of these groups was about 30 participants.

Among its contributions to trade facilitation were:

- Aligned documents: A series of UK trade documents aligned to the UN Layout Key published in the form of a handbook called Systematic Export Documentation, coupled with the licensing of certain businesses to sell the SITPRO overlay system. This allowed shippers to produce a full range of key documents from one typing on ordinary photocopiers, largely avoiding the requirement for pre-printed forms;
- Software: An export consignment and invoicing software package called SPEX, which could link to company data files, reducing the need for re-keying when producing documents;
- Electronic Data Interchange (EDI): SITPRO helped to create the UN/EDIFACT (United Nations EDI for Administration, Commerce and Transport) Messaging Standards. This allowed companies to send information directly between computer systems and helped the growth of automated systems among European trading partners.
- XML data standards: SITPRO launched a standards-based data repository that brought together the internationally agreed standards for producing aligned paper, EDI and XML international trade documents.
- Publications: SITPRO published studies and guides covering the benefits of the single-window concept, supply-chain security, authorized economic operators and the cost of paper documentation in supply chains.
- Boksburg Group: SITPRO, together with the Commonwealth Business Council, formed the Boksburg Group to bring together developing country trade and customs officials and business representatives to discuss and promote the benefits of a WTO trade facilitation agreement. SITPRO's early efforts through this group contributed in some way towards the eventual adoption of the TFA in Bali.

National Trade and Transport Facilitation Committees: National Trade and Transport Facilitation Committees (NTTFCs) are supported by UN Regional Commissions, UNCTAD and the World Bank as part of their technical assistance projects in more than 30 countries. They act as consultative mechanisms to promote facilitation, study international trade and transport regulations, prepare recommendations and

foster transparency on major trade and transport initiatives. Their scope is broader than that of the PRO committees, and they tend to be driven and financed by the public sector. The goal is to encourage the modernization of trade and transport practices to support foreign trade (UNECE, 2012). UNECE Recommendation No. 4 was revised in 2001, inter alia, to include a reference to NTTFCs. In the latest revision in 2015, the recommendation no. 4 describes that various types of organizations can fulfil the role of a NTFFB, not only the NTTFC. They could be a fully private sector body, a public-private body, a public agency led body etc.

Box 4. Pakistan's National Trade and Transport Facilitation Committee

Pakistan established its NTTFC in August 2001. The committee coordinates government ministries and public and private stakeholders in order to adopt trade and transport facilitation measures. Its mandate 'to review the regulation, procedures and systems pertaining to the conduct of trade and transport that impact the cost and efficiency of the country's international trade' is set out in law.

Its composition is as a standing government committee chaired by the Secretary of Commerce. Membership of the committee comprises the Ministries of Commerce, Communications, Finance, Industries, Ports and Transport, Planning and Development, and National Food Security and Research, as well as the Federal Bureau of Revenue and a large number of trade associations, chambers of commerce and transport operators.

The committee meets quarterly and has a permanent secretariat based in Karachi. Its affairs are overseen by a board of directors that is required to meet twice a year.

Source: UNECE Trade Facilitation Information Guide

Box 5. Nepal's National Trade and Transport Facilitation Committee

Nepal's NTTFC was originally established in the 1990s, but slipped into disuse. It was re-established in 2012 under the chairmanship of the Ministry of Commerce and Supplies. Its membership comprises high-level representatives from public and private trade institutions. Its main activities cover advice on regulatory reform, monitoring and coordination, capacity enhancement, research and development, and coordinating and enhancing public-private dialogue aimed at trade facilitation. Its workplan includes, inter alia:

- Preparing an operating manual including linkages to other trade facilitation committees operating in other agencies, and an inventory of trade facilitation initiatives;
- Carrying out a WTO trade facilitation needs assessment implementation plan;
- Preparing a trade facilitation master plan;
- Preparing sustainability measures for NTTFC operation, including publicity and stakeholder capacity building.

Source: Nepal Ministry of Commerce and Supplies (2013)

National Trade Facilitation Committees: These are mainly national coordination mechanisms to streamline trade procedures and implement trade facilitation measures at a national level. Developing countries that have created NTFCs include Bhutan, Cambodia, Guatemala, Namibia, Pakistan and Paraguay. The United Kingdom formed such a government committee in 2010 after SITPRO was closed. It was composed mainly of government ministries and was jointly chaired by the trade ministry and customs authority, with the secretariat provided by the ministry. The private sector was not included. The committee quickly became moribund.

WTO Trade Facilitation Support Groups: Several countries (e.g. Bangladesh, Botswana, Namibia, Nicaragua and Zimbabwe) created NTFCs mainly to provide advice to their trade negotiators on the draft TFA. They were often established for or after the WTO needs assessment or the UNCTAD implementation plans. For example, the NTFC in Botswana is a subcommittee of the National Committee on Trade Policy and Negotiations. While these NTFCs are said to meet quarterly, attendance is often rather low. Whether

this will change remains to be seen as such groups now have a potential role to advise on implementation of the Agreement, a task that was originally intended for such groups.

In addition, certain regional trade facilitation bodies have been established, notably EUROPRO (an umbrella body representing EU Member States' NTFBs in European institutions, particularly the European Commission's Trade Contact Group – see Box 6) and the European Free Trade Association (EFTA).

Box 6. EUROPRO (Europe-wide)

EUROPRO, once a formally constituted organization, now acts as a loose association forming the umbrella body for European trade facilitation committees and other like-minded, non-profit-making bodies. The objective is to remove red tape in international trade and ensure that regulatory burden does not frustrate business competitiveness. EUROPRO's membership includes most European PRO committees. EUROPRO is active in the EU Commission, the WTO, the World Customs Organization (WCO) and United Nations consultations, regularly contributing to debate through presentations and position papers. Governments and international organizations recognize its members as trade facilitation experts. Its secretariat is provided by the French trade facilitation organization ODASCE (L'Office de Développement par l'Automatisation et la Simplification du Commerce Extérieur).

UNCTAD assesses establishment of national bodies

A study by UNCTAD in 2006 on the establishment of national trade facilitation bodies in Albania, Nepal, Pakistan and Thailand noted that there were similarities in the formation and ownership of NTFBs, but differences in terms of start-up conditions, political commitment and private-sector interest and participation. There were also common problems in terms of the functioning, financing and sustainability of the committees.

Box 7. UNCTAD's 2006 review

The key observations noted were:

Committee set-up: The NTFBs in Pakistan and Nepal were established within the broader framework of a trade and transport facilitation project financed by the World Bank. AlbaniaPRO was established to improve cross-border movement of goods. The NTFBs in Thailand and other Asian countries were established within the ASEAN Framework initiative. Almost all had representatives from both the public and private sectors. The NTFBs in Albania, Pakistan and Nepal were legally constituted permanent institutions. The NTFBs in Pakistan and Albania were accommodated in chambers of commerce, whereas in Nepal, it was under the relevant ministry. The technical team in Nepal came from the government bureaucracy, while in Pakistan, it was selected from among professionals.

Performance: The NTFBs in Albania and Pakistan were found to have performed well because of the lead agency's proactive role, especially when chaired by a 'champion' with a vision. The performance of all main committees suffered, however, because outside commitments of the heads of the lead agency and individual members prevented them from devoting the necessary attention to committee work.

Sustainability: Most NTFBs suffer from a lack of sustainability. Cooperation between private and public sectors and the creation of a sense of ownership among stakeholders are important prerequisites. The sustainability of an NTFB also depends on the availability of international technical assistance, especially at the start, proactive support from both the public and private sector, an independent secretariat and technical team of experienced professionals, the identification of the appropriate lead agency and the selection of a 'champion', high-level decision makers with influence in government ministries, and assurances from the outset of public financial support for operational and overhead expenses.

Source: UNCTAD (2006)

UNCTAD carried out another review in 2013, publishing the results in 2014, that provided an even more comprehensive set of recommendations (see Box 8). This is supported by an online repository of NTFBs (<http://unctad.org/tfc>), which includes details of around 50 NTFBs (see list in Annex 2).

Box 8. UNCTAD's 2014 review

The main findings were:

Rationale: The creation of more than one-third of the 50 NTFBs surveyed was externally driven, risking their sustainability if the motivation is removed.

Objectives and scope: Fostering trade facilitation by simplifying, standardizing or harmonizing trade procedures was the most cited goal, regardless of the level of development of a country. Negotiation support and coordination were also important functions for developing countries.

Degree of institutionalization: The less developed a country, the higher the level of the authority institutionalizing the NTFB.

Terms of reference: The most relevant factor influencing the adoption of terms of reference was the type of body.

Coordinating agency and permanent secretariat: The trade ministry usually assumed the role of coordinating agency, with chambers of commerce or customs agencies mentioned in a limited number of cases.

Regularity of meetings: Most NTFBs met regularly, but those in developing countries met less frequently.

Composition: The more developed a country, the more NTFB members (average membership was 17) and the greater the participation of the private sector. The private sector was more highly represented in PRO committees.

Communications and promotion: The capacity and willingness to inform the general public and particular stakeholders depends upon the type of NTFB, the level of development of a country and the geographical region. Europe has the highest number of NTFBs that communicate with the general public.

Financing: The share of NTFBs financed solely by government is inversely proportional to the level of development of a country. Private financing is provided only for PRO committees, with government, sometimes with support from donors, the most usual source.

Outputs and impacts: The type of body and the level of development of a country influence the highlighted outputs and impacts. PRO committees' greatest impact was raising awareness and exchanging information, while for NTTFCs, preparation of concrete projects was most important.

Key success factors: Key success factors highlighted related to the members of the NTFB and their behaviour towards the group; most important was being able to rely on support from relevant members; as well as training, capacity building, work plans and financial resources.

Main obstacles: Most obstacles cited related to the members of the NTFB and their behaviour towards the group, with the lack of financial resources being the biggest handicap.

Main lessons learned: NTFBs can be effective instruments in establishing and maintaining a communications channel between government and the private sector, as well as maintaining coordination among all public agencies.

Source: UNCTAD (2014)

Regional coordinating mechanisms

At a regional level, most regional economic communities have programmes under their various legal instruments for trade monitoring and coordinating the implementation of customs reforms. In sub-Saharan Africa, a similar programme at the tripartite level – covering the Community of Eastern and Southern Africa, the East African Community and the Southern African Development Community – forms part of the tripartite FTA now under negotiation. These programmes monitor the implementation of the WTO TFA at a national level, and discuss common approaches covering the Member States within each regional economic community. However, the record of regional economic communities in terms of successfully establishing regional trade facilitation bodies leaves much to be desired.

In practice, the regional bodies playing an active role in trade facilitation and coordination include private-sector regional transport bodies such as the Federation of Eastern and Southern African Road Transport Associations and the transport corridors, such as the Trans-Kalahari Corridor (see Box 9) and the Maputo Corridor Logistics Initiative (see Box 10). These are mentioned for the sake of completeness, but while these are supported by the governments concerned, they are not national trade facilitation bodies in the sense of what was intended by the TFA, which was to cover trade facilitation needs across the country.

Box 9. Trans-Kalahari Corridor

The Trans-Kalahari Corridor is a tripartite trans-boundary corridor-management institution that was created to pursue or contribute towards deeper regional integration programmes of the Southern African Development Community, the Southern African Customs Union and the New Partnership for Africa's Development, an economic development programme of the African Union. The corridor links the port of Walvis Bay on the west coast with the port of Maputo on the east coast of Africa, and in so doing connects the highways of Namibia, Botswana and South Africa. The Trans-Kalahari Corridor therefore provides a direct route for the increasing demand for trade between southern Africa, Europe and America. The institution is a public-private partnership arrangement supported by the Governments of Namibia, Botswana and South Africa, and the involvement of the private sector. The corridor's goal is to reduce transport costs and transit times, increase the competitiveness of goods produced within, and operationalize the trade facilitation instruments of the Southern African Development Community and the WTO.

Since its establishment in 2000, the Trans-Kalahari Corridor has helped to achieve significant harmonization of cross-border procedures including:

- Adoption of streamlined legislation and harmonized customs procedures;
- Implementation of a Single Administrative Document (SAD 500);
- Adoption of common transit procedures;
- Harmonization of extended border operating hours and axle load limits at Trans-Kalahari border posts;
- Reduction of border clearance (dwell time) to a maximum of 1 hour if all required documentation is in order.

Source: TKC (www.tkcmc.com) and Walvis Bay Corridor Group (www.wbcg.co.na) websites

Box 10. Maputo Corridor Logistics Initiative

The Maputo Corridor Logistics Initiative, is a non-profit organization established in 2004 and consisting of infrastructure investors, service providers and stakeholders from Mozambique, South Africa and Swaziland that are focused on the promotion and further development of the Maputo Development Corridor logistics transportation route.

Incorporated in South Africa, the initiative facilitates all stakeholders, public and private, across national borders, aiming to coordinate the views of service providers and users of the Corridor, engaging primarily the Governments of South Africa, Mozambique and Swaziland. Its goals are:

- Removing barriers along the Corridor;
- Informing the market of developments on the Corridor; and
- Marketing the strategic benefits and opportunities of using it.

The Maputo Corridor Logistics Initiative is a public-private partnership that operates in both South Africa and Mozambique, and has been crucial in the coordination of activities and lobbying to address outstanding issues that act as constraints. The initiative has assisted in facilitating cooperation, allowed for networking and enabled the resolution of logistical and operational issues by offering a platform through which all stakeholders can engage (Bowland and Otto, 2012).

Chapter 3 A step-by-step approach to create an NTFB

Before starting: key questions

Any new NTFB must get off on the right path. Those responsible for deciding whether to set up a new NTFB should begin by asking some key questions. The UNECE Recommendation No. 4 on NTFBs and UNECE Recommendation No. 40 on consultation approaches lay out the key principles for establishing an NTFB, including terms of reference that can be customized to the context of a particular country. The main considerations are:

- Why establish or maintain an NTFB?
- Should it be led by government or business?
- Who should champion it?
- Who else should be involved?
- Should the NTFB be part of the government process, or independent of it?
- To whom should it be accountable?
- Where will it be accommodated?
- How will it be funded?

Aside from building a rationale for the establishment of an NTFB, the two most crucial issues are who should lead it and how should it be funded. Without a committed champion, an NTFB may quickly lose its sense of purpose and support. It must be driven by a strong leader who believes in the cause of trade facilitation. Without adequate funding, an NTFB can do nothing, and may not even get off the drawing board. Nevertheless, funding should not be the ultimate driver for whether an NTFB should be created or maintained. Now that this is an obligation in the TFA, the necessary funding will need to be found.

Where an existing mechanism is used to fulfil the requirements of Article 23.2 of the TFA, some changes in the way it operates may be needed. For example, while the NTFB may already encourage domestic coordination on trade facilitation, it will have to be modified to also facilitate implementation of the TFA. Certain steps below will be highly relevant for an existing NTFB (such as defining the mandate and revising the terms of reference), while other steps may be less relevant.

Follow a sequence of steps

The establishment of an NTFB should follow a set of sequential steps:

Step 1: Define the mandate

Step 2: Identify a champion and ensure strong leadership

Step 3: Define the governance and legal structure

Step 4: Ensure the right balance between public and private stakeholders

Step 5: Establish clear terms of reference, including the extent of the body's independence

Step 6: Choose appropriate accommodation that reflects the body's independence

Step 7: Establish a clear business or work plan of activities

Step 8: Ensure that the body is adequately and sustainably funded

Step 1: Define the mandate

It is important to understand from the outset why the NTFB is being established. It may be purely to fulfil the obligation in the TFA, but this could be a somewhat passive approach, if its purpose is to primarily tick the box of compliance with Article 23.2. While the TFA mandates the creation of an NTFB, the body can – and should – perform many other useful functions related to trade facilitation. This is important because the implementation of the TFA has a determinable timeframe and because trade facilitation reform is a continuous activity. In addition, pursuing a wider agenda of trade facilitation will enhance the NTFB's reputation and enable it to deliver tangible benefits to government and the business community.

An NTFB must have a clear mandate and ambition to deliver worthwhile outputs. The key purpose of NTFB, as mentioned in the UNECE Recommendation No. 4, is to act as an open forum to promote trade facilitation, facilitate inter-agency coordination and provide directives on major trade facilitation issues. This should include both the goal of engagement with government and business, and institutional mechanisms for engagement. It must also be able to deliver well-considered recommendations and proposals; otherwise, participants could disengage.

A successful NTFB will empower participants to develop and own the results of the working groups in which they participate, as this will ensure their commitment to the NTFB's work. Indeed, the existence of an influential NTFB gives participants the opportunity to make proposals they might not be able to develop through their own channels. NTFBs can deal with regulatory and operational topics, customs, multimodal transport, transit, logistics, banking and finance, agriculture, sanitary and phyto-sanitary, health, electronic business and related issues, among others.

Some prerequisites for establishing an NTFB (according to UNECE Recommendation No. 4) are therefore to:

1) Include trade facilitation as part of a national integrated strategy for trade policy and sustainable economic development

Over the last decades, trade facilitation has become an important topic for national economic development. There is a reason for this. Trade facilitation reforms have a bearing on economic policies that form an integrated development strategy for a country. They are more or less linked with sustainable economic development, including in national planning and development, infrastructure, building institutions and development of human capacity. From an economic development perspective, reforms help improve competitiveness, with potential spillover benefits in the domestic business environment.

Many reforms have the potential to improve environmental impacts (e.g. paperless trade leading to reduced paper waste). From a social development point of view, trade facilitation could contribute to a more inclusive approach of development, for example, making trading more accessible for small and medium-sized enterprises (SMEs). Therefore, trade facilitation can have a broader impact than is reflected in the narrow sense of the term. It is therefore essential that NTFB are able to connect implementation of the TFA with broader priorities for sustainable economic development. Thus, trade facilitation should form a key part of the national integrated development strategy for a country. NTFB has a responsibility to keep up to date and contribute to such national efforts. Ideally, the strategic level (i.e. NTFB board as presented in Recommendation No. 4) should take a lead role to fulfil this responsibility.

2) Identify issues affecting the cost and efficiency of their country's international trade

Identification of issues involves dialogue with traders who are affected by a country's border measures. An NTFB should therefore act as a forum both for sharing of experiences by traders and raising concerns with governments. Traders should be asked to identify the main obstacles to the efficient and timely clearance of goods at borders and what they would like to see improved. It may be the complexity of procedures, confusion over documentation requirements, re-keying of consignment data across many forms, lack of coordination between border agencies, etc. It could also include such issues as a review of fees and charges. All of these issues require the carrying out of consultations with stakeholders, a role for which an NTFB is eminently suited.

Going beyond the collection of stakeholder views, an NTFB could also commission research into the costs of border measures. Research published by NTFBs has covered such issues as supply-chain security and the cost of continuing to use paper documentation in supply chains. The NTFB's agenda should include an annual review of the country's performance under the Doing Business Report and Logistics Performance Index. When time-release studies are available, these too should be included on an NTFB's agenda. All of these discussions should be focussed on where improvements can be made to the trade facilitation environment.

3) Develop measures to reduce the cost and improve the efficiency of international trade

This could be among the most expensive functions of an NTFB, as it involves research and the development of solutions, but it is also the area where new ideas and thinking about trade procedures can emerge. An NTFB should be an ideas machine, capable of identifying solutions to the problems it identifies. This could range from advocacy of such measures as electronic single windows to the development of standards for the exchange of trade data. Many NTFBs, particularly those in Asia, have invested in electronic solutions and products.

NTFBs don't have to develop solutions themselves, but could cooperate in coordinating pilots involving key interested traders, and in giving expert opinions on solutions proposed by others. Single-window proposals are an example of such measures. While funding could be an issue for certain types of projects, some countries have allocated budgets to their NTFB, such as the United States, Mongolia, Egypt, Jordan and Pakistan. In any case, NTFBs are ideally placed to work with host governments and donor agencies to develop projects for development assistance.

4) Assist in the implementation of those measures

NTFBs have an important part to play in advising border agencies on the implementation of trade-facilitating measures. Traders are concerned that border agencies implement measures without taking into account the effect on traders. Not only can NTFBs provide a consultative forum for implementation, but they can also act as honest brokers to advance compromises to meet the sometimes conflicting interests of traders and border agencies. Such efforts may help reduce compliance costs for traders, and may also improve compliance itself. It is also here that an NTFB can help design measures and monitor their implementation and effectiveness.

5) Provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation

No single NTFB is an island with a monopoly on knowledge of best practices. NTFBs can and should keep their ear to the ground so their knowledge of best practices in trade facilitation is current. This requires considerable networking and participation in international trade facilitation forums where experiences are exchanged. The most experienced and useful NTFBs are those that participate fully in the international debate on trade facilitation, so they can spread examples of best practice for the benefit of national procedures.

6) Participate in international efforts to improve trade facilitation and efficiency

Active participation in international efforts to improve trade facilitation ensures that international standards that could affect national procedures take account of national experiences and issues. Such active participation leads to optimum rules such as the World Customs Organization's (WCO) Framework of Standards to Secure and Facilitate Trade (SAFE Framework), which are monitored in consultation with business through the WCO's Private Sector Consultative Group (PSCG). Effective NTFBs are also active participants (either directly or through their members) in certain international arenas and meetings such as those organised by UN/CEFACT, the WCO, the Global Facilitation Partnership for Transport and Trade (GFP) and UNCTAD.

In relation to the implementation of the TFA itself, an NTFB should be involved at the national level in assessing the various obligations contained within the Agreement. These include assessing the categorization of the obligations under the Agreement and helping to vet and approve notifications to the WTO for project proposals requiring technical assistance.

The NTFB should work actively with relevant government ministries and its diplomatic network to ensure that domestic trade facilitation developments are communicated to international organizations and that important global developments are communicated to the NTFB.

These functions should be reflected in properly developed terms of reference backed up by published annual and five-year business plans or work programmes from which it can be clear to traders and government which areas are given priority in the promotion of trade facilitation (see Step 7).

A new UNECE recommendation on consultation approaches was approved in February 2015.

Step 2: Identify a champion and ensure strong leadership

As previously noted, the selection of a 'champion' to lead the NTFB is paramount to its success. Without a committed champion, an NTFB may quickly lose its sense of purpose and support. Therefore, it must have a strong leader who believes in the cause of trade facilitation. Suitable people for this role include experts in the field who may be seconded; retired senior trade or customs officers; leaders of relevant business associations; trade economists; or academics knowledgeable on efficient border-management processes for business. Most important is the chosen champion's commitment to the cause of trade facilitation.

Step 3: Define governance and legal structure

Now that WTO Member States are obliged to set up an NTFB, governments should be politically committed to the work of trade facilitation bodies. In considering how to form an NTFB, Member States should be guided by UNECE Recommendation No. 4 and examples of best practice in other Member States, while adapting the structure to their own national reality. It is important, however, that developing country business organizations are actively involved in setting up NTFBs, as they are likely to be the most active contributors to the work of the body.

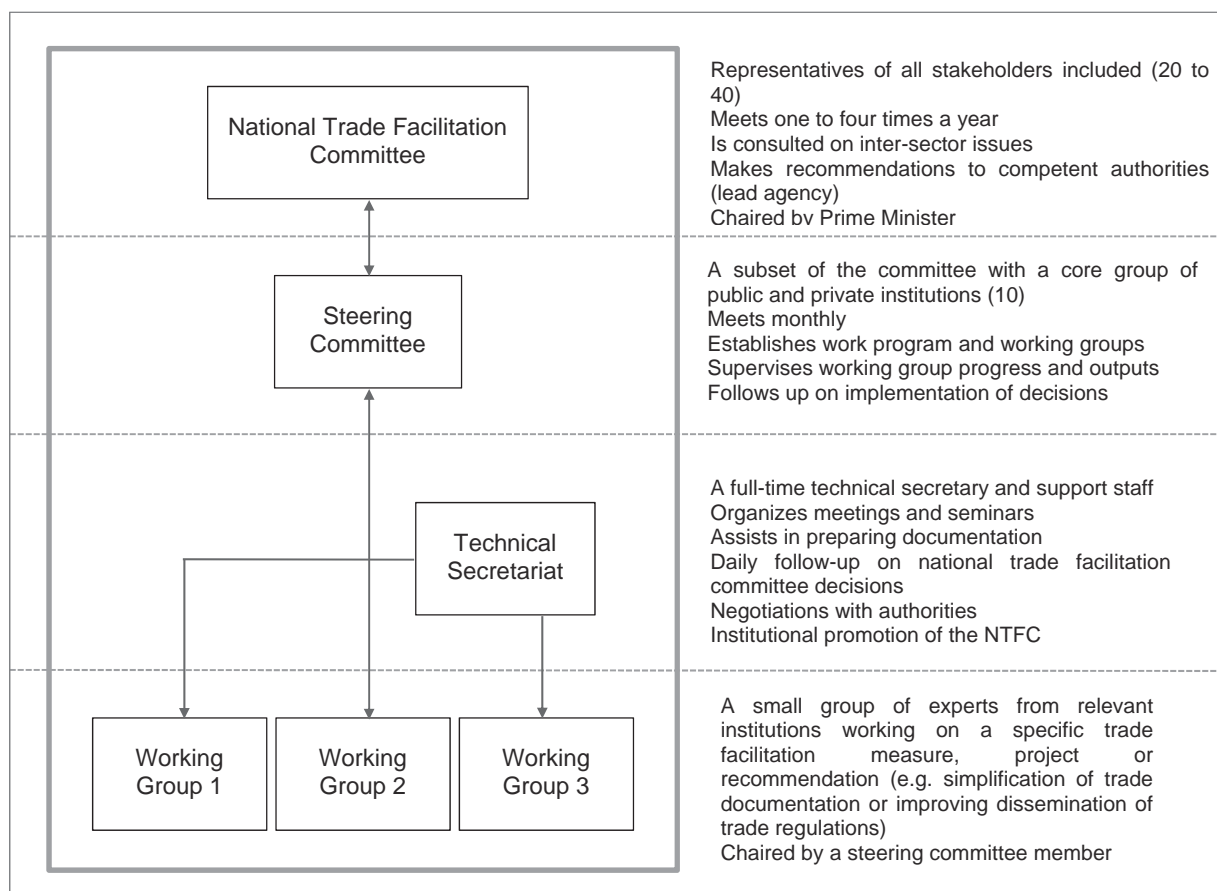
Based on the UNECE Recommendation No. 4, one of the most successful models is a three-tiered structure comprising a board at the strategic level to advise the NTFB, the general members (all members of NTFB) at an operational level to carry out the regular activities, and ad-hoc working groups at a technical level to undertake specific tasks decided by the NTFB.

- **The board** (strategic level) of the NTFB would be responsible for implementing the trade facilitation plan advised by the lead agency. It would set the work programme based on the national policy and priorities advised by the lead agency. The board would report back to the lead agency on its activities, proposals and recommendations.
- **The NTFB** (operational level) would prepare reports, develop proposals and offer recommendations for achieving the objective of the strategic plan. These activities would be undertaken by permanent NTFB staff (in senior and managerial positions, including a secretariat) plus any staff seconded from the public or private sector. The results of this work would be presented to the board for strategic consideration.
- **The ad-hoc working groups** (technical level) could be formed to undertake specific tasks defined by the NTFB. The composition of the working groups should include representatives from trade and industry sectors, consultancy and contributions from individual trade experts (either in person or by written submission). This approach should ensure the quality of input into the process and that outcomes advised to the NTFB at the operational level would be constructive and valuable.

The NTFB's strategy and business plan (or a work programme) will be approved by the Board, which in turn is accountable to the Lead Agency, whether government, private sector or a public-private body that established the NTFB. Delivery against the business plan or the work programme is monitored by the Board, which will also receive and approve annual reports from the secretariat.

Two examples of organizational structures are the Pakistan NTTFC and SITPRO (see Figures 1 and 2).

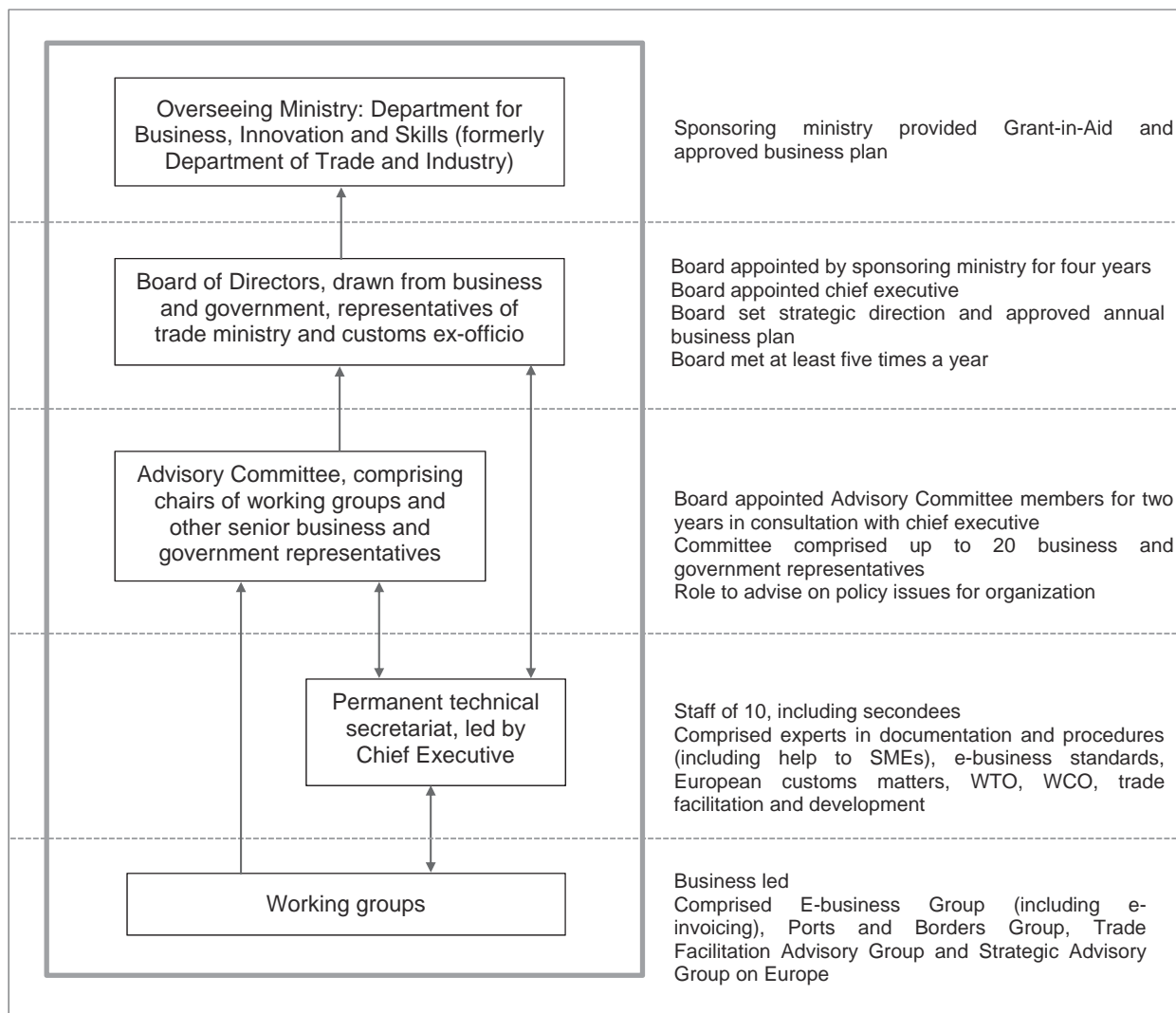
Figure 2. Pakistan’s committee structure⁶



Source: NTTFC, 2006

⁶ It is worth noting that this NTTFC draws heavily from UNECE Recommendation No. 4, but does not strictly follow all elements.

Figure 3. SITPRO’s organizational structure



Source: SITPRO and author

These structures are quite similar, although the size of the organizations are/were rather different. SITPRO had 10 professional staff, some of whom served as secretary for one of the working groups. In Pakistan, four staff managed the same structure. The smaller the organization, the higher the burden on the individual or individuals concerned. They should not be talking shops, but have well-defined deliverable objectives and outcomes to achieve, with terms of reference set out clearly for each level of governance. In countries with fewer resources, the secretariat could be as lean as one full-time staff member and it could be embedded in another organization.

In principle, this structure should function in a reciprocal manner. On one hand, the board or steering committee will decide the priorities of the NTFB, and direct the technical secretariat to partner with shareholders to provide advice on matters of strategic interest. On the other hand, the working groups may recommend courses of action to the board or steering committee based on their working knowledge of national/regional procedures. The technical secretary or other position (e.g. chief executive in the case of SITPRO) provides the bridge between the board or steering committee and the working groups.

To cement the continued existence of an NTFB, it should ideally be enshrined in a legal framework. An NTFB may be established by ministerial or cabinet decree, but this would expose it to the risk of being wound up on the basis of a political decision. Since the maintenance of an NTFB is now an internationally

binding obligation under WTO law, the national processes for implementing the TFA should provide an ideal opportunity to include a legal mechanism that sets out legally binding terms of reference, accountability lines including its independent status, decision-making rules and the role of individual stakeholder groups, including the private sector.

Step 4: Ensure the right balance between stakeholders

Much depends upon the rationale and mandate for the NTFB. If its purpose is to act as a channel of communication for government to reach out to business, it will inevitably be government-led. The risk with a government-led NTFB is the potential for the organization to be perceived as merely providing lip service to traders. Consultations must be held in good faith, with the goal of truly understanding private-sector concerns. For example, government officials may engage with traders to provide advance notice of new requirements, with the guiding motive for dialogue being to increase compliance with those requirements. In this example the NTFB becomes a forum to talk at stakeholders instead of engaging with them. To be truly effective, governments need to allow business freedom to express themselves, publicly if necessary.

Conversely, a business-led NTFB risks being seen by government as little more than a lobby. There are many examples of business lobbies that do little more than special pleading, which enforcement authorities may not take seriously. Chambers of commerce and industry federations are very useful for representing business at a political level, and for providing advice to members on international trading practices and requirements. For that reason, they are often invaluable in providing advice on documentary requirements, offering training for small businesses and, in some cases, acting as the issuing authority for documents such as certificates of origin. However, they may not be the right mechanism for research studies on trade procedures. An example of a successful business-led NTFB is Procomex, Brazil (see Box 11).

Box 11. Procomex (Brazil)

Procomex, the Alliance to Modernize Brazil's Foreign Trade, was officially established in May 2004 as an informal public/private sector initiative to improve and modernize customs processes. The movement brought together more than 50 business associations to work with senior officials from Customs and the Ministry of Development, Industry and Trade. By providing a dialogue mechanism for Customs and business, Procomex started the lengthy road of confidence building.

At the beginning of 2011, following a lengthy survey of problems relating to import and export procedures, Procomex prepared a description of existing problems and identified opportunities for improvement. The result was an eight-step process to deal with the identified challenges. By August 2014, all the steps had been implemented for temporary admissions and for land, air and sea export procedures.

The bottom line has been a win-win partnership for both the public and private sectors.

Source: UNECE Trade Facilitation Implementation Guide (<http://tfig.unece.org/cases/Brazil.pdf>)

A truly effective NTFB must be able to balance both sides evenly, so that trade facilitation advocacy can be seen as impartial and well-intended. Neither government nor business gets it right all the time. Sometimes, an independent voice that understands the objectives and motives of both sides can be a better way of advocating compromises in the interests of achieving government regulatory objectives through the most efficient and least burdensome processes. Consequently, an NTFB works best if there is genuine dialogue between the key government and business actors in international trade.

- **Government:** Ministries of Trade, Finance (incl. Customs), Agriculture, Transport (Roads/Rails/Waterways), their agencies including sea and land port agencies, agriculture, health and other government agencies
- **Traders:** Importers and exporters, their associations, small and medium-sized exporters and importers and their associations and other related stakeholders

- **Service providers:** Freight forwarders, carriers, ports, banks, insurance companies, chambers of commerce and their federations, private laboratories or certification agencies, and other related stakeholders

The NTFB should know who its stakeholders are and provide a genuine opportunity for them to engage through public and private sector dialogue. This consultation mechanism should focus on regulatory objectives for the management of international trade and come up with workable solutions for all parties involved. Working groups should be led by a champion who bears the responsibility of the work programme and reports to the steering board or committee. Private-sector stakeholders should choose the right representatives for steering or advisory committee positions, and their representatives should be ready to coordinate private-sector views before attending these meetings.

Since it is most likely that the NTTFC model will be followed by developing countries establishing new consultative mechanisms, the best compromise would seem to be for the committee to be serviced by a government ministry (most likely the trade ministry) as secretariat, with leadership provided by a mixed board comprising senior representatives of both business and government, chaired or co-chaired by someone (economist, academic, retired civil servant or captain of industry) who is independent of both, but knowledgeable and committed to the cause of trade facilitation. Some process or mechanism for the rotation of chairs or co-chairs may also be helpful, to ensure that all key stakeholders are included.

Step 5: Establish clear terms of reference

It is vitally important that an NTFB has clear terms of reference, providing a commonly understood basis of what the NTFB aims to achieve and how it is expected to operate. Terms of reference may be set out in a legal statute, or less formally in its business plan and work programme. Provided this is established from the outset, monitoring of its performance becomes easier to measure. UNECE has set out in its guidelines on the implementation of Recommendation No. 4 some suggested elements for terms of reference (reproduced at Annex 2). As an example, this annex also reproduces the terms of reference for the National Trade and Transport Facilitation Committee of Pakistan.

A key issue concerns the independence of the NTFB. Ideally, an NTFB should be independent of government, free to express its own views and challenge government where necessary. At the same time, it should not be purely a business lobby, as that would also potentially devalue its impact as an honest broker. It must be able, where necessary, to understand and explain government requirements to businesses that fail (deliberately or otherwise) to see the purpose of particular new compliance requirements.

The challenge with genuine independence goes partly to the issue of funding, which is closely linked to accountability. An NTFB that is funded by government should account for its activities to the ministry that provides the funding. If funding is drawn primarily from the private sector, there could be a perception that it focusses excessively on business interests at the expense of other policy and regulatory objectives. Establishing a NTFB as a statutory body or parastatal entity may be an option to ensure it has access to public funding without being accountable to government for its day-to-day operations.

To be effective, an NTFB must be truly independent, every time. Independence can be reinforced by being located away from a government ministry building. For example, some countries have set up their NTFBs in a chamber of commerce. The relationship between funding and independence presents a potential conundrum, but it must be addressed. The greater the independence of the NTFB, the greater the likelihood of it being supported by the private sector.

While an NTFB should be able to be outspoken, there may be a limit to how far it can be outspoken publicly. However, being constrained publicly may reduce its perceived impact. It is therefore important that this is clearly spelled out in the NTFB's terms of reference, supported by a properly constituted legal framework.

Step 6: Choose accommodation that reflects independence

This is linked to funding, accountability and independence, as well as to which organization will act as the secretariat. Accommodating an NTFB creates costs that needed to be covered. Housing an NTFB in a sponsoring organization – whether it be a government ministry or a chamber of commerce – provides an opportunity to reduce certain costs, such as heating and lighting, unless individual operating units are required to meet their share. A sponsoring organization might see these costs as a contribution in kind, as an alternative, or part alternative, to a direct grant.

Nevertheless, locating an independent NTFB within the sponsoring government ministry risks compromising the perception of its real independence, as it will be seen as hardly indistinguishable from its sponsor. The same could be said of housing an NTFB in a chamber of commerce.

To demonstrate its independence, the NTFB should not be housed with the sponsoring ministry. Generally speaking, the same concerns may not arise when the NTFB is housed in a chamber of commerce, even if it is a recipient of a government grant.

Step 7: Establish a clear business plan and work programme

This is not just good management. It also provides a process of accountability for the NTFB in relation to the funding it receives. Funding organizations, whether from government or business, expect their grants to be used wisely in the pursuit of trade facilitation. They want to see that the NTFB is generating useful products, proposals and recommendations. A work plan is therefore a key need for any NTFB, because it must be clear why the NTFB is working on particular priorities and how these are relevant to business needs and global border-management developments.

What an NTFB does and how it performs goes to the very heart of its external reputation. The business plan is therefore linked closely to reputation. This means a good work programme should include realistic timeframes and schedules to achieve goals, as well as concrete actions and initiatives to meet the goals, with clear responsibilities for all members.

To ensure its continuity and support, an NTFB must be a respected organization that maintains a solid network of external relations with key international institutions. The most successful NTFBs have high visibility nationally and internationally, and are active participants in forums they attend regularly.

Step 8: Ensure the body is adequately and sustainably funded

Without sufficient funding, the NTFB will not last long. An NTFB must be financed adequately to fulfil its mandated functions, as set out in annual and five-year business plans, and sustainably to ensure its longevity. Business plans must be matched to the available funding. There may be scope for negotiation at the outset, however, as the draft business plan will generally come first as a proposal for funding.

The options for funding are:

- 1) Government
- 2) Private sector
- 3) Donor
- 4) Income from the sale of services and products
- 5) Combinations

The option selected depends mainly on the purpose of and key drivers for the NTFB. If the main driver is the business need to lobby government on trade facilitation issues, funding should logically come from the private sector. If the primary purpose is to fulfil a government requirement, such as the obligation in Article 23.2 of the TFA, it would seem logical for government to be the primary source of funding. Increasingly,

some governments are trying to reduce the scale of their funding for NTFBs, which threatens their viability (in the UK it led to the closure of SITPRO in 2010).

Ideally, all member institutions of the NTFB should contribute to its funding, although experience suggests it is more difficult to obtain funding from business. UNECE guidelines for the implementation of Recommendation No. 4 note that funding arrangements could include (or be a combination of) the following:

- 1) Contributions in kind (office space, furniture, heating, lighting, transport)
- 2) Government grants
- 3) Financial contributions from the private sector
- 4) Funding from industry/private sector for sector specific activities
- 5) Additional funding for one-off projects or special needs

Funding is necessary to hire staff and for equipment, running costs, meeting costs, contracting technical assistance and commissioning studies.

Governments have created most NTFBs. Since the primary purpose of doing so under the TFA is to honour the obligation to establish or maintain them, the funding burden is likely to fall mainly on governments. If this occurs, there is a risk that government funding will be reduced at some point in the future. When scarcity of funding threatens the NTFB's future viability, it will be difficult to find alternative sources, as actors will find it difficult to provide funding to a body with which they are not familiar. This risk must be addressed from the outset, through shared funding arrangements, so participants get used to a particular funding model from its inception. Experience of generating funding through, for example, sales of publications generally does not suffice. It is vital that the NTFB is funded on a sustainable basis, which means committing funding over several years.

Linked to this is the importance of having a lead agency. This could either be the trade ministry or the customs / revenue authority, but it is likely to be the agency that sees most benefit from the operation of the NTFB.

The 2014 survey by UNCTAD of 50 NTFBs identified the following funding sources:

Table 2. Funding sources

| Source | PRO committee (%) | NTFC and NTTFC (%) | WTO negotiations support group (%) |
|------------------------|-------------------|--------------------|------------------------------------|
| Donors | 9 | 0 | 0 |
| Donors and Government | 9 | 18 | 5 |
| Private | 37 | 6 | 0 |
| Government | 18 | 47 | 5 |
| Private and Government | 18 | 0 | 0 |
| No answer | 9 | 29 | 3 |

UNECE recommends an NTFB's budget must cover the following costs:

- 1) Operating expenses related to the NTFB's staff and including the recruitment of local consultants and the procurement of local studies and/or surveys
- 2) Expenses related to the organization of the NTFB's meetings, as well as to the organization of conferences and seminars

- 3) Expenses related to the procurement of office equipment and stationery, as well as to the possible preparation of the technical secretary's office and the procurement of a vehicle (if deemed appropriate)
- 4) Miscellaneous expenses related to reproduction of documents and unforeseen expenses

A suggested budget structure is set out at table 3 as a guide. Precise national figures will inevitably differ between countries, so the table leaves exact estimates to be completed by national processes.

Table 3. Suggested budget structure

| Description | Installation expenses | Annual operating expenses | | Comments |
|------------------------------------------|-----------------------|---------------------------|------|-----------------------------------------------------------------|
| | US\$ | m/m | US\$ | |
| 1. STAFF COSTS | | | | |
| 1.1 Technical Secretary / Executive Head | | 12.0 | | Salary |
| 1.2 Secretary | | 12.0 | | Salary |
| 1.3 Local consultants | | 0.0 | | Honoraria (as required) |
| 1.4 Studies and surveys | | | | External contracts |
| 1.5 Local transport | | | | Vehicle maintenance and running costs (if considered necessary) |
| <i>TOTAL STAFF</i> | | 24.0 | | |
| 2 ORGANIZATION OF EVENTS | | | | |
| 2.1 NTFB's meetings | | | | Renting of facilities and services |
| 2.2 Conferences and seminars | | | | Renting of facilities and services |
| <i>TOTAL EVENTS</i> | | | | |
| 3 EQUIPMENT AND STATIONERY | | | | |
| 3.1 Stationery | | | | Renting of facilities and services |
| 3.2 Office refurbishment | | | | If necessary |
| 3.3 Office equipment | | | | Furniture, computer, photocopying mach., etc. |
| 3.4 Vehicle | | | | If necessary |
| <i>TOTAL EQUIPMENT AND STATIONERY</i> | | | | |
| 4 MISCELLANEOUS | | | | |
| 4.1 Reporting | | | | Reproduction of documents for meetings |
| 4.2 Various | | | | Unforeseen expenses |
| <i>TOTAL MISCELLANEOUS</i> | | | | |
| GRAND TOTAL (first year) | | | | Minimum Budget |

Chapter 4 Shaping public-private dialogue on trade facilitation

Effective consultation is a key function

One of an NTFB's main purposes, if not its main purpose, is to coordinate or orchestrate dialogue between governments and business/traders in order to promote trade-facilitating responses to proposals for border measures. This is reflected in a number of TFA measures that require dialogue, consultation and information sharing between the government and business community. The way that an NTFB approaches the organization of such dialogue is critical to its effectiveness and success. As explained in this chapter, many models are available to NTFBs. Ultimately, however, the aim of effective consultation is optimized results that meet all stakeholders' interests.

The new UNECE Recommendation No. 40⁷ which serves to complement Recommendation No. 4 – sets out a number of basic principles that NTFBs must take into account in organizing such dialogue. These include the importance of:

- 1) Building partnership and trust through an approach that recognizes the need for mutual benefits, constructiveness rather than a platform for special lobbying, awareness raising about other stakeholders' interests and positions, and leadership;
- 2) Promoting transparent and accountable dialogue, permitting participants to have access to information in order to prepare properly for consultation and work towards solutions at an early enough stage that participants can be assured their opinions are relevant and valid;
- 3) Managing differences of opinion and interest – since NTFBs may have to act as honest brokers, it is important that they do not take sides, but balance the differences even-handedly with a focus on what is best for trade facilitation;
- 4) Being results-oriented, ensuring that participants' time in the consultation process is valued, while at the same time recognizing that compromise may be needed as part of collaboration;
- 5) Conducting consultations as an iterative process with respect for time and timing, meaning that consultation may not be a one-off event but part of a project requiring long-term commitment to the process;
- 6) Ensuring accountability and responsibility, both in terms of the conduct of participants and the way the NTFB formally records the results of the consultation process and how decisions were reached.

By following these principles, partnership and trust can be built and maintained between governments and traders. This, in turn, will result in more effective trade facilitation reforms, as well as policy harmonization and compliance that will yield results to both governments and businesses.

Consultation can take many forms

Many countries already engage successfully in consultation on trade facilitation. How they approach this differs considerably, ranging from formal to informal exchanges:

Permanent consultative committees

This has been the most common format for consultation on trade facilitation matters. The committee is usually formed by government and based on a legal or administrative framework.

The NTTFC in Pakistan, as can be seen from the terms of reference reproduced in annex 1, involves 38 government and private-sector organizations participating in a single committee that meets formally once every three months. The NTTFC's agenda was formalized in terms of reference set out in the establishing

⁷ Document reference ECE/TRADE/C/CEFACT/2015/9

Resolution, which is amended or updated periodically. Given the different location of Government Ministries (in Islamabad) and private-sector representatives (often in Karachi), it may be difficult to organize consultation any other way.

SWEPRO, the Swedish Trade Procedures Council, organizes its consultation through a council of nine board representatives of Swedish business and public authorities. Members are listed in box 2.

SITPRO's consultation processes were rather different. The Board of Directors was appointed formally by the UK Government, and was advised by an Advisory Committee of senior business representatives of leading associations involved in trade and transport appointed informally by the Board to advise on trade facilitation strategy. The Advisory Committee also included the Chairs of SITPRO's various Working Groups that were established to carry out technical work on such issues as electronic business standards, e-invoicing, domestic port and border procedures, and developments in Europe and internationally. The Working Groups comprised more than 100 executive and specialist representatives of both public and private sector participants on an open-membership basis. These representatives offered advice and contributions on a voluntary basis to develop positions and solutions to current and future trade facilitation matters, and many also participated (and still participate) actively in international forums.

Following the closure of SITPRO, the Joint Customs Consultative Committee (JCCC) became the United Kingdom's main consultative body on customs procedures and documentation. The JCCC, chaired by HM Revenue and Customs (HMRC), meets three times a year and engages with around 20 traders to discuss proposed changes. A number of small subgroups discuss technical and other issues and report back to the Committee.

Centres of excellence or expertise

Governments could organize formal consultations by engaging with a network of recognized experts. Governments could draw up this network using experts they already know, or open the network to self-nominations. This is a somewhat less-inclusive approach, but it may be less costly than setting up a permanent committee.

Network of subject-matter experts

A less formal variant of an institutionalized centre of expertise is to establish a group of subject-matter experts. Such experts could be invited to submit views orally or in writing on a proposed new measure or new trading practices, which could lead to subgroups being formed to develop technical solutions.

Peer-to-peer groups

Some issues require quick solutions. Having a ready pool of colleagues who would be able to offer opinions on short notice could be one way of obtaining contributions to help overcome operational or implementation problems.

Implementation working parties

As part of inclusive consultation, those consulted on a particular issue could also be brought together to implement what has been decided. Working parties comprising participants who were involved from the outset helps to achieve implementation outcomes that are most likely to satisfy affected stakeholders, and in the process can contribute to building partnership and trust.

Conferences

NTFBs could also contemplate organizing annual conferences, bringing together a range of stakeholders in one place to discuss national policies and strategies on trade facilitation matters. Such conferences are a useful way of maximizing outreach with minimized cost. They can also showcase what the NTFB has been doing in the last year and what it proposes to do in the future, underpinning its mandate with broad stakeholder endorsement.

Consultation takes place on many levels

It follows from these different approaches that consultation also needs to take place on different levels. The main three levels are strategic, operational and technical, as illustrated in figure 4.

Strategic

Strategic consultation requires the involvement of senior government and business leaders involved in trade facilitation policy issues. The aim of such consultations is to ensure that the NTFB, including its board, is properly informed about the agenda of issues that needs to be pursued. Such consultations typically look at trade facilitation within the bigger picture of global policy developments in trade and border security, new business process and practices, and new technology and systems, and ensure that the NTFB is pursuing the right issues at the right time. Such strategic discussions may be decision-making or advisory. The aim is to help NTFB see trade facilitation matters away from the technical undergrowth that tends to obscure the strategic vision.

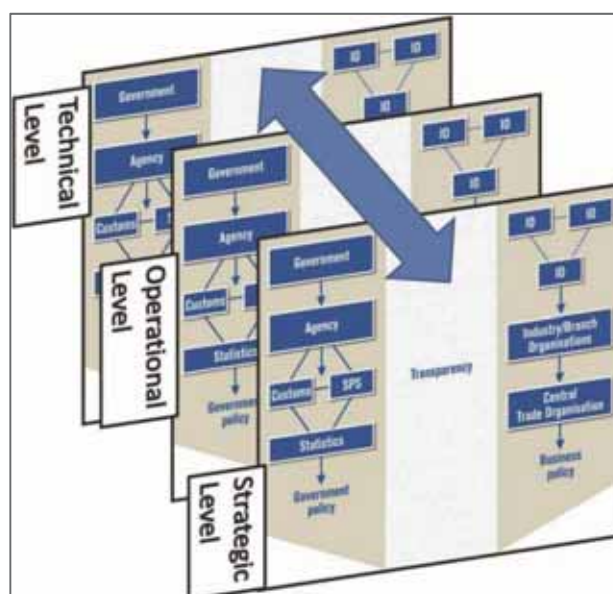
Operational

A second level concerns consultation on the way policy is implemented through regulations. Operational consultation involves examining the drafting of new or revised legislation and procedures. An NTFB would typically organize this by bringing together customs practitioners and business managers from trade with customs legislators, to advise on the proposals and offer advice on possible redrafting amendments. This is where the impact of new procedures or legislation has the greatest impact, since it affects businesses in their current day-to-day operations.

Technical

Many consultations between governments and traders are at a technical level, since this is where ideas for future changes may germinate. Discussions often include experts in change management, software providers and systems developers to design new operational procedures or practices. Many of the ideas for trade facilitation solutions, discussed in this publication, have had their origins, from the original aligned document standard (the UN Layout Key), to the development of electronic data interchange (EDI) to current data models underpinning the development of single windows.

Figure 4. Consultation levels



Source: UNECE Recommendation No. 40

5 Ps: Prior preparation prevents poor performance

In preparing for consultations, NTFBs must take into account that while consultation is a necessary part of government business, traders' main interest is in running their own businesses. Hence, the expression 'time is money' must be factored into the planning of consultation. Business representatives generally cannot afford to sit in long consultation meetings that achieve few or no results. Consultations must therefore be run efficiently. Participants need to know what is expected of them. Agendas and other documentation must be sent out far enough in advance to enable participants to prepare and contribute, with draft recommendations, decisions or questions clearly set out.

Afterwards, records of meetings should be prepared and issued to all participants while the meeting is still fresh in minds, with action points listed with responsibilities and deadlines clearly identified. This is the best way of ensuring that preparations for the next round of consultations can best be made.

Annex 1 Terms of reference⁸

National Trade Facilitation Body

Terms of Reference⁹

Purpose and Objectives

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

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

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

These five specific objectives will lead to the following activities:

- a. *Facilitation objectives*:
 - i. to ensure the proper coordination of facilitation of international trade;
 - ii. to keep under review the procedures required in international trade, including customs, multimodal transport, transit, logistics, finance, agriculture, sanitary and phyto-sanitary, health, electronic business and related topics with a view to their simplification and harmonization;
 - iii. to collect and disseminate information and best practices on international trade formalities, procedures, documentation, and related matters;
 - iv. to pursue the simplification and alignment of trade documentation on the basis of the United Nations layout key, including transport documents designed for use in computer and other automated systems;
 - v. to promote the use and adoption of standard trade and transport technology and international codes (for example EDI communications); and
 - vi. to implement national projects or programmes, and review project proposals or other documentations and provide constructive suggestions (if any), implemented by other organizations on trade facilitation.
- b. *Regulatory objectives*:
 - i. to review, comment, amend, and propose government approval for new draft documents on trade, customs, intermodal transport, transit, logistics, finance, agriculture, sanitary and phyto-sanitary, health, electronic business, liability, civil responsibility, and other trade facilitation related regulations with a view to update current regulations and practices embodied in the Commercial Code and other legal texts;

⁸ The context for these terms of reference is explained in chapter 4, on page 25, under “permanent consultative committees”.

⁹ Source: UNECE Guidelines to Recommendation 4 (National Trade Facilitation Bodies)

- ii. to follow up on the final approval of proposed regulations and practices with the various institutions concerned and through institutional and executive channels; and
 - iii. to examine and support the country's adherence to international conventions, recommendations and standards.
- c. *Development objectives:*
- i. to review the national policy content of trade investments and to facilitate, the introduction and development of appropriate trade technologies including information and communication technology; and
 - ii. to address, as a national coordinating or advisory body, questions related to the institutional development and management of trade facilitation reforms, and other relevant issues.
- d. *Outreach and capacity building objectives:*
- i. to organize and implement campaigns to publicize the benefits and requirements of simplified documents and procedures, aimed at government policy-makers and private sector;
 - ii. to organize and present series of seminars and workshops for policy-makers, senior decision-makers and managers from the public and private sectors, to make them aware of international trade principles, practices and implications;
 - iii. Support mobilizing resources for implementation of trade facilitation reforms and coordinating technical assistance by national and international donors in the country;
 - iv. to share capacity building materials (e.g. guides), sources (e.g. websites) and related information and experiences with various parties involved in Trade Facilitation;
- e. *Negotiations objectives:*
- i. to support trade facilitation negotiations in bilateral, regional or multilateral levels;
 - ii. Act as the national committee for facilitating coordination and implementations of provisions in WTO Trade Facilitation Agreement; and
 - iii. Facilitate and actively participate in bilateral, regional and multilateral cooperation in trade facilitation and related areas.

Administrative considerations

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

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

Budgetary considerations

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

- a. Capital expenditure such as rent of building and utility costs;

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

This terms of reference includes the objective of participating in WTO TFA coordination. It can be customized as needed based on the specific context of the country.

Example: Pakistan NTTFC

Government of Pakistan

Ministry of Commerce

RESOLUTION

Islamabad, 31 August 2012

No. 13(2)/2008-TTFP (NTTFC). The Government of Pakistan has constituted a standing committee with the name of National Trade & Transport Facilitation Committee (NTTFC) on Pakistan Trade & Transport Facilitation Project under the Chairmanship of Secretary/Additional Secretary Commerce. The committee will meet on a quarterly basis. The committee consists of the representatives of the following organizations:

- | | |
|------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1. Ministry of Commerce | 20. Dry Port Operators |
| 2. Ministry of Communications | 21. Pakistan International Freight Forwarders Association (PIFFA) |
| 3. Ministry of Ports & Shipping | 22. Customs Clearance Agents Association |
| 4. Ministry of Finance (Economic Affairs Division) | 23. Goods Carriage Associations |
| 5. Ministry of Planning & Development | 24. Pakistan Ships Agents Association |
| 6. Ministry of National Food Security & Research | 25. Pakistan Bankers Association |
| 7. Ministry of Industries | 26. International Chamber of Commerce (ICC), Pakistan |
| 8. Federal Bureau of Revenue | 27. Pakistan Horticultural Development & Export Council (PHDEC) |
| 9. State Bank of Pakistan | 28. Civil Aviation Authority |
| 10. Small and Medium Enterprise Development Authority | 29. Pakistan International Airways |
| 11. Pakistan Shippers' Council of FPCCI | 30. Karachi International Container Terminal (KICT) |
| 12. Karachi Port Trust | 31. Qasim International Container Terminal (QICT) |
| 13. Port Qasim Authority | 32. Pakistan International Container Terminal (PICT) |
| 14. PNSC/National Ship Owners | 33. Karachi Chamber of Commerce & Industry |
| 15. Pakistan Railways | 34. Lahore Chamber of Commerce and Industry |
| 16. Trade Development Authority of Pakistan | 35. Faisalabad Chamber of Commerce and Industry |
| 17. Multimodal Transport Operators (All Pakistan Shipping Association) | 36. Sialkot Chamber of Commerce and Industry |
| 18. Federation of Pakistan Chambers of Commerce & Industry (FPCCI) | 37. Sarhad Chamber of Commerce and Industry |
| 19. Insurance Association of Pakistan | 38. Chamber of Commerce and Industry, Quetta |

The Committee may co-opt any other organization on a needs basis.

Observer status is extended to international institutions supporting trade and transport facilitation in Pakistan, including the World Bank, the Asian Development Bank, the United Nations Development

Programme, the European Commission and bilateral aid agencies. They may be invited as and when required.

Terms of Reference

- i. Review the regulation, procedures and systems pertaining to the conduct of trade and transport that affect the cost and efficiency of country's international trade.
- ii. Develop and promote the adoption of measures for simplification and harmonization of trade and transport procedures to reduce the cost and improve the efficiency of international trade.
- iii. Act as national focal point for the collection and dissemination of information on best practices in international trade facilitation.
- iv. Coordinate efforts of concerned organizations in the field of facilitation of international trade and transport.
- v. Promote adoption of standard trade and transport terminology and international codes for trade and transport information.
- vi. Pursue simplification and alignment of trade and transport documents on the basis of the UN Layout Key, including documents designed for use in computer and other automated systems with the aim of adopting single-window processing for all trade transactions.
- vii. Organize and present training seminars and workshops to improve the capacity of domestic industry in international trade and transport procedures and knowledge of the international trading practices, promote and support training and research by other national bodies and stakeholders.
- viii. Maintain interface with international and regional organizations with the goal of improving trade facilitation and efficiency.

Secretariat

The Secretariat of the committee is located in Karachi with an executive secretary to conduct NTTFC affairs. A board of directors that shall meet at least twice a year to provide vision, approve the work plan and budget, and review the performance of NTTFC manages the affairs of the NTTFC. The board comprises the following:

| | |
|-------------------------------------------------------------------------------------------|------------------|
| 1. Additional Secretary-I, Ministry of Commerce, Islamabad | Chairman |
| 2. Member Customs, Federal Board of Revenue, Islamabad | Member |
| 3. Senior Joint Secretary/Joint Secretary, Ministry of Communications, Islamabad | Member |
| 4. Director General (Ports & Shipping), Ministry of Ports & Shipping, Islamabad | Member |
| 5. Project director, TTFU, Ministry of Commerce, Islamabad | Member |
| 6. Mr. A. Rasheed Janmohammad, Director, Westbury Group of Companies, Karachi | Member |
| 7. Mr. Babar Badat, Managing Director, Transfreight Corporation (Pvt) Ltd, Karachi | Member |
| 8. Engr. M.A. Jabbar, Managing Director, Qaim Automotive Manufacturing (Pvt) Ltd, Karachi | Member |
| 9. Mr. Islam Saleem, Chairman, Al-Hamd International Container Terminal, Karachi | Member |
| 10. Executive Secretary, NTTFC, Karachi | Member/Secretary |

Annex 2 National Trade Facilitation Bodies and Committees

| Country | Description |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Afghanistan | PRO committee |
| Albania | <p>PRO committee</p> <p>The Albanian PRO committee (ALBAPRO) was established by Ministerial Decree N° 636, approved in October 1998, to foster cooperation and constructive debate on international trade and transportation issues. It is chaired by the President of the Chamber of Commerce and Industry, and supported by qualified managers and experts.</p> <p>ALBAPRO is composed of representatives from the private and public sector, including all trade-related government agencies and any trading company endorsing its mandate and objectives.</p> |
| Angola | <p>National Trade Facilitation Body</p> <p>The Presidential Decree regarding the National Plan on Trade Facilitation, approved in 2008, created a National Commission on Trade Facilitation and laid down its rules of procedure. Nonetheless, this Commission has only met occasionally and only some relevant stakeholders have participated in its meetings.</p> <p>During the Validation Conference of the National Implementation Plan on Trade Facilitation (organized by UNCTAD, from 6 to 7 December 2012), Angolan authorities and the private sector have unanimously acknowledged the need to reactivate the Commission and invited the Ministry of Commerce to lead this process.</p> <p>The process is currently at the Council of Ministers (status as of 10 June 2013).</p> |
| Antigua and Barbuda | <p>National Trade Facilitation Body</p> <p>Antigua and Barbuda established an Official National Trade Facilitation Committee, which is responsible for the domestic coordination of trade facilitation needs, priorities and implementation. Its meetings are held regularly with a satisfactory level of participation.</p> <p>The Committee is composed of representatives from the public and private sector such as the Ministry of Tourism, Trade and Industry; the Ministry of Finance Planning and Economic Development; the Ministry of Information and Technology; the Ministry of Agriculture, Animal Industry and Fisheries; the Ministry of Justice and Constitutional Affairs; the Ministry of Foreign Affairs; Customs; the Export Promotion Board; the Investment Authority; the National Bureau of Standards; the Ministry of Works and Transport; the Clearing & Forwarding Agents Association; the Private Sector Foundation; the National Chamber of Commerce and Industry; the Private Sector Foundation; and the Transporters Association.</p> |
| Armenia | <p>National Trade and Transport Facilitation Committee</p> <p>The Armenian Trade and Transport Facilitation Committee (ArmPro) was established in 2002 as part of a World Bank programme promoting private and public partnerships for trade facilitation. The committee's mission is to facilitate trade and transport in Armenia and South Caucasus by fostering stability and cooperation in the region, eliminating administrative barriers and harmonizing trade and transport procedures to regional and international standards.</p> <p>The committee is composed of representatives from government authorities, members of Parliament, members of the trade and transport community, international organizations and other specialized non-governmental organizations. It is not clear whether ArmPro is still active.</p> |

NATIONAL TRADE FACILITATION COMMITTEES

| Country | Description |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Australia | No trade facilitation body |
| Austria | <p>PRO committee</p> <p>Austrian Federal Economic Chamber (AUSTRIAPRO) Wiedner Hauptstrasse 63 A-1045 VIENNA Tel. N°: (+43) 590 900 4468 E-mail: austriapro@wko.at christian.boser@wko.at Website: http://www.austriapro.at Contact Person(s): Mr. Christian Humer Chief Standardization Officer E-Mail: huemer@big.tuwien.ac.at Tel: +43 (0) 664 502 93 97</p> |
| Azerbaijan | National Trade and Transport Facilitation Committee |
| Bahrain | <p>National Trade Facilitation Committee</p> <p>The Official National Trade Facilitation Committee was established through Ministerial Decree in 2008 under the leadership of the Ministry of Industry and Commerce. The committee aims to coordinate trade facilitation measures, priorities and their implementation at national level.</p> <p>The committee is composed of all relevant stakeholders, including Customs Administration, Ministry of Health, Ministry of Agriculture, Standards Authority, Ministry of Finance, business associations, clearing agents, port and airport management authorities, and shipping agents.</p> |
| Bangladesh | WTO negotiations on trade facilitation support group |
| Benin | WTO negotiations on trade facilitation support group and National Trade Facilitation Committee |
| Bhutan | National Trade Facilitation Committee |
| Bosnia and Herzegovina | <p>PRO committee</p> <p>Southeast European Cooperative Initiative – Bosnia and Herzegovina Pro committee (SECI BiHPRO) Branislava Djurdjeva 10 71000 SARAJEVO Tel. N°: +387 33 566 170 +387 33 663 635 e-mail: seci-bih@internet.ba Website: http://www.secipro.net</p> |
| Botswana | National Trade Facilitation Committee |

| Country | Description |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Brazil | PRO committee SIMPRO-BRAZIL Rua Tonelero, 356/901 RIO DE JANEIRO Tel. N°: (+55) 21 2255 8500 Fax N°: (+55) 21 2255 8500 Email: rcolcher@alternex.com.br Contact Person: Chairman Raul Colcher Mobile: + 55 21 8620-8500. |
| Bulgaria | PRO committee |
| Burkina Faso | WTO negotiations on trade facilitation support group |
| Burundi | No trade facilitation body |
| Cambodia | National Trade Facilitation Committee |
| Cameroon | Comité National de Facilitation du Trafic Maritime international (Comité FAL) |
| Cape Verde | WTO negotiations on trade facilitation support group |
| Central African Republic | National Trade Facilitation Committee |
| Chile | No trade facilitation body |
| China | WTO negotiations on trade facilitation support group |
| Colombia | WTO negotiations on trade facilitation support group |
| Croatia | PRO committee |
| Cuba | WTO negotiations on trade facilitation support group |
| Czech Republic | PRO committee |
| Denmark | Handelspolitisk Specialudvalg – Special Committee for Trade Policy, Ministry of Foreign Affairs of Denmark, Department for Trade Policy hp@um.dk |

| Country | Description |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dominica | <p>National Trade Facilitation Committee</p> <p>The National Committee on Trade Facilitation was established at Cabinet level in 2012. Its mandate is to improve the regulatory interface between government bodies and the trading community as well as act as an advisory body to the Ministry of Trade. The committee is also responsible for:</p> <ul style="list-style-type: none"> • Following the ongoing Doha Negotiations in the area of trade facilitation and coordinating stakeholders in the field of facilitation of international trade • Providing a venue for identifying and addressing constraints (e.g. regulatory, legal) • Managing procedures, processes, practices and tools for facilitating trade-related transactions in Dominica • Serving as a focal point for agencies/authorities involved in trade facilitation <p>The committee is composed of authorized representatives from both the public and private sector, with the chairperson nominated by the Permanent Secretary of the Ministry of Trade. It meets every quarter, or at the request of the chairperson, or by any member through a request made to the chairperson.</p> |
| Dominican Republic | National Trade Facilitation Committee |
| Ecuador | WTO negotiations on trade facilitation support group |
| Egypt | WTO negotiations on trade facilitation support group |
| Fiji | Fiji is undertaking the necessary steps towards the establishment of a trade facilitation body |
| Finland | PRO committee |
| France | PRO committee |
| Gabon | No trade facilitation body |
| Greece | National Trade Facilitation Committee |
| Grenada | <p>National Trade Facilitation Committee</p> <p>The National Trade Facilitation Task Force was established in 2010 with the assistance of UNCTAD and the OECS Secretariat, and continues to operate. The Task Force aims to coordinate trade facilitation needs, priorities and implementation at national level. The group is composed of the ministries of health, agriculture, foreign affairs and the Customs authorities, under the leadership of the Ministry of Trade.</p> <p>WTO Negotiations on trade facilitation support group</p> <p>An ad-hoc committee was established in 2008 to execute the Self-Assessment of Needs and Priorities for Trade Facilitation, which was sponsored by WTO, WCO and the Government of Finland.</p> |

| Country | Description |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Guatemala | National Trade Facilitation Committee In Guatemala, there is a Trade Facilitation Inter-institutional Group, which is composed of representatives from both the public and private sector. This group meets occasionally, and trade facilitation issues are discussed in other forums. |
| Honduras | WTO negotiations on trade facilitation support group |
| Hungary | <p>PRO committee</p> <p>The Hungarian National Trade Facilitation Organization (HUNPRO) c/o Hungarian Chamber of Commerce and Industry</p> <p>Péter Dunai Secretary General Mária Tényiné Stark Director for International Affairs Kossuth L. tér 6-8 1055 BUDAPEST Tel. N°: (+36) 1 474 5100 Fax N°: (+36) 1 474 5105 e-mail: mkik@mkik.hu / intdept@mkik.hu Website: http://www.mkik.hu</p> |
| Iceland | <p>PRO committee</p> <p>European Free Trade Association (EFTA)'s Committee on Trade Facilitation</p> |
| India | <p>Consultation mechanism</p> <p>Although India does not have a trade facilitation body, it coordinates relevant initiatives through various consultation mechanisms.</p> <p>The Consultative Committee on Trade Facilitation is a central consultation mechanism. It is composed of the major trade bodies, associations of customs brokers, freight forwarders and exporters. These stakeholders discuss relevant issues and make policy recommendations.</p> <p>There are other consultation mechanisms at different levels, namely field and central level (ministries, boards), bilateral and multilateral level, parliamentary level, inter-agency level as well as pre- and post-budgetary consultation mechanisms.</p> <p>Moreover, India used to have a PRO-committee within the Indian Institute of Foreign Trade called INDPRO, but it is no longer functional.</p> |
| Iran (Islamic Republic of) | <p>PRO committee</p> <p>Jafar Mahmoodi President - Iran Centre for eCommerce Development Building N°. 240, Keshavarz Boulevard North Kargar Street TEHRAN Tel: (+98) 21 6692 4623 or (+98) 21 6692 6326 E-mail: jmahmoodi@ecommerce.gov.ir Website: www.eCommerce.gov.ir</p> |
| Italy | PRO committee and National Trade Facilitation Committee |
| Japan | PRO committee |
| Jordan | National Trade and Transport Facilitation Committee |

NATIONAL TRADE FACILITATION COMMITTEES

| Country | Description |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Kenya | WTO negotiations on trade facilitation support group |
| Kyrgyzstan | National Trade and Transport Facilitation Committee |
| Lesotho | No trade facilitation body |
| Liechtenstein | No trade facilitation body. At regional level, Liechtenstein participates in EFTA's Committee on Trade Facilitation |
| Mali | WTO negotiations on trade facilitation support group |
| Malta | PRO committee Malta Enterprise Enterprise Centre, Industrial Estate Executive Chairman SAN GWANN SGN 3000 Tel. N°: (+356) 2542 0000 Fax N°: (+356) 2542 3401 e-mail: info@maltaenterprise.com Website: http://www.maltaenterprise.com |
| Mexico | WTO negotiations on trade facilitation support group |
| Mongolia | National Trade and Transport Facilitation Committee |
| Mozambique | No trade facilitation body |
| Myanmar | Myanmar is undertaking the necessary steps towards the establishment of a trade facilitation body |
| Namibia | National Trade Facilitation Committee |
| Nepal | A National Trade and Transport Facilitation Committee was created in collaboration with UNCTAD. |
| Netherlands | PRO committee Platform for the Information Society (ECP) Overgoo 13 P.O. Box 262 NL-2260 AG LEIDSCHENDAM Tel. N°: (+31) 70 419 0309 Fax N°: (+31) 70 419 0650 E-mail: arie-van.bellen@ecp-epr.nl Website: http://www.ecp-epr.nl |
| Nicaragua | WTO negotiations on trade facilitation support group |
| Niger | WTO negotiations on trade facilitation support group |
| Nigeria | WTO negotiations on trade facilitation support group |

| Country | Description |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Norway | PRO committee EFTA's Committee on Trade Facilitation Foundation for e-Business and Trade Procedures (NorStella) Visiting address: Grenseveien 92 0663 Oslo, Norway Postal address: Box 6086 Etterstad 0601 Oslo, Norway Tel. N°: (+47) 900 76530 Fax N°: (+47) 22 99 60 10 E-mail: terje.olsen@norstella.no website: www.norstella.no At regional level, Norway participates in the <u>European Free Trade Association (EFTA)'s Committee on Trade Facilitation</u> |
| Pakistan | National Trade and Transport Facilitation Committee |
| Paraguay | National Committee on Trade Facilitation (NCTF) |
| Peru | Peru is undertaking the necessary steps towards the establishment of a trade facilitation body. In the meantime, authorities coordinate within the Advisory Council on Customs Issues. |
| Philippines | National Trade Facilitation Committee |
| Republic of Korea | PRO committee National IT Industry Promotion Agency (NIPA) Seongjin Kim Manager, Green IT Team Tel. N°: (+82) 2 2141 5437 Fax N°: (+82) 2 2141 5439 e-mail: sjkim1@nipa.kr Website: http://www.nipa.kr |
| Republic of Moldova | PRO committee |
| Rwanda | No trade facilitation body |
| Saint Kitts and Nevis | National Trade and Transport Facilitation Committee |
| Saint Lucia | WTO negotiations on trade facilitation support group |

NATIONAL TRADE FACILITATION COMMITTEES

| Country | Description |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Saint Vincent and the Grenadines | <p>National Trade Facilitation Committee</p> <p>The National Trade Facilitation Task Force was established by Cabinet Memo N°20 in February 2011. As of April 2013, the memorandum of understanding between the trade facilitation stakeholders must be activated to ensure the functioning of this task force.</p> <p>The Ministry of Foreign Affairs, Trade and Consumer Affairs leads this initiative along with the Customs and Excise, the Port Authority, the Bureau of Standards, the Ministry of Agriculture and Fisheries (plant, vet), the Public Health Department, the Ministry of Telecommunications, the Ministry of Finance, the Ministry of Legal Affairs, the Invest SVG, the Customs Brokers Association, the Chamber of Industry and Commerce, the Shippers Association, and the Regional Integration and Diaspora Unit.</p> |
| Senegal | WTO negotiations on trade facilitation support group |
| Sierra Leone | <p>National Trade Facilitation Committee</p> <p>Under the leadership of the Ministry of Trade, the Trade Facilitation Body was created in March 2013. This body aims to streamline import and export procedures, eliminated the bottlenecks and review charges at the Queen Elizabeth II Quay.</p> <p>It is composed of representatives from Ministry of Trade and Industry, Sierra Leone Business Forum, National Revenue Authority, Sierra Leone Ports Authority and representatives of the Clearing and Forwarding Association, as well as the Sierra Leone Importers Associations.</p> |
| Spain | PRO committee |
| Sri Lanka | <p>PRO committee non-functional</p> <p>SRILPRO was given legal status as an advisory committee to the Export Development Board under the Sri Lanka Export Development Act No. 40 of 1977. It aimed at simplifying external trade procedures/documents. At the end of 1990s, SRILPRO ceased operations.</p> <p>In 2006, the Department of Commerce of Sri Lanka appointed a Steering Committee on Trade Facilitation according to WTO recommendations. This committee was also dissolved. There is no government institution driving trade facilitation initiatives today.</p> |
| Sudan | National Trade Facilitation Committee |
| Suriname | No trade facilitation body |
| Sweden | PRO committee |
| Switzerland | No trade facilitation body. At regional level, Switzerland participates in EFTA's Committee on Trade Facilitation |

| Country | Description |
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| Thailand | <p>National Trade Facilitation Committee</p> <p>The Government of Thailand established the National Logistics Committee, chaired by the Prime Minister. This committee aims at facilitating transport, trade and logistics. Thereby, it endorsed the Regulatory Framework Model of Thailand National Single Window in 2010.</p> <p>In addition, the committee established the National Subcommittee on Integrated Information linkage for Import, Export and Logistics, composed of relevant stakeholders and chaired by the Permanent Secretary of Ministry of Finance. More information can be found at: http://asw.asean.org/nsw/thailand/thailand-general-information</p> |
| Togo | WTO negotiations on trade facilitation support group |
| Turkey | WTO negotiations on trade facilitation support group |
| Uganda | WTO negotiations on trade facilitation support group |
| United Kingdom of Great Britain and Northern Ireland | <p>PRO committee</p> <p>SITPRO was established in 1970 and supported by the Department of Trade and Industry. It aimed at removing barriers to international trade through the simplification and harmonization of trade procedures.</p> <p>In July 2010, SITPRO ceased operations and the <u>Department for Business, Innovation and Skills</u> took over its responsibilities.</p> |
| United Republic of Tanzania | <p>PRO committee non-functional</p> <p>This country has a trade facilitation body, but it is not functional.</p> |
| United States of America | The Office of the U.S. Trade Representative (U.S. Trade Representative) with the advice of the Trade Policy Staff Committee (Trade Policy Staff Committee) |
| Uzbekistan | No trade facilitation body |
| Viet Nam | Undefined |
| Zambia | National Trade Facilitation Committee |
| Zimbabwe | WTO negotiations on trade facilitation support group |

Source: UNCTAD (2015) – Repository of NTFBs

More details about each NTFB are available at <http://unctad.org/tfc>

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