

**UNECE**

# **National Trade Facilitation Bodies**

## ***Recommendation No. 4***



**United Nations Centre for Trade Facilitation  
and Electronic Business (UN/CEFACT)**



**UNITED NATIONS**

**UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE**

# **Recommendation No. 4: National Trade Facilitation Bodies**



**UNITED NATIONS**  
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### **Note**

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## Preface

This Recommendation, first published in 1974, has been revised in light of the changing context for Trade Facilitation and the adoption of the Trade Facilitation Agreement of the World Trade Organization. The revised Recommendation suggests that governments establish national trade facilitation bodies (NTFB) as an indispensable component of trade policy formation which embraces the views and opinions of all stakeholders in pursuing agreement, cooperation and collaboration. Due to the multiplicity of bodies promoting Trade Facilitation that have emerged in countries in recent years, there is increased demand for a national-level platform which can act as the main coordinating body for any Trade Facilitation reforms and can facilitate effective consultation among the public and private sector stakeholders.

The revised Recommendation No. 4 integrates Guidelines that provide a detailed description of the steps for establishing the NTFB as well as a model terms of reference for an NTFB which countries use or customize based on their national context. It also provides a non-exhaustive list of those stakeholders that should be represented in an NTFB, including: importers, exporters, freight forwarders, carriers, customs, other government agencies, banks, insurance companies and others.

Recommendation No. 4 is complemented by Recommendation No. 40 on “Consultative Approaches, Best Practices in Trade and Government Consultation on Trade Facilitation Matters”, which provides suggested complementary and alternative forms and approaches to consultation and offers a qualitative methodology to improve the very core of the consultative process.

This revised Recommendation will be immensely useful to those involved in the establishment of trade and transport facilitation committees and all concerned actors, both public and private, are invited to make effective use of this Recommendation.

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# **I. Recommendation 4: National Trade Facilitation Bodies**

## **A. INTRODUCTION**

1. The experience of many countries has shown that identifying trade issues and priorities can best be achieved through a dialogue between Government and the trading community and this can be accomplished through the establishment of a National Trade Facilitation Body.<sup>1</sup> With this objective in mind, representatives of Member States and international organizations have developed and adopted the previous versions of Recommendation No. 4, which were used for the establishment of trade and transport facilitation committees in many countries since the 1970s.

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

## **B. PURPOSE AND SCOPE**

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

4. An NTFB encompasses all trade facilitation issues including regulatory, operational, customs, multimodal transport, transit, logistics, banking and finance, agriculture, sanitary and phyto-sanitary, health, and electronic business issues, among other related topics. Key success factors for establishing an NTFB include (but are not limited to) favorable government policies for economic development and trade; a robust and dynamic private sector; the availability of human and financial resources; and a strong political will to improve the performance of international trade transactions and supply chains.

5. Trade facilitation bodies, in addition to providing an inclusive and constructive consultation process, will give stakeholders the opportunity and means to voice their viewpoints, clarify issues, and engage in meaningful dialogue. Within a Government's overall national trade policy framework, the NTFB can coordinate the relevant stakeholders in order to devise a strategy that offers a holistic approach to national trade facilitation activities including coordination at a policy level, the development of trade simplification measures and proposals for action plans. The NTFB

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<sup>1</sup> A report as well as information on NTFB worldwide are available at:

<http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=928> (as of April 2015)

can present this strategy to the relevant government institutions for endorsement, for support and in order to obtain a mandate for implementation of the strategy.

## C. BENEFITS

6. The establishment of an NTFB can significantly benefit the advancement of a national trade facilitation policy. Some of the key advantages that an NTFB can bring are to:

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

7. An NTFB can establish collaboration between the public and private sectors for the design of measures to eliminate or drastically reduce the barriers to efficient and effective trading processes. This approach to solving problems in the international supply chain is greatly improved if the NTFB works with similar organizations at the regional, sub-regional and international levels, and participates in the work of international bodies dedicated to trade facilitation and to the development of international trading standards.

## D. INTERNATIONAL STANDARDS

8. Within its trade facilitation remit, the NTFB should monitor all relevant work on international standards and recommendations and suggest, where appropriate, national implementation. Close collaboration with other NTFBs as well as active participation within international standards bodies such as the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) will be very important in fulfilling this role.

9. The international standards contained in the various UN/CEFACT recommendations and guidance documents are readily (and freely) available and offer a basis for the development of national and regional trade facilitation and simplification measures. In addition, some countries, through their membership in other international organizations such as the World Customs Organization (WCO) and the International Organization for Standardization (ISO), may already have agreed on many of the standards needed to guide their national trade facilitation initiatives as well as their reform and modernisation programmes. An NTFB can be a key catalyst in galvanising stakeholders to adopt international standards in order to achieve milestones in trade facilitation, modernization and reform programmes.

## E. RECOMMENDATION

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

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

- Strive to have trade facilitation included as an integral part of a national integrated strategy for trade policy and sustainable economic development;
- Identify issues affecting the cost and efficiency of their country's involvement in international trade, develop simplifications measures to eliminate or reduce such barriers and assist in the implementation of these measures;
- Provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation;
- Participate in international efforts to improve trade facilitation and efficiency.



## II. Guidelines to Recommendation 4: National Trade Facilitation Bodies

### A. INTRODUCTION

12. A national body established in order to adopt and pursue the implementation of trade facilitation can take many forms. Experience has shown that optimum success requires that certain essential factors must be included in the organization, administrative arrangements and operation of the national body. Some of the prerequisites needed from the outset are the:

- Active participation of private and public sectors;
- Identification of factors affecting the cost and efficiency of the country's international trading performance, and the setting of priorities for action on these issues;
- Collaborative development of measures to reduce the cost and improve the effectiveness of international trade transactions;
- Resources (both human and financial) to support the implementation of agreed measures;
- Provision of a national focal point for the collection and dissemination of information on best practices and standards in international trade facilitation; and
- Participation in international efforts to improve trade facilitation efficiency.

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

#### A.1 Trade facilitation – a practical definition

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

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

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

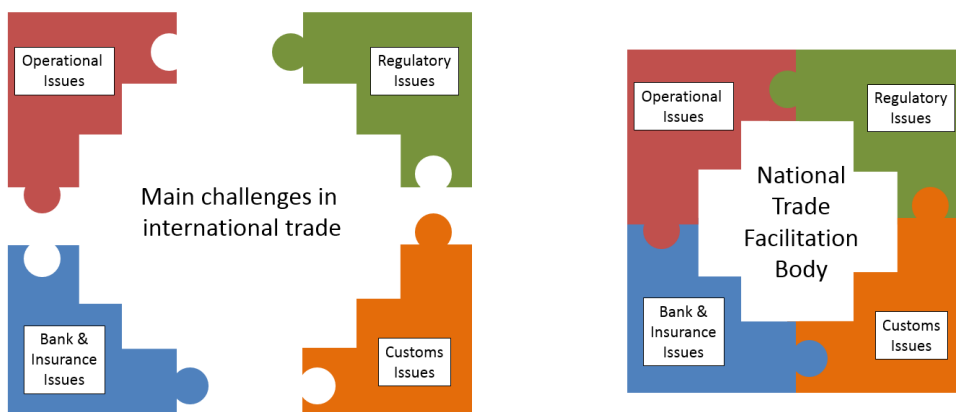
- Simplification is the streamlining of trade procedures by removing redundant requirements and activities, thus reducing the cost and burdens in administering the trade transaction.
- Harmonization is the aligning or rationalizing of information flows that accompany the movement of goods or services in the domestic marketplace, or in international transit, especially at national borders.
- Standardization is ensuring that required information is described, understood and applied in a consistent manner. Many international standards development organizations, consortia and communities have developed standards concerning the description, definition, use and transfer of information related to international trade.

## A.2 Partnership

17. As described in the previous section, facilitating the total trade transaction process requires a series of actions and measures covering the movement of goods, all relevant regulatory requirements and, notably, government reform, modernization and automation. In addition to covering the economic, commercial and operational aspects of the trade transaction, it also covers other, related, issues in the supply chain including finance, transport, transit, compliance with international standards, trade related infrastructure and logistics, priority sectors (for example, agriculture) and legal frameworks.

18. Trade facilitation requires considering the interlinked roles of the three main actors closely involved in the international trade sectors of the country where the NTFB is to be set up. These are the:

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



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

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

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

### **B.1 General Definition of an NTFB**

20. An NTFB is a formally constituted body where all public and private-sector parties who are interested in the country's international trade, multimodal transport, transit, logistics, finance, agriculture, sanitary and phyto-sanitary requirements, health, electronic business and related topics can present their respective views and problems, and seek, through consultation and consensus, mutually agreeable solutions.

### **B.2 Purpose of an NTFB**

21. An NTFB acts as an open forum to promote trade facilitation, encourage inter-agency coordination, and provide directives on major trade facilitation issues. The success and sustainability of an NTFB relies on its reflecting the interests, objectives and activities of the national stakeholders over the long run.

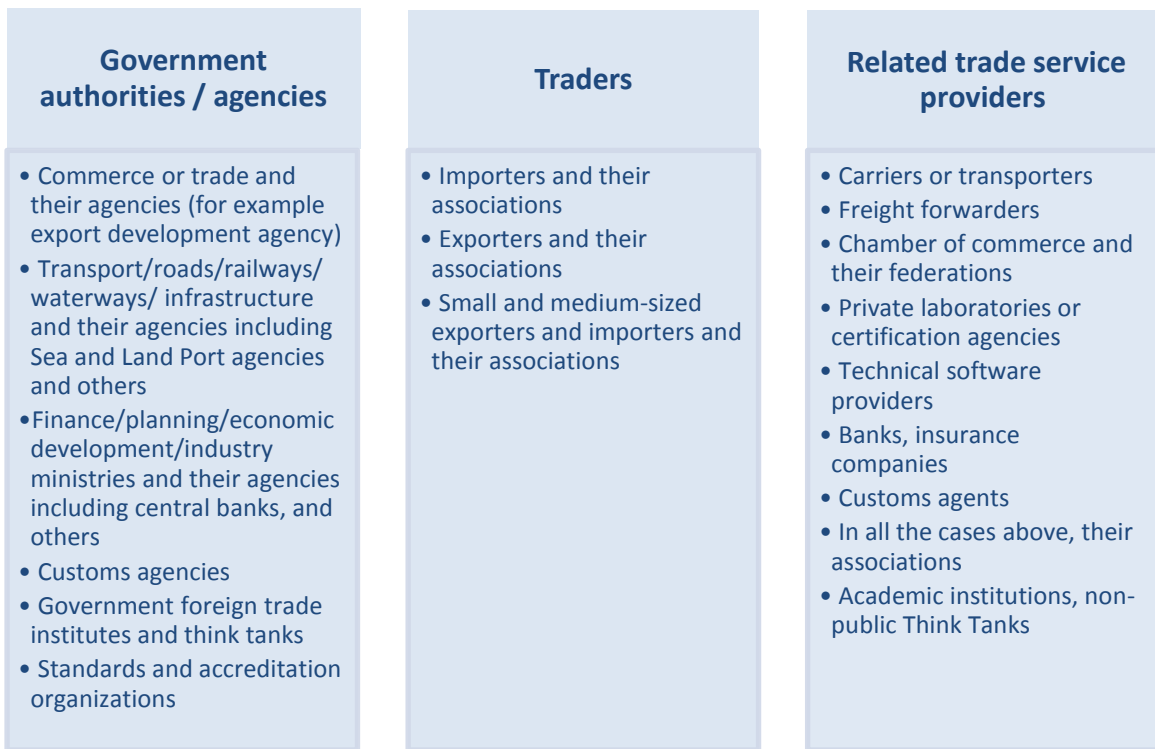
22. Depending on the national context, the specific purposes of the NTFB could entail, among others, to:

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

### **B.3 Membership of an NTFB**

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

24. The following diagram provides a non-exhaustive list of public and private actors that may become members of an NTFB. The categorization of the actors is interchangeable in some cases. For example, an exporters’ association may as also act as a related trade service provider to the trader.



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

25. An NTFB should invite recognized experts to contribute based on their knowledge, experience and competencies within their respective fields.

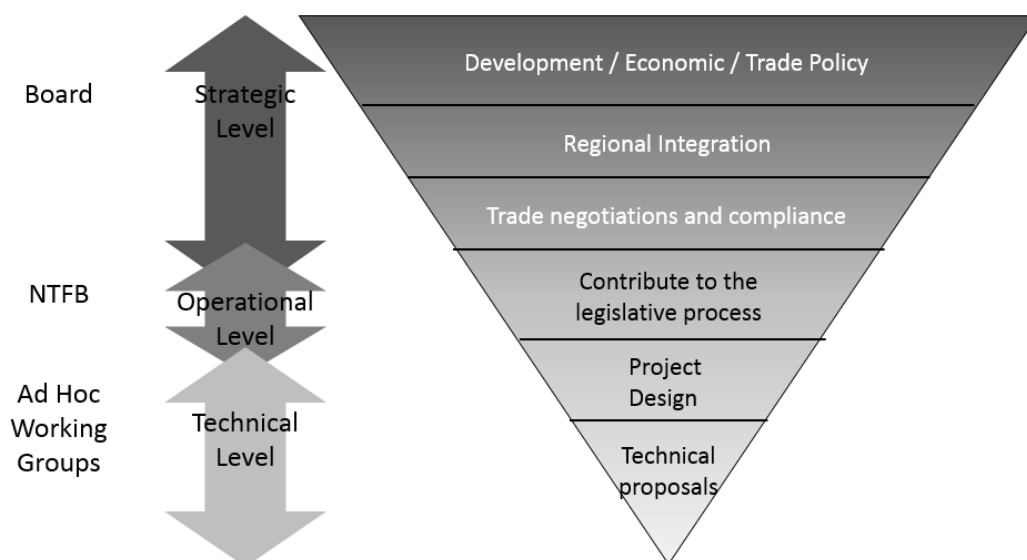
### B.4 Organization of the NTFB

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

- At the strategic level would be the **Board** of the NTFB. They would be responsible for implementing the trade facilitation plan (policy and priorities) advised by the Lead Agency that established the NTFB, whether this be from the government (as envisaged by the World Trade Organization in its Trade Facilitation Agreement – Article 23.2), the private sector or a partnership between trade and government. The Board would set the work programme of the NTFB and report back to the Lead Agency on its activities with any proposals, recommendations or other outcomes;
- At the operational level, **the NTFB** would prepare reports, develop proposals and offer recommendations for achieving the objective of the trade facilitation plan. These activities would be undertaken by permanent NTFB staff (in senior and managerial positions, including a secretariat) plus any seconded staff from the public or private sector. The results of this work would be presented to the Board for strategic consideration;

- At the technical level, **ad hoc Working Groups** (either permanent or temporary) could be formed to undertake specific tasks defined by the NTFB. The composition of the Working Groups should include representatives from trade and industry sectors, relevant consultants and individual trade experts. This approach should ensure the quality of input into the process and that outcomes/outputs presented to the NTFB at the operational level would be constructive and valuable.

27. A conceptual representation of this structure has been developed within Recommendation No. 40 on Consultation Approaches and is explained through the following diagram:



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

### B.5 Roles and responsibilities of the NTFB components

28. The NTFB should meet as required in order to pursue its objectives. The agenda of these meetings would cover the following items, this list being indicative and not exhaustive:

- Trade facilitation strategy, inter-agency coordination, regional and multilateral collaboration
- Identifying problems and barriers to international trade identified by stakeholders
- Developing solutions, remedies and simplification measures
- Proposing work programmes, projects, action plans and preparing implementation strategies
- The formation of ad hoc working groups.
- The allocation of tasks to the NTFB, stakeholders and other members.

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

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

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

31. The development of the work programme should be undertaken in consultation with all stakeholders and other interested parties. These actors should be encouraged to formulate their views using tried-and-tested techniques such as workshops, seminars, or "brainstorming" sessions. The results would then be presented to the NTFB. The work programme needs to be flexible enough to take into account issues that might arise which could not have been anticipated.

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

## **C. COORDINATION OF NTFBS AT NATIONAL OR REGIONAL LEVELS**

### **C.1 Coordination of National Trade Facilitation Bodies (NTFBs)**

33. Many countries want or need to establish an NTFB but have not yet considered the governance, the structure and details of the operation of such a body. Meanwhile, nationally, there may be other sector-based organizations that provide in part or in full the function of a trade facilitation body. Governments may wish to officially endorse one of these organizations as fulfilling the role of NTFB; or they may wish to coordinate several of these organizations in order to achieve this objective.

34. In other cases, the government may wish to call upon one or more of these organizations temporarily, in order to establish an interim NTFB while the planning is completed for a fully mandated, independent NTFB.

#### **C.1.1 National sector-based organizations that might fulfil the role of trade facilitation**

35. The ideal organization for an NTFB is a full public-private partnership as outlined elsewhere within this document, with collaboration between both Government and Trade. However, for historical reasons or present-day practicalities, the government might want to invest an existing, well-funded sector-based organization with this role. The following is a non-exhaustive list of types of organizations that could fulfil the role of an NTFB. Annex 3 provides some guidance on identifying these organizations.

- A fully private sector national trade facilitation body
- A fully private sector shippers' organization with a trade facilitation mandate
- A fully private sector transport organization with a trade facilitation mandate
- A trade union with a trade facilitation mandate
- A public-private partnership committee working on trade facilitation matters
- A public-sector consultation committee concentrating on trade facilitation matters
- A government agency-lead committee with a trade facilitation mandate.

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

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

37. A method of coordination may be chosen that results in multiple organizations working on trade facilitation within the country (or economy) or within a regional grouping, if such an arrangement has been agreed by the participating countries or economies. This could lead to two possible situations; first, the government (or regional grouping) establishes an official NTFB while other organizations (public, private, public and private partnership, or trade or industry specific) continue to exist and act independently, at the same time. Second, the government could coordinate the activities of these multiple organizations using the NTFB as a focal point for collaboration. The consequences of these two different circumstances are explored in the following sections.

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

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

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

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

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



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

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

42. To remedy this situation, the existing governance structure should be reviewed and amended, if necessary. All supply chain actors should be represented in the chosen organization (not just port authorities... not just shippers... not just a specific ministry...). Much of the administrative work would be to ensure all representative organizations participate actively and positively, and topics or tasks are not driven solely by one single point of view or agenda. Much can be achieved during the phase when organizations are identified and selected for participation, by not only determining if an organization is working on trade facilitation, but also considering any alternative motivations that might direct its work.

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

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

44. Quite often individual NTFBs from the same region struggle with similar challenges because of the geographical environment, common borders and often similar regulations, trading traditions and trading partners. Hence, regional cooperation between NTFBs can support and strengthen each national body's activities and approaches to trade facilitation, and also create agreed, common solutions to their trade facilitation issues.

45. A Regional Trade Facilitation Organization can be constituted of representatives from National Bodies; including, for example, their Chairpersons and the Executive Secretaries. Regional committees should meet regularly, based on an agreed time table and agenda.

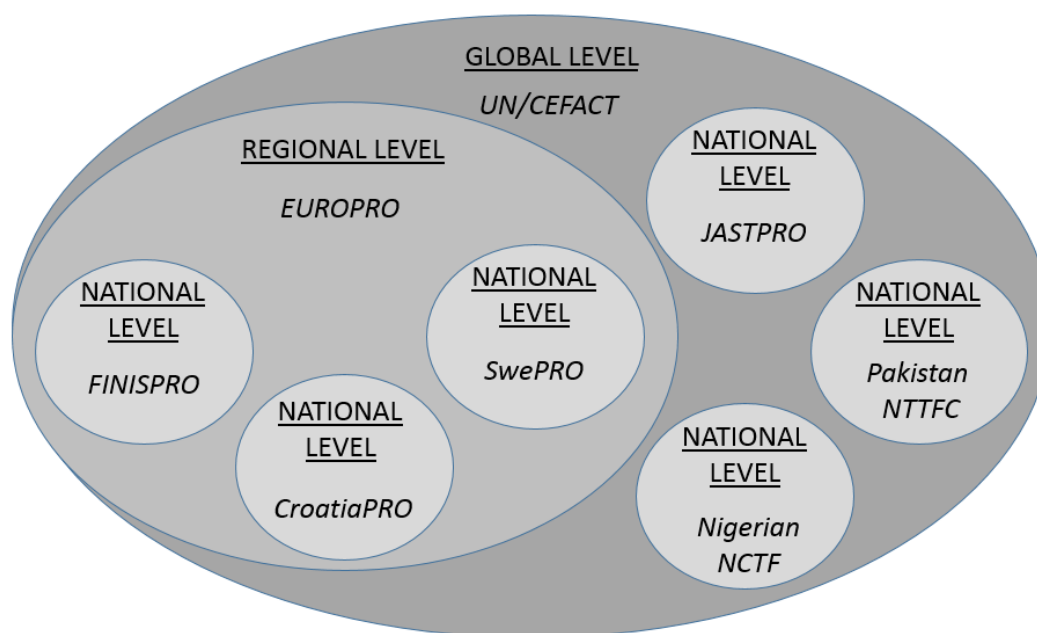
46. The basic terms of reference for such a Regional Organization could be to:

- Monitor regional progress in trade and transport facilitation and to coordinate regional awareness raising activities
- Identify common barriers and inhibitors (technical, institutional or commercial);
- Identify common solutions and regional action required to solve existing problems,
- Support the region-wide use of trade related standards, recommendations, tariff structures, electronic data interchange and other simplification tools and techniques.

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

48. An illustration of the regional and global level and, or structure of NTFBs (similar to the diagram for the organization of an NTFB described earlier in the Guideline text) is reproduced below:





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

## D. FUNDING, BUDGET AND STAFFING

### D.1 Financing an NTFB

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

50. Whatever the structure selected and the range of operations decided upon, the NTFB will need to pay for the staff and activities. Clearly the type and amount of funding needed would depend on several factors in order to ensure optimum performance and to realise benefits from its trade facilitation work programme and outputs. Consequently, the funding arrangements must be both sustained and sustainable. To guarantee appropriate financial provision from the outset, establishing the NTFB as some type of legal entity could be considered as a method of protecting its funding arrangements.

51. Many options exist to arrange for the financing of an NTFB and these include (but are not limited to):

- Financial contributions from representative private sector organizations (provided this does not undermine the remit and terms of reference of the NTFB);
- A Government grant, from the Government's own budget;
- A public-private partnership;
- Contributions 'in kind' in the form of office space, maintenance and office equipment;
- Additional funding for specific trade facilitation studies. These contributions could be sourced from trade and industry sectors that would benefit from the introduction of trade facilitation proposals.

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

## D.2 Operating an NTFB

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

54. Experience has demonstrated that an NTFB usually requires its members, representatives and staff to undertake a number of different functions. These can include, although they are not required and they are also not restricted to, the following:

- A Chairman or similarly appointed official
- A Board
- An Executive Secretary / Manager (for the day-to-day running of the NTFB) and
- A secretariat

## E. STEPS TOWARDS THE CREATION OF AN NTFB

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

56. After an approved awareness campaign, specific actions should be considered when establishing the NTFB. The type and range of measures are dependent on the national needs, culture and capabilities. Some of these measures could be to:

- Agree the remit of the NTFB and the areas where it will undertake policy development, and identify key issues to be initially considered;
- Undertake preparations for the NTFB's formal establishment, including for its legal base, constitution, structure, funding and administrative framework;

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<sup>2</sup> Secondment, according to the Oxford Dictionary "The temporary transfer of an official or worker to another position or employment" (<http://www.oxforddictionaries.com> as of January 2015).

- Agree on the appointment of the Officers and staff of the NTFB including the terms and conditions of employment, the status of seconded persons and the recruitment of consultants or other experts;
- Identify all key partners and stakeholders in order to agree on the terms of reference for the areas of policy development, and the preparation of a 'corporate plan' and work programme;
- Agree the procedures for the formation of any Working Groups for specific tasks;
- Agree the reporting procedures within the NTFB and the way trade facilitation outputs, including implementation strategies, will be presented to government and trade;
- Coordinate with international trade facilitation bodies (such as UN, WTO, WCO) and other international standards bodies (ISO) and make use of materials produced by these organizations.

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

# ANNEX 1: Terms of Reference

## A. PURPOSE AND OBJECTIVES

1. 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.
2. The specific objectives of the body are not limited to, but include to:
  - i. 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 areas (*facilitation objectives*);
  - ii. Propose, for government approval, draft trade-related regulations and practices in the areas mentioned in 2.i. (*regulatory objectives*);
  - iii. Make policy recommendations on future trade-related investments (*development objectives*);
  - iv. Increase awareness of the methods and benefits of trade facilitation (*outreach and capacity building*); and
  - v. Support trade facilitation negotiations at bilateral, regional and multilateral levels (*negotiations objectives*).
3. These five specific objectives will lead to the following activities to:
  - i. Facilitation objectives
    - Ensure the proper coordination of facilitation of international trade;
    - Keep under review the procedures required in international trade, including in: customs; multimodal transport; transit; logistics; finance; agriculture; sanitary and phyto-sanitary requirements; health; electronic business; and related topics, with a view to their simplification and harmonization;
    - Collect and disseminate information and best practices on international trade formalities, procedures, documentation, and related matters;
    - 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;
    - Promote the use and adoption of standard trade and transport technology and international codes (for example EDI communications); and
    - Implement national projects or programmes, and review project proposals or other documentation and provide constructive suggestions (if any) for activities implemented by other organizations on trade facilitation.
  - ii. Regulatory objectives
    - Review, comment, amend, and propose government approval for new draft documents on: trade; customs; intermodal transport; transit; logistics; finance; agriculture; sanitary and phyto-sanitary requirements; health; electronic business; liability; civil responsibility; and other trade facilitation related regulations, with a view to updating current regulations and practices embodied in the Commercial Code and other legal texts;

- Follow up on the final approval of proposed regulations and practices with the various institutions concerned and through institutional and executive channels; and
  - Examine and support the country's adherence to international conventions, recommendations and standards.
- iii. Development objectives
- 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
  - Address, as a national coordinating or advisory body, questions related to the institutional development and management of trade facilitation reforms; and other relevant issues.
- iv. Outreach and capacity building objectives
- Organize and implement campaigns to publicize the benefits and requirements of simplified documents and procedures, aimed at government policy-makers and private sector;
  - 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;
  - Support mobilizing resources for implementation of trade facilitation reforms and coordinating technical assistance by national and international donors in the country; and
  - Share capacity building materials (e.g. guides), sources (websites) and related information and experiences with various parties involved in Trade Facilitation.
- v. Negotiations objectives
- Support trade facilitation negotiations in bilateral, regional or multilateral levels;
  - Act as the national committee for facilitating coordination and implementations of provisions in the WTO Trade Facilitation Agreement; and
  - Facilitate and actively participate in bilateral, regional and multilateral cooperation in trade facilitation and related areas.

## **B. ADMINISTRATIVE CONSIDERATIONS**

4. The NTFB can hire temporary or permanent staff or experts according to its structure for administrative and substantive purposes, as required. Hiring of staff or experts needs to follow, for each position, 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 and skills needed would include: interpersonal skills, oral and written communications and presentation abilities, plus the 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 could 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.

5. 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 the NTFB.

### **C. BUDGETARY CONSIDERATIONS**

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

- Capital expenditures such as rent of building and utility costs;
- Operating expenses related to staff such as salary, training and association membership fees;
- Costs relating to the recruitment of any local consultants and for the procurement of local studies and surveys;
- Expenses related to the organization of NTFB meetings, as well as conferences, workshops and seminars to promote the work of the organization and encourage wider support and acceptance of trade facilitation proposals;
- Travel and subsistence expenses for the support of national activities and, separately, for attending sub-regional, regional and international meetings as approved;
- Expenses related to the procurement of office equipment, communication facilities, stationery, and office management and maintenance;
- Miscellaneous expenses related to the reproduction and dissemination of documents and other publicity and information material, including for a web site if planned; and
- A contingency fund for any unforeseen expenses deemed necessary by agreement of the contributing organizations, parties and individual participants.

## ANNEX 2: NTFBs AROUND THE WORLD

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

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

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

[Country] - Status [Month] [Year]

Questions	Answers for [Country]
<b>Background</b>	
What is the official name of the national trade facilitation (TF) coordination mechanism?	
What motivated the establishment of the TF body?	
What year was it established?	
Do you have other national bodies dealing with WTO issues and/or with TF?	
Was the TF body based on a previously existing multi-agency group/committee (for example a trade and transport facilitation committee)?	
What is the current status of the TF body (running, pilot phase, study)	
<b>Institutional Framework</b>	
Has the TF body been set up as an ad hoc group, or a legal entity/organization?	
What specific documents were necessary to institutionalise the group? Which body and at which level made the decisions?	

Questions	Answers for [Country]
What is the scope/mandate of the TF body?	
Does the TF body have terms of reference?	
Which is the coordinating agency?	
What is the structure of the TF body (Chair/co-chair, sub-groups etc.)?	
Do you have a permanent technical Secretariat?	
<b>Funding</b>	
Do you have a formal budget for the operations of the TF body?	
If yes, what major items are covered by it?	
What are the sources of funding?	
<b>Objectives / Focus</b>	
What are the objectives of the TF body?	
Does it have a working plan?	
How do you monitor progress in implementing the working plan?	
How often, and in which form and to whom is the TF body reporting?	
<b>Membership / Composition</b>	
What public or quasi-public agencies participate in the TF body?	
What private associations or entities participate?	
What is the level of seniority of the participants?	
<b>Participation</b>	
Does the TF body meet regularly?	
What is the level of participation in each of the meetings?	



Questions	Answers for [Country]
Do you use different meetings formats (such as focus groups, brainstorming, Citizen jury's etc.)?	
<b>Promotion / Communication</b>	
How do you keep all stakeholders informed of the TF body's meetings and new documents, upcoming events etc.?	
How does the TF body interface with other working groups/committees working on similar issues?	
Do you undertake special information session for the general public or particular stakeholders?	
<b>Benefits</b>	
What was the impact of the work of the group?	
How does it benefit your country's responsiveness to the WTO negotiation process?	
Have there been concrete operational outcomes?	
<b>Lessons learned</b>	
What are the crucial success factors?	
What are the greatest obstacles?	
What are the main lessons learned?	
<b>Future plans</b>	
What are the plans for further development of the TF body?	
<b>Contact information</b>	
Please indicate the contact details of the chairman, president or Secretariat of the TF body.	

## ANNEX 3: Stakeholder analysis toolbox

1. This annex is an excerpt from the Annex 1 of Recommendation 40 on Consultation Approaches: Best Practices in Trade and Government Consultation on Trade Facilitation Matters.

### Stakeholder analysis

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

A sample template of how this can be mapped is provided below:

Stakeholder Strategy Matrix						
Stakeholder	Description/ Members	Stake in Proposed Change/ Priority	What do we need from them?	Perceived attitudes/ risks	What will it take to get support?	Stakeholder Management Strategy

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

The following is offered as a quick stakeholder analysis checklist:

- **What** is the agency need(s) or priority?
- **How** flexible is the agency in its ability to change or modify this need or priority in the view of new proposals or developments?
- **Who** are all the impacted stakeholders?
- **How** is information to be shared between the parties?
- **What** information can be shared, and with which stakeholders?
- **What** is the appropriate time to share this information so that parties have the necessary time to react?



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