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Recommendations and standards:**Support to capacity building and technical cooperation****Training Material on National Trade Facilitation Bodies****Submitted by the secretariat for information***Summary*

This manual aims to provide government authorities, traders, and related trade-service providers with training materials to increase their knowledge and understanding of the key components of National Trade Facilitation Committees (NTFCs) and steps for establishing and effectively operating them. This includes information on the structure, governance, funding, sustainability and membership of NTFCs. The manual provides the reader with tools that can be used to support informed policy decisions.

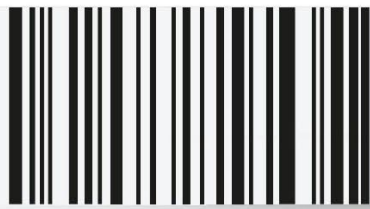
The manual is a compilation of key resources developed by leading international organizations, which developed recommendations or guidelines on these topics. This includes resources developed by United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC) and other international organizations. These topics are also frequently covered in training workshops. Therefore, the manual synthesizes the principles, strategies and suggestions in available resources and presents in a reader-friendly format - useful for training-purposes. The manual also includes a few case-studies about functioning of the NTFCs and lessons learned.

1. Trade facilitation covers multiple inter-related topics including trade logistics, customs, information and communication technologies (ICT), transportation, agriculture, health and so on. The diversity of trade facilitation requires the engagement of various institutions mandated to regulate or coordinate each of these areas both from public and private sectors. These institutions have their respective goals and priorities. The multitude of priorities and goals can create conflicting conditions for the development of appropriate trade facilitation measures.
 2. The NTFCs play a key role in bringing together key stakeholders including the public and private sector to present an inclusive approach to trade facilitation in a particular country. The role of NTFCs has been evolving over the last decade. The World Trade Organization's (WTO) Trade Facilitation Agreement (TFA) mandates their members to establish a committee. In addition to the coordination and consultation roles, the NTFCs can promote international best practices, discuss and adopt innovative approaches.
 3. Drafted by the United Nations Economic Commission for Europe (UNECE) Trade Facilitation Section, this training manual summarizes resources developed by international organizations including the UN/CEFACT, UNCTAD, ITC and other international organizations. Targeted at the governmental officials, traders and scholars, this training manual outlines the fundamentals of such committees in a user-friendly format and contains self-assessment questions – useful for training purposes. Six substantive chapters elaborate on the role, objectives, structure, funding of the NTFCs, propose recommendations for long-term sustainability, list tools available for trade facilitation performance monitoring and present case studies.
 4. This manual also highlights the role of the NTFCs during crisis periods such as the COVID-19 pandemic and their role in the successful implementation of the 2030 Agenda for Sustainable Development.
 5. The UNECE hopes that this manual will provide trade facilitation stakeholders with knowledge and resources to maximize the benefits of trade facilitation reforms in their countries.
 6. The training material is presented annexed to this Plenary document in the format which it is intended to be used.
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Annex

UNECE

National Trade Facilitation Committee



TRAINING MANUAL



UNITED NATIONS

United Nations Economic Commission for Europe

National Trade Facilitation Committee

Training Manual



UNECE

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Abbreviations

Abbreviation	Defintion
CCFTP	Coordinating Committee on Facilitation of Trade Procedures
EIF	Enhanced Integrated Framework
ESC	Extroversion Steering Committee
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
ICT	Information and Communication Technologies
ITC	International Trade Centre
LPI	Logistics Performance Index
MSMEs	Micro, Small and Medium-Sized Enterprises
NTFB	National Trade Facilitation Bodies
NTFC	National Trade Facilitation Committee
NTFR	National Trade Facilitation Roadmap
OSC	Operational Steering Committee
SDGs	Sustainable Development Goals
TFA	Trade Facilitation Agreement
TFIG	Trade Facilitation Implementation Guide
ToR	Terms of Reference
TTFMM	Trade and Transport Facilitation Monitoring Mechanism
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
WCO	World Customs Organization
WEF	World Economic Forum
WTO	World Trade Organization



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Note:

This publication uses texts from various guides, policy recommendations, reports, survey findings and conference outcomes. The texts have been rephrased in many cases and re-adjusted with full reference to the original sources. Extracts copied from the original sources are reproduced in *italic*.



1 Introduction



- Context
- NTFCs and the 2030 Agenda for Sustainable Development
- Learning objective
- Target audience
- Structure of the manual

1.1. Context

Trade facilitation is a broad topic. Multiple interrelated definitions of trade facilitation are available in the literature. According to the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), trade facilitation is the simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payment. Trade facilitation comprises many interrelated areas ranging from customs, transportation, logistics, information and communication technology (ICT), investment, sanitary and phytosanitary issues, financing, testing laboratories and other related topics. The diversity of trade facilitation requires the engagement of various institutions mandated to regulate or coordinate each of these areas both from public and private sectors. These institutions have respective goals and priorities.

The multitude of priorities and goals can create conflicting conditions for the development of appropriate trade facilitation measures. For example, revenue generation in terms of duties and taxes from international trade as well as safety and security of people are legitimate objectives of governments. However, a balance between revenue generation, safety and security, and smooth flow of goods is essential. Sometimes institutions prioritize one over the other without appropriate balance among these objectives. Control of documentary or procedural clearance can become another bottleneck. Furthermore, transport and trade authorities may differ in the procedure for issuing permits for goods vehicles. Efficient and transparent trade-related regulatory services allow governments to maintain high security levels and effective control while reducing opportunities for corruption.



International trade is complex as well as dynamic. International or national regulations keep changing and there is a need to adjust policies accordingly. Various government agencies are mandated to ensure conformity with regulations. However, the adjustment and communication of information to field offices requires coordination with all stakeholders.

The National Trade Facilitation Committee (NTFC) plays a central role in trade facilitation for a country. Hence, effective functioning of NTFCs can help maximize the benefits from trade facilitation reforms. There is a significant amount of resources on NTFCs and their functions. This manual is a compilation of key resources developed by leading international organizations, which developed recommendations or guidelines on these topics. These topics are also frequently covered in training workshops. Therefore, the manual synthesizes the principles, strategies and suggestions in available resources and presents in a reader-friendly format - useful for training-purposes. The resources developed by UN/CEFACT - the inter- governmental body of the United Nations Economic Commission for Europe (UNECE) as well as those developed by United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC) and other international organizations have also been used in this manual. The manual also includes a few case-studies about functioning of the NTFCs and lessons learned.

The COVID-19 pandemic

The COVID-19 pandemic has disrupted world trade significantly. The World Trade Organization (WTO) estimated that merchandise trade in nominal dollar terms fell in 2020 by 7% while commercial services exports declined by 20%.¹ Hence, trade facilitation reforms need to adapt to the needs of trading communities and support smooth continuity for supply chains. This may require revisiting existing regulations, streamlining procedures or even moving to electronic means for faster processing of formalities. It may also include addressing the needs of micro, small and medium-sized enterprises (MSMEs), women traders and other stakeholders with special needs to minimize negative impacts.

¹ World Trade Organization. "World trade primed for strong but uneven recovery after COVID-19 pandemic shock", 31 March 2021. Available at https://www.wto.org/english/news_e/pres21_e/pr876_e.htm.

1.2 NTFCs and the 2030 Agenda for Sustainable Development

NTFCs are playing a key role in bringing together key stakeholders to shape trade and present innovative approaches in solving numerous challenges. The role of NTFCs has been evolving over the last decade. Their role came into prominence after the adoption and the subsequent entry into force of the World Trade Organization's Trade Facilitation Agreement (TFA). However, their activities contribute to broader national development strategies as well as the 2030 Agenda for Sustainable Development. The purpose of trade facilitation reforms is to achieve increased trade efficiency, improved competitiveness and increased share of exports, especially for developing countries and countries with economies in transition. The 2030 Agenda for Sustainable Development highlights trade as a means for achieving the Sustainable Development Goals (SDGs) in SDG Target 17.10. This target can only be achieved when trade facilitation reforms address the needs of MSMEs and women traders and provide special attention to trade financing and agriculture products which are aligned with SDG 8 on inclusive and sustainable economic growth. In addition, as digital systems replace paper documents, reduced use of resources could have positive environmental impacts, contributing to SDG 12 on responsible consumption and production. Digital systems can also limit the number of occasions to visit offices physically, which can, in turn, reduce the risk of contracting diseases during health emergencies, thus contributing to SDG 3 on ensuring health and well-being. All in all, trade facilitation reforms have a spill-over effect for multiple SDGs. As such, NTFCs are expected to take leadership roles to harness the full potential of trade for achieving the SDGs.

1.3 Learning objective

This manual aims to provide government authorities, traders, and related trade-service providers with training materials to increase knowledge and understanding of the key components of NTFCs and steps for establishing and effectively operating them. This includes structure, governance, funding, sustainability and membership. It provides the reader with tools that can be used to support informed policy decisions. It should be noted that NTFCs are dynamic bodies. The purpose and objectives of these bodies can shift in the rapidly evolving environment of international trade. The text of this manual should be considered accordingly. Hence, this training manual provides the reader with a broader approach to the functions of NTFCs.

1.4 Target audience

This content of this manual is targeted towards the following groups:

- Governmental officials;
- Traders and representatives of business associations;
- Scholars and academic professionals;
- Private sector experts and consultants in trade facilitation and e-trade;
- Professionals in international organizations.

Finally, policymakers, practitioners, international organizations and other stakeholders are invited to use this manual for conducting training events related to NTFCs with a proper reference to this publication.

1.5 Structure of the manual

This manual has five substantive chapters. Chapter one sets out the context, explains the role of NTFCs in relation to national development strategies and the SDGs. Chapters two, three and four describe key elements of an NTFC such as its objectives, benefits, structure and funding and provide recommendations for the long-term sustainability of an NTFC. Chapter five describes key tools including recommendations, guidelines, studies and reports that can support policy and decision makers in their effort to operate effective and sustainable NTFCs and assess countries' performance in advancing on their path for sustainable and digital trade facilitation. Case studies in chapter six demonstrate how countries set up NTFCs in different environments, deal with related strategic challenges and what lessons they learned during these processes.

The manual combines content from various resources that have been published before and, in many cases, summarizes the essential issues. For greater detail, the resources referred to in the text should be consulted. At the end of each chapter, readers may use the sample self-assessment questions, which can help them to review the key topics in the context of a respective country and help them think through the adaptation or modification of policies, where necessary.

2 What is a NTFC?



- Definition
- Objective
- Benefits
- Sample self-assessment questions

2.1 Definition

The UNECE Recommendation No.4 on National Trade Facilitation Bodies (NTFB) offers a general definition of an NTFC:

*An NTFB² 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 phytosanitary requirements, health, electronic business and related topics can present their respective views and problems, and seek, through consultation and consensus, mutually agreeable solutions.*³ Trade facilitation is by its very nature a policy area that cuts across organizational and ministerial portfolios. Successful trade facilitation reform rests upon a partnership between government agencies and other stakeholders, including traders and intermediaries. That is why a key aspect of a well-functioning NTFC is the involvement of all stakeholders connected to the transaction chain.

The Recommendation provides a non-exhaustive list of public and private stakeholders that can become members of the NTFC, as shown in table 1.

² The term 'NTFB' is used as a general term for all types of agencies, committees, working groups, association or any other entity that carry out their functions as the National Trade Facilitation Committee. For the purposes of this manual, NTFB and NTFC are used interchangeably.

³ United Nations Economic Commission for Europe, *Recommendation No. 4: National Trade Facilitation Bodies*. ECE/TRADE/425, available at: http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec04/ECE_TRADE_425_CFRec4.pdf.

Table 1. List of private and public actors in an NTFC

Government authorities and agencies	Traders	Related trade-service providers
<ul style="list-style-type: none"> • Commerce or trade and their agencies (for example export development agency) • Transport / roads / railways / waterways / infrastructure and their agencies • Finance / planning / economic development / industry ministries and their agencies including customs, central banks, and other agencies • Government foreign trade institutes and think tanks • Standards and accreditation organizations 	<ul style="list-style-type: none"> • Importers and their associations • Exporters and their associations • Small and medium-sized exporters and importers and their associations 	<ul style="list-style-type: none"> • Carriers or transporters • Freight forwarders • Chambers of commerce and their federations • Private laboratories or certification agencies • Technical software providers • Banks, insurance companies • Customs agents • In all the cases above, their associations • Academic institutions, non-public think tanks

Source: UNECE Recommendation No. 4 on National Trade Facilitation Bodies.

2.2 Objective

For many countries, the overarching objective in creating an NTFC was, first, the negotiation of the Trade Facilitation Agreement and, later, after the adoption of the Agreement, its implementation. Article 23.2 of the WTO TFA and its provision mandates the WTO members to establish an NTFC and set the objective of an NTFC: *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.* It is mandatory for all WTO members, without any exceptions, to establish (or maintain if a similar mechanism already exists) an NTFC. To comply with this article, countries may only need to pass a national act to create/maintain an NTFC; therefore, there may be no need for the adoption of any

specific legislation.⁴ However, the objectives of an NTFC do not necessarily need to be confined to the TFA mandate. In principle, this committee should be the flagbearer of trade facilitation reforms, given the fast-changing trading environment and evolution of transformative technologies.

The specific objectives of an NTFC can be generally categorized in (but not limited to) the following areas, as mentioned in the UNECE Recommendation No. 4:

- *Facilitation objectives: 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;*
- *Regulatory objectives: Propose for government approval, draft trade-related regulations and practices in the areas mentioned in the facilitation objectives;*
- *Development objectives: Review and develop policy recommendations on the interplay between trade, investment and trade facilitation;*⁵
- *Outreach and capacity building objectives: Increase awareness of the methods and benefits of trade facilitation;*
- *Negotiations objectives: Support trade facilitation negotiations at the bilateral, regional and multilateral levels.*

In all instances, it is recommended that *governments establish and support national trade facilitation bodies with balanced participation of the private and public sectors.*⁶

2.3 Benefits

An NTFC plays a key role in supporting the implementation of trade facilitation measures that require inter-agency and public-private coordination for effective implementation in a way that promotes trade and development. The NTFC role in facilitating implementation is particularly important in preventing possible disputes or other negative consequences associated with non-implementation.

⁴ International Trade Centre (2020). *Getting down to business: Making the Most of the WTO Trade Facilitation Agreement*. available at: http://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/Getting%20Down%20to%20Business_WTO%20Technical%20Notes_Low-res.pdf (accessed on 9 September 2020).

⁵ The original text of the Recommendation 'Make policy recommendations on future trade-related investments' has been slightly modified to clarify the objective.

⁶ See footnote 3.

In the following figure there are some benefits that an established NTFC can work towards.

Figure 1. Benefits of an NTFC



Source: UNECE, based on UNECE Recommendation No. 4 on National Trade Facilitation Bodies.



2.4 Sample self-assessment questions

1: What is the key purpose of an NTFC in your country?

- Domestic coordination
- Support TFA implementation and notification
- Engage in national trade facilitation reforms beyond TFA
- All of the above

Question 2: Does an NTFC in your country take a lead role in developing policies, guidelines or standards for trade facilitation reforms?

- Always
- Mostly, but sometimes it is led by another agency (or agencies) or ministry (or ministries)
- Sometimes
- Never

Question 3: Are there representatives from the private sector and MSMEs?

- Yes
- No

Question 4: Does an NTFC in your country monitor development of international standards for electronic business or recommendations for trade facilitation?

- Sometimes
- Always
- Never since it is not considered as part of the mandate of an NTFC
- Never but it should be part of the mandate of an NTFC



3 Structure of an NTFC



- Evolution and types
- Functions
- Organization
- Steps toward creating an NTFC
- Sample self-assessment questions

3.1 Evolution and types

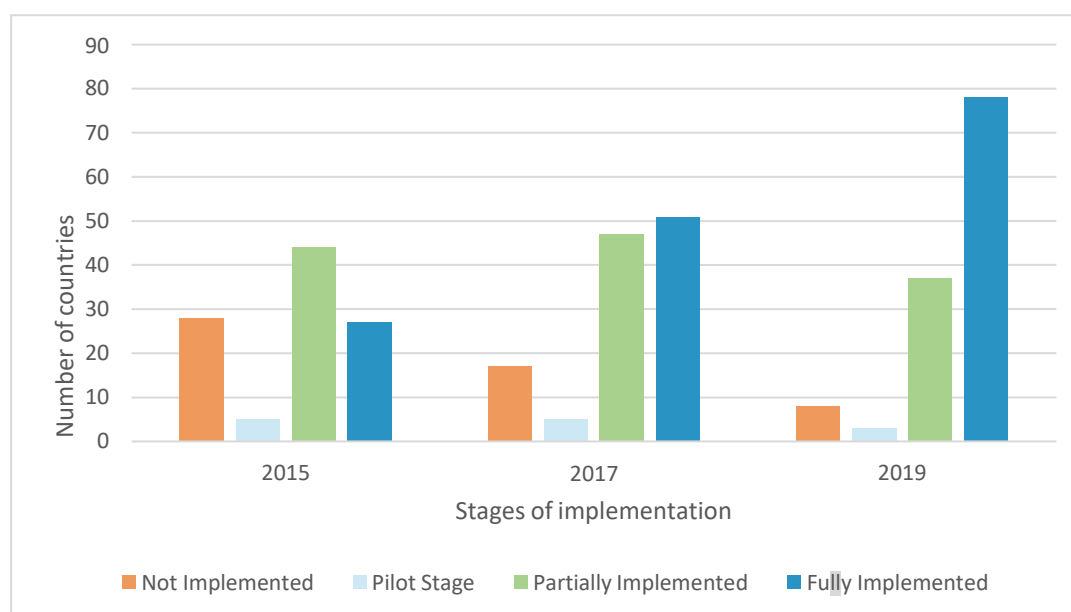
An NTFC, established to pursue the implementation of trade facilitation, is a national body that can take many forms. Most NTFCs are institutionalized at the government level, for instance, by a decision of the cabinet of ministers or by a presidential decree.⁷ They are usually coordinated by government bodies such as ministries for trade, transport, economy and customs.

Over the past decades, various types of these bodies have evolved. For example, in many developed economies, these bodies were established in the form of public-private agencies or PRO (Procedures) Committees. In some developing countries and transition economies, national committees were established to facilitate transport and regional connectivity. Some bodies were formed to support bilateral and regional trade agreements covering both trade and transport issues. Subsequently, upon the signing of the TFA, many countries formed such bodies to support negotiations and facilitate the implementation of the provisions therein. A description of differences among these bodies is available in the UNCTAD online repository.⁸ According to the United Nations Global Survey on Digital and Sustainable Trade Facilitation, 78 countries had fully established an NTFC Committee in 2019 whereas in 2015 only 27 NTFCs were fully operational, as illustrated in Figure 2.

⁷ United Nations Conference on Trade and Development, *National trade facilitation committees as coordinators of trade facilitation reforms*. Available at https://unctad.org/en/PublicationsLibrary/dtl/tlb2020d1_en.pdf (accessed on 9 September 2020).

⁸ United Nations Conference on Trade and Development, *Trade Facilitation Committees around the world*. Available at <https://unctad.org/en/DTL/TLB/Pages/TF/Committees/default.aspx>.

Figure 2. Progress in the global implementation of NTFCs



Source: United Nations Global Survey on Digital and Sustainable Trade Facilitation 2015, 2017, 2019.

Despite the differences between types of committees, there are some prerequisites which should be present in these bodies from the outset, as mentioned in UNECE Recommendation No. 4 on National Trade Facilitation Bodies:

- *Active participation of the 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.*



3.2 Functions

The functions of an NTFC should be geared towards the objectives these committees would like to achieve. According to UNECE Recommendation No. 4, there are some common functions that NTFCs (referred to as NTFBs in the Recommendation) perform widely across countries.⁹

The functions of NTFCs can be categorized according to the type of objectives described in UNECE Recommendation No. 4. The following list provides some details of these functions. The broad functions include, but are not limited to, the following:



Facilitation: 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 areas. In other words, an NTFC should

- *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, health, electronic business and related topics, with a goal to simplify and harmonize the procedures;*
- *Collect and disseminate information and best practices on international trade formalities, procedures, documentation, and related matters;*
- *Collect and disseminate information on trade measures and digital systems including single windows, trade information portals etc. at a national level;¹⁰*
- *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 Electronic Data Interchange communications); and*

⁹ United Nations Economic Commission for Europe, *Recommendation No. 4: National Trade Facilitation Bodies*. (ECE/TRADE/425).

¹⁰ Newly added to the list in this manual.



- *Implement national projects or programmes, review project proposals or other documentation and provide constructive suggestions (if any) for activities implemented by other organizations on trade facilitation.*



Regulation: To propose for government approval, draft trade-related regulations and practices. In other words, an NTFC should

- *Review, comment, amend, and propose government approval for new draft documents on trade, customs, intermodal transport, transit, logistics, finance, agriculture, sanitary and phytosanitary 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.*



Development: Review and develop policy recommendations on interplay between trade, investment and trade facilitation. In other words, an NTFC should

- *Review the national policy content of trade and investment and facilitate the introduction and development of appropriate trade technologies, including information and communication technology;*
- *Develop strategic documents (e.g. the National Trade Facilitation Roadmap¹¹); 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.*

¹¹ Newly added to this list in the manual.



Outreach and capacity-building: To increase awareness of the methods and benefits of trade facilitation. In other words, an NTFC should

- *Organize and implement campaigns to publicize the benefits and requirements of simplified documents and procedures, aimed at government policymakers and the private sector;*
- *Organize and present series of seminars and workshops for policymakers, 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.*



Negotiation: To support trade facilitation negotiations at the bilateral, regional and multilateral levels. In other words, NTFCs should

- *Support trade facilitation negotiations at the bilateral, regional or multilateral levels;*
- *Act as the national committee for facilitating coordination and implementation of provisions in the WTO TFA; and*
- *Facilitate and actively participate in bilateral, regional and multilateral cooperation in trade facilitation and related areas.*

3.3 Functions during supply chain disruptions or emergencies

Disruptions due to emergencies and the potential impacts of these disruptions require the adaptation of current practices as well as the development of innovative solutions for trade facilitation measures.



In this context, NTFCs may review their existing functions and consider the following:

- Intensification of coordination:

An NTFC is best suited to the coordination and monitoring of the implementation of trade facilitation measures in their country. During emergencies, it needs to step up its efforts to closely monitor the implementation of existing measures to avoid any lapse in the operations of border agencies and other related government agencies. Changes to national standard procedures (for example, reduced working hours, lack of transportation, a sudden peak in demand for services) need to be coordinated and communicated with the members of the NTFC. An NTFC also needs to monitor the changing regulations and border control procedures of their trading partners. Additionally, greater coordination may be required with donors or international organizations for addressing capacity building or technical assistance needs. The frequency of NTFC meetings may be increased for better coordination.

- Simplification of formalities:

Public health emergencies like COVID-19 can lead to increased scrutiny at borders, not only of the transported goods but also for the vehicle personnel carrying the cargo. While there may be an increased need to check compliance, faster clearance of the goods should be a parallel objective. This is particularly crucial for emergency supplies, including medical equipment or food items. Expedited shipments and pre-arrival processing can be useful tools in such cases.

- Digitalization of processes and documents:

Digitalization, or simply digitization of formalities, can be done on a short to immediate term basis and on a medium to long term basis. In the short term, NTFCs need to take advantage of existing digital systems and may allow electronic versions of paper documents. Digital systems like single windows or electronic payment systems may experience high demand and, accordingly, there may be a need to allow for a greater number of service requests. In the medium to long term, NTFCs may need to review legal frameworks to bring about fundamental changes to the processes for accepting electronic documents according to the international standards.



- Special considerations:

Some economic sectors of the trading community are impacted more than others. For example, food supplies are critical and hence the trading of foodstuff should receive the highest facilitation. Trade facilitation helps MSMEs more than the large enterprises. MSMEs are usually less capable of managing economic impacts. Special treatment in terms of waiving fees or charges, dedicated service desks or other related measures for MSMEs may be considered.

3.4 Organization

According to UNECE Recommendation No. 40 on Consultation Approaches, Best Practices in Trade and Government Consultation on Trade Facilitation Matters¹² and depending on the type of work carried out by an NTFC, the work can be organized into three distinct levels: strategic, operational and technical.

The Board of the NTFC would be on the *strategic level*. That way the Board would be responsible for implementing the trade facilitation plan by defining trade policy and priorities and would be chaired by the Lead Agency that established the NTFC—whether it be from the government, the private sector or a partnership between the private sector and government. The Board would set the work programme of the NTFC and report back to the Lead Agency (e.g. the ministry of trade, the economy or another designated institution) on its activities and present any proposals, recommendations or other outcomes.

At the *operational level*, the NTFC would prepare reports, develop proposals and offer recommendations for achieving the objective of the trade facilitation plan. These activities would be undertaken by permanent NTFC 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.

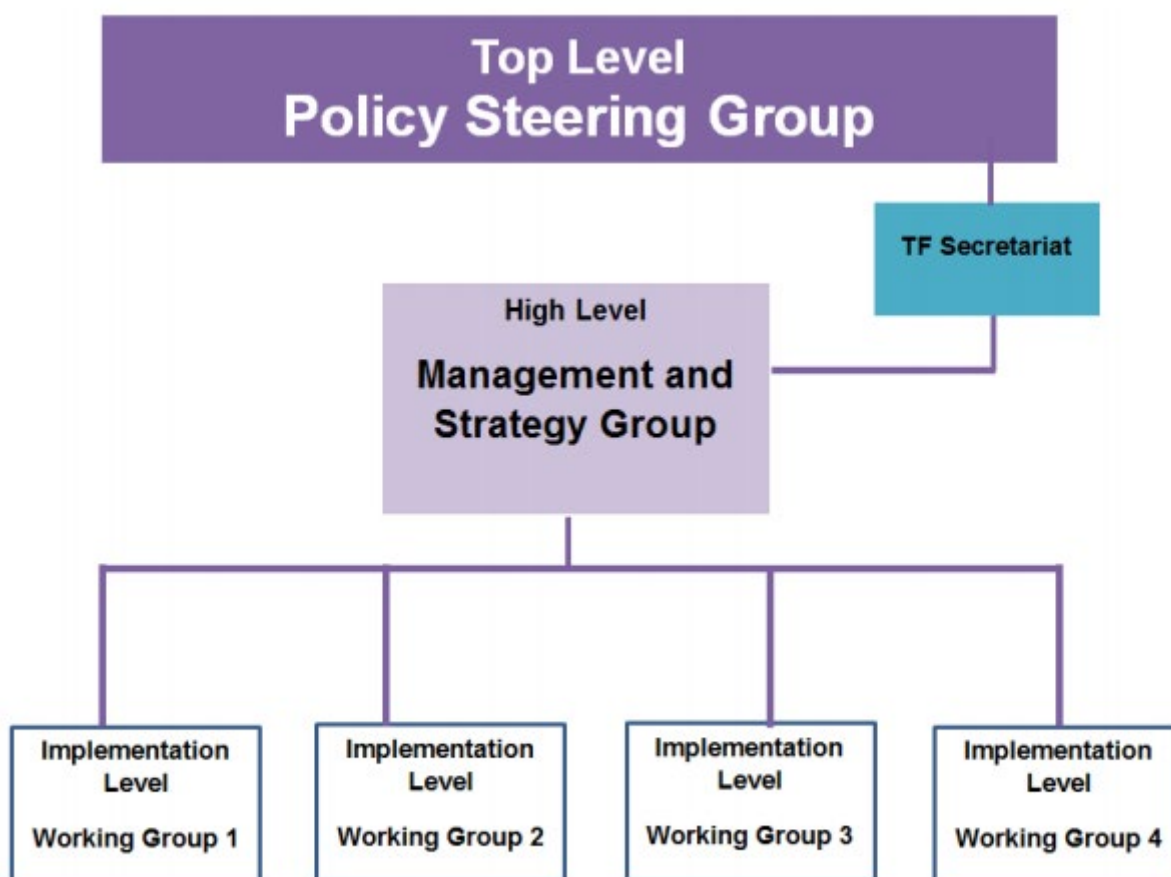
At the *technical level*, ad hoc working groups (either permanent or temporary) could be formed to undertake specific tasks defined by the NTFC. The composition of the

¹² United Nations Economic Commission for Europe, *Recommendation No. 40: Consultation approaches, Best Practices in Trade and Government Consultation on Trade Facilitation matters*, ECE/TRADE/C/CEFACT/2015/9/Rev.1.

working groups would include representatives from the 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 NTFC at the operational level would be constructive and valuable. ¹³

Figure 3 provides an example of a governance structure of a body to manage and implement the National Trade Facilitation Roadmap, available in the UNECE Guide to Drafting a National Trade Facilitation Roadmap. This body is most suitably an NTFC in a country. In the example, the Policy Steering Group is at the strategic level while the Management and Strategy Group and the Working Groups are at the operational and technical levels respectively.

Figure 3. Governance structure of an NTFC



Source: UNECE Guide to Drafting a National Trade Facilitation Roadmap.

¹³ United Nations Economic Commission for Europe, Recommendation No. 40: *Consultation approaches, Best Practices in Trade and Government Consultation on Trade Facilitation matters*.

Personnel:

The UNECE Recommendation No. 4 on National Trade Facilitation Bodies emphasizes the importance of the selection or nomination of staff for an NTFC, *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. In all cases, national laws governing recruitment and labour regulations concerning terms and conditions of employment must be observed. 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.*

Experience shows that an NTFC usually requires its members, representatives and staff to undertake a number of different functions. These can include, but are 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 NTFC);*
- *A secretariat.*

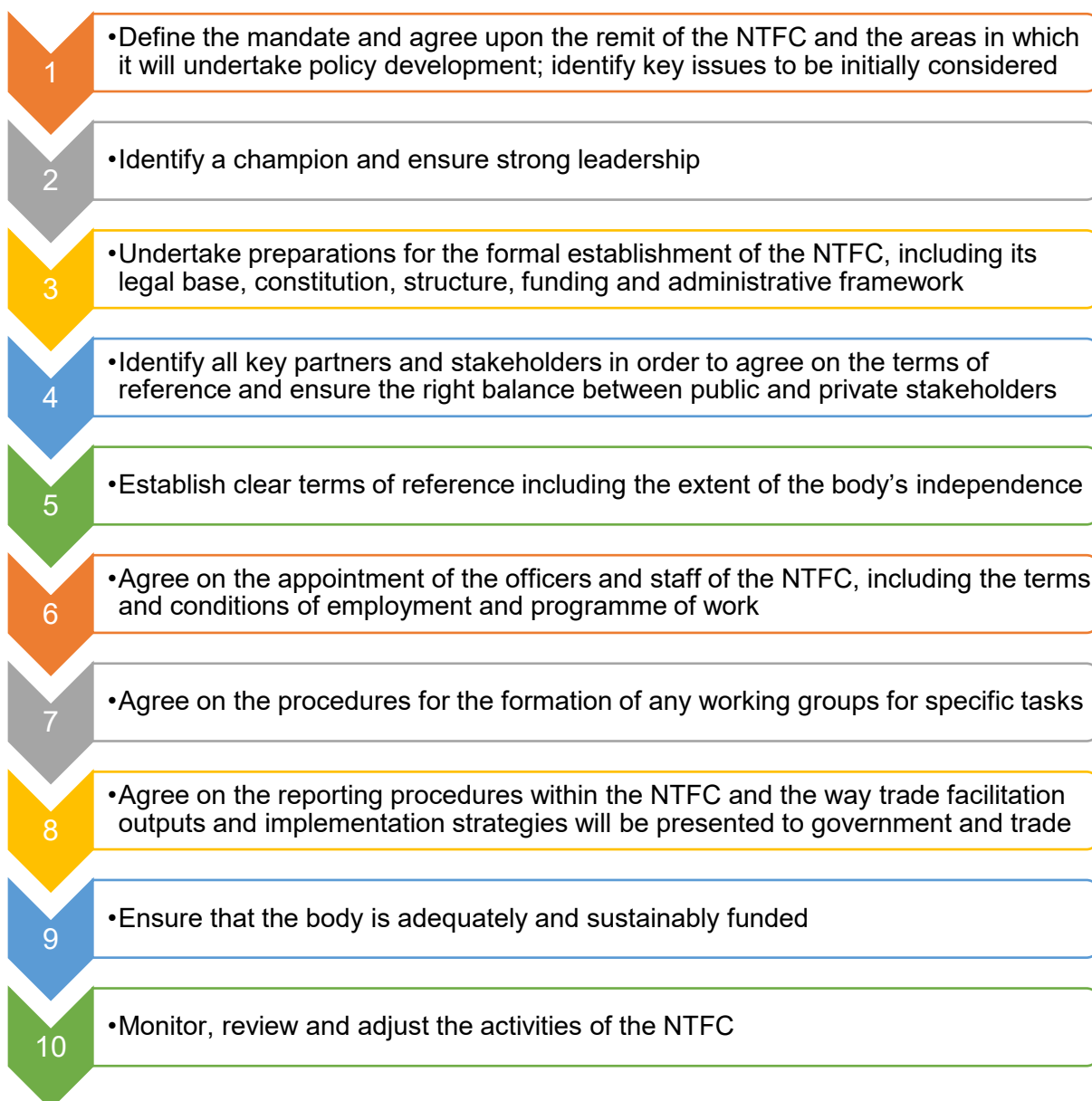
It may be useful to have a secretariat that is permanent with dedicated staff to support the NTFC activities. One UNCTAD study defines the permanent secretariat as *an office that has the role to send invitations, prepare the agenda, prepare the meeting minutes, reports, among others.*¹⁴ However, if having a permanent secretariat implies additional cost, then the need for such a secretariat should be reviewed. As an alternative option, existing staff from the lead agency can undertake additional responsibility to fulfil the functions of the permanent secretariat.

¹⁴ United Nations Conference on Trade and Development, *National Trade Facilitation Committees: Beyond compliance with the WTO Trade Facilitation Agreement?* Transport and Trade Facilitation Series, No 8. UNCTAD/DTL/TLB/2017/3.

3.5 Steps towards creating an NTFC

The UNECE Recommendation No. 4 and the ITC Publication 'National Trade Facilitation Committees: Moving towards Implementation' (2015) recommend the following steps for creating an NTFC.

Figure 4. Step for creating an NTFC



Source: United Nations Economic Commission for Europe, *Recommendation No. 4: National Trade Facilitation Bodies*. ECE/TRADE/425. International Trade Centre, *National Trade Facilitation Committees Moving Towards Implementation*. TFPB-15-324.E





3.6 Sample self-assessment questions

Question 1: Is your NTFC used effectively as a platform for national consultation for the representatives of all the stakeholders involved in trade facilitation? If yes, why do you think they are effective? If not, why do you think they are not an effective platform?

Question 2: Does the NTFC support trade facilitation negotiations at the bilateral, regional and multilateral levels?

Question 3: Does the NTFC contribute towards one or more points under the facilitation, regulatory, development, outreach and capacity building and negotiation objectives?

Question 4: Do you see your NTFC working at various levels such as strategic, operational and technical? If yes, could you name some examples at each level?

Question 5: Can you identify which of the steps for creating the NTFC in your country have been followed? Can you think of any essential steps that have been missed?



4 Maintaining an NTFC



- Challenges and recommendations for the long-term sustainability
- Funding
- Technical assistance and capacity building
- Sample self-assessment questions

4.1 Challenges and recommendations for long-term sustainability

The biggest challenges in establishing and maintaining an NTFC are generally found to be insufficient funding, lack of political support, little to no trade facilitation knowledge and lack of cooperation between government agencies and trade actors.

Based on the findings of various reports, studies, surveys and discussions at international conferences, and guidelines of UNECE, ITC and UNCTAD, the main obstacles and actions for overcoming these obstacles are listed below.

Table 2. Main obstacles and actions for overcoming obstacles

Obstacle	Actions
<ul style="list-style-type: none"> • Lack of funding and resources 	<ul style="list-style-type: none"> • Ensure sustainable financial resources by funding the NTFC through both private sector and government agencies
<ul style="list-style-type: none"> • Lack of robust legal basis and organizational set up • Lack of high-level support and political buy-in 	<ul style="list-style-type: none"> • Institutionalize the NTFC, announce its establishment and develop the terms of reference • Facilitate the establishment and improve political commitment
<ul style="list-style-type: none"> • Lack of awareness of importance of the NTFC and trade facilitation • Low engagement and motivation of participants, absenteeism 	<ul style="list-style-type: none"> • Ensure high-level leadership and local ownership to enhance sustainability of the NTFC • Involve the private sector in the development of technical recommendations by inviting them to submit proposals



<ul style="list-style-type: none"> • Resistance to change in the government administration • Lack of private sector representatives, lack of participation of the decision-makers of concerned organizations, frequent replacement of members 	<ul style="list-style-type: none"> • Balance public and private interests by creating an environment to foster trust, bridging conflict interests within the public sector, and ensuring that representatives are contributing to the process to deliver results • Improve transparency of the NTFC by raising awareness among the general public and communicating the objectives, benefits and progress
<ul style="list-style-type: none"> • Lack of a clear action plan and a roadmap 	<ul style="list-style-type: none"> • Developing SMART (Specific, Measurable, Achievable, Relevant, Time-bound) objectives accepted by all stakeholders for the activities and scope of the NTFC
<ul style="list-style-type: none"> • Unnecessary administrative procedures hampering efficient trade flows and interfering into the supply chain 	<ul style="list-style-type: none"> • Establish monitoring, evaluate mechanisms and seek feedback from the business community on implemented measures • Devote a key role for private sector to validate actions, implementation and trade facilitation measures and promote public-private partnerships

Source: UNECE, based on the UNECE, ITC and UNCTAD studies cited in the bibliography.

An NTFC needs to present tangible results related to its activity. Activity and goal performance indicators recorded in the National Trade Facilitation Roadmap will help in setting benchmarks and in communicating positive outcomes of NTFC activities. Meeting regularly will facilitate monitoring and follow up on activities and will help ensure that deadlines for the set objectives are met.

As mentioned previously, a well-functioning NTFC will have balanced public-private participation. Consultations with all the trade facilitation stakeholders and inclusive and representative involvement of the private sector are crucial for the success of an NTFC and its agenda. Private sector representatives should be inclusive of different professions and industries. Examples include MSMEs, large exporters, freight forwarders, carriers, shipping companies, banks and insurance providers.

4.2 Funding

The UNECE Recommendation No. 4 provides adequate guidance on funding of NTFCs. It suggests that governments must consider sustainability of an NTFC, and this implies funding for all aspects of an NTFC. It also provides the below guidance:

Accounts (of NTFCs) must be open and transparent and available to all representative organizations or approved third parties for audit purposes.

Whatever the structure selected, and the range of operations decided upon, an 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 realize 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.

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

- *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.*

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 an NTFB for a specific period or activity. Equally, private sector enterprises could agree to secondments while continuing to meet the costs of the seconded staff.

4.3 Technical assistance and capacity building

There are various types of technical assistance available. Table 3 presents a non-exhaustive list of technical assistance and capacity-building programmes. Some international organizations like the World Customs Organization (WCO) or the WTO Enhanced Integrated Framework (EIF) may not directly provide technical assistance to NTFCs, however, assistance received through members of NTFCs may be accessed and used.

Table 3. List of organizations and their technical assistance and capacity building programmes

Agency	Name of the programme	Description
ITC	Trade Facilitation Programme https://www.intracen.org/itc/trade-facilitation-programme	Technical assistance for categorization, establishment of trade portals, capacity-building, and advisory services on TFA implementation
UNECE	Support to Transition Countries http://www.unece.org/tradewelcome/outreach-and-support-for-trade-facilitation/support-to-transition-countries.html	Capacity building and technical assistance projects for trade facilitation Support to and capacity building activities for NTFCs, development of National Trade Facilitation Roadmaps
UNCTAD	Empowerment Programme for National Trade Facilitation Bodies https://unctad.org/en/DTL/TLB/Pages/TF/Committees/Empowerment-Programme-for-National-Trade-Facilitation-Bodies.aspx	Technical assistance and capacity building on all trade facilitation implementation issues, particularly an intensive professional program for the secretariat and members of NTFCs to implement trade facilitation reforms, including implementation of Roadmaps
	ASYCUDA https://asycuda.org/en/	Integrated, automated customs and trade management system, including single window solutions
	Trade Portals http://tradeportal.eregulations.org	Trade information portals for national and regional transparency
World Bank Group	Trade Facilitation Support Program http://www.worldbank.org/en/programs/trade-facilitation-support-program	Supports countries in the full and effective implementation of the WTO TFA



WCO	MERCATOR http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/mercator-programme/tailor-made-track.aspx	Assisting governments worldwide to implement trade facilitation measures expeditiously and in a harmonized manner
	Time Release Study http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/time-release-study/time_release_study.pdf?db=web	A strategic, internationally recognized tool to measure the actual time required for the release and/or clearance of goods
WTO TFAF	WTO Trade Facilitation Agreement Facility Grants Programme https://www.tfafacility.org/grant-program	Grants for WTO Members for preparation and implementation of projects related to the TFA
WTO EIF	Enhanced Integrated Framework (EIF) https://www.wto.org/english/rtop_e/devel_e/teccop_e/if_e.htm	Cooperation/integration of EIF structures and NTFCs for Least Developed Countries Analytical work, training and capacity-building

Source: UNECE, a compilation of information available online on the ITC, UNECE, UNCTAD, World Bank Group, WCO websites.





4.4 Sample self-assessment questions

Question 1: What do you think is the biggest challenge for your country's NTFC?

- Financial
- Ownership and motivation of members
- Lack of clear roles for members
- Lack of legal basis and organizational set up
- Lack of a clear action plan
- Lack of political support
- All or some of the above

Question 2: What kind of obstacles does (or did) the NTFC face? Did you find some of them in the text of this section?

Question 3: Given the type of NTFC entity the NTFC in your country is, do you think it is financially sustainable?



5 Tools available for NTFCs to monitor trade facilitation performance and manage themselves



- Monitoring trade facilitation performances
- Managing NTFCs
- Other resources

5.1 Monitoring trade facilitation performance

5.1.1 The United Nations Global Survey on Digital and Sustainable Trade Facilitation

The United Nations Regional Commissions, namely the United Nations Economic Commission for Africa, UNECE, Economic Commission for Latin America and the Caribbean, Economic and Social Commission for Asia and the Pacific, Economic and Social Commission for Western Asia jointly conduct the Global Survey on Digital and Sustainable Trade Facilitation (formerly the Global Survey on Trade Facilitation and Paperless Trade Implementation) to collect relevant data and review the progress of their respective member States. The initiative supports the implementation of TFA, as well as emerging regional and global initiatives on paperless trade or e-trade. The survey also includes questions related to trade facilitation for SMEs, agricultural trade facilitation, women intrade facilitation and trade finance for trade facilitation. Thus, it helps to assess the links between trade facilitation and the Sustainable Development Goals. The online interactive portal www.untfsurvey.org includes results from the 2015, 2017 and 2019 surveys. It is possible to generate data for national, regional, global or customizable country groupings from this interactive portal. The survey generates global and regional reports. These reports are available here: <https://untfsurvey.org/report>

5.1.2 Trade and Transport Facilitation Monitoring Mechanism

The UNECE Recommendation No. 42 on the Trade and Transport Facilitation Monitoring Mechanism (TTFMM) and respective Guidelines provide guidance to governments on establishing a trade and transport monitoring mechanism, specifically for building the institutional framework and capacities for carrying out the



assessments. The TTFMM is based on the UN/CEFACT Buy-Ship-Pay Model and integrates Business Process Analysis as a method to collect data. The guidelines cover the following:

- Institutional arrangements and resource requirements;
- Definition of the scope of monitoring and data collection methodology;
- Analysis of data for the purpose of policy formulations and recommendations.

It is recommended to anchor the TTFMM with a national trade and transport facilitation committee and develop national resources to make it sustainable and affordable. This recommendation is available here:

http://www.unece.org/fileadmin/DAM/trade/Publications/ECE_TRADE_437E_Rec42.pdf

5.1.3 The UNECE Studies on Regulatory and Procedural Barriers to Trade

The UNECE studies on regulatory and procedural barriers to trade are demand driven, that is, they are conducted upon the request of member States to support economic diversification and pro-poor growth¹⁵ in the region. The studies are based on a comprehensive evaluation methodology. The studies include specific chapters on trade facilitation and related topics. The recommendations emerging from the studies serve as a basis for monitoring, evaluation and reporting on progress made in achieving trade-related sustainable development targets. Studies have been conducted for Albania, Armenia, Georgia, Kazakhstan, Kyrgyzstan, the Republic of Moldova, and Tajikistan. They are available at <http://www.unece.org/trade/studies-on-regulatory-and-procedural-barriers-to-trade.html>

5.1.4 Logistics Performance Index

The Logistics Performance Index (LPI) of the World Bank, measures trade logistics performance across more than 160 countries. This biennial Index provides information on logistics infrastructure, service provision, cross-border trade facilitation, and other aspects. As described by the World Bank, *the LPI survey data provide numerical evidence on how easy or difficult it is in these countries to transport general merchandise - typically manufactured products in unitized form*. More information is available at <https://lpi.worldbank.org/>

¹⁵ Pro-poor growth refers to policies designed to stimulate economic growth for the benefit of poor people.

5.1.5 Doing Business Report – Trading Across Borders

According to the World Bank Doing Business Report, the Trading Across Borders section provides *the time and cost associated with the logistical process of exporting and importing goods. Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures - documentary compliance, border compliance and domestic transport - within the overall process of exporting or importing a shipment of goods.* The report is published annually and is available here: <https://www.doingbusiness.org/en/data/exploretopics/trading-across-borders>

5.1.6 UNCTAD Repository

The UNCTAD Repository on NTFCs was developed to support the successful implementation of trade facilitation reforms. It contains case studies from countries that have set up NTFCs. The repository provides a status of the NTFC in each country, background information, the institutional framework, funding information, as well as objectives, membership, benefits, lessons learned, future plans and contract information. The repository also provides a link to the relevant resources for NTFCs, which includes key studies published by UNCTAD, ITC, WTO and UNECE. The repository is regularly updated and can be found here: <https://unctad.org/en/DTL/TLB/Pages/TF/Committees/default.aspx>

5.1.7 Competitiveness Index

The ultimate objective of trade facilitation is to improve competitiveness in global markets. Hence, the Competitiveness Index, developed by the World Economic Forum (WEF), is a good tool to review progress in competitiveness. The Index as described by the WEF is *an annual yardstick for policymakers to look beyond short-term and reactionary measures and to instead assess their progress against the full set of factors that determine productivity. These are organized into 12 pillars: Institutions; Infrastructure; ICT adoption; Macroeconomic stability; Health; Skills; Product market; Labour market; Financial system; Market size; Business dynamism; and Innovation capability.* The Index and related reports are available here: <https://www.weforum.org/reports/global-competitiveness-report-2019>



5.2 Managing NTFCs

5.2.1 UNECE Recommendation No. 4 on National Trade Facilitation Bodies

UNECE Recommendation No. 4 focuses on establishment and support of NTFBs with balanced participation of private and public sector representatives. It provides a detailed description of the steps for establishing an NTFC and provides a model Terms of Reference (ToR) for an NTFC, which countries can use or customize based on their national context. It also provides a non-exhaustive list of those stakeholders that should be represented in an NTFC including importers, exporters, freight forwarders, carriers, customs, other government agencies, banks, insurance companies and others.

Annex 1 of Recommendation No. 4 provides guidelines regarding the creation of a ToR and outlines the purpose, objectives, and administrative and budgetary considerations for NTFC. The Recommendation and the guidelines are available at:

http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec04/ECE_TRADE_425_CF_Rec4.pdf

5.2.2 UNECE Recommendation No. 40 on Consultation Approaches

The importance of creating a platform for trade facilitation negotiations and consultations was highlighted in Recommendation No. 40 as one of the main objectives of the NTFC. The recommendation supports WTO TFA Article No. 2 (opportunity to comment, information before entry into force, and consultations) directly. It recommends that the various government agencies and the business community take an inclusive approach for effective consultations that are flexible, transparent, fair, accountable and participatory. This approach should include a process through which the interests of all concerned parties can be voiced and regularly addressed.

The recommendation contains instructions on preparing for consultations and information on finding resources.

It lists six basic principles for consultation approaches:

- Partnership and trust;
- Transparency;
- Managing differences of opinion and interests;

- Results orientation;
- Consultations as an iterative process with respect for time and timing;
- Accountability and responsibility.

The recommendation also mentions the following forms of consultations:

- Permanent consultative committee;
- Centres of experience and expertise;
- Network of subject matter experts;
- Peer-to-peer groups;
- Implementation of working parties;
- Conferences.

The recommendation is available here:

https://www.unece.org/fileadmin/DAM/cefact/recommendations/rec40/ECE_TRADE_423E_Rec40.pdf

5.2.3 The ITC Report on National Trade Facilitation Committees: Moving Towards Implementation

The ITC Report on National Trade Facilitation Committees focuses on the obligation of WTO members to have an NTFB. The report outlines the role, forms and regional coordination mechanisms, and provides a step-by-step approach for creating an NTFB. This is illustrated through the provision of some possible models for NTFBs and lessons learned from established NTFCs. The report also includes effective consultation practices to allow for engagement with business stakeholders through working groups and public-private dialogues.

The report is available here:

http://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/2014-2015-324%20-%20National%20Trade%20Facilitation%20Committees_Low-res.pdf

5.2.4 UNECE Guide to Drafting a National Trade Facilitation Roadmap

The UNECE Guide to Drafting a National Trade Facilitation Roadmap describes a National Trade Facilitation Roadmap (NTFR), as the national trade facilitation strategy and programme for a period of three to five years. It outlines what the trade facilitation reform wants to achieve, what activities will be carried out and by whom, and how the progress of implementation will be measured. The World Bank, UNECE and UNCTAD are supporting NTFCs in the development of roadmaps.

A NTFR consists of the following main components:

1. Vision statement

The vision statement is the first element in a NTFR. It summarizes the objectives of the trade facilitation reform and the benefits for the country. The objective of the vision statement is two-fold: It provides guidance and direction for the reform process and it also serves as inspiration and a source of motivation for the implementation of trade facilitation reforms.

2. Baseline current situation

The baseline current situation describes the current trade situation of the country, the trade policy environment and initiatives (trade agreements, entry into common markets, etc.), the competitive situation and the main obstacles to trade that the roadmap will take into account.

3. Goals and goal performance indicators

The goals define the future outcomes that need to be achieved. Each goal contributes to the achievement of the vision statement. While the vision statement needs to be short, the goals can go into detail about the results to be attained, building on the possible solutions to the previously described impediments detailed in the baseline section of the roadmap.

4. Activities and activities prioritization

The NTFR needs to define what activities will be required to achieve a specific goal. Several activities may be necessary to achieve one goal. In the context of the roadmap, an activity is a specific action or project that will implement a trade facilitation instrument or solution. A non-comprehensive list of possible roadmap activities and suggested prioritizations are provided in the guide.

5. Implementation schedule

The NTFR establishes a framework of activities to be implemented over a period of three to five years. An overall calendar that schedules the implementation of the activities should be developed for this time period. This implementation schedule will help in monitoring the progress of roadmap implementation.

6. Governance structure

The NTFR should include a draft outline of the governance structure required to manage and implement the activities.

7. Resource mobilization

This section clearly spells out the resources needed for the implementation of the different activities and the management and steering of the implementation process, including resources required for the operation of the secretariat. This ensures that the policy commitment to the roadmap activities is linked to a commitment to provide resources for its implementation.

8. Risks and assumptions

Identifying risks and assumptions mainly serves the purpose of assessing whether the envisaged goals and activities are realistic and achievable within the given timeframe and available human and financial resources.

A more detailed discussion of each section can be found here:

<https://www.unece.org/fileadmin/DAM/trade/Publications/ECE-TRADE-420E.pdf>

5.3 Other Resources

5.3.1 The United Nations Trade Facilitation Implementation Guide

The Trade Facilitation Implementation Guide (TFIG) is an online knowledge portal developed by UNECE in collaboration with other United Nations organizations. The guide contains *suggested itineraries [which] respond to a number of frequently asked questions (FAQs) for trade facilitation and, through roadmaps, explore specific contents in the Guide*. It includes definitions, case studies, instruments, and external links covering a range of topics related to trade facilitation. TFIG was last updated in 2019. It can be accessed here: <http://tfig.unece.org/>. For the establishment of a NTFC, the itinerary on Setting up a National Trade Facilitation Body, which guides readers through key stages of the process, can be found here: <http://tfig.unece.org/contents/itinerary-09-start.html>

5.3.2 WTO Trade Facilitation Agreement Facility resources

The WTO TFA Facility website contains a large collection of resources related to implementation of the TFA and its provisions. The resources page includes links to materials relevant to specific regions, presentations, brochures, publications, surveys and other relevant knowledge resources. Other pages on this website includes information on ratification, notification and implementation of the Agreement. The resource-specific page can be accessed here: <https://www.tfafacility.org/resources>



6 Case studies

6.1 The NTFC of the Republic of Tajikistan

The NTFC in the Republic of Tajikistan – Coordinating Committee on Facilitation of Trade Procedures (CCFTP) was established on 24 December 2016, with Decree No. 529, as part of Tajikistan’s commitment to the implementation of the WTO TFA, making it the first country in Central Asia to have established such a body.

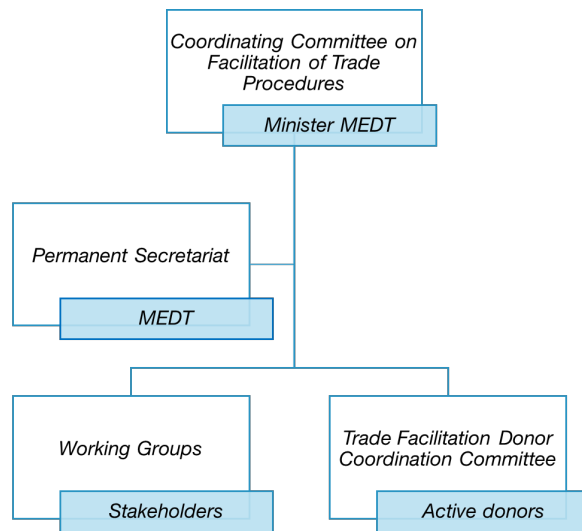
The National Trade Facilitation Roadmap

In 2019, with support of the UNECE, the CCFTP adopted the National Trade Facilitation Roadmap for Exports Enhancement and Diversification 2019-2024 (Decision No.6/2019). The Roadmap serves as a managerial instrument to oversee the implementation of trade facilitation reforms in the country, and to ensure the necessary engagement of policymakers and stakeholders in both the administration and business sectors. According to the Roadmap, by 2024, Tajikistan aims to reduce the time of import and export by 30 per cent and remove unnecessary costs for traders by cutting the cost to import and export by 30 per cent and, thereby, achieve at least a 15 per cent increase in export volumes and a more diversified export base. Such vision is to be achieved through the implementation of more than 60 detailed activities, grouped into 5 main goals according to the categorization of the WTO TFA measures (categories A/B/C) notified by the country to the WTO.

Governance

The CCFTP is the decision-making body. It reports to the government and guides the relevant entities on the implementation of its decisions. It meets four times per year and is chaired by the Minister of Economic Development and Trade. The CCFTP involves key actors for trade facilitation in the country from both the public and private sectors (34 members) including representatives from the ministry of finance, customs services, border control agencies, the chambers of trade and industry, and customs broker associations.

Figure 5. Governance structure of the NTFC



Source: UNECE, adapted from the Trade Information Portal of Tajikistan, available at: <https://tajtrade.tj/menu/2?l=en>

The Permanent Secretariat of the CCFTP plays an advisory and coordination role. It identifies trade facilitation priorities and challenges, organizes the meetings of the CCFTP and working groups, validates the agenda of the meetings with the relevant stakeholders and provides them with the CCFTP progress reports. The secretariat also manages the Trade Facilitation Portal established by the ITC in cooperation with UNCTAD. This tool contributes to enhancing transparency of trade-related information in Tajikistan and assists the committee in moving forward with simplification and harmonization of trade formalities and procedures.

The working groups of the CCFTP discuss and recommend approaches and solutions for trade facilitation issues and develop draft regulatory documents.

The Trade Facilitation Donor Coordination Committee supports the working groups and the secretariat and strengthens dialogue and coordination among donors assisting the country in its trade facilitation reform efforts.

Financing

The CCFTP, mainly funded by development partners (i.e. international organizations), finances its activities in two key areas:

- Establishment, operational, and maintenance expenses of the secretariat;
- Activities of the working groups - including the conduct of studies, meetings and workshops.

International cooperation agencies, such as UNECE and ITC, have supported the CCFTP secretariat through advisory services and capacity building activities since 2018.

Challenges

The main challenges faced by the CCFTP since its establishment have included

- Insufficient participation of the private sector;
- Inadequate information provided by ministries and agencies to coordinate action with international actors and donors, as most materials are only available in Tajik and Russian languages;
- Insufficient dialogue and consultation between the private sector and government departments.

Impact and lessons learned

Since its establishment, the CCFTP has contributed to the achievement of considerable impacts and results.

In fact, Tajikistan ranking in the Trading Across Borders index of the World Bank's Doing Business Report improved from 188 in 2015 to 141 in 2020. And according to the 2020 Report, Tajikistan is one of the 10 economies with the most notable improvement. Specifically, Tajikistan succeeded in easing cross-border trade and making exports faster by

- allowing the electronic submission of customs declarations;
- prioritizing customs clearance of perishable goods exports; and
- streamlining customs clearance with Uzbekistan through the Simplified Customs Corridor agreement.



Such progress was also led by a strong policy and legislative effort. In 2019 only, in addition to the NTFR, the CCFTP drafted and submitted 22 decrees for approval to concerned ministries and the government of Tajikistan. More than 50 consultations with private and public sectors were also held.

Since 2019, Tajikistan has made significant progress in meeting one of its goals. According to the World Bank's Doing Business Report, Tajikistan decreased time to export from 117 hours to 93 hours, which is a 21 per cent decrease achieved in one year. Time to import and cost to import and export did not change in 2019 compared to 2018

Based on the experience gained since its establishment, the main lessons learned for the long-term sustainability of the committee are as follows:

- Stronger engagement of the business community:

The CCFTP recognized an important role of the private sector and has, accordingly, established working groups for the discussion and development of regulatory and legal acts for the implementation of WTO TFA provisions. The private sector can also initiate the development of any regulatory and legal act for trade facilitation. In addition, the private sector provides input for pilot projects development; shares views and participates in their implementation; and helps to assess the country trade-facilitation-related performance, both domestically and with trade partners.

- Stronger institutional framework:

Members of the CCFTP are selected among the principals (i.e. senior members/leaders) from the relevant ministries and government agencies to ensure adequate representation of Tajik trade facilitation stakeholders from the public sector. It will be essential to maintain their active engagement and support in the long term to ensure effective implementation of the planned reforms.¹⁶

¹⁶ United Nations Economic Commission for Europe (2020). *The National Trade Facilitation Roadmap for Exports Enhancement and Diversification - 2019-2024*. Available at: https://www.unece.org/fileadmin/DAM/trade/Publications/ECE_TRADE_450_NTFR-Tajikistan.pdf

6.2 The NTFC and trade facilitation reforms in Greece

Operational Steering Committee (OSC) is the official name of the Greek National Trade Facilitation Committee, which was established by the Cabinet Act No. 2/25-1-2013/GG 19A. The OSC acts under the auspices of the Extroversion Steering Committee (PMD Y216/2012, GG 3190b/30.11.2012), which consists of ministers from the supporting government agencies or delegates appointed by each minister. The Extroversion Committee implements the Roadmap through the OSC. The OSC was created in 2013 as a part of the European Union technical project to implement 25 actions in the Greek Trade Facilitation Strategy and Roadmap, which were adopted in November 2012.

Trade Facilitation Strategy and Roadmap

In 2012, the Greek Government, jointly with UNECE and the European Union, developed a national trade facilitation strategy to support economic recovery by simplifying export procedures and reducing export time and cost.

Funded by the European Commission, the objectives of this project (by 2015) were as follows:

- Reduce the number of days needed to export by 50 per cent;
- Reduce the cost to export by 20 per cent;
- Establish a national single window for exports.

The implementation of the full trade facilitation roadmap involved a broad suite of actions, requiring extensive funding. The estimated costs for the overall implementation of the trade facilitation roadmap were 14.5 million euros.

To achieve this ambitious agenda, the Greek authorities requested management expertise and specialist expertise in steering and managing the overall roadmap. In January 2013, The European Commission provided 1.1 million euros for 2013-2014 for the implementation of a technical cooperation project implemented jointly by the UNECE, the WCO and the European Union Task Force for Greece. One of the key deliverables of this project was the establishment of an OSC.

During the 4-year period from 2012 to 2015 of the implementation of the roadmap, Greece has reduced the number of days needed to export by 25 per cent from 20 days to 15 days and reduced the cost of export by 10 per cent from US\$ 1153 to US\$ 1040. The national single window for exports was established in 2015, within the timeframe of the project.

Governance

The OSC is supported by the Operational Support Team. It is tasked with being responsible for the coordination, administration, management and implementation of the Trade Facilitation Roadmap Action Plan in Greece. It meets on a biweekly basis. Nevertheless, the actual implementation of the roadmap is carried out by the following working groups:

1. Strategic Planning - responsible for the formation and implementation of the National Strategy's guidelines;
2. Communication – responsible for the promotion and dissemination of information relevant to procedures;
3. Finance - responsible for securing the necessary funds to allow for the implementation of the National Strategy;
4. Legal – responsible for mapping the problems and inefficiencies of the existing legal framework governing exports;
5. Pre-customs, agro – responsible for the invigoration of the products from the primary sector;
6. Customs – responsible for the simplification and acceleration of customs procedures;
7. Business Process – responsible for the streamlining of procedures in dynamically exportable Greek products;
8. IT and Single Window – responsible for the implementation of the National Single Window for Exports.



Impact

When Greece adopted their roadmap and established the OSC in 2012, its ranking in the Doing Business report for Trading Across Borders was 84. Over the next three years the country improved to achieve a ranking of 48 in 2015. Currently, Greece holds 34th place for Trading Across Borders.

The work of the OSC also resulted in the following changes in the custom's procedures:

- Electronic submission of the import declaration;
- Online payment for the customs and tax charges;
- Availability of the Export Accompanying Document to exporters;
- Online payment for the customs and tax charges;
- Immediate release of low-risk declarations;
- Nation-wide implementation of procedures from the customs pilot programme;

Lessons learned

- Inter-agency collaboration

Preparation of the National Strategy and Roadmap was the result of the collaborative efforts of a cross-agency team from four ministries with support from UNECE and the European Union Task Force for Greece. In the meetings of OSC, representatives from the Ministry of Finance, the Ministry of Foreign Affairs, the Ministry of Development and Infrastructure, and the Ministry of Rural Development and Food shared their perspectives and concerns.

- Goal-driven structure

Each working group was driven by an analytical and pre-determined timeline aimed at achieving the actions set out in the roadmap. The clear structure and timeline guaranteed the success of the OSC work.

- Private sector

The OSC consists of members from both the public and private sector. The role of private sector participants is particularly important. They assist the OSC in the whole project implementation process by providing their knowledge and experience.¹⁷

¹⁷ United Nations Economic Commission for Europe (2012). Greece National Trade Facilitation Strategy and Roadmap. Available at: <https://www.unece.org/fileadmin/DAM/trade/GreeceTradeFacilitationReforms/Documents/NationalTradeFacilitationStrategyRoadmap.pdf>



6.3 The NTFC of Montenegro: Learning by doing

The National Trade Facilitation Committee of Montenegro was formally established in May 2015 to comply with the WTO TFA. In 2016, the scope of work was broadened, and other trade facilitation related objectives, including the role of the NTFC as a national focal point for trade facilitation, were added to its agenda.

Trade Facilitation Strategy

Montenegro's Economic Reform Program was aimed at reducing obstacles to economic growth and strengthening the overall country's competitiveness. The strategic goal, as defined in the Trade Facilitation Strategy, was to reduce the time for clearance by 50 per cent and costs by 20 per cent, to increase competitiveness. This was achieved through the following five operational goals:

- Improve transparency and access to trade-related information;
- Align and rationalize procedures, documents and fees;
- Implement simplified and expedited declaration and goods release processes;
- Strengthen cooperation and enhance the effectiveness of border authorities' controls;
- Expand automated processing and electronic data exchange.

The NTFC was tasked with the implementation of the measures to fulfil these goals.

Objectives of the NTFC:

- Coordinate and monitor implementation of the TFA, together with making recommendations on strategic trade facilitation goals and operational solutions, in accordance with the TFA;
- Strengthen policy coherence between national and regional development priorities and international obligations, and between trade facilitation reform initiatives and technical assistance projects;
- Provide technical support to the national and Geneva-based officials in the context of the WTO TFA implementation;
- Provide a forum for national and regional stakeholder consultations on trade-facilitation-related policies and implementation with the private sector;
- Increase public awareness of trade facilitation measures and standards.

Governance

The NTFC functions on the co-chairing principle between the Ministry of Finance and the Ministry of Economy. The work of the NTFC is supported by the Secretary and the Administrative Team. The Secretary of the committee is from the Ministry of Finance, while members of the Administrative Team come from the Ministry of Economy, the Customs Administration, the Administration for Inspection Affairs and the Chamber of Economy. The committee meets twice a year and has the right to set up permanent and ad hoc working groups. The committee consists of representatives from the ministries, implementing agencies and the private sector.

During the creation of the NTFC, a structure with a clear mandate, rules, and manner of operation was established. A work plan and rules for procedures were adopted by the NTFC in September 2015. The work plan established principles, rules, and guidelines in conducting its business and making all major decisions and actions.

Funding

Operational costs of the NTFC are borne by individual members and projects are funded from the national budget and donor support.

Impact

The NTFC drafted the Trade Facilitation and Action Plan and developed the monitoring mechanisms for trade facilitation reform, which were adopted by the government on the 29 March 2018.

The NTFC in Montenegro had a positive impact on cross-border trade. According to the Doing Business - Trading Across Borders Report, the country went from a ranking of 52 in 2015 to 41 in 2020. The time to export (documentary and border compliance) decreased from 14 days in 2015 to 13 hours in 2020, while the costs to export (documentary and border compliance) decreased from US\$ 985 to US\$ 111 according to the Doing Business Report. Import data illustrate similar trends, the time to import dropped to 1.4 days from 14, and the costs to import plunged to US\$ 366 from US\$ 985, illustrating a 63 per cent decrease.

Lessons learned

- The government and the private sector need to work together

In the beginning, the NTFC did not involve private sector representatives and several other stakeholders that play an important role in cross-border trade. In 2017 the role of the private sector was expanded and the NTFC welcomed representatives from the Chamber of Economy; Association of Traders; Association of Freight forwarders; Association of SMEs and Entrepreneurs; Montenegro Business Alliance; and the Union of Employers.

- Be proactive in tackling problems

Montenegro was proactive in securing donor assistance to fulfil a broad range of technical requirements and other border agencies. The mission to WTO in Geneva has also played an important role in mobilizing early donor support.

- Relationships and networks can drive processes

Montenegro took part in numerous activities organized by donors to build capacity and to provide transparency and accountability, leading to effective trade facilitation recommendations being suggested and implemented.¹⁸

¹⁸ Smart lessons. Establishing a National Trade Facilitation Committee: Lessons Learned from Montenegro. Available at: <http://smartlessons.ifc.org/smartlessons/lesson.html?id=3980>.



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