

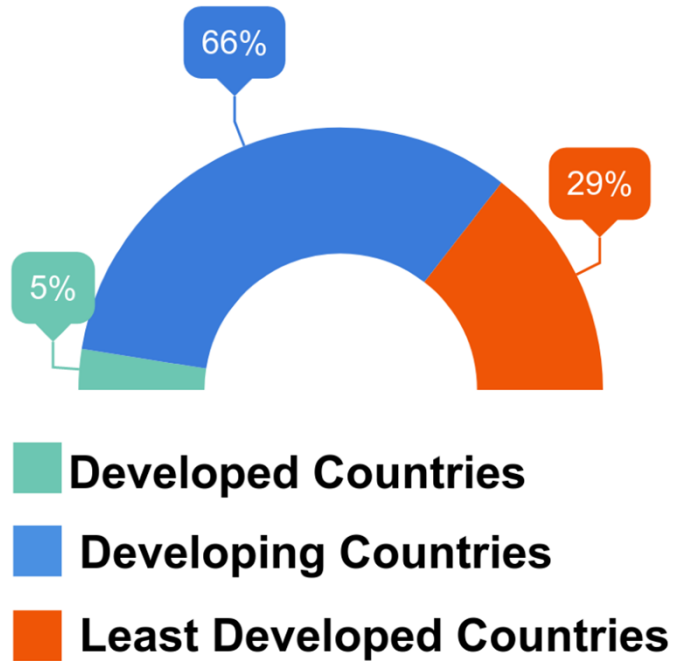


Establishing and Operating National Trade Facilitation Committees

**ITD/ESCAP Regional Workshop
on Trade Facilitation for
Sustainable Development**
Bangkok, Thailand
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- UNCTAD Study 2017

- Survey to 59 NTFCs

- LDC, Developing and developed countries



Agenda

1. Why establishing a NTFC?
2. How establishing a NTFC?
3. What could Asian countries learn from other experiences?



Multi-agency permanent platform where relevant stakeholders from the public and private sectors discuss and coordinate trade facilitation measures at a national level.

TF Bodies



- Mainly in Europe, some in Asia
- Outlined in UNECE Rec. No. 4
- Focus on PPPs, rather than on inter-agency coordination

PRO Committees



- Usually to comply with FTAs
- Collaborative platforms to streamline trade procedures and implement TF measures

National Trade Facilitation Committees



- Supported by UNCTAD and WB
- Based on UNECE Rec. No. 4 with broader scope
- Consultative mechanism
- Double-layer structure

National Trade & Transport Facilitation Committees



- Support negotiating teams through technical expertise and feedback
- Temporary, but formalized to some extent

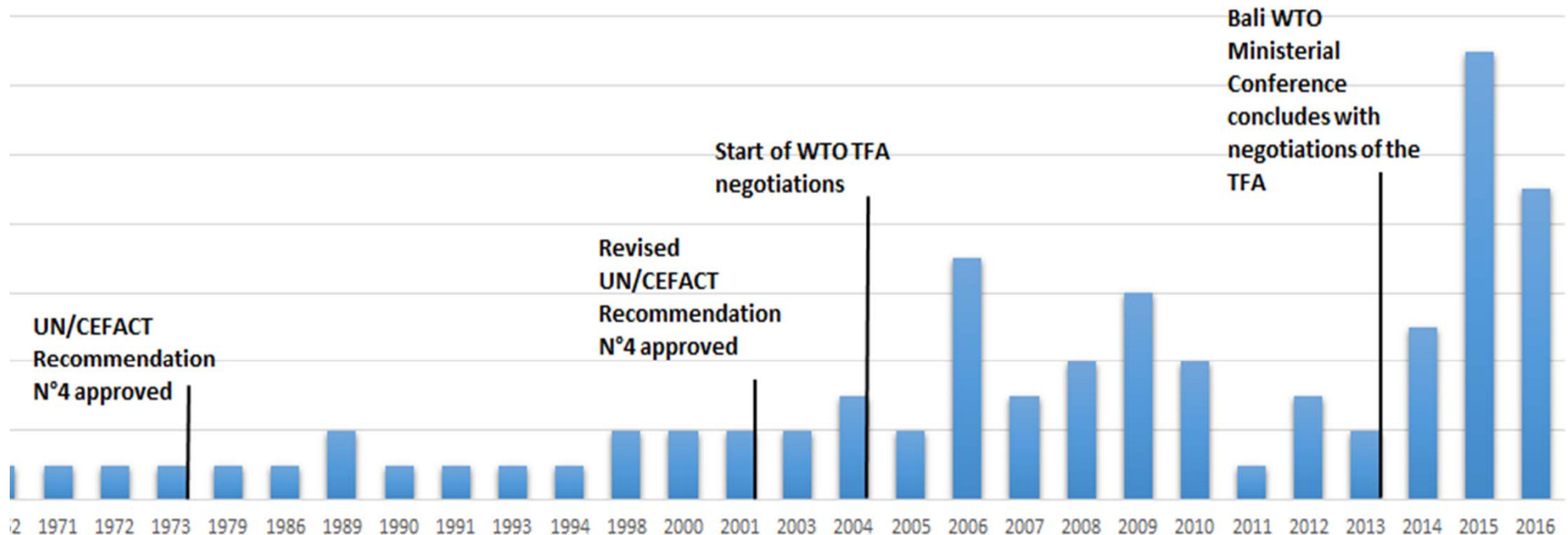
WTO Negotiations on Trade Facilitation Groups



NTFCs: Historical Overview

From recommendation to obligation

Number of Trade Facilitation bodies established per year



Art.23 TFA: National Trade Facilitation Committee

To have a TF Committees has been made a **‘binding obligation’**

- This obligation cannot be categorized as B or C
- Must be implemented upon entry into force of the TFA



*Art.23.2 - Each Member **shall** establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both **domestic coordination and implementation of provisions** of this Agreement.*

MOTIVATION



WTO Trade Facilitation Agreement

56%



Need for coordination

37%



Creating a trade friendly environment / Improve competitiveness

12%



Improve logistics services / Decrease costs of cross border trade

10%



To promote dialogue between public and private sectors

9%

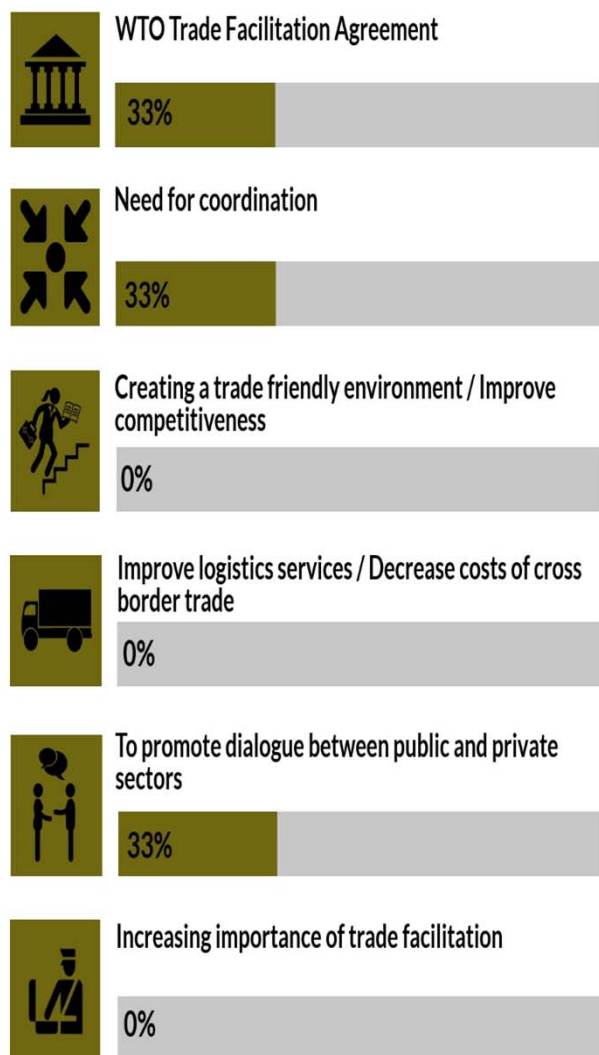


Increasing importance of trade facilitation

7%

Percentage of National Trade Facilitation Committees that mention these aspects as motivation for their establishment

Developed countries



Developing countries



Least developed countries



Agenda

1. Why establishing a NTFC?
2. How establishing a NTFC?
3. What can Asian countries learn from other countries?



+ OBJECTIVES

OBJECTIVES



Monitoring implementation of WTO TFA

63%



Foster trade facilitation

56%

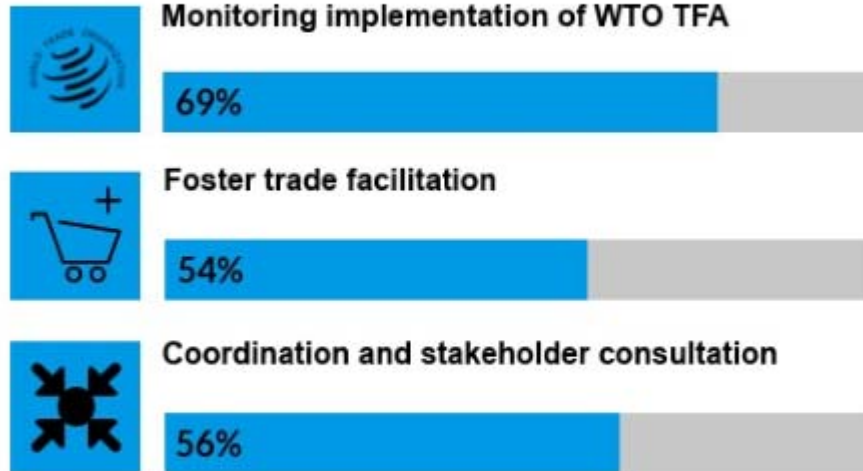


Coordination and stakeholder consultation

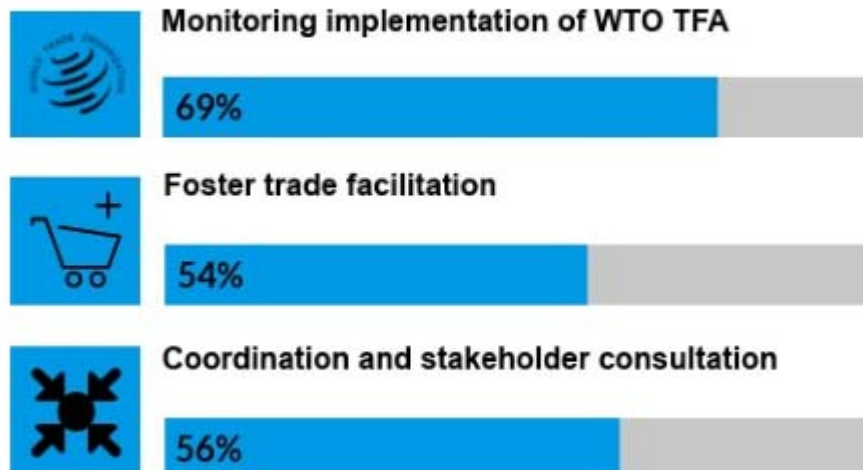
54%

OBJECTIVES

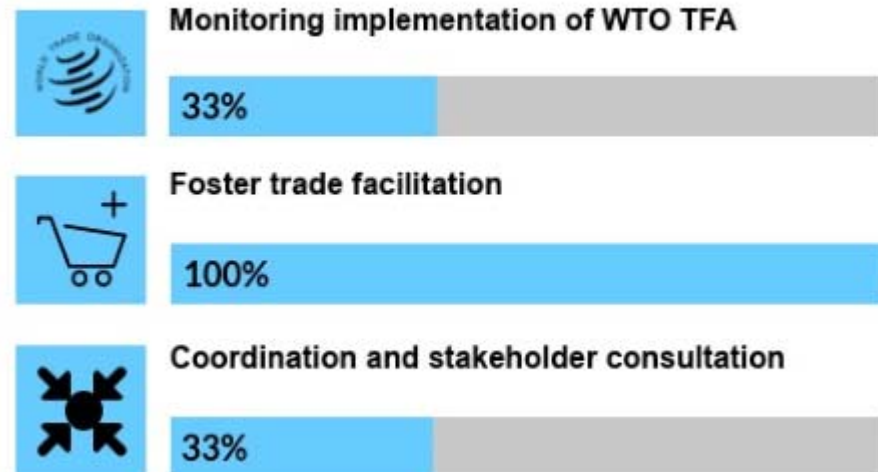
Developing countries



Developing countries



Developed countries





Recommendation 1:

Be **SMART** when setting up the objectives and scope of a national trade facilitation body.

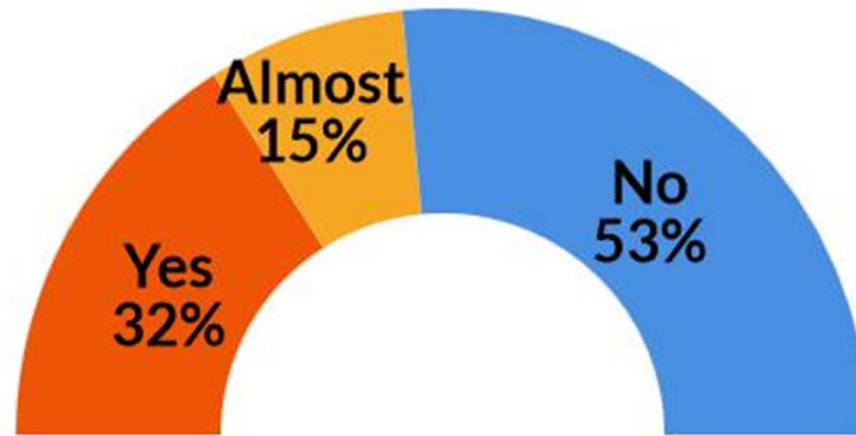
Its objectives should be SMART:

- **S**ustainable,
- **M**easurable,
- **A**ttainable,
- **R**ealistic, and
- **T**ime-bound



+ SCOPE

SCOPE



Is the scope of the NTFC limited to issues related to the WTO Trade Facilitation Agreement?

SCOPE

Developed countries



Developing countries



Least developed countries





+ Formality



- **Strong correlation between the degree of institutionalisation and the sustainability of TF bodies.**

Advantages:

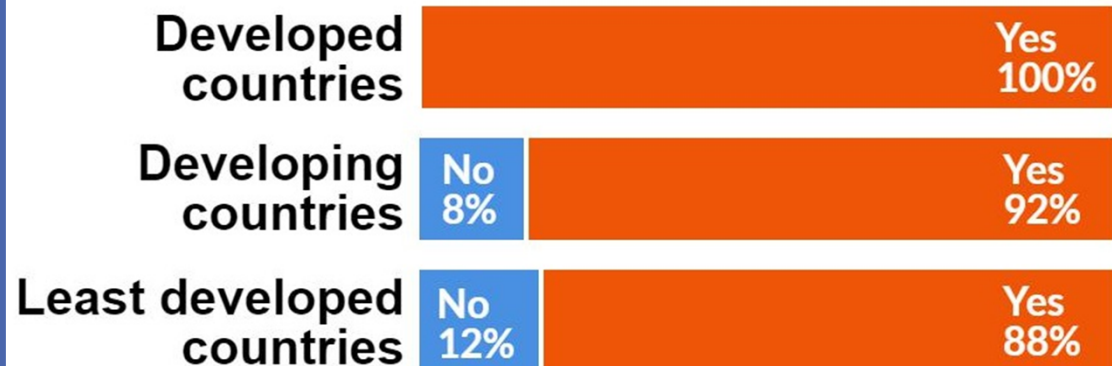
**preventing
blockage**

**Ensuring political
will**

Is the Committee formally established?

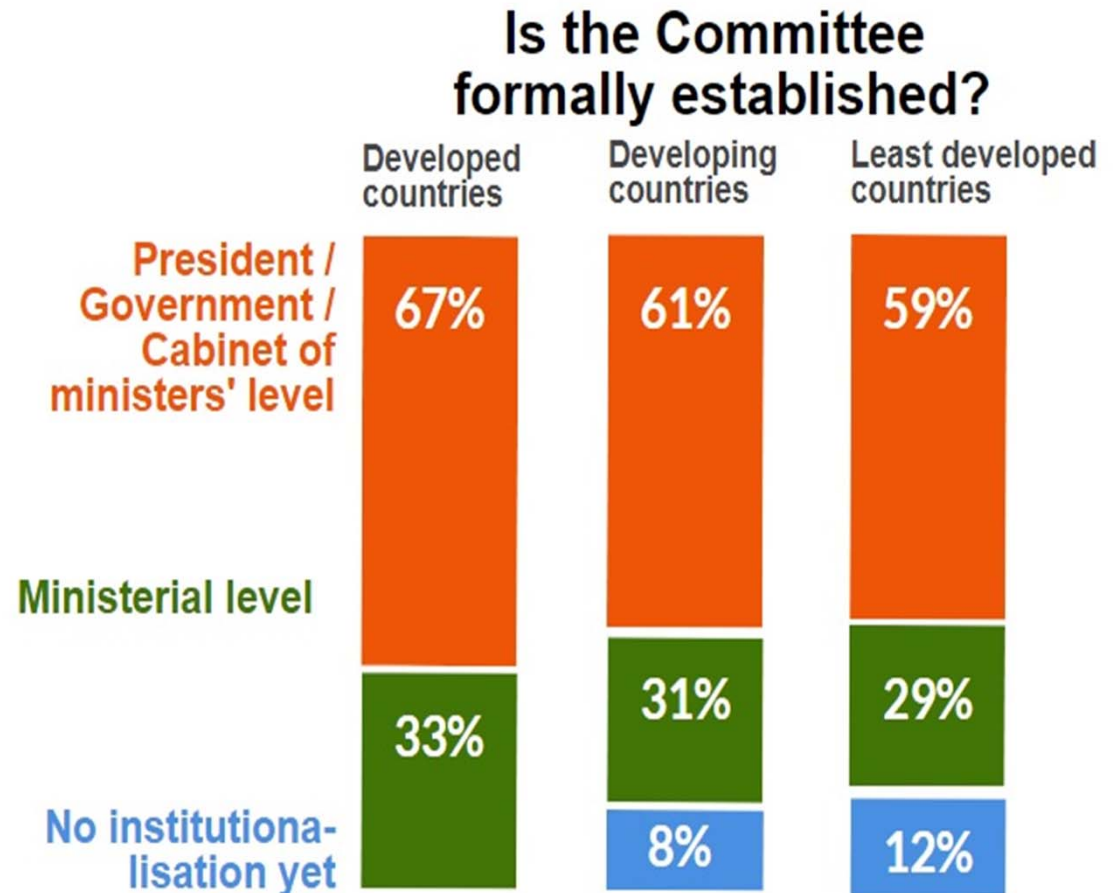


Is the Committee formally established?

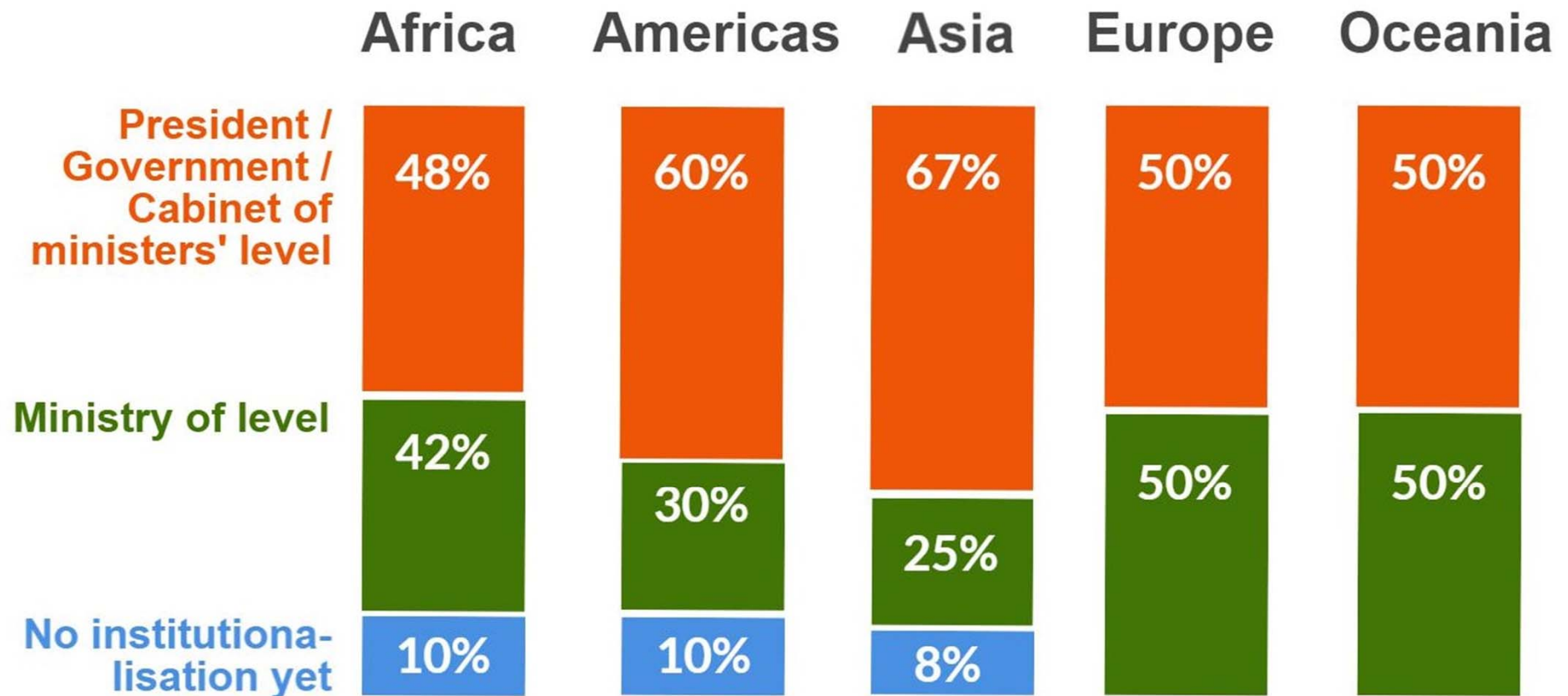


How was it established?

The less developed a country, the higher the level of the authority institutionalizing the trade facilitation body.



How was it established?





*Recommendation 2:
Make it
official – give
the national
trade
facilitation
body a
strong legal
backing.*





Which kind of law
do you need to
institutionalise the
committee in your
countries?

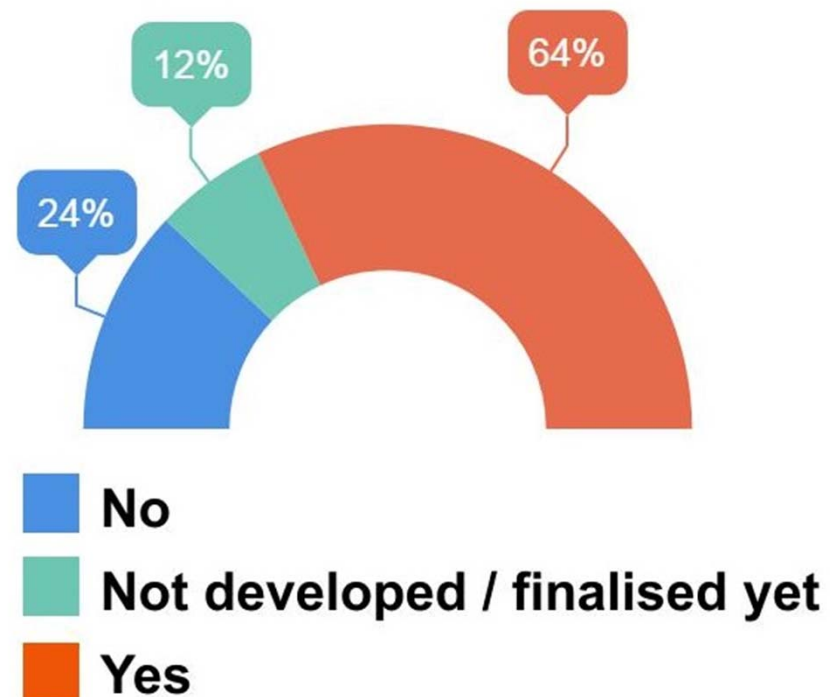


+ ToRs

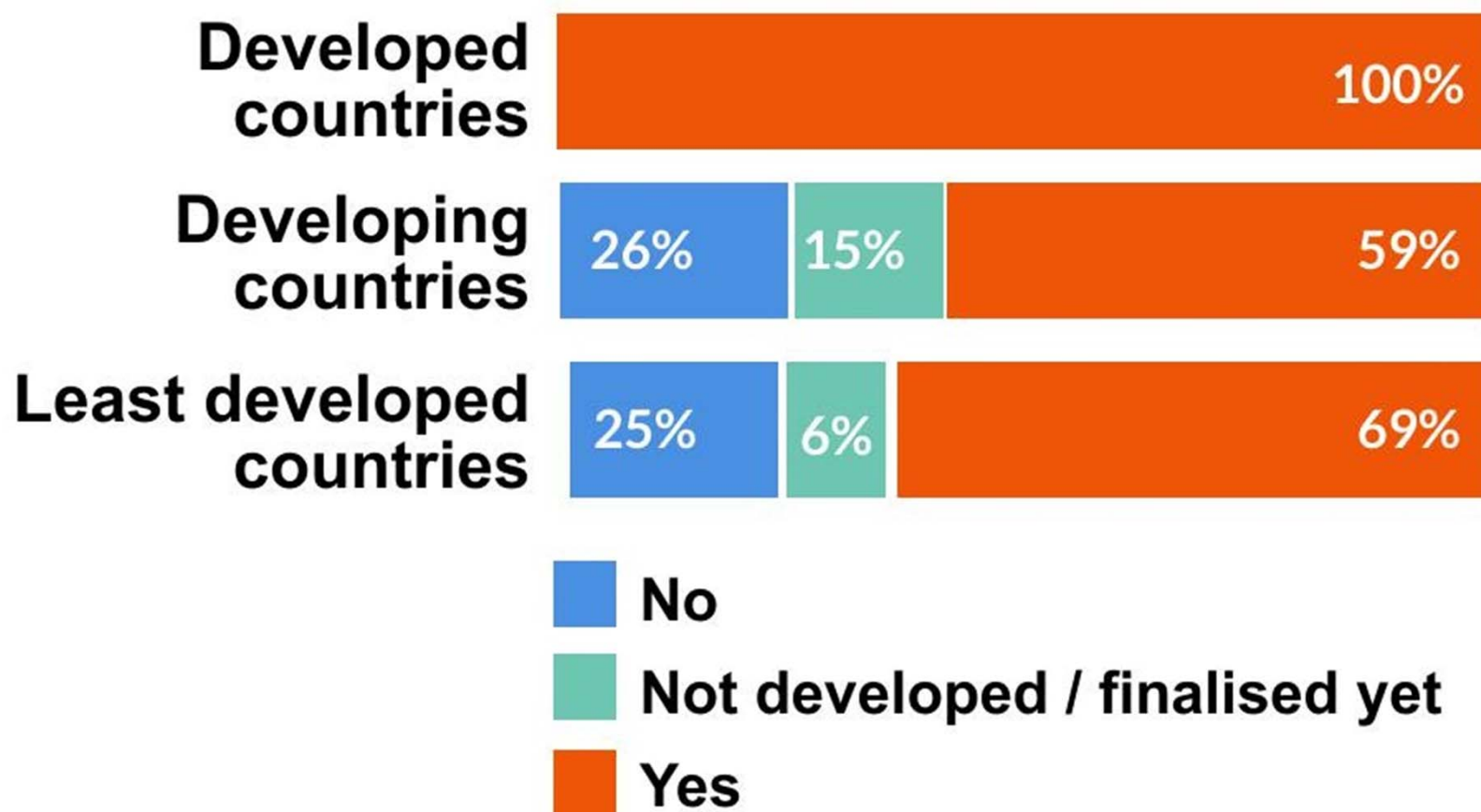


Recommendation 3:
Set clear game rules – define terms of reference in a comprehensive and inclusive way.

Does the National Trade Facilitation Committee has Terms of Reference?



Does the National Trade Facilitation Committee has Terms of Reference?





COORDINATING + AGENCY

COORDINATION AGENCY

Coordinating agency



Ministry of Trade

70%



Other national
agencies

18%



Customs

12%

Coordinating agency per level of development

Developed countries



Other national agencies

67%



Customs

33%

Developing countries



Ministry of Trade

69%



Other national agencies

18%



Customs

13%

Least developed countries



Ministry of Trade

88%



Other national agencies

6%



Customs

6%



***Recommendation 4:
Provide the
national trade
facilitation
body with a
permanent
secretariat.***

**Does the National Trade Facilitation
Committee has a permanent secretariat?**



Ministry of Trade as “Coordinating Agency”



REGULARITY OF + MEETINGS



Recommendation 5:

Meet regularly.

The regularity and frequency of meetings can contribute to the sustainability of a trade facilitation body.

■ **LDCs:**

Regularly 64%

Not regularly 36%

■ **Developing:**

Regularly 86%

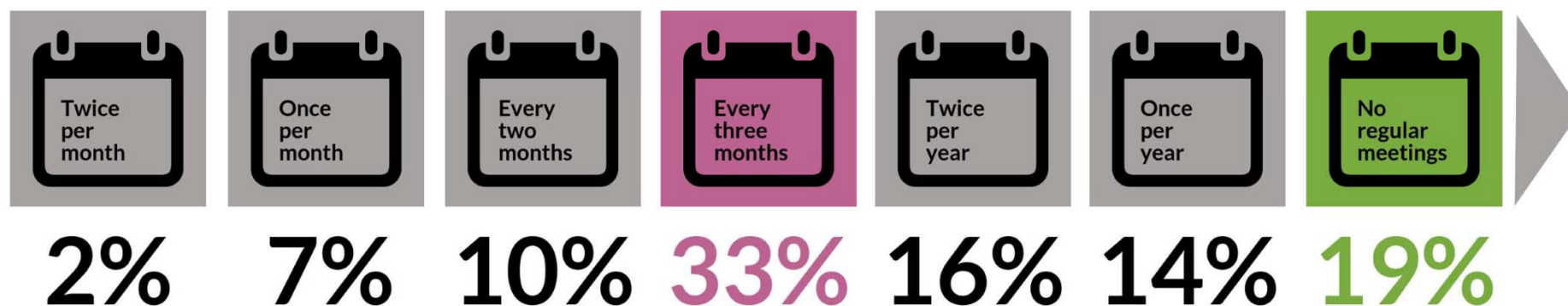
Not regularly 14%

■ **Developed:**

Regularly 91%

Not regularly 9%

Regularity of meetings of National Trade Facilitation Committees





+ MEMBERSHIP

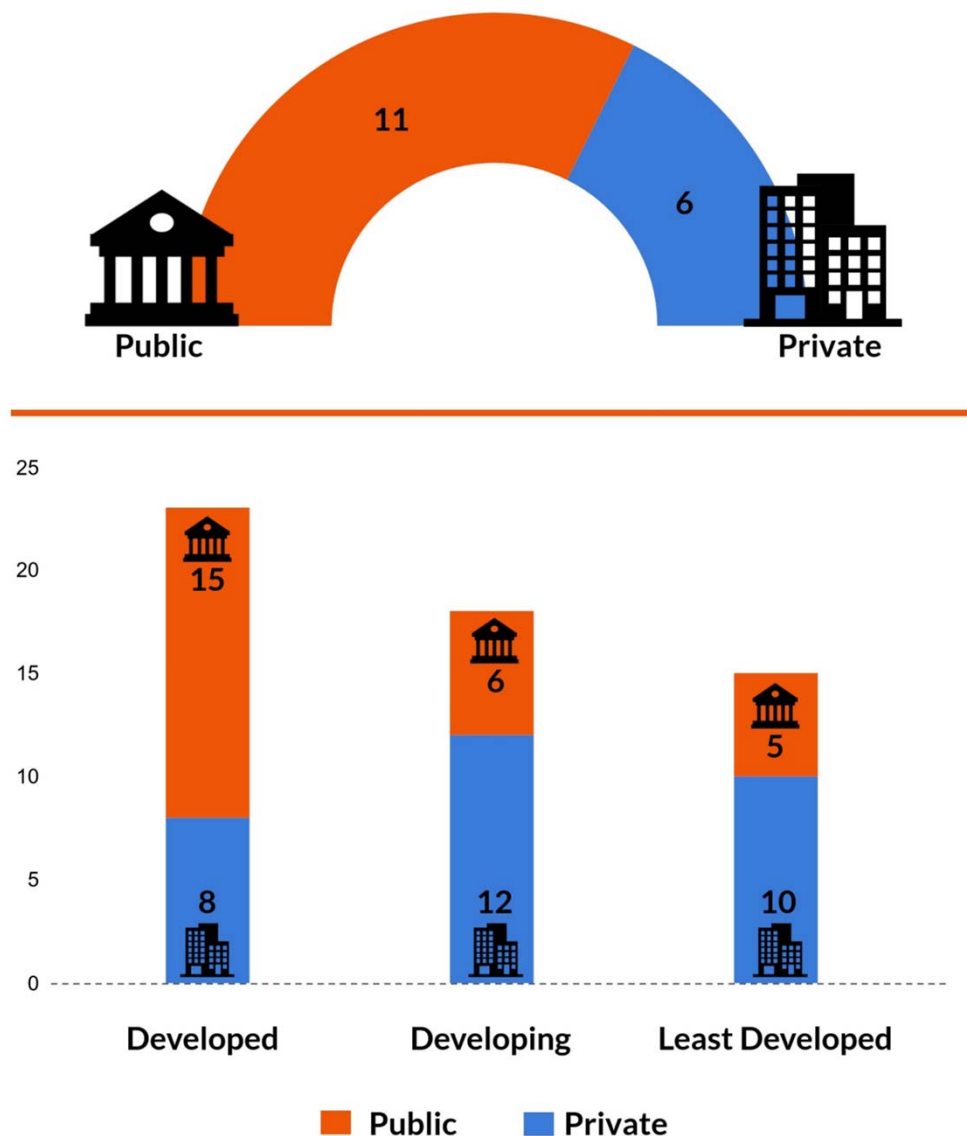


Recommendation 6:

Be inclusive –
trade facilitation
is a cross-
divisional and
cross-sectorial
endeavour.

*... and bring the
private sector on
board*

Average number of public and private entities in NTFCs





Private Entities

**Traders and Trade
Associations**
58%



**Transportation and
Service Providers**
30%



Others
7%

Banks
2%

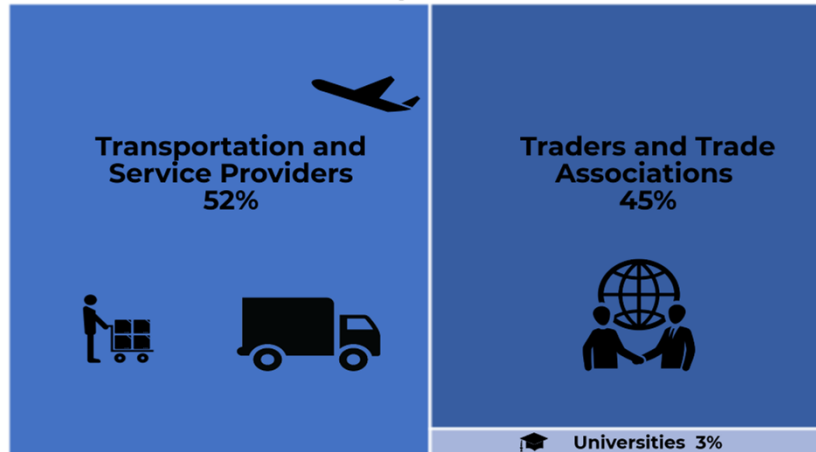


Universities
1%

Insurances
1%

Consumers
1%

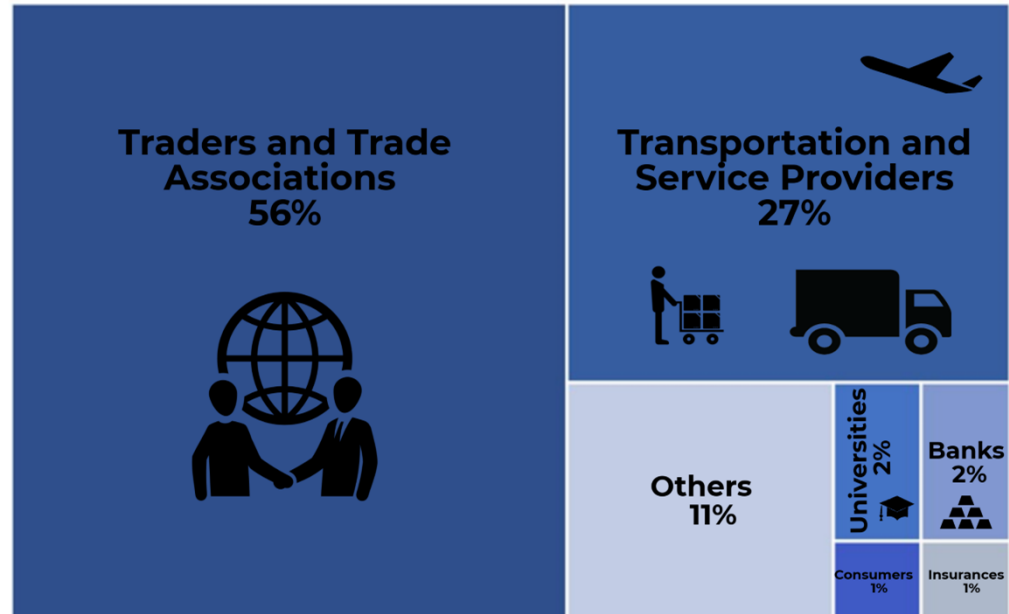
Private entities - Developed Countries



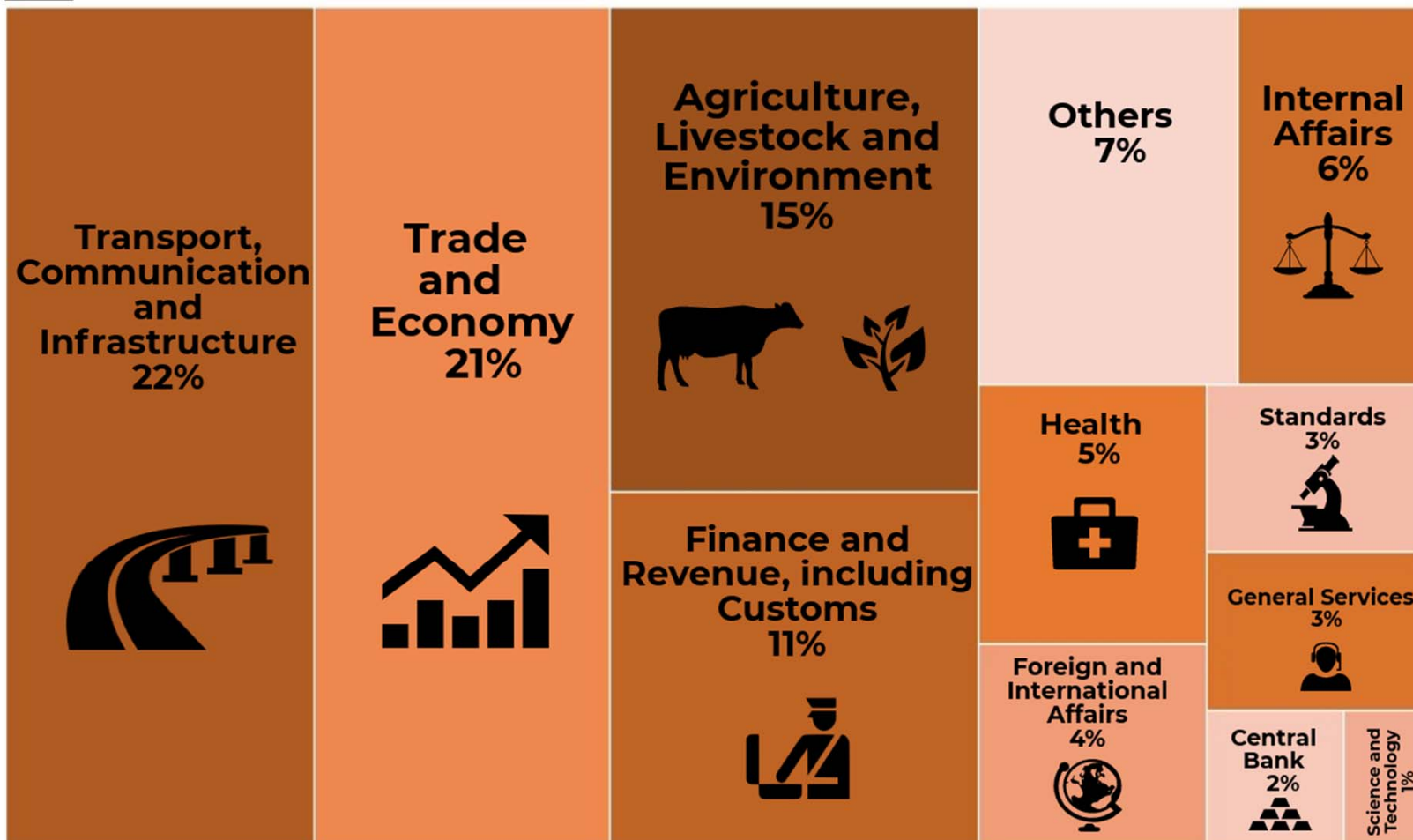
Private entities - Developing Countries



Private entities - Least Developed Countries



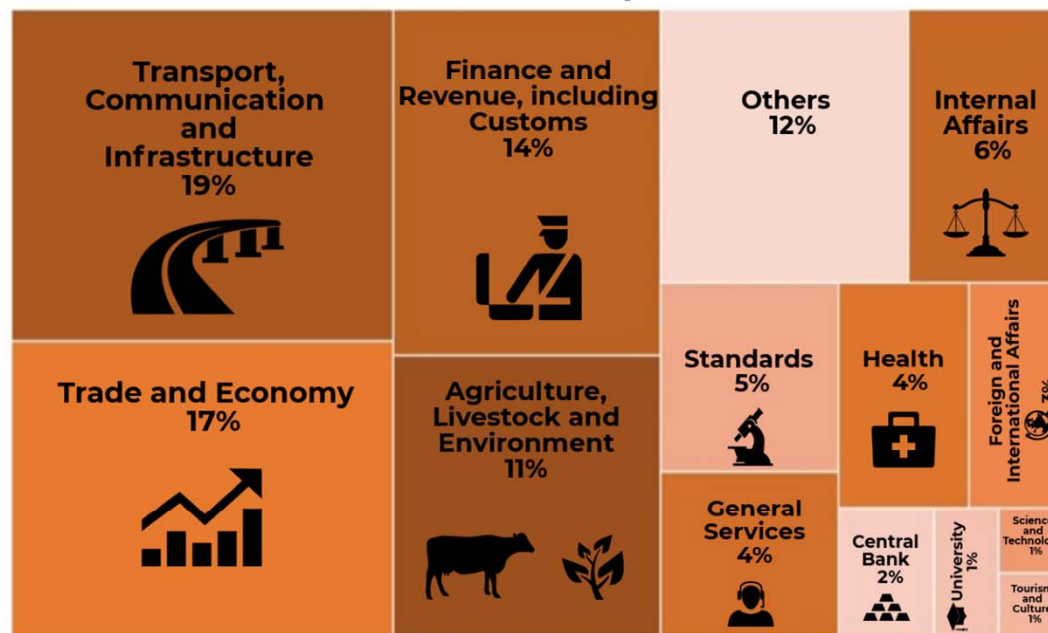
Public Entities



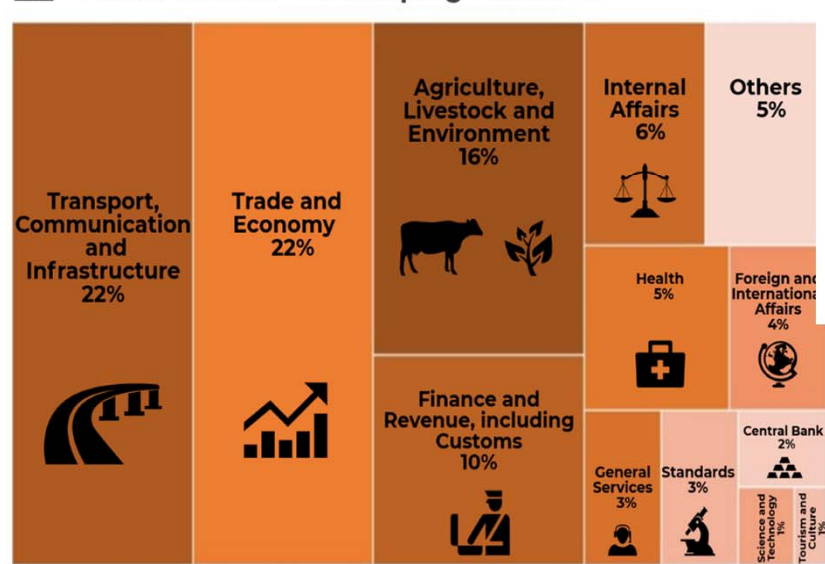
Public entities - Developed Countries



Public entities - Least Developed Countries

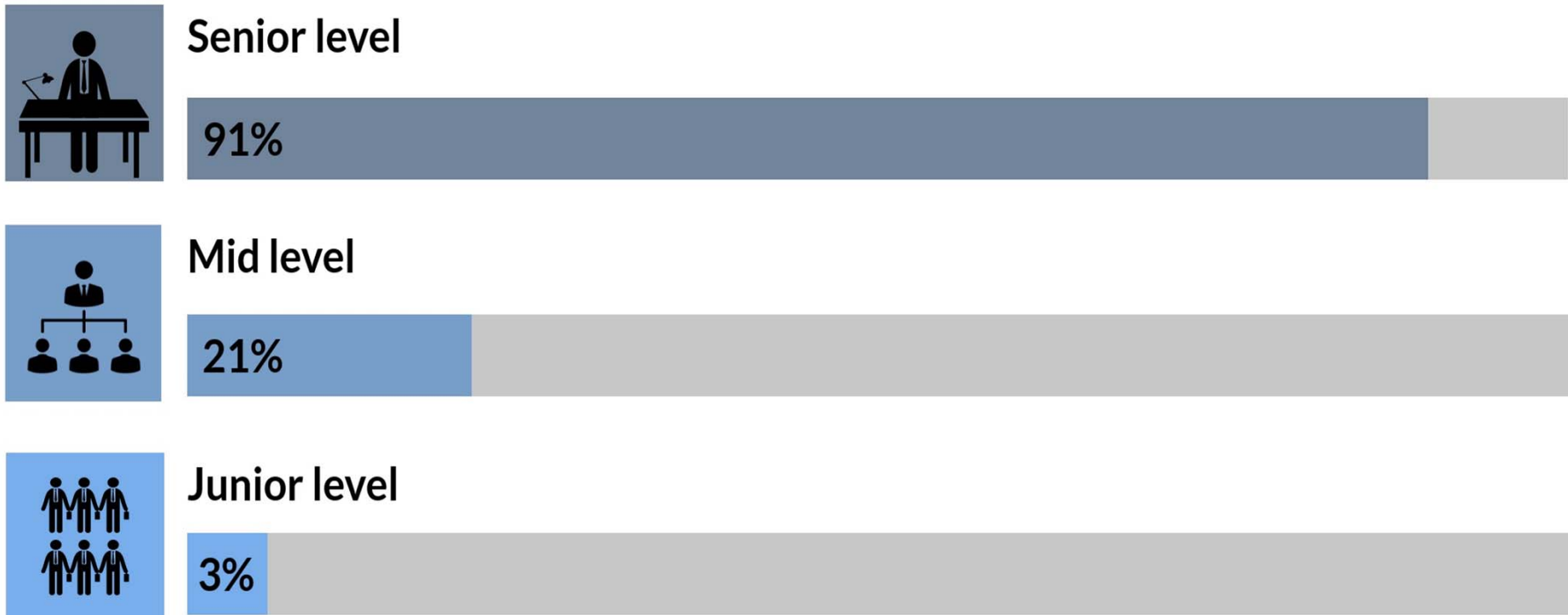


Public entities - Developing Countries



SENIORITY

Percentage of National Trade Facilitation Committees with members at...





+ COMMUNICATIONS AND PROMOTION



Variety of communications channels and tools

Percentage of National Trade Facilitation Committees that mention these aspects as communication channels to keep stakeholders informed



E-mail

62%



Administrative letters / Official communication

41%



Meetings

19%



Website

16%



Telephone

14%

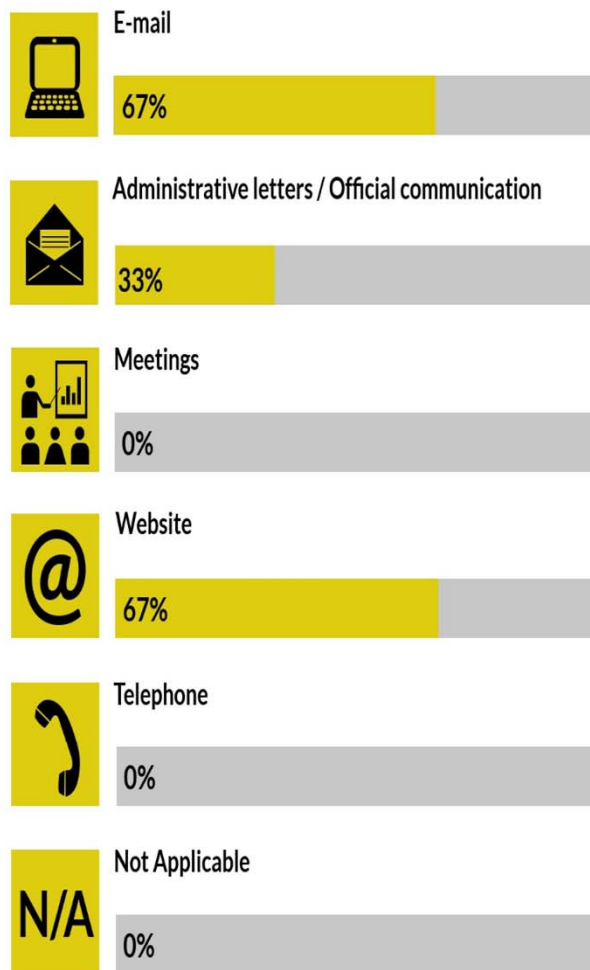


Not Applicable

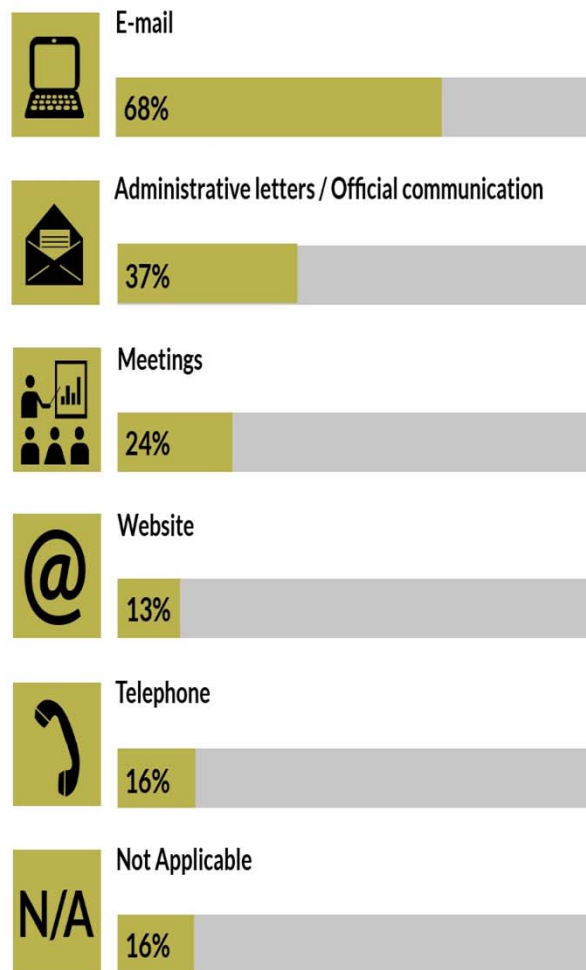
14%

Percentage of National Trade Facilitation Committees that mention these aspects as communication channels to keep stakeholders informed

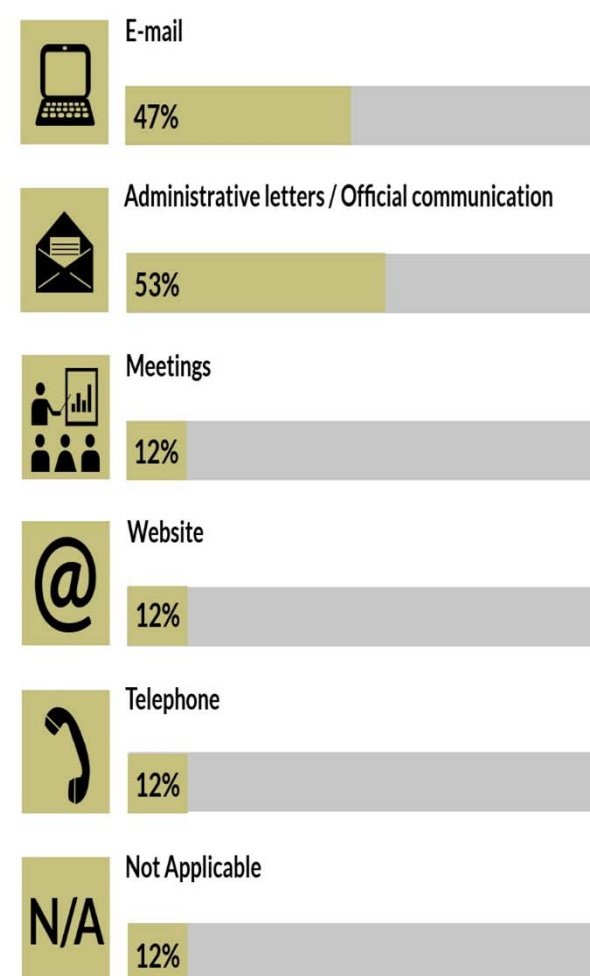
Developed countries



Developing countries






Least developed countries





Recommendation 7:

Take every opportunity to raise awareness about trade facilitation.

		
Communication channels with stakeholders	Interaction with other groups	Information for the public



Should any of these
communication means
be incorporated into
the ToRs?



+ FINANCING

NTFBs' financing is crucial for their sustainability. Many trade facilitation bodies were in operation while financially supported by donors, but dissolved once such funding ceased.

**Is there a budget available
for the National Trade
Facilitation Committee?**

**No
79%**

**Yes
21%**

Is there a budget available for the National Trade Facilitation Committee?





Recommendation 8:
Provide the national trade facilitation body with the necessary resources.

Sources of funding



Government /
State budget

54%



International /
development
partners

30%



Private sector

4%

Source of funding for National Trade Facilitation Committee

Developed countries



Government /
State budget

100%

Developing countries



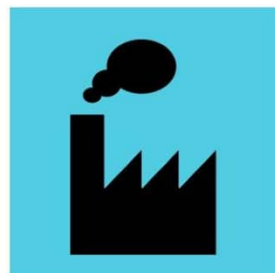
Government /
State budget

54%



International /
development
partners

29%



Private sector

3%

No answer 14%

Least developed countries



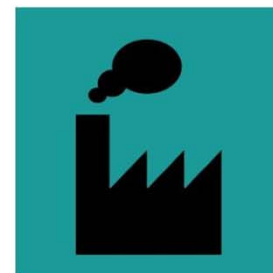
Government /
State budget

47%



International /
development
partners

37%



Private sector

5%

No answer 11%



+ GENDER

Average percentage of female members in National Trade Facilitation Committees

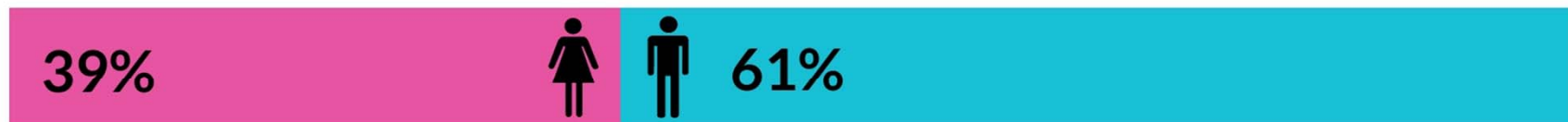


Average percentage of women members of National Trade Facilitation Committees by level of development

Developed Countries



Developing Countries



Least Developed countries





Why has the committee never taken any decision or action to mainstream gender in trade facilitation?



Lack of awareness on gender mainstreaming

44%



Gender mainstreaming not relevant at this stage

31%



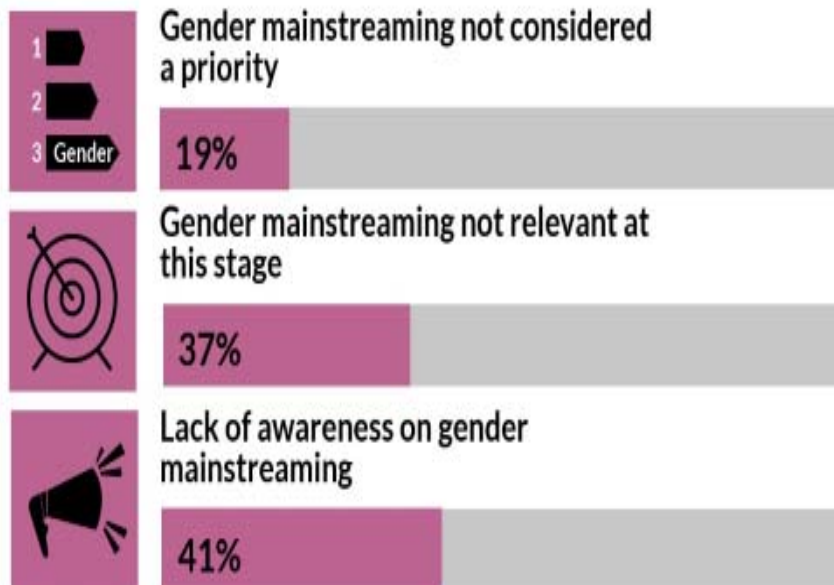
Gender mainstreaming not considered a priority

23%

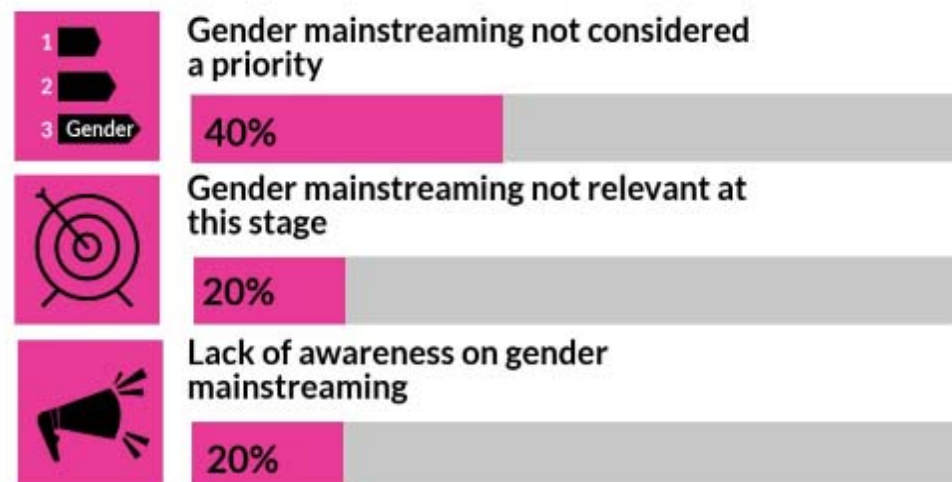


Reasons per level of development

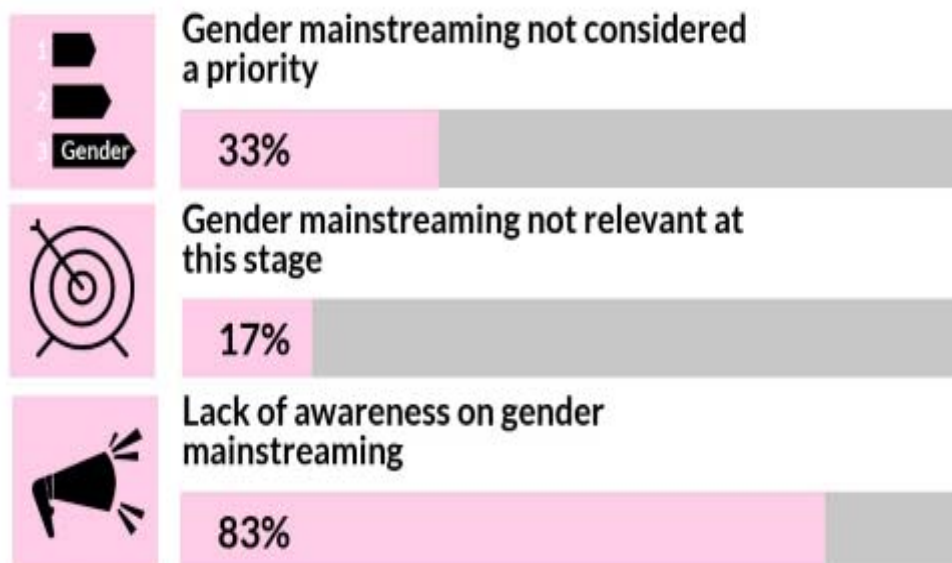
Developing Countries



Developed Countries



Least Developed Countries



Agenda

1. Why establishing a NTFC?
2. How establishing a NTFC?
+
3. What can Asian countries learn from other countries?



Sharing lessons



SUCCESS FACTORS

Percentage of National Trade Facilitation Committees that mention these aspects as success factors



Percentage of National Trade Facilitation Committees that mention these aspects as their success factors

Developed countries



Developing countries



Least developed countries



Top 10 success factors for National Trade Facilitation Committees - 2015 - 2018

Top 10 - 2015

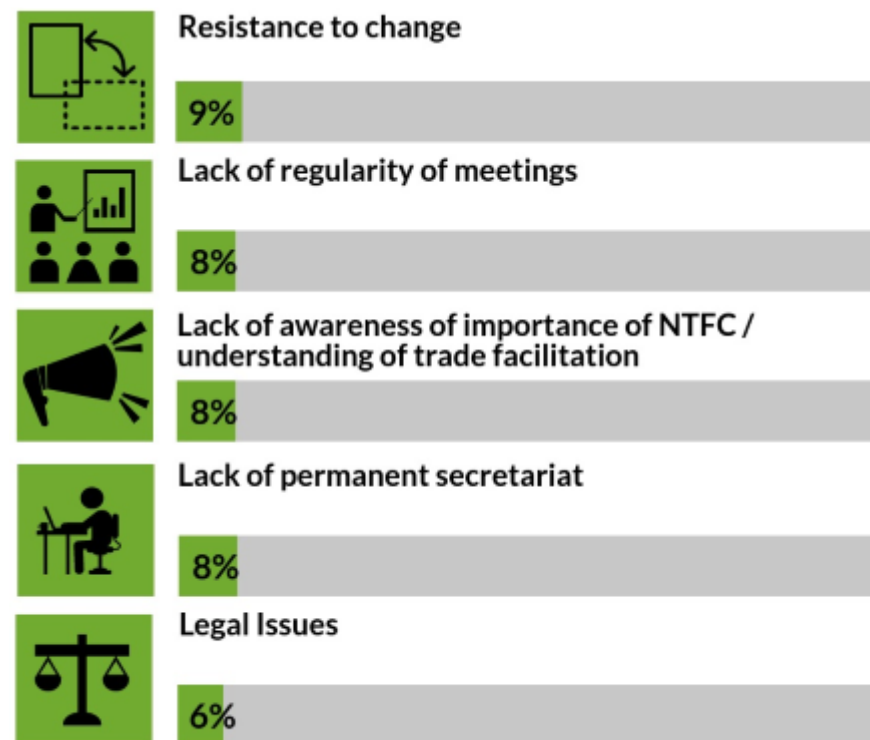
- 1** Involvement of private sector 
- 2** Cooperation among members / common understanding and goals / mutual trust 
- 3** Political commitment / high level support 
- 4** High participation 
- 5** Awareness raising on trade facilitation 
- 6** Commitment from members 
- 7** Capacity building 
- 8** Development of work plans and proposals 
- 9** Financial assistance / adequate resources 
- 10** Others 

Top 10 - 2018

- 1** Commitment from members / high participation 
- 2** Cooperation among members / common understanding and goals / mutual trust 
- 3** Financial assistance / adequate resources 
- 4** Political commitment / high level support 
- 5** Development of work plans and proposals 
- 6** Capacity building 
- 7** Regularity of meetings / communications to NTFC members 
- 8** Having clear terms of reference 
- 9** Involvement of private sector 
- 10** Awareness raising on trade facilitation 

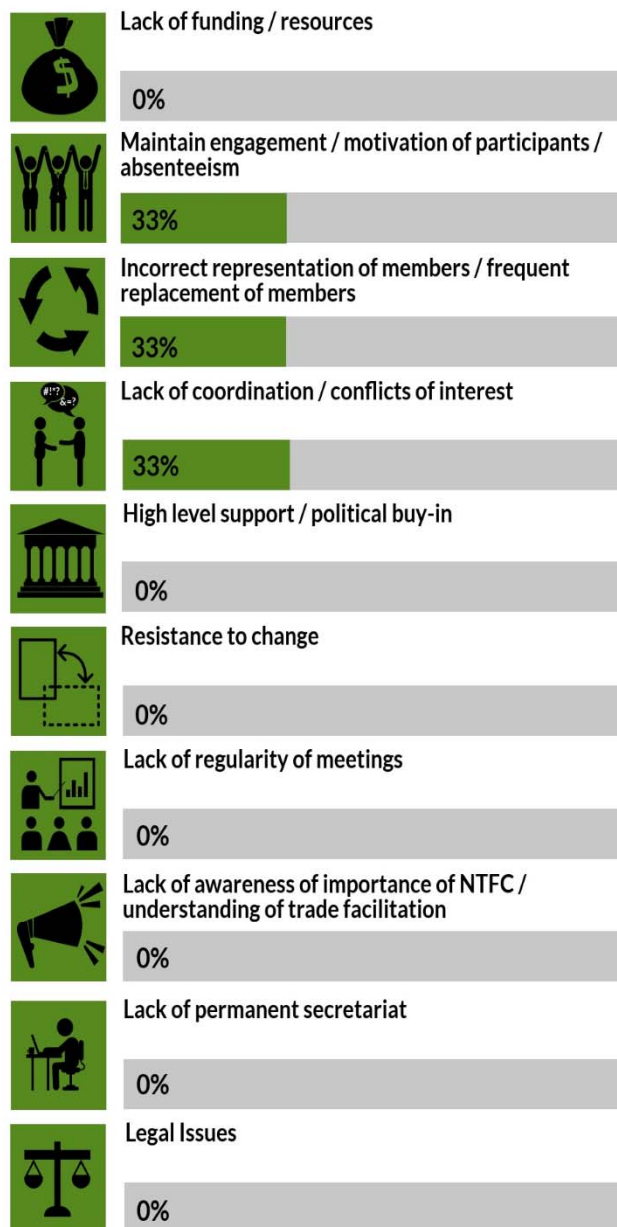
MAIN OBSTACLES

Percentage of National Trade Facilitation Committees that mention these aspects as their greatest obstacles

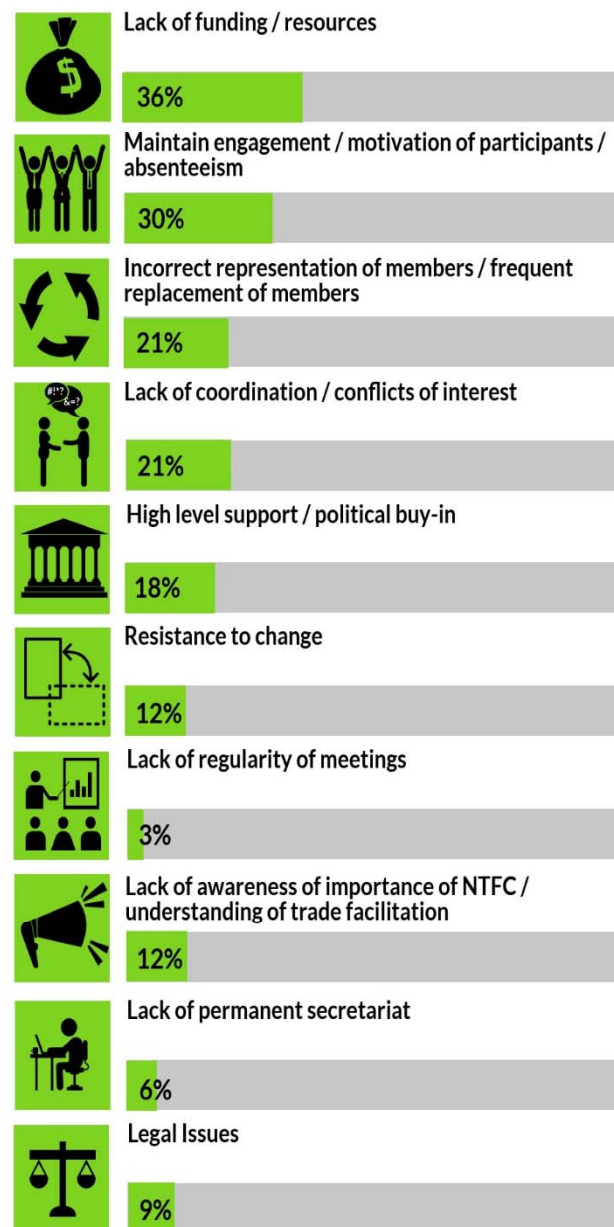


Percentage of National Trade Facilitation Committees that mention these aspects as their greatest obstacles

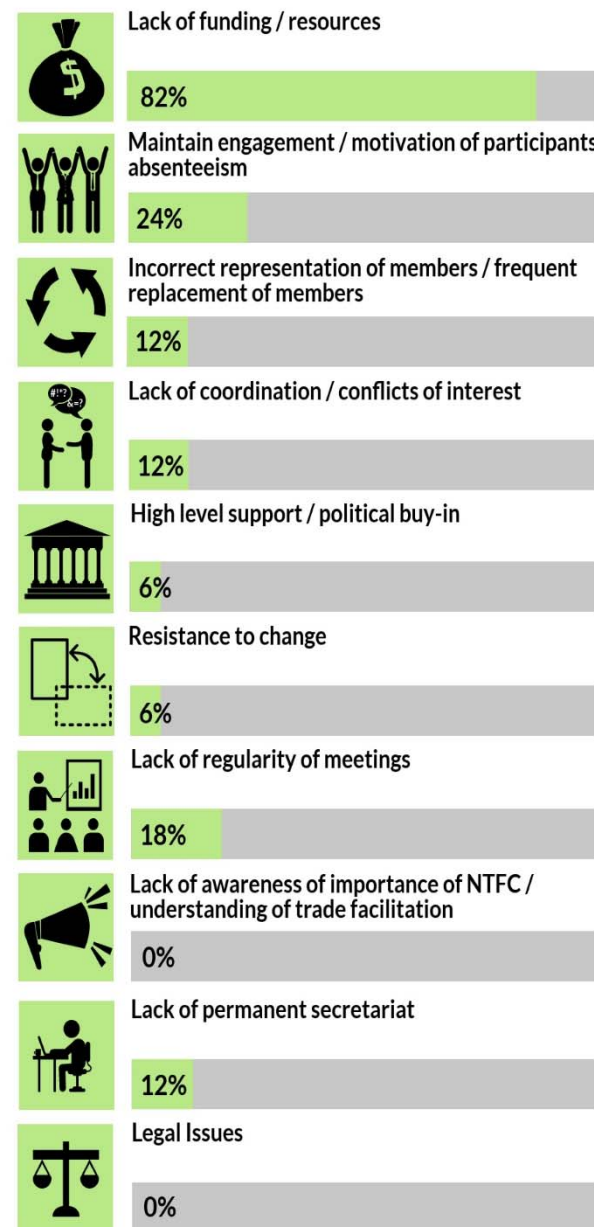
Developed countries



Developing countries







Least developed countries




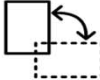




Top 10 Obstacles for National Trade Facilitation Committees - 2015 - 2018

Top 10 - 2015

- 1** Lack of funding / resources 
- 2** Motivation of participants / absenteeism 
- 3** Lack of awareness of importance of NTFC / understanding of trade facilitation 
- 4** Lack of coordination / conflicts of interest 
- 5** Resistance to change 
- 6** Maintain engagement of members 
- 7** Incorrect representation of members / frequent replacement of members 
- 8** Lack of high level support / political buy-in 
- 9** Lack of work plan 
- 10** WTO proposals submitted within too short notice to react 

Top 10 - 2018

- 1** Lack of funding / resources 
- 2** Maintain engagement / motivation of participants / absenteeism 
- 3** Incorrect representation of members / frequent replacement of members 
- 4** Lack of coordination / conflicts of interest 
- 5** Lack of high level support / political buy-in 
- 6** Resistance to change 
- 7** Lack of regularity of meetings 
- 8** Lack of awareness of importance of NTFC / understanding of trade facilitation 
- 9** Lack of permanent secretariat 
- 10** Legal issues 

LESSONS LEARNED

Percentage of National Trade Facilitation Committees that mention these aspects as lessons learned



Coordination is essential for the successful implementation of trade facilitation

35%



Funding and resources are essential

19%



Trade Facilitation contributes to a better business-government partnership

13%



The NTFC needs a working structure and well defined Terms of Reference

8%



Having a permanent secretariat is essential

8%



Strategic planning in the NTFC is essential

6%



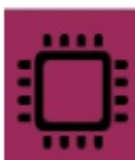
It is important to ensure external and internal communication as well as the flow of information

6%



High level political support is essential

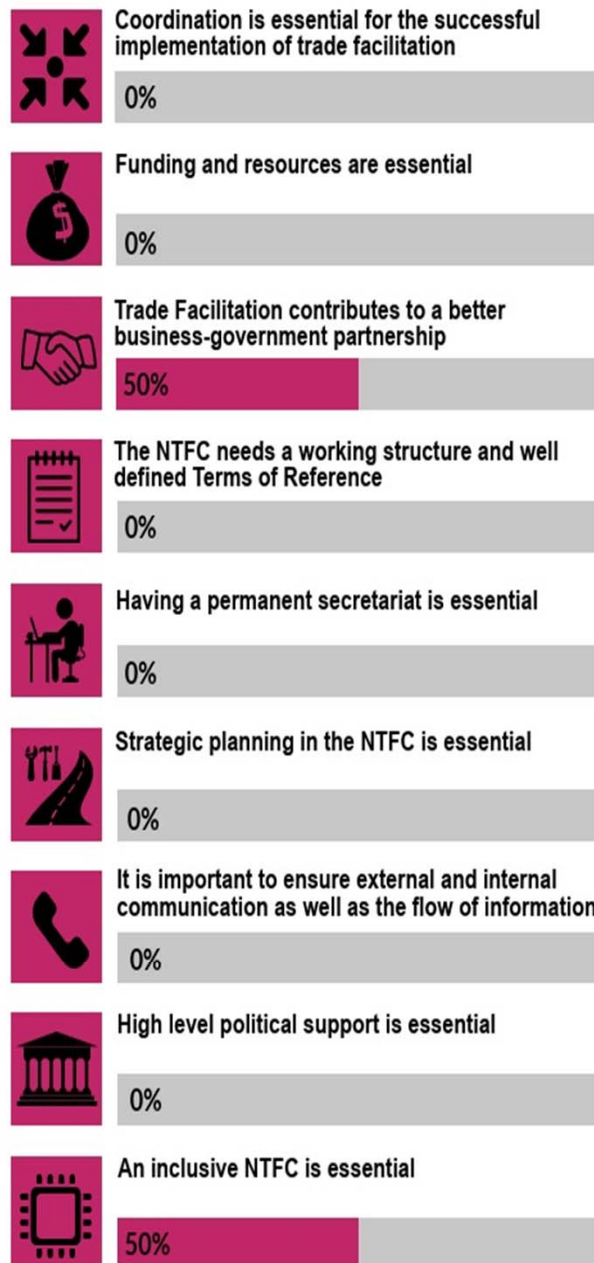
6%



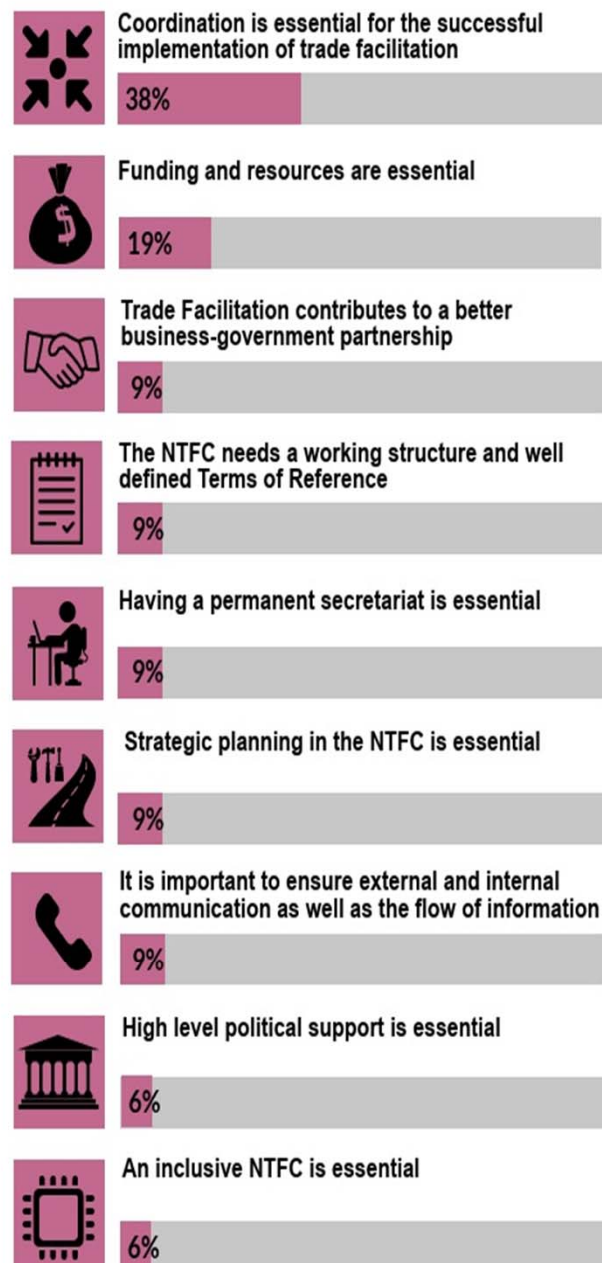
An inclusive NTFC is essential

6%

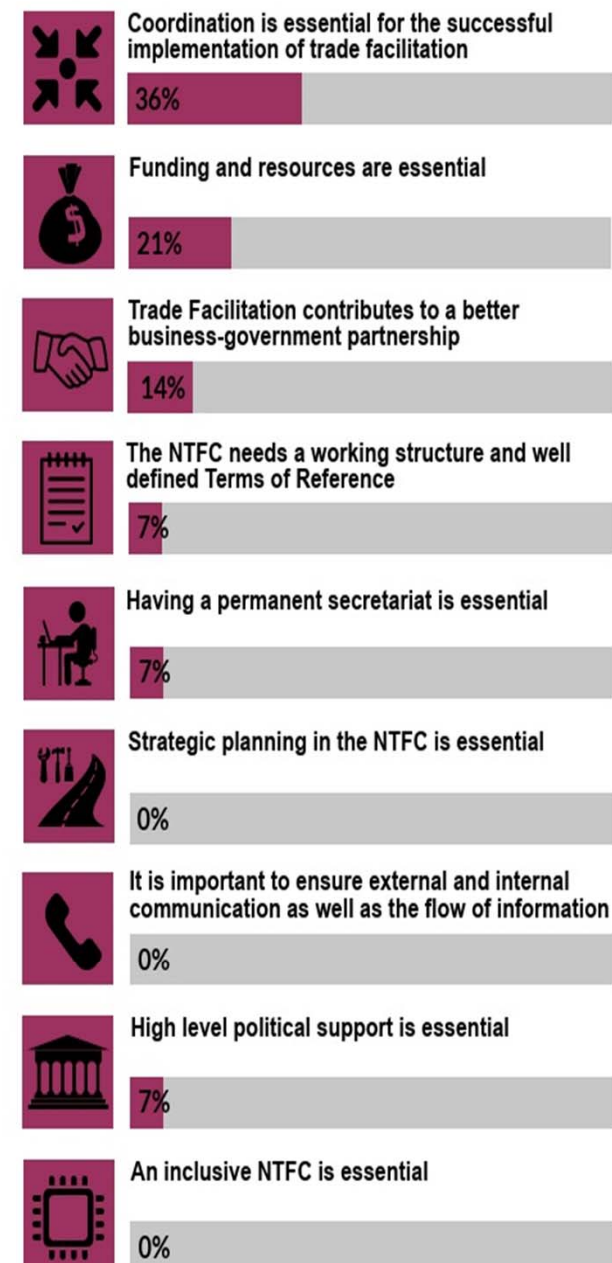
Developed countries



Developing countries



Least developed countries





Resources

Financial Resources
and Permanent
Secretariat

NTFB Institutionalization

Working Plan,
Subgroups, Regular
Meetings, Flexible
Mandate, Practical
Approach

Conclusions

Participants

Motivation,
Commitment,
Leadership,
Teambuilding and
Trust

Outcomes

Same Vision,
Standardization,
Preparation, TFA
Implementation, New
Projects, Dialogue,
Self-Assessment

Thank you!

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QUESTIONS FOR DISCUSSION

Group 1:

Is the Ministry of Trade the ideal stakeholder to be the coordinating agency? What are the advantages of Ministry of Trade over Customs and viceversa?

Group 3:

How could the private sector be more involved in the coordination and secretariat?

Group 2:

Is a permanent secretariat necessary? Which should be the functions of the permanent secretariat?

Group 4:

Which can donors do to help the coordination agency and the secretariat?

WOULD YOU CHANGE SOMETHING IN THE TERMS OF REFERENCE OF TO REFLECT YOUR CONCLUSIONS?