



# National Trade Facilitation Committees: The Need and Obligation to establish NTFCs

“WTO Trade Facilitation Agreement and  
National Trade Facilitation Committees”

Poul Hansen, UNCTAD

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# Section III - Art.23.2 of the TFA: National Committee on Trade Facilitation

WTO Members concluded negotiations on the TF Agreement in Bali

•December 2013

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. (emphasis added)*

# 'Obligation' ..... What it means? (1/2)

**'SHALL'..... makes it mandatory**

**'Establish and/or Maintain' implies either to:**

- Create new body
- Maintain existing one
- Designate an existing wing, setup, section to perform the functions

**Obligation to have in place a mechanism to perform required tasks**

**NTFC responsibilities include (specified but not limited to) to facilitate:**

- Domestic Coordination (sharing information): G2G, G2B and B2G, B2B?
- Implementation of Provisions of TF Agreement
- Not necessarily TF implementation Agency

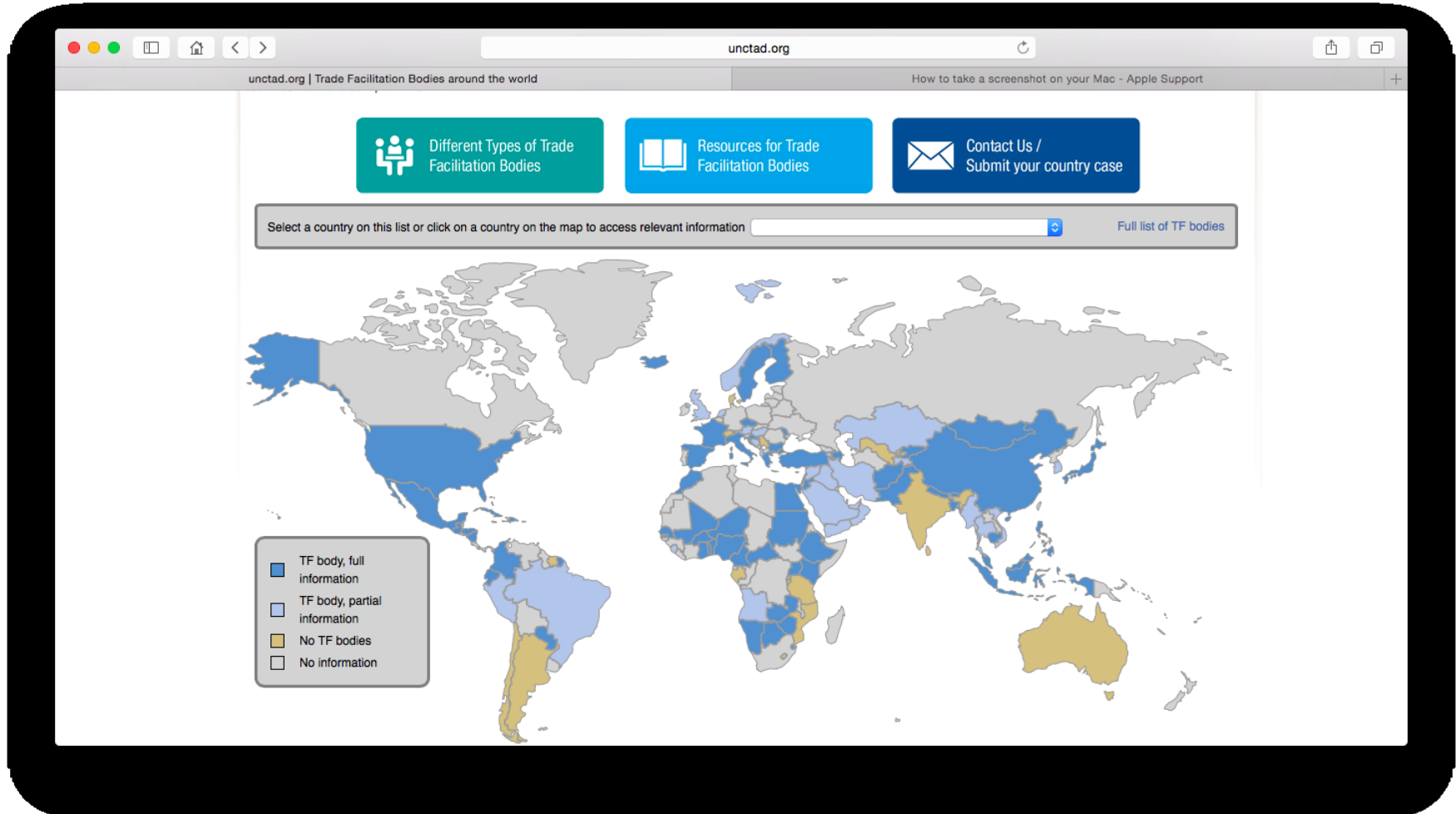
## ‘Obligation’ ..... What it means? (2/2)

### **Agreement is silent about**

- Structure & governance
- Funding and sustainability
- Membership and meeting frequency
- All these have been left to discretion of Members.....
- Experience so far on these issues in different countries....can serve as best guidelines

# Practices and organizational work

# UNCTAD provides information about Trade Facilitation Bodies around the world



The screenshot displays the UNCTAD website interface for Trade Facilitation Bodies. The browser address bar shows [unctad.org](http://unctad.org). The page title is "unctad.org | Trade Facilitation Bodies around the world". The navigation bar includes three main buttons: "Different Types of Trade Facilitation Bodies" (green), "Resources for Trade Facilitation Bodies" (blue), and "Contact Us / Submit your country case" (dark blue). Below these is a search bar with the text "Select a country on this list or click on a country on the map to access relevant information" and a dropdown menu. To the right of the search bar is a link for "Full list of TF bodies". The main content area features a world map where countries are color-coded according to the legend:

- Dark Blue: TF body, full information
- Light Blue: TF body, partial information
- Yellow: No TF bodies
- Grey: No information

Based on the map, countries with full information (dark blue) include the United States, Canada, Mexico, and several countries in Europe, Africa, and Asia. Countries with partial information (light blue) include Brazil, India, and several countries in Africa and Asia. Countries with no TF bodies (yellow) include Australia and several countries in Africa and Asia. Countries with no information (grey) include Russia, China, and several countries in Africa and Asia.

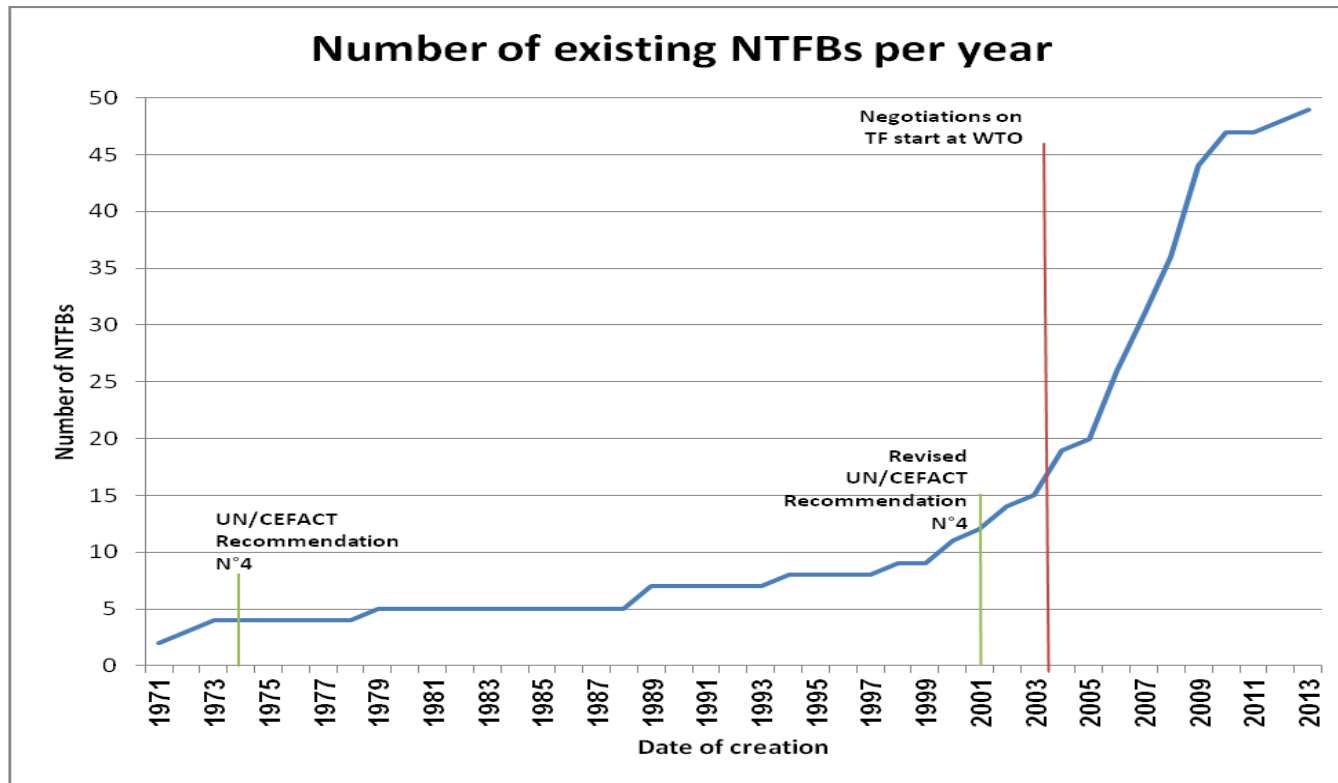
# UNCTAD provides information about Trade Facilitation Bodies around the world

The screenshot shows a web browser window displaying the UNCTAD website. The page title is "Trade Facilitation Body: The case of Turkey". The main content area is titled "Background" and contains a table with the following information:

Background	
<b>Type of body</b>	WTO Negotiations on trade facilitation support group
<b>Official name</b>	National Working Group on Trade Facilitation.
<b>Motivation for its establishment</b>	It was mandated by a decision of the WTO Coordination Council of Turkey.
<b>Year of establishment</b>	2006
<b>Other national bodies dealing with WTO issues and/or with Trade Facilitation</b>	All public or private entities can be a part of the working group on an ad hoc basis
<b>Former multi-agency group/committee</b>	No
<b>Current status of the working group (running, pilot phase, not functioning, etc)</b>	The Working Group is currently running.

The left sidebar contains a navigation menu with the following items: Institutional Framework, Objectives / Evaluation, Membership / Composition, Participation, Promotion / Communication, Benefits, Lessons learned, Future plans, and Contact information. The "General Information" link is highlighted at the bottom of the sidebar.

# Rising number of TF Committees



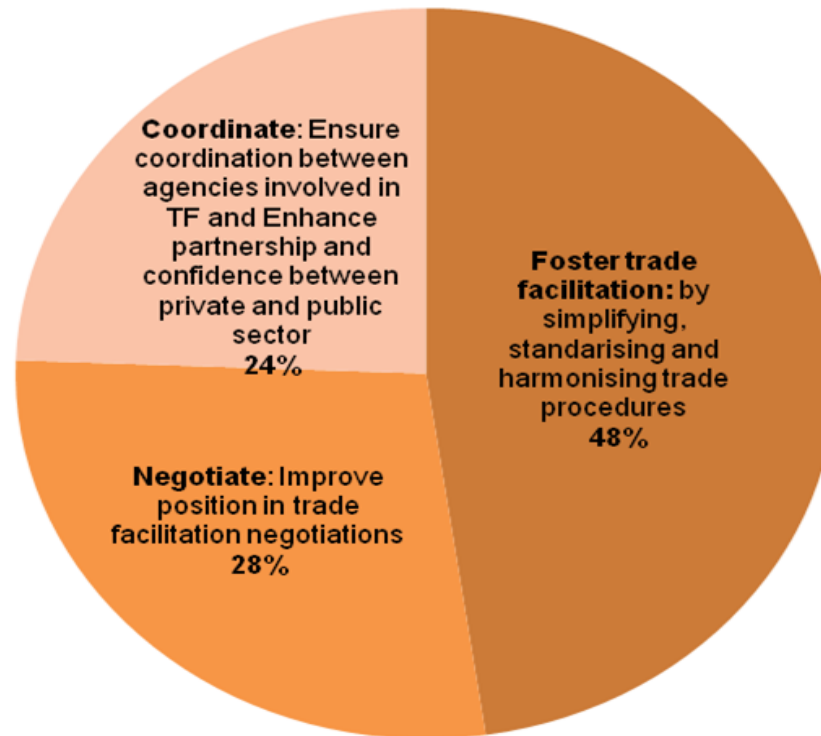
**Number of TF Committees would continue to rise...  
...to equal the number of WTO Members over time**



# NTFC: Scope and mandate (1)

## Overview of common practices

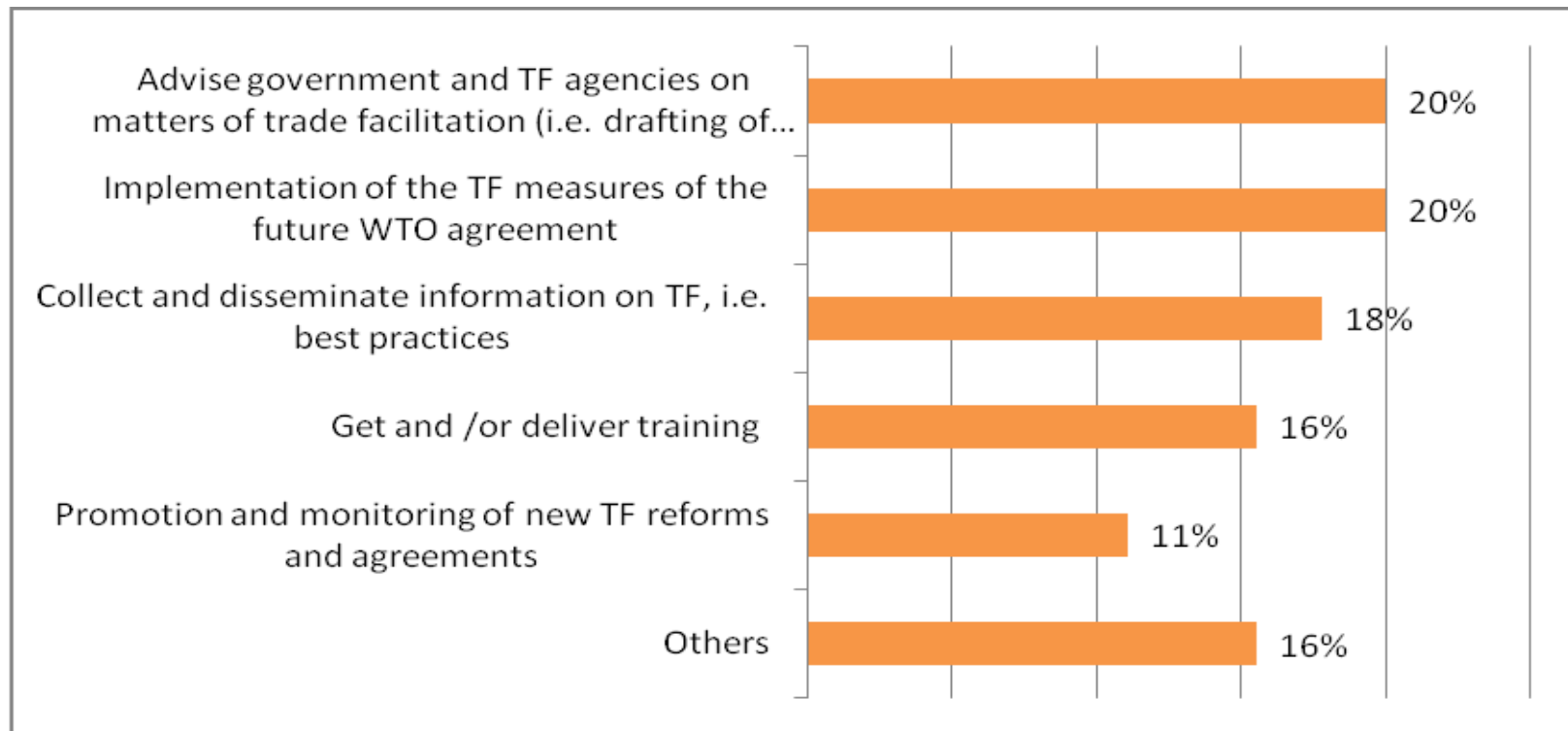
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NTFC Terms of Reference must include **to facilitate 'domestic coordination' and implementation of TFA**

# NTFC: Scope and mandate (1)

## Overview of common practices



**NTFC Terms of Reference must include to facilitate 'domestic coordination' and implementation of TFA**

## NTFC: Scope and mandate (2)

- Any TFC **must include** in mandate to facilitate ‘**domestic coordination**’ and ‘**implementation of TF Agreement**’
- It can continue to perform already mandated tasks....especially if existing mechanism is designated
- By virtue of facilitating implementation, other areas could also be included which make part of the TF Agreement
- TF Committee can be the most suited instrument for implementing Article 2 (Consultations)

# Ensure political will and commitment

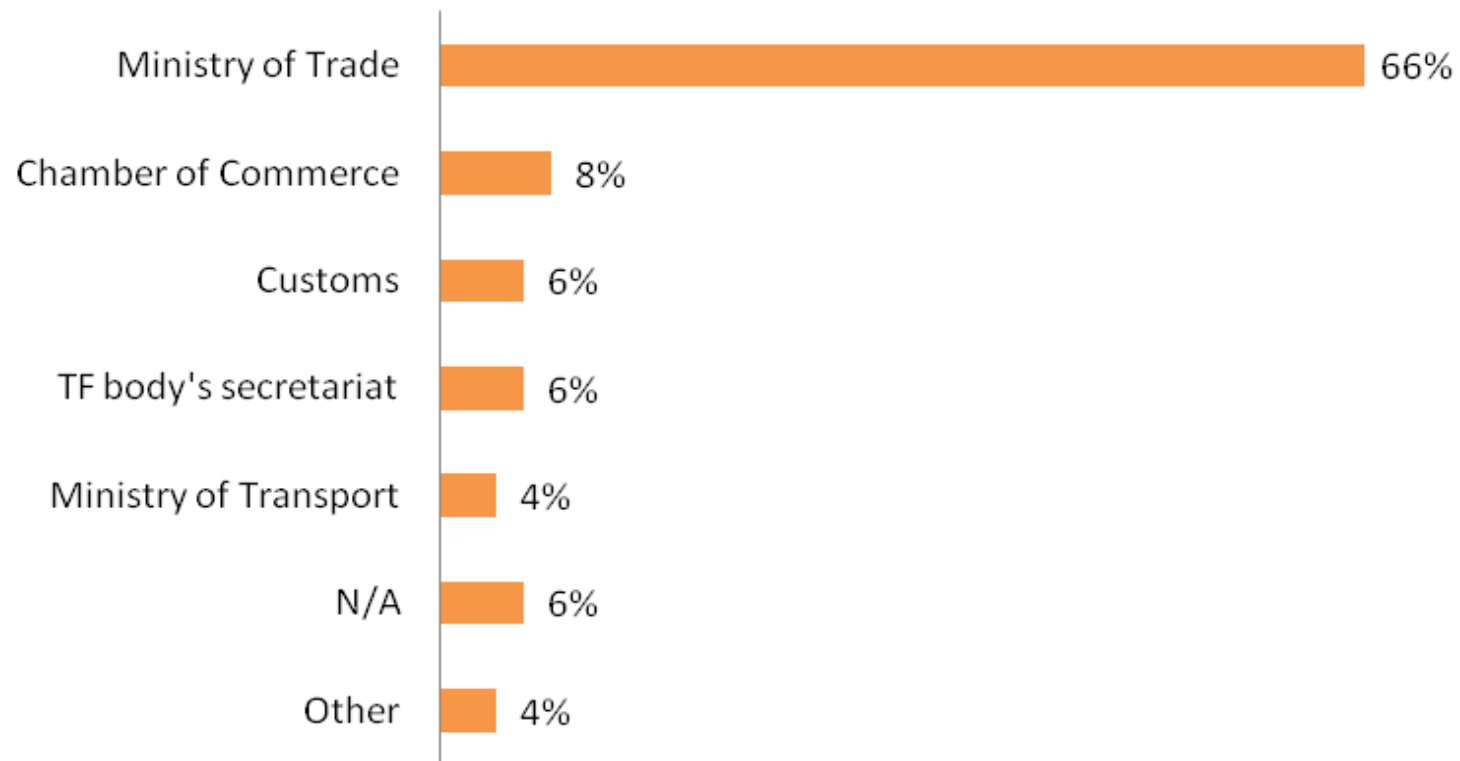
- It brings credibility and status
- Authority and Availability
- Necessary for its establishment, to operate and for its effectiveness
- For establishment there is... 'obligation' ...
- But for operations and effectiveness ... still required

# Structure and Governance

- 'Business like' approach
- Overseeing vs. Implementation
- Turf issues – departmental influence
- Permanent secretariat
- Coordinating agency and secretariat
- Right mix of 'regulators' and 'actors'
- BoD, Management Committee and Working Groups
- Chair principal link between committee and government .... can be head of lead TF implementation agency
- Alternate between Public and Private sector

# Ministry of Trade is often the coordinating agency...

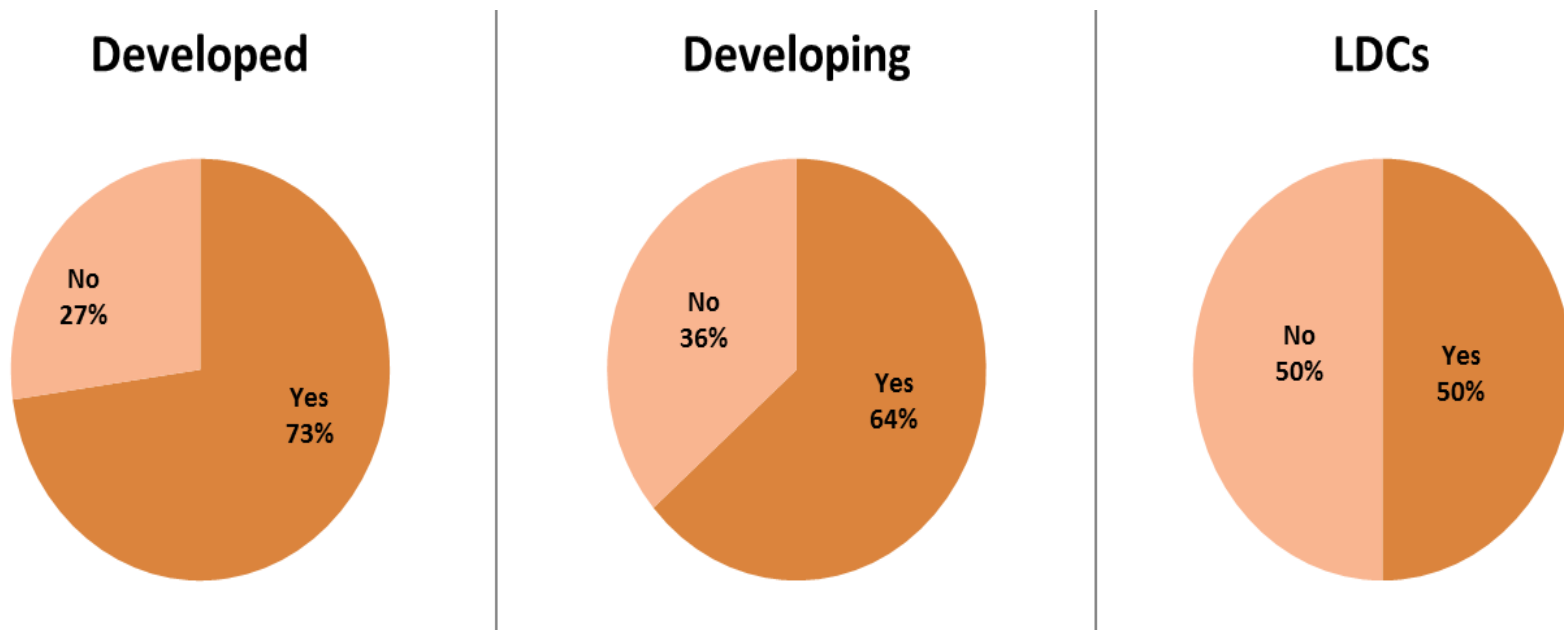
## Overview of common practices



Source: UNCTAD study 2013

# In a majority of cases, NTFC maintain a permanent secretariat

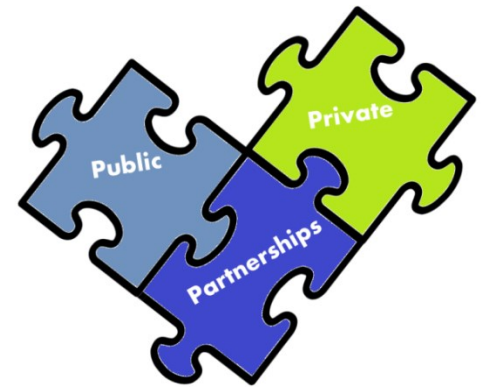
## Overview of common practices



Source: UNCTAD study 2013

# Funding and Sustainability

- The ‘rebuttable presumption’ is that Governments would fund the TFCs on a sustainable basis in future to meet their obligation
- Core costs: salaries, office accommodation and operational expenses and non-core costs
- PPP model can be the most efficient and assuring
- Office accommodation by private sector and operational expenses by government
- Option of ‘seed money’ through some donor funded project and some recovery by ‘priced services’





# Funding and Sustainability

## NTFC funding, largely from Governments

Overview of common practices

Financing of TF bodies	PRO-Committees	WTO TFA support groups	NTFCs and NTTFCs
Donors	9%	0%	0%
Donors / Government	9%	5%	18%
Private	36%	0%	6%
Government	18%	59%	47%
Private / Government	18%	0%	0%
N/A	9%	36%	29%

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# Membership & Meetings

## Balanced Public–Private Membership in a National Trade Facilitation Body

Government Agency	Service Provider	Trader
Ministry of Trade	National associations of carriers and freight forwarders	Chambers of commerce
Ministry of Finance/ Customs	National associations of banking institutions	Manufacturer associations
Ministry of Works	National associations of insurance companies	Other associations of service users (exporters, importers, etc.)
Ministry of Communications / Transport	Association of customs brokers	
Ministry of Agriculture		
Other line ministries and agencies with export/import clearance authority		

**Meeting not dependent upon Chair’s availability: there can be an alternate Chair**

**Pre fixed schedules can be more efficient**

- e.g. first/second Monday of each quarter (i.e. January, April, July, October)

# Success factors of TF bodies

## Overview of TF bodies key success factors

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- 1 Involvement of the private sector
- 2 Coordination
- 3 Strong political commitment
- 4 Qualitative participation
- 5 Knowledge/Awareness of key stakeholders
- 6 Training / capacity building
- 7 Work plan
- 8 Financial resources

# Greatest obstacles faced by TF bodies

## Overview of TF bodies main roadblocks

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- 1 Lack of financial resources
- 2 Lack of participation
- 3 Lack of knowledge on trade facilitation
- 4 Lack of coordination among different institutions
- 5 Resistance to change
- 6 Low level of commitment by members
- 7 Frequent replacement of members
- 8 Lack of government commitment
- 9 Lack of work plan

Source: UNCTAD study 2013

## To sum up...

- TFCs: a “must” for all WTO members
- Facilitating ‘Domestic Coordination’ and Implementation of TF Agreement must be part of mandate
- Political commitment required for operations and effectiveness of TF Committees
- Agreement silent about structure, governance, funding, membership, etc.....
- The experience of different countries so far can be a good ‘guidance’

# Further resource material

- Recommendation No. 4 on National Trade Facilitation Organs (UNECE 1974) and guidelines
- Trade facilitation handbook-national facilitation bodies: lessons from experience (UNCTAD 2006)
- Trade Facilitation Bodies around the world (UNCTAD 2013)
- Guidelines on Establishing and Strengthening National Coordination Mechanism for Trade and Transport Facilitation in the ESCAP Region (UNESCAP 2011)
- Online repository on National TF Bodies (UNCTAD), [www.unctad.org/TFcommittees](http://www.unctad.org/TFcommittees)
- National Trade Facilitation Committees, Moving towards implementation (ITC, 2015)

# Thank you for your attention

[poul.hansen@unctad.org](mailto:poul.hansen@unctad.org)