

TRANSPORT AND TRADE FACILITATION

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National
Trade Facilitation
Committees:
Beyond compliance
with the WTO Trade
Facilitation Agreement?



**NATIONAL TRADE FACILITATION COMMITTEES:
BEYOND COMPLIANCE WITH THE WTO TRADE FACILITATION AGREEMENT?**

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Abbreviations

ITC	International Trade Center
LDC	Least developed country
NTFC	National trade facilitation committee
NTTFC	National trade and transport facilitation committee
TFA	Trade Facilitation Agreement
UNCTAD	United Nations Conference on Trade and Development
UNCEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
WCO	World Customs Organization
WTO	World Trade Organization

Executive Summary

This study complements UNCTAD's recent research work on trade facilitation, especially *National Trade Facilitation Bodies in the World*, published in 2015, but also including *The New Frontier of Competitiveness in Developing Countries: Implementing Trade Facilitation*, published in 2013, *Trade Facilitation in Regional Trade Agreements*, published in 2011, and several technical notes issued since 2007, particularly the note on multi-agency working groups on trade facilitation, issued in 2011.

The added value of this study is the quantitative and qualitative analysis of existing National Trade Facilitation Committees following the entry into force of the WTO Trade Facilitation Agreement (TFA), in particular Article 23.2 of the TFA. The present study provides insights into the implementation and operation of National Trade Facilitation Committees (NTFC) and how countries are interpreting and applying Article 23.2 of the TFA. The study is based on information of 59 countries updated or added to the online repository of National Trade Facilitation Committees (<http://unctad.org/tfc>, maintained by UNCTAD in collaboration with the International Trade Centre and the United Nations Economic Commission for Europe), between January 2014 and May 2017. In addition to this, quantitative data on gender mainstreaming in National Trade Facilitation Committees is presented for the first time.

National Trade Facilitation Committees: Beyond compliance with the WTO Trade Facilitation Agreement?

While the notion of trade facilitation committees in a WTO agreement is a novelty; in reality, this kind of bodies have been existing for more than six decades.

Undoubtedly, the WTO Trade Facilitation Agreement has already had a great impact on National Trade Facilitation Committees (NTFCs) quantitatively and qualitatively. The signature of the Bali Ministerial Decision (WTO, 2013) at the WTO Bali Ministerial Conference of December 2013 ended the negotiations on the Trade Facilitation Agreement, meaning that establishing or maintaining a National Trade Facilitation Committee will become a binding obligation with the entry into force of the Agreement. Quantitatively, this Declaration resulted in an acceleration in the rate of establishment of NTFCs. This study shows that, for more than half of the Committees, the WTO Trade Facilitation Agreement was the main motivation for setting up this multi-stakeholder platform.

Qualitatively, the most frequently mentioned objective for NTFCs is to implement the WTO Trade Facilitation Agreement. Similarly, the present study suggests that the majority of National Trade Facilitation Committees have a scope of action mostly limited to issues related to the WTO Trade Facilitation Agreement. Moreover, Several NTFCs have the tasks to address the first challenges of the implementation of WTO TFA provisions: monitoring technical assistance projects and programmes, search financing partnerships for reforms and relationship with donors and implementation agencies as well as the already mentioned special advice on legal changes.

This study shows that National Trade Facilitation Committees have identified several concrete outcomes of their work related to the WTO Trade Facilitation Agreement. Almost two-thirds of NTFCs declared that the Committee has helped them negotiate trade facilitation agreements, including the WTO TFA. Approximately one out of three Committees indicated that they have developed an implementation plan for the WTO Trade

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Facilitation Agreement and worked in the ratification and notifications of the Agreement. Moreover, the increase in the number of NTFCs, that are formally institutionalized, demonstrates that the entry into force of the WTO Trade Facilitation Agreement has had a direct influence on Member States.

Since the entry into force of the TFA, many National Trade Facilitation Committees have changed their focus from the negotiation to the implementation of the WTO Trade Facilitation Agreement. In this context, access to resources, proper planning, as well as an efficient institutional and operational set up are key.

Recommendations for National Trade Facilitation Committees

In 2015, UNCTAD published 10 Key Recommendations for National Trade Facilitation Committees. These are still relevant and appropriate.



Source: UNCTAD (2015)

In the past three years, UNCTAD was able to validate the recommendations in the framework of the implementation of its trade facilitation capacity building and technical assistance programmes, in particular the Empowerment Programme for National Trade Facilitation Committees¹, which, at the end of 2017, has

¹ <http://unctad.org/eptf>

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been deployed in around 20 countries. The lessons learned from other recent initiatives, such as the International Forum for National Trade Facilitation Committees, organized in Geneva in January 2017,² have also been taken into consideration.

The following four new recommendations aim at complementing those 10 that were already published in 2015.

National Trade Facilitation Committees should work beyond compliance with the WTO Trade Facilitation Agreement. While the influence of the WTO Trade Facilitation Agreement in the work of NTFC cannot be denied, it is worth highlighting that trade facilitation committees have been identified as key instruments and drivers for the successful implementation of trade facilitation reforms long before the negotiations of the WTO TFA even started. Trade Facilitation reforms should not end once the provisions of the WTO Trade Facilitation Agreement are in place. They should go far beyond those. Thus, it is recommended that National Trade Facilitation Committees, even those created in the context of the WTO TFA, address issues and aim at reaching results beyond the implementation of the WTO TFA. By defining a broad scope of action from the beginning, National Trade Facilitation Committees are flexible to promptly adapt to the changes that new international/regional agreements and priorities might bring in the future. This is essential for the sustainability of the NTFC over the years.

Having the right people at the table is essential. The sustainability and efficiency of Committees is increasingly linked to their capacity to overcome an incorrect representation of members in the Committee, their lack of motivation and absenteeism, as well as their lack of knowledge and capacity to take decisions. The members of the Committees should be knowledgeable staff from private and public institutions, who will not just fulfil a representative function but who should be able to contribute meaningfully to the debates and take at least certain decisions on behalf of their organizations. Therefore, the participation of senior staff should be encouraged.

National Trade Facilitation Committees have a role to play in achieving gender equality. NTFCs are far from being gender balanced bodies and that specific actions for gender mainstreaming in Trade Facilitation are considered neither a priority nor relevant at this stage. There is a lack of awareness on the importance of gender mainstreaming. International agencies could play a key role to address this gap. But for that to happen, National Trade Facilitation Committees have to come forward, place gender on their agendas and request support, for instance from international agencies and donors, on this specific subject.

Donors should not be the only source of funding for National Trade Facilitation Committees. Access to financial resources has gained importance in the past three years. However, a third of NTFCs rely merely on donors and international agencies to finance the activities of their Committees. Basing the NTFC financing merely on the contributions of donors and development partners is a common but risky practice. This kind of contribution is generally temporary, as per ongoing projects. Thus, the sustainability of the committee can be jeopardized once the project – and its corresponding budget, - comes to an end. In the long run, National Trade Facilitation Committees should secure alternative domestic sources of financing, which will help ensuring the sustainability and independence of these bodies.

2 For more information on the Forum, please visit : <http://unctad.org/en/Pages/MeetingDetails.aspx?meetingid=1164>

Introduction

This study supplements UNCTAD's recent research work on trade facilitation, including *National Trade Facilitation Bodies in the World*, published in 2015, *The New Frontier of Competitiveness in Developing Countries: Implementing Trade Facilitation*, published in 2013, *Trade Facilitation in Regional Trade Agreements*, published in 2011, and several technical notes issued since 2007, particularly the note on multi-agency working groups on trade facilitation, issued in 2011. The value added by this study is in the provision of an analysis of existing National Trade Facilitation Committees in the world, according to Article 23.2 of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA). It provides clarity on how countries are interpreting and applying this Article as to date.

Chapter 1 reviews the historical background of National Trade Facilitation Committees and the impact that the signature of the WTO Trade Facilitation Agreement has had on those bodies.

Chapter 2 provides an analysis of 59 trade facilitation committees, based on a survey undertaken by UNCTAD, including their objectives and scopes of action, institutional frameworks, compositions, gender mainstreaming policies, communications and promotion activities, financing sources, as well as the concrete operational outcomes and impacts reached so far.

Chapter 3 summarizes lessons learned as noted by the 59 trade facilitation committees, including success factors and obstacles faced.

This study is based on information in UNCTAD's online repository of National Trade Facilitation Committees (<http://unctad.org/tfc>). The repository is maintained with the support of the International Trade Centre and the United Nations Economic Commission for Europe. It is regularly updated and contains information from National Trade Facilitation Committees in over 180 countries.

Trade facilitation

With the entry into force of the WTO Trade Facilitation Agreement on 22 February 2017, trade facilitation has officially got a place in international law, recognizing the importance that these policies have had over the years at national, regional and international levels.

While the WTO Trade Facilitation Agreement does not include a specific definition of trade facilitation, several United Nations organizations have developed descriptions of this concept as shown in Box 1.

Article 23.2 of the WTO Trade Facilitation Agreement stipulates the obligation for countries to set up or maintain a coordination mechanism that will support the implementation of the trade facilitation provisions included in the Agreement. The inclusion of this Article represents an official acknowledgement of the

Box 1: Definitions of trade facilitation

Trade Facilitation

"Trade facilitation measures seek to establish a transparent, consistent and predictable environment for border transactions based on simple and standardized customs procedures and practices, documentation requirements, cargo and transit operations and trade and transport conventions and arrangements" (UNCTAD, 2006).

"Simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payment" (United Nations Economic Commission for Europe (UNECE), 2012).

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importance of coordination and cooperation amongst relevant stakeholders in the implementation of trade facilitation reforms. Although not specifically mentioned in the TFA, it is common understanding that such coordination and collaboration must include both relevant public and private stakeholders in line with international recommendations, such as the UN-CEFACT Recommendation N° 4.

In fact, trade facilitation is a cross-cutting policy with implications in trade, transport, health, agriculture, foreign affairs, customs, among others. **As trade facilitation reforms have a great impact on the end users of these policies, having a genuine public-private dialogue before, during and after the implementation of new procedures and processes remains essential.**

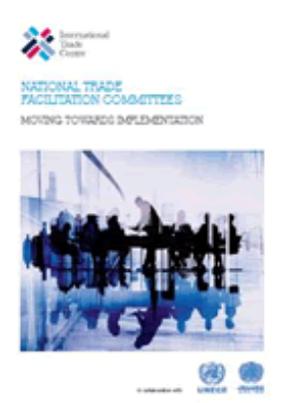
While the United Nations has been elaborating guidelines on best practices to establish trade facilitation coordination mechanisms since 1974, **the negotiation and later entry into force of the WTO Trade Facilitation Agreement has resulted on an increase in the number of publications released on that subject since 2006.** In 2015 alone, three publications on the subject were launched, as shown in the list below³.



[National Trade Facilitation Bodies - Recommendation N°4](#) - (UNECE)

2015

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



[National Trade Facilitation Committees](#) - (ITC, UNCTAD, UNECE)

2015

This guide gives developing countries a step-by-step approach to evaluate policy, organizational and funding options to create a detailed roadmap to set up National Trade Facilitation Committees, which are an obligation for countries implementing the WTO Trade Facilitation Agreement. This is a joint guide by ITC; the United Nations Conference on Trade and Development; and the United Nations Economic Commission for Europe,

3 Other non- UN studies recently published on this topic include:

WTO, National Committees on Trade Facilitation: current practices and challenges, 2017,

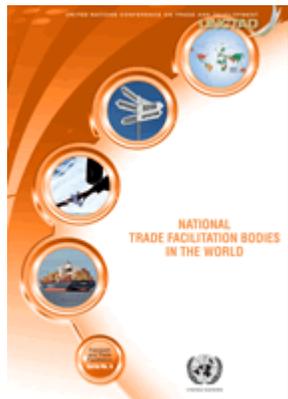
http://www.tfacility.org/sites/default/files/news/tfa_national_committees_trade_facilitation_web_e.pdf, retrieved in November 2017

WCO, National Committees on Trade Facilitation, a WCO Guidance, 2016, <http://www.wcoomd.org/->

[/media/wco/public/global/pdf/topics/wto-atf/national-committees-on-trade-facilitation/guidance/nctf_en_hr.PDF?db=web](http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/national-committees-on-trade-facilitation/guidance/nctf_en_hr.PDF?db=web), retrieved in November 2017

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including the United Nations Centre for Trade Facilitation and Electronic Business (UN-CEFACT).



[National Trade Facilitation Bodies in the World](#) - (UNCTAD)

2015

This publication, based on an in-depth analysis of 50 trade facilitation bodies, provides the first quantitative analysis of existing national trade facilitation bodies and a first-hand set of recommendations extracted from the experiences of participating stakeholders. The study provides policy-oriented conclusions aimed at assisting those countries that are looking to set up or strengthen their national trade facilitation working groups.

The present study aims to provide trade facilitation stakeholders and all parties interested in the creation and operation of trade facilitation committees with an overview of existing bodies from a comparative perspective, focusing merely on WTO Trade Facilitation Committees.

Trade facilitation and the Sustainable Development Goals

Trade facilitation reforms are positive steps towards human, enterprise and institutional development.

They help small traders, often women, enter the formal sector, make economic activities more transparent and accountable, promote good governance, generate better quality employment, strengthen information technology capabilities and generally modernize societies by bringing about benefits related to administrative efficiency. More concretely, trade facilitation is directly linked to the Sustainable Development Goals (SDG) 16 and 17.

The establishment of a National Trade Facilitation Committee is related to the Sustainable Development Goal 17 on revitalizing the Global Partnership for Sustainable Development. Thus, implementing the Article 23.2 of the WTO Trade Facilitation Agreement contributes to the achievement of SDG 17. First, SDG 17.10 targets the promotion of a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda. Secondly, SDG 17.17 focuses on encouraging and promoting effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships. Compliance with this provision, on establishing a National Trade Facilitation Committee, allows for all public and private stakeholders to meet on a regular basis to exchange information and jointly drive forward the trade facilitation agenda at the national level. Public-private partnerships on international trade procedures are important in establishing trusted relationships and collaboration.

Furthermore, Article 2 of the WTO Trade Facilitation Agreement sets out rules promoting transparency and good governance practices. Article 2.1 provides for mandatory rules for stakeholders, defined as traders and other interested parties, to be given opportunities and an appropriate time period to comment on the proposed introduction or amendment of laws and regulations of general application related to the movement, release and clearance of goods, including goods in transit. Furthermore, Article 2.2 describes that WTO

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Members shall, as appropriate, provide for regular consultations between its border agencies and traders or other stakeholders located within its territory.

The obligations in Article 2 are closely linked to the coordination mechanism described in Article 23.2 on the National Trade Facilitation Committee. Logically, the stakeholders in the NTFC would also be covered by the rules outlined in Article 2 of the TFA, and compliance with this provision helps build trust in public administrations, increase transparency and improve governance. Consequently, implementing Article 2 of the TFA assists in meeting several of the objectives of SDG 16 on promoting a peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. In other words, **trade facilitation contributes to the compliance of several targets of SDG 16**, for instance:

16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all

16.5 Substantially reduce corruption and bribery in all their forms

16.6 Develop effective, accountable and transparent institutions at all levels

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements

16.b Promote and enforce non-discriminatory laws and policies for sustainable development

Scope and methodology

The research undertaken focuses only on WTO TFA related Committees, meaning those bodies at national level that have been identified by stakeholders as the national body in charge of compliance with Article 23.2 of the WTO Trade Facilitation Agreement. Thus, National Trade and Transport Facilitation Bodies or PRO-Committees that have not been assigned the coordination of the implementation of the TFA provisions are not included in this paper.

This study considers **information from 59 country cases collected from January 2014 to May 2017** via a standardized questionnaire developed by UNCTAD⁴, which was structured into the following ten different sections: background; institutional framework; funding; objectives and focus; membership and/or composition; participation; communications and promotion; benefits; lessons learned; and future plans.

Additionally, a separate questionnaire on gender related issues within the National Trade Facilitation Committee was distributed between April and May 2017. A total of 39 countries answered the questionnaire. The description of the sample and methodology for that particular question is included under Chapter 2.

⁴ The questionnaire can be retrieved in <http://unctad.org/tfc>

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Table 1: List of trade facilitation committees considered per region

Region	Percentage	Committee Countries
Africa	53%	Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Gambia, Ghana, Kenya, Liberia, Madagascar, Malawi, Mali, Morocco, Mozambique, Namibia, Niger, Nigeria, Senegal, Sierra Leone, South Africa, Sudan, Swaziland, Togo, Uganda, United Republic of Tanzania, Zambia, Zimbabwe
Americas	17%	Costa Rica, Cuba, Dominican Republic, Jamaica, Mexico, Nicaragua, Paraguay, United States of America, Saint Lucia, Suriname
Asia	20%	Bhutan, China, Indonesia, India, Jordan, Lebanon, Malaysia, Pakistan, Turkey, Yemen, Kyrgyzstan, Sri Lanka
Europe	7%	Albania, Republic of Moldova, Montenegro, Netherlands
Oceania	3%	Australia, Papua New Guinea

Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

By analyzing the structure and mandate of the bodies considered in this survey, it is possible to observe trends and patterns in the evolution of national trade facilitation committees. Analysis may also provide useful indicators and guidelines for the establishment of future committees, as well as instruments to strengthen existing bodies.

The country cases may be reviewed on the online repository, which contains information from over 180 trade facilitation bodies. UNCTAD continues to collect country cases, and the repository is regularly updated and expanded.

The functions and performances of trade facilitation bodies may vary widely “in view of their geographical distribution and economic and cultural differences” (UNCTAD, 2006). The geographical distribution of the

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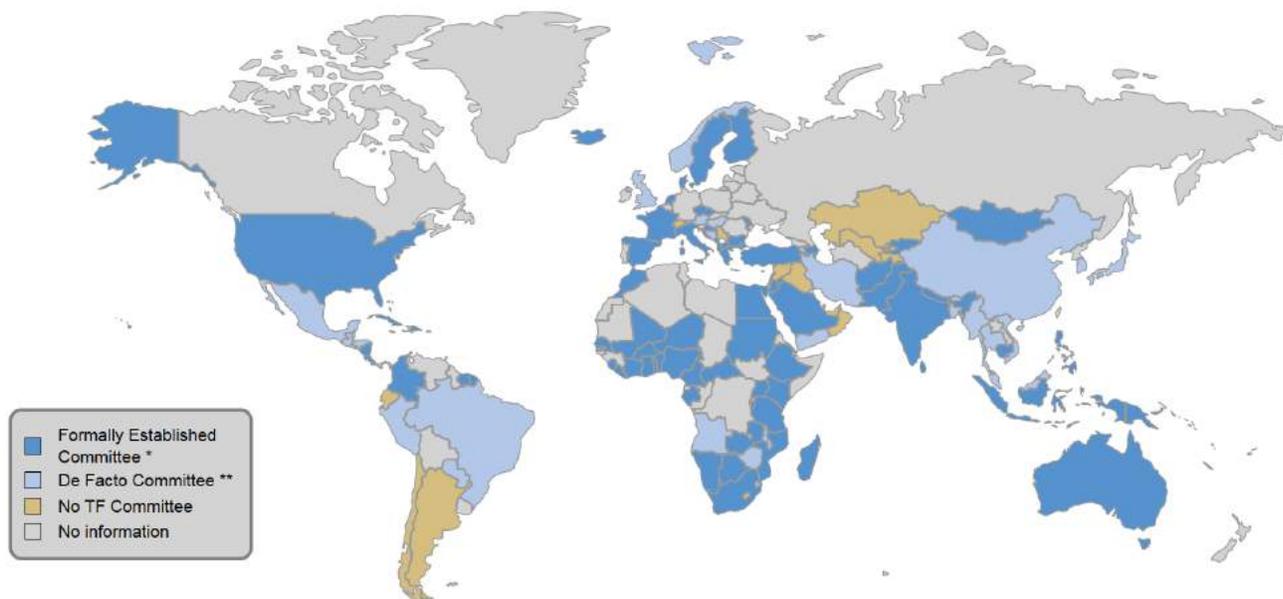
countries considered in this study may therefore also be a determining factor. For instance, African and Asian regions are better represented in the data set.

As reflected in table 1 of the countries surveyed, 53 per cent (31 countries) are African NTFCs, 17 per cent are American (10 countries), 20 per cent (12 countries) Asian, 7 per cent (4 countries) European and 3 per cent (2 countries) are from Oceania.

The level of development of countries is also key to understand the functions and institutional framework of a National Trade Facilitation Committee. Of the trade facilitation bodies analyzed, 66 per cent (39 countries) were in developing countries and 29 per cent (17 countries) in least developed countries. Developed countries are underrepresented in the sample with only 5 per cent (3 countries).

Figure 2 shows the extent of information available in UNCTAD’s online repository as of May 2017.

Figure 2: Interactive map of information in UNCTAD’s online repository as at May 2017

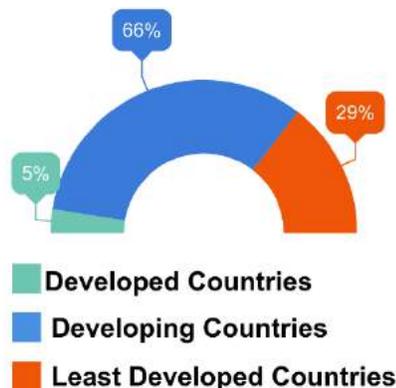


* Formally established committee: Committee created by a legal instrument.

** De facto Committee: existing committee, although not created by a legal instrument.

Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

Figure 1: Sample of the study according to level of development



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>

1 The WTO Trade Facilitation Agreement in the history of National Trade Facilitation Committees

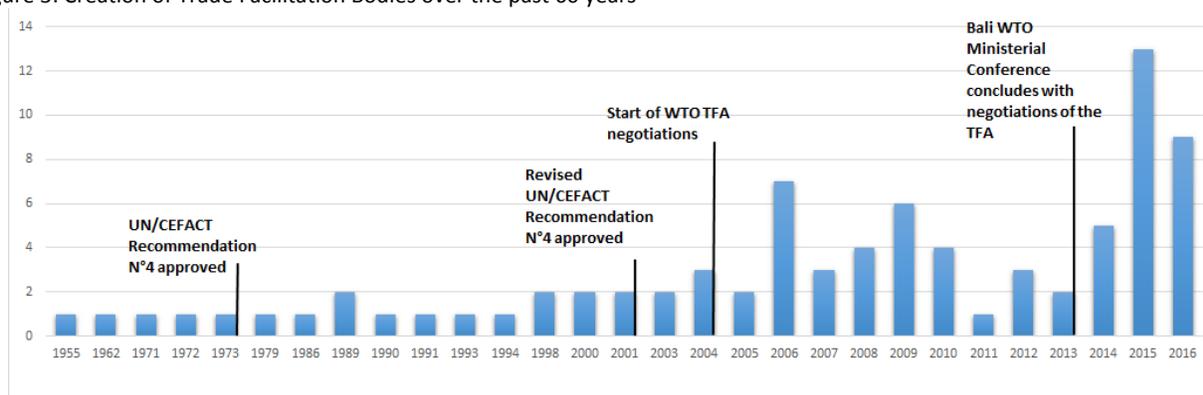
1.1 Brief history of National Trade Facilitation Committees

As described in Box 2, trade facilitation bodies made their appearance for the first time in 1950s. **PRO-committees** were created following Recommendation N°4 of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), which was first published in 1974. Focusing on public–private partnerships rather than on inter-agency coordination, “PRO committees promote the adoption of international standards on trade facilitation in their respective countries by lobbying their Governments”. (UNCTAD 2015)

Between 1980s and 2000s, different development agencies enabled the creation of the so-called **National Trade and Transport Facilitation Committees** (NTTFCs) in the context of different technical assistance projects. Similar to the PRO-committees but broader in scope, “NTTFCs act as a consultative mechanism to promote facilitation, examine international trade and transport regulations, make policy recommendations, prepare recommendations and regulations and foster administrative transparency on major trade and transport issues”. (UNCTAD 2015).

With the arrival of the XXI century and the start of the Doha Development Agenda at the WTO (July 2004), **WTO negotiations on trade facilitation support groups** proliferated around the world – although many of them were just informal bodies. The Bali Ministerial Decision (WTO, 2013) at the WTO Bali Ministerial Conference of December 2013 concluded the negotiations making the entry into force of the Trade Facilitation Agreement an imminent reality.

Figure 3: Creation of Trade Facilitation Bodies over the past 60 years



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

The signature of this Ministerial Decision foresaw that establishing or maintaining a **National Trade Facilitation Committee** will become a binding obligation with the entry into force of the Agreement. As shown in Figure 3, this resulted in an acceleration in the rate of establishment of NTTFCs. While a total of 35 committees were created in the decade between 2004 and 2013, almost the same figure was attained (27 committees) in the three years following the WTO Bali Ministerial Conference (2014-2016).

Box 2: Brief history of trade facilitation bodies

Trade Facilitation bodies from 1950s to 2000s

The widespread use of copy machines and printing facilities in the 1950s triggered the idea of the standardization of trade documentation and the corresponding need for coordination. Sweden was the precursor in the conceptualization of trade facilitation bodies and set up a consultative group for this purpose in 1955. This group was renamed the Swedish Trade Procedures Council in 1995, and is still in operation (UNCTAD, 2014).

In the 1960s, the subject was discussed for the first time in an international forum. The Convention on Facilitation of International Maritime Traffic recommended that contracting parties establish a national maritime transport facilitation committee or a similar national coordinating body, focused on the adoption and implementation of facilitation measures. Such bodies should be composed of governmental departments, agencies and other organizations concerned with, or responsible for, various aspects of international maritime traffic, as well as port authorities and ship owners (International Maritime Organization, 2011).

In the early 1970s, a few trade facilitation bodies were created as consultative platforms between government departments and the business community to provide coherence in policy formulation through coordination and cooperation (UNESCAP, 2011). These bodies were established in developed countries in Europe and Asia, for example the French International Trade Facilitation and Simplification Body (1972), the Finnish National Body for Simpler Trade Procedures (1973) and the Japan Association for Simplification of International Trade Procedures (1974).

Inspired by these best practices, UNECE Recommendation No. 4 was adopted in 1974. It advised countries to set up national trade facilitation organs (PRO committees) for the alignment of trade documents, automatic customs data processing and coding, and many PRO committees were established in both developed and developing countries. However, many of these committees have since been dissolved.

From the 1980s to the early 2000s, the growth of National Trade Facilitation Committees was modest, but their importance was often highlighted at the international level. For instance, UNECE Recommendation No. 4 was revised in 2001, encouraging again the establishment of national organizations to implement recommendations on the facilitation of international trade procedures. The Almaty Programme of Action invited landlocked and transit developing countries to consider establishing and/or strengthening existing national trade and transport boards or committees involving all major stakeholders, including the private sector (United Nations, 2003). During this period, UNCTAD and the World Bank launched several technical assistance projects contributing to the establishment of NTTFCs.

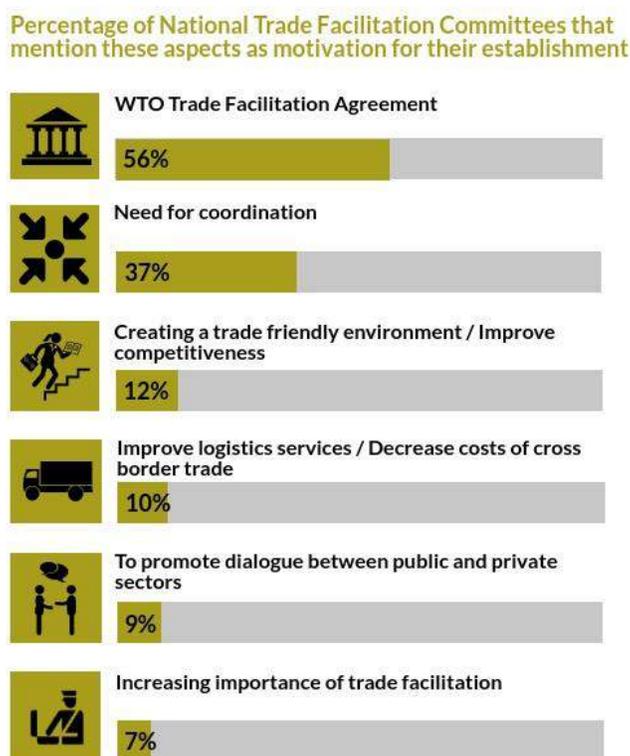
Source: UNCTAD 2015

1.2 Motivations for the establishment of National Trade Facilitation Committees

As described before, National Trade Facilitation Committees have been existing in many countries for a while, sometimes under different forms and names to respond to specific needs over the years. Thus, it does not come as a surprise that **more than half of NTFCs included in the sample (53 per cent) claimed that their current National Trade Facilitation Committee is based on a former pre-existing body.** For instance, Nepal went from establishing a National Trade and Transport Facilitation Committee in the 1990s to having an ad-hoc WTO negotiations on trade facilitation support group from approximately 2010 to 2013 and to recently re-establishing a National Trade Facilitation Committee following the WTO Ministerial Declaration of December 2013.

Countries in the sample mentioned six main motivations for the established of their National Trade Facilitation Committees (see Figure 4). **More than half of the Committees (56 per cent) considered the WTO Trade Facilitation Agreement as the main motivation for setting up a multi-stakeholder platform.** This number has almost doubled since UNCTAD 2015 study. Developing countries are more inclined than developed and least developed countries to mention the WTO TFA as a motivation for the establishment of their trade facilitation bodies.

Figure 4: Motivations for the establishment of trade facilitation committees



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

Sample: 59 countries.

Note: The sum is larger than 100% because most committees provide more than one motivation for their establishment.

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The need for coordination is the second most mentioned motivation for the creation of NTFCs (37 per cent). This percentage will rise to 53 per cent in the case of least developing countries.

Creating a trade friendly environment and improve competitiveness (12 per cent of NTFCs) as well as improving logistics services and decreasing costs of cross border trade (10 per cent of NTFCs) are mentioned as motivations by at least one out of 10 NTFCs. However, as shown in Figure 5, this is especially important for developing countries. Promoting a dialogue between public and private sectors is considered a motivation by nine per cent of the NTFCs included in the sample. This factor is particularly relevant for developed countries. The increase importance of trade facilitation was highlighted by 7 per cent of NTFCs as a motivating factor for the establishment of their committee, mainly in developing and least developed countries.



Ngwenya, border crossing between Swaziland and South Africa

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Figure 5: Motivations for the establishment of trade facilitation committees per level of development

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

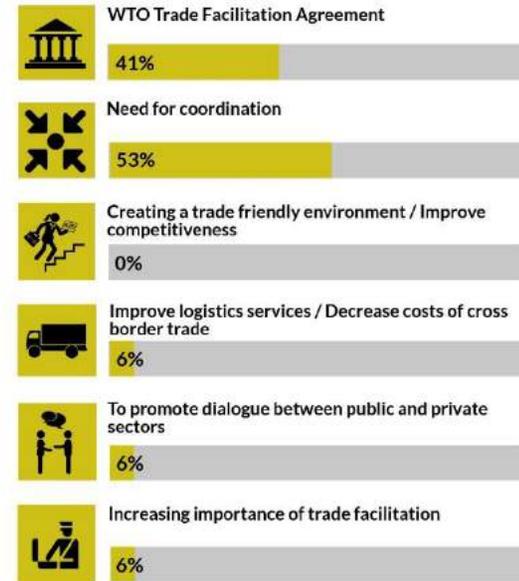
Developed countries



Developing countries



Least developed countries



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

Sample: developed countries (3), developing countries (39), least developed countries (17)

Note: The sum within each country group is larger than 100% because most committees provide more than one motivation for their establishment.

2 Analysis of key elements of Trade Facilitation Committees

This chapter provides an empirical comparative analysis of existing national trade facilitation committees, focusing on the following seven main aspects: objectives and scope of action; institutional framework; composition; gender mainstreaming, communication with key stakeholders; financing; as well as concrete operation outcomes and impacts.

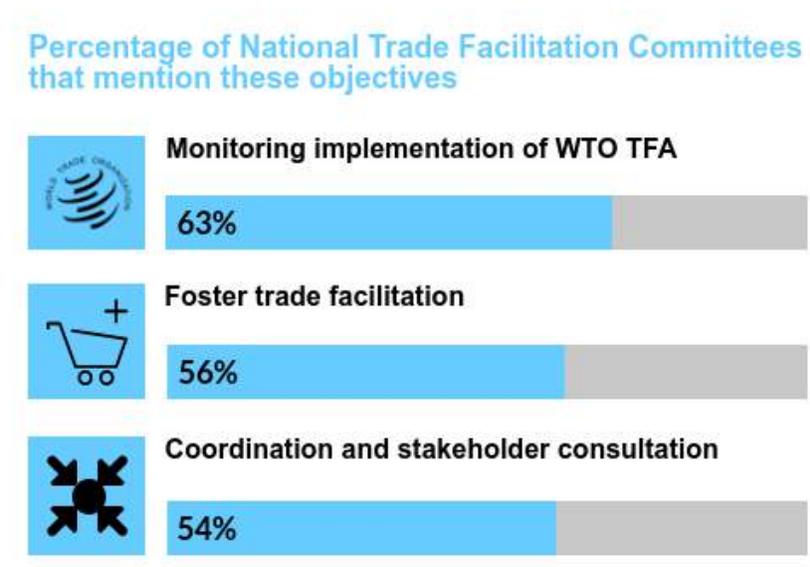
2.1 Objectives and Scope of Action

As described in previous UNCTAD studies, “the objectives and scope of action of a trade facilitation body will determine the goals pursued when establishing this group as well as the main functions allocated to it.” (UNCTAD, 2015). As described by UNESCAP, “the functions of a coordination institution should be decided by a country’s trade and transport facilitation agenda. Each country will have different priority issues in trade and transport facilitation depending upon the institutional environment, capacity of business sector and political will for trade and transport facilitation” (UNESCAP, 2011).

2.1.1 Objectives

The objectives of NTFCs were regrouped under three main categories: *monitoring the implementation of the WTO Trade Facilitation Agreement* (mentioned by 63 per cent of committees), *foster trade facilitation* (mentioned by 56 per cent of committees), as well as *coordination and consultation of stakeholders* (mentioned by 54 per cent of committees).

Figure 6: Objectives of National Trade Facilitation Committees



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample: 59 countries.

The results of the survey show that one of the main objectives of National Trade Facilitation Committees has changed after the signature of the WTO Trade Facilitation Agreement. UNCTAD’s previous study on NTFCs,

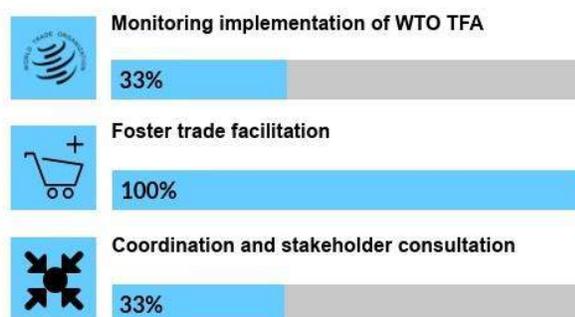
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published in 2015, found that 28 per cent of bodies aimed at improving their countries’ position in the negotiation of trade facilitation agreements. After the conclusion of the negotiations at the WTO Bali Ministerial Conference in December 2013, this objective was no longer relevant. However, a majority of countries (63 per cent) now have established an NTFC to monitor the implementation of the WTO Trade Facilitation Agreement. This is understandable given the importance of the TFA as a driver for the establishment of NTFCs in the past years (see Chapter Motivations for the establishment of National Trade Facilitation Committees , p. 1-18).

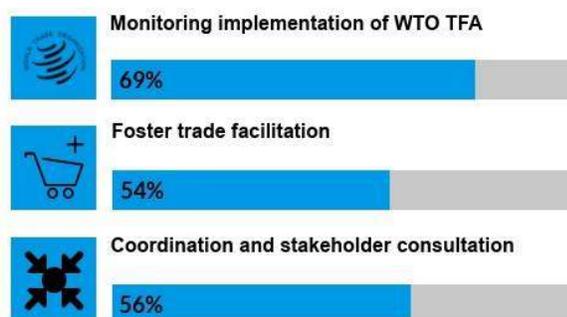
However, it is worth highlighting that trade facilitation committees have been identified as key instruments and drivers for the successful implementation of trade facilitation reforms long before the negotiations of the WTO TFA even started. **National Trade Facilitation Committees, even those created in the context of the WTO TFA, should address issues and aim at reaching results beyond the implementation of the WTO TFA.**

Figure 7: Objectives of National Trade Facilitation Committees

Developed countries



Developing countries



Least developed countries



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample by level of development: developed countries (3), developing countries (39), least developed countries (17).

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2.1.2 Scope of action

When analyzing the scope of action of National Trade Facilitation Committees, answers show that **47 per cent of NTFCs have a scope of action almost or purely limited to issues related to the WTO Trade Facilitation Agreement** (see Figure 8).

In the past, transport and trade facilitation issues were often dealt with together, acknowledging the strong linkages and synergies between both issues. For some countries, this even resulted in the establishment of National Transport and Trade Facilitation Committees as in Jordan or Pakistan.⁵ However, **with the increasing importance of trade facilitation, some countries decided**

to have separate committees dealing with transport and trade facilitation issues. This is the case, for instance, in Ghana. Ghana's National Road Transport and Transit Facilitation Committee was created in 2007, while Ghana's National Trade Facilitation Committee was set up in 2016. According to the survey, **only 13 per cent of NTFCs refer specifically to transport issues in their scope of action.**

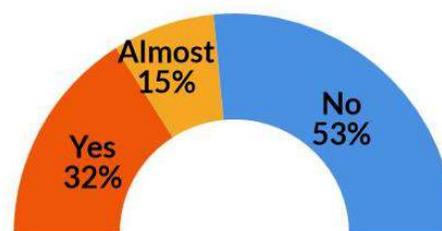
While answering to the questionnaire, countries could describe as many scopes of actions as needed. The responses to the questionnaire were categorized into eight scopes of action, as shown in Figure 9.

Advising government and making recommendations (39 per cent of the committees) is the most cited scope of action. This is always the case, independently of the level of development of the country (see Figure 10). Moreover, two specific types of advice were highlighted: *advice on legal changes* (15 per cent) as well as *advise and promotion of international trade facilitation standards and other trade facilitation reforms* (12 per cent). The probability of seeing these two scopes in an NTFC increases with the level of development of a country.

Collecting and disseminating information and raising awareness on trade facilitation is the second most cited scope of action (32 per cent). This is always the case, independently of the level of development of the country (see Figure 10). A total of 19 per cent of NTFCs also claim to work in the organization of *training and capacity building* sessions. Some of the scopes of action mentioned are undoubtedly a result of the need of NTFCs to respond to the first challenges of the implementation of WTO TFA provisions: *monitoring technical assistance projects and programmes* (24 per cent), *search financing partnerships for reforms and relationship with donors and implementation agencies* (12 per cent) as well as the already mentioned *special advice on legal changes* (15 per cent).

In fact, compared to the results of the 2015 UNCTAD study, two new scope of actions have appeared: *advice on legal changes* as well as *search financing partnerships for reforms and relationship with donors and implementation agencies*. These aspects are reflecting the early necessity of NTFCs to create an enabling legal

Figure 8: Is the scope of the NTFC limited to issues related to the WTO Trade Facilitation Agreement?



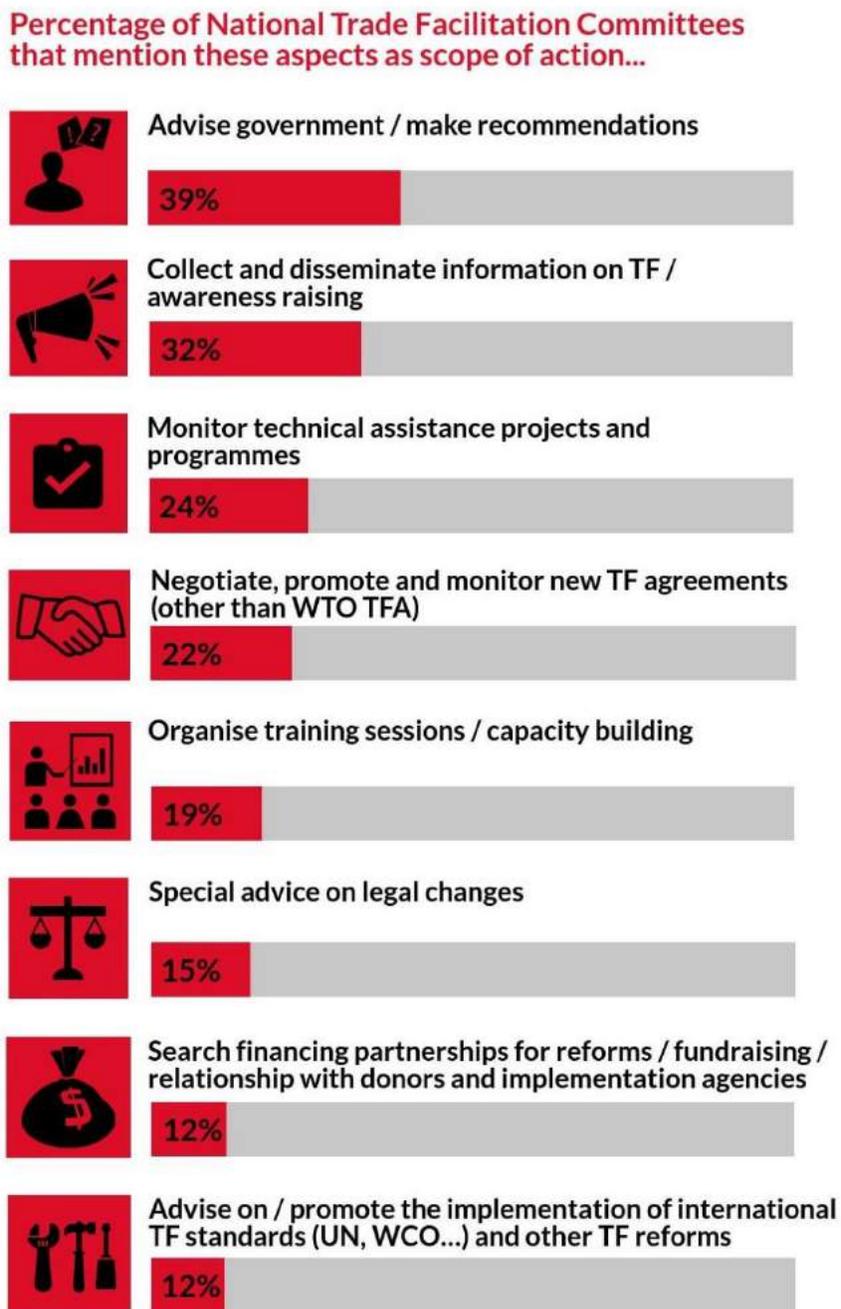
Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. - Sample: 59 countries

⁵ Both country cases can be found under <http://unctad.org/tfc>.

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framework for upcoming reforms as well as get access to technical and financial assistance in a coordinated manner.

Figure 9: Scope of action of National Trade Facilitation Committees



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample: 59 countries

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Figure 10: Percentage of National Trade Facilitation Committees that mention these aspects as scope of action, per level of development

Developed countries



Developing countries



Least developed countries



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample per level of development: developed countries (3), developing countries (39), least developed countries (17).

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By defining a broad scope of action from the beginning, National Trade Facilitation Committees are flexible to promptly adapt to the changes that new international/regional agreements and priorities might bring in the future. This is essential for the sustainability of the NTFC over the years. Box 3 presents the country case of the Committee of Moldova, which has a comprehensive scope of action.

Box 3: Example of a comprehensive scope of action: the case of Moldova

- Identification of national legislation discrepancy in field of foreign trade and the legislation of the European Union and the reference to them;
- Developing of proposals in order of national legislation harmonization in the field of foreign trade and international transport with the EU legislation;
- Formulation of proposals on harmonization of national legislation with the European Union in order to implement in the optimal conditions the foreign trade and international transport;
- Information of the economic agents and providing technical assistance in the integration and use of UN / EDIFACT language (United Nation / Electronic Data Interchange for Administration, Commerce and Transport);
- Collecting and monitoring information on best practices of foreign trade;
- Organization of courses, seminars and conferences on the methods and technologies, contributing to the harmonization of trade procedures;
- Cooperation within the competence of the Committee, with local and specialized international institutions and Organizations for the facilitation of international trade procedures and international transportation, as well as with local and foreign economic agents, operating in this area.
- Identifying problems in the field of procedures of trade and development recommendations on their solving.
- Implementation of the national export strategy, focusing in the development of proposals for the fortification of the system of support measures and trade facilitation, including protective measures.
- Monitoring of compliance with trade legislation and trade agreements to ensure freedom and fairness in trade.
- Support the implementation of the program, providing related services to small producers to increase their competitiveness.
- Assistance local entrepreneurs in order of continuous improve capacity and efficient production in the frameworks of awarding program of the national mark of quality - "Brand of the Year."
- Coordination and guidance the work on the improving competitiveness in conjunction with enterprises, central and local governments, relevant organizations.
- Assistance in the development, protection and expansion of intellectual property rights.
- Support of the National Information Infrastructure development, accessible and transparent.
- Fortify and institutionalize fixing measures to support trade, especially in large emerging markets.
- Restructuring the export control system in relation to modern requirements, which resulted in the development of concrete measures on increasing the number of export transactions with low-risk and control of transactions with an increased risk.
- Fortification of public understanding of the Republic's economy's state, its competitiveness by improving the economic reporting at the national, regional and international levels.
- Providing the collection of technical information, its research and analysis for understanding the problems of economic development and mobilization resources for their solving at the local level.
- Creating opportunities for the development of enterprises in key sectors of growth, coupled with the requirements of their geographic location.
- Improving access system to obtain financing of companies.
- Providing technical direction to the national infrastructure system of metrology and standardization. Fortification of the national system of standardization and metrology, of production products characteristics to the requirements of national standards.

Source: UNCTAD, online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

2.2 Institutional framework

The following five key aspects of the institutional framework of trade facilitation committees are considered in this section: degree of institutionalization; existence of terms of reference; work plan, monitoring and reporting; role of the coordinating agency and permanent secretariat as well as the regularity and frequency of meetings.

2.2.1 Degree of institutionalization

In the past decades, the institutionalization and legal backing of National Trade Facilitation Committees has been strongly supported by international agencies such as UNCTAD, UNECE or UNESCAP. This was considered essential to prevent conflicts of interest and to increase participation of members as well as ensuring high-level political commitment.

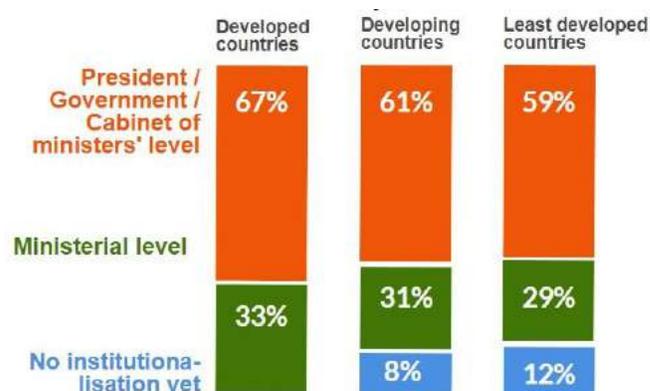
With the entry into force of the WTO Trade Facilitation Agreement, WTO member states have a legal obligation to establish a National Trade Facilitation Committee. However, the implementation in national law of the WTO Agreement on Trade Facilitation may be a good starting point to reinforce the legal backing of the NTFC at national level.

The vast majority (92 per cent) of trade facilitation committees considered in this study are to some extent institutionalized. This represents an increase of 16 percentage points compared to UNCTAD 2015 study, suggesting that the entry into force of the WTO Trade Facilitation Agreement has had an impact on the committee’s formal establishment by Member States.

As shown in Figure 11, the answers of the survey reaffirm the results of UNCTAD 2015 study. **There is “a relationship between the level of development of a country and the degree of institutionalization: the less developed a country, the higher the level of the authority institutionalizing the trade facilitation body.** Since stakeholders are less informed about trade facilitation in Least Developed Countries, only a higher and more knowledgeable authority might consider trade facilitation and the establishment of a trade facilitation body as a policy objective”. (UNCTAD 2015)

Each country decides on the degree of institutionalization that is beneficial for a trade facilitation committee based on its own administrative culture and political priorities. For the

Figure 11: Is the NTFC institutionalised? Results by level of development



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample per level of development: developed countries (3), developing countries (39), least developed countries (17).

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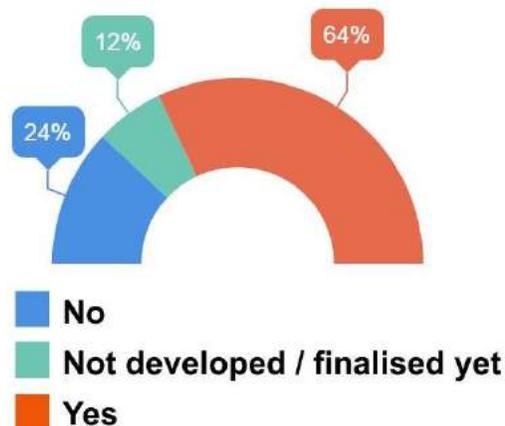
purposes of this study, the responses to the questionnaire were regrouped into the following three categories depending on the level of the authority that approved the creation of the body: governmental;⁶ ministerial; and not institutionalized yet. **The majority (51 per cent) of trade facilitation committees considered in this study were institutionalized at the governmental level, for instance, by a decision of the Cabinet of Ministers or by presidential decree**, while 41 per cent were institutionalized at ministerial level. As trade facilitation committees have a coordinating role among public agencies, a legal basis at the governmental level may help address the potential conflicts of interest among key stakeholders.

2.2.2 Terms of reference

As described in UNCTAD (2015), “terms of reference are a document that sets up the basis for a common understanding among the parties involved in a trade facilitation body. In an ideal situation, terms of reference include the objectives of the committee, its scope of action and its working structure, among others. The document is created in consultation with and validated by the members of the group, setting the basis for building trust and dialogue within the group”. (UNCTAD 2015)

As shown in Figure 12, nearly two-thirds (64 per cent and 37 out of 58 countries) of the trade facilitation committees considered in this study had defined terms of reference. A total of 12 per cent of NTFCs state that they are in progress of developing them.

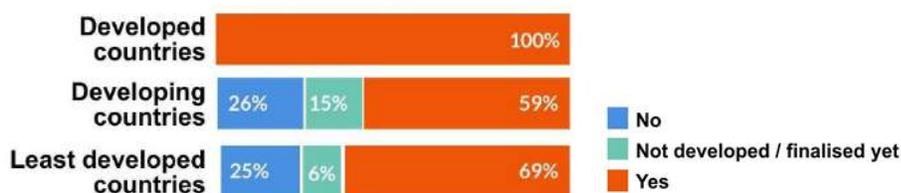
Figure 12: Does the NTFC have Terms of Reference?



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample: 58 countries

Developed countries have a higher probability to have defined terms of reference than developing and least developed countries, as shown in Figure 13.

Figure 13: Does the NTFC have Terms of Reference? Answers per level of development and continent



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample per level of development: developed countries (3), developing countries (39), least developed countries (16).

⁶ The governmental level includes those decisions taken at a level above a single ministry, that is, decisions that involve the entire executive branch and not just one ministry, including decisions taken by the council or Cabinet of Ministers, presidential decree, etc.

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2.2.3 Work plan, monitoring and reporting

Having a defined work plan and a tool to monitor its progress is a key factor for ensuring the successful implementation of trade facilitation reforms. As shown in Figure 14, **only 62 per cent of National Trade Facilitation Committees affirm to have a work plan**, while 16 per cent explain that they are in the process of developing it.

A clear majority (87 per cent) of National Trade Facilitation Committees affirm to monitor their work plan. The results show a negative correlation between having an established monitoring tool and the level of development of countries. **The more developed a country is, the bigger the probability of having monitoring the work plan.** All developed countries (100 per cent) sustain that they have a monitoring tool. This percentage decreases to 89 per cent for developing countries and 81 per cent for least developed countries.

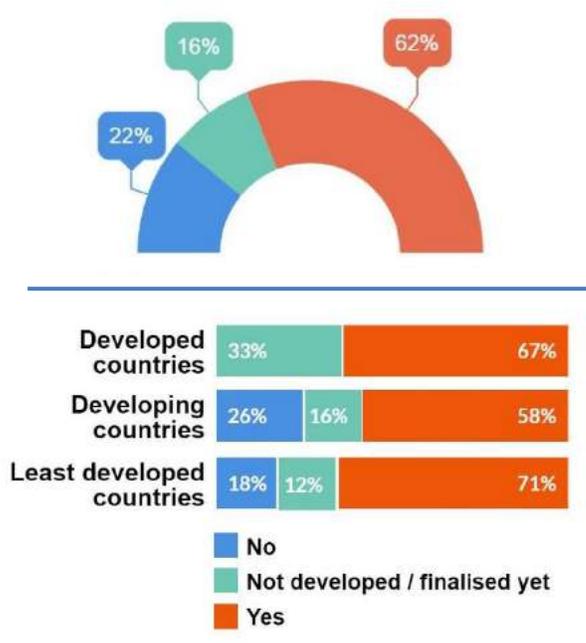
Regarding reporting duties, only 42 countries were able to define who the NTFC reports to. From those who answered, **41 per cent of committees report to the Minister or a senior staff at the Ministry.** A third of committees (33 per cent) report to another committee at higher level. Almost a fifth of NTFCs (19 per cent) report to the Cabinet or the Government and only seven per cent report directly to the Prime Minister.

2.2.4 Coordinating agency and permanent secretariat

In the questionnaire, countries were asked about which agency has taken the role of coordinating the work of the National Trade Facilitation Committee and whether the NTFC had a permanent secretariat. A coordinating agency is the agency that leads the efforts of the Committee. Usually, the chairperson or vice-chairperson of the committee come from that agency. The permanent secretariat, on the other hand, is the office that has the role to send invitations, prepare the agenda, prepare the meeting minutes, reports, among others. In some occasions, the functions of the permanent secretariat can be assumed by the coordinating agency.

As shown in Figure 15, the **Ministry of Trade assumed the role of coordinating agency in most cases (70 per cent)**. For 18 per cent of committees, other national agencies (i.e. prime ministry office, ministry of transport, ministry of foreign affairs, Department of Immigration, etc.) are taking over the role of coordinating agency. Customs is the leading agency in 12 per cent of NTFCs. This number might increase in the future as countries move progressively towards the implementation on concrete provisions of the WTO TFA.

Figure 14: Does the NTFC have a work plan?



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample: 58 countries
Sample per level of development: developed countries (3), developing countries (38), least developed countries (17).

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Figure 15: NTFC coordinating agency



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample: 57 countries

The analysis shows that the **Ministry of Trade is the designated coordinating agency in almost all countries in Africa (90 per cent)**. Asia is the continent where Customs has more probabilities (27 per cent) to get the role of coordinating agency. As the majority of least developed countries are situated in the African continent, it does not come as a surprise that least developed countries are the ones where the Ministry of Trade has more probabilities of being selected the coordinating agency.

Figure 16: NTFC coordinating agency per level of development



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample per level of development: developed countries (3), developing countries (38), least developed countries (16).

As shown in Figure 17, **most National Trade Facilitation Committees (71 per cent) affirm to have a permanent secretariat**. This represents an increased in 11 percentage points compared to the results of UNCTAD 2015 study. While the percentages have not changed much for developing countries since 2015, there is has been a substantial increase in the number of least developed countries that have a permanent secretariat. While in 2015, only 50 per cent of least developed countries claimed to have a permanent secretariat in their committees, this number has gone up to 76 per cent in 2018.

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Figure 17: Permanent secretariat of the NTFC per level of development



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

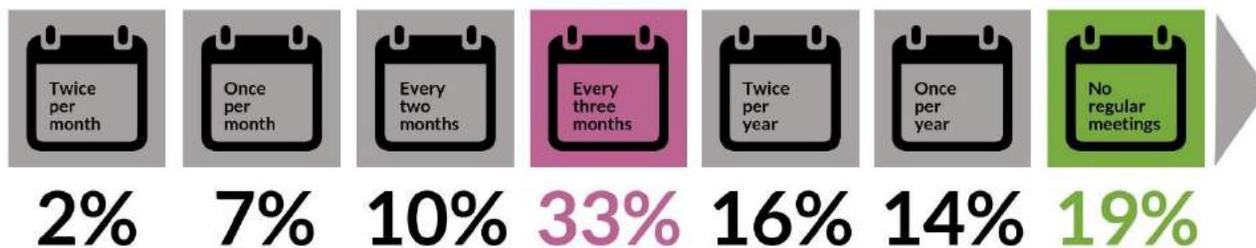
Sample per level of development: developed countries (3), developing countries (39), least developed countries (17).

2.2.5 Regularity and frequency of meetings

Trade facilitation committees are permanent institutions which require to meet regularly. With the entry into force of the WTO Trade Facilitation Agreement, many issues are to be solved and reforms need to be started. In that context, ensuring domestic coordination is essential and it can be done with the help of frequent meetings. As recommended in previous studies: **“The regularity and frequency of meetings can contribute to the sustainability of a trade facilitation body.** Establishing that the body will meet on the first Wednesday of each quarter, for instance, will help members to plan their calendars based on fixed dates and ensure that they are present for each session of the working group. The regularity of meetings is essential for the monitoring and follow up of the activities of the trade facilitation body, which was noted by survey respondents as an important success factor.” (UNCTAD 2015)

By comparing the results of this survey to the ones published by UNCTAD in 2015, a positive development can be observed: **National Trade Facilitation Committees meet more frequently than before.** While in 2015, only 29 out of 60 countries affirmed to meet regularly, three years later, 47 out of 58 countries affirmed to meet at least once per year. As shown in Figure 18, **a third (33 per cent) of NTFCs meet quarterly** and less than 10 per cent meet once or more per month.

Figure 18: Frequency of meetings of National Trade Facilitation Committees



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

Sample: 58 countries

2.3 Composition

This part of the study analyses who are the members of National Trade Facilitation Committees as well as their level of seniority.

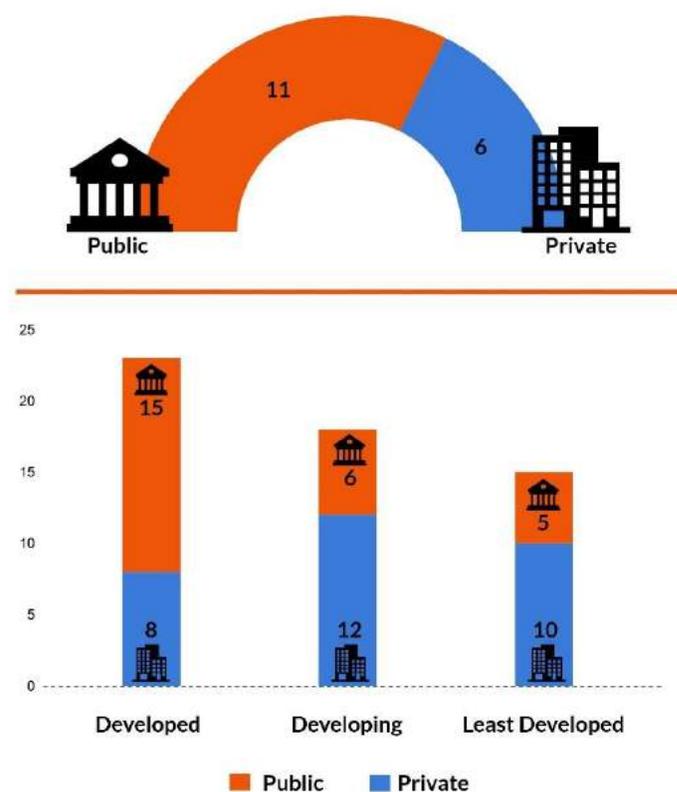
2.3.1 Public-private representation

Trade Facilitation is a transversal issue. This means that any trade facilitation reform or initiative might impact different sectors. Sometimes, this impact is unintended and was not foreseen because the right stakeholders were not consulted and involved from the beginning in the design and implementation of these reforms. Thus, **it is essential that the composition of a National Trade Facilitation Committee is based in the principle of inclusiveness.**

Among the National Trade Facilitation Committees surveyed, the average membership is 17 members, where 11 participants represent the public sector and six the private sector. The conclusion of UNCTAD 2015 study is still valid: “The data show a positive correlation between the level of development of a country and membership: the more developed a country, the more members are included in the trade facilitation body” (UNCTAD 2015). Since 2015, an increase on the average number of members in the NTFCs of both developing and least developed countries can be observed. While in 2015, NTFCs in developing countries and least developed countries had respectively 16 and 14 members on average, these numbers have raised to 18 and 15 in 2018. To explain this trend one could argue that, with a better understanding of the implications of trade facilitation, countries are advocating for establishing more inclusive National Trade Facilitation Committees. In fact, as it will be explained in Lessons learned, when setting up a National Trade Facilitation Committee, NTFCs considered inclusiveness a very important factor.

With around 60 members listed in its Terms of Reference, the Kenya National Trade Facilitation Committee provides a great example of how inclusiveness could actually look like for an NTFCs (see Box 4)

Figure 19: Average number of public and private members in a National Trade Facilitation Committee



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample: 59 countries
Sample per level of development: developed countries (3), developing countries (39), least developed countries (17).

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Box 4: Example of a comprehensive list of NTFC members: the case of Kenya

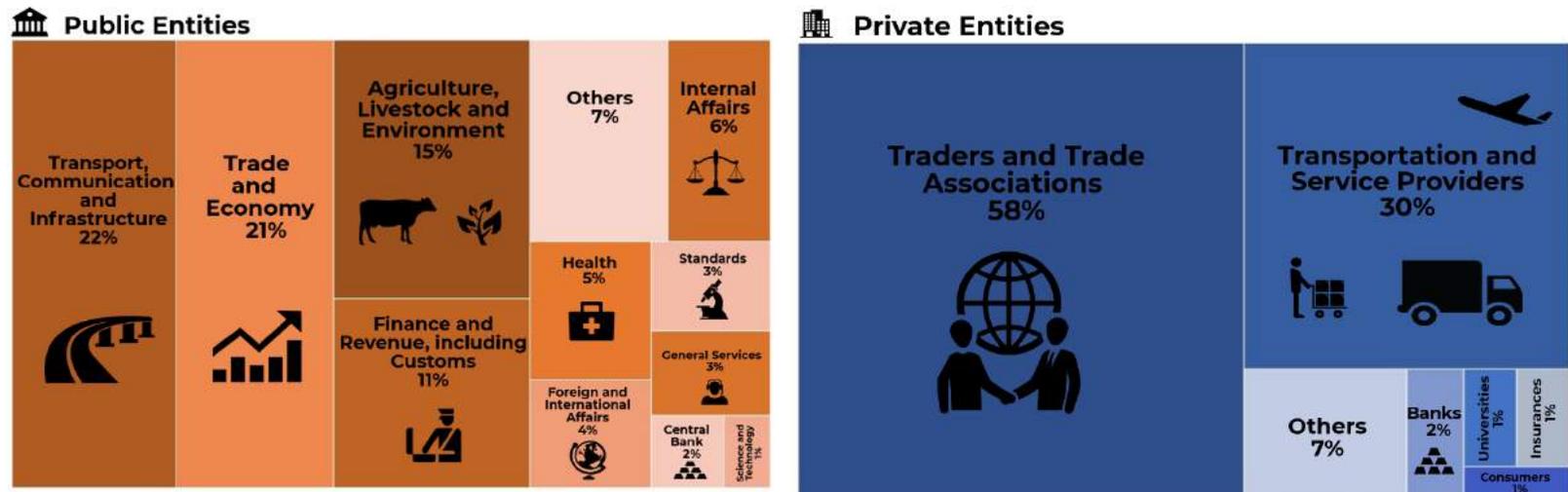
- State Department of Trade (SDT);
- Ministry of Foreign Affairs (MFA);
- Ministry of Transport and Infrastructure (MOT& I);
- State Department of Planning (STP);
- Agriculture, Fisheries and Food Authority (AFFA);
- Directorate of Veterinary Services (DVS);
- Port Health Services (PHS);
- State Department of East African Integration (SDEAI);
- Kenya National Police Service (KNPS);
- Department of Immigration (DOI);
- State Department of Information Communication Technology (ICT) and Innovation (SDICT & I);
- The National Treasury (NT);
- Office of the Attorney-General and Department of Justice (OAG& DJ);
- Kenya Bureau of Standards (KEBS);
- Customs and Border Controls Department (C& BCD);
- Kenya Maritime Authority (KMA);
- Kenya Ports Authority (KPA);
- Kenya Transporters Association (KTA);
- Kenya Institute for Public Policy Research and Analysis (KIPPPRA);
- Shippers Council of Eastern Africa (SCEA);
- Kenya Association of Manufacturers (KAM);
- Kenya Trade Network Agency (KenTrade);
- Kenya Airports Authority (KAA);
- Kenya Railways Corporation (KRC);
- Kenya International Freight Warehousing Association (KIFWA);
- Kenya Plant Health Inspectorate Services (KEPHIS);
- Kenya National Chamber of Commerce and Industry (KNCC&I);
- Fresh Produce Exporters Association of Kenya (FPEAK);
- Kenya Private Sector Alliance (KEPSA);
- National Environment Management Authority (NEMA);
- Kenya National Highways Authority (KENHA);
- Anti -Counterfeit Agency (ACA);
- Kenya Pipeline Company (KPC);
- Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI Kenya);
- National Bio-Safety Authority (NBA);
- Trade Facilitation Association of Kenya(TFAK);
- Council of Governors (COG);
- University of Nairobi (UON);
- Kenya Investment Authority (KenInvest);
- Competition Authority of Kenya (CAK);
- Consumer Protection Federation of Kenya (COFEK);
- Kenya Groupage Cargo Handling Association (KGCHA);
- Cross-Border Traders Association (CBTA);
- Pest Control Products Board (PCPB);
- Kenya Industrial Property Institute (KIPI);
- Institute of Economic Affairs (IEA);
- Central Bank of Kenya (CBK);
- Kenya Airways (KQ);
- Kenya National Bureau of Statistics (KNBS);
- Export Promotion Council (EPC);
- Media Council of Kenya (MCK);
- Association of Professional Services of East Africa (APSEA);
- National Transport and Safety Authority (NTSA);
- Container Freight Stations Association (CFSA);
- Kenya Ships Agents Association(KSAA);
- The Northern Corridor Transit Transport Authority (NCTTA);
- Radiation Protection Board (RPB);
- East Africa Tea Trade Association (EATTA);
- The Intergovernmental Standing Committee on Shipping (ISCOS)

Source: *THE KENYA GAZETTE*, Published by Authority of the Republic of Kenya, (Registered as a Newspaper at the G.P.O.), Vol. CXVIII —No. 110, NAIROBI, 16th September, 2016, retrieved from <http://unctad.org/tfc>, May 2017

This research analyzed in depth the members of National Trade Facilitation Committees. The diverse institutions named by NTFCs in the survey, were regrouped in several categories, as presented in Figure 20. On the one hand, the public institutions in a trade facilitation committee are on average represented as follows: Transport, Communication and Infrastructure (22 per cent of members from the public sector), Trade and Economy (21 per cent), Agriculture, Livestock and Environment (15 per cent), Finance and Revenue, including Customs (11 per cent), Internal affairs (6 per cent), Health (5 per cent) Foreign and international Affairs (4 per cent) General services (3 per cent), Standards (3 per cent), Central Bank (2 per cent), Science and Technology, (1 per cent). Other public institutions represented 7 per cent of members.

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Figure 20: Members of the National Trade Facilitation Committees from the public and private entities



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample: 59 countries

Traders and Traders Associations (chamber of commerce and industry, chamber of agriculture, chamber of mines, export and investment promotion, trade, importers, shippers, exporters, traders and merchants, single enterprises and businesses, manufacturers)

Transportation and Service Providers (transport associations and network, transporters, automotive and truck owners, ship owners, logistics, carriers, freight forwarders, customs brokers, clearing agents, airlines, airport authorities, ports and harbours, container terminals, terminal operators, warehousemen and stevedores)

Consumers

Universities

Banks

Insurances

Others

Agriculture, Livestock and Environment (fisheries, livestock, veterinary, food, plant protection and pest control, environment)

Transport, Communication and Infrastructure (air transport and airport, land transport, maritime transport, port, shipping)

Finance and Revenue, including Customs

Internal Affairs (national security, immigration)

Trade and Economy (trade and industry, investment, economy and development, exports)

General Services (cabinet office, justice/legal, statistics)

Foreign and International Affairs (foreign, regional, international affairs)

Health

Science and Technology

Standards

Others

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On the other hand, the private institutions in a trade facilitation committee are on average represented as follows: Traders and Traders Associations (58 per cent of members from the private sector), Transportation and Service Providers (30 per cent), Banks (2 per cent), Consumers, Insurances, Universities (1 per cent each). Other private institutions represented 7 per cent of members.

Based on the statistics gathered in Figure 19 and Figure 20, the **core members of a typical, average-numbered NTFC** tend to be:

Table 2: Core members of a National Trade Facilitation Committee

Public Sector	Private Sector
Two members of transport, communication and infrastructure	Three members of traders and trade association
Two members of agriculture, livestock and environment	Two members of transport and service provider
Two members of trade and economy	
One member of finance and revenue, including customs	
One member of internal affairs	
One member of health	
One member of foreign and international affairs	
Two members from others (for instance standards, general services, foreign and internal affairs, banks, science and technology, tourism and culture, university, insurances or consumers)	

Source: UNCTAD

Analysing the composition of National Trade Facilitation Committees per level of development, the results show that **the less developed a country is, the more diverse the membership of an NTFC might be** (see Figure 21). Traders and trade associations are more represented in developed countries than in developing and least developed countries.

The involvement of the private sector in a National Trade Facilitation Committee can take many different forms, especially in developed countries where the practice of consultation is usually well established and follow pre-defined procedures.

Box 5: Involving the private sector: the case of the United States of America

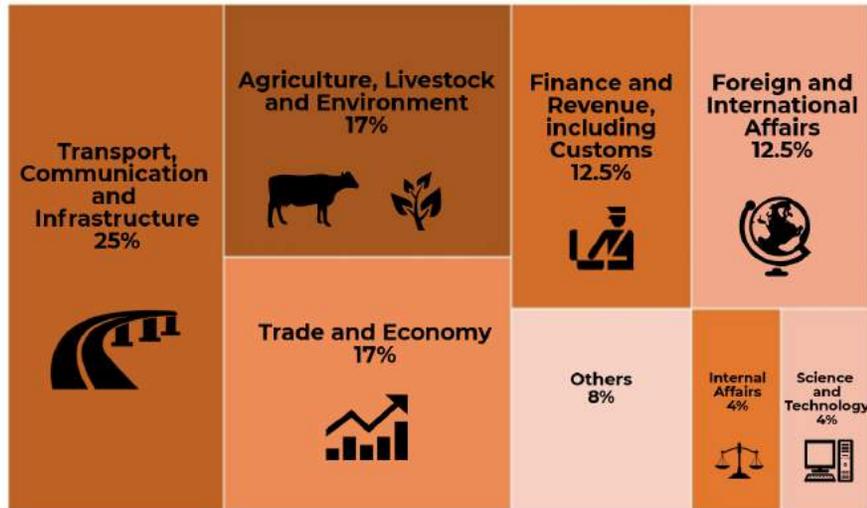
Private associations or entities do not participate in the work of the Trade Policy Staff Committee. However, the Trade Policy Staff Committee solicits input from the public through public hearings and Federal Register notices. Additionally, the U.S. Congress established the private sector advisory committee system in 1974 to ensure that U.S. trade policy and trade negotiation objectives adequately reflect U.S. commercial and economic interests. Congress expanded and enhanced the role of this system in subsequent trade acts, most recently the Trade Act of 2002. The advisory committees provide information and advice with respect to U.S. trade policy. The trade policy advisory committee system consists of 26 advisory committees, with a total membership of up approximately 700 advisors.

Source: UNCTAD, online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

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Figure 21: Members of the National Trade Facilitation Committees from the public and private entities per level of development

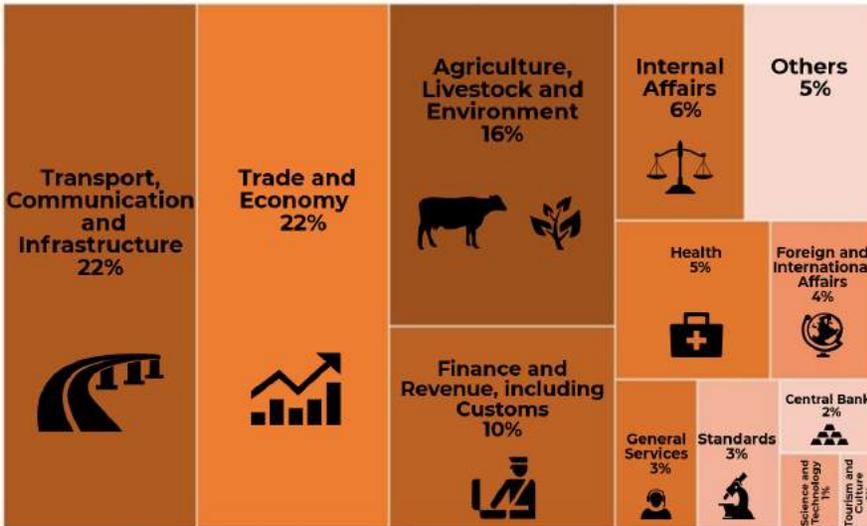
Public entities - Developed Countries



Private entities - Developed Countries



Public entities - Developing Countries

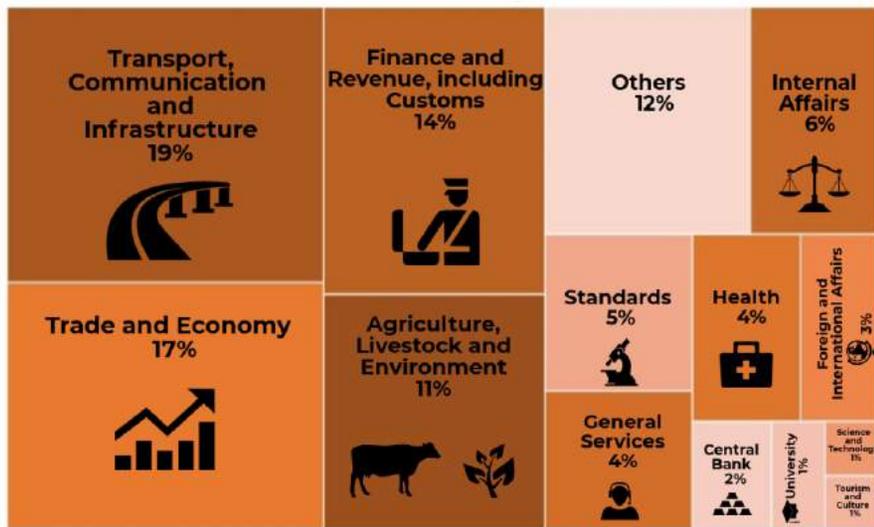


Private entities - Developing Countries



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Public entities - Least Developed Countries



Private entities - Least Developed Countries



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample by level of development: developed countries (3), developing countries (39), least developed countries (17).

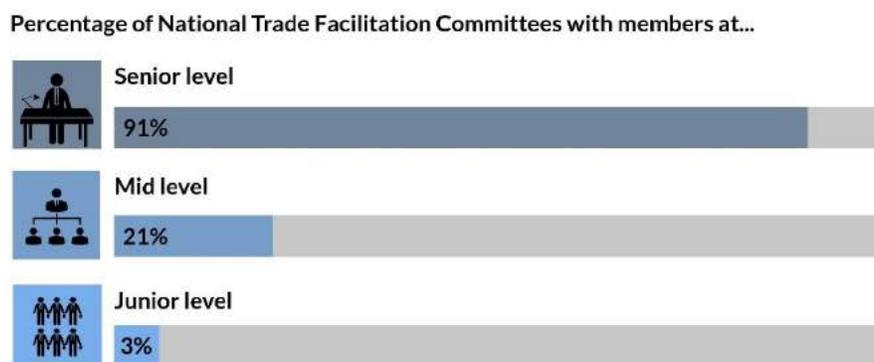
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2.3.2 Level of seniority of members

As it will be discussed in Chapter 3, one of the main obstacles for National Trade Facilitation Committees is the incorrect representation of members and their frequent replacement. As a decision-making body, it is essential that NTFCs have the right people sitting around the table at each meeting. This means, **the members of the Committees should be knowledgeable staff from private and public institutions, who will not just fulfil a representative function but who should be able to contribute meaningfully to the debates and take at least certain decisions on behalf of their organizations.** Therefore, the participation of senior staff should be encouraged.

The vast majority of National Trade Facilitation Committees (91 per cent) claim to be formed by senior staff. A total of 21 per cent affirm to have mid-level staff among its members, while only three per cent of NTFCs recognized to have sent junior staff to the meetings of the Committee (see Figure 22).

Figure 22: Level of seniority of members of the National Trade Facilitation Committee



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

Sample: 58 countries



Members of Sudan National Trade Facilitation Committee

2.4 Gender mainstreaming⁷

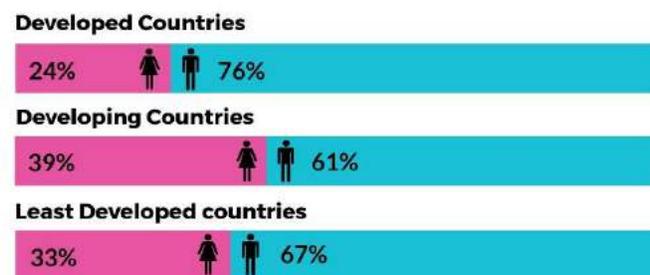
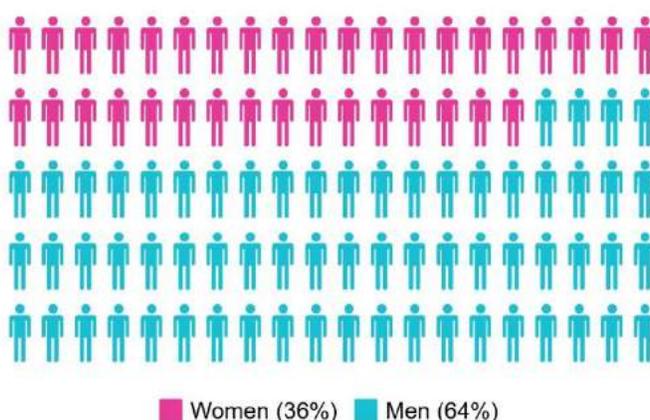
The United Nations Agenda for Sustainable Development aims, among other goals, to achieve gender equality and empower all women and girls. **Since National Trade Facilitation Committees are bodies working on the definition of trade policies and trade facilitation standards, achieving a gender balanced membership is crucial.** As explained in UNECE’s Briefing note on the contribution of UN/CEFACT to UN Sustainable Development Goal 5, “guiding women in understanding trade procedures, setting guidelines for standards bodies to ensure a more balanced representation of the interests of women and men, promoting participation and decision-making of women in trade facilitation and standards related activities, could have an enormous success in increasing exports and enable women to achieve higher income opportunities”. (UNECE, 2017)

In 2017, a specific survey on the gender perspective in National Trade Facilitation Committees was sent to the NTFCs contacts gathered in UNCTAD’s Repository. Between April and May 2017, a total of 39 countries (five developed, 28 developing and six least developed countries) answered the questionnaire.

Results show that, nowadays, **National Trade Facilitation Committees are not gender balanced. On average, only 36 per cent of members of NTFCs are female.** This percentage goes down to 24 per cent in the case of Developed Countries (see **Error! Not a valid bookmark self-reference.**).

Not only Committees are not gender balanced, but it also occurs that **most NTFCs (62 per cent) are usually chaired or co-chaired by men.** As shown in Figure 24, only 17 per cent of National Trade Facilitation Committees are chaired or co-chaired by a woman in Least Developed Countries.

Figure 23: Average gender distribution in National Trade Facilitation Committees

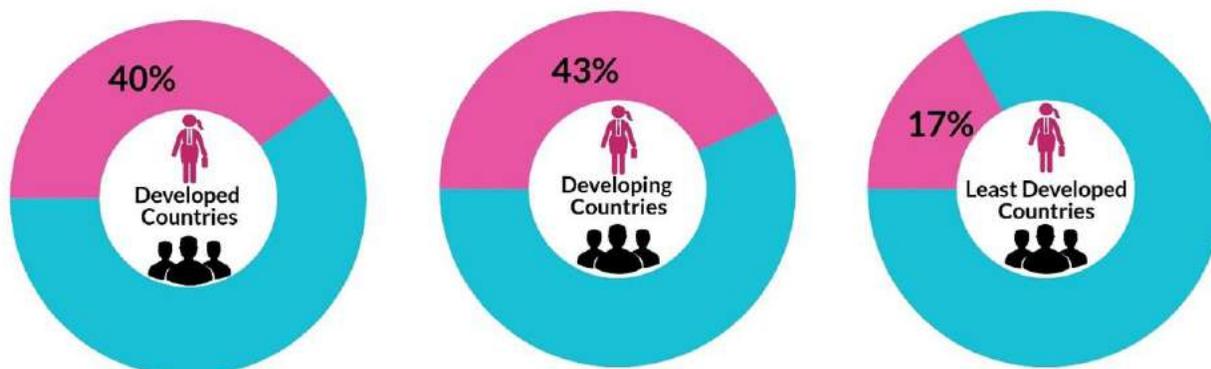


Source: UNCTAD – Sample per level of development: developed countries (5), developing countries (28), least developed countries (6)

⁷ In September 2015, UNCTAD leadership reaffirmed its commitment to gender equality by becoming a Geneva Gender Champion. UNCTAD committed to review “all UNCTAD’s technical assistance programmes and mainstream gender in them”, as well as to “mainstream gender in all of UNCTAD’s flagship publications.”, UNCTAD news item, 21 sept 2015, <http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=1079>

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Figure 24: Percentage of National Trade Facilitation Committees where their Chairman, President or Vice President is a woman, by level of development



Source: UNCTAD – Sample per level of development: developed countries (5), developing countries (28), least developed countries (6)

From the 39 countries that answered the survey, only one country affirmed that the Committee has ever taken a decision or action to mainstream gender in trade facilitation. When asked why this is the case, **almost half of NTFs affirm that this is due to a lack of awareness on gender mainstreaming (44 per cent). Almost a third of Committees (31 per cent) considered that gender mainstreaming is not relevant at this stage. Finally, 23 per cent of bodies believed that gender mainstreaming is not a priority.** As shown in Figure 26, while the latter is the main reason given by developed countries, developing and least developed countries pointed to the lack of awareness on gender mainstreaming.

Figure 25: Reasons why the National Trade Facilitation Committees has never taken a decision or action to mainstream gender in trade facilitation



Source: UNCTAD – Sample: 39 countries

These results demonstrate that there is a long way to go to ensure gender mainstreaming in the work of National Trade Facilitation Committees as well as a gender balanced representation of its members, and that there is a need to raise awareness and understanding of the gender dimensions of trade facilitation. This need must be addressed urgently as the 2017 Global Gender Gap Report by the World Economic Forum shows, for the first time since its inception, a reversal in progress towards gender equality.

Mainstreaming gender into National Trade Facilitation Committees will not only contribute to the achievement of SDG 5, but also encourage more effective and innovative outcomes and processes. Evidence has shown that bodies with a more balanced representation of women, particularly at the senior

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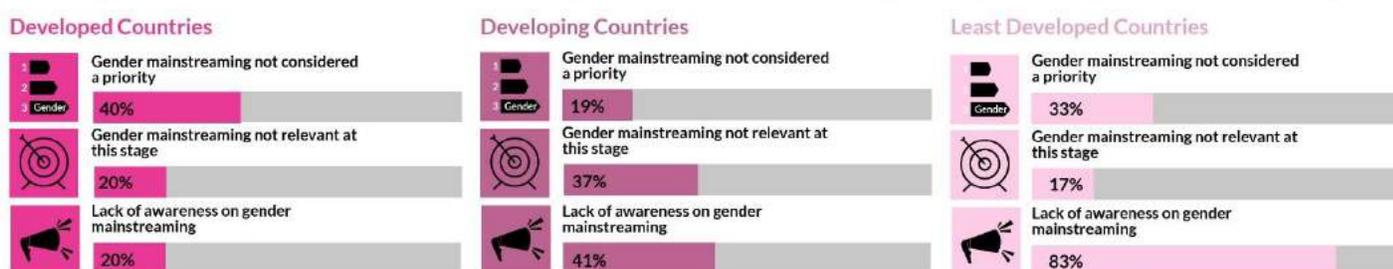
level, considerably outperform their counterparts with a lower representation of women. Research has likewise shown that teams with gender parity demonstrate greater potential for innovation⁸.

Thus, **National Trade Facilitation Committees should make concrete steps to address gender equality, regarding both the composition of the committee and the substance of its work.** For instance, they could:

- Track whether there is equal participation between women and men in the NTFC.
- Establish a minimum level of representation of women in the NTFC.
- Regarding policies and standards developed or promoted by the NTFC, consider whether it responds to gender and/or sex-specific risks, vulnerabilities and needs and, if they contribute to the economic empowerment of women.
- Where possible, use data disaggregated by sex.

Figure 26: Reasons why the National Trade Facilitation Committees has never taken a decision or action to mainstream gender in trade facilitation - per level of development

Percentage of National Trade Facilitation Committees that gave these reasons for not having taken any decisions or actions to mainstream gender



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

Sample per level of development: developed countries (5), developing countries (28), least developed countries (6)



Female participants at UNCTAD International Forum for National Trade Facilitation Committees, January 2017
<https://www.sciencedaily.com/releases/2014/03/140319085430.htm>

2.5 Communication with key stakeholders

This section considers the main communication channels used by trade facilitation committees to reach members and main stakeholders, as well as how trade facilitation committees interact with other relevant groups.

2.5.1 Main communication channels with stakeholders

Communicating with stakeholders is essential to the successful implementation of the NTFC work plan and objectives. As explained in UNCTAD 2015 study, “a communication channel may be defined as the instrument used to pass a message from a sender to a recipient. In the context of trade facilitation bodies, the committees are the senders and their members and direct stakeholders are the recipients of the message”. (UNCTAD 2015)

Figure 27 shows that the main instruments used for communicating with key stakeholders were e-mails (62 per cent), post and official communication channels (41 per cent), meetings (19 per cent), websites (16 per cent) as well as telephone (14 per cent). A total of 14 per cent of countries did not answer the question, showing that communicating is not in the intrinsic nature of some committees. Other channels mentioned by some countries are: press releases, fax, TV, radio, newspapers and specialized magazines. The results also show that 31 out of 58 countries affirm to use more than one communication channel to reach their key stakeholders. In 2017, UNCTAD observed that Whatsapp Groups are also used to manage communication among members of the NTFC.

Box 6: Example of communication strategy for a National Trade Facilitation Committee: the case of Cameroon

The National Trade Facilitation Committee of Cameroon, called CONAFE, published in Summer 2017 a leaflet aiming at raising awareness of the existence and work of this public-private platform. The brochure describes, in English and French, the history, mission and organigram of the Committee.

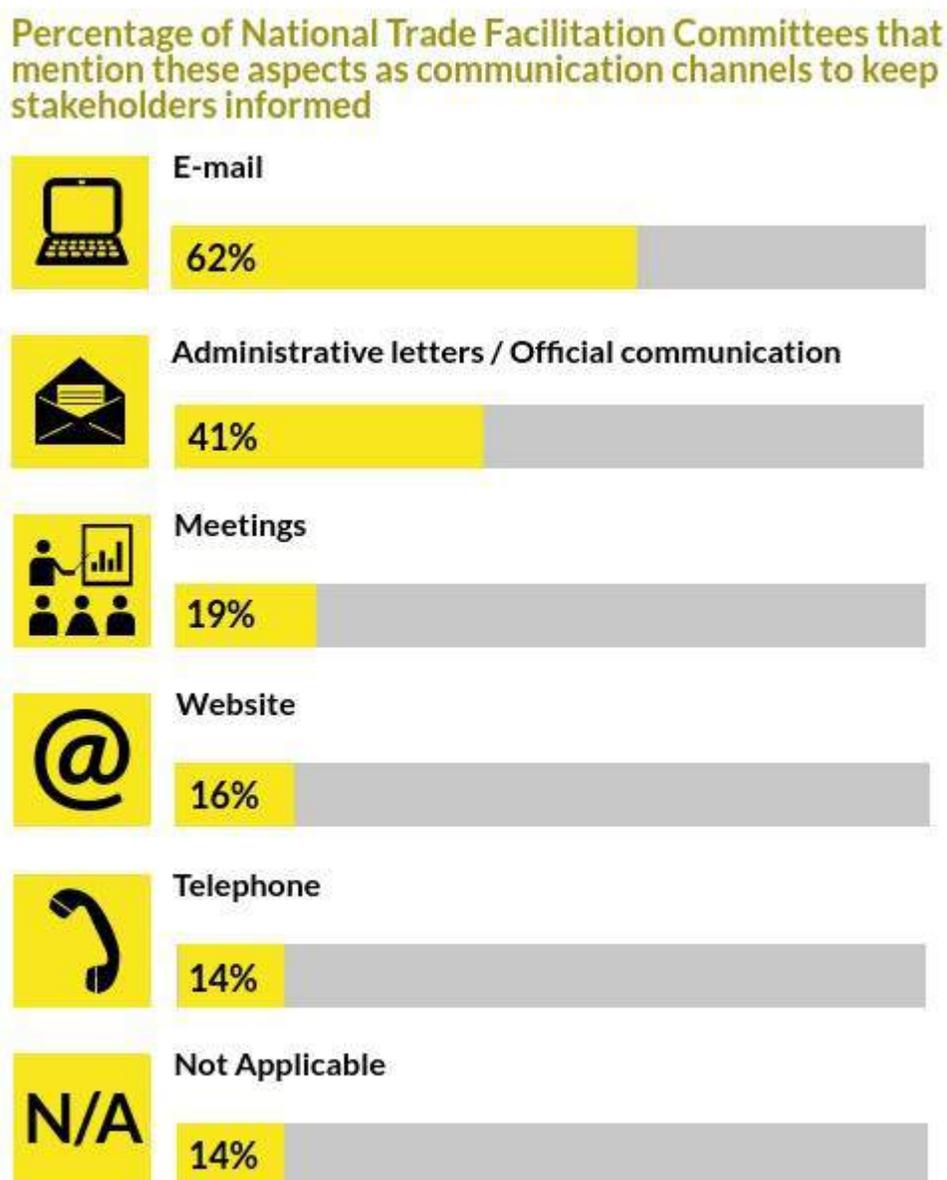
It constitutes a best practice on how a Trade Facilitation Committee might develop a communication strategy and even a visual identity.



CONAFE has a logo, a slogan (“CONAFE, Cameroon foreign trade optimisation instrument”) and five key messages that define the main objectives of the body (public-private dialogue, coordination and consultation, simplification of procedures, cutting time and costs and improving business climate). The Committee has also a website: www.conafe.cm

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Figure 27: Main communication channels used by NTFCs with key stakeholders



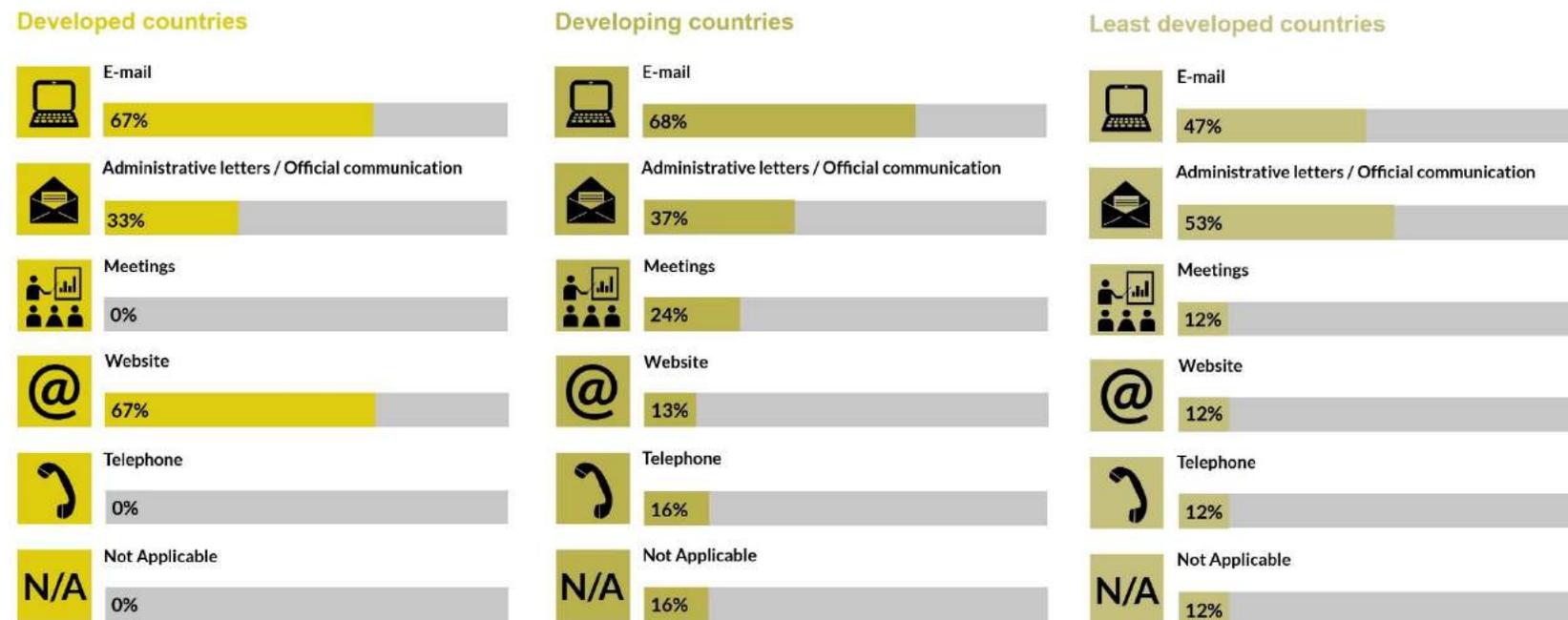
Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample: 58 countries.

As shown in Figure 28, emails were mentioned as the most used communication channel in developed (67 per cent) and developing countries (68 per cent), and the second most used in least developed countries (47 per cent), after the use of administrative letters and official communication. In fact, the less developed a country is, the higher the probability of using administrative letters and official communication to reach out stakeholders. On the contrary, the most developed a country is, the higher the probability of an NTFC to make use of the web to inform all parties involved. These results show that access to new technologies and the bureaucratic idiosyncrasy of countries have a big role to play when it comes to communication.

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Figure 28: Most used communication channels per level of development

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



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample per level of development: developed countries (3), developing countries (38), least developed countries (17)

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2.5.2 Interaction with other groups

The implications of trade facilitation reforms are vast and diverse. Thus, trade facilitation requires close and strong interaction between many different actors. **Coordination and sharing of information should not only happen within the agencies and stakeholders present in the committee itself, but also with other committees and groups dealing with transversal issues or policy aspects which might have an implication at the border.**

Many countries tend to have other committees dealing with transport facilitation, or the implementation of agreements on sanitary and phytosanitary or technical barriers to trade. As these issues are strongly related to trade facilitation, it is important that a communication flow is established between these groups.

A total of 91 per cent of National Trade Facilitation Committees (53 out of 56 countries answering this question) affirm to interact with other groups. This represents an exponential increase since UNCTAD 2015 study, where only 39 countries sustain that they exchange information with other groups.

In many countries, **interaction between groups might take place informally**, often thanks to the fact that experts and public agents are nominated to participate in more than one group at the same time. While this might ensure the de facto exchange of information, **it would be beneficial that a formal procedure is established.** A procedure to ensure the circulation of meeting minutes and reports of the trade facilitation committee to other related groups should be formally adopted.

2.6 Financing

As stated in UNCTAD study 2015, “with an allocated budget, trade facilitation bodies might cover operational needs such as office rental and equipment, software tools, reproduction and publications services, telephones and facsimile machines, translation services, meeting organization, training sessions, public information provision and media outreach and even secretariat employee salaries, if permanent staff members are employed”.

Especially in least developed countries, the availability of budget to cover basic expenses could be essential to make sure that the Committee meets regularly.

From the countries considered in this study, **only 21 per cent claim that there is budget available for the activities of the National Trade Facilitation Committee.** This is a worrisome situation. As will be shown in Chapter 3, respondents consider that access to financing is essential for the sustainability of NTFCs. In fact, **“experience has shown that financial support from the Government, be it in the form of regular budgetary contributions or grants, is vital to sustaining the committee in its early development and throughout its existence.** However, complementary income-earning activities are needed to bolster financial soundness.” (UNCTAD, 2006).

Figure 29: Budget available per level of development



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample: 58 countries. Sample per level of development: developed countries (3), developing countries (38), least developed countries (17).

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As shown in Figure 29, the level of development is not determinant for the availability of budget. While the three developed countries in the sample consider that there is no budget available for the NTFC, 21 per cent of developing countries and 24 per cent of least developed countries affirm that there is budget available for the activities of the National Trade Facilitation Committee.

Figure 30: Source of funding for NTFCs



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample: 56 countries

Naturally, the source of funding for the majority of NTFCs (54 per cent) is the national Government. Around a third of countries gets financing support from international and development partners. This percentage is higher for least developed countries (37 per cent) than for developing countries (29 per cent). The private sector was mentioned as source of financing by only two countries (see Figure 30 and Figure 31). Basing the NTFC financing merely in the contributions of donors and development partners might be risky. This kind of contributions are generally temporary, as per ongoing projects. Thus, the sustainability of the committee can be jeopardized once the project – and its corresponding budget, - comes to an end. This happen for instance in Afghanistan or Nepal. In Nepal, the National Trade and Transport Facilitation Committee was set up in the 1990s in the framework of a World Bank – UNCTAD project, but it stopped working once the project was closed.

The fact that more than one out of 10 countries did not answer this question shows that there is not always clarity or transparency about available resources and source of funding for NTFCs.

Figure 31: Source of funding of NTFCs per level of development



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>. Sample: 56 countries
Sample per level of development: developing countries (35), least developed countries (19).

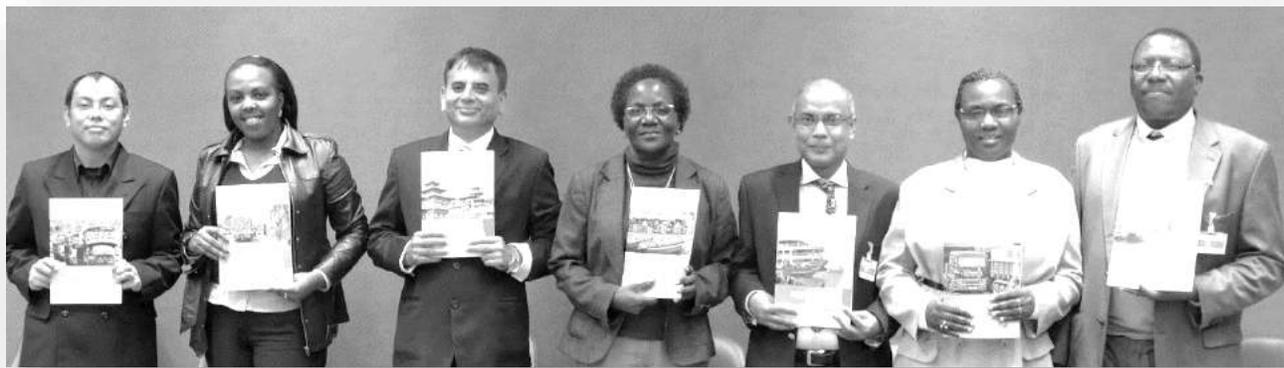
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2.7 Concrete operational outcomes and impact

As will be described in subsequent chapters, maintaining the engagement and high participation of members of the National Trade Facilitation Committees is key to the sustainability of the committee. One way to ensure this is making sure that results are being achieved and that participants are aware of those outcomes. It is crucial to show them the impact of their work and the return on their investment to join the meetings of the Committee.

In the survey, countries were asked “what have been the concrete operational outcomes of the Committee or the impact of the work of the group?” From the 56 countries considered for this question, 13 (23 per cent) did not name any outcome or impact, being then **the question that countries had more difficulties to answer**. This could be due to the fact that many National Trade Facilitation Committees have just recently started their work and that operational outcomes and impact have not been measured yet. However, **it could also be that Committees are not working efficiently and that concrete outcomes have not been produced**. If the latter is the case, a lack of interest in the work of the NTFC could appear. This is something which could derive an increase of absenteeism and a decrease in the frequency of meetings on the medium-term. If the situation is not redirected, the NTFC could de facto cease its activities and become dormant.

A total of 177 outcomes or impacts were classified under nine main categories. The percentage of NTFCs mentioning these aspects are shown in Figure 32 below.

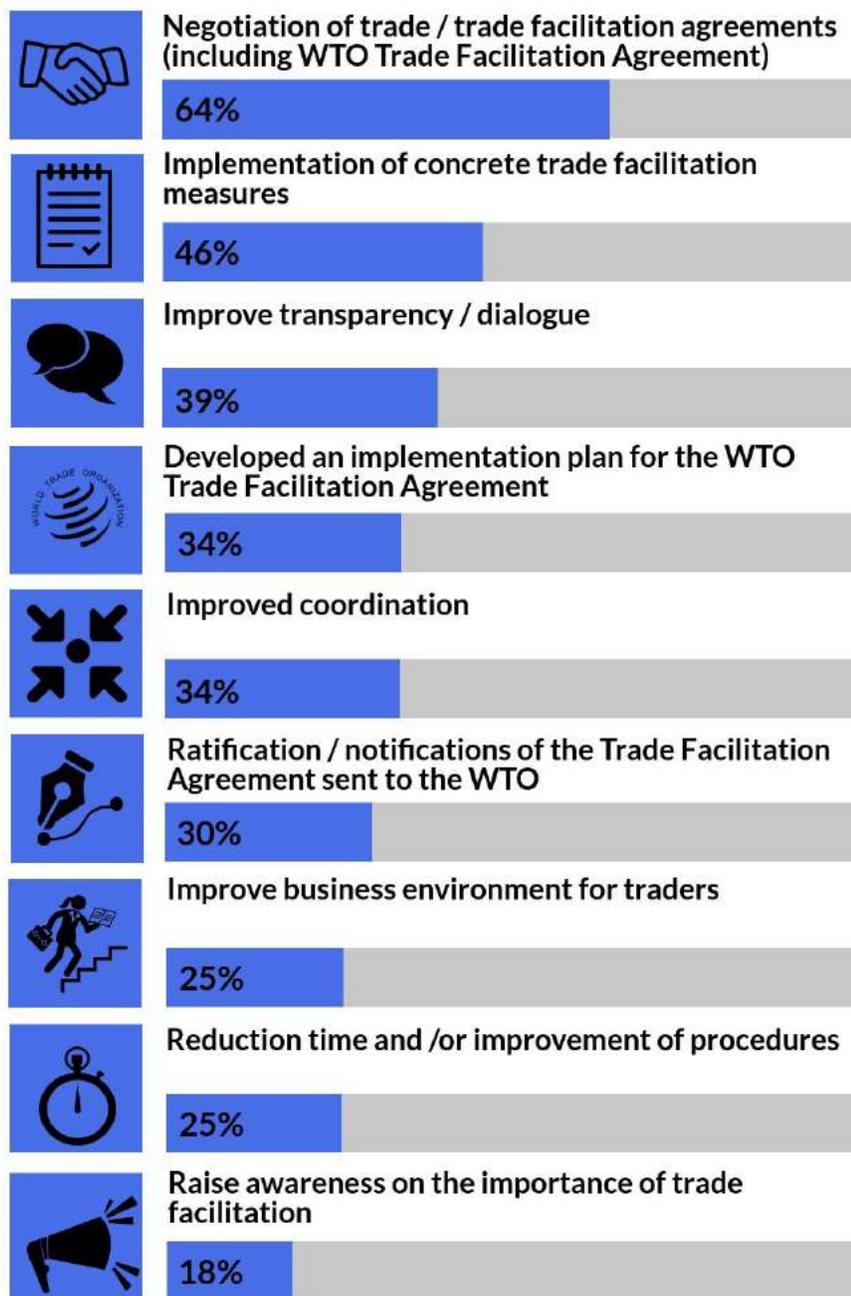


Representatives of Bhutan, Rwanda, Nepal, Uganda, Bangladesh, Burundi and Tanzania (left to right) show the Implementation Plan for the WTO Trade Facilitation Agreement that they have developed with UNCTAD's support.

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Figure 32: Concrete operational outcomes or impact

Percentage of National Trade Facilitation Committees that mention these aspects as concrete operational outcomes or impact



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

Sample: 56 countries

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National Trade Facilitation Committees identified several concrete outcomes related to the WTO Trade Facilitation Agreement. A total of 64 per cent of NTFCs declared that the Committee has helped them in negotiating trade facilitation agreements, including the WTO TFA. Approximately one out of three Committees indicated that the NTFC has developed an implementation plan for the WTO Trade Facilitation Agreement (34 per cent) and worked in the ratification and notifications of the Agreement (30 per cent).

In addition to this, almost half of the National Trade Facilitation Committees (46 per cent) affirm that their work has helped them to implement concrete trade facilitation measures. For instance, the Australian NTFC has worked in the implementation of the Authorized Economic Operator scheme. Costa Rica affirm that their NTFC has improved the standards of coordinated border management. The NTFC of the Dominican Republic was key for the development of their single window: it raised funds for the project, developed the Terms of Reference of the project and the decrees building the legal basis for the single window project were promulgated, among other outcomes.

Regarding the impact of the work of National Trade Facilitation Committees, respondents highlighted the improvement of transparency and dialogue (39 per cent of NTFCs), the improvement of coordination (34 per cent), and the support to raise awareness on the importance of trade facilitation (18 per cent). **One out of four NTFCs (25 per cent) believes that their work has helped in reducing time and / or in improving trade procedures and that it has contributed to improving the business environment for traders.**

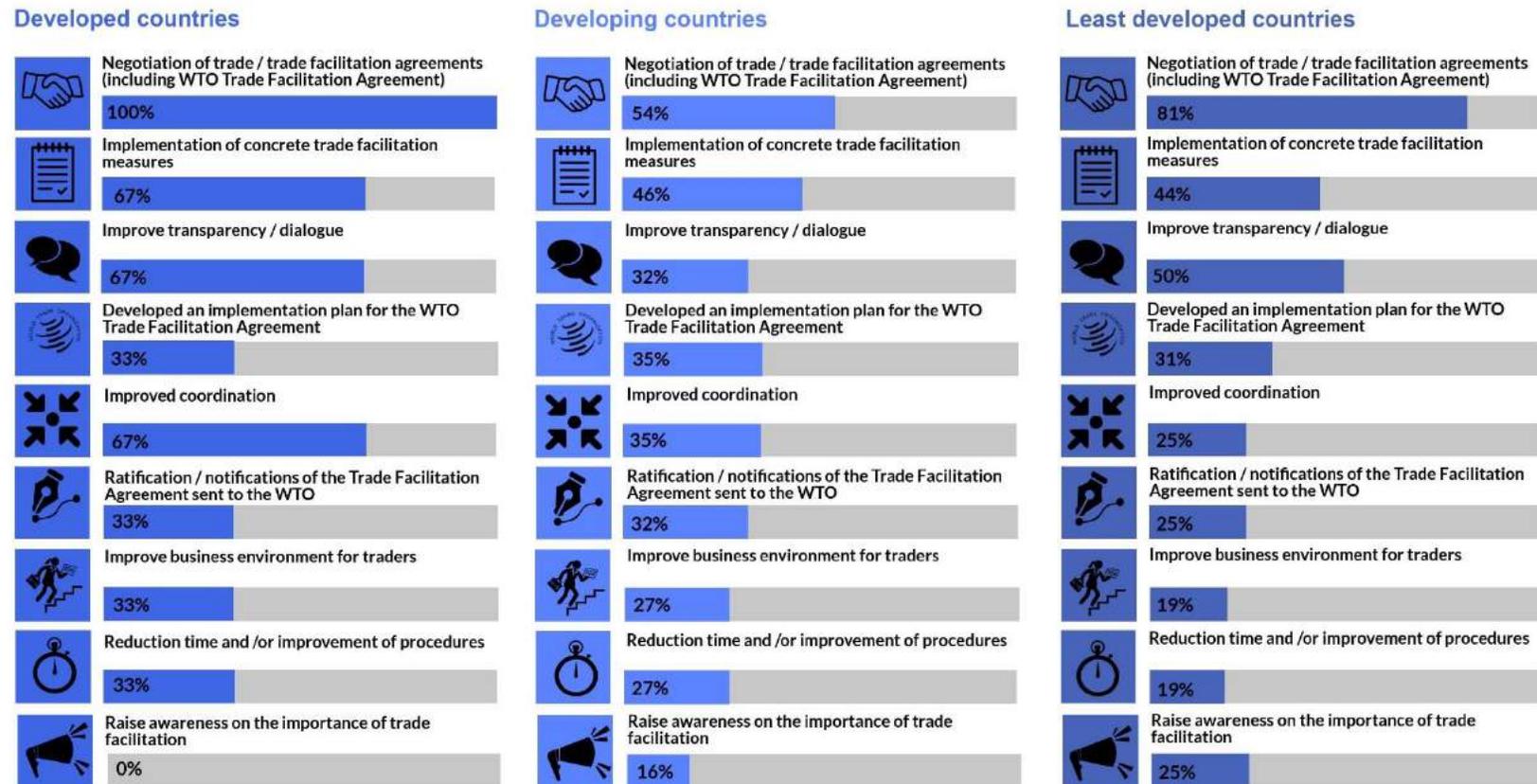


The port of Caucedo – Dominican Republic

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Figure 33: Concrete operational outcomes or impact of National Trade Facilitation Committees per level of development

Percentage of National Trade Facilitation Committees that mention these aspects as concrete operational outcomes or impact



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample per level of development: developed countries (3), developing countries (37), least developed countries (16)

3 Lessons learned

In the questionnaire, National Trade Facilitation Committees were asked what they considered their key success factors, main obstacles and lessons learned.

3.1 Key success factors

As described in UNCTAD 2015 study, “success factors are elements that positively contribute to attaining the objectives set by a trade facilitation body and that help to effectively develop its activities”. (UNCTAD 2015)

It is worth noting that **almost a fifth of the countries (18 per cent) did not answer this question or did not mention any success factor**. While all developed countries answered the question, the percentage of non-respondents reaches 17 per cent in the case of developing countries and raises to 24 per cent for least developed countries. In the light of these results, it could be argued that **the less developed a country is, the higher the probability of not having a clear certitude on what are the factors that will ensure the success of the National Trade Facilitation Committee**.

In the answers of the 55 countries considered in the sample for this particular question, a total of 99 success factors were collected. The answers were regrouped in 13 different types of success factors. As shown in Table 3, **there are two types of success factors for a National Trade Facilitation Committee: on the one hand, the ones related to its set-up and working procedures and, on the other hand, the ones related to its members**.

Table 3: Types of success factors

Success factors related to NTFC members	Success factors related to the set-up and working procedures of the NTFC
Cooperation among members / Common understanding and goals / mutual trust	Regularity of meetings / communications to NTFC members
Clear responsibility of participants	Having clear Terms of Reference
Commitment from members / high participation	Financial assistance / adequate resources
Capacity building	Political commitment / high level support
Involvement of the private sector	Close monitoring of results
Awareness raising on trade facilitation	Development of work plans and proposals
Strong leadership	

Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

As shown in Figure 34, when it comes to the success factors related to NTFC members, a third of Committees considered **essential that members are committed and participate in the meetings** (33 per cent). **Cooperation and trust among participants is also thought to be a must** (27 per cent). Other factors mentioned were: capacity building (13 per cent), the involvement of the private sector (9 per cent), awareness raising on trade facilitation (9 per cent), clear responsibility of members (5 per cent) as well as strong leadership (5 per cent).

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Figure 34: Main success factors for National Trade Facilitation Committees

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



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample: 55 countries

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Interesting enough, **the involvement of the private sector is not considered such an important key success factor as it was some years ago**. In UNCTAD 2015 study, the involvement of the private sector was highlighted as the most important factor for the successful implementation of trade facilitation reforms. However, as shown in Figure 35, the most recent data put it in position 9 in the TOP 10 list of most important success factors. This could be interpreted two ways. On the one hand, it could be considered a consequence of having NTFCs with a scope of action merely limited to the WTO Trade Facilitation Agreement. Contrary to the PRO-Committees, where usually the demand for trade facilitation reforms came from the private sector directly, WTO TFA focused NTFCs are working on the implementation of specific given measures, making the input of the private sector to the NTFC less essential. On the other side, this trend could be interpreted as something positive. The sensitization campaigns that have taken place in the past years have managed to convince private sector representatives of the importance of their participation in National Trade Facilitation Committees. Their commitment might have translated into a decrease on mentioning their involvement as a success factor. In both cases, the involvement of the private sector in the TF reforms (a part from their participation of NTFC) remains crucial.

Figure 35: Top 10 success factors for National Trade Facilitation Committees 2015 - 2018



Source: UNCTAD

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Regarding success factors related to the set-up and working procedures of the NTFC, access to financial assistance and adequate resources is the most mentioned success factor when it comes to factors related to the set-up and working procedures of the NTFC (20 per cent). However, it was mentioned only ninth in UNCTAD 2015 Study. Counting with high level support and political commitment is still considered as important (16 per cent) as in the UNCTAD 2015 study.

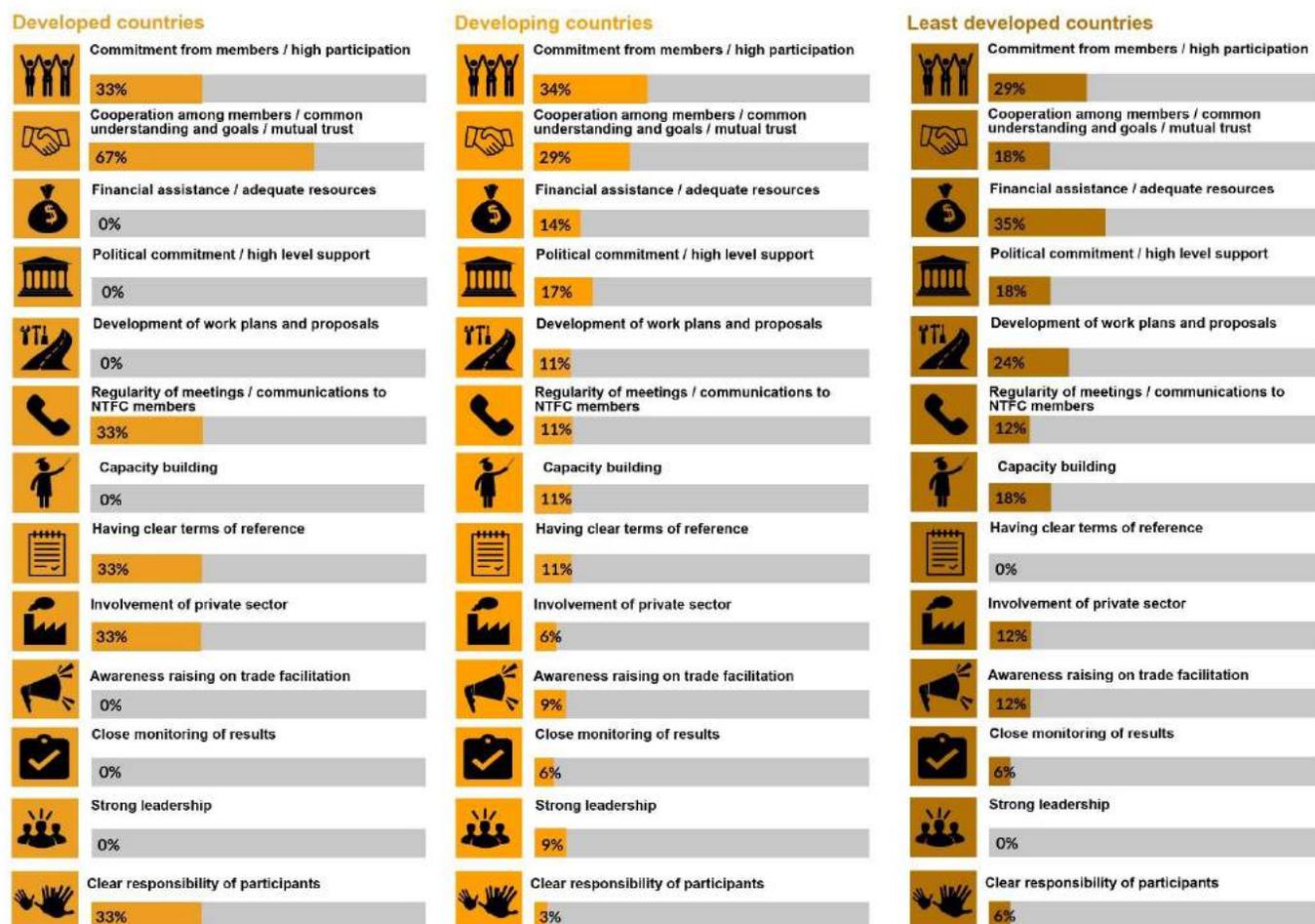
The development of work plans and proposals (15 per cent) has gained position as a success factor in the past years. This could be explained by the nature of the activities that are currently being undertaken by National Trade Facilitation Committees. Urged to notify their categorizations and needs for technical and financial assistance to the WTO, developing and least developed countries are presently immersed in a planning exercise. Therefore, there is a high awareness on the importance of developing work plans and project proposals. The same applies to other mentioned success factors such as regularity of meetings (13 per cent), having clear Terms of Reference (9 per cent) and close monitoring of results (5 per cent), which are new success factors compared to UNCTAD 2015 study.

Figure 36 shows the main success factors according to the level of development of countries. The importance given to the commitment from members and their high participation is almost equally high across all levels of developments. **For developed countries, the most important factor is cooperation and trust among participants (67 per cent of developed countries). Access to financial assistance and adequate resources (35 per cent of LDCs) as well as the development of work plans are especially relevant for least developed countries (24 per cent of LDCs).** For years now, UNCTAD has been supporting National Trade Facilitation Committees in Least Developed Countries in the development of action plans and project proposals to access financial resources. The results of this survey demonstrate that this concrete support is still relevant for beneficiaries.

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Figure 36: Main success factors for National Trade Facilitation Committees per level of development

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



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

Sample per level of development: developed countries (3), developing countries (35), least developed countries (17)

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3.2 Main obstacles

As described in UNCTAD 2015 Study, “obstacles are elements that might hinder or delay the implementation of measures and thereby the achievement of the goals set by a trade facilitation body. Obstacles will negatively influence the effective development of a body’s activities”.

In the answers of the 53 countries considered in the sample for this particular question, a total of 90 main obstacles were collected. The answers were regrouped in 10 different types of obstacles. As shown in Table 4, **there are two types of obstacles for a National Trade Facilitation Committee: on the one hand, the ones related to its set-up and working procedures and, on the other hand, the ones related to its members.**

Table 4: Types of obstacles for NTFCs

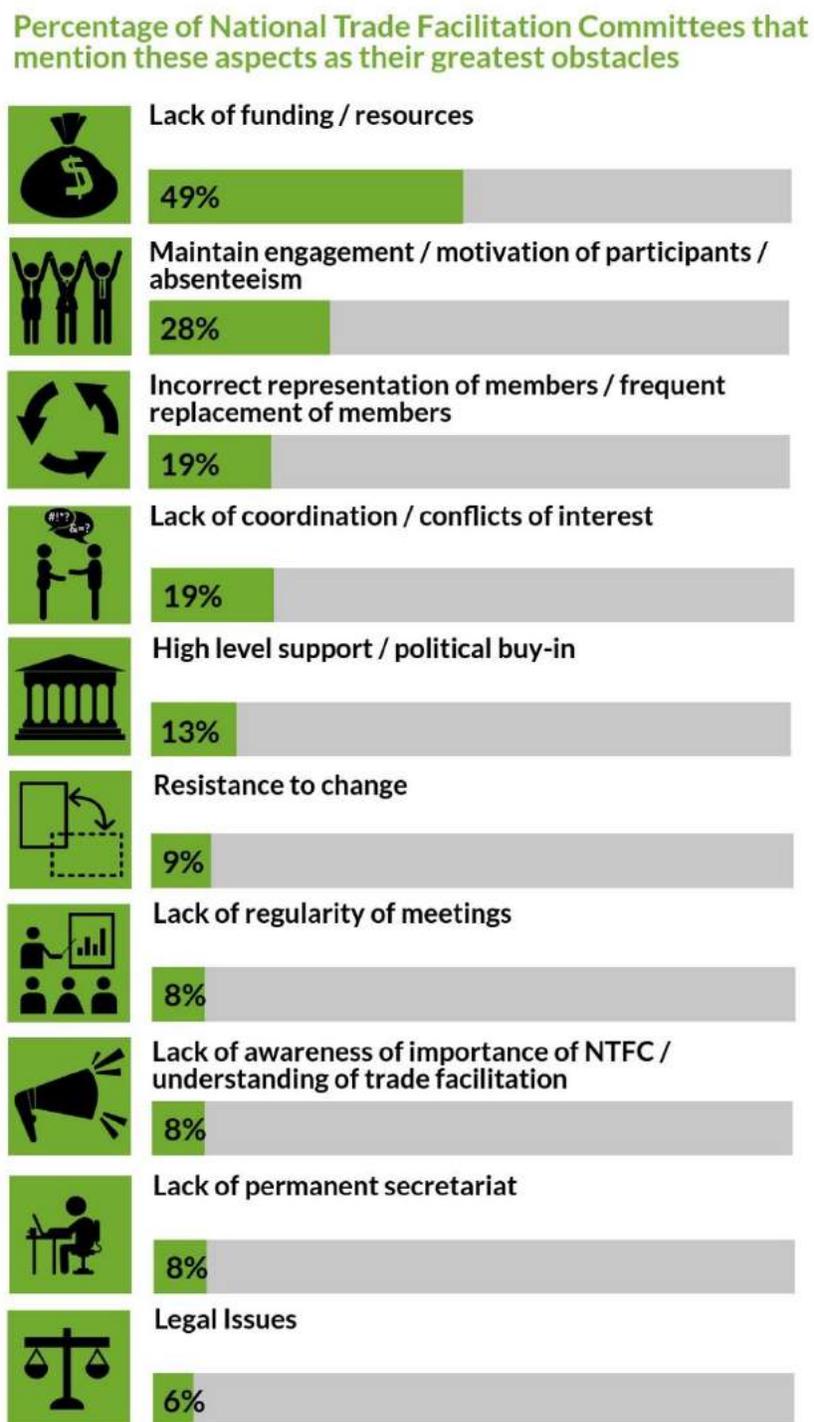
Obstacles related to NTFC members	Obstacles related to the set-up and working procedures of the NTFC
Maintain engagement / motivation of participants / absenteeism	Lack of funding / resources
Incorrect representation of members / frequent replacement of members	High level support / political buy-in
Lack of awareness of importance of NTFC / understanding of trade facilitation	Lack of permanent secretariat
Resistance to change	Lack of regularity of meetings
	Decisions to be taken in the last moment
	Legal issues

Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.

As displayed in Figure 37, almost **one committee out of two** (49 per cent) highlighted the lack of funding and resources as one of the greatest obstacles for National Trade Facilitation Committees. This percentage goes up to 82 per cent for Least Developed Countries.

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Figure 37: Main obstacles for National Trade Facilitation Committees



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample: 53 countries.

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Difficulties to maintain the engagement and motivation of participants was the second most cited obstacle (28 per cent of NTFCs), closely followed by the incorrect representation or frequent replacement of members as well as lack of coordination and conflicts of interest, each mentioned by 19 per cent of Committees. Having the incorrect representation or frequent replacement of members is seen as a bigger obstacle than in 2015 (see Figure 38). Interesting enough, the higher the level of development of a country, the higher the probability for NTFCs to mention these three factors (see Figure 39).

Figure 38: Top 10 Obstacles for National Trade Facilitation Committees 2015 – 2018



Source: UNCTAD

The lack of high level support and political buy-in was mentioned by at least one out of 10 committees (13 per cent). This obstacle has become more present for National Trade Facilitation Committees in the past years. While in the UNCTAD study published in 2015, the lack of Government support was considered the eighth most crucial obstacle for NTFCs, the current survey positioned it as the fifth most mentioned obstacle.

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Resistance to change is also a recurrent obstacle for National Trade Facilitation Committees (9 per cent).

The lack of awareness about the importance of the NTFC or understanding of trade facilitation has recently lost relevance for the committees. While in 2015, it was considered the third most decisive obstacle for National Trade Facilitation Committees, it reached only the eighth position in 2018. This could be interpreted as a positive result of the multiple efforts that have been taking place at national, regional and international level to explain the central role of NTFCs in the implementation of trade facilitation reforms as well as the leverage of trade facilitation as an enabler for development.

Three new obstacles have appeared in recent years: legal issues (6 per cent), the lack of regularity of meetings (8 per cent) and the lack of permanent secretariat (8 per cent). The lack of permanent secretariat was pointed out by 12 per cent of LDCs, and only 6 per cent of developing countries. Developed countries did not raise this issue.

As explained before, the regularity of meetings has improved in recent years (see page 31). However, it seems that **the frequency of meetings has gained a critical importance for National Trade Facilitation Committees in a very short period of time**. This is corroborated by the fact that, for the first time, the regularity of meetings was highlighted as a key success factor for NTFCs and, at the same time, as a great obstacle, in case meetings were not held regularly. **The lack of regularity of meetings is an obstacle for almost one out of five committees in Least Developed Countries**, while only three per cent of developing countries and not a single developed country mentioned this as an obstacle.

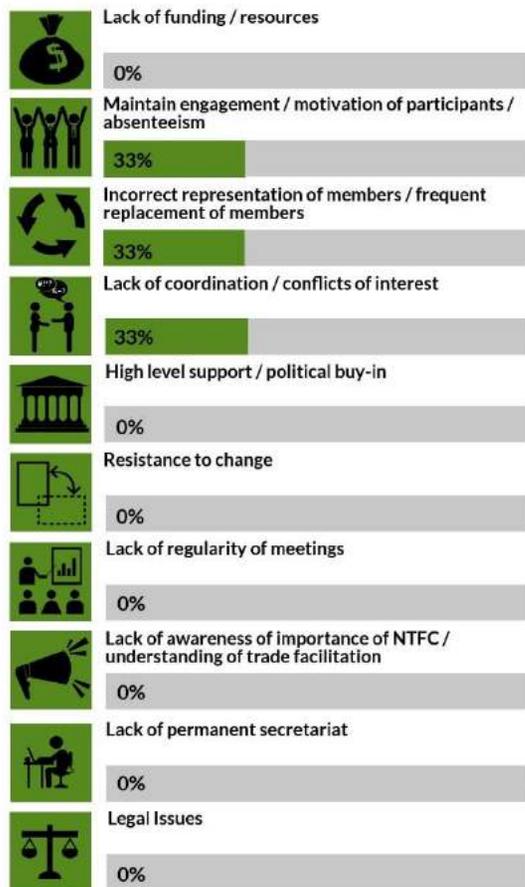
Interesting enough, while the **development of work plans and proposals has gained positions as a success factor in the past years**, the lack of work plan dropped of the list of main obstacles since 2015. As suggested before, this could be explained by the nature of the activities that are currently being undertaken by National Trade Facilitation Committees. After establishing the NTFC mostly in 2013-2015, many Committees have concentrated their efforts in planning their activities through the development of work plans and proposals.

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Figure 39: Main obstacles for National Trade Facilitation Committees per level of development

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

Developed countries



Developing countries



Least developed countries



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample per level of development: developed countries (3), developing countries (33), least developed countries (17)

3.3 Main lessons learned

In the survey, countries were asked “what are the main lessons learned?” In the answers of the 48 countries considered in the sample for this particular question, a total of 70 main lessons learned were collected.

In UNCTAD 2015 study, the five most mentioned lessons learned were:

- NTFCs are a good instrument to establish and maintain communication channels between Government and the private sector
- Trade facilitation is key, as well as understanding related challenges and enabling training in related matters
- NTFCs are a good instrument to maintain coordination among all public agencies
- Presenting concrete results and / or monitoring results is essential
- The Committee is essential for ensuring a good negotiating position in the WTO Trade Facilitation Agreement.

The results in 2018 are more varied and a total of nine lessons learned were recurrent (see Figure 40).

Coordination is essential for the successful implementation of trade facilitation for more than a third of National Trade Facilitation Committees (35 per cent). This factor, which was also mentioned as a success factor (see page 51) recognizes that trade facilitation reforms should not be implemented in silos by a particular agency but always in collaboration with other public and private organizations. By the same token, the third most mentioned lessons learned (13 per cent of NTFCs) is that **trade facilitation contributes to a better business-government partnership**. As explained in UNCTAD 2015 study, “the benefits of a public-private dialogue are well known. Such dialogue provides stakeholders with a platform to voice their points of view, seek clarification and build trust and consensus. This helps to provide transparency and accountability, leading to effective trade facilitation reforms suggested and implemented. Informing the private sector of forthcoming reforms gives time to prepare for forthcoming legislative and procedural changes and helps to ensure overall compliance”. In line with these findings, for this dialogue to genuinely find place, **it is essential to ensure internal and external communication as well as the flow of information** (6 per cent of NTFCs believe this). When setting up a National Trade Facilitation Committee, **inclusiveness is also considered very important** (6 per cent of NTFCs).

Funding and resources are essential for 19 per cent of NTFCs. This figure goes to up 21 per cent for Least Developed Countries (see Figure 41). It is worth noting that this issue did not made it to the TOP 5 lessons learned in 2015 but is the second most mentioned lessons learned in 2018. Likewise, **having a permanent secretariat, as well as a working structure and well defined Terms of Reference are highlighted as two of the main lessons learned nowadays** (each mentioned by 8 per cent of NTFCs). Strategic planning is also essential for NTFCs (6 per cent). This demonstrates that National Trade Facilitation Committees are in a very different moment than three years ago. They have changed their status from negotiation to implementation of the WTO Trade Facilitation Agreement. And for that, access to resources, proper planning as well as a working-efficient set up are key.

High level political support was also considered a key lesson learned by 6 per cent of National Trade Facilitation Committees.

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Figure 40: Main lessons learned for National Trade Facilitation Committees



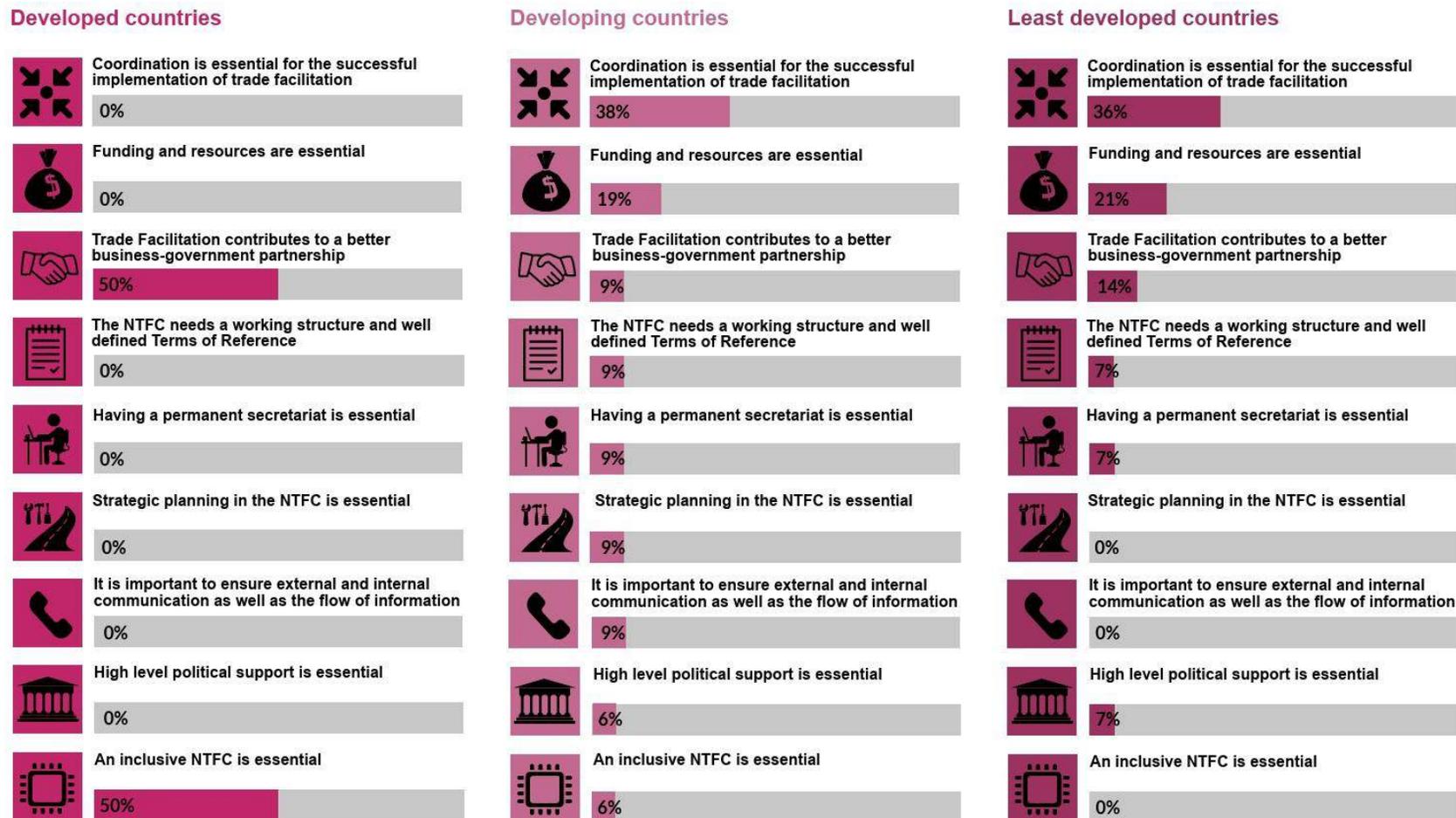
Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample: 48 countries.

Other lessons learned mentioned by respondents included:

- Trade Facilitation is important.
- Trade Facilitation contributes to economic prosperity.
- Trade Facilitation contributes to reduce time and cost of doing business.
- It is important to involve the private sector.
- Capacity building is essential for the well-functioning of the NTFC.
- Trust should be built through concrete results.
- Ownership is key.
- The presence of senior level members is crucial
- It is important to have regular meetings.
- The NTFC is essential to ensure coordination with donors.
- Trade facilitation should be mainstreamed into the national development process of the country

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Figure 41: Main lessons learned for National Trade Facilitation Committees per level of development



Source: UNCTAD, based on data from the online repository of national trade facilitation committees, available at <http://unctad.org/tfc>.
Sample per level of development: developed countries (2), developing countries (32), least developed countries (14)

Conclusions

This study complements UNCTAD's recent research work on trade facilitation, especially National Trade Facilitation Bodies in the World, published in 2015, but also including The New Frontier of Competitiveness in Developing Countries: Implementing Trade Facilitation, published in 2013, Trade Facilitation in Regional Trade Agreements, published in 2011, and several technical notes issued since 2007, particularly the note on multi-agency working groups on trade facilitation, issued in 2011.

The added value of this study is the quantitative and qualitative analysis of existing National Trade Facilitation Committees in the world, according to Article 23.2 of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA). It provides clarity on how countries are interpreting and applying this Article as to date. The study is based on information of 59 countries collected in UNCTAD's online repository of National Trade Facilitation Committees (<http://unctad.org/tfc>), from January 2014 to May 2017. In addition to this, quantitative data on gender mainstreaming in National Trade Facilitation Committees is presented for the first time.

The main findings of the study are:

Motivation for establishment of National Trade Facilitation Committees. More than half of the Committees considered the WTO Trade Facilitation Agreement as the main motivation for setting up a multi-stakeholder platform. The need for coordination is the second most mentioned motivation. Creating a trade friendly environment and improve competitiveness as well as improving logistics services and decreasing costs of cross border trade are mentioned as important motivations by at least one out of 10 NTFCs. Promoting a dialogue between public and private sectors was also mentioned as a motivation. The increased importance of trade facilitation was highlighted by some NTFCs as a motivating factor for the establishment of their committee, mainly in developing and least developed countries.

Objectives of National Trade Facilitation Committees. Three main objectives of NTFCs were identified: monitor the implementation of the WTO Trade Facilitation Agreement, foster trade facilitation, as well as coordination and consultation of stakeholders.

Scope of action of National Trade Facilitation Committees. Almost half of NTFCs have a scope of action almost or purely limited to issues related to the WTO Trade Facilitation Agreement. Advising the government and making recommendations is the most cited scope of action. Moreover, two specific types of advice were highlighted: advice on legal changes as well as advise and promotion of international trade facilitation standards and other trade facilitation reforms. Collecting and disseminating information and raising awareness on trade facilitation is the second most cited scope of action. Almost one out of five NTFCs also claim to work in the organization of training and capacity building sessions. Some of the scopes of action mentioned are undoubtedly a result of the need of NTFCs to respond to the first challenges of the implementation of WTO TFA provisions: monitoring technical assistance projects and programmes, search financing partnerships for reforms and relationship with donors and implementation agencies as well as the already mentioned special advice on legal changes. Very few NTFCs refer specifically to transport issues in their scope of action.

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Institutionalization of National Trade Facilitation Committees. Almost all trade facilitation committees are to some extent institutionalized. The majority of trade facilitation committees are institutionalized at the governmental level, for instance, by a decision of the Cabinet of Ministers or by presidential decree.

Terms of reference, work plan, monitoring and evaluation, and reporting duties in the context of National Trade Facilitation Committees. Nearly two-thirds of trade facilitation committees have defined terms of reference and a work plan. A clear majority of National Trade Facilitation Committees affirm to monitor their work plan. Regarding reporting duties, only four out of ten Committees were able to define who the NTFC reports to. From those who answered, nearly half report to the Minister or a senior staff at the Ministry. A third of committees report to another committee at higher level. Almost one fifth of NTFCs report to the Cabinet or the Government and only a few claim to report directly to the Prime Minister.

Coordinating agency and permanent secretariat of the National Trade Facilitation Committee. The Ministry of Trade assumed the role of coordinating agency in most cases. For almost one out of five committees, other national agencies are taking over the role of coordinating agency. Customs is the leading agency only in one out of 10 NTFCs. Most National Trade Facilitation Committees affirm to have a permanent secretariat.

Frequency and regularity of meetings of National Trade Facilitation Committees. NTFCs meet more frequently than before. The majority affirmed to meet at least once per year. A third of NTFCs meet quarterly and one out of 10 meet once or more per month.

Composition of National Trade Facilitation Committees. The average membership of NTFCs is 17 members, where 11 participants represent the public sector and six the private sector. Since 2015, an increase on the average number of members in the NTFCs of both developing and least developed countries can be observed. To explain this trend one could argue that, with a better understanding of the implications of trade facilitation, countries are advocating for establishing more inclusive National Trade Facilitation Committees. The vast majority of National Trade Facilitation Committees claim to be formed by senior staff.

Gender mainstreaming in National Trade Facilitation Committees. National Trade Facilitation Committees are not gender balanced. On average, only a third of members of NTFCs are female. Most NTFCs are usually chair or co-chair by men. Nearly all NTFCs have never taken a decision or action to mainstream gender in trade facilitation. For almost half of NTFCs affirm this is due to a lack of awareness on gender mainstreaming. Almost a third of Committees considered that gender mainstreaming is not relevant at this stage. One out of five bodies believed that gender mainstreaming is not a priority.

Communication in National Trade Facilitation Committees. The main instruments used for communicating with key stakeholders were e-mails, post and official communication channels, meetings, websites as well as telephone. The vast majority of National Trade Facilitation Committees affirm to interact with other groups.

Financing National Trade Facilitation Committees. Only one out of five Committees claims that there is budget available for the activities of the National Trade Facilitation Committee. By default the source of funding for the majority of NTFCs is the national Government. Around a third of countries gets financing support from international and development partners.

Concrete operational outcomes and impact of National Trade Facilitation Committees. NTFCs identified several concrete outcomes related to the WTO Trade Facilitation Agreement. Almost two-thirds of NTFCs

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declared that the Committee has helped them negotiating trade facilitation agreements, including the WTO TFA. Approximately one out of three Committees indicated that the NTFC has developed an implementation plan for the WTO Trade Facilitation Agreement and worked in the ratification and notifications of the Agreement. In addition to this, almost half of the National Trade Facilitation Committees affirm that their work has helped them to implement concrete trade facilitation measures. Regarding the impact of the work of National Trade Facilitation Committees, respondents highlighted the improvement of transparency and dialogue, the improvement of coordination, and the support to raise awareness on the importance of trade facilitation. One out of four NTFCs believes that their work has helped reducing time and / or improving trade procedures and that it has contributed to improving the business environment for traders.

Success factors for National Trade Facilitation Committees. A third of Committees considered essential that members are committed and participate in the meetings. Cooperation and trust among participants is also thought to be a must. Other factors mentioned were: capacity building, the involvement of the private sector, awareness raising on trade facilitation, clear responsibility of members as well as strong leadership.

Main obstacles for National Trade Facilitation Committees. Almost half of the committees highlighted the lack of funding and resources as one of the greatest obstacles for NTFCs. The lack of high level support and political buy-in was mentioned by at least one out of 10 committees. Resistance to change is also a recurrent obstacle for NTFCs. The lack of awareness about the importance of the NTFC or understanding of trade facilitation has recently lost relevance for the committees. Three new obstacles have appeared in recent years: legal issues, the lack of regularity of meetings and the lack of permanent secretariat. The lack of regularity of meetings is an obstacle for almost one out of five committees in Least Developed Countries.

Lessons learned by National Trade Facilitation Committees. Coordination is essential for the successful implementation of trade facilitation for more than a third of National Trade Facilitation Committees. Trade facilitation contributes to a better business-government partnership. For this dialogue to genuinely find place, it is essential to ensure internal and external communication as well as the flow of information. When setting up a National Trade Facilitation Committee, inclusiveness is also considered very important. Funding and resources are essential for one out of five NTFCs. Having a permanent secretariat, as well as a working structure and well-defined Terms of Reference are highlighted as two of the main lessons learned. Strategic planning is also essential for NTFCs. This demonstrates that National Trade Facilitation Committees are in a very different moment than three years ago. High level political support was also considered a key lesson learned.

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