Historical Perspective on National Trade Facilitation Bodies

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Evolution of Recommendation Number 4


1974 - Recommendation Number 4 – National Trade Facilitation Organs – focus on trade procedures, document alignment and EDI

1999 – Recommendation 4 revised by UN/CEFACT (publication in 2001 – ECE/TRADE/242) – National Trade Facilitation Bodies – stronger focus on EDIFACT

2000 - Guidelines to Recommendation Number 4 – Creating an Efficient Environment for Trade and Transport – UNCTAD and UNECE. National Trade and Transport Facilitation Committees (NTTFCs)
Facilitation bodies focus has evolved over time:

- Documents
- Procedures
- Computers, EDI, UN/EDIFACT
- Paperless trade
- Single Window

Mandate must evolve with the development stages of countries.
Governments should establish and support national trade facilitation bodies with balanced private and public sector participation in order to:

- identify issues affecting the cost and efficiency of their country’s international trade;
- develop measures to reduce the cost and improve the efficiency of international trade;
- assist in the implementation of those measures;
- provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation; and
- participate in international efforts to improve trade facilitation and efficiency.
FALCOM: a framework for permanent consultation and co-operation between the various parties interested in facilitation of international trade

- It should include representatives from all relevant sectors of public administration as well as private interests concerned,

- it should be given a considerable degree of independence.

- can either be a body attached to the highest level of government, or to a body in charge of general planning, or, on the contrary, be entirely independent of the public administration.
should be capable of making recommendations or proposals in every sector concerned, public as well as private.

it should also be able to pursue the implementation of its recommendations and proposals.

requires a permanent secretariat function for the organization and co-ordination of its work.

Financing can be provided in various ways, either completely from the State budget, or by membership contributions, or by a combination of these two forms.
United Nations Centre for Trade Facilitation and Electronic Business

Public-Private sector dialogue in developing trade facilitation strategies

Trade facilitation involves the simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payment. As this encompasses both commercial and regulatory processes, it should be approached on a partnership basis between governments and trade in order to ensure that practical and implementable solutions are developed. UN/CEFACT Recommendation Number 4 addresses this issue by suggesting that Governments establish and support national trade facilitation bodies or committees with balanced private and public sector participation in order to:

- Identify issues affecting the cost and efficiency of their country’s international trade;
- Develop measures to reduce the cost and improve the efficiency of international trade;
- Assist in the implementation of those measures;
- Provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation; and
- Participate in international efforts to improve trade facilitation and efficiency.

There are over sixty such trade facilitation bodies and committees established worldwide, details of which are listed below:

Background documents:


National Trade Facilitation Bodies / Committees
Collaboration by UNCTAD and UN/CEFACT Repository will report case studies on a voluntary basis

- Information report using a Case Study Template
- Information will be published and updated online
- By June 2009 first examples online
- Hosted on the UNCTAD website

[www.unctad.org/ttl](http://www.unctad.org/ttl)
### National Trade Facilitation Working Groups

**Case Studies on setting up and maintaining national working groups on Trade Facilitation**

| Honduras |

<table>
<thead>
<tr>
<th><strong>Background</strong></th>
<th><strong>Composition</strong></th>
<th><strong>Lessons learned</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Establishment</strong></td>
<td><strong>Structure</strong></td>
<td><strong>Contact</strong></td>
</tr>
<tr>
<td>Background</td>
<td>The group was established in the framework of a technical assistance project on Customs modernisation</td>
<td></td>
</tr>
<tr>
<td>What motivated the establishment of the TF working group?</td>
<td>2005</td>
<td></td>
</tr>
<tr>
<td>What year was it established?</td>
<td>Running</td>
<td></td>
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<tr>
<td>What is the current status of the working group (running, pilot phase, study)</td>
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</tbody>
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**Establishment**

What kind of intervention was necessary to set up the group?  
Was the group established as a standing formal body?  
Was the group established as an ad-hoc informal body?  
How does the working group relate to other existing bodies or coordinating mechanism?
<table>
<thead>
<tr>
<th>Number of staff</th>
<th>TF body</th>
<th>TF committee</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>4-10</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>&gt; 10</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Government ~ 100%</td>
<td>Government &gt; 50%</td>
<td>Private sector &gt; 50%</td>
<td>Private sector 100%</td>
<td></td>
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<td>------------------</td>
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<td></td>
</tr>
<tr>
<td>8</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
Lack of funding and resources (10)
Lack of knowledge/information (8)
Lack of cooperation between government and business (8)
Lack of political will, adverse political structure and corruption (7)
- Sound mechanism for analyzing TF priorities;
- Research on TF impact and benefits;
- Trained staff;
- Use of ICT and internet collaborative tools;
- Addressing new challenges for trade, such as security measures.
Government versus Business Funding

a. Governments should provide funding, especially for developing countries
   i. Government funding implies commitment
   ii. Need government to implement TF measures

b. Business community will support if they see benefit
   i. CCI may lead in some countries
   ii. Note – contributions in kind from either government or business

Various revenue mechanisms - Projects and fees
- One size does not fit all!
- Priorities – Should be needs driven and focused – Business case for specific initiatives
Success factors - Personal Observations

- Political Will – Chaired by the Minister (or have the “ear” of the Minister)
- Programme linked to government/business priorities
- High level representatives from government / business organisations (decision makers)
- Targets (Benchmarks) and Review mechanism
- Communications - Success stories
- A good home
- Dynamic – open to change
- Link to international work (UN/CEFACT, UNCTAD, WCO, World Bank, etc)
● WTO Trade Facilitation Negotiations
  ○ Negotiating Position
  ○ National / Regional TF Implementation Action Plan
  ○ Coordination/Integration with other (existing) TF plans/programmes
  ○ Negotiating/Coordinating with donors on TF implementation

● National / Regional Trade Facilitation Implementation Strategies - Benchmarking

● Single Window Implementation

● Data Harmonization

● Paperless Trade – cross border data exchange

● TF and Security
Follow-up

- All UNECE Recommendations, codes, standards and publications are available for free on our website at:
  - www.unece.org/trade
  - http://www.unece.org/cefact/

- For further information:
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