



**Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)**



**COMCEC Handbook for High Performing National Trade Facilitation Bodies
COMCEC – Trade Facilitation Working Group, 22nd September 2020
Richard Chopra**

Political will

Legal

Organizational

Strategy

Operations

Performance

Human Capital

Content



- Background
- Objectives and target audience
- Methodology
- NTFB Organizational Effectiveness Areas
- Key findings under each O.E Areas
- Roadmap to establish a NTFB



BACKGROUND

Background



- COMCEC vision that NTFBs can act as catalyst for change by driving Trade Facilitation Reform and Modernization
- NTFBs have existed for + 30 years with limited and/or isolated success
- Identify the key ingredients for NTFB success



OBJECTIVES



Objectives



Overall objective:

Contribute to the realisation of trade facilitation benefits (improved access to markets, reduction of costs of goods, increase of FDI...) and the reduction of cross-border trade management inefficiencies in OIC Member Countries and beyond.

Objectives



Specific objective:

Provide NTFBs in the OIC region and beyond with innovative solutions to commonly identified problems hampering them, as well as overall guidance to ensure their organisational effectiveness and sustainability.

Objectives



Research questions answered by the Handbook:

- What do successful NTFBs do or have that less successful NTFBs do not have?
- What are the critical factors and ingredients for organisational effectiveness that can enhance the chances of success of NTFBs?



TARGET AUDIENCE

Target Audience



Primary Target Audience:

Policy makers and practitioners of the OIC Member Countries participating in the COMCEC trade working -group meetings, COMCEC Ministerial meetings and other relevant fora

Target Audience



The wider audience includes:

- Governmental agencies/officials (Ministry of Trade, Customs Administrations...);
- Private-sector operators (traders, trade associations, and trade-related service providers...);
- Academic and research institutions as well as think tanks;
- Regional economic communities and customs unions;
- WTO TFA Annex D organisations (International Trade Centre (ITC), UNCTAD, World Bank Group, WCO, etc) and other relevant technical and development partners



METHODOLOGY



Methodology



Review of existing literature



Survey and structured interviews



Field Visit



Design of the Handbook

Methodology



Review of Existing Literature

- COMCEC – Establishing well-functioning NTFBs in the OIC Member States (2015).
- ITC – National Trade Facilitation Committee – moving towards implementation (2015).
- UNCTAD, UNECE, ITC – Repository of NTFBs (2018).
- UNCTAD – NTFCs as coordinators of TF reform (2020)
- UNECE – Roadmap methodology for NTFCs (2016).
- UNECE Recommendation 4 and 40.
- UNECE Trade Facilitation Implementation Guide.
- WCO Guidance on National Committees on Trade Facilitation (2016).
- WTO TFA Facility – National Committees on Trade Facilitation: Current practices and challenges (2016)...

Methodology

Survey and structured interviews



- **Survey administered on-line**
- **+ 45 respondents including:**
 - **31 respondents from 22 OIC countries**
 - **International organization**
 - **Private sector representatives**
 - **NTFC Chairs of non-OIC countries**

Methodology

Survey and structured interviews



- **Structured interviews with public and private sector**
- **Interviewed countries included OIC and non-OIC countries**
- **Interviewed international and regional partners**

Methodology

Field Visit



- **Selected country: Kingdom of Morocco**
- **Rabat: Ministry of Trade, Customs, Bureau of Standards**
- **Casablanca: Port Authority, Portnet, Freightforwarders and Shipment Associations**

Methodology



Design of the Handbook – Structure

- **Section A** – Background
- **Section B** – Guiding principles and recommended practices
- **Section C** – Step-by-Step approach to establish a NTFB
- **Section D** – Conclusion
- **Section E** – Annexes

Methodology

Design of the Handbook - Principles



- No golden rule or « one size fits all »
- **Guiding principle:** strongly recommended measures that are recognised as essential elements (must have) for establishing, operating and managing NTFBs.
- **Recommended practices:** identified recognised good practices or the widest possible application of which is considered to be desirable (nice to have).

Methodology



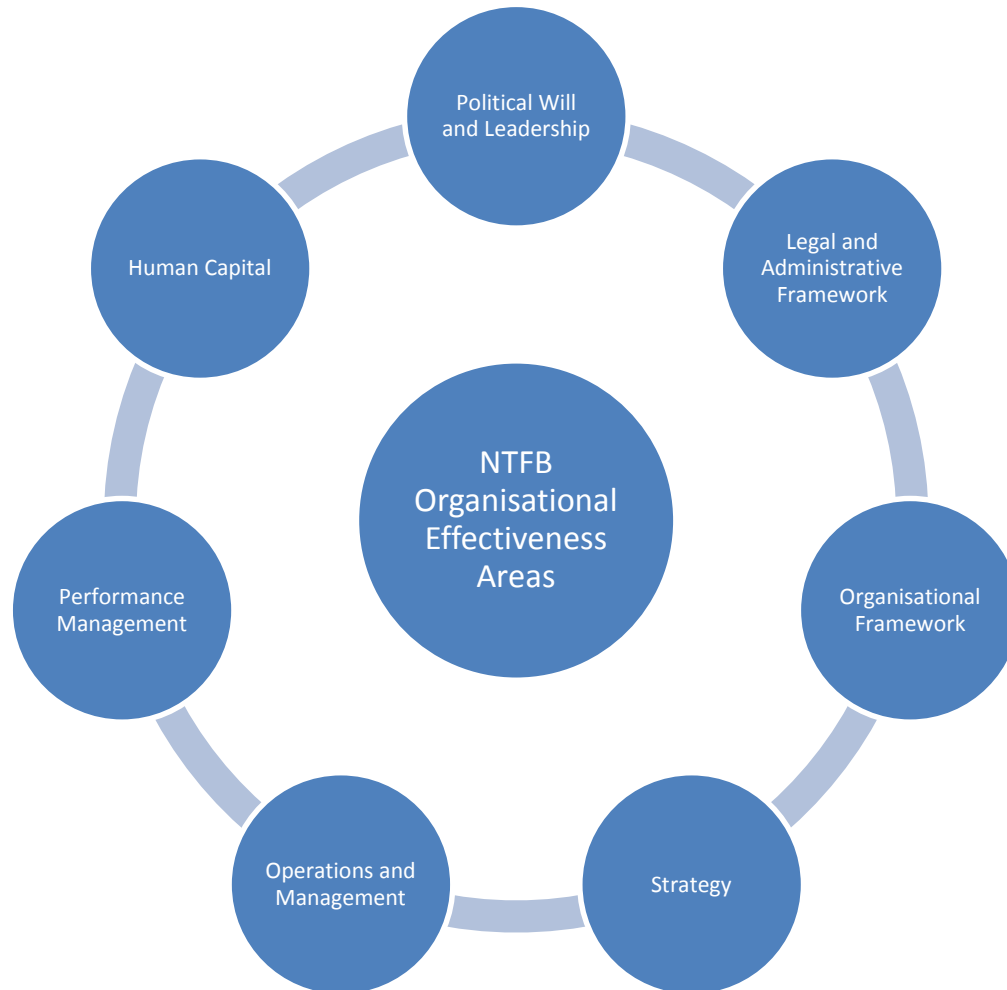
Design of the Handbook – Overarching Framework

- ⑩ **Organisational effectiveness:** An organisation's effectiveness is critical for long-term value and performance sustainability, and can be defined as an "organisation's ability to align around, define and achieve its strategic goals".
- ⑩ For NTFBs, seven areas of organisational effectiveness have been identified:



NTFB ORGANISATIONAL EFFECTIVENESS AREAS

NTFB Organisational Effectiveness Areas





Organisational Effectiveness Area 1: Political Will and Leadership



OE1: Political Will and Leadership



- Political will is widely considered as one of the most critical elements for NTFB's success, effectiveness and sustainability.
- According to the survey results, political will was the most mentioned success factor by OIC respondents
- Definition of political will proposed by the Handbook:

“The firm intention and commitment on the part of government and all other relevant stakeholders in the international trade value chain to implement policies and reforms to simplify, harmonise and standardise international trade procedures, as prioritised collectively by both government and business.”

OE1: Political Will and Leadership



- The chairperson is a critical function in the NTFB structure
- The selection and appointment of the chairperson cannot be taken lightly.
- Leadership is a critical competency for the chairperson to master

OE1: Political Will and Leadership




Nr.	Guidelines
1.1	Ensure that political and private-sector leaders are kept aware and updated of the benefits of trade-facilitation reforms and their contributions to the national development agenda
1.2	Ensure that political and private-sector leaders are kept aware of the country's obligations under the WTO TFA and other binding trade agreements and/or conventions (e.g. WCO RKC).
1.3	Ensure that the NTFB is positioned strategically in the political set-up of the country
1.4	Ensure that the NTFB's Legal Act of establishment and/or Terms of Reference (ToR) require mandatory, high-level and regular participation from its members.
1.5	Ensure the selection and appointment of a chairperson with a high level of leadership.

OE1: Political Will and Leadership



Case Story: Cameroon

- NTFB established in 2016, 36 Members
- **NTFB reports directly to the office of the PM**
- NTFB adopted a tiered org. structure
- NTFB works closely with National Business Forum
- Funding mechanism described in legal act



Organisational Effectiveness Area 2: Legal and Administrative Framework



OE2: Legal and admin. Framework



- The establishment of NTFBs through a Legal Act or formal text is widely considered to be an important decision and policy statement by government or public agencies, giving the NTFBs the necessary authority and legitimacy in the country in which they operate.
- A carefully-drafted legal framework can, therefore, be a critical element for the NTFB's success, effectiveness and sustainability.
- **94.8% of all respondents from the OIC region strongly agreed or agreed that NTFBs must be established by a legal text or formal Act to have official legitimacy.**

OE2: Legal and admin. Framework



Nr.	Guidelines
2.1	Ensure that the NTFB has been established by a Legal Act or formal text
2.2	Ensure that the NTFB has clear ToR , reflecting the legal and organisational structure of the NTFB.
2.3	Ensure that the NTFB's composition is representative of the national trade-facilitation landscape.

OE2: Legal and admin. Framework

Common elements of legal acts establishing a NTFB

- | | |
|---|--|
| 1 | Mandate and function of the NTFB |
| 2 | General information about the membership / composition of the NTFB |
| 3 | General description of the organisational structures of the NTFB |
| 4 | General information about the decision-making mechanism, including min. quorum |
| 5 | Information about the frequency of the NTFB steering-committee meetings |
| 6 | Information about the funding/budgeting and financial arrangement of the NTFB |

OE2: Legal and admin. Framework

Common elements of Terms of Reference

- | | |
|---|--|
| 1 | Background |
| 2 | Mandate: <ul style="list-style-type: none">- Overall objective, specific objectives, functions (activities) |
| 3 | Operational processes: <ul style="list-style-type: none">- Membership (role and resp), Chairperson (role and resp)- Organizational structures (role and resp)- Meeting arrangements (agenda preparation, circulation, minutes...)- Decision-making (consensus, weighed majority...) |
| 4 | Reporting: <ul style="list-style-type: none">- Reporting and monitoring scheme (frequency, type of reports, distribution...)- Evaluation scheme (NTFB operations + NTFB strategy execution) |
| 5 | Funding mechanism: <ul style="list-style-type: none">- Budgeting cycle- NTFB operational costs, TF reform project costs... |

OE2: Legal and admin. Framework



Case Story: Ivory Coast

A broad presidential decree to send a positive signal to the global community:

- NTFB established in March 2015 by Presidential Decree, 22 Members
- 2 advantages:
 1. Shows commitment to TF at the highest level
 2. The members of the NTFB were given the opportunity and time to meet in a formal forum (NTFB) to further discuss the functioning modalities of the NTFB.

OE2: Legal and admin. Framework



Case Story: Ivory Coast

A ministerial decree to make official the roles and responsibilities of key organisational functions:

- Roles and responsibilities of the NTFB members, chairperson
- Roles and responsibilities of the NTFB organizational structures (Board, Secrétariat...)
- More details on operational and funding processes (including resource mobilization)



Organisational Effectiveness Area 3: Organisational Framework



OE3: Organisational framework



- Organisational design involves the integration of structure, processes, and people to support the implementation of strategy and therefore goes beyond the traditional altering with the “lines and boxes.”
- When the organisational design of an entity matches its strategic intentions, the organisation is primed to achieving its mission and objectives.

OE3: Organisational framework



- NTFBs, hence, need to have a **clear and dynamic organisational framework** that supports the effective delivery of their mandate and operations.
- For the purpose of this Handbook, the organisational framework refers to the organisational structure of NTFBs, as well as aspects related to NTFB's budgeting, financial sustainability and staff allocation.
- Optimising the organisational framework is critical to ensuring that NTFBs effectively contribute to the realisation of trade-facilitation benefits.
- **67% of OIC respondents to the survey have indicated to have established a tiered structured**

OE3: Organisational Framework



Nr.	Guidelines
3.1	Ensure the adoption of a multi-tiered organisational structure for the NTFB, which separates the policy and strategic, operational and technical levels of the NTFB work
3.2	Ensure that the structure(s) at the NTFB policy and strategic level, the NTFB board, consists of high-level senior officials (ministers, senior directors, CEOs, etc) of the relevant public agencies/government and business organisations.
3.3	Ensure that the operational level consists of a steering committee and an NTFB secretariat
3.4	Ensure that a NTFB secretariat is established within the NTFB structure and that it is staffed adequately (competent staff) to fulfil its role and undertake the assigned activities.

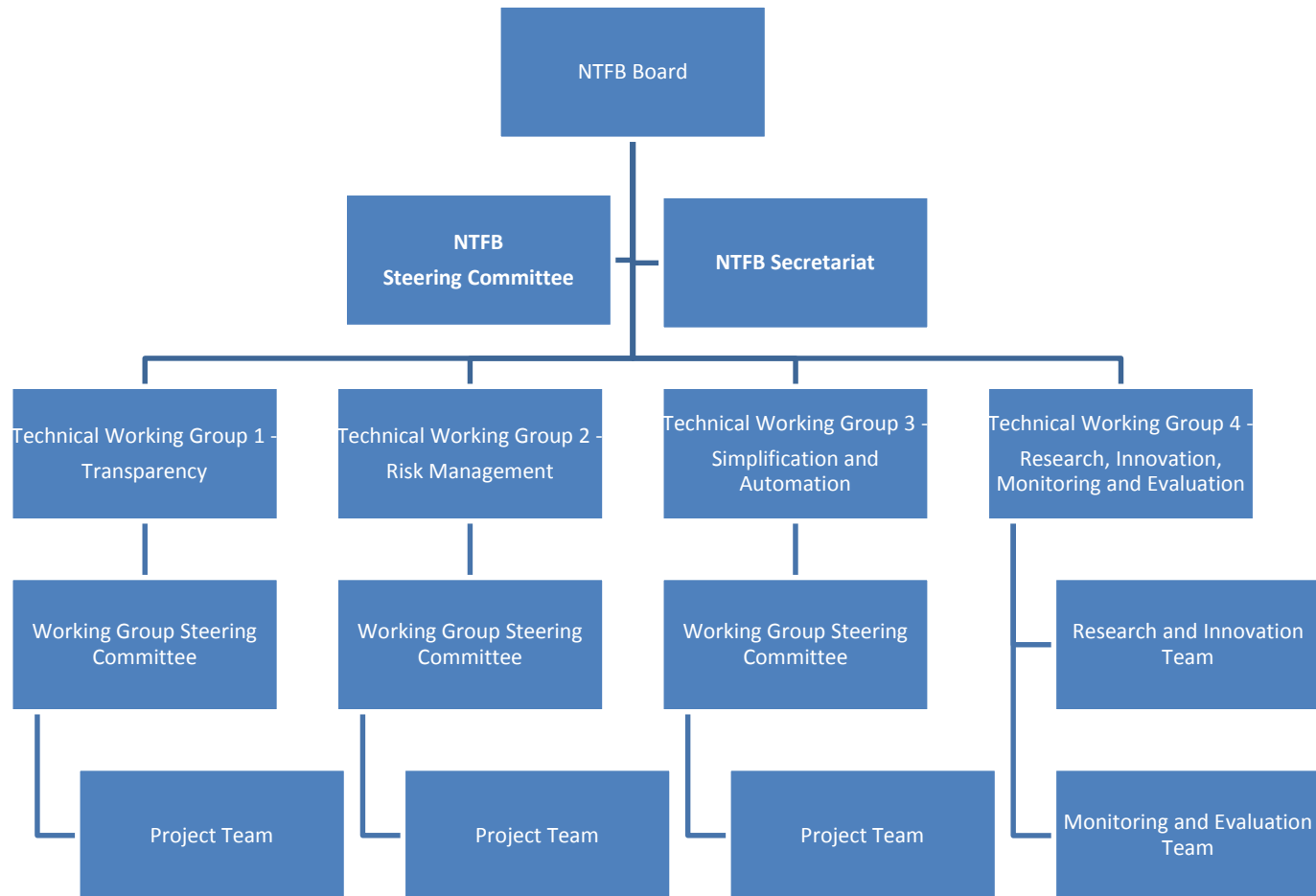
OE3: Organisational Framework



Nr.	Guidelines
3.5	Ensure that the NTFB establishes a series of technical WGs to handle specific areas , projects or tasks, following the priorities developed in the NTFB strategy.
3.6	Ensure that the NTFB is sufficiently provisioned in financial resources to undertake its operations and achieve its missions and strategic objectives
3.7	Ensure that the NTFB is adequately resourced to match the level of ambition of the country in achieving agreed, trade-facilitation objectives and goals
3.4	Ensure that donor-supported resources and activities are selected and managed in a prioritised and integrated way, ideally driven by the NTFB mandate and strategy.

OE3:Organizational Framework

Working Group Example





Organisational Effectiveness Area 4: Strategy



OE4: Strategy



- A strategy could be simply defined as the goals an organisation decides to focus on, and the action it takes to achieve these goals.
- An NTFB's strategy could be solely focused on the WTO TFA implementation or be broader in scope (i.e.: national trade facilitation and logistics strategy) – what is important is that the scope is well defined, manageable in terms of implementation and understood by all involved stakeholders.
- A strategy should not only be assessed on whether it includes accepted key elements of but its success should be mostly judged in relation to its level of execution and implementation.

OE4: Strategy



Nr.	Guidelines
4.1	Ensure that the NTFB strategy is driven by consensus and reflects the priorities and views of all members.
4.2	Ensure that the NTFB strategy document's structure is aligned with recognised good-practices in the field of strategic planning.
4.3	Ensure that the strategy is formally presented to and approved by the NTFB board and steering committee.

OE4: Strategy



- A strategy tends to include:
 - A vision statement.
 - A mission statement.
 - Strategic goals, operational goals and activities (action plan).
 - Environmental scan.
 - Strategy-execution model.
 - Performance-management framework (monitoring and evaluation).

OE4: Strategy



- ***Vision statement:***

“Reducing the time and cost of cross-border trade by 30% by 2023 for the benefit of our country’s development”

- ***Mission statement:***

“We bring public agencies and the private sector together to design and drive innovative solutions to realise the benefits of trade facilitation”

OE4: Strategy

Partial results framework

Results chain/ intervention logic	Indicators	Baseline data 2020	Target data 2025	Assigned responsibility
Strategic objective 1: To contribute to the reduction of border crossing time for safe, secure and compliant trade by 2025 in country X	National Average border crossing time for trucks/consignments in the “green / blue” lane	Six <u>days</u>	Four <u>days</u>	DG-Customs
Operational goal 1.1: A modern risk management framework has been established in accordance with the WCO Risk Management Compendium Volume 1 and 2 recommendations by country X’s Customs by 2022	Level of compliance of risk management framework established with WCO Recommendations	10%	<u>At least 66%</u>	Head of Customs Risk Management

OE4: Strategy



Case Story: Turkey

- NTFB established in 2017, 23 members
- Tasking a cross-cutting WG to develop the strategy
- Developing a consensus-built strategy driven by priorities identified by the private sector
- Defining a strategy execution model from the on-set



Organisational Effectiveness Area 5: Operations and Management



OE5: Operations and Management



- Relates to those day-to-day operations of NTFBs and mechanisms in place that are most conducive to achieving the NTFBs objectives.
- Important to explore the mechanism and procedures needed at NTFB level to ensure that the strategic objectives and agreed trade-facilitation reforms are delivered according to the NTFB members' expectations.

OE5: Operations and Management



Nr.	Guidelines
5.1	Ensure that the NTFB board meets at least twice a year on dates set well in advance in order to monitor, make decisions and ensure delivery of the strategy
5.2	Ensure that each NTFB board member has one appointed representative and one alternate – both must have decision-making power and participation of the main representative is to be mandatory.
5.3	Ensure that each meeting has a draft agenda circulated sufficiently in advance and that draft minutes are circulated within an acceptable timeframe after the meetings
5.4	Ensure that at a minimum there is a communication plan in place that stipulates what key communications and messages are shared externally.

OE5: Operations and Management



Nr.	Guidelines
5.4	Ensure that the NTFB closely liaises its work with (i) appropriate parallel domestic cross-border trade-related coordination bodies and (ii) the WTO delegate in Geneva
5.5	Ensure that the NTFB applies a project-management approach to manage the implementation of the strategic action-plan and adopts a knowledge-management system as well
5.6	Ensure that the NTFB displays the highest possible degree of transparency.
5.7	Ensure that the NTFB pursues knowledge and experience sharing through multilateral and regional cooperation.



Organisational Effectiveness Area 6: Performance Management



OE6: Performance Management



- A performance-management framework would see NTFBs regularly monitor their progress at strategic goal, operational goal and activity levels against the indicators identified and the target set in their strategy.
- **56% of OIC respondents agree that NTFBs should establish a performance management framework and 61% indicate that it should include baseline data**
- **65% of survey respondents indicate that a feedback mechanism taking into account the perspective of the private sector should be established**

OE6: Performance Management



Nr.	Guidelines
6.1	Ensure that the NTFB has a results framework in place as a monitoring tool with key performance indicators to track progress and measure results
6.2	Ensure that the NTFB establishes baselines to monitor progress and enhanced trade facilitation across time
6.3	Ensure that strategic objectives, operational goals and activities are clearly assigned to entities/officials to enhance ownership/accountability on the strategy and facilitate progress monitoring

OE6: Performance Management



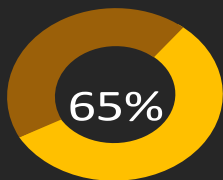
Case Story: Morocco

- Established its first NTFB in 1986 and updated its legal and admin. Framework in 2018, 39 members
- **Established a technical commission solely focused on « Monitoring and Evaluation »**
 - Looks at high-level impact indicators: trading costs, clearance time, WBDB ranking on cross-border related indicators, LPI, Nr. Of import and export documents
 - Level of strategy execution is also a priority indicator
 - Dashboard under preparation
- NTFB Operations' also to be monitored (**Nr. Of meetings, Nr. Of decisions implemented, agenda and minutes' timely circulation, members' attendance rate...**)

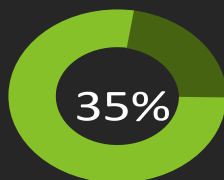
OE6: Performance Management

NTFB Tools

NTFB Board Decisions – Implementation Rate

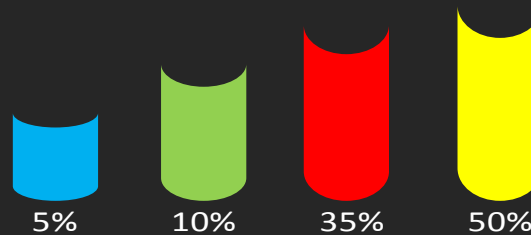


Decision points to be implemented

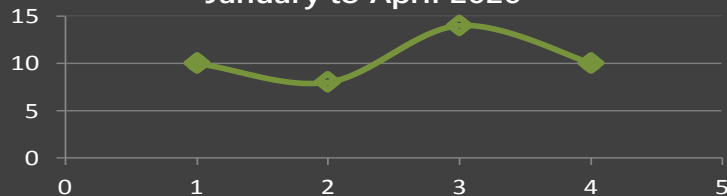


Decision points already implemented

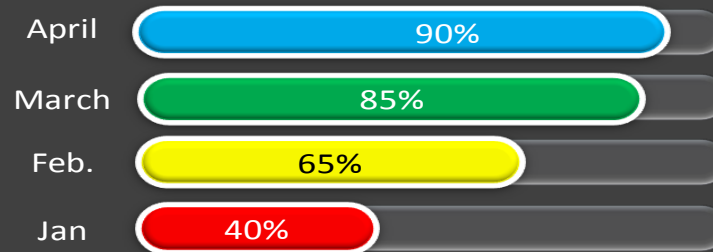
Strategy Execution Rate



Average Clearance Time (See ports) in Hours – January to April 2020



Traders Satisfaction Level with Border Agency Services



OE6: Performance Management

NTFB Tools

TRADE FACILITATION PROGRAMME – Transparency stream					
	Status				Comments
Project 1: Establishment of an Advance Ruling Mechanism	At Risk	Delayed	On-Track	Completed	
1. To develop the SOP for Advance Ruling Mechanism issuance in partnership with the private sector					
2. To develop the necessary IT systems to manage advance rulings (requests, issuance, monitoring)					The IT development team is submerged with other projects.
3. To establish the necessary organizational arrangements to manage advance rulings requests					
4. To develop a critical mass of experts in the areas of rules of origins and classifications					Difficulties in mobilizing trainers.
5. To sensitize the private sector on advance ruling mechanisms					Delays due to IT development
6. To sensitize Customs staff on Advance Rulings					Delays due to IT development



Organisational Effectiveness Area 7: Human Capital



OE7: Human Capital



- An organisation's most valuable asset is often considered to be its human capital.
- **Talent is causally linked to driving value creation and achieving success.**
- In order to be effective, NTFBs must hence bring together the necessary talent and competencies.

OE7: Human Capital



- Therefore, to fulfil their mandate to find common solutions to trade-facilitation challenges and to successfully coordinate the implementation of trade-facilitation reforms, NTFBs must ensure that they can count on the right people with the right competencies in the right roles and at the right time.
- **Managing competencies is hence an important element to foster high employee and organisational performance.**

OE7: Human Capital



Nr.	Guidelines
7.1	Ensure that the NTFB chairperson (and co-chairs) have the necessary competencies to lead the NTFB to success
7.2	Ensure that the NTFB secretariat is staffed with a competent workforce
7.3	Ensure that the cross-cutting technical working groups/project teams are composed of competent members.

OE7: Human Capital

Competency Framework

Leadership and managerial competencies		Non-exhaustive competency catalogue for NTFBs
Functional competencies	(operational)	<ul style="list-style-type: none">• Leadership• Strategic planning• Negotiation and consensus-building• Team management• Change management• Communication (including managing relationships)
		<ul style="list-style-type: none">• International trade• Supply chain management• Goods clearance procedure• Trade-facilitation agreement• Revised Kyoto Convention• Customs legislation and other relevant legislation to trade• Tariff and classification, including relevant regional free-trade agreements• Customs valuation, including WTO GATT Agreement• Rules of origin• Transit• Post-clearance audit• Risk management• Compliance management• AEO validation• BPA• IT programming• Data analytics• Data modelling• Integrated/coordinated border management

OE7: Human Capital

Competency Framework

Support competencies

- Stakeholder engagement
- Meeting and events management
- Knowledge and records management
- Programme management
- Financial management
- Donor engagement
- Statistics



OE7: Human Capital



Case Story: Oman

- Established a TF Working Group reporting to the WTO National Trade Committee in 2015, includes 10 members
- ASYAD, a public-private venture supporting to develop competencies across the TF actors
- Trainings are designed based on thorough needs analysis across the supply chain functions

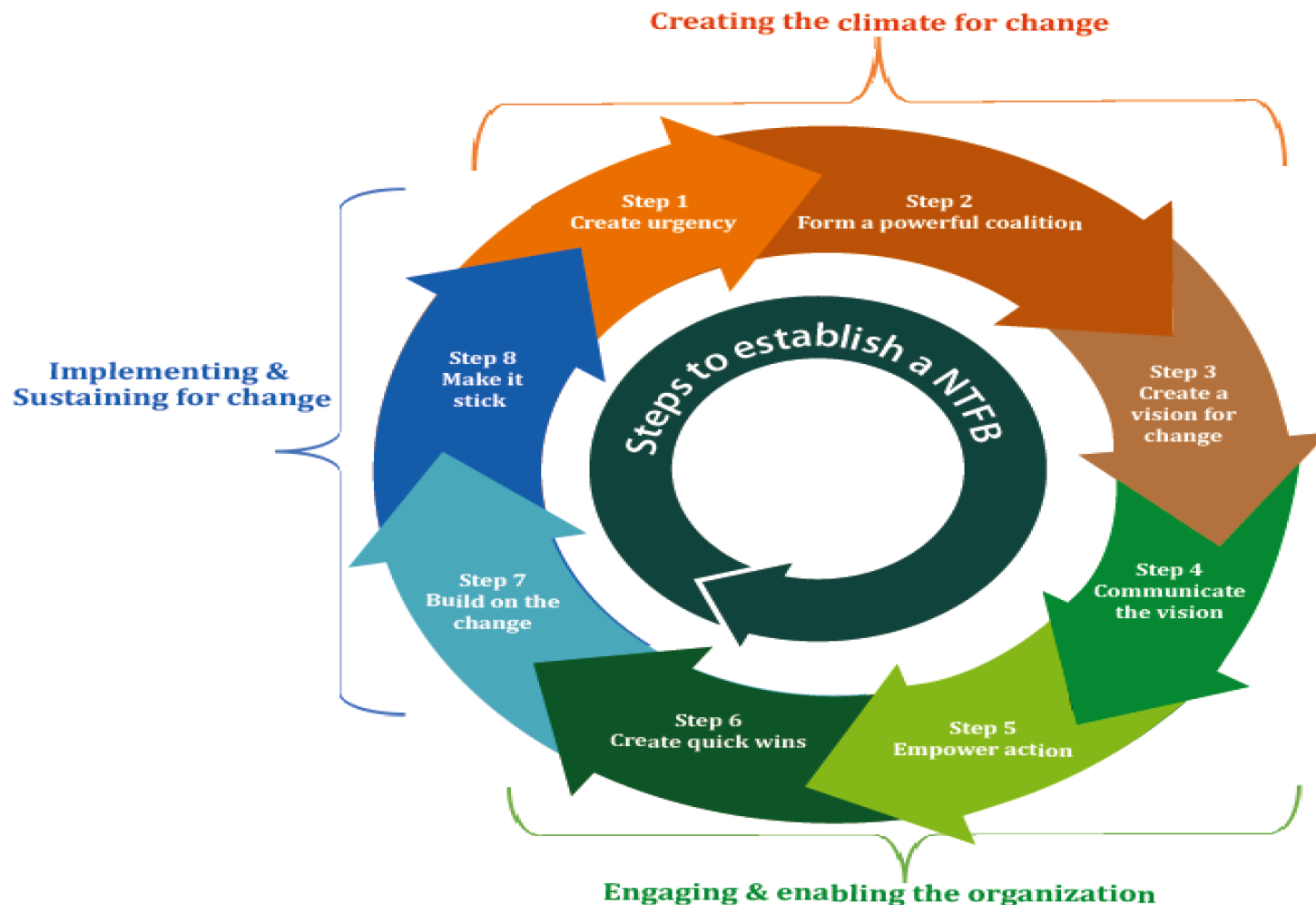
OE7: Human Capital



Case Story: Burkina Faso

- Established its NTFC in 2018
- Developing Project and Donor-Engagement competencies to facilitate TF reform management
- Developing technical competencies to execute TF reform such as Advance Rulings and TRS

Roadmap to establish NTFB



Conclusion



“Coming **together** is a beginning.

Keeping **together** is progress.

Working together to achieve commonly set goals overtime is success.”

Henry Ford



**THANK YOU FOR YOUR
KIND ATTENTION**

TEŞEKKÜR EDERİM



**RICHARD CHOPRA
SENIOR TRADE FACILITATION EXPERT**