



Standing Committee  
for Economic and Commercial Cooperation  
of the Organization of Islamic Cooperation

# COMCEC Handbook for High Performing National Trade Facilitation Bodies





COMCEC

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COMCEC COORDINATION OFFICE  
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# Acknowledgement

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## Foreword

The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) aims at contributing the development endeavours of its Member Countries.

Trade has been at the core of COMCEC activities since its inception. COMCEC has launched various programmes and projects aiming at boosting intra OIC trade, namely OIC Trade preferential trade system, various trade financing, export and investment insurance initiatives, and trade facilitation efforts.

The COMCEC Trade Working Group has been mainly concentrating on trade facilitation related issues in recent years. Since 2014, the COMCEC Trade Working Group has touched upon the different aspects of trade facilitation, including cooperation among the border agencies, well-functioning National Trade Facilitation Bodies (NTFBs), customs risk management, authorized economic operators programmes etc. Moreover, trade facilitation was discussed as the main theme for the Ministerial Exchange of Views conducted during the 34th COMCEC Session held in November 2018.

As the Secretariat of a development platform, the COMCEC Coordination Office firmly believes that in all cases trade facilitation would be beneficial, especially through cost reduction and resource saving. However, trade facilitation efforts will yield much more fruitful results and will have a broader welfare impact in the Member Countries, if implemented within a comprehensive economic development perspective, coupled with efforts towards enhancing high quality production and increasing trade especially promoting exports.

Furthermore, political will, a sound regulatory environment, the use of state of art technology and appropriate digital environment, efficient institutions and most importantly human resources development are all crucial aspects for the success of the trade-facilitation efforts. This introduces the role of efficient NTFBs, which can play a vital role in the success of trade-facilitation efforts.

This study has been initiated by COMCEC with a view to assisting the OIC Member Countries for establishing an effective NTFB or making the existing one more effective. This would be achieved through providing the guiding principles and recommended practices, ranging from the type of legal framework to performance indicators for the effective NTFBs. The Handbook provides various policy options enriched by the examples and best practices that may be useful for policy-makers for consideration in their efforts to ensure the efficient operation of the NTFBs.

We hope the Handbook would reach its objective with the support of the Member Countries as well as the OIC institutions and other international partners.

COMCEC Coordination Office

Trade has been at the core of COMCEC activities since its inception. COMCEC has launched various programmes and projects aiming at boosting intra OIC trade.

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# List of Abbreviations and Acronyms

Acronyms	Definition
COMCEC	Standing Committee for Economic and Commercial Cooperation
OIC	Organization of Islamic Cooperation
BPA	Business Process Analysis
GDP	Gross Domestic Products
IMF	International Monetary Fund
KPIs	Key Performance Indicators
LDCs	Least Developed Countries
NTFB	National Trade Facilitation Bodies
NTFC	National Trade Facilitation Committee
OECD	Organisation for Economic Development
Procomex	Pro Modernização Logística do Comércio Exterior
RP	Recommended practices
SDGs	Sustainable Development Goals
SME	Small and Medium Enterprises
TFA	Trade Facilitation Agreement
TRS	Time Release Studies
TTFMM	Trade and Transport Facilitation Monitoring Mechanism
ToR	Terms of Reference
UN	United Nations
UN/CEFACT	The United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
UNECE	The United Nations Economic Commission for Europe
UNESCAP	The United Nations Economic and Social Commission for Asia and the Pacific
WCO	World Customs Organization
WEF	World Economic Forum
WG	Working Groups
WTO	World Trade Organization
WTO TFA	WTO Agreement on Trade Facilitation

# Executive Summary

The Standing Committee for Economic and Commercial Cooperation (COMCEC) of the Organization of Islamic Cooperation (OIC) has placed the subject of trade facilitation at the top of its agenda, with the main objective of eliminating trade costs and enhancing the economic development of its 57 Member Countries.

National Trade Facilitation Bodies (NTFBs) have been established for decades, with the idea to support a country achieve its trade and economic-development goals. With the entry into force of the World Trade Organization (WTO) Agreement on Trade Facilitation (WTO TFA) in February 2017 and the formal requirement to establish a National Trade Facilitation Committee (NTFC) (or designate an existing similar mechanism as its NTFC) as laid out in Article 23.2, the formation, operationalisation and management of NTFBs have gained further traction at the global level.

Besides providing a powerful and formal dialogue platform for all actors of the trading community at the national level to discuss trade challenges and find common trade solutions, NTFBs can actively contribute to sustainable, inclusive, trade-led development and the modernisation of both the public and private sectors. A high-performing NTFB can be an effective change-agent and can be a catalyst for a country’s economic and social progress. However, it is also not uncommon that NTFBs do not fulfil their mandate or potential and as such it is important to identify those factors that can contribute to the NTFBs ‘continuous success’ as an important tool for a whole-of-government approach towards smoother cross-border trade.

Recognising the potential of successful NTFBs for the OIC Member Countries, the COMCEC commis-

sioned the production of the present Handbook to provide practical guidance on key factors to consider, in order to establish and maintain highly effective NTFBs over time.

The present Handbook presents the concept of *NTFB organisational effectiveness*. An organisation’s effectiveness is critical for long-term value and sustainable performance, and can be defined as an organisation’s ability to define, achieve and align its strategic goals. This Handbook aims to identify factors for organisational effectiveness and brings the common elements for NTFB success to OIC Member Countries’ attention. It is, however, important to note that there is no *golden rule* or one-size-fits-all approach to make a NTFB effective and successful. For example, the organisational structure of a successful NTFB in country A may not work in country B due to various reasons, which may include the political landscape or the business culture.

This Handbook has been developed by undertaking a rigorous literature review, numerous structured interviews with relevant stakeholders such as OIC and non-OIC Member Countries’ NTFBs, development partners, technical agencies, and representatives of the private sector, as well as a study visit and survey-data analytics.

Based on this analysis, the Handbook has identified guiding principles and recommended practices organized under seven areas of organisational effectiveness areas for NTFBs: (i) political will and leadership; (ii) legal framework; (iii) organisational framework; (iv) strategy; (v) operations and management; (vi) performance management; and (vii) human capital. An overview of the guiding principles is presented at the end of this section.



The Handbook has been divided into five main sections:

- Section A – Background. This section presents the importance of trade facilitation, the purpose of the Handbook and the methodology followed to develop it.
- Section B – Guiding principles and recommended practices. This section identifies and describes the guiding principles for effective NTFBs at greater length. The guiding principles are the *must haves* to achieve NTFB's organizational effectiveness. Each guiding principle is supplemented by a number of recommended practices, and case stories to provide examples<sup>1</sup>.
- Section C – List of recommendations. This section provides a step-by-step roadmap for the establishment of effective NTFBs based on the Kotter change management model, the summary list of all guiding principles as well as a *solution table* for the main challenges faced by NTFBs.
- Section D – Conclusion. This section highlights the key messages of the Handbook.
- Section E – Annexes. This section provides further reference material on NTFB's organizational effectiveness.

While the Handbook has been developed primarily for the benefit of the OIC Member Countries (political and policy leaders, NTFBs, traders, trade services providers, academic institutions and civil society actors), it is hoped that its content will also prove useful to non-OIC countries and development partners in achieving and/or supporting NTFB's organisational effectiveness wherever they operate.

The importance of trade facilitation and a coordinated, consistent approach towards border management have become even more evident in the context of the recent, global, health crisis as presented by COVID-19. At the time of writing of this Handbook, the COVID-19 crisis and its implications for business continuity and cross-border trade flows – both in terms of access to essential and humanitarian goods as well as in securing supply chain continuity – are yet to become evident. Going forward, it will be important to assess to what extent NTFBs have lived up to their full potential to ensure a swift and coherent border-management policy response when confronted with this global pandemic. Table 1 shows the Guiding Principles under the seven organisational effectiveness areas.

**Table 1 – The guiding principles under the seven organisational effectiveness areas for successful NTFBs**

Guiding principles	
<b>1. Political Will and Leadership</b>	
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.
<b>2. Legal and Administrative Framework</b>	
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.
<b>3. Organisational Framework</b>	
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.
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.
3.8	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.

<sup>1</sup> The case stories have been based on documents available in the public domain, but also on documents provided by representatives of each applicable country or organisation. Whenever possible, interviews were also undertaken with country representatives and the case stories vetted by the country or organization, as applicable.

# Section A.

## Background

### Guiding principles

#### 4. Strategy

- 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.

#### 5. Operations and Management

- 5.1 Ensure that the NTFB 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.
- 5.5 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.
- 5.6 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.
- 5.7 Ensure that the NTFB displays the highest possible degree of transparency.
- 5.8 Ensure that the NTFB pursues knowledge and experience sharing through multilateral and regional cooperation.

#### 6. Performance Management

- 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.

#### 7. Human Capital

- 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.





# 1. BACKGROUND

## a. Trade facilitation as an engine of inclusive growth

The United Nations (UN) *2030 Agenda for Sustainable Development*<sup>2</sup> recognises international trade as an engine for inclusive, economic growth and poverty reduction, and an important means to achieve the UN's Sustainable Development Goals (SDGs). According to numerous research institutes and international organisations such as the COMCEC, the WTO, the World Economic Forum (WEF), the World Bank Group, the Organisation for Economic Development (OECD), the World Customs Organization (WCO) and the United Nations Conference on Trade and Development (UNCTAD), trade can be a vector for inclusive growth and sustainable development. A research investigation<sup>3</sup> conducted by the International Monetary Fund (IMF), WTO and the World Bank, demonstrates that sufficient evidence exists to establish that investments in the improvement of the trade-facilitation environment can lead to:

- reduced costs and times for the international movement of goods;
- improved predictability and reliability for traders, which in turn enables businesses to engage in more cross-border trade<sup>4</sup>.

The increased cross-border trade boosts productivity and income growth. These in turn are linked to increased, employment opportunities, which ultimately contributes to declining poverty<sup>5</sup>. Few

countries have shown sustained, economic growth or experienced a sustained reduction in poverty levels, unless there is a growth in trade flows.<sup>6</sup>

To achieve inclusive growth, it is important to make trade easier, faster and less costly - especially for small and medium-sized enterprises (SMEs). SMEs represent a high share of jobs and gross domestic product (GDP). Formal and informal SMEs together represent 95% of all firms globally, around 50% of global GDP, and over 70% of total employment. As SMEs are disproportionately affected by cumbersome border procedures, it is these companies that stand to benefit the most from effective reforms. The rise of global value-chains and digitally-enabled trade (*e-commerce*) offer opportunities for SMEs to further integrate into segments of the supply chain, instead of having to produce a finished product.

## b. The WTO TFA – State of play

At the global level, the entry into force on 22 February 2017, of the WTO TFA, has led to a wave of optimism that its implementation will contribute to economic growth for the least developed and developing countries. According to WTO economists, full implementation of the WTO TFA could boost, for example, annual African economic growth by 0.9%. The WTO estimates the impact of the implementation of the TFA for developing countries to be as follows:

- up to two-thirds of gains of TFA implementation to be obtained by developing countries;
- reduction of total trade costs by 14.5%, for low-income countries;
- potential boost of up to 730 Billion USD per year for developing countries' exports; and access to foreign markets will increase by 39% for developing countries and 60% for least developed countries (LDC)s;
- increased role of developing countries in the global value and supply chain.

### Box 1 – Example of economic growth and job creation: trade-facilitation programme in East Africa

In the World Customs Organization's experience with trade-facilitation programmes in sub-Saharan Africa and under the framework of the WCO-East African Community (EAC) CREATE project funded by Sweden, trade facilitation generated significant economic benefits for the participants. For example, Bakhresa, a Tanzanian transportation company that joined the East African Community (EAC) regional *Authorized Economic Operators* programme, saved nearly 1.8 Million USD within four years of joining the programme. These savings enabled the company to **grow** (expansion of the transport fleet) and **create jobs** (more drivers were hired), hence contributing to **poverty alleviation efforts**.<sup>7</sup>

The increased cross-border trade boosts productivity and income growth. These in turn are linked to increased, employment opportunities, which ultimately contributes to declining poverty.

2 <https://sustainabledevelopment.un.org/post2015/transformingourworld>

3 In their 2017 joint publication 'Making Trade an Engine of Growth for All: The Case for Trade and for Policies to Facilitate Adjustment', the IMF, the World Bank and the WTO presented empirical evidence of how trade facilitation has created jobs, growth and development in both developing and developed countries.

4 Fernandes, A.M. et al (2016). 'Expediting Trade: Impact Evaluation of an In-House Clearance Program'. Policy Research Working Paper 7708, World Bank Group.

5 Making Trade an Engine of Growth for All: The Case for Trade and for Policies to Facilitate Adjustment': for discussion at the Meeting of G20 Sherpas March 23-24, 2017. International Monetary Fund, World Bank and World Trade Organization. The report is accompanied by 9-page long list of literature.

6 See literature review in ODI (2010). 'Trade, growth and poverty: making Aid for Trade work for inclusive growth and poverty reduction'.

7 Source: WCO-Sweden Programme – Final Report (2019).



The WTO TFA is an innovative agreement as it:

- Provides a measurable framework to implement initiatives that will contribute to trade facilitation (Section I).
- Allows least developed countries (LDCs) and developing countries to implement the technical measures of the Agreement at their own pace, through the accordence of special and differential treatment for developing countries (Section II). The LDCs and developing countries can categorise the measures in three groups:
  - Category A measures: developing members will implement the measure by 22/02/2017 and LDCs by 22/02/2018.
  - Category B measures: members will need additional time to implement the measure.
  - Category C measures: members will need additional time and capacity building support to implement the measure.
- Gives unprecedented access to pledged and coordinated (Section II and III) support through Section II, Annex D Cooperation Agencies, and the establishment of the WTO TFA Facility.

According to the latest figures (04 May 2020) from the WTO TFA database, 150 WTO Members (91.5%) have now ratified the Agreement, with the rate of implementation notifications of the Agreement Articles standing at 65.8%. Within this figure, the notification rate of developed economies stands at 100%, developing economies at 63.9% and LDCs at 30%.

The fact that the vast majority of WTO Members have ratified the agreement is positive, signalling that trade facilitation is a priority for them, despite growing uncertainty related to the global trade policy environment (such as the United Kingdom leaving the European Union (Brexit), and the emergence of more aggressive use of tariffs by some large trading nations). However, it should be noted that trade facilitation discussions are less political and rather more technical in nature, as they aim to find solutions to the operational challenges of easing the movement of goods and

services across borders. This objective is usually supported by all the stakeholders involved.

### c. NTFBs – The key to unlocking the trade potential of countries

Trade facilitation is known as a complex, diverse and challenging subject with significant benefits for both business and government at national level and subject to the regional and international discussions and conventions. As such, it is affected by political, economic, business, administrative, technological, as well as financial factors, all of which must be taken into consideration when a country or region plans to develop its comprehensive trade-facilitation strategy.

Additionally, the facilitation measures to be developed, chosen and put into practice are highly technical and require the input of key partners, including expert practitioners from public and private sectors. Any measure aimed at simplifying trade transactions should lead to time and cost reductions in the supply chain and enhanced trade predictability.

The cross-sectoral nature of trade facilitation requires close coordination among all stakeholders but particularly between public and private stakeholders. In carrying out its mandate to promote development through trade, the COMCEC has made efforts to increase its Member Countries' experience, particularly in the fields of transport, customs and trade facilitation.

Experience has proved that public-private partnerships are vital to both pin-pointing the requirements of traders and government and implementing any commercially meaningful national or international measures, in order to improve border transactions and national competitiveness. It is therefore important for public agencies, enterprises and traders with a direct interest in improving border transactions that reform measures, innovations and regulations be planned, introduced and implemented in a coordinated fashion.

The concept of establishing NTFBs charged with trade-facilitation objectives has existed for decades. The benefits of establishing NTFBs are many; NTFBs can bring public agencies and private sectors together to work in partnership through a platform for continuous dialogue. When NTFBs bring together the right constellation of stakeholders, they understand trade facilitation from the perspective of both the public and private sectors. These actors use their technical knowledge of operational realities, facilitation procedures and their experience in complying with regulations. They draw upon best practices in their own countries and from around the world.

Besides providing a powerful and formal dialogue platform for all actors of the trading community at national level to discuss trade challenges and find common trade solutions, NTFBs can also actively contribute to the development of countries and the modernisation of the public and private sectors. A high-performing NTFB can be an effective change-agent and a catalyst for a country's economic and social progress.

By recommending optimal solutions to maximise trade flows and minimise trade transaction costs, a well-run NTFB can help countries implement their WTO commitments and trade-facilitation reforms to remove border inefficiencies. Such bodies have been established and developed in formal and also an ad hoc manner depending on particular countries' circumstances. Sometimes NTFBs have also been established as an integral part of national

macro-economic strategic programmes; or as an integral part of national commitment to the international or regional communities under the trade-facilitation related treaties or initiatives.

It is important to note that there is no standard, internationally accepted or approved name and form for NTFBs. Their titles are various and range from NTFCs<sup>8</sup> to PRO Committees<sup>9</sup>. Throughout this Handbook, the term NTFB is used and is to be considered to encompass all form of NTFBs, including NTFCs and PRO Committee.

According to Article 23.2 of the WTO TFA), countries "shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement."

The most recent figures from UNCTAD indicate that 90 NTFBs have been formally established, NTFCs and over 30 *de facto* committees also exist<sup>10</sup>. The degree of development of specific NTFBs varies enormously from one country to another, and no particular guidance or requirements for the structure or operation of the NTFC is provided by the WTO TFA.

<sup>8</sup> A NTFB is "an effective forum where private sector managers, public-sector administrators and policy-makers can work together towards the effective implementation of jointly-agreed facilitation measures".

<sup>9</sup> PRO stands for «procedures». The creation of PRO committees goes back to UNECE's Recommendation No. 4 of 1974, which recommended that national trade and transport organs of mixed public/private membership be established to coordinate the planning and implementation of trade facilitation measures.

<sup>10</sup> UNCTAD (2020); 'National trade facilitation committees as coordinators of trade facilitation reforms'.

## 2. PURPOSE OF THE HANDBOOK

### a. Rationale

While the establishment of NTFBs appears to have (re)gained momentum since the entry into force of the WTO TFA, ensuring their effectiveness and sustainability can be a challenge<sup>11</sup>. The challenges faced by NTFBs commonly include limited political support, inadequate participation of senior officials in NTFB meetings, insufficient resources (human and financial) to run NTFB operations, resistance to change, and a lack of awareness on the importance of NTFBs and trade facilitation. The fact that these challenges remain persistent and the limited availability of practical tools on how to address these challenges made the production of this Handbook all the more relevant.

It should, however, be noted that this Handbook can only encourage its readers and users to consider the application of the presented guiding principles and recommended practices. Indeed, there is no *golden rule* or *one-size-fits-all* approach to an NTFB's effectiveness and sustainability. Rather, there are some guiding principles that have been recognised as factors that can contribute to NTFBs' success. The guiding principles and recommended practices in this Handbook must hence be used, tailored and adapted to the realities and context of each country in order to have maximal impact.

### b. Objectives

- **The overall objective** of this Handbook is therefore to 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.
- **The specific objective** is to 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.

This Handbook also complements efforts to increase awareness on NTFBs and existing literature on NTFBs, including the COMCEC's study under the title of *Establishing Well Functioning Trade Facilitation Bodies in the OIC Member States* dated 2015<sup>12</sup>.

The solutions and guidance are presented in terms of guiding principles and recommended practices and are structured according to seven areas of organisational effectiveness of NTFBs (see below).

### c. Target audience

This Handbook has been primarily developed for the policy makers and practitioners of the OIC Member Countries participating in the COMCEC trade working -group meetings, COMCEC Ministerial meetings and other relevant fora.

The wider audience of this Handbook includes:

- governmental agencies/officials (Ministry of Trade, Customs Administrations, Ministry of Agriculture, Ministry of Transport, Bureau of Standards, etc);
- private-sector operators (traders, trade associations, and trade-related service providers such as carriers, transporters, customs brokers, freight forwarders, etc);
- 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);
- other international organisations, relevant development partners (e.g. International Chamber of Commerce) other voluntarily initiatives aimed to assist its members' efforts to meet the requirements of Article 23.2 of the WTO TFA or their trade-related capacity-building efforts.

## 3. METHODOLOGY<sup>13</sup>

### a. Key activities

In order that this Handbook serves as a practical guide for the establishment, putting into operation and management of NTFBs, and be less of a static compilation of NTFB practices, the following key activities were undertaken:

#### 1. Review of existing literature on NTFBs

Several international organisations, most notably UNCTAD, have already conducted research work on NTFBs, and published their findings. Many of these are reports and guidance documents, which are the product of extensive consultation, and as such, provided valuable input. This desk-research activity allowed for the identification of key challenges faced by NTFBs, and identified common success factors. The literary review focused on, but was not limited to the following key documents:

- *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).*
- *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).*

For a detailed list of key NTFB reference documents, this Handbook provides its users with an NTFB Reference Toolbox in Annex 1.

11. UNCTAD conducted a survey in the second half of 2019 and asked chairpersons of 52 National Trade Facilitation Bodies to rate, using a scale from zero to 100, to what extent they considered their NTFBs to be sustainable over time. The average score was 68. UNCTAD considered that this was rather a low number considering that WTO member countries are obliged by law to establish, and maintain, such mechanisms.

12. [https://www.tfafacility.org/sites/default/files/case-studies/comcec\\_-\\_establishing\\_well\\_functioning\\_national\\_tf\\_bodies\\_in\\_the\\_oic\\_member\\_states.pdf](https://www.tfafacility.org/sites/default/files/case-studies/comcec_-_establishing_well_functioning_national_tf_bodies_in_the_oic_member_states.pdf)

13. The development of this Handbook was completed in the first trimester of 2020, before the COVID-19 pandemic. As a result, the Handbook does not reflect on potential NTFBs' responses to the COVID-19.

2. Survey and interviews

In order to collect further data and information on good practices, a survey was designed around seven key areas for organisational effectiveness (see section B below) and also incorporated two further components, namely the main challenges faced by NTFBs and the “main success factors”. The survey was accessible online in English and in French<sup>14</sup>, on a well-recognised survey platform.

The survey was shared with the COMCEC Trade Working Group Focal Points but also directly with chairs of NTFBs or heads of NTFB secretariats, when contact details were available. Furthermore, and in order to have a global perspective, the survey was also distributed to several NTFBs outside the OIC membership. To complete the picture, experts from various international, organisational partners and technical partners were also invited to take part in the survey.

In total, the survey had 43 respondents, including 31 representatives from 22 OIC Member Countries. The quality of the data analysis largely depended on the quantity and quality of data received from OIC Member Countries within the set timeframe. The Handbook only presents the survey results registered by OIC Member Countries.

In order to consolidate and refine the findings acquired through the survey, structured and focused interviews were also undertaken with selected OIC members across the three OIC regions, with selected non-OIC countries and also with various representatives of international organisations.

3. Field visit

In order to supplement the literature review, survey and interviews, a field visit was also carried out in the Kingdom of Morocco. The field visit allowed for a deep-dive analysis of Morocco’s NTFB practices and organisational effectiveness. The field visit combined structured interviews with key NTFB actors from the

public and private sectors, and a documentary review. This field visit helped to develop a case story on Morocco’s NTFB and further refine the Handbook’s recommended measures for the establishment, putting in practice and management of NTFBs.

4. Design and development of the Handbook

The Handbook was developed and designed based on the desk-review, survey results, interviews and field-study undertaken. The Handbook aims to provide practical guidance to OIC Member Countries on the establishment, putting into practice and management of NTFBs. The findings of the study are presented in Section B below (Guiding principles and recommended practices), in the form of:

- **Guiding principles:** which are to be considered as strongly recommended measures that are recognised as essential elements (must have) for establishing, operating and managing NTFBs.
- **Recommended practices:** which are to be considered as identified recognised good practices or the widest possible application of which is considered to be desirable (nice to have).

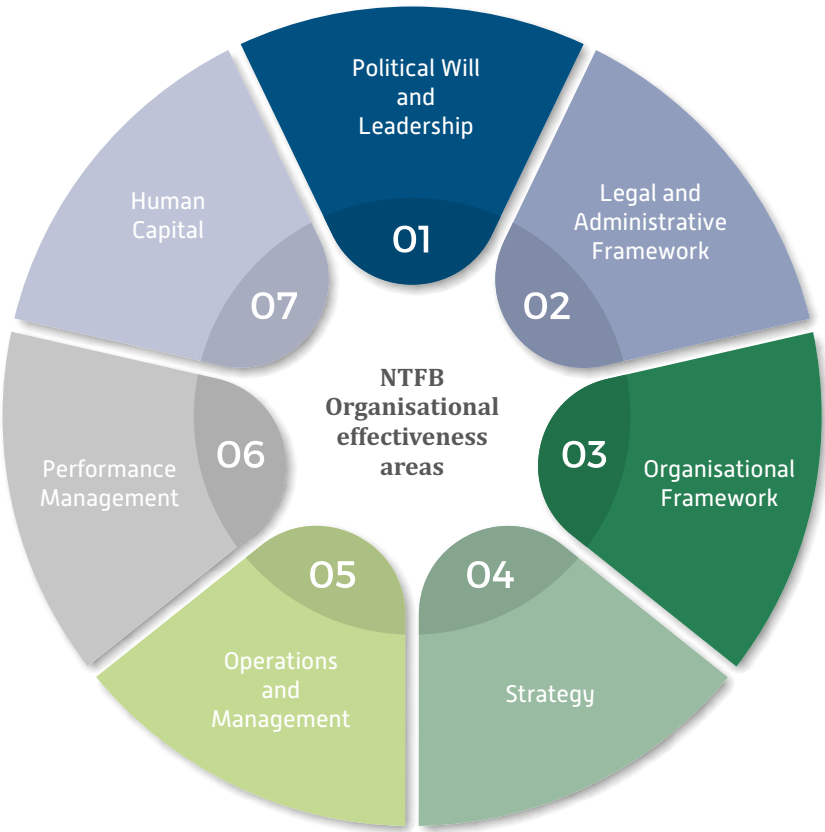
b. NTFB organisational effectiveness framework

The overarching framework that underpins the production of this Handbook is *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”<sup>15</sup>. The main questions answered by the Handbook are:

- 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?

For NTFBs, seven areas of organisational effectiveness (Figure 1) have been identified:

Figure 1 – NTFB Organisational effectiveness areas



Organisational Effectiveness Area 1: Political Will and Leadership

Regardless of a country’s level of development, an NTFB cannot be established nor effectively put into operation if it does not benefit from political support and strong leadership. A national and political willingness for trade facilitation and the creation of an NTFB is needed from the outset to establish and maintain an NTFB. Additionally, NTFBs must be championed and supported by inspirational leaders. Under this area, the Handbook focuses on the critical and visible elements related to sustained political will and conducive leadership.

Organisational Effectiveness Area 2: Legal and Administrative Framework

Does an NTFB need to be established through a Legal Act and/or formal text in order to have any authority and legitimacy in the country where it is due to operate? If so, what should the Legal Act/ formal text include? Under this subject area, the Handbook focuses on identifying the key elements that: (i) should be integrated in the Legal Act establishing NTFBs and (ii) would enhance NTFBs’ performance, if the elements were clearly captured and defined in the ToR of NTFBs (e.g. NTFB membership, roles and responsibilities of the members, decision-making process).

14. The survey (Annex 5 of the present document) is available on the following link: <http://www.comcec.org/en/15th-meeting-of-the-comcec-trade-working-group/>

15. McKinsey & Company, Organizational Solutions, <https://www.mckinsey.com/solutions/orgsolutions/overview/organizational-health-index> [1996-2020].



## Section B.

# Guidelines and Recommended Practices

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### Organisational Effectiveness Area 3: Organisational Framework

Like any other organisations, NTFBs need to have a clear and dynamic organisational framework that supports the effective delivery of their mandate and operations. The organisational framework includes the structure of NTFBs, as well as matters related to budgeting, financial sustainability and staff allocation. The Handbook identifies critical elements that need to be put into place at the organisational-framework level to enhance the chances of success of NTFBs.

### Organisational Effectiveness Area 4: Strategy

An organisation without a strategy is like a ship without its compass. A strategy provides orientation and helps an organisation define its vision of success. While NTFBs or similar trade-facilitation bodies have been developing strategies for many years, there is evidence that their level of implementation tends to remain low. The Handbook identifies building blocks of NTFBs' strategies, as well as guiding principles to increase the likelihood of developing effective strategies that can be executed and deliver the expected goals and results.

### Organisational Effectiveness Area 5: Operations and Management

The operations and management framework for NTFBs relates to those day-to-day operations of NTFBs and mechanisms in place that are most conducive to achieving the NTFBs objectives. Without effective operations and management mechanisms, NTFBs would only exist on paper. The Handbook identifies mechanisms that ought to be in place to ensure that NTFBs can deliver upon the priorities set out in their strategies to achieve effective implementation of trade-facilitation reforms and alignment with the TFA measures.

### Organisational Effectiveness Area 6: Performance Management

For many decades, both public agencies and private-sector operators have focused their attention on the measurement of performance. However, their focus has recently shifted to look beyond the measurement of performance, to the management of performance. Effective performance management is essential to organisations. It helps them align their employees, resources, and systems to meet their strategic objectives. Strong performance management rests on the simple principle that "what gets measured gets done."<sup>16</sup>

The performance-management framework for NTFBs relates to the mechanisms and/or systems established to measure success and manage performance. This is an area that both NTFBs and their technical partners have identified as needing more attention. Further to the process of formulation of the strategy (including strategic goals), the Handbook explores the types of mechanisms and tools that can facilitate the performance management at NTFB level.

### Organisational Effectiveness Area 7: Human Capital

An organisation's most valuable asset is often considered to be its human capital. In order to be successful, organisations need to bring together the necessary talent and competencies. While the Handbook looks into the importance of allocating dedicated staff to NTFBs to run their operations under the section Organisational Framework, this section on Human Capital identifies the critical competencies required at the different NTFB levels to ensure that NTFBs meet their objectives.

<sup>16</sup> Carpi, R et al (2017). "Performance management: Why keeping score is so important, and so hard". McKinsey & Company, <https://www.mckinsey.com/~media/McKinsey/Business%20Functions/Operations/Our%20Insights/Performance%20management%20Why%20keeping%20score%20is%20so%20important%20and%20so%20hard/Performance-management-Why-keeping-score-is-so-important-and-so-hard.pdf>.



## 1. POLITICAL WILL AND LEADERSHIP

### a. Political will – Introduction

Political will is widely considered as one of the most critical elements for NTFB's success, effectiveness and sustainability. According to the survey undertaken to develop this Handbook, 76% of all respondents included political will in their top-three success factors for NTFBs. Moreover, political will was the most mentioned success factor by OIC respondents.

Political will remains, nonetheless, a rather nebulous concept. Political will is often described as “the firm intention or commitment on the part of a government to carry through a policy, especially one which is not immediately successful or popular”<sup>17</sup>. This is a good starting point for trade facilitation, as it is invariably about the simplification, harmonisation and standardisation of international trade procedures, the vast majority of which are controlled by government or government appointed agencies.

However, in the context of trade facilitation, it would be a mistake to limit this definition to the public agency dimension. Indeed, securing the purported small p form of political will of other relevant stakeholders, such as traders (importers and exporters) and trade-services providers (customs brokers, transporters, freight forwarders, warehouse operators, banks, etc) is also critical to the successful implementation of trade-facilitation reforms and the realisation of trade-facilitation benefits.

Adopting an inclusive (as opposed to *all-of-government*) approach is a cornerstone of trade facilitation. Trade facilitation depends fundamentally on a robust and transparent partnership between government agencies and private-sector operators to pursue policies that focus on the end ob-

jective, the trade and economic development of a country. The definition of political will in the context of trade facilitation should, as such, reflect this inclusive approach.

This Handbook, therefore proposes to adapt the above definition of political will in the context of trade facilitation, to better reflect the dynamics of trade facilitation, as follows:

#### Box 2 – Definition of political will

*“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.”*

The next questions related to political support are how does it manifest itself and what are the visible/tangible elements of political support for NTFBs? According to the survey undertaken to produce this Handbook, the following “visible elements of political support” have been ranked “from 1 to 5” in order of importance for the success of NTFBs:

Table 2 – Visible elements of political support

1	Resource allocation (human and financial to the NTFB)
2	High-level and regular participation at NTFB meetings
3	Promotion of NTFB work and progress
4	Regular requests for updates on NTFB progress and challenges
5	Others

<sup>17</sup> Lexico.com is a new collaboration between Dictionary.com and Oxford University Press (OUP) – see <https://www.lexico.com/about>

## Organisational Effectiveness Area 1: Political Will and Leadership

Based on previous studies on this topic and the responses to the survey developed to produce this Handbook, NTFBs must secure high-level political support to be successful.

Political support from senior levels of the public and private sector is often high at the launch of NTFBs but it seems that sustaining this support is a real challenge for many NTFBs. This is despite the

fact that the importance of sustaining such support is well recognised, as evidenced by the fact that 94.7% of the OIC respondents to the OIC 2020 survey strongly agreed or agreed that “sustained political support” from senior-level officers is critical to the effectiveness and success of a NTFB.

The Handbook has identified four guiding principles related to sustained political support.

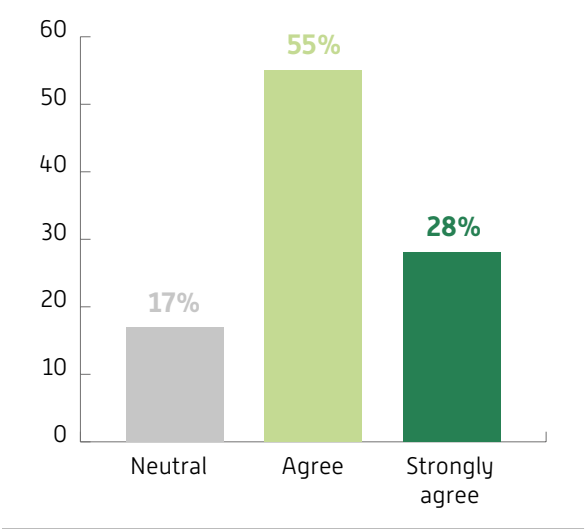
b. Guiding principles and recommended practices related to political will

i. Guiding Principle 1.1

*Guiding Principle 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.*

In the survey, 83% of OIC respondents strongly agreed or agreed that a critical element to sustaining political support is for NTFBs to communicate regularly with relevant authorities, private-sector operators and the wider trading community on trade-facilitation successes and challenges.

Figure 2 – Survey results on relevance of communication with authorities



The language of such communications is critical, and a key task of the NTFBs is to articulate trade-facilitation outcomes and impacts in terms of tangible political goals, such as employment creation, poverty elevation, time and cost reduction, competitiveness, and trade and economic development in order to gain and sustain political support. For example, the strategic goal of the Greek National Trade Facilitation Strategy in 2012 was “Reducing time to export by 50% and costs by 20% by the end of 2015, thus leading to at least 10% increase in exports’ value, 1.7% increase of the GDP and 80,000 new jobs”<sup>18</sup>.

Trade facilitation fundamentally requires a partnership, both within and between government agencies, and between government and business. This is to achieve an outcome that is in the national interest and is of benefit to all key stakeholders. This requires a public good orientation, where all stakeholders are fully engaged and committed to this national outcome rather than the success or benefit of their individual agency, organisation or company.

18 Greek National Trade Facilitation Strategy and Roadmap (2015): <https://www.unecce.org/fileadmin/DAM/trade/GreeceTradeFacilitation-Reforms/Documents/NationalTradeFacilitationStrategyRoadmap.pdf>

Strong political will is required to achieve this in practice, as often, key players in the value chain have a vested interest in leaving matters just as they are, in order to continue to maintain their strategic position or achieve profitable outcomes from their dominant role within the current inefficiencies or restrictions. In such cases, the challenge for the NTFB is to demonstrate how the new desired structures and procedures can produce benefits for all. For example, in the case of private-sector service providers (such as brokers, forwarders, financial institutions, etc.) where the reform may involve a reduction in the time and cost of specific processes and related services, and consequently the potential fees that could be charged, it is important to show that the net result may also be associated with higher volumes and lower costs to the service provider or facilitator, thus resulting in higher overall profits. It is important to be able to estimate and demonstrate these dynamics.

Generating *quick wins* and *success stories* in the first six to nine months is especially important at the early stages of the NTFB. By providing proof of concept that the cooperative approach across agencies and the private sector towards trade facilitation reforms yields results, momentum and continued support of the stakeholders can be

maintained. Moreover, such “quick wins” can reassure the private sector that the time they spend in contributing to the NTFB and its work is worth their investment as it has resulted in easier, faster and less costly imports or exports. Showing results is the best way to keep and expand broad-based, buy-in and at the same time secure resources for further reforms – including those from budgetary approving-powers in parliaments.

Similarly, for specific governmental agencies, it is important to identify and emphasise the potential for their contribution to a national trade-development goal. For example, it can be beneficial for governmental agencies to demonstrate and publicly acclaim how their efficiency enhancements have been a major factor in improving the overall economic performance of a country.

This may involve identifying the supportive role that each agency can play in the collective output, irrespective of how important that role may be, in and of itself. Experience from many trade-facilitation projects has shown that individual agencies often only see the importance and function of their own specific service, and can lack an understanding of their contribution (or obstacle) to the entire export or import process and value chain.

Table 3 – Recommended practices related to Guiding Principle 1.1

Recommended practices related to Guiding Principle 1.1	
RP1.1.1	NTFBs to develop a robust communication strategy and plan to clearly identify and actively promote comprehensible (to the lay person) and politically-appealing trade facilitation benefits to all key stakeholders continually, so that it remains a high priority on the government and private-sector agenda.
RP1.1.2	NTFBs to reframe technical trade-facilitation outcomes and impacts in terms of tangible political goals, such as; employment creation, poverty alleviation, time and cost reduction, competitiveness, and trade and economic development to gain and sustain political support.
RP1.1.3	NTFBs should seek to identify and demonstrate the potential trade-facilitation role, contribution and benefit for individual agencies and organisations within the context of the total import/export value chain, and national trade and economic performance. The NTFB should attempt to achieve a mind-shift in leaders of individual agencies, from an inward-looking agency perspective to a perspective of national prosperity. The potential impact of this broader understanding can be quite significant.
RP1.1.4	Ensure clear results (quick wins and success stories) within the first six to nine months of NTFB operations to keep stakeholders’ engagement.



ii. Guiding Principle 1.2

*Guiding Principle 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 (WCO Revised Kyoto Convention, etc).*

For many years, trade facilitation was considered to be a rather technical subject, due to its focus on items such as the simplification of trade documents and border procedures, the introduction of automated processes, and the development and implementation of International Standards. Although critical elements for trade and development, these subjects were not necessarily presented in an appealing enough light to ensure a high position on the political agenda.

However, with the advent and entry into force of the WTO TFA and the obligation under Article 23.2 for members to “establish and maintain” a functioning NTFB, trade facilitation has gained attention and traction and a much higher profile on the political agenda. It is essential, therefore, that the trade facilitation agenda be framed in this more political context, in order to attract and maintain the required political will that is necessary to implement the required reforms.

Table 4 – Recommended practices related to Guiding Principle 1.2

Recommended practices related to Guiding Principle 1.2	
RP1.2.1	NTFBs should consider capitalising on the political momentum for trade facilitation generated by the entry into force of the WTO TFA and both reframe and position trade facilitation as a key component of the national trade and economic-development strategy for a country.

iii. Guiding Principle 1.3

*Guiding Principle 1.3*  
*Ensure that the NTFB is positioned strategically in the political set-up of the country.*

As mentioned above, trade facilitation requires strong political support. One element that contributes to gaining and keeping this political support is to ensure that the NTFB is elevated to a high level and works very closely to a senior government official such as the minister of trade or the prime minister (or similar level) if possible.

In the survey, 63.6% of respondents indicated that political support from the head of government or ministerial level would be the minimum level necessary to ensure a NTFB’s effectiveness and success.

Some OIC Member Countries, such as Cameroon and India, have elevated the NTFB to the prime minister’s (or similar level) office. Such an elevation ensures that the NTFB gets attention from the highest governmental level and also diffuses the risk of inter-ministerial disputes over areas of authority.

The *institutional anchoring* of an NTFB is hence to be considered as a key element of gaining and sustaining political support. Further information about the organisational framework of NTFBs is provided in sub-section B.3 of this Handbook.

iv. Guiding Principle 1.4

*Guiding Principle 1.4*  
*Ensure that the NTFB’s legal establishment Act and/or ToR require mandatory high-level and regular participation from its members.*

As indicated above, the regular participation of high-level representatives from the NTFB membership is considered as a clear and visible element of the members’ commitment to, and political support for the NTFB. Assigning a junior staff member with no or limited decision-making authority to represent the organisation at NTFB meetings sends a clear signal of the diminished level of interest in the NTFB and its activities.

In numerous cases, it has been reported that high-level officers have not managed to attend NTFB steering meetings due to competing priorities and demands; because their participation at these meetings is crucial to steer necessary TF reforms and take key decisions to solve border and trade management inefficiencies, it is critical to ensure that the Legal Act or formal text establishing NTFBs clearly stipulate the obligation for members to send

high-level officers with decision-making authority to NTFB steering committees. In the possible case of non-attendance by the assigned high-level officers, the alternates must be identified and known in advance by the board. Furthermore, these alternates must be authorised to exercise the exact power or authority in decision making and approving NTFB documents (minutes etc).

Furthermore, 94.8 % of all respondents from the OIC region strongly agreed or agreed that a visible sign of political support and leadership from members of NTFBs is to commit their organisations to positive actions during NTFB meetings and to effectively implement the actions to which they were committed.

Further information about the legal and organisational framework of NTFBs is provided under sections B.2 and B.3 of this Handbook.

Table 5 – Recommended practices related to Guiding Principle 1.4

Recommended practices related to Guiding Principle 1.4	
RP1.4.1	NTFBs should ensure that documents such as the NTFB strategy and trade-facilitation roadmap and minutes of meetings are approved by the high-level representatives of NTFBs’ members.

c. Leadership – Introduction

Leadership can be defined as “a set of behaviours that, in a given context, align an organisation, foster execution and ensure organisational renewal.”<sup>19</sup>

Leadership is widely considered as one of the most critical elements for NTFB’s success, effectiveness

and sustainability. According to the survey undertaken to develop this Handbook, 96% of all respondents from the OIC region strongly agreed or agreed that a committed chair with a high level of leadership, cordial and engaging personality traits is critical to the success of NTFBs.

19 Kruty, M. et al (2019). ‘Why defining leadership is imperative’. McKinsey & Company, <https://www.mckinsey.com/business-functions/organization/our-insights/the-organization-blog/why-defining-leadership-is-imperative#:~:text=Why%20defining%20leadership%20is%20imperative,culture%20transformations%20and%20leadership%20development>.

d. Guiding principles and recommended practices related to leadership

Guiding Principle 1.5  
Ensure the selection and appointment of a chairperson with a high level of leadership.

The chairperson is a critical function in the NTFB structure. Therefore, the selection and appointment of the chairperson cannot be taken lightly. Further details on the competencies required to be an effective chairperson are provided in Section B.7 below. This section solely focuses on the leadership competency.

Leadership is a critical competency for the chairperson to master. In management literature, it is widely accepted that while the values and per-

sonality traits of people may make them more inclined to adopt a certain style of leadership as their natural leadership-style, they must be able to use varying leadership styles when facing different situations in order to be successful and lead their organisation to success.

Renowned leadership and management specialists developed Table 5<sup>20</sup>, presenting five styles of leadership that are often used and found in both the public and private sectors:

Table 6 – Five styles of leadership

1	2	3	4	5
<b>Directive leadership style:</b> The directive leader tells their subordinates what to do, and how to do it exactly. They specify the standards required of their followers and exercise firm, and often unquestionable, authority over them.	<b>Participative leadership style:</b> The participative leader involves themselves as a member of the team and discusses possible decisions with the team. They seek consensus and everyone is supposed to take ownership in the final decision.	<b>Negotiative leadership style:</b> The negotiative leader employs a more political approach to leadership. They have an interest in their decisions and uses incentives to entice and motivate their subordinates to do certain things.	<b>Delegative leadership style:</b> The delegative leader takes a back seat toward decision making, and allows subordinates to take their own course of action. They only sit with the team to discuss possible decisions that could be adopted.	<b>Consultative leadership style:</b> The consultative leader asks their subordinates for opinions. While they ultimately have the authority to make the final decision, they are willing to listen to the viewpoints of every member of their team.

20 Bass, B.M and Bass, R (2008). 'The Bass Handbook of Leadership: Theory, Research, and Managerial Applications'. Free Press, ISBN 0743215524.

It is important to note that one particular leadership style is not always better than another. Rather, different situations call upon varying leadership styles, and it may sometime be important to be very directive and decisive leader, while other situations may require a much more negotiative, consultative or delegative leadership style<sup>21</sup>.

In the context of NTFBs, a consultative leadership style for example, would require the chairperson to ask NTFB members for their contributions as this

style of leadership is about engaging NTFB members effectively in the decision making and problem-solving process. This kind of leadership style endorses the fact that the leader is indeed the servant of the people he or she is leading. However, one of the drawbacks of such a leadership style is that the decision-making and problem-solving process can become lengthy, so it is important for the chairperson to know when to assume another style of leadership to move the agenda further and faster.

Table 7 – Recommended practices related to Guiding Principle 1.5

Recommended practices related to Guiding Principle 1.5	
RP1.5.1	Sensitise the chairperson (and co-chairs) on the different leadership styles or make provisions of for the chairperson to benefit from competency development strategies (coaching, online training, on-site training, etc) in the area of leadership.

21 Hersey, P (1984). 'The Situational Leader'. CLS Publishing, ISBN 0931619017.

e. Case stories

Organisational Effectiveness Area: Political Will	Country: Cameroon	Reference code: CS1A
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*“Our NTFB reports directly to the office of the prime minister. This institutional anchoring facilitates alignment with the country’s public and private sector’s priorities and facilitates the coordination of inter-ministerial work.”*

**Mr. Joseph Nteppe, Permanent Secretary of the NTFB and co-chair of the NTFB Secretariat.**

The NTFB of Cameroon was established in March 2016 through Prime Ministerial decree. It counts 36 members, half of which are private-sector representatives. It meets at least once per year and is chaired by the office of the prime minister.

**Strategic positioning in the national and political landscape to ensure political buy-in**

According to the NTFB members in Cameroon, a robust legal basis, a strong organisational set-up, an inclusive composition, along with adequate financial and human resources have been essential for the sustainability of their NTFB. Yet, members recognise that one of the key NTFB effectiveness-enablers has been the strategic positioning of the NTFB in the national political landscape.

Having the NTFB report directly to the office of the Prime Minister not only ensures that the work of the NTFB is included in the political agenda, but it also enhances the sense of urgency among the NTFB members to advance the NTFB work and also contributes to securing their political will.

Having adopted a three-tiered structure with a steering committee, a technical secretariat and technical working groups, Cameroon’s NTFB also works in close consultation with the Cameroon National Business Forum. This close cooperation with the forum ensures that the NTFB’s work responds to national priorities and the traders’ concerns.

**Making provisions for budget contributions**

One of the visible elements of political will is human and financial resources’ commitment. The legal framework of the NTFB was jointly developed by all NTFB members and identifies the NTFB members (Port Authority, Customs, private sector, development partners...) that shall contribute to the operational budget of the NTFB. In this way, the NTFB Chair and Secretariat can call upon these contributors on a yearly basis to provision the NTFB budget.

**Key takeaways**

- Robust legal basis, a strong organisational set-up, an inclusive composition, along with adequate financial and human resources are essential for the sustainability of the committee.
- The strategic positioning of the NTFB in the national political landscape can contribute to securing political will.
- NTFBs must establish effective communication channels with other national bodies active in the area of trade facilitation to ensure coordination and find synergies (see Brazil case study for more details in this area).
- Identifying a budgeting mechanism in the legal framework can alleviate the budgetary stress that NTFBs can face.







## 2. LEGAL AND ADMINISTRATIVE FRAMEWORK

### a. Introduction

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. According to the survey undertaken to develop this Handbook, 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.

The Legal Act or text establishes the NTFB within the legal structures of the country, giving it legitimacy and certainty (protection) under the law. The legal document would typically formalise the purpose, function, operations and expected deliverable of the NTFB and would cover matters such as membership, chairmanship, funding, organisational structure and other operational issues. It also usually makes clear the extent of the legal authority of the NTFB in terms of decision-making powers, reporting and financial responsibilities.

Although Article 23.2 of the WTO TFA requires WTO members to establish and or maintain an NTFB or NTFC, the Article does not suggest any specific legal structure for the NTFB within a country. This is partly because the legal framework for an NTFB will be decided by local consideration, culture and priorities.

It should be noted that the results of an UNCTAD study<sup>22</sup> indicate that 94% of NTFBs surveyed were established under some form of legal framework, with 69% established by a decision of the cabinet of ministers or by presidential decree, and 25% by a decision or decree at ministerial level<sup>23</sup>.

While a Legal Act or formal text provides the legal basis for the establishment of NTFBs, these documents must be supported by Terms of Reference (ToR) that provide more details on the mandate and operations of the NTFBs. NTFB's ToR have been defined as "a document that sets up the basis for a common understanding among the parties involved in a trade-facilitation body. In an ideal situation, include the objectives of the committee, its scope of action and its working structure, among others."<sup>24</sup> In this section, the present Handbook provides guidance on critical elements related to NTFBs' ToR based on existing literature and the results of the survey undertaken to produce this Handbook.

The Handbook identifies three guiding principles related to the organisational effectiveness area focused on the legal and administrative framework (including supporting ToR). The legal and administrative framework of an NTFB is clearly linked to its organisational framework and as such, this section of the Handbook should be considered in parallel with Sub-Section B.3 below on organisational framework.

<sup>22</sup> UNCTAD (2020). 'National trade facilitation committees as coordinators of trade facilitation reforms'.

<sup>23</sup> UNCTAD (2020). 'National trade facilitation committees as coordinators of trade facilitation reforms'.

<sup>24</sup> UNCTAD (2015). 'National trade facilitation bodies in the world'.

## Organisational Effectiveness Area 2: Legal and Administrative Framework

b. Guiding principles and recommended practices

i. Guiding Principle 2.1

Guiding Principle 2.1

Ensure that NTFBs have been established by a Legal Act or formal text.

As mentioned above, NTFBs are usually established through a Legal Act or official text. The legal framework recognises NTFBs as official bodies with a mandate given by law<sup>25</sup>. The legal framework, hence, gives legitimacy and authority to NTFBs. The advantage of establishing the NTFB through a Legal Act or formal text is that it provides certainty and clarity regarding the purpose and operational structure of NTFBs and can help in reducing the potential for conflict of interest between the parties involved. It is a strong indication of the level of political support for the NTFBs’ work and can help secure funding arrangements while also giving a degree of protection to NTFBs during a change of government or administration. Establishing an NTFB by a Legal Act also sends a signal that trade facilitation is seen as a key element of the country’s trade and economic development policy and that a cooperative and national focus is required from all stakeholders, in the national interest. Furthermore, a legal framework, depending on its formulation, can give the NTFB more power to enact binding decisions required to undertake the necessary reforms to facilitate trade.

Notwithstanding the above, it is important for the Legal Act or formal text establishing NTFBs to focus on key elements of the NTFBs rather than tackle specific operational details, thereby leaving flexibility to adapt NTFB operations as necessary. The Legal Act or formal text should therefore be formulated in a manner that embraces an approach that will allow NTFBs to easily adapt its operations to a changing environment and requirements over time.

For example, a country may include the overall mandate or purpose of the NTFB in the Legal Act or official text, but it could leave out the NTFB’s performance indicators.

Various international organisations and development partners (UNCTAD, UNECE, World Bank, WCO, etc) recommend the official establishment of an NTFB through a Legal Act or formal text. However, there is limited guidance<sup>26</sup> on the formulation of document , or on the essential contents of the Legal Act or official text. That said, based on literature review, the following elements are included typically in the legal framework:

**Box 3 – Elements of a legal framework**

1. Mandate and function of the NTFB
2. Membership
3. Chairmanship
4. Organisational structure
5. Frequency of meetings and reporting
6. Decision making and quorum
7. Funding and financial arrangements

Two of the key challenges identified by NTFBs are the limited participation of members’ high-level officers to NTFB meetings and the lack of funding arrangements to support NTFB operations. One potential solution to these challenges would be to tackle them directly in the Legal Act by:

- Requiring members to send representatives with decision-making authority to the NTFB board and steering committee.
- Signalling that decisions made by the NTFB at board and steering-committee level are binding for all members.
- Requiring at least some of the NTFB Members to assist with the NTFB operating costs (meeting costs, costs related to the NTFB Secretariat’s work, etc).

25 The legal texts establishing the NTFBs in Cote d’Ivoire and Kenya can be consulted in the annex section of this Handbook.  
26 UNECE’s Recommendation 4 on National Trade Facilitation Bodies provides basic guidance on the legal framework of NTFBs. The UNCTAD NTFC Repository also includes information on countries’ NTFB’s Legal Acts.

Table 8 – Recommended practices related to Guiding Principle 2.1

Recommended practices related to Guiding Principle 2.1	
RP2.1.1	An acceptable legal or formal basis can be a Legal Act, official decrees or official circular. It all depends on a country’s national legislation and its political inclination towards trade facilitation.
RP2.1.2	It is advisable for the text to be drafted in such a way that it is clear, concise but not overly prescriptive or restrictive, such that flexibility is built-in for the dynamic transformation and maturation of NTFBs over time.
RP2.1.3	Common practice is that the Legal Act establishing NTFBs includes: <ul style="list-style-type: none"><li>- an overview of the mandate and purpose of the NTFB;</li><li>- information about the positioning of the NTFB in the national governance set-up;</li><li>- a general description of the organisational structures of the NTFB;</li><li>- general information about the membership / composition of the NTFB;</li><li>- general information about the decision-making mechanism;</li><li>- information about the frequency of the NTFB steering-committee meetings;</li><li>- information about the budgeting of the NTFB.</li></ul>
RP2.1.4	As a minimum, NTFBs are typically required to: <ul style="list-style-type: none"><li>- provide a conducive public-private dialogue platform to discuss trade-facilitation opportunities, challenges and solutions;</li><li>- coordinate the implementation of agreed trade-facilitation reforms;</li><li>- provide oversight and guidance on the implementation of international agreements on trade facilitation, such as the WTO TFA and the relevant sections of bilateral or other multilateral trade agreements;</li><li>- review the national trade-facilitation landscape and provide policy advice to the government on trade-facilitation matters;</li><li>- communicate regularly on Trade Facilitation benefits and progress.</li></ul>
RP2.1.5	The mandate/purpose for the NTFB may also require it to: <ul style="list-style-type: none"><li>- act as a national focal point for the collection, dissemination and promotion of recognised/proven good-practices in international trade facilitation;</li><li>- support with the publication of updates related to the national trade-facilitation landscape such as changes in legislation or procedures;</li><li>- undertake outreach and capacity-building activities related to trade-facilitation;</li><li>- undertake necessary resource mobilisation/donor engagement efforts to attract and secure funding necessary to finance the implementation of NTFBs agreed trade-facilitation initiatives;</li><li>- participate in regional and international efforts to improve trade facilitation.</li></ul>
RP2.1.6	It is advisable to position the NTFB directly under a key senior official such as the office of the prime minister (or similar level) or the minister of trade, depending on the national governance and political set-up.
RP2.1.7	The Legal Act or official text may broadly describe the organisational structure adopted for the NTFB, including information on its chairperson/co-chairs (which level of officers from which public and/ or private institution) and its different layers (steering committee, NTFB Secretariat, ad hoc working group). However, it is advisable for the Legal Act or official text does not name the nominated chairperson/co-chairs. It is also advisable that the Legal Act or official text does not provide details of the NTFB layers as this information could be provided by specific ToR for each structure.



ii. Guiding Principle 2.2

*Guiding Principle 2.2*  
*Ensure that the NTFB has clear ToR, reflecting the legal and organisational structure of the NTFB.*

The most recent data from UNCTAD indicates that the majority of NTFBs (87 % of surveyed NTFBs by UNCTAD<sup>27</sup>) have developed ToR. The ToR of NTFBs<sup>28</sup> are closely related to the NTFBs’ organisational framework.

While UNECE Recommendation 4 provides basic guidance on ToR for NTFBs, UNCTAD indicates that “in an ideal situation, ToR include:  
- the NTFB’s objective  
- its scope of action  
- its working structures, among others.”<sup>29</sup>

It is also important that, like the legal framework, these ToR be developed in consultation with and validated by all members of an NTFB as these co-

operative efforts would go a long way in establishing the ground for a transparent and trusted partnership within the NTFB.

It is also important to embed results-based management principles in the ToR and to ensure that the ToRs clearly spell out the NTFB’s objectives, results, outputs, activities and associated indicators. This would facilitate the application and evaluation of the NTFB’s performance.

According to the OIC respondents to the survey used to develop this Handbook, the following elements are to be included in NTFBs’ ToR in order of importance:

Table 9 – Elements to be included in ToRs

Important elements in the ToRs	Rank 1 = most important
Mandate (overall objective, results, activities).	1
Organisational structure of the NTFB (steering committee, technical secretariat, sub-working groups, etc).	2
Appointment of the chair, appointment of the secretariat.	
Membership (composition of the NTFB, type of membership – voting or non-voting member).	3
Decision-making process (consensus, majority or otherwise based, etc).	
Roles and responsibilities of members.	4
Meeting frequency.	5

27 UNCTAD (2020). ‘National trade facilitation committees as coordinators of trade facilitation reforms’.  
28 The terms of reference of Pakistan’s NTFB can be found in the annex of this Handbook along with the guidance of the WCO on this topic.  
29 UNCTAD (2015). ‘National trade facilitation bodies in the world’.

Since the NTFB is a consultative body, it will also be advisable for countries to consider the following recommended practices when developing and updating their NTFBs.

Table 10 – Recommended practices related to Guiding Principle 2.2

Recommended practices related to Guiding Principle 2.2	
RP2.2.1	Establish a working group of key stakeholders to develop and update the ToR of the NTFB and have the NTFB board validate and approve them.
RP2.2.2	The ToR include the overall objective, results and activities of the NTFB to put into place the operation of the NTFB, and the evaluation of its performance.
RP2.2.3	The ToR summarise the role and responsibilities of the organisational structures within the NTFB (e.g. NTFB board, NTFB steering committee, NTFB secretariat, NTFB and ad hoc/technical working-groups). Specific ToR for each of these structures may also need to be drafted separately.
RP2.2.4	The ToR detail the composition (and level of seniority required) of the NTFB membership. They also clearly indicate that each member should appoint a main representative and an alternate representative and that both must have decision-making authority. The ToR state clearly the roles and responsibilities of the members.
RP2.2.5	The ToR clearly appoint the chairperson (and/or co-chairs) and describe the role of the chairperson. The ToR could also provide information about the selection and appointment process of the chairperson and co-chairs.
RP2.2.6	The ToR clearly appoint the NTFB Secretary and describe the role of the secretary. The ToR could also provide information about the selection and appointment process of the secretary.
RP2.2.7	The ToR clearly indicate the frequency of NTFB meetings.
RP2.2.8	The ToR clearly describe the rules and procedures to be followed for NTFB meetings, including but not limited to: - the provision of timelines for the submission of agenda and any preparatory documents needed for NTFB meetings; - the provision of timelines for the submission of the meetings minutes; - the rules related to making an intervention during the NTFB meetings.
RP2.2.9	The ToRs clearly describe the quorum and the decision-making process (e.g. consensus, two-thirds majority, simple majority, etc). and indicate that decisions are binding to the members.



iii. Guiding Principle 2.3

**Guiding Principle 2.3**  
*Ensure that the NTFB's composition represents of the national landscape for trade facilitation.*

NTFBs are formally constituted of bodies where all public and private-sector parties who are interested in key aspects of the country's international trade. These aspects typically include: multimodal transport, transit, logistics, finance, agriculture, sanitary and phytosanitary requirements, health, electronic business and related topics where the NTFB component-bodies can present their respective views and problems, and seek, through consultation and consensus, mutually agreeable solutions<sup>30</sup>.

NTFBs act as an open forum to promote trade facilitation, encourage inter-agency coordination, and provide directives on major trade facilitation issues. The success and sustainability of an NTFB relies on it reflecting the interests, objectives and activities of the national stakeholders over the long term. The composition of an NTFB is hence critical to its effectiveness and sustainability.

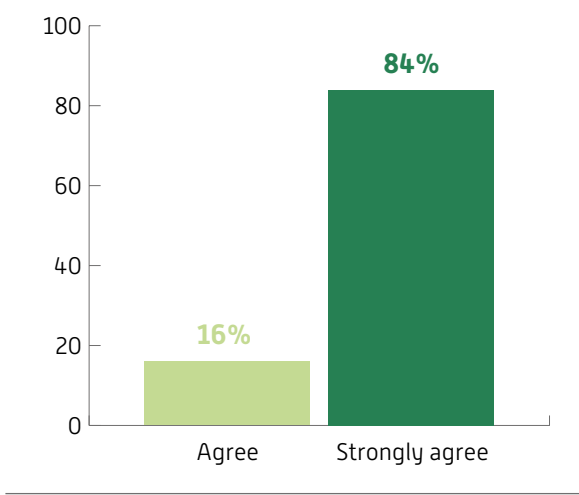
Trade facilitation requires consideration of the interlinked roles of the three main actors closely involved in the international-trade sectors of the country where the NTFB exists, or is to be set up.

- Public sector (all relevant government trade-related agencies), responsible for designing and implementing national laws and regulations regarding trade in a coordinated way by working together and by streamlining import, export and transit procedures.
- Private-sector traders (importers and exporters), who can benefit from such solutions in their international trade transactions.
- Private-sector trade-services providers (carriers, freight forwarders, multimodal transport operators, banking institutions, insurance companies, software providers, etc.), who can

offer market-oriented trade and transport solutions within the framework of national and international trade and transport practices, obligations and law.<sup>31</sup>

Each country's trade-facilitation landscape has its own specificities and the membership of NTFBs may, hence, vary from one country to the other. That said, it is important for the membership of the NTFB to ensure an adequate balance between public agencies and private-sector representatives. All participants to the survey of the OIC respondents strongly agreed or agreed that the NTFB must include representatives of the private sector. Increasingly, NTFBs consider having a private-sector representative as the co-chairperson of the NTFB steering committee, or having an alternating chairperson, whereby the chair position is held alternatively by public sector officials and private-sector representatives.

**Figure 3 – Survey results on importance of having representation of private sector within the NTFB**

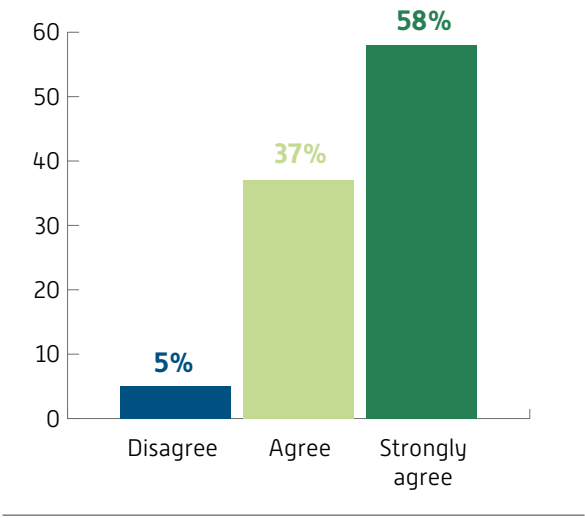


30 UNECE (2015) 'Recommendation 4: National Trade Facilitation Bodies'.

31 UNECE (2015). 'Recommendation 4: National Trade Facilitation Bodies'.

Furthermore, having a chamber of commerce as the sole representative of the whole private sector may not be sufficient to reflect the views of the different private-sector traders and trade service providers operating in the country. A NTFB's responsibility is also to give the private sector a voice through the platform and to create an environment that is conducive to public-private dialogue and partnership. 94.7% of the OIC respondents strongly agreed or agreed that NTFBs should duly consider inputs such as identified bottlenecks, reform suggestions, etc of the private sector beyond generic industry representation (e.g. chambers of commerce).

**Figure 4 – Survey results on the importance for the NTFB to consider inputs from the private sector**



One risk for the NTFB is that it can become overcrowded. When conceptualising the NTFB membership, the working group responsible for developing the NTFB's ToR may hence find it useful to use *stakeholder-mapping* techniques. Stakeholder analysis usually involves:

- a) identifying the stakeholders;
- b) analysis of the stakeholders:
  - identify their overall position on trade facilitation matters and their level of interest in trade facilitation;
  - identify their overall level of influence on trade-facilitation reform.
- c) selection of the most appropriate mode of engagement (inform, consult, involve, cooperate, empower).

The core membership of the NTFB is often given voting rights, which means that they can contribute to the decision-making process of the NTFB. As a result, it is critical for the ToR to clearly:

1. Stipulate that members ought to send representatives with decision-making authority, whereby they can commit their organisation/constituency to take action. 94.7% of the OIC respondents to the survey strongly agreed or agreed that NTFBs' members' representatives must have the authority to take decisions to commit their organisation during NTFBs' official meetings.
2. Define the minimum number of meetings to take place and decisions to be made.
3. Define the decision-making process. Given the consultative nature of NTFBs, the most commonly accepted and adopted decision-making process is consensus. However, if consensus cannot be reached (even over a few meetings and despite the chairperson's mediation efforts to bring members to a consensus) over a critical matter, the chairperson should have the option to ask members to move to a qualified majority (two-thirds or single majority) decision-making process to advance the NTFB agenda.
4. Make provisions for the NTFB to have non-core members with observer status (non-voting rights) and to invite representatives of specialised industries, development partners or any other stakeholders as the NTFB sees fit although these would not have voting rights.



Figure 5 – Survey results on the importance for NTFBs to send officials with decision-making authority to the NTFB meetings

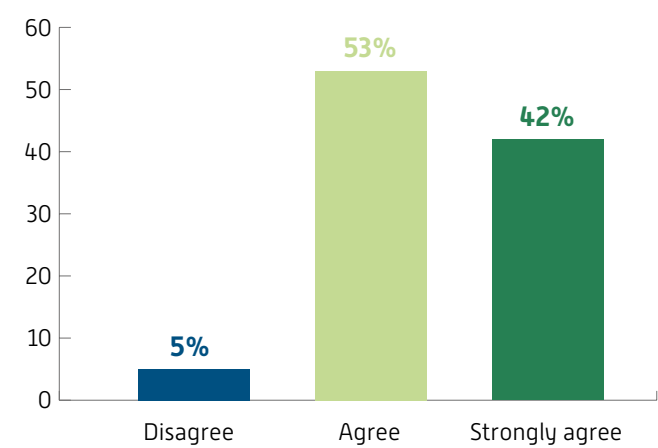


Table 11 – Recommended practices related to Guiding Principle 2.3

Recommended practices related to Guiding Principle 2.3	
RP2.3.1	Ensure that a thorough, stakeholder-mapping exercise has been undertaken to determine the most adequate and relevant composition of the NTFB Committee and of its organisational structures.
RP2.3.2	Ensure that the private sector is represented at all levels of the NTFB and beyond generic industry representations [e.g. chambers of commerce].
RP2.3.3	Consider empowering the private sector by trusting them with holding a key role within the NTFB structure [co-chair, head of the steering committee, head of the secretariat, etc].
RP2.3.4	Ensure that the Legal Act/official text and/or NTFB ToR include provisions to allow the NTFB to invite specific or specialised groups, organisations, individuals to attend NTFB meetings and/or present to the NTFB on specific matters and occasions.
RP2.3.5	Consider provisions to allow for members with observer status (non-voting rights).





c. Case stories

Organisational Effectiveness Area: Legal and Administrative Framework	Country: Côte d’Ivoire	Reference code: CS2A
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*“The National Trade Facilitation Committee’s legal framework gives both legitimacy and credibility to the NTFC at national level. The fact that the NTFC was established by presidential decree demonstrated the importance of trade facilitation matters on the national development agenda and favourably positioned the NTFC in the national landscape.”*  
**Mr Felix KOUAKOU, Senior Advisor to the NTFC Secretariat.**

*A presidential decree to send a positive signal to the global community*

With the increasing traction around the WTO TFA in the years 2014 and 2015 and the implementation of the ECOWAS Common External Tariff in January 2015, Cote D’Ivoire was not only keen to demonstrate its commitment to trade-facilitation reforms by establishing its NTFB on 24 March 2015 through a presidential decree<sup>32</sup> but it was also aiming to position itself as one of the trade-facilitation champions in West Africa.

The Presidential Decree is a concise but powerful document that focuses on key elements of a NTFB’s legal and administrative framework: mandate, leadership, membership and budget. The Presidential Decree does not cover operational matters and indicates that a subsidiary (and subsequent) ministerial decree is to provide further information on such matters. The issuance of a generic presidential decree supplemented by a more detailed ministerial decree offered two advantages to Cote d’Ivoire:

1. The country was able to effectively establish the NTFB through the highest authority, thereby sending a strong signal on the importance given to trade facilitation.
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.

The Presidential Decree identifies 22 NTFB members, including eight from the private sector and civil society. The Decree also clearly indicates that the lead agency responsible for the NTFB is the Ministry of Commerce and that the functioning/operating costs of the NTFB are to be borne by the State budget. The Decree also specifies the mandate of the NTFB. The structure of the Presidential Decree is as follows:

Section 1	Preambles
Section 2	Decree articles <ul style="list-style-type: none"><li>- Article 1 establishes the NTFB<sup>33</sup>.</li><li>- Article 2 states that the NTFB is under the leadership of the Ministry of Commerce.</li><li>- Article 3 describes the mandate of the NTFB.</li><li>- Article 4 lists the members of the NTFB.</li><li>- Article 5 provides further information about the nomination/appointment of members’ representatives.</li><li>- Article 6 indicates that the organisational framework and the operational/functional processes of the NTFB are to be specified in a subsequent decree to be issued by the Ministry of Commerce.</li><li>- Article 7 indicates that the NTFB operational costs are to be covered by the National Treasury.</li><li>- Article 8 indicates that the Ministry of Commerce is responsible for the application of the decree.</li></ul>
Section 3	President’s signature and seal from the presidency

32 The full text can be consulted in Annex 4 of the present Handbook, which is available at: <http://www.comcec.org/en/15th-meeting-of-the-comcec-trade-working-group/>

33 The official name of the NTFB in Cote d’Ivoire is National Trade Facilitation Committee (NTFC).

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

As per the Presidential Decree’s requirement, the Ministry of Commerce issued a decree in June 2016 on the organisational framework and operational processes of the NTFB. The Decree’s content was prepared and agreed upon by consensus by NTFB members. The Ministerial Decree focuses on:

Firstly, the organisational structure of the NTFB through the description of:

- the roles and responsibilities of the chair agency (the Ministry of Commerce);
- the roles, responsibilities and composition of the Technical Secretariat, thereby implicitly providing clarity on the adopted organisational framework (board, technical secretariat, technical working groups). The NTFB’s Technical Secretariat is headed by the Ministry of Budget’s representative, namely the customs administration. It is composed of five members including two from the private sector. The Technical Secretariat is officially recognised as the NTFB’s operational arm.

Secondly, the functional processes of the NTFB through the description of:

- the meeting frequency at board level. At this apex level, the NTFB is required to meet once per trimester.
- the arrangements to be made before the meetings, specifically issuing the meeting agenda to the NTFB members no later than seven days prior to the scheduled meetings.

Thirdly, the funding mechanism through the identification of funding sources for NTFB operations:

- the NTFB operations are to be covered mostly by the state budget;
- the NTFB is also authorised to receive funding from sponsors, including regional and international organisations and other development partners.

Finally, the confirmation that the NTFB is primarily responsible for the implementation of the WTO TFA and the Ministry of Commerce is responsible for the effective execution of the Decree.

*Key takeaways*

- The establishment of an NTFB through a decree from the head of state can send a strong and positive signal to the trading community and trading partners about the country’s commitment to trade-facilitation reforms.
- The description of a NTFB’s organisational framework and main functional processes in a ministerial decree can strengthen the sense of leadership, accountability and ownership of the NTFB chair and head of the technical secretariat.
- Formally authorising the NTFB to receive funding from development partners to sponsor NTFB activities from the outset can support the effective optimisation of NTFB.



d. NTFB tools

Organisational Effectiveness Area: Legal and Administrative Framework	Country: NTFB ToR <sup>34</sup>	Reference code: T2A1
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The text below provides guidance on the structure/content of NTFB ToR.

Cover Page

The ToR must come with a proper cover page, ideally a visually appealing one. The cover page should include the name of the country, the title of the document (NTFB ToR), the date of publication and version number (for knowledge-management purposes and document control).

Table of Contents

It is important to include a table of contents, even in the ToR. Ideally, the table of contents is automated. If the ToR include tables and figures, it is advisable to also add a list of tables and figures below the table of contents.

Acronyms

If the ToR text includes acronyms, it is recommended to include a table of acronyms. If the target audience of the ToR is not fluent in some concepts covered in the ToR, it is also advisable to include a list of definitions below the table of acronyms.

Executive Summary

The inclusion of an executive summary in the ToR is recommended but it is not essential. This section should ideally be less than one page.

1. Background

In this section, condensed information on the country overall is provided (name of the country, capital, population size, economic size, etc). Information on key, national, strategic documents for development. These include, for example: a national development strategy, , and investment strategy, etc) is also provided. A trade profile of the country (member of the WTO, member of a customs union, trading volumes, etc) is also usually presented and it is advisable to specify the country's membership status with the WTO and WCO and whether it has ratified the WTO TFA and WCO Revised Kyoto Convention.

This section should end with one or two paragraphs providing the rationale behind the establishment of the NTFB.

Ideally, this section should be kept under a page and a half.

2. Mandate

In this section, the mandate/*raison d'être* of the NTFB is presented. It is critical to embed results-based management principles and to clearly specify the NTFB's overall aim and specific objectives. This section usually starts with a concise sentence summarising the mandate of the NTFB: "e.g. The NTFB's purpose is to provide a conducive platform for public-private partnership to find innovative solutions to facilitate trade in country X. The NTFB reports to the cabinet of the prime minister". The sentence, the overall objective and specific objective are as follows:

a) Overall objective

e.g. To contribute to the socio-economic development of country X through trade facilitation

b) Specific objectives

- e.g.
- Provide a forum for consultative dialogue on trade-facilitation objectives, strategies, and reform initiatives.
  - Oversee planning, execution and evaluation of the NTFB strategy, and/or the national trade-facilitation strategy.
  - Oversee planning, implementation, monitoring and results evaluation of agreed trade-facilitation initiatives.
  - Advise and make recommendations to the government on all trade facilitation matters, including those related to trade agreements and trade-related infrastructure development.
  - etc

3. Functions

This section focuses more on key activities to be undertaken by the NTFB. For example:

- To approve the national policy/consensus on trade facilitation discussed during the NTFB discussions.
- To initiate or approve trade-facilitation programmes and projects as well as oversee their implementation.
- To benchmark against globally recognised practices and standards.
- To review these ToRs as and when necessary for the attainment of national trade-facilitation objectives.

4. Operational processes

This section presents information on putting into place the operations of the NTFB, and day-to-day operations. This information is usually related to the NTFB membership, chairperson, organisational structure, meeting arrangements, quorum and decision-making process.

a) Membership

This sub-section provides information about the membership (list of members etc) and roles and responsibilities of the members.

b) Chairperson

This sub-section provides information about the chairperson/co-chairs and their roles and responsibilities. It may also include information about the chairperson's selection and nomination process.

c) Organisational structure

- This sub-section describes organisational structure without going into details (just the role and responsibilities will suffice) e.g.
- Strategic and policy level: NTFB board.
  - Operational level:
    - i. NTFC Technical Committee.
    - ii. NTFC Secretariat.
    - iii. NTFC Ad hoc working groups.

d) Meeting arrangements

- This sub-section presents information related to the NTFB meetings frequency and administrative arrangements, e.g.
- Frequency of meetings.

e.g. The NTFB board will meet at least twice per year, and more often if necessary.
  - Agenda and meeting working documents

e.g. The agenda will be circulated by the NTFB Chair, through the secretariat, at least XX days...It will be accompanied by the necessary working/background documents.

e) Quorum and decision-making process

- e.g. The minimum quorum for a meeting to take place is at least 35% of the membership.
- e.g. All decisions are binding. The decisions are to be made by consensus. Shall a consensus not be reached on a critical decision point despite the chairperson's best endeavours, the chairperson may ask the NTFB to move to a two-thirds majority.

34. Other reference material on NTFB Terms of Reference can be found:

- In Annex 1 of ITC's publication 'National Trade Facilitation Bodies Committees: Moving towards implementation'. [2015]: [http://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/2014-2015-324%20-%20National%20Trade%20Facilitation%20Committees\\_Low-res.pdf](http://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/2014-2015-324%20-%20National%20Trade%20Facilitation%20Committees_Low-res.pdf)
- In Annex 1 of UNECE Recommendation 4: [http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec04/ECE\\_TRADE\\_425\\_CFRec4.pdf](http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec04/ECE_TRADE_425_CFRec4.pdf)
- In section 3.5.2 and Annex VI of the WCO Guidance for NCTFs: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/national-committees-on-trade-facilitation/guidance/nctf.PDF?db=web>

## 5. Reporting

This section presents the schemes related to the reporting, monitoring and evaluation of NTFB activities. It can be broken down as follows:

### a) Reporting and monitoring scheme

e.g. The NTFC secretariat will provide quarterly progress reports (no longer than five pages) to the NTFB board. A detailed yearly progress report will be submitted no later than 20 November, including financial reporting.

### b) Evaluation scheme

e.g. A yearly evaluation on the NTFB's performance at operating level will be conducted looking into the number of meetings, number of agreed decisions that have been implemented, efficiency in terms of operating costs, and effectiveness (level of execution of the strategy and priority projects);

e.g. A thorough external evaluation on the NTFB's strategy progress will be carried out every two years based on the following criteria: impact, effectiveness, efficiency, ownership and sustainability.

## 6. Funding mechanism

This section presents the NTFB funding arrangements, including the budget cycle, information about the operating costs (what they include, who should provide for them, etc) and the trade-facilitation reform costs:

### a) Budget cycle

e.g. Annual budgets for the NTFB operating costs should be prepared by the NTFC Secretariat and submitted to the NTFB for approval.

### b) Operating costs

e.g. The operating costs include: meeting costs, NTFB Secretariat costs, etc.

These costs will be borne by the following NTFB members, etc.

### c) Trade-Facilitation reform costs

e.g. To the extent possible, the NTFB will rely on the state budget to implement agreed trade-facilitation reforms. If national financial resources were not sufficient to cover the costs of the reforms, the NTFB technical working-group and secretariat are authorised to coordinate and undertake efforts in resource mobilisation. The signature of any cooperation and funding agreement with potential donors is to be approved by the NTFB board.







## Organisational Effectiveness Area 3: Organisational Framework

### 3. ORGANISATIONAL FRAMEWORK

#### a. Introduction

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.”<sup>35</sup> When the organisational design of an entity matches its strategic intentions, the organisation is primed to achieving its mission and objectives.

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.

An organisational structure defines how activities such as task allocation, coordination, and supervision are directed toward the achievement of organisational aims<sup>36</sup>. It determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organisation’s actions<sup>37</sup>. This structure

is, therefore, developed to establish how an organisation operates. The structure is illustrated using an organisational chart. While there are many possible organisational structures that could be adopted by NTFBs, a multi-tiered approach that separates the strategic, operational and technical levels has often been recommended for NTFBs<sup>38</sup>. In the survey, Sixty 67% of OIC respondents have indicated that their NTFBs have adopted such a multi-tiered structure.

Once the scope of a NTFB’s mandate has been defined, its structure designed and its strategy defined, an NTFB must also rely on an adequate provision of financial and human resources to achieve its goals. The organisational structure and the resources needed by NTFBs may change as their mandate and strategy evolve over time. It is therefore important that NTFBs adopt a dynamic and agile approach to their organisational framework to ensure their responsiveness to strategic and environmental changes.

This Handbook has identified eight guiding principles related to NTFBs’ organisational framework.

<sup>35</sup> Aronowitz, S. et al (2015). ‘Getting organizational redesign right’. McKinsey & Company, <https://www.mckinsey.com/business-functions/organization/our-insights/getting-organizational-redesign-right>.

<sup>36</sup> Pugh, D. (1990). ‘Organization Theory: Selected Readings’. Penguin Books, ISBN 0140124233.

<sup>37</sup> Jacobides, M. (2007). ‘The inherent limits of organizational structure and the unfulfilled role of hierarchy: Lessons from a near-war’. *Organization Science* 18(3).

<sup>38</sup> UNECE (2015). Recommendation 4: National Trade Facilitation Bodies.



b. Guiding principles and recommended practices

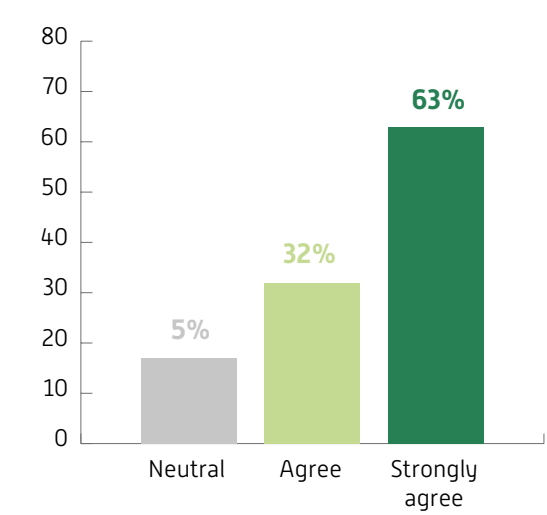
i. Guiding Principle 3.1

**Guiding Principle 3.1**  
*Ensure the adoption of a multi-tiered NTFB organisational structure, which separates the strategic, operational and technical levels of the NTFB’s work.*

In the survey, 95% of OIC respondents strongly agree or agree that in order to be successful, NTFBs should have a tiered structure:

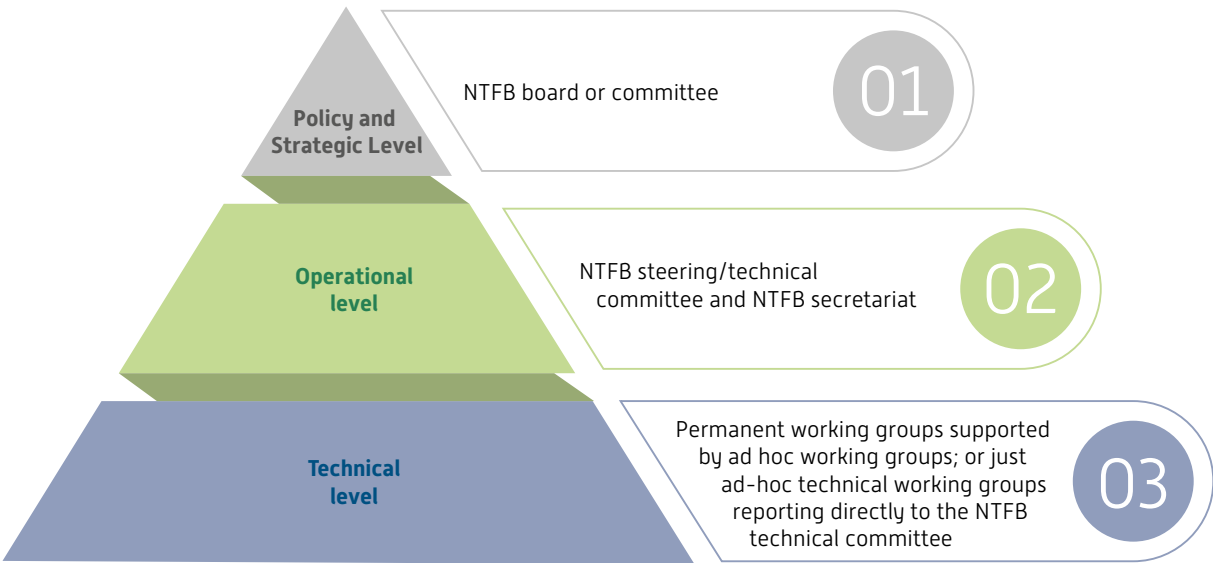
- At the policy and strategic level, a high-level body - usually called a board or a committee [similar to an executive committee]– which focuses on giving orientation to the NTFB’s work and is responsible for the approval of main NTFB deliverables.
- At the operational level:
  - a steering/technical committee which oversees the technical work and reports to the high-level body;
  - a secretariat, which supports the daily operations of the NTFB such as meeting arrangements, meeting follow-ups.
- At the technical level, technical working groups are usually established to undertake specialised work to deliver on the strategic and operational goals, as set out in the NTFB strategy.

**Figure 6 – Survey results on the importance for the NTFB to adopt a tiered structure**



The fundamental principle behind this organisational structure is the assignment of clear and specific roles and responsibilities to the different actors in each level, recognising both their capacity and availability (in terms of time and other responsibilities) to undertake their assigned roles. A conceptual representation of a tiered organisational structure is presented below.

**Figure 7 – Tiered, organisational structure**



**Table 12 – Recommended practices related to Guiding Principle 3.1**

Recommended practices related to Guiding Principle 3.1	
RP3.1.1	Ensure that clear and specific roles and responsibilities are assigned to the different actors at each level, recognising both their capacity and availability (in terms of time and other responsibilities) to undertake their assigned roles.
RP3.1.2	Ensure that the distinct roles and responsibilities of all levels in the NTFB are clearly defined and documented in specific ToR for each level.

The suggested composition of each of the levels in the multi-tiered structure for an NTFB is described in the guiding principles below. However, it is emphasised that the structure and roles of each level

may vary considerably from country to country, depending on resources, the level of ambition for trade-facilitation reform in the country, availability of donor support and cultural considerations.

ii. Guiding Principle 3.2

*Guiding Principle 3.2*  
*Ensure that the structure(s) at the NTFB policy and strategic level, the NTFB board, consist(s) of high-level senior officials (ministers, senior directors, CEOs, etc) of the relevant governmental and business organisations.*

The top-level strategic element of the NTFB is the **NTFB board** (or committee in the case of NTFCs)<sup>39</sup>. This is the structure where the political will is manifested. As with all matters related to trade facilitation, the NTFB board would normally include senior representatives from both the public and private sector. The board typically comprises a chair, preferably a senior figure from the prime minister’s office (or similar level), Ministers from key governmental departments or agencies such as customs, ministries of trade, agriculture, standards, transport, communications, etc, and heads of leading businesses organisations such as chambers of commerce, exporters’ associations, freight-forwarders associations, etc. As stated above, the exact composition of the NTFB board may vary considerably from country to country.

The board is the strategic space within which the political leadership (both public and private) considers and formally endorses the NTFB goals and objectives, preferably encapsulated in the NTFB strategy. The board ensures that the NTFB focuses its activities on the priority areas identified by the stakeholders in the roadmap, and, importantly, checks periodically that the agreed outputs are effectively delivered within the deadlines.

Experience has shown that it can be difficult to secure the continued and regular participation of the nominated NTFB chair and consequently, a number of NTFBs have appointed two or even three chairs (co-chairs), either on a rotating basis or as alternates. In some NTFBs the chairmanship rotates between the public and private sector<sup>40</sup>.

Similarly, the organisation of the board’s functions and activities should take into account the fact that senior-level politicians and business representatives have many priorities and limited time. For example, if the prime minister (or similar level senior representative) is to head the NTFB, it is best to presume his or her active engagement in this task up to two or three times per year at most. Similarly, senior ministers or business leaders would only be required to attend board meetings on a quarterly basis at most.

The board’s responsibilities are to establish and review key policy objectives and deliverables, and be involved in one-off events such as the initial launch of the NTFB and the endorsement of the NTFB strategy (including the action plan). The oversight of the implementation of the roadmap may be given to the NTFB steering committee (see below). This restricted but focused level of direct engagement from the political level is appropriate, as such players do not need to be involved in the day-to-day affairs of the NTFB. In fact, holding more frequent meetings could dilute the level of attendance and can render the board ineffective.

For this tiered structure to be effective, there must be a strong link and effective communications between the board and the operational level. In order to reinforce this link, agency and organisational heads and directors should be made aware that they will be held accountable by the board for delivering on the goals, tasks and impacts that are assigned to them. One method to formalise this is by establishing a robust performance-management framework (see sub-section B6 on this topic).

**Box 4 – Example of linking the strategic and operational levels – Achieving APEC trade-facilitation goals<sup>41</sup>**

This strategic approach was used by the Asia Pacific Economic Cooperation (APEC), where member countries committed to reaching specified trade-facilitation goals detailed in the APEC Trade Facilitation Action Plans; progress on meeting these targets was reviewed by ministers at the annual APEC meeting. This requirement for the member countries’ Ministers to publicly report to their peers on the progress of their country, was credited as a key factor in achieving results, as clearly no minister wanted to present poor results for his or her country. The results were quite impressive. Although the region as a whole did not meet the 10% trade transaction cost reduction goal, a considerable number of individual economies not only met the goal, they greatly exceeded it. Further, through the trade-facilitation Action Plans and the subsequent APEC Supply Chain Connectivity Framework Action Plan (SCFAP), researchers found that the average performance of APEC economies in implementing the WT TFA Measures has been remarkably better than the average of all WTO members.

Table 13 – Recommended practices related to Guiding Principle 3.2

Recommended practices related to Guiding Principle 3.2	
RP3.2.1	Ensure that the NTFB board comprises a chair, preferably a senior figure from the prime minister or similar level’s office, ministers from key government departments and agencies, and heads of businesses organisations.
RP3.2.2	Consider the option of having co-chairs with equal authority and responsibilities for the NTFB.
RP3.2.3	Ensure that NTFB board meetings are strategic in nature. They may be held at least twice a year, but not too frequently to ensure regular participation from high-level officers.
RP3.2.4	Ensure that the board’s primary responsibilities are focused on approving and reviewing key objectives and deliverables and engaging in key high profile NTFB events.
RP3.2.5	Ensure that the NTFB board formally endorses and communicates (publishes) the NTFB goals and objectives, preferably encapsulated in the NTFB strategy.
RP3.2.6	Ensure effective links and communication between the board and the operational level.

39 For a NTFB the term would usually be the Board, while for NTFCs, the term would more likely be the Committee.  
40 UNCTAD (2020). ‘National trade facilitation committees as coordinators of trade facilitation reforms’. In this UNCTAD study, 31% of the respondents reported having a co-chair system in place while 2% of them indicated that their NTFBs are co-chaired by the public and private sector.

41 [https://www.apec.org/-/media/APEC/Publications/2019/1/Policy-Brief-Trade-Facilitation-in-APEC-Progress-and-Impact/TFA-ES-CAP-Policy-Brief\\_Final.pdf](https://www.apec.org/-/media/APEC/Publications/2019/1/Policy-Brief-Trade-Facilitation-in-APEC-Progress-and-Impact/TFA-ES-CAP-Policy-Brief_Final.pdf)

iii. Guiding Principle 3.3

*Guiding Principle 3.3*  
*Ensure that the operational level consists of a steering committee (sometimes also called Operational Management Committee) and of an NTFB secretariat.*

The operational level is the core functional and management level of the NTFB. It typically comprises some form of **steering committee** of senior representatives of government and the private sector. It may include a subset of the board members (from key strategic areas such as customs, agriculture, trade, etc) and may also include senior operational representatives of government and business (directors, heads of functional areas in business organisations, etc), supported by a strong, permanent and full-time secretariat (see below).

The steering committee, supported by the NTFB secretariat, is responsible for the overall operation and management of the NTFB. The key role of the committee is to ensure that all board decisions are fully implemented. The chair of the steering committee is a critical role and may be taken by the NTFB board chair or co-chair, if this is feasible. This helps ensure cohesion between the steering committee and the board.

The key difference, therefore, between the board and the steering committee is that the board decides **what** strategically should be achieved (objectives and goals) and the steering committee determines **how**, practically, these objectives and goals are actually achieved. The secretariat and the working groups (see below) are the workers that undertake the specific tasks required.

Activities of the steering committee may include the following (depending on the operational arrangements in the country, some of these tasks may be undertaken directly by the secretariat):

- Preparation of the NTFBs initial goals and objectives and oversight of the full strategy development process. The strategy must then be presented to the board for approval.
- Identification, selection and supervision of technical working groups (see below) and prioritisation of projects and deliverables.
- Translation of the NTFB goals and outputs into political language.
- Organisation and management of the NTFB human and financial resources.
- Communications to and between all stakeholders. The subjects include activities, outputs and achievements.
- Engagement with donors and relevant international organisations.

Typically, the steering committee will initiate and review the above activities and the secretariat will make the necessary arrangements for their implementation. It is critical that there is effective communication and reporting between the secretariat and the steering committee at all times; and that the secretariat has full flexibility and the necessary autonomy in undertaking its work.

Table 14 – Recommended practices related to Guiding Principle 3.3

Recommended practices related to Guiding Principle 3.3	
RP3.3.1	Consider appointing the NTFB board chair or co-chair as the chair of the steering committee.
RP3.3.2	Ensure that there is always effective communications and reporting between the secretariat and the steering committee.
RP3.3.3	Ensure that the secretariat has full flexibility and the necessary autonomy to undertake its work.

iv. Guiding Principle 3.4

*Guiding Principle 3.4*  
*Ensure that an 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.*

The main role of the NTFB secretariat is to support delivery of the NTFB strategy and other decisions of the board and the steering committee. The structure, function and extent of the secretariat depends on many factors, not least of which is resources (financial and otherwise) but also the delivery model adopted. For example, some NTFB secretariats may undertake research, design, analysis and project implementation work directly, while for other NTFBs most of this work would be assigned to NTFB ad hoc technical working groups or contracted out and the secretariat would mostly focus on the administrative arrangement for NTFB operations such as meeting arrangements. The more work that is contracted out or assigned to other organisations, fewer staff will be required in the NTFB secretariat itself. There is no right or wrong way to do this – it really depends on resources and what is most likely to attract and sustain support, both politically and financially. The exact structure and extent of work to be undertaken by the secretariat will depend on the operational model adopted and, in some cases, the extent to which donor support is utilised.

A well-functioning NTFB secretariat is critical to the success of a NTFB. In order to be effective, the NTFB secretariat must be staffed in accordance with this mandate and assigned responsibilities. The appointment of a head of the NTFB secretariat is considered good practice; this person will work closely with the head of the steering committee and the NTFB chair to organise and follow-up on NTFB meetings.

It is also important to note that the structure of the NTFB and the secretariat may need to change significantly over time. For example, at the early stage, it may be appropriate to have substantial donor support and technical assistance to get the NTFB up and running and to tackle specific priority projects. After a few years, however, scaling back on the outside support may be appropriate (and indeed it is inevitable) and the NTFB should plan for this from the outset. It is far better to have a low or medium level NTFB that is effective and sustainable over time rather than a high-powered body that loses momentum, after the external support is removed.

Table 15 – Recommended practices related to Guiding Principle 3.4

Recommended practices related to Guiding Principle 3.4	
RP3.4.1	Ensure that the NTFB secretariat benefits from the leadership and management of a competent head/director.
RP3.4.2	Ensure that the NTFB secretariat has the necessary human resources to plan, organise (including administrative tasks) and report on NTFB meetings; including human resources that are competent in the area of communication (including digital communication and marketing).
RP3.4.3	Ensure that over time, the NTFB secretariat's resources are supported by the NTFB budget or funded by the members.
RP3.4.4	Ensure that there is effective communication and reporting between the secretariat and the board/steering committee at all times.
RP3.4.5	Ensure that the secretariat has full flexibility and the necessary autonomy in undertaking its work.



v. Guiding Principle 3.5

*Guiding Principle 3.5*  
Ensure that the NTFB establishes a series of technical working-groups to handle specific areas, projects or tasks, following from the priorities developed in the NTFB strategy.

The technical level is where specific technical tasks, projects, analysis, work, etc, are carried out. While there are many ways to organise this, it is common for NTFB steering committees to establish a series of technical **working groups** (WGs) to work on specific areas. The establishment of WGs and related projects would normally flow from the priorities developed in the strategy and associat-

ed action-plan. Depending on the selected organisational model and strategy, NTFBs may wish to adopt a programmatic and thematic approach for the execution of their strategy and associated action plan. As a result, they may elect to establish WG comprising of a WG steering committee and a project team, if necessary (see the fictional example below).

The WGs may require technical assistance and the assignment of appropriate financial and other resources to undertake their work. Clear ToR should be established for each WG, to ensure clarity of purpose and to prevent *mission creep* and unnecessary overlap with other WGs. In all cases, defined results framework with key performance indicators (KPIs) regarding expected outcomes and impacts of these projects/tasks are essential in order to be able to monitor and evaluate progress and the performance of WGs.

Figure 8 – Examples of NTFB Technical Working Groups

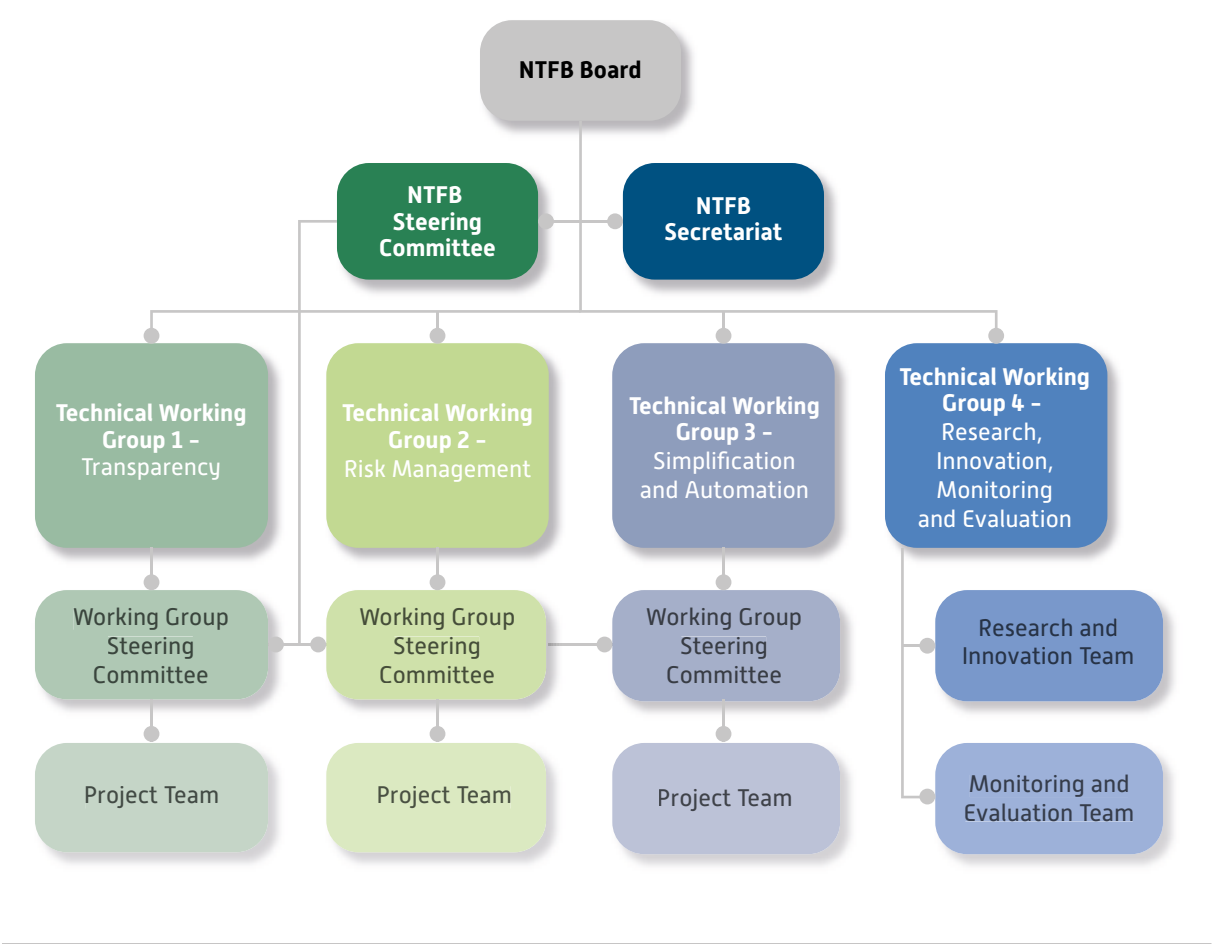


Table 16 – Recommended practices related to Guiding Principle 3.5

Recommended practices related to Guiding Principle 3.5	
RP3.5.1	Ensure that ToR are established and approved (by the steering committee) for each working group.
RP3.5.2	Ensure that clearly defined KPIs regarding expected outcomes and impacts are defined for all working-group projects/tasks.
RP3.5.3	Ensure that the WGs report back to the steering committee on a regular basis.
RP3.5.4	Ensure that standardised reporting formats are established and followed by all WGs.

vi. Guiding principle 3.6

*Guiding Principle 3.6*  
*Ensure that the NTFB is sufficiently provisioned in financial resources to undertake its operations and achieve its mission and strategic objectives.*

Organisational sustainability is the ability of an organisation to secure and manage sufficient resources to enable it to fulfil its mission effectively and consistently over time without excessive dependence on any single funding source. As a result, a key factor to NTFBs’ success would be their ability to mobilise the necessary financial resources to implement their strategy and run their operations. Securing adequate financial resources for NTFBs has been, however, identified as a major challenge by NTFBs and technical partners alike. The survey respondents most commonly cited the following five obstacles in this order (most important is 1):

- 1. stakeholder-cooperation challenges
- 2. absence of strategy
- 3. limited political support
- 4. insufficient human and financial resources
- 5. limited technical knowledge.

In the survey, 73.7% of OIC respondents either strongly agreed or agreed that the NTFB should have a dedicated budget to run its operations. The budget of NTFBs will vary from one country to the other, depending on the mandate and strategy of the NTFB, the scope of work allocated to the NTFB Secretariat and other factors such as the local costs. However, an NTFBs’ budget may be divided into two distinct categories:

- 1. Operating costs:** costs linked to the day-to-day operations of the NTFB. Under these costs, the following budgetary items are commonly included:
- a. costs related to NTFB meetings at all levels, and at least for the board and steering committee meetings;
  - b. costs related to NTFB staff / human resources;
  - c. costs related to NTFB communication.

Other costs that could be covered here are, for example, travel costs (benchmarking, participation to WTO TFA meetings, etc.) and training costs for the NTFB steering committee or the NTFB secretariat.

- 2. Reform costs:** costs linked to the implementation of modernisation programmes/projects. Under these costs, the following budgetary items could be included:
- a. provisions for arrangements related to the work of technical WGs;
  - b. costs for capacity building (expert support costs including travel and subsistence costs, study tours, etc);
  - c. costs related to the acquisition of new technology/materials;
  - d. costs related to the improvement of infrastructures.

Ideally, NTFBs would be able to rely on a comprehensive enough budget from the outset to cover both their operating and reform costs. However, this may not always be possible; as such, the next, best option would be for NTFBs to secure funding for their daily operations and priority reforms from their membership. If this is not possible either, then the next best option would be for NTFBs to secure funding from the core NTFB membership. However, this option could still be out of reach for some NTFBs.

Consequently, and in order to secure sufficient financial resources, NTFBs may:

- 1. Require, through the Legal Act establishing the NTFB, mandatory contribution to the NTFB budgets by some key members (ministry of trade, customs, port authorities, etc) to at least cover NTFB operating costs and ideally also some trade-facilitation reform costs.
- 2. Explore options to reduce the operating costs. NTFBs operations could be reduced if some NTFB members could, for example, provide NTFB meeting premises, as in Cameroon where the port authority provides its facilities for NTFB meetings. Other options could include the secondment of staff from members to focus on NTFB work free of charge, whereby the member loaning out its staff would still be responsible for the salary cost of its staff after their secondment to the NTFB secretariat, for example.
- 3. Commission the NTFB secretariat or a dedicated working group to mobilise resources/secure funding from potential donors and/or financial and technical partners. The idea would, then, be to have a budget, which combines contribution from the members and contributions from

external partners. It is worthy to note that the ITC has developed a state-of-the-art competency-based, capacity-building workshop package for NTFBs in the area of project design and donor engagement to support NTFBs with their efforts to mobilise resources.

- 4. Explore revenue generating activities through the provision of training, advisory or research services on trade facilitation or through the provision of marketing services whereby by public or private-sector operators may be willing to pay a fee to observe NTFB meetings or have a page dedicated to them in NTFB publications.

The struggle to secure funding from NTFB members may reflect a low priority for trade facilitation (or indeed trade development) on the national political/economic agenda, perhaps due to a lack of information or understanding of the potential economic benefits of trade and trade facilitation. In such cases, the NTFB steering committee or secretariat could consider undertaking at least some basic research and cost-benefit analysis on, for example, the potential social and economic impact of a reduction in the time and cost of trade regulatory procedures.

Table 17 – Recommended practices related to Guiding Principle 3.6

Recommended practices related to Guiding Principle 3.6	
RP3.6.1	Ensure that, at the minimum, the NTFB funding for operating costs is secured directly from the stakeholders (both government and business), wherever possible.
RP3.6.2	Ensure that the NTFB Secretariat (and/or a dedicated working group) focuses efforts on securing the necessary funding to support with the NTFB operating and trade-facilitation reform costs. If needed, consider requesting support to develop the NTFB secretariat (or working group)’s competencies in the area of resource mobilisation and donor engagement.
RP3.6.3	Consider making provisions in the Legal Act for mandatory budgetary contributions by some key NTFB members to, at least, support with the operating costs.
RP3.6.4	Explore innovative and practical solutions to reduce operating costs through the free provision of premises for meetings by members, or the secondment of members’ staff to the NTFB Secretariat whereby the member would still cover the salaries of its seconded staff.
RP3.6.5	Explore innovative NTFB revenue generating options such as the provision of advisory services or marketing services to both the public and private sector.

vii. Guiding Principle 3.7

Guiding Principle 3.7

Ensure that the NTFB is adequately resourced to match the level of ambition of the country in achieving agreed trade-facilitation goals and objectives.

The level of staffing required to operate an effective NTFB depends primarily on the level of ambition of a country regarding the trade facilitation, the current starting point regarding the existing trade facilitation level in the country, and the availability of resources to match the level of ambition. Much of this depends on the expected benefits a country expects to realise from improved trade facilitation. If the expected gains are in the millions or indeed hundreds of millions of US dollars every year, then clearly the investment of significant resources in the endeavour is prudent. Undertaking a benefit-cost analysis in this regard can be a very powerful tool in negotiating resources to cover the NTFB.

Staffing levels for NTFBs vary enormously from country to country and from situation to situation. For example, SITPRO, the UK NTFB, had a staff of nine professionals and was very active in a number of areas such as research, lobbying government, simplification of procedures, simplification and automation of trade documents, and supporting the international trade facilitation agenda. The Finish NTFB FINSIPRO, on the other hand, had a staff of one full time professional, and they focused primarily on simplifying and standardising the electronic exchange of data.

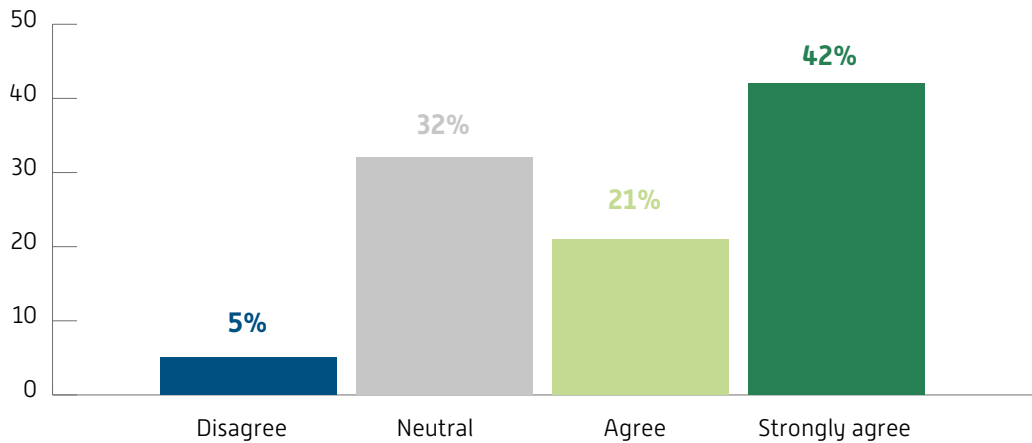
With the advent of the WTO TFA, many new NTFBs are currently being established, often with donor support. It is likely that the activity of these bodies will change considerably over time, with a high level of activity in the early years, while implementing WTO TFA measures and commitments (often with donor support), and a reduction of the activities as the NTFB matures. This may be quite appropriate – and it must be planned for. The NTFB is encouraged to be a dynamic and flexible organisation,

responding to the changing demands of international trade and the changing realities of trade on the ground in a particular country. This is where the public-private sector dynamics of co-creation can be really effective in ensuring that the NTFB remains relevant and effective.

Nevertheless, even a minimally resourced NTFB will require a permanent secretariat, preferably of at least three staff, namely: a director or manager, an operations person to organise events and support working-group projects, and an administrative officer to handle administrative procedures. It is particularly important to ensure that the NTFB secretariat has sufficient and sufficiently competent staff to carry out its role.

This is supported by the fact that 63.20% of OIC respondents to the survey have further strongly agreed or agreed that the NTFB should have a dedicated staff to run its operations, at least at NTFB secretariat level. This may be difficult for some countries to achieve but it really comes down to the expected return on investment as discussed above. It is also possible that the number of staff may decrease (or increase) over time as the country reaches a level of maturity regarding trade facilitation (or new opportunities for trade facilitation emerge).

Figure 9 – Survey results on importance for NTFB, especially for NTFB secretariat, to have dedicated staff to run its operations



In any event, it is highly recommended that the core NTFB secretariat staff be full time positions and ideally, fully funded by NTFB members (government, individual agencies and private sector).

The core secretariat could, of course, be augmented by donor funded staff and programmes. This would be one way to build the core sustainability of the body.

Table 18 – Recommended practices related to Guiding Principle 3.7

Recommended practices related to Guiding Principle 3.7	
RP3.7.1	Consider undertaking a benefit-cost analysis on the potential impact of the NTFB trade-facilitation programme.
RP3.7.2	Ensure that the NTFB secretariat has a core staff of people specialising in trade facilitation.
RP3.7.3	Ensure that core staff of full-time positions are fully funded by the stakeholders (government, individual agencies and private sector).
RP3.7.4	Consider complementing the core staff with donor funded project staff, especially at the early stages of the NTFB implementation strategy, and including contingency plans for when donor funding expires.
RP3.7.5	Ensure that the NTFB is a dynamic and flexible organisation, responding to the changing demands of international trade and the changing realities of trade on the ground in a particular country.
RP3.7.6	Ensure that NTFB staff take every opportunity for training in the principles of trade facilitation; and learn the use of trade facilitation tools such as the UN Trade-Facilitation Implementation Guide (TFIG) <sup>42</sup> , the UNCTAD Trade Information Portal <sup>43</sup> and process -simplification techniques, and business-process analysis.

42 <http://tfig.unece.org/>

43 <https://unctad.org/projects/tc/en/Pages/ProductsOverview.aspx>



viii. Guiding Principle 3.8

*Guiding Principle 3.8*  
*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.*

Trade facilitation currently benefits from heightened attention from both government officials and development partners due to the ratification of the WTO TFA and the inclusion of trade-facilitation measures in many bilateral and regional trade agreements. This opportunity must be seized upon by NTFBs to secure political support and funding from government and development partners. Competencies in the area of resource mobilisation and donor engagement could, hence, be useful or even critical at NTFB level, especially in developing countries.

It is clearly preferable that a base level of human resource and funding is provided by the national stakeholders (government and private sector) to cover the operating costs and reform activities of a NTFB, as this gives the NTFB the independence and autonomy needed when reforming existing procedures and structures, and also when considering various donor support options. In cases where this may not be possible, at least initially, donor support may be required for the initial establishment and running of the NTFB. However, in such cases, the NTFB is encouraged to set as an objective the attainment of self-sustainability within a specific timeframe, through internally (within the country) generated support, as otherwise its sustainability will be in jeopardy.

As stated above, international donors and development partners have active programmes supporting

countries in implementing trade-facilitation projects and WTO TFA measures in particular. Nevertheless, NTFBs are encouraged to control, manage and select such donor-supported activities in a prioritised and integrated way, ideally driven by the direction outlined in the NTFB strategy. It is also, very important that NTFB members share with their counterparts any information about ongoing and secured future support from development partners to ensure effective coordination and avoid duplication of reform of trade facilitation. This information is particularly critical for the NTFB steering committee and the NTFB secretariat staff and/or working group dedicated to resource mobilisation and donor engagement. To enhance coordination, NTFBs may consider inviting relevant development partners to join (selected) steering committee sessions.

Furthermore, and if development partners sponsor NTFB staff (NTFB advisors to support the steering committee and/or the secretariat for example), it would be recommended that these human resources are to the extent possible, hired locally (pool of talent available at national level). The offered financial package should be attractive enough to attract the best available talents and not too high so as to not distort the local employment market. Experience has shown that if the package is too high, it would be extremely difficult for the NTFBs to retain staff when donor funding is removed.

Table 19 – Recommended practices related to Guiding Principle 3.8

Recommended practices related to Guiding Principle 3.8	
RP3.8.1	Ensure that any donor support to the secretariat is strategic and well managed in order to reduce the risk of dependency.
RP3.8.2	In cases where the NTFB is heavily reliant on donor funding for basic operation, ensure that the body establishes a plan for the attainment of self-sustainability within a specific timeframe.
RP3.8.3	Ensure that the NTFB controls, manages and selects donor-supported activities in a prioritised and integrated way, ideally driven by the NTFB strategic plan.
RP3.8.4	Consider inviting donors and/or development partners to certain NTFB steering committee sessions to enhance coordination of trade-facilitation reforms across the country/region and avoid duplication.



c. Case stories

Organisational Effectiveness Area: Organisational Framework	Country: Eswatini	Reference code: CS3A
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The Eswatini National Trade Facilitation Committee (NTFC) is emerging as a success story within the development partners’ community. One of the reasons behind this success is its strong organisational framework and the level of activity of its secretariat.

*“The organisational structure of our NTFC in general and the particular dynamism of our NTFC Secretariat has allowed us to meet regularly and to swiftly record tangible progress such as the development and adoption of our National Trade Facilitation Roadmap.”*  
**Mr. Dumisani Masilela, NTFC Co-Chair.**

The NTFC of Eswatini was approved by Cabinet in February 2019 and published in the official gazette by the Attorney General’s Office in November 2019. Membership comprises representatives of 25 government ministries and agencies, private-sector organisations and civil-society representatives. It is required to meet at least quarterly. The Committee membership comprises government ministries and organisations that have a role to play in cross-border trade and trade facilitation - represented by Principal Secretaries (PSs); and other agencies and private-sector organisations - represented by Chief Executive Officers (CEOs) or Commissioner Generals.

The Committee provides government and other stakeholders involved in international trade transactions with a forum for consultative dialogue on Eswatini’s trade-facilitation objectives, strategies, and reform initiatives, with a priority focus on implementation of commitments under the WTO TFA. It also advises and make recommendations to the government on all trade facilitation matters, and monitors and supports international agreements related to trade facilitation (including the WTO TFA).

The Eswatini NTFC is co-chaired on a rotating basis by the Principal Secretary of the Ministry of Commerce Industry and Trade; the Commissioner General of the Eswatni Revenue Authority and a private-sector representative.

**An active secretariat to support the NTFB Mandate, a key ingredient for success**

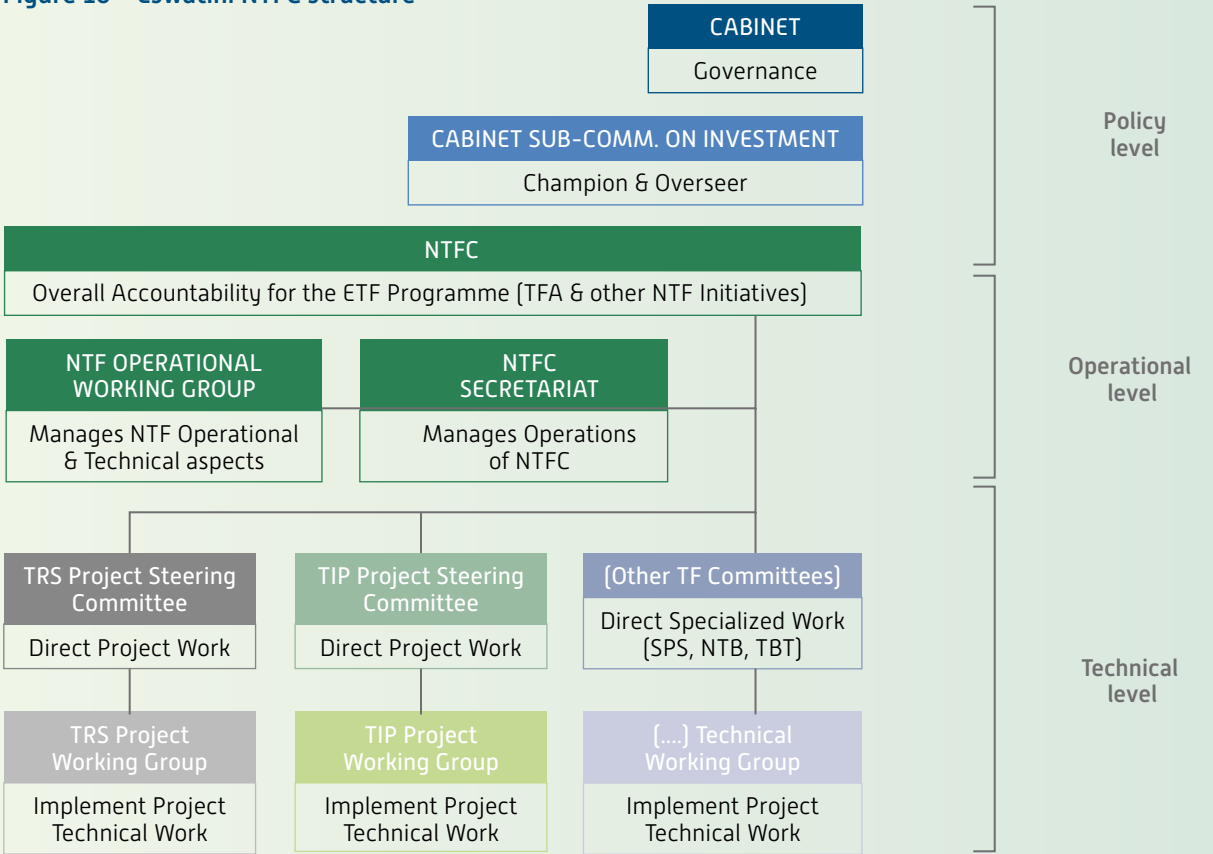
The Eswatini NTFC adopted a three-tiered structure comprising of the NTFC Committee, a technical secretariat and a series of technical WGs. The Eswatini NTFC Secretariat currently has 5fivestaff and benefits from the support of two experts from the World Bank through the World Bank Trade Facilitation Support Programme. Members/officers of the secretariat are appointed by the NTFC and all committee members are encouraged to propose staff to join the secretariat. The Director of the International Trade Department (MCIT) and Commissioner of Customs and Excise (SRA) jointly perform the role of head of the secretariat.

The Secretariat is responsible for the day-to-day operations of the NTFC. This includes ensuring that the trade-facilitation related initiatives, programmes or projects of the NTFC are appropriately coordinated, managed, monitored and reported, organising meetings of the committee and maintaining records of decisions and actions. The Secretariat is responsible for all communications related to the NTFC.

The Secretariat also supports the NTFC WGs, which are appointed by the Committee on a project or sector or issue specific basis. The WGs are composed of heads of departments/directorates in government ministries, public agencies and representatives of the private sector.

A diagrammatic representation of the Eswatini NTFC structure is presented in Figure 10.

Figure 10 – Eswatini NTFC structure



**The positive role of development partners’ support to establish the NTFC**

The Eswatini NTFC benefitted significantly from having in-house full-time World Bank sponsored experts working with the NTFC Secretariat. The experts particularly assisted the NTFC team with the development of the NTFC ToR, the conceptualisation of its organisational structure as well as with the development of the NTFC Roadmap. In addition to the World Bank support, the NTFC in Eswatini also benefitted from UNC-TAD’s flagship NTFC Empowerment Programme.

**Key takeaways**

- The adoption of a tiered structure by the NTFC is extremely helpful in establishing roles and responsibilities for the management and operation of the NTFC.
- A strong and dynamic NTFC Secretariat is key to achieving initial successes and creating enthusiasm around the NTFC’s work.
- Development partners’ support if aligned with the strategic objectives of the country, can be very instrumental in establishing a strong and robust NTFC from the outset.



Organisational Effectiveness Area: Organisational Framework	Country: Canada, Republic of Ireland and United Kingdom	Reference code: CS3B
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Use of existing structures to perform NTFB functions

Several developed economies no longer have NTFBs as defined in UNECE Recommendation 40 (although most of them had in the past). This is due primarily to the high level of maturity of trade facilitation in such countries, where many trade facilitation issues, such as the simplification of border procedures, the establishment of trusted trader programmes, the dematerialisation of trade documents and the establishment of automated data exchanges, have been long addressed to facilitate trade procedures.

Even so, trade facilitation is a continuous process and issues and opportunities for enhancement still arise in such countries and these need to be addressed through consultation between government and the trading community. To handle such matters, several developed countries, such as Ireland, the United Kingdom and Canada, have established customs consultation committees to address trade facilitation issues. These bodies were established before the WTO TFA and continue to serve the functions of a consultative body as required under Article 23.2 of the Agreement.

For example, the Irish Customs Consultative Committee (CCC) is made up of representatives of government and trade organisations involved in the import or export business. The committee gives the member organisations an opportunity to promote the simplification and facilitation of procedures with customs and provides a forum to discuss:

- new European Union (EU) customs legislation
- proposed new trade procedures
- other matters of mutual interest.

Despite its rather modest ToR, the Irish CCC is considered a prevailing body with strong political support and full participation of senior representatives of governmental agencies and the trading community. Such an open and effective forum is essential in the Irish economic context, which is highly trade-oriented, with two out of every three jobs related to trade.

The Irish CCC is under the responsibility of the Irish Revenue (similar to a Revenue Authority). The Irish CCC is chaired by the Assistant Secretary of the Customs Division and Customs provide the secretariat. The CCC appoints WGs on specific issues, each with its own ToR.

Membership comprises Irish Customs, the Irish Food Board<sup>44</sup> (responsible for food supporting the export of Irish food, drink and horticulture produce), the Department of Business, Enterprise and Innovation, responsible for promoting the development of Ireland’s exports to world markets; plus senior representatives from the key business organisations in Ireland engaged in supporting international trade.

The Irish CCC was particularly active in Ireland’s Brexit negotiations and preparations. For example, the 70th meeting of the CCC in June 2019 was attended by senior government officials (including a representative of the Prime Minister’s office) and senior business representatives for detailed discussions regarding Brexit’s potential impact. It is this type of practical and solution focused discussion between the public and private sectors on issues of direct importance to the trading community, that has made the CCC such an effective tool in trade facilitation.

44 <https://www.bordbia.ie>

The UK Joint Customs Consultative Committee (JCCC) is similar to the Irish Committee presented above, except that the Irish Committee meets more regularly. Details of the JCCC are presented below<sup>45</sup>.

The purpose of the UK JCCC is to:

- discuss and advise on proposed strategic changes to customs policies, procedures and business model;
- share information and act as a consultative group for EU, international and national customs initiatives, and obtain industry views to ensure coherence and a common understanding in influencing negotiations;
- understand the industry and regulatory impacts;
- horizon scanning;
- review progress against agreed aims and objectives, and to suggest remedial action for objectives that are not being achieved.

The JCCC meets three times a year and the secretariat function, accommodation and facilities are funded by Her Majesty’s Revenue and Customs Authority. Other key government agencies involved in the movement of goods are members of the JCCC:

- Industry JCCC members must have a process in place to disseminate information and obtain information from the industry sector that they represent to feed into the consultation process.
- The JCCC has a customs chairman and an industry chairman, who agree the strategic aims of the group and meeting agenda.
- The JCCC is supported by four sub-groups, which focus on operational issues and the detail of strategic-change projects. The groups report to the JCCC to ensure strategic oversight and alignment is maintained.

As a result of this strategic customs to business relationship, UK Customs can ensure that day-to-day operations and change-projects facilitate legitimate trade, while protecting the UK’s borders and supporting UK’s economic growth.

A third example of the use of a pre-existing consultative process is Canada. The Canada Border Service Agency (CBSA) engages with external stakeholders in numerous ways and at various management levels. One of the key consultative bodies is the Border Commercial Consultative Committee (BCCC), which was established in 2005 and meets three times per year.

The BCCC is composed of 25 national, private-sector associations representing diverse sectors, and senior CBSA executives. Canadian government departments and agencies, and international counterparts, also attend BCCC meetings as guests. The BCCC has a steering committee and establishes technical WGs and sub-committees to find solutions to technical and process-related border management issues.

The BCCC, hence, provides CBSA officials and their stakeholders a conducive forum for dialogue on Canada’s border operations, and transformational projects like the *eManifest* portal<sup>46</sup>. This electronic portal is an option developed by the CBSA in partnership with their stakeholders to allow the trade community to electronically transmit their pre-arrival information through the internet. The *eManifest* portal was developed primarily for small- to medium-sized businesses to facilitate their compliance and ease the transition from paper reporting to pre-arrival electronic data transmission. The portal is available for highway carriers and freight forwarders to transmit pre-arrival data. Warehouse operators and brokers have access to the portal to view data they have received from the CBSA.

Key takeaways

- Existing, consultative structures, if they have a robust organisational framework, are effective and have the confidence and participation of key stakeholders, can be a reliable alternative to establishing new NTFBs.
- Delivery of tangible results and innovative trade-facilitation solutions is key to the continued participation of senior-level representatives from both public and private-sector representatives.

45 WCO (2015). ‘WCO Customs-Business Partnership Guidance’.

46 <https://www.cbsa-asfc.gc.ca/prog/manif/portal-portal-eng.html>.

d. NTFB tools

Example - Terms of Reference<sup>47</sup>  
National Trade Facilitation Committee (NTFC) Secretariat

1. Background

Following the adoption of the Agreement on Trade Facilitation (TFA) in December, 2013 during the 9th WTO Ministerial Conference held in Bali, Indonesia, and the subsequent adoption of the Protocol of Amendment in November 2014 by General Council, each Member State is expected to establish or maintain a National Committee on Trade Facilitation (NTFC) to facilitate domestic coordination and implementation of the provisions of the Trade Facilitation Agreement. The establishment of an NTFC helps ensure those member countries, particularly those developing and least developed members have a “mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement” (TFA, Article 23.2).

The ToR of the Committee stipulate that it will be supported by a Secretariat. These ToR outline the Secretariat’s mandate and operating framework.

2. Mandate

The Secretariat is established to support the Committee, which is in turn charged with ensuring effective coordination and implementation of the TFA and any other trade-facilitation initiatives in this country. The Secretariat is responsible for the day-to-day operations of the NTFC. In order to enable effective technical implementation of trade-facilitation initiatives, the NTFC Secretariat shall be supported by a National Trade Facilitation Technical Working Group which shall be composed of Heads of Departments/Directorates in Government Ministries, Public Agencies and Private Sector.

3. Functions

The Secretariat shall:

- a) maintain, record and supply information (reports, official orders, meeting minutes, policy documents, project documents, trade or related quantitative data etc.) generated through the country’s NTFC process, its meetings, WG or any other ad hoc activities of the Committee;
- b) under the direction of the Committee, ensure that any trade-facilitation related initiatives, programs or projects are appropriately coordinated, managed, monitored and reported;
- c) in coordination with the Co-Chairs of the Committee, organise, coordinate and support committee meetings.

4. Detailed Tasks

The following is a non-exhaustive list of Secretariat tasks:

- a) Carry out the instructions of the Committee.
- b) Transmit instructions and directions of the Committee and follow-up on completion.
- c) Create and monitor detailed TFA Implementation Action Plans to include:
  - objectives, activities and tasks;
  - sequencing, dependencies and accountabilities;
  - timelines, milestones and deadlines;
  - resource and expenditure requirements;
  - quantitative and qualitative performance measures.
- d) Control, monitor and report on implementation activities.
- e) Prepare, update, control and file project documentation.

- f) Coordinate and submit to the Committee, project reports and updates.
- g) Liaise and consult with Committee members and designated agency representatives to ensure that problems are identified and solved and/or reported and project deadlines are met.
- h) Coordinate with line ministries; ministries’ departments, other government regulatory agencies; and with public and private sectors at both national and regional levels to ensure consistency in implementation and maintenance of trade-facilitation initiatives.
- i) Facilitate coordination, reporting and consultation between all trade-related committees and WGs.
- j) Identify risks issues affecting the cost and efficiency of the country’s international trade and recommend remedial measures to the NTFC.
- k) Committee meetings:
  - attend and support all Committee meetings;
  - prepare, organise and follow-up on Committee meetings;
  - prepare agendas;
  - collect and distribute discussion papers;
  - record and distribute minutes;
  - follow-up on agreed actions.
- l) Coordinate technical and training support for NTFC, NTFC Secretariat and technical WGs.
- m) Become the national focal point for the collection and dissemination of information on best practices in international trade facilitation.

5. Operational processes

Staffing

The country’s NTFC shall appoint members/officers of the Secretariat. All Committee members are encouraged to propose staff to join the Secretariat.

Head of Secretariat

The Director International Trade Department (MCIT) and Commissioner of Customs and Excise (SRA) shall, together, perform the role of Head of the Secretariat.

Location

The Secretariat shall be hosted by the MCIT and the SRA, and is provisionally located in the Head Office of the SRA.

Budget

The country’s NTFC shall mobilise and provide budget for the operations of the Secretariat.

47 This tool is based on the ToR of the NTFC Secretariat of Eswatini.





Organisational Effectiveness Area 4:  
Strategy

4. STRATEGY

a. Introduction

Successful and effective organisations can usually rely on a well-thought out strategy and strategic plan, which is aligned with the mandate of the organisation. All OIC respondents to the survey strongly agree or agree that to be successful, NTFBs must have a clearly defined strategy.

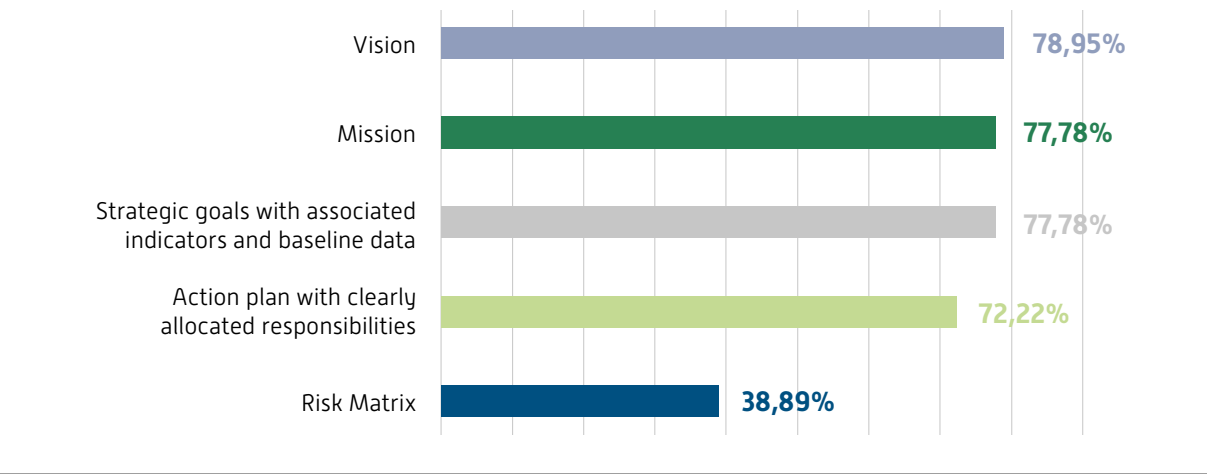
A strategy could be simply defined as the goals an organisation decides to focus on, and the action it takes to achieve these goals. In essence, an organisation has to set itself ambitious yet attainable goals. The organisation then also needs to structure itself to execute the necessary set of actions to achieve those goals in the most optimal way.

An NTFB’s strategy could, hence, 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. The NTFB strategy may be drafted by a WG, but needs to be approved by all.

A strategy should not only be assessed on whether it includes accepted key elements of a strategy (vision, mission, strategic goals, results, objectively verifiable indicators, action plan, etc) but its success should be mostly judged in relation to its level of execution and implementation. NTFBs’ strategies are no different. An NTFB strategy must include the elements shown in Figure 11, according to OIC survey respondents.

Figure 11 – Essential elements needed in an NTFB strategy



The strategy development process is at the heart of multiple studies and management models/approaches<sup>48</sup>. However, after a careful review of recognised approaches in the area of strategic planning, the strategic development process can be divided into the phases and steps shown in Table 19. Regarding guiding principles related to strategy, the Handbook has identified three and once the strat-

egy enters the execution phase, the regular performance/progress reviews will allow for its regular update and eventual adaptation to reflect progress, changes in priorities and the environment. Once the strategy enters the execution phase, the regular performance/progress reviews will allow for its regular update and eventual adaptation to reflect progress, changes in priorities and the environment.

<sup>48</sup> UNECE developed a detailed guide to drafting a National Trade Facilitation roadmap in 2015. UNECE uses the term roadmap rather than strategy. The UNECE guide can be consulted at <https://www.unecce.org/fileadmin/DAM/trade/Publications/ECE-TRADE-420E.pdf>. It provides details on the structure of the roadmap and on the process to develop such a roadmap.

Table 20 – The seven main steps of the strategic development process

Phase 1: Prepare	Phase 2: Develop					Phase 3: Validate
Step 1 Preparation phase – Getting ready	Step 2 Diagnostic Phase – Assess the current situation	Step 3 Define the strategic direction	Step 4 Develop the strategic results framework	Step 5 Develop the strategic action-plan	Step 6 Define the execution model and performance- management framework	Step 7 Endorse the strategy and initiate its execution
<b>1.1 –</b> Establish a strategic planning team and the strategic planning schedule	<b>2.1 –</b> Undertake a business- environment scan and identify strategic issues	<b>3.1 –</b> Define the mission - the core purpose of the organisation / its missions	<b>4.1 –</b> Define and prioritise the long-term (3 or 5 years) objectives (strategic goals) -	<b>5.1 –</b> Develop the action plan for each strategic goal and opera- tional goal (including im- plementation schedule)	<b>6.1 –</b> Define the execution model (strategy im- plementation framework) – define the roles and responsi- bilities	<b>7.1 –</b> Endorse the strategy (including the necessary strategy- execution structures)
<b>1.2 –</b> Collect existing data (previous strategic plan, performance reports, etc)	<b>2.2 –</b> Undertake a SWOT analysis (strengths, weaknesses, opportunities, threats)	<b>3.2 –</b> Define the vision - create an image of what success would look like in three to five years	<b>4.2 –</b> Define the short to medium term objectives (operational goals)	<b>5.2 –</b> Assign responsibili- ties for each action	<b>6.2 –</b> Set schedule for strategy reporting and progress review	<b>7.2 –</b> Communicate on the strategy
<b>1.3 –</b> Review collected data			<b>4.3 –</b> Identify objectively verifiable indicators (include baseline data and target data) for each objective  <b>4.4 –</b> Assign goals to entities / senior officials	<b>5.3 –</b> Develop the overall budget and define the specific budget for Year 1 at least	<b>6.3 –</b> Set criteria and schedule for evaluation of strategy	<b>7.3 –</b> Initiate execution

b. Guiding principles and recommended practices

i. Guiding Principle 4.1

*Guiding Principle 4.1*  
*Ensure that the NTFB strategy is driven by consensus and reflects the priorities and views of all members.*

All of OIC respondents strongly agree or agree that a strategy must be consensus-built.

The development of the NTFB strategy could be led by the steering committee with the active support of the secretariat and the overall endorsement of the board. Once established, one of the priority actions for the NTFB steering committee would be to set-up a cross-cutting WG to work on the NTFB strategy.

It will be important for this WG to be comprised of multiple stakeholders, as the strategy needs to reflect the needs and priorities of the members but it would also need to include experts in the area of strategic planning. However, the working group should avoid becoming overcrowded as this would

hamper the development of the strategy. One way to ensure that stakeholders' views are taken into account is to ensure that the working group embeds stakeholder consultations within the strategy development process.

Adopting a balanced-scorecard approach (or any other recognised, strategic, planning methodology) to the strategy development process could help in this regard. One of the common triggers for of strategies is the lack of ownership by the stakeholders ; they may feel that the strategy does not reflect their views/priorities. It is, hence, important to avoid this pitfall by adopting a rigorous approach to strategy development that demands stakeholder engagement as a priority action.

Table 21 – Recommended practices related to Guiding Principle 4.1

Recommended practices related to Guiding Principle 4.1	
<b>RP4.1.1</b>	<i>Establish a cross-cutting WG, which will include strategic planning experts, to develop and present the NTFB strategy to the NTFB steering committee and/or board.</i>
<b>RP4.1.2</b>	<i>Ensure the adoption of a recognised and proven methodology to guide the strategy development process.</i>
<b>RP4.1.3</b>	<i>Ensure that stakeholders are engaged and consulted during the strategy development process to avoid stakeholders feeling disconnected to the strategy.</i>
<b>RP4.1.4</b>	<i>Consider:</i> <i>- requesting technical partners to provide quality assurance advisory support on the strategy, if needed;</i> <i>- editing, designing, publishing the NTFB strategy to facilitate the communication around it;</i> <i>- editing, designing, publishing a summary version of the NTFB to facilitate the communication around it and eventually, consider translating it in another language [in English or French for example, if a country is not English or French speaking] that could help attract potential donors;</i> <i>- undertaking sensitisation efforts on the NTFB strategy for the NTFB membership at first and beyond at a later stage.</i>



ii. Guiding Principle 4.2

*Guiding Principle 4.2*  
*Ensure that the NTFB strategy document’s structure is aligned with recognised good-practices in the field of strategic planning.*

While there are many schools of thought around strategic planning, the majority of them agree that a strategy document needs to include at least the following elements:

- 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).
- **A vision statement generally describes a future an organisation wants to achieve over time.** A well-formulated vision statement is usually short, clear and inspires an organisation’s employees, and the progress to be made in the future.

Box 5 – Examples of potential vision-statements for NTFBs

1. Reducing the time and cost of cross-border trade by 30% by 2023 for the benefit of our country’s development.
2. Our vision is to position our country as the Number 1 trade-hub in the (region’s name) through the provision of excellence in border-management services by 2025.

Box 6 – Examples of potential mission statements for NTFBs

1. We bring public agencies and the private sector together to design and drive innovative solutions to realise the benefits of trade facilitation.
2. Our mission is unlocking our country’s trade-facilitation potential through innovative solutions and strong public-private-sector partnership.
3. Supporting our country with the implementation of the WTO TFA and other trade-facilitation reforms and agreements to improve border-management efficiencies.

- **A mission statement generally describes the purpose / nature of operations of an organisation (what it does).** If an NTFB is already established, the formulation of the mission statement is usually derived from its Legal Act and/or ToR. Because of the nature of the work that NTFBs carry out, it would be more suited to develop customer-oriented (focus on the benefits for the customers) mission statements as opposed to product-oriented (focus on products delivered) mission statements. Mission statements convey the *raison d’être* of an organisation and are not only a critical internal and external communication tool but also provide direction for the definition of strategic goals and objectives.

- **Strategic Objectives and operational goals** (or tactical goals or operational objectives or results)
  - Strategic objectives are usually mid to long-term, organisational goals that help convert a mission statement into more concrete plans and projects. These objectives define the benchmark for an organisation’s success and are designed to be specific, measurable, and realistic translations of the mission statement that can be used by management to guide decision-making.
  - In order to implement them, strategic goals are broken down into operational goals. Operational goals are short and mid-term, organisational goals that can be considered as *milestones* on the way to the achievement of strategic goals. As with strategic objectives – and although their focus is narrower – operational goals should also be specific, measurable, and realistic<sup>49</sup>.
  - In other words, and to facilitate the monitoring of strategy execution, it is often advised to formulate the strategic and operational goals according to the SMART principle, i.e. *specific, measurable, acceptable, relevant and time-bound*<sup>50</sup>:

Specific	Target a specific area of improvement and/or stakeholders
Measurable	Make the objectives/goals measurable by using appropriate indicators
Acceptable	Objectives and goals must be accepted by all relevant stakeholders
Realistic	Make the objectives and goals achievable within available resources
Time-bound	Define a deadline for the achievement of the objectives and goals

- To enhance ownership and accountability and to facilitate the execution of the strategy, strategic objectives and operational goals can be assigned to senior NTFB members.

Box 7 – Examples of strategic objectives and operational goals

Strategic Objective 1: To contribute to trade-related transparency in country X by 2025

- *Operational goal 1.1:* A trade-information portal meeting the WTO TFA requirements listed in Article 1 has been deployed by 2022.
- *Operational goal 1.2:* An advance ruling mechanism has been established by the Customs Administration of country X by 2023.

- **Indicators, baselines and target**<sup>51</sup>
  - Indicators are observable signals of status or change that are intended to provide a credible means of verifying the achievement (or level of achievement) of goals/results. An effective identification of indicators is important for two reasons:
    1. To track progress and learn lessons relies on the selection of indicators that isolate the essential changes that the organisation seeks.
    2. The process of defining indicators itself can help managers in clarifying the outcomes they seek.<sup>52</sup>

To be objectively verifiable, indicators either provide information on *quantity, quality or time* (QQT). Objectively verifiable indicators (OVIs) are, hence, also referred to as *QQT indicators*.

49 Petriny, M. [2019]. ‘Difference between strategic and operational objectives’.

50 Richman, L [2013]. ‘Improving your project management skills’. Amacom Publishing, ASIN B0056ZMM6E

51 The Enhanced Integrated Framework (EIF)’s ‘Capacity Building in Project Identification, Formulation and Design’ provides a helpful detailed guidance on how to formulate output, outcome, and impact level indicators and targets, as well as related milestones and assumptions. See [https://www.standardsfacility.org/sites/default/files/EIF\\_HandbookProjectDesign\\_Feb-12.pdf](https://www.standardsfacility.org/sites/default/files/EIF_HandbookProjectDesign_Feb-12.pdf)

52 UNDP [2002]. ‘Results-Based Management: Concept and Methodology’.

**Box 8 – Examples of QQT indicators related to the improvement of a customs-brokers programme**

- quantity: number of licensed customs-brokers
- quality: level of compliance of licensed customs-brokers
- time: average clearance time for customs brokers that joined the AEO programme versus average clearance time for the other customs brokers.

Furthermore, when selecting an indicator, it is important to keep in mind the *CREAM* acronym:

<b>Clear</b>	The indicator is specific to a goal.
<b>Relevant</b>	The indicator is relevant to the strategy and programme.
<b>Economic</b>	The indicator is measurable at an acceptable cost.
<b>Adequate</b>	The indicator provides enough information to measure the progress of the strategy and programme and is accepted by relevant stakeholders.
<b>Measurable</b>	The indicator can be measured.

- When selecting an indicator, it is critical to identify the source of verification for the selected indicator. The source of verification is the *location* where information on the indicator’s variation can be found. For example, if an indicator is *number of private-sector operators that joined the AEO programme*, the source of verification may be the *Customs AEO Programme register*.

- To measure progress, an indicator must be provided with the **baseline data** (*the situation in relation to an indicator at the beginning of the strategy*) and the **target** (*the situation desired in relation to an indicator by the end of the strategy or by the deadline for the achievement of a goal*).

To define their indicators, baseline data and target for certain strategic goals, some NTFBs decide to initially refer to indicators and baseline data provided through international organisations reports/studies for their countries such as the World Bank Doing Business Report indicators related to cross-border trade<sup>53</sup> [e.g. documentary compliance costs...] and/or the OECD trade-facilitation indicators [e.g. involvement of the trading community, etc]<sup>54</sup>.

Other NTFBs decide to undertake a Business Process Analysis (BPA) and/or a time-release study (TRS) to inform their strategy as part of their *environmental scan* (see text below on environmental scan). The undertaking of a BPA and/or a TRS can provide tangible data, for example, on the number of import or export procedures and documents, and on the average clearance time. This data can be used as baseline data, as well as to inform the definition of the target for an indicator. For example, after a BPA, a working group could recommend the reduction of number of documents needed for imports or the automation for the issuance of certain certificates like an e-certificate of origins. Additionally, the results of a TRS may result in the recommendation that would see a country target a reduction of time for the clearance of goods from six days reduced to four days.

- **Action plan and activities:** While the operational goals divide strategic goals into more manageable *work packages*, they themselves need to be broken down into activities. Activities can be defined as a series of actions which enable the achievement of operational goals. Activities are often formulated in the infinitive [e.g. To undertake a legal gap analysis in the area of data protection] to give the sense of action.

In order to precisely determine the length and resources needed to complete the NTFB strategy, it is important to break down the operational goals into activities as it is easier to quantify the time and cost of an activity with more accuracy. Defining the activities also allows for better sequencing of the strategy execution as some activities can be run in parallel while other activities have more interdependencies between themselves. Presenting the activities in a calendar of activities and/or a GANNTT chart<sup>55</sup> is also often recommended. In order to facilitate the execution of the strategy and to enhance the ownership of the strategy by NTFB members, activities can be assigned to specific stakeholders by including a *responsibility matrix* into the strategy.

The action plan should also be included in the strategy document, to provide a precise estimation of the budget and financial resources needed to implement the strategy. If a strategy is to be successful, the principle of strategic coherence must also be applied, meaning that the organisation has to align processes, human resources and financial resources to the requirements set in the strategy.

The implementation of trade-facilitation reforms entails changes of procedures and practices. Examples include the introduction of an electronic Single Window platform<sup>56</sup> or the introduction of an advance ruling mechanism. When designing the strategy, it is therefore essential to identify actions that can ease the transition from the initial situation to the desired situation. These actions are referred to as *change-management actions* and tend to include awareness-raising events, training sessions and the provision of new professional opportunities for certain actors of the trading community, amongst others.

When devising the “strategic action-plan”, it is hence critical to include *change-management actions* to ensure the success of the reform initiated. There are different change-management models that can guide the identification of change-management actions such as the ADKAR<sup>57</sup> model, the Kotter model and the Lewin’s Three Stage Change Model. When a country is still in the phase of establishing a NTFB, the use of the Kotter change-management model (Figure 12) may be considered appropriate (see below and Section C thereafter).

55 A Gantt chart, commonly used in project management, is one of the most popular and useful ways of showing activities (tasks or events) displayed against time. On the vertical axis of the chart is the list of the activities and on the horizontal axis is the suitable time scale for the completion of activities. More information can be found on [www.gantt.com](http://www.gantt.com).

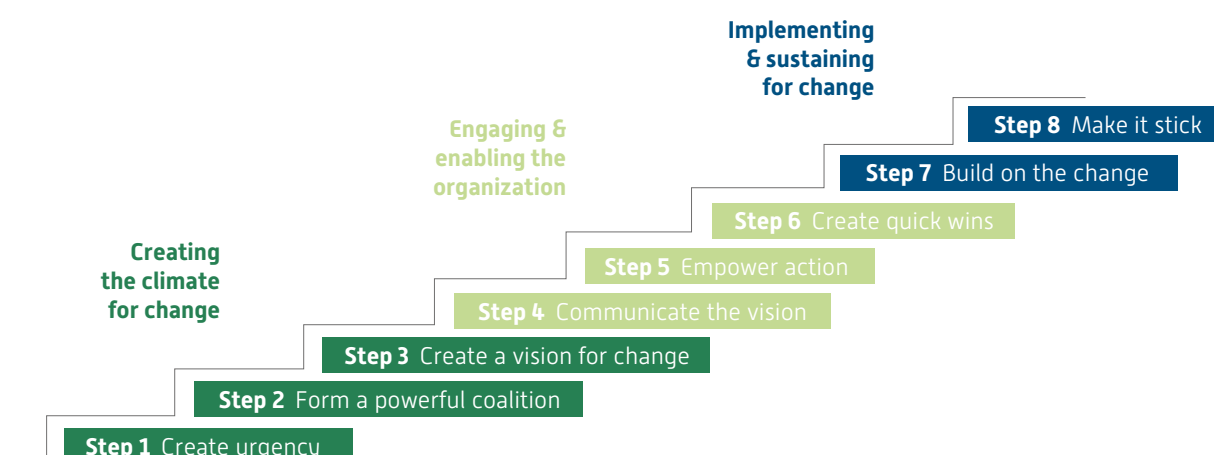
56 <http://tfig.unece.org/contents/single-window-for-trade.htm>.

57 ADKAR is a change management model developed by J. Hiatt based on 5 key pillars for driving organizational change: raise Awareness about the need to change, create Desire to support the change, increase the Knowledge of how to change, develop the Ability to demonstrate skills and behaviours needed for the change, Reinforcement to make the change stick. <https://www.prosci.com/adkar/adkar-model>.

53 All World Bank Doing Business report indicators related to trading across borders can be found at [www.doingbusiness.org/en/methodology/trading-across-borders](http://www.doingbusiness.org/en/methodology/trading-across-borders).

54 <https://www.oecd.org/trade/topics/trade-facilitation/>.



Figure 12 – Kotter's eight-step change model<sup>58</sup>

- **Environmental scan**

Undertaking an environmental scan is a critical step in the development of a strategy. It allows the identification of strategic drivers and allows for the NTFB strategy's alignment with critical national and sectoral strategies. Several tools exist for the undertaking of an environmental scan such as the political-economic-social (PESTEL) analysis and the SWOT analysis. The PESTEL analysis is a particularly interesting one to use when designing the NTFB strategy as it examines the following dimensions:

- **Political landscape:** the national, regional, and international policies and decisions that can influence/impact the trade-facilitation environment. Here, it is particularly important to consider the SDGs, International and regional trade agreements and the national development policy.
- **Economic situation:** the current economic and predicted economic outlook of the country/region. It is particularly important to look at the economic growth rate, the evolution of trade volumes and the price of major imported/exported commodities.

- **Sociological situation:** the population evolution and consumer behaviours/patterns. The population pyramid of age and the gender distribution can provide meaningful insights in terms of economic sectors that may experience a boost or a dip. For example, and in the case of a mid-level income country with a large number of its population being between 16 and 24, the present and future demands for certain products (cell phones, tablet computers, etc) can impact the trade landscape and, therefore appropriate trade-facilitation sectoral policies may be particularly needed or impactful. Furthermore, and in line with international commitments (SDG 6: Gender Equality), it is necessary to adopt a gender-lens to trade-facilitation reform. As a result, particular attention should be paid to:
  - > facilitating trade sectors in which there is a strong prevalence of women to effectively and positively impact the lives of women;
  - > providing gender-responsive trade-facilitation measures / solutions such as

the establishment of dedicated services for women cross-border traders at one-stop-border-posts or customs posts;

- > creating the necessary conditions for women traders to effectively participate in and benefit from TF reform and related technical assistance and capacity building measures.

- **The technological environment:** the technological advances (e.g. wider internet broadband, smart phones, artificial intelligence, block chain. etc) impacting actors of the international supply chain should also be monitored as:

- > These technological solutions may be relied upon to drive the trade-facilitation agenda. For example, some countries have developed online or phone applications to facilitate payment of Customs tax and duties and/or to track the location of consignments/shipments.
- > Countries need to quickly respond to new patterns impacting the trade landscape such as the expanded use of e-commerce.
- > New goods may disrupt regional and national trade-facilitation flows due to large demands of goods such as solar panels, wireless headphones and electric scooters.

- **The environmental situation:** as the world is becoming increasingly aware of the need to embrace environmental sustainability, new policies and regulations may come into force, which could impact the trade-facilitation landscape in a country. An example could be a law that would make the use of green energy and recycling mandatory in all public offices. These types of policies could not only shape the type of commodities entering and exiting the country but also the construction of facilities such as one-stop-border posts.

- **The legal and regulatory framework:** trade can be facilitated through enabling legislation and regulations. However, it can also be hampered by burdensome existing or upcoming legal and regulatory frameworks. It is, hence, important to understand the situation in a region or country before embarking on the definition of goals and targets. When designing an NTFB strategy, it may be worthwhile, for example, to determine whether a country has already ratified the WTO TFA, the WCO RKC or is part of a regional economic community, which facilitates the flow of goods across borders.

- **Success factors and risks**

- A strategy relies on success factors that must hold true/materialise during its execution. For an NTFB strategy, these success factors may include sustained political support, continuous cooperation among stakeholders, adequate access to necessary financial resources and to the necessary technical assistance.
- When designing a strategy, it is important to identify the potential risks and the most appropriate response and treatment for each risk, in order to preserve the desired level of strategy execution. Risks can be defined as uncertain events or set of events that, should they occur, will influence the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives<sup>59</sup>. Several tools can help NTFBs with risk analysis and monitoring – for example, the use of a risk register and a risk matrix<sup>60</sup>. Risks related to the execution of the NTFB strategy and trade-facilitation reforms may include resistance to change, political instability and cumbersome legislative process.

<sup>59</sup> 'Managing successful projects with Prince2', 6th edition. AXELOS Publishing (2017).

<sup>60</sup> Risk management approach and tools can be found in several project management approach and methodologies. Prince 2's risk management approach, for example, can be consulted in the above reference.

<sup>58</sup> [https://cio-wiki.org/wiki/Kotter%27s\\_8-Step\\_Change\\_Model](https://cio-wiki.org/wiki/Kotter%27s_8-Step_Change_Model)

• **A strategy implementation governance framework** relates to the roles and responsibilities of the people in charge of the strategy execution. As discussed in the section dedicated to organisational framework, an NTFB may have established a steering committee, which has the oversight of the strategy and guides its execution by validating achievements, proposals for treating risks/prioritising actions and by giving orientation to either the technical secretariat or the WGs directly.

It is important for the actors at each level to understand their roles and responsibilities. The NTFB steering committee directs (they do not do the technical work) and the technical secretariat and/or the WGs execute the activities. This implementation framework should be described in the strategy. Depending on the scope of the NTFB strategy, some NTFBs may feel the need

to establish a steering committee for each strategic goals, thereby adopting a widely recommended programmatic approach to strategy execution.

• **Performance management** is a key element for organisational effectiveness. As part of the strategy, a monitoring and evaluation system should be designed. It may include a logical framework / results framework (presentation of the strategic goals, operational objectives and activities in a simple table format with indicators, baseline data, target data and assigned responsibilities) and details about the reporting scheme (quarterly, bi-annual, annual, etc), the evaluation period (mid-term, final-term) and evaluation criteria (e.g. impact, effectiveness, efficiency and sustainability). Further information on NTFBs' performance management is available in sub-section B.6.

Table 22 – Recommended practices related to Guiding Principle 4.2

Recommended practices related to Guiding Principle 4.2	
RP4.2.1	Ensure that results-based management and SMART principles are embedded in the NTFB strategy.
RP4.2.2	Ensure that strategic drivers are clearly identified in the strategy and that a section on environmental scan reflecting a thorough environmental scan is included in the strategic plan. A BPA and/or a TRS may provide relevant evidence to assess the baseline situation and could prove to be useful when shaping the strategy. Costs-benefits analysis may also be undertaken to identify the potential gain of pursuing certain strategic goals/results.
RP4.2.3	Ensure that the strategy includes at the minimum the following elements: - vision, mission; - environmental scan; - strategic objectives, operational goals and associated indicators and baseline data; - action plan, including change-management actions, with responsibility matrix. An NTFB strategy may also include the identification of risks, success factors, an overall budget for its execution and also a strategy-execution model.
RP4.2.4	Ensure that strategic objectives and operational goals are assigned to key senior officials.
RP4.2.5	Ensure that the provisions for a regular progress reporting scheme (quarterly or bi-annually or annually) on the strategy are included into the strategy.

iii. Guiding Principle 4.3

*Guiding Principle 4.3*  
*Ensure that the strategy is formally presented to and signed off by the NTFB board and steering committee.*

Once the strategy has been developed by the working group, it is critical for the strategy to be formally presented to and signed off by the NTFB board/steering committee. This will ensure ownership of the strategy by the highest level of the NTFB. The adoption of a strategy by an NTFB is a

key moment for the organisation as it defines its direction for the duration of the strategy.

Being a momentous occasion, organising an event to publicise the adoption of the strategy can help the NTFB in gaining further attention and political support.

Table 23 – Recommended practices related to Guiding Principle 4.3

Recommended practices related to Guiding Principle 4.3	
RP4.3.1	In order to gain momentum and traction, ensure that that the strategy is formally launched and publicised (media coverage, including social media) during a high-level NTFB meeting. Consider having development and technical partners attend this high-level meeting.



c. Case stories

Organisational Effectiveness Area: Strategy	Country: Republic of Turkey	Reference code: CS4A
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*“Our NTFB Strategy is the result of a thorough consultative process, which ensures the buy-in of all relevant actors.”*  
**Ms. Aylin Bebekoglu, Deputy Director General at the Ministry of Commerce.**

The NTFB of Turkey was originally established shortly after the WTO TFA entered into force in 2017 through a presidential decree (No 2019/6) and its structure was updated in 2018 to reflect government reforms. It counts 23 members, including 52% of private-sector representatives. Both public sector and private-sector members have a right to vote on decision taken by NTFB. The highest body of the NTFB (General Council) meets at least once a year and is chaired by the Ministry of Trade.

The NTFB mandate is to be a public-private consultative platform dedicated to overseeing all trade-facilitation reforms, within and beyond the implementation of the WTO TFA. The secretariat of the NTFB also sits at the Ministry of Commerce. The NTFB Secretariat is responsible for organising and reporting on the NTFB meetings and activities.

**Developing a consensus-built NTFB Strategy**

One of the first actions taken by Turkey’s NTFB was to establish a technical working group to develop the NTFB Strategy. In order to ensure that the strategy would reflect the views of all relevant stakeholders, the technical working group included Customs, Customs Brokers, Logistics operators and other representatives of the trading community as required.

The NTFB technical working group working on the NTFB Strategy conducted over 30 consultation and working sessions to ensure that the 2019-2022 strategy was aligned with the national development-plan and responsive to the public and private sector’s priorities and needs. Not only does the strategy tackle challenges faced by the trading community at the policy level, but also those that it faces at the operational level. The strategy includes the following elements of: vision statement, mission statement, strategic goals and associated KPIs.

Furthermore, the strategy is complemented by a Strategic Action Plan, which includes 46 actions. The 46 actions focus on the provision of transparency, simplification, reduction of costs, improving cooperation, and capacity building. The strategy clearly indicates that the NTFB Secretariat is required to provide an annual progress report on the Strategic Action Plan to the General Council.

**Defining a strategy-execution model from the outset**

In order to implement its strategy, the NTFB opted for a thematic strategy-execution-model whereby one technical committee chaired by the Director General of Trade has been established to oversee the implementation of the strategy and the work of three technical WGs (more technical WGs can be established if required by the technical committee):

- i. A WG on transparency, which is co-chaired by the Ministry of Trade and the Turkish Industry and Business Association, is responsible for the delivery of the technical work on the first six articles of the TFA and other issues regarding publication, use of internet, consultations.
- ii. A WG on customs and international trade, which is co-chaired by the Ministry of Trade and the Union of Chambers and Commodity Exchanges of Turkey, focuses on border-management efficiencies and coordinates the work on TFA Articles 7 to 10, along with other issues related to customs procedures.
- iii. Working group on infrastructure and logistics, which is chaired by the International Forwarding and Logistics Service, focuses on issues related to transportation, infrastructures at customs bonded areas as well as other infrastructure-related problems.

The technical committee meets once a year and brings together mid-level executives – it is ultimately responsible for the implementation of the NTFB Strategy and reports directly to the General Council.

Turkey’s NTFB has put all the necessary ingredients into its strategy, in order to apply it successfully and realise the benefits of trade facilitation. The NTFB has achieved this by developing a consensus-built strategy. When developing the strategy, the NTFB gave the private sector a prominent role in the technical work in both steering and implementing the reforms that all relevant parties identified as necessary for trade facilitation.

**Key takeaways**

- An NTFB strategy needs to be aligned with the national development strategy and reflect the views of trade-facilitation actors, in order to be relevant.
- Establishing a cross-cutting working group to develop the NTFB strategy, while undertaking numerous consultations and working sessions, are necessary steps to ensure the buy-in of the strategy by all relevant actors.
- Developing a strategic action-plan to complement the strategy, and adopting a clear strategy-execution model from the outset, is important to facilitate the delivery of the strategy.
- Engaging with, and empowering the private sector, both throughout the strategy development process and during strategy execution, is vital to realising the benefits of an NTFB strategy.

Organisational Effectiveness Area: Strategy	Country: Montenegro	Reference code: CS4B
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*“When developing our strategy, we focused on identifying strategic drivers (what are the issues at hand) and on defining our vision of success. We also wanted to embed clear responsibilities and accountability in our strategy by assigning goals and activities to NTFC members to facilitate the delivery and monitoring of the strategy.”*

**Ms. S. Vujanovic, Head of the NTFC Secretariat.**

The NTFC of Montenegro was established in 2015 through a ministerial decree. It counts 19 members, including six private-sector representatives. The NTFC’s purpose is to act as the national public-private dialogue platform responsible for the oversight and implementation of all trade-facilitation reforms with a specific focus on WTO TFA-related projects.

The NTFC meets at least twice a year and is chaired by two state secretaries, from Ministry of Finance and Ministry of Economy. Montenegro’s NTFC has also adopted a tiered structure with a steering committee, a technical secretariat and technical WGs. The secretariat sits within the Ministry of Finance and is responsible for organising and reporting on the NTFC meetings and activities. The NTFC Secretariat includes nine representatives and is chaired by the Ministry of Finance.

With the support of the World Bank Group Trade Facilitation Support Programme, Montenegro’s NTFC was able to develop its 2018–2022 strategy. The process followed to develop the strategy echoed best practices in the area of strategic planning and included, among others, the following key actions:

- Undertake a thorough environmental scan to identify the situation, issues and opportunities at hand. The strategy is based on the provisions of the WTO TFA and Central European Free Trade Agreement CEFTA Additional Protocol 5 (AP 5), in the part of measures of national character whose implementation directly depends on the relevant Montenegrin institutions. To tackle the operational border-management inefficiencies, Montenegro’s NTFC Strategy also took into account the results and findings of the 2016 TRS.
- Involve the private sector through their active participation at two levels: through their participation in the working group (members of the working group: Ministry of Finance, Ministry of Economy, Ministry of Agriculture, Customs Administration, Food Safety, Veterinary and Phytosanitary Authority, Police Administration, Chamber of Economy, Chamber Trade Association and Freight Forwarding Association) established for the development of the strategy and through the strategy adoption process by all members (including the private sector) of the NTFC.
- Define realistic and measurable strategic and operational goals based on the country’s national development strategy and the situational analysis undertaken. In order to ensure the relevance of the NTFC strategy and strategic alignment, the NTFC reviewed key national development documents such as the National Economic Development Strategy, the National Integrated Border Management Strategy, trade-facilitation studies and the Montenegro Customs Administration’s Strategic Plan. Based on the environmental scan and the strategic documents review, the NTFC was able to develop fact-based strategic and operational goals. The operational goals were then broken down into a manageable action plan.

- Establish a strategy performance-management system with measurable indicators and which assigns accountability for strategic initiatives and make their progress more transparent. In the NTFC strategy, for each operational goal, concrete and measurable performance indicators were provided and allow for yearly progress monitoring of achieving the set goals. All measures that result from operational goals also contain qualitative and quantitative performance indicators that measure the results of the undertaken activities and their impact. Furthermore, the Action Plan does not only include indicators that are directly related to the activities that need to be undertaken but it also identifies the responsible NTFC members for each activity. The NTFC is required to inform the Government of the strategy’s progress on a yearly basis.
- Estimate the duration and cost of implementation of the strategy and its action plan. The action plan developed by Montenegro’s NTFC includes a schedule for implementation as well as data on resources that include funding sources and the required external technical assistance and capacity building for the implementation of specific activities. The sources of funding determined that the funds necessary for implementation will be provided partly from the state budget within the regular budgetary funds of the involved institutions and partly from international funds, domestic and international donations as well as EU pre-accession funds. For the measures for which there was no planned source of funding, proposals were made to initiate additional consultations with selected partners of the international community to identify optimal models of implementation and funding.

Two years into its implementation, the NTFC Strategy is on course to achieve its operational goals. Table 23 shows an overview of the Montenegro NTFC Strategy.

**Table 24 – The Montenegro NTFC Strategy**

Goal	Description of the goal
Strategic Goal	By the end of 2022, Montenegro will eliminate the administrative inefficiencies that inhibit its competitiveness, and thus reduce the release time for import, export or transit goods by at least 50% and the costs by at least 20%.
Operational Goal 1	Improve transparency and access to information.
Operational Goal 2	Alignment and rationalisation of formalities, documents and fees.
Operational Goal 3	Implement simplified and expedited, release procedures.
Operational Goal 4	Strengthening cooperation and enhancing the effectiveness of border authorities’ controls.
Operational Goal 5	Expand automated processing and electronic data exchange.

**Key takeaways**

- To develop a relevant and realistic NTFC strategy, it is important to undertake a thorough environmental scan and understand the situation at hand (a BPA and/or a TRS can help in this regard) to ensure that the strategy is aligned with national priorities and is also responsive to operational priorities.
- To assign responsibilities to the NTFC members for the implementation of initiatives and activities included in the strategic action-plan enhances the sense of strategy ownership within the NTFC membership and the chances of successful delivery of the strategy.
- To define SMART strategic and operational goals with clearly identified performance indicators facilitates the monitoring of the strategy progress.
- To include a schedule of implementation, a risk matrix and a resource plan in the strategy action plan facilitates strategy execution and resource-mobilisation efforts.



d. NTFB tools

Table 25 – Example of a partial results framework for an NTFB strategy

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 days	Four days	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%	At least 66%	Head of Customs Risk Management
Operational goal 1.2: The Post- Clearance Audit function of country X’s Customs has been established and applied as per the WCO PCA guiding principles by 2023	Nr. of PCAs conducted as per the PCA Standard Operating Procedures developed	Zero	At least 30 per year after establishment of the PCA function	Head of Customs Risk Management / Head of Institute of Chartered Accountants / Head of Customs Brokers Association
Operational goal 1.3: An Authorized Economic Operator programme has been designed and applied according to the WCO SAFE Framework of Standards (version 2018) Guiding principles by country X by 2024	No. of AEOs	Zero	At least 10 importers, 10 exporters and 10 customs brokers have joined the programme	DG – Customs / Head of Customs Brokers Association / Head of Import and Export Promotion Agency / Head of National Business Forum





## Organisational Effectiveness Area 5: Operations and Management

### 5. OPERATIONS AND MANAGEMENT

#### a. Introduction

The operations and management framework for the NTFB relates to those day-to-day operations of NTFBs and mechanisms in place that are most conducive to achieving the NTFBs objectives. Without effective operations and management mechanisms, the NTFB would only exist on paper. It is, hence, 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.

This Handbook has identified eight guiding principles related to the operations and management framework of NTFBs.

#### b. Guiding principles and recommended practices

##### i. Guiding Principle 5.1

###### *Guiding Principle 5.1*

*Ensure that the NTFB meets at least twice a year on dates set well in advance in order to monitor, make decisions and ensure delivery of the strategy.*

The need for regular meetings flows from the multi-stakeholders nature of trade facilitation.

The management of the supervising board's operations must take into account the fact that senior-level politicians and business representatives have many priorities and limited time. Furthermore, it should be noted that in some countries the board might in fact have a broader mandate than trade facilitation – for example, a foreign trade-board or strategic, commercial council, which would ideally be chaired by the prime minister or similar level. It would be unlikely to secure his or her active engagement for more than two or three times per year. By the same token, an NTFB board level or a steering group<sup>61</sup> level comprised of ministers, director generals or an equivalent level of non-governmental stakeholders can most likely only be expected to meet with full participation four to six times a year. More frequent meetings could risk diluting the level of attendance and can render them ineffective. Noting that a meeting would in many cases have a duration of two to three hours, it could be argued that a combined

meeting time of approximately 12–16 hours per year is in fact little to ask for a significant return of investment: delivering upon the potential of trade facilitation for inclusive trade-led growth and increased national competitiveness.

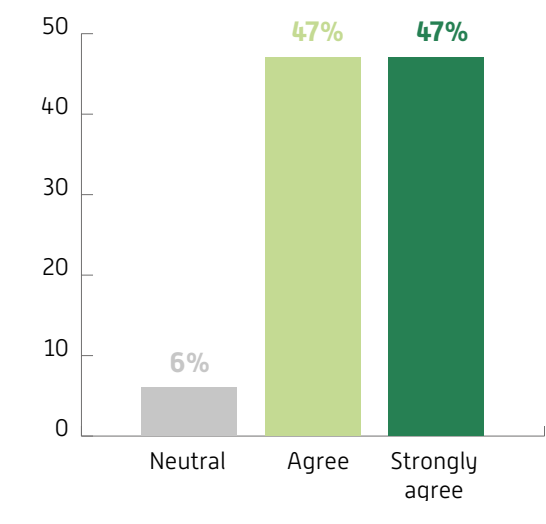
However, it is imperative that all stakeholders realise that the meetings merely serve to monitor the progress made, make decisions and ensure follow-up on action items to allow for implementation of the NTFB strategy. The real work on the activities working on trade-facilitation reforms is to be conducted *in between* meetings. This is where the decided upon action items are to be delivered upon by the responsible agencies and where an NTFB's (sub)WG(s) – either formal or ad hoc in nature – also play a key role.

In the survey, 94.2% of respondents strongly agree or agree on the necessity to have regular meetings with all members' official representatives present on set dates to monitor, make decisions and follow-up on the workplan and strategy for successful NTFBs.

<sup>61</sup> In line with the recommended multi-tiered NTFB structure as detailed in UNECE Recommendations 4 and 40, the NTFB's Operational Level which in this Handbook is also referred to as the Steering Group level, is the core functional and management level bringing together senior operational representatives of government and the private sector. It reports to the Strategic "Board" level. (See the Section on Organizational Framework for more details.)



Figure 13 – Survey results on importance for the NTFB to meet regularly



The WG(s) do not include the full NTFB membership but only those stakeholders that should be engaged in a specific measure or technical issue. This prevents stakeholders having to be present in discussions that do not concern them, which could undermine their belief in the efficiency of the NTFB operations. WG meetings should take place regularly to drive the identified activities forward. This can be on a monthly or bi-monthly basis. Regardless, it is always important to set the date of the meeting well in advance – if possible, with at least six weeks’ notice to ensure that the key stakeholders can reserve their diaries to participate. In between meetings, stakeholders can engage directly with each other through phone calls, e-mail, WhatsApp, Skype etc.

For consistency and institutional knowledge purposes, it should be considered for those agencies or organisations (co-)chairing the NTFB Steering Group to also (co-)chair the WG(s). This allows for smooth communications between the steering group and the WG and vice versa, as the respective deliberations should feed into each other. The WG should also be open for a wider group of stakeholders including individual companies as appropriate – if needed or appropriate, on an observer basis – to ensure technical business inputs and practical examples.

In the survey, 88.9% of respondents strongly agree or agree on regular meetings with WGs and committees on set dates to focus on a specific or technical issue to allow for detailed monitoring and deliberations on follow-up. This prevents agencies having to be present in discussions that do not concern them which could undermine their belief in the efficiency of the NTFB operations.

In some countries (e.g. Brazil and India) there are also local committees based in major (air) ports or economic zones. Every month they bring together all relevant stakeholders (e.g. key agencies as well as the private sector) in an inclusive manner, to address local practical operational and technical issues (See “Case story – Brazil”). Those issues that require attention on the national level will be communicated upstream through the local committee meetings’ minutes into the NTFB (Brazil) or through reporting lines of the local chair/lead agency (India). By the same token, any new policies or processes following national reforms could flow downstream from the NTFB into these monthly local committee meetings to be explained in detail as part of a sensitisation campaign.

Table 26 – Recommended practices related to Guiding Principle 5.1

Recommended practices related to Guiding Principle 5.1	
RP5.1.1	Ensure that the NTFB’s overseeing board meets at least twice a year on dates communicated well in advance to facilitate mandatory participation of all members. Aim to set the meeting dates a year in advance to block agendas.
RP5.1.2	Ensure that the NTFB’s steering group in charge of the operational level meets at least four times a year on dates communicated well in advance to facilitate mandatory participation of all members. Aim to set the meeting dates 6-12 months in advance up to block agendas.
RP5.1.3	Ensure that the NTFB WGs <sup>62</sup> meet as frequently as needed to deliver upon their scope of work and activities. Aim to set the meeting dates at least six weeks in advance.
RP5.1.4	Ensure that the NTFB has established procedures to ensure continuity of its operations, especially in emergency situations such as epidemics and pandemics. These procedures may take the form of a business-continuity plan and/or mechanisms that would provide NTFBs with the possibility to conduct NTFB meetings and other operations virtually via online platforms, amongst others.

ii. Guiding Principle 5.2

Guiding Principle 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.

Frequent replacements or representation on a non-senior level are to be avoided at all times to safeguard effective meetings and informed decision-making processes. The incorrect representation of members and their frequent replacement is a major obstacle for NTFBs. According to the UNCTAD, “As a decision-making body, it is essential that NTFCs have the right people sitting around the table at each meeting”.<sup>63</sup>

As such, high-level political support is vital: if the NTFB is properly embedded in the legislative framework and supported at the highest political levels, it will create an enabling environment where the member organisations will be committed to the NTFBs success. Most notably for the private sector it is important to have the assurance

that the NTFB deliberations will indeed lead to a positive change in trade-facilitation improvements for daily cross-border trade – i.e. that coming to the meetings and contributing to the NTFBs work is worth their time and investment.

In this light, it will make a significant difference for invitation letters (or invitation e-mails) to be signed by a high-level official and not by a head of department. The latter situation will in many instances start a downwards spiral of sending more junior staff to the meetings which, in turn, will risk the failure of the NTFB. By the same token, it remains vital the NTFB board is chaired by a very senior governmental official which compels the top bureaucrats of the various ministries and agencies to do actively participate in the meeting.

62 While this Handbook refers to working group to align with commonly accepted terminology, however, such working groups could also have different names – for example, a committee” could serve the same function as a working group.  
63 UNCTAD [2017]. ‘National Trade Facilitation Committees: Beyond compliance with the WTO Trade Facilitation Agreement?’, Transport and Trade Facilitation Series No 8 (2017), available at [https://unctad.org/en/PublicationsLibrary/dtltlb2017d3\\_en.pdf](https://unctad.org/en/PublicationsLibrary/dtltlb2017d3_en.pdf).

Each member organisation should have one main representative who is knowledgeable and with the authority to make decisions to a certain degree. The NTFB would become inefficient if, for each decision, its members are to consult within their host organisation after the meeting. Therefore, it is expected that the representatives do their “home-work” before the meeting following the agenda circulation, by preparing updates and consulting within their organisation as needed. By the same reasoning, the main representative should be considered the focal point of his host organisation and as such should report back into their organisation and highlight the relevant action items and ensure their follow-up. [Note that the recommended practices related to Guiding Principle 5.3 below state that formal minutes should be circulated after the NTFB meetings; however, it should be the responsibility of the individual representative to drive the action items forward in his or her organisation].

All respondents to the survey agree that to ensure effective NTFB’s meetings, each member of NTFB should have one appointed representative and a dedicated back-up representative to avoid incorrect representation or frequent replacement.

A dedicated [senior] alternate should be identified for each representative in case he or she is unable to attend due to exceptional circumstances. It should be recognised that it is to be expected that the alternate would most likely have less of a decision-making mandate. It is strongly recommended that the alternate should always accompany the main representative to the meetings, to ensure that he or she remains well-informed and connected within the NTFB. However, the feasibility of this could be subject to capacity limitations of the NTFB meeting rooms and the number of NTFB member organisations.

Table 27 – Recommended practices related to Guiding Principle 5.2

Recommended practices related to Guiding Principle 5.2	
RP5.2.1	Ensure that the representatives of the member organisations are knowledgeable and able to contribute meaningfully – to this end they should gather inputs as needed from within their respective organisations/constituency prior to the NTFB meeting in order to be able to provide inputs and make decisions during the NTFB meeting.
RP5.2.2	Ensure that the representatives of the NTFB’s member organisations report back into their respective organisations/constituency after the NTFB meeting and that they are responsible for ensuring their action items are followed-up within their organisation.
RP5.2.3	Ensure that meeting invitation letters are sent well in advance and signed by the highest level official possible.

iii. Guiding Principle 5.3

*Guiding Principle 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 meeting.*

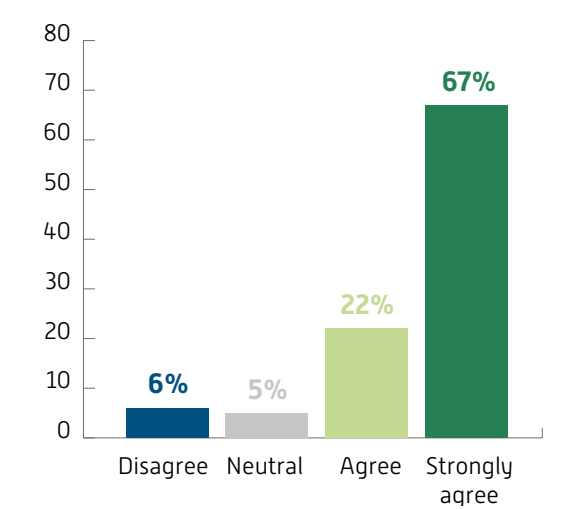
To ensure constructive, effective and efficient meetings, the meetings need to be carefully prepared. [As noted above in relation to Guiding Principle 5.1. the core work of following up on the identified NTFB activities and delivery thereof, should in fact take place in between the meetings.]

All of the OIC respondents to the survey strongly agree (90%) or agree (10%) on the importance of having agendas, and summary record and minutes with a clear division of labour and schedule for follow-up in meetings. Both the draft agenda and draft minutes should be subject to stakeholders providing feedback and comments. The minutes should record decisions made and as well as roles and responsibilities and the time path for follow-up on decided upon action items.

A successful NTFB must secure the buy-in of its membership into the joint action plan and as such the members should feel a sense of co-ownership of and responsibility for its achievements. An NTFB should therefore *not* be an event where a few principal governmental agencies merely feel prone to share progress updates on what they are doing. It is to be consultative in nature with real influencing powers, room for deliberation and a platform for decision-making.

In this context, the chair holds an important position that also comes with a great responsibility: to ensure that the meetings are indeed consultative in nature with a whole-of-government approach. The chair cannot be perceived to be driving its own host organisation’s agenda forward. Instead the chair must focus on the delivery of the NTFB objectives in an inclusive manner. Indeed, the 88.9% of respondents to the survey strongly agreed or agreed on having the chair of the NTFB to ensure circulation of the NTFB’s meeting agenda to all members in a timely fashion prior to the meeting and to invite suggestions for agenda items

Figure 14 – Survey results on the importance of timely circulation of agendas NTFB meetings to NTFB members

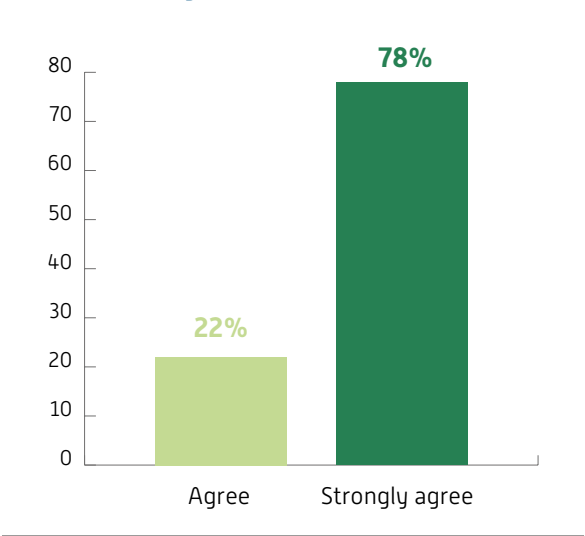


In this light, the NTFB technical secretariat or (co-) chairs office should send out a draft agenda sufficiently in advance (at least two weeks). Such a draft agenda should ideally be the organic result of regular inputs and progress updates from the various NTFB members to the NTFB secretariat (e.g. a weekly, bi-weekly or monthly basis). At a minimum, a topical agenda ought to be shared for the NTFB members to comment on within a set deadline (e.g. 10 days) – to make suggestions for additional agenda items or ask questions. By the same token, in order to allow the members to properly prepare and consult their host organisations as needed, any (draft) background documents should be circulated at a minimum of 14 days in advance as provided by the responsible lead agency for that particular subject item.



All respondents to the survey strongly agreed or agreed that the representatives of the NTFB’s members should be knowledgeable and able to contribute meaningfully – to this end they should gather inputs as needed from within their respective organisations before the NTFB meeting in order to make decisions during the NTFB meeting.

Figure 15 – Survey results on importance for members to send knowledgeable representatives to NTFB meetings



If documents are expected to either trigger a decision, or inform a decision, then comments, questions and feedback on such documents should be collected in a separate written (e-mail) consultation round in between meetings and within reasonable deadlines (for example, with a three-week consultation period).

Table 28 – Recommended practices related to Guiding Principle 5.3

Recommended practices related to Guiding Principle 5.3	
RP5.3.1	Ensure that the chair has a neutral facilitating and driving role and not a technical role – as such the chair should refrain from putting his or her host organisation’s interests central but aim for an inclusive environment and consultation. During the meeting, the chair is to take stock and record if members fulfilled the action items that were allocated to them at previous meetings and the NTFB is to decide upon next steps accordingly.
RP5.3.2	Ensure that any meetings documents are circulated in advance [ideally 10 working days in advance but at least five]. Documents that are to inform a decision should be subject to a written consultation round prior to the meeting allowing for written submission of feedback, comments and questions.

A basic agenda and meeting structure flow of an NTFB meeting of approximately two hours would be:

- *Opening:* concise in nature and registering the present and absent members for the minutes.
- *Stock-taking of pending action items of previous meetings:* monitor if appointed responsible agencies are compliant in implementing previously agreed upon action items. In advance of the upcoming meeting, the chair should consider requesting the relevant members (public or private) to prepare a brief status-update in follow-up of the last meeting’s decisions.
- *Discuss progress on the action plan and work plan[s]:* agree upon decisions, next steps, underline division of labour including the lead member/agency, prioritisation, timeline sequencing and deadlines.
- *Discuss key takeaways of upstream reporting of WGs, technical committees, local committees or similar entities:* identify NTFB actions as needed.
- *Closing:*
  - summary of meeting conclusions/decisions;
  - recap new action items – including responsible lead member and supporting members and applicable deadline;
  - confirm date and location of the next meeting.

After the meeting, draft minutes prepared by the NTFB secretariat or (co-)chairs offices should be circulated to all members for comments within a set deadline (e.g. 10 days) before they are finalised and disseminated as a final record. It is imperative that the minutes duly record decisions as well as roles and responsibilities and the time path for follow-up on action items.

iv. Guiding Principle 5.4

*Guiding Principle 5.4*  
Ensure that at a minimum there is a communication plan in place that stipulates what key communications and messages are shared externally.

It is important to consider Guiding Principle 5.4 at the inception phase of the NTFB and apply it throughout the lifecycle of the NTFB.

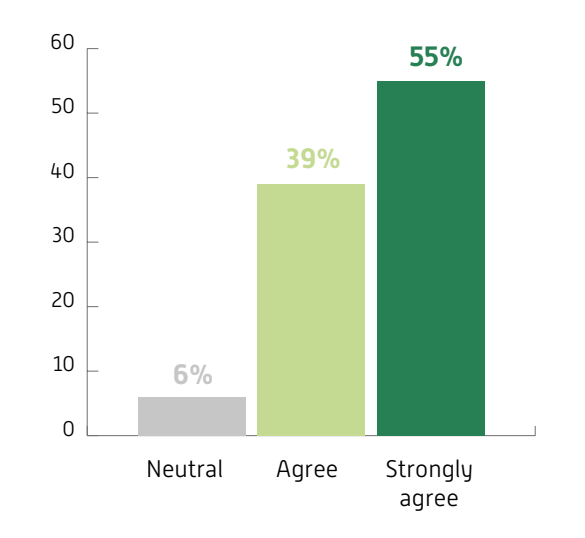
Communicating with stakeholders is essential to the successful implementation of the NTFC action plan and objectives.<sup>64</sup> Within the NTFB, it should be clear what means of communications are used for any formal notifications such as invitation to meetings, agenda and minutes circulation. In many NTFBs, the formal communications take place by signed letter – potentially distributed by e-mail – while day-to-day communications primarily take place by e-mails, phone and in some cases through WhatsApp groups<sup>65</sup>. Some NTFBs also use some sort of governmental intranet or online forum as a depository library where all relevant documents are easily accessible.

In fact, 94.5% of the respondents to the survey indicated strong agreement or agreement to including outreach activities to the general public or targeted stakeholder groups to raise awareness beyond its core membership on the importance of effective trade-facilitation measures for national competitiveness and the work of the NTFB.

Moreover, it is imperative to be transparent on the NTFB’s membership and work to the wider public. To this end, at a minimum its membership, objectives, meeting schedule as well as any public reports should be published on a website. Furthermore, it is key that there is a communication strategy in place to disseminate clarity on new processes and procedures coming into force. It should be clear on what they are, when they come into force, what type of traders or sectors they are particularly relevant to, how to maximise the outreach to these

traders and sectors, and which agency or agencies will be taking the lead to make sure the news will reach them beyond a simple government publication in a newspaper or on a website.

Figure 16 – Survey results on outreach activities to general public



An interesting and direct way of communicating with the trading communities would be through the already above-mentioned public-private local committees in major (air) ports – as such, they cover the overwhelming majority of trade flows (See “Case story – Brazil” below). Such local committees can play a role in serving as a two way street of communications: feeding issues that should be addressed on a national policy level upstream to the NTFB, while the NTFB can sensitise and raise awareness on new trade-facilitation reforms through the local committees.

64 UNCTAD (2017). ‘National Trade Facilitation Committees: Beyond compliance with the WTO Trade Facilitation Agreement?’. Transport and Trade Facilitation Series No 8 (2017), available at [https://unctad.org/en/PublicationsLibrary/dtltlb2017d3\\_en.pdf](https://unctad.org/en/PublicationsLibrary/dtltlb2017d3_en.pdf).  
65 Countries indicating to use WhatsApp as a communication tool include for example Burkina Faso, Ivory Coast, Cameroon and India.

It should be underlined that awareness raising on the importance of the trade-facilitation agenda for national competitiveness as well as the role the NTFB plays in this regard can be highly beneficial in creating broad-based support for reforms – allowing the NTFB to operate more effectively.<sup>66</sup>

Table 29 – Recommended practices related to Guiding Principle 5.4

Recommended practices related to Guiding Principle 5.4	
RP5.4.1	Ensure outreach activities to the general public or targeted stakeholder groups to raise awareness on the importance of effective trade-facilitation measures for national competitiveness and the work and achievements of the NTFB as well as on new processes and procedures coming into force.

v. Guiding Principle 5.5

*Guiding Principle 5.5*  
Ensure that the NTFB closely liaises on its work with (i) appropriate parallel domestic cross-border trade-related coordination bodies (ii) the WTO delegate in Geneva and (iii) NTFB leaders of neighbouring countries.

The trade-facilitation agenda touches upon many issues that are not necessarily articulated in the TFA but that are strongly related, such as logistics. Moreover, in parallel to the NTFB, there could be a broad range of other existing inter-agency co-ordination mechanisms or public-private dialogue platforms working on agendas that are an integral part of the NTFB’s mandate.<sup>67</sup> The NTFB must therefore operate in concert with such entities to ensure smooth communications and synergies, while preventing duplication of efforts. Again, the importance of political mandate for the NTFB is important here to safeguard that the NTFB can keep an overall whole-of-government perspective and that individual agencies will not feel inclined to deviate from the overall national strategy.

All respondents to the survey indicated that NTFBs should inform and consult as appropriate with existing parallel cross-border trade-related coordination to ensure a comprehensive approach to trade policy and reform.

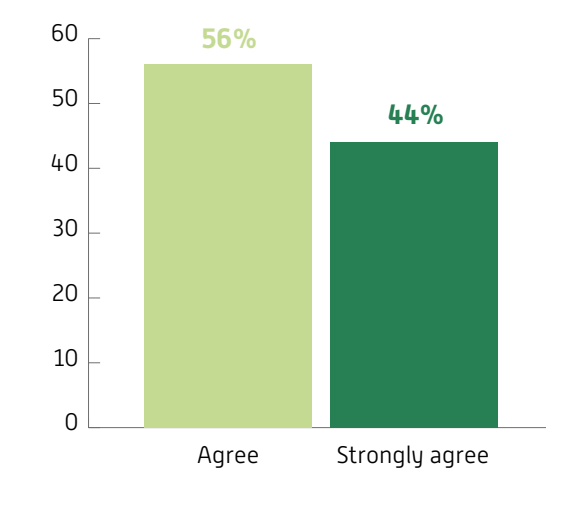
It is interesting to note that in some countries such as Sweden, the proof of concept of its NTFB as a public-private consultation body has triggered a culture shift: the concept of public-private consultation is part of the legislative process for each governmental agency. This means that the respective agencies have their own private-sector consultation-platforms and, in some instances, inter-agency coordination groups are also in force.

It should also be noted that by nature, border management relates to neighbouring countries and as such close communications and cooperation from a regional perspective is imperative. Therefore, in certain instances a regional approach to implementation of various trade-facilitation measures has been deemed vital. As part of an NTFB strategy, those areas can be identified and it then becomes an integral part of the operations and management of an NTFB to ensure that the strategy and its action plan in this regard is managed from a practical perspective.

66 For example, at the First International Forum for National Committees on Trade Facilitation (Geneva, 2017) it was noted by the delegation from Ghana that in Ghana the “noise” created by the private sector in support of the TFA was instrumental to drive the ratification process forward as well as providing top-level political support for the Ministry of Economy, as the NTFB (Co-)Chair, to get two extra staff to support NTFB operations and TFA implementation.

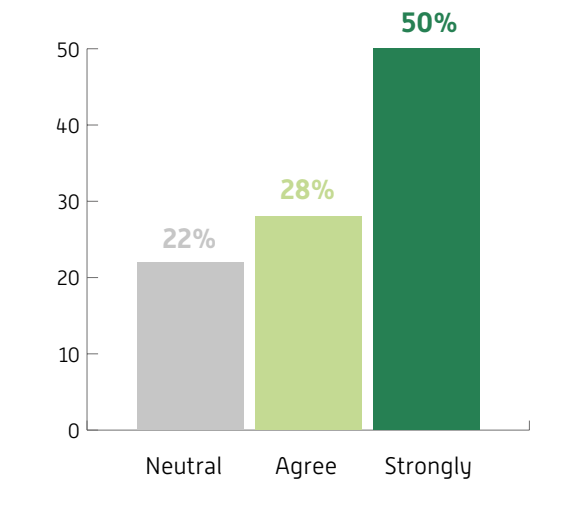
67 For example, Customs private sector consultative platform or Air Facilitation or Port Coordination Committees – in some instances stipulated by international Conventions [e.g. Convention on the International Maritime Organization].

Figure 17 – Survey results on the importance for NTFBs to liaise with other cross-border trade-related coordination mechanisms



As deemed important by the WTO Secretariat and acknowledged by the consulted OIC membership as 78% of the respondents to the survey agreed, it is important for NTFBs to regularly inform their WTO delegates on NTFB key decisions, trade-facilitation reform progress and challenges while also ensuring regular updates from WTO delegates on the WTO Trade Facilitation Committee’s deliberations and available donor and development partners support, if applicable.

Figure 18 – Survey results on importance to inform WTO delegates on NTFB decisions



In this same context and for those countries that receive support of development partners, an information mechanism should also be in place to inform the NTFB members of ODA-supported initiatives, with regard to applicable projects or agencies. This is to ensure a coherent overview on the NTFB steering-group level, and seek synergies where possible. A table on available support to NTFB is available in Section D below.

Table 30 – Recommended practices related to Guiding Principle 5.5

Recommended practices related to Guiding Principle 5.5	
RP 5.5.1	For those countries that benefit from donor and/or development partners’ support, ensure that a reporting mechanism is in place for all members of the NTFB to be informed of ongoing or upcoming trade-facilitation projects supported by donors and/or developments partners.



vi. Guiding Principle 5.6

Guiding Principle 5.6

Ensure that the NTFB applies a project-management approach to manage the implementation of the action plan and adopts a knowledge management system as well.

It is important to consider this guiding principle at the inception phase of the NTFB and apply it throughout the lifecycle of the NTFB.

In order to turn strategy into reality and produce results, large organisations such as governments and governmental agencies should use a project-management approach to ensure adequate planning and execution of projects and their activities. When considering an NTFB strategic action-plan and its stipulated trade-facilitation reforms, many projects will be running in parallel and/or in sequence to ensure its implementation. This means there will be a programme or a group of projects that should be managed in a coordinated way to achieve the set objective(s). In order to do so, a project-management approach or simply put the applicable rules around consistent processes and procedures should be agreed upon.

There are several well-recognised project management approaches used by governments such as Prince2 and the Project Management Body of Knowledge (PMBOK), while there are also several (complimentary) approaches and frameworks such as the *Agile*<sup>68</sup> approach – with or without a related light-touch Scrum framework to put the agile principles in practice. Moreover, various consultancy firms have developed their own project-management approaches. A combination of, for example, PMBOK and Prince2 is possible, as is a Prince2 layer adding clarity on risk management and decision-making governance, to an agile approach (which on its own does not provide either).

However, it is important to decide upon a practical approach that addresses the needs and constraints of the organisation. For example, Prince2 requires quite a substantial amount of documents to create and maintain and in the end it not about creating unnecessary layers of bureaucracy but about functionally being able to achieve the result in a transparent, consistent, efficient and effective

68 <https://www.agilealliance.org/>

manner with a common understanding on the parameters such as decision points, responsibilities, deadlines and budgets.

Looking at the action plan of a NTFB, a minimal project-management approach would foresee for a project to have an appointed project manager – although, depending on the scope and complexity of the project, it is possible for one project manager to manage several projects with supporting colleagues that are each allocated a task. Furthermore, a programme manager could oversee the progress multiple projects within an agency that is taking the lead in many projects (for example various measures under a particular TFA Article) and as such has a programme to deliver (for example, within a customs administration, if it is taking the lead in multiple projects to implement reform measures). By the same token, the NTFB secretariat would need a level of programme management to secure coherence across multiple, related projects.

A standardised methodology or approach would always at a minimum dictate that there are clearly established levels or authority, decision making and project reporting lines. This requires defined roles, responsibilities and accountability of all actors involved.

Moreover, there would be a suite of disciplines or principles and related tools and templates that the various project managers could and should use for a consistent approach to plan and monitor. One of those tools would at a minimum be a template for a *project brief* or similar document that would define the justification of the project (sometimes also called the *business case*), including assumptions, benefits/disbenefits, costs, timescale, risks, the key supporting stakeholders and the decision(s) to be taken by higher management and/or the NTFB itself. It would also provide a clear description of when the project is achieved: when will the project be accepted as finalised and according to which

criteria? Such a document safeguards that there is a common understanding of the project at hand. Once authorised by higher-level management (or in some instances the NTFB itself), the project brief can be modified into a more detailed project plan.

A common project-management approach would touch upon all of the guiding principles listed above (Guiding Principles 5.1-5.5). It would specify the communications within the project (frequency, internally/externally, means of communication, record keeping, timings, roles/responsibilities, stakeholder analysis and their information needs), check points, decision points and escalation points of the project (regular reporting, conditions when issue/escalation raising to superiors is required, roles/responsibilities), and the risk management (identify risks prior to the start of the project including dependency on other related projects, the probability of these risks materialising, as well as possible responses to these risks, and how and when to communicate materialised risks upstream, and potentially if an additional risk budget can be drawn upon if so required for needed project changes).<sup>69</sup>

Moreover, a project-management approach would also define when the end product/result of the project meets the set requirements and the way this will be verified (e.g. through pilots, inspections

or other means). This in turn directly relates to the next section of this Handbook on performance management.

NTFB's, at the very least, should ensure that for each project and for the work of the NTFB as a whole there should be an agreed upon approach for knowledge and document management through a repository or repositories where all documents and lessons learned related to the NTFB and its activities are stored along clearly defined parameters (such as manor of record/file numbering, folder organisation, confidentiality/access/author levels). At a minimum, the NTFB secretariat and/or chair(s)' offices should maintain such a repository, however, preferred would be that for each project the same would be applied on a sub-level. This will make sure there is consistency and institutional memory – also across staff rotation.

The development of archiving, document management and record-management policies should also be considered by NTFBs. Indeed, these policies may tackle matters related to the accessibility to the information (who can access the information, where can the information be accessed, until when can the information be accessed, etc), document referencing nomenclature and document formats (agenda, minutes, reports, etc).

Table 31 – Recommended practices related to Guiding Principle 5.6

Recommended practices related to Guiding Principle 5.6	
RP 5.6.1	Ensure that the NTFB strategic action-plan has a clear governance framework with clearly defined roles, responsibilities, reporting scheme and decision-making rules.
RP 5.6.2	Ensure that the trade-facilitation modernisation and reform projects are managed by professionals trained in the area of project management. If necessary, training in the area of project management should be provided to selected NTFB members' officials that will be/are nominated as project managers for the implementation of trade-facilitation projections. If required and ideally, a critical mass of NTFB members' officials trained in project management and change management should be identified and established soon after the establishment of the NTFB.
RP5.6.3	Ensure that a minimum knowledge management system is established. A repository of NTFB documents and records accessible to NTFB members can prove to be a useful tool to sustain and enhance NTFB knowledge.
RP5.6.4	Consider developing a quality management system to ensure consistency in NTFB meetings' proceedings and document management. If developed, eventually consider acquiring certification in the area of quality management system like ISO 9001:2015.

69 Note that this also related to the Handbook sub-section B.4 on strategy, which stipulates that a NTFB strategy would include the identification of risks, budget and execution model.

vii. Guiding Principle 5.7

*Guiding Principle 5.7*  
*Ensure that the NTFB displays the highest possible degree of transparency.*

NTFBs have a critical role to play in establishing a participatory and transparent framework for the implementation of trade-facilitation reforms. While numerous trade-facilitation reforms (e.g. WTO TFA articles 1 to 5) aim to improve transparency and access to information on the trading regulatory framework, it is important to recall that NTFBs offer their members the ideal platform to express to each other their needs and concerns related to certain laws, rules and procedures but they also allows these very same members to sensitise each other on certain areas.

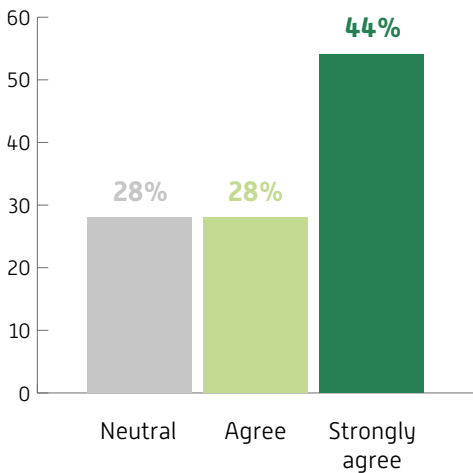
The chairperson(s) has/have a particular responsibility to ensure that the NTFB is a conducive platform that promotes open dialogue and fruitful cooperation. Clear rules for the meetings' proceedings can contribute to creating an enabling discussion environment. To further commit their members or staff to openness and transparency, organisations often tend to resort to including an integrity charter, code of conduct or a similar statement on standard of behaviour/value statement (or similar) in their ToR or Legal Act. This practice could be explored by NTFBs as well, if deemed useful.

In the survey, 72.2% of respondents indicated that successful NTFBs should, at a minimum, publish on a publicly available channel (such as a dedicated website or the website(s) of the (co-)chairs host organisation(s)), information on the NTFB membership, its strategy and work plan, its meeting schedule, and if applicable its (sub)working groups/committees (Figure 19).

Given the role of NTFBs and the nature of trade-facilitation reforms, it could be argued that NTFBs almost have a responsibility to lead by example when it comes to transparency. As such, the NTFB

Legal Act, ToR, strategy, meeting schedules, meeting summary records, project lists, summaries on projects' progress as well as any reports for public consumption could well be published on a dedicated website or the website of the chair or any other relevant website (e.g. a trade-information portal).

Figure 19 – Survey results on importance for NTFBs to publish information on a publicly available domain



Furthermore, if the NTFB has a dedicated budget – it could be a positive signal for the chair agency of the NTFB to open a dedicated bank account for the NTFB and for the NTFB secretariat to provide financial reports on the bank account position at least on a yearly basis.

Table 32 – Recommended practices related to Guiding Principle 5.7

Recommended practices related to Guiding Principle 5.7	
RP 5.7.1	Ensure that the chair promotes the importance of transparency, sharing information and data within the NTFB environment to advance the trade-facilitation agenda.
RP 5.7.2	Consider developing clear rules for the meetings' proceedings and also including a statement of standard behaviour (or similar) to the ToRs of the NTFB to promote transparency and information-sharing during NTFB meetings and within the NTFB membership. This could contribute to raising confidence among NTFB member that their counterparts have agreed in principle to act in good faith.
RP5.7.3	Ensure that key NTFB documents (Legal Act, ToR, strategy, meeting summary records, summary reports on projects' progress...) and any other reports/studies are easily accessible to NTFB members and the trading community or any person interest in trade facilitation. Consider establishing a dedicated NTFB website or an NTFB webpage on existing relevant websites such as the chair agency's website, the Trade Information Portal amongst others.
RP5.7.4	Consider opening a dedicated NTFB bank account if the NTFB has its own budget. This would facilitate financial reporting to NTFB members, at least on a yearly basis. If deemed useful or necessary, consider making provisions for the yearly financial auditing of the NTFB bank account movements according to international standards of accounting by an external certified auditor.



viii. Guiding Principle 5.8

*Guiding Principle 5.8*  
*Ensure that the NTFB pursues knowledge and experience sharing through multilateral and regional cooperation.*

The WTO Committee on Trade Facilitation, established through Article 23.1 of the WTO TFA and created in February 2017, provides a conducive platform for WTO members to share their experience and expertise related to the implementation of the WTO TFA, including in the area of NTFBs. Through this platform and through the advanced courses for NTFB chairs delivered by the WTO TFA facility from 2017 to 2018, WTO members and observers have been able to create a dynamic network between their NTFB chairs.

Multilateral cooperation between NTFBs outside the realms of the WTO Committee on Trade Facilitation could certainly be explored by WTO members and non-members to enhance trade partnerships and ties. Such partnership could be particularly relevant for multilateral organisations such as the COMCEC.

NTFBs have a lot to gain from sharing informa-

tion, knowledge and experience with each other, especially in regional contexts such as regional economic communities and customs unions. For example in East Africa, the EAC has established a regional trade-facilitation committee, which provides a forum for selected representatives from national trade-facilitation bodies to discuss regional trade-facilitation opportunities and challenges but also to share their NTFBs’ operational success factors and difficulties.

While the mandate and functioning processes of such a regional trade-facilitation committee must be clearly defined, its added value for NTFBs and regional trade-facilitation can be significant. In West Africa, the West African Economic and Monetary Union (WAEMU) has also made provisions to organise regular meetings bringing together representatives of their Member Countries’ NTFBs to foster regional cooperation and capacity building.

Table 33 – Recommended practices related to Guiding Principle 5.8

Recommended practices related to Guiding Principle 5.8	
RP 5.8.1	For WTO members and observers, ensure regular participation to the WTO Committee on Trade Facilitation.
RP 5.8.2	Consider the possibility of establishing a network or platform with other NTFBs through existing arrangements, or through signed cooperation-agreements, such as memoranda of understanding.
RP5.8.3	Consider exploring the relevance and feasibility of establishing regional trade-facilitation bodies in a regional economic community and/or customs union context.
RP5.8.4	Consider conducting study visits to neighbouring countries and/or important trade partners to discuss trade-facilitation measures and NTFB matters.



c. Case stories

Organisational Effectiveness Area: Operations and Management	Country: Brazil <sup>70</sup>	Reference code: CS5A
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*“The 15 Local Committees on Trade Facilitation are the NTFB’s most important platform and innovation for practical operational change”,*  
**Mr. Jackson Corbari, Coordinator-General of Customs Administration, Fiscal and Customs Authority, Brazil.**

The Brazilian National Committee on Trade Facilitation (CONFAC) was established in September 2016. It was re-established in May 2020 with a ToR signed by the President of Brazil. In the revised set-up and ToR, WCO Guidelines and UN/CEFACT recommendations were considered as well as lessons learned from the NTFB’s first, two operational years.

CONFAC is a committee under the Foreign Trade Council of Ministers (CAMEX), over which is the President presides by CONFAC is co-chaired by the Secretariat for Federal Revenue and the Secretariat for Foreign Trade– both are housed within the Ministry of Economy. There is not a technical secretariat with exclusive staff acknowledged as such, as the functions are performed by the offices of the co-chairs.

The Brazilian Government and private sector consider the TFA to capture basic, trade-facilitation requirements, and as such, aim to go beyond the TFA whenever possible. There is close engagement and communications with the WTO’s Committee on Trade Facilitation, including through the Brazilian delegation to the WTO.

The NTFB applies a tiered operations and management structure:

1. The NTFB at the Board level – i.e. the Governmental Coordination Committee – consisting of governmental agencies only. It should be noted that there is no private-sector representation at this NTFB level.
2. There are then two sub-levels:
  - a. Under Committee of Cooperation – the principal platform for dialogue and cooperation, between the public and private sector. This platform brings together both key governmental and private-sector stakeholders (including SME representatives through the Small Businesses Support Agency). This level could be viewed as the real NTFB, as private-sector engagement is considered to be imperative for the successful implementation of trade-facilitation reforms. Depending on the topics for discussion, other non-members can be invited to participate as well.
  - b. Local Trade Facilitation Committees in the 15 major ports (air)ports and land borders – together covering 80% of Brazilian trade flows. These local committees create a platform for practical discussions among the various stakeholders including Customs, agriculture and health authorities, importers, exporters, and representatives of warehouses, etc. They address practical operational issues (e.g. working hours of the local agencies’ offices).

70 A more comprehensive description of Brazil’s NTFB and supporting structures – including with regard to public-private cooperation on business processing – can be found in Annex 2.

The NTFB is to meet four times each year. The ToR dictate that the decisions are to be taken within two-hours. A meeting quorum constitutes five or more representatives, including one of the co-chairs, and deliberations are to take place by consensus. A system of one official representative per member organisation and one alternate is in force.

As per the ToR, the agenda and meetings documents are to be circulated at least 10 days in advance. The (draft) agenda is set by the co-chairs and based on received inputs and current developments.

One of the lessons learned of the first two years of NTFB’s operations and management was that the high number of participants did not always allow for meaningful and in-depth discussions. Therefore, in the future, thematic or technical meetings will also be conveyed with those interested and/or required to be involved in a particular subject.

The Brazilian Revenue Authority, the Department of Foreign Trade and International Relations, and private sector representatives share the view that the local committees constitute the most significant innovation and important NTFB dialogue-platform for operational improvements. The local committees’ monthly meetings take approximately two hours per meeting and are both public and operational in nature. Whenever possible, the heads of customs and other key agencies of the respective twin port in the neighbouring country would participate. The agenda topics are identified well in advance of the meeting and stakeholders can provide inputs. The summary record of the meeting, including decisions, action points and follow-up division of labour, are circulated after the meeting. Furthermore, the meeting reports feed upstream into the so-called National Working Group of Local Committees on Trade Facilitation Committees, which is a technical group bringing together the heads of all the relevant agencies at headquarters level. The summary of the deliberations of this technical Working Group in turn is shared with the NTFB.

CONFAC has its own website (<http://www.camex.gov.br/confac>) which provides an overview of the NTFB’s objectives and records, as well as relevant trade-facilitation studies. It does not yet provide the summary records of the meetings of the (border local committees; however, this is an aspect currently being considered, as those meetings are public and transparency is highly valued by the NTFB leadership.

It is appreciated that success stories early on in the lifespan of the NTFB are desirable to maintain buy-in and engagement. However, it is also recognised that as time progresses and trade-facilitation levels increase, this will become increasingly challenging as there are simply fewer “lower hanging fruits to grab”.

Key takeaways

- Avoid short-notice changes to meeting dates, due to agenda conflicts of top-level representatives. This undermines the stakeholders’ belief that the NTFB is a priority and worth their time and investment.
- Transparency is key – sharing the main NTFB documents and meeting records is desired.
- A high number of participants does not allow for in-depth discussions. Thematic or technical meetings are advisable.
- Local Trade Facilitation Committees in major border posts can play an important role in resolving operational issues among the stakeholders in question, while also feeding issues upstream into the NTFB, as well as feeding communications on new procedures and processes downstream (i.e. awareness raising and sensitisation).
- The core work takes place in between NTFB meetings.



d. NTFB tools

Table 34 provides a quick overview of major, trade-facilitation support-programmes provided by international organisations and agencies.

Table 34 – The major, support programmes for facilitating trade

Organisation	Trade-facilitation support-programme	Website
Global Alliance for Trade Facilitation	Multiple trade-facilitation projects under the GATF umbrella	<a href="https://www.tradefacilitation.org/country-projects/">https://www.tradefacilitation.org/country-projects/</a>
United Conference on Trade and Development	UNCTAD Empowerment Programme for NTFBs	<a href="https://unctad.org/en/DTL/TLB/Pages/TF/Committees/Empowerment-Programme-for-National-Trade-Facilitation-Bodies.aspx">https://unctad.org/en/DTL/TLB/Pages/TF/Committees/Empowerment-Programme-for-National-Trade-Facilitation-Bodies.aspx</a>
World Bank Group	World Bank Trade Facilitation Support Programme	<a href="https://www.worldbank.org/en/programs/trade-facilitation-support-program#1">https://www.worldbank.org/en/programs/trade-facilitation-support-program#1</a>
World Customs Organization	WCO Mercator Programme	<a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/mercator-programme/wco_mercator.pdf?la=en">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/mercator-programme/wco_mercator.pdf?la=en</a>
World Trade Organization	WTO Trade Facilitation Agreement Facility (TFAF) Grants	<a href="https://www.tfafacility.org/grant-program">https://www.tfafacility.org/grant-program</a>







## 6. PERFORMANCE MANAGEMENT

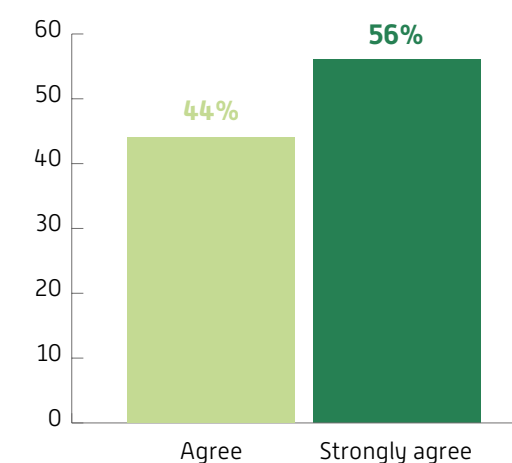
### a. Introduction

Effective, performance management is essential for organisations. It helps them align their employees, resources (including financial), and systems to meet their strategic objectives. The performance-management framework for NTFBs relates to the systems and mechanisms established to measure their success and manage their performance.

Once a strategy has been developed, it enters its execution phase. As part of this phase, regular progress reviews must take place to allow NTFBs to keep track of their progress against set objectives. As indicated in the Sub-Section B.4 on strategy, it is important to identify the monitoring and evaluation system from the outset. Both NTFBs and their technical partners have identified the area of *NTFB performance management* as an area needing more attention. To that effect and for developing countries, it is useful to note that UNCTAD has launched a training module on monitoring and evaluation as part of its technical assistance offer to NTFBs<sup>71</sup>.

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. According to all of OIC respondents to the survey, NTFBs should have a *monitoring mechanism* in place to be successful. A performance-management framework would also require the assignment of goals and activities to specific entities or officials – this is part of the management process called *cascading goals* throughout an organisation – it echoes results-based management principles.

**Figure 20 – Survey results on the need for NTFBs to establish a monitoring mechanism**



Furthermore, NTFBs' performance can also be measured against specific evaluation criteria such as efficiency (is the NTFB achieving its objectives through the optimal use of available resources?) and impact (is the NTFB contributing to the socio-economic development of the country?). It is, hence, important for NTFBs to define both the schedule and format for regular reporting (monitoring) and in-depth assessment of their performance (evaluation).

This Handbook has identified four guiding principles and recommended practices related to the performance-management framework of NTFBs.

<sup>71</sup> UNCTAD (2019). 'UNCTAD launches new training module on Monitoring and Evaluation for National Trade Facilitation Committees'. Available at: [https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2170&Sitemap\\_x0020\\_Taxonomy=Trade%20Facilitation](https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2170&Sitemap_x0020_Taxonomy=Trade%20Facilitation)



b. Guiding principles and recommended practices

i. Guiding Principle 6.1

*Guiding Principle 6.1*  
*Ensure that NTFBs have a results framework in place as a monitoring tool with KPIs and targets to track progress and measure results.*

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. One of the major lessons learned of NTFBs is that presenting concrete results is crucial: this can only be achieved if you have the means to indeed monitor results. According to UNCTAD, there is a correlation between having an established monitoring tool and the level of development of a country with the more developed countries sustaining a monitoring tool.<sup>72</sup>

Many NTFBs merely measure their *success* in terms of number of meetings of the NTFB and/or the level of participation in such meetings. The most frequently referred to monitoring tool is consultations with stakeholders.<sup>73</sup> However, it should be noted that these are merely activities on output level: the number of meetings and the active members' engagement therein, are simply a means to an end. The meetings are to ensure that activities are undertaken and seen through, that they contribute to results on an outcome/purpose level, and flowing from that on impact/strategic objective level. It is the result in terms of cost, time and complexity reduction that really matter to the trading community and trade flows.<sup>74</sup>

Therefore, for an NTFB to be able to show success in enhancing trade facilitation, it should establish a results framework that includes activities and set targets that together will contribute to the operational goal levels related to the agreed strategic

objectives. It is common that it will not merely be one activity that on its own can help reach a goal – often a group of activities will be required to help reach the same goal. The results at operational and strategic levels in their turn ought to contribute to the desired macro-economic (e.g. job creation) or sustainable development impact.

When considering results-frameworks, it is important to recognise that there cannot be a *one-size-fits-all* as each country will need to carefully tailor and align its results framework to its strategy. However, to allow the reader of this Handbook more practical and visual insights to make the above theory less abstract, a partial results framework is provided in Section D below.

Other important elements that should be made visible in the results framework/logframe, for example, in additional separate columns, are:

- Related TFA Article and Category level – A, B or C [for those countries that have ratified the TFA].
- Required technical assistance, capacity building and financial requirements [for those countries that are eligible for donor and development partners' support].

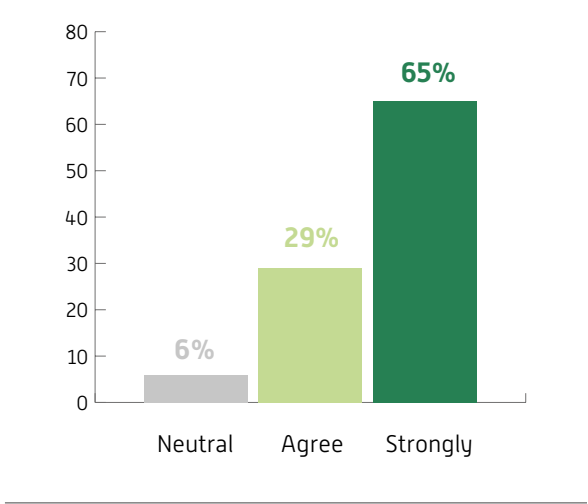
In any case, the need for a project-management approach (as already highlighted in the section on Operations and management) is imperative to ensure that all project activities are carefully planned, monitored and delivered upon in within the set timeline.

While most NTFBs have a much broader function than overseeing TFA implementation, the WTO Member Countries that have ratified the TFA are obliged to establish and maintain an NTFB to coordinate and monitor the implementation of the Agreement.<sup>75</sup> Hence, at a minimum and for WTO members, the NTFB should frequently monitor the progress it is making on the implementation of TFA measures.<sup>76</sup> In this context it is important to re-emphasise that the TFA provides the minimum basis for trade facilitation and that countries should always strive to go beyond those minimum requirements wherever possible.

Moreover, some TFA Articles are termed as *best endeavour* clauses, meaning that it is up to the country to fully maximise the trade facilitation potential in order to boost its national competitiveness and empower its trading community – SMEs in particular stand to benefit as they are disproportionately affected by burdensome and complex border procedures. Implementation of the TFA should therefore not be a box-ticking-exercise. It should be seized as an opportunity to strive for optimal trade facilitation to speed up border procedures; make trade easier, faster and cheaper; provide clarity, efficiency and transparency; reduce bureaucracy and corruption; and use technological advances. By striving for the highest level of qualitative implementation in line with best practices and listening carefully to the expertise of the trading community, countries will obtain increased access to global supply and value chains while also generating a positive effect on their FDI-climate.

It is widely recognised that private-sector engagement is a key success factor for successful commercially meaningful trade-facilitation reforms. In the survey, 94.1% OIC respondents agree or agree that successful NTFBs duly consider the private sector's view and feedback on the success of an implemented trade-facilitation measure and reform. As such the monitoring of the views of the private sector on the operations of the NTFB (e.g. NTFB's overall transparency, the effectiveness of the meetings...) ought to be duly considered as part of the results framework. This can be done through online surveys, for example. By the same token, the qualitative feedback of the business community on implemented trade-facilitation measures and reforms should be sought.

Figure 21 – Survey results on the importance of private sector's feedback on the effectiveness of trade-facilitation measures implemented as part of NTFB's work



72 UNCTAD. (2017). 'National Trade Facilitation Committees: Beyond compliance with the WTO Trade Facilitation Agreement?'. Transport and Trade Facilitation Series No 8, available at [https://unctad.org/en/PublicationsLibrary/dtlitb2017d3\\_en.pdf](https://unctad.org/en/PublicationsLibrary/dtlitb2017d3_en.pdf).

73 UNCTAD (2019). 'Survey on NTFC's sustainability'.

74 It should be noted that also from the perspective of donor countries, monitoring of results on output, outcome and impact level are critical components.

75 WTO Trade Facilitation Agreement, Article 23.

76 A helpful tool in this regard is provided on the WTO's TFA Facility where insights are provided and case stories are provided for each TFA Article, accessible here <https://www.tfafacility.org/article-resources>.

The positive connection between sustainable development and trade facilitation has been well documented. As such, the NTFB should consider capturing the contribution its trade facilitation efforts will provide to achieving the SDGs. For example, in terms of reducing poverty (Goal 1), promoting

sustainable agriculture (Goal 2), achieving gender equality and empowering of women and girls (Goal 5), as well as promoting just, peaceful and inclusive societies by reducing corruption and enhancing transparency and impartiality (Goal 16).<sup>77</sup>

Table 35 – Recommended practices related to Guiding Principle 6.1

Recommended practices related to Guiding Principle 6.1	
RP6.1.1	Ensure that the results framework embeds results-based management and SMART principles where possible.
RP6.1.2	Ensure that at a minimum the implementation of the TF reforms (including the implementation of TFA measures) is monitored beyond a tick-the-box exercise.
RP6.1.3	Ensure that private-sector qualitative feedback on the NTFBs operations are part of the indicators in the results framework.
RP6.1.4	Ensure that the desired outcome and/or impact include references to aspects of the SDGs where possible.

ii. Guiding Principle 6.2

Guiding Principle 6.2

Ensure that the NTFB establishes baselines to be able to monitor progress and enhanced trade facilitation across time.

Thus far, only a relatively small number of NTFBs use baseline data as part of their monitoring tool.<sup>78</sup> However, it is acknowledged that establishing baselines is critical for performance management. In the survey (Figure 23), 94,4% of OIC respondents strongly agree or agree that in order to be successful, NTFBs should establish a baseline to allow for the measurement of progress and achievements of trade-facilitation reforms. A baseline provides a starting point and without it is simply not possible to measure change and performance. For example, a target to achieve “a 50% reduction in the average clearance times for exports over a three-year

period,” is only possible if the clearance times are known at the start year. Likewise, to target “a 15 days reduction in the time necessary for issuing an import licence over a two-year period” is only possible if it is clear what the applicable necessary time for such a licence is in the starting year.

In some circumstances, it may therefore in fact be necessary to carry out baseline data collection before being able to do specific and realistic target setting. To this effect, it is good practice to state in the results framework that some “indicators and targets are to be developed with primary stakeholders in first six months of the project.”<sup>79</sup>

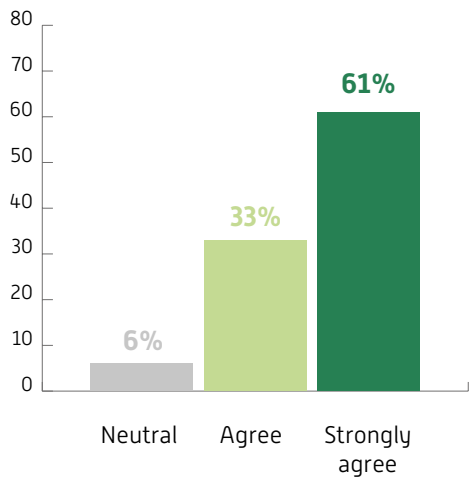
77 A complete set of metadata is available here: <https://unstats.un.org/sdgs/metadata/?Text=&Goal=17&Target=>.

78 UNCTAD (2019). ‘Survey on NTFB’s sustainability’.

79 Enhanced Integrated Framework (EIF), (2011). ‘Capacity Building in Project Identification, Formulation and Design’. Available here [https://www.standardsfacility.org/sites/default/files/EIF\\_HandbookProjectDesign\\_Feb-12.pdf](https://www.standardsfacility.org/sites/default/files/EIF_HandbookProjectDesign_Feb-12.pdf).

Various international organisations collaborated on *Indicators for Trade Facilitation: A Handbook*<sup>80</sup> to provide an overview of available global trade-facilitation performance surveys and databases such as the World Bank’s Doing Business Trading Across Borders, the World Bank’s Logistics Performance Index, and the OECD Trade Facilitation Indicators.

Figure 22 – Survey results on importance of baselines for measurement of progress



While such global, data frameworks provide interesting benchmarking information and help raise awareness on the need for improvement, it is important to note that they often provide a subjective and limited view of a country’s trade facilitation reality. For example, the WB’s Trading Across Borders index only measures automotive parts for imports and the respective most tradeable export commodity.<sup>81</sup> Moreover, the quality of data is only as good as a survey respondent’s knowledge or experience, especially in the case of perception

surveys. As such, it is important to take into consideration these limitations when using such international cross-country trade and transport indicators and rankings less as baselines.<sup>82</sup>

Consequently, it is of the utmost importance that the members of the NTFB know the data available in those national and local agencies’ tracking and data systems already in place and that they could use to establish baselines – allowing them to monitor the effects of the implementation of activities and measures. Most agencies do already collect a wide variety of data points on a daily basis: it is important to know where it exists and where to find it. For example, many customs administrations obtain useful insights in import and export flows from their automated customs (declaration) management-systems as they cover many steps of the procedures related to the clearance of goods. Other border agencies will also already have systems in place to keep track of their trade-related role, such as the number of import or export licences that they are issuing. Customs brokers and freight forwarders associations and alike, will have on their end yet other insightful data sets.

It is imperative that the NTFB members – in particular notably the governmental agencies – have an open mindset and a willingness to share their respective datasets.<sup>83</sup> All OIC respondents in the survey strongly agree or agree that successful NTFBs have their members commit to providing key metrics to measure the implementation of the NTFB mandate and strategy (Figure 24). Unfortunately, the reality is that in a number of NTFBs members may not be able to provide data or could be less inclined to share information. To this end, high-level political will to encourage a collaborative mindset and a culture of trust is vital.

80 [http://tfig.unece.org/pdf\\_files/Indicators-for-Trade-Facilitation-ESCAP-OECD-Handbook.pdf](http://tfig.unece.org/pdf_files/Indicators-for-Trade-Facilitation-ESCAP-OECD-Handbook.pdf).

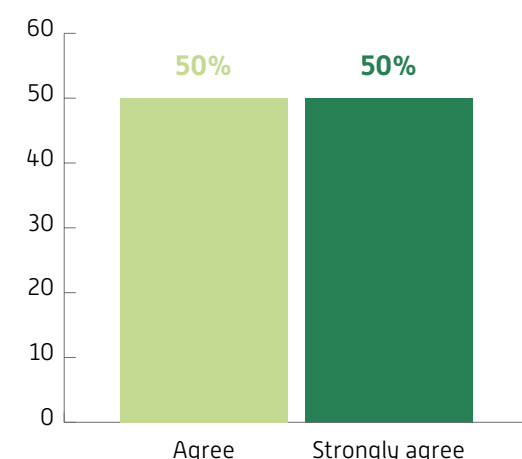
81 UNESCAP, OECD, ADB, in collaboration with World Bank, ITC, WCO, UNCTAD, with the support of the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT), the China International Electronic Commerce Centre (CIECC) and the New Zealand Ministry of Foreign Affairs and Trade, ‘Indicators for Trade Facilitation: A Handbook (Version 1.0)’, available here: [http://tfig.unece.org/pdf\\_files/Indicators-for-Trade-Facilitation-ESCAP-OECD-Handbook.pdf](http://tfig.unece.org/pdf_files/Indicators-for-Trade-Facilitation-ESCAP-OECD-Handbook.pdf). This particular Handbook aims to assist in accessing currently available international trade facilitation indicators.

82 World Bank (2019). ‘Blog - Tracking the performance of trade facilitation reforms: What difference does a day make?’. Available here: <https://blogs.worldbank.org/trade/tracking-performance-trade-facilitation-reforms-what-difference-does-day-make>.

83 Datasets can only be shared with other agencies if such sharing does conflict with national legislation. However, it should be noted that an agency’s own internal regulations in this regard should not constitute an obstacle if a higher-level mandate is available and trust and confidentiality parameters have been established. Only national law would be a justifiable reason not to share.



**Figure 23 – Survey results on the importance for NTFB members to provide key metrics to allow for the monitoring of implementation of reforms for trade-facilitation.**



A point of attention is how to ensure reliability and sustainability of data collection in the long term. Monitoring is not a one-off activity but constitutes regular data collection and analysis across a longer period of multiple years. IT systems and further digitalisation provide an important means of advancement in this regard, as they automatically capture key data that can be generated for analysis purposes at any time<sup>84</sup>. The establishment of a Single Window platform as per UN/CEFACT and the WCO Single Window Compendium recommendations may prove to be a useful tool/source for data collection and analysis if it is configured properly and includes a functional business intelligence tool, for example.

In the context of the above it is interesting to highlight several methodologies that could be of particular interest to help generate adequate data and information on a national level to support decision making and monitor impact on trade-facilitation measures across time:

- *WCO's Time Release Studies (TRS)* – a strategic and internationally recognised tool to measure the time required for the release and/or clearance of goods, from the time of arrival until the physical release of cargo. The aim is to find bottlenecks in the trade flow process and taking necessary measures to improve the effectiveness and efficiency of border procedures. The available methodology provides countries with the opportunity to conduct a TRS on their own or with support of the WCO.<sup>85</sup> Regular TRS (e.g. every two years) allow for progress measurement.
- *Business Process Analysis (BPA) or Mapping* – an analysis and modelling of business processes for improvement and automation. This can be documenting existing practice and providing a basis to measure time and costs at different steps and for opportunities to automate the process. UNESCAP provides an e-learning series on BPA.<sup>86</sup> It is important to note that a frequently made mistake is to simply digitalise existing processes into, for example, a Single Window. It is imperative that a process is first assessed and re-engineered as needed to ensure maximum trade facilitation where possible. BPA is an important tool in this regard. A well-known inspiring example on enhancing supply chain efficiency is the business process mapping conducted by Procomex in Brazil: from identifying all public and private stakeholders engaged in a particular process, to establishing the *as is* process map, to establishing the *to be* process

map, and articulating the implementation plan to directly inform various customs modernisation projects – including Brazil's Single Window. [See for more information on the Procomex approach the "Case story – Brazil" in the sub-section B.5 on Operations & Management].

- *UNCTAD Trade Facilitation Portal* – presents an online step-by-step descriptions of import, export and transit procedures from the trader's point of view. Similar to a BPA, but from the traders' perspective. UNCTAD would provide for capacity building to map the procedures for a number of commodities in detail after which the country can conduct more mappings on its own. The Portal also directly supports alignment with TFA Article 1.<sup>87</sup> For policy makers, it helps with the identification of all possible unnecessary redundancies and administrative bottlenecks.
- *Trade and Transport Facilitation Monitoring Mechanism (TTFMM)* – explained in detail in UN/CEFACT Recommendation 42. The TTFMM is based on the Business Process Analysis Plus (BPA+) which is built on the Business Process Analysis methodology, supplemented by TRS and Time-Cost-Distance (TCD) methodologies.<sup>88</sup>

- *World Bank TFA Gap Assessment* – examines alignments with the TFA with a whole-of-government approach with regard to all relevant agencies. It enables countries to track reform implementation and report on progress in a results-based manner. The TFA Alignment Tracking is to be led by the NTFB and data should be collected approximately every three to four years to allow for monitoring of TFA reforms and demonstrate progress in improving TFA alignment. The (online) tracking tool covers (i) legal/policy, (ii) operational regulations/instructions and (iii) practical implementation.<sup>89</sup>

While there is a strong focus on time and cost reduction at the physical border, complex and untransparent border-related procedures and processes are also a main source of cross-border red-tape. For example, reducing the number of required documents and licenses to export a particular product and/or re-using the data sets already obtained by one agency for the compliance or security requirements of another agency, could also have a direct effect on cost and time. Obtaining visibility in these processes would then be needed in order to make the necessary adjustments for optimisation.

<sup>84</sup> Wang, T. (2017). 'Six things I learnt in conducting trade and transport facilitation monitoring studies in South Asia'. UNESCAP, available here <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=1535>.

<sup>85</sup> WCO. (2018). 'Guide to Measure the Time required for the Release of Goods'. Version 3, available here <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/time-release-study.aspx>.

<sup>86</sup> See for more information here <https://www.unescap.org/our-work/trade-investment-innovation/trade-facilitation/bpa-course>.

<sup>87</sup> See for more information <http://tradeportal.eregulations.org/?l=en> and for practical illustrations: Nigeria Trade Portal (accessible here <https://trade.gov.ng/>) and Kenya's Trade Facilitation Portal accessible here <https://infotradekenya.go.ke/procedure/1038?l=en>.

<sup>88</sup> UNESCAP. (2014). Towards a National Integrated and Sustainable Trade and Transport Facilitation Monitoring Mechanism: BPA+. available here [http://www.unece.org/fileadmin/DAM/trade/Publications/ECE\\_TRADE\\_437E\\_Rec42.pdf](http://www.unece.org/fileadmin/DAM/trade/Publications/ECE_TRADE_437E_Rec42.pdf), and UN/CEFACT, "Recommendation No.42: Establishment of a Trade and Transport Facilitation Monitoring Mechanism (TTFMM)" available here [http://www.unece.org/fileadmin/DAM/trade/Publications/ECE\\_TRADE\\_437E\\_Rec42.pdf](http://www.unece.org/fileadmin/DAM/trade/Publications/ECE_TRADE_437E_Rec42.pdf).

<sup>89</sup> World Bank, Trade Facilitation Support Program (TFSP).

iii. Guiding Principle 6.3

*Guiding Principle 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.*

Cascading the strategic goals throughout the organisation is an effective way to facilitate the execution of the strategy but also to ease progress monitoring as the NTFB board would clearly know the entities or officials ultimately responsible for the delivery of goals and activities. For an NTFB, the strategic goals would certainly be assigned to members of the steering committee. For operational goals, depending on their importance, they may be allocated to members of the steering committee, to the technical secretariat or to a specific technical working group.

In some cases, NTFBs may decide to create a technical WG that centralises the monitoring and evaluation function of the NTFB strategy and operations. This arrangement could facilitate standard reporting to the NTFB board and steering committee but may also face difficulties accessing data from members' systems.

In order to drive performance, some organisations opt to include an *incentive mechanism* whereby the highest performing teams and team members are rewarded for their contribution to the achievement of strategic and operational goals. The incentives are not always monetary and include, amongst others, recognition (certificate of merit, letter of appreciation, etc), professional development opportunities (sponsor participation to training courses or study tours), team-building activities (sponsor a dinner, a retreat or a sports day, etc). Such an incentive mechanism may be difficult to implement at NTFB level given the nature of the body but it remains, however, an avenue worth exploring in the NTFBs' quest for strategic goal achievement and optimisation.

iv. Guiding Principle 6.4

*Guiding Principle 6.4*  
*Ensure that the NTFB reporting, monitoring and evaluation schemes are clearly defined and communicated to the NTFB members.*

An important element of a performance-management framework is the reporting scheme. The reporting scheme relates to the reporting lines (who submits which reports to whom?), reporting period (which report is due when?) and the reporting format.

At strategic level and in a hypothetical scenario, an NTFB board and steering committee may only meet twice a year but could receive quarterly progress reports. These quarterly progress reports to the NTFB board and steering committee may be short reports that provide a snapshot of execution level of the NTFB strategy<sup>90</sup> and NTFB operations.

This quarterly reporting could take the form of a strategic dashboard which would go a long way in facilitating the monitoring of progress, risks and the health of the NTFB, and thus contribute

to strategic decision making and the steering of the NTFB. These quarterly reports may be supplemented by more exhaustive annual reports, which would go deeper into the strategy execution (progress, success, challenges, etc) but would also provide details on financial elements related to the NTFB strategy and operations. For the technical secretariat or WGs, the reporting period may be shorter (monthly updates on projects, etc) and reports may be more detailed for example. Regardless of the reporting scheme chosen, it is important to clearly define and describe it.

Similarly, it is important to define the evaluation scheme at least for the NTFB strategy. The evaluation of an NTFB strategy would need to look at various criteria, such as those shown in Table 36.

Table 36 – Evaluation criteria for the NTFB strategy

Evaluation criteria	
Impact	Is the strategy contributing to the socio-economic development of the country (poverty reduction, gender equality, etc)?
Effectiveness	Is the strategy on course to achieve its goals at an acceptable rate?
Efficiency	Is the strategy being executed through the optimal use of available resources?

Other evaluation criteria may include design, ownership and sustainability for example. Evaluation exercises require in-depth research and analysis and can be time-consuming. As a result, evaluations are usually carried out at mid-term and once the strategy has been executed (final eval-

uation). Evaluation exercises also require specific competencies and it may be necessary to foresee a budget to have these evaluations undertaken by third parties, if needed for competency gaps or objectivity reasons.

90 Some organizations opt to use colour-coded reporting to flag goals/activities on course (usually in green), delayed (usually in orange/yellow) or in danger of not being achieved (usually in red). This colour-coding approach may facilitate decision-making by the report's target audience.



c. Case stories

Organisational Effectiveness Area: Performance Management	Country: Kingdom of Morocco <sup>91</sup>	Reference code: CS6A
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*“Our aim is to achieve tangible and measurable trade-facilitation benefits: the reduction of trading costs and of the time to clear goods at the borders. Our partnership with the private sector allows us to devise meaningful trade-facilitation strategies and objectively assess their impact.”*  
**Mr. Brahim Ait Addi, Head of Trade Facilitation and Regulations, Ministry of Commerce.**

By the Head of Government’s decree n ° 2.17.594 of March 05, 2018 the National Coordination Commission for the Facilitation of Foreign Trade Procedures (NCCFFTP) was established to replace the existing, national trade-facilitation working group that was formed in 1986. The NCCFFTP counts 39 Members with a large majority from the private sector.

The mandate of the NCCFFTP is broader than the implementation of the WTO TFA and includes the coordination and monitoring of other projects related to trade facilitation. These include cooperation projects with international partners, as well as the implementation of Morocco’s bilateral and regional commitments in the field of trade facilitation.

The NCCFFTP is required to:

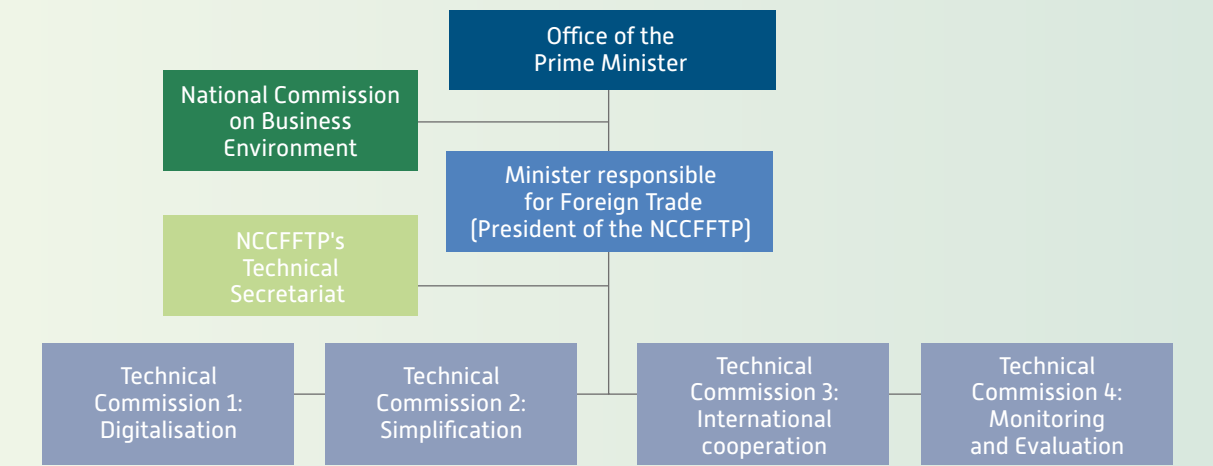
- Develop a strategy and related action plans to improve the trade-facilitation landscape in the country with a specific focus on the simplification and harmonisation of procedures.
- Make proposals to facilitate trade-related logistics and infrastructure in Morocco.
- Undertake regular analyses and assessments of import and export procedures.
- Put forward proposals to the National Commission on the Business Environment, which is headed by the Prime Minister.

The NCCFFTP’s reports to the Minister of Commerce. The secretariat of the NCCFFTP is provided by the Directorate of Defense and Commercial Regulation, under the Ministry of Foreign Trade but none of them is dedicated full time to NCCFFTP secretariat work. At this stage, there is no common, dedicated budget for NCCFFTP operations. As a result, the Ministry of Commerce covers the costs related to NCCFT meetings. However, the funding arrangement between NCCFFTP members is that if a member is designated as the lead agency for the undertaking of a strategic action-plan activity, then this member will be responsible for covering the costs related to the working sessions needed to complete the activity. The NCCFT Secretariat developed internal regulations to structure the NCCFFTP’s arrangements and meetings, while these regulations will soon be made available in the public domain. The decision-making mechanism adopted is consensus. However, for priority decision points, and if a consensus cannot be reached, the Chair of the NCCFFTP has the possibility to bring the matters to the of the Head of Government for arbitration.

To undertake its work, the NCCFFTP has opted for a tiered approach shown in the Figure 24 below. Each technical commission includes the agencies of key players, whose roles goes beyond the simple participation and include leading steering committees and sub-WGs, due to their expertise and capabilities. For example, the Customs Administration of Morocco plays a key role in leading the implementation of several projects within the technical commission’s action-plan for digitalisation.

91 A more comprehensive description of Morocco’s NTFB and supporting structures – including with regard to public-private cooperation on business processing – can be found in Annex 2.

Figure 24 – The three-tiered approach of the Moroccan NCCFFTP



In terms of national trade-facilitation strategy, Morocco has more than 20 years of experience with the development of such strategies, based on, for example, the results of the national plan for the simplification of foreign-trade procedures (NPSFTP). Morocco has opted to use the NPSFTP as one of the bases of its national, trade-facilitation strategy as the NPSFTP provides insight on bottlenecks – areas that could benefit from automation and objective baseline-data.

Regarding performance management, the NCCFFTP has established a dedicated, technical commission on monitoring and evaluation. The NCCFFTP requires this commission to focus its attention on monitoring indicators at impact level, such as: trading costs, clearance time, *World Bank – Doing Business* ranking on cross-border trade-related indicators, logistics performance-index, and number of documents needed to import and export. The level of NCCFFTP-strategy execution is also a priority indicator to be monitored by the NCCFFTP. A specific dashboard on the implementation of WTO TFA measures is also under preparation. The NCCFFTP is to also measure the NCCFFTP Secretariat’s operational performance by keeping track of the number of decisions implemented and the level of participation of its Members.

Leveraging on its large experience in the area of trade facilitation, the NCCFFTP recognises that managerial, technical and support competencies are needed to achieve the national trade-facilitation strategy’s vision and objectives. Change management and programme management have been particularly identified as priority competencies by the NCCFFTP to successfully implement trade-facilitation reforms. As a result, the NCCFFTP will explore avenues to further develop its in-house competencies in the areas of negotiation techniques, change management and programme management.

Key takeaways

- The evaluation of former NTFB strategies and the undertaking of thorough business-process analyses of import-export procedures provide a robust and objective basis to develop a new NTFB strategy.
- Having a functioning performance-management system enable NTFBs to take appropriate and informed measures to drive forward the national trade-facilitation agenda.
- A good blend of managerial, technical and support competencies is needed across all levels of an NTFB to ensure the success of trade-facilitation reforms.

Organisational Effectiveness Area: Performance Management	Country: India <sup>92</sup>	Reference code: CS6B
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*“We are going beyond quantitative baselines – we are looking at qualitative performance: it is not about only looking at the required time, but also at the ‘why’. It is also crucial to have private-sector feedback to vouch for effectiveness of a reform and provide a reality check”.*

**Mr. Vikram Singh, National Committee on Trade Facilitation Secretariat.**

India’s NTFB, which takes the form of a National Committee on Trade Facilitation (NCTF), is chaired by the highest possible civil servant in India (i.e. Cabinet Secretary), is considered a key success factor of the NCTF’s ability to effectively reach results set against clearly, formulated objectives and with defined roles and responsibilities. The NCTF’s Secretariat is hosted by the Customs administration (as such the costs of dedicated resources are also borne by Customs).

India’s National Trade Facilitation Action Plan 2017–2020 is a living document, which contains 96 action points and identifies, as a key objective, a significant reduction in the overall, cargo release times. It has action points coded into three colours:

- Amber for reforms required to enhance compliance on TFA Category A commitments;
- Red for legal/administrative/IT changes required to enhance compliance with TFA Category B commitments;
- Blue for the issues incorporated following private-sector suggestions.
- There is a software system that was developed in-house, the TFA Monitoring Tool, referred to as the Dashboard, that monitors progress across:
- TFA Articles classified according to measures of Category A and B commitments (i.e. 25 activities);
- The National Trade Facilitation Action Plan which identifies 96 trade-facilitation measures for fostering trade and development, including 52 category activities termed as TFA Plus; these are related to infrastructure and technology improvements;
- Decisions of the NCTF;
- Decisions of the Steering Committee.

For each of the action points in the Action Plan, a lead agency has been appointed and an applicable timeline set – either being short-term (0–6 months), mid-term (6–18 months) or long-term (18–36 months). Consequently, all stakeholders are given a task to deliver upon.

The Dashboard, as a monitoring tool, highlights progress and delays (i.e. colour coding), provides reminders for task completion, and provides a repository of supporting documents. Each agency feeds directly into the software system through an interface. In addition, each week, there is interaction with the secretariat across top, mid-level and operational levels (e.g. e-mails, phone calls, etc). If an agency reports a task to be completed, the secretariat will verify this statement. Moreover, the private sector’s experience is considered imperative in providing a reality check. If needed, NCTF and steering committee meetings

92 A more comprehensive description of India’s NTFB and supporting structures – including with regard to public-private cooperation on business processing – can be found in Annex 2.

93 A more comprehensive description of India’s NTFB and supporting structures – including with regard to public-private cooperation on business processing – can be found in Annex 2.

are used to “nudge” agencies into compliance with their task at hand. It should be noted that the Action Plan – together with its measures, actions, timelines and responsible agencies – is available online. An illustration of the extent of detail of identified actions related to India’s Category A Commitment to TFA on Article 7.4. can be found in Annex 2:

When setting its KPIs, the NCTF did consider international rankings and benchmarking, such as the World Bank’s Trading Across Borders, OECD Trade Facilitation Indicators, and Logistics Performance Index; however, the NCTF principally ensured that it was informed by locally-obtained data. A national TRS was conducted, assessing 15 major ports. This was based primarily on data that was generated automatically. A next step is the development of a mobile app, where traders can see (waiting) times and performance data for each port.

Moreover, a qualitative, business-process mapping was conducted with the objective to seek touch points for simplification. In this context, it should also be noted that Indian Customs’ Compliance Information Portal (CIP) – India’s one-stop solution for trade compliance – provides traders with an overview of all documentation needed to import or export a particular commodity. Going forward, the NCTF will establish a WG to assess how to minimise documentation and repurpose data points where possible (also potentially using blockchain technology).

The NCTF Secretariat endeavours to not keep any information to itself. The intent is therefore to make the Dashboard publicly available (including visibility in agencies behind in their tasks), except for information that is considered confidential by law. There is already a blanket policy in place for all activities of the Cabinet Secretary’s office, and the decisions and records of the NCTF at the the board-level are considered confidential).

ICEGATE (Indian Customs Electronic commerce Gateway) is Customs’ national, trade portal that provides e-filing services to traders, cargo carriers and other clients. It also fulfils the Customs’ electronic and data communication requirements. By summer 2020, ICEGATE will also provide the public access to most of the Dashboard’s insights. The Dashboard is currently being translated into Java-script following warnings that it was otherwise deemed sensitive to cyber security threats. When considering results, the NCTF is clear in its vision, in that it is the outcome level that counts, as this is what will make a difference to the private sector.

**Key takeaways**

- High level leadership and conveying power is key to ensure effective implementation by allowing for a monitoring and performance management framework that “nudges” agencies into compliance with the tasks and actions items they are responsible for.
- A software tool with colour coding (red, orange, green) on progress can provide a snapshot, bird’s eye view, while it is noted that verification and a reality check by the private sector is imperative.
- Quantitative and qualitative baselines obtained locally are vital to be able to measure progress against. TFA implementation is not a tick-box exercise and as such, the TFA Articles and other trade-facilitation measures ought to be broken down to ensure a common understanding on what is to be achieved and implemented. Outcome level results – making a real difference for importers and exporters – is what matters.
- Transparency and communication are key to ensure effective monitoring and performance management. Information not to be deemed confidential, should be made publicly available – including the results of TRS and division of labour on the implementation of trade-facilitation measures. It also encourages agencies to deliver upon their implementation responsibilities and to improve their overall performance.



d. NTFB tools

Figure 25 – An example of a partial NTFB Dashboard

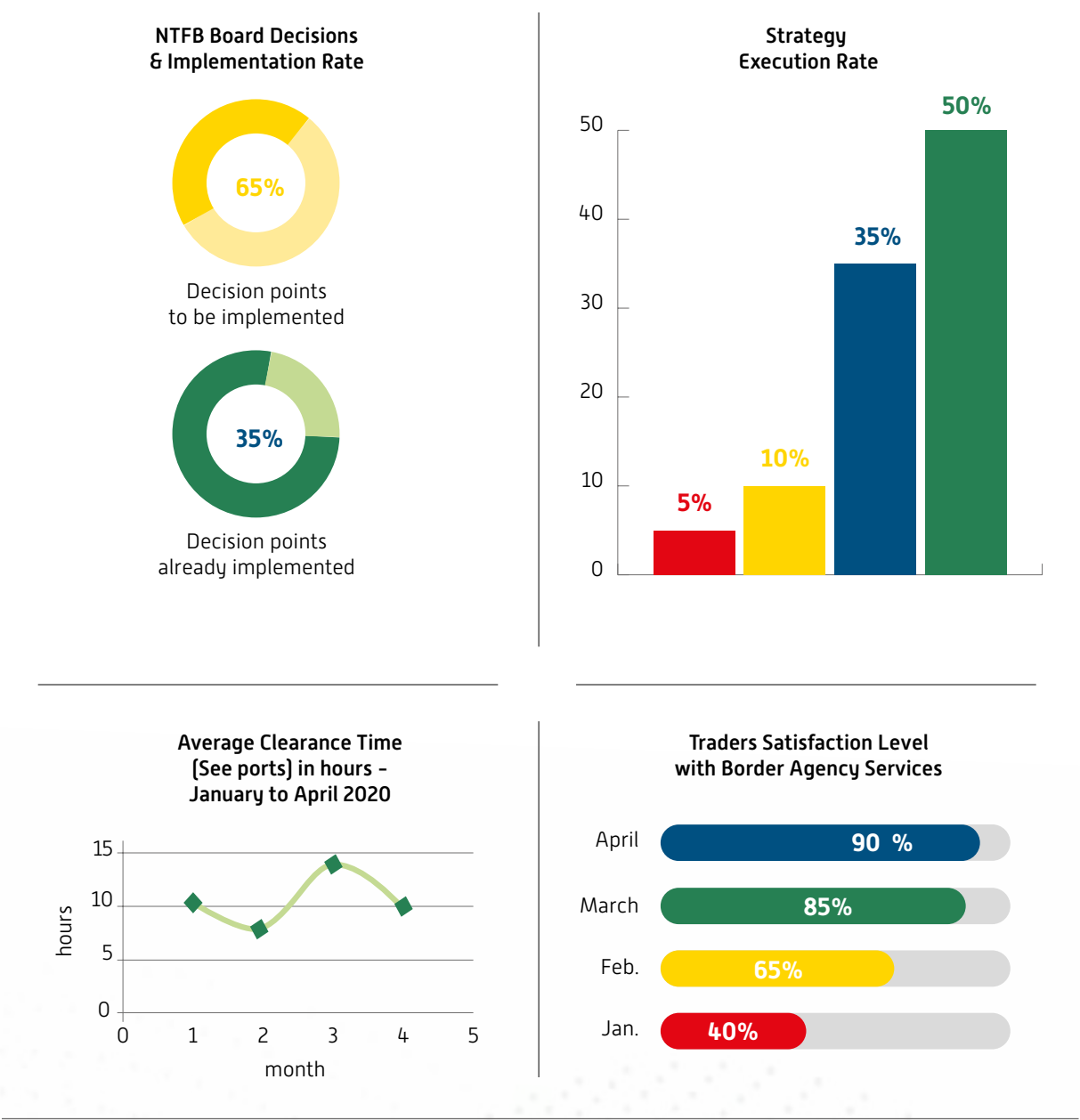
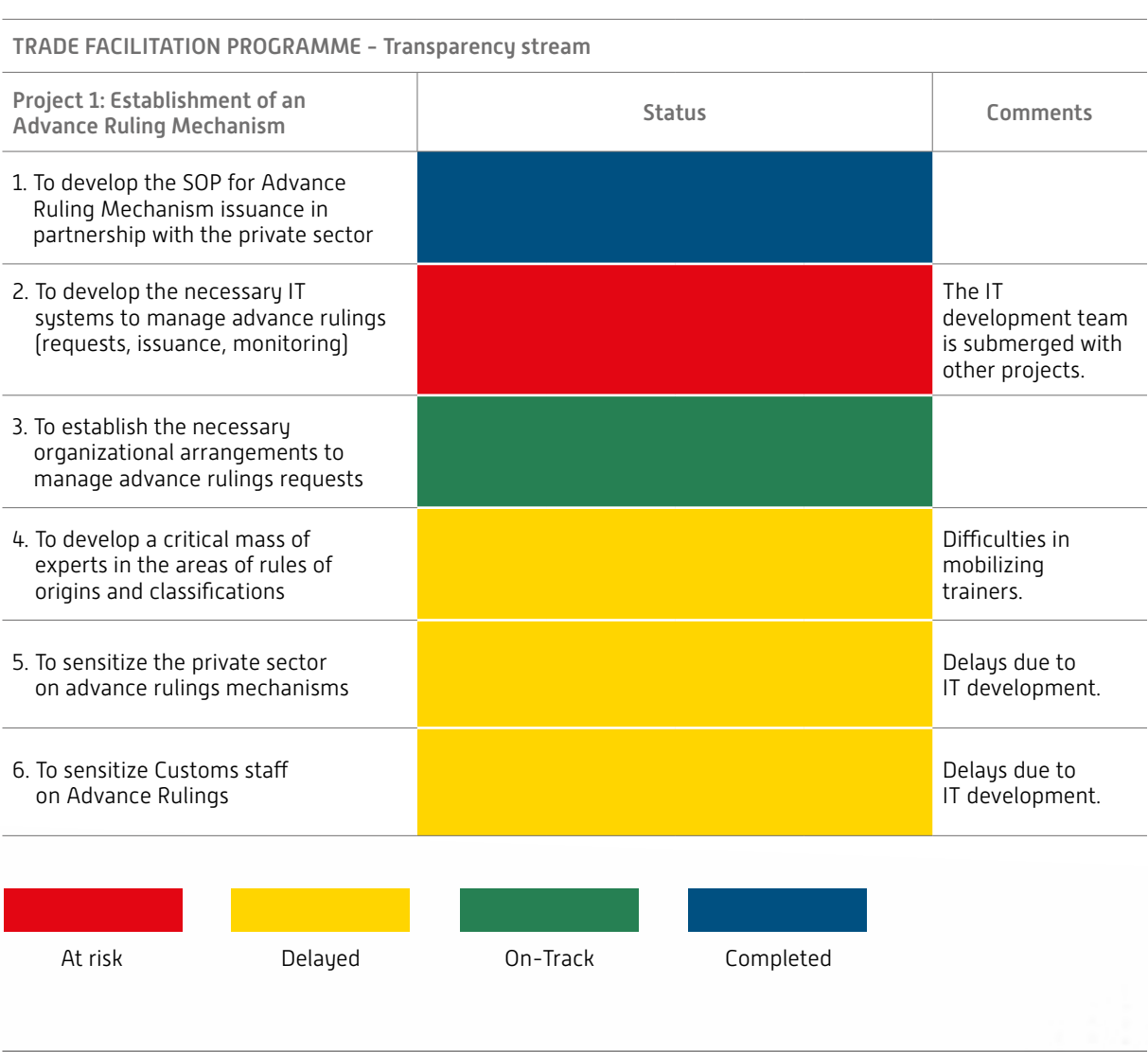


Figure 26 – An example of a colour-coded, dashboard presentation for a trade-facilitation project





## 7. HUMAN CAPITAL

### a. Introduction

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. 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.

When establishing and putting into operation an NTFB, adopting a competency management approach will help with:

- the appointment and eventual competency development of the chair and/or co-chairs, members of the NTFBs, head of the NTFB secretariat and staff;
- the nomination of members of cross-cutting technical WGs and project teams.

Competencies can be described as definitions of the behaviours that organisations expect their staff to practice in their work. Competencies represent the language of performance. They can articulate both the expected outcomes from an individual's efforts and the manner in which these activities will be carried out. Thus, competencies provide a common language, universally understood at the organisational level to describe the expected performance in all work situations<sup>93</sup>. In simple terms, a competency is the combination of knowledge, skills and attitudes that a person must mobilise to effectively carry out the assigned responsibilities and tasks.

Competencies are usually clustered across three areas:

- leadership and managerial competencies
- functional (or operational) competencies
- support competencies.

For NTFBs, the Handbook presents in Sub-Section D below a non-exhaustive competency catalogue based on the most commonly identified NTFB's mandate and strategic goals, namely:

- **Mandate:**
  - Provide a conducive public-private dialogue platform to discuss trade challenges and solutions.
  - Coordinate the implementation of agreed trade-facilitation reforms.
- **Strategic Goal:**
  - To contribute to the economic development of the country/region through trade facilitation and development.

The Handbook has identified three guiding principles related to human capital.

<sup>93</sup> Armstrong, A (2006). 'A Handbook of Human Resource Management Practice'. Kogan Page, ISBN 9780749446314.

## Organisational Effectiveness Area 7: Human Capital



b. Guiding principles and recommended practices

i. Guiding Principle 7.1

*Guiding Principle 7.1*  
*Ensure that the NTFB chairperson (and co-chairs) has the necessary competencies to lead the NTFB to success.*

Within the NTFB structure, the chairperson (or co-chairs) function is a key role. The chairperson’s responsibilities usually include:

- providing leadership for the NTFB;
- ensuring that the NTFB is functioning effectively and regularly evaluate its work;
- leading the approval process of the agenda for NTFB meetings in consultation with the NTFB secretariat and in consultations with NTFB members;
- chairing NTFB meetings as per the agreed procedures and creating a conducive environment for members to fully participate during meetings and discuss all relevant issues;
- ensuring that NTFB members are fully involved and informed on issues on which a decision has to be taken and ensuring that these decisions/ action points are implemented;
- representing the NTFB as its spokesperson.

Given the responsibilities of the chairperson, the following competencies could be assigned to the chairperson role, with the most important skills required shown in bold:

- **leadership**
- **strategic thinking and planning**
- **communication skills (including managing relationships)**
- **knowledge of trade facilitation and associated agreements**
- **problem-solving**
- team management
- consultation
- negotiation and consensus-building
- conflict resolution
- programme management.

According to the survey undertaken to develop this Handbook:

- 77.7% of OIC respondents included leadership and strategic planning in their top five competencies a Chairperson should possess;
- 72.3% of OIC respondents included communication (including managing relationship) and trade facilitation (knowledge of trade-facilitation agreements, issues, etc) in the top five competencies a chairperson should possess.

Table 37 – Recommended practices related to Guiding Principle 7.1

Recommended practices related to Guiding Principle 7.1	
RP7.1.1	Develop a competency-based profile for the chairperson (and/or co-chairs).
RP7.1.2	Consider the use of a competency-based approach for the appointment of the chair.
RP7.1.3	Consider the establishment of a feedback mechanism on the performance of the chair.
RP7.1.4	Shall the appointed chairperson demonstrate competency gaps, consider making provisions for his/her competency development.

ii. Guiding Principle 7.2

*Guiding Principle 7.2*  
*Ensure that the NTFB secretariat is staffed with a competent workforce.*

Within the NTFB structure and as presented under the section related to organisational framework, the NTFB secretariat has a key role to play in the success of the NTFB. The NTFB secretariat responsibilities may include:

- drafting the agendas in consultation with the chair and members and in line with the interested topical issues and ad hoc matters;
- organising and arranging the meetings of the NTFB steering committee;
- organising and arranging the meetings of the NTFB sub-WGs;
- supporting with the chair with the preparation of the agenda;
- taking and distributing the minutes of the NTFB steering-committee meetings;
- following up with members on decisions made / action points;
- communicating on NTFB meetings, documented progress and lessons learned;
- liaising with the WTO contact point and relevant regional and international partners;
- undertaking sensitisation efforts on overall TF and TFA implementation benefits;
- scanning the business environment to identify trends, patterns, technological advances, possible innovations, changes in international/regional regulations and potential competitive advantages, of which the NTFB needs to be aware.

Given the responsibilities of the NTFB, the following competencies could be assigned to the NTFB secretariat staff:

- **communication (including managing relationship)**
- **trade-facilitation agreement**
- **stakeholder engagement**
- **consultation**
- **meeting and events management**
- **knowledge and records management**
- programme management
- financial management
- change management
- donor engagement
- digital communications and marketing
- data analysis and statistics.

According to the survey undertaken to develop this Handbook, respondents considered the following five competencies as the top competencies an NTFB secretariat should possess:

- **meeting/event management**
- **programme management**
- **communications**
- **records management (including minutes taking)**
- **knowledge management**
- consultations.

Table 38 – Recommended practices related to Guiding Principle 7.2

Recommended practices related to Guiding Principle 7.2	
RP7.2.1	Develop a competency-based profile for the head of the NTFB secretariat and the relevant NTFB officers.
RP7.2.2	Consider the use of a competency-based approach for the appointment of the NTFB head of secretariat and officers.
RP7.2.3	Consider the establishment of a feedback mechanism on the performance of the NTFB secretariat.
RP7.2.4	If the NTFB workforce indicates competency gaps, then consider making provisions for its competency development.



iii. Guiding Principle 7.3

*Guiding Principle 7.3*  
*Ensure that the cross-cutting technical WGs and project teams are composed of competent members.*

- Within the NTFB structure and as discussed under the section related to organisational framework, the technical WGs, sub-WGs and project teams are tasked to implement trade-facilitation reform projects and other NTFB action points/decisions. The work undertaken by these WGs and project teams is often technical and requires specialised competencies such as:
- international trade;
  - supply chain management;
  - customs clearance of goods procedure;
  - the agreements, conventions and international, legal documents on trade facilitation such as Revised Kyoto Convention, TFA etc.;
  - customs legislation and other relevant legislation to trade;
  - tariffs and classification, including relevant regional free-trade agreements;
  - customs valuation, including the WTO GATT Agreement;
  - transit and transshipment;
  - post-clearance audit;
  - risk management;
  - compliance management;
  - validation of AEOs;
  - BPA;
  - IT programming;
  - data-analytics modelling;

Table 39 – Recommended practices related to Guiding Principle 7.3

Recommended practices related to Guiding Principle 7.3	
RP7.3.1	Develop a competency-based profile for the members of the technical WGs and project teams.
RP7.3.2	If the technical WGs and project-team members indicate competency gaps, then consider making provisions for their competency development.





c. Case stories

Organisational Effectiveness Area: Human Capital	Country: Burkina Faso	Reference code: CS7A
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*“The WTO TFA entered into force in February 2017 and Burkina Faso ratified it in September 2018. One of the most pressing matters after the ratification of the agreement was to raise awareness about the TFA and strengthen our capacity to develop our strategy and project proposals to seek assistance from development partners.”*  
**Mr. Souleymane Ouedraogo, Deputy-Chair of the NTFB Technical Secretariat.**

The NTFC of Burkina Faso was established on 13 March 2017 through a presidential decree. It counts 45 members, including 40% representatives from the private sector and civil society. It meets at least once per year and is chaired by the Minister of Commerce. It also can count on the guidance of two vice-chairs, namely the Minister of Economy (often represented by the Director General of Customs) and the President of the Chamber of Commerce. The purpose of Burkina Faso’s NTFC is to act as the national consultative body in charge of the coordination and implementation of trade-facilitation measures, especially those related to the provisions of the WTO TFA.

Burkina Faso’s NTFC has adopted a tiered structure with a high-level committee, a technical secretariat and technical WGs. The technical secretariat is located at the Ministry of Commerce and is headed by Director General of Trade. The technical secretariat is in charge of organising NTFB meetings and working group sessions. One of its key roles is also to seek and coordinate support from technical and financial partners. So far, only one technical WG focusing on availability of information, has been established. A least developed country, Burkina Faso is eligible for development partners’ support for the implementation of WTO TFA measures that they have classed as Category C.

**Developing the NTFC’s competencies in the area of strategic planning and project development as a priority**

Burkina Faso has been benefiting from the ITC support to increase the understanding on the TFA among the NTFC’s membership and beyond through several awareness-raising sessions. Thanks to this initial awareness raising and with additional training in the area of strategic planning, the NTFC was able to develop its strategic action plan for the implementation of the TFA. As the strategic action plan included a roadmap for the implementation of the category C measures, the next logical step in terms of NTFC human capital development was to develop the NTFC’s capacity to prepare robust project proposals to support the efforts of the NTFC’s technical secretariat to mobilise the necessary development partners’ support and resources. As a result, ITC developed a state-of-the-art training package on project proposal development that benefitted more than 25 senior and mid-level officers from NTFC members. Following this training, the NTFC developed five project proposals.

70 A more comprehensive description of Brazil’s NTFB and supporting structures – including with regard to public-private cooperation on business processing – can be found in Annex 2.

**Developing technical/operational competencies to implement WTO TFA measures**

Burkina Faso also benefitted from the WCO support, under the WCO-WACAM Project, in 2017–2018 to undertake a TRS (Art 7.6 of the WTO TFA) and to establish an advance ruling mechanism (Art 3 of the TFA)<sup>94</sup>. The support included human capital development activities in the area of customs procedures, BPA and tariff classification. While the training sessions mainly targeted customs officers, the above-mentioned measures were successfully implemented by the Customs administration in partnership with the private sector and other border agencies. The TRS results and report have been publicly presented in May 2019 and within a one-year period, Burkina Faso Customs received 400 requests for advance rulings.

The establishment of an advance ruling mechanism and the publication of the TRS results contributed to enhancing trade predictability in Burkina Faso. In fact, the efforts made to develop these two vital trade-facilitation measures have greatly contributed to improving collaboration between customs and the private sector.

The average time for the release of goods from entry into the country at the Ouagadougou Customs Post (Ouaga-Route) to their release was measured to be five days and two hours. To reduce the average release time, key recommendations for improvement included:

- enhancing risk management capacity by strengthening data analysis skills;
- ensuring that the results of risk assessment are implemented by frontline officers;
- developing the competencies of the team in charge of post-clearance audit (PCA) and expanding the implementation of PCA, which is currently used insufficiently;
- increasing the working hours to seven days a week, and harmonising the opening hours of all regulatory agencies at the port;
- reducing redundant physical inspections;
- facilitating online payment;
- considering the implementation of a Single Window platform.

**Key takeaways**

- NTFBs in countries with a low, trade-facilitation maturity must initially focus on enhancing the NTFB members’ understanding of trade facilitation and trade facilitation agreements. This would provide the basis for the development of the strategy and associated action plan.
- NTFBs could also benefit greatly from support in the area of strategic planning, project management (including project planning, monitoring and evaluation), change management and donor engagement in order to develop their strategic plan, plan and implement their trade-facilitation reforms and successfully mobilise the resources and assistance from development partners.
- Human-capital development remains a critical element for the implementation of trade-facilitation projects. Particular attention must also be paid to the development of technical competencies so as to successfully embed new systems, procedures and practices to enhance border management and trade-facilitation efficiencies.

94 Further information on the WCO support to Burkina Faso can be found at the following link: <https://mag.wcoomd.org/magazine/wco-news-88/burkina-faso-makes-strides-in-implementing-key-trade-facilitation-measures/>.

Organisational Effectiveness Area: Human Capital	Country: Sultanate of Oman	Reference code: CS7B
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*“Human capital is at the heart of our logistics improvement and trade-facilitation strategy. While we support infrastructure and IT development efforts, we believe that changes in practices and behavior are key enablers to realizing border-management efficiencies and benefits. As a result, the Sultanate of Oman Logistics Strategy SOLS 2040, is adamant in providing human capital development-opportunities to the logistics and trading community.”*  
**Mr. Al Khattab Al Maani**

Under its National WTO Trade Committee, Oman established a National Trade Facilitation Working Group (NTFWG) in 2015. The NTFWG is chaired by customs and counts 10 members, including private-sector representatives. The purpose of the NTFWG is to oversee the coordination and implementation of the WTO TFA in Oman and to advise the National WTO Trade Committee on WTO TFA matters, such as the categorisation of the WTO TFA measures.

Oman has benefitted from strong and sustained political support to drive the trade-facilitation agenda, especially since 2015. One of the key materialisations of this political support was the establishment of a public-private group in 2016, the ASYAD Group<sup>95</sup>, whose aim is to maximise the financial returns and economic impact of government investments in logistics.

***A public-private partnership venture to develop competencies across the trade-facilitation actors***

Sultanate of Oman Logistics Strategy SOLS 2040 has been created and entrusted with trade-facilitation matters. One of the key pillars of the Sultanate of Oman Logistics ’s Strategy is human capital. As such, Oman is developing performance-based criteria, training and educational standards in alignment with the planned growth of Oman’s logistics industry and with recognised, international logistics and trade-facilitation training programmes. Oman aims to devise integrated, training programmes and accreditation processes to support the competency development of the logistics and trading community.

The training programmes developed and under development took into account the expected logistics and trade growth and identified core organisational functions, jobs and competencies required by sector; thereby adopting a forward-thinking and sustainable approach: the aim is to prepare today for the challenges and opportunities of tomorrow.

At the end of 2019, Oman organised a large event on the WTO TFA, to further sensitise the public and private-sector agents involved in the logistics and trade industry, on the Agreement and its measures, as well as provide them with the state of play on the implementation of the WTO TFA in Oman. The event particularly enabled the participants to identify key areas that necessitate human capital development, including the need to strengthen the NTFWG’s members and wider trading community actors’ competencies in the areas of strategic planning, advance rulings, stakeholder engagement, risk management, PCA, coordinated, border management, transit, and data. Having taken note of these areas, Oman will take the appropriate capacity-building measures to bridge the gaps and needs identified.

**Key takeaways**

- Public-private joint ventures and/or private-sector industry leaders can be relied upon to design and deliver state-of-the-art training programmes to develop the competencies of the logistics and trading community.
- When designing training programmes, it is important to undertake a thorough needs analysis, taking into account current and future needs as a whole and for industry.

95 The ASYAD Group brings together 16 logistics companies and joint ventures under one entity.

Organisational Effectiveness Area: Human Capital	Country: WTO	Reference code: CS7C
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*“The implementation of the majority of the technical provisions of the TFA requires coordination of public agencies and private sectors. The establishment and operationalisation of effective NTFBs can play a significant role in countries reaping the benefits of trade facilitation. Developing competencies of NTFB chairs, secretariats and members is hence capital for the successful implementation of trade-facilitation reforms.”*  
**Ms. Sheri Rosenow, Head of the WTO Trade Facilitation Agreement Facility.**

The WTO Trade Facilitation Agreement Facility (TFAF, or the Facility) was created at the request of developing and LDC members to help ensure that they receive the assistance they need to reap the full benefits of the TFA, and to support the ultimate goal of full implementation of this new Agreement by all members. The Facility was formally launched on 22 July 2014, by WTO Director General Roberto Azevêdo and became operational on 27 November 2014.

The TFAF aims to support Developing and LDC Members to assess their specific needs and to identify possible development partners to help them meet those needs through a diverse number of activities, including: (i) assisting members in the preparation of their notification of special and differential treatment categories; (ii) the development and delivery of assistance and support for capacity building, to ensure that WTO Members fully understand the Agreement, the steps needed for its implementation, and the requirements to benefit from the special and differential treatment provisions; (iii) supporting developing and LDC members to access the available implementation assistance; (iv) where no other funding source is available, the TFAF will offer two types of grants to developing and LDC members notifying Category C commitments: project preparation grants and project implementation grant<sup>96</sup>.

From June 2016 to March 2017, the TFAF organised a series of advanced courses in English, French and Spanish for the chairs and other officers of NTFBs. The purpose of the courses was to enhance the NTFBs officers’ knowledge of the TFA, to familiarise them with their responsibilities as NTFB members or technical experts, and to provide them with some of the tools needed to carry out their functions. The responsibility was on enhancing the participants’ understanding of the WTO TFA and in developing the participants’ competencies in the areas of effective stakeholder consultations (how to prepare a consultation session, how to chair a consultation session, how to report on a consultation session and how to follow-up on consultation session’s decisions), project proposal development and donor engagement (understanding the development partners’ landscape, formulating and presenting sound project proposals to development partners).

In addition, the courses provide participants with an opportunity to build a network of contacts, including with capacity-building organisations that will provide technical assistance to support the implementation of the TFA. Overall, close to 100 participants benefitted from these courses<sup>97</sup>.

**Key takeaways**

- An understanding of trade facilitation and the WTO TFA are key to build a critical mass of specialists that can be engaged in planning and implementing the necessary and desired TF reforms.
- Trade facilitation requires effective competencies in stakeholder engagement. The chairpersons are particularly required to be fluent in consultation and chairing techniques, while the NTFB secretariat needs to be highly competent in event organisation, minute-taking and communications.
- Engaging with development partners requires a thorough knowledge of their landscape and specific terminology, as well as strong project-management competencies.

96 <https://www.tfafacility.org/>

97 [https://www.wto.org/english/news\\_e/news17\\_e/fac\\_10feb17\\_e.htm](https://www.wto.org/english/news_e/news17_e/fac_10feb17_e.htm)



d. NTFB tools

Table 40 – A non-exhaustive competency catalogue for an NTFB

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

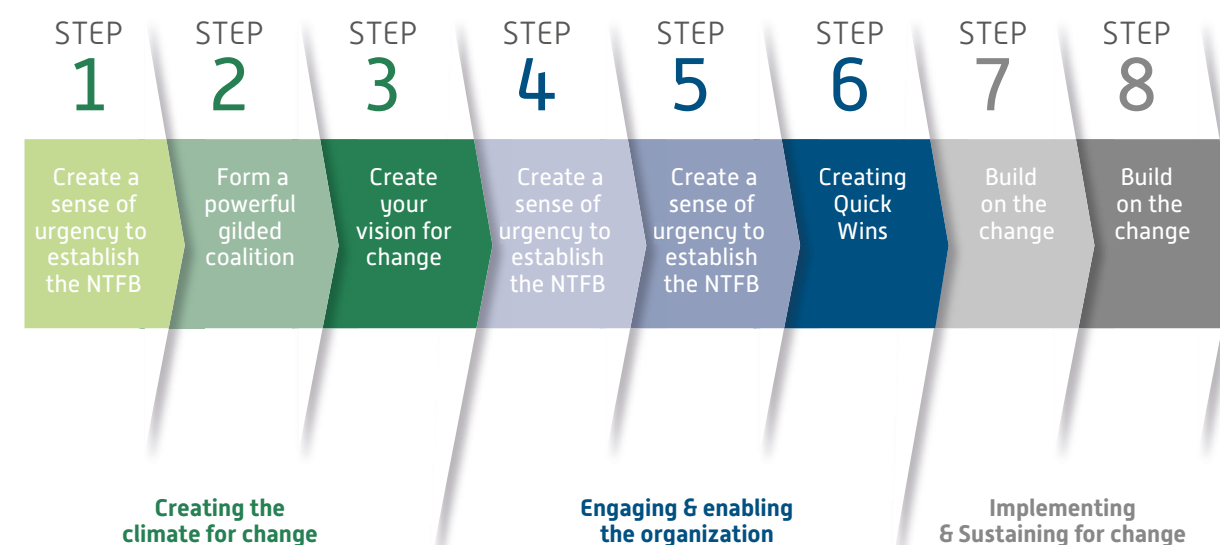


## Section C.

# Step-by-Step approach to establish a National Trade Facilitation Body

## STEP-BY-STEP APPROACH FOR THE ESTABLISHMENT OF A NTFB<sup>98</sup>

Figure 27 – Steps to establish an NTFB



### STEP 1

### Create a sense of urgency to establish the NTFB

As for every endeavour, a natural *initiator* may emerge to lead the establishment of a NTFB. It could be the ministry of trade, customs, the chamber of commerce or another member of the trading community. Regardless of the leading organisation, it should quickly establish a WG to develop the NTFB; this WG may already include, from the outset, the external stakeholders (see Step 2). In any case, the first task for this WG/task force would be building a business case for the establishment of an NTFB, by clearly identifying the big opportunity that can be seized through the establishment of such a body.

The establishment of an NTFB would bring change to the dynamics between stakeholders involved in cross-border trade and, it is hoped, to the trade-facilitation landscape. For this change to happen, it is important to develop a sense of urgency around the need to change. In other words, it is essential to emphasise the importance of establishing/maintaining an NTFB by, for example, highlighting:

<sup>98</sup> Based on Kotter's Change Management Model



- The importance of trade facilitation for socio-economic progress (e.g. job creation, cost reduction for both government and private-sector operators, etc), thereby creating appetite for trade-facilitation reform.
- The benefits of establishing/maintaining an NTFB (e.g. bringing stakeholders together to find common solutions to trade-facilitation issues, coordinating national trade-facilitation reform effectively, etc).
- Identifying the opportunities, which can be tapped through by establishing/maintaining an NTFB (e.g. coordinate resource-mobilisation efforts to access external funding, focal point for trade-facilitation research and innovation, etc).
- Identifying the opportunity cost of not establishing/maintaining an NTFB.

In order to further support the case/argument of establishing/maintaining an NTFB, it is important to also request the support of the key stakeholders and trade-facilitation specialists (including from development partner agencies).

Step 1 is very critical and the adequate level of efforts should be undertaken to complete this step successfully, before moving onto the next steps.

## STEP 2

### Form a powerful gilded coalition

Any change initiated requires sponsors and champions. It is, hence important to quickly identify your *champion* (lead agency for the establishment of the NTFB) but also to create your *coalition for change* by identifying:

- Who will lead the NTFB once it is established and who can be an effective change leader and sponsor within that organisation?
- The stakeholders that will support the establishment of the NTFB and within these stakeholders – which ones could influence other stakeholders to discuss trade facilitation reform and support the establishment of the NTFB?
- Stakeholders that could potentially act as obstacles to change and block the establishment of the NTFB?

Based on this stakeholder mapping, a powerful *change coalition* can be formed and work as a team (name it NTFB Task Force to give it more gravitas), ensuring that it involves influential stakeholders from the public and private sectors.

## STEP 3

### Create your vision for change

Once the NTFB Task Force is established, it would need to further specify how the NTFB will contribute to improving the public-private partnership and the trade-facilitation landscape. In other words, the task force will work on developing initial ToR for the NTFB by:

- defining the mandate (mission) and the vision of the NTFB;
- defining the organisational structure of the NTFB;
- identifying the chairperson(s);
- defining the core membership of the NTFB, ensuring the right balance between public and private sectors;
- defining the operating processes of the NTFB (quorum, decision-making process, meeting frequency, etc);
- defining the eventual human resources needed to operate the NTFB and/its structures;
- defining the funding mechanism(s) and budget cycle.

The task force should ensure that the change leaders can describe the mandate and vision of the NTFB in a clear, concise and convincing manner to secure the buy-in of other political and trading community leaders.

## STEP 4

### Communicating the Vision

The task force should then organise a meeting with selected stakeholders to discuss the initially prepared ToRs of the NTFB. The discussion should focus on the mandate and vision of the NTFB as well as on its organisational structure and funding mechanism. During the meeting, the sponsors and champions would need to:

- communicate the vision and mandate of the NTFB convincingly;
- handle the concerns and issues of people honestly and with involvement;
- reach a consensus or validate an existing one, on at least, the following elements of the ToR: mandate, vision of the NTFB, chairpersons, organisational structure and ideally funding mechanism.

Following the meeting, the task force would be requested to adapt the NTFB ToR to reflect the meeting's discussions and initiate work related to the Legal Act establishing the NTFB.

## STEP 5

### Removing Obstacles and empower action

Some of the key challenges faced by NTFBs include lack of sustained political support, limited participation of senior leaders with decision-making authority, lack of funding and human resources to cover NTFB operations.

In order to remove such obstacles and to empower NTFB action, the following considerations need to be taken into account:

- position the NTFB strategically in the national landscape: to whom would the NTFB ultimately report (e.g. president, prime minister or similar level, national business forum, etc?)
- give legitimacy and authority to the NTFB by establishing it by law:
  - develop a Legal Act to embed the NTFB in law, ensuring that it includes:
    - > mandate;
    - > chairperson;
    - > core membership (voting rights, members are required to send senior officials with decision-making authority, etc);
    - > organisational structure;
    - > funding mechanism, at least for the operating costs, to avoid lack of funding issues.
  - go through the necessary legislative process to adopt and/or diffuse the legal establishment of the NTFB;
- prioritise the nomination of a team that would act as the NTFB secretariat team until the NTFB holds its first meeting.

## STEP 6

### Creating Quick Wins

Wins create a culture of success. Celebrating success early on can help give further credibility to the NTFB and energise its members to further commit to the NTFB's work. Potential quick wins that can be celebrated early on by newly established NTFBs could include:

- organise and publicise the first meeting of the NTFB to officially launch the NTFB and adopt its ToR;
- establish a working group to develop the NTFB strategy and move on to organise and publicise a meeting to officially adopt and launch the strategy;
- identify the quick wins in the strategy ;

- short-term goals that are seen as highly valuable, achievable and less expensive and have lesser possibilities of failure such as:
  - > the undertaking of a TRS, and a BPA if they were not undertaken during the strategy development;
  - > the review of appeal procedures;
  - > the ratification of the WTO TFA (depending on the legislative process and state of legal texts, etc);
  - > categorising WTO TFA measures and their communication to the WTO.

## STEP 7

### Build on the change

Once the first gains have been recorded and celebrated, it is important to consolidate them. Building on change is necessary to keep the momentum, support and pace of trade-facilitation reform. NTFBs, hence, have to be relentless with the implementation of trade-facilitation solutions and reforms until the vision is a reality.

Examples of activities to build on the change:

- Based on a TRS, consider facilitating electronic payments, improving risk management systems, introducing post-clearance audits, and establishing a one-stop-border post.
- Based on a BPA, consider establishing an automated, trade-information portal, the removal and/or digitalisation of certain processes through the implementation of a Single Window platform.
- Based on a legal review, move on to the ratification of the WCO RKC.

These trade-facilitation reforms would require further time to be completed (medium to long term) but would have a high impact. Throughout their implementation, it will be important for the NTFB to celebrate the achievement of milestones so as to keep the momentum and buy-in of relevant stakeholders in the NTFB and in the undertaken reforms.

## STEP 7

### Anchoring Change

In order to sustain both the existence of the NTFB and trade-facilitation reforms, it is important to carry out regular performance review to ensure that:

- the NTFB is meeting the stakeholders' expectations;
- the NTFB is relevant overtime;
- the trade-facilitation reforms are having the expected impact.

As success stories emerge from the NTFB work and trade-facilitation reforms, it is important to publicise them as much as possible and understand the key success factors and lessons learned. The success factors and lessons learned could then be applied to future NTFB work and trade-facilitation reforms.

Furthermore, it is important to ensure that change becomes an integral part of the trade-facilitation landscape and culture and that it is visible in every aspect. To that effect, it is important to keep on monitoring and reporting on performance indicators such as clearance times or cost of cross-border trade, the number of customs declarations processed electronically, the number of AEOs (also assess their clearance times compared to non-AEOs), the number of advance ruling requests and advance rulings issued.

At NTFB operational level, it is important to monitor and report on the number of meetings but most importantly on the number of decisions and action points implemented. If the NTFB meets on a regular basis but the action points do not get implemented, the effectiveness and even relevance of the NTFB will be questioned. On the other hand, if the NTFB meets as foreseen by the ToR and if there is a high level of strategy-execution rate and high level of action points being implemented, the NTFB's chances of benefiting from sustained support from political and trading community leaders would be enhanced.

Delivering and communicating on sustainable change is hence key for the NTFB.

## Section D. Conclusion





**A high-performing NTFB can be an effective change-agent and can be a catalyst for a country's economic and social progress – generating a whole-of-government approach.**

Beyond providing a powerful and formal dialogue platform for all actors of the trading community at the national level to discuss trade challenges and solutions, NTFBs can actively contribute to sustainable and inclusive trade-led development. A high-performing NTFB can be an effective change-agent and can be a catalyst for a country's economic and social progress – generating a *whole-of-government* approach.

The establishment and operationalisation of a NTFB is not to be considered as a tick-box exercise. Numerous NTFBs face challenges such as limited political support over time, limited participation from decision-makers, members' fatigue, lack of adequate funding and not enough staff. Furthermore, there is no *golden rule* or *one-size-fits-all* to make a NTFB effective and successful. For example, the organisational structure of a successful NTFB in country A may not work in country B due to various reasons, which may include the political landscape or the business culture. While it is important to recognise that different approaches and paths can be taken by NTFBs to be successful, some common ingredients for an NTFB's effectiveness and sustainability have been identified. These ingredients, which can also help solve or mitigate the common obstacles faced by NTFBs, are presented below:

- 1** ***Sustained political will/commitment from the public and private sectors, and inspiring leadership*** are key success factors to provide an NTFB with the necessary support and drive to achieve its mandate. Political will in the trade-facilitation context includes top-level support from both the public and private sectors.
- 2** ***A legal framework providing legitimacy to the NTFB, and supported by clear terms of reference***, as well as the authority to take actions. A legal framework and ToR that reflect a balanced public-private partnership, and require the participation of senior leaders with decision-making authority, are vital.
- 3** ***A robust, organisational framework conducive to achieving results.*** An organisational structure, which separates the strategic, operational and technical levels, has proven to be an effective model especially when NTFBs can rely on adequate funding and a strong and well-staffed NTFB secretariat that can support the NTFB's daily operations.
- 4** ***An ambitious, realistic and consensus-built strategy.*** In order to guide NTFBs' efforts, a strategy must identify the trade-facilitation challenges (i.e. legal, procedural, and operational in nature), while clearly defining the set goals and their associated performance indicators, the assigned responsibilities to achieve these goals, as well as the strategy-execution model.
- 5** ***An operational model that enables constructive dialogue between NTFB members is key to sustaining the stakeholders' commitment to the NTFB work.*** The adoption of sound management techniques to organise meetings (event management) and implement the agreed decisions and projects (project management) goes a long way in achieving the NTFB's mandate and in avoiding members' fatigue.
- 6** ***A performance management framework to allow the NTFB members to take appropriate actions to advance the national trade-facilitation agenda and drive the NTFB work forward.*** Performance management also helps to keep the NTFB relevant by adapting its work to changing realities.
- 7** ***A NTFB must rely on competent human capital across all of its organisational structures.*** Competencies ranging from strategic planning, programme management, event management, to rules of origins, risk management, post-clearance audit, data analysis and data modelling are often needed to carry out the mandate of the NTFB at strategic, policy, operational and technical levels. It is important to quickly identify the competencies needed at each structural level of the NTFB in order to mobilise the necessary expertise around the table, or in order to mobilise the necessary technical assistance to develop the local capacities and support with the implementation of the NTFB work.

The success of an NTFB will be measured over time by the level of achievement of its vision, mission and strategic objectives. In other words, did the NTFB's work result in enhanced, border-management efficiencies and tangible, trade-facilitation benefits, such as the reduction of clearance times and lowered costs of cross-border trade? Effective communication between stakeholders, robust organisational framework and the adoption of modern, management techniques to run the NTFB operations and execute its strategy, are key enablers to achieve success. NTFBs, like any other organisations, must constantly reinvent themselves to respond to the demands of their members and changing realities of a dynamic, fast-paced and technology-driven, multilateral, trading system. Strategic planning and performance management are therefore vital for an NTFB's effectiveness and sustainability over time.

The need for a coordinated and consistent approach towards border management has become even more evident in the context of the recent global health crisis as presented by COVID-19. At the time of writing of this Handbook, the COVID-19 crisis and its implications for business continuity and cross-border trade flows as a major economic engine are yet to evolve. What is evident, however, is that the COVID-19 challenges have put many NTFBs to the test in terms of their ability to provide a swift and coherent policy response to border management when confronted by a global pandemic. Not only at a national but also at a regional level. Once the initial COVID-19 crisis eases, obtaining lessons learned is recommended to further build resilience and rapid-response systems, to be better prepared to address similar situations in the future. At the same time, the current pandemic has created further momentum and high-level buy-in for trade-facilitation measures, as the importance of trade facilitation and related automation have clearly been illustrated as imperative to maintain cross-border trade flows and safeguard access to essential and emergency goods.

## Section E. Annexes





ANNEX 1 – NTFB REFERENCE TOOLBOX

Organisations	Tool / Document	Website
COMCEC	Establishing Well Functioning National Trade Facilitation Bodies (2015)	<a href="http://www.comcec.org/wp-content/uploads/2015/12/6-Trade-Report.pdf">http://www.comcec.org/wp-content/uploads/2015/12/6-Trade-Report.pdf</a>
International Trade Centre, UNCTAD, UNECE	National Trade Facilitation Committees: Moving towards implementation (2015)	<a href="http://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/2014-2015-324%20-%20National%20Trade%20Facilitation%20Committees_Low-res.pdf">http://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/2014-2015-324%20-%20National%20Trade%20Facilitation%20Committees_Low-res.pdf</a>
United Nations Conference for Trade and Development	National Trade Facilitation Committees as coordinators of trade-facilitation reform (2020)	<a href="https://unctad.org/en/PublicationsLibrary/dtltlb2020d1_en.pdf">https://unctad.org/en/PublicationsLibrary/dtltlb2020d1_en.pdf</a>
	National Trade Facilitation Committees: Beyond Compliance with the WTO TFA? (2017)	<a href="https://unctad.org/en/PublicationsLibrary/dtltlb2017d3_en.pdf">https://unctad.org/en/PublicationsLibrary/dtltlb2017d3_en.pdf</a>
	National Trade Facilitation Bodies in the world (2015)	<a href="https://unctad.org/en/PublicationsLibrary/dtltlb2014d1_en.pdf">https://unctad.org/en/PublicationsLibrary/dtltlb2014d1_en.pdf</a>
United Nations Economic Commission for Europe	UNECE Trade Facilitation Implementation Guide	<a href="http://tfig.itcilo.org/index.html">http://tfig.itcilo.org/index.html</a>
	UNECE Recommendation 4: National Trade Facilitation Bodies (2015)	<a href="http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec04/ECE_TRADE_425_CFRec4.pdf">http://www.unece.org/fileadmin/DAM/cefact/recommendations/rec04/ECE_TRADE_425_CFRec4.pdf</a>
	UNECE Recommendation 40: Consultation approaches Best Practices in Trade and Government Consultation on Trade Facilitation matters	<a href="http://www.unece.org/fileadmin/DAM/cefact/cf_plenary/plenary15/ECE_TRADE_C_CEFAC_T_2015_9_Rev1E_Rec40_RevFinal.pdf">http://www.unece.org/fileadmin/DAM/cefact/cf_plenary/plenary15/ECE_TRADE_C_CEFAC_T_2015_9_Rev1E_Rec40_RevFinal.pdf</a>
World Customs Organisation	WCO TFA Implementation Guidance	<a href="http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/atf.aspx">http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/atf.aspx</a>
	WCO Revised Kyoto Convention	<a href="http://www.wcoomd.org/Topics/Facilitation/Instrument%20and%20Tools/Conventions/pf_revised_kyoto_conv/Kyoto_New">http://www.wcoomd.org/Topics/Facilitation/Instrument%20and%20Tools/Conventions/pf_revised_kyoto_conv/Kyoto_New</a>
	WCO Guidance for National Trade Facilitation Committees (2016)	<a href="http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/national-committees-on-trade-facilitation/guidance/nctf.PDF?db=web">http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/national-committees-on-trade-facilitation/guidance/nctf.PDF?db=web</a>
World Trade Organization	WTO Trade Facilitation Agreement	<a href="https://www.tfafacility.org/trade-facilitation-agreement-facility">https://www.tfafacility.org/trade-facilitation-agreement-facility</a>
	WTO TFA Article Resources	<a href="https://www.tfafacility.org/article-resources">https://www.tfafacility.org/article-resources</a>
	National Committees on Trade Facilitation: Current practices and challenges (2017)	<a href="https://www.tfafacility.org/sites/default/files/news/tfa_national_committees_trade_facilitation_web_e.pdf">https://www.tfafacility.org/sites/default/files/news/tfa_national_committees_trade_facilitation_web_e.pdf</a>



ANNEX 2 – FULL CASE STORIES

Organisational Effectiveness Area: Operations	Country: Brazil	Reference code: CS5A
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*“The private sector needs to be given the confidence that change will happen – you need high-level governmental support and commitment to prevent a waste of time”,*  
**Mr. Flavio Scorza, General-Coordinator of Trade Facilitation, Brazil.**

The Brazilian National Committee on Trade Facilitation (CONFAC) was initially established in September 2016 and functional for two years. In 2019, upon instruction from Brazil’s new President, all high-level governmental committees became subject to review for potential re-establishment. As such, the NTFB was temporarily dormant until it was re-established, in an enhanced, operational and management framework in May 2020, with a ToR signed by the President of Brazil.

CONFAC is a committee under the Foreign Trade Council of Ministers (CAMEX), over which the President presides. CONFAC is co-chaired by the Secretariat for Federal Revenue and the Secretariat for Foreign Trade. There is no technical secretariat with exclusive staff acknowledged as such, as the functions are performed by the offices of the co-chairs.

The Brazilian Government and private sector consider the TFA to capture basic, trade-facilitation requirements, and as such, aim to go beyond the TFA whenever possible. Brazil strives to be as ambitious as possible, in putting in place commercially meaningful trade-facilitation reforms. It is interesting to note that while the formal legal and administrative framework was absent, the NTFB stakeholders continued to meet in the interim period as they deemed it important to do so.

Operations and management

The NTFB was re-established in May 2020 according to a presidential decree. In the revised set-up and ToR of the NTFB, WCO Guidelines and UN/CEFACT recommendations have been considered as well as lessons learned from the NTFB’s first two operational years.

The NTFB is co-chaired by the Secretariat for Foreign Trade and the Secretariat for Federal Revenue – both are housed within the Ministry of Economy.

The NTFB structures applies a tiered operations and management structure:

1. The NTFB at the board level – i.e. the Governmental Coordination Committee – consisting of governmental agencies only. It should be noted that there is no private-sector representation at this NTFB level. As this level has significant power from an executive perspective in Brazil, it is considered that it is not possible for private actors *de facto*, to instruct agencies. The board brings together the following governmental stakeholders:
  - a. Office of the President;
  - b. Ministry of Defence;
  - c. Ministry of Foreign Affairs represented by:
    - i. Secretariat of Foreign Trade and Economic Affairs;
    - ii. Secretariat of Bilateral and Regional Negotiations in the Americas;
  - d. Ministry of Economy represented by the Secretariat of Federal Revenue;

- e. Executive Secretariat of the Foreign Trade Council under the Secretariat for Foreign Trade and International Relations;
  - f. Ministry of Agriculture;
  - g. National Health Agency (“Anvisa”).
2. Then there are two sub-levels:
    - a. Under the Committee of Cooperation – this is the principal platform for dialogue and cooperation between the public and private sectors. This platform brings together both key governmental and private-sector stakeholders (including SME representatives through the Small Businesses Support Agency). This level could be viewed as the real NTFB, as private-sector engagement is considered to be imperative for the successful implementation of trade-facilitation reforms. Depending on the topics for discussion, other non-members can be invited to participate as well. It is interesting to note that the term member is avoided, as it is deemed inappropriate to obligate a private organisation to be part of a public initiative. As such, the term used in this regard is “[permanent] invitee”.
    - b. Local Trade Facilitation Committees in the 15 major ports, airports, and land borders.

The NTFB will meet four times each year, unless an extraordinary meeting is invoked by its co-chairs. If a meeting last more than two hours, then the ToR dictate that the decisions are to be taken within a two-hour window. A meeting quorum constitutes five or more representatives, including one of the co-chairs, and deliberations are to take place by consensus. A system of one, official representative per member organisation and one alternate is in force.

According to the ToR, the meeting dates should be set, and the agenda and meetings documents are to be circulated at least 10 days in advance. The (draft) agenda is set by the co-chairs and based on received inputs and current developments..

The NTFB thus far has identified two important pillars for discussions. Firstly, the challenges of agencies’ joint risk-management. Secondly, a review of procedures and formalities aligned with the new technologies provided by the national, Single Window platform.

One of the lessons learned of the first two years of NTFB’s operations and management was that the high number of participants did not always allow for a meaningful and in-depth discussions. Therefore, in the future, thematic or technical meetings will also be conveyed with those interested and/or required to be involved in a particular subject. It is considered that there are several limitations in establishing formal, technical WGs in the Brazilian context; therefore to keep things practical and swift, informal WGs are preferred. However, at the same time, this is also considered to be a potential pitfall as the lack of formality and mandate means that it is difficult to ensure the working group’s accountability and participants participation at the appropriate seniority or expert level. Moreover, from a cultural Brazilian perspective, occasionally the perception that the creation of an informal WG could imply that there is lack of commitment to solve an issue.

Regardless, there is a common understanding that the core work is to be conducted in between the meetings of the NTFB. In this context, it is the co-chairs’ responsibility and mandate to drive the work forward. However, some private-sector representatives have suggested that a dedicated technical secretariat would be needed to enable the NTFB’s success and prevent the operations and management of the NTFB becoming too driven by events and meetings. Secretariat staff should be properly recognised and acknowledged for their work in this regard and NTFB meetings should mainly serve to take key decisions – meetings are not to be dialogue events.



CONFAC has its own website (<http://www.camex.gov.br/confac>), which provides an overview of the NTFB's objectives, as well as records of all its meetings and annual reports on its activities. Moreover, it includes references to all related legislative Acts and relevant, trade-facilitation studies. The website does not yet provide the summary records of the monthly meetings of the border local committees; however, this aspect is currently being considered, as those meetings are public and transparency is highly valued by the NTFB leadership.

Despite the high level of transparency, the NTFB leadership recognises that there is always room for improvement when considering communications and outreach – most notably with regard to SMEs. It is therefore considered important to enhance outreach in this regard, to SMEs' service-providers, such as trading companies and Customs Brokers.

There is close engagement and communications with the WTO's Committee on Trade Facilitation, including engagement through the Brazilian delegation to the WTO.

It is appreciated that success stories early on in the lifespan of the NTFB are desirable to maintain buy-in and engagement. However, it is also recognised that as time progresses and trade-facilitation levels increase, this will become increasingly challenging, as there are simply fewer "low hanging fruits to grab".

### ***Towards tangible operational change: Local Committees for Trade Facilitation***

*"The 15 Local Committees on Trade Facilitation are the NTFB's most important platform and innovation for practical operational change";*

**Mr. Jackson Corbari, Coordinator-general of Customs Administration, Fiscal and Customs Authority, Brazil.**

On the operational level, Local Trade Facilitation Committees have been established at the 15 major ports, air ports and land borders – together covering 80% of Brazilian trade flows. These local committees create a platform for practical discussions among the various stakeholders, including Customs, agriculture and health authorities, importers, exporters, representatives of warehouses, etc. Where the NTFB is considered to be more political and strategic in nature, the local committees address practical operational issues (including, for example, working hours of the local offices of the relevant agencies). Moreover, their monthly meetings also include, where possible, the heads of customs and, for example, the agriculture agency of the respective twin port in the neighbouring country on the opposite of the border.

The local committees' monthly meetings take approximately two hours per meeting and are both public and operational in nature. The agenda topics are identified well in advance of the meeting and stakeholders can provide inputs. The summary record of the meeting, including decisions, action points and follow-up division of labour, are circulated after the meeting. Furthermore, the meeting reports feed upstream into the National Working Group of Local Committees on Trade Facilitation Committees which is a technical WG bringing together the heads of all the relevant agencies at the headquarters level. The summary of the deliberations of this technical WG in turn is shared with the NTFB.

By the same token, the decisions of the NTFB and reform changes (for example on a new health regulation) would be explained during the local committees' meetings as part of a communications and sensitisation strategy, to raise awareness on new procedures and processes. The meetings also provide a useful platform for networking and the building of working relationships – this is considered to be conducive to increased cooperation and understanding.

The ambition is to convene an annual meeting of the heads of customs, agriculture, and health of each of the 15 (air)port's local committees (i.e. 45 people). As Brazil's surface and borders are substantial, it is a continued challenge to ensure consistency of procedures and foster cross-learning: national forums such as this are therefore considered important.

The Brazilian Revenue Authority (Receita Federal), the Department of Foreign Trade and International Relations, and private-sector representatives share the view that the local committees constitute the most significant innovation and important NTFB dialogue platform for operational improvements. It should be highlighted that despite the past disassembling of the NTFB, the initiative was so welcomed by some local teams, that the meetings continued to happen at some customs houses, with an open dialogue for the local issues.

### ***An inspirational example: the PROCOMEX experience***

A well-recognised limitation by development partners and in many countries, is that the private sector needs the maturity to engage with a consolidated voice, and beyond individual interests into the deliberations on trade-facilitation reforms.

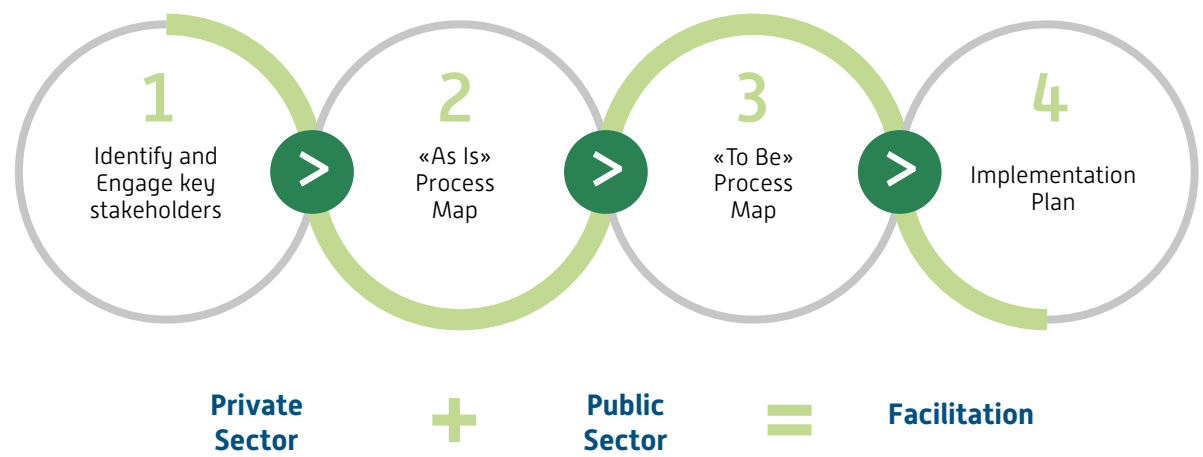
Recognising this, the Procomex Alliance was founded in 2004 in Brazil. It is an apolitical, civil initiative, gathering business associations from the production sector, jointly with companies, specialists and agents of Brazilian foreign trade who share a vision that Brazil can be more competitive if its border-management processes are improved. It provides a platform where the private and public sectors can collaborate on projects to increase Brazil's competitiveness. It currently has 25 investors (i.e. individual companies) contributing a monthly fee and 85 associations (not individual companies) that submitted a commitment letter to the Procomex vision.

Procomex brings together all the governmental agencies and private-sector actors (including logistics providers), using the Procomex process to conduct business-process mapping. It engages voluntary professionals that dedicate their time and expertise, since these individuals believe that their efforts will generate a positive change for the greater trading community and Brazil's trading position. In various, highly, practical diagnostics sessions, the participants factually map the overall process detailing the *as is* situation. Based on the identified opportunities for improvement, these professionals design the *to be* business-process; this modelling process is applied with all the stakeholders participating simultaneously. Before this endeavour is initiated, the commitment is obtained from relevant authorities that they will engage in the redesign process by allocating competent professionals to participate, and that they will eventually use the proposed solutions.

A key lesson learned by Procomex is to be highly focused, yet flexible and not specific – there is to be a neutral agenda that does not favour a particular sector, and the core objective is to increase Brazil's national competitiveness by addressing non-tariff barriers.

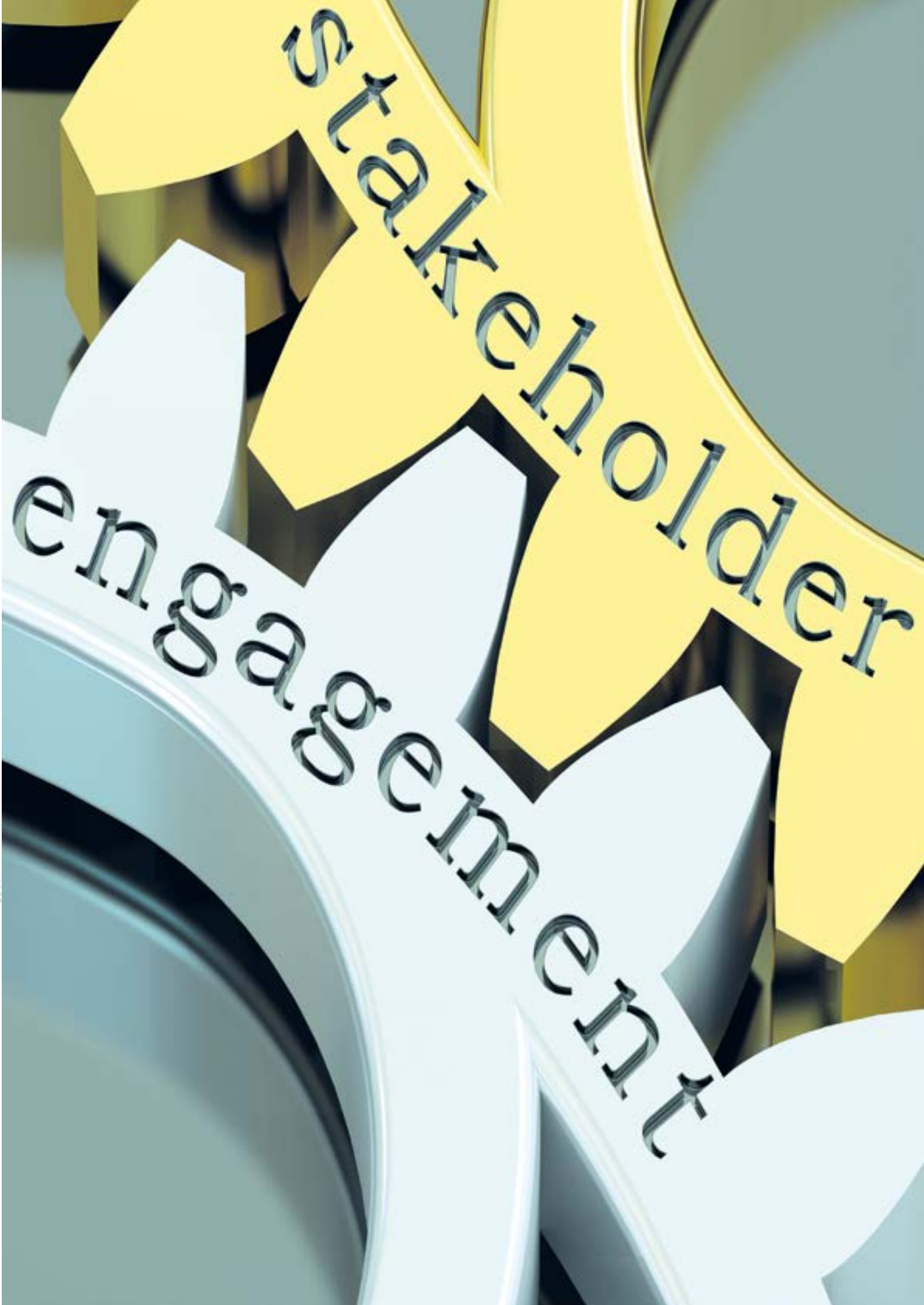
The NTFB leadership very much appreciates the value of the Procomex model, and as such, would recommend it to be replicated in other countries. Brazil used the Single Window development as a catalyst to get the private sector stakeholders on board – it was rightly considered to be a comprehensive re-engineering and optimising exercise of import and export processes, and not a simple digitalisation of existing export processes.

Figure 28 – The Procomex process



**Key takeaways**

- The private sector should be able to rely upon its contribution to be carefully considered and that change will happen to the extent possible. To this end, high-level governmental support is vital to prevent a “waste of time”.
- Local Trade Facilitation Committees in major ports/border posts can play an important role in resolving operational issues among the stakeholders in question. Additionally, these can serve as a channel to feed issues for national attention, upstream into the NTFB and to new procedures and processes downstream (i.e. awareness raising and sensitisation).
- Close, functional public-private cooperation is key. No actor in the import and export processes has the full picture of a particular import and export process. When considering simplification of trade and border processes, then business-process mapping, bringing together all the actors in a certain process, is imperative to establish an as is situation and determine a to be process map.





Organisational Effectiveness Area: Performance Management	Country: India	Reference code: CS6B
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*“We are going beyond quantitative baselines – we are looking at qualitative performance: it is not about only looking at the required time, but also at the ‘why’. It is also crucial to have private-sector feedback to vouch for effectiveness of a reform and provide a reality check”.*

**Mr. Vikram Singh, National Committee on Trade Facilitation Secretariat.**

The overall vision of the Government is to see India as an active facilitator of trade. To this purpose, the point of departure is for the Government and private stakeholders to work in tandem. India’s consistent trade-facilitation efforts have contributed to an improvement of its performance in Trading Across Borders of the World Bank’s Doing Business Report (from 146 in 2017 to 80 in 2018 and 68 in 2019).

India’s NTFB takes the form of a NCTF. While India’s NCTF at the highest level is chaired by the Cabinet Secretary, the NTFB Secretariat is hosted by the Customs administration (as such, the costs of dedicated resources are also borne by Customs). The NCTF being chaired by the highest possible civil servant in India, is considered a key success factor of the NTFB’s ability to effectively reach results set against clearly formulated objectives and with defined roles and responsibilities. The chairperson (e.g. Director General of Customs) heads only one department, i.e. Customs would not have had the same conveying power and coordination mechanisms to ensure broad-based multiple stakeholder commitment.

**Providing a robust institutional mechanism for implementation**

In order to ensure a robust framework, a three-tiered structure is applied:

a) At the apex level sits the NCTF (similar to an NTFB board). It is led by the Cabinet Secretary, which is the highest civil servant in the country, and brings together the Secretaries of key concerned Departments (e.g. Commerce, Revenue, Shipping, Road transport, Environment, Textile). Considering the level of the chairperson, illustrating the highest level of political will and leadership, all Secretaries and Director Generals of member departments/ Ministries are duty bound to participate and comply with the decisions of the committee.

The committee is empowered to co-opt representatives of the state governments if any issue pertaining to them is flagged. It may also grant observer status to specific industries. The meeting frequency at this level is twice a year. At this strategic level, the mandate of this structure is to (i) approve and oversee the coordination of the strategic action-plan, (ii) monitor progress related to the TFA implementation, (iii) oversee the dissemination and compilation of international best practices, (iv) monitor the work of steering committee and WGs, (v) contribute to legislative changes required for implementing the TFA in India.

b) At the operational level, a steering committee has been established and is jointly led by the Secretaries of the Department of Revenue and Department of Commerce. The membership brings together departments of shipping, health, customs, and other, key, trade-facilitation agencies. There is also wide range of private representatives from chambers of commerce, industry sectors, customs-house agents, freight forwarders, the Federation of Indian Exporters, and the Federation of Indian Micro Small and Medium enterprises, etc. The steering committee meets four times per year and reports to the NCTF. Its mandate includes: (i) identifying agencies responsible for TFA Implementation, (ii) collating the National

Trade-Facilitation Action Plan and sub-plans for agencies and departments, and its submission to the NCTF, (iii) ensure the publication of import-export procedures, (iv) identifying the changes required for compliance, and (v) overseeing sensitisation and information campaigns.

- c) At the technical level, technical WGs – ad hoc in nature – are established. There are currently five WGs in place, which are led by senior officials from the Departments of Revenue, Commerce and Shipping, and with memberships from all stakeholders concerned, including the private sector. The meeting frequency for the WGs is as required. The five existing WGs are for:
- a. outreach;
  - b. legislative change;
  - c. TRS;
  - d. upgrades to infrastructure upgrade;
  - e. regulations and procedures for partner, governmental agencies.

Moreover, there are local, consultative committees at major border posts (airports, seaports, land borders, etc)– headed by the local head of customs. While they do not formally report to India’s NCTF, issues are raised as needed through the local, leading, representatives upstream into their respective organisations at a national level and, consequently, into the NCTF deliberations.

In terms of private-sector stakeholder engagement, multi-tiered engagement-mechanisms were already in place at national, regional and local (including port) levels. Through these existing mechanisms, there were assessments to determine with whom to engage with the NCTF.

**Establishing a robust performance-management system**

India’s National Trade Facilitation Action Plan 2017–2020 is a living document, which contains 96 action points and identifies, as a key objective, a significant decrease of the overall cargo release times:

- for imports – within 48 hours for sea cargo, inland container-depots and land customs-stations, and within 24 hours for air cargo;
- for exports – within 24 hours for sea cargo, inland container-depots and land customs-stations, and within 12 hours for air cargo.
- The National Trade Facilitation Action Plan has action points which use three colour-codes:
- amber for points required to enhance compliance standard against Category A commitments of the TFA;
- red for legal/administrative/IT changes required to comply with Category B commitment;
- blue for the points incorporated on Private Sector suggestions.

There is a software system developed in-house, the *TFA Monitoring Tool*, referred to as the *Dashboard*, which monitors progress across:

- the TFA Articles classified according to measures of Category A and B commitments, totalling 25 activities;
- the National Trade Facilitation Action Plan, which identifies 96 trade-facilitation measures for fostering trade and development, including 52 categorised activities known as TFA Plus activities, related to infrastructure and technology improvements;
- the decisions of the NTFB;
- the decisions of the steering committee.

For each of the action points in the action plan, a lead agency has been appointed and an applicable time-line set – either being short-term (0-6 months), mid-term (6-18 months) or long-term (18-36 months).

Consequently, all stakeholders are assigned a task that each must complete.

The Dashboard also applies colour coding (red, orange, green) to provide an easy, *birds-eye view* of the status of these tasks:

- red – activities at risk
- orange – activities delayed
- green – activities on track.

The Dashboard, as a monitoring tool, highlights delays, provides reminders for task completion, and provides a repository for supporting documents. Each agency feeds directly into the software system through an interface. In addition, there is interaction each week with the secretariat across top, mid-level and operational levels (e.g. e-mails, phone calls, etc). If an agency reports a task to be completed, the secretariat will verify this statement. Moreover, the private sector's experience is considered imperative in providing a reality check.

If needed, NCTF and steering committee meetings are used to “nudge” agencies into compliance with their task at hand. As such, agencies must provide prompt comments upon receiving a draft meeting agenda when circulated, while they are also actively encouraged to inform the secretariat of any issues that may arise on an ongoing basis. As a result, the agenda setting of NCTF and steering committee meetings flows from an organic feed, as well as from feedback on circulated draft agendas. The responsible or leading agencies for each agenda are also requested to prepare a background paper with identified points of decisions and next steps to be circulated well in advance.

It should be noted that the action plan, together with all measures, actions, timelines and responsible agencies, is available online. To provide the reader of this Handbook with an illustration of the extent of detail of identified action, please find an example related to India's Category A Commitment to TFA on Article 7.4. reads as follows:

- Expedited procedures and requisite storage infrastructure for perishable goods needs to be augmented. Standard Operating Procedures (SOP) for fast tracking release of perishable goods along with defining provisions for necessary storage facilities, their movement to such facilities and to endeavour to allow their release to take place at such storage facilities, if necessary, needs to be developed.
- To give appropriate priority to perishable goods when scheduling any examination that may be required.
- Perishable goods to be cleared within 12 hours of landing for import and eight hours for export.
- SMS an e-mail notification to importers / exporters on status of document.
- Short-term timeline: six to nine months.
- Responsible agencies: Food Safety and Standards Authority, Plant Quarantine, and Central Board of Indirect Taxes and Customs.

India's NCTF considers that KPIs need to be dynamic, with continuous refinement when needed and possible. When setting its KPIs, the NCTF did consider international rankings and benchmarking, such as the World Bank's Trading Across Borders, OECD Trade-Facilitation Indicators, Logistics Performance Index; however, it foremost made sure it was informed by real, locally obtained data.

In 2019, a national TRS was rolled-out (results scheduled for publication by the end Q1 2020), building on 15 TRS at major ports. This was based primarily on automatically generated data; a next step is the development of a mobile app to where traders can see waiting times and performances of each port.

Moreover, a qualitative, business-process mapping was conducted across one week in August 2019 and

one week in September 2019, with the objective to seek touch points for simplification. In this context, it should also be noted that Indian Customs' Compliance Information Portal (CIP) – India's one-stop solution for trade compliance – provides traders with an overview of all documentation needed to import or export a particular commodity. Going forward, the NCTF will establish a WG to assess how to minimise documentation and repurpose data-points where possible (also potentially using blockchain technology).

The NCTF Secretariat endeavours to make information available to others. The intent is therefore to make the Dashboard publicly available (including visibility in agencies' lacking behind in their tasks), except for information that is considered confidential by law. The need for confidentiality is because there is a blanket policy in place for all activities of the Cabinet Secretary's office, the decisions and records of the NCTF at the Board level; this information is considered confidential.

ICEGATE (Indian Customs Electronic commerce Gateway) is Customs' national, trade-portal that provides e-filing services to traders, cargo carriers and other clients. It also fulfils the Customs' electronic and data communication requirements. By the summer of 2020, ICEGATE was scheduled to provide the public access to most of the Dashboard's insights. At the time of writing, the Dashboard was in the process of being translated into Java-script, following warnings that it was otherwise deemed sensitive to cyber-security threats.

When considering the results, the NCTF is clear in its vision that it is the outcome level that is most important, as this is what will make a difference to the private sector.

The KPIs do not directly refer to the UN's SDGs, as this is under the auspices of the Department of Economic Affairs amongst others, as such the NCTF does not monitor its contribution to the SDGs.

### Key takeaways

- High-level leadership and conveying power is key to ensure effective implementation, by allowing for a monitoring and performance-management framework that “nudges” agencies into compliance with the tasks and actions items for which they are responsible.
- A software tool with colour coding (red, orange, green) on progress can provide a snapshot, birds-eye-view, while verification and a reality check by the private sector is imperative.
- Quantitative and qualitative baselines obtained locally are vital to be able to measure progress against objectives and targets. TFA implementation is not a tick-the-box exercise, and as such, the TFA Articles and other trade-facilitation measures should be divided and categorised, to ensure a common understanding on what is to be achieved and implemented. Outcome-level results – making a real difference for importers and exporters – is what matters.
- Transparency and communication are key to ensure effective monitoring and performance management. Information that is not considered to be confidential, should be made publicly available – including the results of TRS and division of labour on the implementation of trade-facilitation measures. It also encourages agencies to deliver upon their implementation responsibilities and to improve their overall performance.



Organisational Effectiveness Area: Performance Management	Country: Kingdom of Morocco	Reference code: CS6A
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*“Our aim is to achieve tangible and measurable trade-facilitation benefits: the reduction of trading costs and of the time to clear goods at the borders. Our partnership with the private sector allows us to devise meaningful trade-facilitation strategies and objectively assess their impact.”*

**Mr. Brahim Ait Addi, Head of Trade Facilitation and Regulations, Ministry of Commerce.**

**Driving coordinated trade-facilitation reforms since 1986**

Morocco established its first, national, trade-facilitation coordination mechanism in 1986 through a Prime Minister’s circular letter. At that time, the trade-facilitation mechanism was called the *National Commission for the Simplification of International Trade Procedures* (NCSITP). This commission was responsible for the simplification and rationalisation of import and export procedures. Morocco has, hence, gained a wealth of experience in the last thirty years in the area of coordinating trade-facilitation efforts at the national level.

In 2018 by the Head of Government’s decree n ° 2.17.594 of March 05, 2018 the National Coordination Commission for the Facilitation of Foreign Trade Procedures (NCCFFTP) to replace the NCSITP. The NCCFFTP counts 39 Members with a large majority from the private sector. The representation of private-sector’s interests is facilitated by the participation of the professional associations such as the Professional Association of Shipping Agents of Morocco (APRAM), the Association of Cross-Border Transporters of Morocco (AMTRI) and the Moroccan Association of Exporters. It is important to note here that these professional bodies are extremely active with their membership and the chairs of both associations take the time to collect their members’ inputs prior to the NCCFFTP meetings and also provide them with the NCCFFTP reports. All NCCFFTP Members have nominated a senior official (and an alternate) with decision-making authority to represent them at NCCFFTP Meetings. For government official representatives, they are appointed to represent their agency through a Ministerial letter (or a nomination letter). For private-sector representatives, they were appointed by their professional associations.

The mandate of the NCCFFTP is broader than the implementation of the WTO TFA and includes the co-ordination and monitoring of other projects related to trade facilitation such as cooperation projects with international partners as well as the implementation of Morocco’s bilateral and regional commitments in the field of trade facilitation.

The NCCFFTP is required to:

- Develop a strategy and related action plans to improve the trade-facilitation landscape in the country with a specific focus on the simplification and harmonisation of procedures.
- Make proposals to facilitate trade-related logistics and infrastructure in Morocco.
- Undertake regular analyses and assessments of import and export procedures.
- Put forward proposals to the National Commission on the Business Environment, which is headed by the Prime Minister.

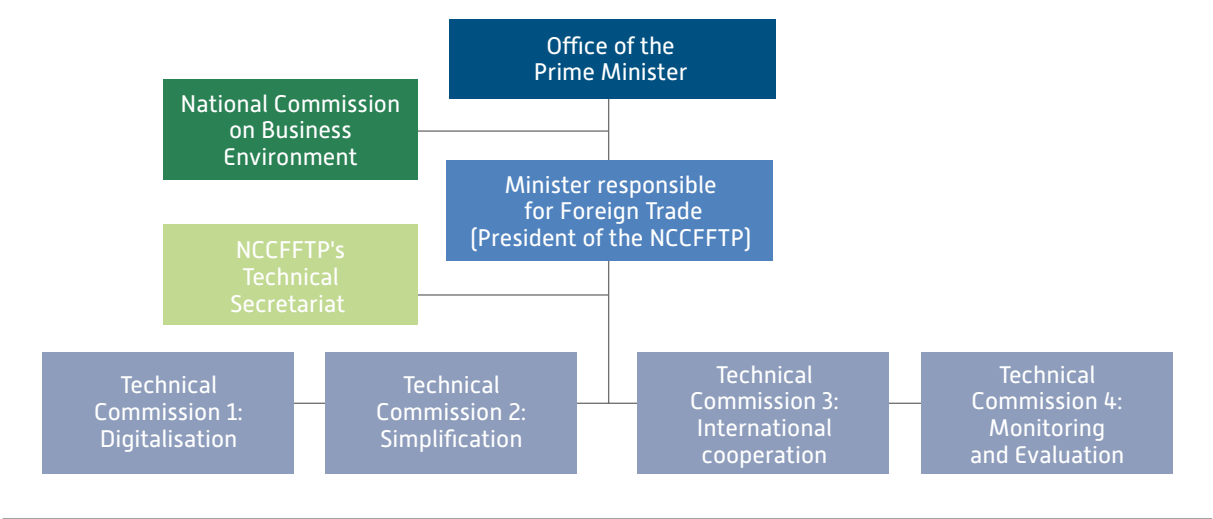
The NCCFFTP Minister is responsible for foreign trade. The secretariat of the NCCFFTP is provided by the Directorate of Defense and Commercial Regulation under the Ministry of Foreign Trade but none of them is dedicated full time to NCCFFTP secretariat work. At this stage, there is no common budget for the

NCCFFTP operations. As a result, the Ministry of Commerce covers the costs related to NCCFT meetings. However, the funding arrangement between NCCFFTP members is that if a member is designated as the lead agency for the undertaking of a strategic action-plan activity, this member will be responsible for covering the costs related to the working sessions needed to complete the activity. The NCCFT Secretariat developed internal regulations to structure the NCCFFTP’s arrangements and meetings and these regulations will be made available on the public domain. The decision-making mechanism adopted is consensus. However, for priority decision points and if a consensus cannot be reached, the Chair of the NCCFFTP has the possibility to bring the matters to the of the Head of Government for arbitration.

**Embedding performance management in the organisational structure and culture**

To undertake its work, the NCCFFTP has opted for a tiered approach shown in Figure x.

**Figure 29 – The three-tiered approach of the Moroccan NCCFFTP**



Each technical commission includes agencies of key players, whose roles goes beyond the simple participation and include leading steering committees and sub-WGs, due to their expertise and capabilities. For example, the Customs Administration of Morocco plays a key role in leading the implementation of several projects within the technical commission’s action-plan for digitalisation. The Customs Administration’s strategic plan has a key focus on trade facilitation and is seen as the lead agency in terms of trade digitalisation in Morocco, while it is considered as a credible and reliable partner in this field by the wider trading community and other public agencies. Furthermore, in addition, other administrations, such as the Ministry of Foreign Trade, ONSSA, EACCE ant the National Port Authority have made the simplification and dematerialisation of foreign trade-procedures, one of the priorities of their internal strategies. For the implementation of these actions, the NCCFFTP relies on the support of the in the area of digitalisation because it has highly in-house staff in specialised areas such as data analysis, data modelling and programme management. The success of the Single Window system has given confidence to the private sector on the ability and commitment of regulatory agencies to facilitate trade through digitalisation.

In terms of national trade-facilitation strategy, Morocco has more than 20 years of experience with the development of such strategies based on, for example, the results of the National Plan for the Simplification of Foreign Trade Procedures (NPSFTP). Morocco has opted to use the NPSFTP as one of the bases of its national, trade-facilitation strategy as the NPSFTP provide insight on bottlenecks, areas that could



benefit from automation and objective baseline data. Furthermore, the NCCFFTP is also informed by the findings of the evaluation and updating of the NPSFTP for 2006. The NCCFTP also ensures that its strategy is aligned with key national strategies such as: the national development strategy, national investment-strategy and the national anti-corruption plan. Morocco has prioritised digitalisation in all national strategies and as such, it is one of the cornerstones of the NCCFFTP strategy as well.

Regarding performance management, the NCCFFTP has established a dedicated technical commission on monitoring and evaluation. The NCCFFTP requires this commission to focus its attention on monitoring indicators at impact level such as trading costs, clearance time, *World Bank – Doing Business* ranking on cross-border trade-related indicators, logistics performance-index, and number of documents needed to import and export. The level of NCCFFTP-strategy execution is also a priority indicator to be monitored by the NCCFFTP. A specific dashboard on the implementation of WTO TFA measures is also under preparation. The NCCFFTP is to also measure the NCCFFTP Secretariat's operational performance by keeping track of the number of decisions implemented and the level of participation of its Members.

### *Embracing change and new technologies*

At the national level, Morocco has put a strong emphasis on improving the logistics infrastructure and on the digitalisation of its services. This focus is clearly apparent in the national trade-facilitation strategy and the NCCFFTP is particularly adamant on developing the competency levels of its Members in the areas of blockchain, automation of port services and e-commerce. The success of the Single Window system has resonated well with all stakeholders and there is a growing appetite from the NCCFFTP membership to further adopt digital solutions to facilitate trade. The NCCFFTP has taken positive steps to organise study tours in trade partner countries to benchmark on digital solutions and discuss trade data integration.

Leveraging on its large experience in the area of trade facilitation, the NCCFFTP recognises that managerial, technical and support competencies are needed to achieve the national trade-facilitation strategy's vision and objectives. Change management and programme management have been particularly identified as priority competencies by the NCCFFTP to successfully implement trade-facilitation reforms. As a result, the NCCFFTP will explore avenues to further develop its in-house competencies in the areas of negotiation techniques, change management and programme management.

### *Key takeaways*

- Trade facilitation requires political will from all stakeholders and stakeholder cooperation.
- Having a NTFB report to the Office of the Prime Minister can facilitate the mobilisation of a minister's attention and effective action.
- Requiring the participation of members' representatives with decision-making authority is critical to the success of a NTFB's work.
- Having a lead agency head a technical WG enhances ownership and accountability towards the NTFB's mandate.
- Aligning the NTFB strategy with other national strategies is necessary to ensure a coordinated governmental approach to the country's socio-economic development.
- The evaluation of former NTFB strategies and the undertaking thorough business-process analyses of import-export procedures provide a robust and objective basis to develop a new NTFB strategy.
- Having a functioning, performance-management system enables NTFBs to take appropriate and informed measures to drive forward the national trade-facilitation agenda.
- Digitalisation projects are usually medium to long-term projects and can be complex. However, they can have high impact on the trade-facilitation landscape and if managed effectively, they can bring all stakeholders around the table and can act as a powerful platform for enhanced cooperation.
- A good blend of managerial, technical and support competencies is needed across all levels of a NTFB to ensure the success of trade-facilitation reforms.





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