



ITC

TRADE IMPACT
FOR GOOD



1964-2014

National Trade Facilitation Committees: From Recommendation to Obligation

National Workshop, June 17th and 18th, Dushanbe, Tajikistan
“Implementing the WTO Trade Facilitation Agreement”



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

WTO Members concluded negotiations on the TF Agreement in Bali

- December 2013

To have a TF Committees has been made a **'binding obligation'**

- This obligation cannot be categorized as B or C
- Must be implemented upon entry into force of the TFA

*Art.23.2 - Each Member **shall** establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both **domestic coordination and implementation of provisions** of this Agreement. (emphasis added)*

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

'SHALL'..... makes it mandatory

'Establish and/or Maintain' implies either to:

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

Obligation to have in place a mechanism to perform required tasks

- Not to implement a specific body

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

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

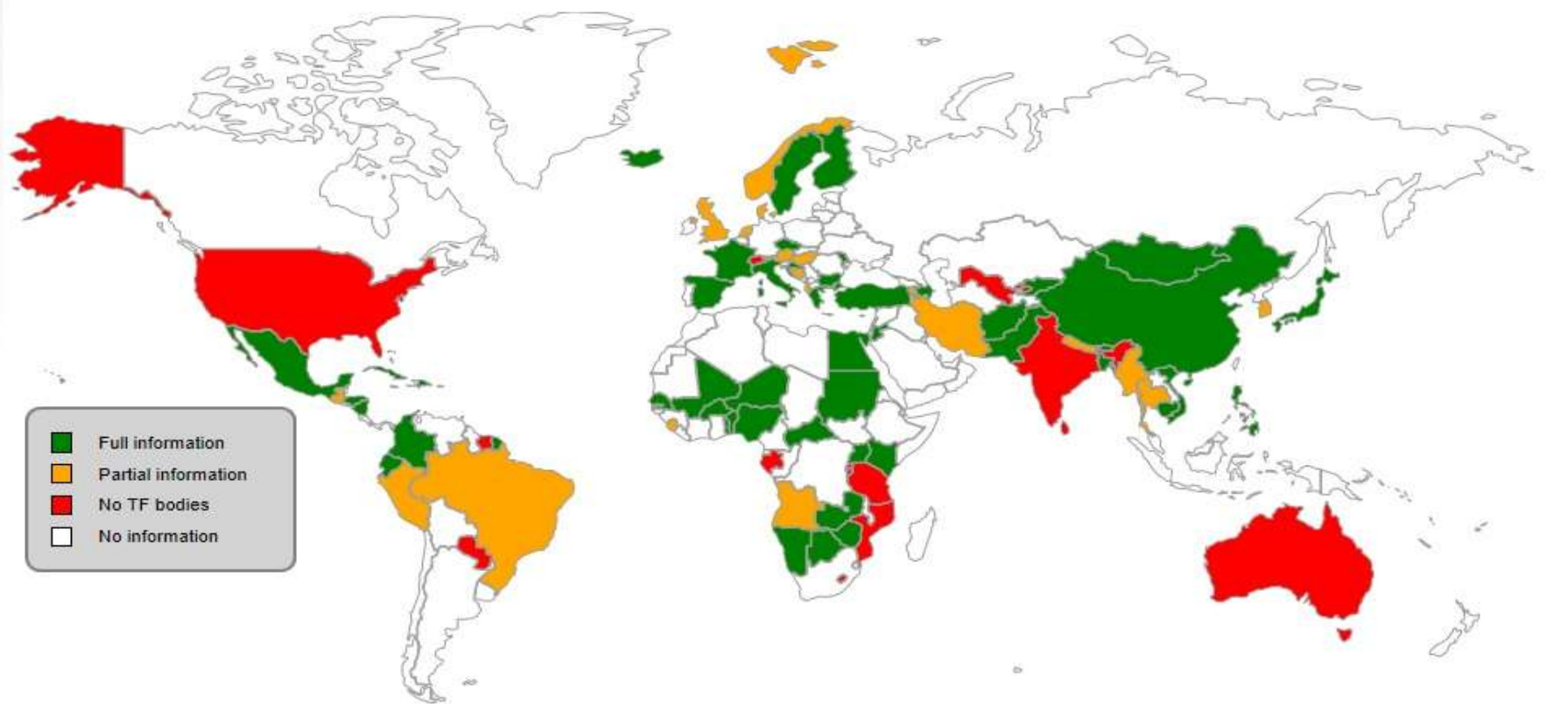
‘Obligation’ What it means? (2/2)

Agreement is silent about

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

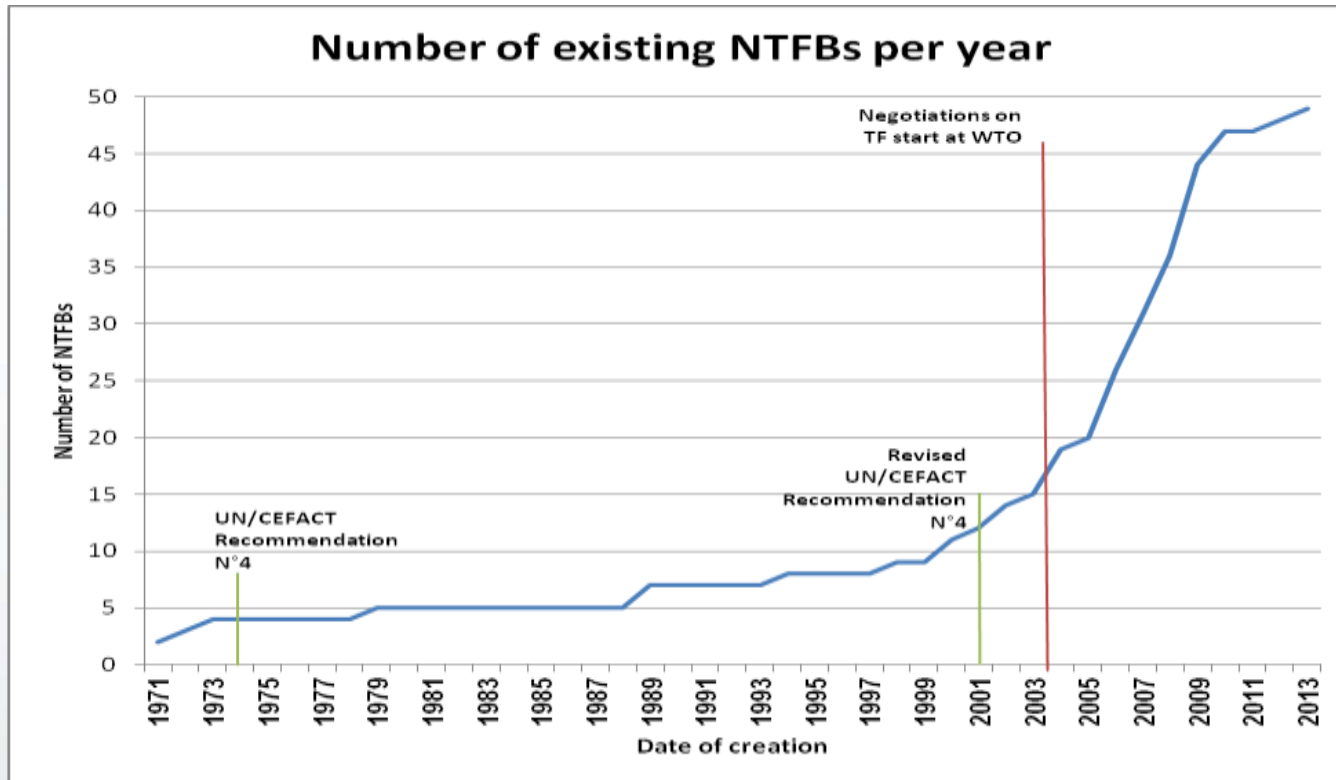
Past practices and future work.....?

UNCTAD provides information about Trade Facilitation Bodies around the world



The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. (ST/AI/189/Add.25/Rev.1)

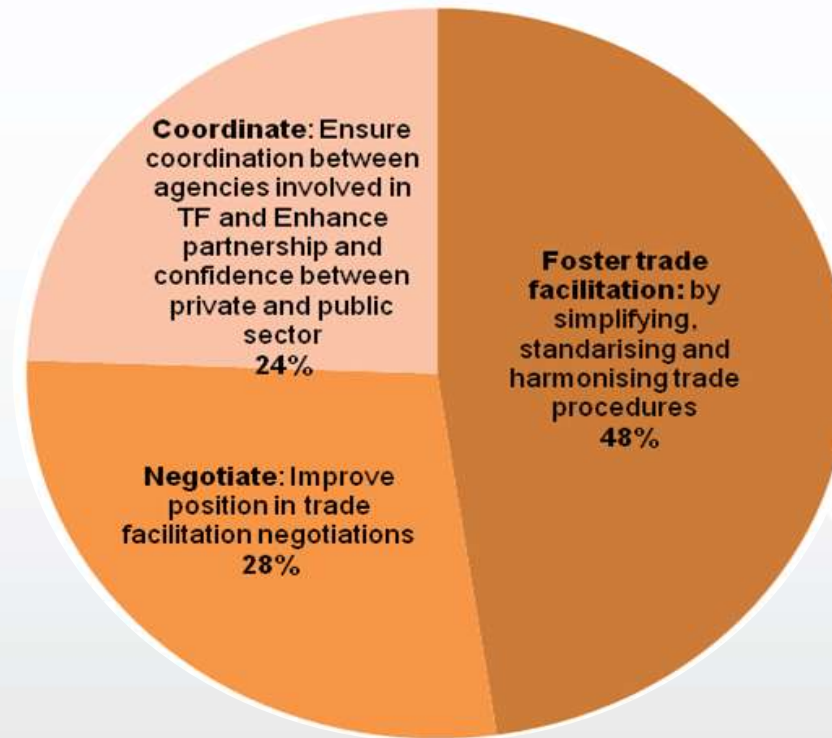
Rising number of TF Committees



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

NTFC: Scope and mandate (1)

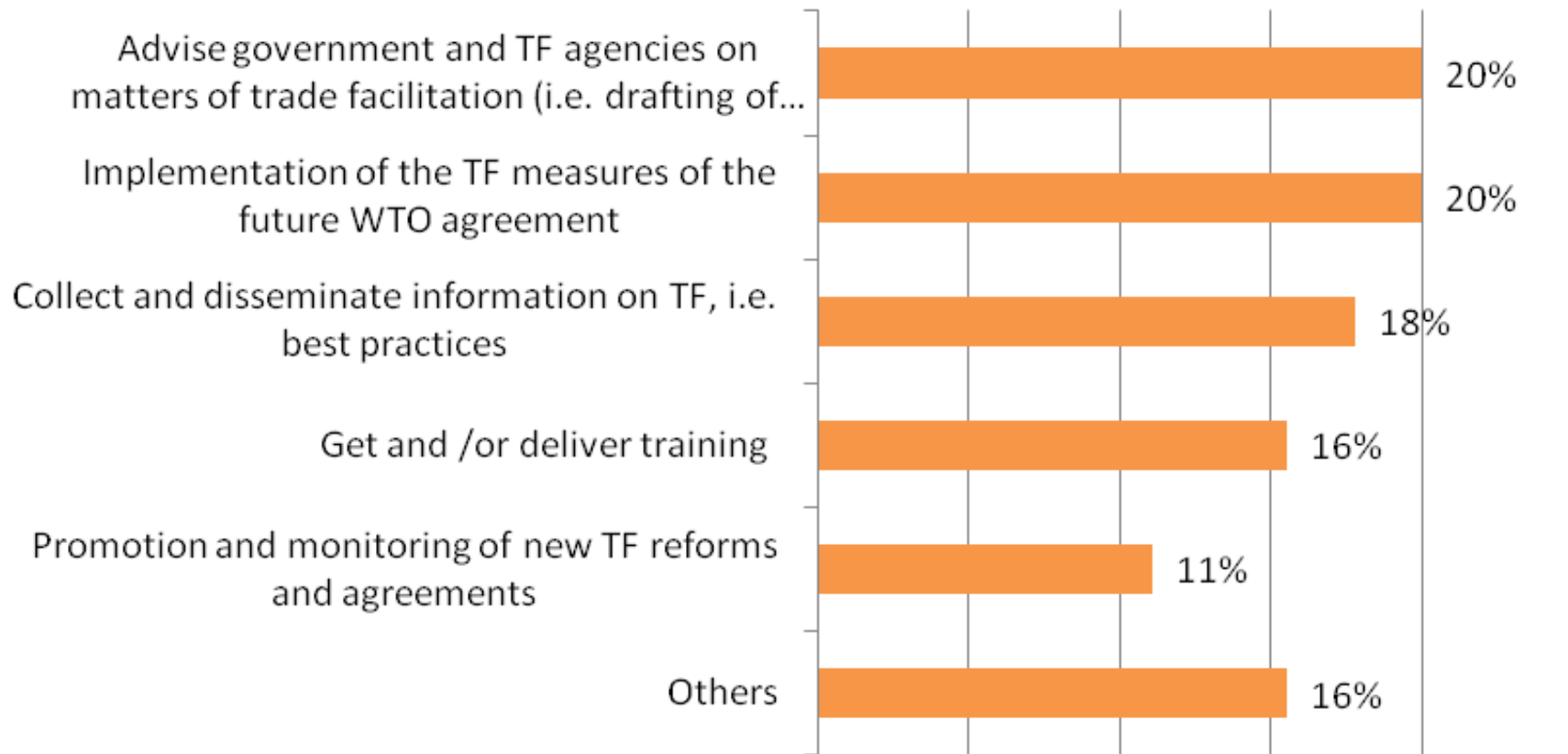
Overview of common practices



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

NTFC: Scope of TF bodies

Overview of common practices



NTFC: Scope and mandate (2)

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

Ensure political will and commitment

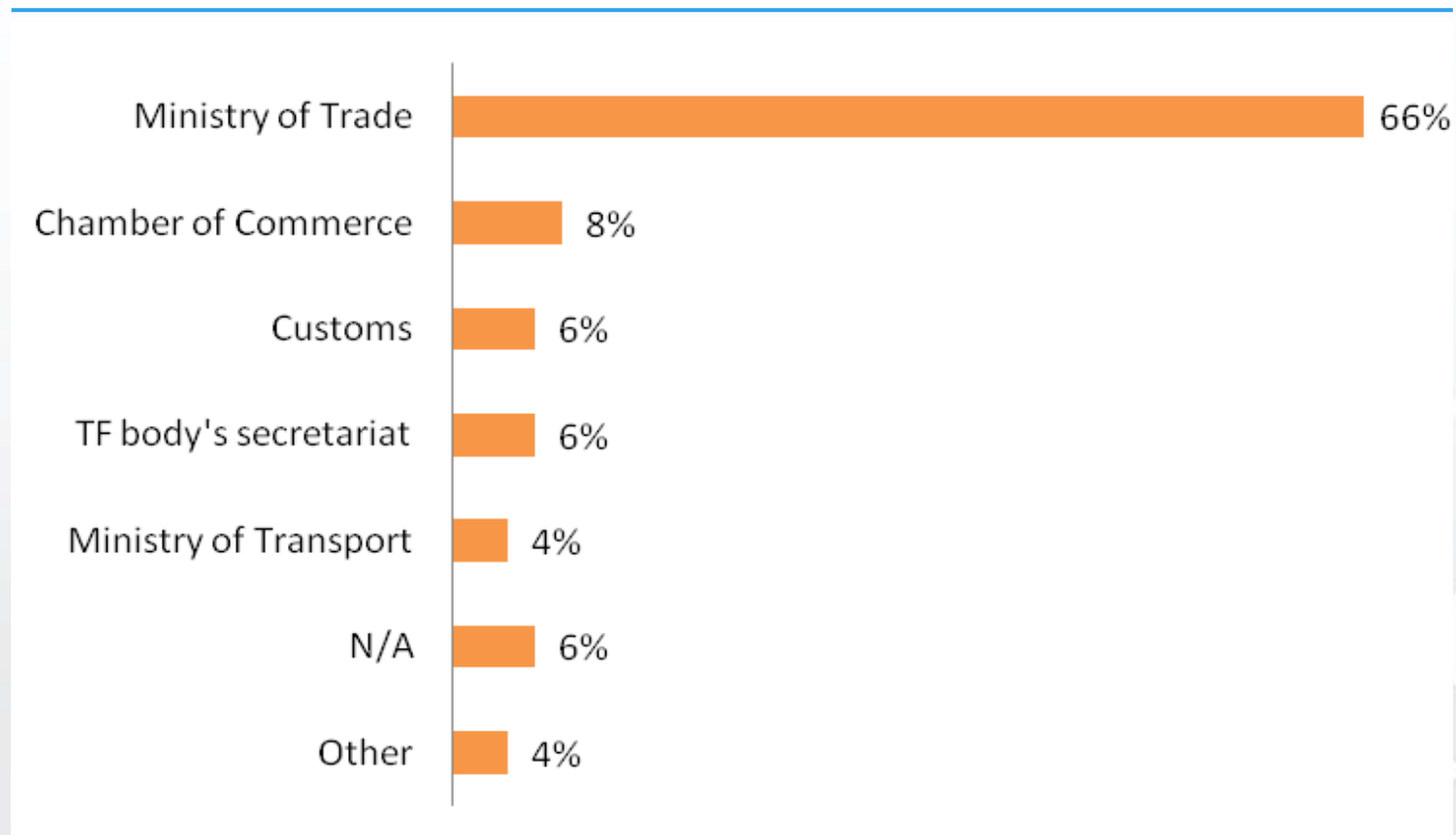
- It brings credibility and status
- Authority vs. Availability
- Necessary for its establishment, to operate and for its effectiveness
- For establishment there is... 'obligation' ...
- But operations and effectiveness ... still required

Structure and Governance

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

Ministry of Trade is often the coordinating agency...

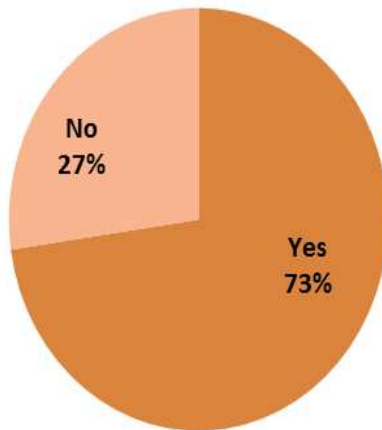
Overview of common practices



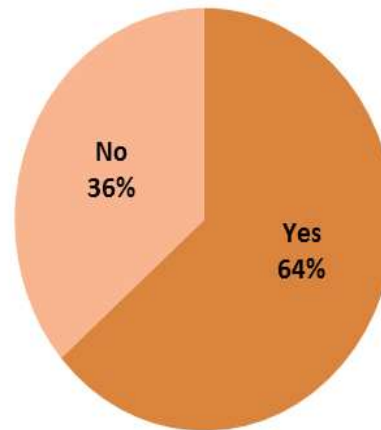
In a majority of cases, NTFC maintain a permanent secretariat

Overview of common practices

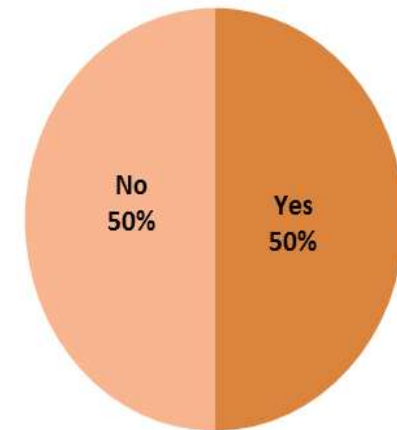
Developed



Developing



LDCs



Funding and Sustainability

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



Membership & Meetings

Balanced Public–Private Membership in a National Trade Facilitation Body

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

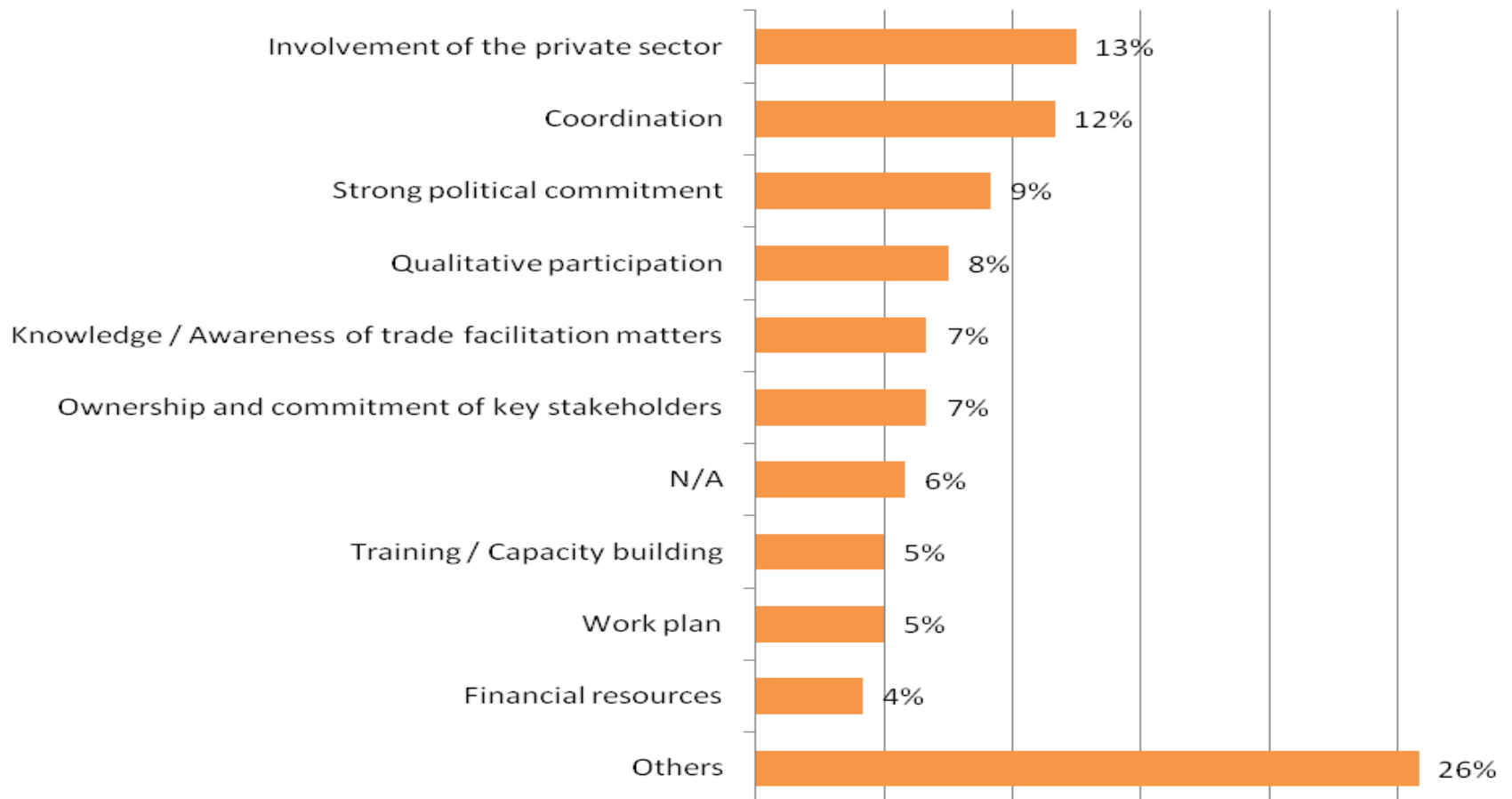
Meeting not dependent upon Chair’s availability: there can be an alternate Chair

Pre fixed schedules can be more efficient

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

Success factors of TF bodies

Overview of TF bodies key success factors



Greatest obstacles faced by TF bodies






Overview of TF bodies main roadblocks



To sum up...

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

Further readings

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

Thank you for your attention