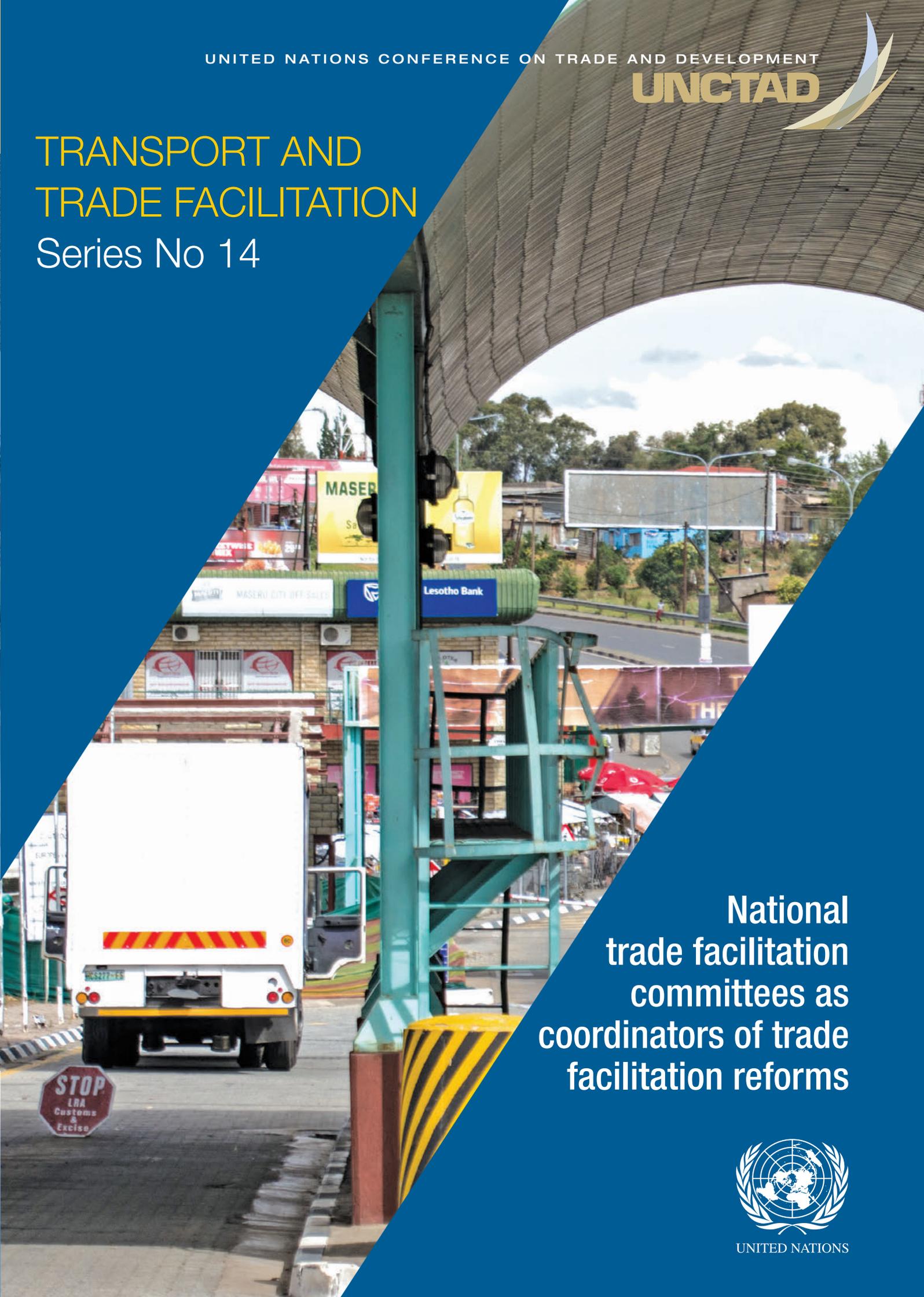




TRANSPORT AND TRADE FACILITATION

Series No 14



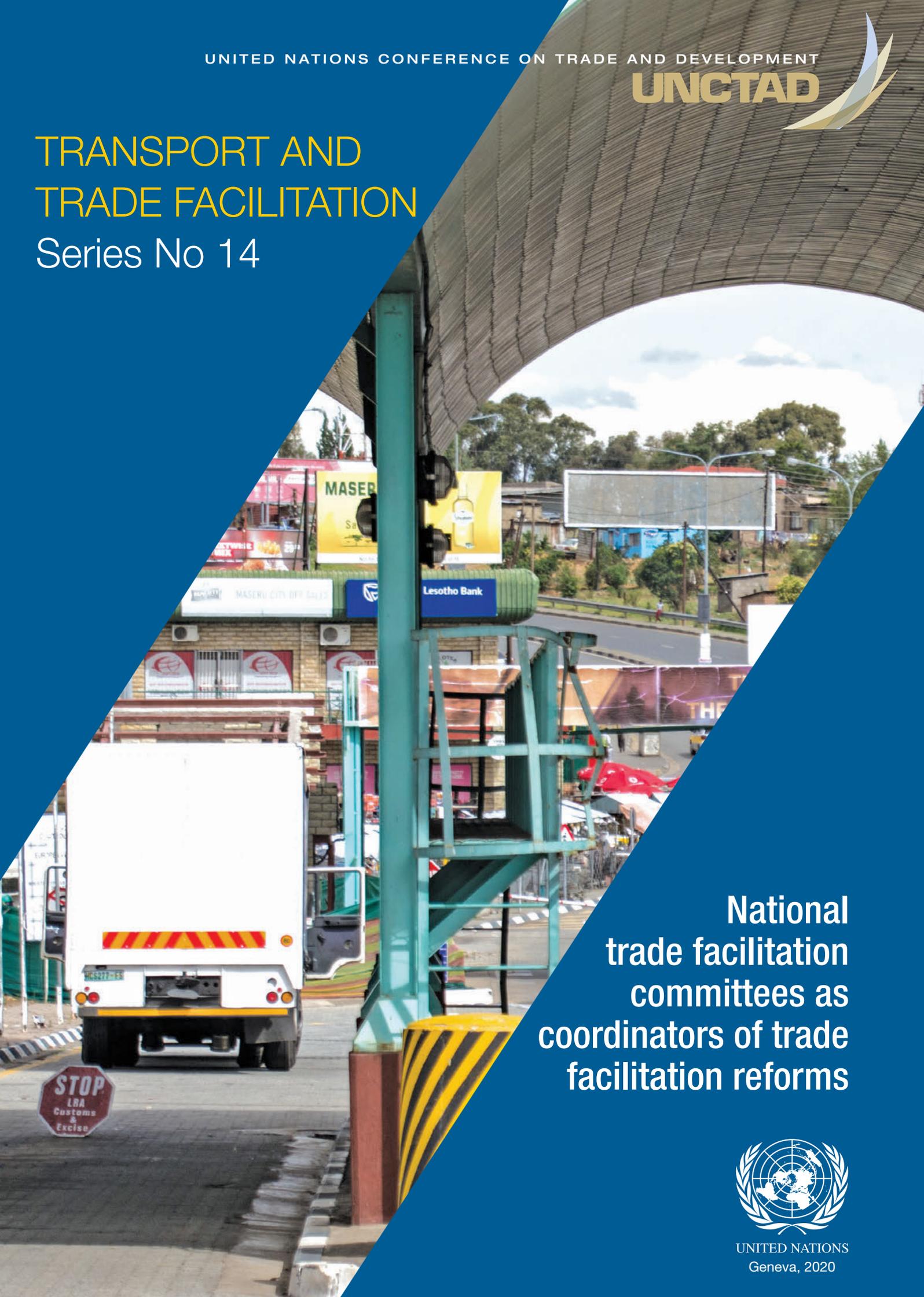
**National
trade facilitation
committees as
coordinators of trade
facilitation reforms**





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Table of contents

Acknowledgements.....	iii
Table of contents.....	iv
List of boxes.....	v
List of figures.....	v
List of tables.....	vi
Abbreviations.....	vi
Executive Summary.....	vii
The 12 major trends of National Trade Facilitation Committees.....	vii
Introduction.....	1
Scope and methodology.....	1
National Trade Facilitation Committees since the entry into force of the WTO Trade Facilitation Agreement.....	2
1 Analysis of key elements of Trade Facilitation Committees.....	4
1.1 Mandate and Scope of Action.....	4
1.1.1 The WTO Trade Facilitation Agreement at the core of the NTFC focus.....	4
1.1.2 Concrete scopes of action for the NTFC.....	5
1.1.3 Regional integration and bilateral relations.....	8
1.1.4 E-Commerce.....	10
1.1.5 Mandate and scope of action of NTFCs in developed countries.....	11
1.2 Institutional framework.....	17
1.2.1 Degree of institutionalization.....	17
1.2.2 Terms of reference.....	18
1.2.3 Work plan, monitoring and evaluation.....	19
1.2.4 Chairpersonship.....	21
1.2.5 Permanent secretariat.....	24
1.2.6 Regularity and frequency of meetings.....	26
1.2.7 Institutional framework of NTFCs in developed countries.....	27
1.3 Composition.....	27
1.3.1 Public-private representation.....	27
1.3.2 Level of seniority of members.....	33
1.4 Gender mainstreaming.....	33
1.5 Communication with key stakeholders.....	37
1.6 Budget and financial resources.....	38
1.7 Concrete outcomes.....	40
2 Key factors for the sustainability of the National Trade Facilitation Committees.....	43
2.1 Perception of sustainability.....	43
2.2 Key factors for sustainability.....	45
2.3 Main obstacles for sustainability.....	47
Conclusions.....	50
Main findings of the study.....	50
Trade facilitation is a never-ending endeavour, so are National Trade Facilitation Committees.....	54
References.....	56

List of boxes

Box 1: Role of the East African Community Secretariat in the coordination of the NTFCs	9
Box 2: Boosting NTFCs' capacity to simplify procedures through the use of trade information portals	12
Box 3: Key qualities of an effective chairperson in the National Trade Facilitation Committee	23
Box 4: Key Recommendations for NTFCs to mainstream gender in trade facilitation	35
Box 5: How UNCTAD supports the sustainability of National Trade Facilitation Committees	44

List of figures

Figure 1: Sample of the study according to level of development	2
Figure 2: Year of creation of the currently existing Trade Facilitation Bodies.....	3
Figure 3: To what extent is the scope of work of your NTFC limited to issues related to the WTO TFA? (1 meaning "work limited to WTO TFA"; 5 means "work much broader than the WTO TFA")	4
Figure 4: Scopes of National Trade Facilitation Committees	7
Figure 5: Regional integration as part of the scope of National Trade Facilitation Committees.....	8
Figure 6: Has the NTFC ever taken a decision or action to facilitate cross-border e-commerce?.....	10
Figure 7: Why did the NTFC not take any decisions or actions related to cross-border e-commerce?	11
Figure 8: Scope of action in NTFCs in developed countries	16
Figure 9: Has the NTFC being officially set up? Results by level of development	17
Figure 10: Does the NTFC have Terms of Reference?.....	18
Figure 11: Does the NTFC have a work plan?.....	19
Figure 12: Timeframe of work plan of National Trade Facilitation Committees	20
Figure 13: Types of chairpersonship in the National Trade Facilitation Committee	21
Figure 14: Key statistics about permanent secretariats.....	25
Figure 15: Frequency of meetings of National Trade Facilitation Committees	26
Figure 16: Average number of public and private members in a National Trade Facilitation Committee.....	28
Figure 17: Average number of members in NTFCs - 2015 to 2019.....	28
Figure 18: Members of the National Trade Facilitation Committees from the public and private entities	30
Figure 19: Members of the National Trade Facilitation Committees from the public and private entities per level of development	31
Figure 20: Level of seniority of members of the National Trade Facilitation Committee	33
Figure 21: Average gender distribution in National Trade Facilitation Committees	33
Figure 22: Percentage of National Trade Facilitation Committees where their Chairman, President or Vice President is a woman, by level of development	34
Figure 23: Reasons why the National Trade Facilitation Committees has never taken a decision or action to mainstream gender in trade facilitationSource: UNCTAD – Sample: 52 countries	34
Figure 24: Reasons why National Trade Facilitation Committees have never taken a decision or action to mainstream gender in trade facilitation - per level of development.....	36
Figure 25: Does the National Trade Facilitation Committee have a communication strategy?.....	37

Figure 26: Percentage of National Trade Facilitation Committees that mention these aspects as communication channels to keep stakeholders informed..... 38

Figure 27: Key facts about financing the National Trade Facilitation Committee 39

Figure 28: Items covered by the budget of National Trade Facilitation Committees, on average 40

Figure 29: Concrete outcomes of the National Trade Facilitation Committees 42

Figure 30: Main crucial factors for the sustainability of National Trade Facilitation Committees 46

Figure 31: Main obstacles for sustainability of NTFCs 48

Figure 32: TOP 10 obstacles for National Trade Facilitation Committees over time..... 49

List of tables

Table 1: List of trade facilitation committees considered per region..... 1

Abbreviations

ASEAN	Association of Southeast Asian Nations
B2C	Business To Consumers
CARICOM	Caribbean Community
ECOWAS	Economic Community of West African States
EAC	East African Community
ITC	International Trade Center
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
LDC	Least developed country
NTFC	National trade facilitation committee
RTAs	Regional Trade Agreements
SCTIFI	Sectoral Council on Trade, Industry, Finance, and Investment
TFA	Trade Facilitation Agreement
UNCTAD	United Nations Conference on Trade and Development
UNCEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNECE	United Nations Economic Commission for Europe
WCO	World Customs Organization
WTO	World Trade Organization

Executive Summary

National Trade Facilitation Committees (NTFCs) have come a long way. In a little over five years they have been transformed from being largely unknown institutional bodies to leading governments' trade facilitation efforts and policy agendas for cross border trade. This is no small feat. Yet so much remains to be done to adequately position these committees as the drivers of trade facilitation measures and harness their multi-stakeholder potential for trade facilitation reforms.

Various Trade Facilitation Bodies had been formed around the world since the 1970s, but it was not until the negotiations and entry into force of the WTO Trade Facilitation Agreement (TFA) that common challenges of institutional setups for trade efforts in many countries became apparent. This created urgency for the strengthening of NTFCs across the world as leading coordination mechanism for coherent and all-inclusive trade facilitation policy reforms. As a multi-stakeholder platform, it quickly became evident that they are most suitably positioned to lead the coordination of trade facilitation efforts of countries. Governments have therefore re-injected fresh energy into the creation and effective functioning of their NTFCs towards implementation of provisions of the WTO Trade Facilitation Agreement and beyond. This has made NTFCs today the leading platform for cooperation between public agencies and private sector stakeholders towards establishing a transparent and predictable trading environment.

UNCTAD has been an implementing partner of many countries on trade facilitation measures over the years. In this regard, various lessons have been learnt from engaging with NTFCs around the world and these experiences were the basis of two major studies conducted in the past five years. One published in 2015, [*National Trade Facilitation Bodies in the World*](#) and the other published in 2017, [*National Trade Facilitation Committees: Beyond compliance with the WTO Trade Facilitation Agreement?*](#).

This new study, National Trade Facilitation Committees as Coordinators of Trade Facilitation Reforms, aims at updating, and building and expanding on the previous two studies,. The study further incorporates new research areas including monitoring and evaluation, regional integration and e-commerce in the context of the mandate of NTFCs.

Information from 52 countries were collected from July 2019 to September 2019 via a standardized questionnaire distributed to chairpersons and secretariats of NTFCs around the world. Analyzing the data collected revealed twelve major trends currently predominant in the evolution of NTFCs around the world. These trends have been categorized into three main pillars: institutionalization, functioning, and financing of NTFCs.

The 12 major trends of National Trade Facilitation Committees

National trade facilitation Committees are fast evolving to meet the challenges at hand. This is evident in comparing the results of the past two studies with the outcome of this new study. By comparing the results of this study to those of UNCTAD studies in 2015 and 2017, this study sheds light on how National Trade Facilitation Committees are evolving in terms of mandate, scope, institutional framework and composition, among others, while adapting to new and emerging needs. These leading trends are further elaborated in the study.

Degree of Institutionalization and Mandate

TREND 1: National Trade Facilitation Committees are here to stay. Trade facilitation reforms aim at simplifying, harmonising, standardising and making trade procedures more transparent and, as such, they are a constant endeavour of every country not a one-off activity, giving NTFCs a permanent mandate.

Consequently, NTFCs need to be considered as permanent platforms, coordinating national efforts to make trade, every day, a little bit cheaper, faster and simpler for economic prosperity. Understandably, Article 23.2 of the World Trade Organization Trade Facilitation Agreement obliges countries to set up or maintain a coordination mechanism that will support the implementation of the trade facilitation provisions included in the Agreement. Despite this, some people still consider these coordination bodies purposeless beyond the provisions of the WTO Trade Facilitation Agreement. Furthermore, Chapter 1.1 on Mandate and Scope of Action, affirms that NTFCs are needed and justifiable, in developing and developed countries alike, and whether the TFA is fully implemented or not. They therefore have the role of overseeing and coordinating trade facilitation reforms within the framework of the TFA and beyond TFA compliance. While the mandate and nature of these NTFCs may change significantly over time for them to remain useful and relevant their overall importance remains. This is already evident in the evolving role of NTFCs regarding; first ratification, then categorization and now implementation of the provisions of the WTO TFA. Over time, the work and structure of the NTFC need to constantly accommodate the trade facilitation needs of each country.

TREND 2: National Trade Facilitation Committees are legally established. Legal backing is the cornerstone that protects the future of the NTFC and shields it from the dynamics of political change of governments. Today, the majority of trade facilitation committees have been legally set-up and have terms of reference. Two-thirds of trade facilitation committees are institutionalized at the governmental level, either by a decision of the Cabinet of Ministers or by presidential decree. This represents an 18 percentage points increase in legal protection compared to the state of NTFCs in 2017 as revealed in that year's study. However, almost half of least developed countries today, officially set up their NTFC at Ministerial level. This puts NTFCs in least developed countries in a weaker position: as trade facilitation committees have a coordinating role among public agencies, a legal basis at the governmental level can result in a stronger high-level political commitment and help address potential conflicts of interest among key stakeholders.

TREND 3: Sharing is empowering - Multi-chairpersonship is becoming more frequent in NTFCs. According to the data, more than a third of National Trade Facilitation Committees today opt for two or more joint chairpersons leading the Committee. This is a big change compared to the results of the 2017 survey that showed that no committee opted for an official co-chairpersonship at the time. Today, almost a third of National Trade Facilitation Committees are co-chaired by two public entities and, in one out of five of these cases, those entities are the Ministry of Trade and the Customs Authority. This is a natural evolution of NTFCs as countries increasingly focus on implementing concrete provisions of the WTO Trade Facilitation Agreement.

TREND 4: Permanent secretariats are still a luxury for many National Trade Facilitation Committees. In their response to the study questionnaire, most National Trade Facilitation Committees affirm to have a permanent secretariat or are in the process of setting up one. However, the results revealed an aggregate drawback in progress. A higher number of NTFCs reported to have a permanent secretariat in the 2017 UNCTAD study than in this new study. Additionally, an average of four people work in each secretariat, though not necessarily as a full-time job. The figure goes up to five for least developed countries and down to three for developed countries. Thus, there seems to be a correlation between the number of people working at the permanent secretariat and the level of development of a country. The more developed a country is, the less people are needed in the permanent secretariat. The permanent secretariat of a National Trade Facilitation Committee is usually hosted by the Ministry of Trade. Only in a few cases, are Customs or the Chamber of Commerce in charge of the permanent secretariat.

Composition, Scope and Functioning

TREND 5: National Trade Facilitation Committees are broadening their scope of action. While the coordination of the implementation of the WTO TFA remains at the core of the NTFC competencies, more

than a third of countries affirmed that the scope of action of their NTFC is broader than the TFA. UNCTAD's research further shows that more than a third of NTFCs are always or frequently acting as donor coordinator for trade facilitation initiatives. This donor coordination role is more frequent in least developed countries (LDCs). The most mentioned scopes of work are monitoring the implementation of the WTO Trade Facilitation Agreement, advising the government and making policy recommendations, collecting and disseminating information as well as raising awareness on trade facilitation. Searching for financing partnerships, fundraising and maintaining a relationship with donors and development partners are the most cited actions by least developed countries.

Furthermore, though majority of NTFCs affirmed to be in contact with other NTFCs in their respective regions none asserted to be dealing with any cross-border e-commerce related issues. This means countries risks missing out in the opportunity to set up the appropriate policy framework for the growing e-commerce ecosystem, something that should be of concern to governments.

TREND 6: Specific monitoring and evaluation tools for National Trade Facilitation Committees are increasingly important but NTFCs do not seem well equipped for this task. As countries move towards implementation of the WTO TFA provisions, NTFCs' ability to monitor progress and report on compliance and deviations for policy intervention will be critical. From the data, three-quarters of National Trade Facilitation Committees affirmed to have a work plan, a crucial tool that provides direction and basis for monitoring and evaluation of trade facilitation reforms in every country. This corresponds to an increase of 13 percentage points compared to the 2017 study, confirming that, in the past three years, National Trade Facilitation Committees are more self-organized and have a better understanding of their role in the implementation of trade facilitation reforms in countries. This also implies that they play a more active role in the coordination of the implementation of the specific provisions of WTO TFA. National Trade Facilitation Committees in developing countries seem to have a higher probability to have a work plan than those in least developed countries and therefore are likely to be more effective at monitoring and evaluation of trade facilitation interventions. One out of five National Trade Facilitation Committees do not use specific monitoring tools and almost half of National Trade Facilitation Committees do not use any specific tools to evaluate their work.

TREND 7: National Trade Facilitation Committees are opting for inclusiveness. Among the National Trade Facilitation Committees surveyed, the average membership is 18 members, where 12 participants represent the public sector and six the private sector. NTFCs have seen the number of members increase since 2015. This trend should be an increasing acknowledgement by countries that trade facilitation is complex and requires a multi-stakeholder engagement from participants of both public and private sectors.

On average, half of the members of an NTFC are senior staff, a third middle level staff and one out of 10 junior staff. The results also showed that the more developed a country is, the higher the percentage of senior staff involved in the National Trade Facilitation Committee.

TREND 8: No progress in gender mainstreaming in National Trade Facilitation Committees since 2017. On average, approximatively a third of members of NTFCs are currently female according to the study data. Compared to results of UNCTAD previous study on this subject in 2017, no significant change has been registered. Not only are Committees less gender balanced, they are rarely led by a woman. Just around a third of NTFCs in developing and least developed countries are chaired or co-chaired by a woman. Most Committees have never taken a decision or action to mainstream gender in trade facilitation. However, there has been a significant shift in the reasons behind this result. While in 2017, almost a third of Committees considered that gender mainstreaming was not relevant at this stage, this percentage almost doubled in 2019.

TREND 9: National Trade Facilitation Committees are developing the necessary communication tools. While communication remains a core and necessary responsibility of NTFCs, half of National Trade Facilitation Committees affirmed in the study to have a communication strategy. The situation is grimmer in least developed countries with only a third of Committees having a communication strategy. About half of NTFCs reported that lack of financial resources is the main reason for not having a communication strategy followed by lack of communication personnel. Communication with stakeholders is mainly via email by the majority of the NTFCs and only one out of five Committees report to use a website to post and communicate information on the work of the National Trade Facilitation Committee.

TREND 10: The work of National Trade Facilitation Committees is translating into concrete and positive outcomes. Almost all NTFCs in the study can name concrete outcomes produced by the Committee since establishment. The positive findings corroborate that the entry into force of the WTO Trade Facilitation Agreement has moved countries into action, translating efforts into measurable outcomes. With an increase of 47 percentage points compared to 2017, the ratification and notifications of the WTO Trade Facilitation Agreement have become the most cited outcome among National Trade Facilitation Committees. Additionally, three out of four Committees have developed an implementation plan for the WTO Trade Facilitation Agreement. A third of NTFCs reported that the National Trade Facilitation Committee contributed to the negotiation of trade and trade facilitation agreements. Two thirds of the National Trade Facilitation Committees affirm that their work contributed to the implementation of concrete trade facilitation measures, such as a national single window for trade facilitation.

Regarding the impact of the work of NTFCs in more intangible areas, National Trade Facilitation Committees highlighted that thanks to the NTFCs there is an improvement of coordination, transparency and dialogue, as well as more support to raise awareness on the importance of trade facilitation. The work of the Committee has contributed to the mainstreaming of trade facilitation into other national policies in one out of two countries.

Although there is a long way to go, one out of two NTFCs believe that their work has helped reduce time and cost to trade as well as improve trade procedures with a third of NTFCs reporting a significant reduction in cost of import, export and transit. In this vein, almost half of the Committees assert that their work has contributed to improving the business environment for traders.

Financing and Sustainability

TREND 11: Budget and financial resources for National Trade Facilitation Committees are still scarce. The sustainability of the NTFCs depends, to a very large extent, to the commitment of domestic resources from national budget. Unfortunately, this is far from being a common practice among developing and least developed country governments. The role of domestic resources towards sustaining the NTFC is increasingly apparent and this is evident in the number of committees that get defunct or inactive after donor support dries up, which should be a cause for concern for governments. Today, not even a third of NTFCs report to have a budget available for the activities of the National Trade Facilitation Committee, though there have been some improvement, as the proportion of NTFCs with a budget has increased by six percentage points compared to the results presented in UNCTAD 2017 study. The situation has however worsened in least developed countries, where only one out of 10 Committees reported to have a budget for their National Trade Facilitation Committee, which corresponds to 10 percentage points less than in 2017. Contrary to developed and developing countries, where domestic resources cover 100 per cent and 77 per cent of the budget of their committees respectively, least developed countries do not allocate any domestic resources for the work of the National Trade Facilitation Committee. The less developed a country is, the higher the probability to be financed by a developing partner rather than by domestic resources.

Generally, countries reporting that there is no budget for the NTFC, claim that the lack of domestic resources and financial support from donors and development partners are the two main contributing factors.

TREND 12: Despite the concrete outcomes produced, the sustainability of NTFCs remains at stake. Since the beginning of National Trade Facilitation Bodies, their institutional sustainability has been in critical yet difficult. The past practices where trade facilitation bodies came and went based on deliverables and a temporary basis can no longer hold, because this time is different. The WTO TFA provision on NTFCs does not see trade facilitation coordination mechanisms as temporal and vanishing but as bodies central to national trade facilitation reforms and crucial to effective cooperation among countries within the multilateral system. Though the nature, purpose and structure of these NTFCs may change significantly over time, and, indeed, this flexibility to adapt to change will be a key element in remaining useful and relevant to both business and government, their existence and overall functioning should become increasingly relevant.

The survey which asked chairpersons of 52 National Trade Facilitation Committees to rate, using a scale from 0 to 100, to what extent they considered their NTFC to be sustainable over time. This saw an average answer score of 68. This is a rather low number considering that WTO Member States are obliged by international law today to establish and maintain such mechanism. Furthermore, there seems to be a correlation between the level of development of a country and the level of sustainability of its NTFC. From a scale of 0 to 100, developed countries rated the sustainability of their Committees at 90, while the figure decreased to 70 for developing countries and dropped to 57 for least developed countries. There are four main factors contributing to the sustainability of NTFCs according to the survey response: 1) the commitment and participation of the NTFCs' members; 2) financial assistance and adequate resources; 3) high level support and political buy-in, as well as, 4) the involvement of the private sector.

More than a third of National Trade Facilitation Committees highlighted the lack of funding and resources as the greatest obstacle for the sustainability of the Committee. This is the case for almost every NTFC in the least developed countries. The lack of awareness of the importance of the NTFC and understanding of trade facilitation are the second most mentioned obstacles. Resistance to change and the lack of political buy-in come in third position. Absenteeism and issues to keep up the motivation of NTFC members, coupled with the incorrect representation or the frequent replacement of members were mentioned by approximately one out of three Committees.

Introduction

Since 2014, UNCTAD has been undertaking quantitative research on National Trade Facilitation Committees based on existing country cases, gathered in UNCTAD’s online repository of National Trade Facilitation Committees (<https://unctad.org/tfc>). On the basis of the data analyzed, UNCTAD published *National Trade Facilitation Bodies in the World* in 2015, followed by *National Trade Facilitation Committees: Beyond Compliance with the WTO Trade Facilitation Agreement?*, in 2017.

Thanks to the insights gathered in these two publications, UNCTAD has improved its methodology and was able to use a more standardized research approach. National Trade Facilitation Committees as Coordinators of Trade Facilitation Reforms builds upon the results of the previous NTFC studies but also includes new research areas, such as monitoring and evaluation, and the implications of regional integration and e-commerce in the mandate of National Trade Facilitation Committees.

Chapter 1 provides an analysis of trade facilitation committees, diving into their mandate and scopes of action, institutional frameworks, composition, gender mainstreaming policies, communication and promotion activities, budget and financial resources, as well as the concrete outcomes reached so far by the Committees.

Chapter 2 presents the main contributors and obstacles for the sustainability of National Trade Facilitation Committees.

Scope and methodology

This study considers **information from 52 country cases collected from July 2019 to September 2019** via a standardized questionnaire developed by UNCTAD and distributed to chairpersons and secretariats of NTFCs around the world. The countries considered in this study are not necessarily the same countries included in UNCTAD studies 2015 and 2017 and, as such, trend comparisons have been carefully formulated.

Table 1: List of trade facilitation committees considered per region

Africa	Americas	Europe
Botswana	Antigua and Barbuda	Croatia
Cameroon	Colombia	France
Comoros	Dominica	Montenegro
Côte d'Ivoire	Dominican Republic	Netherlands
Democratic Republic of the Congo	Grenada	Serbia
Djibouti	Guatemala	Switzerland
Eswatini	Guyana	
Gabon	Paraguay	
Ghana	Saint Kitts and Nevis	
Liberia	Saint Vincent and the Grenadines	
Madagascar	Suriname	
Malawi	Trinidad and Tobago	
Mali	Uruguay	
Mauritius	Asia	Oceania
Mozambique	Bhutan	Papua New Guinea
Namibia	India	Samoa
Niger	Kyrgyzstan	
Nigeria	Lao's People Republic	
Sudan	Malaysia	
Togo	Pakistan	
Zambia	Turkey	
Zimbabwe	Vietnam	
	Yemen	



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019.

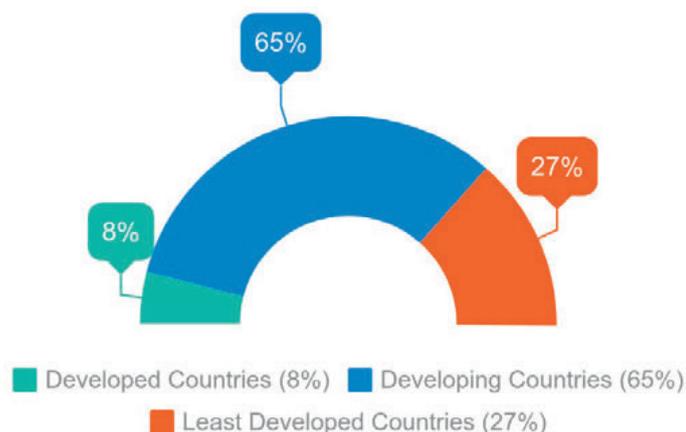
Where permission for publication has been granted, country cases may be reviewed on the online repository, which contains information from over 140 trade facilitation bodies. UNCTAD continues to collect country cases, and the repository is regularly updated and expanded. Just in 2019, around 40 countries cases were uploaded or updated. The repository is available in English, French and Spanish.

The functions and idiosyncrasy of trade facilitation bodies may vary widely “in view of their geographical distribution and economic and cultural differences” (UNCTAD, 2006). The geographical distribution of the countries considered in this study may therefore also be a determining factor. For instance, African and American regions are better represented in the data set.

As reflected in Table 1, 42 per cent (22 countries) are African NTFCs, 25 per cent are American (13 countries), 17 per cent (9 countries) Asian, 12 per cent (6 countries) European and 4 per cent (2 countries) are from Oceania.

The level of development of countries is also key to understand the functions and institutional framework of a National Trade Facilitation Committee. Of the trade facilitation bodies analyzed, 65 per cent (34 countries) were in developing countries and 27 per cent (14 countries) in least developed countries. Developed countries are underrepresented in the sample with only 8 per cent (4 countries).

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



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019.

National Trade Facilitation Committees since the entry into force of the WTO Trade Facilitation Agreement

While National Trade Facilitation Bodies have existed since the 1950s¹, it was only until the entry into force of the WTO Trade Facilitation Agreement that the creation and maintenance of an NTFC was made mandatory for all WTO members.

Article 23.2 of the WTO Trade Facilitation Agreement obliges countries to set up or maintain a coordination mechanism that will support the implementation of the trade facilitation provisions included in the Agreement. The inclusion of this Article acknowledges the importance of coordination and cooperation amongst relevant stakeholders when implementing trade facilitation reforms. Not only have National Trade Facilitation Committees a key role in monitoring and implementing trade facilitation, but they also provide an efficient platform to engage and consult with the private sector. This contributes also to the implementation of Article 2.2 of the WTO Trade Facilitation Agreement on consultations, whereby WTO Members shall, as appropriate, provide for regular consultations between its border agencies and traders.

WTO Members are not obliged to officially notify the WTO Trade Facilitation Committee on the mechanisms ensuring the implementation of Article 23.2 and Article 2.2. Regarding Article 23.2, countries have been encouraged, however, to send the contact details of the focal point of their National Trade Facilitation

¹ A comprehensive review of the history of National Trade Facilitation Bodies can be found in UNCTAD 2015: National Trade Facilitation Bodies in the World

Committee to the WTO. As of 22 January 2020, only 79 WTO Member States had sent that information to the WTO. Among those, only two developed countries were to be found: Italy and Switzerland.²

Since 2010, UNCTAD has been gathering and updating comprehensive data on National Trade Facilitation Bodies around the world. By January 2020, over 140 country cases can be found in [UNCTAD Repository for National Trade Facilitation Committees](#). In 2019, around 40 countries had their information updated in UNCTAD’s database. Country cases are available in English, French and Spanish. Apart from contact details for each of the Committees, the database presents information on the NTFCs’ mandate and scope of action; institutional framework; composition; gender mainstreaming, communication with key stakeholders; financing and technical assistance; as well as concrete operational outcomes and impacts.

Figure 2 presents a unique chronology of the creation of National Trade Facilitation Bodies over the past 60 years, based on the information available in UNCTAD’s repository. As shown in the graph, **34 NTFCs have been created since the Bali Ministerial Declaration of December 2013 and another 14 since the entry into force of the WTO Trade Facilitation Agreement on 22 February 2017.**

Figure 2: Year of creation of the currently existing Trade Facilitation Bodies



Source: UNCTAD, based on data from the online repository of National Trade Facilitation Committees, available at <http://unctad.org/tfc>.

By systematically comparing the results of UNCTAD studies published in 2015 and 2017 to the ones gathered in 2019, this publication illustrates how National Trade Facilitation Committees are changing over time, adapting themselves to the new realities imposed by the obligation to implement the WTO Trade Facilitation Agreement.

² WTO Trade Facilitation Agreement Facility, <https://www.tfafacility.org/contact-points-and-profiles>, data retrieved on 22 January 2020.

1 Analysis of key elements of Trade Facilitation Committees

This chapter provides a comparative analysis of existing National Trade Facilitation Committees, focusing on the following seven main aspects: 1) mandate and scope of action; 2) institutional framework; 3) composition; 4) gender mainstreaming, 5) communication with key stakeholders; 6) budget and financial resources; as well as 7) concrete outcomes achieved by NTFCs.

1.1 Mandate and Scope of Action

This section will look at key aspects of the mandate of National Trade Facilitation Committees such as the monitoring of the WTO Trade Facilitation Agreement, donor coordination, concrete scopes of action, regional integration and cross-border e-commerce.

1.1.1 The WTO Trade Facilitation Agreement at the core of the NTFC focus

Article 23.2 of the WTO Trade Facilitation Agreement obliges countries to set up or maintain a coordination mechanism that will support the implementation of the trade facilitation provisions included in the Agreement. However, National Trade Facilitation Committees have been considered essential bodies for the successful implementation of trade facilitation reforms since the 1960s, long before the entry into force of the WTO Trade Facilitation Agreement.

Has the WTO TFA reduced NTFCs to mere coordinators of the implementation of the Provisions of the Agreement? Not completely. **While the coordination of the implementation of the WTO TFA is at the core of the NTFC focus, more than a third of countries (37 per cent) affirm that their scope of action is broader than the TFA.** Only 13 per cent of countries report that the scope of work of their National Trade Facilitation Committee is strictly limited to the implementation of the WTO Trade Facilitation Agreement.

In UNCTAD's survey, countries were asked to rate in a scale of 1 to 5 (1 meaning "work limited to WTO TFA"; 5 means "work much broader than the WTO TFA") to what extent the scope of work of their NTFC is limited to issues related to the WTO Trade Facilitation Agreement. The average answer to this question was 3.5 as shown in Figure 3.

Figure 3: To what extent is the scope of work of your NTFC limited to issues related to the WTO TFA? (1 meaning "work limited to WTO TFA"; 5 means "work much broader than the WTO TFA")



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019.

To what extent are National Trade Facilitation Committees also fulfilling the role of donor coordinators? As coordinators of the implementation of the Provisions of the Agreement, National Trade Facilitation Committees from developing and least developed countries are recommended to fulfil also the role of donor coordinator in the context of trade facilitation reforms. For countries where the figure of the official national donor coordinator officially exists, it is recommended that (s)he will be a regular member of the NTFC.

UNCTAD's research shows that 38 per cent of NTFCs always or frequently act as donor coordinator for trade facilitation initiatives. This figure corresponds to 33 per cent in developing countries and goes up to 53 per cent in least developed countries. Considering that least developed countries require, in general, more assistance than developing countries, it could be concluded that, the more technical assistance a country needs, the higher the probability that its National Trade Facilitation Committees has assumed the role of donor coordinator.

1.1.2 Concrete scopes of action for the NTFC

Analyzing the scope of action of National Trade Facilitation Committees will help understand how the nature of the activities undertaken by these Committees evolve over time.

In line with the function described for National Trade Facilitation Committees in Article 23.2 of the WTO TFA, **71 per cent of committees affirm to always or frequently monitor the implementation of the WTO Trade Facilitation Agreement** (see Figure 4). The result is less optimistic for least developed countries, where only 57 per cent report that the NTFC always or frequently fulfil that role. Only one out of three NTFCs (37 per cent) affirm to monitor technical assistance projects and programmes (others than the WTO TFA).

Advising government and making recommendations (69 per cent of the committees) is the second most frequent scope of action. Two specific types of advisory activities are also worth mentioning: advise and promote international trade facilitation standards and other trade facilitation reforms (67 per cent) and advice on legal changes (40 per cent). As clearly shown in Figure 4, the probability of an NTFC providing always or frequently advice and recommendations of any type to the government, is much higher in developing countries than in least developed countries. This could be due to the level of maturity of the Committee itself, its legitimacy as advisory body within the governmental structure and/or the profile of the members participating at the Committee itself.

A total of 60 per cent of National Trade Facilitation Committees affirm to always or frequently collect, disseminate information and raise awareness on trade facilitation. A total of 44 per cent of NTFCs also report organize training and capacity building sessions by themselves or with the assistance of development partners. For instance, the NTFC of Croatia organizes a dozen workshops yearly, in cooperation with Customs, to educate key stakeholders on different aspects of trade facilitation, as part of their 20 years old program "Trade and Transport facilitation".

Searching financing partnerships, fundraising and maintaining a relationship with donors and implementation agencies is the most cited action by least developed countries (64 per cent), representing 18 percentage points more than the average. As explained in UNCTAD 2016 study on trade facilitation and development, least developed countries "tend to have a lower share of aid assigned to trade facilitation, as there are many competing demands for investment in health, education and infrastructure". Thus, searching for financial support might take more efforts for them than for developing countries. Additionally, as they start from a lower base, more investment is needed compared to developing countries as least developed countries "often have less absorption capacity for comprehensive technical assistance programmes, such as some of the institutional reforms required to implement some of the more complex trade facilitation measures".

Other scopes of action mentioned by National Trade Facilitation Committees include:

- **Consultations with the private sector**, also in view of implementing Article 2 of the WTO Trade Facilitation Agreement.
- **Support for the implementation of specific trade facilitation reforms**, especially for those initiatives that require a robust coordination among agencies, such as single window.
- **Coordination and discussion of other cross sectoral issues** that also affect cross-border trade, such as Non-Tariff Measures or transport and transit corridors.

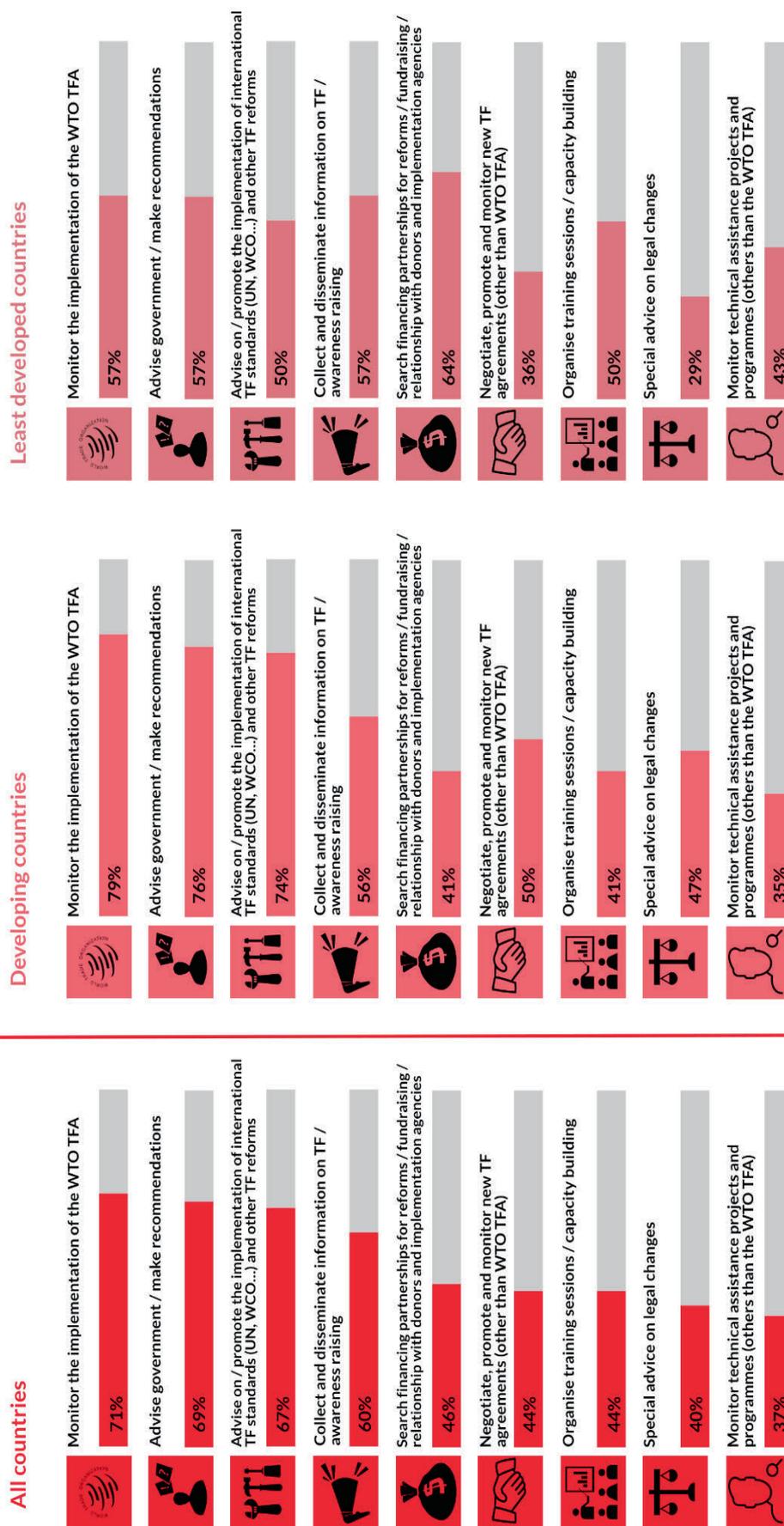
As described in UNCTAD 2017 study: "by defining a broad scope of action from the beginning, National Trade Facilitation Committees are flexible to promptly adapt to the changes that new international/regional agreements and priorities might bring in the future. This is essential for the sustainability of the NTFC over

the years". An example of broad scope of action is to be found in [India](#) which, in addition to its coordinating activities, also monitors infrastructure projects related to seaports and airports.

Figure 4: Scopes of National Trade Facilitation Committees

Regarding the scope and mandate of the NTFC, how often does your NTFC fulfill the following roles?

Percentage of NTFCs that answered always or frequently



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 52 countries (34) least developed countries (14).

1.1.3 Regional integration and bilateral relations

The entry into force of the WTO Trade Facilitation Agreement has not discouraged the increased inclusion of provisions related to customs and trade facilitation in Regional Trade Agreements (RTAs). Most RTAs notified to the World Trade Organization include commitments in such matters, reflecting the growing importance of trade facilitation at the regional level.

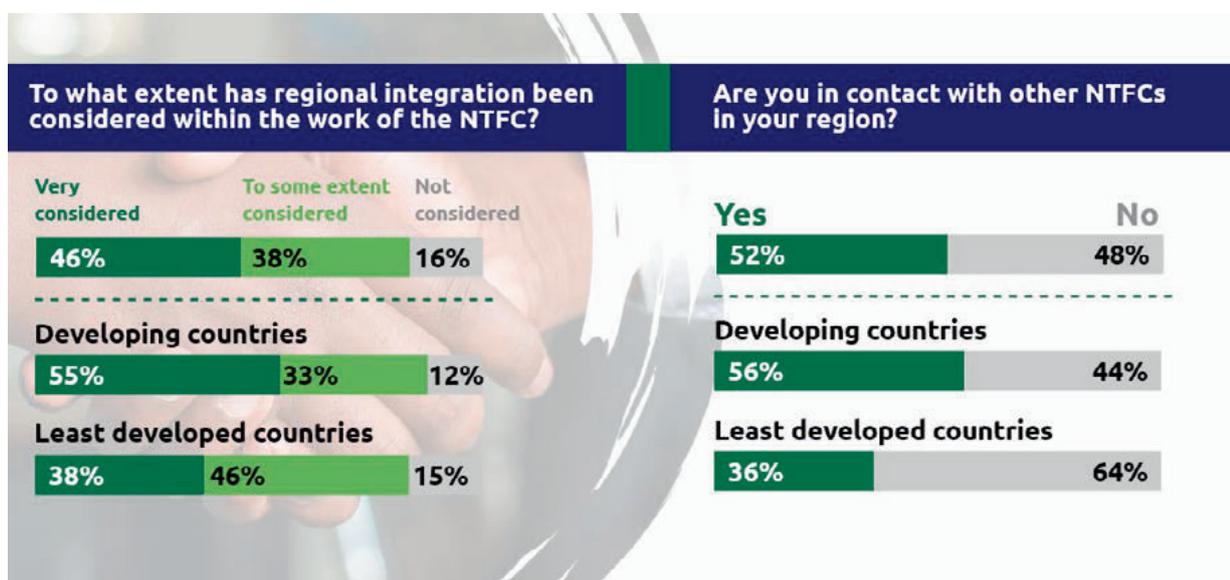
As shown in UNCTAD 2011 study on Trade Facilitation in Regional Trade Agreements, RTAs not only focus on customs procedures but also include measures related to “transparency, simplification and harmonization of trade documents, coordination among border agencies, as well as with the business community”.

In such context, **National Trade Facilitation Committees should not just support the coordination of the Provisions of the WTO Trade Facilitation Agreement but also include in their mandate other trade facilitation related provisions included in existing and future Regional Trade Agreements.**

As illustrated in Figure 5, 84 per cent of National Trade Facilitation Committees report to have considered regional integration, at least to some extent, within the work of the Committee.

The majority of NTFCs (52 per cent) affirm to be in contact with other NTFCs in their respective region. There is a positive correlation between the level of development of a country and the probability of being in contact with other NTFCs in the region. As such, 75 per cent of developed countries report to be in contact with other NTFCs in the region, while this figure drops to 56 per cent for developing countries and 36 per cent for least developed countries.

Figure 5: Regional integration as part of the scope of National Trade Facilitation Committees



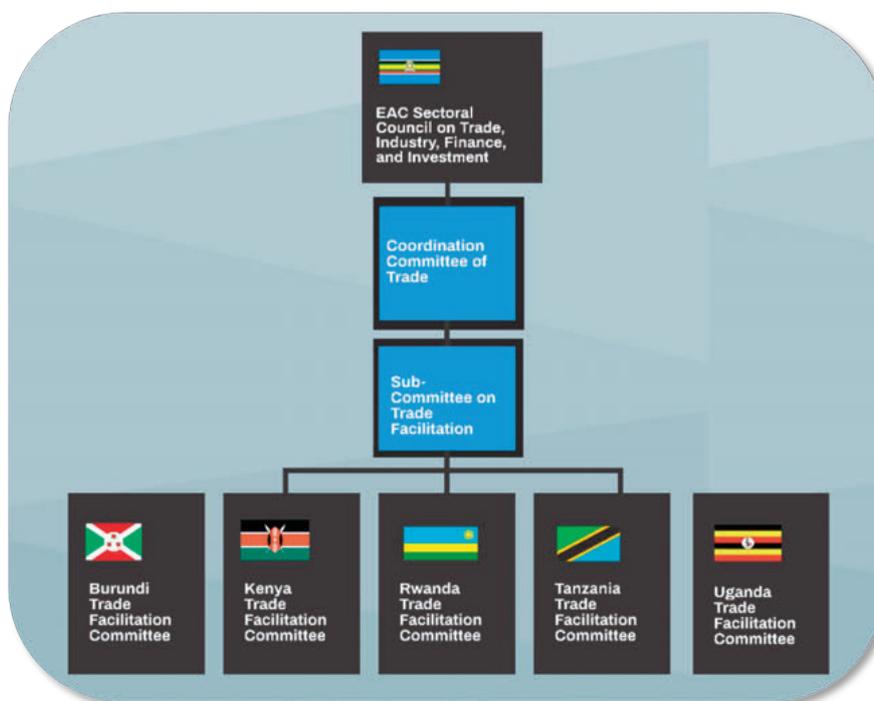
Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 50 countries.

In fact, in regional economic Communities where contacts between NTFCs are more regular, greater efficiency and performance of intra-regional trade can be observed. Examples of the East African Community(EAC) (See Box 1) , the Economic Community of West African States (ECOWAS) or CARICOM illustrate well the benefits of regional integration and cooperation where NTFCs hold regular contacts and make concrete steps to coordinate their trade facilitation efforts not only nationally but also regionally.

Box 1: Role of the East African Community Secretariat in the coordination of the NTFCs

The East African Community Secretariat has taken a strong leadership in trade facilitation. Being the most integrated Regional Economic Community of Africa composed of six Partner States (Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda), the EAC lies upon a Customs Union (2004), a Common Market (2009) and a Single Customs Territory (2014) making trade a priority within the EAC boundaries and international markets. In December 2018, the EAC Partner States adopted an EAC Ministerial Declaration on Trade Facilitation, in Nairobi, Kenya, stating that they “agree to advance the trade facilitation agenda in the EAC countries and the regional Protocols through a strong political commitment to implement decisions concerning trade facilitation and intra-regional trade”. The role of the NTFCs was acknowledged as the “main vehicle for the trade facilitation process at national level. The NTFCs are the coordinating entities in charge of the implementation of the trade facilitation measures”.

This recognition of the importance of trade facilitation and the NTFCs was also implemented at regional level with the adoption of the EAC Sub-Regional Committee on Trade Facilitation by the decision of the EAC Sectoral Council on Trade, Industry, Finance, and Investment (SCTIFI) in May 2015, to ensure the coordination of the national trade facilitation reforms and the implementation of the regional trade facilitation action plan.



The EAC Sub-Committee on Trade Facilitation meets twice a year to discuss the implementation of the regional action plan and is informed about the initiatives taken by the NTFCs of each EAC Partner State. Then, the EAC Sub Committee recommends directives on trade facilitation which are later on adopted by the EAC SCTIFI, led by the Ministers responsible for these mandates. In addition, the Customs and Trade Directorate follows up on regular basis with the Heads of the NTFCs on various issues ensuring smooth implementation of the Single Customs Territory and trade facilitation reforms, particularly the WTO Trade Facilitation Agreement. For instance, it is under the leadership of the EAC Secretariat that the EAC Partner States decided to notify their TFA category A at the same time in 2015 looking at the measures which were common to and already implemented in all the countries. As of March 2020, four of the EAC Partner States have ratified and notified the TFA, namely Burundi, Kenya, Rwanda and Uganda.

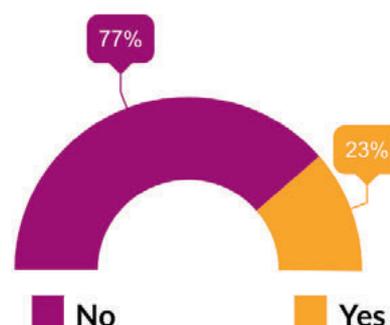
This EAC regional coordination and policy guidance have been a determining factor in the EAC trade performances (EAC intra-regional exports was 20.37 per cent of EAC total exports in 2018³, the highest in Africa). UNCTAD, as one of the main partners of the trade facilitation in the EAC, has been providing technical assistance since 2015 to the EAC Secretariat and the National Trade Facilitation Committees in the region, thanks to the financial support of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (2015-2016) and TradeMark East Africa (2017 – 2021).

1.1.4 E-Commerce

Of increasing interest for trade facilitation is cross-border e-Commerce which, according to UNCTAD estimates of 2015, accounted for about \$189 billion for B2C e-commerce, corresponding to 7 per cent of total B2C e-commerce (UNCTAD 2017). This type of e-Commerce is forecasted to grow “by about 25 per cent annually until 2020 – nearly twice the growth rate of domestic e-commerce. In 2020, it is expected to account for about US\$900bn Gross Merchandise Value, translating into a roughly 22 per cent share of the global e-commerce market.”⁴

While implementing the WTO Trade Facilitation Agreement, certain measures could benefit from an e-Commerce perspective. “For this, trade facilitation reforms need to be designed and implemented including those processes that are particularly relevant for e-Commerce. Reforms and the assignment of resources need to take into account the increase in the number of (smaller) shipments, as opposed to fewer but large-scale shipments”.⁵

Figure 6: Has the NTFC ever taken a decision or action to facilitate cross-border e-commerce?



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 52 countries.

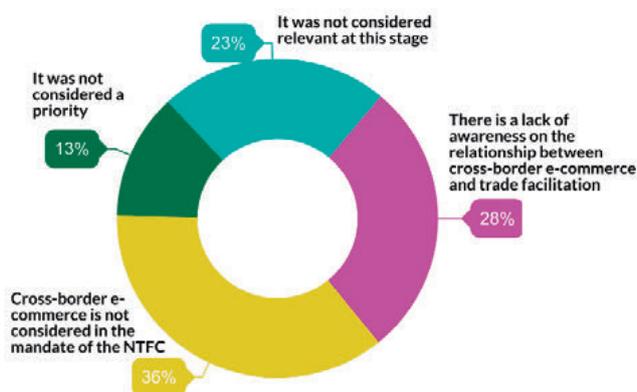
3 UNCTADStat 2019

4 International Post Corporation (2017), State of e-commerce: global outlook 2016-21, <https://www.ipc.be/services/market-research/e-commerce-market-insights/e-commerce-articles/global-ecommerce-figures-2017>, accessed 30 January 2020

5 Article No. 27 [UNCTAD Transport and Trade Facilitation Newsletter N°80 - Fourth Quarter 2018], Is the WTO Trade Facilitation Agreement an enabler of e-Commerce?, <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=1958>, accessed 30 January 2020

National Trade Facilitation Committees have the potential to become key players to contribute to reaping the full benefits of the unfolding digital revolution – including the rise in e-commerce. However, it is often

Figure 7: Why did the NTFC not take any decisions or actions related to cross-border e-commerce?



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 52 countries.

observed that the public agencies that are usually promoting e-commerce initiatives are not necessarily represented in the National Trade Facilitation Committees.

As such, it does not come as a surprise that only 1 out of 5 National Trade Facilitation Committees (23 per cent) report to have ever taken a decision or action to facilitate cross border e-commerce. For instance, some countries reported to have held discussions or training sessions on that subject in the scope of the work of the National Trade Facilitation Committee, while others have gone further and are considering simplified procedures for cross-border e-commerce within their single window.

Never taken any decisions or actions related to cross-border e-commerce named different reasons for this, as shown in Figure 7. **More than a third of NTFCs (36 per cent) considered that cross-border e-commerce is not in the mandate of the NTFC, while 28 per cent of committees claim that there is a lack of awareness on the relationship between cross-border e-commerce and trade facilitation.** Several NTFCs did not consider cross-border e-commerce relevant at this stage (23 per cent), nor a priority (13 per cent).

National Trade Facilitation Committees that have

1.1.5 Mandate and scope of action of NTFCs in developed countries

As explained in the Introduction, the level of development of countries is also key to understand the functions and institutional framework of National Trade Facilitation Committees. Yet, due to a low level of representation of the developed countries in the study (4 out of 52 countries in total), it is more appropriate to analyze the results with a qualitative rather than a quantitative approach.

Article 23.2 of the WTO Trade Facilitation Agreement obliges all WTO Members to “establish and/or maintain a National Trade Facilitation Committee or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement”.

When interpreting the Agreement, one might ask: What is the NTFC supposed to do if the provisions of the Agreement are already in place, like for instance in developed countries? Should countries that have notified to have implemented all provisions of the Agreement, maintain such coordination mechanism?

There will always be possibilities to simplify, harmonise, standardise and make trade procedures more transparent, particularly as new technologies that could be used to further improve trade procedures emerge. Moreover, implementation of many provisions in the Agreement require a periodic review and, as such, NTFCs can be key in ensuring the domestic coordination of this process, as follows:

Creating more transparent procedures requires a constant effort. National Trade Facilitation Committees are crucial to ensure that the implementation of the provisions aimed at creating more transparent trade procedures (included, for instance, in Article 1 of the WTO TFA) is continuous and not a one-shot exercise. In the coming years, import, export and transit laws, regulations and procedures are expected to change again as new needs will emerge from the trading community, the application of enabling technologies and the

challenges faced by the public administration. As such, it will be key to have a body that oversees that the information published and available on the internet (as required in Article 1 of the WTO TFA) is constantly updated by the various stakeholders. This is a role that can be assumed by the NTFC.

Simplification, Standardisation and Harmonisation are dynamic concepts. Article 6.1.4 states that “each Member shall periodically review its fees and charges with a view to reducing their number and diversity, where practicable” and Article 10.1 obliges WTO Members to review formalities and documentation requirements “with a view to minimizing the incidence and complexity of import, export, and transit formalities and of decreasing and simplifying import, export, and transit documentation requirements and taking into account the legitimate policy objectives and other factors such as changed circumstances, relevant new information, business practices, availability of techniques and technology, international best practices and inputs from interested parties”. This means that the revision should take place at regularly occurring intervals and the NTFC can oversee the domestic coordination of this revision. As described in UNCTAD has been supporting National Trade Facilitation Committees in their efforts to simplify trade procedures, while ensuring the implementation of Article 1.2 on Information available on the Internet.

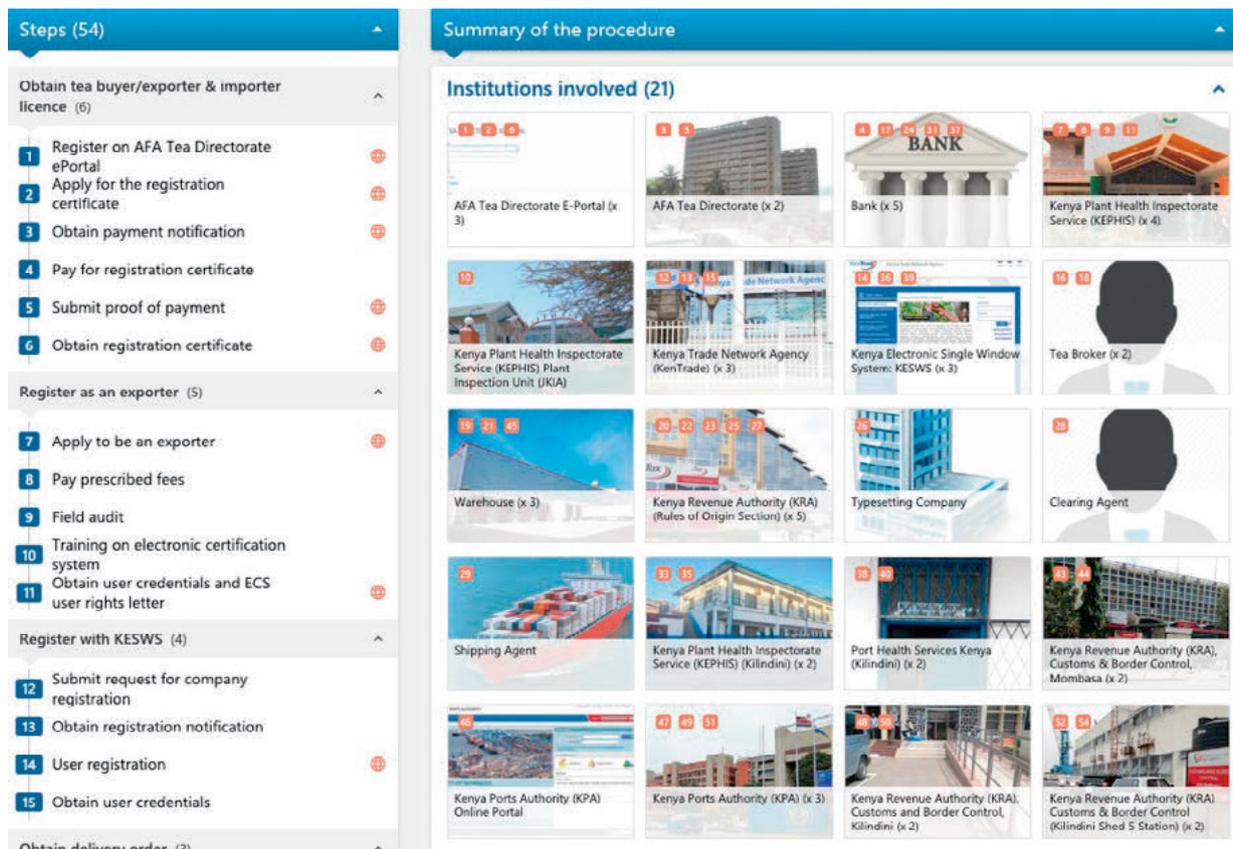
Box 2: Boosting NTFCs’ capacity to simplify procedures through the utilization of trade information portals

Trade Facilitation means simplifying trade procedures and a clear, easily accessible description of trade procedures is a necessary first step for facilitating trade. For trade operators, procedures become simpler by the mere fact that the necessary steps, requirements and contacts are clearly described. For national authorities, a good understanding of existing procedures is a precondition to any simplification policy. This is why the transparency of import, export and transit procedures is the first commitment expected from the signatories of the WTO TFA (namely article 1.2 on information available through internet).

UNCTAD, in some countries in collaboration with ITC, are helping governments such as [Kenya](#), [Rwanda](#), [Tajikistan](#) or [Mali](#) develop trade information portals (TIP) based on UNCTAD’s [eRegulations](#) system. These portals enable governments to provide traders with online and precise descriptions of trade procedures (permit, licenses, clearance) step-by-step. Besides making it clear to anyone interacting with the government what is required of them without having to go to find the information, these systems are empowering National Trade Facilitation Committees to easily evaluate the necessity of the requirements involved, and roll out effective programs to simplify and automate trade procedures.

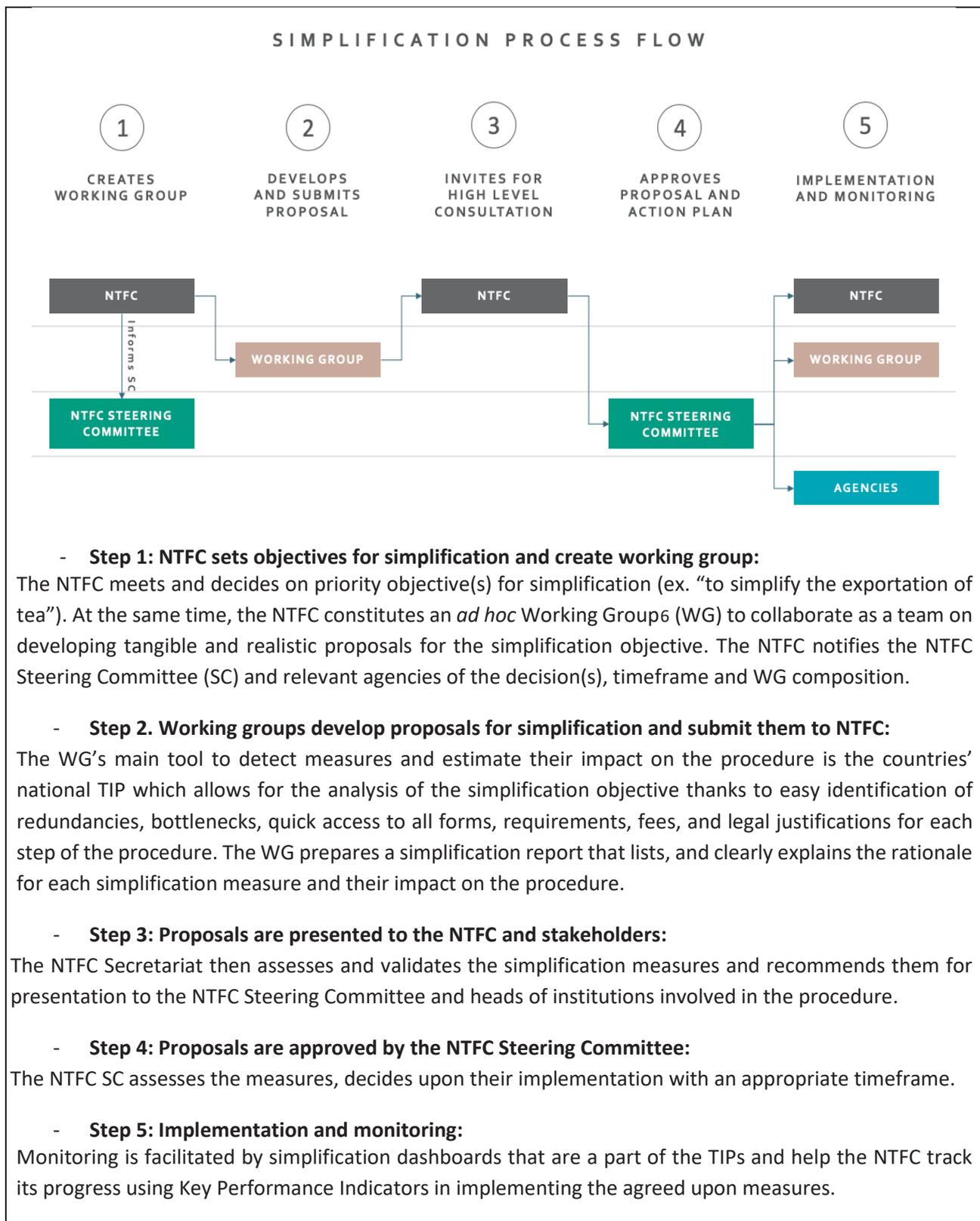


Kenya Trade Information Portal (infotradekenya.go.ke)



Summary of the export tea procedure from Kenya

In countries with these Trade Portals, the NTFCs, as the designated coordinating entities of trade facilitation, have become effective drivers of the simplification process at country level as described below:



⁶ The WG is constituted of senior managers of the institutions having a role in the procedure and/or with intricate knowledge of the procedure and a member of the NTFC Secretariat. It will also include: (i) Members of the TIP teams; (ii) Relevant representative of the private sector.

This methodological approach strengthens the ability of NTFCs to oversee broad scale simplification programs and drive meaningful organizational change by encouraging trade supporting institutions to transform from organizations of control to organizations of facilitation embracing principles of user-oriented services, transparency and simplification.

Another example of regular ongoing functions is included in Article 10.3 of the WTO Trade Facilitation Agreement in which, WTO members “are encouraged to use relevant international standards or parts thereof as a basis for their import, export or transit formalities and procedures”. The NTFC could be responsible for identifying existing or new relevant international standards and providing recommendations to the different agencies on whether the implementation of those would be feasible and advisable.

For many countries, NTFCs have become the instrument enabling the implementation of Article 2.2 of the WTO Trade Facilitation Agreement. This Article obliges Member States to “provide for regular consultations between its border agencies and traders or other stakeholders located within its territory”. As such, an **NTFC will constitute a permanent platform to ensure private-public dialogue.**

NTFCs in developed countries never or rarely fulfil the role of donor coordinator. As traditional providers of aid for trade, developed countries have mechanisms in place to deliver financial support and technical cooperation in the field of trade facilitation. As per the Articles 22.1 and 22.2 of the TFA, developed countries are obliged to notify to the WTO Trade Facilitation Committee “information on its assistance and support for capacity building that was disbursed in the preceding 12 months and, where available, that is committed in the next 12 months” as well as “the contact points of their agencies responsible for providing assistance and support for capacity building and information on the process and mechanisms for requesting assistance and support for capacity building”.

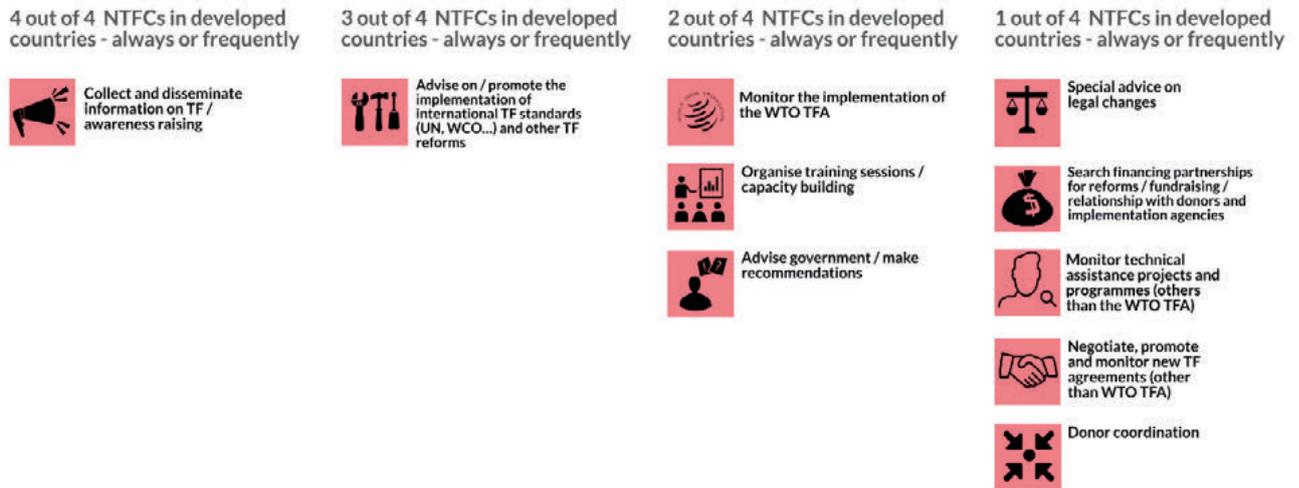
Despite these obligations, a quick look at the [WTO Trade Facilitation Agreement database⁷](#) shows that, in many cases, donor members have not provided the requested information. This might be due to a lack of clarity on which organisation within the donor member is supposed to provide such information. For many of those countries, trade facilitation support to developing and least developed countries is scattered through different agencies and ministries. A body centralising all requests of technical assistance in this field and reporting about them might not exist. As such, the **coordination and collection of information might be a challenging task. Hence, the need for a strong NTFC to ensure this coordination.**

In the case of the National Trade Facilitation Committees of developed countries included in the sample, all four reported to always or frequently **collect and disseminate information related to trade facilitation.** Thus, **it is the most cited scope of action among developed countries in the sample.**

⁷ WTO Trade Facilitation Agreement database: <https://tfadatabase.org/> (accessed on 10 February 2020)

Figure 8: Scope of action in NTFCs in developed countries

Frequency of scopes of action in developed countries



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 4 countries.

Three out of four NTFCs of developed countries reported to advise on and promote the implementation of international trade facilitation standards and other trade facilitation reforms. Monitoring the implementation of the WTO Trade Facilitation Agreement, provide advice and recommendations to the Government or organise training sessions and capacity building are part of the scope of two out of the four developed countries included in the sample.

Only two out of the four surveyed NTFCs have considered to some extent regional integration within the work of the National Trade Facilitation Committee. However, **three out of four affirm to be in contact with other Committees in their respective region.**

Finally, **two out of the four committees included in the sample, reported to have taken a decision or an action related to e-commerce issues.** For instance, some countries reported to have had discussions or training sessions on that subject in the scope of the work of the National Trade Facilitation Committee.

1.2 Institutional framework

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

1.2.1 Degree of institutionalization

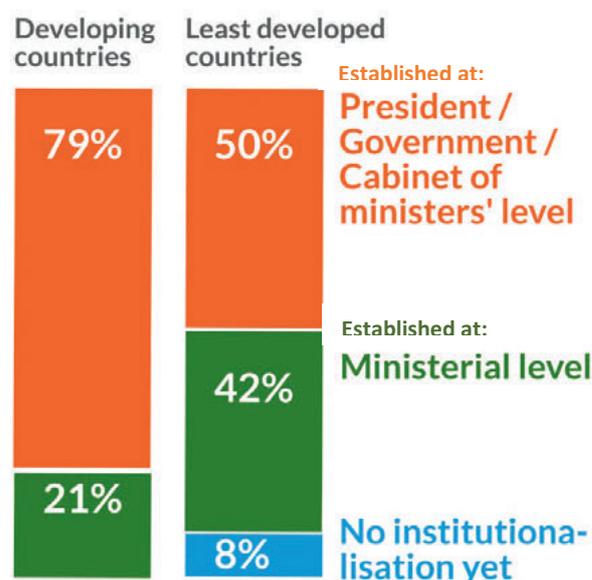
Since the 1970s when the first recommendations for National Trade Facilitation Committees were published by United Nations Economic Commission for Europe (UNECE), United Nations agencies have always been strong advocates of providing NTFCs with a solid institutionalization and legal backing, entailing high-level political commitment, strong participation of members and the prevention of possible conflicts of interest between the parties involved.

As previously mentioned, the entry into force of the WTO Trade Facilitation Agreement creates a legal obligation for WTO member states to establish or maintain a National Trade Facilitation Committee. Although the Agreement does not require WTO members to provide legal backing to NTFCs in domestic law, this study shows that **the vast majority (92 per cent) of trade facilitation committees have been officially institutionalized**. Data also show that there is a slightly higher probability of lack of institutionalization in least developed countries compared to developing countries (see Figure 9).

As explained in UNCTAD 2017 study: “Each WTO Member State might decide on the degree of institutionalization that is beneficial for a trade facilitation committee based on its own administrative culture and political priorities.” For instance, two countries explained that the institutionalization of their Committees was done through a Parliamentary Act.

As for UNCTAD 2017 study, the responses to the questionnaire were regrouped into the following three categories based on the level of the authority that approved the creation of the Committee, namely: governmental; ⁸ ministerial; and not institutionalized yet. The results show that **most trade facilitation committees (69 per cent) considered in this study were institutionalized at governmental level**, for instance, by a decision of the Cabinet of Ministers or by a presidential decree. This represents an 18 percentage points increase compared to the results obtained in 2017. Consequently, only 25 per cent of NTFCs, compared to 41 per cent in 2017, opted to

Figure 9: Has the NTFC being officially set up? Results by level of development



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample per level of development: developing countries (33), least developed countries (12).

⁸ The governmental level includes those decisions taken at a level above a single ministry, that is, decisions that involve the entire executive branch and not just one ministry, including decisions taken by the Council or Cabinet of Ministers, presidential decree, etc.

institutionalize the Committee with a decision or decree at ministerial level. The majority of those are in least developing countries. In fact, only 21 per cent of developing countries officially set up their NTFC at ministerial level compared to 42 per cent of NTFCs in least developed countries. This puts NTFCs in least developed countries in a weaker position: as trade facilitation committees have a coordinating role among public agencies, a legal basis at the governmental level may result in a stronger high-level political commitment and might help address potential conflicts of interest among key stakeholders.

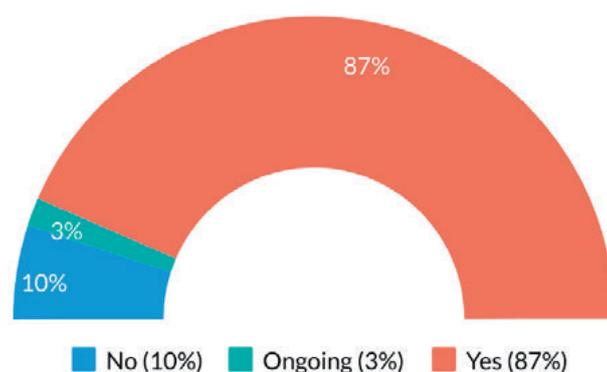
1.2.2 Terms of reference

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

As shown in Figure 10, **most of the trade facilitation committees considered in this study (87 per cent) had defined terms of reference.** This represents an increase of 23 percentage points compared to UNCTAD 2017 study.

Among the few NTFCs in least developed countries that have not yet developed terms of reference, the most cited reason for this was the lack of knowledge on how to draft terms of reference.

Figure 10: Does the NTFC have Terms of Reference?



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 52 countries.

1.2.3 Work plan, monitoring and evaluation

Work plan

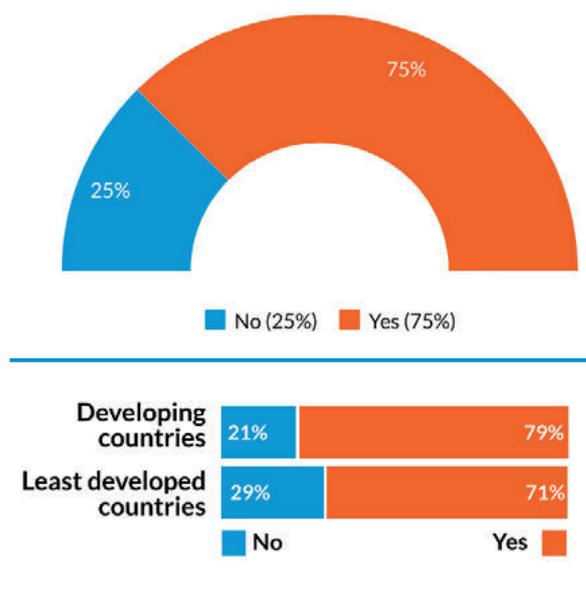
Having a work plan is a key factor for ensuring the successful implementation of trade facilitation reforms. As shown in Figure 11, **75 per cent of National Trade Facilitation Committees affirm to have a work plan.** This corresponds to an increase of 13 percentage points compared to UNCTAD 2017 study, confirming that, **in the past three years, National Trade Facilitation Committees have assumed a more active role in the coordination of the implementation of the specific provisions of the WTO Trade Facilitation Agreement.**

National Trade Facilitation Committees in developing countries seems to have a higher probability to have a work plan than those in least developed countries.

Among those National Trade Facilitation Committees without a work plan, half of them (50 per cent) reported that this is due to a lack of know-how to develop one.

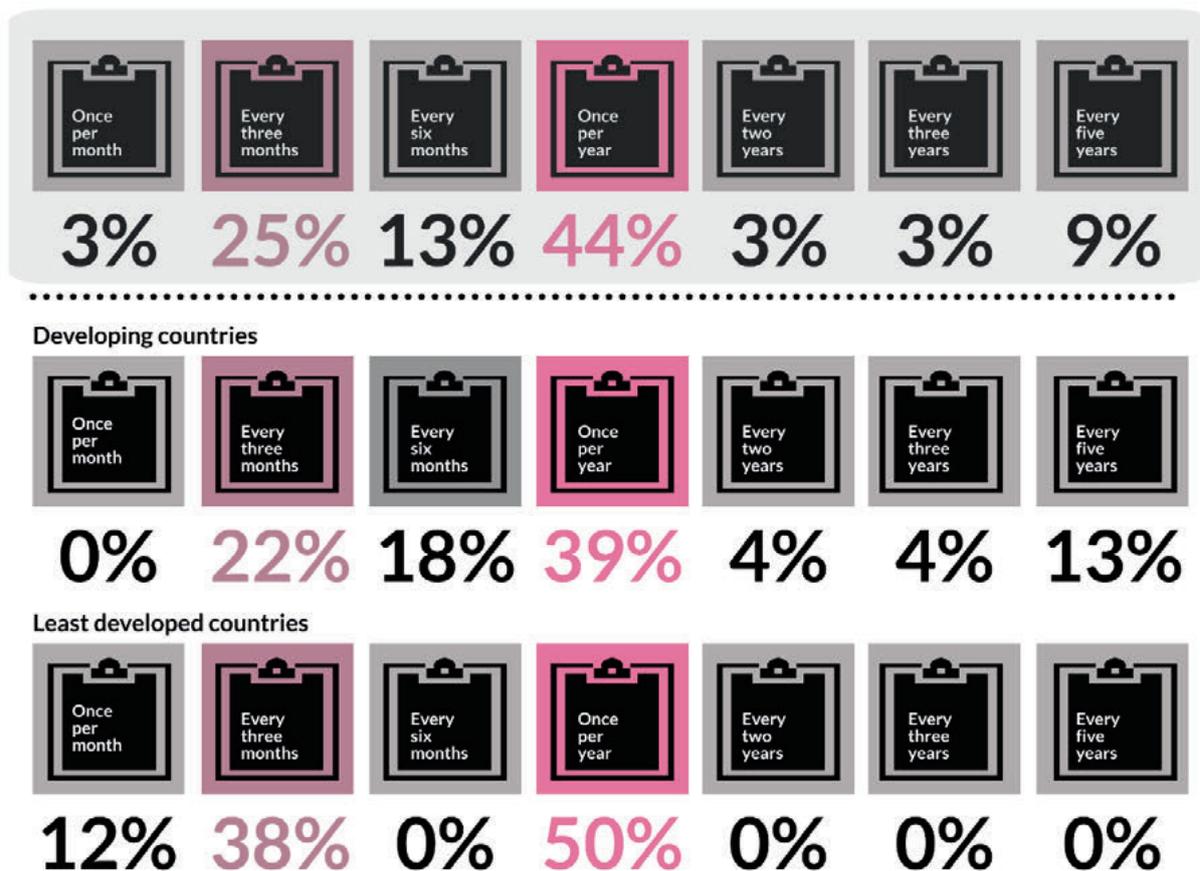
Those Committees that affirm to have a work plan, where asked about its timeframe. As shown in Figure 12, **almost one out of two NTFCs (44 per cent) have yearly work plans and 25 per cent of them choose to have quarterly work plans.** It is worth noticing that least developed countries tend to prefer shorter planning periods with timeframes of one year or less. One out of five NTFCs in developing countries, on the other hand, will go for planning periods longer than a year.

Figure 11: Does the NTFC have a work plan?



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 52 countries. Sample per level of development: developing countries (34), least developed countries (14).

Figure 12: Timeframe of work plan of National Trade Facilitation Committees



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 32 countries. Sample per level of development: developing countries (23), least developed countries (8).

Monitoring and evaluation

Monitoring can be defined as the ongoing process by which stakeholders obtain regular feedback on the progress being made towards achieving set goals and objectives. Evaluation is an intermittent or terminal assessment of an activity, project, programme, strategy, policy, sector, operational area, institution, among others, in a systematic and impartial manner aimed at improving outcomes.

Implementing trade facilitation reforms requires planning and coordination, because it involves several government agencies as well as collaboration of the private sector. All of this take place within busy reform processes with tight schedules and short deadlines, political pressure and legal obligations. Monitoring and evaluation therefore help to keep track of everything that is going on simultaneously, by providing tools and methods for an efficient and coordinated approach to the implementation of trade reforms in the context of the WTO Trade Facilitation Agreement.

It also helps to identify setbacks. Monitoring and evaluation tools help National Trade Facilitation Committees to spot problems in the implementation process and find solutions or undertake correctional measures in time.

Monitoring and evaluation can also help in obtaining funding from international partners. Funding opportunities for trade facilitation reforms do exist, but competition is fierce in the donor space. Most international funding requires project proposals that include monitoring and evaluation framework, especially Result-Based Management planning and reporting tools, as well as an independent evaluation, for large projects in particular.

In the survey that was used as the basis for this study, UNCTAD asked chairpersons of 52 National Trade Facilitation Committees to rate, using a scale from 0 to 100, **to what extent they considered their NTFC was fulfilling the role of monitoring and evaluating the implementation of the WTO Trade Facilitation Agreement. The average answer was a score of 62, which dropped to 47 in the case of least developed countries.** This is a rather low number considering that WTO Member States are obliged by international law to establish and maintain a National Trade Facilitation Committee to coordinate the implementation of the Agreement. This result corroborates the findings regarding the scope of action of the NTFCs previously analyzed (see page 5), where it was found that only 71 per cent of NTFCs affirm to always or frequently monitor the implementation of the WTO Trade Facilitation Agreement.

Which monitoring tools are used by National Trade Facilitation Committees? **A total of 19 per cent of National Trade Facilitation Committees do not use specific monitoring tools.** For those NTFCs that affirm to use monitoring tools, the most frequent ones are consultations with stakeholders (51 per cent) followed by a monitoring plan with indicators (34 per cent). Only a few NTFCs (15 per cent) use baselines and targets as monitoring tools.

Forty per cent of National Trade Facilitation Committees do not use any specific tools to evaluate their work. Among those Committees that affirm to use some evaluation tools, 55 per cent use focus groups and 24 per cent use surveys distributed by the NTFC among trade facilitation stakeholders. **The work of only one out of five NTFCs (21 per cent) undergoes an independent third-party assessment.**

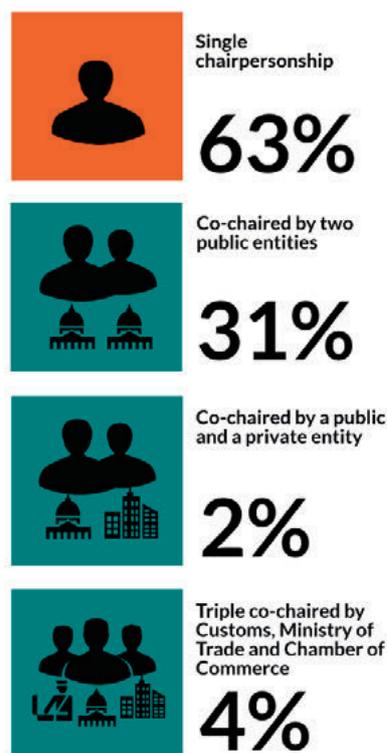
1.2.4 Chairpersonship

The Chairperson has an important role to play in the National Trade Facilitation Committee. His/her main duties include not only chairing meetings of the Committee, but also setting meeting agendas aligned with the NTFC priorities and this, in conjunction with the NTFC Secretariat. Contributions of other members of the NTFC should also be included in the preparation of the meetings. (S)he also provides leadership to the NTFC. As explained more in detail in Figure 13, there are four key qualities that each chairperson of an NTFC should have:

1. Ability to chair meetings
2. Understanding trade facilitation
3. Ability to influence others, without imposing ideas, and
4. Good communication

Given the challenge to find good chairpersons, coupled with the transversal and complex nature of trade facilitation, it does not come as a surprise that **many National Trade Facilitation Committees (37 per cent) have opted for having two or more simultaneous chairpersons leading the Committee.** This is a significant change compared to the results of the same UNCTAD survey in 2017. Back then, no Committee opted for an official co-chairpersonship. Nowadays, **almost a third of National Trade Facilitation Committees (31 per cent) are co-**

Figure 13: Types of chairpersonship in the National Trade Facilitation Committee



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019.
Sample: 52 countries.

chaired by two public entities and, in 21 per cent of the cases, those entities are the Ministry of Trade and the Customs Authority. This seems to be a natural move for NTFCs since countries are progressively focusing on the implementation of concrete provisions of the WTO Trade Facilitation Agreement.

Despite the rise of co-chairpersonship in the National Trade Facilitation Committees, a total of 63 per cent of National Trade Facilitation Committees still report to have a single chairpersonship. While in 2017, the Ministry of Trade led the Committee in 70 per cent of the cases, only 40 per cent of National Trade Facilitation Committees have affirmed that the Ministry of Trade holds alone the chairpersonship of the NTFC. The results of Customs Authorities remain constant compared to 2017, as 12 per cent of National Trade Facilitation Committees are led by them.

The private sector is involved in the leadership of the National Trade Facilitation Committees in one out of ten NTFCs. Private sector institutions, such as the Chamber of Commerce, hold the chairpersonship of the National Trade Facilitation Committee only in a few cases in specific developed countries, representing just four per cent of NTFCs. In addition to this, the business community is involved in the co-chairpersonship of six per cent of National Trade Facilitation Committees.

Box 3: Key qualities of an effective chairperson in the National Trade Facilitation Committee

KEY QUALITIES OF AN EFFECTIVE CHAIRPERSON

in the National Trade Facilitation Committee

- ### 1 Ability to chair meetings

The National Trade Facilitation Committee usually meets only a few times a year, but they make decisions that define the trade facilitation strategy for a country for the years to come. The ability to manage those meetings effectively is key.

The chairperson must ensure:

 - that all the items in the agenda are addressed,
 - that the views of all stakeholders are heard and discussed,
 - that clear decisions are reached and accepted and
 - that they follow up to make sure agreed actions are carried out in line with the NTFC decisions.
- ### 2 Understanding trade facilitation

A good chairperson needs to be knowledgeable and understand the ins and outs of trade facilitation, the needs and priorities of the different border agencies as well as the requirements of the private sector.

An experienced chairperson can rapidly identify opportunities and potential risks to the different trade facilitation reforms discussed.

He or she will engage with the different actors, already at an early stage, to discuss potential courses of action.
- ### 3 Ability to influence others, without imposing

A responsible chairperson will ensure that all NTFC members are contributing positively to the overall objective of fostering trade facilitation in the country.

He or she must make sure that all NTFC members participate in the discussions and the decision-making process, allowing members to express their views, even if they conflict with the chairperson's view.

Developing effective communication with NTFC members is key. An outstanding chairperson will not impose his or her views and personality to the National Trade Facilitation Committee. He or she will be willing to be challenged on his or her own views and will enjoy open debate.
- ### 4 Good communication

One of the exceptional chairperson's secrets of success is effective communication with all stakeholders.

Through effective communication, the chairperson gains the confidence of NTFC members. The chairperson's ability at communicating the NTFC vision and strategy to internal and external stakeholders and giving them confidence in the trade facilitation reforms ahead, will greatly contribute to the success of those reforms.

An experience chairperson does not lose sight of the main priorities of trade facilitation, being improving the long-term business environment for traders while protecting the rights of consumers and ensuring that government priorities are respected.

Source: UNCTAD

1.2.5 Permanent secretariat

As described in UNCTAD 2017 study, a permanent secretariat is the “office that has the role to send invitations, prepare the agenda, prepare the meeting minutes, reports, among others”. As the implementation of the WTO Trade Facilitation Agreement translates into concrete reform projects, a permanent secretariat is essential to ensure that the NTFC is fulfilling its role of coordinator of the trade facilitation reforms.

Most National Trade Facilitation Committees affirm to have a permanent secretariat (58 per cent) or being in the process of setting up one (13 per cent). These figures represent a setback since UNCTAD 2017 study, where 71 per cent of NTFCs affirmed to have a permanent secretariat.

On average, four people are working at the permanent secretariat of the National Trade Facilitation Committee, not necessarily as a full-time job though. The figure goes up to five for least developed countries and down to three for developed countries. Thus, there seems to be a correlation between the number of people needed at the permanent secretariat and the level of development of a country. **The more developed a country is, the less people are working in the permanent secretariat.** Among the reasons explaining this is the fact that least developed countries have, in general, more trade facilitation measures to be implemented than other countries⁹. At such, they will need more support to coordinate those trade facilitation reforms.

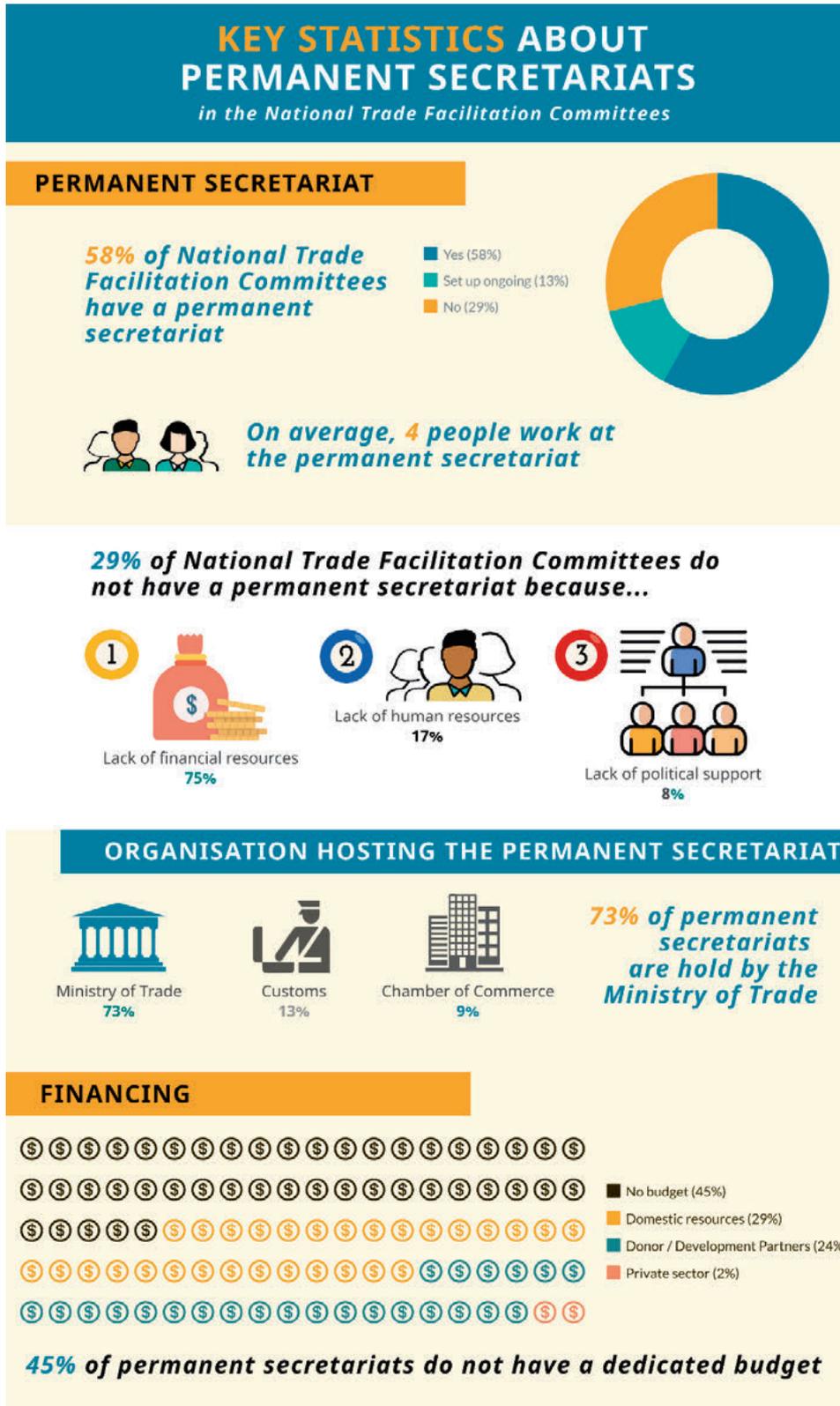
As shown in Figure 14, **the permanent secretariat of National Trade Facilitation Committees is usually hosted by or integrated in the Ministry of Trade (73 per cent)**. Only in a few cases, the Customs Authorities (13 per cent) or the Chamber of Commerce (6 per cent) will be in charge of the permanent secretariat. Results also show that, the less developed a country is, the higher the probability of the Ministry of Trade hosting the permanent secretariat.

Only half (55 per cent) of the NTFC that report to have a permanent secretariat, have a specific budget for it. Domestic resources are financing the permanent secretariats of 29 per cent of NTFCs, while donors and developing partners are financing 24 per cent of them. The contribution of the private sector is minimal. Only one permanent secretariat of a developed country claimed to receive funds from the private sector. It is also worth mentioning that no domestic resources are dedicated to permanent secretariats in least developed countries. There, 67 per cent of secretariats have no budget, while a third from NTFCs in those countries are financed by donors and developing partners.

The lack of financial resources is cited the main reason (75 per cent of Committees) for not having a permanent secretariat in the National Trade Facilitation Committee. The lack of human resources is hindering the permanent secretariat in 17 per cent of the cases. Only one NTFC reports that the lack of political support has been obstructing the creation of a permanent secretariat.

⁹ On 20 January 2020, least developed countries had only notified 24.6 per cent of the provisions of the WTO Trade Facilitation Committees as category A (measure implemented), compared to 59.7 per cent of developing countries. Developed countries were requested to have all provisions implemented by the time the WTO Trade Facilitation Agreement entered into force, meaning on 22 February 2017.

Figure 14: Key statistics about permanent secretariats



Source: UNCTAD

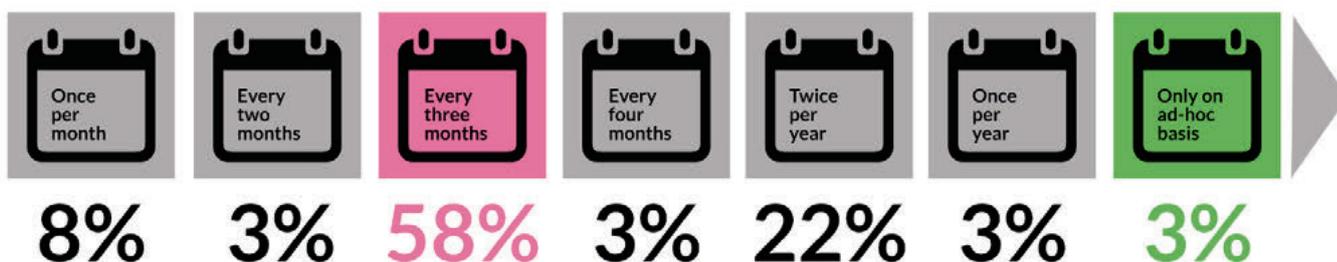
1.2.6 Regularity and frequency of meetings

According to the WTO Trade Facilitation Agreement, National Trade Facilitation Committees shall support domestic coordination of the implementation of the Provisions of the Agreement. The need for regular meetings is implicit in the description of this role and the nature of the functions of the NTFC.

A total of 73 per cent of National Trade Facilitation Committees meet regularly. Least developed countries seem to be having more difficulties to ensure the regularity of the meetings, since more than a third of their NTFCs (36 per cent) are not in a position to meet regularly.

Committees that confirm the regularity of their meetings were also asked about the frequency of those meetings. Results corroborate the trends observed in the UNCTAD 2015 and 2017 studies: **the majority of NTFCs (58 per cent) usually meet on a quarterly basis** (see Figure 15). This frequency is specially preferred in least developed countries (86 per cent). While most developing countries also meet on a quarterly basis (52 per cent), almost a third of the NTFCs (30 per cent) in those countries tend to meet rather every six months.

Figure 15: Frequency of meetings of National Trade Facilitation Committees



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 36 countries. Sample per level of development: developing countries (27), least developed countries (7).

1.2.7 Institutional framework of NTFCs in developed countries

As explained before, developed countries are underrepresented in the study with only four out of the 52 countries included in the sample. All four developed countries are situated in Europe. With a limited sample, it is more appropriate to analyze the results with a qualitative rather than a quantitative approach.

Of the four countries considered, half of the Committees have not been officially **institutionalized** yet, while the other half has been formally established through a decision or decree at governmental level.

Two out of the four committees affirm not to have either terms of reference or a work plan. They claim the lack of **terms of reference** is due to the lack of agreement between the members of the NTFC, while a work plan was not considered necessary. The two committees that have **work plans**, have opted for yearly work plans.

The **chairpersonship** of the NTFC is led by the private sector in two of the four Committees considered. One of the other committees is co-chaired by the Ministry of Trade and the Customs Authorities, while the last one is only chaired by Customs Authorities. The fact that, from the 52 NTFCs that answered the survey, private sector institutions hold the chairpersonship only in developed countries could suggest a higher degree of trust between the private and public sectors in developed countries, compared to developing and least developed countries. This could be the result of years of existing dialogue through institutionalised platforms and mechanisms, ensuring the participation and involvement of the private sector in trade facilitation reforms.

Three out of the four countries have a **permanent secretariat**. The secretariat might be hosted by the Ministry of Trade, Customs or the Chamber of Commerce. In two out of the three cases, it is financed by domestic resources, while in the third example, the permanent secretariat is sponsored by the private sector. In two countries, the permanent secretariat includes only one person, while in the third country case, six persons work in the secretariat. The country that reports not to have a permanent secretariat explained that this was not considered a priority by the National Trade Facilitation Committee.

Half of the committees of developed countries considered in the sample do not **meet regularly**. From the two committees that meet regularly, one meet annually and the other one quarterly.

1.3 Composition

This part of the study analyses who are the members of National Trade Facilitation Committees, specially focusing on the representation of public and private institutions. It also looks into the level of seniority of their representatives in the NTFC.

1.3.1 Public-private representation

As explained in UNCTAD 2017: "Trade Facilitation is a transversal issue. This means that any trade facilitation reform or initiative might impact different sectors. Sometimes, this impact is unintended and was not foreseen because the right stakeholders were not consulted and involved from the beginning in the design and implementation of these reforms. Thus, **it is essential that the composition of a National Trade Facilitation Committee is based on the principle of inclusiveness.**"

Not only public agencies need to be involved in the National Trade Facilitation Committee. Trust and a fruitful dialogue between the private and the private sectors are key for the successful development and implementation of trade facilitation reforms.

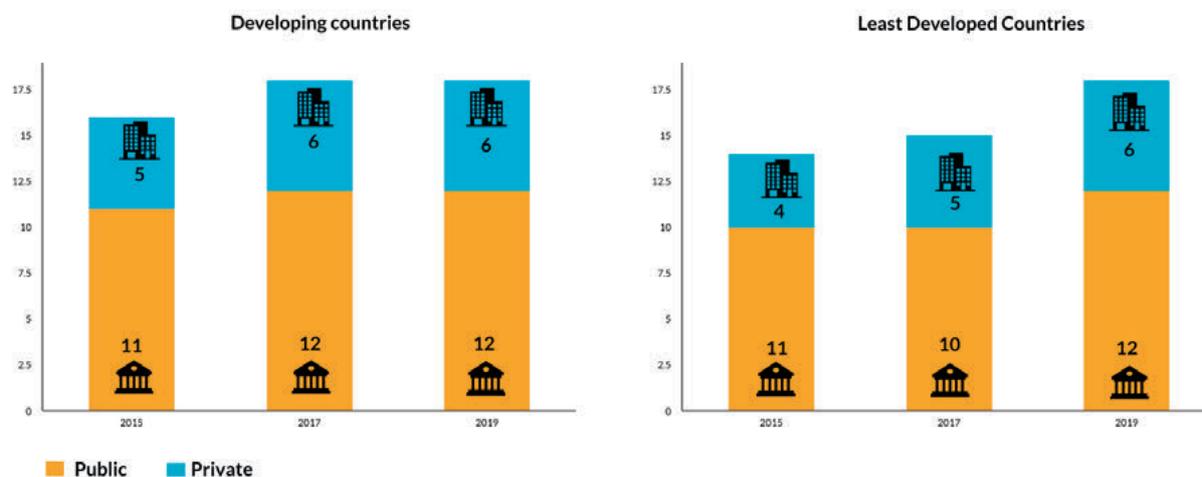
Among the National Trade Facilitation Committees surveyed, the average membership is 18 members, where 12 participants represent the public sector and six the private sector. As shown on Figure 17, **NTFCs have seen the number of members increase since 2015. This trend might be the result of countries acknowledging the complex nature of trade facilitation, a transversal issue that needs the participation of various sectors of the public and private community.**

Figure 16: Average number of public and private members in a National Trade Facilitation Committee



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 49 countries. Sample per level of development: developing countries (32), least developed countries (13).

Figure 17: Average number of members in NTFCs - 2015 to 2019



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 49 countries. Sample per level of development: developing countries (32), least developed countries (13).

This research analyzed in depth the members of National Trade Facilitation Committees. The diverse institutions named by NTFCs in the survey, were regrouped in several categories, as presented in Figure 18 and Figure 19. On the one hand, the public institutions in a trade facilitation committee are on average represented as follows: Agriculture, Livestock and Environment (20.6 per cent), Trade and Economy (17.5 per cent), Transport, Communication and Infrastructure (17.5 per cent of members from the public sector), Finance and Revenue, including Customs (11.9 per cent), Internal affairs (4.8 per cent), Health (4.5 per cent) Foreign and international Affairs (3.6 per cent) General services (5 per cent), Standards (3.6 per cent), Central

Bank (1 per cent), Science and Technology, (0.9 per cent). Other public institutions represented 6.9 per cent of members.

On the other hand, the private institutions in a trade facilitation committee are on average represented as follows: Traders and Traders Associations (52.6 per cent of members from the private sector), Transportation and Service Providers (29.6 per cent), Banks and Insurances (1.7 per cent each), Consumers (1.4 per cent), and Universities (0.4 per cent). Other private institutions represented 12.7 per cent of members.

It is worth mentioning that the results of this study are similar to the ones found in UNCTAD 2017 study.

Figure 18: Members of the National Trade Facilitation Committees from the public and private entities



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 50 countries.

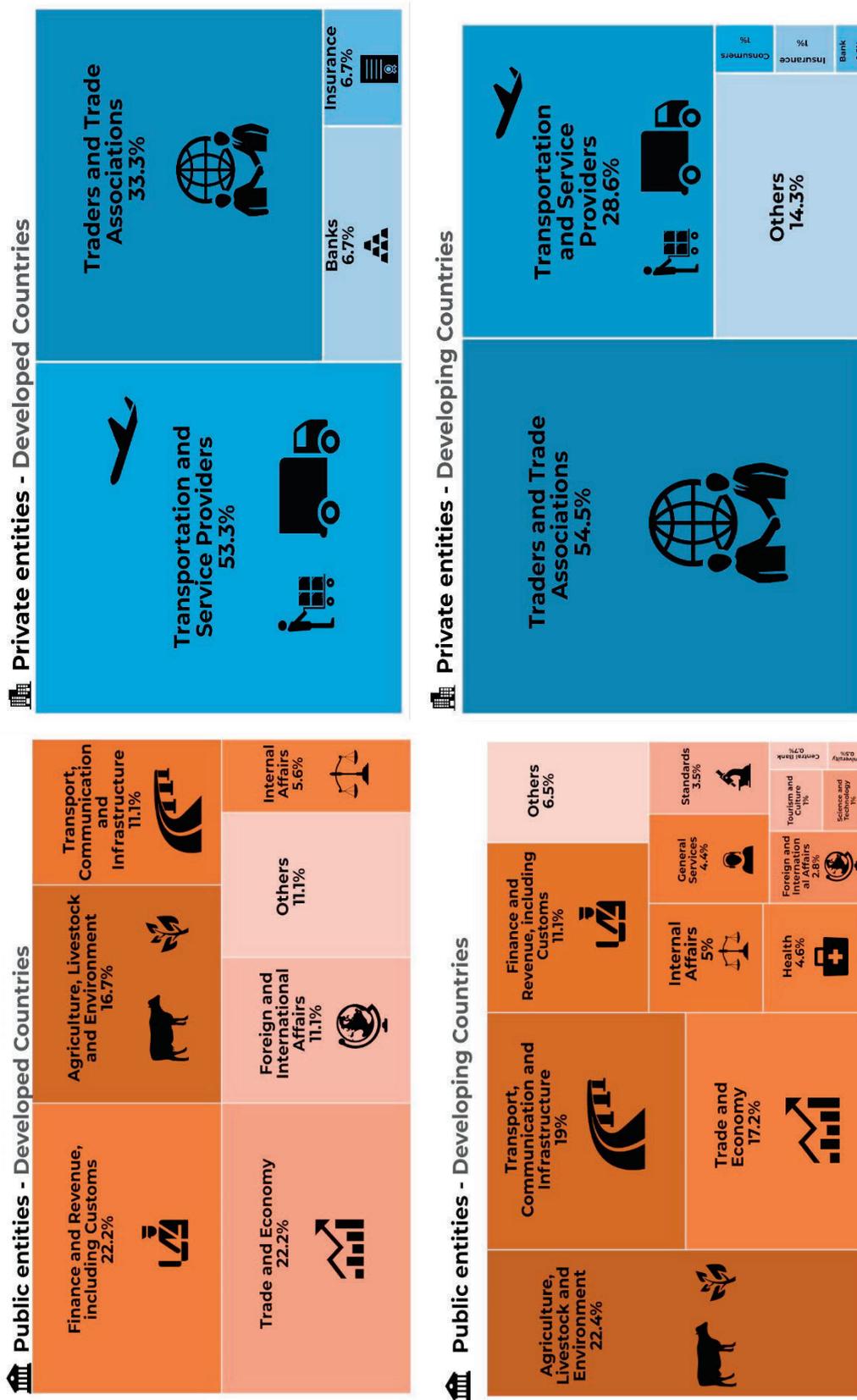
Public Entities

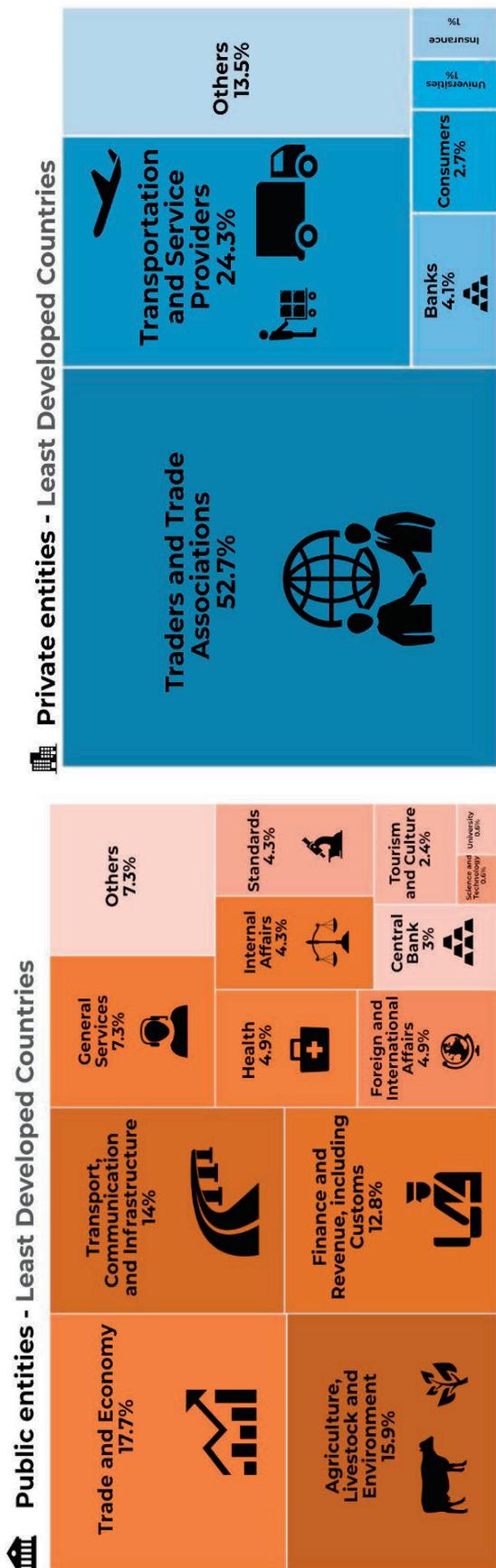
- Agriculture, Livestock and Environment** (chamber of mines, export and investment promotion, trade, importers, shippers, exporters, traders and merchants, single enterprises and businesses, manufacturers)
- Trade and Economy** (chamber of commerce and industry, chamber of agriculture, livestock and environment (fisheries, livestock, veterinary, food, plant protection and pest control, environment)
- Transport, Communication and Infrastructure** (air transport and airport, land transport, maritime transport, port, shipping)
- Others** (national security, immigration)
- General Services** (cabinet office, justice/legal, statistics)
- Health** (foreign, regional, international affairs)
- Science and Technology**
- Standards**
- Others**

Private Entities

- Traders and Trade Associations** (chamber of commerce and industry, chamber of agriculture, livestock and environment (fisheries, livestock, veterinary, food, plant protection and pest control, environment)
- Transportation and Service Providers** (transport associations and network, transporters, automotive and truck owners, ship owners, logistics, carriers, freight forwarders, customs brokers, clearing agents, airlines, airport authorities, ports and harbours, container terminals, terminal operators, warehousemen and stevedores)
- Banks**
- Insurances**
- Consumers**
- Universities**
- Banks**
- Insurances**
- Others**

Figure 19: Members of the National Trade Facilitation Committees from the public and private entities per level of development





Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 50 countries.

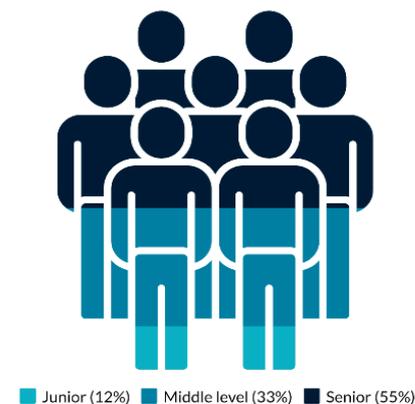
1.3.2 Level of seniority of members

As shown in UNCTAD 2017 study, one of the main obstacles for National Trade Facilitation Committees is the incorrect representation of members and their frequent replacement: “As a decision-making body, it is essential that NTFCs have the right people sitting around the table at each meeting. This means, the members of the Committees should be knowledgeable staff from private and public institutions, who will not just fulfil a representative function but who should be able to contribute meaningfully to the debates and take at least certain decisions on behalf of their organizations”.

As the work of National Trade Facilitation Committees moves towards the actual implementation of the provisions of the WTO Trade Facilitation Agreement, discussions at the NTFC meetings might quickly get detailed oriented and technical. Consequently, senior representatives might decide to send middle level staff to represent their organisation at the Committee meetings. To make sure this does not slow down the decision-making process at the National Trade Facilitation Committee, middle-level staff should be entrusted by their supervisors to take certain decisions on behalf of their organisation during those meetings.

As shown in Figure 20, the average composition of an NTFC includes 55 per cent senior staff, 33 per cent middle level staff and 12 per cent junior staff. Results also shown that **the more developed a country is, the higher the percentage of senior staff involved in the National Trade Facilitation Committee**. Only 47 per cent of representatives in the NTFC are senior in least developed countries, compared to 58 per cent in developing countries and 63 per cent in developed countries. **The lack of participation of senior staff could in the mid-term hinder the progress of the Committee, if members assisting to the meetings are not in a position to take decisions and, at such, do not have the full power to represent and speak on behalf of their organizations.**

Figure 20: Level of seniority of members of the National Trade Facilitation Committee



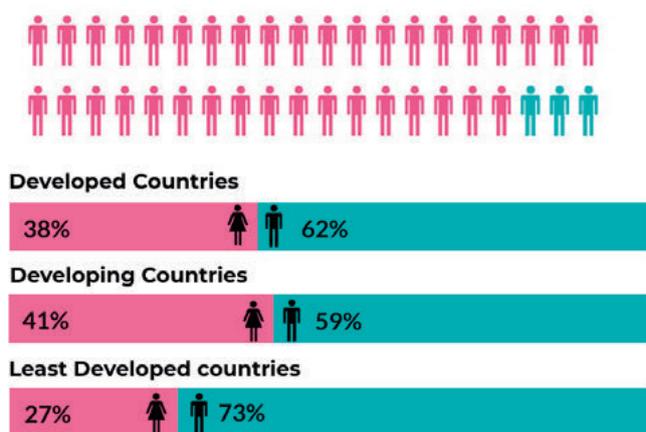
Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 52 countries.

1.4 Gender mainstreaming

The United Nations Sustainable Development Goal 5 aims at achieving gender equality and empowering all women and girls. As coordinators of trade facilitation reforms and the implementation of trade facilitation standards and policies, it is important that National Trade Facilitation Committees are gender-sensitive bodies. In other words, they should be able to respond to the needs and interests of both women and men and remove barriers to women fulfilling their potential as economic operators from both public and private sectors.

Are National Trade Facilitation Committees gender balanced? Not yet. On average, only 37 per cent of members of NTFCs are female.

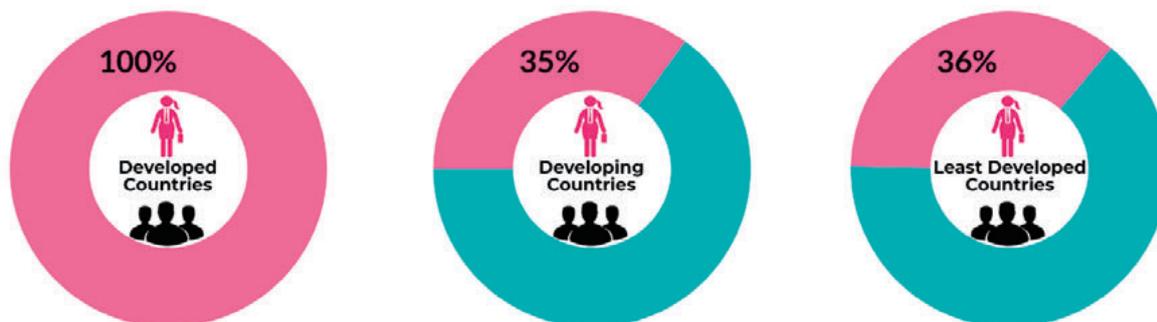
Figure 21: Average gender distribution in National Trade Facilitation Committees



Compared to UNCTAD previous study on this subject in 2017, no significant change has been registered. This percentage goes down to 27 per cent in the case of least developed countries (see Figure 21).

Not only are Committees not gender balanced, but they are rarely led by a woman. **Only 40 per cent of NTFCs are chaired or co-chaired by women.** As shown in Figure 22, just around a third of NTFCs in developing and least developed countries are chaired or co-chaired by a woman.

Figure 22: Percentage of National Trade Facilitation Committees where their Chairman, President or Vice President is a woman, by level of development



Source: UNCTAD – Sample per level of development: developed countries (4), developing countries (34), least developed countries (14).

From the 52 countries that have answered the survey, **83 per cent affirmed that the Committee have never taken a decision or action to mainstream gender in trade facilitation.** Since 2017, there has been a significant shifting among the reasons behind this result. While in 2017, almost a third of Committees (31 per cent) considered that gender mainstreaming is not relevant at this stage, this percentage has almost doubled (58 per cent) in 2019. This is the first reason given by developed and developing countries. On the contrary, the number of NTFCs claiming that the lack of awareness about gender mainstreaming was responsible for the lack of decisions or actions in this regard, went down by half: from 44 per cent in 2017 to just 21 per cent in 2019. This is the main reason named by least developed countries as shown in Figure 24. Finally, only one fifth of NTFCs (23 per cent) believed that gender mainstreaming is not a priority, which represents a comparable figure to the results gathered in 2017.

Figure 23: Reasons why the National Trade Facilitation Committees has never taken a decision or action to mainstream gender in trade facilitation



Source: UNCTAD – Sample: 52 countries.

From the specific answers provided by the National Trade Facilitation Committees,¹⁰ there seems to be a misunderstanding on what gender mainstreaming in trade facilitation means. NTFCs are mistaking having a

¹⁰ National Trade Facilitation Committees, that answered positively to the question “Has your NTFC has taken any action or decision to mainstream gender in trade facilitation policies?”, were asked to provide examples of such actions or decisions. All explanations provided were related to the inclusion of women in the Committee itself. Similarly, countries that provided written reasons for not

gender-balanced institution with advocating for gender-sensitive trade facilitation reforms. Ensuring the representativeness of women in the Committees is important, but it is not the only action that National Trade Facilitation Committees could undertake to promote gender-sensitive trade facilitation policies.

For instance, women, being vulnerable unregistered traders, tend to be over-proportionately represented¹¹ in informal cross-border trade. Trade facilitation measures alleviating gender-specific constraints could turn the reality of informal traders into a formalized micro-entrepreneurial scenario, with significant potential to help alleviate poverty and empower women, while at the same time, increasing Customs revenue collection.

Like this example, many other policies fostered by the National Trade Facilitation Committees could benefit from applying a gender-sensitive approach. Box 4 includes some of the recommendations made in UNCTAD study 2017, which are still valid in 2020.

Box 4: Key Recommendations for NTFCs to mainstream gender in trade facilitation



National Trade Facilitation Committees should make concrete steps to address gender equality, regarding both the composition of the committee and the substance of its work

Start out by mainstreaming trade facilitation in national trade policies, as it helps to formalize the informal traders, who are often women, and support women entrepreneurs in accessing foreign markets

Track whether there is equal participation between women and men in the Committee. Establish a minimum level of representation of women in the Committee. Where possible, use data disaggregated by sex

Consider the gender-specific impacts in the assessment of any policy or standard proposed by the National Trade Facilitation Committee

Promote that the proposed policy or standard responds to gender and / or sex-specific risks, vulnerabilities and needs, and assess if they contribute to the economic empowerment of women

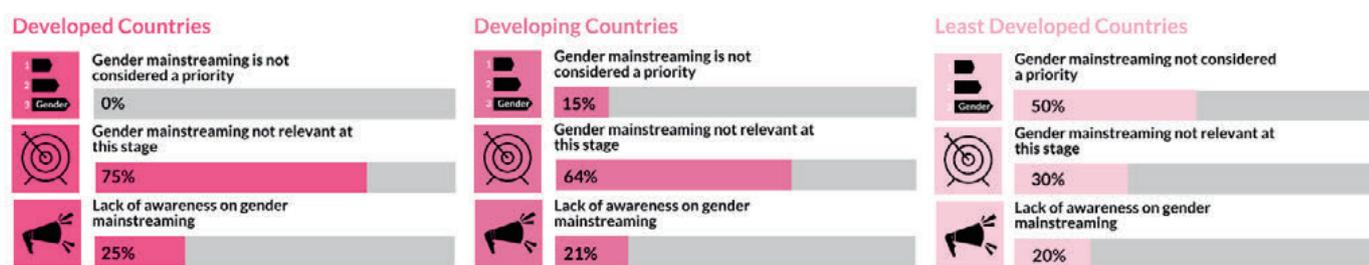
Place gender high on the agendas of the Committee and, if need be, request support, for instance from international agencies and donors, on this specific subject

Source: UNCTAD Policy Brief No. 65, Fostering Gender Mainstreaming in National Trade Facilitation Committees.

having taken actions or decisions in this regard, they claimed that this was not necessary, as women were equally represented in the Committee.

¹¹ Formalization of informal trade in Africa: Trends, experiences and socio-economic impacts, Food and Agriculture Organization of the United Nations (FAO), <http://www.fao.org/3/a-i7101e.pdf>, accessed on 22 November 2019

Figure 24: Reasons why National Trade Facilitation Committees have never taken a decision or action to mainstream gender in trade facilitation - per level of development



Source: UNCTAD. Sample per level of development: developed countries (4), developing countries (34), least developed countries (14).

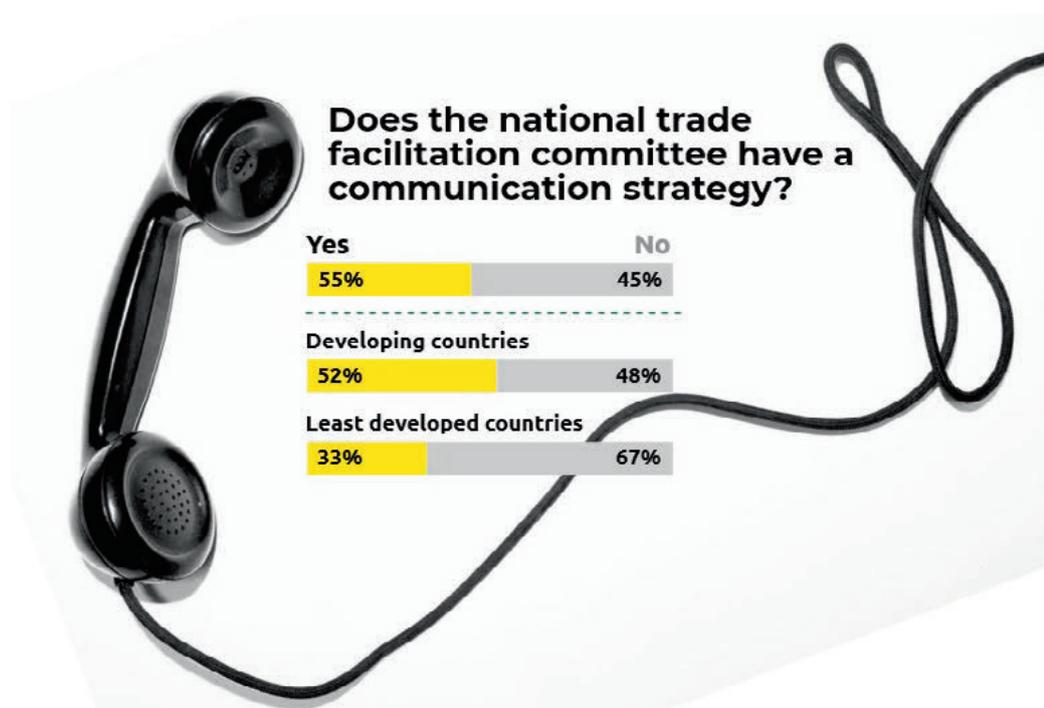
1.5 Communication with key stakeholders

Trade Facilitation reforms can have far-reaching consequences for many actors in trade and transport as well as end-consumers and the society as a whole. It is a transversal issue where many public and private institutions should have a say.

With National Trade Facilitation Committees moving forward to the coordination of concrete trade facilitation reforms, managing the expectations of all stakeholders becomes critical for the successful implementation of various projects. Transparency and systematic communication are the cornerstone of change management. As such, **National Trade Facilitation Committees are recommended put into place a proactive communication strategy, including clear goals, messages designed for each of the different target groups, adapted communication channels, concrete outreaching activities and a dedicated budget.**

As shown in Figure 25, **55 per cent of National Trade Facilitation Committees affirm to have a communication strategy.** The results drop to 52 per cent in the case of developing countries and 33 per cent for least developed countries.

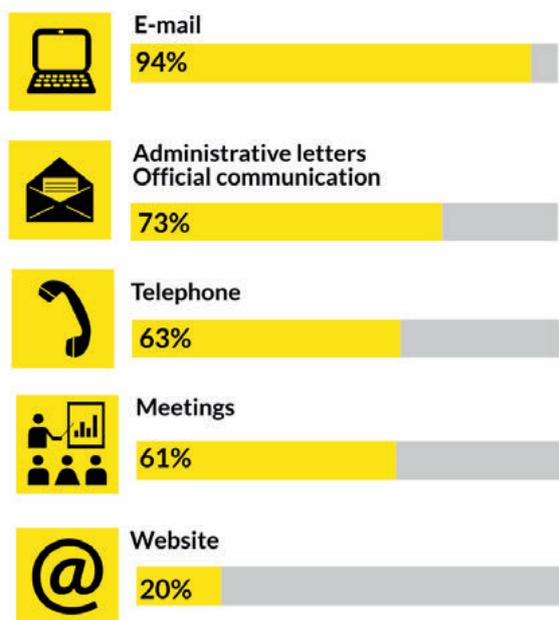
Figure 25: Does the National Trade Facilitation Committee have a communication strategy?



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 47 countries.

A total of 43 per cent of the NTFCs report that the lack of financial resources is the main reason for not having a communication strategy. The second most mentioned reason is the lack of personnel to undertake any work on communication (29 per cent of Committees). A total of 14 per cent of the Committees do not consider necessary to undertake outreach activities. One out of 10 Committees (11 per cent) claim that there is no communication strategy due to a lack of know-how on this subject.

Figure 26: Percentage of National Trade Facilitation Committees that mention these aspects as communication channels to keep stakeholders informed

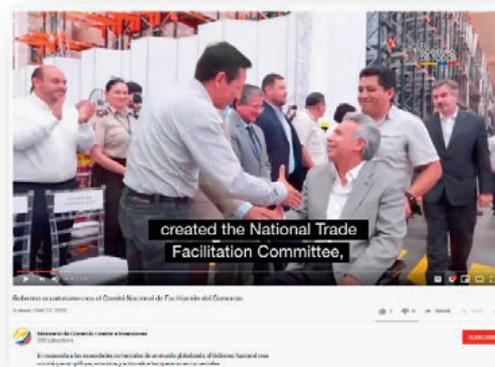


Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 51 countries.

Communication with stakeholders is done per email by the majority of NTFCs (94 per cent). Administrative letters and official communication are used by more than two thirds of Committees (73 per cent). 63 per cent of Committees also communicate via telephone. Meetings are a means of communication used by 61 per cent of NTFCs. **Only one out of five Committees (20 per cent) report to use a website to post and communicate information on the work of the National Trade Facilitation Committee.**

The National Trade Facilitation Committee of Ecuador has recently presented what could be considered a **best practice example of communication efforts undertaken by an NTFC to reach out to a broader audience**. Ecuador has edited and published a short video explaining, with short testimonials and using a plain language, what is the mandate, objectives and composition of the Committee. The video was presented to other WTO member States at the WTO Trade Facilitation Committee in February 2020 and can be watched under this link:

<https://youtu.be/BKtCxtNA15M>.



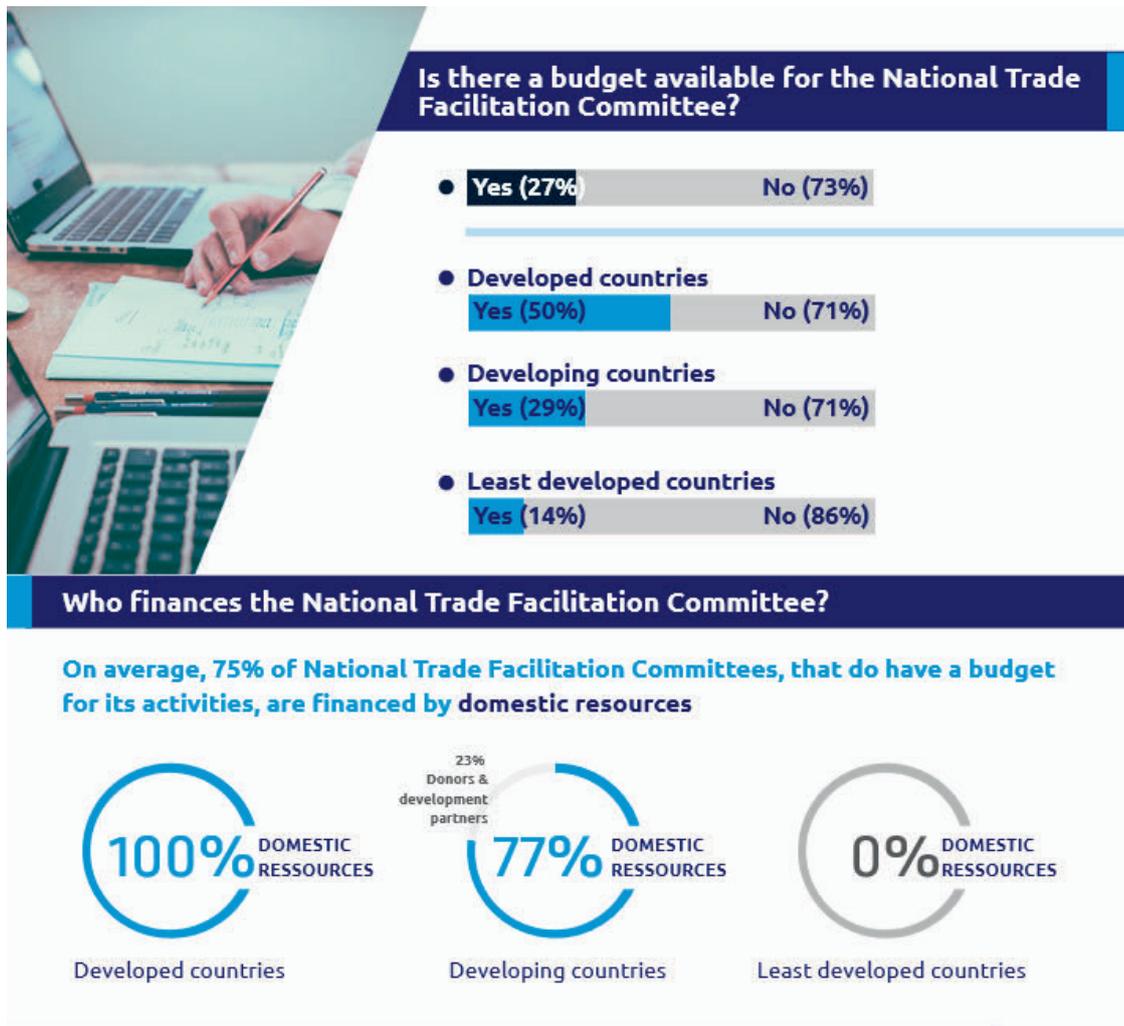
1.6 Budget and financial resources

As it will be discussed in Chapter 2, financial sustainability is essential for the NTFCs to ensure their efficient and regular operations.

According to the answers provided in the survey by the 52 participating countries, **only 27 per cent report that there is budget available for the activities of the National Trade Facilitation Committee**. This represents an increase of six percentage points compared to the results presented in UNCTAD 2017 study. However, as shown in Figure 27, only 14 per cent of the least developed countries included in the sample report having a

budget for their National Trade Facilitation Committee, which corresponds to 10 percentage points less than in 2017.

Figure 27: Key facts about financing the National Trade Facilitation Committee



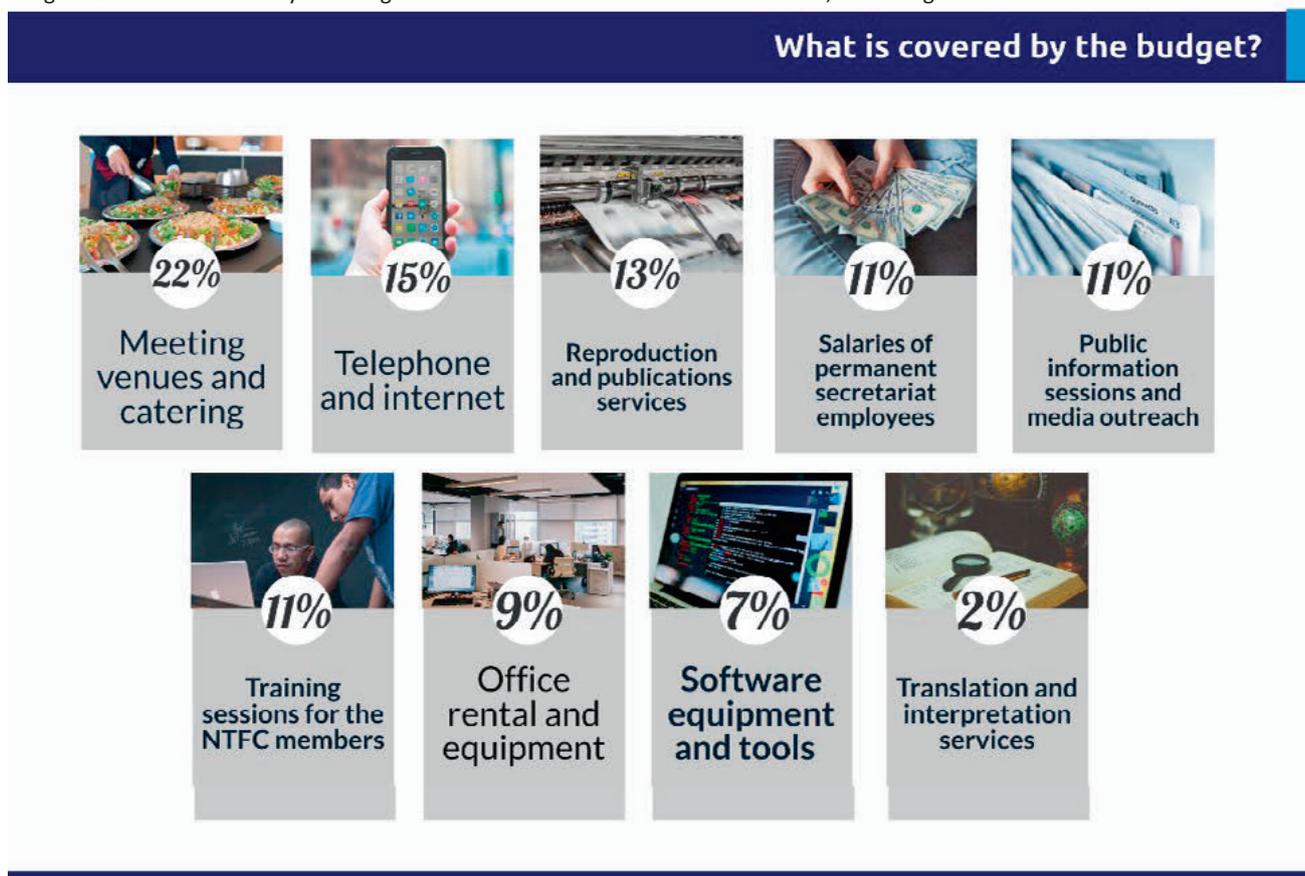
Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 52 countries.

In fact, the two least developed countries that reported having a budget for the NTFC were financed by donors or development agencies. Contrary to developed and developing countries, where domestic resources cover 100 per cent and 77 per cent of the budget of their committees respectively, least developed countries are not currently allocating any domestic resources for the financing of their National Trade Facilitation Committee. In other words, **the less developed a country is, the higher the probability to be financed by a developing partner rather than domestic resources.** This could be related to a general lack of understanding of the benefits of trade facilitation, which results in trade facilitation not been mainstreamed into the national budget. As explained in UNCTAD 2017 study: **“Basing the NTFC financing merely in the contributions of donors and development partners might be risky. This kind of contributions are generally temporary, as per ongoing projects. Thus, the sustainability of the Committee can be jeopardized once the project – and its corresponding budget, - comes to an end.”**

On average, **22 per cent of the budget of the National Trade Facilitation Committee is dedicated to cover meeting venues and catering**; 15 per cent will go to telephone and internet, followed by 13 per cent to

reproduction and publications services. Another 11 per cent is invested in public information sessions and media outreach while 11 per cent goes to financing training sessions for the members of the Committee. Only 11 per cent of the budget is used to pay the salaries of the permanent secretariat employees and 9 per cent to rent office space and equipment.

Figure 28: Items covered by the budget of National Trade Facilitation Committees, on average



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 52 countries.

In general terms, countries reporting that there is no budget for the NTFC, claim that the lack of domestic resources (50 per cent) and the lack of financial support of donors and development partners (30 per cent) are the main two reasons explaining this situation. **A total of 16 per cent of NTFCs claimed that having a budget for the activities of the Committee was not considered necessary.**

1.7 Concrete outcomes

As it will be described the subsequent chapter, the sustainability of National Trade Facilitation Committees over time is not an easy endeavour, even though NTFCs have become an obligation by international law. As mentioned in UNCTAD 2017 study: “One way to ensure this is making sure that results are being achieved and that participants are aware of those outcomes. It is crucial to show them the impact of their work and the return on their investment to join the meetings of the Committee”.

As shown in Figure 29, **only 6 per cent of surveyed NTFCs** (corresponding to one developed, one developing and one least developed country) **report that no concrete outcomes have been produced by the Committee so far.** This corresponds to a decrease of 17 percentage points compared to the results obtained in 2017. The

positive findings corroborate that the entry into force of the WTO Trade Facilitation Agreement has moved countries into action, which translates into substantiable and measurable outcomes.

With an increase of 47 percentage points compared to 2017, the ratification and notifications of the WTO Trade Facilitation Agreement have become the most cited outcome (77 per cent) among National Trade Facilitation Committees. Additionally, 73 per cent of Committees indicated that the NTFC has developed an implementation plan for the WTO Trade Facilitation Agreement. A third of NTFCs (33 per cent) reported that the National Trade Facilitation Committee contributed to the negotiation of trade and trade facilitation agreements.

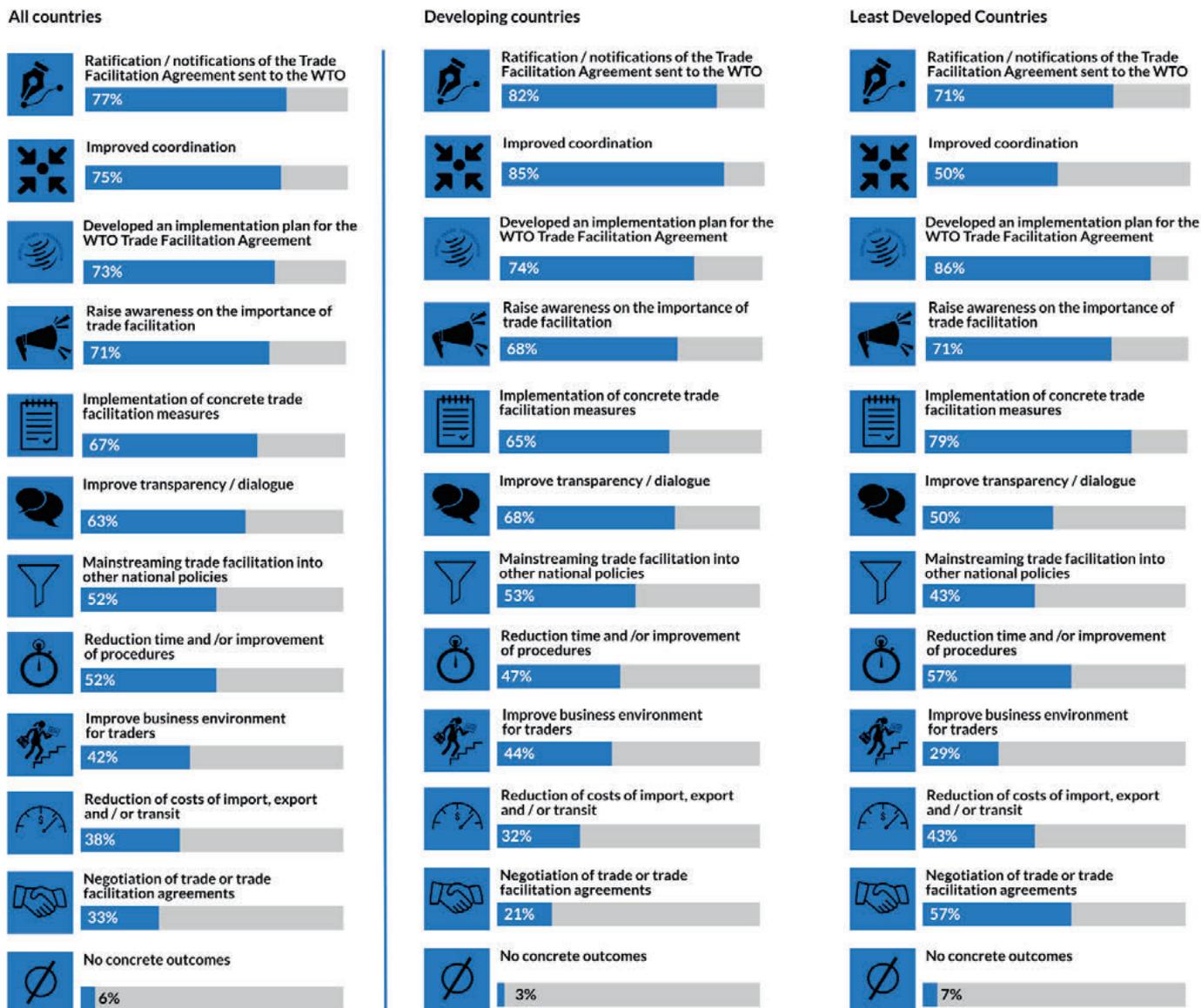
Two thirds of the National Trade Facilitation Committees (67 per cent) affirm that their work has helped them to implement concrete trade facilitation measures. This percentage is higher in least developed countries (79 per cent) than in developing (65 per cent) and developed countries (50 per cent). Vietnam Trade Facilitation Committee has been successfully contributing to the implementation of the national Single Window as well as the Single Window of the Association of Southeast Asian Nations (ASEAN). In fact, many National Trade Facilitation Committees get involved in the implementation of complex trade facilitation measures that specially require smooth coordination among public and private agencies.

Regarding the impact of the work of NTFCs in more intangible aspects, National Trade Facilitation Committees highlight the improvement of coordination (75 per cent) as well as the improvement of transparency and dialogue (63 per cent of NTFCs), and the support to raise awareness on the importance of trade facilitation (71 per cent). The work of the Committee has also contributed to mainstreaming trade facilitation into other national policies in one out of two countries (52 per cent).

The majority of NTFCs (52 per cent) believes that their work has helped reducing time and / or improving trade procedures and a third of them (38 per cent) also reports a reduction of the cost of import, export and transit. As such, 42 per cent of Committees claim that their work has contributed to improving the business environment for traders.

Figure 29: Concrete outcomes of the National Trade Facilitation Committees

Percentage of National Trade Facilitation Committees that mention these aspects as concrete outcomes produced by the Committee



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 52 countries.

2 Key factors for the sustainability of the National Trade Facilitation Committees

According to Article 23.2 of the WTO Trade Facilitation Agreement, 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 word *maintain* reinforces the idea that NTFCs are permanent platforms and not ad-hoc instruments. As such, they need to be sustained. Sustainability is the ability to exist constantly. As argued in Chapter 1.1 on Mandate and scope of action of NTFCs in developed countries, National Trade Facilitation Committees oversee and coordinate trade facilitation reforms aiming at simplifying, harmonising, standardising and making trade procedures more transparent within the framework of the WTO Trade Facilitation Agreement and, hopefully, beyond. Trade facilitation is a constant endeavour and so are National Trade Facilitation Committees irrespective of the level of development of a country.

The following chapter explores not only the perception of sustainability that the leadership of National Trade Facilitation Committees has, but also identifies key factors and main obstacles to sustainability.

2.1 Perception of sustainability

While the set-up of National Trade Facilitation Committees could be considered, to some extent, as a pretty straight forward business, ensuring their sustainability, meaning the continuation of their work overtime, remains a challenge, as shown by the results of UNCTAD research.

The present survey asked chairpersons of 52 National Trade Facilitation Committees to rate, using a scale from 0 to 100, to what extent they considered their NTFC to be sustainable in time. The average answer was a score of 68. This is a rather low number considering that WTO Member States are obliged by international law to establish, and maintain, such mechanism.

According to the results of this survey, there seems to be a correlation between the level of development of a country and the level of sustainability of its NTFC. From a scale of 0 to 100, developed countries rated the sustainability of their Committees at 90, while the figure decreased to 70 for developing countries and dropped to 57 for least developed countries.

Technical assistance to National Trade Facilitation Committees, especially for those in least developed countries could be critical to improve the degree of sustainability of NTFCs. Box 5 describes briefly how UNCTAD has been supporting the sustainability of National Trade Facilitation Committees.

Box 5: How UNCTAD supports the sustainability of National Trade Facilitation Committees

How UNCTAD supports the sustainability of National Trade Facilitation Committees



Since 2016, UNCTAD has been supporting the creation as well as building capacity of NTFCs in many countries around the world with its Empowerment Programme for National Trade Facilitation Committees.

The Programme has been raising awareness on trade facilitation and supporting NTFCs in the ratification and notifications procedures. It has been investing in improving stakeholders' understanding on the importance of trade facilitation, explaining international standards and recommendations but also the link between trade facilitation and development and the benefits of simplification, harmonization and standardization of trade procedures for the society.

During the first modules of the Programme, UNCTAD experts work hand in hand with the members of the National Trade Facilitation Committees to ensure that the countries fulfil their ratification and notification obligations towards the WTO.

In addition, UNCTAD has been providing NTFCs with tangible tools to ensure that the knowledge acquired during the duration of the programme is maintained and transferred, thus contributing to the sustainability of the Committees. Concretely, this is achieved supporting countries to draft a National Trade Facilitation Roadmap, that will be used as multi-annual work plan for the NTFC to steer trade facilitation reforms, irrespectively of changes that might occur in the NTFC membership. It also includes a "training of trainers" module, where key trade facilitation stakeholders draft a Knowledge Transfer Strategy to ensure that new members of the NTFC are properly introduced to the topic of trade facilitation and to their role as members of the NTFC.

To support that endeavour, UNCTAD has created a series of online courses which recapitulate some of the key lessons of the Empowerment Programme. The courses are videos of up to one hour each, which answer, in an interactive way, key questions such as:

- What is trade facilitation?
- Why is trade facilitation increasingly important?
- What are the benefits of trade facilitation?
- Can trade facilitation support a country's development policy?
- What is the Trade Facilitation Agreement?
- How can we legally interpret each of the Provisions of the Agreement?
- What is the role of National Trade Facilitation Committees?
- Which trade facilitation indicators and indexes should a country take into consideration?
- What is the relationship between Technical Barriers to Trade and Sanitary and Phytosanitary measures and trade facilitation?
- What other international standards and recommendations, apart from the TFA, are of interest to implement trade facilitation reforms?

UNCTAD approach to support NTFCs from developing and least developed countries seems to be working and this was reflected in the survey undertaken during the summer of 2019, with countries benefiting from the Empowerment Programme being more optimistic about the sustainability of their Committees. From a scale of 0 to 100, developing countries that have been supported by UNCTAD rated the sustainability of their Committees at 71, compared to 69 for those committees that were not assisted by UNCTAD. The correlation is even more visible when it comes to least developed countries: the figure goes up to 63 compared to 50 for those LDCs that have not been assisted by UNCTAD.

2.2 Key factors for sustainability

As ensuring the sustainability of National Trade Facilitation Committees is challenging, it is worth exploring the factors that NTFCs consider contributing the most to their sustainability.

As shown in Figure 30, the survey found that there are four main factors chosen as contributing to the sustainability of NTFCs:

- the commitment and participation of their members, (57 per cent)
- financial assistance and adequate resources, (57 per cent)
- high level support and political buy-in, (57 per cent) as well as
- the involvement of the private sector (55 per cent).

As secondary factors contributing to sustainability, around a third of NTFCs mentioned the cooperation among members, ensuring that there are common understanding and goals as well as mutual trust (35 per cent), the regularity of meetings and communications to NTFC members (33 per cent) and, finally, capacity building (33 per cent).

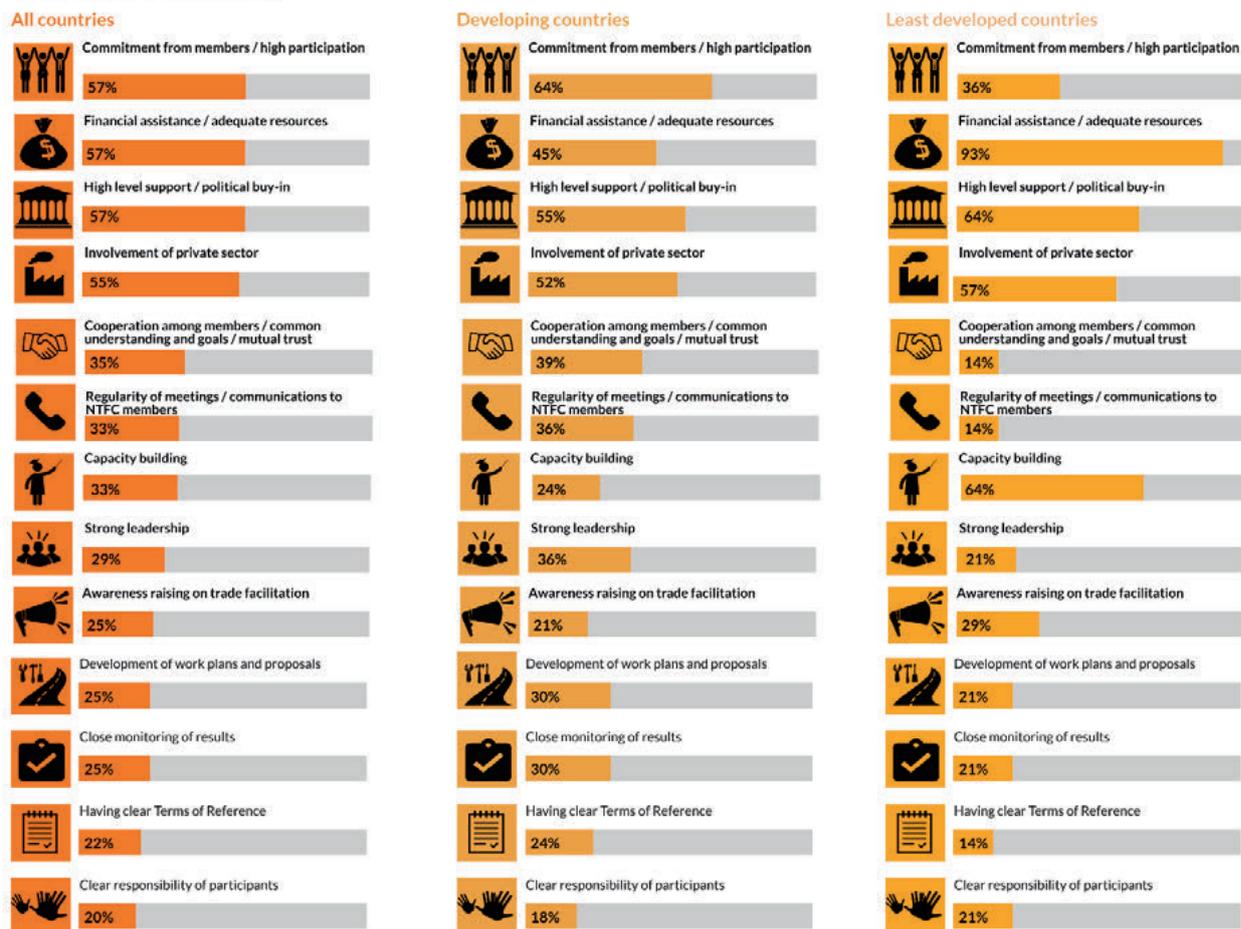
One out of five NTFCs also considered important to have a strong leadership, to ensure that efforts are being made to raise awareness on trade facilitation, the development of work plans and proposals, a close monitoring of results, and finally, having clear terms of reference as well as a clear distribution of responsibilities among NTFCs' members.

The perception of which factors are important to the sustainability of Committees differs significantly depending on the level of development of a country. Thirteen out of fourteen NTFCs (93 per cent) of least developed countries considered financial assistance and adequate resources as the main sustainability factor for NTFCs. More important than the commitment from members and their high participation, NTFCs in least developed countries reported capacity building as the second most important factor, followed by high level support and political buy-in (64 per cent) and the involvement of the private sector (57 per cent).

For developed countries, the main sustainability factors are related to their members; they believe cooperation among members, their commitment and participation in regular meetings to be more important than high level political support or having access to financial assistance and adequate resources.

Figure 30: Main crucial factors for the sustainability of National Trade Facilitation Committees

Percentage of National Trade Facilitation Committees that mention these aspects as crucial factors for sustainability



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019.

Sample: 51 countries

Sample per level of development: developing countries (33), least developed countries (14).

2.3 Main obstacles for sustainability

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

As displayed in Figure 31, more than a third of **National Trade Facilitation Committees** (71 per cent) **highlighted the lack of funding and resources** as the greatest obstacle for the sustainability of the Committee. This percentage goes up to 93 per cent for least developed countries.

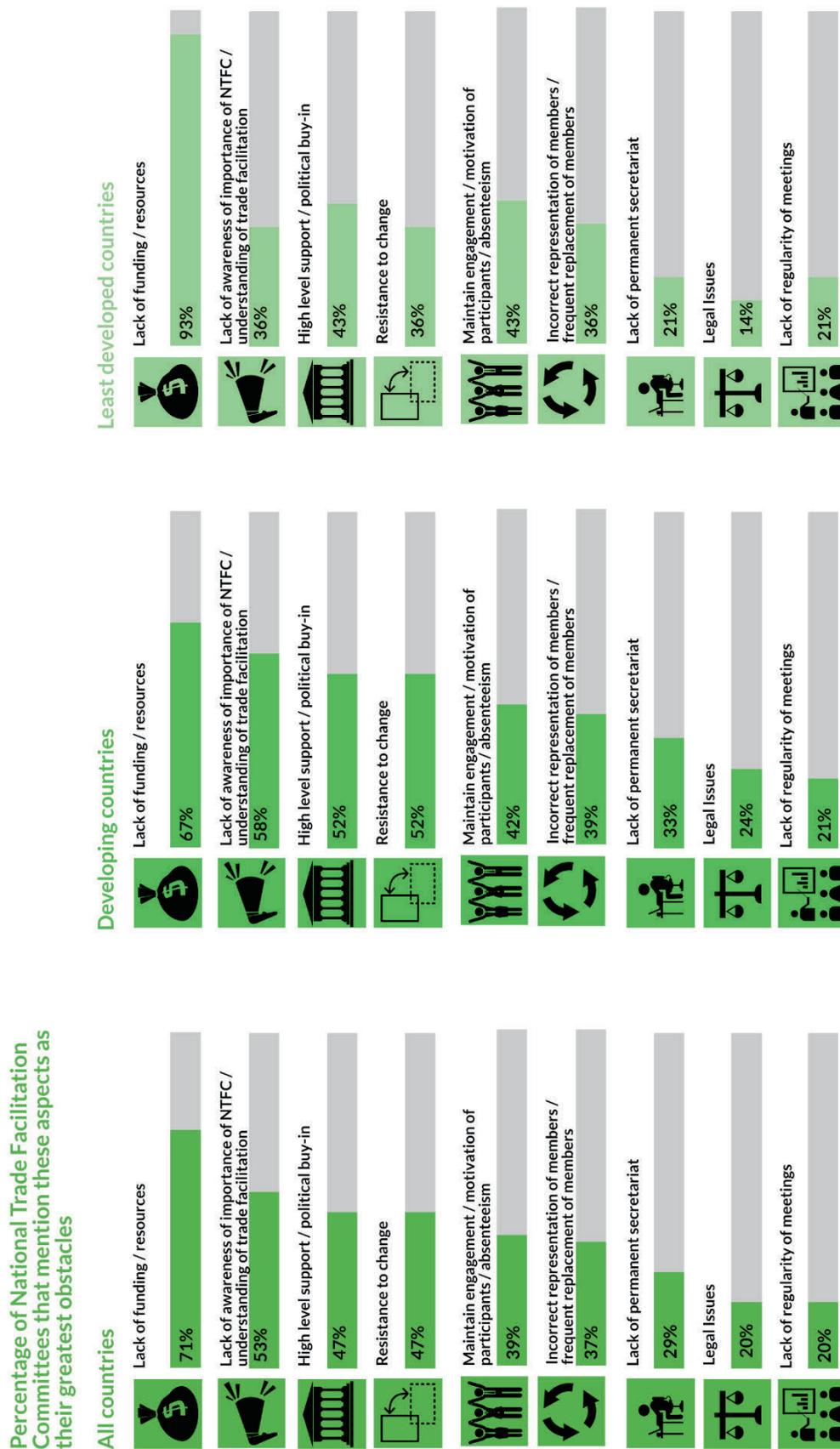
The lack of awareness of the importance of the NTFC and the lack of understanding of trade facilitation are the second most mentioned obstacles. One out of two committees (53 per cent) believes that this an impediment for the sustainability of the NTFC. These two obstacles are the most mentioned by the NTFCs from the developed countries included in the sample.

Resistance to change and the lack of political buy-in come in third position as there were both mentioned by 47 per cent of surveyed Committees.

These challenges are certainly interlinked. The lack of high-level support and the resistance to change could be addressed through better understanding both, the benefits of trade facilitation and the international obligations that have fallen upon WTO member countries with the entry into force of the WTO Trade Facilitation Agreement.

Lack of participation and issues to keep up the motivation of NTFC members, coupled with the incorrect representation or the frequent replacement of members were mentioned by approximately one out of three Committees.

Figure 31: Main obstacles for sustainability of NTFCs



Source: UNCTAD, based on answers received to an UNCTAD survey circulated from July to September 2019. Sample: 51 countries. Sample per level of development: developing countries (33), least developed countries (14).

Figure 32 shows how the importance of certain obstacles has changed since 2015. The changes reflect how NTFCs adapt to the new realities imposed by the need to implement the WTO Trade Facilitation Agreement.

As the implementation of those reforms take the shape of tangible projects, the lack of understanding of trade facilitation, resistance to change and lack of political buy-in gain positions in the ranking of the TOP 10 obstacles for National Trade Facilitation Committees. In this implementation phase, the lack of a permanent secretariat to document the progress made and organise the meetings of the NTFC has also gained importance in the eyes of the chairpersons of the NTFCs surveyed. On the contrary, the lack of regularity of meetings has lost positions in the ranking, certainly due to the fact that Committees are, per se, meeting more regularly anyway so that ensuring the frequency of the meetings is not a crucial issue anymore.

Figure 32: TOP 10 obstacles for National Trade Facilitation Committees over time



Source: UNCTAD.

Conclusions

This study complements UNCTAD's recent research work on National Trade Facilitation Committees, especially [National Trade Facilitation Bodies in the World](#), published in 2015, and [National Trade Facilitation Committees: Beyond compliance with the WTO Trade Facilitation Agreement?](#), published in 2017.

Thanks to the insights gathered in these two publications, UNCTAD has improved its methodology and was able to use a more standardized research approach. National Trade Facilitation Committees as Coordinators of Trade Facilitation Reforms builds upon the results of the previous NTFC studies but also includes new research areas, such as monitoring and evaluation, regional integration and e-commerce.

This study considers **information from 52 country cases collected from July 2019 to September 2019** via a standardized questionnaire developed by UNCTAD and distributed to chairpersons and secretariats of NTFCs around the world.

Main findings of the study

The main findings of the study are:

Mandate and Scope of action of National Trade Facilitation Committees. While the coordination of the implementation of the WTO TFA remains at the core of the NTFC competencies, more than a third of countries (37 per cent) affirm that their scope of action is much broader than the TFA. UNCTAD's research shows that 38 per cent of NTFCs are always or frequently acting as donor coordinator for trade facilitation initiatives. This figure corresponds to 33 per cent in developing countries and goes up to 53 per cent in least developed countries. A total of 71 per cent of committees affirm to always or frequently monitor the implementation of the WTO Trade Facilitation Agreement. Advising government and making recommendations (69 per cent of the committees) is the second most frequent scope of action. A total of 60 per cent of National Trade Facilitation Committees affirm to always or frequently collect, disseminate information and raise awareness on trade facilitation. Searching financing partnerships, fundraising and maintaining a relationship with donors and implementation agencies is the most cited action by least developed countries (64 per cent), representing 18 percentage points more than the average.

The majority of NTFCs (52 per cent) affirm to be in contact with other NTFCs in the region. Only 1 out of 5 National Trade Facilitation Committees (23 per cent) report to have ever taken a decision or action to facilitate cross border e-commerce. National Trade Facilitation Committees that have never taken any decisions or actions related to cross-border e-commerce named different reasons for this. More than a third of NTFCs (36 per cent) considered that cross-border e-commerce is not in the mandate of the NTFC, while 28 per cent of committees claim that there is a lack of awareness on the relationship between cross-border e-commerce and trade facilitation.

Degree of institutionalization. The vast majority (92 per cent) of trade facilitation committees have been officially institutionalized. The majority of trade facilitation committees (69 per cent) are institutionalized at the governmental level, for instance, by a decision of the Cabinet of Ministers or by presidential decree. This represents an 18 percentage points increase compared to the results obtained in 2017. Only 21 per cent of developing countries officially set up their NTFC at Ministerial level compared to 42 per cent of NTFCs in least developed countries. This puts NTFCs in least developed countries in a weaker position: as trade facilitation committees have a coordinating role among public agencies, a legal basis at the governmental level may result in a stronger high-level political commitment and might help address potential conflicts of interest among key stakeholders.

Terms of reference. Most National Trade Facilitation Committees (87 per cent) have terms of reference. This represents an increase of 23 percentage points compared to UNCTAD 2017 study.

Work plan. A total of 75 per cent of National Trade Facilitation Committees affirm to have a work plan. This corresponds to an increase of 13 percentage points compared to UNCTAD 2017 study, confirming that, in the past three years, National Trade Facilitation Committees have assumed a more active role in the coordination of the implementation of the specific provisions of the WTO TFA. National Trade Facilitation Committees in developing countries seems to have a higher probability to have a work plan than those in least developed countries. From those National Trade Facilitation Committees that do not have a work plan, half of them (50 per cent) reported that this is due to a lack of know how to be able to develop one. Almost one out of two NTFCs (44 per cent) have yearly work plans and 25 per cent of them choose to have quarterly work plans.

Monitoring and evaluation. In the survey that is used as the basis for this study, UNCTAD asked chairpersons of 52 National Trade Facilitation Committees to rate, using a scale from 0 to 100, to what extent they considered their NTFC to be fulfilling the role of monitoring and evaluating the implementation of the WTO Trade Facilitation Agreement. The average answer was a score of 62, which dropped to 47 in the case of least developed countries. A total of 19 per cent of National Trade Facilitation Committees do not use specific monitoring tools. Forty per cent of National Trade Facilitation Committees do not use any specific tools to evaluate their work.

Chairpersonship. Many National Trade Facilitation Committees (37 per cent) are now opting for having two or more simultaneous chairpersons leading the Committee. This is a big change compared to the results of the same UNCTAD survey in 2017. Back then, no Committee opted for an official co-chairpersonship. Nowadays, almost a third of National Trade Facilitation Committees (31 per cent) are co-chaired by two public entities and, in 21 per cent of the cases, those entities are the Ministry of Trade and Customs. This seems to be a natural move for NTFCs since countries are focusing progressively towards the implementation of concrete provisions of the WTO Trade Facilitation Agreement.

Despite the rise of co-chairpersonship in the National Trade Facilitation Committees, a total of 63 per cent of National Trade Facilitation Committees still report to have a single chairpersonship. While in 2017, the Ministry of Trade led the Committee in 70 per cent of the cases, only 40 per cent of National Trade Facilitation Committees have affirmed that the Ministry of Trade is holding alone the chairpersonship of the NTFC. The results of Customs remain constant compared to 2017, as 12 per cent of National Trade Facilitation Committees are led by them. The private sector is involved in the leadership of the National Trade Facilitation Committees in one out of ten NTFCs.

Permanent secretariat. Most National Trade Facilitation Committees affirm to have a permanent secretariat (58 per cent) or being in the process of setting up one (13 per cent). These figures represent a setback since UNCTAD 2017 study, where 71 per cent of NTFCs affirmed to have a permanent secretariat. On average, four people are working at the permanent secretariat of the National Trade Facilitation Committee. The figure goes up to five for least developed countries and down to three for developed countries. Thus, there seems to be a correlation between the number of people needed at the permanent secretariat and the level of development of a country. The more developed a country is, the less people are needed in the permanent secretariat. The permanent secretariat of National Trade Facilitation Committees is usually hosted by the Ministry of Trade (73 per cent). Only in a few cases, Customs (13 per cent) or the Chamber of Commerce (6 per cent) will be in charge of the permanent secretariat.

Almost half (45 per cent) of the NTFC that report to have a permanent secretariat, do not have a specific budget for it. Domestic resources are financing the permanent secretariats of 29 per cent of NTFCs, while

donors and developing partners are financing 24 per cent of them. The contribution of the private sector is minimal. It is also worth mentioning that no domestic resources are dedicated to permanent secretariats in least developed countries. There, 67 per cent of secretariats have no budget, while a third from NTFCs in those countries are financed by donors and developing partners. The lack of financial resources is the main reason (75 per cent of Committees) for not having a permanent secretariat in the National Trade Facilitation Committee. The lack of human resources is hindering the permanent secretariat in 17 per cent of the cases. Only one NTFC reports that the lack of political support has been obstructing the creation of a permanent secretariat.

Regularity and frequency of meetings. A total of 73 per cent of National Trade Facilitation Committees meet regularly. Least developed countries seem to be having more difficulties to ensure the regularity of the meetings, since more than a third of their NTFCs (36 per cent) report not to meet regularly. The majority of NTFCs (58 per cent) usually meet on a quarterly basis

Composition. Among the National Trade Facilitation Committees surveyed, the average membership is 18 members, where 12 participants represent the public sector and six the private sector. NTFCs have seen the number of members increase since 2015. This trend might be the result of countries acknowledging the complex nature of trade facilitation, a transversal issue that needs the participation of various sectors of the public and private community.

Level of seniority of members. The average composition of an NTFC includes 55 per cent of senior staff, 33 per cent middle level staff and 12 per cent junior staff. Results also shown that the more developed a country is, the higher the percentage of senior staff involved in the National Trade Facilitation Committee. Only 47 per cent of representatives in the NTFC are senior in least developed countries, compared to 58 per cent in developing countries and 63 per cent in developed countries. The lack of participation of senior staff could in the mid-term hinder the progress of the Committee, if members assisting to the meetings are not in a position to take decisions and, at such, do not have the full power to represent and speak on behalf of their organizations.

Gender mainstreaming. On average, only 37 per cent of members of NTFCs are female. Compared to UNCTAD previous study on this subject in 2017, no significant change has been registered. This percentage goes down to 27 per cent in the case of least developed countries. Not only are Committees not gender balanced, but they are rarely led by a woman. Only 40 per cent of NTFCs are chaired or co-chaired by women. Just around a third of NTFCs in developing and least developed countries are chaired or co-chaired by a woman.

A total of 83 per cent affirmed that the Committee have never taken a decision or action to mainstream gender in trade facilitation. Since 2017, there has been a significant shifting among the reasons behind this result. While in 2017, almost a third of Committees (31 per cent) considered that gender mainstreaming is not relevant at this stage, this percentage more than doubled (58 per cent) in 2019. This is the first reason given by developed and developing countries. On the contrary, the number of NTFCs claiming that the lack of awareness about gender mainstreaming was responsible for the lack of decisions or actions in this regard, went down by half: from 44 per cent in 2017 to just 21 per cent in 2019. This is the main reason named by least developed countries.

Communication with key stakeholders. Half of National Trade Facilitation Committees affirm to have a communication strategy. The results drop to 33 per cent for least developed countries. The lack of financial resources is reported by 43 per cent of the NTFCs as the main reason for not having a communication strategy. The second most mentioned reason is the lack of personnel to undertake any work on communication (29

per cent of Committees). Communication with stakeholders is done per email by the majority of the NTFCs (94 per cent). Administrative letters and official communication are used by more than two thirds of Committees (73 per cent). 63 per cent of Committees also communicated via telephone. Meetings are a means of communication used by 61 per cent of NTFCs. Only 1 out of 5 Committees (20 per cent) report to use a website to post and communicate information on the work of the National Trade Facilitation Committee.

Budget and financial resources. Only 27 per cent report that there is budget available for the activities of the National Trade Facilitation Committee. This represents an increase of six percentage points compared to the results presented in UNCTAD 2017 study. However, only 14 per cent of least developed countries report having a budget for their National Trade Facilitation Committee, which corresponds to 10 percentage points less than in 2017. The less developed a country is, the higher the probability to be financed by a developing partner rather than domestic resources.

On average, 22 per cent of the budget of the National Trade Facilitation Committee is dedicated to cover meeting venues and catering; 15 per cent will go to telephone and internet, followed by 13 per cent to reproduction and publications services. Another 11 per cent is invested in public information sessions and media outreach while 11 per cent goes to financing training sessions for the members of the Committee. Only an 11 per cent of the budget is used to pay the salaries of the permanent secretariat employees and 9 per cent to rent office space and equipment.

In general terms, countries reporting that there is no budget for the NTFC, claim that the lack of domestic resources (50 per cent) and the lack of financial support of donors and development partners (30 per cent) are the main two reasons explaining this situation. A total of 16 per cent of NTFCs claimed that having a budget for the activities of the Committee was not considered necessary.

Concrete outcomes. Only 6 per cent of surveyed report that no concrete outcomes have been produced by the Committee so far. This corresponds to a decrease of 17 percentage points compared to the results obtained in 2017. The positive findings corroborate that the entry into force of the WTO Trade Facilitation Agreement has moved countries into action, translating into substantiable and measurable operational outcomes. With an increase of 47 percentage points compared to 2017, the ratification and notifications of the WTO Trade Facilitation Agreement have become the most cited outcome (77 per cent) among National Trade Facilitation Committees. Additionally, 73 per cent of Committees indicated that the NTFC has developed an implementation plan for the WTO Trade Facilitation Agreement. A third of NTFCs (33 per cent) reported that the National Trade Facilitation Committee contributed to the negotiation of trade and trade facilitation agreements. Two thirds of the National Trade Facilitation Committees (67 per cent) affirm that their work has helped them to implement concrete trade facilitation measures. This percentage is higher in least developed countries (79 per cent) than in developing (65 per cent) and developed countries (50 per cent).

Regarding the impact of the work of NTFCs in more intangible aspects, National Trade Facilitation Committees highlighted the improvement of coordination (75 per cent) as well as the improvement of transparency and dialogue (63 per cent of NTFCs), and the support to raise awareness on the importance of trade facilitation (71 per cent). The work of the Committee has also contributed to mainstreaming trade facilitation into other national policies in one out of two countries (52 per cent).

The majority of NTFCs (52 per cent) believes that their work has helped reducing time and / or improving trade procedures and a third of them (38 per cent) also reported a reduction of the cost of import, export

and transit. As such, 42 per cent of Committees claim that their work as has contributed to improving the business environment for traders.

Perception of sustainability. The survey conducted asked chairpersons of 52 National Trade Facilitation Committees (NTFCs) to rate, using a scale from 0 to 100, to what extent they considered their NTFC to be sustainable in time. The average answer was a score of 68. This is a rather low number considering that WTO Member States are obliged by international law to establish, and maintain, such mechanism. There seems to be a correlation between the level of development of a country and the level of sustainability of its NTFC. From a scale of 0 to 100, developed countries rated the sustainability of their Committees at 90, while the figure decreased to 70 for developing countries and dropped to 57 for least developed countries (LDCs).

Key factors for sustainability. There are four main factors contributing to the sustainability of NTFCs: 1) the commitment and participation of their members, (57 per cent); 2) financial assistance and adequate resources, (57 per cent); 3) high level support and political buy-in, (57 per cent) as well as, 4) the involvement of the private sector (55 per cent).

The perception of which factors are important for the sustainability of Committees differs significantly depending on the level of development of a country. Thirteen out of fourteen NTFCs (93 per cent) of least developed countries considered financial assistance and adequate resources as the main sustainability factor for NTFCs. More important than the commitment from members and their high participation, NTFCs in least developed countries reported capacity building as the second most important factor, followed by high level support and political buy-in (64 per cent) and the involvement of the private sector (57 per cent).

For developed countries, the main sustainability factors are related to their members; they believe cooperation among members, their commitment and participation in regular meetings to be more important than high level political support or having access to financial assistance and adequate resources.

Main obstacles for sustainability. More than a third of National Trade Facilitation Committees (71 per cent) highlighted the lack of funding and resources as the greatest obstacle for the sustainability of the Committee. This percentage goes up to 93 per cent for least developed countries. The lack of awareness of the importance of the NTFC and the lack of understanding of trade facilitation are the second most mentioned obstacles. One out of two committees (53 per cent) believes that this is going to be an impediment for the sustainability of the NTFC. This is the most mentioned obstacles by the NTFCs of developed countries included in the sample. Resistance to change and the lack of political buy-in come in third position as there were both mentioned by 47 per cent of surveyed Committees. Absenteeism and issues to keep up the motivation of NTFC members, coupled with the incorrect representation or the frequent replacement of members were mentioned by approximately one out of three Committees.

Trade facilitation is a never-ending endeavour, so are National Trade Facilitation Committees

Article 23.2 of the WTO Trade Facilitation Agreement obliges all WTO Members to “establish and/or maintain a National Trade Facilitation Committee or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement”.

Trade facilitation is a never-ending endeavour. There will always be possibilities to simplify, harmonise, standardise and make trade procedures more transparent, particularly considering technological innovations. Moreover, implementation of many provisions in the Agreement require a periodic review and, as such, NTFCs can be key in ensuring the domestic coordination of this process:

Creating more transparent procedures requires a constant effort. In the coming years, import, export and transit laws, regulations and procedures will be changed according to the different needs of the trading industry, the application of enabling technologies and the challenges faced by the public administration. As such, it will be key to have a body that oversees that the information published and available on the internet (as required in Article 1 of the WTO TFA) is constantly updated by the various stakeholders. This is a role that can be assumed by the NTFC.

Simplification, Standardisation and Harmonisation are dynamic concepts. Article 6.1.4 states that “each Member shall periodically review its fees and charges with a view to reducing their number and diversity, where practicable” and Article 10.1 obliges WTO Members to review formalities and documentation requirements “with a view to minimizing the incidence and complexity of import, export, and transit formalities and of decreasing and simplifying import, export, and transit documentation requirements and taking into account the legitimate policy objectives and other factors such as changed circumstances, relevant new information, business practices, availability of techniques and technology, international best practices and inputs from interested parties”. The word periodically means that the revision should take place at regularly occurring intervals and the NTFC can oversee the domestic coordination of this revision.

Another example of regular ongoing functions is included in Article 10.3 of the WTO Trade Facilitation Agreement in which, WTO members “are encouraged to use relevant international standards or parts thereof as a basis for their import, export or transit formalities and procedures”. The NTFC could be responsible of identifying existing or new relevant international standards and providing recommendations to the different agencies on whether the implementation of those would be feasible and advisable.

There are other imperishable roles of NTFCs. For many countries, NTFCs have become the instrument enabling the implementation of Article 2.2 of the WTO Trade Facilitation Agreement. This Article obliges Member States to “provide for regular consultations between its border agencies and traders or other stakeholders located within its territory”. At such, NTFC will constitute a permanent platform to ensure private-public dialogue.

Another function often assumed by the NTFCs is donor coordination. As the organ steering the implementation of the provisions of the TFA as well as other trade facilitation measures, NTFCs from developing and least developed countries are in a privileged position to fulfil the role of channelling donor support for trade facilitation reforms. In countries where the figure of the national donor coordinator officially exists, it is important that (s)he becomes a regular member of the NTFC.

To conclude, NTFCs are needed and justifiable, in developing and developed countries alike, and whether the TFA is fully implemented or not. They have the role of overseeing and coordinating trade facilitation reforms within the framework of the TFA and beyond TFA compliance. Trade facilitation reforms aim at simplifying, harmonising, standardising and making trade procedures more transparent and, as such, they are a constant endeavour not a one-off activity. Consequently, NTFCs need to be permanent platforms, coordinating national efforts to make trade, every day, a little bit cheaper, faster and simpler for the benefit of the society as a whole.

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