National Trade Facilitation Committee: Article 23.2

To facilitate implementation, the TFA mandates the establishment of a National Trade Facilitation Committee (NTFC), an important platform for institutional coordination and stakeholders' consultation, where private and public sector participation is effectively balanced. All WTO Members must establish a NTFC which serves the purpose of coordinating and supervising implementation of trade facilitation measures contained in the Agreement.

Members must establish a national committee on trade facilitation to facilitate domestic coordination and implementation of the TFA.

NTFCs are multi-agency permanent forums where relevant stakeholders from the public and private sectors propose, discuss, consult, coordinate and reach, where possible, consensus on trade facilitation measures at the national level, enabling the effective implementation of trade facilitation solutions for cross-border movement of goods.

The measure

ARTICLE 23 INSTITUTIONAL ARRANGEMENTS

2 National Committee on Trade Facilitation

Each Member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement.

Understanding the measure

What is covered?

Core obligation

WTO Members have an obligation to establish or maintain (if a similar mechanism already exists) a national committee on trade facilitation which coordinates domestic trade facilitation reforms and implements the provisions of the TFA. The implementation of this measure is mandatory for all Members without any exception.

In order to comply with this measure, Members *may* not need to adopt any specific legislation. A national administrative act to create and/or maintain a National Trade Facilitation Committee may suffice. Some Members may want to maintain two or more committees to deal with all technicalities and issues of trade facilitation reform.

Composition of the committee

WTO Members have the right to choose the membership of their NTFC as they deem fit. There is no obligation to maintain an equal representation from the public and private sectors on the committee but it is highly recommended to do so, because implementing trade facilitation measures demands coordination and cooperation among all public and private stakeholders involved in import, export and transit procedures.

Furthermore, trade facilitation measures such as single window or risk management are highly complex and require both participation and inputs from public and private stakeholders. In fact, public-private partnerships are the driving force towards establishment and operation of trade facilitation reforms.

What is not covered?

The Article does not provide details on the formal aspect, nature, type and composition of the National Trade Facilitation Committee and any requirement to establish formal multi-agency working groups. The text is also silent on the committee and/or its members’ decision-making powers and mode of operation.

There is no indication on the relation and interaction, if any, between the NTFC and the WTO Committee on Trade Facilitation, how these committees should share tasks and duties and how often they should communicate to keep track of trade facilitation progress in member countries.

Benefits and opportunities for stakeholders

The NTFC helps facilitate inter-agency collaboration and private sector coordination. Improving inter-agency coordination on operations conducted jointly by different agencies can help reduce complexity and eliminate duplication of requirements and process redundancies. This will significantly reduce the time and cost of clearances to the benefit of traders, particularly SMEs.

When private sector representatives are included, the NTFC provides a single authoritative forum for open debate and collaborative discussion addressing business challenges and finding concrete solutions towards implementation of trade facilitation reforms. Without direct private sector representation, the NTFC can still provide opportunities for public-private engagement through dedicated sessions, seminars and workshops, led by the NTFC.

By working towards greater transparency and efficiency, the NTFC will increase competitiveness of businesses, strengthen business confidence and compliance using simplified inter-agency trade requirements. A successful implementation will foster the credibility and predictability of government institutions and a positive investment climate.

Implementation

Implementation checklist

The following checklist may be used to estimate the level of compliance with the measure:

- A NTFC has been established or a similar existing mechanism has been designated to serve as the NTFC.
- The NTFC or similar mechanism facilitates both the coordination and implementation of trade facilitation provisions under the TFA.
- The NTFC or similar mechanism meets on a regular basis.
- The NTFC or similar mechanism acts with clear terms of references.
- The NTFC or similar mechanism follows an action plan and supervises the smooth progress of the national implementation plan.

Preparing a national implementation plan

The following template may be used as the basis for a national implementation plan:

	Actions suggested
Implementation sequence	**Preparatory phase**
	Determine whether a national mechanism exists to facilitate the coordination and implementation of trade facilitation measures in the WTO TFA.
	If one or various mechanisms exist, determine its characteristics and scope of action.
	If there is no existing mechanism, analyse country needs and decide which type of mechanism will be appropriate to coordinate and implement TFA measures.
	Set-up phase
	If necessary, adopt legal and institutional frameworks to implement the measure.
	According to the scope of action and responsibilities of the mechanism, assign appropriate financial and human resources.
	Make the committee operational.
	Management and follow-up phase
	Monitor and evaluate compliance, including impact of the committee on domestic coordination and implementation of TFA measures, with particular attention to reduced delays, bottlenecks and duplications.
	Periodically review and implement trade facilitation changes, with private sector participation in the reform process.
Average time for implementation	Between one to two years.
Leading implementation agency	The ministry of trade is most commonly chosen as the leading implementation agency.

Key challenges

Lack of political will and buy-in from senior levels of government may be a critical challenge, especially when this does not allow for inter-agency cooperation among a large number of agencies. Lack of clarity in the terms of reference and scope of work of the NTFC may also be a challenge. The government may also not have capacity to implement the measure, including rationalization of joint protocols, co-location, joint examinations and inspections or other coordination management systems among agencies.

Public and private sector stakeholders may not maintain positive and regular engagement, leading to lack of trust and stalemate. Lack of public sector awareness on the scope and opportunities of this measure will reduce the benefits of implementation.

Key factors for success

Harmonious coordination among border agencies is one of the main success factors for the implementation of this measure. Engagement at the highest levels of government will help create understanding and buy-in.

A robust mechanism of public-private dialogue and engagement is vital to allow an open exchange of ideas and collaboration to make it easier to trade. A public campaign to raise awareness of the measure's benefits in the trading community is important. Encouraging responsible traders to be part of trade facilitation reforms and advocate for their rights is an important role of the NTFC.