



**UNCTAD / UNECE Workshop
Strengthening National and Regional Trade Facilitation Organizations
Geneva, 31 October - 1 November 2006**

Workshop report

Background

1. The United Nations Conference on Trade and Development (UNCTAD) and United Nations Economic Commission for Europe's Centre for Trade Facilitation and Electronic Business (UN/CEFACT) organized a two-day workshop on "Strengthening regional and national trade facilitation organizations" from October 31 to November 1 in Geneva.
2. The meeting aimed:
 - To identify best practices in establishing effective national and regional trade facilitation bodies and ensuring their sustainability,
 - To highlight the needs and main challenges in facilitating trade at the national and regional level and
 - To present the latest developments in trade facilitation tools and instruments.
3. More than 50 representatives of national and regional trade and transport facilitation organizations from thirty countries attended the workshop and actively participated in the discussions.

Current challenges and opportunities of Trade and Transport Facilitation bodies

4. Many different governmental departments and agencies, service providers and stakeholders of the business community are involved in trade facilitation efforts. First national trade facilitation bodies were set up in the 1970's With the view to facilitating consultation between government institutions and the business community and enhancing policy coherence through inter-ministerial coordination,. Based on their positive experience, in 1974 UNECE issued a special recommendation (UN/CEFACT Recommendation No. 4) calling for the establishment of national trade facilitation organizations. While initially such bodies focused on the simplification and standardization of trade documents and procedures, their scope since then has been broadened to include transport issues, EDI and paperless trade.

At the present time, trade and transport facilitation committees and organizations vary in composition, institutional and legal set up, and objectives. They range from well-structured institutions receiving public and private financial support to less formal or informal groups of stakeholders who meet irregularly to discuss topics of common concern. Their activities may include a) supporting and advising governments in the formulation of a trade and transport facilitation policy, b) providing advice, information, training or other services to their institutional members, c) analysing and carrying out research, and possibly also d) contributing to the implementation of trade facilitation measures.

While some are operational oriented and draw together different national service providers with the aim to provide local trade facilitation solutions, others aim at foreign policy coordination or providing essential services for the business community. UNCTAD and the World Bank supported setting up national trade and transport facilitation committees as part of national trade facilitation technical assistance projects, and UNECE actively supported the creation of so-called PRO Committees. However, many national trade facilitation bodies faced difficulties in sustaining their activities beyond project timelines and funding, and therefore were dismantled

5. With the WTO negotiations on trade facilitation in the framework of the Doha Development Round, the question of policy coordination and private-public sector consultation has returned to the forefront of concerns. Such bodies could provide the mechanism for needs analysis and strengthening policy coherence, thus enhancing the countries' participation in the negotiations. At the same time, new technologies were being developed, in particular in the field of Information and Communications Technologies (ICT), laying the ground for new trade facilitation applications such as the electronic Single Window. Thus, there is a new momentum for strengthening national trade facilitation bodies whilst addressing challenges of sustainability faced by them.

Workshop findings

6. Participants from Sweden, Pakistan, United Kingdom, Nepal, Paraguay, France, Albania and Senegal presented their national experiences in establishing trade facilitation organizations with a focus on structure, mandate, and funding as well as challenges to their work. It became clear that different rationales for coordination and consultation led to different institutional settings, ranging from informal negotiations support groups under the auspices of the Ministry of Foreign Affairs, such as the one established in Paraguay, to quasi autonomous trade facilitation bodies with limited governmental influence and funding. ODASCE¹, for example, funds its activities and secretariat through voluntarily members' contribution and paid-for services only. Amid the different structures and experiences of national trade and transport facilitation bodies, participants were able to identify national ownership, political will and commitment, sufficient resources, and private sector involvement as key factors for the success of such coordination bodies. In this respect it was interesting to note that, while in some countries the business community is driving the process and work of trade facilitation bodies (SITPRO, ODASCE, SWEPRO), the private sector in other countries fails to actively participate in such efforts, especially where economies are characterized by many SMEs. Nepal's and Pakistan's experiences showed that the management of the coordination process is equally important to its objectives and that, therefore, such trade facilitation bodies should be equipped with a permanent secretariat and their work guided by a long term action plan.

7. Countries benefit as much from their own trade facilitation efforts as from those of their trading partners, and regional and international cooperation therefore becomes essential. The regional trade facilitation coordination bodies SeciPRO (PRO committees of the Southeast European Cooperative Initiative) and EuroPRO (joint platform of European PRO committees) presented their work aiming at providing a platform for their members for joint advocacy and sharing of experiences. The Pacific Islands Forum Secretariat's (PIFS) experience with actively supporting member countries in setting up trade and transport facilitation committees provide a useful insight into the the kind of support a regional governmental organization can provide through networking and expertise.

8. Following these presentations, participants discussed the challenges faced by their organization in ensuring sustainability, identifying trade facilitation priorities and in setting up mechanisms for consultations between Government and traders. The discussion was structured around three themes, each one being addressed by a working group. The themes were respectively:

- Sustainable funding;
- Strengthening consultation and interaction between government and the trading community; and

¹ ODASCE is a trade facilitation body in France.

- the structure and elements for prioritization of trade and transport policy objectives.

9. In general, participants found that there is a need to tailor the revenue mechanism to each country whilst stressing that public and private partnerships provide a sustainable basis for the work of trade facilitation bodies. An inclusive and comprehensive policy mechanism allows the best for the identification and assessment of priorities of a national trade facilitation reform process in the framework of regional and international agreements and of the country's economic development objectives. Paperless trading, Single Window and transit simplification were identified as ranking high among the trade facilitation priorities. Key points from their discussions are presented in Annex A.

10. On the second day, representatives of the participating international organizations described how they supported national and regional trade facilitation organizations and presented a summary of the trade facilitation tools and standards they offered. Presentations highlighted UN/CEFACT trade facilitation standards, recommendations and tools, UNCTAD's seminars, research activities and technical assistance projects, the World Bank trade facilitation negotiations support programme and the World Customs Organization Time Release Study Guide. Speakers agreed on the important coordination role played by the Global Facilitation Partnership for Trade and Transportation (GFP). UN/CEFACT encouraged TF Pro Organisations to actively participate in the standards development process and indicated that holding regional events such as the UN/CEFACT bi-annual Forum were excellent ways of building regional awareness and launching new initiatives.

11. The closing panel discussion summarized the questions raised during the two-day workshop and focused on perspectives to strengthen the work of national and regional trade and transport facilitation bodies and International Organizations dealing with trade facilitation. During the concluding round table discussion, participants concluded that the following components were crucial for most TF organizations:

- Sound mechanism for analyzing TF priorities;
- Research on TF impact and benefits;
- Mechanisms to finance Pro Organizations;
- Identification of a champion (Leadership);
- Trained staff;
- Use of ICT and internet collaborative tools;
- Addressing new challenges for trade, such as security measures; and
- Addressing integrity issues.

12. The roundtable discussion also emphasized that trade facilitation and non-tariff barriers are particularly challenging for the least developed countries.

13. Throughout the discussions, it has become clear that the structure of the coordination body is as important as its mandate and that, therefore, resources should be provided to allow for a permanent institutional set-up, including a secretariat and trained staff. International Organizations should continue their information and training efforts whilst strengthening collaboration amongst them. Participants stressed that high-level involvement of government would not only foster independent funding but also political commitment to the trade facilitation reform process, which is of particular importance to developing countries. National trade facilitation bodies should also be pro-active in awareness raising and work towards the development of tools and solutions to build a compelling case for decision-makers to support them. With a view to the importance of global solutions to trade facilitation, International Organizations should further develop and promote simple and comprehensive standards and tools. The impact of new security measures on trade facilitation efforts should be given close attention as much as the question of integrity of government officials. Participants of the workshop pointed to the usefulness of creating a community of practice that could possibly be supported through the GFP platform. In the same spirit, a mentoring scheme for PRO organizations was suggested.

Follow-up and way forward

14. Participants discussed the possible individual and collective follow up activities to the workshop. Individually, many Pro Organizations were planning to reinforce their work on promoting TF among the governmental agencies and business community, using the materials and information from the workshop. Some organizations considered that the workshop demonstrated the importance of involving all the stakeholders in the TF dialogue and, in particular, of involving local authorities, SMEs, as well as countries that are not WTO member. Participants also hoped that they could further strengthen bilateral and regional contacts they'd established during the workshop by jointly promoting common TF interests, organizing regional meetings, centralizing and coordinating TF initiatives at the regional level and establishing a mentoring scheme between well established and less well established organizations.

15. Finally, participants focused on the support they needed from the international organizations. They considered the following activities to be particularly useful:

- Bringing together existing TF tools into a comprehensive framework (a simple, understandable, comprehensive model);
- Organizing training workshops and providing technical support, capacity building to national TF organizations;
- Helping national organizations raise awareness of TF benefits (through national and regional meetings and seminars) to provide an impetus for the TF needs assessment;
- Promoting national TFO and disseminating success stories;
- Assisting with the creation and reinforcement of regional and global networks and with developing regional TF programmes;
- Reaching out to the developing countries;
- Addressing the financing issue, especially for participation in the international meetings;
- Bringing in relevant stakeholders, such as national chambers of commerce; and
- Developing a recommendation that would call for financial support from governments for TF organizations, because it is crucial for sustainability.

16. Participants also called for a greater coordination between different agencies working in the area, which they considered to be crucial for creating a shared vision of international trade facilitation standards, which could be promoted by national and regional organizations.

Annex A:

KEY POINTS FROM THE INTERACTIVE DISCUSSIONS

A. FUNDING AND SUSTAINABILITY: What are the key factors for ensuring proper funding and sustainability of trade facilitation organizations?

1. One size does not fit all!
2. Consider re-engineering the organization to reflect the changing situation – ongoing review
3. Public-Private Partnerships bring together various interests
4. Government versus Business Funding
 - a. Governments should provide funding, especially for developing countries
 - i. Government funding implies commitment
 - ii. Need government to implement TF measures
 - b. Business community will support if they see benefit
 - i. 1.CCI may lead in some countries
 - ii. 2.Note – contributions in kind from either government or business
5. Various revenue mechanisms - Projects and fees
6. Priorities – Should be needs driven and priority focused – Business case for specific initiatives

B. NATIONAL TRADE FACILITATION PRIORITIES: What are possible criteria for the prioritization on specific trade facilitation measures and what would be the best way to manage this process? What are the main trade facilitation priorities for your organisation?

1. Key characteristics of a sound prioritization mechanism
 - a. Continuity of government policy
 - b. Programme of privatization (competition issues)
 - c. Impact assessment
 - d. Consistent decision-making
 - e. Reconciling interests (different priorities for different sectors, especially SMEs)
 - f. Internationally binding agreements (bilateral, sub regional, regional and global)
 - g. Export versus import facilitation
2. Current priorities
 - a. Establishing the national TF organizations (Open, inclusive, transparent and credible)
 - b. Single Window
 - c. Paperless trading
 - d. Transit simplification
 - e. Simpler documentation
 - f. Capacity building and technical assistance
 - g. Awareness raising, especially non tariff barriers to trade (trade policy versus trade facilitation)
 - h. Payment process
 - i. ICT
 - j. WTO TF negotiations
 - k. Costs of TF measures

Conclusion: Identifying and assessing your priorities cannot be separated from the mechanism of prioritization, which must be inclusive and comprehensive.

C. CONSULTATION AND POLITICAL SUPPORT: How does your organization organize consultations on trade facilitation between Government and Trade? How, in your opinion, can these consultations be strengthened?

1. Mechanisms for consultation:

- a. Inter-ministerial working groups
- b. TF organizations
- c. International organizations on TF (WB, UN/CEFACT, UNCTAD, SECI Stability Pact, EU)
- d. Business associations
- e. Meetings between TF organizations, chambers of commerce with the Ministry of economy\
- f. Creation of expert working groups
- g. Websites
- h. Informal advocacy groups

2. Proposals for enhancing consultations

- a. More interactions with international organizations
- b. Research and analysis on the TF benefits
- c. Private sector's participation in international meetings and standard setting for a
- d. Lobbying
- e. Private sector's participation in the regulatory and legislative process
- f. Institution building
- g. Consulting and involving direct stakeholders (SMEs)
- h. Regional cooperation
- i. Prove the results
- j. Changing the structure of PRO bodies.