

EMPOWERING TRADE FACILITATION:



# GUIDANCE ON THE IMPLEMENTATION OF THE WTO-TFA



**International Federation of  
Freight Forwarders Associations**

*The global voice of freight logistics*

# FIATA INTERNATIONAL FEDERATION OF FREIGHT FORWARDERS ASSOCIATIONS

FIATA is a nongovernmental, membership-based organisation representing freight forwarders in some 150 countries. FIATA is a reference source on international policies and regulations governing the freight forwarding and logistics industry. FIATA works at the international level to represent service providers who operate in trade logistics and supply chain management. Through its FIATA documents and forms, congress, training and publications, and engagement with relevant international organisations, it promotes trade facilitation and best practices among the freight forwarding community.

Founded in Vienna, Austria, in 1926, FIATA owes its name to its French acronym (*Fédération Internationale des Associations de Transitaires et Assimilés*) and is known as 'the global voice of freight logistics'. FIATA is headquartered in Geneva, Switzerland.

## DISCLAIMER

This document is an introductory brochure intended to provide basic information about the handling of dangerous goods. It is not a substitute for any form of training and should not be relied upon as the sole source of information. The content of this brochure is for informational purposes only and should not be used for any legal, regulatory, or contractual purposes. Readers are advised to seek additional training and information from relevant industry sources before making any decisions based on the information contained in this brochure.

For further information about the activities of the FIATA Advisory Body in Safety and Security or for any comments on this guide, please contact the FIATA Headquarters at [sustainability@fiata.org](mailto:sustainability@fiata.org)

Photo (cover): Cecilie-Arcurs from Getty images

## ACKNOWLEDGMENT

FIATA would like to express its gratitude to the below organisations and associations, who provided valuable input and insights. Their contributions were critical to the success of this guidance, and we are deeply grateful for their dedication:

- ALOG Chile
- Associação Nacional Das Empresas Transitárias, Agentes de Carga Aérea, Comissarias de Despachos e Operadores Intermodais (ACTC)
- Brazilian Ministry of Economy
- Center for International Private Enterprise (CIPE)
- Federation of Malaysian Freight Forwarders (FMFF)
- International Trade Center (ITC)
- Syrian International Freight Forwarding Association (SIFFA)
- United Conference for Trade and Development (UNCTAD)
- Uluslararası Taşımacılık ve Lojistik Hizmet Üretenleri Derneği (UTIKAD)
- World Trade Organization (WTO)

# CONTENTS

Executive summary

1. Introduction	6
2. The Trade Facilitation Agreement	8
3. National Trade Facilitation Committee	11
4. Results of FIATA's survey	12
5. The industry's best practices	18
6. Tools to better understand the TFA and optimise working with it	32
7. Conclusion	34

# EXECUTIVE SUMMARY

The Advisory Body on International Affairs (ABIA) is working to support the members of the FIATA Association with regards to the implementation of the World Trade Organization-Trade Facilitation Agreement (WTO-TFA). The TFA is a binding agreement between WTO Members States aimed at reducing trade barriers and simplifying border procedures, with a focus on empowering small and medium-sized businesses. The private sector needs to proactively engage, bearing in mind the specificities of the agreement and how to best use them. Freight forwarders need to remain involved in tracking the activities of the National Trade Facilitation Committees (NTFC) to make their voice heard and take advantage of the incentives available to reduce red-tape.

Against this background, FIATA conducted a survey to explore the awareness of such a committee among the freight forwarding community worldwide and to assess how it could support in increasing engagement to implement the WTO-TFA. The results of the survey highlighted that interviewed Association members were mostly satisfied with their interactions with their respective NTFC. However, suggestions for improvement were made, such as discussing more accurate topics, having more formal working groups, and re-starting NTFC meetings that may have been disrupted by the pandemic. Six Association members had no interaction with the NTFC and some cited reasons such as not perceiving their country as a direct beneficiary or having alternative channels for engagement. The respondents provided additional insights on the implementation of the WTO-TFA, such as calling for more private sector involvement, deeper engagement from stakeholders, a better shaped agenda, and improved customs bureaucracy. Association members who replied that there was no NTFC in their country were in favour of support from FIATA to raise awareness with their national authorities.

To provide a deeper understanding of the issue at hand, a few interviews with relevant actors have been conducted. Involving both private and public sector into the discussion, the interviews highlights the point of view at the technical and operational level with a number of best practices and guidance shared to build the capacity of FIATA Members to participate effectively and obtain results from state agencies via the NTFCs. FIATA has attempted to collate views from its Association members across various regions to present the grassroots level picture and from international organisations to present a birds eye



view of the purpose and impact of the TFA. The paper also displays a number of tools that could be used by Association members to better understand the agreement, engage with their NTFCs and better organise the projects presented in such committees.

Finally, the guidance highlights the importance of trade facilitation and the role of both public and private sectors in its success. It emphasises proper functioning of NTFC and the importance of the private sector's participation in providing valuable insights into policy operations to ensure they respond to the needs of the industry. The public sector is responsible for providing resources and working in collaboration with the private sector, while the private sector should engage in productive dialogues. Both sectors should follow established processes to the extent possible in their local context, to ensure successful trade facilitation discussions.

# 1. INTRODUCTION

As part of its work, the Advisory Body on International Affairs (ABIA) aims at providing support to FIATA Association Members with respect to the implementation of the **World Trade Organization – Trade Facilitation Agreement (WTO-TFA)** as a part of its capacity building initiatives.

## 1.1 What is the WTO-TFA?

The Trade Facilitation Agreement (TFA) is a binding multilateral trade agreement between Member States of the World Trade Organization (WTO), which is designed to overcome trade barriers brought on by burdensome border procedures.

The WTO-TFA is structured with unique provisions and flexibilities and broke new ground in the decentralised, bottom-up manner the negotiations were structured. The agreements negotiation history is detailed briefly to shed light on how it is different from other WTO agreements. Its provisions are highly sensitised to the capacities and resource constraints of developing countries and therefore takes a flexible approach to their ability to implement certain provisions.

*The agreement presented a shift in the system's focus beyond the 'software' of trade from policy barriers towards the 'hardware' or process friction on the ground.*

WTO agreements, unlike many other international agreements, are subject to full accountability by its dispute settlement mechanism, with real-world financial consequences to Member States for failure to comply. Developing and Least Developed Countries (LDC) were hesitant to bring more regulations under the ambit of issues subject to disputes. Therefore, the TFA was structured in a permissive, positive and encouraging tone for economies to alleviate administrative and procedural burdens for traders, with a special focus on small and medium-sized businesses (SMEs) and limited exposure to dispute settlement. This is meant to be done by expediting the release of goods, reducing border-crossing requirements and increasing transparency and access to information.

## 1.2 Why is it important?

💡 By reducing red tape at borders, enhancing transparency, and leveraging modern technology, the WTO-TFA would increase trade efficiency globally and promote economic growth.

💡 SMEs are the most negatively impacted by border procedures, complex customs regulations, and other trade barriers that make it more difficult for businesses of all sizes to conduct international business.

💡 The TFA's implementation would have a more significant effect on global commerce than the removal of all remaining tariffs. Average trade costs can drop by up to 4% as a result, with developing economies profiting even more<sup>1</sup>.

## 1.3 How is the TFA relevant for freight forwarders and customs brokers?

The TFA is best approached bearing the following two elements in mind as they form the checks and balances of the system.

**Managing Expectations:** The TFA notes that LDCs and most developing countries have flexibilities that allow them to only undertake commitments to the extent that their individual development, financial and trade needs or administrative and institutional capabilities allow. Therefore, one cannot expect a uniform standard of application of the agreement worldwide. This is contrary to what an international agreement would normally imply. It therefore falls on FIATA's Association members and companies to use the NTFCs to the fullest to push for the reforms they need.

**Need for proactive participation:** Just as the TFA has many flexibilities, it also has an unusual number of incentives to ensure implementation.

*The private sector needs to come forth to specify the infrastructure needed or implementation capacities lacking in their country for regulators to take note and for support to come from the international community.*

1 Duval, Yann and Utoktham, Chorthip (2022), Has the WTO Trade Facilitation Agreement helped reduce trade costs? An ex-post analysis. July 2022. Bangkok.

## 2. THE TRADE FACILITATION AGREEMENT

**Structure of the TFA:** The agreement is structured in 3 sections distributed in 24 articles. The 24 articles contain 4 types of provisions- mandatory, conditional/capacity based, best endeavour and voluntary.

FIATA has sorted out the provisions of the WTO-TFA sections by relevance to forwarders in the table below:

RELEVANCE TO FORWARDERS	SECTIONS/ ARTICLES AND THEIR TITLES
<b>Important</b>	Section 1- Arts. 1-6 Art. 7 on release and clearance of goods is particularly relevant. Section 3- Art. 23 (NTFCs)
<b>Aimed only at Governments</b>	Section 2- Implementation and grace periods for governments. Art. 13. - Art. 22 and Art. 24



**Art. 3** of the TFA mandates certain minimum requirements for advance rulings.

**Art. 5** of the TFA sets the standards of impartiality, non-discrimination and transparency in the application of non-tariff measures, such as regulations or restrictions to protect plant, animal and human life and health. It also notes that if any cargo is detained, the carrier or importer shall be informed, however, an explicit reference to forwarders is missing.

**Art. 6** of the TFA disciplines fees and charges collected in relation to importation and exportation. They are required not to be unduly burdensome.

**Art. 7** is particularly relevant in the context of advance clearance and release of goods. Under the TFA, countries are to develop and maintain systems to allow electronic documents to be submitted<sup>2</sup>. In countries where this is not yet a reality and funds are cited as the reason for being unable to go paperless, NTFCs are again an ideal platform for FIATA members to lobby their governments to seek the relevant technical assistance at the WTO-TFA Committee to equip their countries with the means to process electronic documents.

This article also deals with specific trade facilitation measures aimed at authorised economic operators (AEO). In addition to disallowing discrimination between similarly placed operators, it also notes that the procedure to designate such operators cannot restrict the participation of SME businesses. Forwarders can leverage this provision when compliance procedures are unduly burdensome.

**Art. 8** requires agencies at the borders to cooperate with one another on aspects like working days and hours, joint/shared facilities resulting in a one stop border control post, and to align their procedures and formalities to the extent practicable. If it has not been a priority, it can be highlighted at the NTFC meetings.

**Art. 10** deals with formalities connected with import, export and transit. It aims at reducing the time and cost of compliance for traders. The article relates closely to Art. 7 and is also of crucial importance to the forwarding community. Here, the TFA encourages member states to accept copies, including electronic copies of documents supporting transit of goods. FIATA is helping its Members embrace this transition with the digital FBL solution. Art. 10 also includes reference to a commonly used WTO legal standard, i.e., the least restrictive alternative. So, if a trader can show that the government can achieve the same

---

<sup>2</sup> The FIATA eFBL is designed in a simple and trackable format to be accessible to customs authorities for easy verification using the QR code.

legislative intent with a less cumbersome procedure, the state is obliged to reconsider its options or justify why its present standard is the only way to achieve the legislative intent. There is also an attempt to bring harmonisation between various standards used during import and export formalities by requiring countries to undertake a periodic review of international standards they may incorporate.

**Art. 12** is particularly important for customs brokers and forwarders if they need their government to act on their behalf for any specific issue or receive clarification from another State. This article is a bridge where the TFA transitions from a government to business facing law to a more inter-governmental understanding. The article facilitates a platform, via the TFA Committee at WTO for countries to share best practices on customs compliance.

Section II of the agreement is relevant to WTO Member States outlining their transition periods, implementation phases, and technical and capacity building support related details.

Section III contains the final provisions. Amongst these, Art. 23, requiring the establishment and maintenance of National Trade Facilitation Committees is perhaps the most discussed section of the TFA. It aims to act as a bridge between the government and private sector involved in international trade.

# 3. NATIONAL TRADE FACILITATION COMMITTEE

The WTO-TFA calls for meetings to include both government departments as well as all interested business sector representatives meeting as **National Trade Facilitation Committees (NTFC)** at which all relevant matters concerning the improvement of moving goods across borders can be discussed and proposals considered. These National Committees for Trade Facilitation, required by Article 23.2 of the Agreement, aim to facilitate domestic coordination for, and implementation of, the Agreement.

The WTO-TFA addresses the issue of collaboration through the mandatory establishment in all WTO members of NTFCs, to coordinate the implementation of the obligations of the agreement at national levels. However, the agreement does not specify how these committees are established and should work. One important aspect of the committees is the active involvement of the private sector, including freight forwarding associations at the national level. Such participation is essential to shape and ensure relevance of trade facilitation reforms.

The below chart is an example of the possible composition of an NTFC. Kindly note that an NTFC is not limited to the below stakeholders.



# 4. RESULTS OF FIATA'S SURVEY

## 4.1 Background information

As a first step, and to assess how to best support its Association Members, FIATA launched a survey to gather their feedback as regards the implementation of the agreement in their national context, with respect to the functioning of the NTFC in particular. The request to fill in the survey was circulated at the end of August 2021 to FIATA Association Members via FIATA's internal channels on the FIATA Document Delivery Service (FDDS). In view of gathering more replies, the survey was reopened in summer 2022 and finally closed on 25 October 2022.

There were in total **answers from 45 Member countries** – representing **around 40% of FIATA Association members**. This result is above usual response rate for search surveys.

In terms of regional distribution, although a majority of the answers came from Regions Europe and Asia-Pacific, Association members from all FIATA Regions replied to the survey, as displayed in Table 1 below.

**Table 1: WTO-TFA survey answers, per FIATA region**

REGIONS	NUMBER OF COUNTRIES ANSWERING	SHARE (PERCENTAGE)
Asia-Pacific	14	31
Americas	6	13
Europe	15	33
Middle-East and Africa	10	22
<b>Total</b>	<b>45</b>	<b>100</b>

## 4.2 Analysis

Most Association Members **confirmed that the NTFC** had been **established in their country**, as required by Article 23.2 of the WTO-TFA. According to the respondents, the NTFC has **not been established in four countries; five Associations Members were not aware** if the NTFC had been established in their country, as shown in Table 2 below. Interaction with FIATA delegates noted that in regions across the world, NTFCs have been less active and in some cases ceased activities altogether after the pandemic. Members who pointed out these concerns noted that there needs to be some action taken to revive them.

**Table 2: Presence of an NTFC, per FIATA region**

REGIONS	YES	NO	DO NOT KNOW
Asia-Pacific	12	0	2
Americas	5	0	1
Europe	11	2	2
Middle-East and Africa	8	2	0
<b>Total</b>	<b>36</b>	<b>4</b>	<b>5</b>

Most interestingly, among the five Association Members who replied that they were not aware of the presence of the NTFC, two have a formally established NTFC. Moreover, in one of the instances where the Association Members replied that there was no NTFC, there was *de facto* Committee<sup>3</sup>.

<sup>3</sup> The list of established NCTF is available under the following link: <https://unctad.org/topic/transport-and-trade-logistics/trade-facilitation/committees-around-world>. Last accessed on 24.10.2022.

*Association Members replying that a NTFC was established in their country.*

Out of the 36 Association Members mentioning the presence of an NTFC, a **vast majority** – 25 in total – mentioned **having interactions with it**, while 10 did not directly interact with their NTFC, as displayed in Table 3 below.

**Table 3: Association Members interacting with the NTFC, per FIATA region**

REGIONS	YES	NO	DO NOT KNOW
Asia-Pacific	8	4	0
Americas	3	2	0
Europe	7	4	0
Middle-East and Africa	7	0	1
<b>Total</b>	<b>25</b>	<b>10</b>	<b>1</b>

All in all, these **Association Members were mostly satisfied of their interactions** with their NTFC – with 84% rating them “3 or above” on a scale from 1 (poor) to 5 (excellent). Yet, several **suggestions to improve** these interactions were put forward, namely:

- Willingness from the Government’s side for implementation of TFA in all relevant sectors; better coordination within the national administration.
- A seat dedicated to the private sector in the NTFC.
- More accuracy in the topics discussed at the NTFC, having agenda items that are followed through and completed, as well as faster follow-up actions after discussions within the NTFC.
- NTFCs need to go beyond information sharing and be able to process changes; a more formal working group with focused commitment from government officials to

enact meaningful changes. In this context, it was also pointed out that Chairs of these committees should not change too frequently as this will limit the completion of tasks and accountability.

- Re-starting NTFC meetings or improving interactions as communication may have been interrupted for the last few years especially because of the pandemic. In some countries the NTFCs lost momentum due to changes in Governments and instability.

**Action point:** FIATA through ABIA needs to draw attention to these issues and seek for transparency of the NTFC schedule of meetings on the relevant website and access to brief minutes to know the topics discussed. It will also be valuable to explore best practices on the duration of a chairperson's tenure in different jurisdictions and make recommendations.

With regards to the ten Association Members **not directly interacting with their existing NTFC, seven of them were interested to do so**, while the other three replied negatively and one did not respond to the question. The reasons put forward for not being interested to interact with their NTFC were:

- that they do not perceive their countries as direct beneficiaries of the TFA.
- the WTO-TFA had not been an issue the Association received a request on.
- the existence of other channels to remain engaged with the process, such as regular interactions with government agencies, trade associations, and committees.
- some did not have access to information on how to reach out to the committees and get involved.

In cases where the Association Members replied to not having interactions with the established NTFC, it was asked if there was a dedicated organisation in charge of representing the private sector in relation to the NTFC – **of which most respondents were not aware.**

Beyond sharing information on the functioning of their NTFC, respondents provided **important additional insights** on the implementation of the WTO-TFA, namely by:

- Calling for relevant **private sector actors' involvement** to speed up the national implementation of the WTO-TFA.

- Noting that their NTFC had been established “in surface only” and required a deeper **engagement and involvement from all the stakeholders**.
- Calling for more detailed and relevant **NTFC’s agendas**, with clear goals, processes and metrics for measuring outcomes.
- **Consulting stakeholders directly** involved on the ground at various stages to assess and inform them of best practices.
- Warning that some of the **commitments might not be specific enough**, potentially creating misalignment in the harmonization procedures.
- Noting the potentially **detrimental effects** of having a NTFC Chair constantly changing.
- Customs bureaucracy needs to be improved, especially when it comes to the lack of penalties for minor errors. Should this be fixed, the process could run smoother for the rest of the supply chain. There is a need to build capacity for the NTFC to be able to liaise with relevant bodies domestically to deliver on a task that is outside their purview.

#### *Analysis of Association Members replying that no NTFC was established in their countries*

In the instances where Association Members replied that the NTFC had not been established, it was asked if there was a designated mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement at the national level. Among the negative answers (4 in total) – i.e., no mechanism was established –, most **respondents noted they would value FIATA’s support in raising awareness to their national authorities with respect to the implementation of the NTFC or a dedicated mechanism on Trade Facilitation** – especially since steps taken by the Association Members to move forward at the national level, such as contacting the WTO or trying to establish the NTFC, were met with limited success. One Association Member replied that such a mechanism was in place – a national consultation forum between customs and the private sector to discuss these issues – **noting however that trade facilitation was not always a priority for the authorities**.



## 4.3 Conclusion

- Most of the Association Members participating to the survey had replied that there was an NTFC in their countries – of which a vast majority had satisfactory interactions with. However, important suggestions for improvement were put forth, and could be used as basis for further actions.
- There were a few instances where an NTFC was established, with which the FIATA Association Member had no interactions, – however they noted interest in interacting with the NTFCs and might therefore require support.
- There seems to be a lack of clarity as to the presence of – NTFCs for some Association Members – namely in three instances, Association Members were not aware of the NTFC's existence. It might therefore be useful to share the relevant information with Association Members on the NTFC presence. International Organisations working on trade facilitation can play an instrumental role here, through FIATA, in connecting the logistics sector representatives with their NTFC counterparts.
- Where there was no NTFC or substitute mechanism, Association Members were generally in favour of FIATA's support to raise awareness with their national authorities with respect to the establishment of the NTFC or dedicated mechanisms on trade facilitation measures.
- Finally, while the rate of answers is satisfactory and in a normal range for a survey of this kind, it is possible that the Association Members who did not reply did not do so because of a lack of knowledge and awareness of these processes. This publication aims to – be useful to ensure that Association Members are aware of the processes related to the WTO-TFA and their potential impacts on their members' businesses.
- FIATA will keep proactively engaging on the topic by extending the monitoring of the qualitative aspects of the TFA's functioning. This will be a valuable addition to existing literature on the topic and will represent forwarders at both domestic and international policymaking.

**Action point:** Participating in NTFCs and driving reforms is a crucial way for FIATA's Association Members to deliver tangible value to the work of the forwarding companies they represent.

# 5. THE INDUSTRY'S BEST PRACTICES

In addition to the survey, interviews were conducted with Association Members from the four FIATA Regions acknowledging that they had actively participated in their NTFCs. FIATA also interviewed four international organisations active in various FIATA regions, to better grasp the approach of policy institutions and collect information that could be useful for FIATA members.

## 5.1 Best practices from Brazilian authorities

The Brazilian government, represented by Henrique Sachtim, Subsecretary of Foreign Trade Facilitation and Internationalisation, offered to respond to our questions and shared their admirable experience with the implementation of the TFA, most specifically the functioning of its NTFC. This insight was made accessible by the efforts of Associação Nacional Das Empresas Transitarias, Agentes de Carga Aerea, Comissarias de Despachos e Operadores Intermodais – ACTC, FIATA's Association Member in Brazil.



### Why is Brazil's NTFC structured differently? How is it managed and funded?

Brazil is a very large country, with 27 states, and issues vary widely in different regions, so a one size fits all solution would not work. To ensure wider representation, Brazil's NTFC is structured with a national-level body of high-level government agencies, called CONFAC, at the top. This body has 2 sub-committees - the Subcommittee at the national level and the COLFACS at the regional level - which take private sector input. The 27 COLFACS, one for each state, truly engage with the private sector in different parts of the country. The Presidency and the Executive Secretariat of CONFAC are jointly held by the Secretary of Foreign Trade (SECEX) of the Special Secretariat for Foreign Trade and International Affairs (SECINT) and the Under-Secretary-General of the Special Secretariat of the Brazilian Federal Revenue (RFB), both from the Ministry of Economy.

Despite the structure, it is not difficult to fund. Meetings take place in public buildings and government agencies, including SECEX, and have certain government staff, most of whose work focuses on helping provide secretariat services and following up on the implementation of NTFC/CONFAC agenda items.

### **What lessons can other NTFCs learn from Brazil?**

To enable informed participation, a list of topics is shared online, this keeps being updated with developments until the issue is resolved. CONFAC meetings are recorded and available online. The CONFAC has around 25 participants, mainly high-level government officials. It is important to have such authorities for quicker results and positive effects as they have what is needed to push for reform. Technical-level officials are helpful to understand, implement and measure results but cannot take decisions to institute reforms. To increase transparency and access, subcommittee meetings are streamed on a free video sharing website, so a wider range of participants can access the meeting, at their convenience. While they cannot take the floor, the comments section is open for providing feedback, which the authorities take into account.

### **Many recommend equal participation of public and private sectors in NTFCs, Brazil's top body, the CONFAC has only government agencies, how is equal participation ensured?**

Decision-makers need to remain at the helm but the private sector is involved at every step, the national associations representing the private sector are given the floor regularly and viewed as partners. The CONFAC sub-committees have a broader mix of participants and meet both in person and virtually to ensure the private sector is consulted regularly.

### **How can the private sector be better prepared or present an issue to the NTFC?**

There are more issues to be resolved by the government on administrative issues, however, the private sector's feedback is important to do so. In Brazil, a single window is being implemented at present. Currently, around 40% of all importation-related aspects can be processed on the new system. For the rest of it, older systems have to be used. Private sector operators find using the two systems inconvenient, the administration is waiting for a point where most of the new system is updated, incentivising operators to migrate. The administration uses all channels, including social media, to communicate with the private sector.

**Action point:** This approach can help FIATA Association Members seek similar reforms, suited to their local context. Associations can contribute positively to the future work of FIATA in a similar manner by connecting FIATA with relevant authorities to harvest best practices for the industry.

## World Trade Organization (WTO)

Nora Neufeld, Counsellor at WTO, who served as the Secretary of the Negotiating Group on Trade Facilitation.



### As someone who observed the negotiating history of the WTO TFA, what are the most important takeaways after 5 years?

The Agreement is quite special in that it is multifaceted and allows for a flexible country-by-country, measure-by-measure approach. While there are caveats and expectations that need to be managed when evaluating its impact - we all want faster, effective implementation - five years is an interesting time to take stock as there is now a good sense of what can be expected in the future. The deadlines for notifications of implementation commitments have passed and we are entering a new phase of putting the Agreement into practice.

### What makes the WTO-TFA unique? How do you currently see TFA implementation at the WTO Committee level?

Apart from its unique implementation architecture, the TFA has special value in that it gives all trade facilitation reforms a common direction. Countries engaged in trade facilitation even before the Agreement entered the scene, but often did so domestically without consideration of parallel endeavours in other states or in other parts of the globe. The TFA provides a common baseline and leads to an alignment of modernisation programmes. In addition, those reforms get firmly locked in. Even if governments change, TF policies won't. This offers legal certainty and predictability that is very important to traders and the private sector. Unlike most other TF treaties, WTO Agreements further have teeth, which means that failure to comply with obligations exposes countries to the risk of dispute settlement.

As far as work at the TF Committee is concerned, the WTO acts as a focal point for information sharing, discussions and sometimes also decisions regarding TFA implementation. One should not forget, however, that trade facilitation remains a complementary, joint undertaking, carried out in cooperation with other organisations and contributors, building on the WTO's work.

### The TFA has a lot of potential in Africa, Asia and Latin America. What is in it for developed countries? Would you be able to share the perspectives of European Members?

European Members have always been strong advocates of trade facilitation and expressed a desire to have faster progress in this area. Many countries had started to absorb TFA concepts

at the national level even as the Agreement was still being negotiated and the same development could be observed with respect to regional trade agreements. Efficient customs operations are very important for all countries and a coordinated approach helps steer efforts into a common direction – all around the globe. The

TFA can also guide the internal focus within European Members' policymaking.

### **What aspect of the TFA would you highlight for the transport industry?**

There are at least three aspects I would mention in this context: Firstly, measures relating to the timely release and clearance of

goods. Secondly, electronic single window systems. Thirdly, digitalisation, whose importance has come into even sharper focus after the COVID-19 pandemic. And I would, of course, also expect the transport industry to remain acutely interested in the TFA's improvements regarding free transit of goods.

## **Center for International Private Enterprise (CIPE)**

Aurelio Garcia, Head of Programs of CIPE's trade department, provided an overview of trade facilitation's projects cycle in Region Americas.



### **Could CIPE tell us how it selects trade facilitation projects? Could you share details of successful projects from South America?**

CIPE looks to find specific problems and evaluates if technically sound solutions are feasible. We do this in collaboration with government and traders. Looking at a government agency, like

INMETRO in Brazil, that issues a quarter of a million import licences a year with a limited staff, there are bound to be delays and increased costs. The goal here is to identify what is causing the delays and automate the licensing process as much as possible. The INMETRO project and the new licensing system is already work-

ing for some products like solar panels which are important for the economy as the government incentivizes the transition to clean energy. The significant change brought by the project was that earlier, a product required a license each time there was an import, and it took about 7 days; now, compliant license requests

are automatically approved and valid for up to four years in the case of solar panels, reducing the work for the private sector. The system is also being expanded to accommodate a wider range of products and is fully integrated within the new single window of Brazil so traders will not have to submit the same information in two different systems anymore.

#### **Were the NTFCs involved in helping with these projects?**

No, the NTFCs were not actively involved, but the Ministry of Economy in Brazil provided regular updates to the NTFC of all the modernization initiatives they were doing.

#### **Would FIATA Members like forwarders or customs brokers be relevant to GATF projects?**

Yes, and in many countries freight forwarders are also

customs brokers. This can be extremely helpful as the GATF likes to co-design and co-implement projects in consultation with the private sector. Often, the role of customs brokers and freight forwarders is underrated but they are the ones who have first-hand knowledge of what is going on and possess valuable information. We need to approach more people on the ground to tell us what the data requirements are, how, and what journey is issued, and the journey of the document.

*Customs brokers are the true single windows of trade.*

#### **Could trade facilitation have happened without the WTO-TFA?**

It is hard to say as we live in a world with the TFA. There is going to be a moment of reckoning for the WTO-TFA, as we are now five years into

its implementation. At the end of the day, the most valuable feedback is that of the private sector, the real people who make trade possible as well as the officials. This will determine the relevance of the agreement. While the TFA is legally binding, there has been no dispute settlement action on any TFA provisions for now. The TFA language is very flexible and has a lot of room for interpretation. The agreement is nonetheless helpful and has put trade facilitation on top of the reform agenda in many countries.

## International Trade Center (ITC)

Mohammed Saeed, Senior Advisor in Trade Facilitation, provided further information on the role of SMEs within the agreement, with a focus on Region Asia-Pacific.



### Why is trade facilitation important to Small and Medium Enterprises (SMEs)?

SMEs bear the burden of regulatory compliance disproportionately: trade inefficiencies impact their competitiveness twice more than large businesses. This challenge is more acute in developing countries where logistics costs constitute a larger share of the final price of products. Many SMEs suffer from limited access to information and must dedicate more human resources – on a relative basis – to navigate export-related information and procedures, than large companies. Finally, SMEs are seldom part of the decision-making when laws are laid down which means their specific concerns are not reflected in cross-border reforms. By creating legal obligations for governments to create a more transparent

and less bureaucratic trade environment, and by fostering a more inclusive decision-making process, the TFA creates the necessary conditions for SMEs to effectively engage in international trade.

### How does the ITC make SMEs competent to benefit from the WTO-TFA?

The ITC offers a four-pronged approach to build the capacity of SMEs to benefit from the TFA. First, the ITC offers an e-learning course on the key provisions of the TFA and how business can leverage upon them to improve their cross-border transactions. Secondly, the ITC has developed a 2-day, in-person capacity building programme – delivered by Master trainers trained by the ITC. Over these 2 days, SMEs are provided practical advice on how to take ad-

vantage of trade facilitation mechanisms and how to join forces to advocate effectively towards TFA implementation. Thirdly, the ITC is offering virtual or in-person training sessions on different facets of export management processes (logistics, quality, incoterms...). Finally, the ITC provides in-house coaching to SMEs whereby experienced export practitioners provide on-the-job assistance to SMEs to resolve any operational challenges faced in their cross-border trade transactions. All of these programmes have been rolled out in many countries, in Asia, Central Asia, Africa and the Middle-East.

### Where can transport intermediaries and customs brokers help implement the TFA?

Trade is a chain, and its efficiency is determined by the

weakest link. A forwarder or customs broker can help in transferring knowledge to their clients at national and regional level. To harmonize trade reforms at the Regional level, Regional TF committees such as in the **ECOWAS, EUMOA and those under the AfCFTA** can also help keep up the momentum with at least one NTFC member from every participating country represented. The ITC's publication notes that member governments must invest their scarce human and budget resources to develop

and operate trade facilitation procedures which are highly sought after by private businesses and their design must incorporate and respond to the business's needs.

### Could you share some of the success stories from the ITC's projects in Asia?

The ITC contributes to two kinds of success stories. One is to help set up NTFCs in certain countries and the other is to help NTFCs implement various trade facilitation measures. The ITC has many projects funded by agencies like

GIZ, the EU and various other development partners where it manages the implementation. In Sri Lanka, the focus has been on helping them develop a trade portal and a national single window to improve coordination between the numerous government agencies involved. Another project covers multiple countries in central Asia which is aimed at enhancing the transparency of cross-border requirements, removing regulatory and procedural barriers and digitalising cross-border formalities.

## United Nations Conference in Trade and Development (UNCTAD)

Poul Hansen, Chief of Section Trade Facilitation, shared a transparent overview on NTFCs with a focus on Region Africa.



### How do regional free trade agreements complement the WTO-TFA provisions?

Most RTA's that contain TF provisions are based on the same or similar provisions as the WTO-TFA, albeit possi-

bly formulated slightly differently, for example regarding the nature of the provisions, i.e. whether an obligation is mandatory, best endeavour or voluntary. Taking the example of the AfCFTA, an-

nexes 4 on trade facilitation and 8 on transit are to a very large extent covering the provisions of the WTO-TFA, noting that annex 8 on transit actually provides for further obligations and guidance on



transit than the TFA. In addition, annex 3 of the AfCFTA includes elements on customs cooperation that are contained in Art. 12 of the WTO-TFA, but goes beyond in as far as it recommends establishing automation and interconnectivity of customs systems, something that the WTO-TFA does not contain. Note also that AfCFTA annex 4 on trade facilitation has no reference to implementation deadlines except mentioning that implementation should be expedited, and that timing shall be related to the WTO-TFA notifications.

### **How has the pandemic affected the functioning of NTFCs in Africa? What are the lessons learned?**

NTFCs faced several challenges that impeded them from being more proactive in addressing challenges occurring at borders during COVID-19, for instance lack of connectivity between members. As a result, in many countries very few coordination activities of the NTFCs were organised and

implementation of the WTO-TFA slowed down. However, contrary to the above, we have also seen that in some countries the NTFCs were involved as key coordination bodies to consider emergency measures and disseminate information. Furthermore, in some countries', digitalisation efforts have actually picked-up or were advanced during COVID-19. In this context, NTFCs can play a key role in the path to recovery, keeping trade facilitation stakeholders informed, undertaking swift coordination of trade facilitation reforms and supporting implementation of COVID-19 response and recovery plans. Empowering NTFCs to do this requires major decisions to ensure full capacity, for instance reviewing their structure and providing them with technology, skills and financial resources in a sustainable manner.

### **What reforms should freight forwarders seek at NTFCs? Where can they seek help if the government is unable to facilitate these committees?**

It is essential that both public and private stakeholders are involved in trade facilitation reforms. This also includes the freight forwarding community and freight forwarding associations who should seek to be represented in NTFCs. In this context, we have seen initially in many countries where public-private-partnership is not well developed, that there is a lack of trust and understanding of the roles of the private sector in such bodies and often private sector bodies do not understand well their role, but use the platform only to air their complaints.

*Participation by the private sector, including the freight forwarding industry in NTFCs should be based on industry-wide issues and interest, and not individual issues. It should be viewed as a long term investment and be built on active participation and contribution in an open but confidential environment. If industry bodies have specific issues or challenges they should, if possible, provide evidence and constructive and realistic suggestions for solving such issues.*

### Can you share some success stories or projects implemented by UNCTAD in Africa? Was the NTFC involved or contributing to such projects?

UNCTAD's involvement on trade facilitation covers general trade facilitation measures and digitalisation, in particular Customs and Trade Automation via our ASYCUDA program and via Single Window Implementation.

We assisted more than 30 African countries with the establishment and oper-

ationalisation of the NTFCs and with ratification, categorisation and notification regarding the WTO-TFA. Furthermore, we have assisted a large number of these countries on implementation of specific obligations of the WTO-TFA, such as for instance provisions on transparency, information availability and enquiry points through our Trade Portal approach, which has been implemented in 10 African countries. We implemented a project management and

monitoring system for trade facilitation implementation, the so-called Reform Tracker in more than 20 African countries. We trained more than 20 African countries on transit and transit cooperation.

The ASYCUDA system is the de facto Customs management system in around 40 African countries. UNCTAD Single Window Solutions are implemented or being implemented in around 10 African countries.

### Syrian International Freight Forwarding Association (SIFFA) – Elias Daoud, Executive Manager



### Could you share your experiences at a National Trade Facilitation Committee (NTFC) meeting?

The NTFC typically holds four in-person meetings per year and two virtual workshops that are open to the public and private sector. Each in-person meeting will have over 70

participants, including representatives from government, private sector, international organisations, and civil society. The meetings are usually composed of presentations, roundtable discussions, and brainstorming sessions, with each participant encouraged to share their experiences and

ideas on improving the procedures in international trade. In recent years, the NTFC has made the leap to hybrid meetings that offer both in-person and virtual components. As such, the meeting format includes pre-scheduled video calls, interactive elements, and live Q&A.

**What resources, if any are needed, from your government, can improve the functioning of these committees?**

Government resources to improve the functioning of committees could include the allotment of a venue or online tools to support virtual meetings, investment in dedicated personnel or specialist consultants to coordinate and advise the committees, IT/Media Communication Tools for collaboration, access to research and analytical data for decision-making, and financial resources to fund activities or initiatives. Additionally, governments could provide resources to support training, workshops and capacity-building activities for committee members. Finally, increased visibility of committee outputs and advice could be achieved through government-funded communication activities, such as social media.

**From the private sector, do you receive sufficient funding, time and resources from your company or association to participate in these meetings?**

It depends on the company or association. As a general rule, employers are more likely to provide funding, time and resources to support the participation of their employees in important industry meetings and conferences if those activities relate to their business goals. On the other hand, some companies or associations may feel that the value of such activities does not outweigh the costs and resources required, and may not choose to provide funding for participation.

**Does the NTFC meet as an informal working group of industry stakeholders or are there formal rules and procedures governing its functioning? Are the minutes of the meetings recorded and circulated regularly? Are they publicly available?**

The NTFC is an informal working group of industry stakeholders and there are no formal rules and procedures governing its functioning. It's only through the Chamber of Commerce and Industry and the minutes of meetings, which are recorded and circu-

lated regularly, however they are not publicly available.

**Do you feel like you have sufficient information and experience to contribute to the work of the TFA implementation? If there is room for improvement, could you identify where support could make a difference to enable effective participation?**

Yes, I do. However, I think there is a lot of potential for improvement in areas such as education and understanding of the TFA rules and regulations, as well as the provision of guidance and support in its implementation. Strengthening capacities on TFA matters and providing more resources, such as webinars, helpful documents, and other support materials, would be beneficial in effective participation.

## Federation of Malaysian Freight Forwarders (FMFF), Paul Seo, President



### Could you share your experiences at a National Trade Facilitation Committee (NTFC) meeting?

We don't have an NTFC or a committee named as such, what we have is the Trade Facilitation Cluster Working Group (TFCWG) which serves as the NTFC for the purpose of policy-related discussions in the greater area of trade facilitation. The committee is composed of both the private and public sector, with attendance ranging from 30-50 attendees, depending on their availability. During the pandemic, the meetings were held online. Hybrid meetings are also held from time to time, depending on the situation and circumstances.

### What resources, if any are needed from your government, can improve the functioning of these committees?

Meeting venues are usually at government agencies premises, e.g., at MITI. IT in-

frastructure, online support, media communication tools are all provided by the government agencies.

### Before implementing the TFA, how did you interact with government authorities? How much different has the follow-up been?

Prior to TFA, there were existing forums to take up issues on trade facilitation. Now we have the TFCWG which is the platform to discuss trade facilitation matters. The difference is that the meetings are significantly better organised, with proper agendas and follow-up actions.

### Are there formal rules and procedures governing its functioning? Are the minutes of the meetings recorded and circulated regularly? Are they publicly available?

The TFCWG is a formal working group, with co-chairs and agendas drawn up. Minutes

of meetings are recorded and disseminated to all the representatives of the TFCWG and MITI website.

### From the NTFC side, what concrete deliverables have your NTFC achieved so far? If yes, how long did it take to bring change? If not, what prevented progress?

The TFCWG was formed in 2016 and has focused on issues with trade facilitation, especially trading across borders, including the efficiency of clearance of goods. There have been more objective discussions of issues and solutions offered and greater commitment from the public authorities/agencies such as Customs Department and MITI to improve the efficiency of goods clearance.

## UTIKAD, Arkin Obdan, UTIKAD Board Member & Customs and Warehouse Working Group Chair



### Do you think that “developed” countries are beneficiaries of the TFA?

Since the Trade Facilitation Agreement aims to ensure uniformity and transparency in the customs processes of all countries, we think it is an important opportunity for developed countries. It makes a great contribution to understanding the trade processes of countries.

### Could you share your experiences at an NTFC meeting? Is there any preparation/follow-up required?

In Turkey, the Trade Facilitation Coordination Committee continues its activities within the Ministry of Commerce of the Republic of Turkey. UTİKAD is actively involved in the committee work, following the work of Transparency, Customs and Foreign Trade, Infrastructure, and Logistics working groups of the

Coordination Committee of Trade Facilitation.

These working groups have an important position to express opinions in order to implement the principle of transparency in foreign trade practices and regulations. It also serves to share opinions on facilitating, developing, and digitalising customs and foreign trade transactions of the goods subject to foreign trade. Also, UTİKAD holds the co-chair position in the Infrastructure and Logistics Working Group. An annual action plan is prepared by the Ministry of Commerce and outcomes are monitored by the relevant institutions and reported to the ministry.

### How is the private sector, and freight forwarders more specifically, included, or aware of what is happening in those NTFCs meeting?

The private sector and freight forwarders are aware

of what is happening in the NTFC meeting, as they hold an active role in the relevant working groups. In addition, the NTFC has a website on which relevant information is shared. UTİKAD also shares meeting reports with its members for sector representatives to closely follow the current state of play.

### What concrete deliverables has your NTFC achieved so far?

Important steps were taken for digitalisation, and the transition to paperless applications was achieved. Overseas good practice examples were identified. The Customs Goods Tracking and Analytical Performance Program (GET-APP) for the measurement of average delivery time was introduced and its use was expanded. A country strategy was determined to increase the Authorized Declarant Mutual

Recognition Agreements. Customs and foreign trade transactions of the goods subject to foreign trade were completed according to the

7/24 principle, provided that the overtime fee was collected by all relevant administrations. The export accompanying document, which will

make the declaration of the transit regime possible, was put into practice.

## ALOG, Cynthia Perisic Ivandic, General Manager and FIATA's ABIA Chair



**Could you share information on the involvement of your association in NTFC's meeting? Do you have allocated time to speak about your member's concerns / are you contacted in advance to include your items in an agenda?**

ALOG's experience in the NTFC is very positive. We are contacted in advance, and a lot of topics are raised. Any topic of interest for any party can be incorporated in the agenda. During the sessions, all members have the opportunity to interact, ask questions or raise issues of interest.

**What are the topics that are covered in your NTFC meetings?**

In 2021, the first session aimed at building a medium and long term agenda for trade facilitation, and establishing two working groups: The Academic and the Electronic Commerce. The other sessions focused on disruptions in global merchandise supply chains, or the challenges that international trade is facing. The sessions cover how trade facilitation measures implemented mitigate the effects of the pandemic. This has been particularly challenging, in terms of sustaining the flow of exports and imports, in the midst of strong restrictions on the movement of people and the consequent slowdown of processes and

procedures necessary for commercial exchange.

Topics such as electronic commerce were raised with great force in relation to the pandemic. Its progressive expansion has resulted in great demands in the logistics chain. ALOG was invited to participate in the first workshops on "Electronic Commerce" organised by the Undersecretary for International Economic Relations (SUBREI). The purpose of this activity was to generate work proposals to be addressed in the medium and long term by the agencies that have authority in the respective matters. On the occasion, the attendees raised their concerns re-

garding the measures that should be implemented to promote the facilitation of electronic commerce.

### **What are the deliverables of your meetings with the NTFCs so far?**

We are working on some regulations regarding electronic commerce and cyber security. We are also reviewing some Trade Facilitation Agreements (Chile currently has 33 trade agreements: classified into four different categories: I.- Strategic

Association Agreements / II - Free Trade Agreements / III- Economic Complementation Agreements / IV - Partial Scope Agreements).

### **According to you, how could FIATA support its members in Region Americas to ensure participation of the private sector in the NTFCs?**

FIATA could support in sharing a compilation with the discussions that are taking place in NTFCs of each country in which FIATA Association Members are part of. It is im-

portant to know the topics of interest from other countries, and if appropriate, come up with common statements.

We must join forces in order to address several matters, and develop appropriate strategies, common to all, especially about customs regulations, security, allocation markets, etc. These topics have considerable impact in our industry, including consumers, importers/exporters, and freight forwarding associations.

# 6. TOOLS TO BETTER UNDERSTAND THE TFA AND OPTIMISE WORKING WITH IT

While this guide is a good start for forwarders to understand the basics of the TFA, its impact, its value and processes, there are some tools that would also be useful to complete your knowledge. Below are some tools which will help in better implementing the TFA and ensure appropriate functioning of your NTFC.

## Implementation Score

UNCTAD, the United Nations Conference for Trade and Development, makes a tool available that publishes sectionwise checklists to verify if information and tools that are mandated by the TFA are available and functioning in the relevant country<sup>4</sup>. Forwarders are encouraged to follow this resource to identify areas of improvement and to request important information for their business to be made promptly available. Similarly, the TFA requires enquiry points to be established in every customs territory.

**Action point:** Association Members are encouraged to establish and maintain contact with their relevant enquiry points and help their members receive relevant clarifications.

## Empowerment programme for NTFC participants<sup>5</sup>

This capacity building programme set up by UNCTAD in 2016 aims at empowering the NTFCs participants. Firstly, it is about assessing the NTFCs needs by preparing a technical assistance action plan. Secondly, e-learning offered in order to increase knowledge and

<sup>4</sup> See: <https://unctad.org/news/understanding-complexity-trade-facilitation-reforms-unctad-trade-facilitation-agreement>

<sup>5</sup> UNCTAD, Trade Facilitation, Empowerment Programme for National Facilitation Committees, <https://unctad.org/topic/transport-and-trade-logistics/trade-facilitation/empowerment-programme> (last consulted on 25.01.2023)



awareness on both trade facilitation and how to successfully implement projects. The programme also foresees a coaching plan which can be delivered remotely in order to improve the functioning of the NTFC through a series of strategic approaches.

## Reform Tracker<sup>6</sup>

The Reform Tracker is a web-based project management and monitoring tool for trade facilitation reform designed by UNCTAD. The aim is to empower NTFC in their role as coordinators of trade facilitators initiatives. This tool allows the management projects as it automates task distribution, resource planning, team collaboration and reporting. With the reform tracker, relevant actors can keep track of priority actions, monitor progress of project implementation as well as results. Using the reform tracker will ensure sustainability of the NTFC as it allows for systematic knowledge transfer, even if the NTFC experiences continuous rotation of its members.

## SME Trade Academy<sup>7</sup>

The International Trade Center (ITC) offers a high number of free training programmes to SMEs on its dedicated platform “SME Trade Academy”. On this platform, there are plenty of courses allotted to trade support, one of which is an introduction to the WTO-TFA. The ITC also published an extensive free training manual *SMEs and the WTO Trade Facilitation Agreement (2015)*<sup>8</sup> in which one can discover an outline of the steps that businesses may take to stay ahead of each measure of the Agreement. There is also comprehensive explanation of the measure’s crucial components, targeted commercial benefits, and key characteristics. The publication also includes activities to test knowledge and suggested questions for group discussions that are meant to highlight some of the most important implementation alternatives and problems with regard to certain policies, from the perspective of the private sector.

---

6 UNCTAD, Trade Facilitation, Reform Tracker : <https://unctad.org/topic/transport-and-trade-logistics/trade-facilitation/reform-tracker> (last consulted on 25.01.2023)

7 ITC, SME Trade Academy, <https://learning.intracen.org/> (last consulted on 30.01.2023)

8 SMEs and the WTO Trade Facilitation Agreement: A Training Manual, ITC, 2015, available here: <https://www.tradefacilitation.org/content/uploads/2018/02/6-itc-smes-and-the-wto-trade-facilitation-agreement-training-manual.pdf>

## 7. CONCLUSION

The guidance suggests that the implementation of the TFA is crucial for fostering better business opportunities, however, the significance of NTFCs should not be neglected. It highlights not only that the implementation of NTFCs is recommended, but also that their proper functioning is of paramount importance. The paper emphasises that in some cases, while the presence of NTFCs is evident, there is a lack of action within the committee. The participation of the private sector should not be ignored as it provides technical institutions and governments with valuable insights into the operational implications of policies. The private sector should play an active role in the sessions and freight forwarders, voices should be heard to enhance the public sector's understanding of the issues at hand. The role of the public sector in promoting the smooth functioning of NTFCs through the provision of resources such as meeting venues, dedicated staff and tools for sharing outcomes, is also emphasised and should not be disregarded.

Overall, the public sector is responsible for creating the necessary conditions and providing relevant resources to support the NTFCs. By working in collaboration with the private sector and following established processes, the public sector can ensure that trade facilitation discussions are productive and result in meaningful outcomes. On the other hand, the private sector has to engage in consistent and productive dialogues with the public sector to ensure that their perspectives are taken into account.

The guidance indicates that there are multiple approaches to engaging both the public and private sector in trade facilitation discussions, and as long as processes are followed and all voices are heard, there is no right or wrong way to proceed.



**International Federation of  
Freight Forwarders Associations**

*The global voice of freight logistics*

Rue Kléberg 6 | 1201 Geneva | Switzerland  
Tel.: +41 22 715 45 45 | [info@fiata.org](mailto:info@fiata.org) | [www.fiata.org](http://www.fiata.org)

©2023 FIATA International Federation of Freight Forwarders Associations

Design: Services Concept Sàrl, Geneva

Layout: Svitlana Ivanova