

# National Trade Facilitation Committees: Monitoring Performance

GUIDANCE AND GOOD PRACTICE

## Planning, Monitoring, and Evaluation (M&E) Tools to Support NTFCs

*Trade facilitation requires effective planning, monitoring, and evaluation. What tools exist and what tools can be developed? What strategies are there to collect, analyze, and report data?*



### Introduction

#### Tracking the performance of trade facilitation reforms

For traders, time is money. Each day that goods remain in transit or held up at borders can reduce their value by as much as 1 percent<sup>1</sup>. Excessive documentary and border compliance costs and lack of alignment with international norms and standards also act as trade barriers. Trade facilitation reforms are directed at faster and more efficient trade to keep costs down, make countries more attractive to investors, and help private sector players compete.



### Context

#### Measuring performance is a collaborative process

Tracking of trade facilitation reforms should be led by each country's National Trade Facilitation Committee (NTFC) and be a collaborative process with both the public and private sectors.

Developing a clear set of tools and strategies to collect, analyze, and report on reform progress is important for the NTFC. The data should be collected on a regular basis and used as a tool to design and inform the reform process.

#### Indicators to track reform progress

The following are the key principles for effective performance measurement:

- *Clustering indicators and measurements:* Indicators should not be used in isolation. A cluster of indicators will provide a consistent picture of progress.
- *Estimating: What difference does a day make?* Develop a profile of benefits that can be derived through the reform measures. Adopt tangible and realistic estimates of reduction in time and costs saved due to reforms.
- *Measuring success and alignment:* Develop a results framework to evaluate the impact of the reforms based on indicators that measure the reduction of costs, time, transparency, predictability, and alignment with international standards and best practices.

#### World Bank Group measurement tools

The World Bank Group already employs a number of data sets to analyze how countries are progressing on trade facilitation and logistics, including [Doing Business](#), [the Logistics Performance Index](#), and the [World Bank Group Enterprise Surveys](#).

These data sets bring several benefits. They provide standardized methodologies that help countries track progress over time and compare their performance with that of their peers. These surveys can initiate a dialogue about how to improve trade facilitation.

But these data sets face limitations. One is that they are based on perception surveys, not actual time and cost data at border points, which makes them difficult to use as baselines. Furthermore, the quality of data is only as good as a survey respondent's knowledge.

#### What is a National Trade Facilitation Committee?

The World Trade Organization's Trade Facilitation Agreement (TFA) entered into force on 22 February 2017. Article 23.2 requires WTO members to establish a National Trade Facilitation Committee (NTFC) or to designate an existing mechanism that can facilitate the domestic coordination and implementation of the TFA's provisions.

<sup>1</sup> <https://www.doingbusiness.org/en/data/exploretopics/trading-across-borders/good-practices>

### TFA tracking tool

To fill this gap, the World Bank Group has pioneered a [tool](#) that helps countries track their alignment with the World Trade Organization's Trade Facilitation Agreement (TFA). Section I of the Agreement contains 12 Articles (or 36 technical measures) on the procedures and requirements to expedite the movement, release, and clearance of goods, including goods in transit. In addition, Section III of the Agreement includes Article 23.2, which requires all WTO Members to establish a National Trade Facilitation Committee (NTFC). These add to a total of 13 articles or 37 measures that are evaluated by this tool.

The goal of this tool is to monitor and demonstrate a country's progress in improving alignment with the WTO TFA. The tracking covers (i) legal/policy, (ii) operational regulations/instructions, and (iii) practical implementation. It enables countries to track reform implementation and report on progress in a results-based manner.

The tool takes a whole-of-government approach, which means that all agencies relevant to the particular trade facilitation measure should be aligned with the TFA's requirements for a country to receive full credit.

Data for the TFA tracking tool is derived by the World Bank Group team through stakeholder interviews; first-hand observations in the field; and a high-level review of regulations and legislation. Stakeholder interviews include key operational officials in customs, quarantine, health, bureau of standards, trade, and other relevant government agencies, as well as the private sector.

### Other metrics

The World Customs Organization's Time Release Study (TRS) is a unique tool and method for measuring the actual performance of customs activities as they directly relate to trade facilitation at the border. The TRS measures relevant aspects of the effectiveness of operational procedures that are carried out by customs and other regulatory actors in the standard processing of imports, exports and in transit movements. It seeks to accurately measure these elements of trade flows so that related decisions to improve such performance can be well conceived and carried out.

### Additional issues for consideration

- Inventory of fees and charges
- Regular baseline data collection
- Gender impact measurement for trade facilitation and border management
- Impact evaluation



## Country Examples

In **India**, the NTFC has developed an innovative and agile tool to map implementation and monitoring of the TFA. An online dashboard offers a 'birds-eye view' of the reform process. It covers three main areas: (1) tracking: includes ministry and agency level compliance tracking, customized reports and article wise compliance status; (2) monitoring: highlights delays and time overrun, reminders for task completion, repository of supporting documents and verification of information at Ministry and NTFC levels; and (3) collaborating: real time management information system, easier to update the status, delegation of duties from NTFC/Ministry, and a single repository of all TFA compliances.

In **Costa Rica**, the NTFC has a dedicated webpage to communicate its development agenda ([www.comex.go.cr/facilitacion-del-comercio/conafac/](http://www.comex.go.cr/facilitacion-del-comercio/conafac/)) and uses four monitoring instruments: (1) reports on the priority agenda for trade facilitation; (2) annual work report; (3) annual plan; and (4) four-year strategic plan. Costa Rica's NTFC has also aligned its development agenda with the Central America Regional Strategy for Trade Facilitation devised by the Secretariat for the Economic Integration of Central America (SIECA).