# FUNCTIONING OF SRI LANKA'S NATIONAL TRADE FACILITATION COMMITTEE

**BY SRI LANKA** 

#### KEY MILLSTONES IN IMPLEMENTATION OF TFA

- January 2014 Undertook a Needs Assessment for the implementation of the Trade Facilitation Agreement with the technical assistance from the WTO in which stakeholders from all the border agencies and private sector representatives were included;
- June 2014 National Trade Facilitation Committee (NTFC) was tentatively formed with participation of government and private sectors to ensure well bonded Public Private Partnership, in order to conduct an assessment of Sri Lanka's compliance with the TFA, to identify technical assistance and capacity building needs and to facilitate its implementation;
- 31.07.2014 Submission of SL's commitments under Category 'A' (under 15 provisions in total)

#### **KEY MILLSTONES**

- 30.11.2015 The Cabinet Approval was granted:
  - a. To ratify the WTO TFA;
  - b. To accept the obligations set out in the TFA;
  - C. To formally establish the National Trade Facilitation Committee.
- 31.05.2016 Ratification of the WTO TFA Agreement by Sri Lanka (Sri Lanka was the 81st WTO Member)
- October 2016 Formal Establishment of NTFC Secretariat with the support of the World Bank Group (WBG);
- 15.02.2017 Identification & Preparation of TFA provisions under category
   B & C with the respective <u>indicative dates</u> of implementation by the NTFC;
- 22.02.2017 WTO Trade Facilitation Agreement came in to force;

#### KEY MILESTONES AND DEADLINES TO FULFILL

- October 2017 Adoption of the National Implementation
   Master Plan of the WTO Trade Facilitation Agreement (TFA);
- 22.02.2018 Submission of SL's commitments under Category
   'A', 'B' and 'C' (the respective <u>definitive dates</u> of implementation of the commitments);
- 20.07.2018 Establishment of Trade Information Portal within the Department of Commerce under Article 1.2 of the TFA;
- December 2022 Establishment of National Single Window
  within SL Customs under Article 10.4 of the TFA.

### THE NATIONAL TRADE FACILITATION COMMITTEE

- The establishment of the NTFC helps ensure that member states, particularly those developing and least developed members, have a "mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement" (TFA, Article 23.2).
- The Committee is established in SL to facilitate domestic coordination and implementation of the provisions of the TFA and other trade facilitation initiatives in Sri Lanka through the involvement of all cross-border trade public and private sector stakeholders.
- NTFC Secretariat The Committee is supported by a Secretariat which is jointly composed of members of the Department of Commerce and the Department of Customs.

#### THE FUNCTIONS OF THE NTFC

- Y To develop and approve the national policy/consensus on trade facilitation matters;
- To initiate/approve cross cutting trade facilitation initiatives and projects, and oversee their implementation by:
  - Approving national trade facilitation priorities and action plans;
  - ❖ Issuing guidance and directives intended to ensure effective enforcement of the provisions of the WTO TFA;
  - Providing resources or supporting resource mobilization efforts;
  - Monitoring implementation of the plans;
  - \*Approving reports on cross cutting trade facilitation issues for submission to Cabinet;
  - \*Establishing inter-ministerial or inter-agency Trade Facilitation Working Groups to assist it in the execution of the national trade facilitation action plan;
- ✓ To identify gaps in needs assessments made under the Trade Facilitation initiatives previously conducted;
- √ To support trade facilitation negotiations in bilateral, regional or multilateral levels;
- √ To act as the national committee for facilitating coordination and implementation of provisions in WTO Trade

  Facilitation Agreement;
- To guide, facilitate and actively participate in bilateral, regional and multilateral cooperation in trade facilitation and related areas; and
- To perform any other duties related to trade facilitation.

#### THE COMPOSITION OF THE NTFC

- Director General of Customs Chairperson
- Director General of Commerce Co-Chairperson
- A Representative of Ministry of Development Strategies and International Trade
- A Representative of Ministry of Industry & Commerce
- Director General, Department of Trade and Investment Policy, Ministry of Finance
- Controller General of Imports and Exports
- A Representative of the Central Bank of Sri Lanka
- Director General of Health Services, Ministry of Health
- Director General, Department of Agriculture
- Director General, Sri Lanka Standards Institute
- Director General, National Intellectual Property Office of Sri Lanka
- Director General, Department of Animal Production and Health
- Chairman, Sri Lanka Export Development Board
- Chairman, Sri Lanka Ports Authority
- Chairman, Airport and Aviation Services (Sri Lanka) Ltd
- Private sector representation consisting of chambers of commerce of Sri Lanka
- Sri Lanka Shippers Council

#### THE FUNCTIONING OF THE NTFC

#### ✓ Frequency of meetings:

- At least quarterly or at shorter intervals as required.
- Frequency of the regular meetings is decided by the committee depending on the tasks to be performed.
- Secretariat coordinates the meetings;

#### **✓** Working methods:

- Focal Point from each member organization to ensure the information sharing & decision making process.
- Use of the Box application for communication and file sharing between the Secretariat and the member organizations.
- Private sector and other stakeholders who take part in other associations/forums on trade facilitation inform the NTFC on any important operational issues faced by the trading community.

#### **FUNCTIONING OF THE NTFC**

- Has identified three critical issues in reporting progress according to the implementation plans distributed among the relevant agencies. They are:
  - Complexity of the TFA implementation plan and the progress reporting format;
  - Difficulty in preparing summary reports manually;
  - Lack of direct progress observation mechanism for stakeholders.

- As a possible solution, an Automated system for progress reporting and evaluating the actions of TFA has been proposed with following Key features:
  - Submit monthly progress of the implementation electronically;
  - Generate e summary reports upon any request;
  - Send notifications/reminders to each implementing agency on progress reporting;
  - Utilize the Key Performance Indicator (KPI) to measure the effectiveness of the implementation of WTO TFA.

#### DONOR ASSISTANCE TO NTFC

- World Bank Group (funding for Staffing at initial stages)
- International Trade Center (ITC) under EU Sri Lanka Trade Related Assistance Programme.
  - Conducted an awareness Program for private sector/ trade chambers of NTFC;
  - Developed a report to identify the gaps related to WTO TFA at each border agency;
  - Organised a study tour to Members of NTFC to familiar with Australian vision & trade facilitation mechanisms.

## CURRENT STATUS OF NATIONAL TRADE INFORMATION PORTAL

- This is operational since 22<sup>nd</sup> July 2018 <a href="https://srilankatradeportal.com/">https://srilankatradeportal.com/</a>
- User overview basic indicators during 19.07.2018 to 24.06.2019

User (1.1)	: 26,934
New user (1.2)	26,906
Returning user (1.3)	4,578
Sessions (1.4)	37,115
Page-views (1.5)	121,438

- (1.1) Users who have initiated at least one session during the date range;
- (1.2) First-time user to use SLTIP;
- (1.3)User that has used SLTIP before;
- (1.4) The time period a user is actively engaged with SLTIP;
- (1.5) Page-view is the total number of pages viewed (Repeated views of a single page are counted);
- The DoC is currently working in collaboration with the International Trade Centre (ITC) & the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to further enhance the user friendliness of the SLTIP to enhance utility features useful for exporters and importers.
- As per the first phase, consultants are mapping 6 export products including tea, rubber, fruits, vegetables, Spices (organic cinnamon) and fish to be included in <a href="Step by Step Approach">Step Approach</a>.

#### IMPLEMENTATION STATUS OF NATIONAL SINGLE WINDOW

- Establishment of National Single Window (NSW) under Article 10.4 of the Trade Facilitation Agreement (TFA) was planned to be completed in 2 stages.
  - 1.) Completion of the NSW blueprint;
  - 2.) Implementation of NSW.
- World Bank (WB) hired consultants completed the NSW blueprint and handed it over to WB on 31.08.2018 for its review. It consisted of;
  - Governance and Operations Model;
  - Technical and Functional Architecture;
  - BPR model;
  - Harmonized Data model;
  - Strategy and Plan for Change Management, Implementation Plan **Communication and Capacity Building**

- Revenue Model and Fee Structure
- NSW Technical and Functional Specification
- Legal and Regulatory Review
- Service level Agreements Report
- Risk Management strategy and model;
- P The reports of each cluster was circulated among NTFC members and other relevant stakeholders.
- Two final reports and Implementation phase of the NSW project yet to be initiated.

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