

Annex 02: Proposed Terms of Reference of the NTFC of Sri Lanka

1. Background

Following the adoption of the Agreement on Trade Facilitation (TFA) in December, 2013 during the 9th WTO Ministerial Conference held in Bali, Indonesia, and the subsequent adoption of the Protocol of Amendment in November 2014 by General Council, Member States were invited to lodge their instruments of ratification. The TFA will come into force after two-thirds of the WTO membership has completed the ratification process. Following entry into force all Member States are expected to establish or maintain a National Trade Facilitation Committee (NTFC), hereinafter referred to as the “Committee”, to facilitate domestic coordination and implementation of the provisions of the Trade Facilitation Agreement. 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).

As a Member of the WTO, Sri Lanka is committed to the effective implementation of the TFA as it aligns with national development ambitions and supports trade as an engine of economic growth for the country. To meet the requirements of Article 23.2, the government of Sri Lanka decided to establish an NTFC. The Committee was initially formed in 2014 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. It is co-chaired by the Department of Customs and the Department of Commerce.

These terms of reference outline the Committee’s mandate and operating modalities.

2. Mandate

The Committee is established to coordinate interagency activities associated with implementation of the TFA and other trade facilitation initiatives in Sri Lanka through the involvement of all cross-border trade public and private sector stakeholders. The Committee is accountable to and functions under the direction of the Cabinet of Ministers and the Cabinet Committee on Economic Management (CCEM) through the Ministry of Development Strategies & International Trade.

The Committee shall:

- a) Provide government and other stakeholders involved in international trade transactions with a forum for consultative dialogue on Sri Lanka’s trade facilitation objectives, strategies, and reform initiatives, with a priority focus on implementation of commitments under the TFA;
- b) Advise and make recommendations to the government on all trade facilitation matters, including those related to:
 - i. trade facilitation related issues in regional and bilateral trade agreements and trade facilitation initiatives; and
 - ii. Development corridors including infrastructure along those corridors i.e. inland ports, one stop border posts etc. and non-tariff barriers.
- c) Monitor, support and evaluate the implementation of laws, rules and regulations, international agreements and treaties on trade facilitation subscribed by Sri Lanka;

- d) Coordinate strategic and operational planning of trade facilitation–related initiatives, and monitor and evaluate progress and results;
- e) Coordinate with line ministries; organizations equivalent to ministries; and with public and private sectors at both central and provincial levels to ensure consistency in implementation of trade facilitation initiatives;
- f) Ensure effective coordination and consultation between all trade-related committees and working groups;
- g) Identify issues affecting the cost and efficiency of Sri Lanka’s international trade and develop remedial measures;
- h) Provide a national focal point for the collection and dissemination of information on best practices in international trade facilitation; and
- i) Participate in international efforts to improve trade facilitation and efficiency.

The roles and responsibilities of the Sanitary and Phytosanitary (SPS) Committee, the Technical Barriers to Trade (TBT) Committee and the Non-Tariff Barriers (NTB) Committee are brought under the NTFC, which will perform those roles in international fora.

3. **Functions**

- a) To develop and approve the national policy/consensus on trade facilitation matters;
- b) To initiate or approve cross cutting trade facilitation initiatives and projects and oversee their implementation by:
 - i. Approving national trade facilitation priorities and action plans;
 - ii. Issuing guidance and directives intended to ensure effective enforcement of the provisions of the WTO TFA;
 - iii. Providing resources or supporting resource mobilization efforts;
 - iv. Monitoring implementation of the plans;
 - v. Approving reports on cross cutting trade facilitation issues for submission to Cabinet;
 - vi. Establishing inter-ministerial or inter-agency Trade Facilitation Working Groups to assist it in the execution of the national trade facilitation action plan;
- c) To review these Terms of Reference as and when necessary for the attainment of national trade facilitation objectives;
- d) To identify gaps in needs assessments made under the Trade Facilitation initiatives previously conducted;
- e) To support trade facilitation negotiations in bilateral, regional or multilateral levels;
- f) To act as the national committee for facilitating coordination and implementation of provisions in WTO Trade Facilitation Agreement;
- g) To guide, facilitate and actively participate in bilateral, regional and multilateral cooperation in trade facilitation and related areas; and
- h) To perform any other duties related to trade facilitation.

4. **Modalities**

a) **Membership**

Members of the Committee shall be drawn from Ministries and Organisations that have a role to play in cross-border trade and trade facilitation. In accordance with UN/CEFACT Recommendation 4, the NTFC is to ensure balanced private and public sector

participation. The media and other interest groups may be invited to attend meetings as and when the Committee deems necessary.

The Committee consists of heads of government organizations which are related to imports and exports and procedures connected thereto, chambers of commerce and industries and the representatives from private sector.

Nominated representatives are as indicated in Annex 1.

b) Chairperson

The Director General of Customs and Excise shall chair Committee meetings. The Committee meetings will be co-chaired by the Director General of Commerce.

c) 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 Secretariat is located in the Head Office of the Sri Lankan Department of Customs. The Co-Chairs of the NTFC will decide on the staff and the resource requirements for the Secretariat in consultation with the Committee.

The Secretariat's tasks will include:

- Preparing, organizing and following up on Committee meetings (regular and ad hoc meetings are arranged in coordination with the Department of Commerce);
- Carrying out the instructions of the Committee;
- Preparing detailed implementation plans;
- Providing technical and training support;
- Controlling, monitoring and reporting on implementation; and
- Preparing, updating, controlling and filing project documentation.

d) Ad hoc Working Groups

The Committee may establish ad hoc working groups as required to support and advise on the implementation of particular initiatives.

e) Agenda

Standing agenda items shall be agreed from time to time with additional items as proposed by Members. The agenda shall be circulated at least 10 working days before NTFC meetings. The minutes are to be circulated no later than 5 working days after the conduct of meetings and should be attached to the agenda distributed in advance of the next NTFC meeting. The meeting minutes will be considered as agreed and approved by the NTFC within 10 working days of dissemination unless any written response is received from the participating agencies.

f) Frequency of Meetings

The meetings of the Committee shall be held at least quarterly or at shorter intervals as circumstances may require. Frequency of the regular meetings is to be decided by the Committee depending on the tasks to be performed.

g) Quorum

A third of the stakeholder membership shall constitute a quorum for the Steering Committee meetings. In an event of a failure to constitute a quorum, a meeting should be called within fourteen days thereafter.

h) Funds Management and Budgetary Considerations

When funding has been agreed, approved or received, the Committee is to establish a formal Budget Sub-Committee comprising representatives from all members of the Committee. The budget may be composed of the following distinct components:

- a. Total local and foreign funds and assistance receipts in consultations with the Ministry of Finance and the Central Bank of Sri Lanka;
- b. Capital expenditure;
- c. Operating expenses;
- d. Expenses related to the organization of awareness programmes such as conferences, workshops and seminars to promote the work of the Committee and encourage wider support and acceptance of trade facilitation proposals; and
- e. Any contingency funds and expenses approved by the Committee.

Annex1 Membership

1. Director General of Customs – Co-Chairman/Member
2. Director General of Commerce – Co-Chair/Member
3. Director General, Department of Trade and Investment Policy, Ministry of Finance
4. Controller of Imports and Exports
5. Controller General of Exchange, Department of Exchange Control
6. Director General of Health Services, Ministry of Health
7. Director General, Department of Agriculture
8. Director General, Sri Lanka Standards Institute
9. Director General, National Intellectual Property Office of Sri Lanka
10. Chairman, Sri Lanka Ports Authority
11. Chairman, Sri Lanka Export Development Board
12. Chairman, Airport and Aviation Services (Sri Lanka) Ltd
13. Private sector representatives of the Ceylon Chamber of Commerce
14. Representatives nominated by other chambers of commerce of Sri Lanka

Observer status is extended to other governmental, non-governmental and private sector representatives and the international organizations and institutions which will be relevant to the subject of trade facilitation, at the request of, or upon formal written requests directly to the Committee. Executive powers of the Committee shall be limited to only Members.