



# SITPRO

**Simplifying International Trade**

## **The 21st Century Trade Facilitation Agency**

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# Introduction

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In 2007 SITPRO's government sponsors undertook one of their regular reviews of our work. These reviews are an opportunity for both us and our sponsors to examine our achievements and review our future direction.

Part of the evidence presented to the review team was a submission from the Board highlighting the value for money offered by SITPRO for both government and businesses alike. This submission both presented a compelling case based on SITPRO's past achievements and looked at ways SITPRO's services could be improved with the support of the Department for Business, Enterprise and Regulatory Reform.

We were delighted when the review team not only endorsed SITPRO's continued work on the issue surrounding trade facilitation, but supported our proposals for future developments. This decision placed SITPRO on a strong footing to build on our past successes and develop new strategies to tackle the evolving problems facing the international trading community in the twenty-first century.

This document presents the vision of SITPRO that we prepared for the review team. It is a compelling story that many of you will have been involved in as SITPRO's strength lies not only in our expertise but in our ability to engage with both government and the trade. We are grateful for the support of all our stakeholders in helping us to reach this point and I hope that you will share our pride in what we have achieved together.

SITPRO is now widely recognised as the premier trade facilitation agency in the world and with your support we will continue to work to make international trade in the twenty-first century as simple as possible.



**Norman Rose**  
SITPRO Chairman

# SITPRO's Expanding Role

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SITPRO was formed in 1970 with a clear remit: to design solutions to the problem of rejected international trade documentation caused by frequent documentary discrepancies. SITPRO's roots lie in the simplified and aligned paper documentation that it designed as its response, which are still referred to today loosely as 'SITPRO forms'. These are based on the UN Layout Key, which SITPRO worked with the United Nations Economic Commission for Europe (UNECE) to design. These forms represent the basis of many documents used in current best practice today.

Since its formation, SITPRO's role has been developed in response to demand from the Government and stakeholders. As world trade has developed and expanded (and it has increased roughly sixfold - from \$1.5 trillion to over \$8 trillion, in comparable Dollar terms - since SITPRO's establishment in 1970) the potential difficulties caused by complex bureaucratic procedures, and missing or inaccurate documentation, have continued to increase costs for traders and governments. With today's additional requirements for accurate and reliable data to minimise fraud and reduce risks of terrorist activity, SITPRO's role is even more important now than it was in 1970. Its activities range from 'grass roots' problem-solving on behalf of UK businesses to high-level policy input in support of broad government and business objectives in the worldwide trade facilitation domain.

SITPRO is widely recognised as the world's leading trade facilitation body, promoting trade facilitation through a variety of activities and projects:

- Influencing national, European and international trade and customs and other border policies and regulations by advancing trade facilitated options;
- Sharing experience with developing countries and helping to build their capacity to modernise their customs procedures;
- Researching and analysing the impact of new regulation affecting the international movement of goods by UK traders; especially relevant at this time of heightened security;
- Developing better regulatory approaches through the promotion of trade facilitation principles;
- Developing e-forms and the underlying international standards;
- As a result of all this, reducing costs, particularly to business and creating the conditions for business success and helping to meet the challenges of globalisation that are central to the Department for Business, Enterprise and Regulatory Reform's (BERR) own role.

# SITPRO's Unique Position

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SITPRO's mission is to "simplify international trade". What makes SITPRO's role unique is:

- Within the UK, its exclusive concentration on trade facilitation; this unrivalled focus on a cross-cutting discipline has enabled it to develop a level of expertise that other bodies promoting business interests in international trade, such as the ICC and CBI, are pleased to rely on in recognition of its expertise;
- Its strong international brand, which gives it international recognition as a world leader in its field and access to international organisations such as the World Customs Organisation (WCO) or WTO in a way no other UK body has or could have;
- Its hybrid status as an independent government-funded entity operating as a private sector body, independent of any sectoral interest or bias, for the good of large and small traders; this is a feature of SITPRO that the trading community has said they see as one of its key strengths, as it already has one foot in the government door. SITPRO is also seen by international bodies as a business organisation, which gives the UK access in a way that it would not get if SITPRO were part of a government department;
- Its focus on solutions to regulatory problems rather than mere lobbying, which enables it to deepen its added value in addressing trade procedural problems, for example in the area of documentary simplifications and standards;
- Its international leadership and status as a role model for other national 'PRO' organisations, which helps to promote like-minded approaches to trade processes in both developed and developing economies around the world.



# The International Trading Environment

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Current policy affecting international trade reflects the extent to which an increasing number of countries (particularly emerging markets) are being drawn into the international trading system. The agenda for trade facilitation (commonly defined as "the simplification of international trade procedures" with trade procedures identified as "activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade") is dominated by two factors: on the one hand there is the World Trade Organisation (WTO) Doha Development Agenda (DDA) and on the other a new and growing security environment that is driving the introduction of new border measures affecting the movement of goods.

The DDA provides opportunities for liberalisation but there are also risks from further protectionism and from the increasing recourse to bilateral and regional Free Trade Agreements (FTAs) if it does not succeed. The inclusion of trade facilitation in the WTO negotiations has strongly highlighted the importance of the issue in the international trade policy agenda, as never before. It is now widely accepted as having exceptional 'win-win' potential in terms of benefits to the world economy as a whole. SITPRO has long been at the forefront of promoting work in this area, especially with developing countries. In particular, SITPRO has helped emerging markets to demystify the subject, identify the benefits to their own economies and participate positively in the negotiations.

Post-9/11, the regulatory environment for international trade is also one of heightened security that has impacted and will continue to do so increasingly on business. Concern about threats coming from trade rather than to trade has led governments (especially the US) to impose additional security measures to counter those threats, perceived or real. SITPRO has been at the forefront of raising awareness of the risks to trade from governments taking a disproportionate security response, and has called for trade facilitation principles to feature prominently in the design of new border security controls. The message is getting through: only recently, the European Commission has responded to SITPRO's demand for a risk-management-based approach to security by arguing against the US government's proposed requirement for 100% screening of containers bound for the US.

# SITPRO's Reputation

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## International

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Part of SITPRO's international reputation as the world's leading trade facilitation body derives from its strong brand, which no other organisation enjoys in the international trade facilitation field. This is due to a combination of SITPRO's documentary roots, which gives it a reputation as an investor in practical trade facilitating solutions to border regulatory problems, and its specialist understanding of trade facilitation itself.

This has enabled SITPRO to develop partnerships with organisations and governments in many parts of the world and to work positively with a large number of developing countries, particularly in Asia and amongst the Least Developed Countries (LDCs). SITPRO is also seen as a trusted partner of many international organisations, especially the WCO and WTO. For example, SITPRO is the only government-funded agency to be invited to take part in those of the WCO's proceedings that are open to international businesses, including its Private Sector Consultative Group. It has also in the last month been uniquely invited by the WCO to be the lead partner in the implementation of their capacity building programme for implementing trade facilitation reforms in developing countries, building on SITPRO's work with developing countries through the 'Boksburg Group' and the Commission for Africa. For its part, the WTO has also recognised the work SITPRO has done to promote a global trade facilitation agreement and invited it to participate in the WTO Ministerial in Hong Kong in 2005 as a non-governmental organisation.

## The European Union

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This strong international reputation is also recognised at a European level. Given the European Commission's preference for dealing with European bodies, SITPRO and its Swedish counterpart SWEPRO created a body with a European identity representing the views of European PRO organisations - known as EUROPRO. As an accredited EU-level organisation, EUROPRO has been able to progress co-ordinated business views and has gained explicit acceptance by the European Commission of the business case for trade facilitation, and DG Taxud's overt acknowledgment of need for partnership with business. It has secured Commission agreement to EUROPRO representation on various EU Committees. Through EUROPRO, SITPRO has also joined forces with a number of European business organisations such as Business Europe, Eurocommerce, the European Services Forum and Amcham EU to strengthen the European business voice on trade facilitation matters. For its part, SITPRO has cultivated its own good working relationships with the Commission, particularly DG Trade and DG Taxud, and Customs Commissioner Kovacs.

## Domestic

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At the UK level, SITPRO operates at three levels: with small or inexperienced traders, with more experienced stakeholders, and of course with government.

Small traders see SITPRO as a source of practical advice on how to trade internationally, and are the main users of SITPRO forms, which offer a ready-made solution to small trader documentation needs. UK Trade & Investment (UKTI), which helps traders to find new markets, sees SITPRO as having a distinct role, complementary to its own, in meeting traders' needs to understand the complexities of processing export and import transactions. Indeed, SITPRO's website receives on average 275,000 hits per month and its helpdesk handles around 100 calls a month. In support of this, SITPRO researches and publishes a series of briefings and guides on export and import procedures. Other bodies such as Chambers of Commerce that give advice on international trading tend to provide that advice only to their members and in any event offer only limited support on trade facilitation issues.

SITPRO's more experienced stakeholders see SITPRO as performing an honest broker role analysing regulatory problems free from any sectoral bias and engaging with government departments on behalf of traders in an independent way. This distances SITPRO from being seen as just another lobby organisation. Instead, SITPRO is broadly perceived as providing thoughtful analysis and comment from the perspective of where the greatest benefit to UK trade lies. This has enhanced its reputation with government and opened doors for its wider influencing activities to take place. SITPRO also encourages stakeholders to become more involved in helping to identify issues and setting the agenda through participation in its Advisory Groups.

SITPRO recognises that its customer base is potentially huge and that there is a constant need to reach out to UK traders on a regular basis to maintain their awareness of what SITPRO does and how it can assist them. It does so through participation in conferences and seminars, as well as organising its own. SITPRO has organised a regional awareness campaign this year to market its services and promote and improve national recognition of its brand and activities.

SITPRO's relations with the Government are also vital to its role. Engagement is driven from two directions: on behalf of stakeholders as stated, and on behalf of the Government itself. As a result, SITPRO has and maintains a wide range of contacts in many Government Departments (notably BERR itself, HM Revenue & Customs (HMRC), the Department for International Development (DFID), the Department for the Environment, Food and Rural Affairs (Defra), the Home Office and the Department of Transport (DfT)) and agencies such as the Food Standards Agency (FSA).

# Value for Money

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SITPRO does not perform a statutory function, and its activities cannot be regarded as mandated by the taxpayer via Parliament. It exists at the continuing discretion of the government of the day. There is a corresponding onus to show that its activities represent value for money for the taxpayer. Over the past two years SITPRO's grant in aid has reduced by 40%, yet the organisation has adapted to this reduced funding, re-allocated its resources and continued to deliver effectively against the targets agreed by the Board with BERR by realising commensurate efficiency gains. On this simple basis alone, it can be said that SITPRO represents greater value for money than it did at the time of the last Review.

However, there is no simple calculus for calculating value for money. SITPRO is not an entity of the kind where it can be stated "for every £x spent maintaining SITPRO there is a return of £2x". The argument has to be in more qualitative terms. It is however clear that wealth-creation, and trade liberalisation as a route to wealth-creation, is in the interest of UK citizens. It is therefore right for governments to pursue this objective and to participate in and support activities to that end. It is also generally accepted that the gains to be had from traditional trade liberalisation negotiations covering manufactured goods are now relatively small, given that the majority of tariff barriers have been reduced or removed in the UK's key markets. New ways have to be found to enhance the economic efficiencies and welfare benefits arising from trade. Trade facilitation offers a key route to capturing these efficiencies and benefits, and this is the core reason for its value to business, the citizen and the taxpayer.

SITPRO is the sole UK body devoted to trade facilitation as its primary function. But the Board recognises that it does not follow that SITPRO, of itself, represents value for money. SITPRO is only worth the taxpayer's support if it is truly effective in its role of promoting trade facilitation efficiently and purposefully. SITPRO is contributing effectively to capturing the gains to be secured from trade facilitation and the gains from trade facilitation worldwide are to be measured in hundreds of billions of Dollars. Measured against that goal, the £800,000 grant offered to SITPRO by BERR for 2007/08 looks an excellent investment of taxpayers' money, given that SITPRO is a small, efficiently run entity in close partnership with the Department. If SITPRO did not exist, the Government (i.e. BERR) would inevitably have to devote greater resource than it currently does to certain trade-facilitation activities, particularly servicing the WTO negotiations. It is not clear that BERR would be as effective as SITPRO, given that it would not have the same breadth of access and diverse knowledge-base. This view is echoed by SITPRO's business stakeholders who value what SITPRO is able to achieve. SITPRO's value for money to the taxpayer needs to be judged in the wider context of the multiplier effect achievable using small resources, well deployed, to leverage large long-term gains in a key strategic area.

# Working with Government

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SITPRO has enjoyed a close and positive working relationship with its primary BERR contacts in BERR's Europe & World Trade (EWT) Directorate, who have been fully supportive of and interested in what SITPRO does. BERR is keen to develop a closer working relationship with SITPRO on a more day-to-day basis. We believe BERR could make more use of SITPRO, using its contact network, as an opportunity for intelligence gathering, or as a partner, suitably resourced, in trade policy delivery, as opposed to a hands-off NDPB management relationship. In the other direction, we believe SITPRO could be given a greater advisory role in policy development and be permitted to make more effective use of BERR services and capabilities in supporting its own work, for example by having better day-to-day access to BERR economic advice and press management services.

## Ministers

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SITPRO enjoys the active support of senior officials and Government Ministers, who have publicly acknowledged SITPRO's work. The Board welcomes its level of access to Ministers and senior officials in BERR. Board members met the then Minister for Trade (the Minister responsible for SITPRO) in early 2006. The Minister for Trade has regular meetings with the Chairman of the Board. In 2006 certain Board members met the Secretary of State for International Development to explain SITPRO's activities to help developing countries in the context of the WTO DDA, and to advance the Commission for Africa report. As a result of this meeting, SITPRO is in contact with the Investment Climate Fund with regard to funding of specific customs modernisation projects in Africa, in support of government objectives to improve trading opportunities for developing countries.

## Government Objectives

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SITPRO's objectives and priorities are agreed in consultation with BERR. Each is overseen by a Board champion, who works with the relevant staff member(s), stakeholders (representatives of business and trade with specific experience of their sector) who attend SITPRO's Advisory Groups and its Advisory Council (which includes senior representatives from relevant sectors of industry and government). The final Business Plan is then completed by the CEO and sets deliverable objectives for each of its priorities. The Board regularly reviews both objectives and delivery in consultation with BERR.

SITPRO's objectives and priorities pay particular attention to BERR's Public Service Agreement (PSA) targets, to the statement of BERR's role in BERR Capability Review, and to the PSA

targets of other Departments, and also take account of the views of SITPRO's customers and stakeholders. Those targets that are relevant to areas covered by SITPRO's MoU with BERR are:

### **BERR PSA Targets**

- Raise the rate of UK productivity, improve competitiveness and narrow the gap with competitors (PSA 1 - a joint target with HM Treasury);
- Promote fair competitive markets (PSA 3);
- Ensure that the EU secures significant reductions in EU and world trade barriers by 2008 leading to improved opportunities for developing countries and a more competitive Europe (PSA 5 - joint with DFID);

### **BERR Capability Review**

- BERR Capability Review states that BERR role is "creating the conditions for business success and helping the UK respond to the challenges of globalisation" and also mentions the following strategic objectives that are relevant to the areas covered by SITPRO's remit:
- Supporting successful business in the UK and abroad;
- Ensuring fair markets that are efficiently regulated.

### **Relevant PSA targets in other Departments**

- Strengthen frontier protection against threats to the security, social and economic integrity and environment of the United Kingdom in a way that balances the need to maintain the UK as a competitive location in which to do business (HMRC - PSA Objective III);
- Deliver more customer-focused, competitive and sustainable farming and food industries and secure further progress via Common Agricultural Policy (CAP) and WTO negotiations in reducing CAP trade-distorting support (DEFRA - PSA 5).



# How SITPRO Operates

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SITPRO operated as a part of the former Department of Trade and Industry (DTI) until the Department took the view (in an internal review in 2001) that it would be more appropriate for SITPRO to become a Non-Departmental Public Body (NDPB). SITPRO has now functioned as an NDPB for six years.

SITPRO's role is a mix of analysis, advocacy, and catalyst for administrative efficiency and regulatory change. As such, SITPRO has always been encouraged to operate at arm's length from government. Its stakeholders welcome this because they recognise that SITPRO can operate as an honest broker with government, but with the additional advantage of being partially on the inside with better access than they have. The DTI Reviews in 2004 and 2007 confirmed that SITPRO's legal status as a company limited by guarantee was an appropriate model.

## Delivery

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SITPRO's delivery model is also an exemplar of good practice. Using a Delivery Plan as a basis for managing delivery of its objectives, the concept of designated Board champions for each area of its business working closely with corresponding staff members has created a robust delivery and monitoring mechanism and ensured that the organisation is able to make the maximum use of its available resources and that the Board and executive are fully joined up.

At Board level the five Directors chosen and appointed by BERR Ministers bring a range of government and private sector skills and experience covering trade and customs policy, European Union, business - both manufacturing and services - and business media and publicity. These are complemented by the skills and experience amongst the high-level Advisory Council appointed by the Board. The creation of this Advisory Council has allowed specialist high calibre individuals donating their time and experience for free to help SITPRO develop policy, and leaves the Board to focus on strategy and governance. Board and Council members work closely with the staff in maximising the spread of experience. SITPRO also relies on its Advisory Group stakeholder base to provide it with the sharp-end knowledge of practices that help it to formulate positions on issues it needs to take forward.

SITPRO's staff carry out a broad range of tasks and have a wide range of expertise. SITPRO is also finding new ways to access the private sector skills and experience that are important to the organisation and that equip it to meet business needs and priorities. SITPRO is looking to supplement its existing staff with secondments and placements. It is about to take a secondee from HMRC that will help to replace some of the skills being lost through the retirement of the

Director of International Trade Practices. Advisory Council members are being asked to consider offering short-term secondments of the kind that Clifford Chance generously sponsored in 2006. Also we are working with a number of universities on summer placements for MSc students to work in SITPRO on trade facilitation projects. We see this new way of working being of advantage to SITPRO as it exposes its staff to fresh intellectual inputs and new ways of working that are similar to the project-based approach adopted by BERR.

## **Consultation**

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In order to achieve its service delivery SITPRO has developed an effective consultative and advisory structure for canvassing and discussing stakeholder views in a candid, non-adversarial atmosphere. By establishing five Advisory Groups, together with the high-level Advisory Council, SITPRO has established consultation inputs into its service delivery enabling it to co-operate with its business stakeholders to a high level of effectiveness. SITPRO has also developed effective and persuasive approaches to bringing about "joined-up government" through consultative working groups involving government departments and their agencies. All the approaches could be drawn on elsewhere within government departments or NDPB's and similar bodies.

## **Partnerships**

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SITPRO relies on outreach in its day-to-day operations, working in partnership with many organisations, both within the UK and overseas. It is continually looking for partners to leverage its efforts and gain added traction for its promotional activities wherever possible. Examples of partnership arrangements include:

- Boksburg Group, for which SITPRO partners with DFID, the Commonwealth Business Council and the Swedish Ministry of Foreign Affairs;
- EUROPRO, where SITPRO and SWEPRO of Sweden partner the management of a European PRO body to represent the interests of other European sister bodies;
- E-documentation partnerships, where in addition to UN/CEFACT SITPRO partners with the UK small business TNL and other international partners such as Malaysia, Korea and Taiwan; this includes the Asia-Europe Alliance for Paperless Trade (ASEAL), where SITPRO partners with the same Asian countries and with Germany and France;
- The "Duquesne Group", a trilateral alliance with partners in France and Germany;
- Trade Facilitation Alliance, where SITPRO is partnering with the Global Express Association;
- European business associations such as Amcham EU, EuroCommerce etc, with whom SITPRO partnered the running of a conference in Brussels in June 2006;
- UK Universities and Business Schools, with whom SITPRO has been actively engaged in

developing joint projects to mutual benefit. These projects will aim to generate additional research to assist government departments, industry and external organisations in enhancing trade facilitation;

- Placements and secondments to SITPRO, for example, the recent secondee from Clifford Chance, one of SITPRO's Advisory Council members.

## Stakeholders

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SITPRO's role and function is to promote trade facilitation and the simplification of international trade procedures. Without SITPRO, there would be no organisation or spokesmanship body that would undertake this vital work, at the very time that trade facilitation is high on the world trading agenda. Indeed to discontinue SITPRO would appear inexplicable to the UK's trading partners and trade facilitation allies.

During its reviews of SITPRO, its sponsors recognised that SITPRO's stakeholders greatly valued the work SITPRO did on their behalf, and for trade facilitation, with very limited resources. Customers and stakeholders, both national and international, place high value on SITPRO's information and advice, and the wider role SITPRO plays in promoting a simpler regulatory environment for international trade. It was also evident from SITPRO's recent awareness raising events around the UK that businesses that had not previously encountered SITPRO recognised at once the value of the work SITPRO does and the fact that, even on the basis of its small resources, huge welfare gains could be leveraged for the UK economy.

## Reaching Audiences

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SITPRO uses new technology to enhance many of the services it provides. In order to facilitate the needs of the widest possible audience, the [www.sitpro.org.uk](http://www.sitpro.org.uk) website has been created in line with the latest accessibility standards. The site offers a wide selection of guides for traders, which allows SITPRO's advice to reach the widest possible audience, as it can be discovered through Internet searches and can be freely and instantly accessed by anyone. These guides answer most basic questions enabling the Helpdesk team to focus most of their attention on more complex enquiries. The SITPRO Helpdesk Advisory service maintains a call log, which allows SITPRO to spot trends and identify areas where additional advice services, such as written guides, might be beneficial.

SITPRO also uses the Internet to promote its paper and electronic document standards. The main SITPRO website contains information about all the licensed suppliers of SITPRO aligned documents in paper form or via validated software suppliers. Additionally, a second website,

www.unedocsuk.co.uk, has been created as a repository from which people can download the standards that SITPRO has developed for use within their businesses and products. SITPRO's quarterly newsletter is enhanced by a parallel electronic service on the main SITPRO website, which not only offers all the information that appears in SITPRO News, but also offers additional material in the form of media releases and other news items. A self subscribing e-mail alert service is used to notify people as new material is released.

Electronic delivery methods also contribute to the work of SITPRO's Advisory Groups. Information about each area of SITPRO's work is available on the Internet, while password protected sections are available for the publication of meeting papers and other documents for consultation.



# SITPRO's Future

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In a world where the international trading agenda is ever changing, SITPRO is and needs to be a dynamic, evolving organisation capable of adapting to changing priorities. The vision of the future and SITPRO's forward role is regularly reviewed, to ensure that SITPRO's strategic direction is relevant and well focused.

We see greater emphasis in the future on Europe and Asia, particularly China and India, as economic powerhouses as drivers for change, on an increasing use of security measures on trade that will continue to challenge trade facilitation principles, and on a need to do more to apply trade facilitation principles to the services sector as well as goods. In addition, the challenges of globalisation and the need for increased competitiveness will drive ever-increasing interest in paperless trading and reinforce SITPRO's expertise and capabilities.

In looking to the future, the new vision of where SITPRO should be in five years' time suggests a refocusing of efforts. SITPRO will need to do more to work, for example, with European and Asian partners. The existing Asia Europe Alliance on Paperless Trading (ASEAL) initiative offers great opportunities to develop international standards for paperless trading throughout the Pan-Asian Alliance and the EU. The next five years will also see more border regulatory initiatives coming from the EU and an increasing need to engage with the European Commission in the prior development of their proposals. This argues firmly in favour of making greater use of EUROPRO as a vehicle and for SITPRO having greater 'presence' in Brussels.

There are others areas where SITPRO will need to develop its work. One is trade in services, especially given that the UK ranks as the world's second largest services exporter. Specifically, SITPRO needs to apply the expertise on trade facilitation and better regulation acquired in the goods arena to the services sector. Not only do many transactions in trade in goods involve a services component, but also the expansion of world trade in services raises fresh issues over the scope for reducing barriers to services trade, as has been recognised in the General Agreement on Trade in Services (GATS). SITPRO has recently used an industry secondee to scope the potential for a new workstream in this area. Another field is the continuously growing burden of security-related controls on trade: it is increasingly likely that governments will intensify their response to the international security environment, posing greater challenges for businesses and trade liberalisation and requiring an independent body capable of responding.

As a first step, SITPRO's Business Plan for 2007/08 is focused on three broader areas that will enable it to encapsulate all the activities that SITPRO engages in, and to reorganise into delivery teams to improve further the efficiency with which it uses its staff resources. The themes include:

- Trade agreements and capacity building: This would include broader strategic policy and implementation work on WTO and other trade agreements, the follow up to the Commission for Africa initiative on customs modernisation; and new work on trade facilitation in the services sector;
- Trade procedures and security: This would incorporate SITPRO's work on addressing current day-to-day problems and issues identified by its stakeholders and the basic advisory services it provides for small traders; and the whole area of making policy practical; SITPRO could also provide the link between European customs modernisation initiatives and the practical implementation issues in the UK;
- E-business and documentation: This would cover SITPRO's national and international work on paper and e-documents and standards, the UK and European single window programmes and the Asia-Europe paperless trading agenda.

Our vision for SITPRO's future is one in which the organisation is more substantial, operating more effectively at a European level, suitably funded. In this way, SITPRO would enhance its scope and be more capable of advancing trade facilitation projects internationally, with a larger pool of expertise, admired and respected internationally as the world leader in its field that it is, and bringing credit to the UK, without any loss of the neutrality that is the cornerstone of its success.

## Funding

SITPRO welcomes the continuation of grant-in-aid funding from BERR. However, to achieve its full potential and realise the Board's forward vision of SITPRO, it needs freedoms and flexibilities to develop its funding, business model and services beyond present grant-in-aid constraints. The Board believes that currently SITPRO needs an operating budget of at least £1 million per annum.

We therefore welcomes the agreement with BERR that SITPRO may boost its income by charging for specific services without this affecting its grant-in-aid. However, it is unlikely that SITPRO would be able to achieve the full level of allowable additional income in 2007/08 as both SITPRO and its stakeholder community will need time to adjust to this new funding scenario. We see potential sources of non-UK Government funding as likely to be found in commissioned projects (by UK and foreign companies, associations or foreign governments), training/sharing experience and embedded or occasional sponsorship.







**SITPRO**  
Simplifying International Trade

7th Floor  
Kingsgate House  
66-74 Victoria Street  
London  
SW1E 6SW

**Telephone:** +44 (0)20 7215 8150  
**Fax:** +44 (0)20 7215 4242  
**Email:** [info@sitpro.org.uk](mailto:info@sitpro.org.uk)  
**Website:** [www.sitpro.org.uk](http://www.sitpro.org.uk)

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