Initiatives in the Asia-Pacific Region to support implementation of paperless trade (UNNExT and other initiatives)

28 June 2016
STDF Seminar on Electronic Sanitary and Phytosanitary (SPS) Certification
Geneva, Switzerland

Maame Agyeben
Trade Facilitation Unit, ESCAP
Presentation Overview

• Introduction
  ▫ Trade Facilitation at ESCAP
  ▫ Work on Agriculture Trade Facilitation

• Paperless trade implementation in Asia-Pacific
  ▫ Results from the UNRCs Trade Facilitation and Paperless Trade Survey 2015

• Key paperless trade initiatives in Asia-Pacific
  ▫ ASEAN Single Window Initiative
  ▫ Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific
Introduction

• UN ESCAP - Asia and the Pacific Regional Branch of the United Nations Secretariat
• 53 member countries covering Central, South, Southeast, East and South Pacific countries
• Mandate: Promote sustainable and inclusive socio-economic development in Asia and the Pacific
  - through regional cooperation
• Areas covered: Trade, Investment and Innovation, Transport, Macroeconomic Policy, Environment, Emerging Social issues, Information and Communication Technologies…
  - Trade and Investment: (1) Trade Facilitation; (2) Trade Policy; (3) Investment and Enterprise Development; (4) Science, Technology and Innovation
ESCAP Trade Facilitation Programme

**Legislative**
- Enabling paperless trade (Res. 68/3)
- Regional Arrangement on cross-border paperless trade facilitation (Res. 70/6)

**Knowledge**
- ESCAP-WB Trade Cost Database
- Paperless Trade Guides & Impact analyses
- Global Trade Facilitation & Paperless Trade Implementation Survey
- Trade Process Analysis Database

**Capacity Building**
- Business Process Analysis
- Single Window & Paperless Trade Implementation
- Trade & Transport Facilitation Monitoring Mechanism
- Agricultural & SME trade facilitation
- (WTO TFA support)

**Regional Cooperation platforms and mechanisms:** ISG-CBPT: Intergovernmental Steering Group on Cross-Border Paperless Trade; UNNExT: United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific; ARTNeT: Asia-Pacific Research and Training Network on Trade; APTFF: Asia-Pacific Trade Facilitation Forum; ROC-TF: Regional Organizations Cooperation Mechanism for Trade Facilitation
ESCAP Work on Agricultural Trade Facilitation

Agricultural Trade Facilitation can be defined as: “the simplification and harmonization of procedures (activities, practices and formalities) involved in the import and export of agricultural and food products, including but not limited to collecting and processing data and documents required for the cross-border movement of these products”

Electronic exchange of sanitary and phytosanitary certificate is an important paperless trade facilitation: helps to reduce fraud and better manage the risks of trade in agricultural products; lower administrative costs and burden of the regulatory authorities; allow for better control; and speed up clearance of agricultural products at borders.

ESCAP’s work on paperless trade for agricultural trade include:

Guides and publications:

- Information Management in Agrifood Chains: Towards an Integrated Paperless Framework for Agrifood Trade Facilitation
- UNNExT Handbook on Implementing UN/CEFACT e-Business standards in agricultural trade
- UNNExT Briefs on Paperless Systems for Agricultural Trade

Capacity building workshops and training materials:

- Regional workshops on Paperless Systems for Agricultural Trade Facilitation
- Workshop on UN/CEFACT e-Business Standards in Agricultural Trade
- Workshop on Electronic Exchange of SPS Certificates for Better Trade Control and Facilitation
Paperless trade implementation in Asia-Pacific: Benefits and Challenges

Cross-border paperless trade” means trade in goods taking place on the basis of electronic communications, including exchange of trade-related data and documents in electronic form.

ESCAP study findings:
Annual regional export gains: $36 bn (for partial implementation) to $257 bn (full implementation)
Export time reduction: 24% to 44%
Export cost reduction: 17% to 31%
Total direct cost savings across all trade: $1bn to $7bn annually

Benefits:
• Effective deployment of resources
• Correct revenue yield
• Improved trader compliance
• Enhanced security
• Increased integrity and transparency
• Cutting costs through reducing delays
• Faster clearance and release
• Predictable application and explanation of rules
• Increased transparency

Challenges:
• Adoption of common International Standards
• Harmonization of legal frameworks
• Capacity gaps among the parties (infrastructure & HR)
• Cooperation between public and private sectors
• Lack of intergovernmental coordination mechanism
TF and Paperless Trade Implementation in Asia-Pacific: Highlights from 2015 Survey

Source: unnext.unescap.org/UNTFSurvey2015.asp
Figure 12: State of implementation of “paperless trade” measures in Asia-Pacific economies (in %)

- Internet connection available to Customs and other trade control...
- Electronic/automated Customs System
- Electronic submission of Customs declarations
- E-Payment of Customs Duties and Fees
- Electronic Submission of Air Cargo Manifests
- Electronic Single Window System
- Electronic Application and Issuance of Trade Licenses
- Electronic Application for Customs Refunds
- Electronic Application and Issuance of Preferential Certificate...

Source: unnext.unescap.org/UNTFSurvey2015.asp

Figure 14: State of implementation of “cross-border paperless trade” measures in Asia-Pacific economies (in %)

- Laws and regulations for electronic transactions
- Recognised certification authority
- Engagement in trade-related cross-border electronic data exchange
- Electronic exchange of Certificate of Origin
- Electronic exchange of Sanitary & Phyto-Sanitary Certificate
- Banks and insurers retrieving letters of credit electronically without lodging paper-based documents

Source: unnext.unescap.org/UNTFSurvey2015.asp
Towards “Next Generation” TF in Asia-Pacific

Figure 20: Moving up the trade facilitation ladder towards seamless international supply chains

Implementation of TF as a step-by-step process...

WTO TFA Full Compliance (Minimum implementation score associated with)

Cross-border paperless trade

Performance area

Frontier (full implementation)

East and North-East Asia

South-East Asia

Asia-Pacific

North and Central Asia

South and South-West Asia

Pacific Island Developing Economies

Note: the figure shows cumulative trade facilitation implementation scores of Asia-Pacific sub-regions for five groups of trade facilitation measures included in the survey. Full implementation of all measures = 100.

unnext.unescap.org/UNTFSurvey2015.asp
ASEAN Single Window

Objective of the ASEAN Single Window (ASW) is to expedite cargo clearance within the context of increased economic integration in ASEAN.

ASW to connect the 10 national single windows of the ASEAN. Each National Single Window provides economic operators and traders with a single point for submitting clearance documentation and data. The ASW provides secure and efficient infrastructure for electronic data and document exchange and communication among Member States through their national single windows.

The aim is to reduce the cost of doing business for ASEAN traders; to encourage trade and investment in and with ASEAN; and to ensure greater transparency, efficiency and savings in government operations.

Key features:
- National Single Window (NSW) of the ASEAN Member State (AMS) as the national gateway and single point of connectivity and communication;
- ASW network infrastructure to provide a gateway to connect to other NSW and regional single windows of non-ASEAN countries;
- Trade data between sender and recipient are maintained and owned by the parties concerned and reside in the national domain.
Architecture and Functionalities of ASW

Data flow from NSW to NSW via the ASW Network

ASW Simulation: [http://asw.asean.org/images/ASW_Animation.swf](http://asw.asean.org/images/ASW_Animation.swf)
## Major achievements in ASW Implementation

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2003</td>
<td>ASEAN Leaders declared in Bali that the ASEAN Economic Community (AEC) shall be the goal of regional economic integration by 2020. (NB. In 2007 the establishment of the AEC was expedited to 2015).</td>
</tr>
<tr>
<td>2004</td>
<td>ASEAN Economic Ministers agreed to establish the Inter-agency Task Force for ASW</td>
</tr>
<tr>
<td>December 2005</td>
<td>The Agreement to Establish and Implement the ASEAN Single Window signed by ASEAN Economic Ministers</td>
</tr>
<tr>
<td>December 2006</td>
<td>The Protocol to Establish and Implement the ASEAN Single Window signed by ASEAN Finance Ministers</td>
</tr>
<tr>
<td>February 2010</td>
<td>Completion of MOU on the implementation of the ASW Pilot Project</td>
</tr>
<tr>
<td>February 2011</td>
<td>Completion of architecture design of the ASW</td>
</tr>
<tr>
<td>August 2012</td>
<td>Completion of Sustainability Study</td>
</tr>
<tr>
<td>September 2012</td>
<td>ASW/NSW Symposium</td>
</tr>
<tr>
<td>March 2013</td>
<td>Completion of Scaled-down ASW Pilot Project for connectivity testing between ASW gateways</td>
</tr>
<tr>
<td>May 2013</td>
<td>Launching of the ASW web portal</td>
</tr>
<tr>
<td>December 2013</td>
<td>Business Process Analysis for regional transactions</td>
</tr>
<tr>
<td>September 2014</td>
<td>Completion of final draft of ASW Legal Framework Protocol</td>
</tr>
<tr>
<td>2015</td>
<td>9 AMS have established National Single Windows</td>
</tr>
<tr>
<td>April 2015</td>
<td>5 AMS participated in the parallel test for ASW</td>
</tr>
<tr>
<td>September 2015</td>
<td>The Protocol on the Legal Framework to Implement the ASW (PLF) was signed by the Finance Ministers. Ongoing domestic ratification by Member States.</td>
</tr>
<tr>
<td>2016</td>
<td>Live operation is expected to exchange e-Form D (COO for ASEAN)</td>
</tr>
<tr>
<td>Ongoing</td>
<td>Continued upgrading and expansion of ASW operation</td>
</tr>
</tbody>
</table>
Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

A new UN Treaty
- Open to interested (53) ESCAP member states (voluntary) to become parties
- Opening for signature set to 1 October 2016 at UN Headquarters, New York

Objective
- To facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions

Complementary to the WTO Trade Facilitation Agreement as well as (sub)regional efforts

4 year step-by-step development process (ESCAP resolutions 68/3,70/6,72/4)
- Over 30 countries directly involved in finalizing the treaty text in March 2016

Regional Study  | Expert Review & Member Consultations | Negotiation & Finalization | Adoption by the Commission

Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

Key features:

- **Enabling framework**: The focus is on promotion and facilitation of cross-border paperless trade (i.e., exchange of electronic trade data between the Parties not mandatory)

- **A set of general principles**: To facilitate interoperability between paperless trade systems and to ensure that solutions developed under the Agreement lead both to higher levels of trade facilitation and regulatory compliance

- UN treaty with a **multi-layered institutional arrangement** and ESCAP as Secretariat: Provides a strong dedicated platform for collaboration

- **A comprehensive action plan**: To develop standardized solutions and protocols for cross-border electronic exchange and recognition of trade-related data and documents, including pilot projects

- **Capacity building provision** to support developing countries from gaining benefits from being party to the agreement

[The Framework Agreement enters into force after 5 ESCAP Member States ratify]

Thank you.

For more information see:

http://www.unescap.org/our-work/trade-investment/trade-facilitation

http://unnext.unescap.org/

agyeben@un.org
UNNExT Tools, Guidelines and Studies

UNNExT Single Window Implementation Toolkit available here: http://unnext.unescap.org/tools/default.asp

New: UNNExT Training Guide on paperless transit and UNNExT Guide on Trade Facilitation for SMEs

Information Management in Agrifood Chains: Towards an Integrated Paperless Framework for Agrifood Trade Facilitation

UNNExT Handbook on Implementing UN/CEFACT e-Business standards in agricultural trade

Trade Facilitation and Paperless Trade Implementation Survey 2015: Global Report

Estimating the Benefits of Cross-Border Paperless Trade
http://www.unescap.org/resources/estimating-benefits-cross-border-paperless-trade
Resources

E-Learning Series on Business Process Analysis for Trade Facilitation
The ESCAP course consists of seven modules and introduces a step-by-step approach to conducting BPA. It is aimed at government officials and other stakeholders responsible for trade facilitation.
http://www.unescap.org/our-work/trade-investment/trade-facilitation/bpa-course

Video Case Studies on Trade Facilitation for Perishable Goods.
including studies from Thailand, Japan and Thailand. Available here:

UNNExT Briefs:
Streamlining and Automating Procedures in Agricultural Trade: A Case Study of the Philippines, UNNExT Brief No. 18
The State of Paperless Trade in Asia-Pacific 2015, UNNExT Brief No. 17
Electronic Traceability of Aquaculture Products: the Case of TraceVerified in Viet Nam, UNNExT Brief No. 16
Electronic Traceability of Agriculture Products in India: the Case of GrapeNet, UNNExT Brief No. 15
China E-Port Towards a Single Window Trading Environment, UNNExT Brief No. 14
ASEAN Single Window: A Regional Single Window for ASEAN Connectivity, UNNExT Brief No. 13
Available here: http://unnext.unescap.org/pub/brief.asp
"community of knowledge and practice to facilitate the implementation of single window and paperless trade in the region”

- Tools and guides development activities
- Advocacy and Technical Training Workshops
- Knowledge sharing and peer-to-peer support

- Secretariat provided by ESCAP, in collaboration with UNECE

- Link: unnext.unescap.org