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

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

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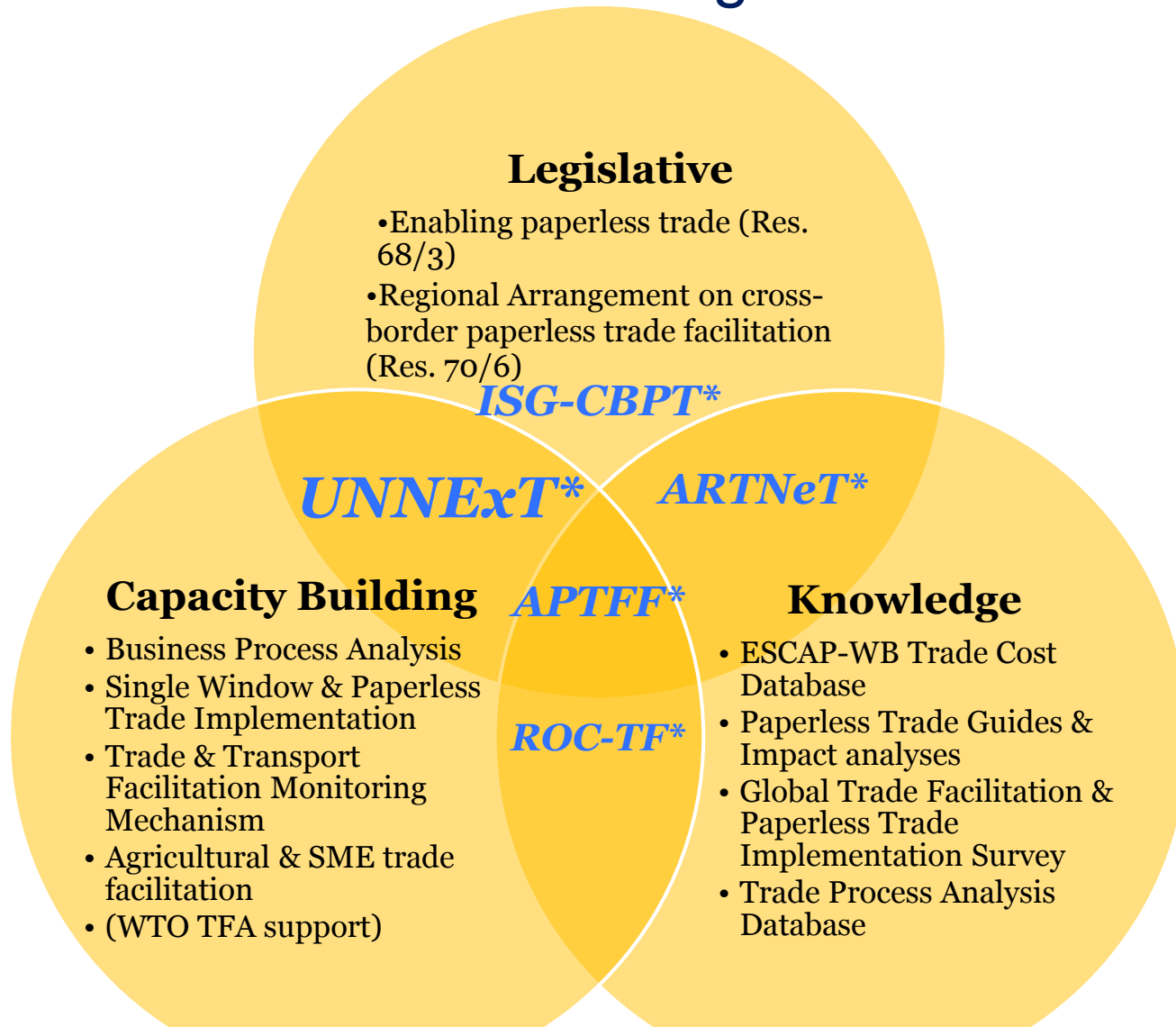
Presentation Overview

- 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

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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: <u>Trade, Investment and Innovation</u>, 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)

ISG-CBPT*

UNNExT*   *ARTNeT**

Capacity Building   *APTFF**   **Knowledge**

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

ROC-TF*

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

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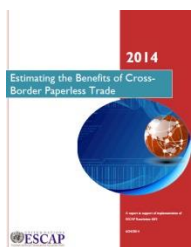
ESCAP study findings:
Annual regional export gains : $36 bn (for partial implementation) to $257 bn (full implementation)
Export time reduction: 24% to 44%
Export cost reduction: 17% to 31%
Total direct cost savings across all trade: $1bn to $7bn annually

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

Figure 12: State of implementation of "paperless trade" measures in Asia-Pacific economies (in %)
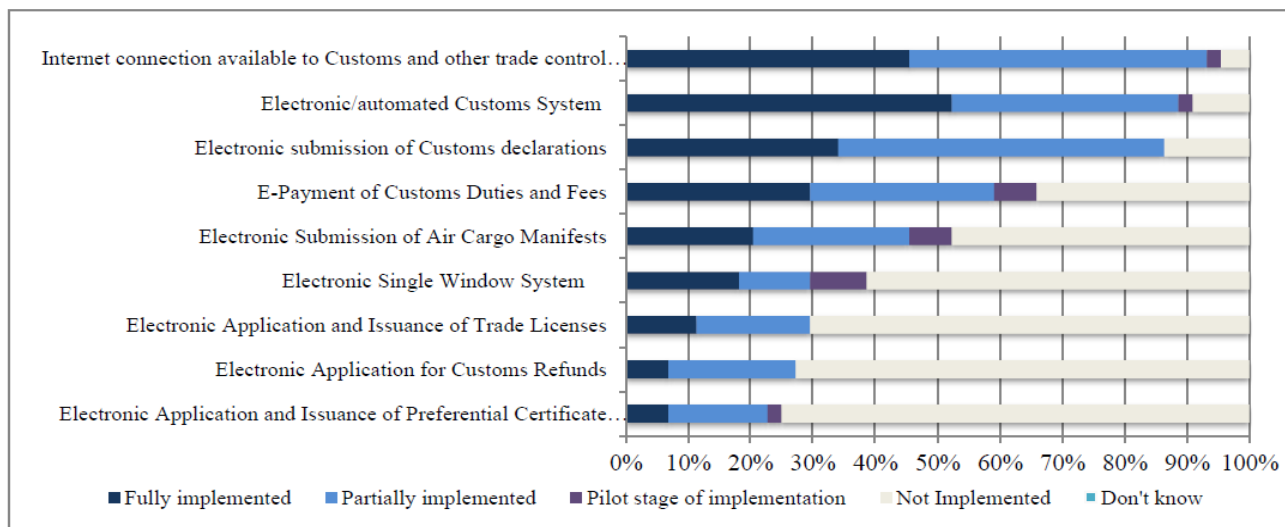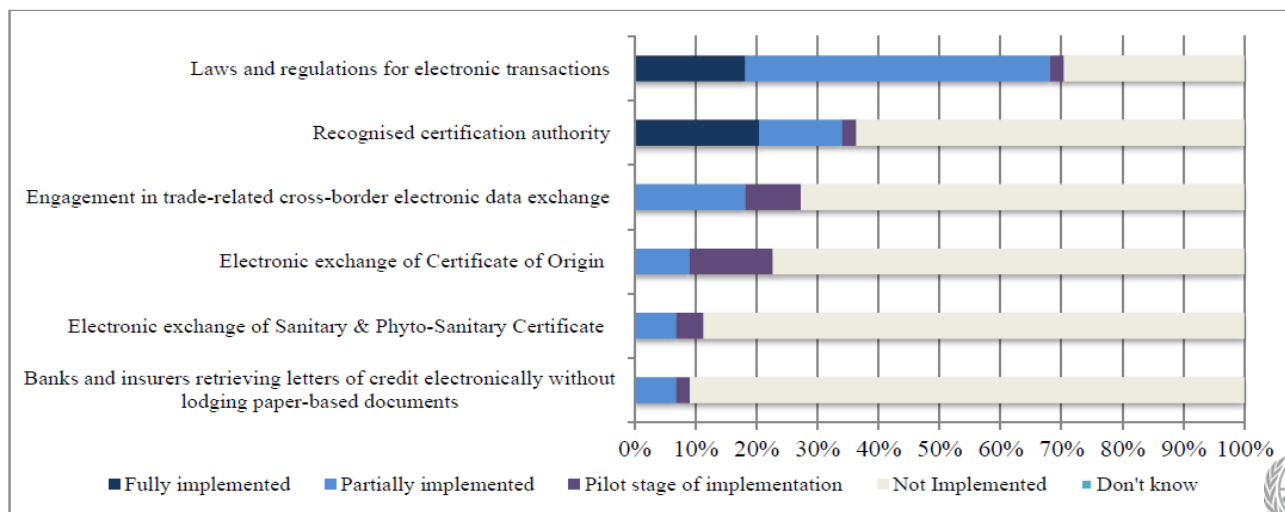

Figure 14: State of implementation of "cross-border paperless trade" measures in Asia-Pacific economies (in %)
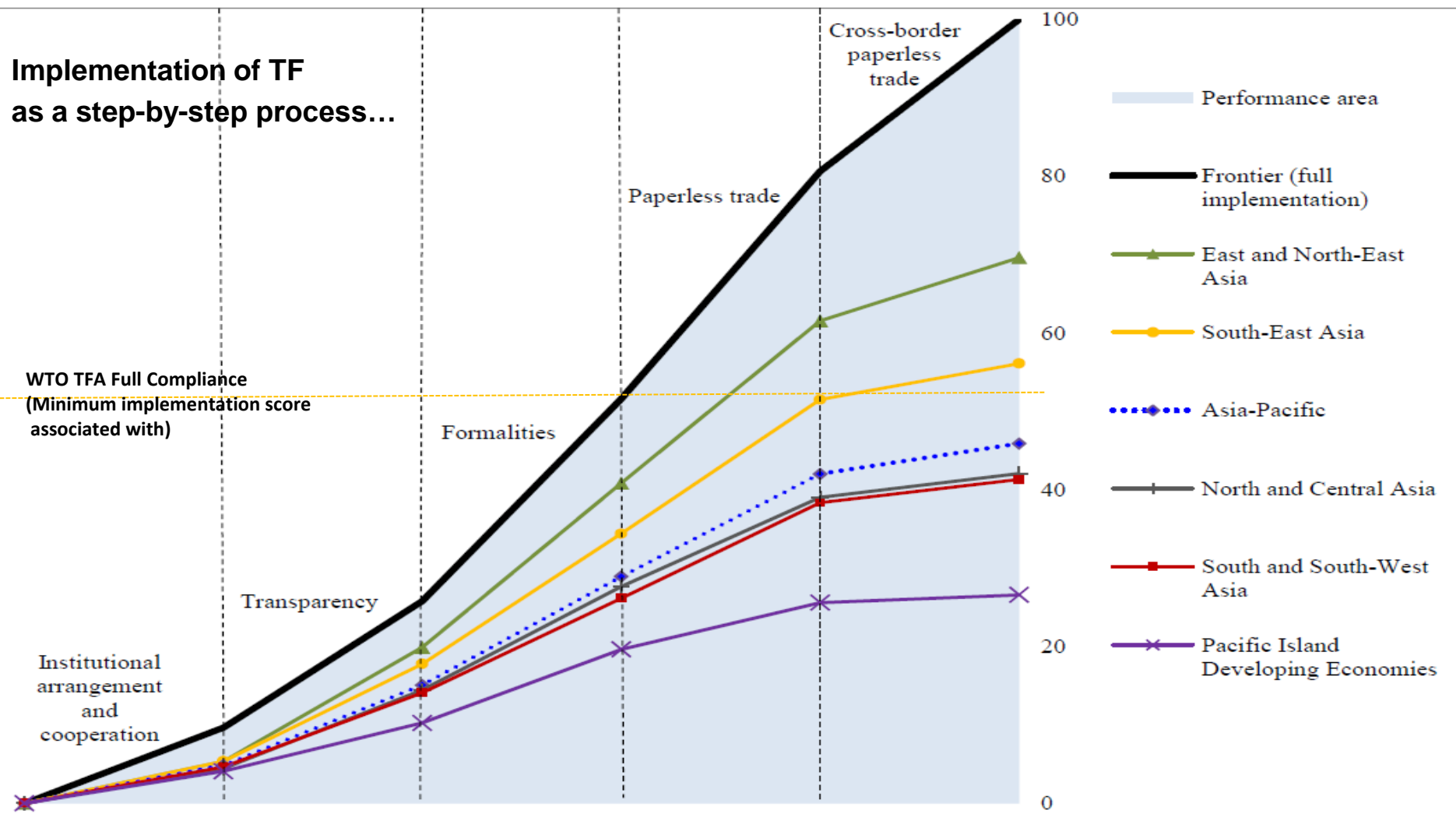

Source:
unnext.unescap.org/UNTFSurvey2015.asp

Towards "Next Generation" TF in Asia-Pacific

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

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
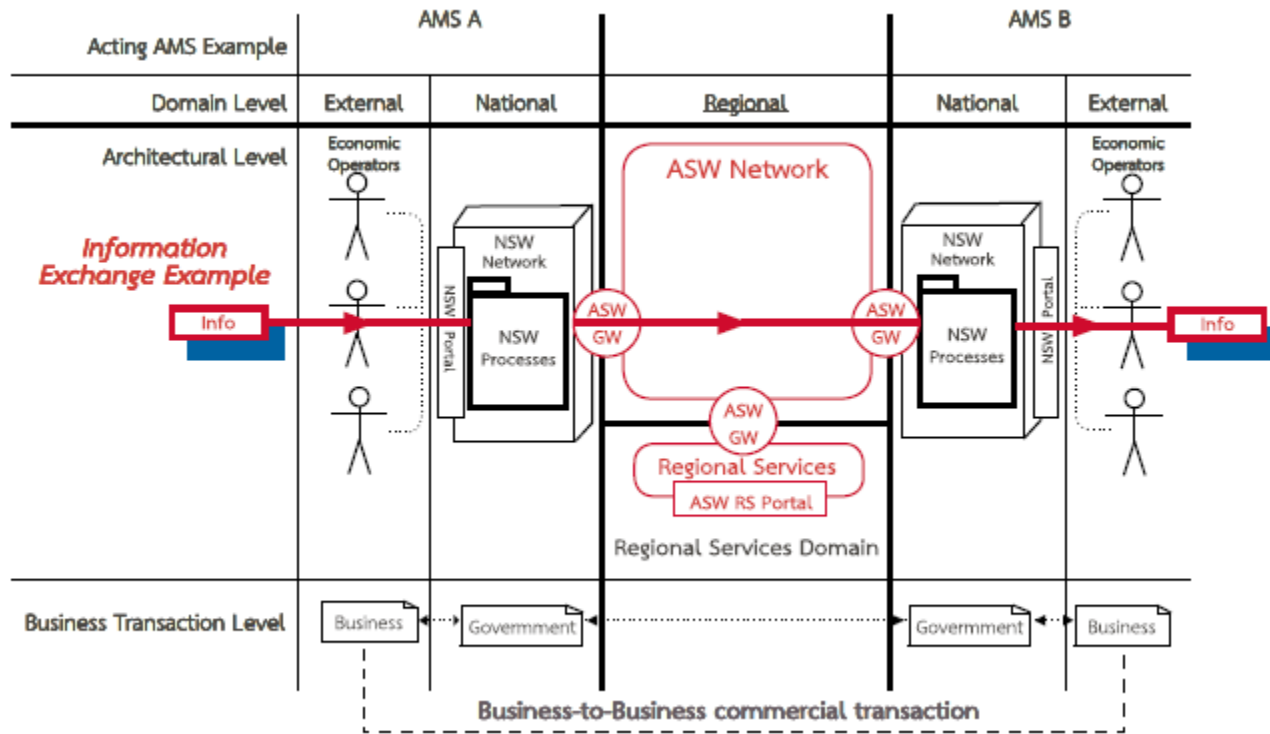
Data flow from NSW to NSW via the ASW Network

ASW Simulation: http://asw.asean.org/images/ASW_Animation.swf

Major achievements in ASW Implementation

October 2003	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).
2004	ASEAN Economic Ministers agreed to establish the Inter-agency Task Force for ASW
December 2005	The Agreement to Establish and Implement the ASEAN Single Window signed by ASEAN Economic Ministers
December 2006	The Protocol to Establish and Implement the ASEAN Single Window signed by ASEAN Finance Ministers
February 2010	Completion of MOU on the implementation of the ASW Pilot Project
February 2011	Completion of architecture design of the ASW
August 2012	Completion of Sustainability Study
September 2012	ASW/NSW Symposium
March 2013	Completion of Scaled-down ASW Pilot Project for connectivity testing between ASW gateways
May 2013	Launching of the ASW web portal
December 2013	Business Process Analysis for regional transactions
September 2014	Completion of final draft of ASW Legal Framework Protocol
2015	9 AMS have established National Single Windows
April 2015	5 AMS participated in the parallel test for ASW
September 2015	The Protocol on the Legal Framework to Implement the ASW (PLF) was signed by the Finance Ministers. Ongoing domestic ratification by Member States.
2016	Live operation is expected to exchange e-Form D (COO for ASEAN)
Ongoing	Continued upgrading and expansion of ASW operation

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
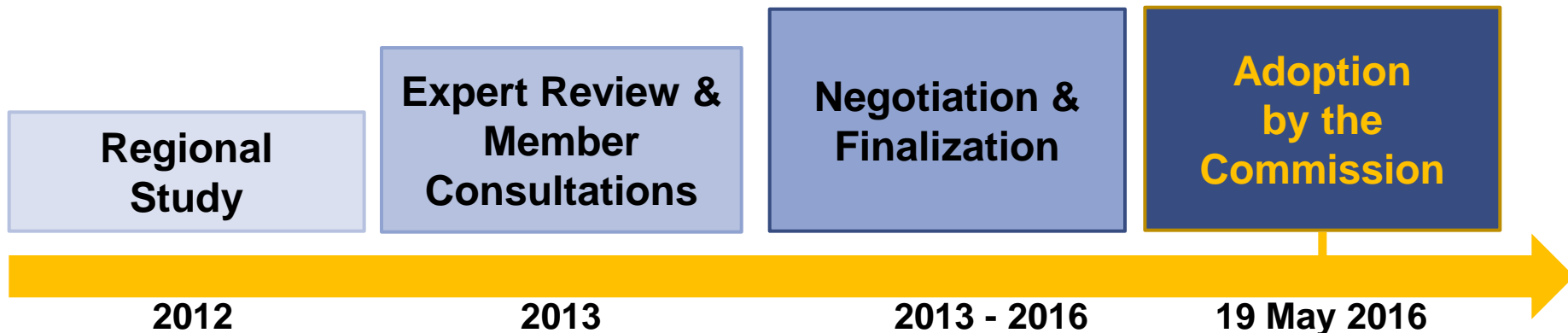- Opening for signature set to 1 October 2016 at UN Headquarters, New York

Objective

- To <u>facilitate</u> 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
2012	**2013**	**2013 - 2016**	**19 May 2016**

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 <u>facilitation</u> 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 <u>5</u> ESCAP Member States ratify]

See: http://communities.unescap.org/cross-border-paperless-trade-facilitation

Thank you.

For more information see:

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

http://unnext.unescap.org/

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UNNExT Tools, Guidelines and Studies

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

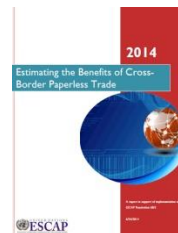New: UNNExT Training Guide on paperless transit and UNNExT Guide on Trade Facilitation for SMEs
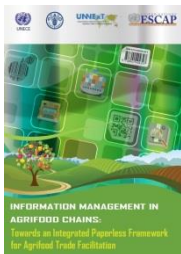
Information Management in Agrifood Chains: Towards an Integrated Paperless Framework for Agrifood Trade Facilitation
http://www.unescap.org/resources/information-management-agrifood-chains-towards-integrated-paperless-framework-agrifood
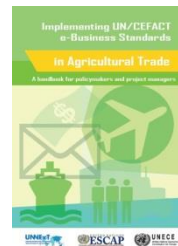
UNNExT Handbook on Implementing UN/CEFACT e-Business standards in agricultural trade
http://www.unescap.org/resources/unnext-handbook-implementing-uncefact-e-business-standards-agricultural-trade
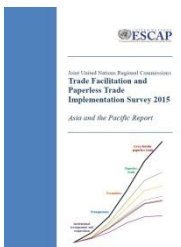
Trade Facilitation and Paperless Trade Implementation Survey 2015: Global Report
http://www.unescap.org/resources/joint-unrcs-trade-facilitation-and-paperless-trade-implementation-survey-2015-global

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

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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:
http://www.unescap.org/our-work/trade-investment/trade-facilitation/wto-tfa/article-7.9

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**