ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

REPORT OF THE AD-HOC SESSION OF STANDING COMMITTEE OF FRAMEWORK AGREEMENT ON FACILITATION OF CROSS-BORDER PAPERLESS TRADE IN ASIA AND THE PACIFIC

Online
23-24 January 2024

I. ORGANIZATION OF THE SESSION

1. The ad-hoc session of the Standing Committee of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA) (hereinafter "the Meeting") was held at UNCC, Bangkok and online, from 23 to 24 January 2024.

2. To enrich discussion and support capacity building for cross-border paperless trade across the region, a back-to-back webinar on upscaling the IPPC ePhyto solution to other trade-related documents was held on 23 to 24 January 2024.[1]

A. Attendance

3. The session was attended by the following Parties to the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: Azerbaijan, Bangladesh, China, Iran (Islamic Republic of), Mongolia, Philippines, Republic of Korea, Russian Federation and Tajikistan.

B. Opening Address

4. In her opening statement, Ms. Rupa Chanda, Director, Trade, Investment and Innovation Division, pointed out that the Meeting would primarily be focused on reviewing the progress made in implementing the tasks that were prioritized during the second session of the Standing Committee in June 2023. She introduced the provisional Agenda of the Meeting. She expressed gratitude to the donor countries, especially Republic of Korea and China, for supporting various activities for implementing CPTA. She also thanked the experts who supported the studies and shared their expertise to support implementing CPTA.

C. Election of officers

5. According to Rule 5.1 of the Terms of reference and rules of procedure of the Standing Committee of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, the elected Chair of the regular session shall also chair all the ad hoc sessions until the next regular session. Therefore, the elected Chair of the 2nd session of the Standing Committee, Mr. Dilshod Sharifi, Head of External Economic Cooperation Department, Ministry of Economic Development and Trade of Tajikistan, acted as the Chair and Mr. Noor MD. Mahbubul Haq, Additional Secretary, Ministry of Commerce of Bangladesh, acted as the Vice-Chair of the Meeting.

[1] More information of the webinar is available at https://www.unescap.org/events/2024/unnext-webinar-upscaling-ippc-ephyto-solution-other-trade-related-documents

D. Agenda

6. The Standing Committee adopted the Programme of the Meeting as shown in Annex 1.

II. ACCOUNT OF PROCEEDINGS

A. Progress in implementing the Framework Agreement by the Parties
(Item 2 of the agenda)

7. Representatives from the following Parties reported the progress in implementing CPTA and advancing cross-border paperless trade in their countries: Azerbaijan, Bangladesh, China, Iran (Islamic Republic of), Mongolia, Philippines, Republic of Korea, Russian Federation and Tajikistan.

8. **Azerbaijan** expressed the country's strong commitment to paperless trade facilitation and highlighted several key initiatives including the "Action Plan for 2024-2026 on increasing the transit potential of international transport corridors passing through the territory of the Republic of Azerbaijan and promoting transit cargo transportation", commencement of the Single Window project, implementation of a new AI-based Automated Risk Management System within the State Customs Committee and launch of the Trans-Caspian Customs Transit Portal.

9. **Bangladesh** emphasized that implementation of the CPTA is aligned with the national policy of the government, especially the priority of the current government of Bangladesh to transform Bangladesh into "Smart Bangladesh" by 2041. The government is formulating rules and regulations and creating a authority to provide legal and institutional support to the implementation of Cross Border Paperless Trade.. Additionally, the National Single Window (NSW) is being developed to support information sharing with other government agencies. Finally, the country is in the process of including the activities of Cross Border Paperless Trade in the Terms of Reference (ToR) of its NTFC National Trade Facilitation Committee (NTFC).

10. **China** has developed the "Electronic Certificate Information Exchange and Verification System for Inspection and Quarantine (eCert System)" to actively engage in international cooperation on electronic certificates with regulatory authorities around the world. China has signed electronic certificate cooperation arrangements with 18 countries, regions or regional alliances and granted eCert system query permissions for 66 national or regional regulatory authorities. China has been actively promoting electronic bill of lading cooperation and encouraging local and related enterprises to use electronic bill of lading platforms to carry out pilot projects with partners from Singapore and Chile. China promotes paperless trade cooperation through free trade agreements. For example, there are special articles on digital economy in the China-Nicaragua free trade agreement, which includes relevant provisions on paperless trade.

11. **Iran (Islamic Republic of)** has taken seven steps in advancing paperless and cross-

border paperless trade, which include, among others, accession to CPTA, adoption of the UN Convention on the use of electronic communications, and development of the national single window platform. Iran (Islamic Republic of) is establishing the National Committee on Cross Border Paperless Trade under the National Electronic Commerce Council.

12. **Mongolia** initiated the UNCTAD-EBRD project for Mongolia Customs digitalization (utilizing ASYCUDA) in 2023 to identify gaps in customs automation and deliver innovative customs ICT tools for exchange by cross-border traders and e-commerce operators. The country is working to establish a subcommittee on paperless trade which can be incorporated into an existing national TFA committee and renew a dedicated interagency steering committee on TFA and advance ongoing preparation for the introduction of the Single window, expected to be finalized by 2025. In addition, Mongolia, in collaboration with the UNCTAD, conducted the e-Trade Readiness Assessment of Mongolia from 2022 to 2023. Finally, the adoption of the E-Signature law, and the Law on the National Payment System by Parliament underscores Mongolia's commitment to building a robust digital infrastructure. For instance, to expedite the use of digital documents and electronic signatures, the government has submitted amendments to 120 existing national laws, acknowledging digital documents as equivalent to paper documents too. These amendments were approved by the Parliament in December 2023.

13. **The Philippines** expressed its commitment to the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, in line with the country's efforts to modernize and standardize trade-related operations. As a Party to the Framework Agreement, the Philippines aims to promote a government-wide approach to digital transformation, enhancing digital connectivity and information exchange in trade. The Philippines has implemented eCO utilization in ASEAN and has joined the live exchange of ASEAN Customs Declaration Document (ACDD). Furthermore, the Philippines is now in the process of testing the exchange for ePhyto.

14. **The Republic of Korea** has formed a Trade Facilitation Committee, comprising government officials and private sector experts. This committee convened in November 2020 and January 2023, to endorse Korea's Trade Facilitation Basic Plan and review the progress of the CPTA and the WTO Trade Facilitation Agreement in the country. Moreover, Republic of Korea has entered into significant digital trade agreements including the Korea-Singapore Digital Partnership Agreement (DPA), effective from January 2023, and the Digital Economy Partnership Agreement (DEPA), effective from June 2023. Republic of Korea recognizes the relevance of Electronic Origin Data Exchange System (EODES) for cross-border paperless trade and is planning to host an EODES Workshop in the third quarter of 2024 in partnership with the ESCAP Secretariat.

15. **The Russian Federation** has prepared the first draft of the legal and technical readiness assessments of implementing CPTA, and would share the results with the secretariat once the country has verified the content and has a formal approval on the final text. Besides, the Russian Federation has identified the existing working bodies in the government which cover various aspects of paperless trade (customs, transport, taxes and other charges, electronic signatures, etc.). Finally, the Russian Federation has started an awareness campaign about the CPTA which is targeted at government agencies, businesses and academia in the country.

16. **Tajikistan** accords high priority to implementing CPTA and trade digitization. Tajikistan is currently the chair of the SPECA Forum and plans to host a SPECA Forum on trade digitalization. Tajikistan has established the Coordination Committee on Trade Facilitation, and within that committee a working group on implementation of CPTA has been set up.

B. Review the preliminary results of studies/reports as prioritized by the Standing Committee and Paperless Trade Council in its second session

(Item 3 of the agenda)

17. The secretariat and the consultants delivered the following presentations. Furthermore, the secretariat emphasized that all the background documents which underpin these presentations were made available at the website of the ad-hoc session before the Meeting[2].

    a) An update of the Cross-Border Paperless Trade Database (https://www.digitalizetrade.org/);
    b) A draft guide on facilitating concurrent implementation of national and cross-border paperless trade systems;
    c) Draft model agreement for bilateral and plurilateral exchange of trade-related data and documents;
    d) A draft legal guide on engaging in cross-border paperless trade;
    e) Review of the status of several selected documents for cross-border paperless trade in China, Mongolia, the Philippines and Republic of Korea and explore the pilot projects (comprising four presentations); and
    f) Comparative analysis of the benefits of exchanging selected trade-related documents electronically

18. Regarding the Cross-Border Paperless Trade Database, among other improvements, the secretariat has been working with International Chamber of Commerce to add the UNCITRAL Model Law on Electronic Transferable Records Tracker (MLETR Tracker) to the Database. The Parties were invited to review the Database and provide any additional information to enrich the Database and enhance the accuracy of the data and information in the Database.

19. Regarding the draft guide on facilitating concurrent implementation of national and cross border paperless trade systems, the Meeting noted the importance of including case studies, and emphasized that it would be useful to include, among other case studies, the experience of the Eurasian Economic Union on concurrent implementation of national and cross-border paperless trade.

20. Regarding the draft model agreement for bilateral and plurilateral exchange of trade-related data and documents, the Meeting emphasized that mutual recognition is a complex topic which should be further discussed by the Working Group on

[2] All the background documents are available through https://www.unescap.org/events/2024/ad-hoc-session-standing-committee-framework-agreement-facilitation-cross-border.

implementing article 8 of CPTA to be established. It noted that mutual recognition should be considered in the light of the WTO Technical Barriers to Trade Agreement and free trade agreements. The Meeting emphasized that the actual agreements may vary depending on the nature and the purpose of the agreement (such as G2G vs. B2G). Therefore, the countries will retain full flexibility on how to use and apply the model or models to be developed.

21. Regarding the draft legal guide on engaging in cross-border paperless trade, the proposed legal guide aims to provide a framework for countries to move from assessment to implementation of cross-border paperless trade. The consultant highlighted the need for addressing the validity of legal systems across borders, emphasizing mutual recognition and harmonization. The Meeting noted that the guide should build on the work carried out by the intergovernmental steering group on cross-border paperless trade facilitation and the Secretariat earlier, including the legal readiness checklist.

22. The consultants from China, Mongolia, Philippines and Republic of Korea presented their key findings on the status of several selected documents for cross-border paperless trade and proposed pilot projects to further advance cross-border paperless trade. The Meeting recognized that these studies may have important implications for exploring pilot projects in other countries as well.

23. Regarding the studies on comparative analysis of the benefits of exchanging selected trade-related documents electronically, the secretariat presented 21 key trade-related documents discussed by the International Chamber of Commerce. Considering the large number of documents to be studied, it is essential to prioritize the documents for the study. In this connection, the secretariat proposed four selection criteria: 1) The documents (paper or paperless) should be commonly used by all or most of the Parties; 2) The electronic documents, ideally, should have been adopted by at least one Party of CPTA (so that the operation can potentially be expanded to other Parties); 3) Low hanging fruit: the paperless solution should be relatively easily acceptable by the Parties; 4) The documents, ideally, should also be recommended by ICC and other development partners so that synergies can be explored. Based on these criteria, the secretariat proposed that the first phase of the studies should cover three documents, namely, Certificate of Origin (including preferential and non-preferential), Phytosanitary certificate and Invoice. The secretariat invited the Parties to join the studies depending on the willingness and readiness of each Party.

24. The Meeting emphasized that the Standing Committee has ownership of these documents including b), c), d) and f) as listed above and will continue to be consulted in the process of preparing these documents. It noted that an advanced version of these documents will be presented at the third sessions of the Standing Committee and Paperless Trade Council for further review and finalization.

C. Prioritize the work for the working group on implementation of Article 8 of the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

(Item 4 of the agenda)

25. Further to the Terms of Reference (ToR) of the Working Group on Implementation of Article 8 of the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA) adopted by the Standing Committee, the secretariat proposed the following plan:

    a) 24 February 2024: deadline for each Party to nominate experts to join the Working Group.
    b) 15 March 2024 (tentatively): the inception meeting of the Working Group will be organized. The meeting will be entirely online.
    c) 15 May 2024 (tentatively): the second meeting of the Working Group will be organized. The meeting will be entirely online.
    d) 5-7 June 2024: the chair of the Working Group will report the key outcome of the Working Group to the third session of the Standing Committee. The Standing Committee will review the work by the Working Group and decide the future work plan.

26. The Meeting agreed that both legal and technical experts from the Parties should be nominated to the Working Group. Furthermore, the secretariat would invite individual experts to provide advisory support to the work of the Working Group.

27. In terms of prioritization of the work of the Working Group, the secretariat mentioned that the Standing Committee may refer to key recommendations from its first session.

28. The Meeting encouraged each Party to submit written input on the specific tasks that the Working Group should prioritize as soon as possible but no later than the first meeting of the Working Group.

D. Preparing for the third sessions of the Standing Committee and Paperless Trade Council

(Item 5 of the agenda)

29. The secretariat presented the draft Programme of the third sessions of the Standing Committee and Paperless Trade Council to be held in Bangkok and Online on 3-7 June 2024. There was no specific comment on the Programmes by the Parties.

30. The Meeting noted the importance of inviting development partners, international and regional organizations and experts to the regular sessions of the Standing Committee and Paperless Trade Council to enrich discussion and strengthen synergies.

E. Other matters

(Item 6 of the agenda)

31. A presentation on the electronic bill of lading was presented to provide additional information to the participants. The presentation was facilitated by China.

F. Closing

(Item 7 of the agenda)

32. The participants were invited to further review the draft documents as background documents of the Meeting circulated to the Parties prior to the Meeting, and send feedback to the secretariat.

33. The Meeting highlighted that, based on discussion of the Working Group under agenda item 4 during the Meeting, the Parties now should all strive to focus on the initiation of the work of the Working Group.

34. The Meeting emphasized that it is important for the Parties to work towards pilot projects on cross-border paperless trade, mobilize resources and strengthen collaboration with development partners. Exploring synergies of implementing CPTA and WTO TFA and other trade agreements may lead to more fundings to the Parties.

35. To further enlarge the membership of CPTA, the Parties are encouraged to consistently promote CPTA when the Parties engage with other parties in other fora on trade facilitation issues, in free trade agreement negotiations, and other occasions.

36. The participants were informed of the 11th Asia Pacific Trade Facilitation Forum to be held in Samarkand, Uzbekistan from 1 to 5 April 2024. The Parties are encouraged to tap into national funds and national level capacity building programs and technical assistance to attend the forum for capacity building.

Annex 1. Programme of the Ad-Hoc Session of the Standing Committee of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

23 January 2024

11:00-11:10 (Bangkok local time)	**Agenda Item 1. Opening of the meeting** (a) Opening statements; (b) Election of officers; (c) Adoption of the agenda.
11:10-12:30 (Bangkok local time)	**Agenda Item 2. Progress in implementing the Framework Agreement by the Parties** *In this session, a representative from each Party will report the progress made by the Party in implementing the Framework Agreement. In addition, each Party may share the good experience and lessons learned, and highlight the key challenges and the needs for technical assistance or capacity building.*
12:30-14:00 (Bangkok local time)	**Agenda Item 3. Review the preliminary results of studies/reports as prioritized by the Standing Committee and Paperless Trade Council in its second session** *The secretariat has carried out studies on the topics prioritized by the Standing Committee and Paperless Trade Council in its second session held in Bangkok and online from 19 to 23 June 2023. In this session, the secretariat and the consultants will report the preliminary study results.* *3.1. Cross-Border Paperless Trade Database* *3.2. A draft guide on facilitating concurrent implementation of national and cross-border paperless trade systems.* *3.3. Model agreement for bilateral and plurilateral exchange of trade-related data and documents* *3.4. A legal guide on engaging in cross-border paperless trade* *3.5. Towards pilot projects* *3.6. Comparative analysis of the benefits of exchanging selected trade-related documents electronically*

24 January 2024

11:00-12:00 (Bangkok local time)	**Agenda Item 3. Continued**
12:00-13:00 (Bangkok local time)	**Agenda Item 4. Prioritize the work for the working group on implementation of Article 8 of the Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific** *The Standing Committee will approve the Terms of Reference (circulated inter-sessionally before the meeting) of the working group on implementation of Article 8, provide guidance to the working group on the work to be prioritized.*
13:00-13:30 (Bangkok local time)	**Agenda Item 5. Preparing for the third sessions of the Standing Committee and Paperless Trade Council** *The Standing Committee will discuss the draft Programme and other preparation for the third sessions of the Standing Committee, Paperless Trade Council and the capacity building workshops during the week.*
13:30-13:50 (Bangkok local time)	**Other matters**
13:50-14:00 (Bangkok local time)	**Closing**