

TRAINING PROGRAMME ON “NEGOTIATING PREFERENTIAL TRADE AGREEMENTS”

Session 8: National Single Window, ASEAN SW to Cross-Border Paperless Trade

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What is Single Window?

- **UNCEFACT Recommendation 33:**

- “As specified in UN/CEFACT Recommendation Number 33, the Single Window concept covered in these Guidelines refers to a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once.”

- **WTO Trade Facilitation Agreement:**

- 4 Single Window
 - 4.1 Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation and/or data, the results shall be notified to the applicants through the single window in a timely manner.
 - 4.2 In cases where documentation and/or data requirements have already been received through the single window, the same documentation and/or data requirements shall not be requested by participating authorities or agencies except in urgent circumstances and other limited exceptions which are made public.
 - 4.3 Members shall notify the Committee of the details of operation of the single window.
 - 4.4 Members shall, to the extent possible and practicable, use information technology to support the single window.

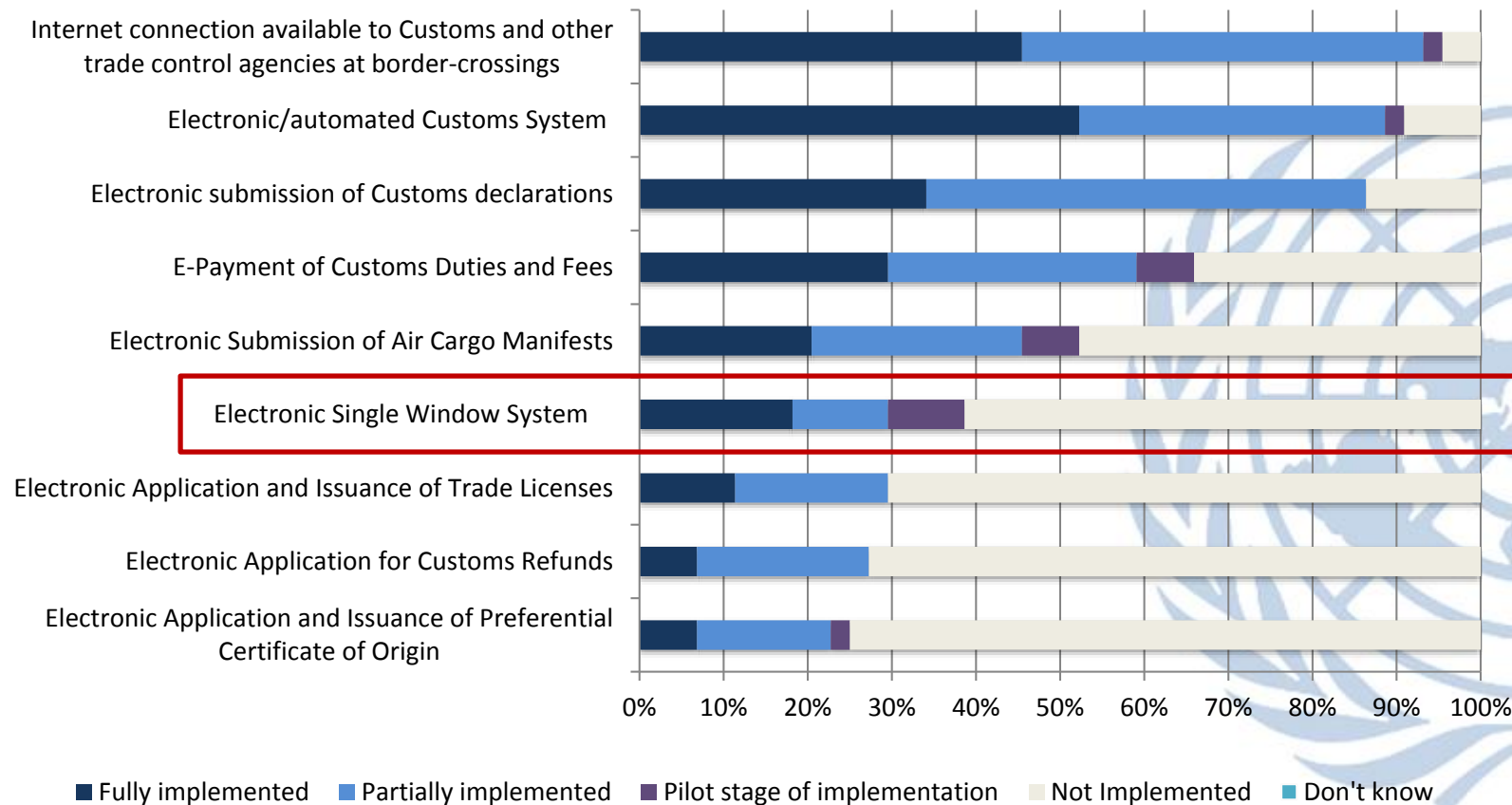
Outline

- Lessons learnt in developing Single Windows in Asia-Pacific region
- ASEAN Single Window
- Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific



Note: discussion on ASEAN Single Window is based on presentations delivered by Marianne Wong Mee Wan

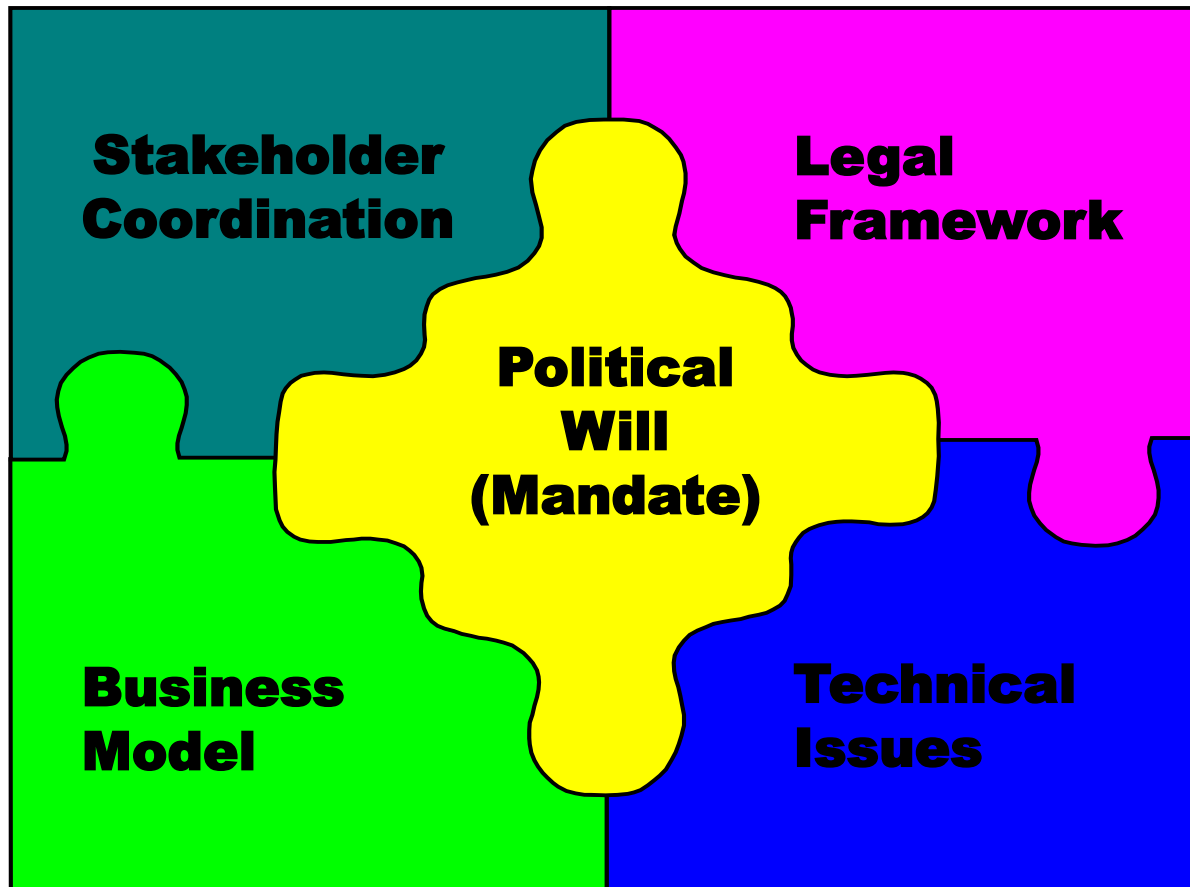
Implementation of “paperless trade” measures: Asia-Pacific average



Single Window and other initiative for cross-border paperless trade

Type		Countries/Economies/Cases
National Electronic single Window	fully implemented	Azerbaijan, Japan, Indonesia, Malaysia, Republic of Korea, Singapore, Thailand
	Partially implemented	Armenia, China, India, Kyrgyzstan, Philippines and Turkey
Bilateral Initiatives (examples)		<ul style="list-style-type: none"> • Electronic Certificate of Origin between Republic of Korea and Taiwan Province of China • Electronic Exchange of Preferential Certificate of Origin among ASEAN members • Electronic Sanitary and Phyto-Sanitary (e-SPS) exchange between Australia and New Zealand
Subregional Initiatives		<ul style="list-style-type: none"> • ASEAN Single Window • Pan Asian e-Commerce Alliance (PAA) • SASEC Customs data exchange • Eurasian Economic Union

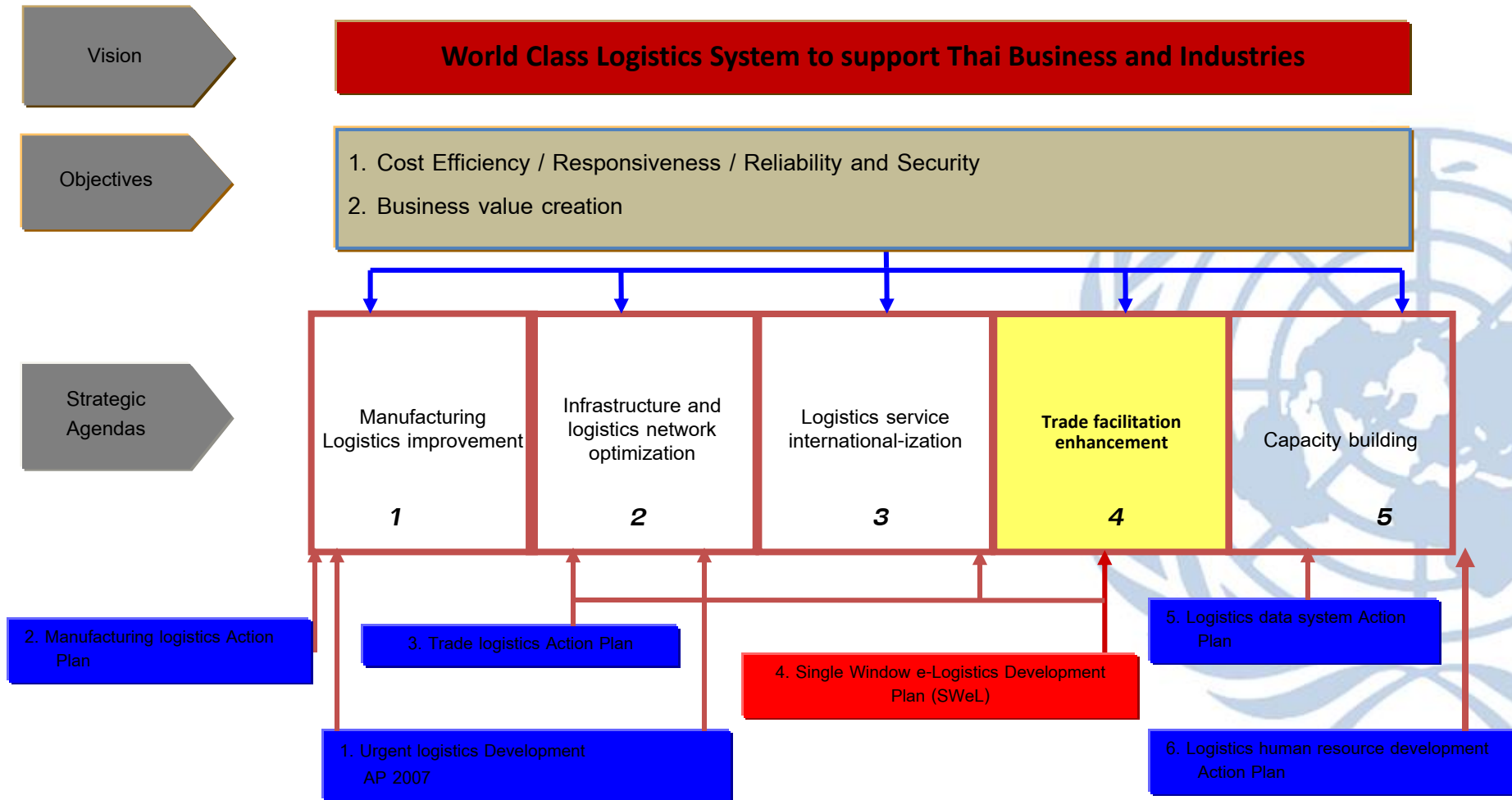
Requirements to Single Window Implementation



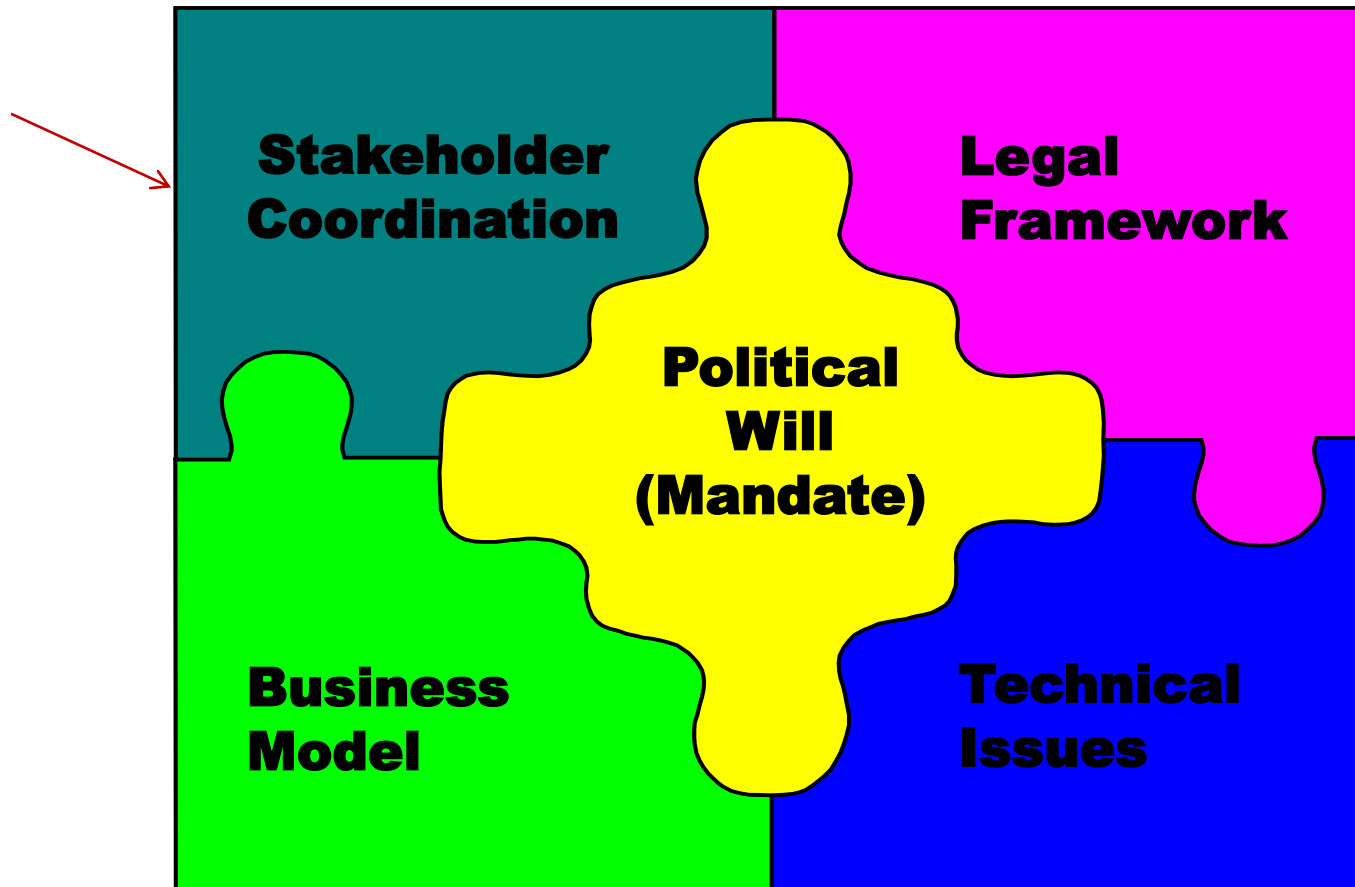
Korean Case: Political Commitment at the Top Level



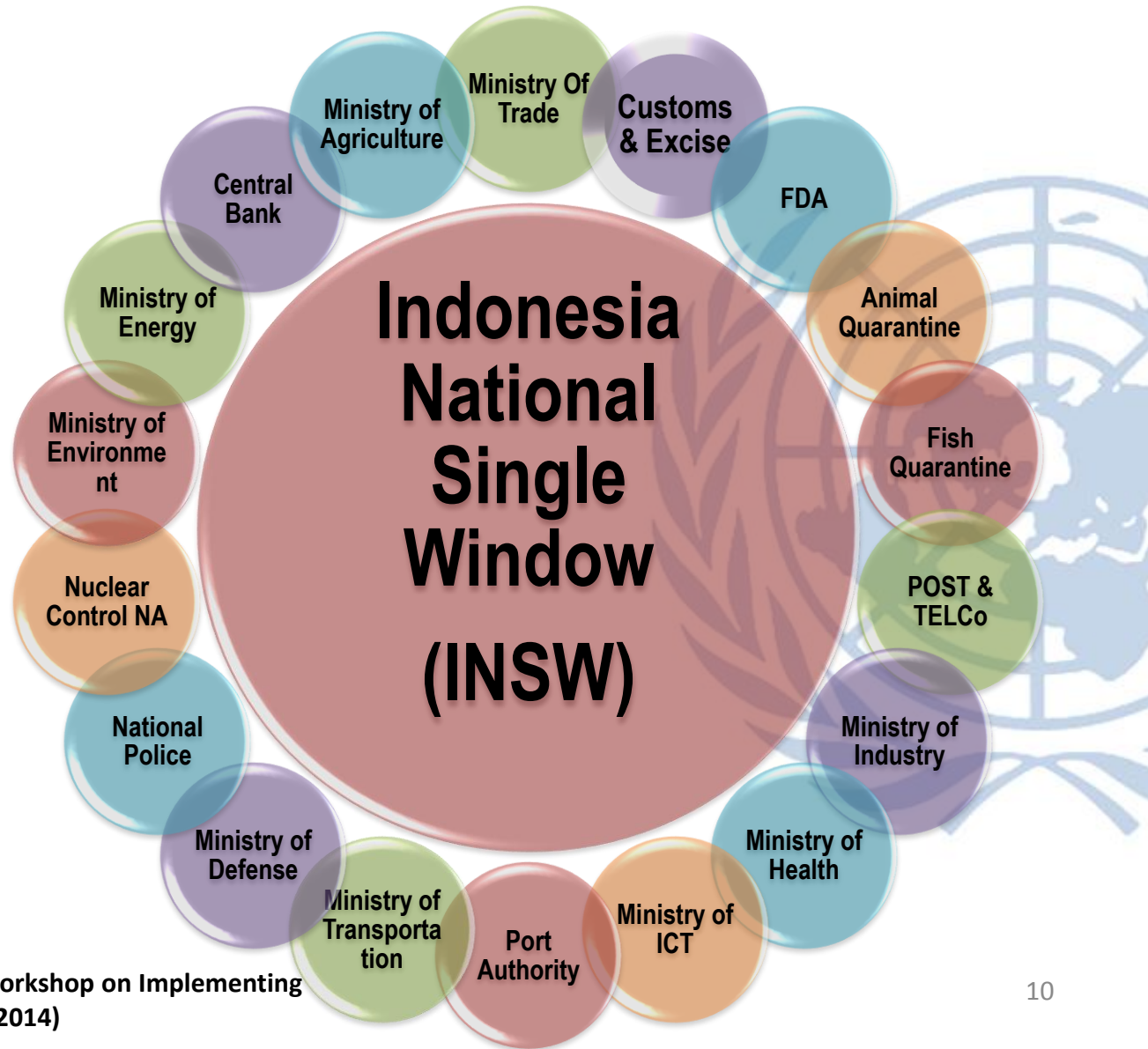
Thai Case: Political link through Strategic Mandate



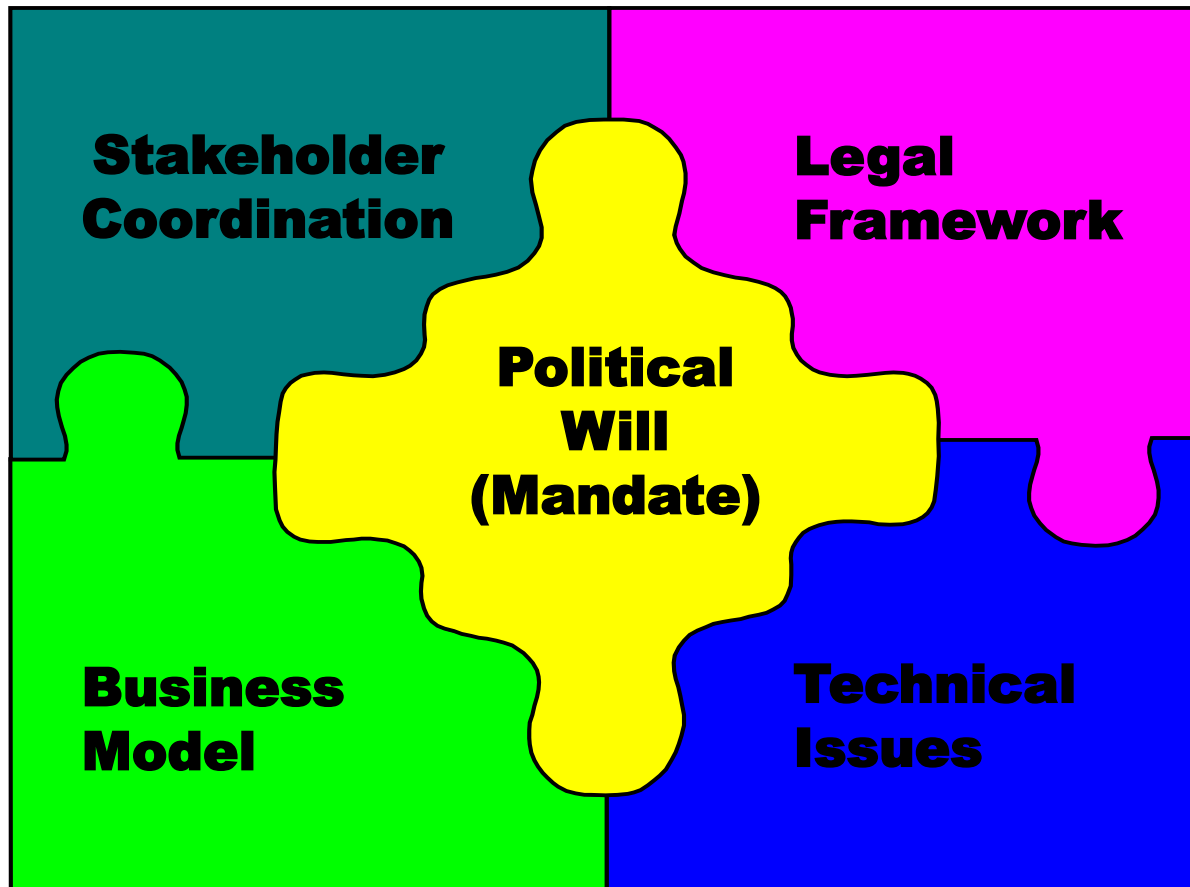
Requirements to Single Window Implementation



Importance of Inter-agency Coordination: Indonesia

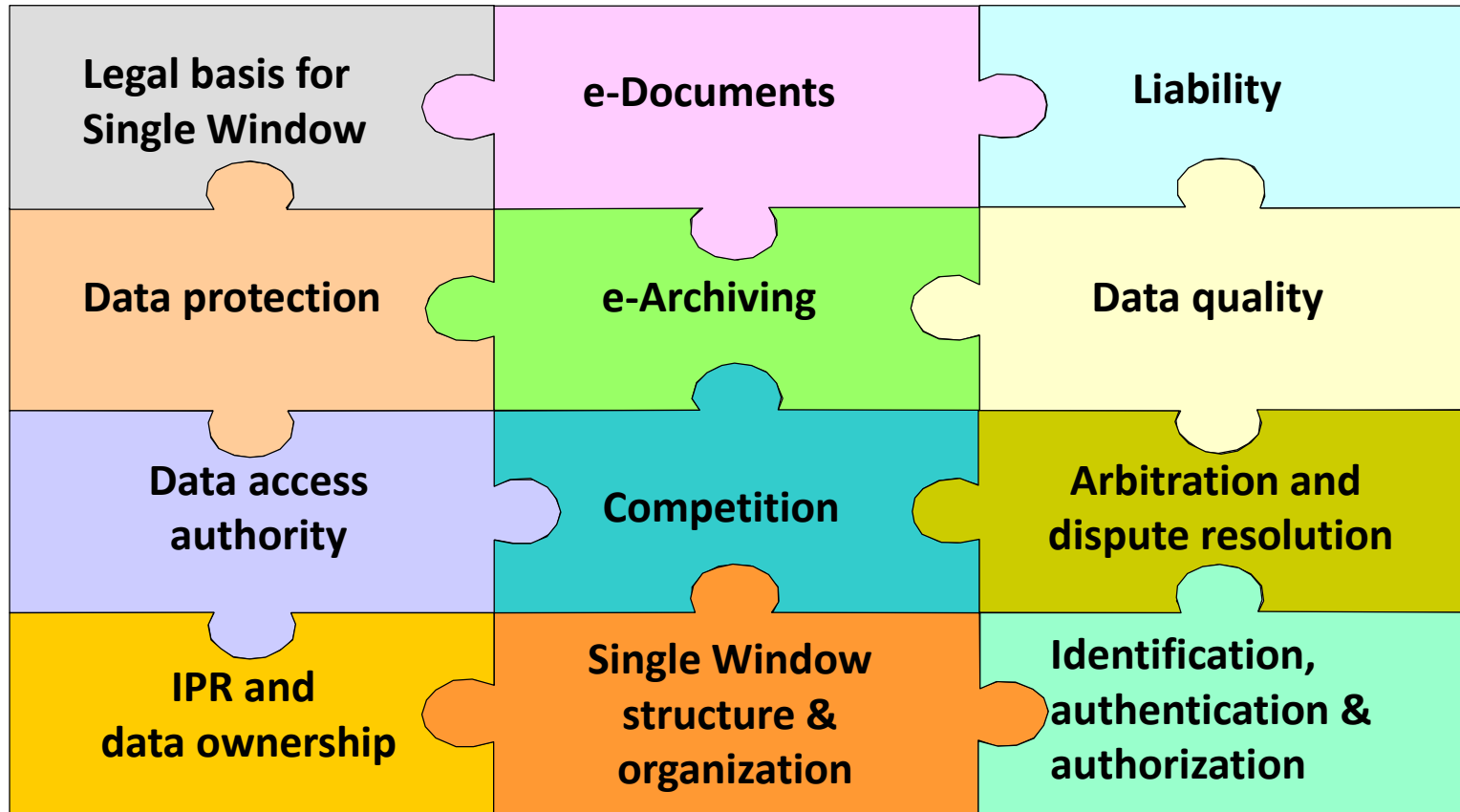


Requirements to Single Window Implementation

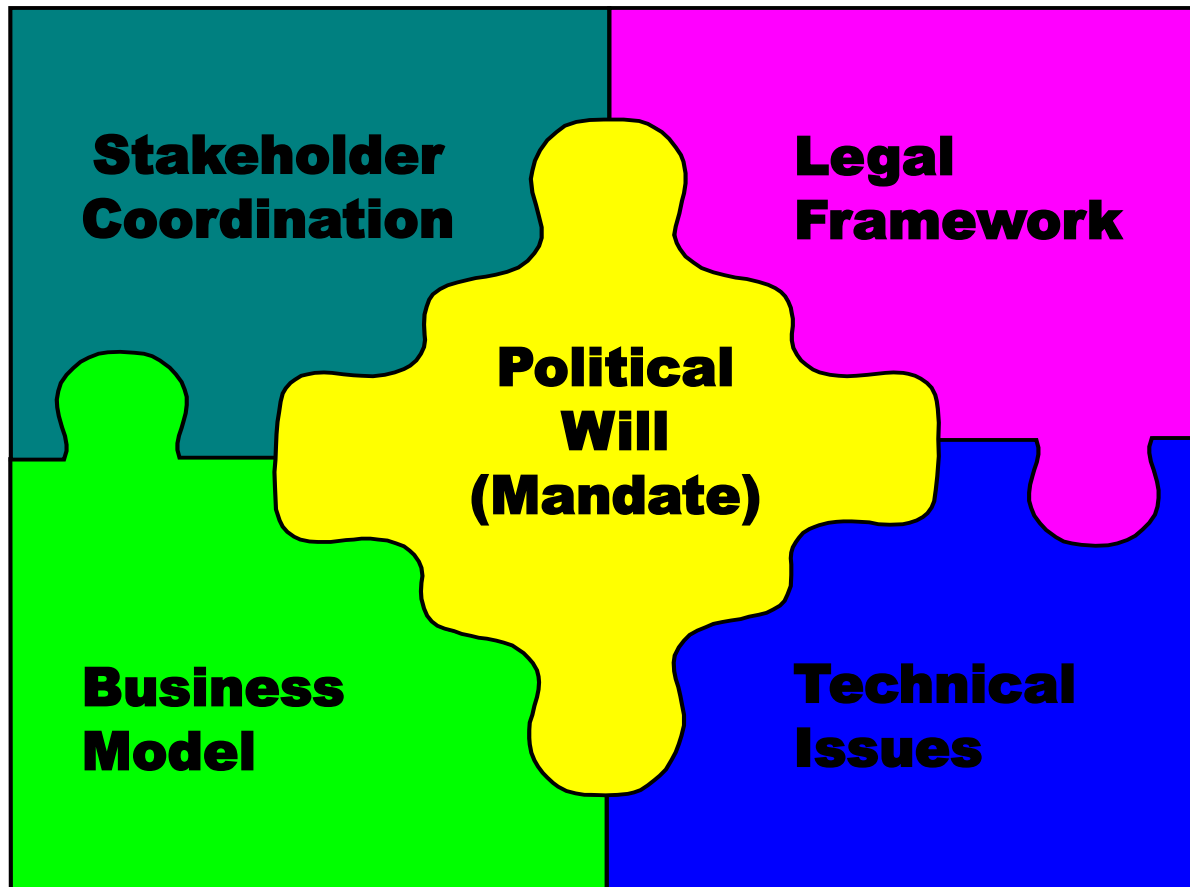


Legal Framework

Enabling Legal Environment

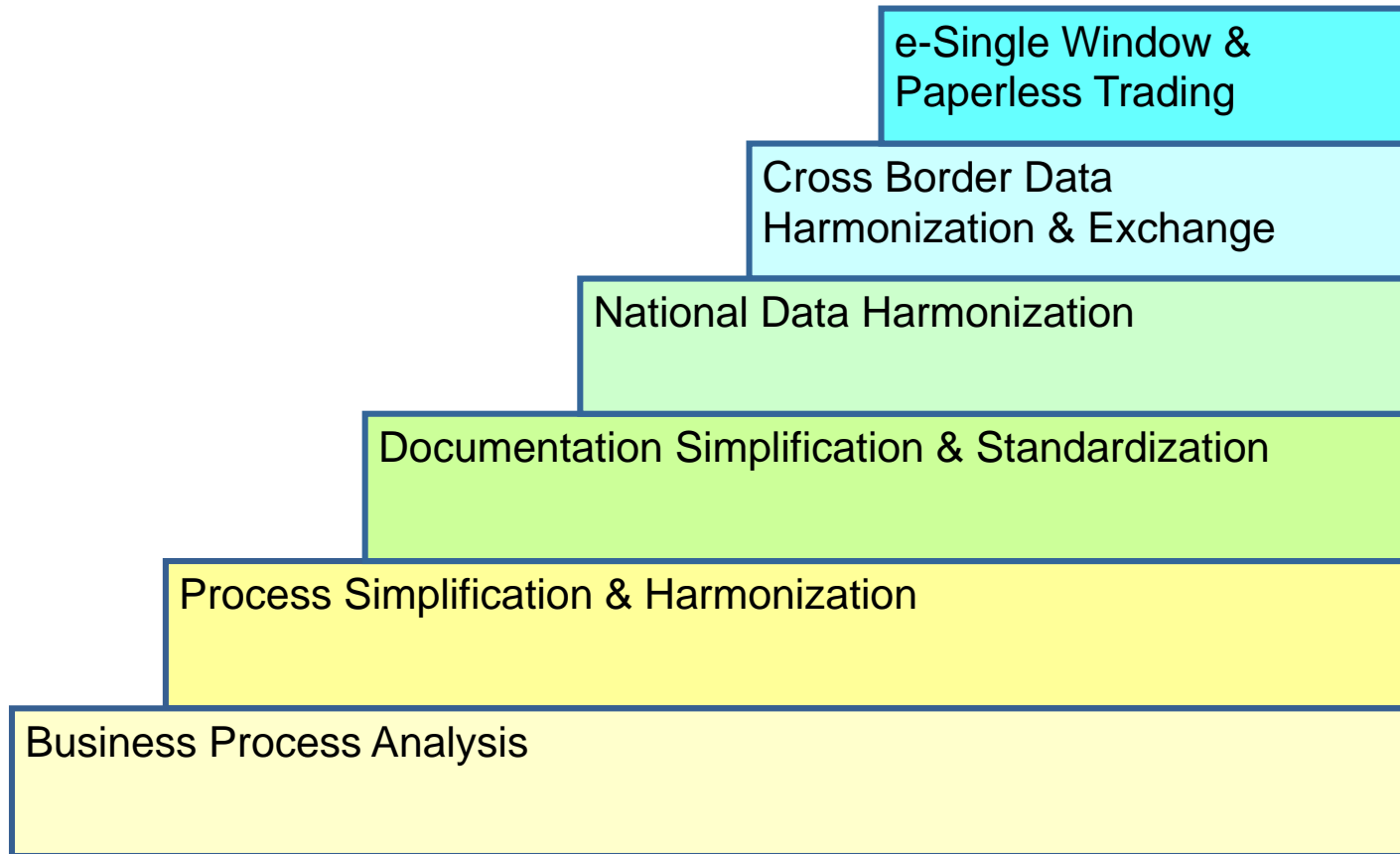


Requirements to Single Window Implementation



SW should not be treated as an IT project, although IT is an enabler

Steps for SW Implementation



Source: UNECE, 2006, Background Paper for UN/CEFACT Symposium on Single Window Common Standards and Interoperability

Documents related to Exportation of Rice

(from purchase order until the cargo container leaving the sea port)

36 Documents involving 15 parties, and more than 1,140 data elements to be filled in

1. Proforma Invoice (35)
2. Purchase Order (39)
3. Commercial Invoice (51)
4. Application for Letter of Credit (24)
5. Letter of Credit (32)
6. Packing List (25)
7. Cargo Insurance Application Form (20)
8. Cover Note (23)
9. Insurance Policy (24)
10. Booking Request Form – Border Crossing (20)
11. Booking Confirmation – Border Crossing (30)
12. Booking Request Form – Inland Transport (16)
13. Booking Confirmation – Inland Transport (18)
14. Bill of Lading (42)
15. Empty Container Movement Request (TKT 305) (20)
16. Request for Port Entry (TKT 308.2) (27)
17. Equipment Interchange Report (EIR) (24)
- 18. Container Loading List (28)**
19. Container List Message (32)
20. Outward Container List (34)

Buy/Pay Docs

Transport Docs

21. Master Sea Cargo Manifest(17)
22. House Sea Cargo Manifest (37)

- 23. Export Declaration (114)**
- 24. Good Transition Control List (27)**
- 25. Application for Permission to Export Rice (KP. 2) (24)**
26. Sales Report (KP 3) (21)
- 27. Application for the Collection of the Permit for the Export of Rice (A. 3) (35)**
- 28. Permit for the Export of Rice (A. 4) (35)**
- 29. Application for Certificate of Standards of Product (MS. 13/1) (44)**
- 30. Certificate of Analysis (17)**
- 31. Certificate of Product Standards (MS. 24/1) (45)**
32. Certificate of Fumigation (21)
- 33. Application for Phytosanitary Certificate (PQ. 9) (29)**
- 34. Phytosanitary Certificate (33)**
- 35. Application for Certificate of Origin (42)**
- 36. Certificate of Origin (38)**

Regulatory Docs

* Number in parenthesis is the no. of data elements

BUSINESS PROCESS ANALYSIS

GUIDE

TO SIMPLIFY TRADE PROCEDURES

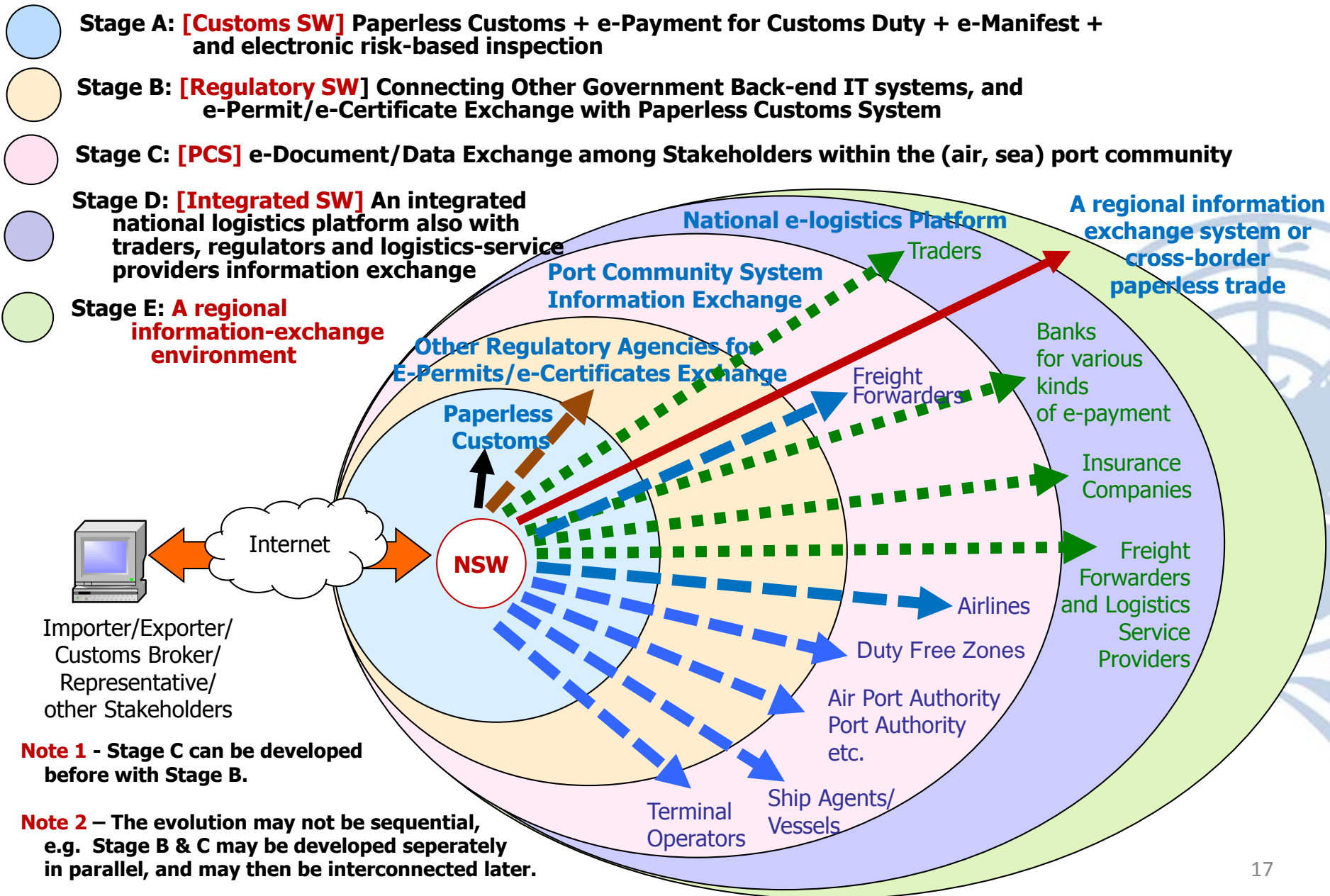


Documentation Simplification and Data Harmonization

- “Thailand completed the harmonization of data required by 21 regulatory agencies under its national project. Around 6,765 data elements extracted from 189 documents were reduced to 259 data elements.” (source: UNNExT Policy Brief 1).
- “efforts were made to reduce the 20 forms used in international trade into a single online form to serve nearly all trade documentation needs in Singapore) (Source: UNNExT Policy Brief 2)

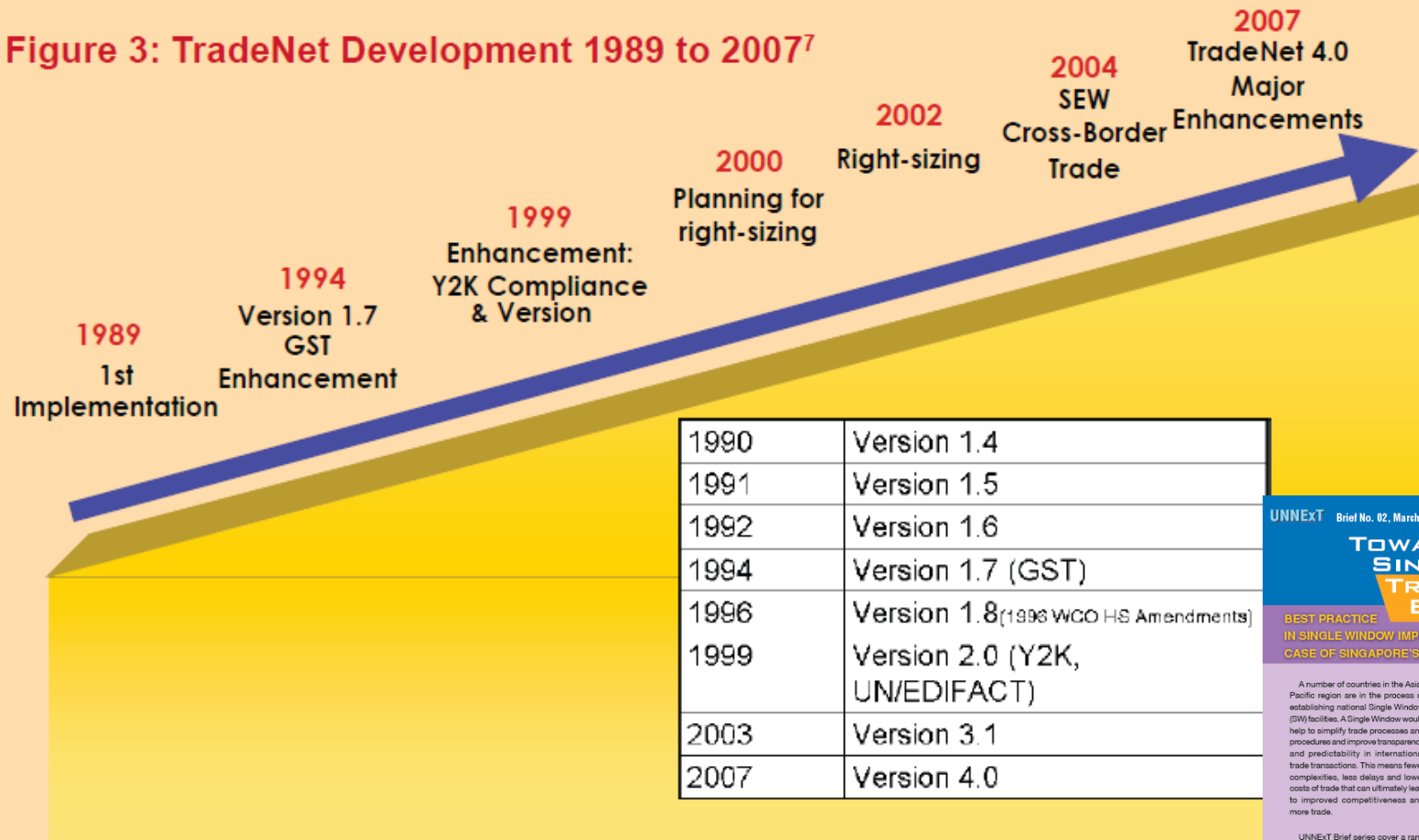
An Evolutionary Long-term Roadmap for SW Development

(but not necessary in a sequential fashion)



SW development in Singapore

Figure 3: TradeNet Development 1989 to 2007⁷



UNNEX T Brief No. 02, March 2010

TOWARDS A SINGLE WINDOW TRADING ENVIRONMENT

BEST PRACTICE IN SINGLE WINDOW IMPLEMENTATION: CASE OF SINGAPORE'S TRADENET

A number of countries in the Asia-Pacific region are in the process of establishing national Single Window (SW) facilities. A Single Window would help to simplify trade processes and procedures and improve transparency and predictability in international trade transactions. This means fewer complexities, less delays and lower costs of trade that can ultimately lead to improved competitiveness and more trade.

UNNEX T Brief series cover a range of critical issues to be tackled in the successful development of paperless trade and Single Window initiatives. Also, they showcase best practices in the region to share experiences and lessons learnt.

This Brief introduces Singapore's TradeNet as a best practice case in implementing a Single Window environment. TradeNet is regarded as a successful case not only in the region but also in the world. This Brief outlines the background and motivation for the initiative, institutional arrangements underpinning the development of the Single Window, major benefits from TradeNet, key success factors, and lessons for those countries that are in early stages of implementing national Single Windows.



Source: UNNEX T Policy Brief 2 prepared by Jonathan Koh

Korea's uTradeHub


2. The Growth Stage (1994 - 2000) includes the launch of the following services:

- EDI service for export/import approval and Letter of Credit (L/C) [Jan. 1994];
- Export declaration [Dec. 1994];
- EDI service for import declaration [Jul. 1996];
- Export/import Manifest Consolidation System [Dec. 1996];
- EDI service for export/import freight and tariff duty refunds [Jul. 1997];
- e-C/O (Certificate of Origin) and notary of Commercial Invoice and Internet-based EDI service [Jun. 2000].

1. The Introduction Stage (1989 - 1993) prepared grounds for institutional arrangements to introduce EDI-based Trade Automation. During this period, the 'Basic Plan for Foreign Trade Process Automation' (Oct. 1989) was prepared, followed by other measures such as establishing KTNET (Jun. 1991) and enacting the 'Act on Promotion of Trade Business Automation' (Dec. 1991).

3. At the Take-off Stage (2001 - 2007), the Paperless Trading project was accelerated through the following actions:

- Joined the Pan Asia e-Commerce Alliance (PAA) [Mar. 2001];
- Developed Internet Management System of Logistics (eLogisFrame) [Dec. 2001];
- Established the National e-Trade Committee [Jul. 2003];
- Prepared the Plan for e-Trade Facilitation [Dec. 2003];
- Amended the e-Trade Facilitation Act and launched the project for internet-based national Paperless Trading system [Dec. 2005]; and
- Opened the uTradeHub [May 2007]



UNNExT Brief No. 03, May 2010
United Nations Network of Experts for Paperless Trade in Asia and the Pacific

TOWARDS A SINGLE WINDOW TRADING ENVIRONMENT

Case of Korea's National Paperless Trade Platform - uTradeHub

A number of countries in the Asia-Pacific region are in the process of establishing national Single Window (SW) facilities. A Single Window would help to simplify trade processes and procedures and improve transparency and predictability in international trade transactions. This means fewer complexities, less delays and lower costs of trade that can ultimately lead to improved competitiveness and more trade.

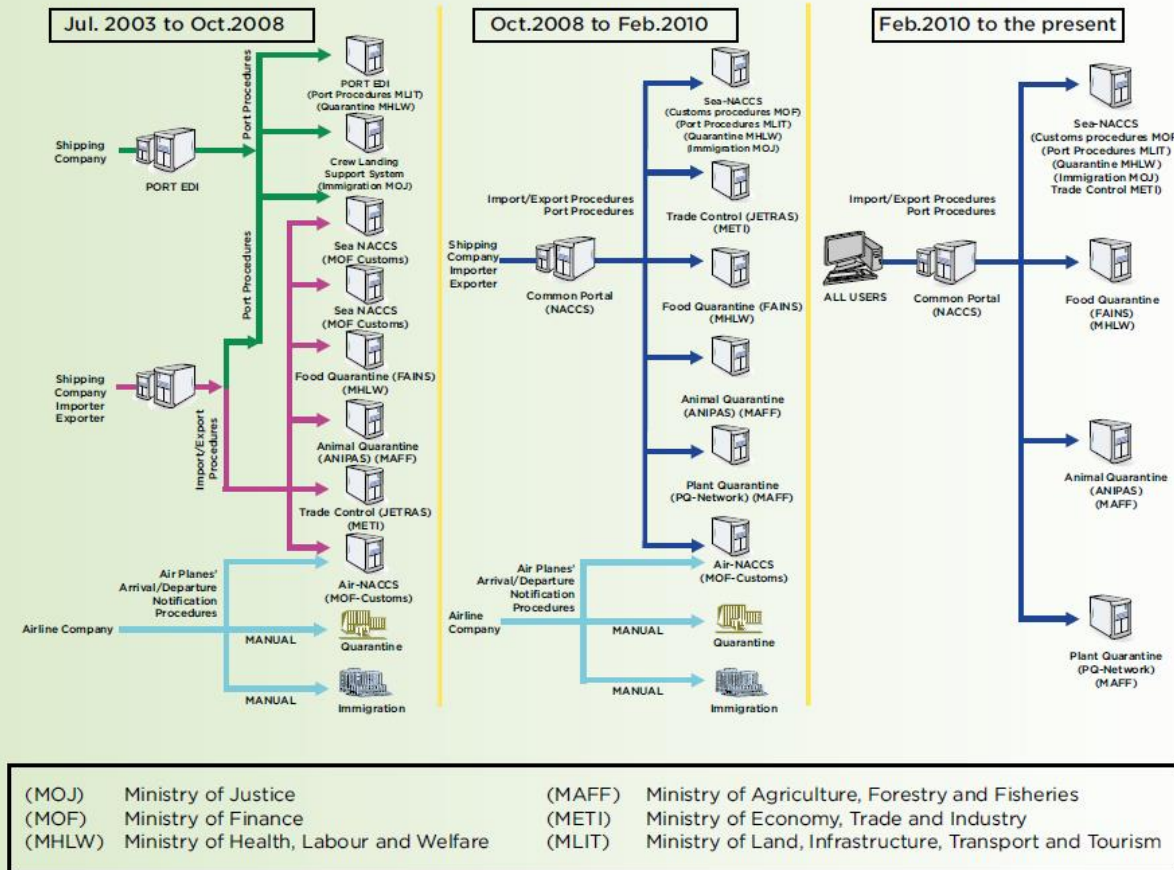
UNNExT Brief series covers a range of critical issues to be addressed in the successful development of paperless trade and Single Window initiatives. Also, they showcase best practices in the region to share experiences and lessons learned.

This Brief introduces Korea's national paperless trade platform, uTradeHub, which is recognized as a good practice in the region as well as in the world. The Brief covers policy background and legal framework, evolution of the system and its services, governance structures for its operation, and future enhancement plans. The Brief also highlights the significant benefits to the trading community, and success factors and lessons learnt in the implementation of the uTradeHub.

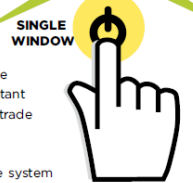
Source: UNNExT Policy Brief 3 prepared by Juyeon Ha

SW in Japan

Figure 5: Evolution of a Single Window and Role of the Common Portal



International trade facilitation greatly contributes to enhancements of international competitiveness of a country. Establishing a Single Window for all related administrative procedures is one of the most important measures to move forward efficiency of trade related procedures in each country.

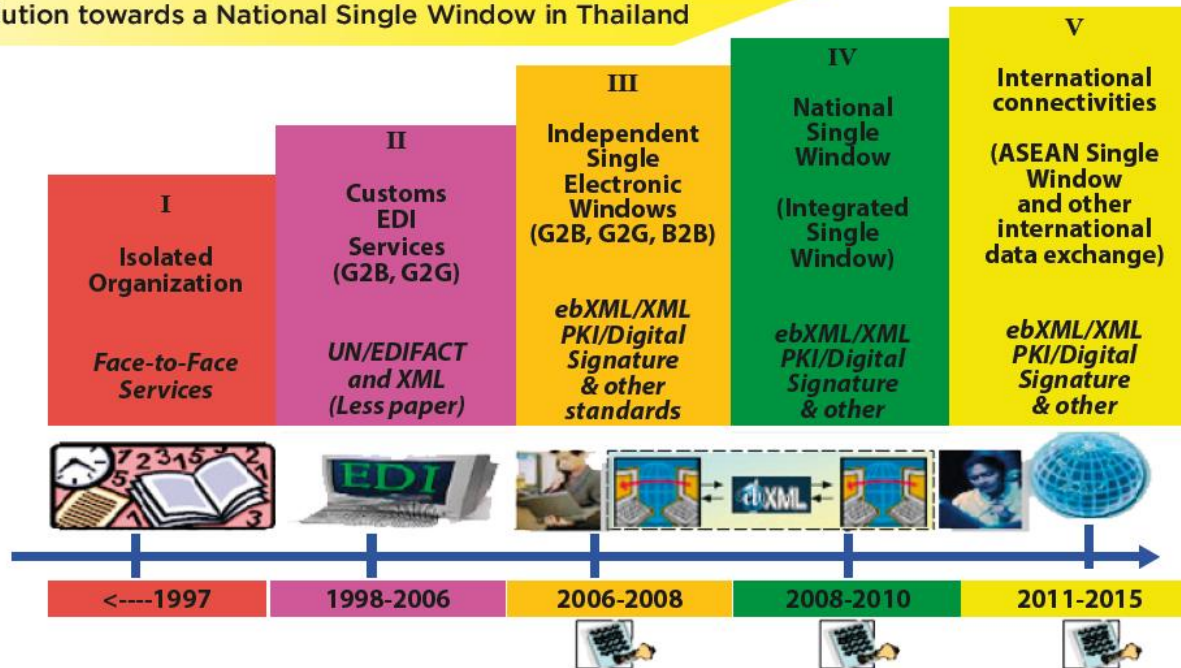


Japan first introduced a paperless trade system in 1978, which has evolved into a Single Window system. It is called NACCS, managed by NACCS Center (Nippon Automated Cargo and Port Consolidated System, Inc.). NACCS is the computer system for online processing of regulatory procedures of customs and other related administration as well as related private sector services for arriving/departing ships and aircrafts or import/export cargos in Japan.

This Brief showcases how Japan successfully developed NACCS, resulting in an efficient paperless trading facility. This Brief explains its history, characteristics, evolutionary approach for integration of other regulatory systems, success factors, lessons learnt and future plan for improvement.

SW in Thailand

Figure 1: Evolution towards a National Single Window in Thailand



UNNExT Policy Brief 8 prepared by Sinmahat Kiatjanon

UNNExT Brief No. 08, August 2012

TOWARDS A SINGLE WINDOW TRADING ENVIRONMENT

Developing a National Single Window for Import, Export and Logistics in Thailand

A number of countries in the Asia-Pacific region are in the process of establishing national electronic Single Window facilities. A Single Window can greatly simplify trade processes and procedures and improve transparency and predictability in international trade transactions. This means less delays and lower costs of trade that can ultimately lead to improved competitiveness and more trade.

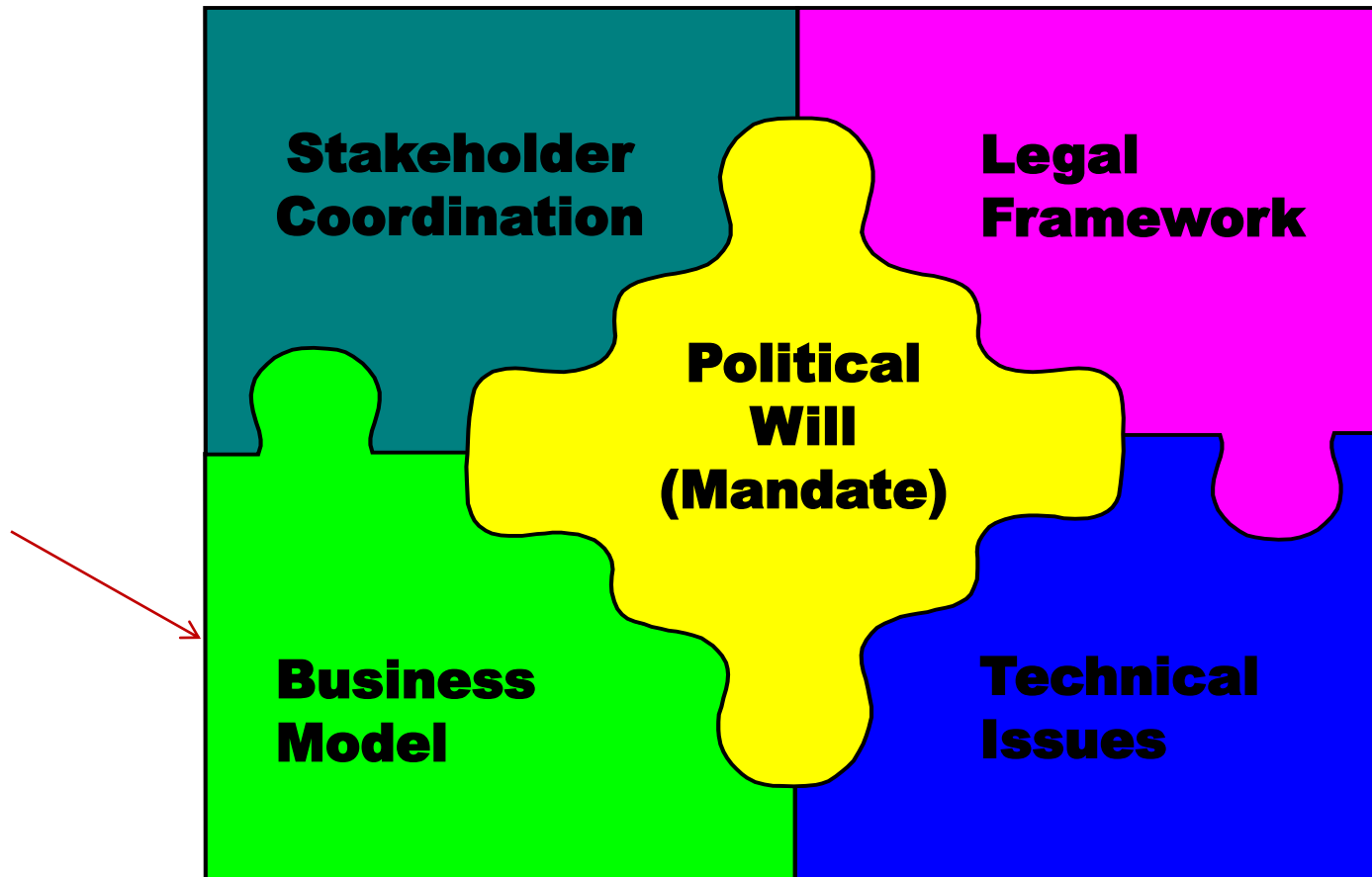
UNNExT Brief series cover a range of critical issues to be tackled in the successful development of paperless trade and Single Window initiatives. Also, they showcase best practices in the region to share experiences and lessons learned.

This Brief introduces Thailand's National Single Window (NSW). The Brief describes how the Thai NSW has evolved into the current model in the process of its implementation, major functions and services it provides and the benefits it brought to the Government and the trading community. The Brief also includes lessons learnt in the process of establishing the Single Window environment in Thailand.

21

UNNExT
United Nations Economic Commission for Europe

Requirements to Single Window Implementation

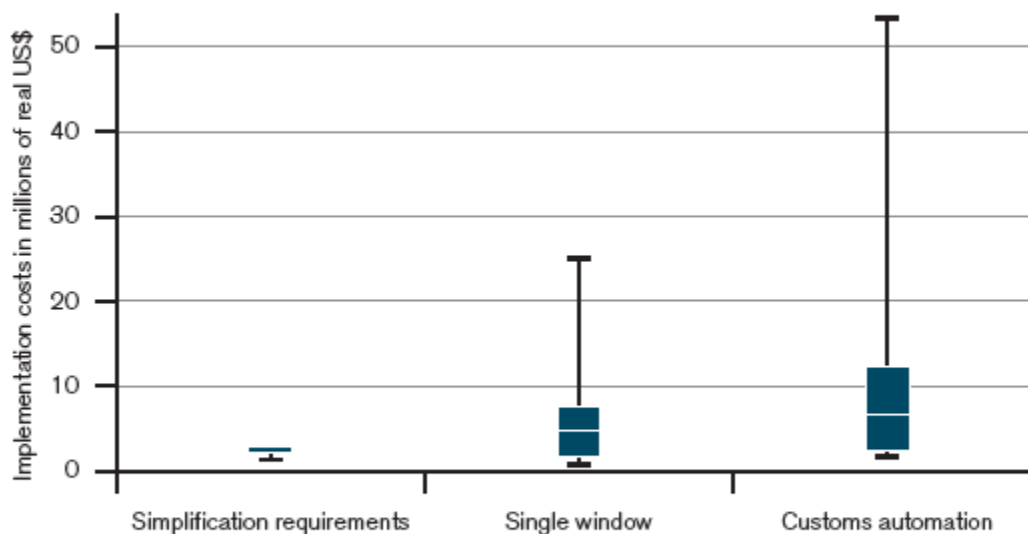


Investment and business model

- In Singapore: “The direct capital cost of TradeNet’s development, i.e., contract cost to IBM and other sub
- contractors was in excess of S\$20 million in 1987. This does not include the costs incurred by various agencies in conceiving the project, developing requirements and specifications, managing contract or establishing SNS.” (Source: UNNExT Policy Brief 2).
- In Thailand: “The cost of the THAI-NSW’s developments (phase 1 & phase 2) was about US\$ 14 millions, excluding expenditures individually incurred by relevant government agencies and trading communities. All government agencies and traders can participate in the Single Window environment free of charge.” (Source: UNNExT Policy Brief 8).

Inception costs

Figure E.15: Implementation costs of trade facilitation reform related to formalities and documentation requirements



Note: Each box plot displays the range of the implementation costs from the first (25 per cent) to the third (75 per cent) quartiles. The line going across the boxes is the median. The end points of two thin vertical lines ("whiskers") emanating from the boxes show the minimum and maximum values of the data.

Source: WTO Secretariat based on trade facilitation implementation costs collected.

Source: WTO , World Trade Report 2015, page 122.

Challenges and Success Factors in Malaysia (1)

Main challenges

1. **Key drivers (Lead agency and other government agencies) may not get the budget timely to put in place requirements to support the implementation of the NSW.**
2. **Many players involved and it requires efficient coordination.**
3. **Level of computerization of business processes differs from one organization/agency to another organization/agency and difference in data standard could lead to more complexity.**

Success Factors

1. **Political will and commitment in terms of national policy and financial support.**
- 2a. **Identify a strong Lead agency and ensure that all players have a common understanding on the objectives of the NSW.**
- 2b. **Establish relevant bodies (such as steering committee, task force/working groups) to undertake specific roles and responsibilities.**
- 3a. **Relevant agencies need to carry out business process re-engineering to streamline their respective business processes.**
- 3b. **Identify the champion to coordinate the business process re-engineering activities carried out individual agency including adoption of international standard for data standardization and harmonization.**

Source: Marainne Wong Mee Wan at the Asia-Pacific Trade Facilitation Forum 2014

Challenges and Success Factors in Malaysia.....cont.

Main challenges

4. Coping with changes to existing system is not an easy task.
5. Lacking ICT infrastructure particularly at remote locations could be an obstacle to the effectiveness of the NSW.

Success Factors

4. Establish efficient and effective change management policy and procedure.
5. Establish a strategic plan to address ICT infrastructure issues, if any.



Source: Marainne Wong Mee Wan at the Asia-Pacific Trade Facilitation Forum 2014

Thailand: Ten Critical Success Components

must be analyzed to understand the “as-is” and its bottlenecks, propose the “to-be”, reconcile and agree...

- 
1. SW Vision and Political Will
 2. Stakeholder Collaborative Platform
 3. Governance & Finance Model
 4. Business process analysis and improvement
 5. Data Harmonization and document simplification
 6. Application architecture design
 7. Technology architecture design including standards & technical interoperability
 8. Legal Infrastructure
 9. IT infrastructure & solutions design
 10. Change adoption, operations, and sustainability
- Strategic
- Management & Technical
- IT Systems Implementation
- Operations

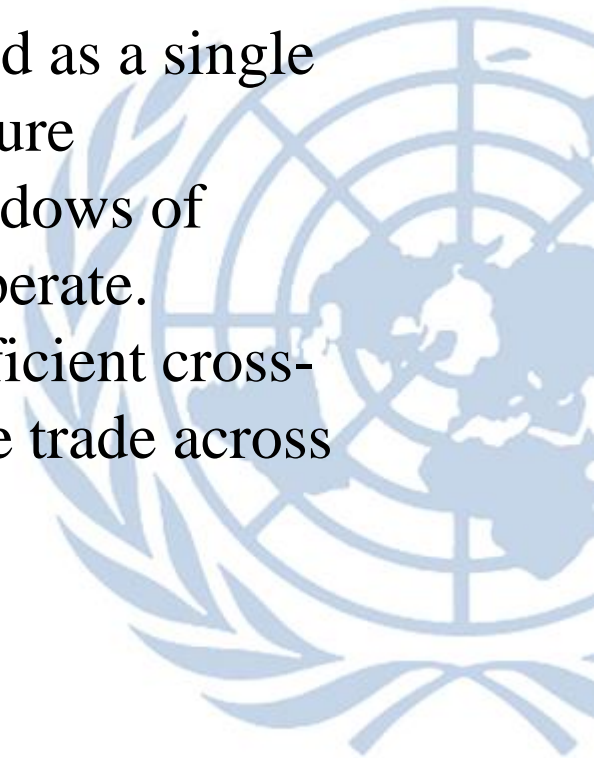
Outline

- Lessons learnt in developing Single Windows in Asia-Pacific region
- ASEAN Single Window
- Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

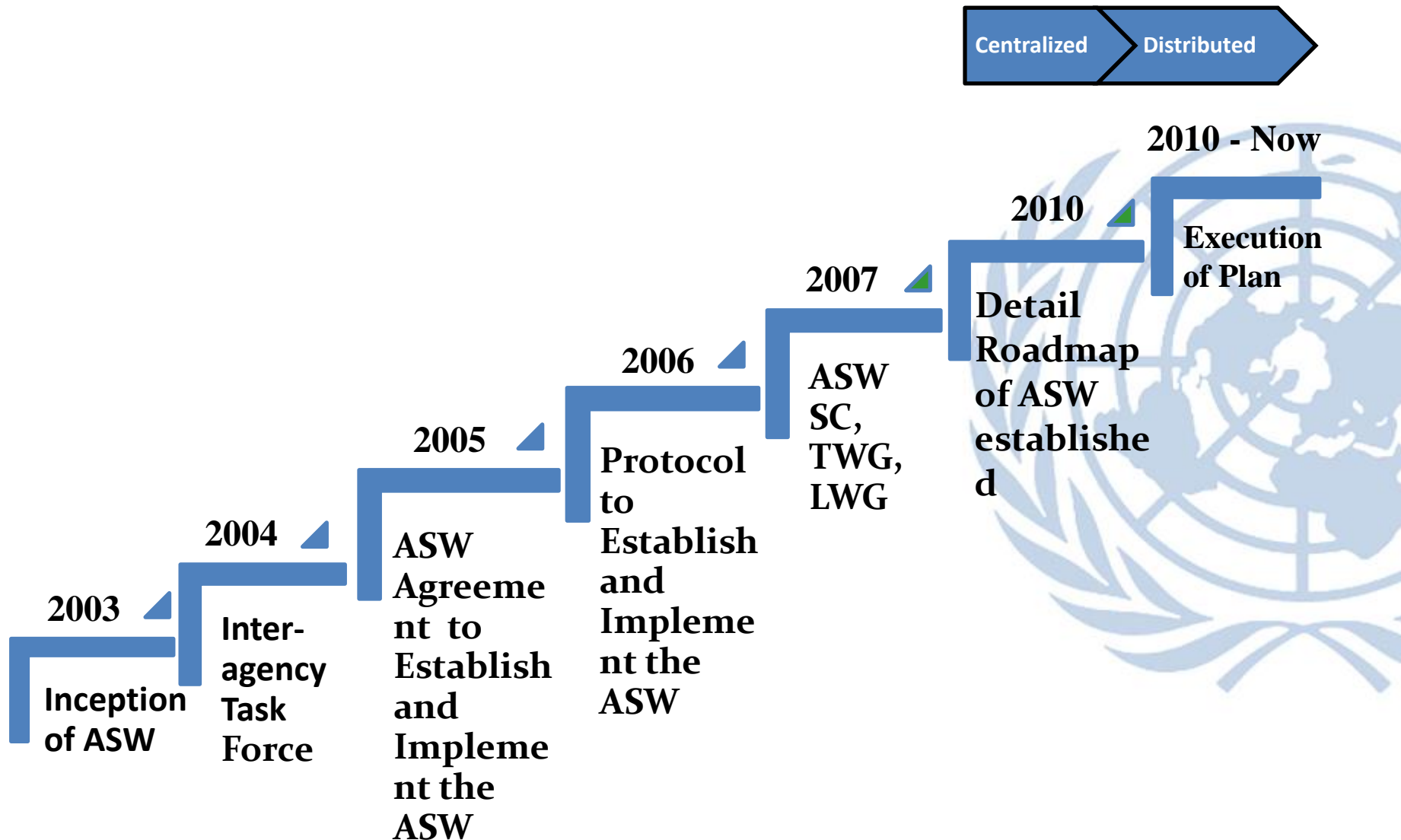
Note: discussion on ASEAN Single Window is based on presentations delivered by Marianne Wong Mee Wan

Introduction

- ASEAN Single Window (ASW) –defined as a single system initially, current concept as a secure environment where National Single Windows of ASEAN Member States integrate and operate.
- ASEAN's perspective on ASW – for efficient cross-border information exchange to facilitate trade across border



Evolution of ASW



Two scenarios ruled out...

Figure 1:
Leased Line Bilateral Link Model

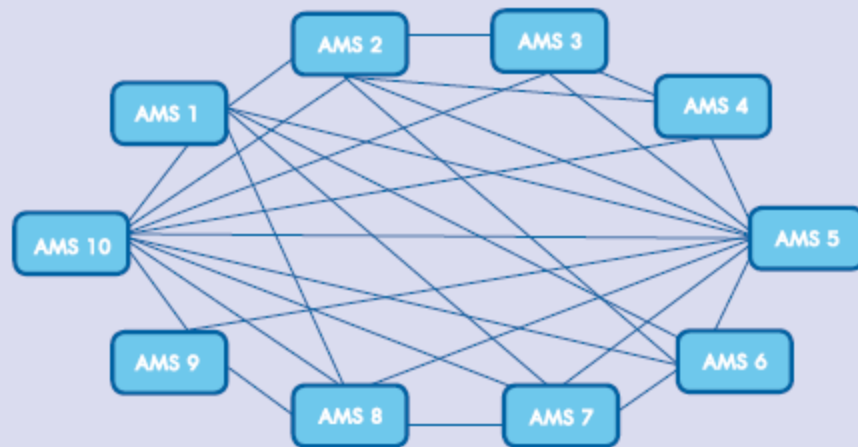
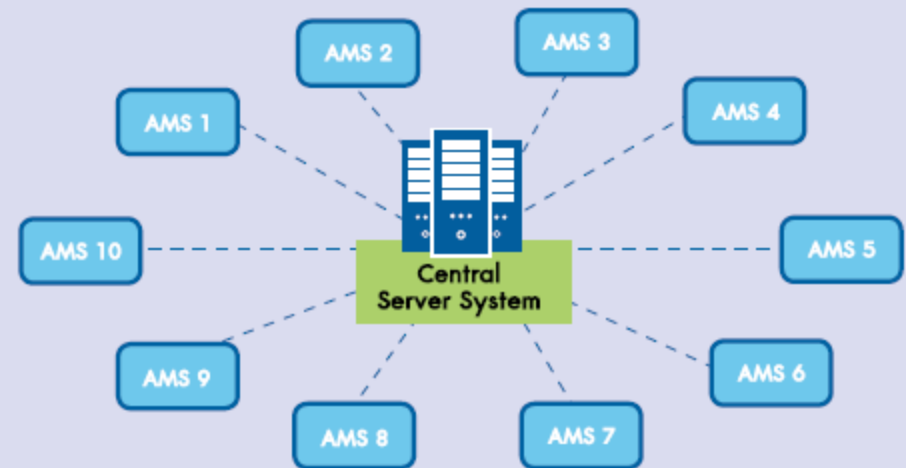
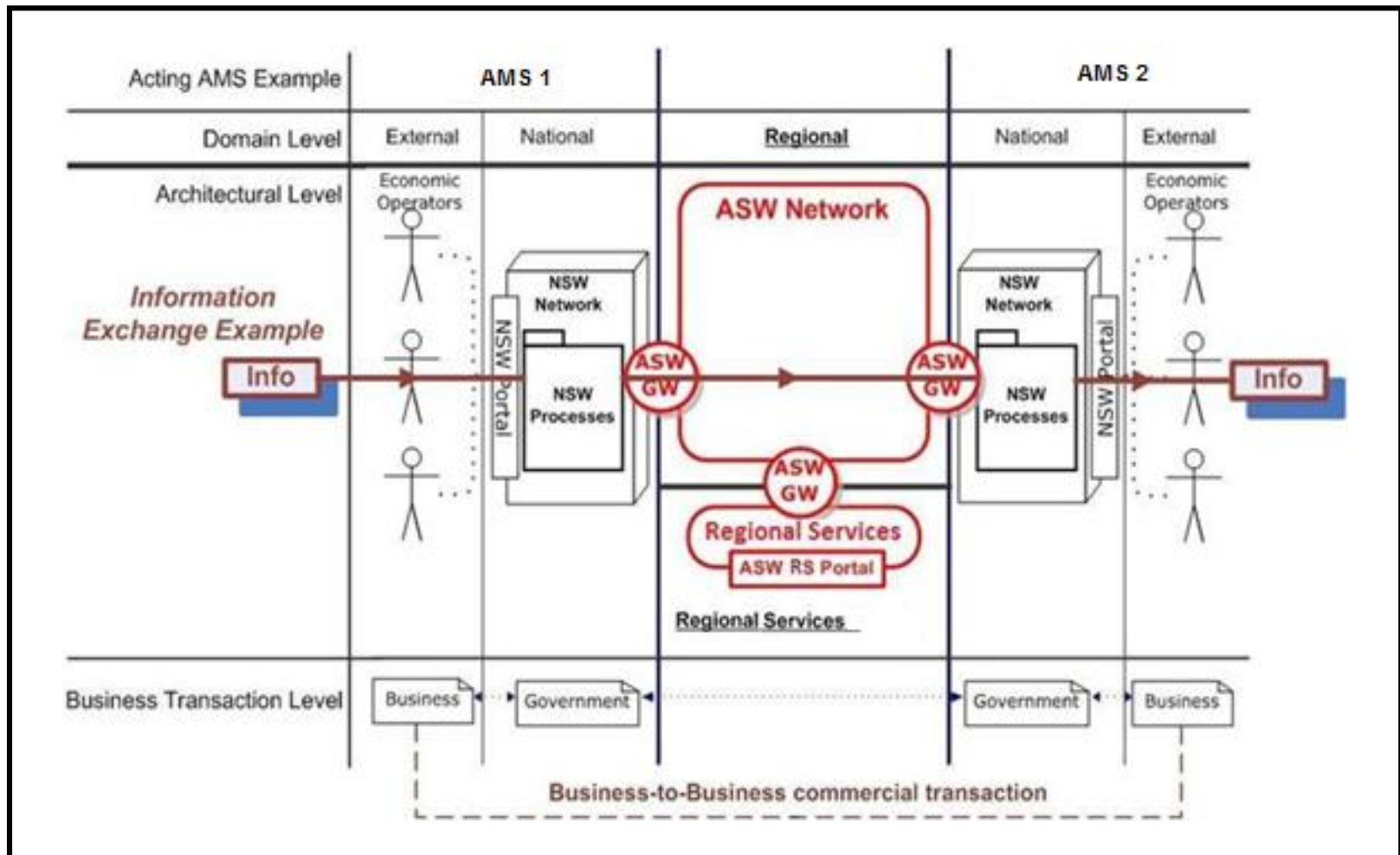


Figure 2:
Star-Like Connectivity



Architectural Environment of the NSW and ASW Coexistence



ASW for Trade Facilitation and Efficient Supply Chain

- ❖ **Cross-border information exchange for**
 - ✓ **seamless cargo movement across border for goods in transit (G2G)**
 - ✓ **Pre-arrival cargo clearance (G2G, B2G, B2B)**
 - ✓ **Risk Management/Compliance (G2G, B2G)**

- ❖ **Types of Information Exchange**
 - ✓ **G2G - Transit information, Physical Inspection at Export, Preferential CO**
 - ✓ **B2G - Export license/permit**
 - ✓ **B2B - Transport Documents (Bill of Lading, Sea Waybill, Air Waybill), Cargo Manifest (House/Master), Commercial Documents (Commercial Invoice, Packing List)**

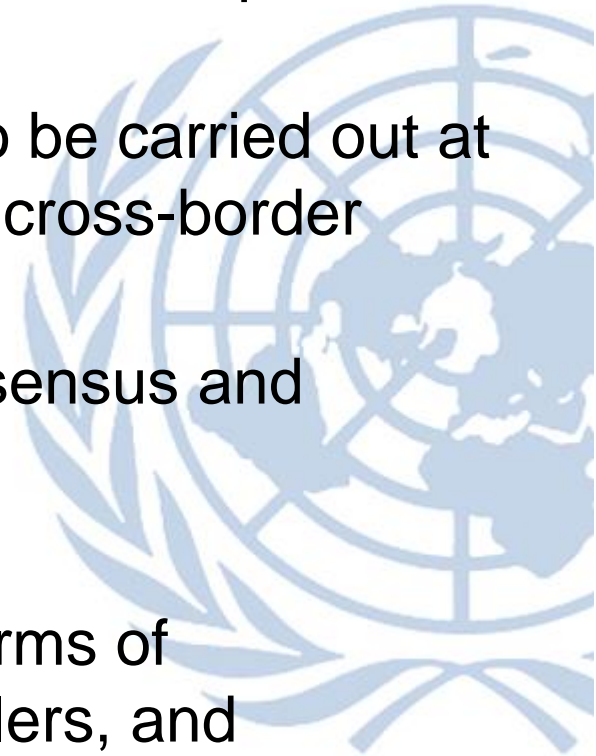


Status of ASW

- **The ASW architecture design for the pilot project adopts a distributed gateway model, whereby a regionally developed gateway application is hosted by each AMS**
- **The architecture has helped address the main concern on confidentiality of trade data through a central server and single point of failure at the central server**
- **Seven ASEAN Member States have successfully tested the ASW architecture in terms of connectivity for the electronic exchange of intra-ASEAN ATIGA Form D and ASEAN Customs Declaration Document (ACDD) data and preparation for 'live' exchange is underway**
- **The regional Legal Framework Protocol to govern the legal aspects of ASW 'live' implementation is completed and signed by all Member States**
- **The current pilot project of ASEAN Customs Transit System is progressing well by three Member States (Singapore, Malaysia and Thailand) and is part and parcel of the ASW environment**

Challenges

- National champion
- Coordination among participating parties (among Government agencies, between government and private sectors)
- Business process reengineering needs to be carried out at the national level to synchronize with the cross-border processes
- ASEAN's decision making based on consensus and compromise solutions takes time
- Functional integration of NSW with ASW
 - Information systems vary greatly in terms of architectures, mix of messaging enablers, and differences in business mandates of participating entities (government, trade, service providers) at the national level.



Challenges (cont.)

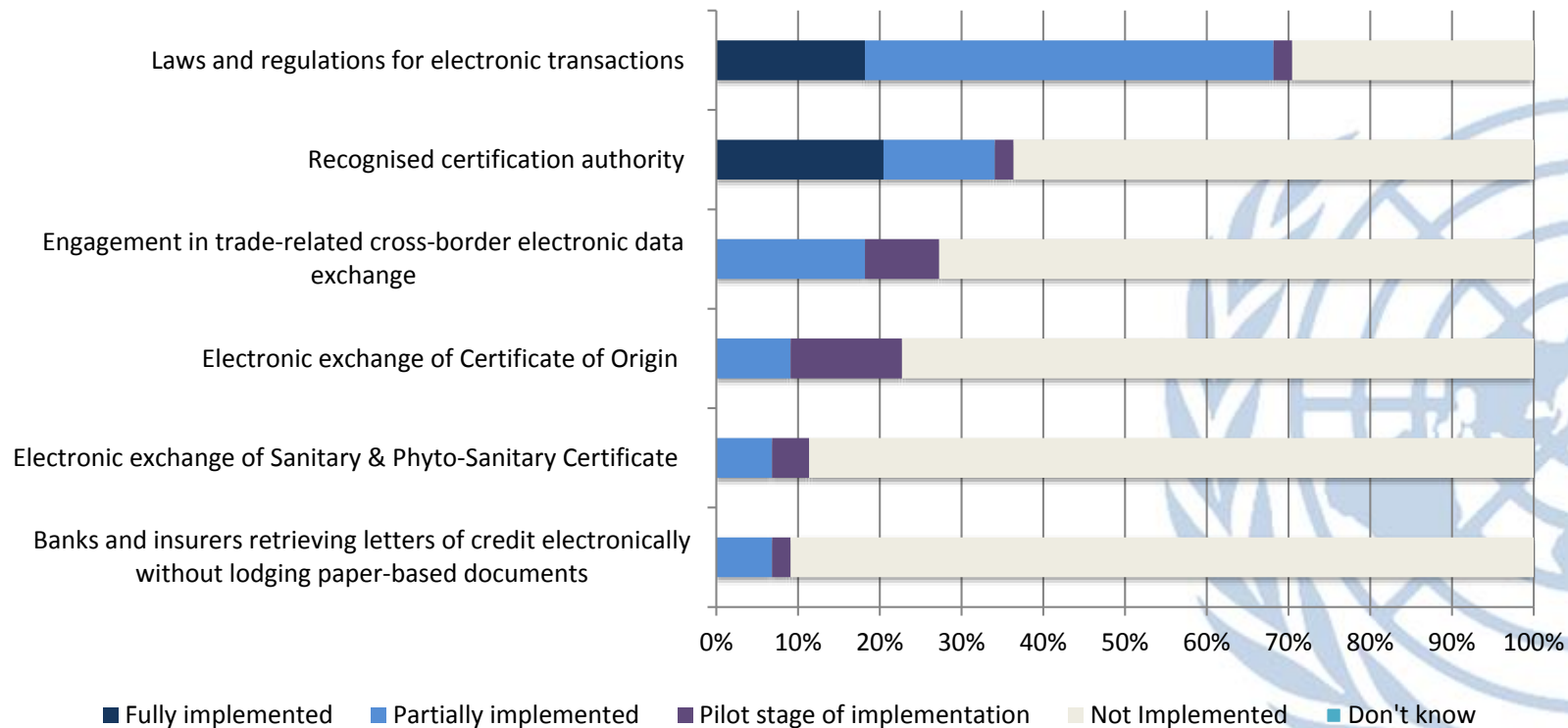
- Planning and preparation costs could be high and financial constraints remain an issue (e.g implementation of the ASW Pilot is very much dependent on external funding)
- Operating and maintaining the ASW at the regional level will require sustainable source of revenue, a budget to manage expenditures, and agreed location(s) to house staff and the Regional Services server, etc. (What is the best fit business model?);
- Cross-border information exchange in the regional domain may be dependent on national business process; and
- Effective regional Legal Framework needs to be in place

Outline

- Lessons learnt in developing Single Windows in Asia-Pacific region
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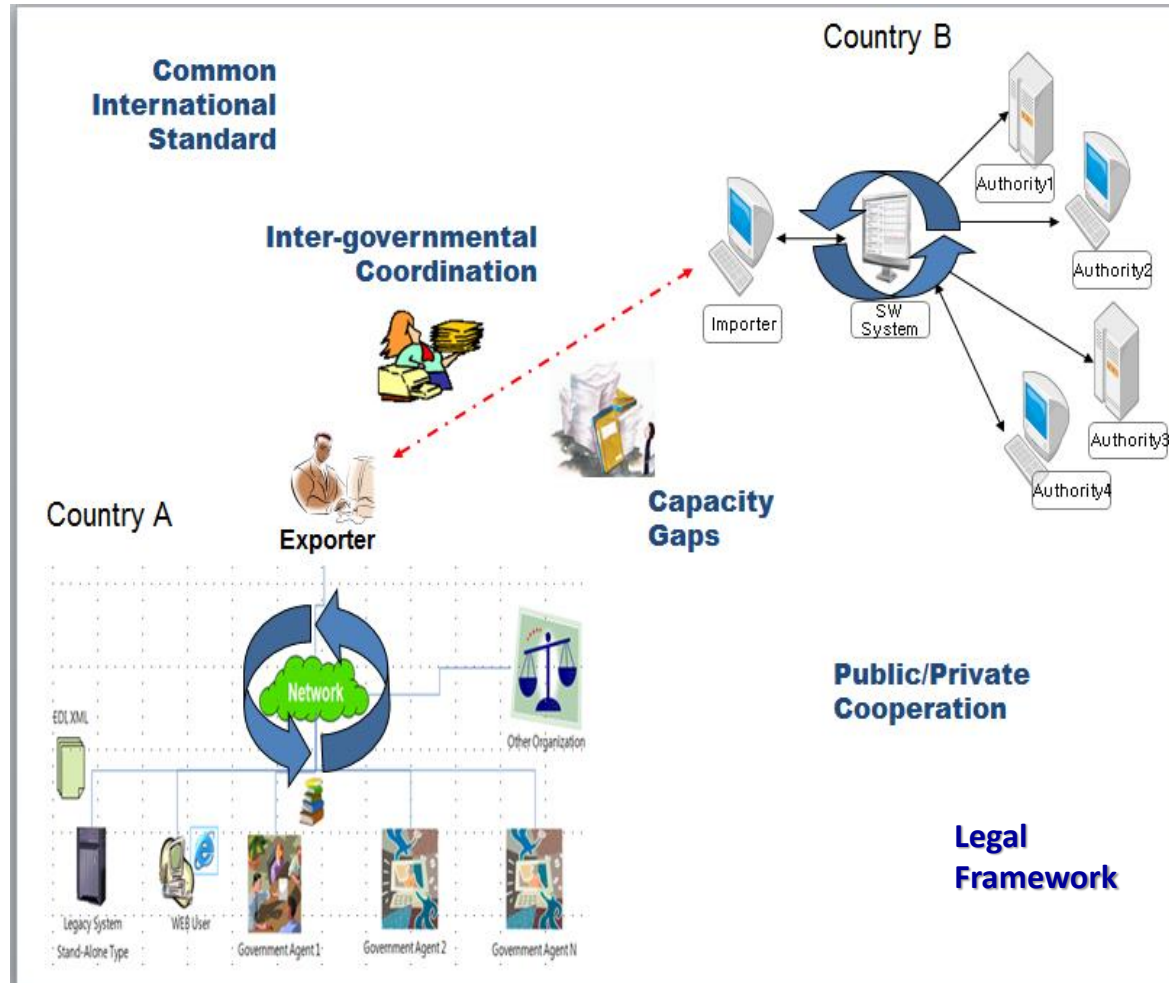
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State of implementation of “cross-border paperless trade” measures in Asia-Pacific economies (in %)



Challenges to moving forward on cross-border paperless trade

- 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



Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: Contents

Preamble

Articles 1 to 16: Substantive clauses

Article 1: Objective

Article 2: Scope

Article 3: Definitions

Article 4: Interpretation

Article 5: General principles

Article 6: National Policy Framework, Enabling Domestic Legal Environment and Paperless Trade Committee

Article 7: Facilitation of Cross-border Paperless Trade and Development of national Single Window(s)

Article 8: Cross-border Mutual Recognition of Trade-related Data and Documents in Electronic Form

Article 9: International Standards for Exchange of Trade-related Data and Documents in Electronic Form

Article 10: Relation with Other Legal Instruments Enabling Cross-Border Paperless Trade

Article 11: Institutional Arrangements

Article 12: Action Plan

Article 13: Pilot Projects and Sharing of Lessons Learned

Article 14: Capacity Building

Article 15: Implementation of the present Framework Agreement

Article 16: Other agreements in force

Articles 17 to 25: Final clauses

Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: **Benefits**

☐ **Region-wide multilateral intergovernmental platform**

Builds upon existing bilateral/subregional initiatives; Supports WTO TFA implementation; Foster harmonization and minimize necessity for numerous bilateral/subregional intergovernmental approach;

☐ **Strong capacity building programme**

Inclusive initiative, open to Asia-Pacific countries at all levels of development; Strong emphasis on knowledge sharing and CB/TA among parties

☐ **Pilot projects**

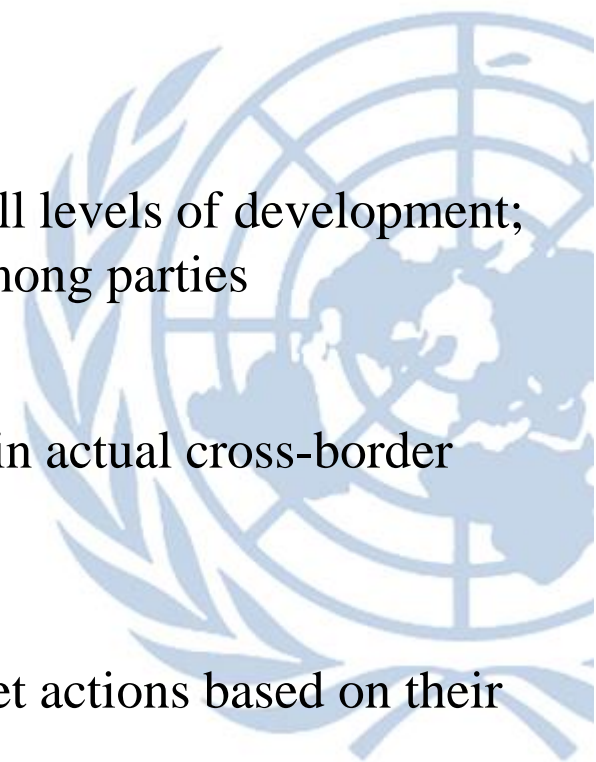
Allow parties to adjust their systems before engaging in actual cross-border trade data exchange

☐ **Action Plan**

Allow parties with different implementation level to set actions based on their respective readiness

☐ **Mutual recognition**

Commit to the goal, while allowing flexibility in how to materialize the goal



Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific: **Key Provisions**

Article 1: Objective

The objective of the present Framework Agreement is **to promote cross-border paperless trade** by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and subregional single windows and/or other paperless trade systems, for the purpose of making international trade transactions more efficient and transparent while improving regulatory compliance.

Article 5:
General
Principles

Article 8:
Cross-border
Mutual
Recognition

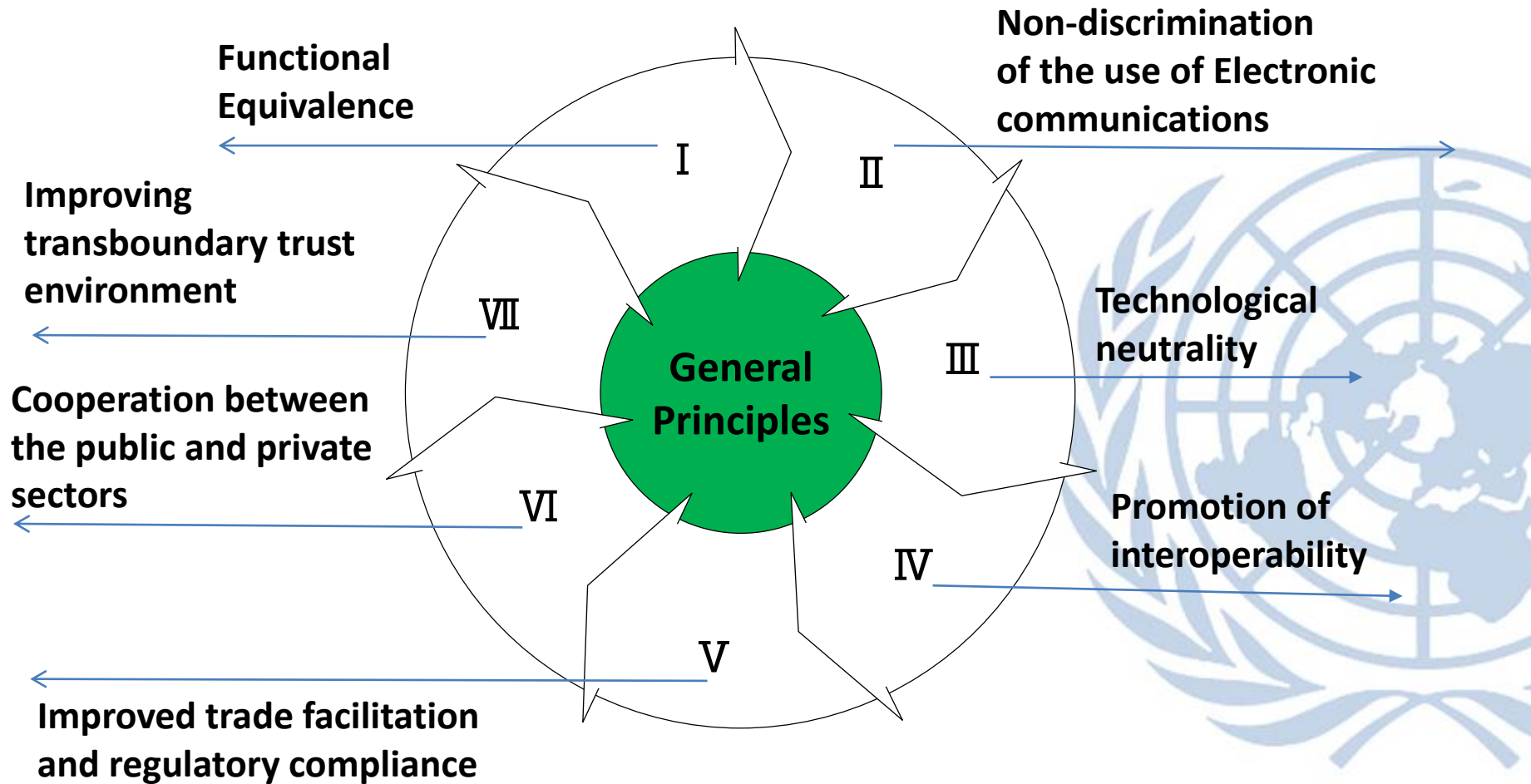
Article 11:
Institutional
Arrangement
s

Article 12:
Action Plan

Article 13:
Pilot Projects
and Sharing
of Lessons
Learned

Article 14:
Capacity
Building

Art. 5: General principles



Overview of provisions: Key provisions

Cross-border Mutual Recognition

Article 8

Article 11

Institutional
Arrangements

Article 12

Action Plan

Pilot Projects and Sharing of
Lessons Learned

Article 13

Capacity
Building

Article 14

**Key
Provisions**

...

...

Languages used in TFA and FA

TFA

- Each Member shall make available, and update **to the extent possible and as appropriate...**
- Each Member shall, **within its available resources**, establish or maintain one or more enquiry points to answer reasonable...

Paperless FA

- The Parties **shall endeavour** to establish...
- The Parties **may enter** into bilateral...



To summarize

- National single window may start small and keep evolving, but need to be visionary: keeping interoperability and cross-border trade in mind.
- On ASW (some wisdom from Marianne Wong Mee Wan):
 - The implementation approach for a Single Window could vary based on various factors surrounding it.
 - What could be considered:
 - ☐ Identify objective in the right context
 - ☐ Establish right strategy for realistic roadmap
 - ☐ Work around limited resources towards the best possible
 - No two single windows are exactly the same. Implement what is practical, feasible and needed.
- Any countries in Asia and the Pacific are encouraged to join the treaty on Framework Agreement on cross-border paperless trade – small economies and the least developed countries will certainly benefit from joining the treaty to align their efforts with regional and global standard. The treaty is not a privilege for more advanced economies.

Thank you

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

unnexxt.unescap.org

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

