

Trade Facilitation and Paperless Trade Implementation in Asia and the Pacific: *State of Play & Way Forward*

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What is trade facilitation?

- There is no universal definition but trade facilitation is often referred to as the “[plumbing of international trade](#)” .
- “The ([WTO](#)) Trade Facilitation Agreement contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.”
- United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT): The [simplification, standardization and harmonization](#) of procedures and associated information flows required to move goods from seller to buyer and to make payments.

Outline

❖ Regional State of Play

- Trade costs

- Trade facilitation and paperless trade implementation

❖ WTO TFA and Lao PDR

❖ Way forward

- Regional framework agreement on cross-border paperless trade

- National Trade and Transport Facilitation Monitoring Mechanism (TTFMM)

❖ Support from ESCAP

❖ Group exercises on Business Process Analysis





DataBank | ESCAP World Bank: International Trade Costs

Table

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2. ESCAP-WB Trade Cost: Definition

- Measure of **ad valorem** trade costs:

$$\tau_{ij} = \tau_{ji} = \left(\frac{t_{ij} t_{ji}}{t_{ii} t_{jj}} \right)^{\frac{1}{2}} - 1 = \left(\frac{X_{ii} X_{jj}}{X_{ij} X_{ji}} \right)^{\frac{1}{2(\sigma-1)}} - 1$$

Where

— **τ_{ij}** denotes geometric average trade costs between country i and country j

- t_{ij} denotes international trade costs from country i to country j
- t_{ji} denotes international trade costs from country j to country i
- t_{ii} denotes intranational trade costs of country i
- t_{jj} denotes intranational trade costs of country j
- **X_{ij}** denotes international trade flows from country i to country j
- **X_{ji}** denotes international trade flows from country j to country i
- **X_{ii}** denotes intranational trade of country i
- **X_{jj}** denotes intranational trade of country j
- σ denotes intra-sectoral elasticity of substitution (which is set = 8)

Trade costs in the Asia-Pacific region (excluding tariff costs), 2009-2014

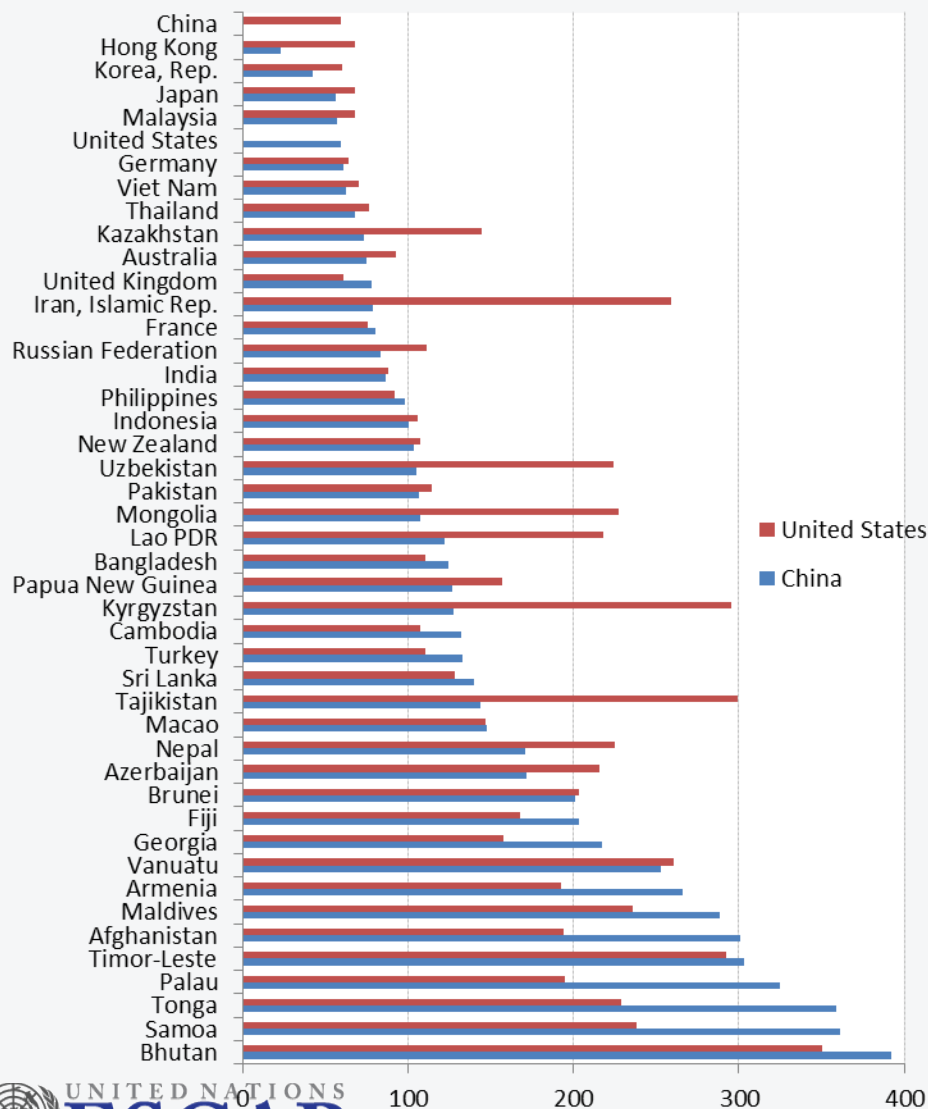
Region	ASEAN-4	East Asia-3	North and Central Asia - 4	Pacific Islands Developing Economies	SAARC-4	AUS-NZL	EU-3
ASEAN-4	76% (8%)						
East Asia-3	75% (5%)	51% (-3%)					
North and Central Asia - 4	354% (11%)	175% (-6%)	121% (7%)				
Pacific Islands Developing Economies	172% (-10%)	175% (-3%)	369% (29%)	132% (-10%)			
SAARC-4	128% (1%)	124% (-1%)	285% (2%)	318% (2%)	116% (11%)		
AUS-NZL	101% (4%)	88% (-5%)	336% (-7%)	83% (-8%)	138% (-5%)	52% (-4%)	
EU-3	106% (-1%)	85% (-3%)	152% (-8%)	209% (-4%)	115% (2%)	108% (-1%)	43% (-5%)
USA	86% (10%)	63% (0%)	177% (-1%)	163% (-6%)	110% (6%)	100% (4%)	67% (1%)

Source: ESCAP-World Bank Trade Cost Database, updated June 2016. Available from Trade costs: <http://artnet.unescap.org/databases.html#first>

Note: data in brackets are evolution with respect to 2003-2008

- Trade costs often much higher in developing than developed economies
- Some progress in sub-regional integration, but often very high trade costs between Asia-Pacific sub-regions
- Trade costs in developing countries falling slower than in developed economies

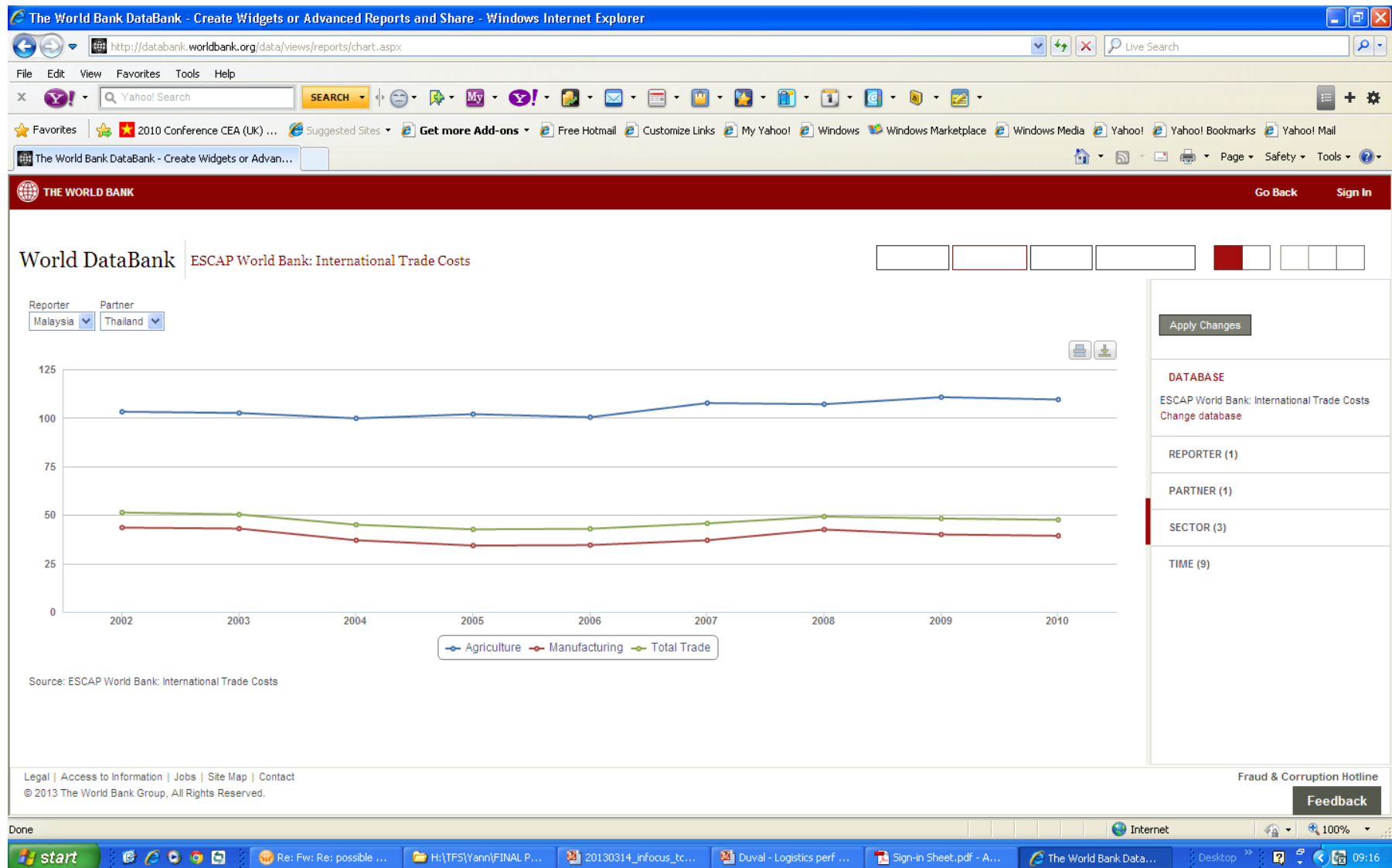
Bilateral comprehensive trade costs of selected economies in Asia-Pacific with China and United States (excluding tariff costs, 2009-2014)



For some landlocked and Pacific island developing economies, comprehensive trade cost is up to 3 times their trade costs with China, which is very high compared to other economies.

As expected, it is the small islands or landlocked developing countries that incur the highest trade costs with both China and USA.

Source: ESCAP-World Bank Trade Cost Database, updated June 2016. Available from Trade costs: <http://artnet.unescap.org/databases.html#first>



- <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=escap-world-bank:-international-trade-costs>

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The **Second** Global Survey on Trade Facilitation and Paperless Trade Implementation **in 2017**

The survey is being conducted by five UN regional commissions, with overall coordination of ESCAP and support from other partners such as UNCTAD, International Trade Centre, OECD, Oceania Customs Organization and Eurasian Economic Commission.



The **First** Global Survey on Trade Facilitation and Paperless Trade Implementation in **2015**



United Nations Regional Commissions

Global Survey on Trade Facilitation and Paperless Trade Implementation 2015

The United Nations Regional Commissions (UNRCs) including [ECA](#), [ECE](#), [ECLAC](#), [ESCAP](#) and [ESCWA](#), in collaboration with [UNCTAD](#), [OECD](#), [ITC](#), [OCO](#) and [SELA](#), have conducted a global survey to collect relevant data and information on trade facilitation and paperless trade implementation in their respective member states. Outcomes of the survey are expected to enable the countries to better understand and monitor progress in trade facilitation, support evidence-based policy-making, and highlight the needs for capacity building and technical assistance.

The global survey represents a key initiative under the framework of the Joint UNRC Approach to Trade Facilitation, agreed upon in Beirut, January 2010 to enable the five UNRCs to present a joint global view on key trade facilitation issues. The questionnaire for the global survey was jointly prepared and finalized by UNRCs and OECD and is available [here](#). The survey results and data collected are made available below.

Report and Data

-  **Africa**
-  **Asia and the Pacific**
-  **Latin America and the Caribbean**
-  **Western Asia**
-  **Global Report**
-  **Countries Report**

The 2nd global survey instrument

- The first section of questionnaire cover 7 areas:
 - Four areas were featured in the first global survey (questions 1 through 38)
 - General trade facilitation measures (largely TFA-related) (questions 1 - 14 and questions 31 - 34)
 - Paperless trade (questions 15 -24)
 - Cross-border paperless trade (questions 25 - 30)
 - Transit facilitation (largely TFA related) (questions 35 - 38)
 - Three areas are newly added to the current survey
 - Trade facilitation for SMEs (questions 39-42)
 - Agricultural trade facilitation (questions 43 - 45)
 - Women in trade facilitation (questions 46-47)
- The second section of questionnaire include 5 open questions
- The third section of the questionnaire gathers information of the respondents of the questionnaire
 - However, kindly note that the three-step approach for data collection and collation means information of any informant/respondent will be kept confidential



Stage of implementation of a TF measure

- **Full implementation (FI):** the trade facilitation measure implemented is in full compliance with commonly accepted international standards, recommendations and conventions such as the Revised Kyoto Convention, UN/CEFACT Recommendations, or the WTO Trade Facilitation Agreement (TFA); it is implemented in law and in practice; it is available to essentially all relevant stakeholders nationwide, supported by adequate legal and institutional framework, as well as adequate infrastructure and financial and human resources. (a TFA measure included in the Notifications of Category A commitments may generally be considered as a measure which is fully implemented by the country, with a caveat that the measure will be implemented by a least-developed country member within one year after entry into force of the TFA agreement).
- **Partial implementation (PI):** ...
- **Pilot stage of implementation (PS):** ...
- **Not implemented (NI):** ...

Structure of the Questionnaire (1):

Common measures included in the 2015 & 2017 surveys

		Trade facilitation measure (and question No.) in the questionnaire
General TF measures	Transparency	<ul style="list-style-type: none"> 2. Publication of existing import-export regulations on the Internet 3. Stakeholder consultation on new draft regulations (prior to their finalization) 4. Advance publication/notification of new regulation before their implementation (e.g., 30 days prior) 5. Advance ruling (on tariff classification) 9. Independent appeal mechanism (for traders to appeal Customs and other relevant trade control agencies' rulings)
	Formalities	<ul style="list-style-type: none"> 6. Risk management (as a basis for deciding whether a shipment will be or not physically inspected) 7. Pre-arrival processing 8. Post-clearance audit 10. Separation of Release from final determination of customs duties, taxes, fees and charges 11. Establishment and publication of average release times 12. Trade facilitation measures for authorized operators 13. Expedited shipments 14. Acceptance of paper or electronic copies of supporting documents required for import, export or transit formalities.
	Institutional arrangement and cooperation	<ul style="list-style-type: none"> 1. Establishment of a national trade facilitation committee or similar body 31. Cooperation between agencies on the ground at the national level 32. Government agencies delegating controls to Customs authorities 33. Alignment of working days and hours with neighbouring countries at border crossings, and 34. Alignment of formalities and procedures with neighbouring countries at border crossings

Structure of the Questionnaire (2):

Common measures include in the 2015 & 2017 surveys

Paperless trade	<ul style="list-style-type: none"> 15. Electronic/automated Customs System established (e.g., ASYCUDA) 16. Internet connection available to Customs and other trade control agencies at border-crossings 17. Electronic Single Window System 18. Electronic submission of Customs declarations 19. Electronic Application and Issuance of Trade Licenses 20. Electronic Submission of Sea Cargo Manifests 21. Electronic Submission of Air Cargo Manifests 22. Electronic Application and Issuance of Preferential Certificate of Origin 23. E-Payment of Customs Duties and Fees 24. Electronic Application for Customs Refunds
Cross-border paperless trade	<ul style="list-style-type: none"> 25. Laws and regulations for electronic transactions are in place (e.g. e-commerce law, e-transaction law) 26. Recognized certification authority issuing digital certificates to traders to conduct electronic transactions 27. Engagement of the country in trade-related cross-border electronic data exchange with other countries 28. Certificate of Origin electronically exchanged between your country and other countries 29. Sanitary & Phyto-Sanitary Certificate electronically exchanged between your country and other countries 30. Banks and insurers in your country retrieving letters of credit electronically without lodging paper-based documents
Transit facilitation	<ul style="list-style-type: none"> 35. Transit facilitation agreement(s) with neighbouring country(ies) 36. Customs Authorities limit the physical inspections of transit goods and use risk assessment 37. Supporting pre-arrival processing for transit facilitation 38. Cooperation between agencies of countries involved in transit

Structure of the Questionnaire (3):

Additional questions in the 2017 Survey

TF for SMEs	<p>39. Government has developed trade facilitation measures that ensure easy and affordable access for SMEs to trade related information</p> <p>40. Government has developed specific measures that enable SMEs to more easily benefit from the AEO scheme</p> <p>41. Government has taken actions to make the single windows more easily accessible to SMEs (e.g., by providing technical consultation and training services to SMEs on registering and using the facility.)</p> <p>42. Government has taken actions to ensure that SMEs are well represented and made key members of National Trade Facilitation Committees (NTFCs)</p>
TF and Agricultural Trade	<p>43. Testing and laboratory facilities are equipped for compliance with sanitary and phytosanitary (SPS) standards in your country</p> <p>44. National standards and accreditation bodies are established for the purpose of compliance with SPS standards in your country</p> <p>45. Application, verification and issuance of SPS certificates is automated</p>
Women in TF	<p>46. The existing trade facilitation policy/strategy incorporates special consideration of women involved in trade</p> <p>47. Government has introduced trade facilitation measures to benefit women involved in trade</p>

A three-step approach for data collection and collation

ESCAP and its partners invite selected experts to fill in the questionnaire

ESCAP team internally verify data: cross-checking answers from the experts, desk research, further interviews with respondents and informants.

Key outcome of step 2:

A set of national dataset for each country surveyed

ESCAP sends the preliminary results to the countries for final validation.

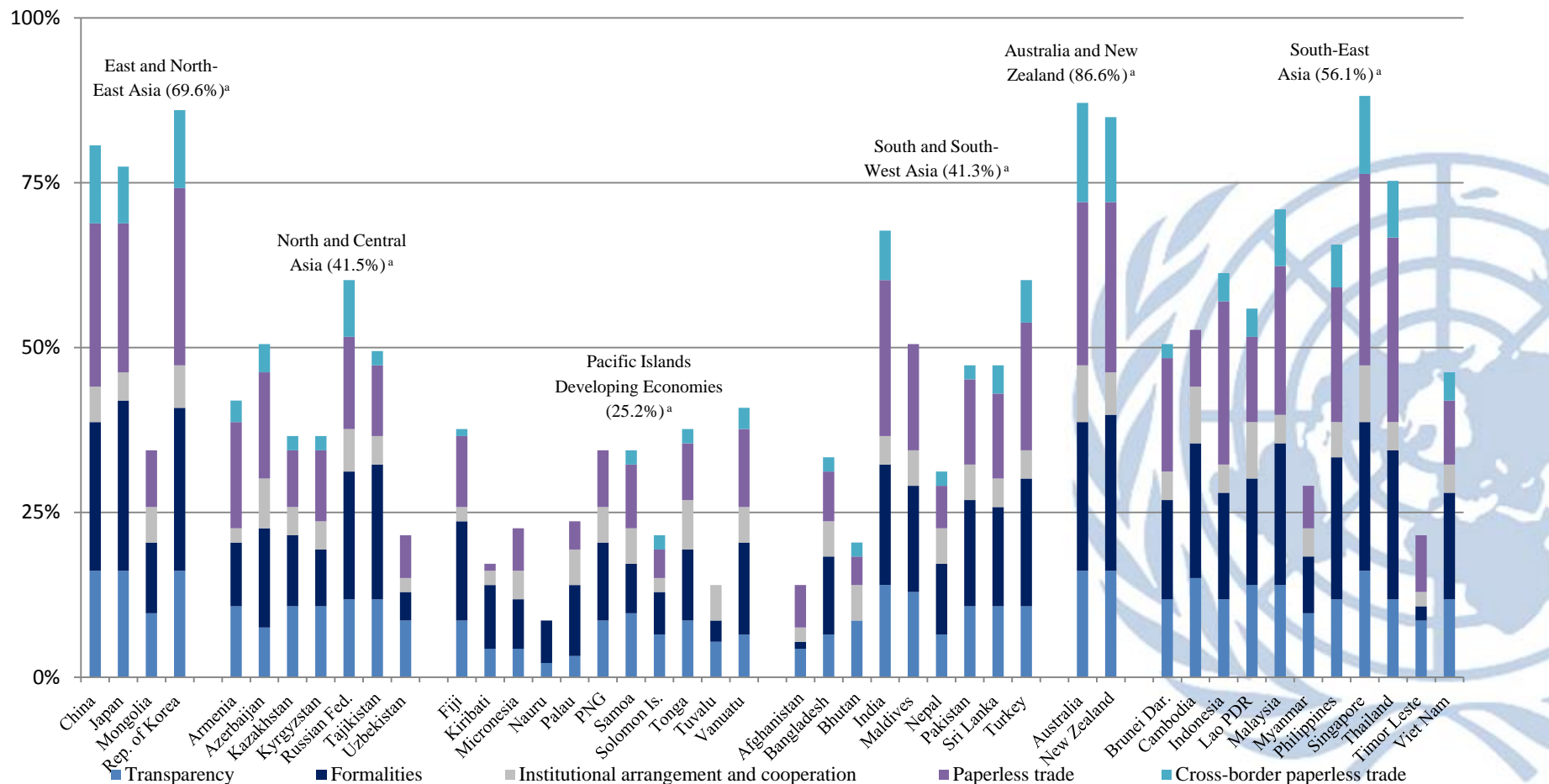


Status of data collection and key findings

So far, ESCAP team has received updated information from nearly 20 countries. The aggregate picture of the region remains largely the same from 2015 to 2017.



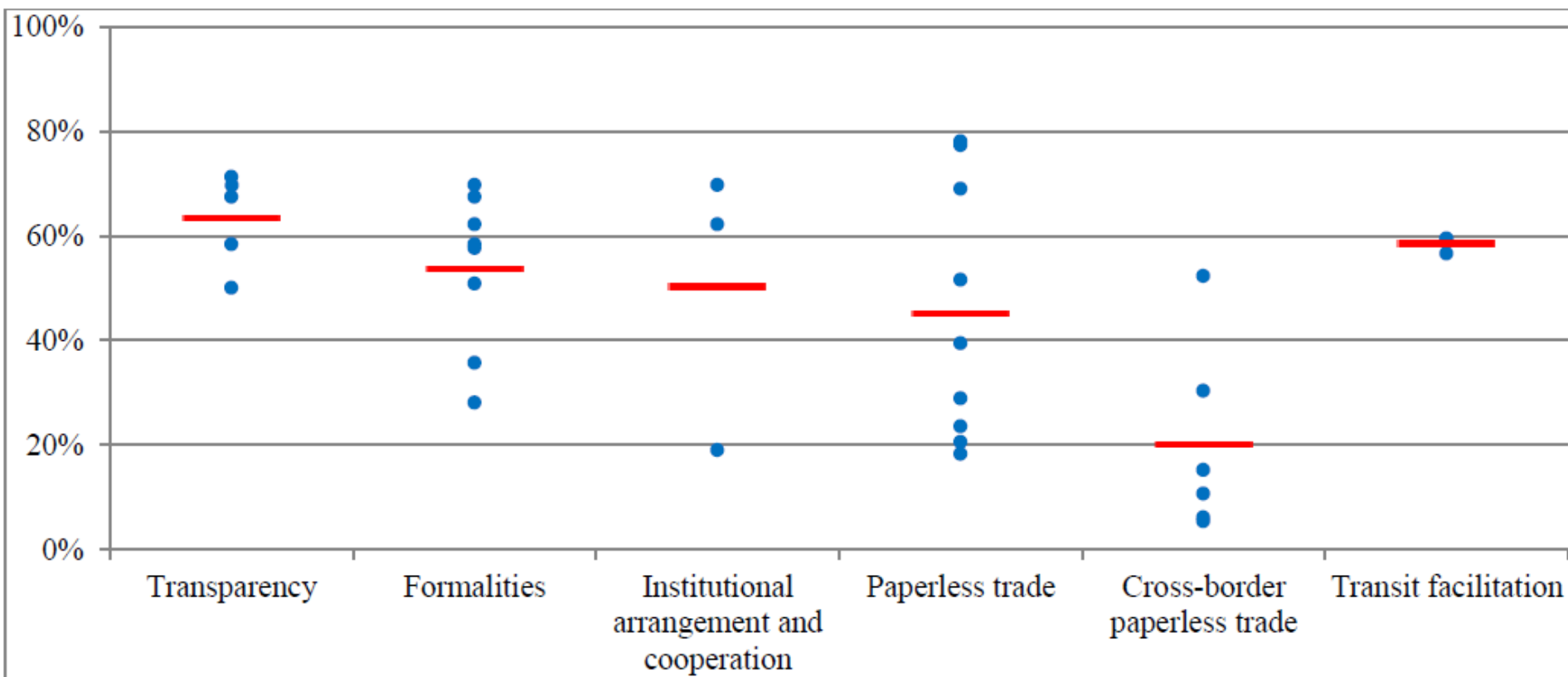
Overall implementation of trade facilitation measures in 44 Asia-Pacific economies surveyed



TF and Paperless Trade Implementation in Asia-Pacific: 2015 Survey Highlights

Transparency measures most implemented;

Cross-border paperless trade measures least implemented



Note: Blue dots show regional average implementation level of individual measures within each group.
— Average regional implementation level by groups of measures.

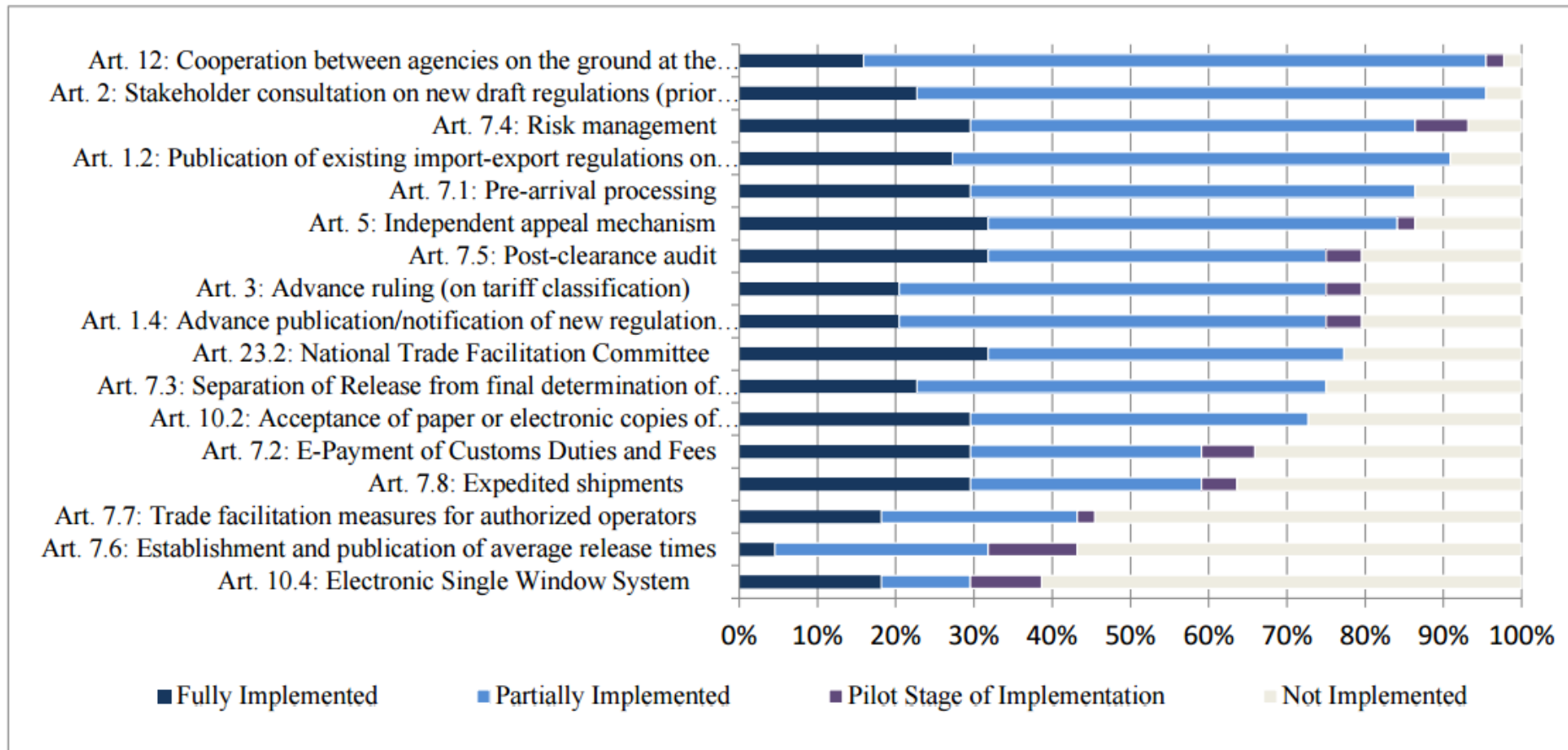
TF and Paperless Trade Implementation in Asia-Pacific: 2015 Survey Highlights

Most and least implemented TF measures in Asia-Pacific

	Most implemented	Least implemented
Transparency	<ol style="list-style-type: none"> 1. Stakeholder consultation on new draft regulations (prior to their implementation) 2. Publication of existing import-export regulations on the internet 	<ol style="list-style-type: none"> 1. Advance ruling (on tariff classification) 2. Advance publication/notification of new regulation before their implementation
Formalities	<ol style="list-style-type: none"> 1. Risk management 2. Pre-arrival processing 	<ol style="list-style-type: none"> 1. Establishment and publication of average release times 2. Trade facilitation measures for authorized operators
Institutional arrangement and cooperation	<ol style="list-style-type: none"> 1. Cooperation between agencies on the ground at the national level 2. Establishment of National Trade Facilitation Committee 	<ol style="list-style-type: none"> 1. Government agencies delegating controls to Customs authorities
Paperless trade	<ol style="list-style-type: none"> 1. Internet connection available to Customs and other trade control agencies at border-crossings 2. Electronic/automated Customs System 	<ol style="list-style-type: none"> 1. Electronic Application and Issuance of Preferential Certificate of Origin 2. Electronic Application for Customs Refunds
Cross-border paperless trade	<ol style="list-style-type: none"> 1. Laws and regulations for electronic transactions 2. Recognised certification authority 	<ol style="list-style-type: none"> 1. Banks and insurers retrieving letters of credit electronically without lodging paper-based documents 2. Electronic exchange of Sanitary & Phyto-Sanitary Certificate
Transit facilitation	<ul style="list-style-type: none"> - Cooperation between agencies of countries involved in transit - Customs authorities limit the physical inspections of transit goods and use risk assessment 	<ol style="list-style-type: none"> 1. Supporting pre-arrival processing for transit facilitation

Implementation of WTO TFA-related measures in Asia –Pacific

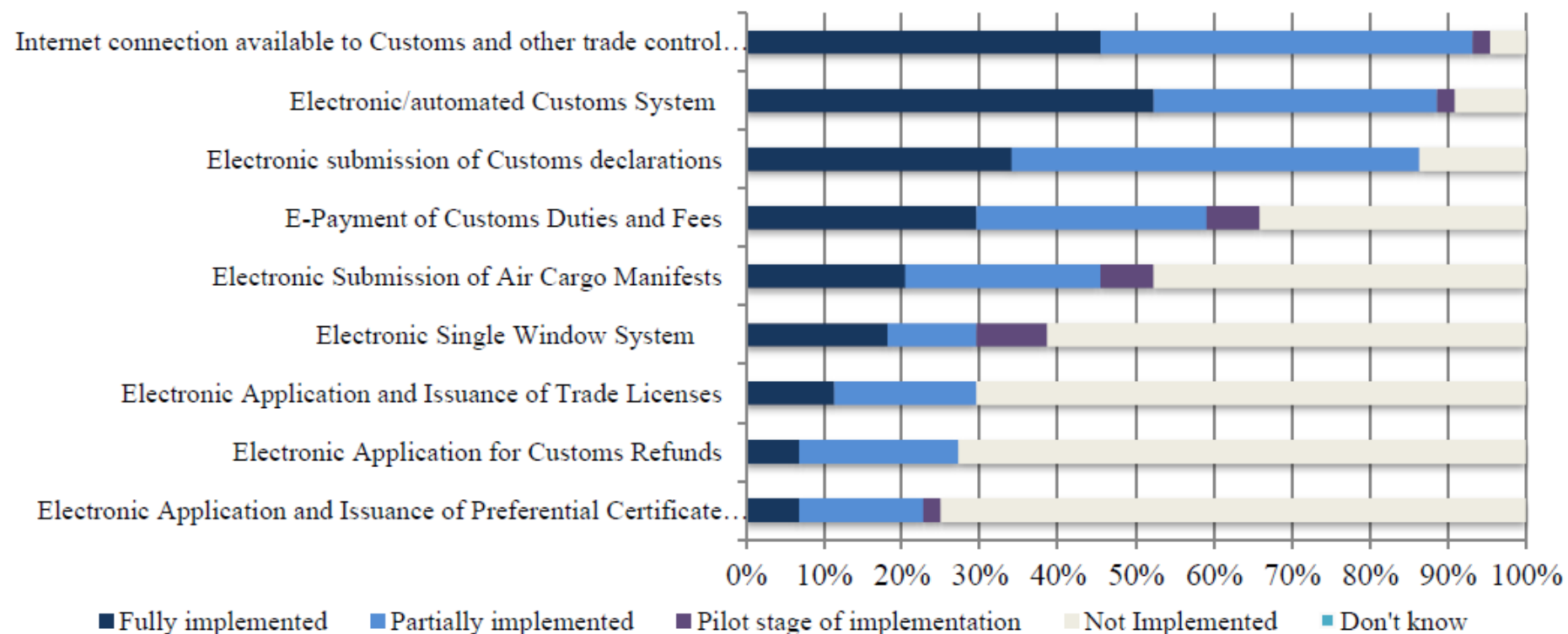
Figure 4: Implementation of WTO TFA-related measures in Asia-Pacific: 2015 (% of countries)



Source: ESCAP, UNRC TF Survey 2015

<http://www.unescap.org/sites/default/files/Trade-Insights-No12.pdf>

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



Implementation of TF measures in a few countries since 2015: to highlight a few examples

Country	Initiatives
Bangladesh	Trade portal was launched in 2016
Bhutan	Trade and transport facilitation monitoring mechanism (TTFMM) baseline studies in 2016
China	NTFC was set up in 2016 in line with the WTO TFA
Lao PDR	The core system of the NSW has been developed
Myanmar	NTFC was set up in December 2016
Solomon Islands	NTFC was set up in late 2015
Turkey	The Single Window has been operational since June 2016

ESCAP team received feedback from, among others, the countries listed in the table

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WTO's Trade Facilitation Agreement (TFA) and Lao PDR: *A few questions*

1. TFA entered into force on _____

A. 7 Dec 2013

B. 22 Feb 2017

C. Do not ask me...

2. **“TFA is the first multilateral deal concluded in the history of the World Trade Organization”**

A. Yes, it is correct.

B. No, it is not correct

C. I am not sure... really?

3. **Lao PDR became a member of WTO on _____**

A. 16 October 2011

B. 2 Feb 2013

C. Is Lao PDR a WTO member?

4. **How many ASEAN countries are WTO members?**

A. 8

B. 10

C. who said it was 11, wake up!

5. **“Lao PDR has developed Trade Portal much earlier than most other countries in Asia and the Pacific”**

A. Yes

B. No

C. You are joking, are not you?

6. **Which one is correct**

A. Lao PRD is the only Least developed country (LDC) in ASEAN Region

B. Lao PRD is the only landlocked developing country (LLDC) in ASEAN Region

C. You know what? I am not totally happy to be called “the least developed.”



WTO Trade Facilitation Agreement

Objectives:



- **Expedite movement, release & clearance of goods**
- **Improve cooperation between customs/other authorities**
- **Enhance technical assistance and build capacity**



Trade Facilitation Agreement

Section I:

- ❖ 12 articles of technical measures

Section II:

- ❖ Special and Differential Treatment (SDT) Provisions for developing countries

Section III:

- ❖ Institutional Arrangements and Final Provisions

WT/L/931



WORLD TRADE
ORGANIZATION

WT/L/931

15 July 2014

(14-4101)

Page: 1/30

Preparatory Committee on Trade Facilitation

AGREEMENT ON TRADE FACILITATION*

Preamble

Members,

Having regard to the negotiations launched under the Doha Ministerial Declaration;

Recalling and reaffirming the mandate and principles contained in paragraph 27 of the Doha Ministerial Declaration (WT/MIN(01)/DEC/1) and in Annex D of the Decision of the Doha Work Programme adopted by the General Council on 1 August 2004 (WT/L/579), as well as in paragraph 33 of and Annex E to the Hong Kong Ministerial Declaration (WT/MIN(05)/DEC);

Desiring to clarify and improve relevant aspects of Articles V, VIII and X of the GATT 1994 with a view to further expediting the movement, release and clearance of goods, including goods in transit;

Recognizing the particular needs of developing and especially least-developed country Members and desiring to enhance assistance and support for capacity building in this area;

Recognizing the need for effective cooperation among Members on trade facilitation and customs compliance issues;

Hereby agree as follows:

SECTION I

ARTICLE 1: PUBLICATION AND AVAILABILITY OF INFORMATION

1 Publication

1.1 Each Member shall promptly publish the following information in a non-discriminatory and easily accessible manner in order to enable governments, traders, and other interested parties to become acquainted with them:

- (a) procedures for importation, exportation, and transit (including port, airport, and other entry-point procedures), and required forms and documents;
- (b) applied rates of duties and taxes of any kind imposed on or in connection with importation or exportation;
- (c) fees and charges imposed by or for governmental agencies on or in connection with importation, exportation or transit;
- (d) rules for the classification or valuation of products for customs purposes;
- (e) laws, regulations, and administrative rulings of general application relating to rules of origin;

* This document has previously been issued under the symbol WT/PCTF/W/27.

TF Measures

Transparency and Appeals

- Publication/internet publication
- Enquiry Point for trade information
- Opportunity to comment
- Consultations
- Advance rulings
- Right of appeal

Transit

- Restrictions on fees and charges
- Use of guarantee

Import/Export/Transit Fees & Formalities

- Disciplines on fees
- Pre-arrival processing
- Risk management
- Post clearance audit
- Publish average release times
- Authorized operators
- Border agency cooperation
- Review formalities and documents
- Single window
- Eliminate use of PSI for tariff classification and customs valuation.
- Separate release from clearance
- Customs cooperation

Special and Differential Treatment (SDT)



Section II of Agreement

Applies only to developing countries
(including least-developed countries)

Gives flexibility in implementation of
obligations

Each developing country decides
when it can implement each provision



Categorization of each measure

Each developing and LDC country Member will categorize each measure into one of three

- **Category A:** at time Agreement enters into force (one year later for LDCs)
- **Category B:** Entry into force + (X) time (only “local action” needed)
- **Category C:** After TACB





WORLD TRADE
ORGANIZATION

WT/PCTF/N/LAO/1

17 September 2015

(15-4749)

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Preparatory Committee on Trade Facilitation

Original: English

**NOTIFICATION OF CATEGORY A COMMITMENTS UNDER
THE AGREEMENT ON TRADE FACILITATION**

COMMUNICATION FROM LAO PDR

The following communication dated 15 September 2015 to the Preparatory Committee on Trade Facilitation is being circulated at the request of Lao PDR for Members' information.

Provisions in Cat. A for Lao PDR

- Article 1.1 Publication
- Article 1.2 Information Available Through Internet
- Article 1.3 Enquiry Points
- Article 1.4 Notification
- Article 4 Procedures for Appeal or Review
- Article 5.1 Notifications for Enhanced Controls or Inspections
- Article 5.2 Detention
- Article 6.2 Specific Disciplines on Fees and Charges for Customs Processing Imposed on or in Connection with Importation and Exportation
- Article 7.1 Pre-arrival Processing
- Article 9 Movement of Goods Intended for Import under Customs Control
- Article 10.5 Preshipment Inspection
- Article 10.6 Use of Customs Brokers
- Article 10.9 Temporary Admission of Goods and Inward and Outward Processing



Group exercises

- Choose ANY provision in previous slide and discuss why this provision is included in the Cat. A.



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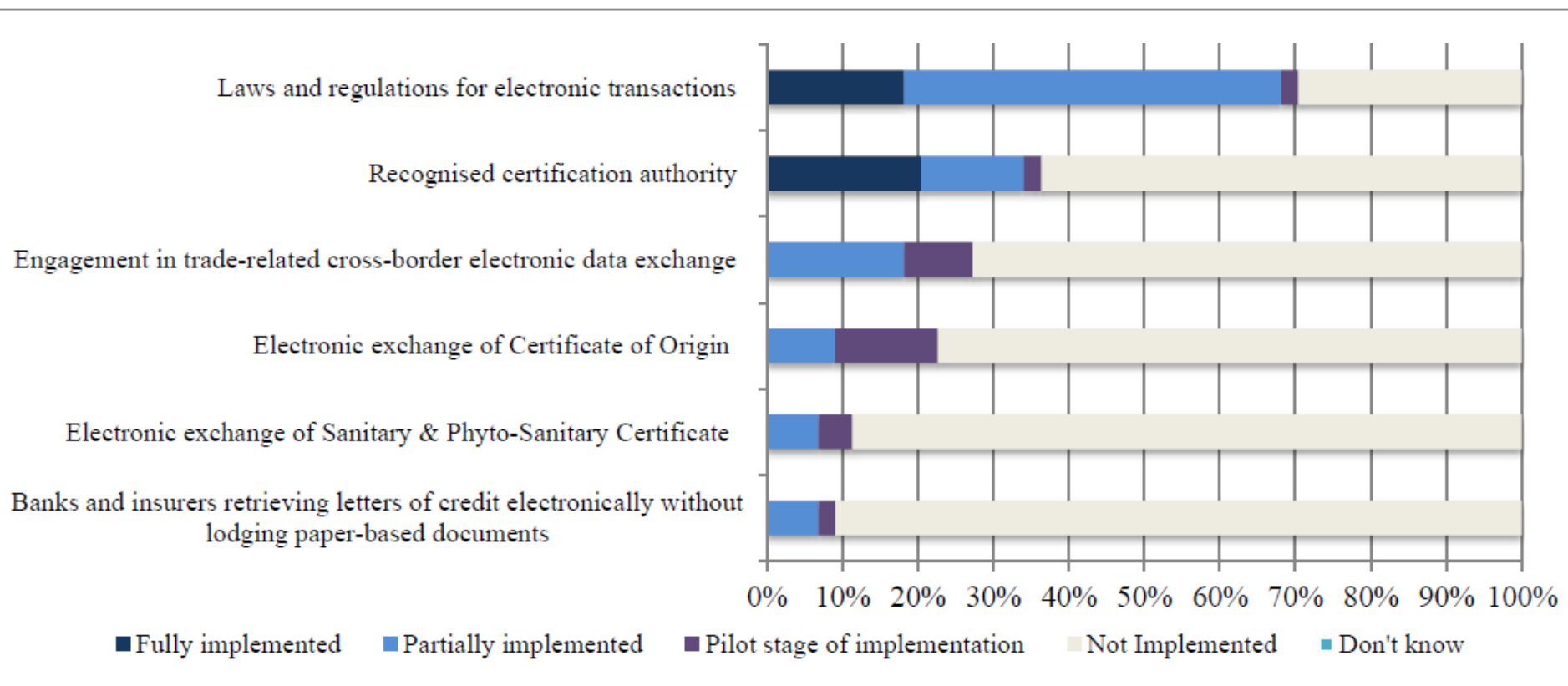
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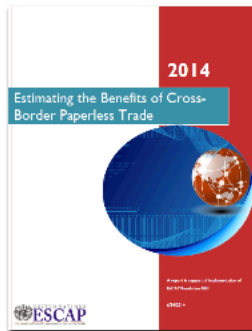
❖ Group exercises on Business Process Analysis

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



Benefits of Cross-Border Paperless Trade

Estimating the Benefits of Cross-Border Paperless Trade



Date: Tuesday, June 24, 2014

Type: Books

ABSTRACT

This report estimates the possible economic benefits—export gains, and cost savings—from partial or full implementation of cross-border paperless trade facilitation measures. Simulation results suggest that cross-border paperless trade has significant potential to reduce trade costs and boost trade in the Asia-Pacific region. Moreover, there is every reason to believe that these are low-end estimates of the possible economic gains from reform, due to the way in which the simulations are set up on a technical level, and the fact that they focus on implementation of cross-border measures only. In reality, paperless trade is typically implemented on a broader basis, which would tend to increase the level of export gains and cost savings reported here.

DOWNLOAD:

Benefits of Cross-Border Paperless Trade

✓ Download

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

Source: <http://www.unescap.org/resources/estimating-benefits-cross-border-paperless-trade>

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

❑ A new UN Treaty

- Open to interested (53) ESCAP member states (voluntary) to become parties
- Opened for signature on **1 October 2016** at UN Headquarters, New York

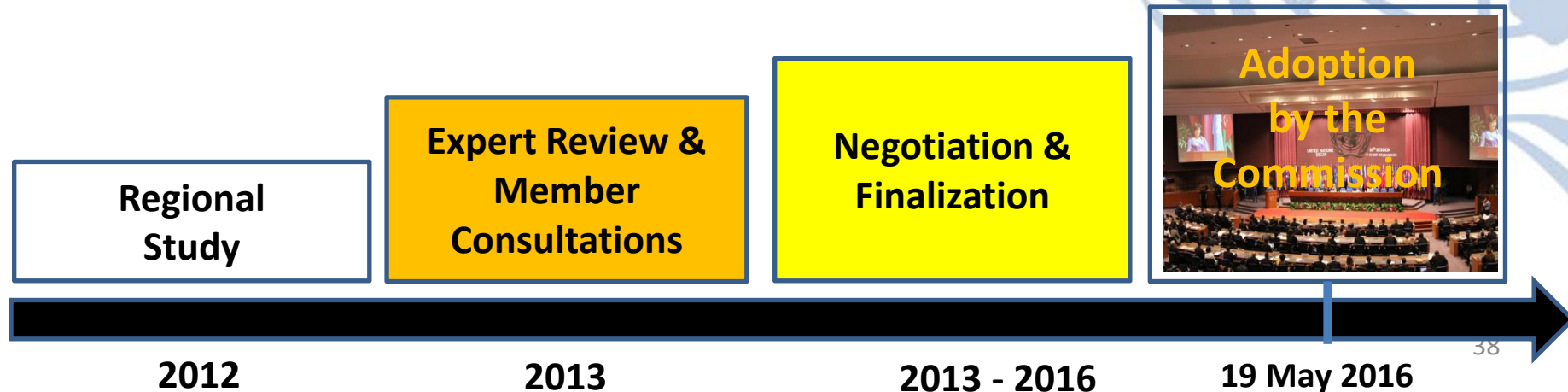
❑ Objective

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



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.





ENGLISH | FRANÇAIS | ESPAÑOL

About the Facility	The Trade Facilitation Agreement	Notification & Ratification	Donors & Organizations	National contact points	TFAF Assistance	Media and Resources
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Home It is expected to provide countries of Asia and the Pacific with a new tool and “digital” complement for better implementation of the WTO Trade Facilitation Agreement (TFA) and the development of cross-border e-commerce.

New UN treaty to facilitate paperless trade in Asia and the Pacific to support Trade Facilitation Agreement implementation

01.10.2016

A new UN treaty, entitled *Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific*, will open for signature on 1 October 2016. It is expected to provide countries of Asia and the Pacific with a new tool and “digital” complement for better implementation of the WTO Trade Facilitation Agreement (TFA) and the development of cross-border e-commerce. Grounded on a common set of general principles and a dedicated intergovernmental platform, the regional treaty will provide Parties with enhanced opportunities to exchange and harmonize practices, build each other’s capacity, and multilaterally develop, adopt and implement more specific and detailed technical and/or legal protocols needed to achieve safe and secure cross-border paperless trade. Implementation will build upon existing international standards as well as on-going bilateral and subregional initiatives, such as the ASEAN Single Window.

In May 2012, Member States of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) adopted a Resolution on Enabling Paperless Trade and the Cross-border Recognition of Electronic Data and Documents for Inclusive and Sustainable Intraregional Trade Facilitation. In May 2016, after four years of consultations and negotiations, the text of a new UN treaty to facilitate cross-border paperless trade in Asia and the Pacific was adopted. Participation

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**Economic and Social Council**

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Economic Commission for Europe**Executive Committee****Centre for Trade Facilitation and Electronic Business**

Twenty-third session

Geneva, 3-4 April 2017

Item 7(a) of the provisional agenda

Recommendations and standards

Recommendations for approval

Revised**Recommendation N°42:****Trade and Transport Facilitation Monitoring Mechanism***Summary*

Many countries around the world have made efforts to facilitate trade and transport. Few, however, have established sustainable mechanisms to monitor the effectiveness of policies and procedures that facilitate trade and speed up international supply and value chains. There is, therefore, a need for countries to establish sustainable national trade and transport facilitation monitoring mechanisms to measure and assess progress, and to assist in policymaking and modernization efforts.

The purpose of this Recommendation is to encourage governments, business communities, development partners and international organizations to collaborate in the development of sustainable Trade and Transport Facilitation Monitoring Mechanisms (TTFMMs). Accordingly, this recommendation addresses issues related to institutional arrangements and methodology in designing and implementing a TTFMM.

Document ECE/TRADE/C/CEFACT/2017/8 is submitted to the twenty-third session of the UN/CEFACT Plenary for approval.



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Why is sustainable national trade and transport facilitation monitoring mechanism important and essential?

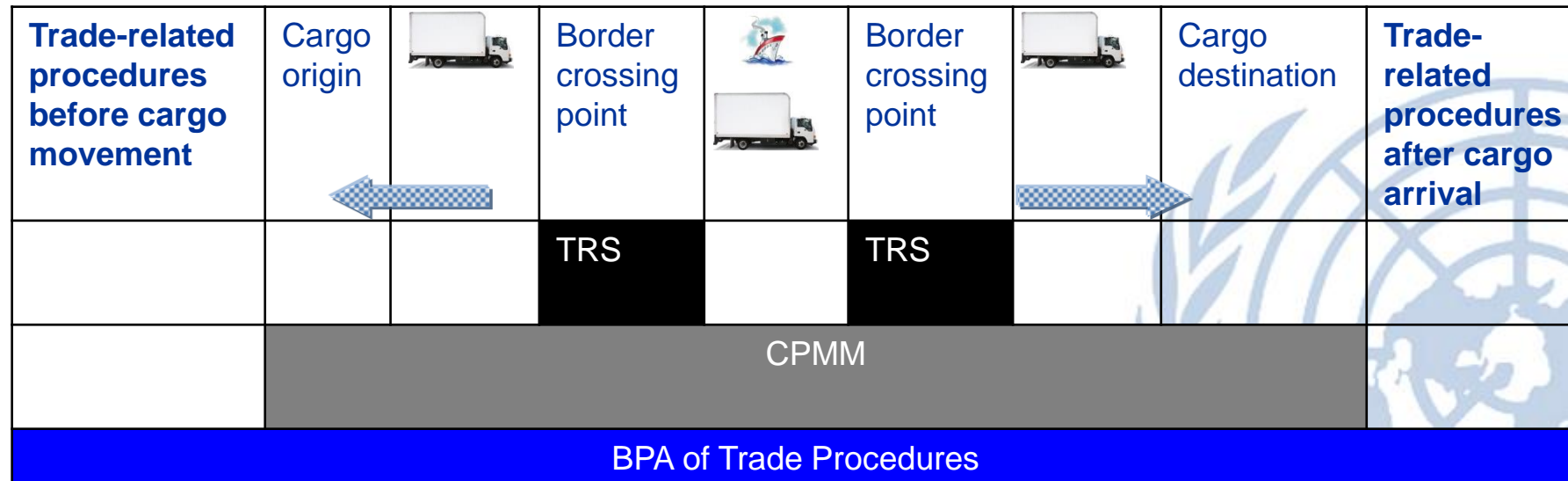
- Available international cross-country trade and transport indicators are useful but not sufficiently detailed or reliable
- Many trade facilitation monitoring exercises have been carried out in developing countries, but often
 - One-off / Ad hoc assessment studies;
 - Lack of ownership of results
 - No follow ups

Need for an integrated and sustainable mechanism:

- |(1) To provide adequate data & information to support decision making and to monitor implementation and impact of these decisions on trade facilitation measures
- |(2) To ensure recommendations are implemented

**If You
Can't
Measure It,
You Can't
Manage It!**

An integrated methodology for data collection and analysis

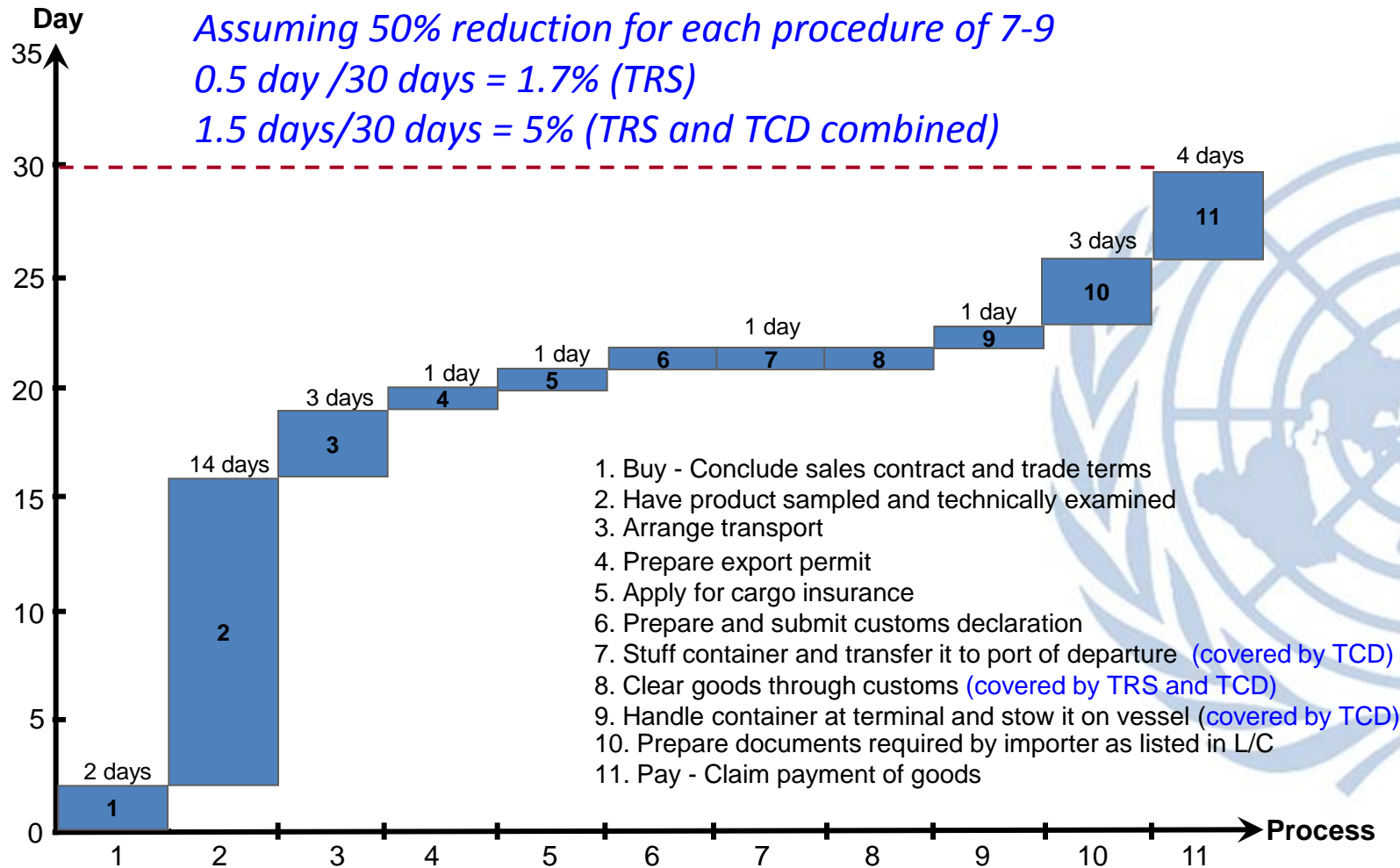


Business Process Analysis (BPA) for diagnosis of TF bottlenecks along entire supply chain

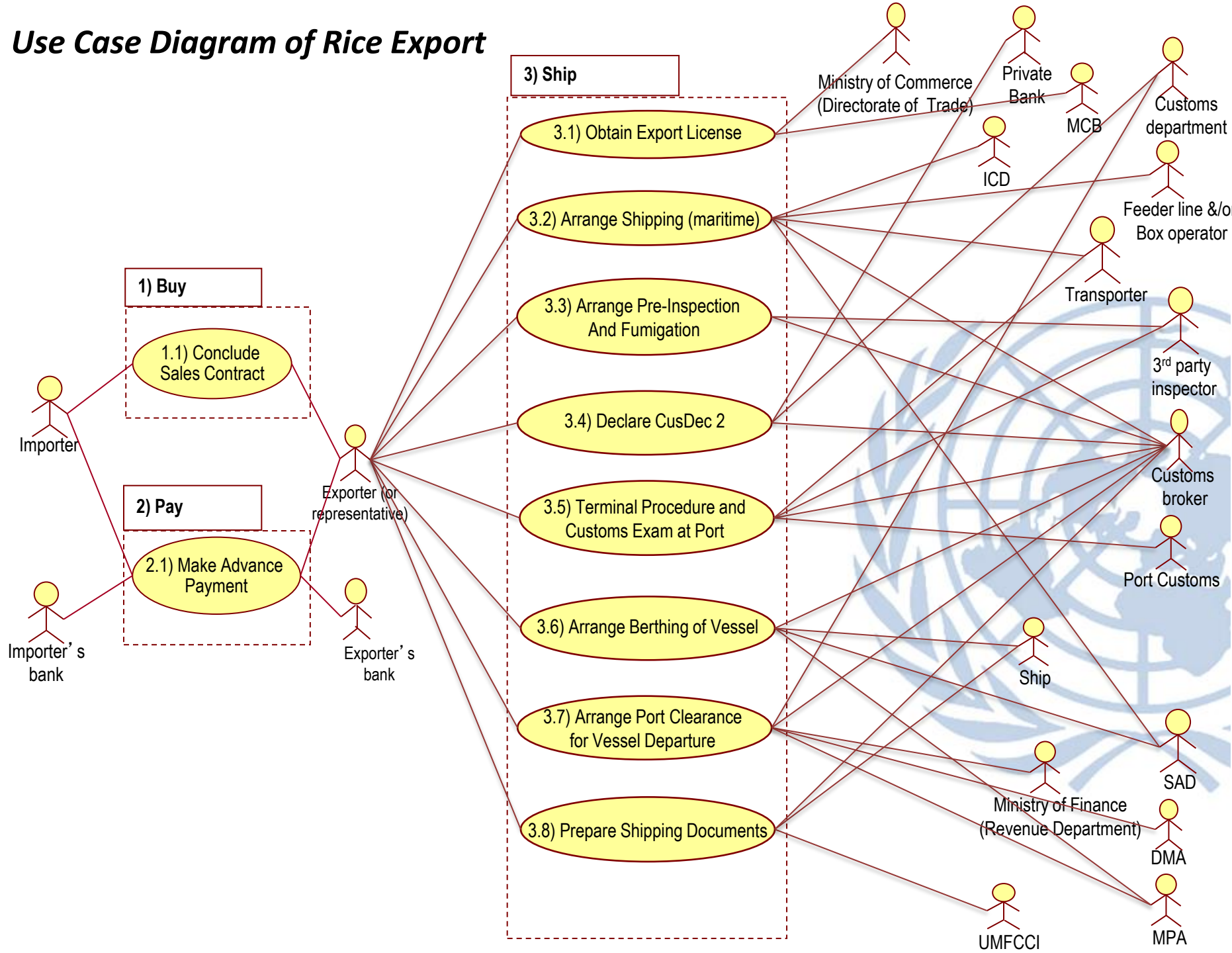
Corridor Performance Measurement and Monitoring (CPMM) &
Time Release Study (TRS)

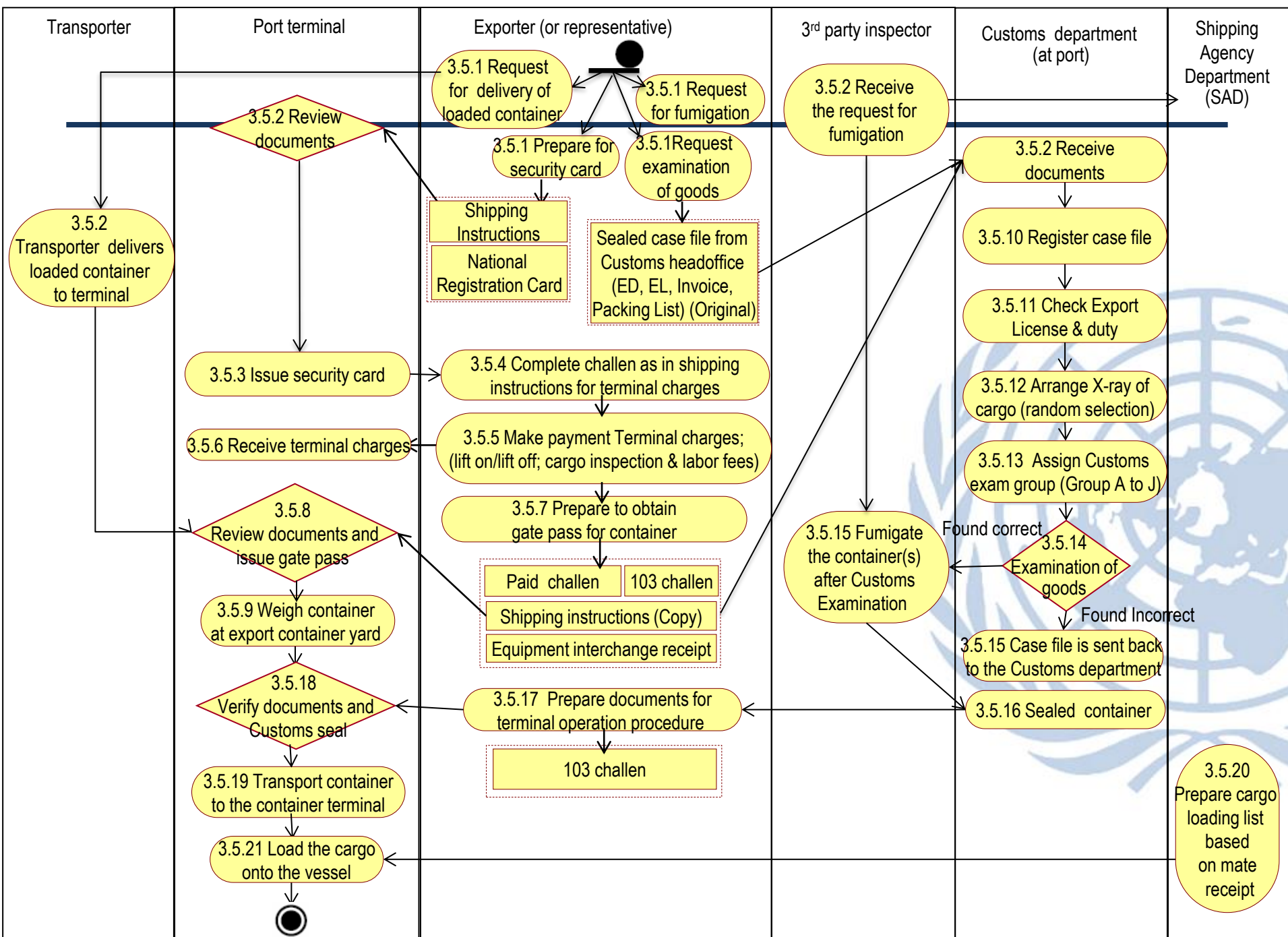
to Improve/verify BPA time and cost estimates

A whole-of-supply-chain approach for monitoring

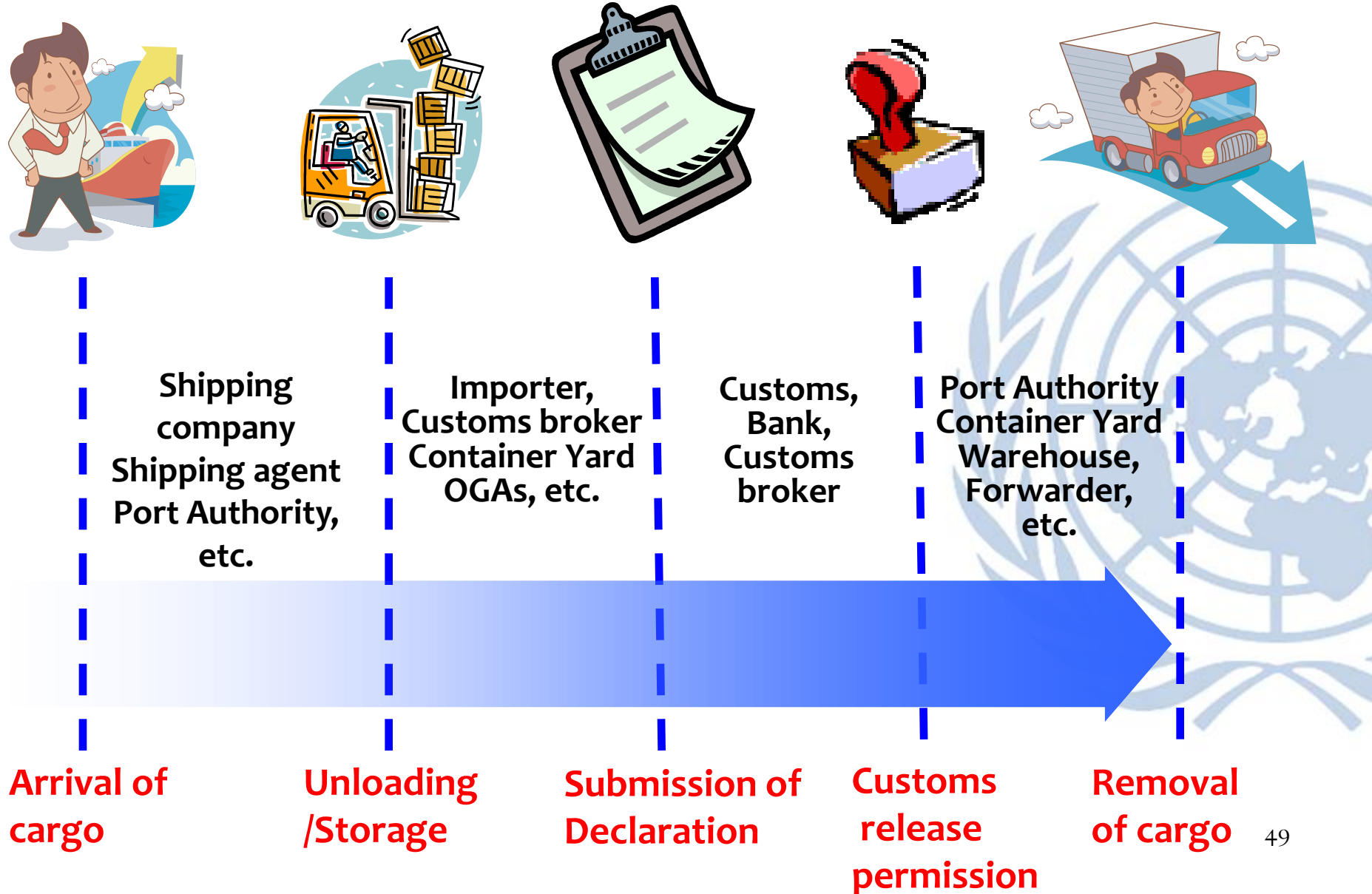


Use Case Diagram of Rice Export

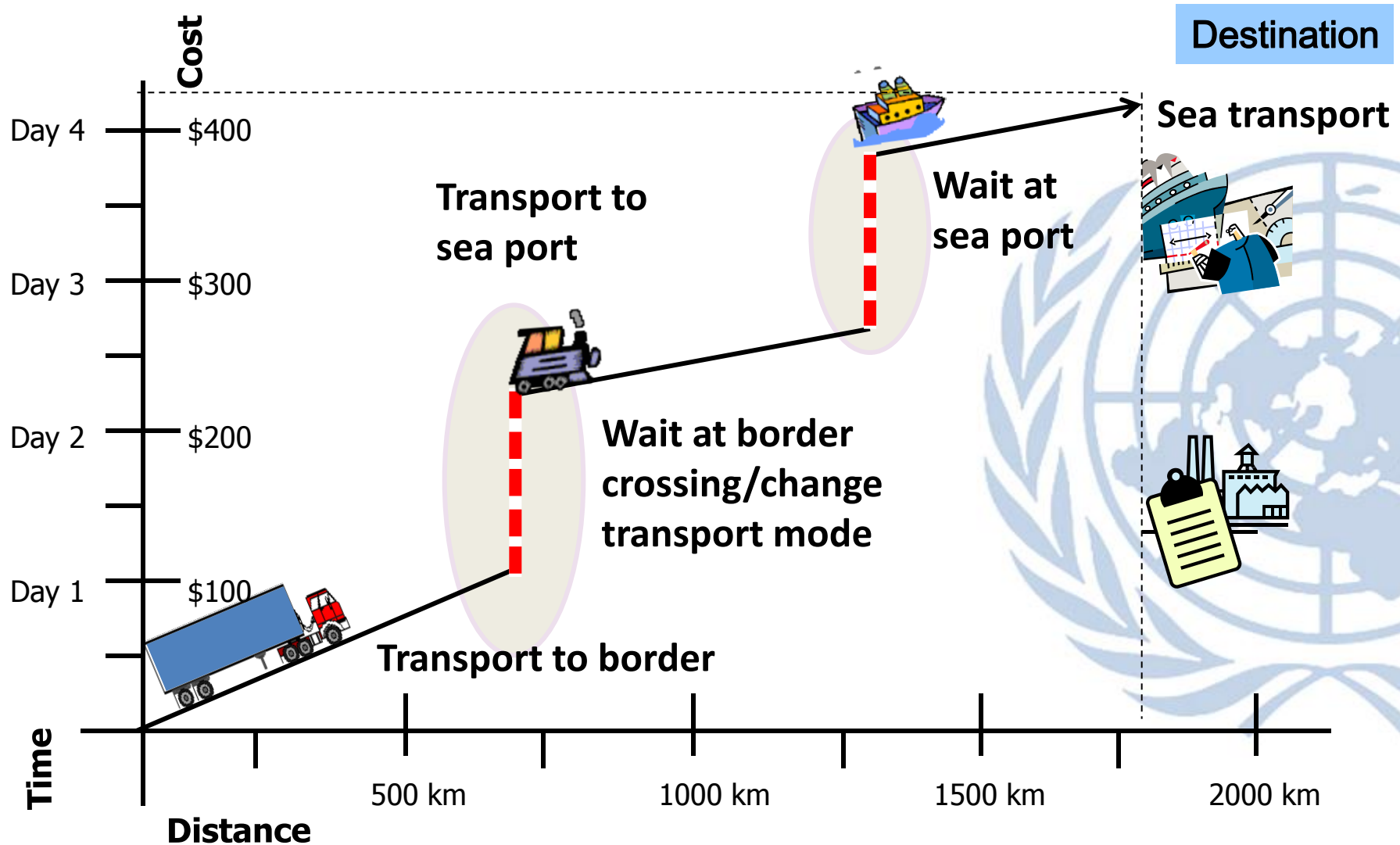




Time Release Study (TRS): Measuring 'time' for border crossing procedures



Time-Cost-Distance Method: record 'time' and 'cost' of physical movement of cargoes



Point of Origin

Outline

❖ Regional State of Play

- Trade costs
- Trade facilitation and paperless trade implementation

❖ WTO TFA and Lao PDR

❖ Way forward

- Regional framework agreement on cross-border paperless trade
- National Trade and Transport Facilitation Monitoring Mechanism (TTFMM)

❖ Support from ESCAP

❖ Group exercises on Business Process Analysis

Trade Facilitation Programme in ESCAP

Legislative

- ❑ Enabling paperless trade (Res. 68/3)
- ❑ Interim Intergov. Steering Group on Cross-border Paperless Trade Facilitation (Res. 70/6)
- ❑ Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (Res. 72/4)

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 implementation support
- ❑ UNNExT Masterclass

United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific



“an ongoing community of knowledge and practice to facilitate the implementation of single window and paperless trade in the Asia-Pacific region ”

- Tools and guides development activities
- Advocacy and Technical Training Workshops

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ESCAP
Economic and Social Commission for Asia and the Pacific

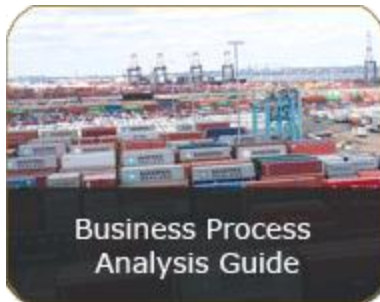
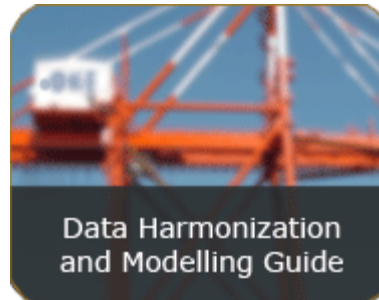


UNECE

UNNExT Single Window Implementation Toolkit for Trade Facilitation

SINGLE WINDOW IMPLEMENTATION TOOLKIT

FOR TRADE FACILITATION



Course Certificate on BPA for TF (since Sep. 2016)

business in Af x Doing Business in Af x Country Score Card: x E Framework Agreement x E E-Learning Series on x afghanistan member x

www.unescap.org/our-work/trade-investment-innovation/trade-facilitation/bpa-course

Home

Trade, Investment & Innovation

BPA TRAINING

Training Overview

Module 1 - BPA Introduction

Module 2 - UML

Module 3 - Project Scope Setting

Module 4 - Project Planning

Module 5 - Data Collection

Module 6 - Process Analysis

Module 7 - From BPA to TTFMM

ADDITIONAL RESOURCES

Course Study Guide

UNNExT BPA Guide for TF

TTFMM Guide

BPA Case Studies

Trade Process Analysis Database

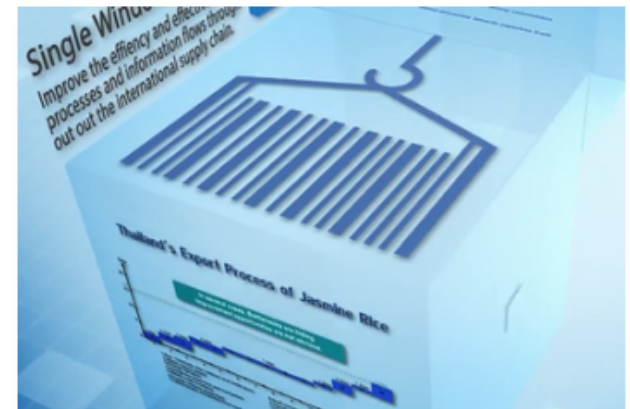
E-Learning Series on Business Process Analysis for Trade Facilitation

The Business Process Analysis (BPA) online training course has been developed by the ESCAP Trade, Investment and Innovation Division based on the UNNExT BPA Guide to Simplify Trade Procedures. BPA is considered the first necessary step to simplifying trade procedures. The 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. For more information, testing and certification please contact: escap-tid@un.org

The course is divided as follows:

- Module 1: BPA for Trade Facilitation - An Introduction
- Module 2: Unified Modeling Language
- Module 3: Project and Scope Setting
- Module 4: Project Planning
- Module 5: Data Collection and Process Documentation
- Module 6: Process Analysis and Recommendations Development
- Module 7: From BPA to Trade and Transport Facilitation Monitoring Mechanism

For guidance on how to study this course download the Study Guide.



<http://www.unescap.org/our-work/trade-investment-innovation/trade-facilitation/bpa-course>

Outline

❖ Regional State of Play

- Trade costs
- Trade facilitation and paperless trade implementation

❖ Way forward





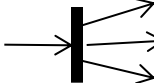
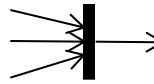

- Regional framework agreement on cross-border paperless trade
- National Trade and Transport Facilitation Monitoring Mechanism (TTFMM)

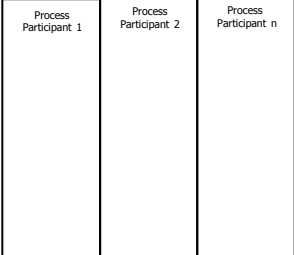

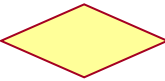
❖ Support from ESCAP

❖ Group exercises on Business Process Analysis

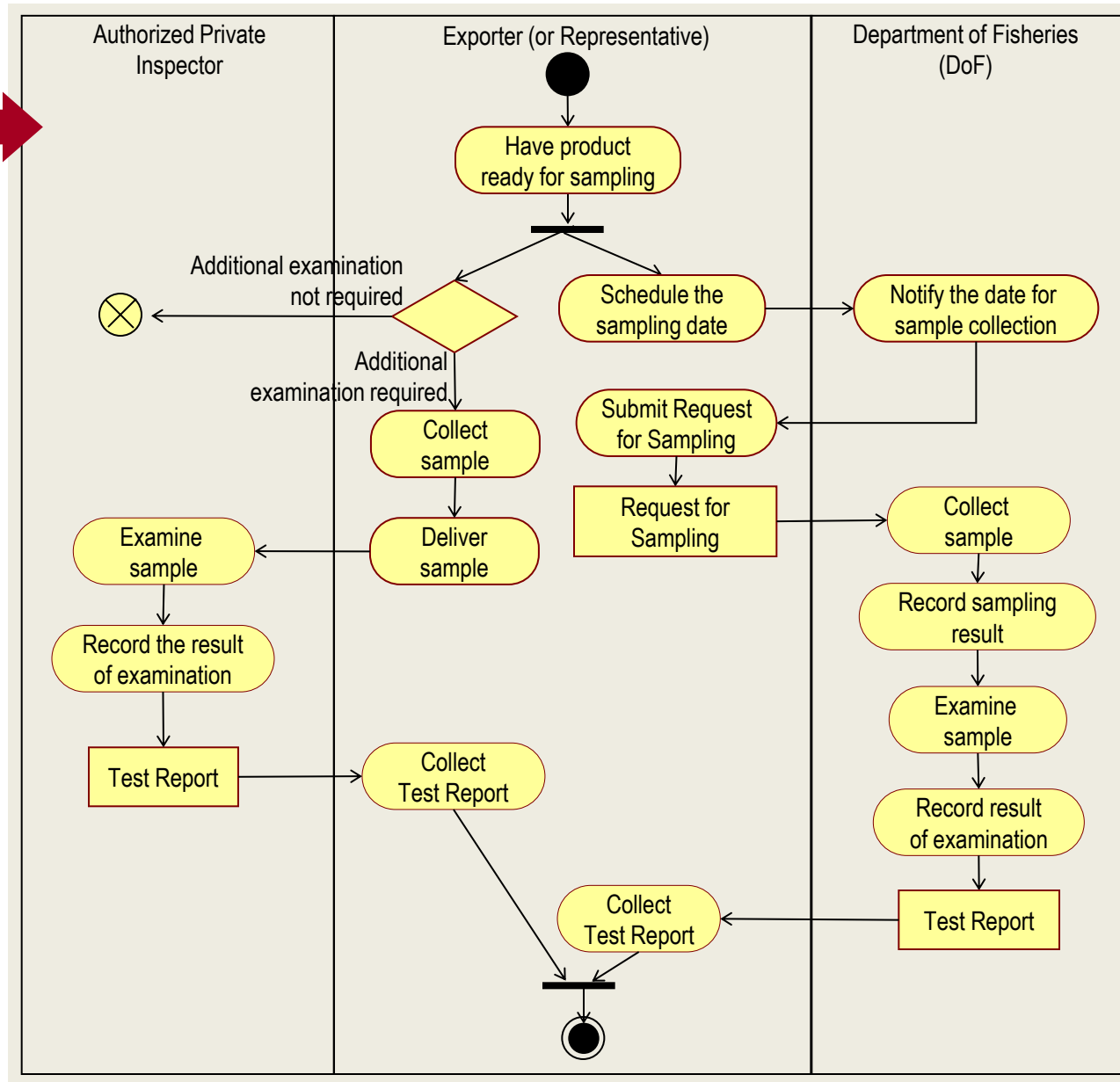
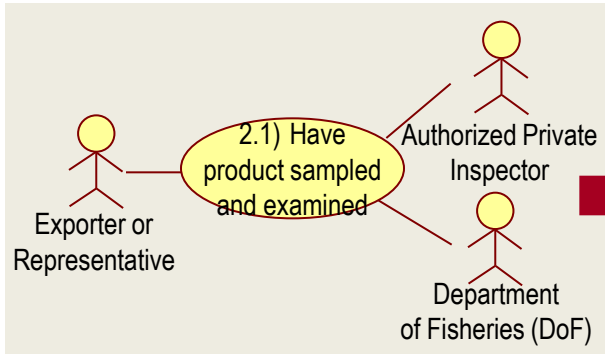


UML Notations for Activity Diagram

Notation	Description
	Initial State <input type="checkbox"/> Represents the beginning of a set of activities
	Final Activity State <input type="checkbox"/> Indicates the completion of the business process
	Final Flow State <input type="checkbox"/> Indicates that further activities cannot be pursued
	Transition Line <input type="checkbox"/> Indicates a sequential flow of actions and information in an activity diagram
	Fork (Splitting of Control) <input type="checkbox"/> Visualizes a set of parallel or concurrent flow of actions
	Join (Synchronization of Control) <input type="checkbox"/> Indicates the end of parallel or concurrent flow of activities
	Object <input type="checkbox"/> Represents a document or information that flows from one activity to another activity (labeled with the name of a document)

Notation	Description
	Swimlane <input type="checkbox"/> Is used to break up individual actions to individuals/ agencies that are responsible for executing their actions <input type="checkbox"/> Is labeled with the name of the responsible individual or agency
	Activity <input type="checkbox"/> Represents a non-decomposable piece of behavior <input type="checkbox"/> Is labeled with a name that 1) begins with a verb and ends with a noun; and 2) is short yet contain enough information for readers to comprehend
	Decision <input type="checkbox"/> Represents the point where a decision has to be made given specific conditions <input type="checkbox"/> Attached with labels addressing the condition on each transition line that comes out of an activities and connects to a decision point or vice versa

Use case diagram and activity diagram



Group exercises

- ❖ Participants are divided into two groups.
- ❖ Each group reviews activity diagram of a particular trade procedure as assigned by the speaker of the session, and check whether there are errors or the information is outdated.



Conclusions

- ❖ Fully implement the WTO TFA commitments...
 - Sequencing and prioritizing implementations may be essential for many Developing countries
- ❖ Framework agreement:
 - Countries are encouraged to ratify the treaty to take advantage of being a party of the treaty
- ❖ Survey on TF implementation:
 - Countries will be the beneficiaries of the study output
- ❖ Take an integrated “whole of supply chain” approach
 - Commercial + Transport + Regulatory + Payment procedures
 - Procedures + infrastructure + services
- ❖ National Trade & Transport Facilitation Monitoring Mechanism
 - support sequencing and prioritizing TF measures based on evidence
 - Monitor the progress of TF and provide diagnosis



Thank you

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

unnexxt.unescap.org

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

