

The Way Forward for Regional Cross-border Paperless Trade

ESCAP Resolution 68/3 and implementation

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Outline

- Why paperless trade? Where do we stand?
- ESCAP Resolution 68/3 on Cross-Border Paperless Trade Facilitation
- Way Forward

Why Paperless Trade?

[Paperless trade: “the conduct of trade transactions using electronic instead of paper documents”]

- **Certainly not an end in it-self**

- **Most countries’ aim is to use trade, as a key engine of growth and development, going:**

- ❖ **Maintain competitiveness in traditional markets**
- ❖ **More intra-regional trade**

Why Paperless Trade?

- A trade transaction typically involves at least 15 different parties and well over 20 different documents
- Procedures related to preparation and exchange of documents create huge direct and indirect costs
- Trade procedures in some Asia-Pacific developing countries remain very inefficient
 - ❖ Time to complete them is 3 times the OECD average

Where does the region stand on paperless trade implementation?

- **Most developing countries have some form of electronic customs clearance systems in place**
- **Many are taking concrete steps towards implementation of National SW facilities**
 - **Some countries in the region have some of the world's best paperless trade systems in place**
 - **Increase in number of bilateral/subregional cross-border paperless trade initiatives (PAA, ASEAN SW, ECO SW...)**

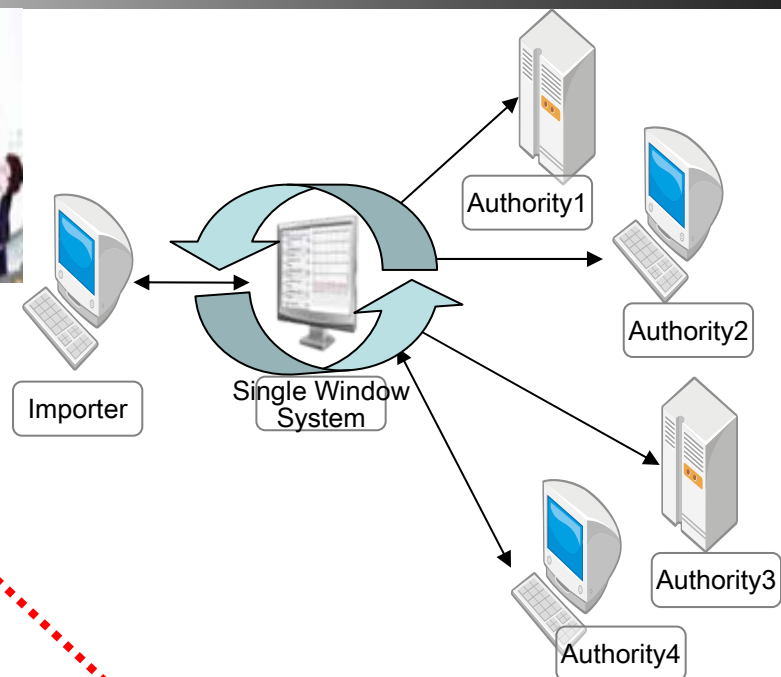
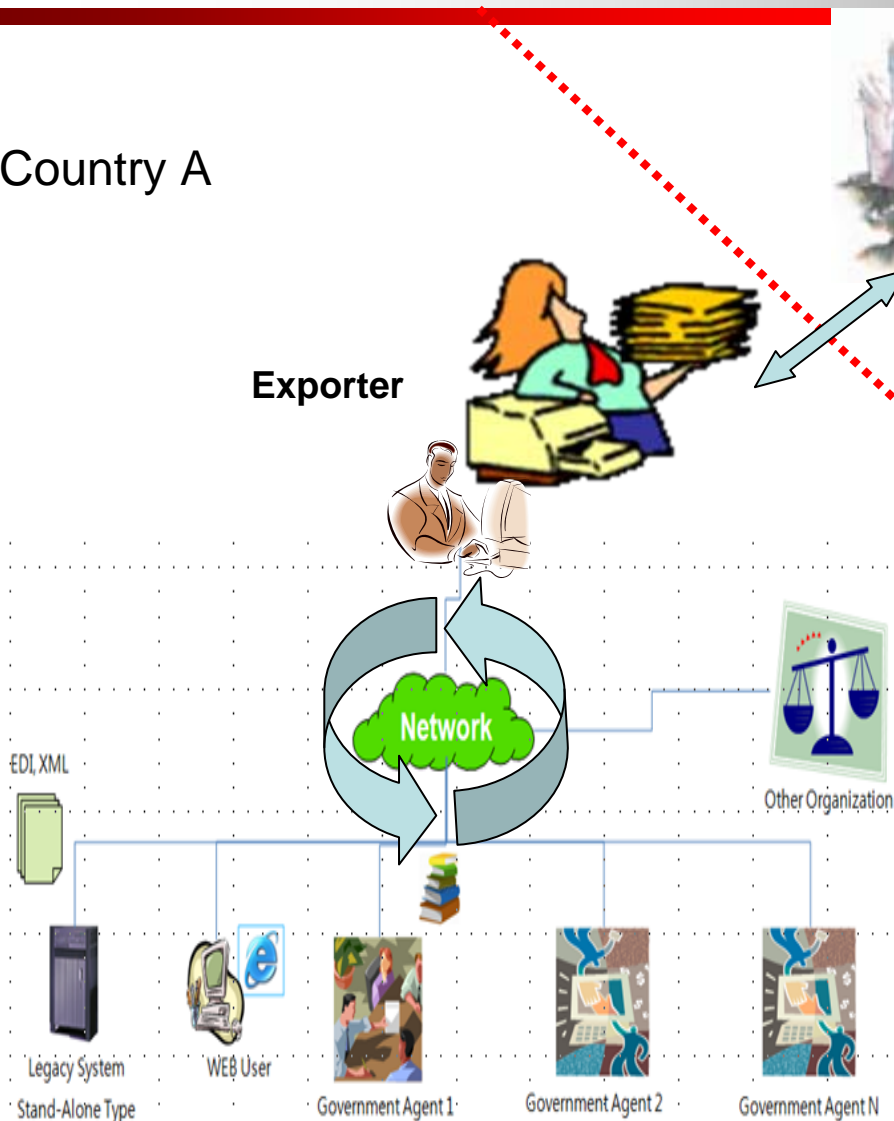
What are some of the needs (in paperless trade) ?

- For those who already have national single window or relatively complete paperless trade systems:
 - to ensure that relevant electronic information/documents generated by the systems can be exchanged and legally recognized across borders
- For countries who are at an early stage:
 - to accelerate development of national Paperless Trade Systems
 - which may also enable cross-border exchange and recognition across borders (to maximize return on investment)

Need for Facilitating Cross-border Paperless Trade

Country A

Exporter



Country B

ESCAP Resolution 68/3 on Enabling Paperless Trade for Trade Facilitation

Res. 68/3: “Enabling paperless trade and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation”

http://www.unescap.org/commission/68/documents/English/2012-Resolutions-E68_24E.pdf

Adopted by ESCAP Member countries in May 2012

- **Sponsored / co-sponsored by: Indonesia, Nepal, Republic of Korea, Sri Lanka, and Thailand**
- **What does adoption of this Resolution means?**
- **Recognition of benefits (and necessity) of paperless trade**
- **Further recognition that there is a need for the region to work together on developing cross-border paperless trade solutions**

ESCAP Resolution 68/3 on Enabling Paperless Trade for Trade Facilitation

■ ESCAP Member Countries requests to Secretariat

- ❖ To continue and further strengthen the secretariat's support for capacity-building activities related to trade facilitation and paperless trade
- ❖ To support and facilitate the process for the development of **regional arrangements on the facilitation of cross-border paperless trade**
 - ✓ Taking into account existing initiatives / standards / conventions
 - ✓ In consultation with other int. org. (WCO, UNCITRAL, UN/CEFACT...)

Way Forward in Res. 68/3 implementation (1)

- Countries to nominate national Focal Points for implementation of Res. 68/3
 - ❖ 12 nominations already received
- Study of existing regional arrangements for cross-border paperless trade (on-going)
 - ❖ Expert review of the draft study on 1 Nov. 2012 in Colombo
- Finalization of the study and recommendations (Dec. 2012)

Way Forward in Res. 68/3 implementation (2)

- Inter-governmental consultations on cross-border paperless trade facilitation arrangement(s)
 - ❖ Based on the recommendations of the study
 - ❖ Sub-regional level for in-depth discussion (2013)
- Follow-up consultations and/or finalization of the regional arrangement(s)
 - ❖ 3rd Session of the ESCAP Committee on Trade and Investment (Nov. 2013)

Concluding remarks

● Benefits from actively participating in implementation of Res. 68/3

❖ **Ownership in design** of regional cross-border paperless trade facilitation arrangements

- ✓ Regional arrangements are consistent and promote own – national and subregional - paperless trade systems (when already in place)
- ✓ Accelerate the development of national and subregional systems (when not yet in place)

❖ **Capacity building** for paperless trade implementation

● Need to come on board now



Menu

- What is UNNExT?
- Online Expert Database
- Events and Activities
- UNNExT Policy Briefs
- UNNExT Tools
- Reference Readings
- Press Releases
- Contact Us

Recent and upcoming events:

- ESCAP-ECO Joint Trade Facilitation Forum on Paperless Trade and Single Window, 24-25 May 2012, Kish Island, Islamic Republic of Iran
- ESCAP-ADB Capacity Building Workshop on Single Window Implementation, 23-26 April 2012, Seoul, Republic of Korea
- UNNExT Workshop on Business Process Analysis for Single Window Implementation, 8-10 February 2012, Vientiane, Lao PDR
- UNNExT Workshop on Single Window Project Planning and Implementation, 14-15 December 2011, Geneva, Switzerland
- Global Trade Facilitation Conference 2011, 12-13 December 2011, Geneva, Switzerland
- UNNExT Capacity Building Workshop on Electronic Message Development for Single Window Environment in Mongolia, 30 November - 2 December 2011, Ulaanbaatar, Mongolia

[Previous Announcements]

UNNExT Policy Brief



Useful Links:

- United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)
- Asia-Pacific Research and Training Environment on Trade (ARTNeT)
- Asia-Pacific E-commerce (PAA.net)

WWW.UNESCAP.ORG/UNNEXT

Thank you - Email: duvaly@un.org

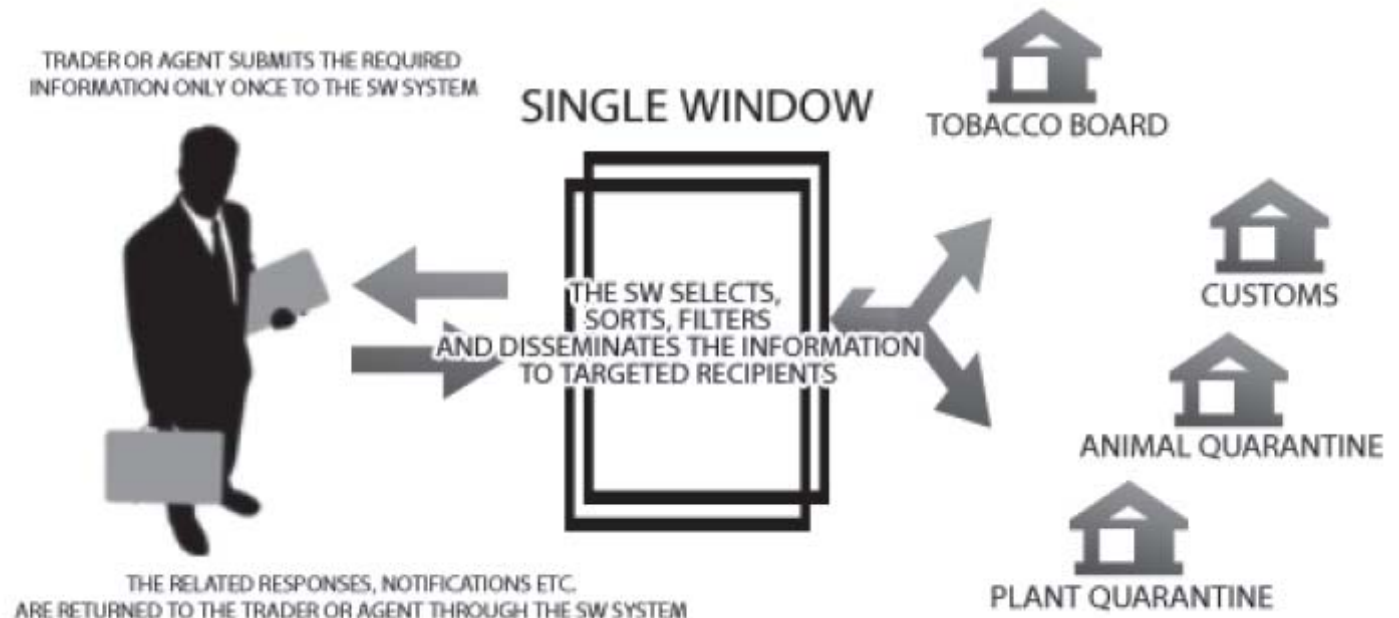
Annex

Electronic Single Window (SW)?

“A facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements.”

UN/CEFACT Recommendation 33

Figure I.1. Illustration of a Single Window Facility



Benefits of Paperless Trade

Government

Effective & Efficient
Deployment of
Resources

Correct
Revenue
Yield

Improved
Trader
Compliance

Enhanced
Security

Increased
Integrity &
Transparency

Traders

Cutting Costs
through
Reducing Delays

Faster
Clearance &
Release

Predictable
Application and
Explanation of Rules

Effective & Efficient
Deployment of
Resources

Increased
Transparency

*Paperless
Trade*

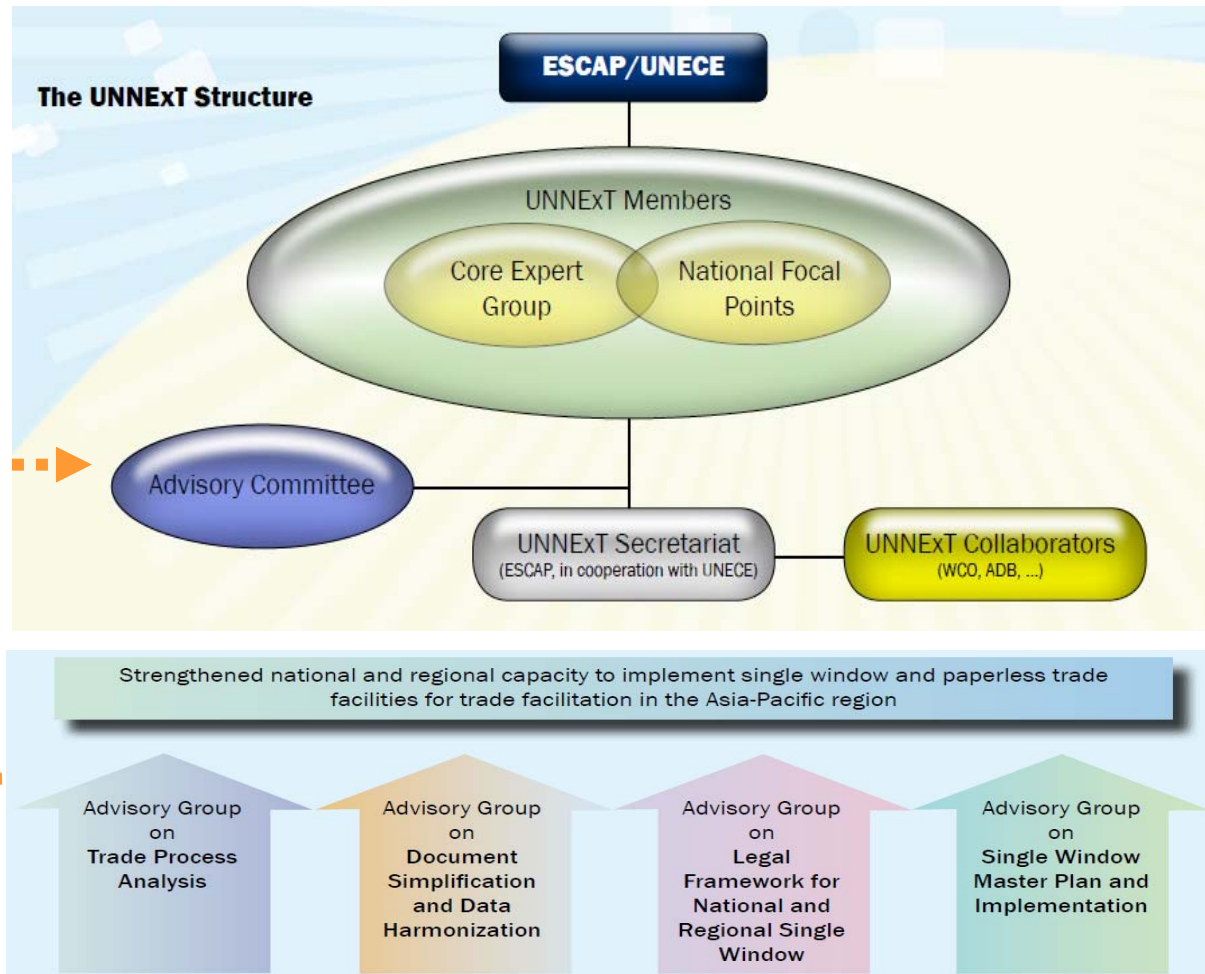
United Nations Network of Experts for Paperless Trade in Asia and the Pacific



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

... As part of ESCAP’s effort to enhance regional connectivity and integration in cooperation with UNECE

UNNExT Institutional Structure



UNNExT Activities: Implemented



Tools & Guides Development

- **Business Process Analysis (BPA) Guide** (Dec 2009)
- **Data Harmonization Guide** (Jan 2012)
- **Legal Guide** (Sep 2012)
- **Single Window Planning & Implementation Guide** (Sep 2012)

Capacity Building

- **National Workshop on SW& BPA, Mongolia** (Sep. - Dec.09)
- **Workshop on TF & BPA Training, Cambodia** (Jun. – Jul. 2010)
- **National Workshop on SW, Nepal** (Feb. 2011)
- **Workshop on SW planning & Implementation** (Apr. 2012)

Knowledge Sharing

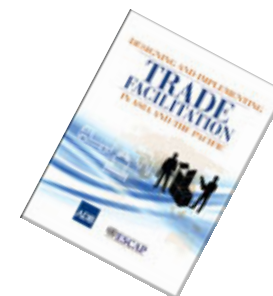
- **UNNExT Brief Series**
- **Online Working Groups & Databases**
- **Asia Pacific Trade Facilitation Forum**

Regional Advisory Service

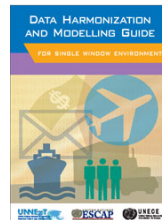
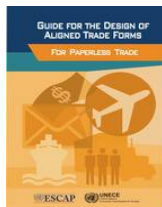
- **Mongolia Single Window Master Plan Peer Review** (Oct. 2010)
- **Nepal: Towards Single Window Environment** (2011)
- **Study visits to Single Window Facilities** (Apr. 2012)

Research & Analysis

- **Regional Study on Improving Trade Procedures** (2011) (Using BPA Guide)
- **Cooperation with ARTNeT** (www.artnetontrade.org)



Step by Step Approach to Paperless Trade Facilitation and UNNExT Guides



Business Process Analysis

Process Simplification & Harmonization

Documentation Simplification & Standardization

National Data Harmonization

Cross Border Data Harmonization & Exchange

e-Single Window & Paperless Trading

UNNExT Guide on Electronic Single Window Legal Issues



● Part I: Introduction

- ❖ Why is legal framework for SW important and how to conduct legal gap analysis

● Part II: Essential legal elements for implementation of the SW

- ❖ Mandate for SW implementation /operation
- ❖ Electronic signatures
- ❖ Data quality, protection, retention and access
- ❖ Other issues (e.g., liability)

● Part III: Mini-case studies

- ❖ of existing legal frameworks
- ❖ of legal gap analyses projects

● ...a “Living document”

Rationale for Regional Arrangements on the Facilitation of Cross-Border Paperless Trade

- **Increased regional connectivity and trade**
- **Need for ESCAP members to discuss in details and jointly develop innovative solutions in this area**
 - ❖ To work out technical & legal solutions
- **Arrangement(s) should at least provide the framework for joint design, testing and implementation of these solutions**
 - ❖ Basic principles
 - ❖ International standards or conventions recommended for adoption
 - ❖ Establishment of working groups to develop solutions & action plans
 - ❖ Institutional mechanisms to update and revise action plans based on lessons learned and implementation of pilot projects
 - ❖ Provisions on technical assistance/ capacity building for developing countries/least developed countries