

# **Addressing Challenges in Cross-border paperless Trade: Regional Perspective**

**11 September 2013**

**Beijing, China**

**Sangwon Lim**

**Trade and Investment Division**

**United Nations ESCAP**

# Five Challenges in Cross-border Paperless Trade (from Background Paper)

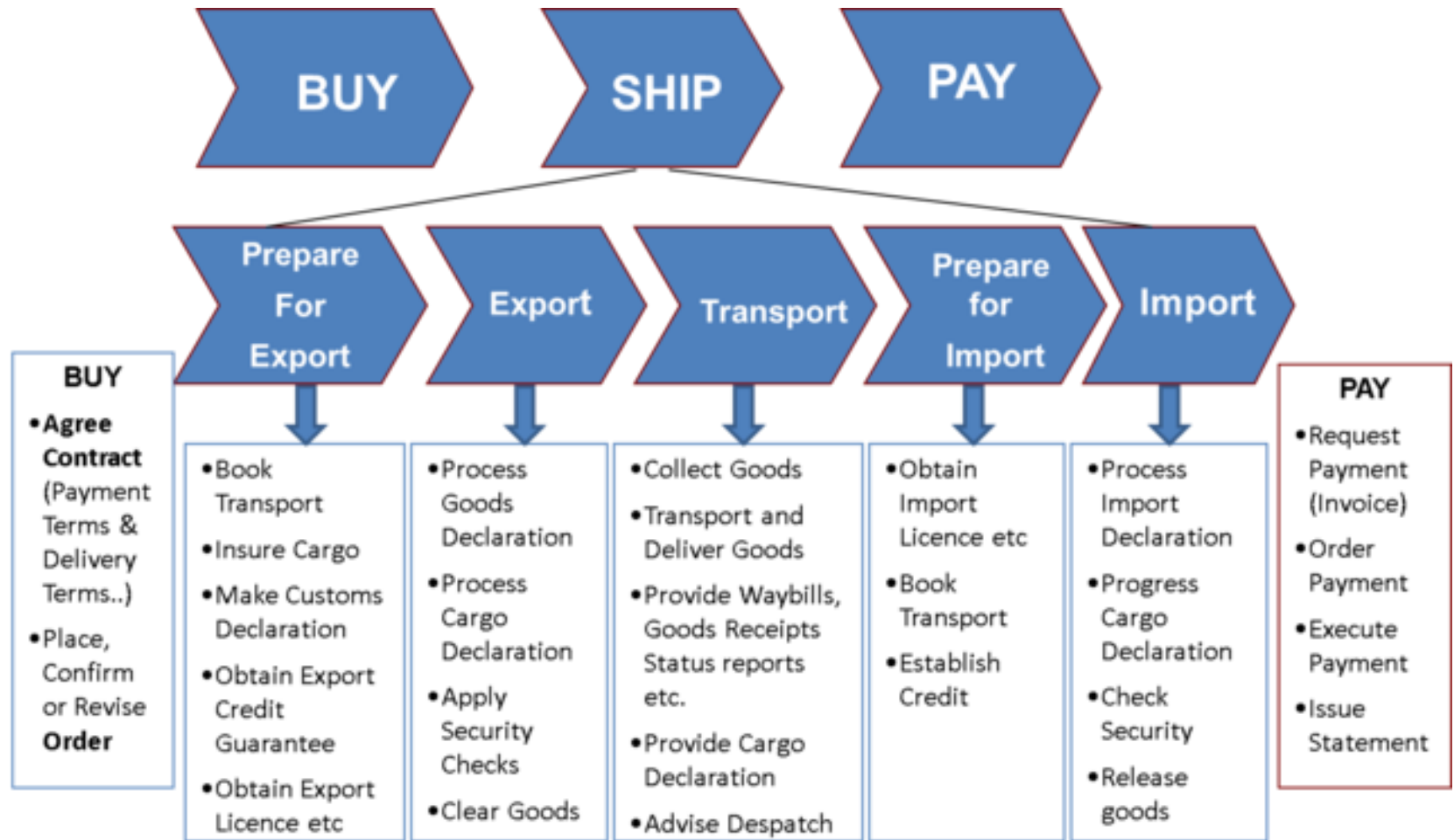
---

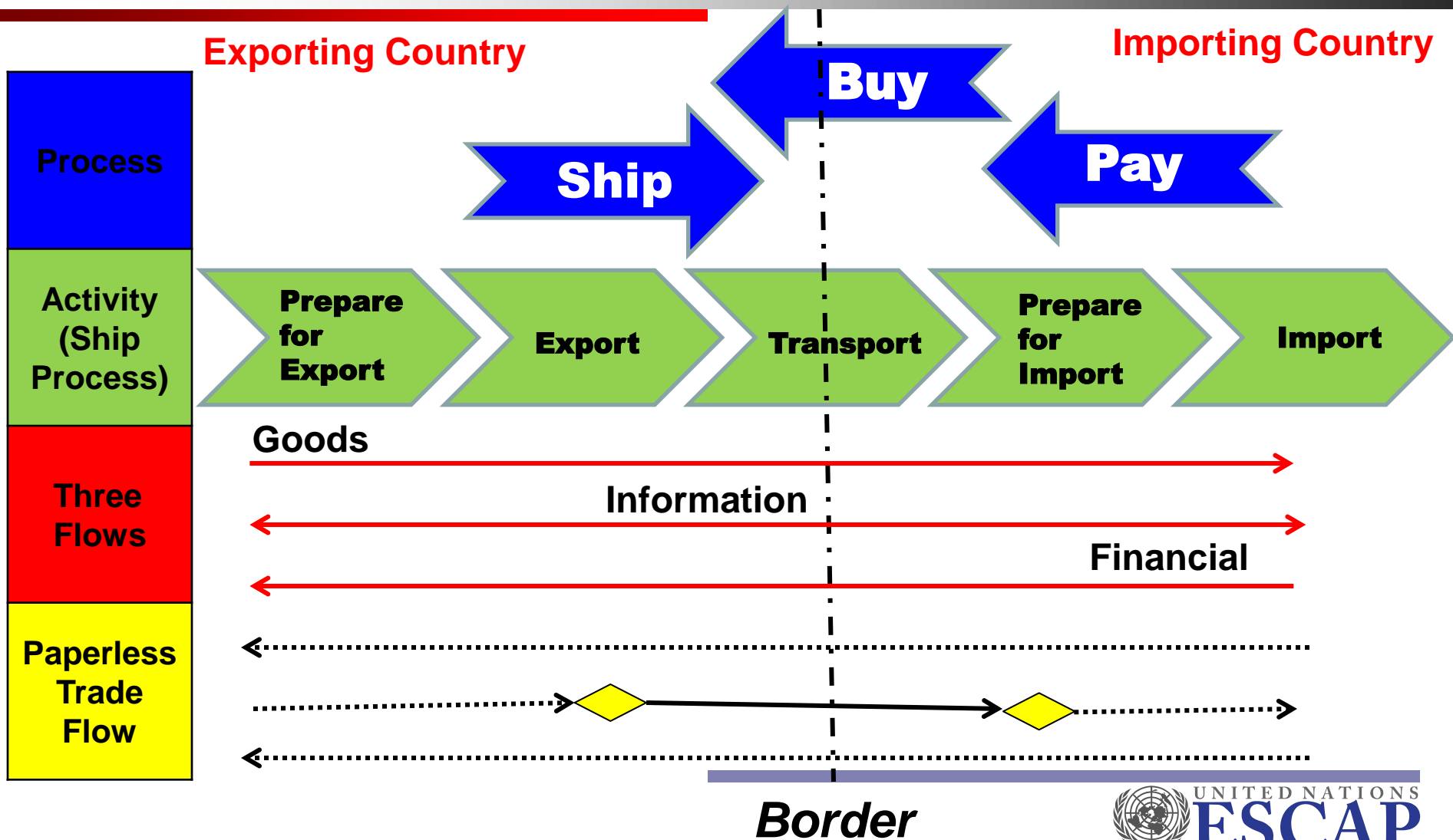
- **Use of Common International Standards**
- **Harmonization of different legal frameworks**
- **Capacity gaps among the parties**
- **Cooperation between public and private sectors**
- **Lack of coordination mechanism (intergovernmental)**

# Inherent Nature of Challenges in Paperless Trade across Borders

- ❖ People are free to move around within a country  
So is movement of commercial goods  
It is under a unitary legal and social framework
  - ❖ People are NOT free to move across borders  
So is movement of commercial goods across borders  
It is under heterogeneous legal and social framework
- ⇒ Facilitation is needed
- ❖ Who does such facilitation to enable paperless trade to happen across borders? ⇒ Intergovernmental

# UN/CEFACT Buy-Ship-Pay Model

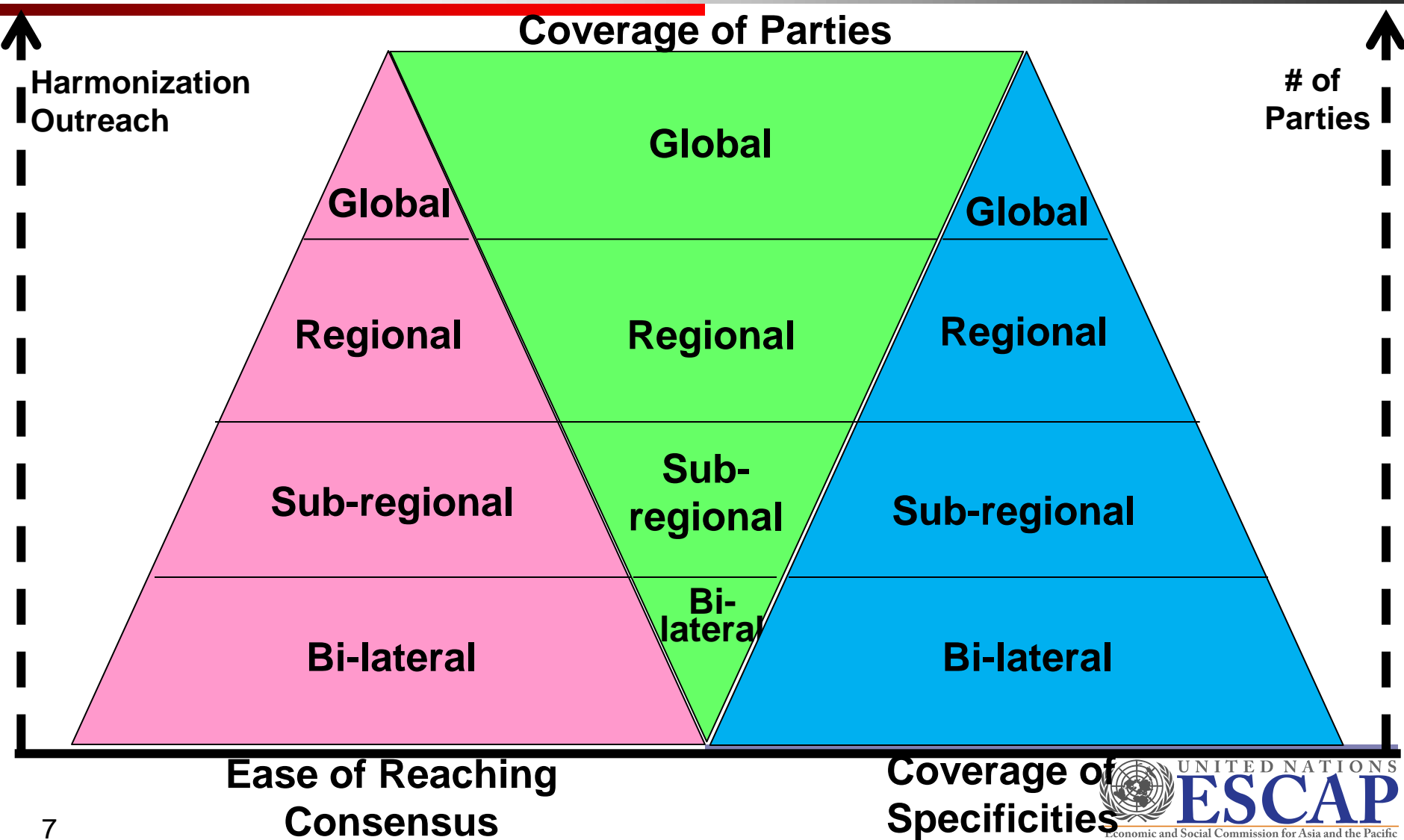




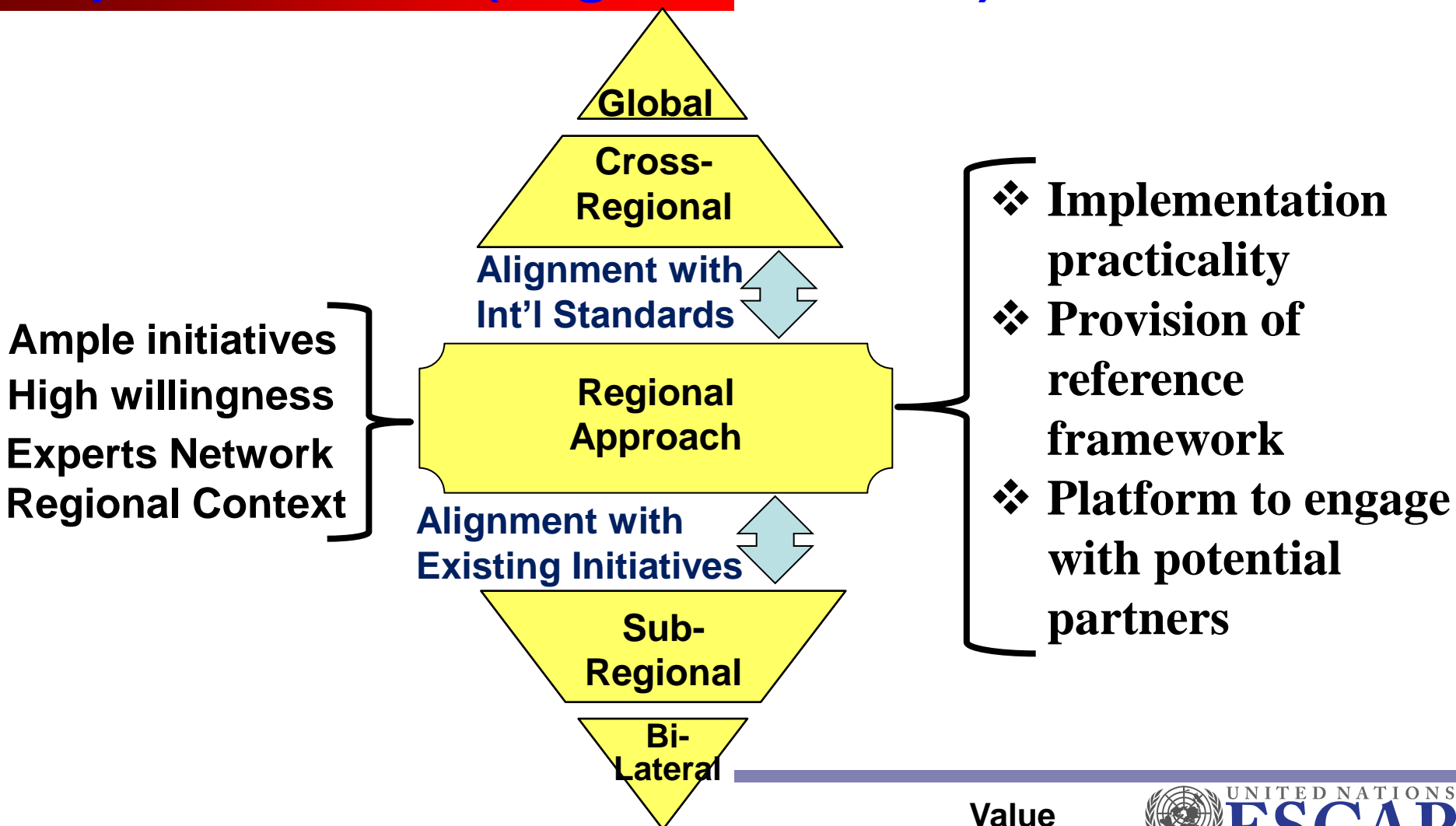
# Intergovernmental Facilitation at Different Level

- ❖ **Most obvious approach is at bilateral level, such as using Free Trade Agreement (FTA)**  
⇒ Very much costly, and harmonized practice is not easy
- ❖ **Another level can be sub-regional, in alignment with existing initiative(s)**  
⇒ Less costly than bilateral with an expectation of some harmonization
- ❖ **Regional level using ESCAP**  
⇒ Much harmonization with inclusive coverage
- ❖ **Global level approach, using such platform as WTO**  
⇒ Can be most cost efficient with wide harmonization, but too ideal

# Pyramid of Intergovernmental Facilitation



# Advantages of Regional Facilitation Approach for Cross-border Paperless Trade (Regional Context)





# ESCAP Resolution 68/3

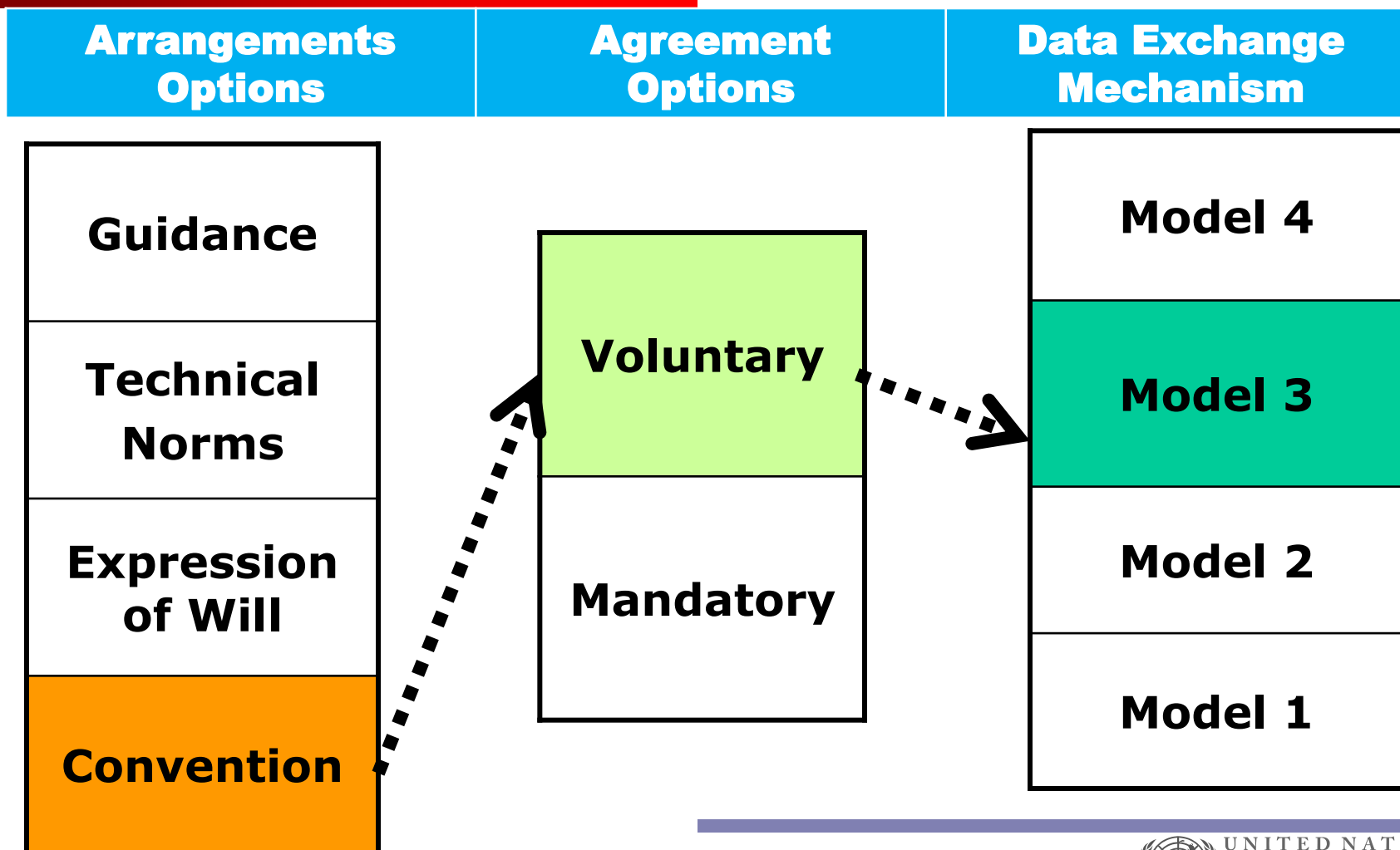
## Enabling paperless trade and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation

- ❖ Adopted at the 68<sup>th</sup> ESCAP Commission Session: May 2012
- ❖ Sponsored by: ROK, Thailand, Nepal, Sri Lanka, Indonesia, Mongolia
- ❖ Structure:
  - Preambular: Background and Importance
  - Legislative: Action (Members and Secretariat)

# ESCAP Resolution 68/3

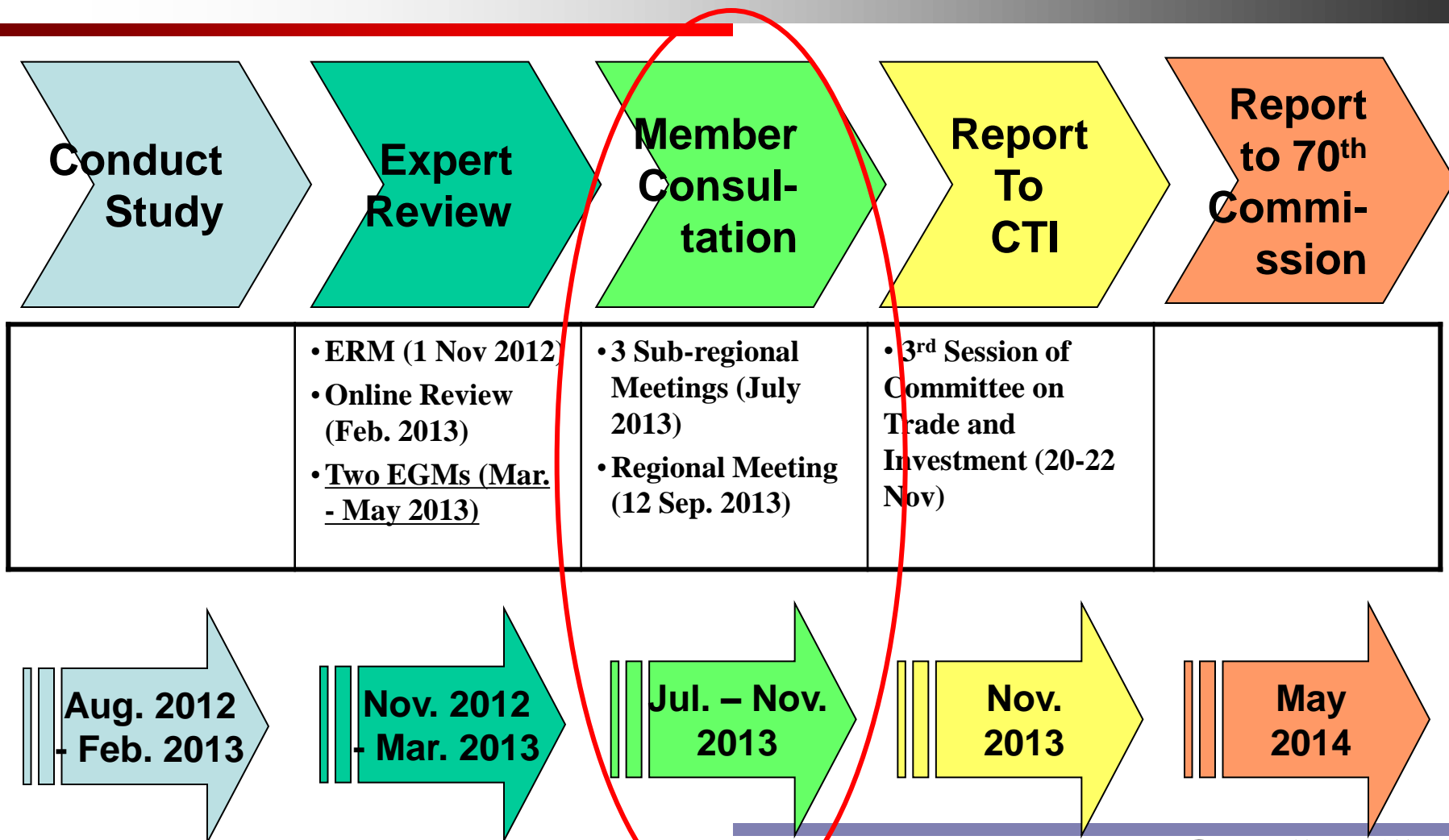
1. *Invites* member States to work towards the development of regional arrangements on the facilitation of cross-border paperless trade;
3. Requests the Executive Secretary:
  - (a) **To support and facilitate the process for the development of regional arrangements on the facilitation of cross-border paperless trade, including by conducting studies, developing potential options, and organizing expert review and member consultations, and in this regard to present its results to the Committee on Trade and Investment at its third session;**

# Proposed Approach for Regional Arrangement



Model 3: Flexible data exchange mechanism  
With No Commitment on Single Window Implementation and Use

# Progress in Implementation



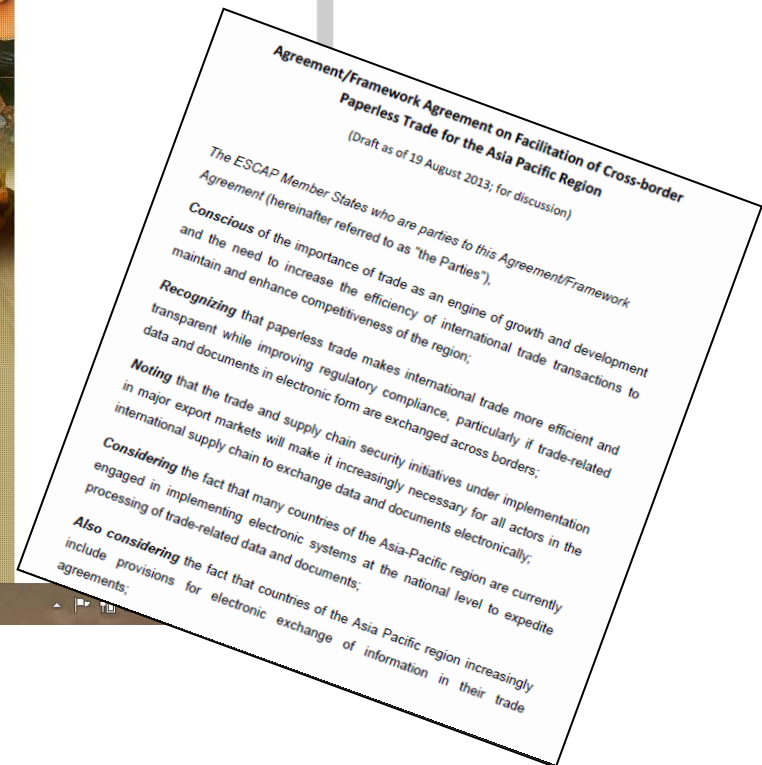
\* ERM: Expert Review Meeting

12 EGM: Expert Group Meeting

# Implementation Website

The screenshot shows the UNESCAP website with the URL <http://www.unescap.org/tid/reso683.asp> in the browser address bar. The page title is "Trade and Investment Division (TID)". The main heading is "Implementation of ESCAP Resolution 68/3" with the subtitle "Enabling paperless trade and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation".

Resolution 68/3	Full Text of ESCAP Resolution 68/3
Regional Study	Draft report of Study on Regional Arrangements for Facilitation of Cross-border Paperless Trade
	Expert Review Meeting on Regional Arrangements for Facilitation of Cross-border Paperless Trade (1 Nov. 2012, Colombo, Sri Lanka) <ul style="list-style-type: none"><li>Meeting Website (<a href="http://www.unescap.org/tid/projects/pta.asp">http://www.unescap.org/tid/projects/pta.asp</a>)</li><li>Summary of Expert Review Meeting</li></ul>
Expert Review	Final Report of Study on Regional Arrangements for Facilitation of Cross-border Paperless Trade (28 Feb. 2013)
	EGM on Enhancing Regional Connectivity through Trade and Investment: Towards Regional Arrangements for the Facilitation of Cross-border Paperless Trade (13-14 Mar. 2013, Bangkok, Thailand) <ul style="list-style-type: none"><li>Meeting Website (<a href="http://www.unescap.org/tid/unnext/regconnect.asp">http://www.unescap.org/tid/unnext/regconnect.asp</a>)</li><li>Summary of Expert Group Meeting</li></ul>
	2 <sup>nd</sup> EGM on Enhancing Regional Connectivity through Trade and Investment: Towards Regional Arrangements for the Facilitation of Cross-border Paperless Trade (2-3 May 2013, Bangkok, Thailand) <ul style="list-style-type: none"><li>Meeting Website (<a href="http://www.unescap.org/tid/unnext/regconnect2.asp">http://www.unescap.org/tid/unnext/regconnect2.asp</a>)</li><li>Summary of 2<sup>nd</sup> Expert Group Meeting</li></ul>
	Outcome of EGMs <ul style="list-style-type: none"><li>Draft Text of Regional Arrangement (14 June 2013)</li><li>Explanatory Note to Draft Text of Regional Arrangement (14 June 2013)</li></ul>



<http://www.unescap.org/tid/reso683.asp>

# Thank you

[www.unescap.org/tid](http://www.unescap.org/tid)

[www.unescap.org/unnext](http://www.unescap.org/unnext)