

## **UNNExT Advisory Committee Meeting, 29 October 2012, Colombo, Sri Lanka**

### **Summary of Discussions and Recommendations**

The UNNExT Advisory Committee (UAC) meeting was attended by ten of the twelve UNNExT Advisory Committee Members or their representatives.<sup>1</sup> The UNNExT Secretariat was represented by Ravi Ratnayake and Yann Duval, Trade and Investment Division, ESCAP, as well as Tom Butterly and Markus Pikart, Trade and Land Management Division, UNECE. Andre Sceia, Transport Division, UNECE, Jeff Procak, Asian Development Bank and Shanta de Silva, the consultant who conducted the evaluative review of the UNNExT project 2009-2011 (UN Development Account 6<sup>th</sup> Tranche), also attended the meeting. Representatives of the Korea Trade Network also joined the UAC meeting at the request of the Secretariat.

Mr. Shanta de Silva briefly presented the results of the evaluative review. Noting the impressive amount and generally very positive feedback received from UNNExT stakeholders, he focused on specific recommendations noted in the report including, *inter alia*, the need to: (1) identify and work closely with national focal points; (2) to continue strengthening relationships with ASEAN, SAARC and other subregional organizations; (3) to update and expand the series of UNNExT guides, including with guides on business process re-engineering and change management; (4) to promote a more integrated trade and transport facilitation approach; and (5) to encourage participation of logistics service providers in UNNExT and the APTFF, in particular the annual trade facilitation exhibition.

The recommendations were well received, with Mr. Khan suggesting that UNNExT outputs should be promoted globally given the quality and value-addition of some of the work already done. Mr. Koh generally supported the recommendations but noted that moving from business process analysis to business process re-engineering would be a big challenge, particularly given that every country had different levels of trade facilitation maturity and needs. Both Ms. Wong and Mr. Koh emphasized the need for UNNExT to work on electronic exchange and use of commercial documents (as opposed to only regulatory documents). The importance of this issue was acknowledged by the UAC, although several members stressed the importance of keeping the scope or work of UNNExT manageable, as many issues could benefit from the work and expertise of UNNExT. For example, Mr. Keretho mentioned the importance of helping government agencies other than Customs (often referred to as “OGAs”) in moving to paperless trade. Mr. Butterly finally noted that the on-going focus of UNNExT in developing implementation guide and capacity building materials was very much complementary with that of UN/CEFACT and that he expected this focus on capacity building and practical implementation tool development to remain. Mr. Koh accordingly proposed that the UNNExT Brief Series should continue to cover very practical and focused topics, but may also cover paperless trade systems other than single windows, e.g., explaining how electronic certificate of origins are generated and used in Sri Lanka for trade facilitation, or how do Korea and Taiwan Province of China exchange bill of lading electronically.

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<sup>1</sup> See list of participants at: <http://www.unescap.org/unnex/acmember.pdf>

As part of its response to the recommendations and comments made by UAC members on the proposed recommendations, ESCAP made a presentation describing the activities undertaken between October 2011 and October 2012, noting that specific actions had already been taken to address some of the recommendations of the evaluative review (since draft recommendations were already made available to the Secretariat by the end Dec. 2011). This included for example official requests to all ESCAP members states to nominate UNNExT focal points, revision and publication of the UNNExT BPA guide to increase the focus on the preparation of “to be” business processes, and securing funding for a new UN Development Account project (8<sup>th</sup> tranche) with a more integrated approach to trade and transport facilitation in particular.

Mr. Duval then made a presentation on UNNExT Work Programme 2013, explaining that the programme was expected to be aligned with the deliverables of the UN Development Account project approved earlier this year on Enhancing Regional Connectivity, as well as the need to implement ESCAP Resolution 68/3 on “*Enabling Paperless Trade and the Cross-border Recognition of Electronic Data and Documents for Inclusive and Sustainable Intraregional Trade Facilitation*”. As such, UNNExT Advisory Groups on agricultural paperless trade facilitation, paperless trade for SMEs, and paperless transit would be established in order to develop relevant guides and capacity building programmes in these areas, building on existing UNNExT guides. The proposal to change the name of the UNNExT network to include Transport Facilitation, as mentioned in the project document, was also noted. The issue of whether or not to abolish some of the existing UNNExT Advisory Groups was also raised. Mr. Pikart supplemented the presentation by informing of on-going work between UNECE, ESCAP and the other 3 regional commissions on paperless supply chains. In particular, he presented work on a policy paper to conceptualise planning and implementation of Port Community Systems in a Single Window environment. He suggested that this work should feed into the UNNExT Work Programme for the coming year.

UAC Members and invited experts generally supported the work programme for 2013, but again raised concerns about the scope of work. While the need for a more integrated approach to trade and transport facilitation was widely supported, UNECE representatives and a number of UAC Members were of the view that renaming the network into the UN Network of Experts for Paperless Trade and Transport in Asia and the Pacific would create confusion in terms of the focus of the work. The consensus view was that, if a name change was necessary, UN Network of Experts for Paperless Trade and Transit Facilitation would be more appropriate, as this would more accurately reflect the actual work programme of the network and the underlying project.

Other issues related to scope of work were also raised, with Ms. Wong for example raising the issue of whether the work on transit should be limited to crossing land borders or whether transit by air and sea should also be considered, and Mr. Somnuk asking whether work on agricultural paperless trade and trade facilitation would focus on border crossing only as opposed to the need for traceability and information along the entire supply chain. Mr. Duval indicated that the scope of work on transit would have to be further discussed, in particular with the ESCAP Transport Division. As for the work on

agricultural trade facilitation, development of traceability information systems that could be used by the entire range of public and private actors along the supply chains was seen as a key area of work for the network and ESCAP on trade facilitation. In that context, Ms. Tsevelsaikhan recommended that links between UNNExT and GS1 be established given the important role of that organization in the design of global standards and solutions to improve the efficiency and visibility of supply chains globally.

Referring to the link between the UNNExT Work Programme and ESCAP Resolution 68/3, Ms. Hong Xue stressed the importance of continued work on the legal aspects of paperless trade and the need for one of the working group to continue work in this area, building on what was achieved by the UNNExT Legal Advisory Group 2010-12. Mr. Khan also emphasized the need for UNNExT to work specifically on cross-border paperless trade and exchange of information. In that context, both Ms. Hong Xue and Mr. Butterly emphasized the need to work closely with UNCITRAL going forward. Mr. Duval informed the meeting that concrete steps had been taken in this area, resulting in the cooperation between UNNExT/ESCAP/ECE and UNCITRAL on the UNNExT Legal Guide for Electronic Single Window being noted at this year's UN General Assembly.<sup>2</sup>

On behalf of the UNNExT Secretariat, Mr. Ratnayake took note of the recommendations and suggestions and thanked all meeting participants for their continuous commitment to the network. It thanked the Advisory Committee Members 2010/12 for their valuable contributions and informed that since the current terms of the Members had ended, it was in the process of renewing the UNNExT Advisory Committee membership for the period 2012/2014. A final list of Members for the new term is expected to be available before the end of the year.

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<sup>2</sup> <http://www.un.org/News/Press/docs//2012/gal3439.doc.htm>