

UNNExT Masterclass 2013

Beyond Single Window: Challenges in Cross-border paperless Trade

18 October 2013

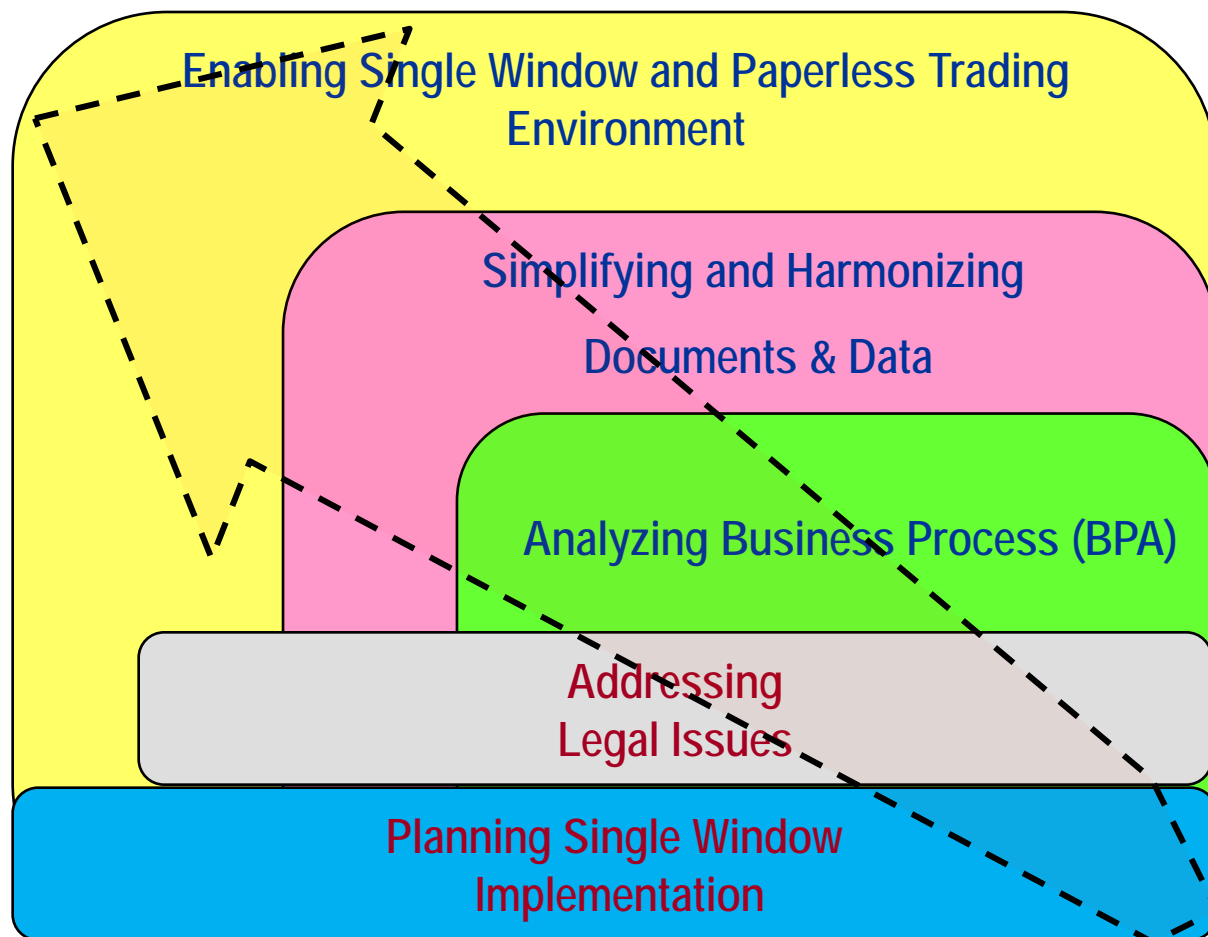
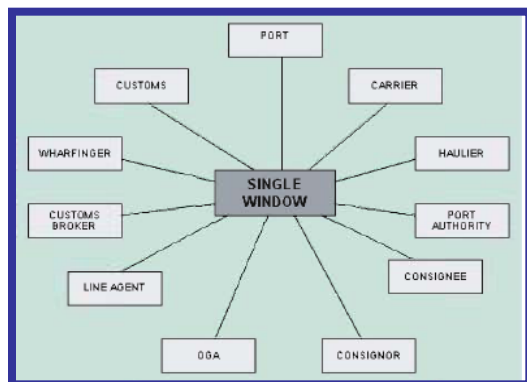
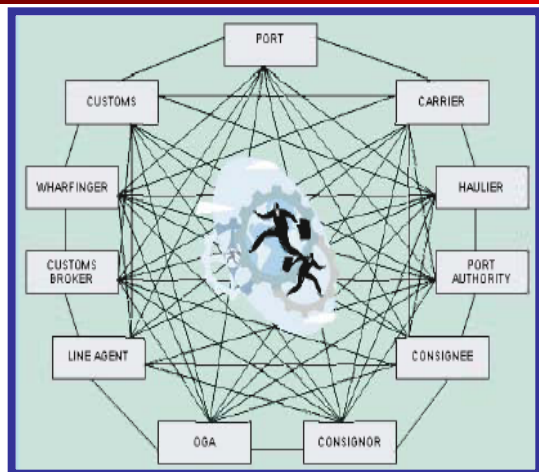
Cheon-an, Republic of Korea

Sangwon Lim

Trade and Investment Division

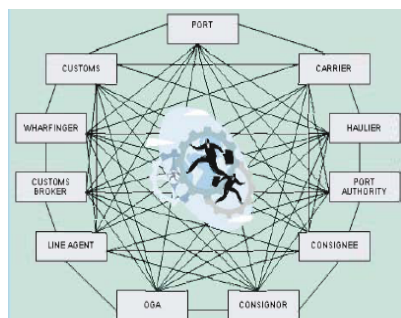
United Nations ESCAP

Single Window Environment



From Domestic to Regional Connectivity across Borders: Beyond Single Windows

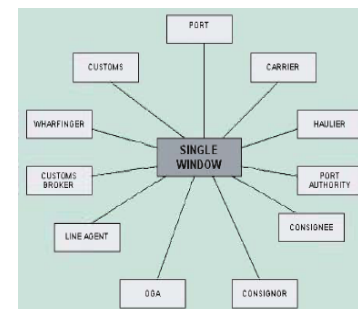
Political Will



Technical Issues

Business Model

Legal Framework



Common Int'l Standard

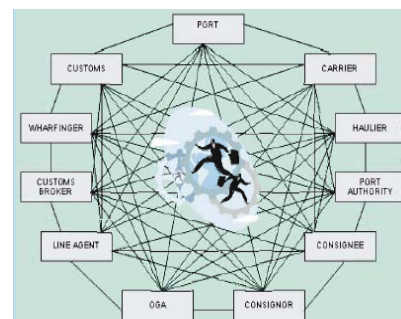
Coordination

Capacity Gaps



Border

Stakeholder Coordination

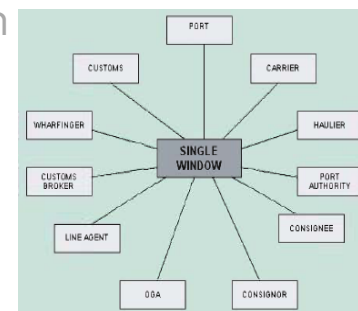


Legal Framework

Business Model



Public/Private Cooperation



Political Will

Five Major Challenges in Cross-border Paperless Trade*

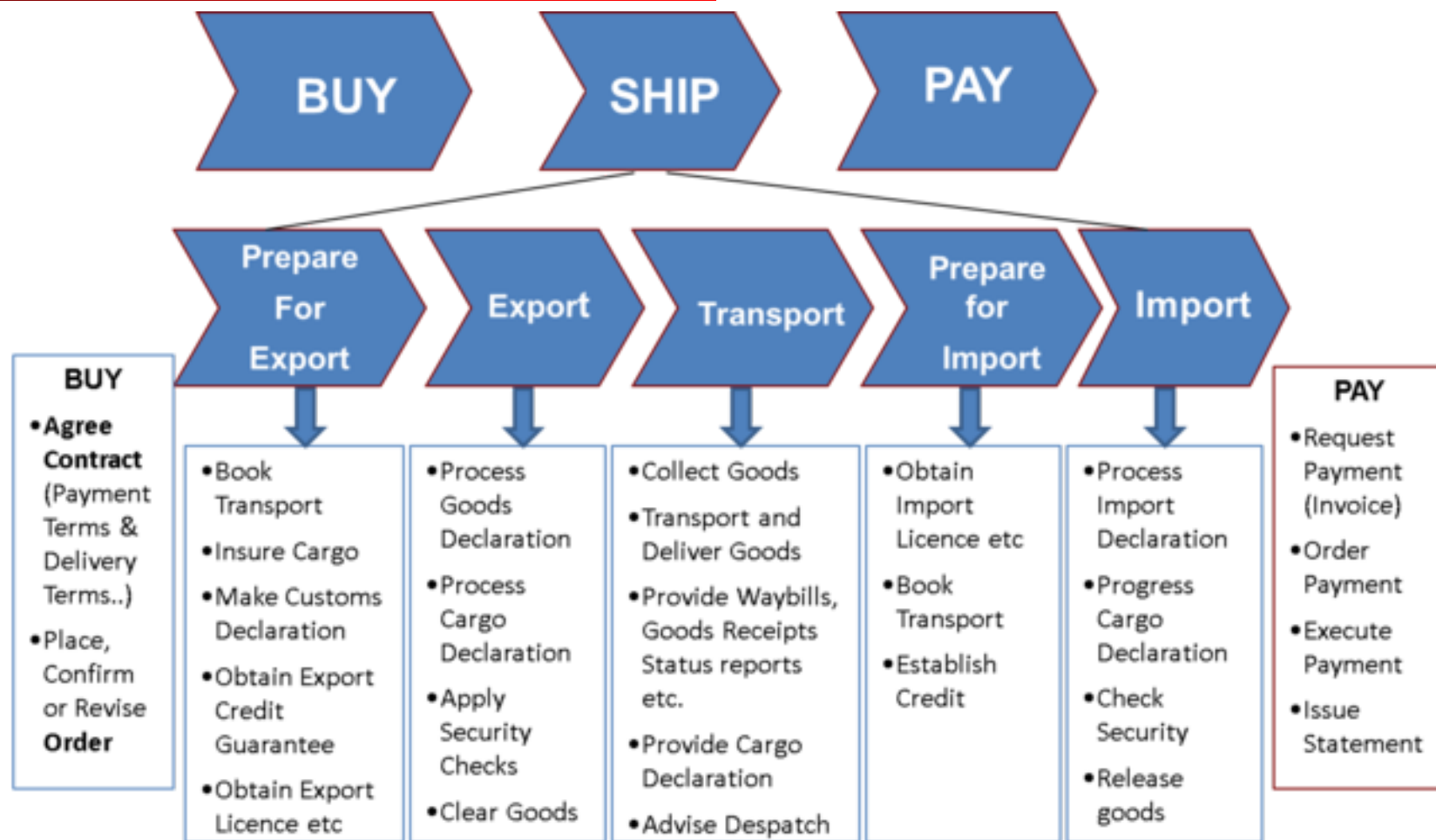
- **Use of Common International Standards**
- **Harmonization of different legal frameworks**
- **Capacity gaps among the parties**
- **Cooperation between public and private sectors**
- **Lack of coordination mechanism (intergovernmental)**

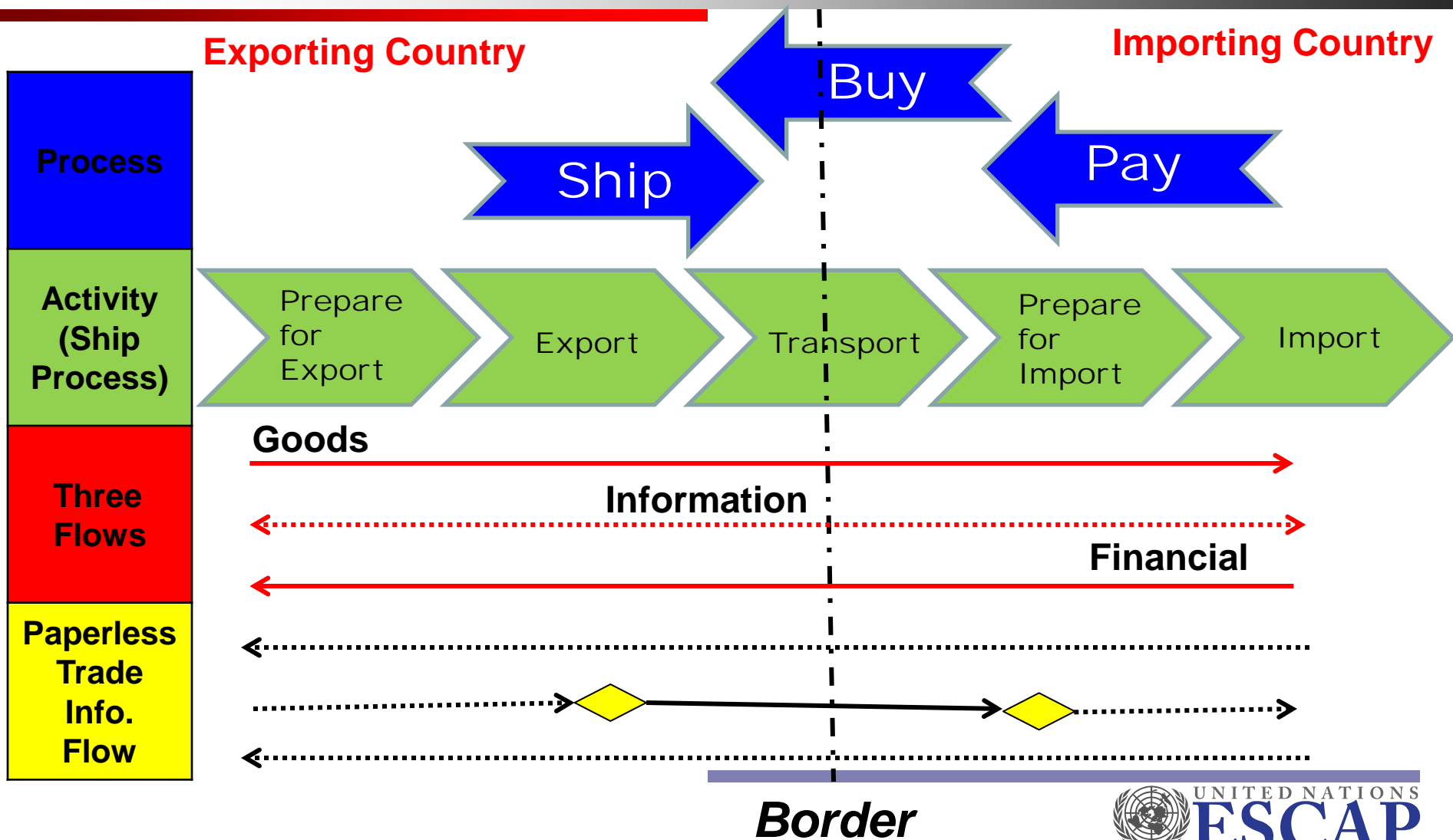
* APTFF 2013 Session 3 Background Paper

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





Enabling Cross Border Trade Data Exchange: Common Denominators

- ❖ Domestic legal framework compatible to international legal instruments
- ❖ Use of international standards for technical interoperability, including security measures
- ❖ Change Management
- ❖ Policy Facilitation Framework:
 - 1) Bi-lateral level, ex) MOA, FTA
 - 2) Sub-regional level, ex) ASEAN SW Agreement
 - 3) Regional level, ex) ESCAP Resolution 68/3
 - 4) Global level

Intergovernmental (Policy) 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 efficient with wide harmonization, but too ideal

ESCAP Resolution 68/3

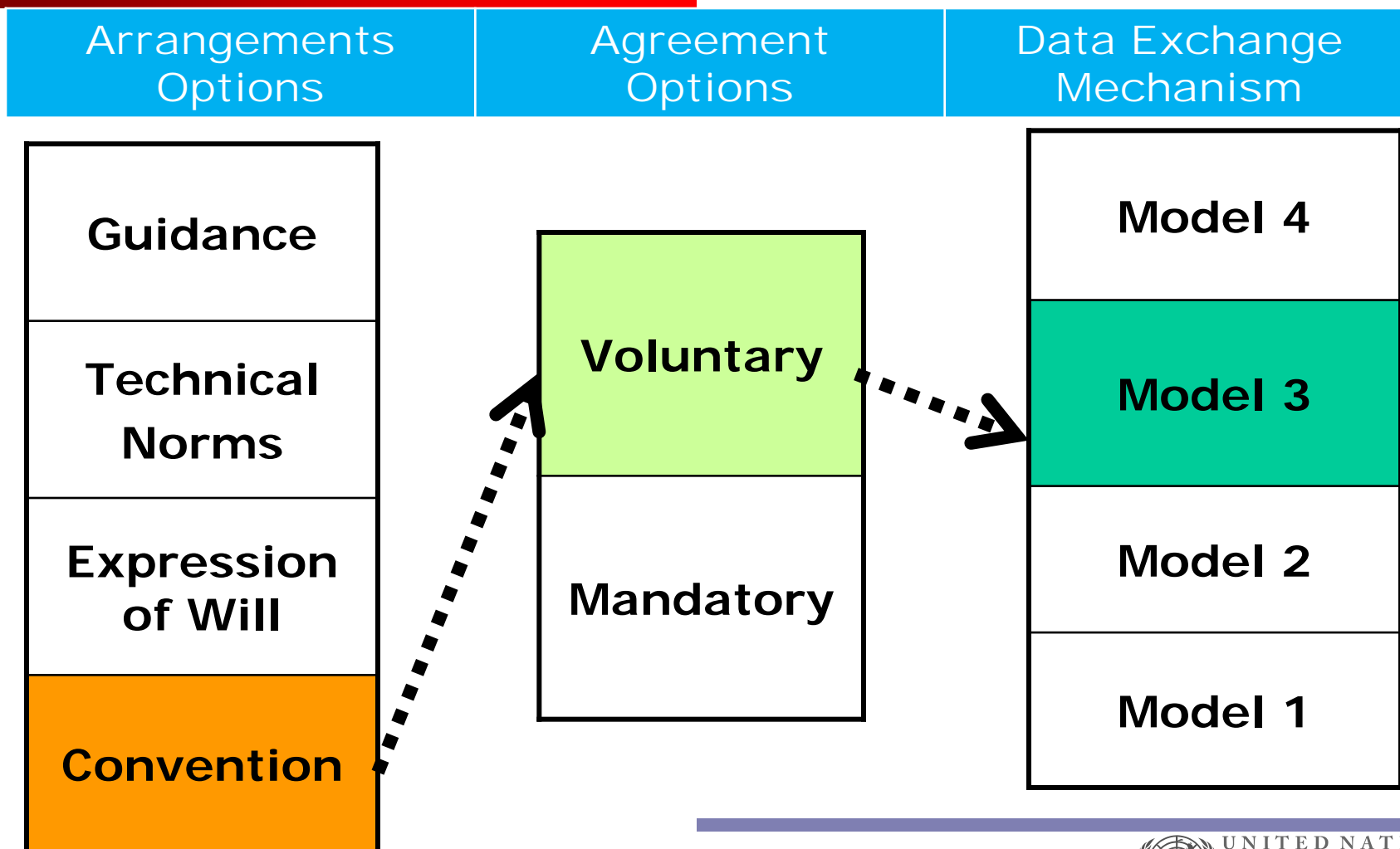
Enabling paperless trade and the cross-border recognition of electronic data and documents for inclusive and sustainable intraregional trade facilitation

- ❖ Adopted at the 68th 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



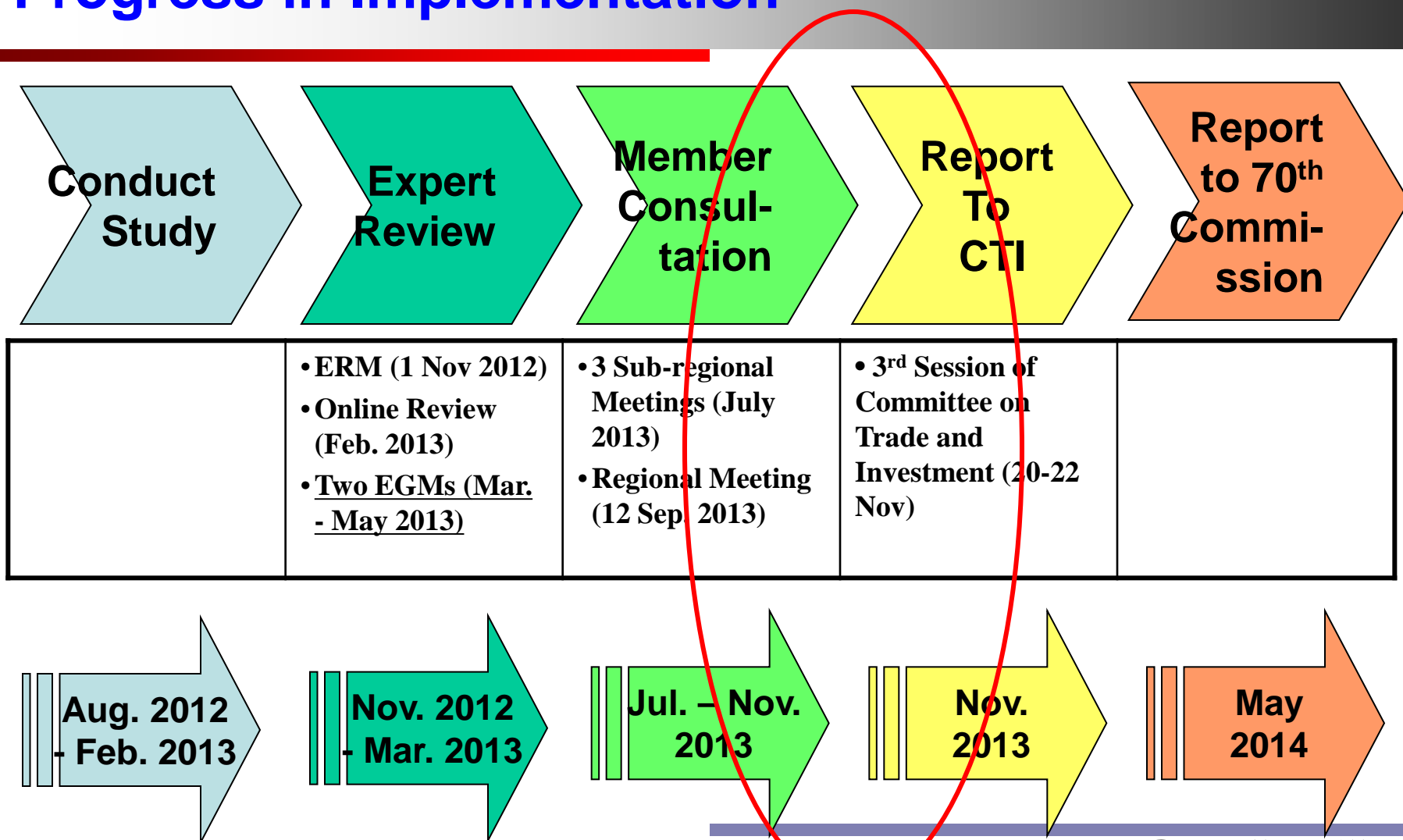
**Model 3: Flexible data exchange mechanism
With No Commitment on Single Window Implementation and Use**

4 Models of Data Exchange Mechanisms



Model 4	Paperless exchange of information and documents binding for all Contracting Parties; all regulatory information to be exchanged through National Single Windows
Model 3	Paperless exchange of information binding between all Contracting Parties; flexibility regarding type of data and document exchange and number of agencies involved in such exchange (only Customs or Customs and few identified agencies). Countries endeavour to develop National Single Window.
Model 2	Paperless exchange of information on voluntary basis, data and document exchange through Single Window involving all agencies and all data (Customs and other regulatory agencies); leave choice of partner countries
Model 1	Paperless exchange of information on voluntary basis, flexibility regarding type of data and document exchange (only Customs or Customs and few identified agencies), number of agencies involved and choice of partner countries

Progress in Implementation



* ERM: Expert Review Meeting

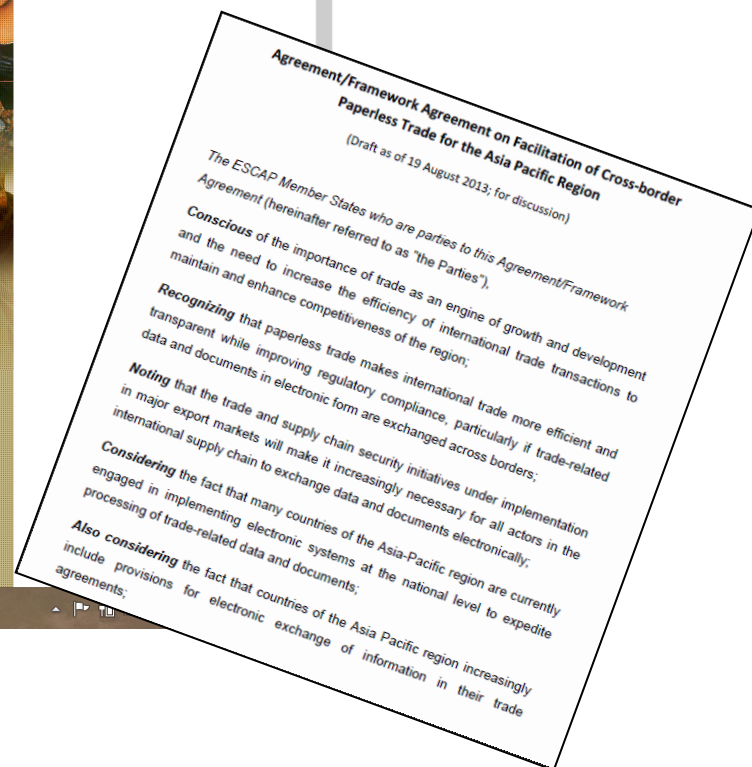
14 EGM: Expert Group Meeting

Implementation Website

The screenshot displays the UNESCAP website's Trade and Investment Division (TID) page. The header includes the UNESCAP logo and navigation links. The main content area is titled "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". A table outlines the implementation process:

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">Meeting Website (http://www.unescap.org/tid/projects/pta.asp)Summary of Expert Review Meeting
	Final Report of Study on Regional Arrangements for Facilitation of Cross-border Paperless Trade (28 Feb. 2013)
Expert Review	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">Meeting Website (http://www.unescap.org/tid/unnext/regconnect.asp)Summary of Expert Group Meeting
	2 nd 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">Meeting Website (http://www.unescap.org/tid/unnext/regconnect2.asp)Summary of 2nd Expert Group Meeting
	Outcome of EGMs <ul style="list-style-type: none">Draft Text of Regional Arrangement (14 June 2013)Explanatory Note to Draft Text of Regional Arrangement (14 June 2013)

The left sidebar contains links to "About us", "TID Homepage", "Contact us", "All TID publications", "Calendar of meetings", "Databases and Resources", "Our regional institutions", "CSAM (Beijing)", "APCTT (New Delhi)", "Committee on Trade and Investment", "Trade and Investment Week", "Implementation of ESCAP Resolution 68/3", "Regional Organizations Cooperation Mechanism for Trade Facilitation", "United Nations Inter-Agency Cluster on Trade and Productive Capacity", "Areas of focus", "Doha Development Agenda", and "Regional Trade".



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

Thought on Trade Facilitation



Thank you

www.unescap.org/tid

www.unescap.org/unnext