UN/CEFACT
International Trade Procedures PDA

New Delhi Forum
October 2014
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# New Delhi 2014 Forum Schedule for International Trade Procedures Domain (ITPD)

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<td>Single Window mini-</td>
<td>Forum meeting:</td>
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<td>• Multimodal Trade</td>
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ITP-PDA Forum Meetings

• Welcome Information
  – Prepared at the previous two Forums
  – Presentation of the material

• Perspective projects
  – Listed on the Welcome Information Pamphlet
  – Presentation of the different ideas and group discussion
ITP-PDA Forum Meetings

• Update on Current Projects
  – Consultation Approaches
  – Public-Private-Partnership in Trade Facilitation

• Perspective work items
  – Revision of Recommendation 4 on National Trade Facilitation Bodies
  – Multi-modal Trade Corridors joint project idea with the Transport & Logistics Domain
ITP-PDA Forum Meetings

Single Window Interoperability presentations

• UNECE Recommendations on Single Window
  – Ms. Princess Estelle Igwe, UN/CEFACT Vice Chair
  – Dr. Lance Thompson, UN/CEFACT Vice Chair

• Indian Port Community System & Interoperability
  – Mr. Rajeev Puri, Sr. Dy. Director, Indian Ports Association

• French Single Window & Interoperability in EU
  – Mr. Roger Veillard, Director in charge of National SW implementation

• Japan Single Window & Interoperability
  – Mr. Mitsuru Ishigaki, UN/CEFACT Rapporteur for Asia/Pacific Region

• UNECE Interorganizational Operating Systems
  – Mr. Tom Butterly, UNECE Secretariat
ITP-PDA Forum Meetings

• Promoting UN/CEFACT Deliverables
  – Project proposed in the Summer 2014
  – Way forward

• WTO Trade Facilitation Task Force Meeting
  – UN/CEFACT Deliverables which can help support implementation of the WTO TFA
  – Discussion of the evolutions since the April 2014 Forum meeting
• Presentation of International Trade Procedures Domain
• Consolidating the presentations which were used previously into a ‘pamphlet’ format
• Presented first in Cagliari Forum, Fall 2013
• Finalized at the Geneva Forum, Spring 2014
• Needs slight modifications resulting from new Bureau structure
Welcome to ITPD

• UN CEFACT International Trade Procedures Domain (ITPD) objectives include:
  • Identify, simplify, harmonize and align public and private sector practices, procedures and information flows in the international trade transaction
  • Through the following tools:
  • Maintain existing and develop new UNECE Recommendations
  • Promote the adoption and implementation of trade facilitation tools and techniques
  • The various projects that the ITPD experts are working on are detailed below.
What is Trade Facilitation? (1/3)

• The simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payment.

• The fundamental purpose of trade facilitation is to simplify the trading process whether domestic or international. To achieve this objective trade facilitation aims, among other things, at transparency on all rules concerning trade procedures in order to allow the trading community to prepare and comply. Trade facilitation measures can be broadly divided into three categories; simplification, harmonization and standardization.
What is Trade Facilitation? (2/3)

- Simplification is the process of streamlining trade procedures by removing redundant requirements and activities, and reducing the cost and burdens in administering the trade transaction.
- Harmonization is the process or rationalizing the information flows that accompany the movement of goods in the domestic marketplace, or in international transit especially at national borders.
- Standardization is the process of ensuring information requirements and individual data elements are unambiguous and uniform in both understanding and application. Many international organizations have developed standards concerning the description, definition, use and transfer of information related to international trade.
What is Trade Facilitation? (3/3)

- Trade facilitation begins with an analysis of the business process to establish the purpose, relevance and function of practices and procedures, and the information requirements needed to conduct the transaction. Once the review is completed redundant procedures can be removed and unnecessary data requirements eliminated; the remaining activities can then be rationalized and standardized.

- The review of the business process is a continuous, evolutionary methodology requiring commitment (particularly political will), appropriate resources (both human and financial) and positive action to monitor regularly the application of specific measures, and where necessary a willingness to adapt any measure with regards to experience gained.
Why is Trade Facilitation Important? Why bother? (1/2)

- A commonly cited statistic says that border crossings cost between 1 and 15 per cent of the value of the goods. The wide variation is due to the differences in value of the goods and the differences in processes at the borders. Another international study made by the OECD shows that every extra day needed to ready goods for export and import reduces trade by around 4 per cent.

- Also, the impact of an extra day that goods spend at the border has a greater negative impact on trade flows than an extra day spent at sea delivering a container of goods. The later has to do with predictability. You can foresee a delay at sea but a variation in time for border crossing has a negative impact on supply chains for just-in-time and demands higher (and more costly) storage.

- Studies also show that the number of signatures and documents needed for a trade transaction correlates with the number of days spent at the border (OECD).
Why is Trade Facilitation Important? Why bother?(2/2)

• The failure to adopt and implement trade facilitation has significant detrimental effect on the trade performance of a country, especially less developed nations and economies in transition. Among the disadvantages are:
  – Loss of influence in international standards organizations / bodies
  – Loss of market share
  – Increase of costs
  – Complicated and duplicated trade procedures
  – Difficulty to access new markets
  – Impedes wealth and employment creation especially for SMEs (costs will fall disproportionately on small-medium companies since larger companies can afford to invest...) and especially within LDC & transition economies
ITP-PDA Welcome Information

Trade Facilitation Implementation Guide (TFIG)

• The Guide was developed partly by experts of UN/CEFACT and ITPD. It is a very good tool, bringing together a large quantity of trade facilitation material around different themes and itineraries.

• If you are implementing trade-facilitation reform, whether you come from the public or private sector, the Guide will help you identify, examine and select available solutions and possible paths for your policy objectives.

• All experts participating within ITPD are encouraged to look through the website and navigate within this essential tool.

• [http://tfig.itcilo.org](http://tfig.itcilo.org)
ITP-PDA TFIG

• www.tfig.iticlo.org/index.html
ITP-PDA TFIG – Instruments

Trade Facilitation Instruments:

In their trade facilitation efforts, countries might use and refer to international instruments or best practices as guidance and source of inspiration. These instruments vary in legal nature and membership. For the purpose of this guide they are categorized into the following four categories:

- **Conventions**
  - Conventions with legal binding force.
  - See more...

- **Recommendations and Standards**
  - Recommendations and Standards with non-legal binding force.
  - See more...

- **Guidelines and guides**
  - Guidelines and guides provide information on technical matters.
  - See more...

- **Compilations, case studies, and best practices**
  - Case studies and best practices provide information of a particular matter in an applied context.
  - See more...

**Glossaries**

Experts and publications on trade facilitation often use terms and words that are specific for the Customs or transport world. Glossaries provide alphabetical lists of words as they related to trade facilitation. See more...

Based on the proposed hierarchy on TF Instruments discussed in the chapter "Reform Instruments, tools, and best practice approaches" of the World Bank Border Management Modernization publication.

Trade Facilitation Implementation Guide

UNECE
ITP-PDA TFIG – Rec. & Standards

Recommendations and Standards

Recommendations and standards are instruments with non-legal binding force. Recommendations and standards propose a given behavior and provide guidance on technical matter that would allow countries to attain the highest degree of harmonization and uniformity. Both instruments are developed in a transparent development process that is open to all countries and interested parties, such as trade associations.

- Arusha Declaration, 1993
- UNCITRAL Model Law on Electronic Commerce
- UNCITRAL Model Law on Electronic Signatures
- UNECE and UN/CEFACT Recommendations
- UN Core Component Library (CCL)
- UN Core Component Technical Specifications (CCTS)
- UN/CEFACT XML Naming and Design Rules (NDR)
- UN/CEFACT XML Messages
- UN Trade Data Element Directory (TDED)
- WCO Data Model
- WCO Framework of Standards to Secure and Facilitate Trade (SAFE)
ITP-PDA TFIG – Domain example

Shipping and Transport Domain

Shipping and Transport addresses trade facilitation issues about the organization and physical movement of goods and services. International conventions for the different modes of transport play an important role in international transport, as well as industry-specific trade facilitation measures, such as Dangerous Goods Regulations, which have to be taken into account when transporting goods.

Domain map:

- Shipping
- Transport
- Port management
- Security and transport
- Freight Forwarding
- Transit Transport Operation
- Port Control
- Security Measures
- Logistic Information Processes
- Int'l Transport Organisations
- Port Community Systems
- Tools
- Shipping Portals
- Modes of Transport
- Airport Community Systems
- Documentary Requirements
- Dangerous Goods
- Goods Specific Requirements
Establishing a Single Window itinerary:

An increasing number of countries have established or plan to establish a Single Window for Trade. A Single Window is a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements.

It facilitates the exchange of trade relevant information between government agencies and traders and between traders and other service providers from the private sector.

This itinerary will present the Single Window concept, its benefits, pre-conditions and success factors for the implementation and tools prepared by trade facilitation organizations.
Reducing delays at border crossing itinerary:

Overview  Int. transit  Coordinated Intervention  Joint Border Controls  Customs Risk Management  Pre-arrival Processing  Authorized Traders  De minimis  Payment

START. Click on the individual items of the graphic above to navigate the itinerary!

Long waiting times and queues of trucks are a common situation at many border crossings and stations. The time spent in such places can cause significant delays to the supply chain and may damage the goods. Delays at border crossings have many causes, such as physical infrastructure limitations, complex and fragmented procedures, and organizational matters. To minimize delays, countries must streamline their organizations, in particular by requiring border agencies to cooperate with each other.

This itinerary will demonstrate the crucial role of efficient border crossings in reducing delays and facilitating trade.
ITP-PDA – UNECE Recommendations

- Recommendation 1 - UN Layout Key for Trade Documents (ISO 6422)
- Recommendation 4 - National Trade Facilitation Bodies
- Recommendation 14 - Authentication of Trade Documents
- Recommendation 16 - UN/LOCODE: Code for Trade & Transport Locations
- Recommendation 18 - Facilitation Measures Related to International Trade Procedures
- Recommendation 25 - Use of UN/EDIFACT (ISO 9735)
- Recommendation 33 - Recommendation & Guidelines Establishing a Single Window
- Recommendation 35 - Legal Framework for Single Windows
- Revision of Rec.1 (UN-Layout Key)
- Revision of Rec.18 (Facilitation Measures)
- Revision of Rec.8 (UNIC)
- Revision of Code List Recommendations
- Dematerialization of Supporting Documents
- Trade Recovery / Relief
- Coordinated Border Management
- Trusted Trader in Other Government Agencies
- M-Business
- Cloud Computing
- RFID for Trade Facilitation
ITP-PDA Future activities (ideas)

Rec1 Revision - UN Layout Key

The introductory text for Recommendation 1 could benefit from an updating – however, it is not considered here to update the Layout Key itself which is well referenced in a lot of other work. Several UNECE code list recommendations could be reworked into a revision of Rec1 either by adapting their text to make them more aligned to Rec1 or including them directly in the recommendation (such as Rec6 Invoice Layout ... or Rec22 – Consignment Note), thus consolidating them into one recommendation. Review of supporting documents to Rec1 (addendum to Rec1 & the informative annex to Rec1).
Rec18 Revision – Facilitation

The Recommendation of Facilitation Measures Related to International Trade Procedures is based on the Buy – Ship – Pay model and for each level it formulates a certain number of recommended measures that are not already promoted elsewhere. A regular review of the measures is important to ensure their relevance.

The current project aims at verifying all the recommended measures and proposes any relevant modernizations. Furthermore, it will consider the fusion of the information contained in Rec13 (International Trade Procedures) as well as the content of Rec27 (Pre-shipment Inspection) into the revised document, thus further simplifying the suite of recommendations of UNECE.
ITP-PDA Future activities (ideas)

Rec8 Revision - UNIC / UCR

The Unique Identification Code Methodology is a unique referencing system for use between parties as a means of referring to a trade transaction and/or consignment. The objective is to reduce the number and different styles of references. Similarly, the World Customs Organization developed a Unique Consignment Reference (UCR). Such an identification system could be beneficial to trade facilitation in general; however, the recommendation has not been met by any widespread adoption.

This revision project would focus on identifying such TRADE driven solutions and with the WCO, study the possibility of modernizing the text if deemed necessary.
ITP-PDA Future activities (ideas)

**Code List Project**

Project to standardize the introduction to all Code List Recommendations which would explain the purpose of the Code Lists and recommend their adoption in trade transaction as a method of cutting costs and reducing administrative burdens.

Among the recommendations to update/revise:

- Rec7 Date - Time
- Rec9 Currencies
- Rec10 Ship IDs
- Rec16 UN LOCODE
- Rec17 Payment Terms
- Rec19 Modes of Transport
- Rec20 Units of Measure...
ITP-PDA Future activities (ideas)

**Dematerialization of Supporting Doc**

Official declarations (customs, agriculture, fiscal…) are almost always required to be accompanied by documents which support the information contained within the declaration. More and more, these official declarations can be submitted through by electronic means; however the supporting documents are not always dematerialized.

The main objective of this project would be to encourage the acceptance of supporting documents by electronic means. Further, the different methods of transmission may be identified as well as a reminder from the Revision of Recommendation 14 on authentication.
Certificates of Origin

Certificates of (non-preferential) origin are often requested upon importation. These are almost always established by a competent national authority and authenticated (manual signature or ink-stamp) and thus must be exchanged in paper format. Furthermore, there is no international agreement on non-preferential origin which allows countries to vary the information required. This project would study the possibilities of dematerializing the certificates of (non-preferential) origin (as an accompanying document, for example). Further it would identify and develop a minimum data set to satisfy the various requirements internationally.
Following significant disruptions in international trade, guidance could be useful to help reopen trade and border crossings especially in view of receiving aid.

Such guidance could have provided valuable information after calamities such as the earthquake in Haiti, Boxing Day tsunami, World Trade Center terrorist attack...
ITP-PDA Future activities (ideas)

Coordinated Border Management

When merchandise arrives at a border there is of course a customs control of the information and very often of the merchandise itself. However, customs is not the only agency at the border and there can be multiple agencies for a single movement of goods. Likewise, for every exportation, there is an importation. The concept of Coordinated Border Management (CBM) is to combine agency efforts at the border in order to reduce the number of controls and the trader wait time.

The World Customs Organization (WCO) has developed a Concept Paper and a Practical implementation guide. The current UN/CEFACT project would, in close collaboration with the WCO, study the key aspects of CBM and develop a short, clear recommended practice to encourage governments to implement such practices which would have a direct positive impact on trade facilitation.
ITP-PDA Future activities (ideas)

**Trusted Trader in OGA**

The customs trusted-trader program (often called AEO, Authorized Economic Operator) is a voluntary program in which companies prove their compliance to customs regulations and to security measures in exchange for facilitations. This proposed project would suggest that other government agencies (OGA) such as agriculture, health, transport, etc. should consider equivalent projects and foresee facilitations to traders who comply. Such programs do already exist in the air industry, for example. This project would try to identify these as well as identify other areas / agencies that might benefit from implementing similar systems.
m-Business

As we move from paper to information technologies for the exchange of information related to cross-border trade, we see emerging new methods of communication. Mobile devices are becoming integrated into our daily lives and they offer alternatives for trade as well. This is especially true in regions where internet connections may not be completely reliable, making regions that are often considered ‘developing’ as being more advanced in m-Business (business conducted on a mobile device).

This project aims at identifying best practices and outlines the main considerations to be considered when establishing m-Business solutions.
ITP-PDA Future activities (ideas)

Cloud Computing

As the exchange of information in cross-border trade tends to move towards electronic methods of communication, companies are faced with a number of preoccupations such as archiving and stocking data, necessary system availability to run applications, etc. With each of these preoccupations come infrastructure costs to have sufficient space on a hardware server with the necessary computing powers. Cloud computing is a method of sharing resources in order to reduce infrastructure costs. This project proposes to identify different methods of sharing these resources and the principle aspects which should be taken into consideration for their implementation.
ITP-PDA Future activities (ideas)

RFID for Trade Facilitation

RFID (Radio-Frequency Identification) is a technology that allows the transfer of data through a wireless connection. Such technology has many applications, notably in logistics. Some of the applications in cross-border logistics can include: container tracking, transfer of commercial and/or logistics data upon entry within a stock yard or warehouse, automatic transfer of declarative information (customs, security or other) upon import when going through a specific portal, etc.

The objective of this project is to study these different applications, identify best practices and future possible developments.
• Multimodal Trade Corridor Project
  – Joint project with multiple domains & organizations

• Revision of Recommendation 4 on National Trade Facilitation Bodies
  – Urgent in order to respond to the work of World Trade Organization – Trade Facilitation Agreement
ITP-PDA Future activities (developed)

Multimodal Corridors

This project entails two principle elements: multimodal transport and trade corridors. Most cross-border freight will be carried on more than one form of transportation (road and air, maritime and inland waterway, road and rail, etc.). This multi-modal aspect of trade can be a source of break in the flow of information (different types of data, different formats of messages, etc.). Trade corridors are a bundle of infrastructure between two or more centers of economic activity with a focus on improving performance and quality of service. This project proposes to study the basic aspects of multi-modal freight, concentrating on trade corridors.
ITP-PDA Future activities (developed)

Multimodal Corridors

• Mini-Conference on Multi-Modal Trade Corridors
  – Lance THOMPSON, ITPD – opening/welcome
  – Marco SORGETTI, FIATA
  – Martin MAGOLD, UNECE WP.24
  – Vladimir KRUCHKOV, ISO TC 204
  – Björn HASSELGREN, KTH
  – Rudolf BAUER, Paradigm
ITP-PDA Future activities (developed)

Multimodal Corridors

• Multiple aspects to consider in the establishment of Trade Corridors
• Concrete examples provided within the EU, South America, EEC and Africa
• Decision to pursue a recommendation project proposal as a joint project between:
  – Transport & Logistics Domain
  – International Trade Procedures Domain
  – UNECE Working Party 24
  – ISO Technical Committee 204