Trade Facilitation and Paperless Trade Measures for Agricultural Trade

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Agri-Food Supply Chains in Cross-Border Trade of Nuts and Dried Fruit
Tashkent, Uzbekistan

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Introduction

- UN ESCAP - Asia and the Pacific Regional Branch of the United Nations Secretariat
- 53 member countries covering Central, South, Southeast, East and South Pacific countries
- Mandate: Promote sustainable and inclusive socio-economic development in Asia and the Pacific through regional cooperation
- Areas covered: Trade, Investment and Innovation, Transport, Macroeconomic Policy, Environment, Emerging Social issues, Information and Communication Technologies...
  - Trade and Investment: (1) Trade Facilitation; (2) Trade Policy; (3) Investment and Enterprise Development; (4) Science, Technology and Innovation
ESCAP Trade Facilitation Programme

**Legislative**
- Enabling paperless trade (Res. 68/3)
- Regional Arrangement on cross-border paperless trade facilitation (Res. 70/6)

**Knowledge**
- ESCAP-WB Trade Cost Database
- Paperless Trade Guides & Impact analyses
- Global Trade Facilitation & Paperless Trade Implementation Survey
- Trade Process Analysis Database

**Capacity Building**
- Business Process Analysis
- Single Window & Paperless Trade Implementation
- Trade & Transport Facilitation Monitoring Mechanism
- Agricultural & SME trade facilitation
- (WTO TFA support)

*Regional Cooperation platforms and mechanisms:*
- ISG-CBPT: Intergovernmental Steering Group on Cross-Border Paperless Trade
- UNNExT: United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific
- ARTNeT: Asia-Pacific Research and Training Network on Trade
- APTFF: Asia-Pacific Trade Facilitation Forum
- ROC-TF: Regional Organizations Cooperation Mechanism for Trade Facilitation
Trade in Agricultural Products in Central Asia

Fig 1. Role of Agriculture in Central Asian Economies

Fig 2. Contribution of Trade into Supply of and Demand for Agricultural Products and Food in the Countries of Central Asia

Defining Agricultural Trade Facilitation

“Agricultural trade facilitation” can be defined as:

“the simplification and harmonization of procedures (activities, practices and formalities) involved in the import and export of agricultural and food products, including but not limited to collecting and processing data and documents required for the cross-border movement of these products.”
Agricultural Supply Chain
Importance of Trade Facilitation for Agriculture Sector

• In LDCs in Asia Pacific the agricultural sector account for 53 percent of total employment (ESCAP, 2014)
• Agriculture has traditionally been a key economic sector in Central Asia
• Agriculture supply chains are amongst the most complex
• TF in agrifood products is important and has an impact on:
  ▫ Food security and food safety
  ▫ Employment
  ▫ Economic Development
• Addressing the inefficiency and bottlenecks in agricultural supply chains can bring about inclusive growth and sustainable development
Objectives of Agricultural Trade Facilitation

- Reducing time and costs associated with trading of agricultural and food products.
- Ensuring compliance with relevant laws and regulations.
- Meeting the growing information needs of buyers.
- Gaining and maintaining access to markets

All procedures involved in agricultural trade may be considered, including:

- Commercial procedures:
  - signing contract between buyer and seller;
  - complying with private standards;
- Transport and logistics procedures
  - shipping and storing goods;
- Regulatory procedures:
  - obtaining an import license, SPS certificates, quarantine certificates;
- Financial procedures:
  - obtaining credit guarantee, making international payment.
Challenges of traditional paper-based processes

- Large volumes of data to submitted and processed
- Manual intervention in the review, processing and approval
- Efficiency: Data re-entry required to generate reports
- Transparency
  - Retrieval
  - Limited data analysis and aggregation capabilities
  - Security
    - Higher risk of forgery and manipulation
    - Higher risk of import control failures
e-SPS certification

Definition:
A secure exchange of SPS/ e-Cert Messages from Issuing Authority (Export) to Quarantine Authority/ National Plant Protection Organization - NPPO (Import)

e-SPS certificates/ e-Cert refers to an electronic certification system using Extensible Markup Language (XML) to transmit data of agricultural products.

Objectives:
• Ensure compliance to health, sanitary requirements of exporting and importing country
• Facilitate quarantine compliance and control fraud
• Trade facilitation, cross border efficiencies with advanced information, reusable data
e-SPS Workflow

Source: Francis Lopez, UNNExT Expert
Why e-SPS certificates?

Key benefits include:

For private sector:
- Speed up border clearance
- Reduce transaction costs
- Reduce administrative burden

For government:
- Increased efficiency in processing SPS certificates
  - Real time verification and cross-checking of certificates
  - Pre-arrival validation and processing of certificates
  - Reduced requirements for data re-entry – reusable data
- Contributes to risk based inspection
- Contributes to food security
- Reduces the opportunities for fraud
Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

A new UN Treaty
- Open to interested (53) ESCAP member states (voluntary) to become parties
- Opening for signature set to 1 October 2016 at UN Headquarters, New York

Objective
- To facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions

Complementary to the WTO Trade Facilitation Agreement as well as (sub)regional efforts

4 year step-by-step development process (ESCAP resolutions 68/3, 70/6, 72/4)
- Over 30 countries directly involved in finalizing the treaty text in March 2016

Regionality
- Regional Study
- Expert Review & Member Consultations
- Negotiation & Finalization
- Adoption by the Commission

Timeline:
- 2012
- 2013
- 2013 - 2016
- 19 May 2016
Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific

Key features:

• **Enabling framework:** The focus is on promotion and facilitation of cross-border paperless trade (i.e., exchange of electronic trade data between the Parties not mandatory)

• **A set of general principles:** To facilitate interoperability between paperless trade systems and to ensure that solutions developed under the Agreement lead both to higher levels of trade facilitation and regulatory compliance

• **UN treaty with a multi-layered institutional arrangement** and ESCAP as Secretariat: Provides a strong dedicated platform for collaboration

• **A comprehensive action plan:** To develop standardized solutions and protocols for cross-border electronic exchange and recognition of trade-related data and documents, including pilot projects

• **Capacity building provision** to support developing countries from gaining benefits from being party to the agreement

[The Framework Agreement enters into force after 5 ESCAP Member States ratify]

See: http://communities.unescap.org/cross-border-paperless-trade-facilitation
Thank you.

For more information see:

http://www.unescap.org/our-work/trade-investment/trade-facilitation

http://unnextr.unescap.org/

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“community of knowledge and practice to facilitate the implementation of single window and paperless trade in the region”

- Tools and guides development activities
- Advocacy and Technical Training Workshops
- Knowledge sharing and peer-to-peer support

- Secretariat provided by ESCAP, in collaboration with UNECE

- Link: unnext.unescap.org
UNNExT Tools, Guidelines and Studies

UNNExT Single Window Implementation Toolkit available here: http://unnext.unescap.org/tools/default.asp

New: UNNExT Training Guide on paperless transit and UNNExT Guide on Trade Facilitation for SMEs


Resources

E-Learning Series on Business Process Analysis for Trade Facilitation
The ESCAP course consists of seven modules and introduces a step-by-step approach to conducting BPA. It is aimed at government officials and other stakeholders responsible for trade facilitation.
http://www.unescap.org/our-work/trade-investment/trade-facilitation/bpa-course

Video Case Studies on Trade Facilitation for Perishable Goods.
including studies from Thailand, Japan and Thailand. Available here:

UNNExT Briefs:
Streamlining and Automating Procedures in Agricultural Trade: A Case Study of the Philippines, UNNExT Brief No. 18
The State of Paperless Trade in Asia-Pacific 2015, UNNExT Brief No. 17
Electronic Traceability of Aquaculture Products: the Case of TraceVerified in Viet Nam, UNNExT Brief No. 16
Electronic Traceability of Agriculture Products in India: the Case of GrapeNet, UNNExT Brief No. 15
China E-Port Towards a Single Window Trading Environment, UNNExT Brief No. 14
ASEAN Single Window: A Regional Single Window for ASEAN Connectivity, UNNExT Brief No. 13
Available here: http://unnext.unescap.org/pub/brief.asp