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  Cross-border Paperless Trade Facilitation

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**Preparation of a draft road map for the implementation
of substantive provisions in the draft text of the regional
arrangement**

Preparation of a draft road map for the implementation of substantive provisions in the draft text of the regional arrangement for the facilitation of cross-border paperless trade

Note by the secretariat

Summary

The present report has been prepared by the secretariat to help the Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation review progress made in preparing a draft road map for the implementation of substantive provisions in the draft text of the regional arrangement for the facilitation of cross-border paperless trade and discuss next steps in continuing the preparation.

I. Approaches taken in preparing a draft road map for the implementation of substantive provisions in the draft text of the regional arrangement for the facilitation of cross-border paperless trade

1.   The Legal and Technical Working Groups, in particular the Technical Working Group, have been preparing a draft road map for the implementation of substantive provisions in the draft text of the regional arrangement for the facilitation of cross-border paperless trade since their operation began in September 2015, while the Legal Working Group has concentrated on improving the draft text of the regional arrangement.

2.   In preparing the draft road map, the Technical Working Group noted that article 13 of the current version of the draft text of the regional arrangement for the facilitation of cross-border paperless trade (E/ESCAP/PTA/IISG(2)/2) requested the Standing Committee to develop a comprehensive action plan, which should include all concrete actions and measures with clear targets and implementation timelines necessary for creating a consistent, transparent and predictable environment for the implementation of the [Framework] Agreement including the implementation schedules of the respective parties. The

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[*]   E/ESCAP/PTA/IISG(2)/L.1.

Working Group also noted that the draft road map and associated deliverables were documents aimed at supporting the development of a comprehensive action plan and would remain drafts until after the regional arrangement came into force, at which point parties to the arrangement (namely, Members that had signed and ratified it) would meet and finalize them as they saw fit. Guides, templates, terms of reference and other supporting documents developed by the Working Group as part of the preparation of the draft road map may serve as reference material for all interested stakeholders.

3.   The Technical Working Group started by reviewing the substantive provisions in the current draft text to derive actions implied by them. The derived actions are listed below.

Provisions	Actions specified
Article 6: national policy framework, enabling domestic legal environment and paperless trade committee	Establish a national policy framework and create an enabling domestic legal environment for paperless trade
Article 7: facilitation of cross-border paperless trade and development of single windows	Develop or upgrade paperless trade systems, including single window systems, in a manner consistent with the general principles
Article 8: cross-border mutual recognition of trade-related data and documents in electronic form	Agree on mutual recognition of trade-related data and documents in electronic form originating from other parties on the basis of a substantially equivalent level of reliability
Article 9: international standards for exchange of trade-related data and documents in electronic form	Apply international standards and guidelines in order to ensure regional and global interoperability in paperless trade
Article 10: relation with other legal instruments enabling cross-border paperless trade	Take into account and adopt available and accepted international legal instruments
Article 11: legal liability framework	Establish an adequate legal and regulatory framework to address specific liability and enforcement issues
Article 12: institutional arrangements	Establish and operationalize bodies to oversee and support implementation of the regional arrangement
Article 14: pilot projects and sharing of lessons learned	Initiate and launch pilot projects
Article 15: capacity-building	Cooperate in providing technical support and assistance

II.   Key features

4.   The Technical Working Group organized the draft road map according to the structure of the current draft text of the regional arrangement and included the following information for each substantive provision:

(a)   Objectives and actions, as specified in the relevant articles;

(b)   Tasks and subtasks, oriented toward achieving each action;

(c)   Target outcome for each action;

(d)   Roles/responsibilities of the parties and the secretariat:

    (i)   Collective: tasks to be performed jointly by all the parties together with the support of the secretariat;

    (ii)   Individual: tasks to be implemented by each party;

(e)   Relative priority: high, medium and low.

5.   The Technical Working Group tentatively identified the priority of tasks with collective responsibility. The following table shows the draft road map with the featured information.

Article Number	Actions	Tasks/Subtasks	Outcome	Role/ Responsibility	Priority
Article 6	**Objective** To promote paperless trade at the national level by requesting the parties to establish a national policy framework and create an enabling legal environment				
	Establish a national policy framework for paperless trade	Develop a template for designing a good national policy framework	A template to be used or referenced by the parties	Collective	High
		Develop and implement a national policy framework for paperless trade	A national policy framework for paperless trade of each party	Individual	
	Create an enabling domestic legal environment for paperless trade	Identify and select relevant international legal frameworks and best practices	List of relevant international legal frameworks and best practices	Collective	Low
		Align the domestic legal framework with selected international legal frameworks and best practices	Aligned domestic legal framework of each party	Individual	
Article 7	**Objective** To facilitate cross-border paperless trade through use or development of paperless trade systems, including single window systems				
	Develop or upgrade paperless trade systems, including single window systems, consistently with the general principles of the regional arrangement	Prepare a guide on how to develop or upgrade paperless trade systems consistently with the general principles	A guide	Collective	Medium
		Develop a guide to help facilitate concurrent implementation of national and cross-border paperless trade systems	A guide	Collective	Medium
		Develop or upgrade paperless trade systems consistently with the general principles	Parties' paperless trade systems developed or upgraded consistently with the general principles	Individual	

Article Number	Actions	Tasks/Subtasks	Outcome	Role/ Responsibility	Priority
Article 8	**Objective** To enable exchange of trade-related data in electronic form across borders by establishing a mutual recognition scheme				
	Develop and agree on a mutual recognition scheme for exchange of trade-related data in electronic form	Define the criteria for satisfying the requirements to offer a substantially equivalent level of reliability	Defined criteria	Collective	High
		Develop a model memorandum of understanding and service-level agreement to be used by parties at the bilateral and multilateral levels	Model memorandum of understanding and service-level agreement	Collective	Low
		Apply the defined criteria for mutual recognition	Application of the defined criteria by the parties	Individual	
Article 9	**Objective** To promote the use of international standards and guidelines to ensure interoperability in paperless trade				
	Select and use relevant international standards and guidelines	Prepare an international standards implementation strategy, including selection of relevant international standards and guidelines to be used and the development of safe and secure communication protocols	An international standards implementation strategy	Collective	Medium
		Participate in the development of relevant international standards and best practices	Participation of the parties in the relevant international standards bodies	Collective and individual	
		Apply selected international standards and guidelines	Application of selected international standards and guidelines by the parties	Individual	

Article Number	Actions	Tasks/Subtasks	Outcome	Role/ Responsibility	Priority
	Objective				
	To make the regional arrangement consistent and compatible with regional and international legal instruments				
Article 10	Take into account and adopt available and accepted international legal instruments	Develop a guide on how to engage in a cross-border exchange of trade-related data and documents in electronic form consistent with regional and international laws and regulations and best practices	A guide	Collective	Medium
		Review and decide on relevant provisions of international law, regional and international regulations, and best practices	List of relevant provisions of international law, regional and international regulations, and best practices	Collective	Medium
		Apply selected legal instruments or relevant provisions within the legal instruments	Application of selected legal instruments or relevant provisions within the legal instruments by the parties	Individual	
	Objective				
	To promote the establishment of an adequate legal and regulatory framework to address specific liability and enforcement issues that may arise in relation to the cross-border exchange of trade-related data and documents in electronic form				
Article 11	Establish an adequate legal and regulatory framework to address specific liability and enforcement issues	Prepare a guide on how to establish an adequate legal liability framework	A guide	Collective	Medium
		Establish a legal liability framework	Legal liability framework established by the parties	Individual	
	Objective				
	To specify roles and responsibilities of the proposed institutional bodies pertaining to the operationalization of the regional arrangement				
Article 12	Establish and operationalize bodies to oversee and support the implementation of the regional arrangement	Prepare terms of reference for the Paperless Trade Council	Terms of reference	Collective	Medium
		Prepare terms of reference for the Standing Committee	Terms of reference	Collective	Medium
		Prepare terms of reference for working groups and the secretariat	Terms of reference	Collective	Medium

Article Number	Actions	Tasks/Subtasks	Outcome	Role/ Responsibility	Priority
Article 13	**Objective** To develop a comprehensive action plan, which sets out all concrete actions and measures with clear targets and implementation timelines				
	Develop a comprehensive action plan	Prepare a legal readiness checklist	Legal readiness checklist	Collective	High
		Conduct a legal readiness assessment using the legal readiness checklist	Legal readiness checklist completed by each party	Individual	
		Prepare a technical gap checklist	Technical gap checklist	Collective	High
		Conduct a technical gap assessment using the technical gap checklist	Technical gap checklist completed by each party	Individual	
		Prepare templates for collective and individual action plans	Templates for collective and individual action plans	Collective	Low
		Prepare a collective action plan	Collective action plan	Collective	
		Prepare an individual action plan	Individual action plan of each party	Individual	
Article 14	**Objective** To promote and facilitate cross-border paperless trade through implementation of pilot projects on cross-border trade data exchange and sharing of lessons learned from the implementation of pilot projects				
	Initiate and launch pilot projects	Prepare a cross-border paperless trade reference map on which potential cross-border paperless trade processes, documents and data are indicated and specified	Cross-border paperless trade reference map	Collective	High
		Prioritize cross-border paperless trade processes, documents and data for pilot projects	List of prioritized cross-border paperless trade processes, documents and data for pilot projects	Collective	High
		Prepare a guide on different implementation options/mechanisms for paperless trade systems in an interoperable manner	A guide	Collective	Medium

Article Number	Actions	Tasks/Subtasks	Outcome	Role/ Responsibility	Priority
		Prepare model memorandums of understanding/ agreements for arranging bilateral/ multilateral exchanges of cross-border data	Model memorandums of understanding/ agreements	Collective	Medium
		Prepare a plan for developing technical and legal guides to be used for pilot projects	Plan for developing technical and legal guides	Collective	Medium
		Prepare a strategy and guidance on how to transition pilot projects into live projects	Strategy and guidance on how to transition pilot projects into live projects	Collective	Medium
		Plan and implement pilot projects	Pilot projects implemented	Collective and individual	
		Prepare a template for reporting the progress of pilot projects to the Standing Committee	Template for reporting the progress of pilot projects	Collective	High
		Report the progress of pilot projects to the Standing Committee	Progress report on pilot projects	Individual	
		Develop a registry for pilot projects	Registry for pilot projects	Collective	Medium
		Prepare and update a database for collection of best practices, experiences and lessons learned	Database for collection of best practices, experiences and lessons learned	Collective	Medium
	Objective To cooperate among the parties in extending technical support and assistance for facilitating transition to cross-border paperless trade				
Article 15	Cooperate in providing technical support and assistance	Define different options and mechanisms for capacity-building, including a customization strategy for national, subregional and regional levels	Defined options and mechanisms for capacity-building	Collective	High
		Prepare a guide on how to make a request for technical support and assistance and how to provide technical support and assistance	A guide	Collective	High
		Prepare a plan for engaging development partners in capacity-building activities	Plan for engaging development partners	Collective	High

III.   List of supporting documents and status of development

6.   The Technical Working Group then identified the documents necessary for implementing the tasks specified in the draft road map with collective responsibility. A list of the supporting documents identified and their status of development as of January 2016 is shown in the following table.

Tasks	Development status	Relevant articles
Template for designing a good national policy framework	The Technical Working Group is in the process of collecting examples and designing an initial template.	Article 6
List of relevant international legal frameworks and best practices	Work to be initiated by the Legal Working Group.	Article 6
A technical guide on: (1) How to develop or upgrade paperless trade systems consistently with the general principles (2) Facilitating concurrent implementation of national and cross-border paperless trade systems (3) Different implementation options/mechanisms for paperless trade systems in an interoperable manner	A background study has been completed. The Technical Working Group is in the process of developing the guide.	Articles 7 and 14
Criteria for satisfying the requirements to offer a substantially equivalent level of reliability	Development is pending; awaiting consensus on the provisions of article 8. The Technical Working Group has started developing requirements for mutual recognition, while awaiting consensus on the provisions of article 8.	Article 8
Model memorandum of understanding and service-level agreement for mutual recognition of exchange of trade-related data in electronic form	Development is pending; awaiting consensus on the provisions of article 8.	Article 8
International standards implementation strategy	An initial draft has been prepared. The Technical Working Group is in the process of improving the initial draft.	Article 9
Guide on how to engage in a cross-border exchange of trade-related data and documents in electronic form consistent with regional and international laws and regulations and best practices	Work to be initiated by the Legal Working Group.	Article 10
List of relevant provisions of international law, regional and international regulations, and best practices	Work to be initiated by the Legal Working Group.	Article 10
Guide on how to establish an adequate legal liability framework	Work to be initiated by the Legal Working Group.	Article 11

Tasks	Development status	Relevant articles
Legal readiness checklist	The Legal Working Group conducted a preliminary legal gap analysis among interested members based on an existing checklist featured in the UNNExT[a] *Electronic Single Window Legal Issues: A Capacity-Building Guide*.[b] Work to be continued by the Legal Working Group.	Article 13
Cross-border paperless trade reference map and list of prioritized cross-border paperless trade processes, documents and data for pilot projects	An initial draft has been prepared. The Technical Working Group is in the process of improving the initial draft.	Article 14
Introduction of a framework for a mutual recognition programme for identifying economic operators, beyond authorized economic operators	Pending. The Technical Working Group has yet to develop a concept note before including it as a new task.	Article 14
Plan for developing technical and legal guides to be used for pilot projects	Work to be initiated by the Technical Working Group.	Article 14
Strategy and guidance on how to transition pilot projects into live projects	Work to be initiated by the Technical Working Group.	Article 14
Template for reporting the progress of pilot projects, registry for pilot projects, database for collection of best practices, experiences and lessons learned (including criteria for self-assessment)	The Technical Working Group is in the process of collecting examples for benchmarking.	Article 14
Model memorandums of understanding/ agreements for arranging bilateral/multilateral exchanges of cross-border data	Work to be initiated by the Legal Working Group.	Article 14
Capacity-building support document on: (1) Options and mechanisms for capacity-building, including a customization strategy for national, subregional and regional levels (2) Guide on how to make a request for technical support and assistance and how to provide technical support and assistance (3) Plan for engaging development partners	Work to be initiated by the Technical Working Group.	Article 15

[a] United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (http://unnext.unescap.org/).

[b] www.unescap.org/resources/electronic-single-window-legal-issues-capacity-building-guide.

IV.   Consideration by the Steering Group

7.   The Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation may consider undertaking the following:

(a)   Review the progress made so far, including the work done by the 3rd meeting of the Legal and Technical Working Groups from 21 to 23 March 2016;

(b)   Discuss next steps for making further progress, including defining timelines and priorities for tasks with collective responsibility;

(c)   Identify additional sources of funds and other resources for the preparation of the draft road map and related supporting documents for cross-border paperless trade facilitation. Noting with appreciation the trust fund established by the Republic of Korea in 2013 to support trade facilitation, including implementation of Commission resolution 68/3 and the work of the Steering Group under Commission resolution 70/6, the Steering Group may call upon other members also to consider contributing financially or in kind to this effort, to build capacity and facilitate the engagement of less developed countries.

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