Economic and Social Council

Economic and Social Commission for Asia and the Pacific

6th meeting of the Interim Intergovernmental Steering Group
 on Cross-border Paperless Trade Facilitation

Bangkok, 25 and 26 January 2021
Item 3 of the provisional agenda*
**Report on progress made in the implementation of the
Framework Agreement on Facilitation of Cross-border
Paperless Trade in Asia and the Pacific**

Report on progress made in the implementation of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

Note by the secretariat

Summary

The present document is a report on progress made in the implementation of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific. The secretariat has continued to provide capacity-building and technical assistance support to member States that are interested in becoming parties to the Framework Agreement. The Philippines acceded to the Agreement in December 2019, becoming the first party to the Agreement among Association of Southeast Asian Nations member States and the second among Economic and Social Commission for Asia and the Pacific member States, following the accession of Azerbaijan in 2018. In May 2020, the Islamic Republic of Iran ratified the Agreement, and Bangladesh ratified it in October 2020. China has also completed its domestic ratification process. The Agreement is expected to enter into force in early 2021. Other member States are still in the process of completing their domestic procedures for becoming parties to the Agreement.

The Steering Group may wish to discuss any follow-up actions that may be taken to facilitate the participation of interested member States in the Framework Agreement.

I. Progress made

1. Since the 5th meeting of the Interim Intergovernmental Steering Group on Cross-border Paperless Trade Facilitation, held in March 2019, the secretariat has been providing support to Economic and Social Commission for Asia and the Pacific (ESCAP) member States that are interested in becoming parties to the Framework Agreement on Facilitation of Cross-border Paperless

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* ESCAP/PTA/IISG/2021/L.1.

Trade in Asia and the Pacific, including through advocacy, technical assistance and capacity-building support.

2.   The secretariat supported Armenia, Bangladesh, Cambodia, Mongolia, Myanmar, Nepal, Timor-Leste and Uzbekistan in carrying out readiness assessments for cross-border paperless trade and organizing national consultations on facilitating cross-border paperless trade in the context of implementing the projects funded by the Government of China and the Enhanced Integrated Framework. These efforts included completing the legal and technical readiness assessment checklists developed by the Steering Group and its Legal and Technical Working Groups and developing draft action plans during national consultations. All of the action plans include the recommendation that the countries accede to the Framework Agreement as soon as possible, as doing so will support their further progress in the area of cross-border paperless trade.[1] Building on lessons learned during the assessments conducted in 2019, the secretariat and the United Nations Commission on International Trade Law have initiated a joint effort to develop an online support platform to facilitate self-assessments.[2] The secretariat also supported Uzbekistan by organizing a webinar on implementation of paperless trade in the context of its customs administration on 20 October 2020, which helped officials of the State Customs Committee to better understand the topic.

3.   The secretariat has launched the Accession/Ratification Accelerator Programme for the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific.[3] The Programme provides the developing member States with technical assistance and advisory services in the following areas: (a) translation of the treaty text and other related support materials into their domestic languages, (b) provision of a national expert, (c) tailor-made notes and/or briefs on the benefits and implications of becoming a party to the Framework Agreement, and (d) the organization of national inter-agency consultations. Mongolia and Tajikistan have received support from the Programme on their domestic procedures for accession to the Agreement.

4.   The secretariat facilitated the participation of more than 300 officials and other stakeholders from interested countries in several capacity-building events and workshops, including the following: (a) the Forum on Trade Digitalization for Sustainable Regional Integration, held in Bangkok on 14 and 15 March 2019; (b) a regional trade facilitation workshop on the theme "Promoting inclusive trade through innovation and technology: the roles of e-commerce, trade finance and national single window environments", held in Yerevan from 11 to 13 June 2019; (c) the Asia-Pacific Trade Facilitation Forum 2019, held in New Delhi on 17 and 18 September 2019; (d) a capacity-building workshop on cross-border paperless trade facilitation and other side events of the Asia-Pacific Trade Facilitation Forum 2019, held in New Delhi on 19 September 2019; (e) the ESCAP Asia-Pacific Research and Training Network on Trade and International Institute for Trade and Development workshop on trade facilitation for sustainable development, held in Bangkok from 23 to 26 September 2019; (f) the virtual consultative workshop on the electronic permit information exchange for parties from the Economic Commission for Europe and ESCAP regions to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, held

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[1]   Several readiness assessment reports are available at
www.unescap.org/resources/readiness-assessments-cross-border-paperless-trade.

[2]   https://readiness.digitalizetrade.org.

[3]   See www.unescap.org/announcement/accessionratification-accelerator-programme-
framework-agreement-facilitation-cross.

online on 8 and 9 April 2020; and (g) an online course on trade facilitation for sustainable development held by the Asia-Pacific Research and Training Network on Trade and the International Institute for Trade and Development from 3 August to 18 September 2020.

5. The secretariat increased its capacity-building support for the developing countries that had already signed the Framework Agreement. For example, the secretariat supported the participation of two officials from Armenia, three from Bangladesh, three from Cambodia and one from the Islamic Republic of Iran in the Asia-Pacific Trade Facilitation Forum 2019 and the capacity-building workshop held as a side event.

6. As part of its advocacy work on trade facilitation and cross-border paperless trade, the secretariat gave presentations on the Framework Agreement at several relevant global, regional and subregional events, including the following: (a) a technical cooperation seminar on implementing specific provisions of the World Trade Organization Agreement on Trade Facilitation, held in Nur-Sultan from 20 to 22 May 2019; (b) the 76th meeting of the Information Management Sub-Committee of the World Customs Organization, held in Brussels on 24 May 2019; (c) a side event on the theme "Driving trade competitiveness and economic diversification and inclusion of landlocked developing countries in global trade through trade facilitation", held in Geneva on 4 July 2019 during the Global Review on Aid for Trade; (d) the 2019 United Nations Special Programme for the Economies of Central Asia Economic Forum, held in Ashgabat from 20 and 21 November 2019; (e) the Universal Postal Union Global Conference on Cross-border Cooperation in an E-commerce World, held in Xiamen, China, from 26 to 28 November 2019; and (f) the 16th meeting of the Association of Southeast Asian Nations (ASEAN) Trade Facilitation Joint Consultative Committee, held in Hanoi on 10 January 2020.

7. The secretariat developed additional video materials on the Framework Agreement. In addition to the introductory video presented at the most recent Steering Group meeting, a more detailed video has been made available in which the text of the Agreement is introduced and the implications of key provisions, as well as how to accede to the treaty, are discussed.[4] The videos are also available with subtitles in several languages, including Russian, Khmer and Nepali.[5]

8. The secretariat supported the implementation of the Framework Agreement and the promotion of cross-border paperless trade through the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific.[6] Regional experts were invited to physical and virtual meetings of the Legal and Technical Working Groups of the Steering Group on the development of supporting documents for the draft road map for the implementation of the substantive provisions of the Agreement. With the support of the Network, the secretariat developed and published the *Guide to Implementation of Electronic Messages for Cross-border Paperless Trade*,[7] which could serve as a useful technical reference for parties to the Agreement in launching pilot initiatives to implement cross-border electronic data

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[4] Available at www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific.

[5] Available at www.youtube.com/watch?v=OKMMugp2jvA&feature=youtu.be and www.youtube.com/watch?v=ucnd_OdGQHM&feature=youtu.be.

[6] See https://unnext.unescap.org/unnext.

[7] ST/ESCAP/2870.

exchange among themselves. The secretariat also continued developing a cross-border paperless trade database.[8]

9. The secretariat continued supporting the Task Force on Cross-border Electronic Data Exchange for North-East Asia, established as part of the above-mentioned Network with the aim of improving the readiness to exchange trade-related data electronically across borders for better regulatory compliance and improved trade facilitation in the subregion. The Task Force, composed of government officials from China, Mongolia, the Republic of Korea and the Russian Federation, has worked on the harmonization of trade processes and on designing feasible options for cross-border electronic data exchange through proof of concept. It concluded a successful pilot data-exchange initiative between Mongolia and the Republic of Korea and shared lessons learned in the process at the Forum on Trade Digitalization for Sustainable Regional Integration. Since the 5th meeting of the Steering Group, the Task Force has held four physical meetings and four virtual meetings. The Task Force has been a joint endeavour by the secretariat and the World Customs Organization since its relaunch in August 2020. The joint Task Force held three online meetings between its relaunch and October 2020. In addition, the secretariat, in cooperation with the Economic Commission for Europe, established the Task Force on Electronic Convention on International Trade in Endangered Species Permit Exchange to support the establishment and use of electronic exchange permits of the Convention on International Trade in Endangered Species of Wild Fauna and Flora among relevant stakeholders.

10. The secretariat continued to conduct research and analysis related to the Framework Agreement. To help countries to benchmark their trade facilitation and paperless trade efforts, the secretariat, in cooperation with other regional commissions, conducted the United Nations Global Survey on Digital and Sustainable Trade Facilitation in 2019. The survey includes both paperless trade and cross-border paperless trade measures and covers 46 ESCAP member States. An online platform has been launched to visualize the results and progress made by the countries since 2015.[9] The summarized results of the survey are presented in document ESCAP/PTA/IISG/2021/1. The Global Survey data also provided the basis for a report jointly issued with the Asian Development Bank (ADB), which provides country-level estimates of the trade cost savings that would be associated with the implementation of the Framework Agreement.[10]

11. In collaboration with the World Trade Organization and other organizations from civil society, academia and the private sector, the secretariat initiated the Policy Hackathon on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements as part of the United Nations Initiative on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements.[11] The Online Repository of Contributions to the Policy Hackathon on Model Provisions for Trade in Times of Crisis and Pandemic features many contributions related to paperless trade facilitation. In addition, a webinar series was held to discuss and build upon the top contributions received.

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[8] https://www.digitalizetrade.org.

[9] Platform, data and reports are available at http://untfsurvey.org.

[10] ESCAP and ADB, *Asia-Pacific Trade Facilitation Report 2019: Bridging Trade Finance Gaps through Technology—September 2019*, (Manila, ADB, 2019).

[11] See www.unescap.org/resources/initiative-model-provisions-trade-times-crisis-and-pandemic-regional-and-other-trade.

12.   The Philippines acceded to the Framework Agreement in December 2019, becoming the first ASEAN member State to become party to the Agreement and the second ESCAP member State to do so, following the accession of Azerbaijan in March 2018. Of the five member States that signed the Agreement in 2017, namely Armenia, Bangladesh, Cambodia, China and the Islamic Republic of Iran, two ratified the Agreement in 2020: the Islamic Republic of Iran in May and Bangladesh in October. China has also completed its domestic ratification process. Other member States are in the process of completing their domestic procedures for becoming parties to the Agreement through accession. The Agreement is expected to enter into force in early 2021.[12]

13.   Several member States provided funding to the secretariat to support the facilitation of cross-border paperless trade and the implementation of the Framework Agreement. The Government of the Republic of Korea renewed its support in 2019 for a dedicated ESCAP trust fund, increasing its contributions for the period 2019–2021. The Government of the Russian Federation funded a capacity-building project on pilot testing cross-border paperless data exchange in North-East Asia. The Government of China funded a project on conducting legal and technical readiness assessments on cross-border paperless trade in selected countries along the corridors of the Belt and Road Initiative, namely Armenia, Mongolia, Myanmar and Uzbekistan. It further funded a follow-up phase II project, which will be focused on developing national policy frameworks for cross-border paperless trade and conducting a feasibility and scoping study on the electronic exchange of trade-related data and documents among Bangladesh, China, the Lao People's Democratic Republic, Myanmar, Thailand and other relevant South Asian economies between 2020 and 2021. The Enhanced Integrated Framework also provided funding for a project on conducting legal and technical readiness assessments on cross-border paperless trade in selected least developed countries, namely Bangladesh, Cambodia, Nepal and Timor-Leste.

II.   Issues for consideration by the Steering Group

14.   The Steering Group may wish to consider the following recommendations:

        (a)   To note the progress made since its 5th meeting and encourage its members to proactively support their Governments in becoming parties to the Framework Agreement as soon as possible;

        (b)   To express its appreciation for the trust fund and projects on the facilitation of cross-border paperless trade supported by the Governments of China, the Republic of Korea and the Russian Federation, and call upon other member States to consider making their own financial or in-kind contributions to the implementation of the Agreement;

        (c)   To discuss ways to accelerate and promote accession to and ratification of the Agreement by as many countries as possible, so as to maximize its benefits and impact.

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[12]   See www.unescap.org/resources/framework-agreement-facilitation-cross-border-paperless-trade-asia-and-pacific.